



2024 Annual Report

Our Mission: To enrich the lives of our member-owners, one relationship at a time.



EXTRAORDINARY LEADERS / SAN DIEGO



Building San Diego

With personalized services that help relieve personal finance stress, Cabrillo Credit Union enriches the lives of its member-owners, one relationship at a time.

Building community is more than a mission statement for credit unions—it's in their DNA.

"Credit unions were born out of necessity during the Great Depression when banks turned their backs on individual customers," says Kevin Posey, CEO of Cabrillo Credit Union. "People pooled their money together to help their community. We've never lost sight of that purpose."

As a not-for-profit credit union based in San Diego since 1955, Cabrillo Credit Union doesn't need to consider making shareholders or ownership groups happy. Instead, its focus is entirely on building local communities by supporting each member-owner through good times and bad.

"Personal finance can be one of the most stressful parts of someone's life," says Posey.

"We put ourselves in our members' shoes and get to know them, so we can understand how to make their lives easier."

The Personalized Touch

More than customers, Cabrillo Credit Union members are considered family, so the team at each location serves them through personalized services and products.

"We utilize advanced technology that allows us to understand our members' data and use that information to better serve them," says Jeremy Preimesberger, vice president of marketing. "It's good not only for locals to know about Cabrillo Credit Union but also for government agencies as well. We offer a unique portfolio of financial products unavailable anywhere else."

In addition to technology, the team is trained in financial education. If someone has



fallen on hard times and doesn't understand how credit scores or other banking basics work, they can call or visit a branch location to find solutions.

"One-on-one conversations offer the most effective learning," says Posey. "There's lots of information online, but there's always a risk of misinformation or overwhelming oneself. Here, it's easy to walk in and engage with a 20-year veteran branch manager; we can be a personal resource to solve the problem."

Catalyst for Good

Originally chartered as Border Federal Credit Union to serve U.S. Border Patrol and health-care providers such as Sharp HealthCare, Cabrillo Credit Union has expanded its services to positively impact the community at large through partnerships with nonprofits and other organizations.

"Our relationships with organizations throughout San Diego are important to our mission," says Posey. "We've remained focused on the groups that have been at the core of Cabrillo Credit Union for decades but found that we can also play a pivotal role for other groups that are doing tremendous work."

Whether through annual fundraisers for Rady Children's Hospital or supporting at-risk youth through after-school programs such as Community Youth Athletic Center, Cabrillo Credit Union is invested in making a positive impact with the help of its members.

"By banking with Cabrillo Credit Union, members become catalysts and conduits to do good in the community, which member-owners may not have the time, capacity, or money for," says Posey. "We merge community care and financial expertise to support every member's financial journey while strengthening our communities."



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SUPERVISORY COMMITTEE REPORT



The Supervisory Committee serves as an independent body of volunteer members entrusted with safeguarding the financial integrity of Cabrillo Credit Union. Our primary responsibilities include oversight of financial reporting, regulatory compliance and internal control systems.

To fulfill these responsibilities, the committee oversees both internal and external audit processes. For the annual independent audit of Cabrillo's financial statements, we engaged Turner, Warren, Hwang & Conrad AC (TWHC), a respected CPA firm that adheres to Generally Accepted Accounting Principles (GAAP) as issued in the United States. TWHC issued an unmodified opinion - affirming that our financial statements present fairly, in all material respects, the financial position of Cabrillo Credit Union.

In addition to the external audit, we partnered with several internal audit providers throughout the year to review operational areas, assess regulatory compliance and verify the soundness of internal controls. We continue to work closely with management to promptly address any findings and

ensure continued improvement in risk management practices.

Cabrillo Credit Union ended fiscal year 2024 in a strong financial position. As of December 31, our net worth ratio stood at 10.41%, and we reported net income exceeding \$4.9 million. This performance included the positive financial impact of the successful sale of our Carroll Canyon facility. Our return on assets reached 1.25%, reflecting disciplined financial stewardship and efficient operations.

These results affirm that Cabrillo remains well-capitalized and operationally sound, positioning us to continue delivering safe, reliable financial services to our members.

On behalf of the Supervisory Committee, thank you for your continued trust and the opportunity to serve.

Respectfully Submitted,
Michael Baranic
Chair, Supervisory Committee

CHAIRPERSON AND CEO REPORT

Dear Cabrillo Credit Union Members,

We are pleased to present the 2024 Chairman and CEO Report, reflecting on a year of meaningful progress, continued financial strength and strategic growth. The successes we share in this report are the result of the dedication and hard work of our outstanding team, and the ongoing support and trust of our valued members.

Financial Strength and Resilience

Cabrillo's financial position remained strong in 2024. Our net worth ratio rose to 10.41% - well above the 7% threshold defined by the National Credit Union Administration as well-capitalized. Our delinquency rate remains low at 0.38%, a testament to our responsible lending practices and the financial health of our membership. Despite the continued high-rate environment, total loans grew by 4.99%, demonstrating the ongoing trust our members place in Cabrillo to support their financial goals.

Supporting Members Through Life's Challenges

Our C.A.R.E. Program continues to offer peace of mind in times of uncertainty. In 2024, the program was expanded to include natural disaster relief, allowing us to better support members when they need us most. A notable spike in CARE program participation occurred in September, during the uncertainty surrounding a potential government shutdown. Our team worked swiftly to process applications and ensure our members' financial stability.

Major 2024 Milestones & Innovations

- **Visa Brand Conversion Completed** - One of our most ambitious projects - our conversion from Mastercard® to Visa® - is now complete. Over 30,000 debit and credit cards were reissued, providing members with enhanced features including contactless "tap-to-pay" technology, greater global acceptance, improved security and fraud prevention, and a brand-new cash-back rewards program. These changes have not only brought added value to our members but also introduced operational efficiencies and improved service delivery.
- **North County Credit Union Merger Preparation** - While the official merger with North County Credit Union took place in February 2025, the foundation was laid in 2024. Both institutions shared a strong cultural and strategic alignment, which made the planning process seamless and collaborative. We are thrilled to welcome North County's employees and members to the Cabrillo family. The merger has created a larger, stronger organization that is even better positioned to serve all members with expanded resources and deeper expertise.
- **Strum Marketing Platform Rolled Out** - We completed the rollout of the Strum marketing platform, a data-driven tool that enables us to communicate more effectively with our members. By analyzing member needs, Strum helps us tailor deposit and loan campaigns with precision. The results have been impressive - campaign response rates have exceeded

expectations, and we're seeing stronger engagement across the board.

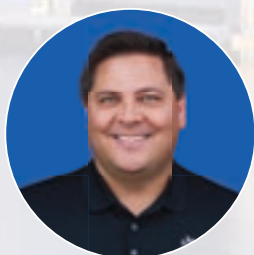
A Look Ahead

We remain focused on delivering personalized, secure and accessible financial solutions. Whether it's through enhanced digital services, strengthened community partnerships or increased investment in member-facing technologies, our commitment is unwavering. We also continue to closely monitor Net Promoter Score feedback to identify ways we can improve, train and grow as a member-first organization.

In Closing

Thank you for your continued support and trust in Cabrillo Credit Union. As we reflect on a successful 2024 and look toward the future, we do so with pride and optimism. Your partnership is what inspires our work, and we are honored to serve you.

Warmest regards,
Randi Larsson, Chairperson
Kevin Posey, President & CEO



BOARD OF DIRECTORS & SUPERVISORY COMMITTEE

Randi Larsson
CHAIR

G. Frank Miranda
VICE CHAIR

Kristopher Whitworth
TREASURER

Dave C. Rodriguez
SECRETARY

Richard Amezcua
DIRECTOR

Marcella Serrano-Gomez
DIRECTOR

Manuel Bayon
DIRECTOR

Kevin Posey
PRESIDENT & CEO

Michael Baranic
SUPERVISORY COMMITTEE CHAIR

Tina Paisley
SUPERVISORY COMMITTEE

Joel Lara
SUPERVISORY COMMITTEE



FINANCIAL REPORT

Figures in thousands ('000)

December 2023

December 2024

INCOME AND EXPENSE

Total Loan Interest Income	\$12,560	\$14,614
Total Cash Deposit Income	\$353	\$1,032
Total Investment Income	\$2,477	\$2,488
TOTAL INTEREST INCOME	\$15,391	\$18,135
Dividends	\$1,557	\$3,173
Total Borrowings	\$763	\$577
Cost of Funds	\$2,320	\$3,751
NEW INTEREST INCOME	\$13,070	\$14,384
Total Fee Income	\$1,733	\$1,937
Miscellaneous Income	\$2,692	\$7,279
TOTAL OTHER OPERATING INCOME	\$4,425	\$9,216
Total Compensation	\$6,102	\$6,614
Total Employee Benefits	\$1,174	\$1,315
Total Travel, Conferences & Associations	\$379	\$450
Association Dues	\$57	\$46
Total Office Occupancy	\$903	\$955
Total Office Operations	\$774	\$820
Total Share Draft Expense	\$86	\$62
Total ATM FSCC	\$1,344	\$1,588
Total IT	\$1,721	\$1,942
Branch Business Development	\$19	\$53
Loan Servicing	\$727	\$798
Outside Service	\$1,027	\$1,473
Miscellaneous	\$95	\$200
TOTAL OPERATING EXPENSE	\$15,018	\$16,828
Non-Operating Loss/(Gain)	\$73	\$463
TOTAL EXPENSE/LOSS	\$15,091	\$17,291
Provision for Loan Loss	\$900	\$1,317
NET INCOME	\$1,503	\$4,992

ASSETS

Net Loans	\$229,167	\$240,239
Total Cash	\$13,538	\$43,411
Prepaid Expenses	\$861	\$998
Accrued Income	\$1,189	\$1,204
Investments	\$126,810	\$101,499
Other Assets	\$26,173	\$15,859
TOTAL ASSETS	\$397,739	\$403,211

LIABILITIES & EQUITY

Non-Interest Liability	\$7,119	\$6,514
Deposits	\$345,898	\$361,419
Total Borrowings	\$17,000	\$16
Equity	\$27,722	\$35,262
TOTAL LIABILITIES AND EQUITY	\$397,739	\$403,211

IN THE COMMUNITY

Sharp Employee Appreciation Day at Sharp Spectrum

Cabrillo Credit Union proudly hosted a Sharp Employee Appreciation event at the Spectrum office. This special day was an opportunity to express our gratitude to our valued members and partners, strengthening the bonds that make Sharp and Cabrillo a great team.



Sharp Women's Health Conference

We were honored to sponsor and support Sharp's Annual Women's Health Conference. Cabrillo's CEO, Kevin Posey, took the stage to share valuable insights on building financial wealth, inspiring attendees to take charge of their financial futures.



BP Appreciation Featuring 100th Anniversary Coin

To celebrate the Border Patrol's 100 years of service, Cabrillo Credit Union partnered in creating a commemorative coin marking this historic milestone. Our team also visited each Border Patrol station to personally recognize and honor the dedication of these remarkable men and women.



Partner Summit in Honor of Fallen Agent

This year's Partner Summit carried special significance as it paid tribute to Courtney "Cookie" Henry, a beloved Cabrillo member and fallen Border Patrol agent. Through the Summit and golf event, our community came together to honor her legacy and celebrate a life of service and commitment.



Rady Children's Hospital Fundraiser

Our caring members, passionate staff and generous partners came together to raise an impressive \$28,292 during the annual Credit Unions for Kids fundraiser. Cabrillo also participated in the iHeart Rady Giveathon, answering calls and collecting donations to support Rady Children's Hospital and its life-changing work.

American Heart Association Walk

Marking the American Heart Association's 100th year, Cabrillo Credit Union exceeded our \$25,000 donation goal at the Heart Walk. This achievement was made possible by the inspiring support of our community, dedicated staff and committed sponsors. Together, we made a meaningful impact in the fight against heart disease.





BRANCH LOCATIONS

La Mesa

5454 Grossmont Center Drive
Suite C
La Mesa, CA 91942-0655
Mon. - Fri., 9 am - 5 pm

Scripps Ranch

10075 Carroll Canyon Road
Suite 120
San Diego, CA 92131-1107
Mon. - Fri., 9 am - 5 pm

Chula Vista (Terra Nova)

358 East H Street
Suite #603
Chula Vista, CA 91910-7565
Mon. - Fri., 9 am - 5 pm

Downtown (Federal Building)

880 Front Street
Suite #2295
San Diego, CA 92101-8897
Mon. - Fri., 8:30 am - 4 pm

Rancho Bernardo

17045 Via Del Campo
San Diego, CA 92127
Mon. - Fri., 9 am - 5 pm

ENRICHING THE LIVES OF
OUR MEMBER-OWNERS, ONE
RELATIONSHIP AT A TIME.



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