

Progress with **Purpose**

Annual Report 2024





2024 brought into focus the importance of resilient commitment to our on-going upgrades, for the benefit of our members. With the goal of having **the most satisfied members and the most technologically advanced credit union**, we proceeded methodically and purposefully. It's precisely in challenging times that we choose to advance so we can welcome future opportunities. Our commitment to offering excellent financial products within easy and secure reach of our members in the Bay Area, Austin, the Boise market, or anywhere in the world, remained undaunted.

We are proud of what we accomplished in 2024 for our members while also continuing to serve as the financial institution you turn to for great rates and excellent service.



Todd Harris
President and CEO
Mical Atz Brenzel
Chairman of the Board

A Message from Our CEO and Chairman of the Board

A Challenging Year

2024 was one of the most challenging years in recent memory, comparable to the turbulence of the real estate bubble years. The year brought significant hurdles, including the lingering effects of two major bank failures in our market, persistently high interest rates, and economic uncertainty.

Despite these challenges, we remained laser-focused in our commitment to serving and supporting our members.

Our exceptionally strong capital position allowed us to navigate the year with resilience, ensuring we could continue providing some of the best deposit rates and lowest fees in our markets. Importantly, we remained net income positive for the year.

Rather than maximizing profits, we prioritized returning value to our members and focused on strengthening members' financial security.

We successfully completed all planned projects for the year, with nearly every initiative delivered on time and within budget — an extraordinary achievement given the uncertain economic environment and challenges facing financial service providers.

These accomplishments reflect our unwavering dedication to delivering value, stability, and convenience to our members, over the long term, regardless of market conditions.

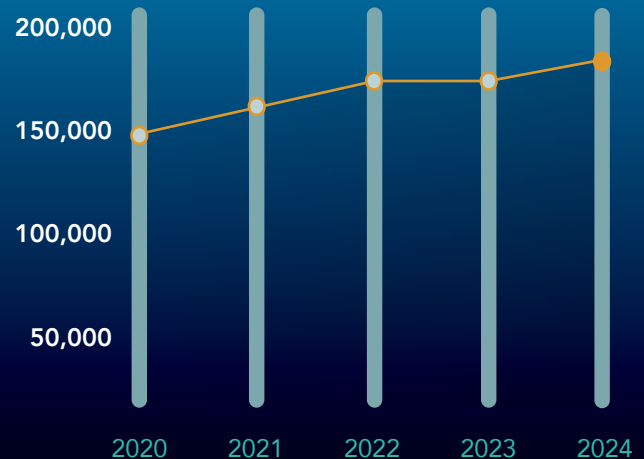
Strategic Success

While 2024 was a challenging year, it was also a year of remarkable strategic success. We successfully migrated our core system to the cloud, enhancing data security, redundancy, and efficiency.

In February 2025, we completed our digital banking transformation, delivering a modern, intuitive experience for our personal banking members. Key upgrades include Zelle integration for seamless funds transfers, faster mobile check deposits, enhanced bill pay, comprehensive alerts, and the convenience of managing all your accounts under a single username — all within a unified online and mobile banking system.

We upgraded our credit administration systems, including our Loan Origination System (LOS), which manages loan applications and approvals, and our Point of Sale (POS) platform, which facilitates payment processing and transactions, improving both the member experience and our internal operational efficiency.

Membership



Please note: Due to periodic closure of inactive memberships, the total membership reported here may differ from the NCUA 5300 Call Report.

We increased our efforts in Southern California and entered new tech-centric regions, reinforcing our commitment to serving members wherever they live and work.

Our launch in Austin, Texas, at the start of 2024, marked a key milestone as our first physical branch outside California.

Building on the success of our Virtual Branch in Idaho, we will open a physical branch there in 2025. These new markets help diversify our revenue streams, credit risk, and funding sources.

2024 Statistics

In 2024, membership grew by nearly 5.0%, with **assets just under \$4.8 billion**. We continued to improve our customer service, earning 279 five-star Yelp reviews in 2024 and bringing our total to **2,313 five-star reviews** to date since 2017. We also:

- Originated **\$165.9 million in real estate loan transactions**, helping 685 members purchase homes or finance home improvements.
- Originated commercial real estate, construction, Small Business Administration, and commercial and industrial loans totaling **\$51.7 million**.
- Expanded our commercial banking capabilities by providing merchant payment services to our commercial members through a partnership with Elavon, a global leader in payment processing solutions.
- Originated asset-based lending commitments of **\$25.1 million** through our wholly-owned subsidiary, Tech Capital, LLC.

- Facilitated **1,434 appointments** through our Virtual Branch, enabling us to service over **\$9.2 million in loans** and acquire more than **\$11 million in deposits**.
- We experienced **net deposit growth of \$203 million** more than the previous year.

What's Next

As we enter 2025, Tech CU is well-positioned to build on our successes, navigate challenges, and continue enhancing the financial services we provide to our members. Our recent expansions and ongoing technology investments reflect our commitment to serving members anytime, anywhere.

2025 also marks our 65th anniversary, a milestone we will celebrate with special product promotions and member giveaways throughout the year. We remain focused on strategic initiatives to drive deposit growth and loan expansion, ensuring long-term financial sustainability. As part of this effort, we are strengthening our role as a leading FinTech partner, expanding key partnerships across multiple product areas.

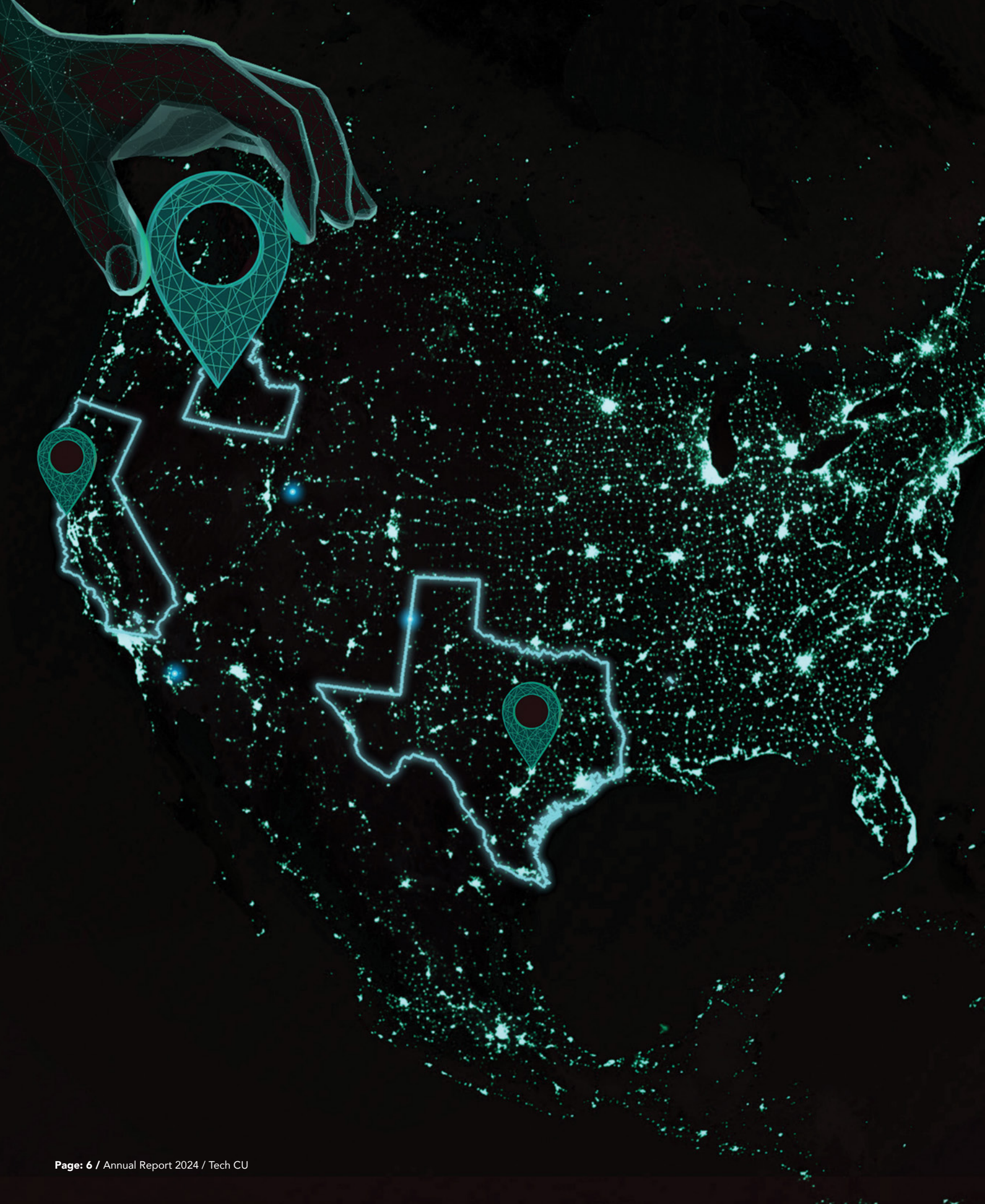
Beyond financial services, we are committed to investing in our people and the communities we serve, fostering growth, and strengthening our impact.

Through it all, our goal remains the same: to provide exceptional service, competitive deposit rates, and high-value products that empower our members to achieve their financial goals.



“I’ve been a loyal Tech CU member, both personal and business, for more than 35 years. My experience with Tech CU has been nothing short of amazing! I especially love that Tech CU doesn’t feel like a commercial bank - their products and services are far superior in both cost and accessibility.”

– Robert Bagheri, Chief Executive Officer & Founder, Sakuú



Entering New Tech-Centric Regions to Serve Our Members and the Greater Tech Community!



We're dedicated to offering our members many diverse and secure options for doing their banking, including our enhanced Online and Mobile Banking platform, Tech CU's Virtual Branch, our highly responsive Member Contact Center, and physical branches located where members live and work like the Bay Area, Austin, and the Boise market.

Thank You

None of these achievements would have been possible without the dedication and hard work of our staff, management, Board of Directors, and Supervisory Committee.

Most importantly, we are deeply grateful to you, our members.

Your loyalty, trust, and support drive us to improve every day. Thank you for choosing Tech CU as your trusted financial partner. We look forward to serving you in the years to come.

Progress In Numbers

Mission

WOW members and empower their financial success

Core Values

- Accelerate: We view challenges as opportunities
- Collaborate: We communicate and work together
- Innovate: We foster creative thinking
- Cultivate: We recognize potential



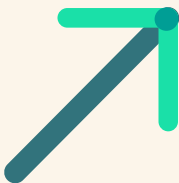
\$71.1

Million in Auto Loans

1,884

Auto Loan Originations

88% increase
in Auto Loan
Originations



\$4.77

Billion
in Assets



Deposit Growth

5.5%

\$118.6MM

in HELOCs



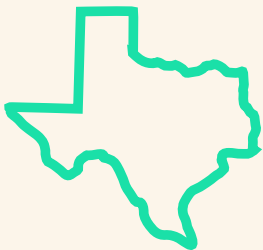
Originated

\$47.4

Million in Home Loans

\$17.4

Billion in Deposit Transactions



\$1.44MM

in Deposits from our
new market, Texas

Originated

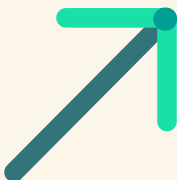
619

HELOCs

Originated

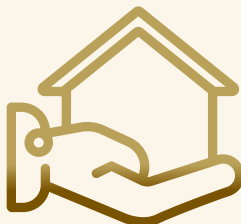
\$9.2MM

in Asset-Based Lending through Tech Capital



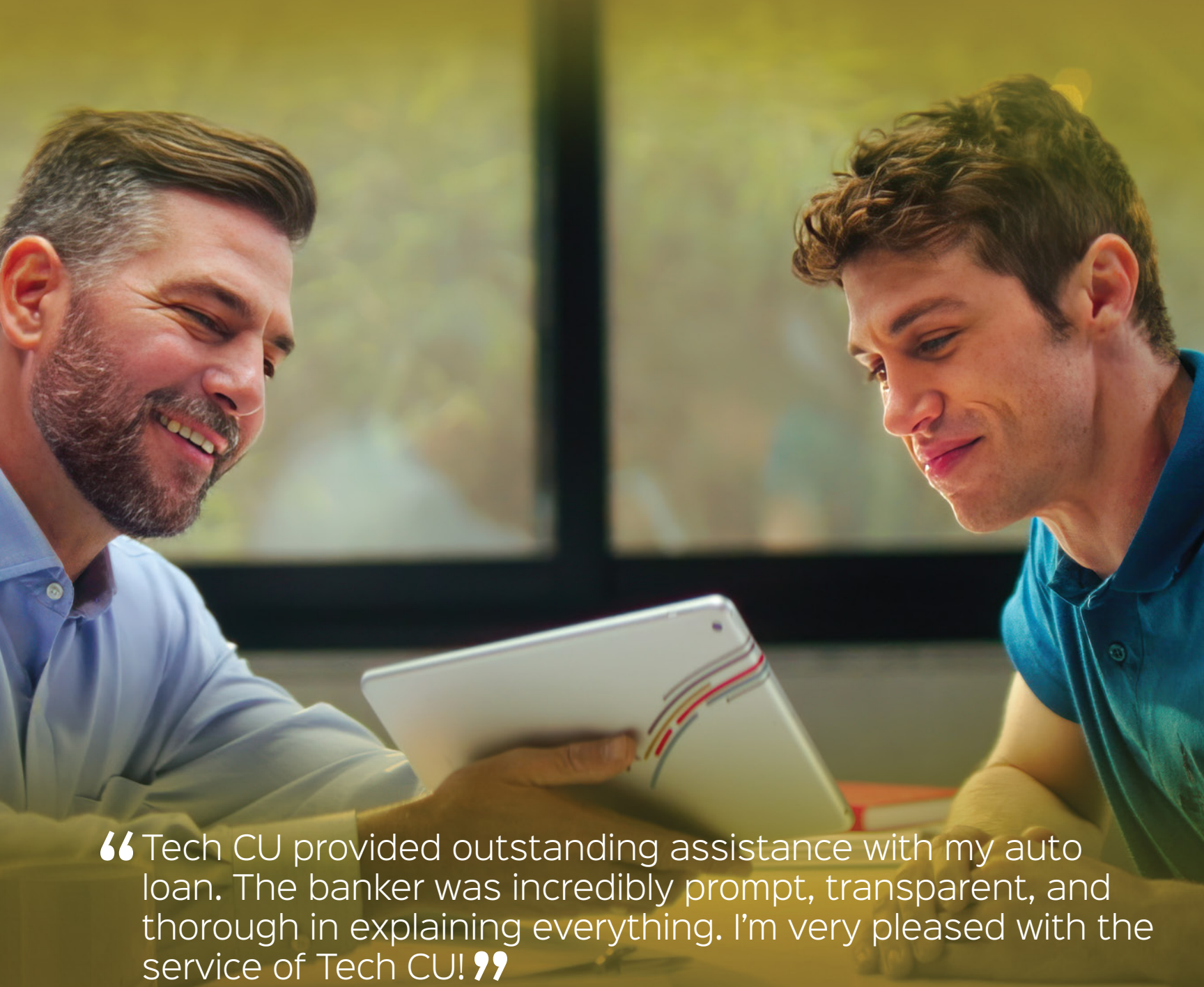
7.6%
Growth

in Tech Investment
Management AUM*



1,099
Home-Related
Loans

*Assets Under Management



“Tech CU provided outstanding assistance with my auto loan. The banker was incredibly prompt, transparent, and thorough in explaining everything. I’m very pleased with the service of Tech CU!”

– David K., Yelp

Call Center:

The average answer time for inbound calls was
28 seconds.

 **90%** of inbound calls were answered in less than 60 seconds.

Member Services:

2,313
5-Star Yelp Reviews


1,434
Total Virtual Branch Appointments

9,700
Sessions through our New Chatbot

93 Virtual Branch Appointments in Texas



“The personal experience is what I like about Tech CU... Also, the rates are always impressive!”

– Deepak D., Member Survey



Richard Hanz
Chief Financial Officer

A Message from our Chief Financial Officer

The past year tested our resilience in new ways. While no single crisis defined 2024, the economic landscape remained unpredictable, shaped by the headwinds of two major bank failures in our market in 2023, persistent high interest rates, shifting market conditions including contracting market liquidity, and ongoing financial pressures on consumers and businesses alike. Despite these challenges, our financial foundation allowed us to navigate the periods of pressure, and our strategic approach enabled us to finish the year on solid financial footing.

We also **chose to make strategic decisions to prioritize member value over short-term gains** by offering some of the most competitive deposit rates in our market. This approach reflects our long-term commitment to value-add member-focused service, even in the face of uncertainty.

Key financial metrics for 2024:

- Assets decreased 1.2%, and **we ended 2024 with assets just under \$4.8 billion.**
- **Net income for the year was \$875,000 (vs. \$16.5 million in 2023).**
- We achieved a 0.02% return on assets.
- Gross revenue increased year-over-year \$4.5 million, or 2.04%.
- Continued higher interest rates after a prolonged low-rate environment, combined with a \$203 million increase in share balances contributed to increased interest expense year-over-year of \$20 million, or 19%. Members benefited, as Tech CU was able to give back to members by delivering some of the **highest deposit rates in our local market.** This, in part, is why there is a decrease to net income year-over-year.

Statement of Operations

(in thousands)

	2023	2024
Interest on Loans	\$189,385	\$181,076
Interest on Investments	32,926	45,767
Total Interest Income	222,311	226,843
Dividends and Interest Expense	105,313	125,345
Net Interest Income	116,999	101,498
Provision for Loan Losses	16,590	22,947
Net Interest Income After Provision for Loan Losses	100,408	78,551
Non-interest Income	11,406	10,804
Operating Expense and Non-Operating Expense	95,345	88,480
Net Earnings	\$16,469	\$875

- Provision expense for credit losses was higher at \$22.9 million compared to \$16.6 million last year.
- Operating expense decreased year-over-year by \$6.3 million, or 6.6%. The lower operating expense only partially offset higher interest expense growth. Overall expenses grew relatively faster than revenue growth, resulting in an efficiency ratio¹ of 78.9% from 74.3%, and remaining near the industry average.
- **Our credit quality measures continued to be strong.** Total reportable delinquent loans decreased modestly to 0.76% — with a coverage ratio² of 131%. Standing at 0.99% of total loans, our conservative allowance for credit loss remains at the high end of our peer group.

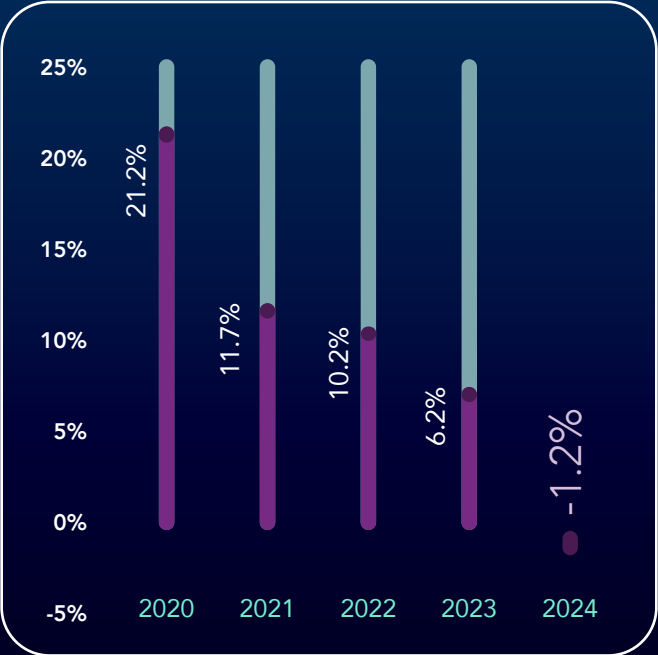
Financial performance and credit quality are two of the most important factors in establishing the level of a financial institution’s safety and soundness; **the net worth ratio is another key measure used to evaluate strength.** It is derived and impacted by two factors: the rate of asset growth, and the rate of capital growth. In 2024, the net worth ratio **ended the year at 11.0%, exceeding The National Credit Union Administration’s (NCUA) benchmark of 7%,** the standard used to identify well-capitalized credit unions, the highest rating the NCUA conveys.

As we close the chapter on 2024, **our strong capital foundation and commitment to our members remain unwavering.** We are proud to have maintained stability during a volatile year and will continue working toward sustainable growth, member-centric financial solutions, and a strong future for all.

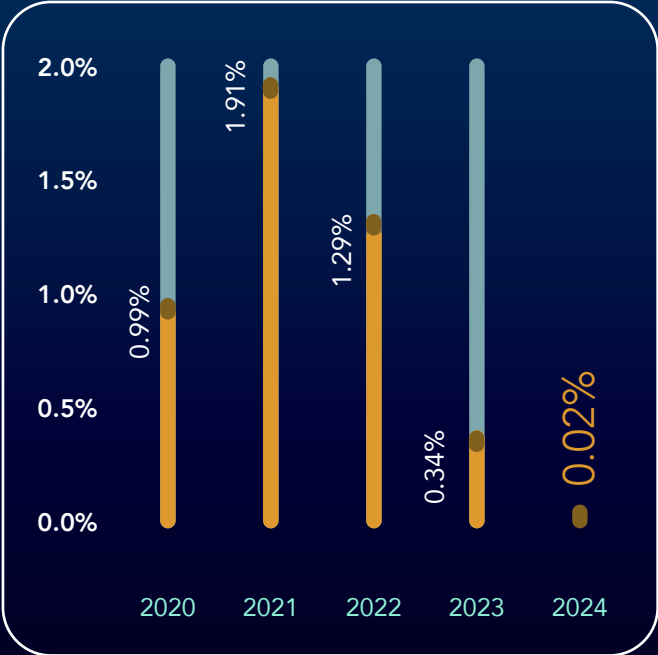
“I’ve been a member since I was 18. I’ve been very happy with the service and the rates!”

— Yolande D., Member Survey

Asset Growth



Return on Assets

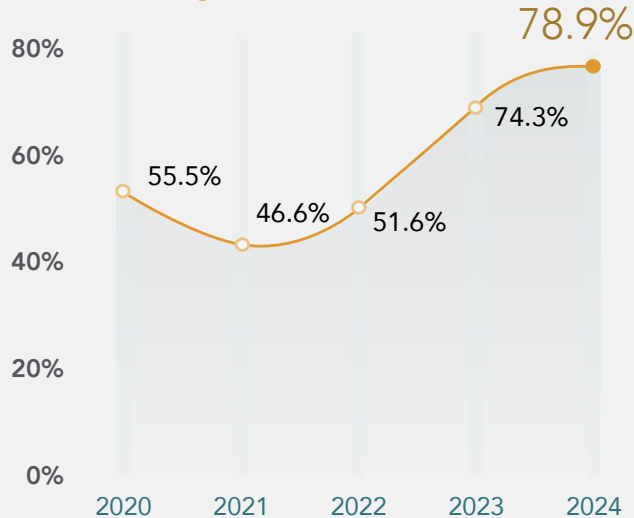


Statement of Financial Condition

(in thousands)

ASSETS	2023	2024
Cash and cash equivalents	\$599,098	\$526,343
Investments	633,315	875,493
Loan to Members, Net	3,502,550	3,274,067
Premises and Equipment	18,456	16,954
Other Assets	72,676	75,995
Total Assets	\$4,826,094	\$4,768,852
LIABILITIES, MEMBER DEPOSITS, AND RESERVES		
Dividends Payable	\$12,968	\$16,739
Accrued expenses and other liabilities	56,986	30,953
Notes Payable	647,164	400,000
Member Deposits	3,698,286	3,901,385
Total Equity	410,690	419,775
Total Liabilities, Member Deposits, and Reserves	\$4,826,094	\$4,768,852
Capital	509,159	510,033
Net Charge-Offs	20,064	25,388
Net Charge-Offs %	0.55%	0.77%

Efficiency Ratio¹



Net Worth Ratio



1 The efficiency ratio divides a credit union's noninterest expenses by net revenue. The lower the efficiency ratio, the better. A low-efficiency ratio means that noninterest expenses are a smaller percentage of net revenue.

2 The coverage ratio measures the adequacy of a credit union's reserves to cover potential losses in its loan portfolio. The coverage ratio is calculated by dividing the allowance for loan and lease losses by the amount of delinquent loans.



“10,000 Degrees is incredibly grateful for the support we have received from the Sharks Foundation and Tech CU, and for their commitment to our students and programming.”

—Kim Mazzuca, 10,000 Degrees President and CEO

At Tech CU, we believe thriving communities start with access to resources and opportunities. That’s why we partner with organizations aligned with our core pillars: Technology Access, STEAM Education, Financial Empowerment, and Health & Wellness.

As we reflect on 2024, we are proud to see our commitment to these values in action. From supporting initiatives like the Sharks Foundation and Second Harvest of Silicon Valley to expanding our community partner efforts into new areas such as Texas and Idaho, this year has been a testament to progress and purpose.



Technology Access

- Partnered with **YWCA Golden Gate Silicon Valley** to provide 10 Chromebooks and support the technology needs of families in the YWCA Child Care Centers, where a significant majority self-identify as low-income.
- Donated funds to **Cancer CAREpoint**, an organization that provides personalized counseling, assistance, resources, and education at no cost to Bay Area cancer patients, survivors, families, and caregivers. The funds were used to upgrade and relocate technology, enabling the organization to conduct classes, facilitate support groups, and provide counseling more effectively.
- Helped **Peninsula Volunteers, Inc. (PVI)** empower the senior community to live more independently by funding additional iPads to accommodate the growing enrollment in Tech Connect, a class that teaches iPad usage and internet safety.

STEAM (Science, Technology, Engineering, Art, Mathematics)

- Partnered with **the San José Museum of Art (SJMA)** to support its Sowing Creativity program, which served 1,712 students across 17 schools. The program allows classroom teachers to collaborate with SJMA teaching artists to customize art lessons that align with curriculum goals and support diverse student needs, ensuring inclusive and engaging learning experiences for all.
- Collaborated with **San José State University's Center for Banking and Financial Services** to support the Networking Success from the Executive Suite program. Throughout the year, Tech CU employees conducted multiple workshops covering a range of financial topics.
- Supported the **Morgan Autism Center's** Starry Starry Night event with a matching gift to amplify the impact of its 'Fund a Need' initiative. The funds directly contributed to the center's programs, including transportation and community outings.
- Provided funds to the **Happy Hollow Foundation**, enabling K-5 students from underserved communities to visit Happy Hollow Park & Zoo for hands-on science lessons aligned with educational standards.
- Sponsored a concert featuring the Miro String Quartet as part of **Music@Menlo**, an internationally acclaimed chamber music festival and institute in the San Francisco Bay Area.
- Volunteered as guest judges and supported **The Tech Challenge**, a signature program of The Tech, an annual team design challenge for students in Grades 4-12 that introduces and reinforces the engineering design process with a hands-on project geared toward solving a real-world problem.

Financial Empowerment

- Supported **Breakthrough Silicon Valley** by providing a matching grant for its "Are You Smarter Than a Breakthrough Student?" trivia night, amplifying support for first-generation college students.
- Continued to work with the **Sharks Foundation** on a number of initiatives including:
 - Supporting **Cuda Classroom**, a program designed to teach elementary and middle school students financial literacy through science and hockey.
 - Working with **10,000 Degree's 'Money Matters: Budgeting for College'** program, an interactive financial literacy curriculum for San Jose students from low-income backgrounds, designed to teach college affordability and budgeting skills.
 - Serving as a presenting sponsor for **Goals for Kids**, which made a \$1,000 donation to local organizations dedicated to enhancing the lives of those in need for every goal scored by the San Jose Sharks in 2024.

Health & Wellness

- Helped provide more than 100,000 healthy meals to families in our community by partnering with **Second Harvest of Silicon Valley**.
- Supported the **Family Giving Tree** through a monetary donation and by providing 116 backpacks filled with school supplies and 208 holiday gifts to families in need.
- Sponsored the selfie and check-in booths and volunteered at the **2024 Walk to End Alzheimer's - Silicon Valley**, supporting the Alzheimer's Association's mission to advance care, support, and research efforts.





Awards

- Recognized as one of the top philanthropic companies in Silicon Valley by the Silicon Valley Business Journal for the 10th year in a row
- Named one of the top philanthropic companies by the San Francisco Business Times for the 8th year in a row
- Commended for its community service and corporate social responsibility efforts for the 7th year in a row by the Communitas Awards

Idaho & Texas Efforts:

- Supported the **STEM Action Center**, which recognized two outstanding Idaho educators through its Sawtooth STEM Educator Award.
- Sponsored **Women Innovators (W.IN)**, supporting the TechGirlz and SheTech programs to empower young girls and women to pursue careers in STEM and STEAM fields.
- Partnered with the **Idaho Technology Council (ITC)** to support innovation, strengthen the tech community, promote tech education, and advocate for policies that drive sustainable growth.
- Supported **Breakthrough Central Texas** by sponsoring a financial literacy workshop for students and staff.
- Sponsored the **Austin Technology Council 2024** Hall of Fame, which supports honoring individuals who shaped and advanced Austin's tech ecosystem, promotes collaboration and inclusivity, and celebrates contributions across entrepreneurship, venture capital, education, and technology.

We look forward to continuing to invest in our community in the years to come.

Additional Community Partners & Events

- Bay Area Council
- Habitat for Humanity
- SVLG Turkey Trot
- SHINE
- Kiwanis Club of Los Gatos
- Bay Area Council
- Silicon Valley Leadership Group

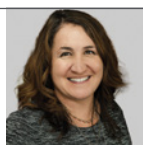
“The Sowing Creativity Program helps kids create without worrying about being perfect. It helps them gain confidence in their abilities and learn that by taking things step-by-step, they can accomplish anything.”

- Teacher, Sowing Creativity Program,
San José Museum of Art



“I’ve been a member for nearly 24 years. They’ve always been honest, offered reasonable rates, and provided friendly service.”

— Erika U., Member Survey



Jessica Cassinelli
Supervisory Committee Chair

A message from our Supervisory Committee Chair

As your Supervisory Committee, we are entrusted with the responsibility to ensure Tech CU operates as a safe and sound financial institution for your financial needs. Each year, we oversee independent audits and internal reviews to confirm the accuracy and integrity of the credit union's financial statements, safeguard member assets, and uphold the highest standards of operational excellence.

In 2024, we engaged an independent auditor to conduct a comprehensive review of Tech CU's financial statements, and we are pleased to report that the audit concluded with an unmodified opinion, confirming that the financial statements fairly represent the credit union's financial condition.

The Supervisory Committee is confident that Tech CU continues to maintain effective internal controls and sound policies, ensuring the security of your savings, borrowings, and long-term financial plans. These results reflect the ongoing commitment of Tech CU's management, staff, and leadership to deliver a financially secure and trustworthy institution.

On behalf of the Supervisory Committee, we extend our gratitude for your continued trust and support. It is an honor to serve you and safeguard your financial future.

Supervisory Committee

Jessica Cassinelli, Chair
Firasat Ali, Vice Chair
Faisal Jeddy
Jeffrey M. Lee
Bob Luong

Executive Management Team

Todd Harris
President and CEO

Jeannine Jacobsen
Executive Vice President / Chief Operating Officer

Joe Anzalone
Executive Vice President / Chief Commercial Banking Officer

Richard Hanz
Executive Vice President / Chief Financial Officer

Robert Reed
Executive Vice President / Chief Retail Banking Officer

Sunder Srinivasan
Executive Vice President / Chief Information Officer

Doug Stoveland
Executive Vice President / Chief Credit Officer

Board of Directors

Mical Atz Brenzel
Chairman of the Board / Finance Committee

Kirk Bloede
Finance Committee / Nominating and Governance Committee

Madonna Bolano
Compensation Committee Chair

Karen Brochier
Finance Committee Chair

Peter Donahower
Finance Committee

Todd Harris
Treasurer and Secretary

Deepti Jaggi
Compensation Committee

Barbara Kamm
Board Vice Chair

Linda Itskovitz
Nominating and Governance Committee

Sunil Nagdev
Compensation Committee

Carol MacKinlay
Nominating and Governance Committee Chair / Compensation Committee

