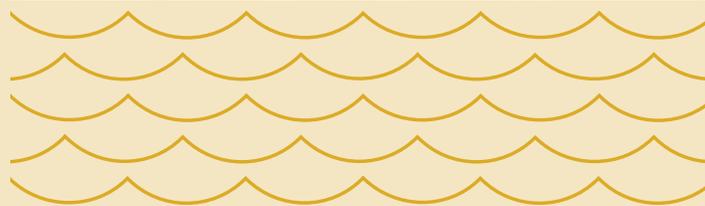


2025 ANNUAL REPORT



Chairman's Message

As economic uncertainty persisted in 2025, strong governance, financial discipline, and member trust remained defining strengths of the credit union movement. Guided by these principles, your credit union remained resilient and finished the year in another strong position.

That strength was demonstrated in the tangible value returned to our 55,800+ member-owners. In 2025, we paid over \$13.5 million in dividends to those saving with SESLOC—an incredible 31% increase compared to 2024. Supporting those returns was the launch of the “reverse tier” rate structure on Primary Share Savings accounts in December 2024, offering the highest interest rate on the lowest and most accessible balance tier. Maintaining a 3.65% annual percentage yield on the first \$1,000 throughout 2025 reinforced our commitment to fairness and financial support, allowing all consumer members to benefit from a boost to everyday savings. In addition, tiered rate structures across traditional business, consumer and IRA Share certificates contributed to improved returns for members with higher balances.

*SESLOC funded close to **7,100** consumer, mortgage and business loans, giving individuals and families access to vehicles, support in buying a new home and helping small businesses expand.*

In the spirit of “people helping people,” strong deposits helped us support our community through fair and competitive borrowing solutions. SESLOC funded close to 7,100 consumer, mortgage and business loans, giving individuals and families access to vehicles, support in buying a new home and helping small businesses expand. In particular, we saw a 31% increase in the number of credit cards issued and a 49% increase in direct auto loan originations compared to 2024, reflecting both member trust and demand for responsible credit options.

We were also pleased to welcome 193 new local businesses to SESLOC. Through tailored savings and loan options, and our Local Rewards program open to all members, we remain committed to supporting business partners that strengthen the local economy we all share.

*SESLOC closed 2025 with net income of \$6.69 million, a **13% increase** from 2024.*

In 2024, we moved from a federal to state charter, allowing us to expand our field of membership to nine counties across California. Our approach to expansion has been thoughtful, focused on sustainability rather than expansion for its own sake. We took the first step in the fourth quarter of 2025 by expanding our auto loan Credit Union Direct Lending (CUDL) program to Fresno and southern Santa Barbara counties. We have been pleased with the early results thus far and look forward to continued growth where it is mutually beneficial for both current and prospective members.

SESLOC closed 2025 with net income of \$6.69 million, a 13% increase from 2024. Your credit union also remains well capitalized with a net worth ratio of 9.48%, demonstrating that SESLOC remains a safe and secure place for members' assets today and well into the future.

Ultimately, our success is made possible by the loyalty and trust of our members. No matter where you are on your financial journey, SESLOC is proud to serve you, your family, local businesses, and future generations to come. Thank you for allowing us to be your trusted financial partner.



Tom Lebens
CHAIRMAN OF THE BOARD

BOARD OF DIRECTORS



Tom Lebens
Chairman



Dr. Gary Hoskins
Vice Chair



Anthony Cangelosi
Board Financial Officer



Derek Johnson
Secretary



Jolie Ditmore
Director



Jason Francia
Director



Charlene Rosales
Director

Dr. Victor (Vic) Buccola
Director Emeritus

Barbara Melvin
Director Emeritus

Jacque Paulsen
Director Emeritus

Pauline Shaffer
Director Emeritus

Dr. Alden Shiers
Director Emeritus

In memoriam:
Jim Park, Director



President's Message

2025 was a year of meaningful progress for SESLOC. In my first full year as President and CEO, I've had the privilege of working alongside our Board of Directors, Audit Committee, and an exceptional team of employees who show up every day committed to serving our members. Together, we stayed focused on what matters most: making it easier to do business with SESLOC while delivering real value back to our community.

One of our key priorities this year was improving the speed and ease of opening accounts and applying for loans. Throughout the year, we implemented process improvements that significantly reduced decisioning times for consumer loan applications across our digital channels, branches, and Contact Center. These changes made it easier for people to choose SESLOC, welcoming nearly 4,900 new consumer and business member owners during the year.

We also expanded our product and service offerings, including a Direct Deposit Switch tool that allows members to move their paycheck to SESLOC with just a few clicks. In addition, we expanded home loan programs, including a new fixed-rate option for Investment Property Loans, and our Home Equity Line of Credit now covers second homes, vacation properties and manufactured homes—all up to 90% loan-to-value ratio.

When the federal government shutdown impacted members in our community, we responded quickly with Emergency Loans for those directly affected. This moment reinforced the unique role credit unions play, and we remain committed to being there when our members need us most.

Early in the year, credit unions nationwide faced a serious challenge when legislation was introduced that would have imposed a federal corporate income tax—ultimately a tax on members. SESLOC joined advocacy efforts in Washington, D.C., and our member owners made their voices heard through the "Don't Tax My Credit Union" campaign. Thanks to this collective action, the proposed language did not advance, allowing us to continue returning value through competitive loan rates and dividend returns, as well as maintaining very low fees.

Protecting our members remained a top priority in 2025. As fraud and cyber threats continued to evolve across the globe, our team stayed vigilant, responding quickly and educating members to help prevent harm. We provided more than 1,100 minutes of fraud prevention education through television, radio, webinars, and our online Fraud Center — reinforcing our commitment to keeping our community informed and secure.

SESLOC is headquartered on Broad Street, not Wall Street — and that matters.

SESLOC was honored with several awards this year that reflect the trust placed in us by our members and local communities. We were named "Large Business of the Year" by the Santa Maria Valley Chamber, voted "Best Bank or Credit Union" by readers of the *Santa Maria Times* and *New Times*, and recognized as a "Fastest Growing Company" by the *Pacific Coast Business Times*. These honors belong to our member-owners, and we are grateful for your continued confidence.

SESLOC is headquartered on Broad Street, not Wall Street — and that matters. In 2025, we returned value through \$13.5 million in dividends, \$20,600 in Save to Win prizes, 187 million SESLOC Rewards points, and six Shred Day events that securely destroyed a record 18 tons of sensitive documents.

As we look ahead to 2026, I'm excited about what we'll continue to accomplish **together**. And I do mean together, as we are stronger when we hear from you and are able to address any hurdles standing in your financial path. Thank you for trusting SESLOC and for allowing us to serve you and your families.



Mike Quamma
PRESIDENT & CEO



For the fourth year in a row, we hosted an intern program for Cal Poly Students, providing an opportunity for real-world experience.



Members had a chance to attend one of our six Shred Days, where we securely destroyed 18 tons of confidential documents—a new record!



We are honored to be named "Large Business of the Year" by the Santa Maria Valley Chamber of Commerce.

Audit Committee Report

SESLOC Credit Union's Audit Committee is appointed by the Board of Directors and is responsible for overseeing the safety and soundness of the credit union's operations, as well as ensuring compliance with federal and state regulations and internal bylaws. Through oversight of the audit function, the Committee provides assurance that the credit union's financial statements are presented fairly, member deposits are properly safeguarded, and risk mitigation policies and procedures are effective.

In accordance with state regulations and our bylaws, an independent auditor was engaged to conduct a full audit and issue a comprehensive financial report. The results of the 2025 annual audit performed by the CPA firm Doeren Mayhew indicate that SESLOC continues to be well managed and

positioned to maintain a safe and secure future. The Committee extends its appreciation to staff, management, and the Board of Directors for their cooperation and dedication, as well as to the volunteer Committee members for their time and service.

We commend the credit union for its continued commitment to delivering exceptional financial services to our community and congratulate them on their auto lending expansion into Fresno and southern Santa Barbara counties.

Ken San Filippo

Ken San Filippo
Chairman



Ken San Filippo
Chairman



Anthony Cangelosi



Dan DeGroot



Dr. Gary Hoskins



Jason Francia

ON THE SCENE



1



2



3



4

1

Boosting Financial IQs:

We visited dozens of local businesses and community groups to provide financial education seminars and activities.

2

Spreading Holiday Cheer:

We teamed up with local credit unions to support a toy drive for SLO County Child Welfare Services.

3

Feeding the Central Coast:

The SLO Food Bank hosted a *Breakfast Bag Build Off* competition for Hunger Awareness Day, and our team participated along with many other local businesses.

4

On Campus:

We enjoyed chatting with new students at Allan Hancock Community College's orientation event.

FINANCIAL SUMMARY

FINANCIAL SUMMARY

2024

2025

ASSETS

Loans to Members	\$ 849,506,250	\$ 892,544,902
Allowance for Credit Losses	(7,448,000)	(8,066,000)
Cash on Hand	8,825,275	9,486,107
Cash & Investments	255,548,740	281,942,367
Fixed Assets	19,110,509	19,052,286
NCUSIF Share Insurance Fund	9,074,369	9,457,742
Other Assets	9,246,153	12,987,784
Total Assets	\$ 1,143,863,296	\$ 1,217,405,188

LIABILITIES AND MEMBERS EQUITY

Accounts Payable & Other Liabilities	\$ 16,585,087	\$ 15,873,496
Shares of Members	1,024,482,638	1,088,561,650
Undivided Earnings	108,185,404	114,872,050
Unrealized Gain/Loss	(5,389,833)	(1,902,008)
Total Liabilities & Equity	\$ 1,143,863,296	\$ 1,217,405,188

INCOME AND EXPENSES

2024

2025

INCOME

Interest on Member Loans	\$ 45,176,141	\$ 49,402,103
Income from Cash & Investments	5,703,748	8,659,806
Fees & Charges	7,767,322	7,396,972
Other Income	874,228	1,805,084
Total Income	\$ 59,521,439	\$ 67,263,965

EXPENSES

Dividends on Members' Shares	\$ 10,312,758	\$ 13,521,463
Compensation & Benefits	22,232,276	24,298,259
Operations	15,030,971	17,262,472
Occupancy	2,528,237	2,330,373
Interest On Borrowed Funds	1,278,176	13
Provision for Credit Losses	2,210,662	3,164,739
Total Expenses	\$ 53,593,080	\$ 60,577,319
Net Income	\$ 5,928,359	\$ 6,686,646

2025 Accomplishments at a glance

187 million

SESLOC Rewards points earned,
Nearly two million were bonus points from
Local Rewards participating businesses.



2,300



members, students and
residents participated in
SESLOC **Financial
Education** Programs.



Welcomed

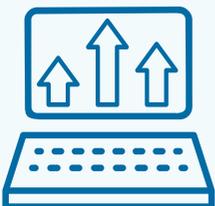
193

new local businesses
to SESLOC.

Offered exclusive

MEMBER-ONLY DEALS

in partnership with local businesses, including North
County Restaurant Group, Brown Butter Cookie
Company and Miner's Hardware. Plus, we offered
giveaways and prizes throughout the year, including
a chance to win tickets to the Xtreme Bulls Night
and VIP Center at the Santa Maria Elks Rodeo.



**New and
Improved**

SESLOC Rewards.org
and Level Up program
dashboard in Online Banking.



**1,100
minutes**

of money tips and education on
local airwaves including the popular
"Common Cents" segments on KSBY
newscasts, and on English and
Spanish language radio stations.

\$20,600

in prizes awarded to for Save to Win 12-month Share Certificate accountholders.



Offered affordable **Emergency Loans** in response to the Federal Government Shutdown.



Added a **Direct Deposit Switch tool** in Online Banking.

Expanded our **Preferred Dealer program** into Fresno and southern Santa Barbara counties, adding

22 more dealerships.



Introduced **Pre-approval programs** for Auto Loans and Rewards Credit Card.



18 TONS

of confidential documents destroyed and recycled across six SESLOC **Shred Days** events – *a new record.*



\$116,000+

donated by members and community to the **Food Banks** of San Luis Obispo and Santa Barbara counties, Family Care Network's "Give Joy" fundraiser, and a record high for "If You Give a Child a Book..." with the Scripps-Howard Foundation.



A Foundation of Education

Supporting Our Local Educators

SESLOC supports the classroom by awarding up to \$500 in **Education Grants** every month. Whether it's for a special project or vital equipment, these grants exemplify our long-standing commitment to the education community. In 2025, we awarded 62 Education Grants to Central Coast school teachers.

That's \$29,826 to expand classroom resources!

- Baywood Elementary
- Bishops Peak Elementary
- Branch Elementary
- Cappy Culver Elementary
- Central Coast New Tech
- C.L. Smith Elementary
- Dana Elementary
- Dorthea Lange Elementary
- El Camino Junior High
- Fairgrove Elementary
- Fesler Junior High
- Grover Beach Elementary
- Grover Heights Elementary
- Hawthorne Elementary
- Judkins Middle School
- Laguna Middle School
- Lewis Flamson Junior High
- Lopez High
- Maple High
- Mission Prep High
- Oakley Elementary
- Ocean View Elementary
- Orcutt Academy
- Orcutt School District
- Paloma Creek High
- Paso Robles High
- Pat Butler Elementary
- Patterson Road Elementary
- San Benticio Elementary
- Santa Lucia
- Sinsheimer Elementary
- Templeton Middle School

Promoting Financial Literacy

SESLOC proudly sponsors the **Financial Scholars program**, which provides practical financial education in the classroom to Central Coast high school students. The online curriculum covers topics like budgeting, credit, taxes, financing higher education, and more.

During the 2024 – 2025 academic year, over 1,200 students at 11 local high schools participated in the SESLOC Financial Scholars Program, completing 2,704 hours of learning.

- Arroyo Grande High
- Cabrillo High
- Central Coast New Technical High
- Cuyama Valley High
- Ernest Righetti High
- Lompoc High
- Morro Bay High
- Nipomo High
- Paso Robles High
- San Luis Obispo High
- Santa Maria High

Students' assessment scores increased by 39% compared to the pre-test, demonstrating how valuable this education has been in the last year.



A student considers the cost of groceries during a *Bite of Reality* event at Pacific Beach High School.

Helping Local Teens Take a "Bite of Reality"

In 2025, we hosted a "Bite of Reality" fair for students at Pacific Beach High School in San Luis Obispo. Seventy-five teens were given a fictional occupation, family, financial debt and medical situation. The students visited various stations to purchase housing, food and clothing. SESLOC helped guide their financial decisions as we portrayed realtors, retailers, car dealers and more, making the exercise both fun and educational.



BRANCH LOCATIONS

PASO ROBLES
705 Golden Hill Road

ATASCADERO
8380 El Camino Real

SAN LUIS OBISPO
3807 Broad Street

CAL POLY CAMPUS
1 Grand Avenue Building 65,
Room 103

ARROYO GRANDE
1399 East Grand Avenue

SANTA MARIA
2506 South Broadway

HEADQUARTERS

3855 Broad Street
San Luis Obispo

(805) 543-1816 • SESLOC.ORG

Savings are federally insured to at least \$250,000 and backed by the full faith and credit of the U.S. Government. National Credit Union Administration, a U.S. government agency.

Any service or policies stated herein are in effect as of the date of this publication on March 17, 2026, and are subject to change without notice. Disclosures for all products, programs or services are available at any SESLOC branch or by calling (805) 543-1816.



NMLS #411619