

2023 Annual Report

Message from Geoff Bullock, Harborstone President and CEO

Dear Member,

Thank you for being a member of Harborstone Credit Union. Your perspectives are key to helping us make positive decisions to serve you best now and in the future. We've established more effective channels of communication to gather your feedback. To those who have reached out to share their thoughts, thank you!

As we move forward, we continue to ask: "What matters most to you?" Maybe it's buying a home, car, or truck with rates you can afford; exercising smart ways to invest; or saving for a rainy day. Perhaps you're interested in starting that business you've been dreaming about or gaining access to services that help you thrive as an entrepreneur and local business owner.

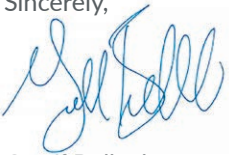
What matters to Harborstone? The answer is simple: It's you, our members. From our personal bankers in-branch, to our support staff behind the scenes, to me and the executive team, we all align on this core purpose: We delight in the business of providing financial solutions to our members.

YOU are why we're here.

This year, we continue to build on last year's success. We're developing new products and services, including our new PNW Premier checking account, and offering competitive yields with simple qualifications, new savings product specials, and enhanced digital services so that you can manage your money with convenience and simplicity.

Above all, what you'll continue to find with Harborstone is a collective of unique individuals eager to support you on your financial journey. We look forward to serving you this year and for many years to come.

Sincerely,



Geoff Bullock
CEO and President



Geoff Bullock
CEO & President



Ann Anderson
Board Chair

Board of Directors

Ivan Barron, *Director*
Jim Buck, *Director*
Franklin Donahoe, *Director*
Walt Frost, *Director Emeritus*
Michael Gedeon, *Director*
Bonnie Kern, *Director*
Linda Crane Nelson, *Director*
Rick Stevens, *Vice Chair*
Shellie Willis, *Secretary*

Supervisory Committee

Dennis Barnes, *Vice Chair*
Justin Maryanski, *Member*
Kaye Moore, *Chair*
Jeanie Rieke, *Secretary*

Looking Back — 2023

- **Corporate Giving and Sponsorships**
 - Supported 54 organizations.
 - Donated over 1,000 hours in volunteerism.
 - Supported 19 nonprofit organizations through our Pay It Forward program.
 - Total contributions and sponsorships equaled \$413,859.
- **Military Support** – Our flagship branch on McChord offers Harborstone the

opportunity to support military personnel on a consistent basis through monthly newcomer luncheons to connect incoming soldiers with resources to acclimate on base and to provide regular financial education and support with volunteer efforts. Some of the events we supported in 2023 included Easter Dash, Kids Fest, Operation Turkey Drop & Ham Grenade, Operation Cookie Drop, and giving to Santa's Castle.

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Looking Back—2023, continued...

- **Community Involvement** – Harborstone provided volunteer efforts and opportunities for financial education at several community events, including King County Metro Parks’ Big Backyard 5K, MOSAIC, Issaquah Concert on the Green, National Night Out, and United Way of King County Community BBQ.
- **Supporting Those in Need** – Harborstone supports those experiencing homelessness and food insecurity through volunteer efforts with local food banks, Habitat for Humanity, United Way of Pierce County.
- **Youth Education and Support** – Staff members participated in community efforts to provide financial education and empowerment to youth through the following: Communities in Schools events, Junior Achievement of Washington, and United Way events and sponsorships.
- **International Credit Union Day** – Once again, Harborstone Credit Union banded with other local credit unions to clean, beautify, and renovate shared community spaces, including Portland Avenue Park, Bradley Lake Park, and a tiny home village that supports those experiencing homelessness.

Looking Ahead – 2024 Commitment

As a Washington-based credit union, we celebrate what makes us Pacific Northwesterners unique and special. We pride ourselves on living and working among the evergreens, searching for rain breaks, and playing when the mountain is out. Our members inspire us to be better, to serve, and to earn your trust and place in our community.

We know you work hard for what you earn. We’re committed to providing you with exceptional financial products and tools that help you get the most out of your money, such as our newly launched PNW Premier checking account, a variety of competitive rate loan and deposit products, and mortgage services to put homeownership within reach. We know with each additional member, we are stronger and more capable as a credit union. We look forward to 2024 as a year of growth and expansion into our communities.

Consolidated Statements of Financial Condition *(in thousands)*

| | | 2023 | 2022 |
|--|---------------------------------------|--------------------|--------------------|
| ASSETS | Loans | \$1,379,450 | \$1,343,345 |
| | Loan Reserves | (20,481) | (16,161) |
| | Cash and Investments | 460,894 | 445,388 |
| | Other Assets | 89,425 | 88,862 |
| | TOTAL ASSETS | \$1,909,288 | \$1,861,434 |
| LIABILITIES & MEMBERS' EQUITY | Notes Payable | \$55,000 | \$25,000 |
| | Other Liabilities | \$12,861 | \$16,503 |
| | Total Members' Deposits | \$1,530,865 | \$1,469,261 |
| | Total Business Deposits | \$91,537 | \$101,642 |
| | Total Non-Members' Deposits | \$51,617 | \$92,360 |
| | TOTAL DEPOSITS | \$1,674,019 | \$1,663,263 |
| | TOTAL LIABILITIES | \$1,741,880 | \$1,704,766 |
| | Total Net Worth | \$222,542 | \$219,862 |
| | Unrealized Gain/(Loss) on Investments | (55,134) | (63,194) |
| | TOTAL MEMBERS' EQUITY | \$167,408 | \$156,668 |
| TOTAL LIABILITIES AND MEMBERS' EQUITY | \$1,909,288 | \$1,861,434 | |