

100 Years of Community Support

ESL IN THE COMMUNITY: 2020 REPORT

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LETTER FROM THE PRESIDENT AND CEO

ENVISIONING MORE TOGETHER

Greetings,

2020 marked the 100th anniversary of ESL. Certainly not the celebration we planned for, but we had, and still have, more immediate, critical needs to address regarding the COVID-19 pandemic.

Throughout the past year, there has been no doubt that our country and community have dealt with health, economic and financial uncertainties. But there were also many significant, inspiring moments that demonstrated what the Greater Rochester community truly stands for — resiliency, hope and action for the benefit of each other.

We at ESL remain ever-hopeful and inspired by the actions our employees, customers, community members and community partners have taken to help and lift one another during these most trying of times.

This inaugural annual report is meant to highlight ESL's relationship with the Greater Rochester community. This relationship is intrinsically linked — we know that the success of ESL hinges on the success of Greater Rochester. It is of mutual benefit to ensure our actions have an equitable, positive impact. Specifically, we will showcase actions we have taken that align with our Purpose and Mission and the respective results of those actions, as well as our plans for the future as we continue on this purposeful journey.

At ESL, our Purpose is to help the community thrive and prosper.

We turn this Purpose into action by executing on our Mission and living our core values of Caring About People, Accountability, Teamwork, Initiative and Integrity. I have never been more proud of and humbled by the work of our employees than I have been throughout 2020. So much has changed, but we adjusted, adapted and made sure we were still able to provide our employees and members with the superior experience they are accustomed to and deserve. We asked so much of them and they responded as they always do — with the well-being of their colleagues and members at the forefront of their minds.

This community has given us so much throughout the past 100 years. We do not take that trust and loyalty for granted, and we understand that we have a responsibility to ensure we are doing what is right by our employees, their families, our members and our community.

This is an evolutionary process for us. Our Purpose will act as our North Star and guide our actions each and every day as we continue down a road that leads to a stronger, more resilient Greater Rochester.

At ESL, we strive to work with you to build the prosperous, thriving community that people admire today and tomorrow. A great Rochester is here today, and its possibilities for a better tomorrow are endless.

I wish you all good health and peace of mind.

With gratitude,

Faheem Masood

President and CEO

ESL Federal Credit Union

CORPORATE INFORMATION

WE'RE PARTNERS IN GROWING GREATER ROCHESTER

OUR PURPOSE

We help our community thrive and prosper.

OUR MISSION

At ESL, we ...

Provide financial guidance and solutions.

Deliver superior experiences to people and businesses connected to Greater Rochester.

Commit to an equitable and resilient community.

Share our financial success with members and reinvest in our community.

OUR CORE VALUES

INTEGRITY: Being truthful, trustworthy and transparent at all times

INITIATIVE: Stepping up, helping out and continuously improving

ACCOUNTABILITY: Owning all opportunities and challenges

TEAMWORK: Working well with all, energizing each other and embracing the power of collaboration

CARING ABOUT PEOPLE: Showing that others' lives, financial health and success matter

Total assets: **\$8.2 BILLION**

Loan accounts: **\$3.13 BILLION**

Members' share accounts: **\$4.75 BILLION**

Mortgage servicing portfolio: **\$1.39 BILLION**

Wealth management: **\$2.6 BILLION**

Members: **376,000**

Businesses served: **11,800**

Employees: **875**

Branches: **22**

96 ATMs at more than 40 locations

FACTS AND FIGURES AS OF DECEMBER 31, 2020

ESL CELEBRATES 100 YEARS

THE MILESTONES ARE MANY AS ESL CONTINUES TO SERVE AND SUPPORT THE GREATER ROCHESTER REGION.

“WE AT ESL BELIEVE THAT WHAT IMPACTS THE COMMUNITY AFFECTS ALL OF US.”

Faheem Masood, President and CEO, ESL Federal Credit Union, 2019

1920

November 20, 1920:

CHARTER FOR EASTMAN SAVINGS & LOAN ASSOCIATION IS DRAFTED AND SIGNED, establishing ES&L as a savings and mortgage vehicle for Eastman Kodak employees and their immediate families.

January 3, 1921:

ES&L Association opens its **FIRST BRANCH IN THE KODAK OFFICE ON STATE STREET.**

1990

December 1995:

The **FIRST** community branch **OPENS IN IRONDEQUOIT.**

FEBRUARY 1, 1996:

ESL FEDERAL CREDIT UNION IS BORN after Eastman Savings & Loan Association rewrites its charter under federal credit union guidelines, becoming insured by the National Credit Union Administration.

1996:

ESL'S FIRST OWNERS' DIVIDEND PAYOUT IS MADE.

1997:

ESL INVESTMENT SERVICES, INC., a subsidiary of ESL Federal Credit Union, **OPENS FOR BUSINESS** to provide members with retirement and wealth management products and services. ESL Investment Services, Inc., became ESL Investment Services, LLC, in 2001.

2000

2002:

ESL IS NAMED ROCHESTER'S CHOICE FOR BEST BANK & TRUST COMPANY by Democrat & Chronicle readers. ESL has won this honor every year since thanks to loyal members.

2002:

ESL MERGES WITH WEGMANS FEDERAL CREDIT UNION, bringing on board 15,000 members and \$60 million in assets.

2002:

ESL CHARITABLE FOUNDATION IS ESTABLISHED.

2005:

ESL DOCUMENTS ITS CORE VALUES: Accountability, Teamwork, Initiative, Integrity and Caring About People. These values are at the heart of everything we do to deliver superior experiences — to our customers, business partners and each other — and they inspire and guide our thoughts and actions every day.

ESL CELEBRATES 100 YEARS (cont.)

2010

March 2010:

ESL MOVES TO ITS NEW HEADQUARTERS ON CHESTNUT STREET, bringing 300+ employees to downtown Rochester.

September 2010:

ESL BUSINESS BANKING IS LAUNCHED with savings, credit and loan offerings for small and commercial businesses in Greater Rochester. Today, ESL Business Banking serves more than 11,800 local businesses.

2010:

ESL IS NAMED A GREAT PLACE TO WORK® FOR THE FIRST TIME. ESL has been named to this list of America's Best Medium Workplaces 10 times. Since then, we've also been named to lists for Millennials, Women and Finance/Insurance.

2013:

ESL'S VOLUNCARE PROGRAM IS ESTABLISHED, giving every employee eight hours every year to volunteer during work hours.

July 2017:

ESL TRUST SERVICES, LLC, IS LAUNCHED, providing estate planning and trust administration services to the Greater Rochester wealth management community.

October 2017:

ESL REARTICULATES OUR LONGSTANDING PURPOSE: "WE HELP OUR COMMUNITY THRIVE AND PROSPER."

October 2019:

ESL INVESTMENT SERVICES, LLC, ACQUIRES COOPER/HAIMS ADVISORS, providing investment planning, retirement planning, tax planning and additional wealth management services to the community.

2020

March 2020:

IN THE MIDST OF THE PANDEMIC, ESL, along with other local financial institutions, works to help and support community members through unprecedented, difficult times. By the end of 2020, ESL provides more than 1,420 Paycheck Protection Loans to businesses, reinvests more than \$10 million in pandemic-related issues, and provides \$1.82 million in fee waivers, 9,418 loan deferments and more than 850 mortgage forbearances to members.

June 19, 2020:

ESL PAYS OUT ITS FIRST-EVER EARLY OWNERS' DIVIDEND in the middle of the COVID-19 pandemic, providing cash to members sooner rather than waiting until the traditional timeline of January 2021.

November 20, 2020:

ON ITS 100TH ANNIVERSARY, ESL reaffirms its commitment to living its Purpose and helping the Greater Rochester community thrive and prosper. This includes continuing to increase its level of philanthropic reinvestments as the organization grows, and investing in initiatives such as branches in the City of Rochester to help neighborhoods and communities gain access to crucial banking products and services.

THE PANDEMIC RESPONSE

MISSION

We provide financial guidance and solutions.

We deliver superior experiences to people and businesses connected to the Greater Rochester area.

We commit to an equitable and resilient community.

PPP LOANS

1,429 loans

\$135 MILLION provided to small businesses throughout Greater Rochester

PERSONAL LOANS

17,965 provided in 2020

\$1.82 MILLION in fees waived

982 (\$2.2 MILLION) financial hardship loans provided

9,418 loan deferments

850+ mortgage forbearances

COMMUNITY IMPACT

\$10+ MILLION donated to nonprofit agencies throughout Greater Rochester specifically to assist with the pandemic response

\$2.5 MILLION donated to community crisis fund

\$4 MILLION donated to 20 health and human service agencies through United Way of Greater Rochester

THE PANDEMIC RESPONSE (cont.)

The COVID-19 pandemic has been a truly unprecedented event in our lifetimes. All of us had to adjust and adapt every aspect of our lives to keep ourselves as safe and healthy as possible.

As an essential business, ESL and all banking institutions needed to remain open so customers could still access necessary banking services while keeping the most important point intact — the health and safety of our employees and our members.

The delivery of these services certainly changed as we closed lobbies, relied on drive-up teller services and promoted the use of digital banking channels, all in an effort to keep our members as physically and financially healthy as possible. What didn't change was our dedication to providing our signature superior experience.

State moratoriums ensured individuals and families received relief when it came to paying rent and mortgages. Forbearance for residential and commercial mortgages allowed impacted residents to hold on making payments if experiencing financial hardships.

Along with federal, state and local programs that have provided necessary financial assistance to individuals, families and businesses, we took additional actions to ensure we could be there for our members during their greatest time of need. In addition to waiving numerous fees for late loan payments, credit card payments and using non-ESL ATMs, we created a new personal loan product that provided individuals with fast access to cash at an extremely low rate.

In addition to financial hardship offerings throughout the year, we also took action to pull the lever on tools we have at our disposal that could support our members. In June, ESL paid out an early Owners' Dividend of \$20 million to eligible members. What would have normally been paid in January 2021 was accelerated at a time when members could use the money sooner rather than waiting months later.

The Paycheck Protection Program provided vital funds to small businesses to ensure they could keep their staffs employed. The program was brand new and our teams did an incredible job reacting to the numerous changes along the way to ensure the community had access to these valuable funds. As the year went on, we heard numerous stories from the small business community about how the PPP loan allowed them to stay in business and retain their great employees.

In addition to supporting PPP loans, ESL's Business Banking and Community Impact teams worked closely with the Federal Home Loan Bank of New York to secure Small Business Recovery Grants. These grants totaled about \$150,000 and supported 29 businesses. With a combination of Federal Home Loan Bank funds and ESL Community Impact funds, as well as guidance from the Child Care Council and the Rochester African American Business Alliance, the program was able to support minority-owned and child care businesses.

Toward the end of 2020, grants were provided to PathStone and Urban League of Rochester (about \$600,000 total between the two) to support the capital needs of businesses as funding from public programs ended.

Beyond our business operations, there was a critical need to support the vital services of nonprofits throughout Greater Rochester. We worked closely with United Way of Greater Rochester and the Rochester Area Community Foundation to provide approximately \$2.5 million to the Community Crisis Fund. This necessary fund was an ideal example of what the power of collaboration in our community can accomplish as numerous organizations came together to donate to the fund in support of our vital nonprofits.

ESL also provided an additional \$4 million to 20 nonprofit health and human service agencies through United Way of Greater Rochester. These funds filled in a gap for the agencies, as United Way workplace campaigns had decreased in 2020 due to the pandemic, resulting in a shortage for United Way's Community Impact Fund.

With the pandemic ongoing, ESL will continue to take the necessary actions to ensure we are providing the best experience, service and solutions possible while keeping the health and safety of our members and employees as our highest priority.

THE EMPLOYEE EXPERIENCE

MISSION

We deliver superior experiences to people and businesses connected to the Greater Rochester area.

Employees as of December 31, 2020: **875**

Total payroll as of December 31, 2020: **\$70,230,000**

EMPLOYEES:

Women – **68%**

BIPOC – **19%**

(Black, Indigenous, People of Color)

SENIOR MANAGEMENT

Women – **37%**

BIPOC – **21%**

BOARD OF DIRECTORS

Women – **55%**

BIPOC – **45%**

Providing a superior experience to our employees is in our DNA at ESL. We strive to provide a workplace culture that engages and empowers our employees so ESL is a company they are proud to tell others about.

The work and actions of our employees are guided by living our Core Values day in and day out.

Thanks to the outstanding work of our employees, and the ever-helpful feedback they provide on an annual basis, we had the honor of being named a Great Place to Work® for the 10th time since 2010, being listed at #61 on the list of Top 100 Best Small & Medium Workplaces. Certainly an honor and a testament to our workplace culture, but the honor is a byproduct of our larger goal of ensuring we are continuously listening to their feedback and evolving our culture so we can meet our employees' ideal of what it means to be a great workplace. The feedback from the survey completed by our employees showed the following:

THE EMPLOYEE EXPERIENCE (cont.)

97% I'M PROUD TO TELL OTHERS I WORK HERE

96% I FEEL GOOD ABOUT THE WAYS WE CONTRIBUTE TO THE COMMUNITY

96% OUR CUSTOMERS WOULD RATE THE SERVICE WE DELIVER AS "EXCELLENT"

96% PEOPLE CELEBRATE SPECIAL EVENTS AROUND HERE

96% WHEN YOU JOIN THE COMPANY, YOU ARE MADE TO FEEL WELCOME

In addition to being named to the 2020 Best Small & Medium Workplaces™ list, ESL had the honor of being named to two additional lists:

#8 IN FORTUNE BEST WORKPLACES IN NEW YORK™ 2020 (SMALL & MEDIUM)

#9 IN FORTUNE BEST WORKPLACES IN FINANCIAL SERVICES & INSURANCE™ 2020 (SMALL & MEDIUM)

Our employees take great care of ESL, which is why we ensure our employees are well taken care of. ESL's employee benefits provide professional and personal growth, establish a healthy work/life balance, and offer comprehensive healthcare coverage and financial benefits, such as a retirement plans and our Employee Incentive Plan.

PROFESSIONAL & PERSONAL GROWTH

- Learning & Development
- Tuition Reimbursement
- Professional Enhancement
- Young Professionals Program
- Recognition Programs

WORK/LIFE BALANCE

- Award-Winning Wellness Program
- Personal Paid Time Off (PTO)
- Paid Holidays (11)
- Paid Time Off to Volunteer

COMPREHENSIVE HEALTHCARE COVERAGE

- Medical
- Dental
- Vision
- Flexible Spending Accounts (FSA)
- Health Savings Accounts (HSA)

THE EMPLOYEE EXPERIENCE (cont.)

FINANCIAL BENEFITS

- 401(k) with Match
- Pension
- Employee Incentive Plan
- Financial Wellness

Being a great workplace is never a singular moment. It's something we work hard to maintain each and every day, and our employees are who make this continuous journey all the more valuable, as it is their work and feedback that have made ESL what it is today.

As our culture evolves, so too does the work we do to ensure all who walk through our doors feel welcome, included and valuable. Our Diversity, Equity and Inclusion (DEI) Program works to support ESL's practices to hire, develop and retain a diverse, high-performing workforce that mirrors the makeup of the community we serve. The DEI Program Team is a group of diverse individuals from across the company who lead the initiatives that aim to fulfill the program's mission. This includes raising awareness throughout the company about ESL's initiatives to:

- Hire, develop, retain and promote diverse talent at all levels of the organization
- Foster an inclusive workplace environment where the unique strengths, skills and perspectives of all employees produce innovative business solutions
- Act as Diversity Ambassadors by modeling supportive and inclusive behaviors themselves

IN 2020, THE DEI PROGRAM TEAM LED SEVERAL INITIATIVES THAT INCLUDED:

- Unconscious Bias Training
- Everyday Inclusion App
- Educational Resource Library & Community Event Listings
- Diversity Awareness Month
- Participation in United Way of Greater Rochester's 21-Day Equity Challenge

OTHER INITIATIVES THAT SUPPORT ESL'S DIVERSITY, EQUITY AND INCLUSION EFFORTS INCLUDE:

- ESL/MCC Scholars Program
- Participation in RMAPI's Employment Working Group and ROC2025
- Membership in the Workforce Diversity Network
- Increased Outreach to Diversify Candidate Pools

OWNERS' DIVIDEND

MISSION

We share our financial success with members and reinvest in our community.

Owners' Dividend payout since 1996: **\$185+ MILLION**

Owners' Dividend payout, January 2020: **\$20 MILLION**

Early Owners' Dividend payout, June 2020: **\$20 MILLION**

Owners' Dividend payout, January 2021: **\$15 MILLION**

Every year since 1996, ESL has paid out an Owners' Dividend² to our members totaling more than \$185 million. A key component of our Mission at ESL is that "We share our financial success with our members." The Owners' Dividend is the main tool we use to execute on this portion of our Mission.

In January 2020, we paid the largest Owners' Dividend in our history at \$20 million based on financial results from 2019. In addition, we evolved the criteria used to distribute the payout. What used to be based on account balances and outstanding loan and mortgage balances was expanded to include the volume of card transactions a member makes in a year, as well as including members who have a relationship with our Wealth Management line of business.

The inclusion of this new criteria allowed the Owners' Dividend to more accurately pay out funds in accordance with how our members contribute to ESL's financial success. Without your trust and loyalty in us, these consecutive payouts would not be possible.

As mentioned in the "Pandemic Response" section, we also paid an early Owners' Dividend in June 2020 to get those funds into the accounts of our members as soon as possible. Due to the uncertainty and hardships experienced by many throughout the pandemic, we believed this \$20 million to our members did more good in June instead of waiting until the usual timeframe of January 2021.

The Owners' Dividend will continue to be an ever-evolving benefit of your relationship with ESL. While new criteria were added in 2020, we are always listening to feedback and exploring potential new ways to ensure we are effectively executing on sharing our financial success with our members in the most accurate and authentic ways possible.

COMMUNITY IMPACT

MISSION

We share our financial success with members and reinvest in our community.
We commit to an equitable and resilient community.

Total 2020 grants: **\$19.4 MILLION**

Total 2020 grants: **330**

Organizations supported: **179**

The relationship between ESL and the Greater Rochester community is symbiotic — the success of ESL rests on the success of Greater Rochester’s people, families, businesses and nonprofits.

We believe we have a responsibility to deliberately and actively give back to those who have supported ESL and made us the organization we are today, and the Greater Rochester community has been our supportive home for more than 100 years.

ESL’s Community Impact Team formed in 2018. The work of the team is done in an effort to build a healthy, resilient and equitable Greater Rochester where everyone has access to a quality education, gainful employment, and affordable and connected neighborhoods.

In 2019, ESL donated more than \$16 million through Community Impact activities. In 2020, ESL donated approximately \$20 million to more than 170 local nonprofits and organizations throughout Greater Rochester.

The Community Impact Team is dedicated to executing ESL’s Community Impact Framework, which is broken down into four major objectives:

- 1. EXPANDING INDIVIDUAL OPPORTUNITY:** We support programs and efforts to expand professional and educational opportunity for all residents of Greater Rochester.
 - Education prepares students for college and careers
 - Employment is attainable and assures self-sufficiency
- 2. BUILDING STRONG NEIGHBORHOODS:** We invest in neighborhoods across Greater Rochester to ensure they are prosperous, well-connected and inclusive.
 - Housing is affordable
 - Connected neighborhoods are prosperous, engaged and linked

COMMUNITY IMPACT (cont.)

3. STRENGTHENING ORGANIZATIONS & SYSTEMS: Rochester has multiple organizations and initiatives already working together to create a healthy and resilient community. We support these organizations and initiatives by investing in the necessary yet less visible systems, capacities and policies that ensure they are successful.

- Collaboration between organizations is strong and effective
- Data is accessible and shared
- Human capital in the local nonprofit sector is world-class

4. STORIES THAT LIFT US UP: We share and learn from our work to continually improve our practices and celebrate successes in the Rochester region to inspire further action.

This work goes beyond philanthropic donations. While funding grants to local nonprofits is certainly important, the team seeks to be a partner to organizations in the community, focusing on constructive collaboration toward common goals. ESL approaches its community partnerships from a learning perspective. We are not the experts and do not pretend to be. We want to learn from our community partners where the needs in our community are the greatest and where our funding can have the most significant positive impact.

SUPPORTING COLLABORATIVES: ESL works closely to support the collaborative work being done throughout Greater Rochester to build a healthier, more resilient and equitable community. These collaborative initiatives include:

ROCHESTER-MONROE ANTI-POVERTY INITIATIVE (RMAPI): RMAPI is a collection of individuals and organizations working together in new ways to tackle systemic root causes that contribute to poverty. This collective includes community partners, steering committee members and a backbone staff that coordinates activities.

SYSTEMS INTEGRATION PROJECT (SIP): The Monroe County SIP aims to establish connections between 300 local health, education and human services organizations by building technology and establishing relationships across sectors. This project is a priority identified by the Finger Lakes Regional Economic Development Council (FLREDC), RMAPI and others as a critical need for our community, and an opportunity to address key needs and priorities identified by people living in poverty.

ROC THE FUTURE: ROC the Future is a community cradle-to-career collaboration for improving academic achievement for children in the city of Rochester, NY. The organization's efforts are currently focused on school readiness, early-grade literacy and high school graduation.

ROC2025: ROC2025 is an alliance of economic development organizations dedicated to making Greater Rochester, NY, one of the most dynamic and rapidly growing regional economies in the US.

COMMUNITY IMPACT (cont.)

COVID-19 PANDEMIC: A great deal of collaboration took place to address the public health crisis and resulting economic crisis. ESL was a significant supporter of the Community Crisis Fund created by United Way of Greater Rochester and the Rochester Area Community Foundation. From the Crisis Fund came the need to develop the Emergency Child Care Task Force to address child care needs throughout the pandemic, as well as the need to address the digital divide in the Rochester City School District. Facing insufficient funds to provide thousands of students with wireless broadband access so they could fulfill remote learning responsibilities, Monroe County, RCSD, and funders such as ESL, Rochester Area Community Foundation, Greater Rochester Health Foundation, Farash Foundation and Avangrid pooled funds to provide connectivity to these students.

EXAMPLES OF PROGRAMS ESL'S GRANTS HAVE SUPPORTED:

EMPLOYMENT

GREYSTON CENTER FOR OPEN HIRING OF ROCHESTER: Greyston recently launched its Rochester Center for Open Hiring to work with partners in the Greater Rochester region. The center is a collaborative hub for local businesses and nonprofits to assist underserved individuals entering the workforce. Anyone who is legally authorized to work in the US can sign up on a first-come, first-served waiting list. When a job opens, the next person on the list gets a call.

EDUCATION

CHILDREN'S INSTITUTE INC. — ROCHESTER AREA PARENT PROGRAM (RAPP): A parenting program to inform and support parents of young children during the COVID-19 crisis and recovery phase.

GREATER ROCHESTER AFTER-SCHOOL & SUMMER ALLIANCE (GRASSA) — CREATING A COORDINATED OUT-OF-SCHOOL TIME SYSTEM: GRASSA is a volunteer committee of funders, policymakers, researchers, and after-school family and provider representatives. Started in 2001, its main goal is to strengthen the quality, quantity and accessibility of out-of-school-time programs for school-age youth in Monroe County.

YMCA — LEWIS STREET EQUITY CENTER AND SCHOOL OF ROC: The goals of the Equity Center are to increase student achievement and empower young people to make positive change in their lives and their community. The School of ROC program provides families with a two-day or three-day alternative in support of remote learning.

HOUSING & CONNECTED NEIGHBORHOODS

FLOWER CITY HABITAT FOR HUMANITY: A long-time supporter of the organization through volunteerism and philanthropy, ESL helped provide gap funding to the organization in fiscal year 2020 to ensure the successful implementation of home builds.

PATHSTONE — ANTI-RACISM CURRICULUM: PathStone is committed to facilitating the adoption of The Untaught History: Structural Racism & Resistance Curriculum in all Monroe County schools. The organization supports students and educators in the co-creation, implementation and evaluation of curriculum; ensures public access to instructional resources and primary sources; and provides a platform for community education, engagement and student leadership.

COMMUNITY IMPACT (cont.)

THE CENTER FOR TEEN EMPOWERMENT— CONNECTING NEIGHBORHOODS THROUGH YOUTH LEADERSHIP — THE ROCHESTER GROWTH PLAN 2020: Teen Empowerment youth organizers work on policy initiatives that engage public officials, bring youth voice to decision making, and work to create institutional and systemic change.

IBERO AMERICAN ACTION LEAGUE — EXPANSION OF PODER 97.1FM RADIO STATION: Greater Rochester has a large Latin population, with the largest population of Puerto Rican residents per capita in New York State outside of New York City and one of the 15 largest populations in the US. The expansion of PODER helped serve the community by expanding the station’s programming capabilities for Rochester’s first 24-hour Latin radio station.

CONNECTED COMMUNITIES: Connected Communities is dedicated to building up the EMMA and Beechwood neighborhoods from within by engaging residents, service providers and community partners in a holistic approach.

ROCHESTER ENERGY EFFICIENCY AND WEATHERIZATION (RENEW): RENEW grants are made to community partners working with income-qualified homeowners to make improvements that include insulation, furnaces, hot water heaters, removal of lead paint hazards or emergency repairs. This collective impact effort, which involves many agencies, has resulted in reduced energy costs, better physical and mental health outcomes, health- and wealth-building, reduced healthcare costs, foreclosure prevention and neighborhood stabilization.

STORIES THAT LIFT US UP

ESL launched its series of uplifting community stories in 2020, featuring the organizations and people working to have a positive impact on the Greater Rochester community. The 2020 stories included:

ACTION FOR A BETTER COMMUNITY’S HEAD START: Shining a light on how Head Start and Early Head Start programs help children and families in our community. It is clear through their stories that the organization’s staff and parents are passionate about the Head Start and Early Head Start programs.

HILLSIDE FAMILY OF AGENCIES AND YWCA’S PARENTS AS TEACHERS PROGRAM: Parents as Teachers (PAT) is a nationally recognized and evidence-based model proven to increase school readiness and success. Hillside and YWCA staff, as well as parents, share the impact the program has on them and the children.

GOODWILL, 211/LIFE LINE AND LIFESPAN PROVIDING FOOD TO SENIOR CITIZENS DURING THE PANDEMIC: Since March 2020, Goodwill of the Finger Lakes and Lifespan have each seen a significant increase in their volume of calls and queries, demonstrating the tremendous needs from a community perspective. About one-third of the calls they received were from first-time individuals who didn’t have access to food pantries or public assistance prior to the pandemic. By talking to an encouraging voice, 211/LIFE LINE hopes to reduce feelings of shame, fear or anxiety that can often be associated with asking for help — providing facts over fear or misinformation.

FOODLINK AND THE CITY OF ROCHESTER’S R-CENTERS DISTRIBUTING MEALS TO INDIVIDUALS AND FAMILIES IN NEED: As of November 2020, Foodlink, the City of Rochester and the Rochester City School District have served more than 1.5 million meals in response to COVID-19. Response time from local organizations and selfless employees and volunteers made all the difference for children and families in the City of Rochester. The quick movement of all parties allowed for the continuation of critical meals that children depended on.

SPONSORSHIPS

MISSION

We deliver superior experiences to people and businesses connected to the Greater Rochester area.

We share our financial success with members and reinvest in our community.

Total 2020 sponsorship: **\$364,000**

Organizations supported: **101**

Greater Rochester has an incredible community spirit consisting of arts, culture, human service and entertainment organizations that provide residents with an impressive volume of fun, inspiring and educational activities for individuals and families. While 2020 may have impacted our ability to celebrate with the community in person, we were happy to continue to support the many organizations that support the Greater Rochester region. We understand that these organizations rely on the support of sponsorships to make all of their activities and programming possible. The work of these organizations is vital to what makes up Greater Rochester's wonderful quality of life. We look forward to a future where we can walk the Corn Hill Arts Festival, take in Red Wings and Amerks games, sit in Geva Theatre again and march in the ROC Pride Parade.

SPONSORSHIPS HIGHLIGHTS

GEORGE EASTMAN MUSEUM

ESL secured the naming rights to the ESL Federal Credit Union Pavilion within the new Thomas Tischer Visitor Center at the museum. The contribution allowed the museum to move forward with its renovation project.

ESL JEFFERSON AWARDS AND THE ESL CENTENNIAL AWARDS

ESL has proudly sponsored the Jefferson Awards with News 10 NBC for many years, which honor five individuals who demonstrate exceptional acts of volunteerism in our community. We extended this award to 10 more individuals in 2020 in honor of our 100th anniversary. The ESL Centennial Awards, while not part of the national Jefferson Awards program, highlighted 10 more outstanding volunteers in the Greater Rochester community.

ESL JEFFERSON AWARD WINNERS

- Andrew Evans
- Ruth Hogan
- Stephanie Forrester
- Maia Bastianelli
- Michael Gill

ESL CENTENNIAL AWARD WINNERS

- Maria Delgado Sutton
- Wanda Ridgeway
- Crystal Worthington
- Juliet Blake Levan
- Wende Jessen
- Kristin Mathis
- Loren Penman
- Dave Tripiciano
- Ralph Pennino
- Jon Shay

SPONSORSHIPS HIGHLIGHTS (cont.)

URBAN LEAGUE OF ROCHESTER'S INTERRUPT RACISM SUMMIT

The summit was an online immersive learning experience for youth and adults, designed for attendees to participate and come together to:

- Develop a deep understanding of what work needs to be done to dismantle racism
- Develop a common language for understanding and unmasking systemic racism
- Discuss actionable solutions for dismantling racism
- Understand the concept of accountability for racist practices
- Understand race-related health disparities stemming from the double pandemic of systemic racism and COVID-19
- Develop a pathway for learning and healing from racism-related matters

GREATER ROCHESTER CHAMBER OF COMMERCE TOP 100

Greater Rochester's business community is diverse, unique and resilient. Each year, we are proud to be the presenting sponsor of this program that recognizes the fastest-growing privately owned companies in the Greater Rochester region. Each business on this list is a success story worthy of celebration.

ESL IS ALSO PROUD TO SUPPORT:

ROCHESTER RED WINGS

ROCHESTER AMERICANS

GEVA THEATRE CENTER

CORN HILL ARTS FESTIVAL

PUERTO RICAN FESTIVAL

SCHOLARSHIPS

MISSION

We provide financial guidance and solutions.

We share our financial success with members and reinvest in our community.

10 ESL scholarships: **\$20,000**

5 ESL/MCC scholars: **\$10,000**

4 Urban League Black scholars: **\$10,000**

NYCUA scholarships: **3**

At ESL, we are passionate about providing opportunities for individuals to pursue their dreams. Education costs are climbing ever higher, and the scholarships we support are meant to help alleviate some of that cost burden and invest in our community's future leaders.

In 2020, we provided \$2,000 **ESL COLLEGE SCHOLARSHIP** awards to 10 high school seniors in the Greater Rochester area who are planning to attend college. Awards are determined by the students' academic performance, volunteerism, and how they help their community thrive and prosper. The 2020 recipients were:

- Jennifer Adler, East Rochester High School
- Liza Cotter, Allendale Columbia School
- Harrison Davis, The Harley School
- Sophia Harvey, Victor Senior High School
- Jasmine Kiley, Penfield High School
- Mason Kuhn, Kendall Jr./Sr. High School
- Emma Magioncalda, Our Lady of Mercy
- David Munechika, Fairport High School
- Ijeoma Nwugwo, Victor Senior High School
- Somayya Upal, Pittsford Sutherland High School

SCHOLARSHIPS (cont.)

The **ESL/MCC SCHOLARS PROGRAM** was launched in 2017 and allows a unique “earn and learn” opportunity for students at Monroe Community College. Each of the five recipients in the 2020 cohort received a \$2,000 scholarship, as well as the opportunity to work part-time at ESL while they earn their associate degree. This workforce development program provides exposure to careers in the banking industry, professional development and mentoring, while promoting academic success and degree completion. Named in December 2020, the 2021 cohort is:

- Miranda Albarran
- Hunter Clancy
- Jamelia Edwards
- Anajah Jackson
- Clifford Smith

URBAN LEAGUE BLACK SCHOLARS OF ROCHESTER identifies Black scholars from school districts in Genesee, Livingston, Monroe, Ontario, Orleans and Wayne counties. Workshops are held every fall and spring to prepare college-bound students and their parents for college selection, admissions testing, applications, financial aid and navigating college. ESL provided four \$2,500 scholarships to the following Black scholars in 2020:

- Raeona Hampton, School of the Arts High School
- Mia Hall, Eastridge High School
- Samari Brown, Pittsford Mendon High School
- Nyara Simmons, Penfield High School

ESL provides funds to the **ROCHESTER CHAPTER OF THE CREDIT UNION ASSOCIATION OF NEW YORK (NYCUA)** to award scholarships to outstanding high school seniors. Students were selected by an independent panel of judges to rank applications based on academic performance, community involvement and essay response. We're pleased to recognize three extraordinary students, who are also ESL members, as part of the 2020 Rochester Chapter of the NYCUA College Scholarship Program. In addition to the scholarship funds, each student received an award package, including a personalized certificate and yard sign to celebrate their achievements:

- Amber Blaakman, Wayne Central High School
- Liza Cotter, Allendale Columbia
- Alex Newton, Victor Senior High School

FINANCIAL WELLNESS

MISSION

We provide financial guidance and solutions.

372 referrals to partners

3 schools (Greece Athena, Greece Olympia and Monroe 2-Orleans Boces)

408 participating students

1,037 hours of learning

The ability to live a financially healthy life can provide peace of mind, but it takes work, practice and dedication to continuous improvement throughout one's life.

Being financially healthy does not necessarily mean being financially wealthy. At ESL, we model our Financial Wellness initiatives based on the four areas the Financial Health Network defines for living a financially healthy life:

SPENDING

- You spend less than you earn
- You pay your bills on time and in full

SAVING

- You have a sufficient amount of easily accessible savings
- You have sufficient savings or assets to meet long-term goals

BORROWING

- Your debt load remains at a sustainable and manageable level
- You have a prime credit score

PLANNING

- You have appropriate insurance
- You plan ahead for expenses and have an emergency fund for unexpected expenses
- You have a plan for meeting long-term goals like saving to buy a home, paying for college education or your retirement

FINANCIAL WELLNESS (cont.)

How an individual answers each of those four areas puts them in one of three categories, as defined by the Financial Health Network:

FINANCIALLY VULNERABLE: Struggling with all or nearly all aspects of their financial lives.

FINANCIALLY COPING: Struggling with some but not necessarily all financial aspects. While getting by month to month, one or two financial missteps could cause someone who is financially coping to become financially vulnerable. On the other hand, making small changes can make big improvements.

FINANCIALLY HEALTHY: Spending, saving, borrowing and planning in a way that allows people to be resilient, meet financial goals and pursue opportunities over time.

In the 2020 US Financial Health Pulse Report, more than two-thirds of Americans are categorized as not Financially Healthy. There is much work to do to move these numbers in the right direction.

At ESL, our goal is to not only provide our members — be they Personal, Business or Wealth Management clients — with the tools and resources they need to make smart financial decisions, but also help them accumulate knowledge over time so they can continue putting these lessons into practice.

We maintain excellent relationships with our outstanding referral partners who help provide our members with resources and guidance that can help put them on the right track toward a financially healthy life. These partners (Consumer Credit Counseling Services of Rochester, CASH, The Housing Council at PathStone, NeighborWorks, PathStone Enterprise and SCORE) help clients understand how their decisions impact their finances and the habits that need to be developed.

When it comes to Financial Wellness, the younger a person starts developing financially healthy habits, the greater the chance those habits will stick with them throughout their life. That is why we have partnered with Everfi to provide financial education modules to high school students throughout Greater Rochester.

In 2020, we worked with Greece Olympia, Greece Athena and Monroe 2-Orleans BOCES to provide Everfi's financial educational modules to more than 350 students, and the results demonstrated the impact financial education can have on young minds. Students tested an average of 55% financial competency before taking the education modules. This competency climbed higher than 80% once the modules were completed. Additionally, before the modules, 45% of students said they could confidently create and follow a budget. This number climbed higher than 60% after taking the modules.

We are excited for the work put in by the teachers and students at Greece Olympia, Greece Athena and Monroe 2-Orleans BOCES. It is ESL's goal to now provide these modules to more students throughout the Greater Rochester community in hopes of starting students young when it comes to building and living a financially healthy life.

Positive change is possible. It takes commitment and determination, and we are ready to work right alongside our members to help make this positive change a reality.

LENDING

MISSION

We provide financial guidance and solutions.

We deliver superior experiences to people and businesses connected to the Greater Rochester area.

We commit to financial strength.

We commit to an equitable and resilient community.

BUSINESS

Business loans: **\$578 MILLION**

Business share accounts: **\$606 MILLION**

32 SBA 7(a) loans: **\$4,689,000**

MORTGAGE

2,437 mortgages: **\$400,937,000**

663 purchase units: **\$112,059,000**

1,774 refinance units: **\$288,878,000**

Mortgage servicing portfolio: **\$1.39 BILLION**

73% growth in units volume 2020 vs. 2019

89% increase in dollar volume 2020 vs. 2019

PERSONAL

Auto lending : **\$385.7 MILLION**

Equities (HELOC & HELOAN): **\$255 MILLION**

Consumer loans: **\$112.1 MILLION**

Short-term loans: **\$8.4 MILLION**

LENDING (cont.)

MORTGAGES

As one of the Greater Rochester area's largest mortgage lenders, we strive to provide an experience that makes the homeownership process easy and informative to ensure that our members are cared for during one of the most important purchases of their lives.

Homeownership is the #1 way people build familial and generational wealth. At ESL, we must ensure we are addressing homeownership needs in an equitable manner, and working with individuals and families across the income spectrum.

We are proud to offer a diverse selection of mortgage products to meet these needs. In 2020, ESL received the RISE Award from Freddie Mac. This honor is given to the mortgage lender that provides the most Home Possible mortgages in the Greater Rochester market — a mortgage product focused on making homeownership more affordable and accessible for low- and moderate-income homeowners. While this award is one example of our work to ensure we are providing more equitable homeownership, it serves as a consistent reminder and motivation for the important work we have ahead of ourselves to make homeownership accessible and attainable for all. This is reinforced further by the Greater Rochester community naming ESL as a finalist in the Democrat & Chronicle's Rochester's Choice Award for Best Mortgage Lender 2020, the third time we have been named a finalist. The responsibility and weight that comes with helping community members realize their dream of homeownership is not lost on us at ESL, and we sincerely appreciate the trust that so many put in us to see their dreams through.

BUSINESS

Greater Rochester's business community is resilient.

We have faced similar economic stresses in the past, but nothing as significant as the economic conditions brought on by the public health crisis of the COVID-19 pandemic.

2020 was ESL's 10th year of providing Business Banking services, and we have seen tremendous growth in that time. Now serving more than 11,800 businesses throughout Greater Rochester, our Business Banking division now has assets north of \$1 billion, with approximately \$600 million in share accounts and just under \$600 million in outstanding loan balances, not including PPP loans provided in 2020.

In addition to the substantial Paycheck Protection Program support provided in 2020, ESL carried on its legacy of being one of Greater Rochester's top SBA 7(a) loan providers. With 32 loans totaling close to \$4.7 million, we are able to get more capital into the hands of small businesses. In a year like 2020, having an average SBA loan size of approximately \$150,000 ensures that necessary capital is reaching the smaller-sized businesses in Greater Rochester.

At ESL, we are committed to supporting businesses of all sizes throughout the community. From sole proprietorships to larger multimillion-dollar commercial businesses. Our dedication to the more than 11,800 businesses we serve extends from providing them with the products and services they rely on to properly manage their businesses, to serving as a resource and guide to address questions or provide any advice they may seek.

As ESL Business Banking enters its second decade of serving Greater Rochester, we will continue our efforts to ensure the local business community grows and becomes more resilient than ever before.

LENDING (cont.)

PERSONAL

AUTO

ESL is one of the largest auto lenders in the Greater Rochester community. Serving as a financing partner with dozens of dealers throughout the region has allowed us to grow to approximately \$1 billion in auto loans throughout the region. These auto lending efforts have allowed us to extend our superior customer experience to thousands of borrowers throughout the community.

HOME EQUITY

ESL is the #1 provider of home equity products in Greater Rochester. Through Home Equity Lines of Credit and Home Equity Loans, we are able to work with local homeowners to tap into the equity they have built and help them pay for major life events — be it a home remodel, paying for a child's college expenses or a wedding. With over \$1 billion tapped into home equity, ESL's home equity products have allowed thousands throughout Greater Rochester access to the wealth they have built over years of homeownership.

CONSUMER LENDING — PERSONAL AND SHORT-TERM LOANS

Emergencies happen. The only constant is change, and when change happens unexpectedly, sometimes the costs one can incur are overwhelming. ESL's Personal and Short-Term Loans have been able to provide thousands of Greater Rochester residents with access to cash when they need it most, in an efficient manner and at an affordable rate.

YOU'RE MORE THAN YOUR MONEY.
YOUR WELL-BEING MATTERS.

LOOKING AHEAD INTO 2021

2020 WAS TRULY A YEAR UNLIKE ANY OTHER.

With the pandemic expected to last into 2021, we will continue doing our part to serve the people, businesses and nonprofits of Greater Rochester to help us all navigate this public health crisis.

In addition to this support, we will maintain our focus on ongoing activities to ensure continued delivery of the superior experiences our membership expects and deserves, and we are committed to the following activities in 2021:

BUILDING NEW BRANCHES

Village of Victor: Expected completion fall 2021.

Relocation of our State Street branch to a standalone location on Lake Avenue: Expected completion fall 2021.

We are currently working to identify two more locations in the City of Rochester to provide better access to banking products and services for residents in underserved neighborhoods.

EXPANDING OUR DIGITAL BANKING CAPABILITIES

The best way to complement in-person banking services is through a comprehensive, ever-evolving digital banking platform.

We will continue to evaluate and add/adjust capabilities to ensure we are meeting our members where and how they want to bank.

ADVOCATING FOR AND BUILDING EQUITY THROUGHOUT GREATER ROCHESTER

While we strive to embed equity into all of our work, we understand that there are policies and practices in place in our community that hinder progress. We will advocate for the design and implementation of policies and practices that lift up, not keep down. That pull people in, not push them out. Capabilities to ensure we are meeting our members where and how they want to bank.

PROVIDING CONSTRUCTION AND VETERANS AFFAIRS (VA) MORTGAGES FOR HOMEBUYERS

As we seek to provide diverse and comprehensive mortgage products to our members, we will work to fill in product gaps where they exist.

EXPANDING OUR FINANCIAL WELLNESS CAPABILITIES TO OUR MEMBERS

While 2020 may have resulted in the cancellation of our usual financial wellness seminars, we are committed to providing more guidance and resources via new formats, such as webinars and online tools.

COMMIT TO CONTINUING OUR LEVEL OF REINVESTING IN THE COMMUNITY

2020 saw us reinvesting approximately \$20 million back into the community through our Community Impact efforts.

As ESL grows, so too will the level at which we reinvest in the community to build a healthy, resilient and equitable Greater Rochester.

OUR SINCEREST THANKS FOR YOUR TIME AND SUPPORT.

Let us continue, together, on the path of building a prosperous and thriving Greater Rochester for all.

THIS IS MORE THAN FINANCES. THIS IS OUR FUTURE.

AT ESL, YOU BELONG.
AND THAT IS SO MUCH BIGGER.



¹ESL Federal Credit Union and its subsidiaries encourage diversity in the workplace; we are an Equal Opportunity Employer. Minority/Female/Disability/Veteran. We affirm the right of every person to participate in all aspects of employment without regard to race, religion, color, national origin, citizenship, sex, sexual orientation, gender identity, age, veteran status, disability, genetic information or any other protected characteristic. ²Payment of a Dividend is not guaranteed. Qualification for the Owners' Dividend is subject to eligibility requirements. The maximum Owners' Dividend payout is \$3,000. ESL IOLA Checking accounts excluded. Membership subject to eligibility. ESL is a registered service mark of ESL Federal Credit Union. Equal Housing Lender. Federally insured by the NCUA.

