Spring 2026

Peninsula CREDIT UNION

Priorities

President's Message

Jim Morrell, President / CEO

Today, you as this credit union's owners are encouraging us to dream big. In July 2026, we will be launching a major transformation with our digital banking that you can access from your computer or mobile device. It will be a cinematic leap like I took nearly 50 years ago.

I was eight years old in 1977 when Star Wars first hit theaters—what we now know as Episode IV: A New Hope. There were no video rental stores yet, and my family didn't have a Super 8 projector to watch film reels on our living room wall. Saturday morning cartoons and plastic action figures were no preparation for the experience of going to an actual theater to see a movie like this. I don't even remember where my parents sat; I was completely mesmerized.

Movies back then were released in just a handful of theaters, and I was lucky enough to see Star Wars at the Cinerama on 4th Avenue in Seattle. For an eight-year-old, it felt like boarding a spaceship. Luke Skywalker was a farm kid dreaming of bigger things, and the idea of a "laser sword" turned schoolyard imagination into something epic. When the opening scene's Star Destroyer thundered across the curved 90-foot screen, it felt like the ceiling was collapsing. The surround sound was unlike anything I'd ever heard at home on our single-speaker TV. I was transported into a world that felt completely real.

At the center of our universe is our system of record, the encrypted and highly secure data processing system that keeps track of the hard earned money and personal details. This will change and for our Team Members will be a bit like discovering "The Force." It's the difference between waiting for R2-D2 to deliver a message and receiving a hologram instantly. The speed, flexibility, and accuracy will reshape how we support our members.

The new digital banking system will look the same regardless of the way you login to access your account information. Our current online and mobile banking system has served us well, but it has limitations—rigid structures, long waits for updates, and a need to call the "Imperial Senate" for major changes. What you will see starting July 13 will be a dramatic shift, like going from a standard 35mm film to the experience of the Cinerama. With a modern, open platform, we will no longer need Luke to switch off his targeting computer—we'll have the ability to plug in the best tools available to serve our members without delay.

This change will be exciting, but it will also take some adjustment. Imagine yourself in my movie-theater seat back in 1977—but instead of a spaceship-like auditorium, you're at home in your slippers and holding your mobile device. The experience of the new digital banking system will look different. Some controls will be in new locations. A few elements—like your username and password—will need to be updated. Just as C-3PO and R2-D2 were amazing but spoke different languages, this new system will require some learning. But once you understand it, everything opens up.

Many of you have been "flying the same X-Wing" for years. You know exactly where the transfer button is without looking. The new platform may feel a bit like Han Solo piloting a ship that isn't the Millennium Falcon—familiar in some ways, but upgraded in others. You'll find powerful new features, such as neurodiverse-friendly display options and customizable settings for left-handed users. And yes, some toggles will move, including where to find your e-statements.

Between now and July, my ask is simple: begin to share in the excitement as we move from manual processes to our own version of The Force. Think of the next few months as your Jedi Council training. You may not get a lightsaber or blast shield helmet, but you will have everything you need to feel confident and ready. Our Peninsula Credit Union team is deep in preparation, and we'll guide you every step of the way.

This is our "New Hope"—a new journey in digital banking for all of us.

In this issue...

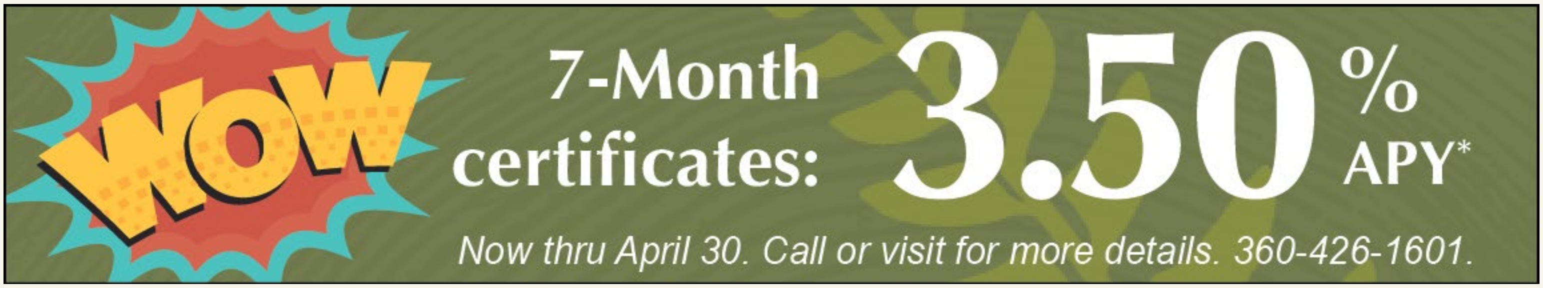
WOW Moments: Peninsula Care in Action

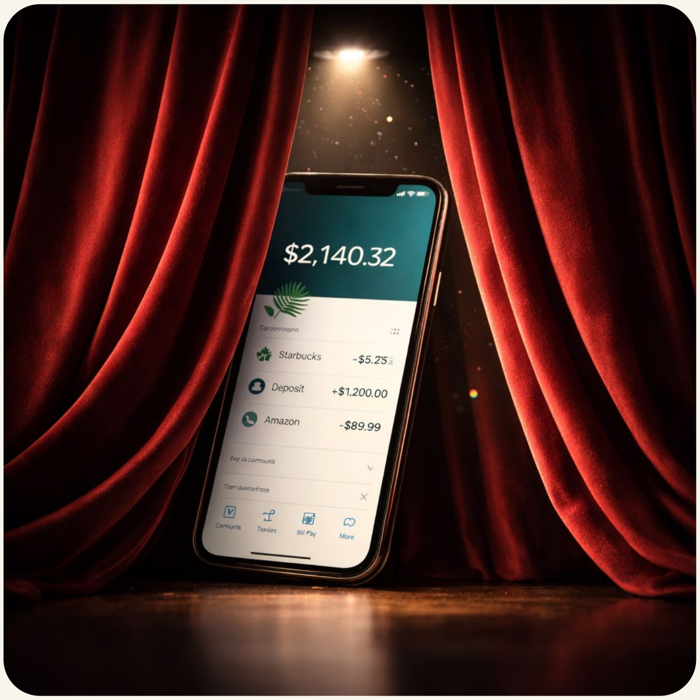
At Peninsula, caring for our members means more than simply handling transactions — it means showing up with compassion, especially during difficult moments.

Recently, one member shared how supported they felt after becoming the victim of a spoofing scam. During an incredibly stressful and violating experience involving account takeover, the member said they never felt like "just a number." Instead, they felt heard, cared for, and supported every step of the way, whether over the phone or in the branch. Knowing Peninsula was in their corner helped them begin to process the situation and move forward.

In another recent case, a team member was assisting a longtime member with transaction history when something unusual came up in conversation. Because our staff know our members so well, an odd charge and mention of unexpected "winnings" immediately raised concern. By asking a few extra questions, our employee quickly recognized the warning signs of a scam and was able to take immediate action to help protect the member from further loss.

These moments are a reminder that fraud prevention is about more than systems and safeguards — it's also about relationships. At Peninsula, we take pride in knowing our members, looking out for them, and providing support when it matters most.





Digital Conversion Update: Upcoming Digital Banking Downtime July 9 - 13

Every great production needs a scene change. As part of our upcoming system conversion, Online and Mobile Banking will take a brief intermission beginning the evening of Thursday, July 9, with our full digital experience expected to return by Monday morning, July 13.

During this intermission, features such as Mobile Deposit, Bill Pay, and Zelle transfers will be temporarily unavailable. The good news? Debit cards are expected to keep rolling, meaning you should still be able to make purchases and withdraw cash at ATMs as usual.

We recommend that you plan ahead and take care of any time-sensitive transactions before the curtain goes down on July 9.

This isn't the finale — just a key moment in the story. We'll share more previews, reminders, and updates as premiere day gets closer.

*Annual Percentage Yield (APY). Special rate effective 04/01/26-04/30/26. Rate subject to chagne at any time without notice. Dividends are computed on the actual amount in the account and are paid quarterly. There are substantial penalties for early withdrawal of certificate funds. Early withdrawal of certificate funds is subject to a penalty of one half of the interest that would be earned over the original term of the certificate. The penalty is calculated on the amount withdrawn. Fees can reduce the earnings on your account. Minimum balance to open share certificate is $500. Membership eligibility required. Terms, restrictions and conditions apply. Federally insured by NCUA.

Financial Fitness: Do you need to downsize? A quick quiz.

Perhaps you've seen the mountains of dust accumulating in that den you don't go in anymore or witnessed tumbleweeds passing through that extra, extra bedroom. Or maybe you've just looked at your electric bill lately...and gasped. No matter the reasoning, if you've got more space than you really need you've probably considered downsizing into a smaller dwelling at some point. Here are questions to ask yourself when you're considering the change.

What is my equity position in the current home?

Having a positive equity position in your home is a big deal, since it'll make it a lot easier financially to get into a new place. If you sell the home and receive less than what you owe on the mortgage(s), you'll have to use your own money to make up the difference or face the consequences of a short sale. In other words, if you're in a negative equity position, downsizing might not be your best option.

How much money will I save on monthly housing payments?

If you've given serious thought to downsizing, you've probably looked at what it would cost to live in a new place. When you're comparing that number to what you currently pay, don't forget to include categories like taxes, maintenance and repairs for the future. Also, pay close attention to utilities since there can often be a dramatic difference between what you'll pay in a larger home and what you would pay in a smaller home, apartment, or condo. Sometimes these expenses can tip the scales so much that downsizing is the better option.

Does my current neighborhood still fit my needs?

It's not just the house that should be weighed when making a decision on downsizing. If you moved into a neighborhood because it had great schools or lots of wide-open space, as you get older those things may not matter anymore. Downsizing could mean being able to find an area that's better for what you want now while also saving you money.

Will I be able to maintain the property in the years to come?

Maybe at one point you were gung-ho about climbing ladders to do fix-it projects or spending all day on a yard project. But as you get older, you may not be able to maintain the property like you once did. This could mean increased expenses in the future, or if you can't afford to hire someone to do these things, it could result in the property quickly losing value as it falls into disrepair. Sometimes it's best to sell a home when you're still able to keep it at its most marketable.

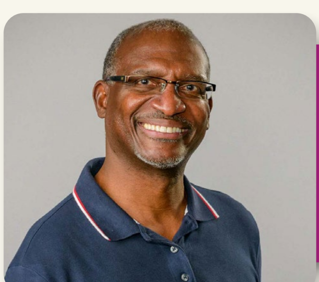
What's my relationship with my stuff?

Many people find it liberating to get rid of a good deal of their accumulated belongings since they feel less controlled by their possessions. Others have sentimental or practical attachments to certain items that require a fair amount of space to store. Either way, think about what you would really need to have with you in the home and then decide how much space it'll take going forward to keep it.

What are my space needs for guests?

You may enjoy having a larger space to host family members or friends who come to visit. Think about the maximum number of visitors you have at one time and if you can accommodate them in a smaller space. Many people find that even in a smaller place they're still able to have plenty of guests.

Downsizing isn't just about square footage, it's about making sure your home still fits your life. A smaller space can mean lower costs, less upkeep, and more freedom to focus on what matters most. By looking honestly at your finances, lifestyle, and future needs, you can decide whether a move would be a smart next step. The right home isn't always the biggest one—it's the one that works best for you.



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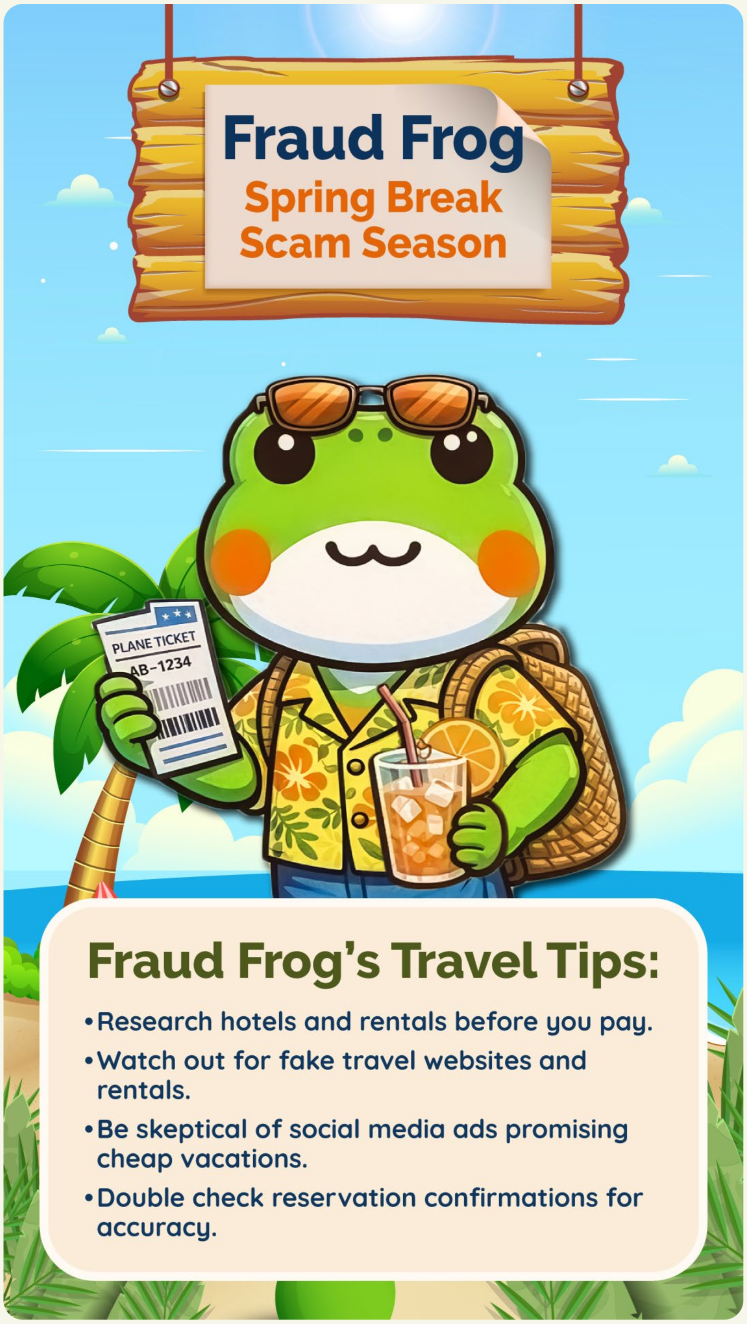

The Threat of Identity Theft and Steps To Protect Yourself

We've witnessed firsthand the effects of identity theft on individuals and families. These incidents underscore the need to consider a few proactive measures to help protect against this pervasive threat.

Let's examine some of the signs of identity theft and review some strategies that can help safeguard your personal information.

The Threat

Identity fraud claimed $47 billion in 2024, up from the prior year. Recognizing some of the signs of identity theft is crucial in potentially safeguarding personal information. Key indicators include unexpected bills or charges, inaccuracies in credit reports, and unauthorized account openings. Vigilance and proactive measures, such as placing fraud alerts, freezing credit reports, and promptly reporting suspicious activities, may be important in managing risks.[1]

Statistics

The financial repercussions of identity theft can extend far beyond the actual dollar amount of the loss, which averages $497 across all types of fraud. Victims often endure prolonged periods of stress and uncertainty. Moreover, the aftermath of identity theft can manifest in various forms, such as denial of new account applications, credit complications, and underreported incidents.[2]

Steps to Take

Identity theft protection services offer valuable insights to combat fraud, including early detection of potential threats. By leveraging technology to monitor online platforms, these services empower individuals to manage their identities and limit fraudulent activities.

Further Steps Might Include:

- Using security software on all of your digital devices.
- Setting your phone apps to update automatically, potentially protecting against security threats.
- Adopting multi-factor authentication on your devices.
- Backing up all of your data to either an external hard drive or a cloud-based service.

While the specter of identity theft looms large in today's digital landscape, adopting a proactive approach to protection is a first step. By staying informed, remaining vigilant, and investing in comprehensive identity theft prevention services, individuals can help fortify their defenses against this pervasive threat in an increasingly interconnected world.

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1. AARP.org, March 25, 2025. 2. FTC.gov, August 26, 2025. The content is developed from sources believed to be providing accurate information. The information in this material is not intended as tax or legal advice. It may not be used for the purpose of avoiding any federal tax penalties. Please consult legal or tax professionals for specific information regarding your individual situation. This material was developed and produced by FMG Suite to provide information on a topic that may be of interest. FMG Suite is not affiliated with the named broker-dealer, state- or SEC-registered investment advisory firm. The opinions expressed and material provided are for general information, and should not be considered a solicitation for the purchase or sale of any security.

HOLIDAY CLOSURES

Memorial Day
Monday, May 25

Juneteenth
Friday, June 19

SHELTON
(360) 426-1601
Monday - Thursday
Drive-up 8:30 - 5:30
Lobby 9:00 - 5:30
Friday
Drive-up 8:30 - 6:00
Lobby 9:00 - 5:30

BELFAIR
(360) 275-6066
Monday - Thursday
Drive-up 9:00 - 5:30
Lobby 9:00 - 5:00
Friday
Drive-up 9:00 - 6:00
Lobby 9:00 - 5:30

PORT ORCHARD
(360) 876-8898
Monday - Thursday
Drive-up 9:00 - 5:30
Lobby 9:00 - 5:30
Friday
Drive-up 9:00 - 6:00
Lobby 9:00 - 5:30

POULSBO
(360) 697-3011
Monday - Friday
Lobby 10:00 - 5:00

PORT TOWNSEND
(360) 385-5575
Monday - Friday
Lobby 9:00 - 5:30

CALL CENTER
(800) 426-1601
(360) 426-1601
Monday - Friday
8:30 - 5:30

Find your nearest Branch or ATM: pcfcu.org/branches-and-atms