

2022 Annual Meeting Q & A

Digital Banking

Q: What is your view of the rollout of the new digital banking platform?

Providing exceptional member service is one of our core objectives and we fell far short of our expectations in the implementation. There were too many errors after launch, and because of that, we were caught shorthanded in our call center and were not able to meet our service levels and responsiveness targets.

Ultimately, the new system will help us improve our overall digital offering, but the difficulties many members experienced due to shortcomings in our implementation were unacceptable. The Board and management are committed to learning from this experience – a detailed lookback is underway now that the dust has settled a bit – we will do better in the future.

Q: Why were there more shortcomings than anticipated?

We are conducting an in-depth evaluation of the digital banking rollout, led by an external consulting firm. The results of this initiative will provide an in-depth view of the root causes of the shortcomings. Among other things, we expect that this review will point to better project governance, processes, culture, and quality assurance that we should have had to ensure operational excellence.

Q: What have you done to resolve the issues?

We have taken an all-hands on deck approach to work through the issues. It's been our highest priority as an organization. The product teams have been joined at the hip with the member-facing teams so that post launch we have quickly triaged issues based on member feedback. At this point we have resolved nearly all of the issues and have identified some product enhancements for future months based on member feedback.

Deposits

Q: What is the Credit Union's plan for increasing deposit rates?

We are always guided by the external market environment in setting rates for both loans and deposits. Our strategy is to outpace deposit rates for the leading credit unions and be in the ballpark of rates offered by the top internet banks.

Given the market and economic environment, we expect deposit rates to go up substantially by the end of the year. We have already started increasing our deposit rates and intend to continue doing so as the Fed further raises short-term rates.

International Members

Q: Can foreign members obtain loans from the Credit Union?

Due to regulatory requirements, we don't open accounts for foreign members without a U.S. tax ID such as an ITIN. However, Chevron expatriates without a social security number or ITIN are eligible for foreign accounts. We can also establish a membership for Chevron employees who are residents in a different country if they have a US tax ID such as an ITIN.

Branches

Q: Are you planning any changes to the branches?

We have three major upgrades planned for this year. We are constructing a new branch at the Pascagoula refinery and expect to open later this spring. We are also implementing major upgrades at the San Ramon and Pleasant Hill branches designed to create a more collaborative feel for members and make these spaces more conducive for conversations. We will also be looking for a site for a new San Francisco branch.

Payments

Q: What is the Credit Union's strategy for emerging payments?

Our goal is to keep pace with innovations in this space. As part of the digital banking conversion, we launched Zelle, which enables members to make and receive payments within minutes. We also now enable much faster transfers between accounts at the Credit Union and other financial institutions and through our participation in a real-time payments network will ultimately offer an even faster transfer experience.

Green Energy

Q: How is the Credit Union contributing towards green energy initiatives?

Our solar lending program is a major contributor towards green energy. Since 2017, we've originated more than \$600 million in loans that fund the installation of residential solar panels.

Cybersecurity

Q: What is the Credit Union doing to protect against cyber threats?

The Credit Union takes information security extremely seriously. We take a "security first" mindset in everything we do and have many layered strategies to protect ourselves against the ever-changing cybersecurity landscape.

Examples include:

- 24/7 monitoring of threats, both internal and external
- Highly segmented network infrastructure with continual testing of security controls
- Feeds of numerous threat intelligence sources to ensure we are up to date on all existing threats
- Validation of security controls against best practice standards
- Multi-factor authentication to ensure access to Credit Union resources is limited to authorized personnel

Besides the various technical controls, we also have an extensive security awareness program for all staff, including ongoing training and phishing simulations.

Member Benefits

Q: What plans do the board of directors have to return some of the Credit Union's excess retained earnings to members?

The board is always looking for ways to enhance our return to members. As I noted earlier, we have a robust capital ratio which positions to continue to lead on deposit and loan rates for many years to come.

Our plan is to continue returning excess capital to members on an ongoing basis through continuing to provide great deposit and loan rates and low fees. By retaining less net income and continuing to grow our assets, we will naturally decrease our capital ratio, while keeping it at a healthy level.

Q: I am a former employee of Chevron and a member of the Credit Union. Am I entitled to any benefits?

Absolutely! Once a member, always a member. You are entitled to all the outstanding benefits you get from the Credit Union, including personalized service and value through great rates and low fees.

Miscellaneous

Q: How does the situation in Russia and Ukraine impact the Credit Union?

We are of course saddened by the events in Ukraine first and foremost. From a financial perspective, we have no assets in either country. So, any impact on the Credit Union will be indirect, through changes in the macro environment – for example through impacts on inflation or interest rates.

Given the potential for increased cybercrime, our defenses are on high alert. The other thing worth noting is that compliance with standard regulations necessitates that we do not do business with people on sanction lists.

Q: What is the relationship between Chevron Corporation and the Credit Union?

Chevron Federal Credit Union is a federally chartered credit union with two primary employer sponsors, Chevron Corporation and Bechtel. As such, the Credit Union offers membership to employees from these two sponsors, but we are a legally separate entity from both sponsors. So, employees of both Chevron and Bechtel are eligible to become members of the Credit Union, but otherwise there is no affiliation between the organizations.