



Safe, Sound, and Secure for San Diegans

2022 Annual Report

 **MISSION FED**
CREDIT UNION

Serving San Diegans for Over 60 Years

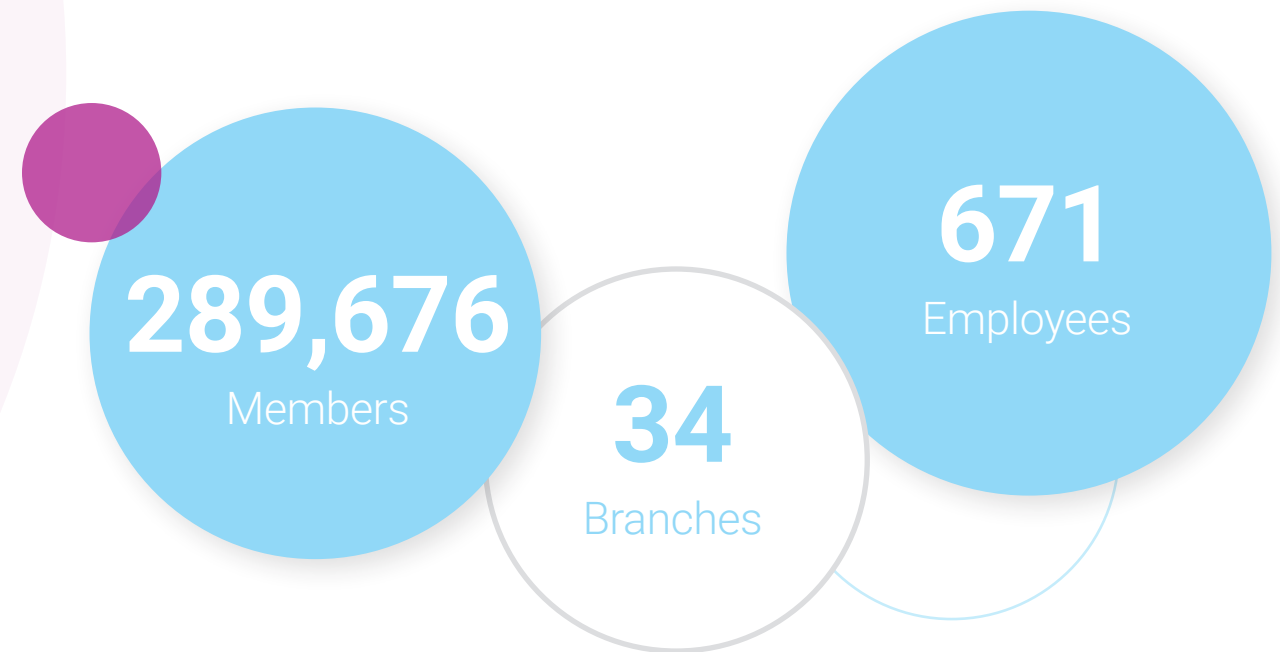
Just when we thought the world would settle down, 2022 presented us with yet another dynamic and unpredictable year. Despite the new set of challenges, Mission Fed excelled by creating financial knowledge and value for our member-owners, our dedicated staff and the broader San Diego community. Our services, including lending, savings, investment, retirement and insurance solutions, are all directed at enhancing our members' well-being.

For over 60 years, Mission Fed has been serving generations of San Diegans by remaining safe, sound, and secure. In tumultuous times, our members can rely on Mission Fed to maintain industry leading capital and loan reserves, and an overall conservative management philosophy focused on the long-term. Another strength is the diversity of our member and deposit base, reflecting the almost 300,000 members we serve throughout the County.

We've consistently received strong independent audit results, and have been recognized as a Forbes Best-In-State credit union and Top Workplace in both San Diego County and the nation. In addition, we received the highest rating of five stars from BauerFinancial, Inc., the nation's premier bank and credit union rating firm.

Ultimately, this philosophy reflects our mission to serve San Diegans financial needs well, both now and in the future.

Strength in Our Numbers



Financial Soundness



Our Mission

Earning trust, investing in our membership's success, and caring for our community.



Our Vision

We are the premier financial partner, widely recognized by members, employees, and the community for improving lives and providing a superior banking experience.



Our Values

Integrity. Service. Commitment. Teamwork. Trust. Communication.

Stability, Confidence, and Strong Results Through Financial Discipline

At Mission Fed, the safety, security, and service we provide our members has always been our top priority. We have been proudly serving San Diegans for over 60 years through the strong, personal connections we build with our membership and partnerships throughout the San Diego community, as well as our consistent fiscal discipline. Our mission, "Earning trust, investing in our membership's success, and caring for our community" is always top of mind and what makes us the premier credit union in San Diego.

Invested in Your Financial Well-being

We remained laser-focused on serving our 289,676 member-owners' financial needs while fortifying our safety, soundness, and security as your credit union. Despite the volatile market conditions and ever evolving environment, we supported our members through our complete suite of products and services. We accomplished this while maintaining a strong financial position, evidenced by sound independent audit results, and capital and credit reserve ratios that far exceeded regulatory requirements.

Invested in Our San Diego Community

In 2022, we raised and invested over \$1 million in our local community, helping to support the missions of a variety of local nonprofit organizations and critical causes that uplifted San Diego. Giving back our time, treasure, and talent to our local community is part of our DNA.

Inspired by Our Staff

We could not accomplish any of these results and provide outstanding service to our members and community without our dedicated and caring staff, particularly during these turbulent times. We are proud of and grateful to our Mission Fed team, who continuously works hard to ensure that we are always there for our members, our community, and each other.

Over the past several years, we have demonstrated our resilience, strength, security, and compassion. You can count on us to continue to model this tenacity and care in the future.

Sincerely,



Dr. Don J. Shelton
Chair, Board of Directors



Debra Schwartz
President and CEO

2022 Awards

BauerFinancial, Inc. 5-Star Superior Rating

In 2022, we received a top 5-Star Superior Rating, the highest rating attainable from *BauerFinancial, Inc.*, the nation's bank and credit union rating firm, for the third year in a row. Earning a 5-Star Superior Rating is based on the overall financial picture of our institution, indicating that Mission Fed is one of the strongest credit unions in the nation, and represents a solid recommendation by *BauerFinancial, Inc.*



Forbes 2022 Best-In-State Credit Unions

We were honored to be named a Best-In-State Credit Union 2022 by *Forbes*, among the top five in California and ranked highest in San Diego. This prestigious award was presented by *Forbes* and *Statista Inc.*, the world-leading statistics portal and industry ranking provider, based on an independent survey of approximately 26,000 U.S. consumers. Recommendations and assessments were based on the following: trust, terms and conditions, branch services, digital services, customer service, and financial advice.

2022 San Diego Union-Tribune Top Workplaces

Mission Fed was named on the 2022 Top Workplaces list by *The San Diego Union-Tribune* for the second time, and awarded with the Crystal Clear Award and Spotlight Awards in the following categories: Women-Led, Employee Appreciation, and Professional Development. The recognition celebrates the best work environments in the region and is based solely on employee feedback gathered through a third-party survey conducted by employee engagement technology partner *Energage, LLC*.



Protecting Our Members Privacy and Security



Member Fraud Education

In 2022, scammers leveraged emotional responses during challenging times to encourage consumers to respond quickly through common scams that provoke fear and a sense of urgency. Throughout the year, Mission Fed shared information with our members to help them avoid falling victim to common scams by sending email communications, displaying timely messaging on branch digital screens, and providing fraud education on MissionFed.com.

Our branches, contact center representatives and business development teams have also helped countless members and other San Diegans understand and avoid potential fraudulent activity on their accounts.

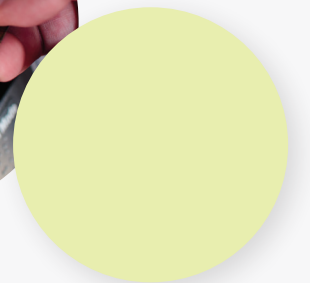


Safety and Security for Our Members

Ensuring members' safety, information security and privacy is crucial for Mission Fed. Our cybersecurity strategy is comprehensive and multi-layered, covering all aspects of governance, risk and compliance, identity and access management, incident response and forensic analysis. We take a proactive approach, providing training to staff and members, continuously monitoring for threats and vulnerabilities, and addressing them promptly.

To protect against external threats, Mission Fed employs the latest infrastructure and cybersecurity technologies. We require strong authentication for all access to our networks and evaluate our third-party providers for security threats. We regularly educate our staff on best practices for avoiding phishing and other social engineering attacks and continue to invest in innovative technologies and strategies to stay ahead of evolving threats.

We also provide training resources for our members and encourage them to employ best practices in using technology. Our staff is ready to assist members who have questions or are concerned about cyber threats, and we engage proactively with them to minimize any potential risk.



Enriching Our Community Through a Full Range of Services

At Mission Fed, everything we do is driven by understanding our members' specific needs and goals, and we are committed to providing personalized financial resources, solutions, and customer service to help our members achieve their dreams. We make life easier and help our members save with special savings accounts, competitive home loan and dividend rates, and a full range of member-only products and services, including financial education, retirement and investment services, and car buying options. We're for people, not for profit...banking you can feel good about.



Real Estate

Mission Fed acted quickly in response to reports in early 2022 that San Diego was the least affordable metropolitan area in the U.S. Throughout 2022, we helped nearly 900 members attain the dream of homeownership through our affordable, flexible, and valuable home purchase programs.



Autoland

Autoland helped many of our members navigate a difficult car-buying market in 2022 by finding vehicle matches for their needs and acting as their advocate throughout the purchase process.



Savings

Mission Fed is here to help our members achieve their financial milestones and long-term goals. Our new Special Rate Savings allowed members to give their savings a boost and earn more while having the flexibility to access their funds when needed. Additionally, with a variety of certificate options, our members were provided with peace of mind and competitive dividend rates, plus the flexibility to choose a term that fits their investment needs.



Investment Services

We offered our members personalized financial and retirement planning services through our relationship with Raymond James Financial Services. To help members plan for their future, Mission Fed also recently expanded our offerings to include a digital platform for estate planning.



Financial Wellness

In the challenging financial climate of 2022, Mission Fed supported the financial health of our members and community by offering financial education through in-person presentations, webinars, digital educational tools, personalized financial counseling, community partnerships, and media outreach.

Comm-Unity Matters!

In 2022, Mission Fed raised and invested over \$1 million for our community by supporting a variety of local nonprofit organizations and critical causes that make a difference of consequence right here in San Diego. This support is essential, particularly in challenging times. Following are examples of select partner engagements, however, we are proud to work with many additional nonprofit partners throughout our community.

Mission Fed ArtWalk

We celebrated our 14th year as title sponsor by bringing arts and culture to our San Diego community in Little Italy for over 100,000 attendees



San Diego Padres

Support provided to our hometown San Diego Padres team by sponsoring and ringing the ceremonial Mission bell throughout baseball season, and inviting Make-A-Wish Foundation "wish kids" to join us



The Jacobs & Cushman San Diego Food Bank

Our fundraising efforts generated over \$81,000 through our 34 branches, digital banking, and contact center. These funds filled 11,500 backpacks full of food to feed kids all weekend long during the Food 4 Kids Backpack Program



Junior Achievement

Continued financial support for the Mission Fed JA Finance Park and BizTown, along with Board stewardship and volunteer engagement to advance financial literacy for our youth



Make-A-Wish Foundation

"Make-A-Wish Mondays presented by Mission Fed" at Padres games gave "wish kids" a dream come true, hope, and a transformational experience



San Diego Rescue Mission

We helped break the cycle of homelessness through a \$20,000 contribution, plus served as the title sponsor of The Battle for the Clubs event



Girl Scouts San Diego

We provided Board leadership, key financial support for programs including a Financial Literacy Merit Badge, and volunteerism at signature events



Asian Pacific Islander Initiative

Mission Fed joined the community at the 2nd Annual Filipino American Friendship Festival, a cultural event celebrating the day that Philippines Independence Day was recognized by the United States on July 4, 1946



San Diego Council on Literacy

Sponsoring the Financial Literacy Superheroes Competition, we provided over \$20,000 in combined sponsorship and in-kind media support to improve literacy in our County



Father Joe's Villages

We contributed \$25,000 as a matching donation during Hunger and Homelessness Awareness Week, to help Father Joe's Villages raise nearly \$68,000 for our local neighbors experiencing homelessness and food insecurity



Alzheimer's Association San Diego/Imperial Chapter

We donated \$10,000 and provided valuable in-kind media to help the Alzheimer's Association raise another \$15,000+ during Alzheimer's & Brain Awareness Month



San Diego Pride

We served as the Pride 5K Run & Walk Diamond Sponsor, raising a record-breaking \$40,000, with funds benefiting San Diego Pride and the LGBT Center's Youth Housing Project



San Diego Center for Children

Mission Fed staff participated on the Board and volunteered for the annual Tree Decorating event to support children in need



Serving the Fastest Growing San Diego Demographic

As a community credit union, Mission Fed succeeds by helping our community succeed. We are committed to making a difference in the lives of our members, our employees, and our community. This includes the Hispanic community with the goal of bridging economic inclusion and supporting financial well-being.

Mission Fed is proud to have leaders that are committed to supporting the Hispanic community in San Diego. A focal point of our Hispanic engagement strategy is supporting Hispanic partnerships in the community. Our cultivation of grassroots relationships has created opportunities to introduce the credit union difference to members of this community. These relationships have also spurred investments producing significant benefits for the Hispanic San Diego market.



Earning the Juntos Avanzamos Designation

As a result of our historical and ongoing commitment to serving and empowering the Hispanic consumer, Mission Fed became the first credit union in San Diego County to receive the Juntos Avanzamos Designation. Juntos Avanzamos, translated as "Together We Advance," is a testament to credit unions that have a vision and commitment to serving the Hispanic community by providing financial services and asset-building opportunities.

Thank you to our local governments, nonprofit partners, and business leaders for joining us in a special proclamation ceremony on May 8, 2022, where Mission Fed symbolically joined over 130 credit unions nationwide that are part of the Juntos Avanzamos financial inclusion movement. To earn the Juntos Avanzamos Designation, Mission Fed completed an extensive application process.

Financial inclusion and building equitable communities is core to Mission Fed's foundation and mission, as we look to a more sustainable future for all communities in San Diego.



More Opportunities for More San Diegans



29,676
New Members



Members

4.99%
Growth (vs. 2021)



Branches



1
New Branch
(Chula Vista)

1
Branch Move
(Del Mar)

1
Updated Branch
(Clairemont)

34
Total
Branches



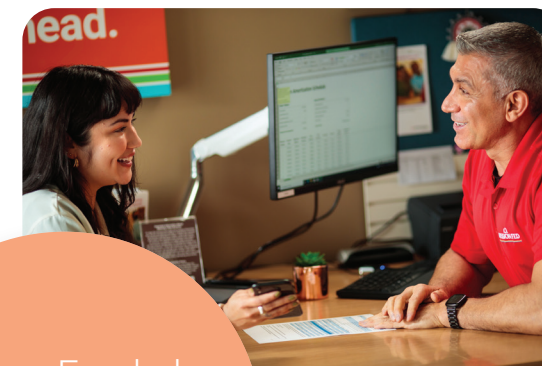
Credit Card
Funding
\$518M

Lending

Auto
Financing
\$530M

Real Estate
Loans Funded
Over \$1B

Loans Funded
\$2.6B



Member Loans
Outstanding

\$4.2B

Supervisory Committee Report

Mission Fed's Supervisory Committee is comprised of volunteer members who have oversight responsibility for the credit union's financial reporting process, internal controls, and process for monitoring compliance with laws and regulations. This year's committee members include: Dr. Lupe Buell, Laura Josh and myself.

In 2022, the Committee carried out its oversight responsibilities in collaboration with internal and external resources, evaluating various aspects of the credit union's operations throughout the year. We engaged with a certified public accounting firm to perform an opinion on the credit union's financial statements as required by the National Credit Union Administration (NCUA) regulation. In fulfilling our oversight responsibilities, we discussed the financial statements in the annual report with management, including a discussion of: the quality of the accounting principles; the reasonableness of significant judgments; and the clarity of disclosures in the financial statements.

Annually, Mission Fed undergoes an extensive oversight process by the NCUA regulators, external auditors, and the internal audit team. Over 30 audits and assessments were completed throughout the year with favorable results, including the results of the recent NCUA examination. Mission Fed is also compliant with federal, state, and local regulations and undergoes various compliance assessments throughout the year. Management remains vigilant with compliance developments and makes appropriate process and policy changes as new rules and regulations are introduced.

Based on the results of the annual examination conducted by the NCUA and overall audit results, it is the opinion of the Supervisory Committee that Mission Fed Credit Union continues to be well managed, with a sound internal control structure to safeguard our members' assets.

The credit union's commitment to ensuring strong financial reserves, sound business practices and dedicated leadership enables us to manage changes in the economic and regulatory environment, while maintaining a healthy financial position. On behalf of the Supervisory Committee, we wish to express our appreciation to the Board of Directors, management, and staff for their continued support, diligence, and dedication to serving our members while maintaining sound practices.

Respectfully submitted,



Tina Douglas

Tina Douglas
Chair, Supervisory Committee

2022 Financials Mission Fed Credit Union

Consolidated Statement of Financial Condition (Audited), December 31, 2022 (in thousands)

Assets

Total Loans	\$4,240,647
Allowance for Loan Losses	(27,959)
Net Investments	931,463
Other Assets	571,714
Total Assets	\$5,715,865

Liabilities and Equity

Total Deposits	\$4,838,134
Borrowed Funds	202,500
Other Liabilities	97,832
Total Members' Equity	577,399
Total Liabilities and Equity	\$5,715,865

Consolidated Statement of Income (Audited), December 31, 2022 (in thousands)

Interest Income

Loans	\$128,120
Investments	20,574
Total Interest Income	\$148,694

Interest Expense

Deposits	\$8,795
Borrowed Funds	3,689
Total Interest Expense	\$12,484

Net Interest Income

Provision for Loan Losses	8,449
Non-Interest Income	63,677
Non-Interest Expense	129,614
Net Income	\$61,824

Mission Fed Board of Directors



Mission Fed Board of Directors, left to right:

Dr. Timothy Glover, Director · Dr. Melanie Branca, Director · Dr. Kamran Azimzadeh, Secretary/Treasurer
 Lora Duzyk, Director · Dr. Don J. Shelton, Chair · Dr. Lupe Buell, Director · Wayne Oetken, Past Chair
 Malliga Tholandi, Director · Scott Patterson, Vice-Chair

Mission Fed Supervisory Committee



Tina Douglas, Chair



Laura Josh



Dr. Lupe Buell

We Are Here for You

Whether in person at one of our 34 local branches, via mobile or online banking, or over the phone, Mission Fed is here for you.

In Person:

- | | |
|------------------------------|------------------|
| Bressi Ranch | Little Italy |
| Carlsbad | Mira Mesa |
| Carmel Mountain Ranch | Mira Mesa West |
| Chula Vista | Mission Hills |
| Chula Vista/Eastlake | Mission Valley |
| Chula Vista/Telegraph Canyon | National City |
| Chula Vista/Terra Nova | Oceanside |
| Clairemont | Oceanside Hwy 78 |
| College Grove | Poway |
| Del Mar Highlands | Rancho Bernardo |
| El Cajon | Rancho San Diego |
| Encinitas | San Carlos |
| Escondido | San Marcos |
| Escondido Auto Park Way | Santee |
| Imperial Beach | Scripps Ranch |
| La Mesa | Solana Beach |
| Linda Vista | Vista |

Mobile/Online:

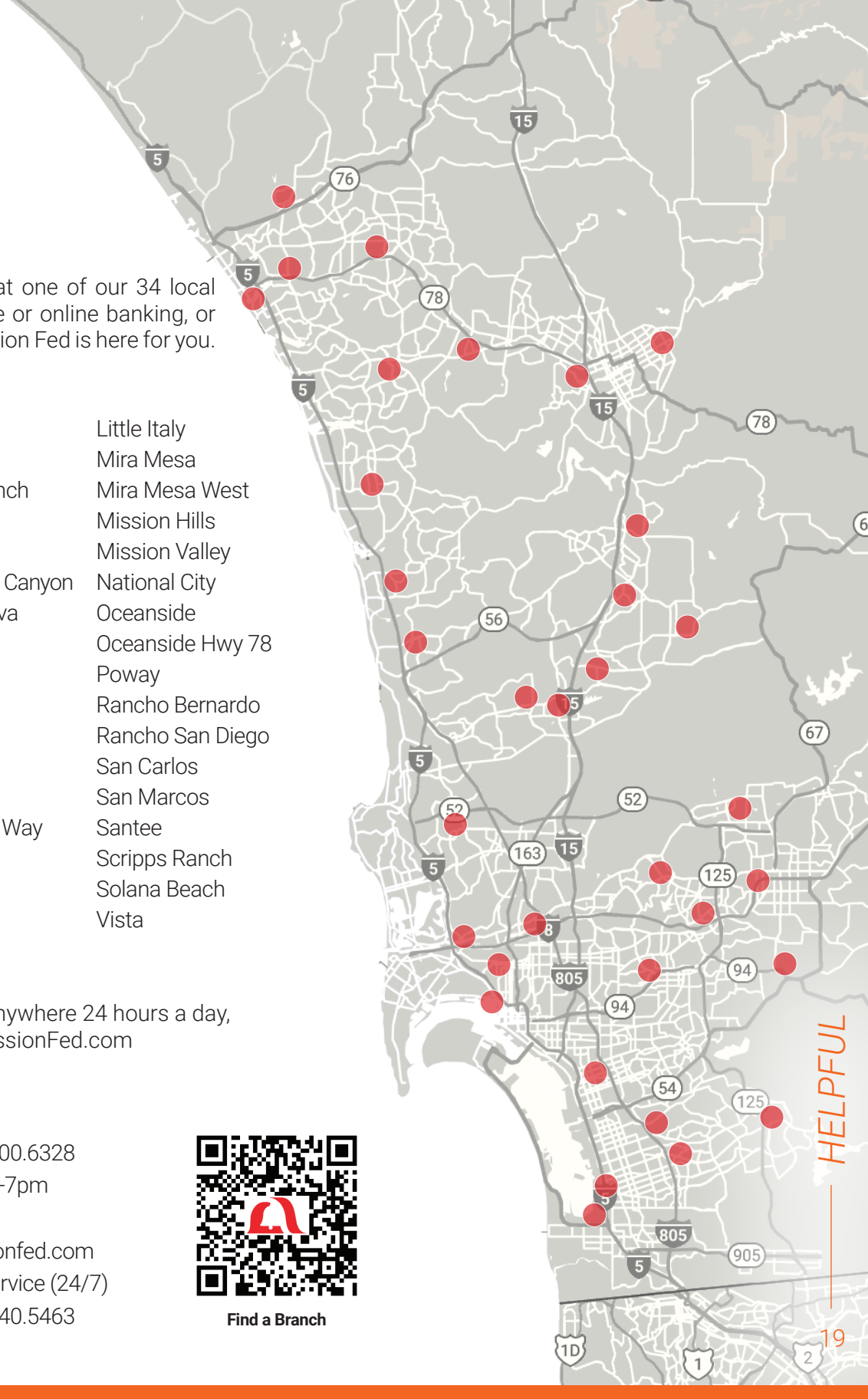
Bank anytime and anywhere 24 hours a day, 7 days a week at MissionFed.com

Phone:

Contact Center
 858.524.2850 | 800.500.6328
 Monday - Friday 7am-7pm
 Saturday 8am-4pm
 membercare@missionfed.com
 Automated Phone Service (24/7)
 858.673.0900 | 800.640.5463



Find a Branch



HELPFUL

SOUND

The logo for Mission Fed Credit Union features a stylized red house icon to the left of the text "MISSION FED" in a large, bold, black sans-serif font. Below "MISSION FED" is the text "CREDIT UNION" in a smaller, bold, black sans-serif font.

MISSION FED CREDIT UNION

Savings · Checking · Credit Cards · Loans · Insurance · Investments



Federally Insured by NCUA

858.524.2850 | 800.500.6328 | [MissionFed.com](https://www.MissionFed.com)

Securities offered through Raymond James Financial Services, Inc. member FINRA/SIPC, and are not insured by credit union insurance, the NCUA or any other government agency, are not deposits or obligations of the credit union, are not guaranteed by the credit union, and are subject to risks, including the possible loss of principal. Mission Federal Credit Union is not a registered broker/dealer and is independent of Raymond James Financial Services, Inc. Investment Advisory services are offered through Raymond James Financial Services Advisors, Inc.