

Community is Everything

2019 Annual Report

 **MISSION FED**
CREDIT UNION



Here for All San Diegans



Mission Fed Credit Union is San Diego's largest member-owned, not-for-profit, full-service financial institution exclusively serving San Diego County. As a one-stop financial services provider, we are dedicated to serving our members' financial needs and offering products and services to meet their requirements.

Mission Fed participates in many programs throughout San Diego County that enhance the lives of our members through financial education and services. We put money back into the communities of San Diego to help our non-profit partners. We believe this is simply part of our responsibility as a community-based organization and that we all benefit from such efforts. Banking at Mission Fed means doing good for San Diego.

We Are for People, Not for Profit



Mission Fed is here to serve our member-owners in the San Diego community with nearly \$4 billion in assets, over 253,000 members, 32 convenient branches, Online and Mobile Banking and 30,000 CO-OP ATMs nationwide. Federally insured by NCUA and an Equal Housing Lender.

Banking That Works for Everyone

Mission Fed proudly serving our San Diego community since 1961

For Mission Fed, community is everything. We are deeply connected to – and passionately embedded in – the neighborhoods of San Diego. You can sum up who we are and what we do in four simple words: **we serve our community.**

Our mission, “Earning trust, investing in our membership’s success and caring for our community,” is ever-present in our minds.

This community mindset and member-first commitment to serve inspires everything we do. We are proud to share that 2019 was a year of growth and proved to be one of our most successful years to date. We reached numerous milestones, including surpassing 250,000 members, exceeding capital of \$500 million and our total assets reached \$3.85 Billion. We introduced a new mobile banking platform and a new member investment program, launched a refreshed and authentic local brand with great employee and community-centric advertising and now offer 32 beautiful full-service local branches. Our solid growth shows in our balance sheet, very strong income statement, low loan losses and high net worth ratio. We ended the year with a robust net income exceeding \$63 million.

Mission Fed outperformed our State and Asset Peers in member growth, share growth, net worth and ROA, as well as in the categories of delinquency ratios and charge-offs.

Our member survey was completed by 22,000 members, who gave us an overall satisfaction score of 4.75 out of 5. We receive great feedback and actionable information from our member surveys.

Our community footprint remains strong, as we supported and participated in hundreds of programs and events in San Diego County in 2019 that benefited our educational and community partners, including numerous school districts, along with Mission Fed Artwalk, American Heart Association, The Jacobs & Cushman San Diego Food Bank, Girl Scouts San Diego, Junior Achievement, San Diego Zoo and Safari Park, San Diego Padres, and San Diego Center for Children.

Ever mindful of the civic spirit that drives us, we are committed to serving the San Diego community we live in. We believe this is simply part of our responsibility as a community-based organization and that all of us benefit from such efforts.

Sincerely,



Lora L. Duzyk
Chair, Board of Directors



Debra Schwartz
President and CEO

Mission Fed Board of Directors

Mission Fed is honored to have a dedicated and experienced Board of Directors who volunteer their time and expertise to serve our members and uphold our values.



Mission Fed Board of Directors, L to R: Richard L. Pepper, Director · Dr. Melanie Branca, Director · Wayne Oetken, Vice-Chair · Dr. Larry Maw, Director · Lora L. Duzyk, Chair · Dr. Lupe Holguin Buell, Director · Dr. Don J. Shelton, Secretary/Treasurer · Dr. Kamran Azimzadeh, Director · Scott Patterson, Director

Mission

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

Vision

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

Values

- Integrity
- Service
- Commitment
- Teamwork
- Trust
- Communication

One Big Community

At Mission Fed, our mission includes caring for our local San Diego community. We do this through strategic partnerships with educational and nonprofit organizations, financial education for all ages and community events. We are grateful for our many long-time community partners that we collaborate with every year to create a unique member experience by giving back to our community.



Mission Fed ArtWalk



JA Way to Save – Junior Achievement San Diego



Kids Free in October – San Diego Zoo and Safari Park



Girl Scout Volunteer Conference & Celebration – Girls Scouts San Diego



Clear the Shelters – San Diego Humane Society



Go Red for Women – American Heart Association

2019 A Look Back



The Spirit of Service

Mission Fed leadership provides our time, treasure and talent to support many local and national organizations with board & advisory roles:

National Association of Federally - Insured Credit Unions (NAFCU) Executive Committee

American Heart Association San Diego - Go Red for Women Executive Committee

Junior Achievement Executive Committee

UC San Diego Alumni Board Executive Committee

Financial Accounting Standards Board Transition Resource Group

Girl Scouts San Diego

Susan G. Komen San Diego Events Committee

The Living Coast

San Ysidro Health

San Diego Center for Children

Credit Union for Kids

San Diego Council on Literacy

National Philanthropy Day Honorary Committee

Classroom of the Future Foundation

MANA de San Diego

Rady's Children's Hospital Foundation & Rady's Charity Ball

Chula Vista Police Foundation

Ackerman Foundation

YMCA Santee



Serving Our Members

Total Members Served:
253,961

New Branch Opening:
Bressi Ranch

Branch Remodels:
Mira Mesa East & Eastlake

Member Satisfaction Survey Score:
4.75

Member Initiatives

Chip-Enhanced (EMV) debit card

Realtor Days, Move-Up and First-Time Homebuyer Workshops

Expanded Auto Loan Rate Break program

Promotional Flex CD

Expanded Mission to \$ave

Landed partnership down-payment assistance program

HomeAdvantage member benefits

Free fraud text alerts

We Serve Our Community

Supported 183
Community Relations Events
in San Diego County

7,200 backpacks
filled with nutritious food for
the San Diego Food Bank



In-Kind Media Support Provided to Nonprofits

JA San Diego
American Heart Association
Chula Vista Police Foundation
San Diego Humane Society
CA Center for the Arts
El Grito de Mexico

683

Youth Accounts
opened through
Girl Scouts San Diego



MISSION FOR NONPROFITS:
230 new memberships
\$5,750 donated to Nonprofits

Raised Funds for Community Engagement Events including:

Go Red for Women
\$30,000

San Diego Food Bank
\$40,000

Cammies & Canines
and Serving Seniors
(Care Wear)

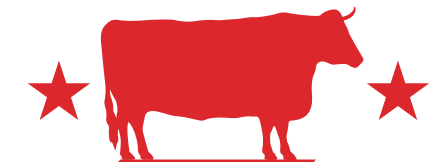


116 accounts opened through
Junior Achievement
Way to Save Program


160,000+ children
visited the
San Diego Zoo
and Safari Park for
FREE
in October



120,000
San Diego County Fair
admission vouchers
given to teachers & staff



Who is Mission Fed?

We Serve San Diego County

32 Local Branches

253,961 Members

574 Employees

Recognized as one of the nation's top credit unions

Our Core Values

Trust

Integrity

Commitment

Communication

Teamwork

Service

2019 Financial Highlights

\$3.85 Billion in Assets

13.81% Net Worth Ratio

\$63.1 Million in Net Income

\$1.528 Billion in New Loans

\$3.257 Billion in Deposits

0.29% Charged-off Loans

0.11% Delinquent Loans

Positive NCUA examinations

Supervisory Committee Report

Mission Fed's Supervisory Committee is comprised of volunteer members who have the financial responsibility for the internal and external audit activity of Mission Federal Credit Union. This year's committee members include: Scott Patterson, Tina Douglas and myself.

Annually, Mission Fed undergoes an extensive oversight process by the NCUA (National Credit Union Association) regulators, external auditors, and the internal audit team. We enlisted the services of the external audit firm CliftonLarsonAllen (CLA) to conduct the credit union's financial statements audit as of 12/31/19.

We are pleased to share with our membership that Mission Fed is in excellent financial condition. The 2019 consolidated financial statements were issued with an unmodified opinion, which is the best type of audit opinion the credit union can receive.

Mission Fed maintains a strong net worth, has solid internal controls in place, remains well capitalized with more than double the amount of capital required, and continues to grow membership, deposits and loans.

Mission Fed is also compliant with federal regulations and undergoes various compliance assessments throughout the year. Mission Fed continues to make appropriate process and policy changes as new rules and regulations are introduced. During these unprecedented times we are currently facing, Mission Fed has remained vigilant over the developments of the COVID-19 pandemic and has been diligently adjusting operational processes to continue to serve its members in a safe environment while remaining compliant and protecting staff members.

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.



Respectfully submitted,

Malliga Tholandi

Malliga Tholandi
Chair, Supervisory Committee

2019 Financials Mission Federal Credit Union

Consolidated Statement of Financial Condition (Audited), December 31, 2019 (in thousands)

Assets	
Total Loans	\$2,834,246
Allowance for Loan Losses	(15,206)
Net Investments	593,439
Other Assets	443,738
Total Assets	\$3,856,217

Liabilities and Equity	
Total Deposits	\$3,256,134
Borrowed Funds	16,000
Other Liabilities	51,688
Total Members' Equity	532,395
Total Liabilities and Equity	\$3,856,217

Consolidated Statement of Income (Audited), December 31, 2019 (in thousands)

Interest Income	
Loans	\$109,738
Investments	17,885
Total Interest Income	\$127,623

Interest Expense	
Deposits	\$16,580
Borrowed Funds	302
Total Interest Expense	\$16,882

Net Interest Income	
Provision for Loan Losses	9,039
Non-Interest Income	68,346
Non-Interest Expense	107,421
Net Income	\$62,627

Workplace Excellence & Member Experience



Reasons I love working at Mission Fed:

Our Work Environment

The People

Appreciation of Staff

My Job

Company Attributes

Management and Their Relationship with Staff

Opportunity for Growth

Benefits

Our members say it best

I love this credit union as the staff are really friendly and they offer great loan rates.

– Sean D.

I really like how pleasant everyone is there. I recently opened up a checking and savings account and everybody was really nice, and I haven't had any problems and I really love this bank and I will recommend this bank to my family and friends thank you for everything you guys do.

– Elizabeth G.

Always friendly, patient, and helpful.

– Jerri C.

I have nothing but praise for Mission Federal. I have been a customer for more than 30 years. I have used them for all kinds of banking services—checking and savings, car loans, CDs, and more.

– Lynne B.

I love mission fed!! Always the sweetest tellers who are very helpful. Always feel safe and secure banking with them.

– Stephanie M.

They are really part of our community and honestly care. They facilitate my banking needs, concerns, travel and have always gone the extra distance to help when needed.

– Paige H.

2019 Awards & Recognition

Mission Fed is awarded and recognized for excellence in many areas of our work – from employee optimization to maintaining strong community relationships. We proudly accepted the following awards and recognition in 2019:



2019 Peter Barron Stark Companies' Award for Workplace Excellence – six consecutive bi-annual award!



MANA de San Diego: herMANA of the Year Award
Dr. Lupe Holguin Buell, PhD



North County Philanthropy Council (NCPC): Certificate of Commendation

Product & Service Offerings

Checking & Savings

Accounts

Checking
Savings
Money Market
Certificates
Retirement

Online & Mobile

Online Banking
Mobile Banking
Mobile Wallet
eDocuments
Online Bill Pay
Person to Person Payments

Services

Prepaid Gift & Travel Cards
Foreign Currency
Fraud Text Alert Service

Loans & Credit Cards

Auto Loans

Skip-A-Pay
Auto Coverage
Auto Leases

Credit Cards

Platinum
Classic
Mission Rewards

Home Loans

Mortgage
Home Equity Loans
Home Equity Line of Credit
Real Estate Center
Energy-Smart Loans
Commercial Real Estate

Auto Buying Services

Autoland

Insurance

Auto

GAP Advantage
Mechanical Breakdown Protection
Auto Liability & Collison

Personal

Accidental Death & Dismemberment
Credit Life & Disability
Life Insurance
Long-Term Care Protection
Dental Benefits Max

LIVSMART Insurance Service, LLC

Auto Insurance
Home Insurance
Life Insurance

Other Services

Pet Insurance

Investments*

Investments offered through Raymond James Financial Services

Financial Planning
Retirement Planning
Education Planning

Branches in San Diego County

Bressi Ranch: 2662 Gateway Rd., Ste. 160, 92009
Carlsbad: 710 Carlsbad Village Dr., 92008
Carmel Mountain Ranch: 11650 Carmel Mountain Rd., 92128
Carmel Valley: 3885 Valley Centre Dr., 92130
Chula Vista/Eastlake: 884 Eastlake Pkwy., 91914
Chula Vista/Telegraph Canyon:
599 Telegraph Canyon Rd., 91910
Chula Vista/Tera Nova: 354 East H St., 91910
Clairemont: 4250-B Clairemont Mesa Blvd., 92117
College Grove: 3470 College Ave., 92115
El Cajon: 760 N. Johnson Ave., 92020
Encinitas: 294 N. El Camino Real, 92024
Escondido: 1500 E. Valley Pkwy., 92027
Escondido Auto Park Way: 1270C Auto Park Way, 92029
Imperial Beach: 675 Saturn Blvd. Suite A, 92154
La Mesa: 5500 Grossmont Center Dr. #113, 91942
Linda Vista: 5375 Napa St. #101, 92110
Little Italy: 1370 India St., 92101
Mira Mesa: 10768 Westview Pkwy., 92126
Mira Mesa West: 8198 Mira Mesa Blvd., 92126
Mission Hills: 269 W. Washington St., 92103
Mission Valley: 2020 Camino del Rio N., 92108
National City: 1302 East Plaza Blvd., 91950
Oceanside: 47 Douglas Dr., 92058
Poway: 13465 Poway Rd., 92064
Rancho Bernardo: 11868 Rancho Bernardo Rd., 92128
Rancho San Diego: 3815 Avocado Blvd., 91941
San Carlos: 6950 Navajo Rd., 92119
San Marcos: 117 S. Las Posas Rd., 92078
Santee: 245 Town Center Pkwy., 92071
Scripps Ranch: 10393 Spring Canyon Rd., 92131
Solana Beach: 953 Lomas Santa Fe Dr., 92075
Vista: 985 Civic Center Dr., 92083

Headquarters (Horizon Center):

10325 Meanley Drive, San Diego CA 92131



*Securities offered through Raymond James Financial Services, Inc. member FINRA/SIPC. Investment advisory services are offered through Raymond James Financial Services Advisors, Inc. Mission Federal Credit Union is not a registered broker/dealer and is independent of Raymond James Financial Services. Securities 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. Learn more at raymondjames.com/missionfed or call 858.524.2888.

Insurance products are not insured by any State or Federal Government Agency and are not obligations of or guaranteed by Mission Federal Credit Union.



858.524.2850 | 800.500.6328 | MissionFed.com

Insured by NCUA

