

Helping the Community. When It Was Needed Most.

2020 Annual Report



LEADING

Mission Fed Credit Union is San Diego's largest member-owned, not-for-profit, full-service financial institution exclusively serving San Diego County.

Mission Fed continues to grow with assets in excess of \$4.5 billion, over 263,000 members, 32 convenient local branches, 30,000 fee-free CO-OP ATMs nationwide, and free Mobile and Online Banking Services.

Mission Fed is federally insured by the NCUA and an Equal Housing Lender.



Financial Mission:

Mission Fed provides a full suite of financial services including Checking, Savings, Credit Cards, Auto Loans, Real Estate Loans, Insurance, and Investments, while enhancing the lives of its members through financial education and support.

Social Purpose:

Mission Fed provides significant support to many high impact local nonprofit organizations and invests its time, treasure and talent into our San Diego communities.

Banking with Mission Fed means doing good for San Diego.



WHO IS MISSION FED?

Our Core Values

Integrity

Service

Commitment

Teamwork

Trust

Communication

We Serve San Diego County

32 Local Branches

263,374 Members

602 Employees

**2020 Top Workplace by
The San Diego Union-Tribune**

AIDING

Mission Fed proudly serving our San Diego community since 1961

For Mission Fed, the health, well-being and safety of our members, employees and community has always been our top priority. We have been proudly serving San Diegans for 60 years. Our stability, strength, and resources coupled with the strong, personal connections we build with our membership and our commitment to create deep relationships with our community partners is what makes us the premier credit union in San Diego.

Life has been unpredictable the past year as we have all adjusted to the COVID-19 pandemic. Our commitment to serve our members has not wavered. As we navigated these unexpected times, the following are just a few of the many important steps taken this past year to help keep our members, employees and the San Diego community safe and healthy:

- All branches remained open, cleaned and sanitized daily, including enhanced cleaning and disinfecting of key touch areas and ATMs.
- Employees were provided with preventative information focused on staying safe and healthy, granted additional paid time off, and asked to stay home if they were not feeling well.
- An internal task force monitored information from the Center for Disease Control and Prevention (CDC) and federal, state and county agencies to promptly and consistently ensure all decisions and actions were in line with recommendations and guidance.

The pandemic has been devastating for so many, making it more important than ever to reach out with a helping hand. In 2020, Mission Fed turned our community relations efforts to targeted fundraising efforts. Along with the generosity of our members and the San Diego community, we raised and donated a total of \$680,342 for local nonprofit organizations. These donations supported and helped build resiliency throughout our community to provide hope, meals, and shelter to San Diego’s men, women, and children in need through COVID-19 relief efforts and in the fight against heart disease.

As the pandemic has continued to evolve and change all our familiar routines, our commitment to our members and the entire San Diego community has continued in everything we do. We understand the concerns and uncertainty experienced this past year, and we continue to serve, inform, and be responsive to our members’ financial needs. Maintaining trust and providing accessibility to funds in a variety of ways, including in our branches, through our call center, or in a digital environment, as well as providing financial products and services at all times are also top priorities.

Although we are all living a bit differently now, Mission Fed remains safe, strong and sound. We are inspired and encouraged by the resilience, resolve and kindness we see in people every day. We remain optimistic and confident that these acts of strength and caring are what will, in time, allow us all to heal and emerge stronger and more unified than ever before.

Sincerely,



Wayne Oetken

Wayne Oetken
Chair, Board of Directors



Debra Schwartz

Debra Schwartz
President and CEO

PROVIDING

Financial Trust and Confidence: Rely on Our Strength

Banking that works for everyone.



Essential Services – Standing by You

Safe, strong and sound. Mission Fed branches remained open throughout the pandemic to serve our members as an essential service.

Branch Support

Our branch staff at 32 locations in San Diego County provide friendly, helpful and efficient service experiences to our members.

COVID-19 Relief Efforts in Unprecedented Times

We continue to provide solutions, support and guidance to help our members manage their finances and navigate the volatility of the current challenging COVID-19 environment.

Safety and Security

We operate safely and effectively, following all CDC, state and local guidelines, devoting all necessary resources to help ensure both our member’s and staff’s personal safety, while maintaining all the services you count on.



REVIVING

Financial Assistance
and Support:
Find Relief in Our Programs

We put people before profit.
That’s how we bank.



Partner for Life

At Mission Fed, our goal is to serve as your financial partner through every stage of your life. During these uncertain times, we recognize the COVID-19 pandemic and related business and service closures have adversely impacted the financial health of many within our community. We are here to serve you.

Financial Assistance

For our members who have experienced unexpected financial hardships due to the COVID-19 pandemic or other unfortunate events, Mission Fed remains committed to providing you with financial assistance.

We are here to help those who have been affected in the following ways:

- Loan Payment Extensions
- Financial Assistance Loans for Members
- Mission Fed Mortgage Assistance
- Early Stimulus Check Deposits

Loan Assistance

TOTAL FORBEARANCE GRANTED (AS OF FEBRUARY 28, 2021)

New and Used Vehicle Loans	10,558 Loans totaling \$151,232,745
First Mortgage Loans/Lines	191 Loans totaling \$96,616,987
Second (Junior) Mortgage Loans/Lines	102 Loans totaling \$5,759,806
Short-term Emergency Loans Granted	645 Loans totaling \$2,130,266
Fee Waivers Granted	In excess of \$2.5 million



GIVING

Community Connection: Help for the San Diego Community

**Here to serve you.
Here to serve our community.**

On behalf of our members, employees and volunteer board of directors, Mission Fed's support of local nonprofit organizations addressing the needs of our community continues.

2020 TOTAL Donations

Mission Fed employees, members and the San Diego community raised and donated a total of

\$680,342
for local nonprofit organizations in 2020.



COVID-19 Relief Fundraiser

San Diego Food Bank's immediate response to the COVID-19 pandemic included the Mission Fed Matching Food Bank Fundraiser.

This crisis-response campaign raised a total of
\$420,342
providing over
2 Million Meals
to those in need!



Holiday Giving Fundraiser

The Mission Fed Holiday Giving Fundraising Campaign launched to benefit three local community partners to support San Diego families in need.

The grand total raised was
\$215,000



AHA Go Red for Women

The mission of the American Heart Association (AHA), through the Go Red for Women campaign, is to raise critically needed funds for the fight against the number one killer of women: cardiovascular disease.

2020 campaign was a success raising a total of
\$45,000
in donations



REINFORCING
Real Estate Support

Our Real Estate department has seen incredible growth over the past 5 years and 2020 was no exception.

In 2020, we originated 3,595 loans for \$1.1 billion.

This outstanding growth is a result of our commitment to our member’s needs in both the refinance and new home market and aided by our Realtor partners in San Diego.

| \$1.1 billion and 3,595 loans |

In 2020 we funded \$322 million in new home purchases, helping members buy their first home or move up to a new home that better served their needs.

| \$322 million in purchases |

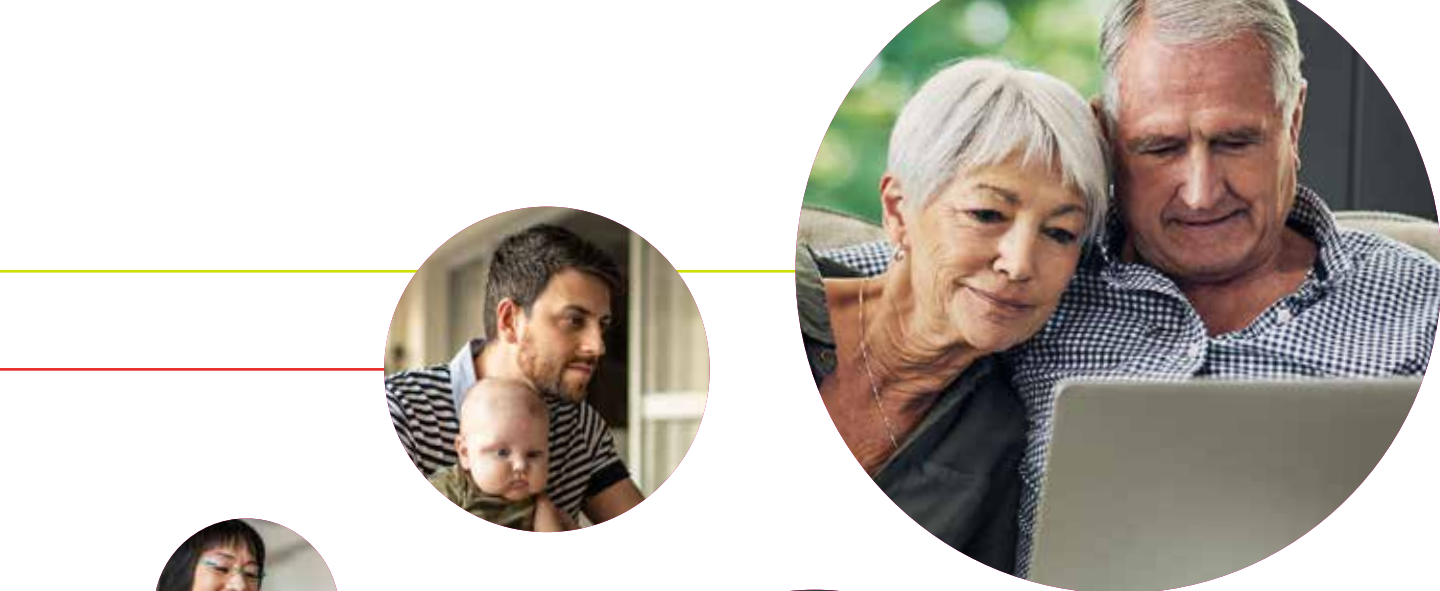
Our members have benefited from select partner programs such as Home Advantage, Landed, Poway Shop, and many others.

| Partner Programs for
our Members |

In addition to helping hundreds of members purchase their first home in 2020, we also assisted members who were looking to move up or downsize to a new home in 2020 through our Move Up webinars.

| Helped hundreds of members
purchase their first home |





INNOVATING

Bank whenever you want, wherever you want.

Digital tools help you manage your account anytime and anywhere 24 hours a day, 7 days a week. To access your account remotely, enroll in Online Banking or download the Mission Fed Mobile Banking app.

Easy account management, including:

- Monitor account activity
- Check balances and view transactions
- Make payments and pay bills
- Make mobile deposits
- Access your statements
- Find an ATM and more...

ASSURING

Financial Education: Strengthen Our Members Financial Future

We support our members Financial Wellness through Financial Literacy Workshops, Financial Coaching and Digital Resources.

Mission Fed is committed to positively impacting the lives of San Diegans. We aim to provide life skills training on banking topics to educate, empower and inspire positive change. Visit our website, or join the list of nonprofits in San Diego who have partnered with Mission Fed to provide free, LIVE Financial Literacy Training for their clients and employees. Improved money knowledge and financial literacy skills may help you or your clients move toward independence and a more stable future.

● **Our LIVE workshops are presented in-person or virtual and include:**

- | | | |
|-----------------------------|---------------------------|---|
| Banking Basics | Credit 101 | First Time Homebuying |
| Learning to Budget | Repairing Credit | Financial Elder Abuse: Recognition and Prevention |
| Saving Money, the Easy Way! | Preventing Identity Theft | Other Trending Topics |

2020 AWARDS & RECOGNITION



2020 San Diego Union Tribune Top Workplaces Winner

**Spotlight Awards:
Diversity and Leadership**



2020 Top 200 Healthiest Credit Unions in America

Mission Fed ranked #29 of 5,321 NCUA Insured Credit Unions and had the top rating of all credit unions in San Diego County.



5-Star Superior Rating from BAUERFINANCIAL, Inc.

Earning a 5-Star rating indicates that Mission Fed is one of the strongest credit unions in the nation.

PROTECTING

Supervisory Committee Report

Mission Fed’s Supervisory Committee is comprised of volunteer members who have oversight 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 National Credit Union Administration (NCUA) regulators, external auditors, and the internal audit team. Despite the changed circumstances with the pandemic, over 35 audits were completed throughout the year, evaluating various aspects of the credit union’s operations. Overall, audit results were favorable, including the results of the recent NCUA examination.

We enlisted the services of the external audit firm CliftonLarsonAllen (CLA) to conduct the credit union’s financial statements audit as of 12/31/2020. We are pleased to share with our membership that Mission Fed is in excellent financial condition. The 2020 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 return on assets, has solid internal controls in place, remains well capitalized with a substantial buffer over the amounts required by regulators, 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. The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was signed into law in response to the impact of the COVID-19 pandemic and Mission Fed worked diligently in making the necessary adjustments to operational processes to comply with the CARES Act requirements. Mission Fed has remained vigilant over the developments of the COVID-19 pandemic and related national, state and county guidance to continue to serve its members in a safe environment, while remaining compliant and protecting staff and 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

ACHIEVING

2020 Financials Mission Fed Credit Union

Consolidated Statement of Financial Condition (Audited),
as of December 31, 2020 (in thousands)

Assets	
Total Loans	\$2,736,799
Allowance for Loan Losses	(27,596)
Net Investments & Cash Equivalents	1,695,231
Other Assets	274,911
Total Assets	\$4,679,345

Liabilities and Equity	
Total Deposits	\$4,044,451
Borrowed Funds	10,500
Other Liabilities	55,164
Total Members’ Equity	569,230
Total Liabilities and Equity	\$4,679,345

Consolidated Statement of Income (Audited),
for the Year Ended December 31, 2020 (in thousands)

Interest Income	
Loans	\$107,914
Investments	11,702
Total Interest Income	\$119,616

Interest Expense	
Deposits	\$16,738
Borrowed Funds	780
Total Interest Expense	\$17,518

Net Interest Income	
Provision for Loan Losses	19,677
Non-Interest Income	58,119
Non-Interest Expense	108,424
Net Income	\$32,116

Mission Fed Board of Directors

True to our cooperative roots and philosophy of “people helping people,” we are honored to have a dedicated and experienced Board of Directors who volunteer their time and expertise to serve our members and uphold our mission, vision and values. Our Board of Directors ensures that we deliver the highest level of service while maintaining financial strength and stability.



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

Our values are Integrity, Service, Commitment, Teamwork, Trust and Communication.

We Are Here for You

IN PERSON:

As an essential business, all of our 32 branch locations remained open in 2020.

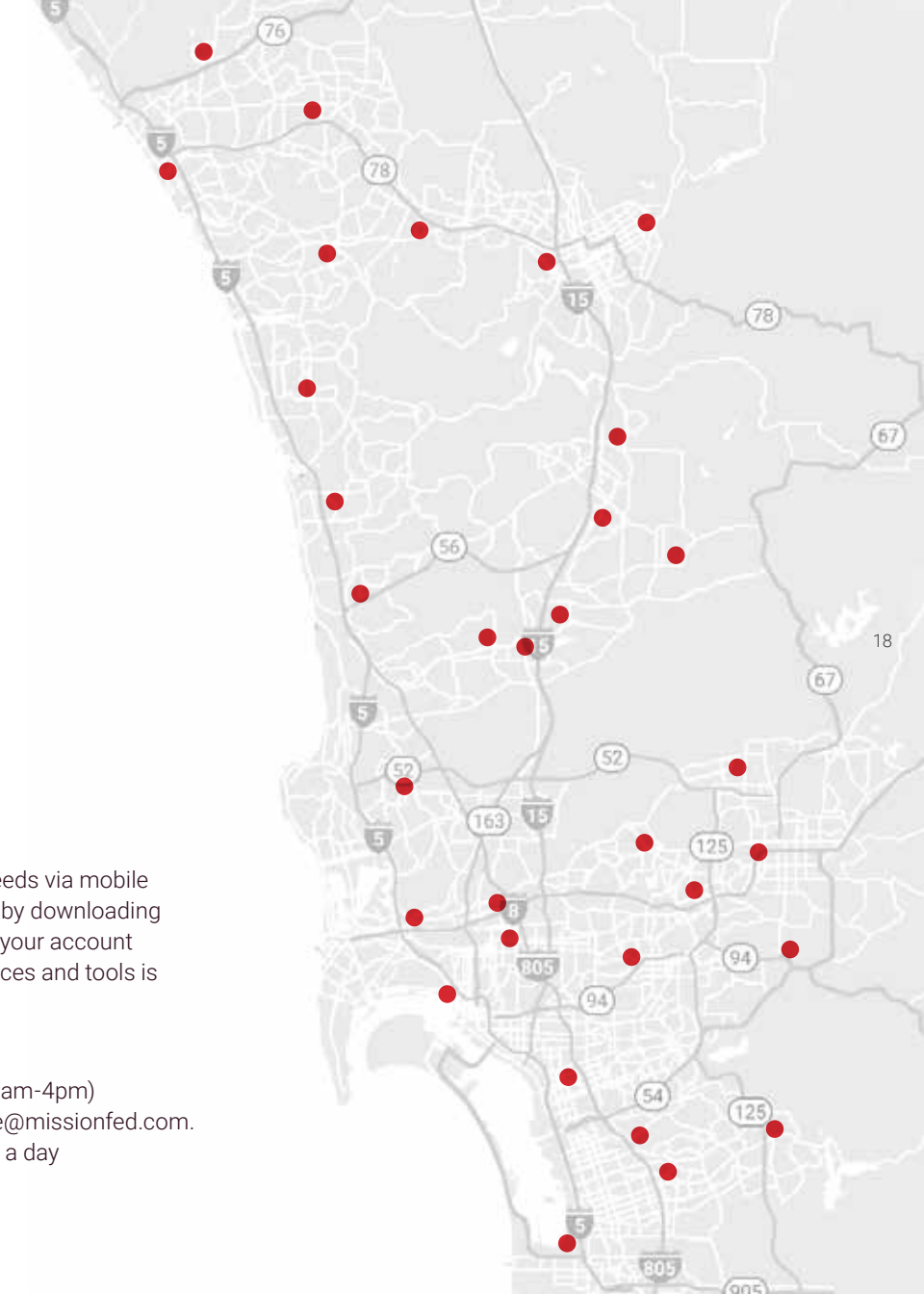
- | | |
|------------------------------|------------------|
| Bressi Ranch | Little Italy |
| Carlsbad | Mira Mesa |
| Carmel Mountain Ranch | Mira Mesa West |
| Carmel Valley | Mission Hills |
| Chula Vista/Eastlake | Mission Valley |
| Chula Vista/Telegraph Canyon | National City |
| Chula Vista/Terra Nova | Oceanside |
| Clairemont | Poway |
| College Grove | 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:

For your ease and convenience, we are focused on serving all your financial needs via mobile and online. Enjoy a better banking experience with safety, control and security by downloading the Mission Fed Mobile Banking App or enrolling in Online Banking to manage your account anytime and anywhere 24 hours a day, 7 days a week. Using these digital services and tools is simple and free.

PHONE:

We are here to help you 6 days a week (Monday – Friday 7am-7pm, Saturday 8am-4pm) at 858.524.2850 or 800.500.6328, or email our Contact Center at membercare@missionfed.com. Gain access to your accounts through our Automated Phone Service 24 hours a day at 858.673.0900 or 800.640.5463.





Credit Cards • Loans • Savings • Insurance • Investments



858.524.2850 | 800.500.6328 | MissionFed.com

Insured by NCUA



Investments and insurance products are not insured by NCUA or any state or federal government agency. Products are not obligations of, or guaranteed by Mission Fed, may be subject to investment risk, and may lose value.