

**Changing, Evolving, Growing.  
Resilient – Together.**



## Safe, Strong, and Always Standing By You

With another year of the global pandemic in our rear view mirror, Mission Fed remains safe, sound, and keenly focused on serving our diverse San Diego neighbors and communities. Resilience and care for our member-owners, staff, and extended community are part of our DNA. This is who we are.

While none of us can always choose what happens to us externally, we can be purposeful and intentional in how we respond to external circumstances outside of our control. Simply put, Mission Fed is not beholden to any shareholders but are firmly committed to serving our stakeholders and their financial well-being. We also recognize that none of us is as capable as all of us. We are better together.



## Here Since 1961 for San Diego

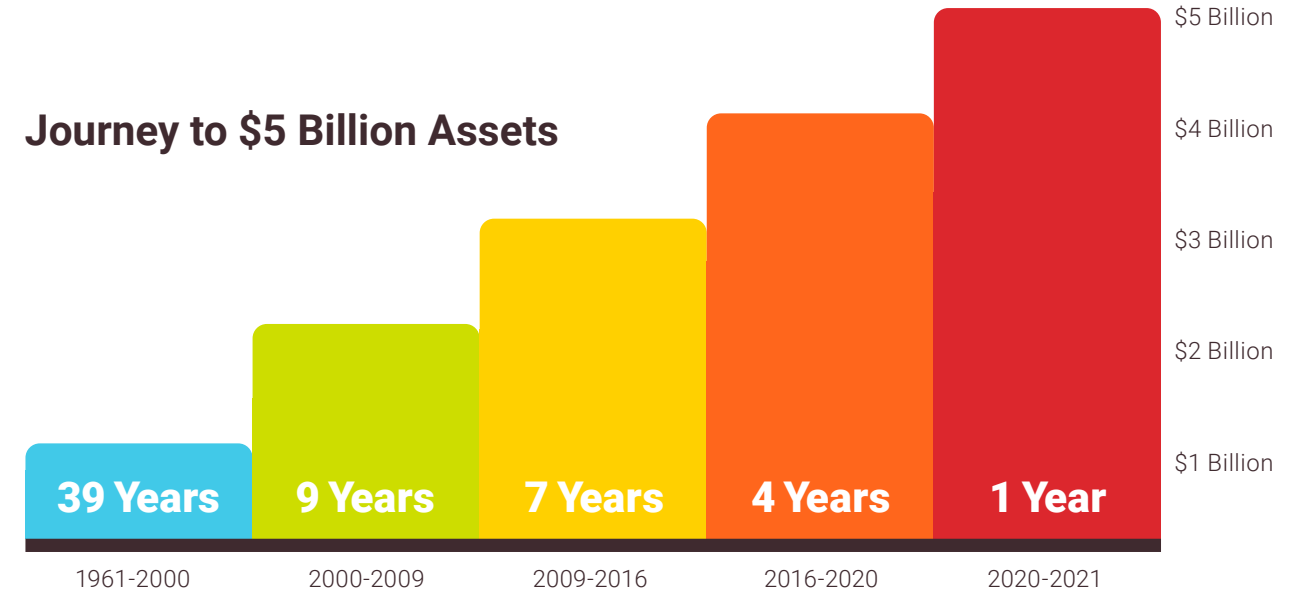
Since we first opened our doors in 1961, we have remained financially strong, and continue to evolve to support our members ever-changing needs with programs and services that help our community succeed.

2021 priorities were similar to 2020. One of our major priorities remained emergency operations, as we continued to stay responsive and current with all COVID-19 protocols to keep both members and staff informed and safe, while supporting member, employee, and community needs. We are so proud that we did not have to close any branches or lay off any staff due to the pandemic.

Despite the pandemic, 2021 was a successful year for Mission Fed. We achieved outstanding financial results, grew both our member base and our assets, and completed several significant projects to better serve our members.

## Financial Soundness and Growth

### Journey to \$5 Billion Assets



**Net Income:**  
**\$62.7 Million**

**Loan Production:**  
**\$2.5 Billion**

**Loan Balance Growth:**  
**\$215 Million**

**Deposit Balance Growth:**  
**\$564 Million**

**Net Member Growth:**  
**12,523**



## San Diego Is at the Heart of Everything We Do

In 2021, we continued to deliver on our promise of enriching the lives of San Diegans and strengthening the communities we all share, with a strong and solid foundation that never wavered.

We focused on serving all our 275,897 members' financial needs, funding over \$1 billion in real estate loans, adding new products and services like our Breeze Spending account, and highlighting our insurance and investment services offerings. We also improved our extended San Diego community, offering financial literacy courses and counseling, and giving back over \$1 million through community sponsorships and donated media placements. We accomplished this while maintaining our financial strength, evidenced by excellent examination and audit ratings, and capital and liquidity ratios that far exceeded regulatory requirements.

We would be remiss if we did not acknowledge the outstanding job of our staff during these difficult times. We are exceptionally proud of our Mission Fed team who worked hard to ensure we were always there for our members, our community — and for one other.

In 2022 and well into the future, you can count on Mission Fed to continue to foster resilience — because when we work together, everyone wins.

Sincerely,



Wayne Oetken  
Chair, Board of Directors



Debra Schwartz  
President and CEO

## A Culture of Caring and Gratitude

We appreciate and can't thank our staff enough for their contribution to the success of Mission Fed, despite the COVID-19 pandemic.



## A Healthy Environment and Staff

Throughout 2021, many of our back-office employees pivoted to work from home/hybrid options. We implemented ongoing safety training, cleaning protocols, and hybrid management training — and we continued to offer COVID-related benefits. We supported temporary staff moves, activated socially distanced workspaces, and deployed enhanced cleaning and air filtration processes to keep our valuable staff safe.

In 2021, Mission Fed was a winner of the Top Workplaces USA, a recognition that is chosen based on employee feedback through a third party employee engagement survey. This honor reflects service excellence and how Mission Fed diligently serves our members, employees, and community by “making the world a better place to work together.”



## Serving Our Community

Mission Fed isn't just in San Diego. We're part of San Diego. We're your neighbors, friends and family — that's why community is so important to us. From day one, we've strived to be the community partner of choice in San Diego County — helping to make life easier and better for members.

In 2021, we focused on health and well-being, serving the underserved, and supporting other values-based community organizations. Our goals for the community were to reinforce focus areas and go deeper with partners and programs; and with the media, to create better tie-ins and exposure for our community partners. In the midst of a pandemic, we were successful in achieving both.



## Spotlight on Partners

We are grateful for all our community partners and the hard work and positive influence they provide to the San Diego community. Following are a few examples of partnership engagements,\* from raising funds for matching campaigns to collecting gifts in our branches for those in need during the holidays:



\*not all partners represented

## Growing Relationships and Memberships

We closed 2021 with 275,897 members, an increase of 12,523 for the year. Our retention rate for 2021 was 94.97%.







## All in for Education – Training, Schools, Students

Our Financial Literacy Workshops have always been one of our most frequent givebacks to the community. Last year was no exception.

The ability to pivot and adapt was never so apparent as when our team seamlessly transformed our workshops into a virtual format. The result – 156 virtual and in-person workshops were delivered to over 2,600 attendees in 2021.

The Mission Fed JA (Junior Achievement) Finance Park continued to operate during the pandemic, serving students from across the county. Mission Fed employees participated in a 10-week mentorship program, providing financial literacy and career planning to local students.

The team also continued to actively support numerous non-profit organizations throughout San Diego – including Urban Corp, InterFaith and South Bay Community Services, MAAC, Kitchens for Good, and National Crossroads, to mention a few.

## Celebrating San Diego School District Teachers and Families

Mission Fed's commitment to education extends to all our valued school district partners. As a trusted supporter, partner, and friend of most of our local school districts, we are proud of our educational roots and ongoing support of education across San Diego county.

Following are a few examples of how we supported our San Diego area school districts:

- Supported families of 100,000 students with our annual enrollment guide
- Sponsored a Back-to-School event at Mira Mesa High School celebrating students
- Supported the San Diego Unified State of the District Address (SODA)
- Sponsored yard recognition signs for multiple school districts for Employee of the Year awards
- Recognized specific school district departments such as Child Nutrition Services and Transportation Teams
- Sponsored the San Diego Loyal Soccer Game and helped pay for game tickets for teachers, staff, and students





## Supporting Financial Well-Being in Our Hispanic Community

Mission Fed is driven to help all members of our community thrive. Given the large Hispanic and Latino population in San Diego, in recent years we have made a concerted effort to increase support in this regard. Following are a few examples of our Hispanic partnership engagements and programs:



## / inclusiv /

Mission Fed is part of the Inclusiv Network, an organization dedicated to helping low and moderate income communities reach financial stability through credit unions. Inclusiv consists of 445 credit unions nationwide that provide affordable, responsible, and sustainable financial services to nearly 17 million consumers in 47 states. In 2021, we received confirmation of the Juntos Avanzamos designation through Inclusiv, which will be recognized and celebrated as the first in San Diego in May 2022.



Through our Hispanic Advisory Committee, we advanced our Hispanic and Latino marketing and outreach efforts. As a result, we now have over 87,000 Hispanic members, and 30% of our loans now serve this market.

Many other initiatives are on the horizon to help foster financial inclusion and build equitable communities in all our San Diego neighborhoods.





## Lending for People Not for Profit

Helping our members realize their dreams is our passion. Helping them through tough times is part of our promise. During the pandemic, we never lost sight of those in need:

- 15,000 loans offered forbearance
- \$2 Million in emergency loans provided
- Over \$2.5 Million in fees waived



## New Product Spotlight! Introducing the Breeze Spending Account

The Breeze Account is a free and easy way for our members to manage their money. Members simply open an account with as little as \$5. There are no monthly fees, no minimum balance to maintain, or hidden transaction fees. Members are covered up to \$100 if they overdraw, and get access to their paycheck up to two days sooner if they are enrolled in direct deposit.





## Innovating and Organizing for the Good of All

In 2021, working from home became business as usual, and digital became a preferred way to work and bank.

“Digital first” was the choice of a growing percentage of new Mission Fed members as they started their relationship with us online – we welcomed 5,012 new members, a substantial increase over 2020. Online loan application volume grew to 27,888. We are proud to serve our members the way they want to be served – whether in person or online.



## Zelle Proved Popular with Members

We also introduced Zelle®, a digital banking app that makes it easy for members to send and receive money digitally. There were 358,000 Zelle transactions in 2021 totaling over \$71 million.



## Exciting Digital Banking Features Introduced

- Auto loan pre-approval acceptance
- Ability to accept charitable donations
- Balance transfer promotions
- Card replacement
- EasySave enrollment (members grow savings with every debit card purchase)



## Our Doors Remained Open

As an essential business, we kept all 33 Mission Fed branches open throughout 2021, with COVID-19 safety protocols in place to protect our staff and members. We also relocated and remodeled our El Cajon branch and opened a new branch in Oceanside. Serving our community where they live is – and always will be – priority one.



## 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 2021, 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 audit and express 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 extensive oversight processes by the NCUA regulators, external auditors, and the internal audit team. Over 30 audits were completed throughout the year with excellent outcomes, including the results of the recent NCUA examination. Mission Fed was compliant with federal regulations and underwent 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 sound policies and controls.

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 its members while maintaining sound practices.



Respectfully submitted,

**Tina Douglas**  
Chair, Supervisory Committee

## 2021 Mission Fed Credit Union Financials

Consolidated Statement of Financial Condition (Audited), December 31, 2021 (in thousands)

<b>Assets</b>	
Total Loans	\$2,948,319
Allowance for Loan Losses	(23,672)
Net Investments	985,669
Other Assets	1,375,166
<b>Total Assets</b>	<b>\$5,285,482</b>

<b>Liabilities and Equity</b>	
Total Deposits	\$4,608,525
Borrowed Funds	8,000
Other Liabilities	53,682
Total Members' Equity	615,275
<b>Total Liabilities and Equity</b>	<b>\$5,285,482</b>

Consolidated Statement of Income (Audited), December 31, 2021 (in thousands)

<b>Interest Income</b>	
Loans	\$99,451
Investments	10,271
<b>Total Interest Income</b>	<b>\$109,722</b>

<b>Interest Expense</b>	
Deposits	\$8,497
Borrowed Funds	173
<b>Total Interest Expense</b>	<b>\$8,670</b>

<b>Net Interest Income</b>	<b>\$101,052</b>
Provision for Loan Losses	654
Non-Interest Income	75,596
Non-Interest Expense	113,320
<b>Net Income</b>	<b>\$62,674</b>

## Mission Fed Board of Directors

Mission Fed has the support of a dedicated Board of Directors who invest their time and expertise to serve our members and uphold our mission, vision, and values. Our Board of Directors help ensure we always remain safe, strong, and financially sound.



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



**Welcome:** Our newest Board member, Malliga Tholandi, moved from the Supervisory Committee to the Board of Directors in September 2021.

### 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.

## We're Here for You

### IN PERSON:

As an essential business, all of our 33 branch locations remained open in 2021.

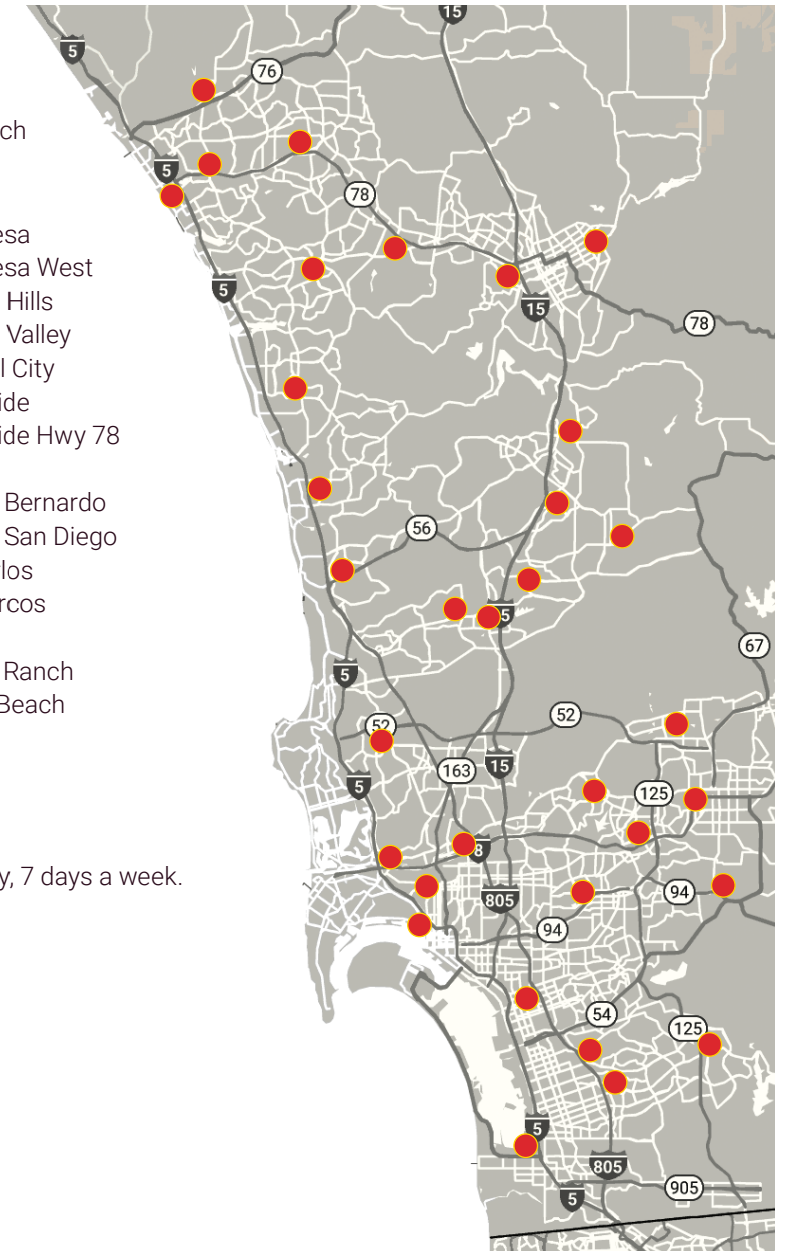
- |                              |                  |
|------------------------------|------------------|
| Bressi Ranch                 | Mira Mesa        |
| Carlsbad                     | Mira Mesa West   |
| Carmel Mountain Ranch        | Mission Hills    |
| Carmel Valley                | Mission Valley   |
| Chula Vista/Eastlake         | National City    |
| Chula Vista/Telegraph Canyon | Oceanside        |
| Chula Vista/Terra Nova       | Oceanside Hwy 78 |
| 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            |
| Little Italy                 |                  |

### MOBILE/ONLINE:

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

### PHONE:

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







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

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