



2023
ANNUAL
REPORT

INVESTING. BUILDING. GROWING.

During 2023, we observed significant changes in the economy and our industry. Buoyed by a strong job market, consumers continued to spend, uplifting the overall economy. At the same time, higher interest rates and higher prices continued to impact consumer budgets, including those of our members. Higher rates also put pressure on industry liquidity, creating challenges for most financial institutions.

At Mission Fed, we've charted a path that ensures we are always putting the needs of our members first. In doing so and despite 2023's challenges, we had one of our best years yet. Our membership now numbers over 300,000 with \$6 billion in member assets managed. In a year where funding was tight, we grew deposits by an industry leading \$530 million, or 11%. Plus, total loans originated exceeded our forecasts by over \$66 million. These increases come from our commitment to engaging in a cycle of investing, building, and growing.

Investing—in our employees, our members, and our community

Building—new products and services, new locations, and new capabilities

Growing—not just in tangible numbers like loans issued, but in our members' confidence in treating them well, building their financial health, and managing our financial position conservatively.

As we look forward in 2024, we also want to thank Debra Schwartz for her incredible service as Mission Fed's CEO. Due to her esteemed leadership and vision, we have made great strides over the past 17 years. Now, we are primed to continue that success and strengthen our standing as the premier full-service financial institution devoted to serving the needs of all San Diegans.



DR. DON J. SHELTON
Chair, Board of Directors

A handwritten signature in black ink that reads "D. Shelton".



DOUG WRIGHT
President and CEO

A handwritten signature in black ink that reads "Doug M. Wright".



DEBRA SCHWARTZ
Former President and CEO

A handwritten signature in black ink that reads "Debra Schwartz".



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



INVESTING. BUILDING. GROWING... A HEALTHY FINANCIAL INSTITUTION

Mission Fed's members entrust their money to us because of our history of financial health, and the 2023 numbers show how well Mission Fed is thriving.

Net income =
\$55.4 million

Net worth ratio =
11.81%

Total members =
303,814

Net new member growth =
14,138

Strong, diversified
deposit base—over
\$5.3 billion

5-star rating
from Bauer Financial

Number of
branches =
34

MEMBER SATISFACTION

- Overall satisfaction rating 4.8 of 5.0
- 86% would recommend us to family and friends

INVESTING. BUILDING. GROWING...

SOLUTIONS THAT CREATE VALUE FOR MEMBERS & IMPROVE FINANCIAL WELL-BEING

Our members love us, and it's no secret why. They keep choosing Mission Fed due to the breadth of our services and support as well as our ongoing innovations for their current and future needs.



NEW & IMPROVED SOLUTIONS

Special Rate Savings: allows members to earn more on their savings while having the flexibility to access their money

Savvy Money: provides members with online tools to monitor their credit score, create alerts, and get personalized financial tips

Premier World Mastercard®: gives members generous rewards points and a fixed interest rate that's much lower than most credit cards

Competitive Certificate Offerings or Promotions: offering members a higher locked-in rate for their desired term

Down Payment Assistance Programs: provides assistance to low- and moderate-income homebuyers

Modernized Online Chat: lets members get the help they need, when they need it

INVESTMENT AND RETIREMENT ADVICE

The Financial Advisors with Raymond James Financial Services help members navigate today's complex financial environment.



DIGITAL BANKING UPGRADES

- Instituted Spanish login/registration/password reset assistance
- Added the ability to open Share Certificates
- Completed backend security enhancements to further safeguard member assets and information

STRENGTHENING OUR CYBERSECURITY PROTOCOLS

- Multi-factor authentication infused to minimize risk of unauthorized access
- Cybersecurity training mandated for all staff to help identify and neutralize potential threats
- Evolved prevention, detection, and monitoring tools to further minimize exposure

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.

MISSION FED, BY THE NUMBERS

MEMBERS SERVED

- **35,779** new accounts opened
 - **145,471** shares opened
 - **79.47%** of digital members accessed Digital Banking
- **Over 2.1 million** transactions processed at Branches
 - **Over 560,000** calls answered by the Contact Center

MEMBER BALANCES

- **Over \$6 billion** in total assets managed
- **Over \$5.3 million** in deposits held (top 1% of all bank and credit unions in deposit growth in 2023)*

*S&P Global

MEMBER LOANS FUNDED & TOTAL LOAN BALANCES

Product	Total funded (000s)
Auto Loans & Leases	\$354,000
Commercial	\$73,000
Credit Cards	\$535,000
Other Consumer	\$36,000
First Mortgages	\$185,000
2nd TDs & HELOCs	\$142,000
Residential Real Estate Loans	\$327,000
Total Member Loans	\$1,326,000
Total Loan Balances	\$4,435,000

MEMBER INVESTMENTS

- **\$378 million**, a record high
- **41%** of assets invested in actively managed advisory portfolios
- **Over \$60 million** invested/reinvested in retirement and non-retirement savings in 2023

I actually was able to consolidate all of my high-interest car loans into one low interest loan. And...whether it was my cable company, whether it was my gas company, I've never had anybody provide that type of customer service for me. - Leon Y.



INVESTING. BUILDING. GROWING...

OUR COMMITMENT TO SAN DIEGO

In 2023, Mission Fed raised and invested over \$1 million in San Diego, but the monetary contributions are just the beginning. As an active member of our community, we're devoted to growing the well-being of every citizen. Our commitments include volunteering at local events and with locally focused organizations, rallying community support, and connecting with partners that share our vision. In addition, we were dedicated to building the fiscal wellness of members of all ages through financial literacy outreach, both online and in-person.



Oceanside's Dia de los Muertos celebration



On board the USS Midway with Girl Scouts San Diego for Operation Thin Mint



Mission Fed raises over \$120,000 for the Food Bank



MAAC's annual soiree fundraiser



Mission Fed's Pride Parade contingent



Debra Schwartz speaks at a Junior Achievement event



Mission Fed's 'Volunteer Collective' at the Food Bank



Team Members at the Mission Fed ArtWalk in Little Italy



Students from the San Diego Symphony's High School Ambassador program



Supporting the San Diego Humane Society's Walk for Animals event



Mission Fed donates \$10,000 to the Alzheimer's Association



Leaders supporting Girl Scouts San Diego at the Urban Campout



San Diego Symphony partnership launch event at The Rady Shell

Here are just a few of the causes and partnerships we supported in 2023.



ADVOCATING FOR ANIMALS

Demonstrated an elevated commitment to the San Diego Humane Society through active participation in Walk for Animals events, in-kind media support, and sponsorship for the annual Fur Ball fundraiser

RAISING ALZHEIMER'S AWARENESS

Partnered with the Alzheimer's Association San Diego/Imperial Chapter, contributing \$10,000 and providing in-kind media support during Alzheimer's & Brain Awareness Month

FEEDING HUNGRY KIDS

Contributed to The Jacobs & Cushman San Diego Food Bank Food 4 Kids Backpack Program, generating a record-breaking \$120,328 in collective fundraising efforts (with \$51,000 raised by our Contact Center alone!) to feed chronically hungry elementary school students

PROMOTING IMPACTFUL PARTNERSHIPS

Nurtured long-standing Mission Fed partners like Junior Achievement and Girl Scouts San Diego, ensuring continued impact through programs, board support, and volunteer engagement

REACHING AN ARTISTIC MILESTONE

Celebrated our 15th year of lead sponsorship for the Mission Fed ArtWalk in Little Italy, fostering creativity and cultural enrichment in our community

CHAMPIONING DIVERSITY AND INCLUSION

Supported the San Diego Pride 5K Run & Walk as title sponsor, helping raise a record-breaking \$50,000 benefiting charity partners San Diego Pride and The LGBT Center's Youth Housing Project



CELEBRATING A NEW 10-YEAR PARTNERSHIP

Two iconic San Diego-based brands came together with this announcement. Mission Fed became the Official Credit Union of the San Diego Symphony and namesake of the Mission Fed Community Green at The Rady Shell at Jacobs Park

INVESTING. BUILDING. GROWING... OUR EMPLOYEES AND CULTURE

Putting people over profits begins with our employees. As such, employees are committed to our mission because we support them with talent development programs, leadership training, a strong culture, and so much more.

HOW WE'RE BUILDING OUR TEAM

668 total employees,

including 612 in the credit union; 46 in Autoland, our car-buying service subsidiary; 3 in LiveSmart Insurance and 7 in LiveSmart Escrow, our two other subsidiaries

6.24%

decrease in turnover

6.29

years average
tenure

40

years longest
tenured employee

99

promotions

147

new hires

HOW WE'RE SUPPORTING EMPLOYEE ADVANCEMENT

- **274** e-learning courses provided
- **8,649** hours of in-person training taken
- **1,154** hours of in-person instruction provided

- **19** Team Members used the education reimbursement program to gain valuable outside education and certifications

HOW WE'RE NURTURING OUR AWARD-WINNING CULTURE

Offering leadership impact training – LEAD Program & Insights Program

SUPPORTING EMPLOYEE RESOURCE GROUPS

- Asian Pacific-Islander (API)
- Black Organization for Leadership & Development (BOLD)
- Middle Eastern Resource Group
- Pride ERG (LGBTQ+)
- Unidos (Latine/Hispanic)
- Veterans CORE Group
- Women's Initiative Network (WIN)

MISSION FED IS ONE OF THE TOP WORKPLACES IN THE USA

- **#35 in the USA** among companies with 500-999 employees
- **#4 in San Diego County** among all companies of any size
- **#7 in the USA** among Credit Unions of all sizes
- **#1** of 2 Credit Unions headquartered in California that were recognized as Top Workplaces



ACCOUNTS AND SERVICES

Accounts

- Checking
- Spending
- Savings
- Share Certificates
- Money Market
- Retirement
- Business

Digital Banking

- Mobile Banking
- Online Banking
- Credit Score & Management Tools
- Bill Pay
- Fraud Alerts
- Zelle® Payments
- Mobile Deposit

LOANS AND CREDIT CARDS

Auto Loans

- Purchase
- Refinance
- Leases

Home Loans

- Mortgage Loans
- Home Equity Loans and Lines of Credit
- Energy-Smart Loans
- Escrow Services

Business

- Commercial Real Estate Loans

Credit Cards

- Preferred Platinum and Rewards
- Premier World Mastercard®

INSURANCE

LIVSMART Insurance Services, LLC

- Auto
- Home
- Life
- Business

Auto Related

- GAP Advantage
- Mechanical Protection Breakdown
- Depreciation Protection Waiver

Personal

- Accidental Death and Dismemberment
- Long-Term Care
- Dental Benefits

INVESTMENTS*

Retirement and financial planning services offered through Raymond James Financial Services.

OTHER SERVICES

- Autoland Car-Buying Assistance
- Estate Planning
- Skip-a-Pay
- EasySave
- Debt Protection
- Pet Insurance
- Gift Cards and Reloadable Travel Cards
- Free Financial Coaching and Education

Must meet account criteria. All loans subject to credit approval. Mobile and data rates apply when using Mobile Banking. Mastercard is a registered trademark of Mastercard International Inc. Zelle is a trademark of Early Warning Services, LLC.

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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 2023, the Committee carried out its oversight responsibilities in collaboration with internal and external resources, evaluating various aspects of the credit union's operations. We engaged with a certified public accounting firm to perform an opinion audit on the credit union's financial statements as required by 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, and completes various compliance assessments throughout the year. 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



DR. LUPE BUELL
Board Member



LAURA JOSH
Committee Member

2023 FINANCIALS

MISSION FEDERAL CREDIT UNION

Consolidated Statement of Financial Condition (Audited), December 31, 2023 (in thousands)

ASSETS

Total Loans	\$4,438,026
Allowance for Credit Losses	(53,930)
Net Investments	637,114
Other Assets	1,194,278
Total Assets	\$6,215,488

LIABILITIES AND EQUITY

Deposits	\$5,368,088
Borrowed Funds	100,000
Other Liabilities	118,686
Members' Equity	628,714
Total Liabilities and Equity	\$6,215,488

Consolidated Statement of Income (Audited), December 31, 2023 (in thousands)

INTEREST INCOME

Loans	\$172,475
Investments	48,746
Total Interest Income	\$221,221

INTEREST EXPENSE

Deposits	\$72,978
Borrowed Funds	7,464
Total Interest Expense	\$80,442

NET INTEREST INCOME \$140,779

Provision for Credit Losses	9,353
Non-Interest Income	56,722
Non-Interest Expense	132,752
Net Income	\$55,396




MISSION FED
CREDIT UNION



Federally Insured by NCUA

858.524.2850 | 800.500.6328 | MissionFed.com