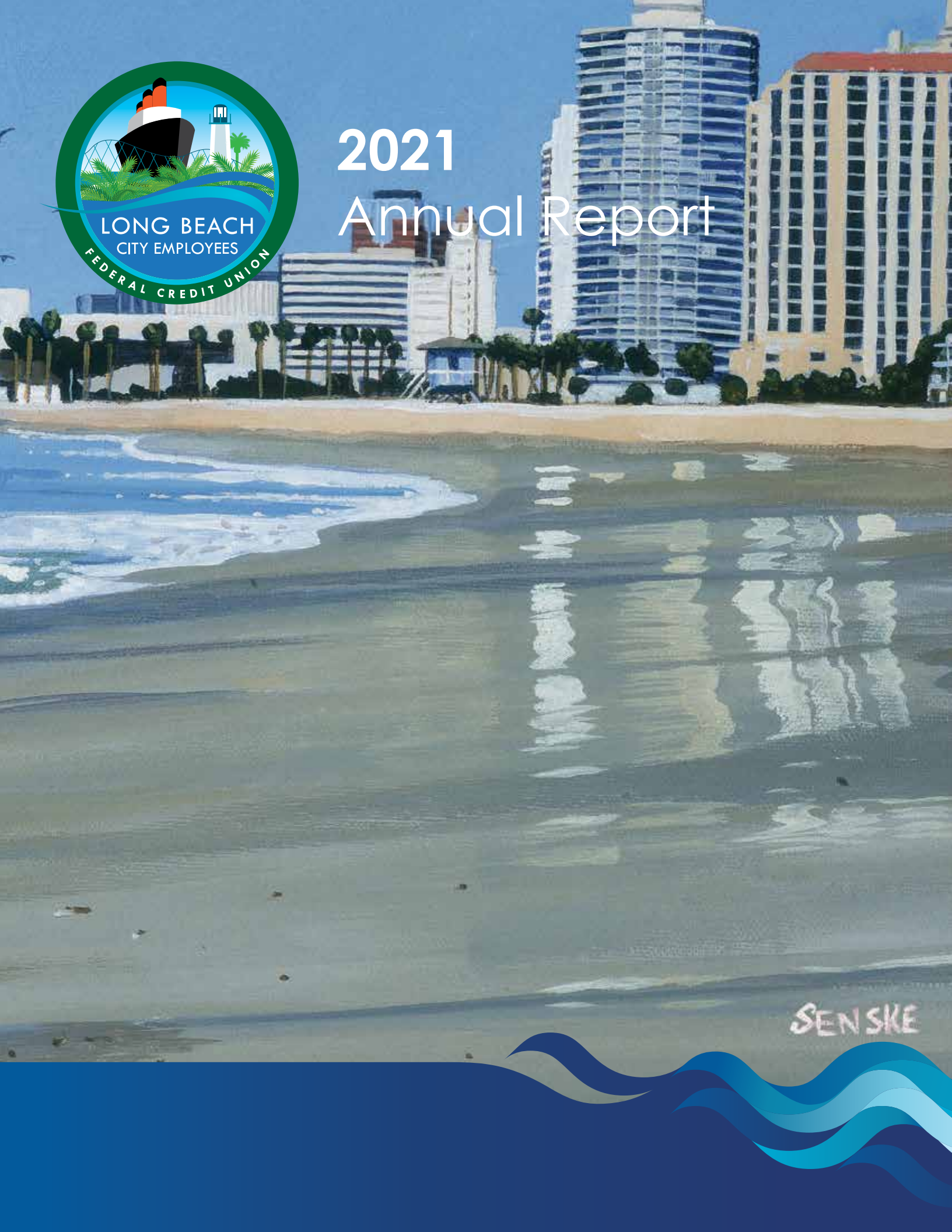




2021 Annual Report



SENSKE

Chairman's Message

If resilience is the ability to recover from challenges, then the last two years have given us plenty of opportunities to test and build a resilient credit union. From the moment the pandemic hit in early 2020, we focused on health and safety, and then on providing some relief to members who were financially affected, granting dozens of payment "skips." And like many businesses, we also focused on "contactless" options for our members. We saw a giant shift from cash to cards with debit card usage in the last two years increasing from 124,040 transactions to 165,594, or 33.5%. Online banking has also seen stable growth, with 9.8% more users.

Despite the pandemic, we remained focused on our longer term strategic plans. We launched out-of-state mortgage loans in 2021, helping our retirees finance homes in popular Western states. We also offered credit cards in the Fall of last year and are seeing nice growth in that portfolio. Our "plain vanilla" credit card program was structured to help those of you who may carry balances on high rate cards. We hope you'll take a look at the savings you could realize with a balance transfer.

The Credit Union has been surveying our members every four years or so and we have just received the results from the latest. We were happy to see that our "net promoter score" has again increased, with over 70% of our members saying they would recommend us to a friend or colleague. But we know we have more work to do, especially communicating with you. For example, many of you said that you'd like to see more ATM locations. The fact is, we belong to the CO-OP network of over 30,000 ATMs nationwide which is far more than Bank of America. We also need to better communicate our very competitive loan rates, as some of you felt that they could lower.

As we emerge from these last few chaotic years, we will continue to do our best to serve you with courtesy, compassion and reliability. Thank you for your loyalty and sticking with us through it all.

Pat Burns

Chairman of the Board of Directors

Supervisory Committee Report

The Supervisory Committee is of great importance to the healthy operation of the Credit Union. It is the Committee's responsibility to ensure that the Credit Union operates with sound internal controls, maintains records that accurately account for the Credit Union's assets, and adheres to practices that will safeguard those assets. These responsibilities are carried out by:

- Conducting periodic audits and reviews of the Credit Union's records and processes;
- Contracting for an annual independent financial statement audit; and
- Conducting annual member account verifications.

Treasurer's Report

While the financial strength of all financial institution has been challenged over the last couple of years, I am happy to report that your Credit Union is as healthy today as when we headed into the unknown of 2020. During the pandemic, as consumers were stuck at home with little opportunity to spend, and as the federal government infused cash into the economy, our total assets grew from \$297.7 million at December 31, 2019 to \$338.0 million at the December 31, 2021. This 13.5% increase in assets meant that net worth, measured as member equity dividend by total assets, slipped a bit, from 12.1% at December 31, 2019 to 11.0% at December 31, 2021. Even with this decline, the Credit Union's net worth is very strong and exceeds its peers' average of 10.35%.

The Credit Union ended fiscal year 2021 with \$839,483 of net income which compared favorably to net income the prior year. Contributing to the positive results were federal Employee Retention Credits that rewarded employers like us who retained their staff. This was welcomed because, while real estate lending kept up a very good pace, yields on both loans and investments steadily declined due to historically low interest rates. Interest rates are now edging up and the Credit Union looks forward to a return to more normal yields on assets and more stability in the economy.

Since the start of the pandemic, the Credit Union has undergone two examinations by the National Credit Union Administration (NCUA) which serves as both the Credit Union's regulator and insurer. In their most recent report, examiners found that the Credit Union is well capitalized, that asset quality is very good, and that other risks are effectively managed. This is yet another indication of the financial strength and stability of this Credit Union and our member/owners should remain confident that it will remain that way.

Paul Fujita

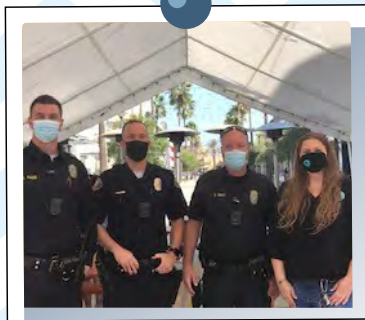
Secretary/Treasurer

The annual financial statement audit of the Credit Union was completed as of December 31, 2021 by the Certified Public Accounting firm of Turner, Warren, Hwang & Conrad AC. The audit report, issued directly to the Supervisory Committee and reported to the Board of Directors, did not identify any areas of material concern. The Supervisory Committee believes that the Credit Union is a financially sound institution that will continue to provide outstanding service to our members. Your input is vital in fulfilling the Supervisory Committee's responsibilities, so if you should have any concerns with respect to a discrepancy, please contact the Committee via mail at 2801 Temple Avenue, Signal Hill, CA 90755, or email: lbcefcusupervisory@gmail.com

Ed Nelson

Chairman of the Supervisory Committee

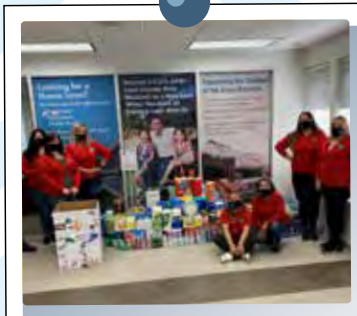
CU Highlights of 2021



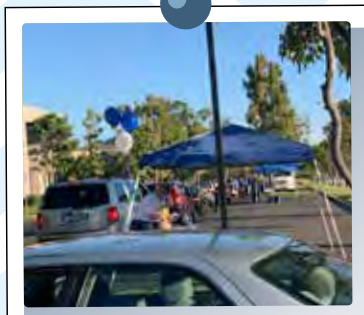
Supported our local police officers at the "Coffee with a Cop" event.



Member Ramon Barajas won our raffle during our Fall In Love with the CU celebration.

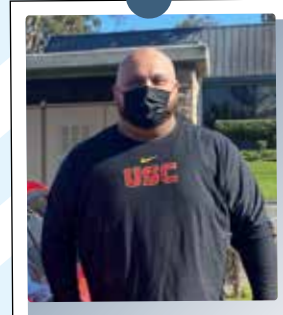


Our Staff and Members collected items on the "Wishlist" for the Ronald McDonald House Long Beach



Free paper shredding for our members on Shred Day.

CU Member Rene Bojorquez raved about the Credit Union's "excellent customer service", just one of many positive testimonials we received in our member surveys.



STATEMENTS OF FINANCIAL CONDITION

ASSETS

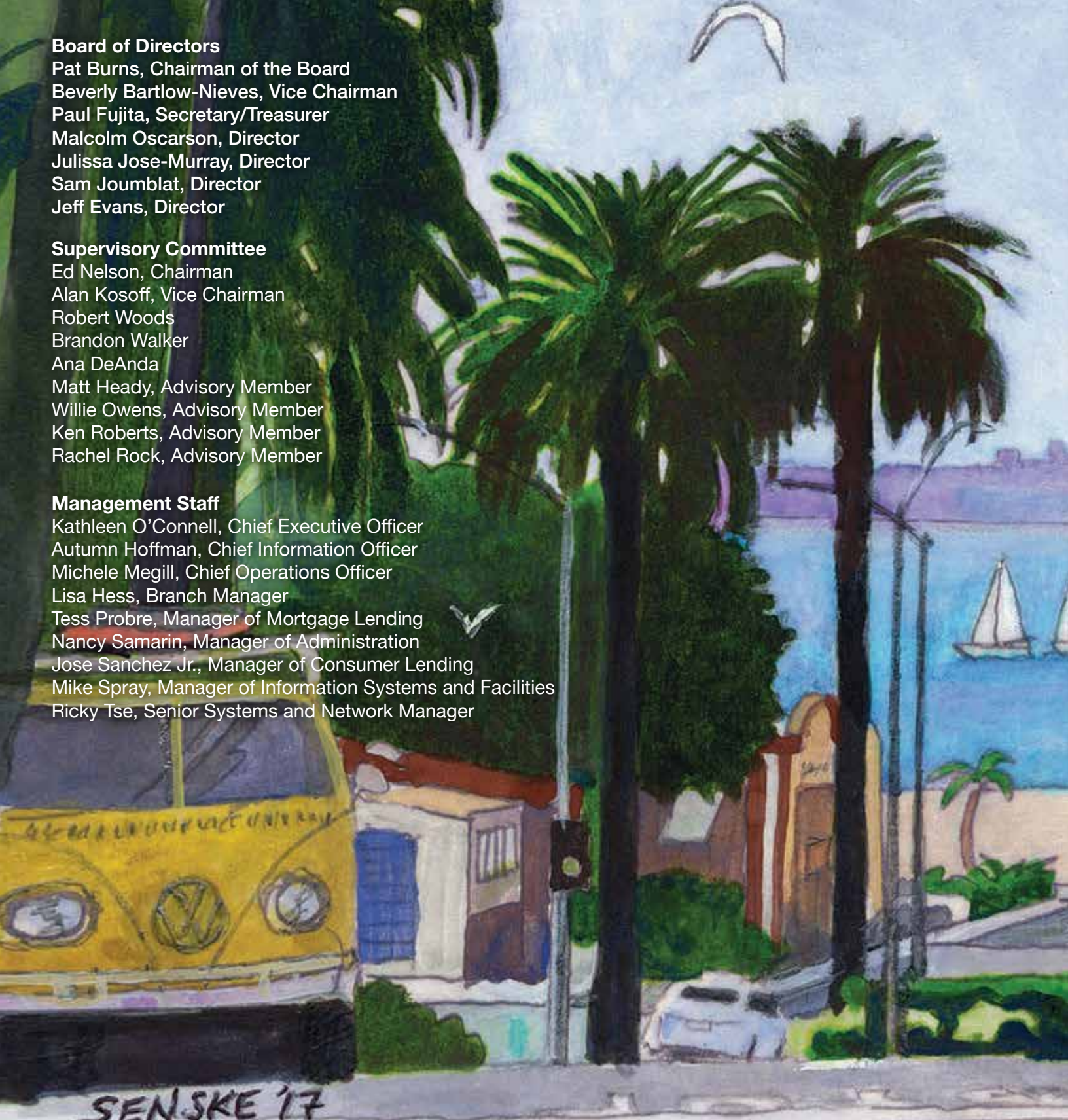
	2021	2020
Cash	\$ 45,865,688	\$ 48,164,739
Investments	177,600,071	161,132,178
Loan to Members (Net)	92,070,540	93,525,936
Building & Equipment (Net)	2,776,835	2,945,691
Other Assets	19,700,705	15,536,634
Total Assets	\$ 338,013,839	\$ 321,305,178

LIABILITIES & MEMBERS' EQUITY

	2021	2020
Other Liabilities	\$ 5,722,165	\$ 330,790
Members' Shares	299,923,432	287,963,367
Total Liabilities	305,645,597	288,294,157
Regular Reserve	20,000,000	20,000,000
Undivided Earnings	17,194,445	16,354,961
Accumulated Other Comprehensive Income	(4,826,203)	(3,343,940)
Total Members' Equity	32,368,242	33,011,021
Total Liabilities & Members' Equity	\$ 338,013,839	\$ 321,305,178

STATEMENTS OF INCOME & EXPENSE

	2021	2020
Interest Income	\$ 4,805,758	\$ 6,107,357
Dividends Paid on Shares	(757,187)	(1,739,675)
Provision for Loan Losses	-	(20,861)
Net Interest Income	4,048,571	4,346,821
Non-Interest Income	704,268	607,898
Non-Interest Expense	(3,913,356)	(4,600,731)
Net Income	\$ 839,483	\$ 353,988

A vibrant, painterly illustration of a coastal scene. In the foreground, a yellow Volkswagen bus is partially visible on the left. Behind it, a small white building with a red roof sits on a grassy area. Several tall palm trees dominate the middle ground. In the background, a blue body of water features a few sailboats, and a beach house with a red roof is visible. The sky is light blue with a few birds. The overall style is artistic and colorful.

Board of Directors

Pat Burns, Chairman of the Board
Beverly Bartlow-Nieves, Vice Chairman
Paul Fujita, Secretary/Treasurer
Malcolm Oscarson, Director
Julissa Jose-Murray, Director
Sam Joumblat, Director
Jeff Evans, Director

Supervisory Committee

Ed Nelson, Chairman
Alan Kosoff, Vice Chairman
Robert Woods
Brandon Walker
Ana DeAnda
Matt Heady, Advisory Member
Willie Owens, Advisory Member
Ken Roberts, Advisory Member
Rachel Rock, Advisory Member

Management Staff

Kathleen O'Connell, Chief Executive Officer
Autumn Hoffman, Chief Information Officer
Michele Megill, Chief Operations Officer
Lisa Hess, Branch Manager
Tess Probre, Manager of Mortgage Lending
Nancy Samarin, Manager of Administration
Jose Sanchez Jr., Manager of Consumer Lending
Mike Spray, Manager of Information Systems and Facilities
Ricky Tse, Senior Systems and Network Manager

Thank you for your Membership!

Long Beach City Employees Federal Credit Union

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