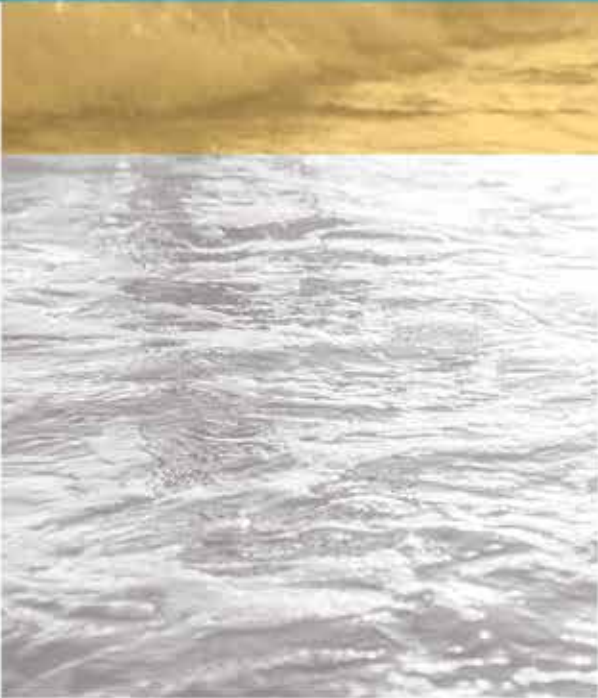


Southland
CREDIT UNION



Federally insured by NCUA



2024

Annual Report



OUR MISSION

We are dedicated to providing our Members with exceptional, comprehensive and innovative financial solutions, delivered with uniquely personal Southland service.

OUR VISION

We will promote greater financial well-being for our Members and communities.

CORE VALUES

Our core values guide everything we do — from serving our Members' unique needs to providing resourceful, convenient services to help Members save and thrive.

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BOARD CHAIR & PRESIDENT'S MESSAGE

Southland Credit Union entered 2024 with strength and momentum, continuing our commitment to providing exceptional service and value to our Members. Last year brought exciting growth, new opportunities and significant milestones that reinforced our dedication to financial wellbeing. While the implementation of a new accounting standard first introduced in 2023 for loan loss provisions impacted our reported earnings, our income before this provision remained strong. Most importantly, Southland remains well-capitalized, with a net worth ratio of 8.25% and nearly \$1.3 billion in assets, ensuring long-term stability and security for our Members.

Despite the accounting change, 2024 was a year of growth and transformation for Southland. We successfully completed our merger with Allied Healthcare Federal Credit Union, welcoming 5,000 Members, four branches and \$70 million in assets. This strategic partnership has strengthened our ability to serve an even broader community, expanding our membership and providing more comprehensive financial solutions. Through this merger, we have retained all four Allied Healthcare branches, ensuring a seamless transition for Members and further solidifying Southland's presence in our communities.

Another significant milestone of 2024 was the launch of Enjoy! Rewards, our new Member loyalty program featuring Enjoy! Rewards Checking and the Enjoy! Rewards Visa Platinum credit card.

Enjoy!
Rewards by Southland™

This unique program reinforces our commitment to rewarding engaged and dedicated Members by providing an exciting new way to earn rewards on everyday purchases. These initiatives exemplify our ongoing dedication to delivering greater value and enhanced benefits to those who trust us with their financial needs.

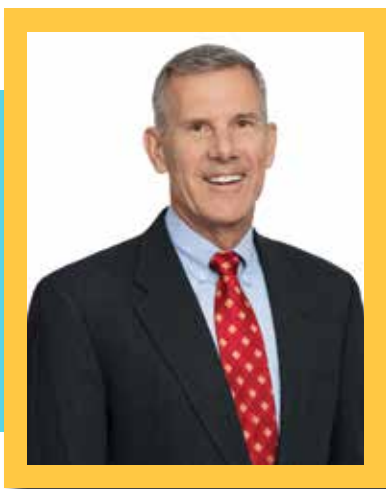


At Southland, we recognize that our greatest asset lies in our dedicated team of Associates. In 2024, we completed an extensive employee Trust Index Survey to measure Southland's performance against the highest-rated workplaces in the country. As a result of this survey, we are proud to report that Southland was certified as a Great Place to Work.

As we look ahead to 2025, we are focused on growth and innovation. Introducing new and enhanced services tailored to meet the evolving needs of our Members remains a top priority. In 2025, we will launch Medicare and property & casualty insurance services, providing valuable resources to support Members in managing their healthcare and financial wellness. Additionally, we are excited to introduce new business and merchant services, further empowering local businesses with the financial tools they need to thrive.

To provide top-tier branch services and a seamless and comfortable banking experience for our Members, we continue to prioritize facility updates. Our branch on Florence Avenue in Downey is undergoing extensive interior and exterior renovations, and we are excited to reveal this modern, state-of-the-art branch to our Members in 2025.

On behalf of the Board of Directors, Executive Management and our dedicated team of Associates, we extend our deepest appreciation for your trust and loyalty. As we move into 2025, Southland remains dedicated to delivering the exceptional service, innovative products and Member-focused solutions that define our credit union. We are excited for the opportunities ahead and look forward to continuing to serve you in the years to come.



Thomas Willingham
Thomas Willingham
Board Chair, Board of Directors



Thomas Lent
Thomas G. Lent
President and Chief Executive Officer

Southland Credit Union Consolidated Statements of

Financial Condition

As of December 31, 2024 and 2023
(in thousands, unaudited)

Assets	2024	2023
Cash and Cash Equivalents	\$ 112,234	\$ 96,436
Investment Securities:		
Available-for-Sale	194,051	200,944
Other Investments	6,735	5,848
Loans, Net	880,115	785,115
Accrued Interest Receivable	4,122	3,333
Credit Union Owned Life Insurance	30,703	26,685
Premises and Equipment, Net	16,713	16,556
NCUSIF	9,629	8,846
Other Assets	12,348	7,586
Total Assets	\$ 1,266,650	\$ 1,151,349
Liabilities		
Members' Shares and Savings Accounts	\$ 1,088,024	\$ 978,614
Borrowed Funds	90,900	90,900
Accounts Payable and Other Liabilities	12,102	11,519
Total Liabilities	1,191,026	1,081,033
Members' Equity		
Undivided Earnings	76,887	73,844
Equity Acquired from Business Combinations	26,136	25,687
Accumulated Other Comprehensive Income	(27,399)	(29,215)
Total Members' Equity	75,624	70,316
Total Liabilities and Members' Equity	\$ 1,266,650	\$ 1,151,349

Southland Credit Union Consolidated Statements of

Income

As of December 31, 2024 and 2023
(in thousands, unaudited)

	<u>2024</u>	<u>2023</u>
Interest Income		
Loans to Members	\$ 46,386	\$ 36,651
Investments	9,325	7,987
Total Interest Income	55,711	44,638
Interest Expense		
Members' Shares and Savings Accounts	17,822	10,309
Borrowing Expense	3,083	3,145
Net Interest Expense	20,905	13,454
Net Interest Income	34,806	31,184
Non-Interest Income		
Fees and Charges	6,082	5,818
Other Non-Interest Income	1,020	1,133
Total Non-Interest Income	7,102	6,951
Non-Interest Expense		
Employee Compensation and Benefits	19,469	17,971
Occupancy	3,583	3,260
Operations	5,605	4,356
Professional and Outside Services	3,424	1,290
Educational and Promotional	1,740	1,699
Loan Servicing	1,685	1,568
Other	750	499
Total Non-Interest Expense	36,256	30,643
Net Income, Before Provision Expense	5,652	7,492
Provision Expense	9,492	3,476
Net Income (loss), Post-Provision Expense	\$ (3,840)	\$ 4,016

BOARD OF DIRECTORS

The Board of Directors, together with its associate members, continues the credit union's commitment to representing the diverse membership and the broader community it serves. The Board remains dedicated to guiding the credit union in achieving its mission while upholding financial stability and operational excellence. Governed by the California Credit Union Law, as well as regulations set forth by the California Department of Financial Institutions and the National Credit Union Administration, each Director plays a vital role in fostering a collaborative and effective governance structure.



Thomas Willingham
Board Chair



Walter Finnigan
Board Vice Chair



Megan Hiszpanski
Secretary/Treasurer



Angie Avery
Director



Becky Cool
Director



Justin Laird
Director



Jose Manzano
Director



Annie Perez
Director



Bradley P. Silcox
Director

ASSOCIATE BOARD



Brian Buchanan
Associate Board Member



Siobhan Linton
Associate Board Member



SUPERVISORY COMMITTEE

The Supervisory Committee meets regularly to safeguard the financial integrity of the credit union and to ensure it continues to effectively meet the diverse financial needs of its Members. Composed of committed volunteers, the committee dedicates its efforts to reviewing internal and external audit findings, as well as financial statements. Throughout the year, the Supervisory Committee also verifies the accuracy of shares and loans, reinforcing the credit union's commitment to transparency and accountability.



Roderick Calub
Committee Chair

Donita Smith
Secretary

Mark Chirco
Committee Member

Debi Fingerhut
Committee Member

Sandy Lopez
Committee Member

EXECUTIVE TEAM

Our Executive Team is committed to delivering a comprehensive range of financial products while consistently exceeding Member expectations. As we continue to evolve and grow, our focus remains on offering exceptional service, unmatched convenience and innovative financial solutions, all provided at competitive rates.



Thomas Lent
President & CEO

Rene LeJay
Executive Vice President
& COO

Christopher Burns
Executive Vice President
& CFO

Patty Jimenez
Sr. Vice President of
Lending

Monica Lopez
Sr. Vice President of
Administration

Curt Bannock
Vice President & CIO



Kathy Castilla
Vice President of
Branch Operations

Elizabeth Egan
Vice President of
Human Resources

Tracy Koehler
Vice President of
Compliance & Risk
Management

Michelle Rose
Vice President of
Marketing

Leonard Salazar
Vice President of
Consumer Lending

Bertrand Villavert
Vice President &
Controller

SUPERVISORY COMMITTEE REPORT

The Supervisory Committee is comprised of five volunteers who are elected by the membership. The Committee is primarily responsible for assisting the Southland Board of Directors in fulfilling its oversight responsibility of providing an independent appraisal of the safety and soundness of the operations and activities of the credit union.

In carrying out this responsibility, the Committee meets with the federal and state regulatory agencies during their routine examinations. The Committee also engages and oversees the internal and external audits and verification of accounts performed by nationally recognized CPA firms.

Annually, the Committee engages an independent CPA firm to perform an audit of Southland Credit Union's financial

statements to opine that they are fairly presented in accordance with generally accepted accounting principles.

It is the opinion of the Supervisory Committee that your credit union is financially strong, complies with sound business practices and has effective internal controls to adequately protect and safeguard the Members' assets.



Roderick Calub
Committee Chair



TREASURER'S REPORT

Your volunteer Board of Directors (nine Members) and Supervisory Committee Members (five Members) work diligently to ensure the continued safety and soundness of Southland Credit Union, and we thank you for your membership. In 2024, Southland continued to identify and act upon opportunities to improve Member services while maintaining its financial strength.

Total assets on December 31, 2024, were \$1.3 billion, an increase of approximately \$113 million from 2023. Southland's gross loan balances of \$892 million are \$102 million, or 13% more than one year ago. In addition to its strong loan growth, Southland grew its Member deposits by \$109 million in 2024 to \$1.1 billion, an increase of 11%. This growth was due in large part to the 2024 merger with Allied Healthcare Federal Credit Union where we welcomed approximately 5,000 new Members to the Southland family.

In 2024, Southland returned over \$17.8 million to the

membership in dividends, an increase of over \$7 million from the prior year. The regulatory requirement for any credit union to be considered "well-capitalized" is a net worth ratio of 7%. While 2024 was a challenging year for earnings, Southland remains "well capitalized" on December 31, 2024, with a net worth of 8.25%.

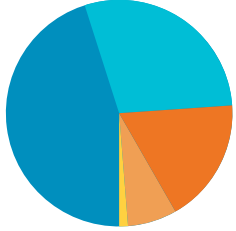
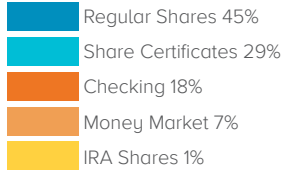
We thank you for the opportunity to serve you and look forward to continuing to expand our services through innovations in 2025. You can be proud of the many accomplishments attained in the past years while being assured the future of Southland looks bright.



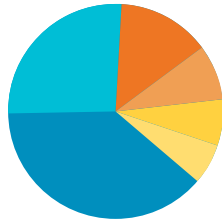
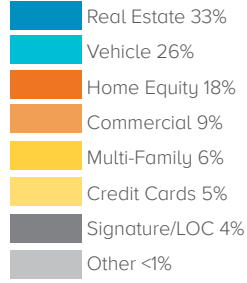
Megan Hiszpanski
Secretary/Treasurer



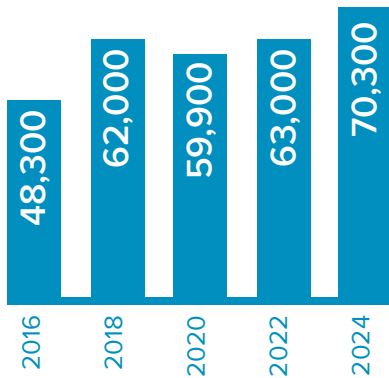
Deposit Mix



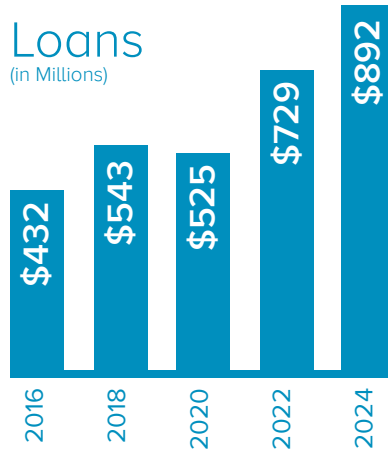
Loan Mix



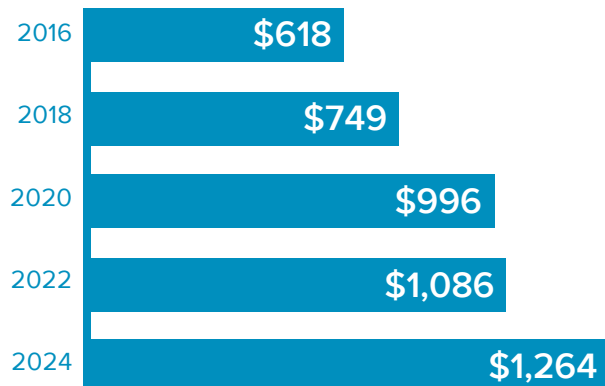
Membership



Loans (in Millions)



Assets (in Millions)



Southland

CREDIT UNION



CARSON

510 W. Carson St., Carson, CA 90745

DOWNEY

TEMPORARY LOCATION

1101 La Reina Ave., Downey, CA 90241

LONG BEACH

2250 N. Bellflower Blvd., Long Beach, CA 90815

4133 N. Viking Way, Long Beach, CA 90815

LONG BEACH STATE CAMPUS

1212 N. Bellflower Blvd. #241, Long Beach, CA 90815

MEMORIALCARE MEDICAL CENTER

2801 Atlantic Ave., Long Beach, CA 90806

ST. MARY EXPRESS OFFICE

1050 Linden Ave., Long Beach, CA 90813

LOS ALAMITOS

10701 Los Alamitos Blvd., Los Alamitos, CA 90720

LYNWOOD

ST. FRANCIS EXPRESS OFFICE

3628 E. Imperial Hwy. #106, Lynwood, CA 90262

LOS ANGELES

FEDERAL BUILDING

300 N. Los Angeles St., #1244, Los Angeles, CA 90012

SANTA MONICA

525 Santa Monica Blvd., Santa Monica, CA 90401

ST. JOHN'S EXPRESS OFFICE

Koll Building-Third Floor

2020 Santa Monica Blvd., #300-B, Santa Monica, CA 90404

P.O. Box 3003, Los Alamitos, CA 90720-1303

800.426.1917 | SouthlandCU.org

