

2025

Annual Report



“ I am honored to join Southland Credit Union and build upon the remarkable legacy of Member service and community impact. ”

Deena Otto

Southland Credit Union's newly appointed President and Chief Executive Officer

OUR MISSION

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

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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.

OUR VISION

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



Board Chair & President's Message

2025 marked an important new chapter for Southland Credit Union, one shaped by growth, progress and a forward-looking vision. With a strong foundation and a clear focus on service, we continued investing in the experiences, tools and programs that help Members thrive today and tomorrow. As we reflect on the year's milestones, we are equally focused on what comes next and how we can deliver even greater value for our Members and the communities we serve.

Southland ended the year in a position of strength, with a net worth ratio of 8.02% and total assets of over \$1.32 billion.

We also made significant progress on initiatives that improve Member experience and position the credit union well for the future. The Downey branch remodel is complete, creating a more modern and welcoming space designed around Member needs. We successfully completed the Allied merger and conversion, an important milestone that grows our footprint and community impact. Enhanced insurance services were introduced in 2025, expanding the ways we can help Members protect what matters most and support their financial well-being beyond traditional banking.

2025 also brought an important leadership transition as we celebrated Tom Lent's retirement after 18 years with Southland and welcomed Deena Otto as Southland's new President and CEO. Her leadership brings fresh perspective and strong alignment with our Member-first mission. Together with our Board of Directors and dedicated associates, Deena will guide Southland forward with a focus on service excellence, innovation and long-term stability.

Looking ahead

Looking ahead, we are focused on building an even stronger Southland Credit Union, one that continues to earn Members' trust through exceptional service, thoughtful innovation and financial strength. Under new leadership, we will deepen our commitment to consistent, high-quality Member experience in our branches, through our contact center and online. We will continue to simplify how Members get help, improving responsiveness and making it easier to connect with the right solution at the right time.

We also know value is more than rates. It is the full relationship and confidence Members feel when they choose Southland. In the year ahead, we will continue enhancing Enjoy! Rewards so it remains meaningful, easy to understand and rewarding for everyday banking. We will also continue investing in the digital tools Members rely on, with a focus on convenience, clarity and security.

Most important, we want Members to know their voices help shape our priorities. We encourage you to share feedback, questions and ideas directly with Deena at talktodeena@southlandcu.org. Your input helps us stay aligned with what matters most to you and ensures we continue delivering solutions, service and value in the ways you prefer.

On behalf of the Board of Directors and the leadership team, thank you for your trust and the opportunity to serve you. We are proud of what we accomplished together in 2025, and we are excited about what lies ahead.



Thomas Willingham
Thomas Willingham
Board Chair, Board of Directors



Deena Otto
Deena Otto
President and Chief Executive Officer

Southland Credit Union Consolidated Statements of

Financial Condition

As of December 31, 2025 and 2024
(in thousands, unaudited)

Assets	2025	2024
Cash and Cash Equivalents	\$ 114,497	\$ 112,234
Investment Securities:		
Available-for-Sale	214,523	194,051
Other Investments	7,226	6,735
Loans, Net	903,780	880,115
Accrued Interest Receivable	4,583	4,122
Credit Union Owned Life Insurance	31,652	30,703
Premises and Equipment, Net	22,556	16,713
NCUSIF	10,094	9,629
Other Assets	11,624	12,348
Total Assets	\$ 1,320,535	\$ 1,266,650
Liabilities		
Members' Shares and Savings Accounts	\$ 1,141,311	\$ 1,088,024
Borrowed Funds	82,000	90,900
Accounts Payable and Other Liabilities	10,740	12,102
Total Liabilities	1,234,051	1,191,026
Members' Equity		
Undivided Earnings	79,305	76,887
Equity Acquired from Business Combinations	26,136	26,136
Accumulated Other Comprehensive Income	(18,957)	(27,399)
Total Members' Equity	86,484	75,624
Total Liabilities and Members' Equity	\$ 1,320,535	\$ 1,266,650

Southland Credit Union Consolidated Statements of

Income

As of December 31, 2025 and 2024
(in thousands, unaudited)

	<u>2025</u>	<u>2024</u>
Interest Income		
Loans to Members	\$ 51,158	\$ 46,386
Investments	9,219	9,325
Total Interest Income	60,377	55,711
Interest Expense		
Members' Shares and Savings Accounts	18,809	17,822
Borrowing Expense	3,019	3,083
Net Interest Expense	21,828	20,905
Net Interest Income	38,549	34,806
Non-Interest Income		
Fees and Charges	5,787	6,082
Other Non-Interest Income	2,602	1,020
Total Non-Interest Income	8,389	7,102
Non-Interest Expense		
Employee Compensation and Benefits	21,496	19,469
Occupancy	3,903	3,583
Operations	6,158	5,605
Professional and Outside Services	1,965	3,424
Educational and Promotional	1,396	1,740
Loan Servicing	2,089	1,685
Other	1,039	750
Total Non-Interest Expense	38,046	36,256
Net Income, Before Provision Expense	8,892	5,652
Provision Expense	6,474	9,492
Net Income (Loss), Post-Provision Expense	\$ 2,418	\$ (3,840)

Executive Team

Our Executive Team is dedicated to providing Members with a full array of financial products at a service level that exceeds their expectations. In fact, this is the value credit unions offer. We have one focus: to please our Members. Our goal is to be our Members' one-stop provider for all their financial services. As we evolve and grow, we will continue to focus on providing convenience, great service and innovative financial products offered at competitive rates.



Deena Otto
President & CEO



Christopher Burns
Executive Vice President & CFO



Patty Jimenez
Sr. Vice President of Lending



Monica Lopez
Sr. Vice President of Operations



Michelle Rose
Sr. Vice President of Growth & Revenue Strategy



Curt Bannock
Vice President & CIO



Leonard Salazar
Vice President of Consumer Lending



Edward Tafoya
Vice President of Branch Operations



Bertrand Villavert
Vice President & Controller



Board of Directors

The Board is made up of Member-volunteers who devote their time and talents to serving your credit union without compensation. Our volunteers spend many hours working together to stay involved in legislative, regulatory and industry affairs that may affect your credit union.



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 Silcox
Director

Associate Board



Siobhan Linton
Associate Board Member

Carrie Logue
Associate Board Member

Bridget Maguire
Associate Board Member

Austin Metoyer
Associate Board Member

Supervisory Committee

The Supervisory Committee regularly meets to ensure that the credit union is fiscally sound and effectively serving the diverse financial needs of Members. Committee members generously volunteer their time to review internal and external audit reports, as well as financial statements.



Roderick Calub
Committee Chair

Donita Smith
Committee Member

Mark Chirco
Committee Member

Debi Fingerhut
Committee Member

Sandy Lopez
Committee Member

Supervisory Committee Report

The Supervisory Committee of Southland Credit Union is comprised of five volunteers elected by the membership, with primary responsibility for ensuring the Board of Directors and Management fulfill their obligations in meeting financial reporting standards and ensuring safeguards are in place to protect Members' assets.

In fulfilling their responsibility, the Committee engages an independent Certified Public Accounting (CPA) firm to perform an annual membership account verification. The CPA firm is also engaged to perform an audit to ensure Southland's financial statements are fairly presented in accordance with Generally Accepted Accounting Principles (GAAP).

The Committee collaborates with management to ensure compliance with state and federal regulations as established by the California Department of Financial Protection and Innovation (DFPI) and the National Credit Union Administration (NCUA), respectively. The Committee works closely with management and oversees internal and external audits performed by third parties.

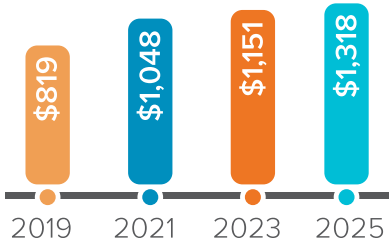
It is the opinion of the Supervisory Committee that the credit union is financially strong, complies with sound business practices, and has effective internal controls adequately protecting and safeguarding the Members' assets.



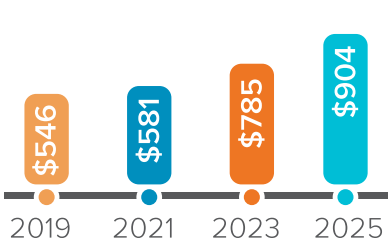
Roderick Calub

Committee Chair

Assets (in Millions)



Loans (in Millions)



Treasurer's Report

On behalf of the Board of Directors and Supervisory Committee, we thank our Members for their continued trust in Southland Credit Union. The Board and Supervisory Committee serve in a volunteer capacity and are committed to ensuring the credit union remains financially strong, well-governed and positioned to serve Members for the long term.

Southland Credit Union continued to demonstrate financial stability in 2025. Total assets grew to approximately \$1.32 billion, compared to \$1.27 billion in 2024, reflecting steady balance sheet growth and continued engagement from our Members.

Loans remain the largest component of our assets and represent one of the primary ways we deliver value to Members. Net loans increased to approximately \$904 million, up from \$880 million in 2024, reflecting continued demand for lending products that help Members finance homes, vehicles and other important life needs.

Member deposits also increased during the year. Members' shares and savings totaled approximately \$1.14 billion at year-end, compared to \$1.09 billion in 2024. This growth reflects the confidence Members place in Southland as their trusted financial partner.

Southland's capital position also strengthened in 2025. Total Members' equity increased to approximately \$86 million, up from \$76 million in 2024, providing a solid financial foundation that supports continued investment in services, technology and the long-term stability of the credit union.

In alignment with our Member-first mission, we returned \$18.8 million to our membership in the form of dividends on deposit products—reinforcing our cooperative model and commitment to sharing financial success with those we serve.

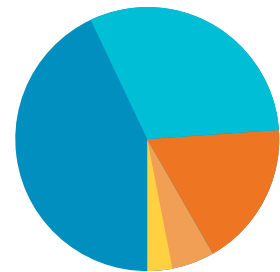
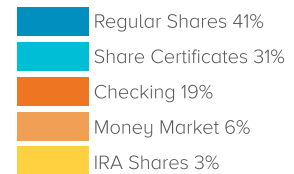
Southland remains committed to maintaining a strong balance sheet while continuing to serve the evolving financial needs of our Members. Our financial strength allows us to support lending, enhance the Member experience and position the credit union for continued success.

Thank you for your membership and the trust you place in Southland Credit Union.

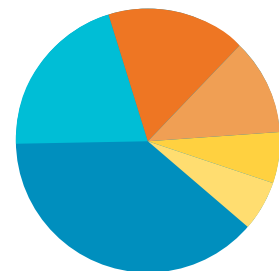
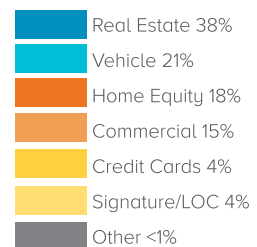


Megan Hiszpanski
Secretary/Treasurer

Deposit Mix



Loan Mix





CARSON

510 W. Carson St., Carson, CA 90745

DOWNEY

8545 Florence Ave., Downey, CA 90240

LONG BEACH

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

4133 N. Viking Way, Long Beach, CA 90808

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

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