

2021

Annual Report



Together ahead

LBS Financial 
CREDIT UNION

Vision Statement

We will make a difference in the life of a Member or business partner – *with each and every interaction* – by building trust and showing compassion.

Mission Statement

Our mission is to provide quality services that meet the personal financial needs of our Members, consistent with a fiscally sound credit union cooperative.

Brand Values

- Member Focus
- Value
- Trust
- Teamwork



Best Credit Union

Thanks for voting us “the best” year after year!

- *Press-Telegram* readers voted us the Best Credit Union in 2021 for the eleventh year in a row. They also voted LBS Financial “the best” in the following categories: Auto Loans, Home Loans, Financial Planning Company, Refinancing Company and a “favorite” in the workplace category.
- *Beachcomber* readers (East Long Beach) voted us the Best Credit Union for the ninth year in a row in 2021.
- *Long Beach Post* Readers voted us the Best Bank in Long Beach in 2021.



Recognized for our Financial Health

LBS Financial was given an A+ for health and stability by Depositaccounts.com in 2021. BauerFinancial, an independent third party that rates credit unions and banks on their financial health, continued to rate LBS Financial with 5 Stars out of 5 possible.



LBS Financial employees cleaned up Junipero Beach in Long Beach on July 16th as part of the LBS CARES Program.



In September and November, LBS Financial employees, as part of the LBS CARES program, supported The Assistance League of Long Beach's Operation School Bell, preparing backpacks with uniforms for LBUSD students.



On November 6th the Credit Union celebrated the one-year anniversary of its Long Beach Marina branch. LBS Financial Board Members, Supervisory Committee, Management, and the Long Beach Area Chamber of Commerce joined staff along with Members and the community at this event.



LBS Financial employees donated hundreds of toys and gift cards to Families Uniting Families at the Credit Union's annual Holiday Breakfast on December 15th.

Pictured from left to right:
Jeff Napper, LBS Financial President & CEO, Heather Summers, LBS Financial SVP Marketing, and James Shrage, Executive Director, Families Uniting Families.

LBS Financial Credit Union Leadership

Board of Directors

Our volunteer Board of Directors are elected by you, our valued Members, to ensure the Credit Union follows its mission statement and is driven by our vision of making a positive difference in our Members' lives. Each Director is chosen by the Membership to serve a three-year term.



Chair
Dr. John Fylpaa



Vice Chair
Dr. Jill Baker



*Secretary/
Treasurer*
Luther W. Williams



Board of Director
Dr. Jay Camerino



Board of Director
Dr. Satinder Brar
Hawkins



Board of Director
Dr. Larry Natividad



Board of Director
Pamela Seki

Supervisory Committee

Acting as a Member advocacy group, this strategic team oversees the security of Members' Share Savings accounts by reviewing annually required audits, verifying closed accounts and enforcing Board policies.



PICTURED LEFT TO RIGHT:
David Conrad, *Chair*
Keith Hansen, *Member*
Russell B. Young, *Member*

Executive Management Team



Jeffrey A. Napper
President/CEO



Sean Hardeman
EVP/Chief Lending Officer



Branch Locations

Bixby Knolls

4436 Atlantic Avenue
Long Beach, CA 90807

Cerritos

11239 183rd Street
Cerritos, CA 90703

CSULB

49er Bookstore, 2nd Floor
6049 East 7th Street
Long Beach, CA 90840

East Long Beach

4341 East 10th Street
Long Beach, CA 90804

Lakewood

4916 Bellflower Boulevard
Lakewood, CA 90713

Long Beach Marina

6457 East Pacific Coast Highway
Long Beach, CA 90803

Los Altos

6417 East Spring Street
Long Beach, CA 90808

Newport-Mesa

1401 Quail Street, Ste. 130
Newport Beach, CA 92660

Mailing Address

P.O. Box 4860
Long Beach, CA 90804-0860

To Our Member-Owners



Since 1935, LBS Financial Credit Union's focus has been on providing quality services that meet the personal financial needs of our Members. The needs of our Membership continue to evolve with the times, and we are proud of the work we continue to do to remain relevant and a solid financial partner to our Members. While the last few years have been challenging for everyone during the ongoing COVID-19 pandemic, we are all learning to adjust, stay positive, and actively move forward.

Your Credit Union had a successful 2021, improving services, providing education for Members and maintaining high service scores. Some of the highlights of the past year include:

- Hosting five educational webinars in 2021 with a focus on home buying and investments for our Membership and an additional 30 financial literacy webinars to local business employees, high school, and college students.
- Posting electronic deposits up to two days early for our Members. In mid-2021 we changed our processes to post electronic deposits to Members' accounts the day we receive notification that funds will be coming (rather than the date we receive the money).
- The addition of new features within Online & Mobile Banking for Members to order checks and view their credit score, credit reports, and personalized money-saving offers.
- Implementation of a new HomeTeller (automated phone banking system) with new features including the ability to select prompts in English or Spanish.
- LBS Financial was honored by the Long Beach Area Chamber of Commerce with their Destination Tomorrow award for our 85+ years in the community at their 130th Annual Gala which was held virtually in June 2021.
- Your Credit Union was voted "Best Credit Union" for the eleventh year in a row by *Press-Telegram* readers, ninth in a row in the *Long Beach Beachcomber*, and also voted Best Bank in Long Beach by *Long Beach Post* readers. We also received an A+ for our financial health and stability from DepositAccounts.com
- We received an average score of over 92% (highly satisfied) from all 2021 Member Surveys including our two random Member Research surveys, post-transactional, and post-lending.

As we kick off 2022, we are excited to continue serving you and your families and looking for opportunities to enhance our services. Thank you for your continued support of our Member-owned cooperative!

Together ahead!

Dr. John Fylpaa, *Chair*

Jeffrey A. Napper, *President/CEO*

Treasurer's Report



There was a lot of financial uncertainty as we headed into another pandemic year in 2021, but again we were pleased to end the year with strong financial statements. Our Members continued to benefit from the economic stimulus payments and the Credit Union's loan delinquency was at a historic low. Deposits to the Credit Union were higher than average due to stimulus payments but less than in 2020 which had lockdowns that inhibited consumers from making purchases for certain goods and services. This reduction in spending along with the increases in income from stimulus payments improved our Members' savings balances.

Below are some of the financial highlights of 2021:

- Deposits at the Credit Union increased by 11.76% or by \$184 million.
- Member loans increased by 1.7% or approximately \$18.5 million.
- Investments increased by 24% or \$155 million (as a result of less loan volume, we put more of our Member deposits into investments).

- Total assets at the Credit Union increased by 11% (or \$196 million) to \$1.979 billion.
- Net income was \$12.5 million with a return on assets of 0.63%.
- Our Net Capital Ratio was 11.75% at year-end which is well above the 7% required by the National Credit Union Administration to remain "well-capitalized." Net capital is money set-aside to protect the Credit Union in the event of future recessions or economic downturns. LBS Financial has one of the strongest net capital ratios of credit unions our size in the State of California.

On the horizon for 2022 we are anticipating the Federal Reserve Bank to increase their key interest rate several times throughout the year, beginning this spring.

Thank you for your Membership and for placing your trust in us. We wish all of our Members financial success and a joyful year ahead.

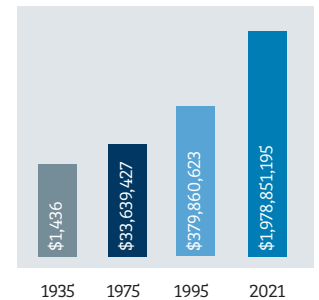
Luther W. Williams
Secretary/Treasurer

Financials for 2021

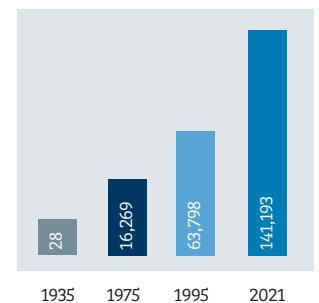
Statement of Financial Condition as of December 31, 2021

Assets	2020	2021
Cash & Federal Reserve Bank Deposits	\$ 71,080,484.40	\$ 71,995,061.23
U.S. Government & Federal Agency Securities	260,103,117.19	502,226,420.24
Other Investments	354,959,245.64	287,112,632.97
Member Loans, Accrued Income & Other Assets	1,091,774,358.57	1,110,857,266.50
Furniture & Fixtures	1,135,457.11	2,531,157.29
Prepaid Expenses	1,355,028.83	1,826,181.11
Land & Buildings	2,460,254.43	2,302,475.68
Total Assets	\$1,782,867,946.17	\$1,978,851,195.02
Liabilities & Equity		
Shares to Members	\$1,564,921,834.00	\$1,748,795,315.34
Other Liabilities	14,401,323.75	6,224,578.90
Regular Reserve & Undivided Earnings	219,921,801.48	232,447,620.34
Accumulated Other Comprehensive Income and Defined Benefit Plan	(16,377,013.06)	(8,616,319.56)
Total Liabilities & Equity	\$1,782,867,946.17	\$1,978,851,195.02

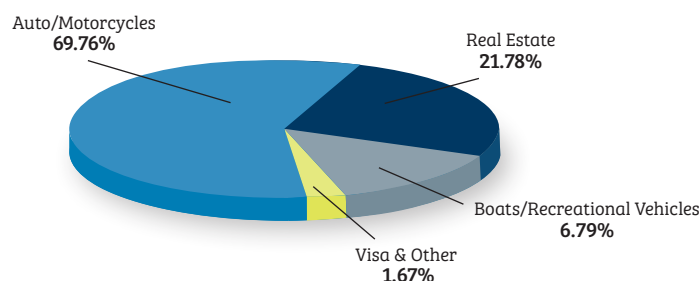
Asset Growth



Membership Growth



2021 Distribution of Loans



Gateway to the Community

Our brand promise is to connect families, neighbors, and our community with paths to success. We also see LBS Financial Credit Union as a gateway to the communities we serve. LBS Financial donated \$84,341 in support of local schools, student scholarships, sponsorships, and charities in 2021. Below is a list of the groups LBS Financial supported:

- *ABC Education Foundation*
- *ACSA Region 14*
- *Adopt-a-School Program*
 - *Intensive Learning Center/Bellflower USD*
 - *COVID-19 Relief Fund for Families/LBUSD*
 - *Tetzlaff Middle School/ABCUSD*
- *Aquarium of the Pacific*
- *Assistance League of Long Beach/Operation School Bell*
- *Bellflower Unified School District*
- *Boys and Girls Club of Whittier*
- *California Assembly 57th District College Fair*
- *CANstruction Long Beach (for Food Finders)*
- *Children's Miracle Network/Children's Hospitals (Children's Hospital of Orange County and Children's Hospital of LA)*
- *City of Lakewood Concerts in the Park & Drive-In Concerts*
- *Credit Union House*
- *California State University, Long Beach (CSULB)*
- *Families Uniting Families*
- *Freedom Writer's Foundation*
- *Humansave*
- *Live Love Animal Rescue*
- *Long Beach Area Chamber of Commerce*
- *Long Beach City College*
- *Long Beach City College Foundation*
- *Long Beach Rescue Mission*
- *Mayfair High School Band Boosters*
- *Moonlight Movies on the Beach*
- *Orange County Professional Firefighters Association*
- *Scholarships to 39 local high school and college students*
- *The Little Lion Foundation*
- *Wilson High School Grad Nite*
- *Wrigley Area Neighborhood Alliance/Christmas Tree Lane*

\$727,117

Donated to local schools and community groups since 2000

\$305,500

Provided in Scholarships since 2000



\$1,000 Member scholarship winners, Calyce Jones & Katrina Doyle-Jacobson



Financial Services Especially for You



Member Accounts

- Free Checking with eStatements, Interest Checking, Direct Deposit, Visa Debit Card
- Share Savings accounts
- Share Certificates of Deposit
- Money Market account
- Summer Savings account for School Employees
- IRA (Individual Retirement Account)
- Youth Accounts

Convenient Access

- **Electronic Self Services** – Mobile Banking, Mobile Deposit, Online Banking, Bill Payment, eStatements/eDocuments
- **Phone Banking** – Automated, voice-activated account access by phone through HomeTeller
- **ATM Network** – 30,000 free CO-OP® Network ATMs nationwide – plus no surcharge at all LBS Financial and F&M Bank ATMs
- **Eight branch offices** – Bixby Knolls, Cerritos, CSULB, East Long Beach, Lakewood, Long Beach Marina, Los Altos and Newport Beach
- **CO-OP Shared Branching** – Access to more than 5,000 Shared Branches internationally

Consumer Loans

- Auto and Motorcycle
- Recreational Vehicle, Boat and Powersports
- Personal or Signature
- Visa® Classic and Gold Credit Cards

Real Estate Loans

- Home Purchase & Refinance Loans
- Fixed and Adjustable Rate Mortgages
- Home Equity Line of Credit
- Home Equity Loans



Other Services

- Investment options
- Auto, home and life insurance
- Auto purchasing resources – AutoSmart, Enterprise Car Sales and the Surrogate Auto Shopper
- Access LBS Financial auto loans directly at your local dealership



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