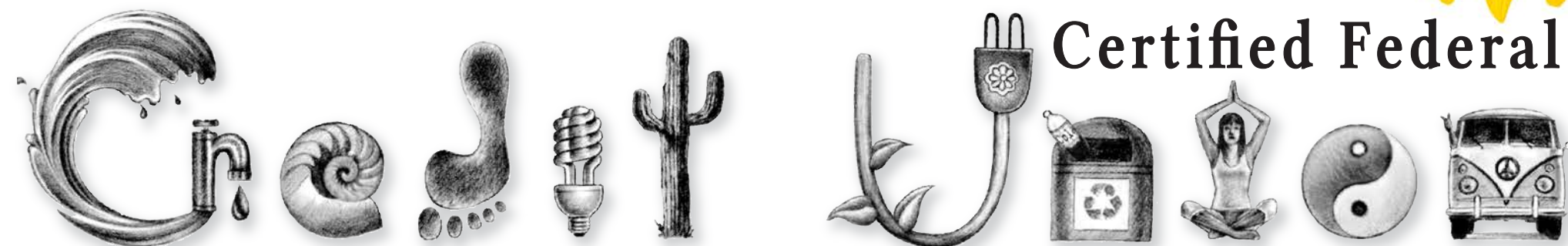




ANNUAL MEETING - 2022

2022 ANNUAL REPORT



FINANCIALLY SOUND ♦ ENVIRONMENTALLY CONSCIOUS

EXECUTIVE REPORT

Certified Federal Credit Union completed a record year of Capital/Reserves growth in 2022. Safety and Soundness have always been our most important goal as we protect our members’ hard-earned money. We have again earned a Five-Star rating from Bauer Financial since 1995 and an “A” rating from Weiss Ratings, the toughest rating service in the United States. Those ratings place us in the top 1% of all Federally-Insured Credit Unions. Capital or Reserves ended 2022 at almost \$150 million or over 19% of Assets; this is the highest Net Worth percent of any Credit Union in California with over \$500 million in Assets! Loans also hit a record \$502 million, up \$78 million or 18% higher than 2021. Inflation continues to affect our members’ pocketbooks, as shares declined in 2022, an unfortunate sign of the times.

We are proud to be the largest retail and wholesale grocery industry credit union in the Western United States. We are also honored to serve our two other key sponsors: Automobile Club of Southern California, including Auto Club Enterprises (ACE), and Metropolitan Water District of Southern California. I would like to give a special thanks to our employees who work hard to serve you, day in and day out; and our dedicated Board of Directors, led by our esteemed Chair, Gary Hammett.

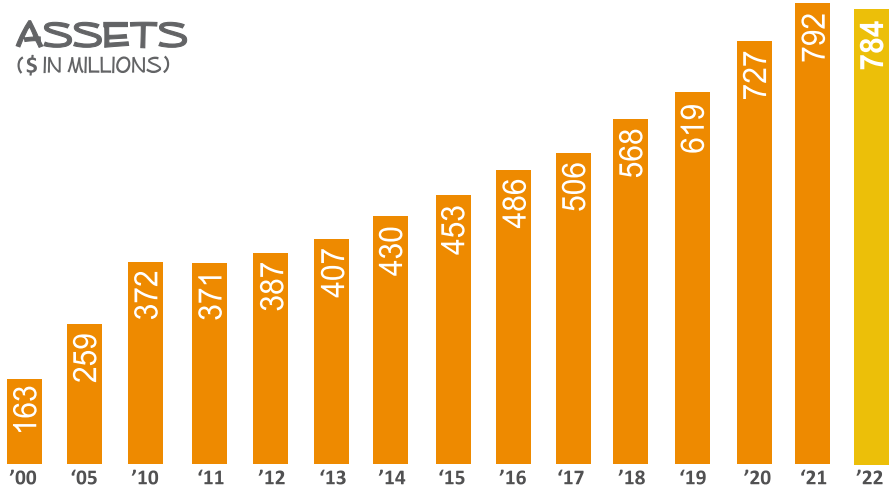


Steve Weakley
President / CEO

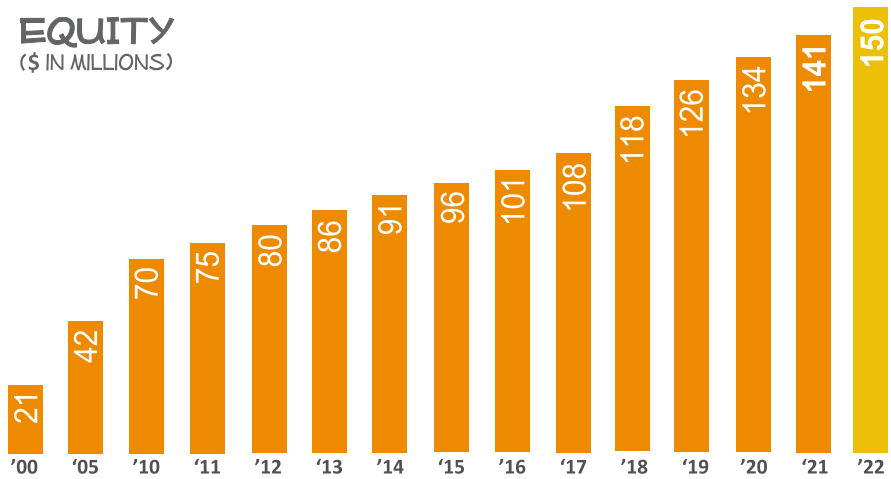


Donna Simpson
EVP / COO

ASSETS (\$ IN MILLIONS)



EQUITY (\$ IN MILLIONS)



FINANCIALS

Assets	2022	2021
Cash and cash equivalents	\$56,416,820	\$34,546,217
Investments	192,699,168	305,835,402
Loans to members	502,093,902	424,013,677
Allowance for loan losses	(5,036,932)	(4,479,110)
Property and equipment	1,891,754	2,103,354
Other assets	36,398,562	29,726,702
Total assets	<u>\$784,463,274</u>	<u>\$791,746,242</u>

Liabilities and Equity	2022	2021
Dividends payable	\$323,576	\$200,541
All other liabilities	16,000,597	15,295,993
Share savings	263,212,514	264,901,232
Share drafts	137,377,285	137,687,004
Other deposits	226,416,883	233,028,817
Capital/Reserves	149,733,905	140,782,272
Unrealized comprehensive loss	(8,601,486)	(149,617)
Total liabilities, capital and reserves	<u>\$784,463,274</u>	<u>\$791,746,242</u>

Interest Income and Expenses	2022	2021
Interest on loans	\$24,906,522	\$20,806,404
Investment income	3,735,072	3,937,336
Total interest income	<u>28,641,594</u>	<u>24,743,740</u>
Total interest expense on members’ accounts	2,746,252	2,688,912
Net interest income	<u>25,895,342</u>	<u>22,054,828</u>
Provision for loan loss	3,147,000	1,530,000
Net interest income after provision for loan losses	<u>\$22,748,342</u>	<u>\$20,524,828</u>

Non-Interest Income	2022	2021
Service charges and other income	\$11,512,630	\$10,712,691
Gain (loss) on other activities	(174,720)	164,958
Total non-interest income	<u>\$11,337,910</u>	<u>\$10,877,649</u>

Non-Interest Expense	2022	2021
Compensation and benefits	\$12,180,208	\$11,523,079
Outsourced services	6,209,947	5,275,320
Office operations	3,553,169	3,457,045
Other expenses	3,191,295	2,972,911
Total non-interest expense	<u>\$25,134,619</u>	<u>\$23,228,355</u>
Net Income	<u>\$8,951,633</u>	<u>\$8,174,122</u>

YOUR MONEY IS SAFE AND SOUND!



BOARD OF DIRECTORS

Pictured from left:

Gary Hammett (Chairman)
Warren Fish (Vice Chairman)
Debbi Navarro (Sup. Comm. Chair)
Steve Weakley (Treasurer/CEO)
JoAnn Murdock (Director)
Dick Gonzales (Secretary)
Michael Cooper (Director)



LEADERSHIP TEAM WITH
BOARD DIRECTORS

Bauer Financial is the source
for unbiased, independent
bank and credit union star ratings.
No institution pays for its
ratings, nor can they avoid a rating.

5 OUT OF 5 STARS



A = EXCELLENT

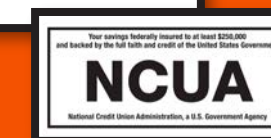
Weiss Ratings provides accurate,
unbiased, and safety-focused ratings
that you can rely on to make sound,
informed financial decisions.

from
**Weiss
Ratings**

**Certified Federal
has the highest
Net-Worth percent
of any Credit Union
in California with
over \$500 million
in Assets!**

**"Your savings federally insured
to at least \$250,000 and backed
by the full faith and credit
of the United States Government."**

— National Credit Union Administration (NCUA)



SUPERVISORY COMMITTEE STATEMENT

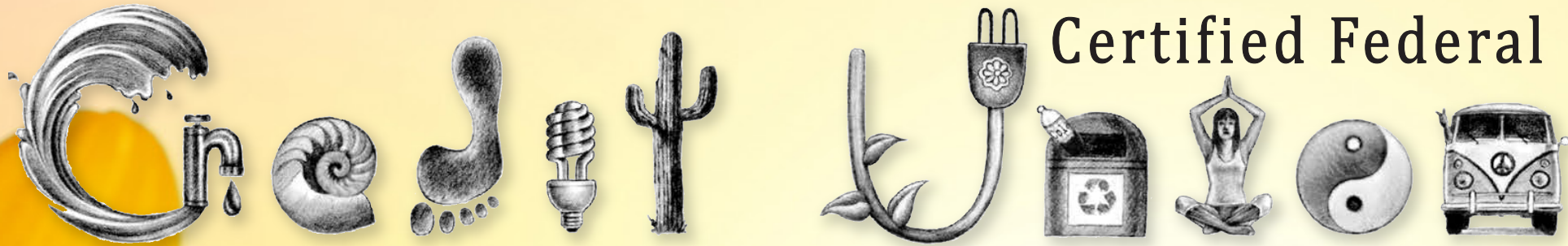
The Supervisory Committee is responsible for monitoring the financial safety and soundness of the credit union and ensuring compliance with various financial and regulatory requirements. In fulfilling these responsibilities, the committee engaged an auditing firm specializing in credit unions to audit the financial statements as of December 31, 2022 and their opinion is stated below. In addition, the committee met on a quarterly basis to review the internal audit reports.

Debbi Navarro Steve Kay Bernie Kilcoyne Rick Williams Hee-Sook Alden
Committee Chair

INDEPENDENT AUDITOR'S STATEMENT

In our opinion, the financial statements present fairly, in all material respects, the financial position of Certified Federal Credit Union as of December 31, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Richards and Associates, Certified Public Accountants



Certified Federal

STEWARDS OF THE ENVIRONMENT

2009 – Our main branch was the first business in El Monte to install solar panels.

2011 – Added solar carport and electric vehicle charging stations.

2012 – Achieved LEED Gold Certification, which required rigorous retrofitting of our main branch building. LEED stands for: Leadership in Energy and Environmental Design. It was developed by the U.S. Green Building Council to recognize buildings throughout the nation that meet specific environmental standards, including water savings, energy efficiency, waste management and indoor environmental quality.



2013 – Won EPA's Battle of the Buildings, #1 in the category of Bank / Financial Institution, competing against more than 3,000 buildings to reduce energy use and protect the environment.

2014 – Installed drought-tolerant landscaping to support California water conservation goals, earning our main branch the Beautification Award from the El Monte/South El Monte Chamber of Commerce.

2018 – Added additional electric vehicle chargers.

2022 and Beyond – Over the past decade we created the infrastructure to maximize our conservation efforts and reduce our carbon footprint. Our current solar panels generate over 50% of our electricity needs; an additional solar carport is in our future.



GREEN APPLE
DAY OF SERVICE
VOLUNTEER

