

Good Vibes and **Bright Futures**



SOUTH BAY
CREDIT UNION

2025 ANNUAL REPORT

Message from the Board Chair

I'm delighted to share this report for a year that can best be described by our theme: Good Vibes and Bright Futures. Over the course of 2025, our conservative management approach enabled us to deliver on our performance goals, and just as importantly make good on our mission to uplift our South Bay communities by empowering our members to live better and do better.

Financial Stability

An important metric for a financial institution is how well-capitalized it is – meaning that it holds a significant buffer of capital above minimum regulatory requirements that allow it to navigate difficult times. South Bay Credit Union again delivered for our members on this metric, as we entered 2026 well-capitalized at 9.64%. We also succeeded in hitting near goal for membership growth, achieving our stretch goal for net income, and ending the year on-goal for consumer loans and mortgage loans.

These results aren't just numbers on a page. Rather, they provide the solid financial foundation that allows us to continue to invest in members, helping you reach your financial goals at every stage of life.

Community Engagement

Our Credit Union's impact on our South Bay community also ripples far beyond the doors of our branches. In this report, you'll read about just a few of the many community partnerships that actively engage our neighbors and local families, support small businesses, and truly bring to life our credit union's "people helping people" ethos.

As we look ahead with excitement for helping even more SBCU members secure Bright Futures, I am grateful for and proud of our professional team who consistently put members' interests first. And, on behalf of your volunteer Board, I want to thank you for your continued trust in our stewardship of your Credit Union.

Chris Otey, Board Chair

Supervisory Committee Report

Based on the results of positive audits from Turner Warren Hwang & Conrad CPAs (an outside independent accounting firm), it is the opinion of your Supervisory Committee that South Bay Credit Union operations are safe, sound and in conformity with all laws and regulations, and that internal controls and policies are effectively protecting the Credit Union and its members.

Angelia Parrish, Supervisory Committee Chair



Message from the CEO

The theme we chose for this year's annual report resonated with me, not just because it expresses a sense of what we accomplished in 2025, but also because it conveys what we stand for as our members' financial partner over a lifetime, and a mainstay of the South Bay community.

Having spent most of my career in the financial services space, I think it's fair to say that South Bay Credit Union has come to embody the best of the credit union movement. Together, as a not-for-profit financial cooperative, we've been able to offer a unique combination of high-value products, personal service and deep community relationships that yields true member engagement and loyalty. This, in turn, has enabled us to invest in critical technology, security and infrastructure to ensure your banking experience with us is second to none.

This report offers some highlights of what we've been up to this year. But if you follow our social media pages or read our monthly member e-newsletter, you know this is just a sliver of a much bigger picture of a financial institution deeply rooted in the South Bay.

I hope you share my excitement for what we've accomplished this year and for the bright future we see ahead. Going forward, you'll continue to see us deliver on our mission by investing our "profits" in you, our members, and in our community.

We are so proud to be your Credit Union, and grateful for your loyal membership.

Paris Chevalier, *President and Chief Executive Officer*



Bright Ideas to Improve Your Financial Future.

Making Your Money Work Harder and Go Farther.

Throughout 2025, we listened carefully to members about their needs and worked to ensure our core product line-up continues to deliver exceptional value, as we also offered timely promotions when they could make the most difference in families' lives. Here are a few highlights:

- **Free Checking.** Whether your day-to-day banking account is our Choice, Carefree or Plus Checking account, we're proud to offer it to you completely fee-free. It's just one of the big differences between our Credit Union and many other financial institutions.
- **Competitive Rates on Savings.** We made sure the Credit Union delivered value to members by continuously monitoring our rates, so our Money Market accounts and share certificate specials were attractive options for members looking for safe and competitive accounts to stash their cash.
- **Loans at Great Rates.** Offering affordable consumer loans and home mortgages has always been fundamental to our mission. This year, we continued that tradition with exceptionally good auto loan rates and special deals on both fixed rate and adjustable rate mortgages, as well as an outstanding HELOC special of 0% interest for six months that was so popular we continued it all year long.
- **Holiday Special.** We made holiday cheer easier for members to manage with a special 11.00% APR holiday loan that provides a more affordable way to finance holiday gifting, travel and celebrations.
- **Credit Score Instant Access.** As part of our continued commitment to supporting our members' financial well-being, we began offering free credit score access directly within online banking, unlocking free tools and resources through Credit Score.



Good Vibes and Great Neighbors.

Sharing the Energy and Building Community.

At SBCU, our vision is to be an integral part of the South Bay community where all are financially empowered to live their very best life. We realize that vision through the partnerships we forge with a range of community and youth-focused organizations, and local businesses that make our neighborhoods special. Here is a sampling of our efforts:

- **Championing Youth Sports.** We demonstrated our commitment to South Bay youth as we sponsored the first-ever basketball court at the Hit Factory and deepened our partnerships with other local youth sports organizations, such as BeGr8 Basketball and several local Little Leagues.
- **South Coast Botanic Garden.** We kicked off an exciting partnership with the South Coast Botanic Garden to sponsor their largest exhibits for 2026, which will draw large numbers of young families to this masterpiece of creative land reclamation and environmental improvement.
- **Enhancing Financial Literacy.** A bright financial future is built on a foundation of financial literacy, and our participation in Bite of Reality is just one example of how we're working to equip young people with financial tools they can carry into adulthood. It's a fun, hands-on simulation that brings together over 400 high school seniors who learn to navigate real-world budgeting and financial decision making scenarios.
- **Supporting Local Businesses.** Among the dozens of local organizations we partner with is the Lomita Chamber of Commerce which runs Lemonade Day, an annual youth-focused initiative that promotes entrepreneurship and financial literacy – key pillars of SBCU's community education mission.
- **Lending a Helping Hand.** Anyone can fall on hard times, so throughout the year our team stepped up to help our neighbors. This included restocking the food pantry and operating a holiday food drive benefiting Community's Child.





2025 Financials

For period ended December 31, 2025
(Unaudited with full version available upon request)

Assets

Loans-net	\$122,059,524
Cash & Investments	18,044,821
Other Assets	16,725,505
Total Assets	\$156,829,850

Liabilities

Accounts Payable	\$1,081,338
Taxes Payable	0
Other Liabilities	626,331
Total Liabilities	\$1,707,669

Equity

Total Shares	140,797,492
Member Capital	14,324,689
Total Equity	155,122,181
Total Liabilities & Equity	\$156,829,850

Income

Income from Loans	\$6,969,818
Income from Investments	327,659
Fees & Charges	894,354
Misc. Op Income	1,355,076
Total Income	\$9,546,907

Expenses

Operations Expense	\$6,782,712
Provision for Loan Loss	260,000
Other Expenses	318,482
Dividend Expense	1,477,768

Total Expense	\$8,838,962
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Non Operating Inc/Exp	0
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Net Income	\$707,945
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Meet the People Nurturing the Vibe

Thank you for making South Bay Credit Union your trusted financial partner and for choosing to be a member of a local financial cooperative that stands for financial inclusion. We're proud and honored to serve you!

Board of Directors



Chris Otey
Board Chair



Stephanie Ertman
Vice Chair



Brian Lundin
Secretary



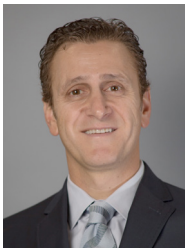
Viki Copeland
Director



Annie Flippo
Director



Tom Light
Director



Tarek Shaer
Director



Nicole Wesley
Associate
Director

Executive Team



Paris Chevalier
President and
CEO



Frank Espinoza
Chief Risk
Officer



Bernice White
Chief Lending
Officer



Mary Roberts
Chief Financial
Officer

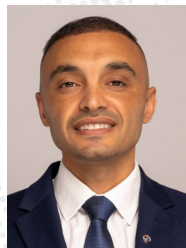
Supervisory Committee



Angelia Parrish
Supervisory
Committee
Chair



Renee Michel
Supervisory
Committee
Member



Moe Awadallah
Supervisory
Committee
Member





www.southbaycu.com

Each account insured up to \$1,000,000 by American Share Insurance. By members' choice, this institution is not federally insured. The credit union is not insured by any state government. Equal Housing Opportunity.