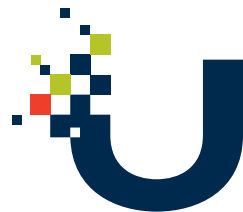


ANNUAL REPORT 2019



Inspired by our community.

Federally Insured by NCUA

4,009 
new members in 2019

90%
of members
said UCU was
easy to do
business with



In 2019, members saved
\$17,147,551

21.69%
increase in first
mortgages



158%
increase in credit cards



Chair & CEO Report

Inspired by Our Community

Our community is so much more than a group of people with something in common. We are the embodiment of the credit union ideal: people helping people. For nearly seven decades, our member owners have helped educate the next generation of leaders while helping each other achieve financial success. Your commitment to higher learning – and to each other – is both inspiring and aspirational.

When we look back at all UCU achieved in 2019, we are filled with pride, enthusiasm, and gratitude. Pride in the goals we achieved, and the consistently superior service provided by our team. Enthusiasm about the momentum we have going into this next decade. And gratitude for each and every member owner who has placed their trust in our ability to guide their financial lives. We are truly inspired by the community we represent and what we have accomplished.

UCU had several successful endeavors in 2019. Highlights include our strategic acquisition of CBS Employees FCU, new partnerships with Saint Mary's College of California and Santa Clara University, and becoming the title sponsor of the West Coast Conference Basketball Tournament. We were also pleased to expand our Northern California presence with the opening of a relationship center at Santa Clara University.

More than just creating a presence in new areas, we also worked hard to support the people and causes most important to our university communities. Whether it was participating in food pantries, toy drives, or charity events; sponsoring scholarships; or hosting financial education workshops, we were proud to be of service beyond just day-to-day transactions.

But make no mistake, the transactions matter too. And 2019 was an outstanding year of growth in several key areas:

Record Member Savings

Over the past two years, University Credit Union has been focusing on increasing the amount of savings realized by our member owners.

The savings is the difference in utilizing University Credit Union rather than other financial institutions, primarily large banks. In 2019, our member owners saved over \$17 million, an increase of last year's record by 54%.

Record Loan Production

For the third straight year, UCU increased loan originations thanks to our Best Rate Guarantee. By listening to our member owners' needs and offering unbiased information about their loan options, we lent more than \$200 million to help them buy cars and homes, use their equity, and lower overall debt payments. The result was a 40% year-over-year increase in production, helping us achieve 30% net loan growth.

Double-Digit Membership Growth

Our member owners are the lifeblood of our organization. The more than 10% growth in membership we experienced this past year is a testament to our reputation for providing value to the university community. We can't thank you enough for your continued participation in your cooperative.

Nearly 13% Asset Growth

Speaking of participation, when more members take advantage of more products and services, we achieve even greater financial strength. Your participation in products like our University Checking Account, coupled with our strategic acquisition of CBS Employees FCU, helped us experience a nearly 13% growth in assets.

We've mentioned the word "community" more than a few times already and it is intentional. Community is far and away the ideal word to describe who and what we are as well as why we exist. UCU is a collective of people with a shared commitment to higher learning – truly, our members are the best of the best. And for the past 68 years, we have provided you superior financial solutions and are dedicated to only getting better. Our cooperative wouldn't exist without your trust and participation. Thank you for an exceptional 2019. Together, we will make 2020 an even greater success.

Respectfully yours,

David L. Tuyo II, DBA
President/CEO

Norma Iadevaia
Chair of the Board

University Partnerships

The hard work and passion of the university community never ceases to inspire us. That’s why UCU is proud to partner with colleges, universities, and other educational institutions. Here’s a sample of our commitment to those we serve:



In 2019, we added the following partnerships:



Proud Events Sponsor of UCLA’s Centennial Celebration



Official Financial Institution of Saint Mary’s College



Official Sponsor of LMU’s student booster club, The Cage, LMU’s Latino Alumni Association, and LMU’s African American Alumni Association and provided student athletes with financial education



Opened the UCU Relationship Center on campus



Hosted estate planning and first-time home buyer lunch and learn events



Official Credit Union and Financial Services Partner of the West Coast Conference



Provided student athletes with financial education and introduced the Pepperdine Study Abroad Loan Program

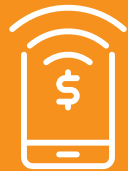


CONTINUED PARTNERSHIPS:

UCLA Mattel Children’s Hospital, UCLA Anderson Forecast Platinum Sponsor, and Official Financial Institution of the UCLA Black Alumni Association (UBAA)

Technology & Innovation

UCU has enhanced our online and mobile banking technology, making it faster and easier to use than ever – so members can spend more of their time and energy on the things that inspire them.



11,217
Mobile Users



12,017
Online Banking Users



Members now have access to view their **FICO® Score** quarterly for free within online and mobile banking.

Launched in September.

Purchase Rewards

Our Purchase Rewards program allows members to earn rewards by using their UCU Debit Card.

Launched in July.

\$2,000+ redeemed
2,000 users

2,239

Members using Money Management

Money Management is a tool that allows members to view all of their financial relationships in one place.

Launched in August.

Connecting with UCU Members

We love connecting with members in the communities we serve by phone, online, or in person, providing them with friendly service and support, and hearing how their membership has helped them thrive.



3,315
Social Followers

“Excellent service! The staff is highly efficient and knowledgeable. They will go above and beyond to answer all of your questions and quickly solve any issue that may arise. If you are looking for easy banking and great loan rates this is the Credit Union for you!”

Lesley M.



“Every time I call the customer service team I’m met with friendly, knowledgeable, and helpful people. They make me feel special to be a member.”

Pamela B.



“I am so appreciative of the help that UCU has provided me. It is my first time using a credit union and I honestly have had such a positive experience. I will be sure to be a lifelong customer of University Credit Union.”

Antonio M.



“Excellent member service! This is how financial institutions should operate!”

Gerry L.

“My experience with the credit union has been by far the best! The team is very patient & answers all questions with knowledge... they make sure you leave satisfied and know about everything they offer... they work very hard to make sure that every issue is handled before you leave and direct you to the right place if they can’t.”

K.R.



“I’ve been a member of UCU since Feb. 1986. Over the years, UCU has evolved into a top-notch provider of the most sophisticated services, including excellent customer service.”

Marianne D.



Awarded three

\$2,500

scholarships to the winners of the 2019 UCU Member Scholarship.

Supporting Our University Communities

Our community is at the heart of everything UCU does, inspiring us to pay our success forward by giving back to those in need. Here are some examples of our community involvement in 2019.



Partner university campus events:

502



Awarded 50

\$500

scholarships to UCLA Staff Assembly plus a **\$100,000** endowment.



Donated

\$40,000

to the UCLA Educational Leadership Program 25th Anniversary Gala.



Hosted first-time home buyer and estate planning lunch and learn events at Pepperdine, UCLA, Santa Clara University, LMU, and Mount Saint Mary's University.



Two donations to UCLA Mattel Children's Hospital and **two** donations to LMU's food pantry.



UCU team members volunteered on their off time to support the LMU Think Pink Run, the UCLA Mattel Children's Hospital Run/Walk, and the Santa Clara 5K Fun Run.

Hosted 28 workshops with

700

attendees.



Message from the Supervisory Committee



Pamela Burrill, Patricia Lowe, Albert E. Aubin

To protect our members’ financial safety, University Credit Union’s volunteer Supervisory Committee audits the credit union’s financials and operations. The committee’s specific duties are to:

- **Review and ensure**, through internal and external auditors, that the proper internal controls of the credit union exist.
- **Ensure** proper audit and enterprise risk management procedures.
- **Audit** the books, financials, and business operations of the credit union using an appointed independent auditor.

- **Validate and verify** the accounts of members against the credit union’s records.
- **Review** the affairs of the Board of Directors, officers, and management for adherence to University Credit Union bylaws and policies, and all regulations provided by government agencies.
- **Maintain** the reputation of the credit union by thoroughly investigating any and all claims made to the credit union and acting on the findings.

Doeren Mayhew, an independent certified public accounting (CPA) firm, was selected by the Supervisory Committee to audit the credit union’s financial statements and ensure that they were reported according to Generally Accepted Accounting Principles (GAAP).

An excerpt from the Doeren Mayhew letter states: In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of University Credit Union as of December 31, 2019, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We are pleased to announce that University Credit Union’s financials and operations, to ensure the safety and soundness of the credit union, were confirmed by the independent audit.

Albert E. Aubin
Committee Chair

Patricia Lowe
Committee Secretary/Treasurer

Pamela Burrill
Committee Member

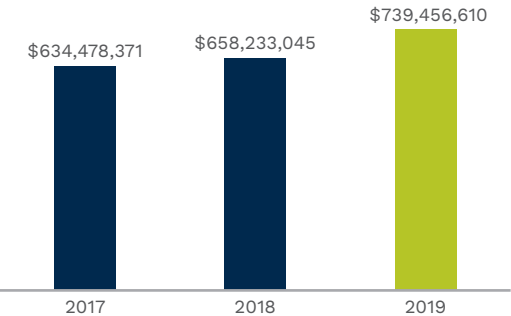


To obtain a complete copy of the audited financial statements (including the audit opinion), contact:

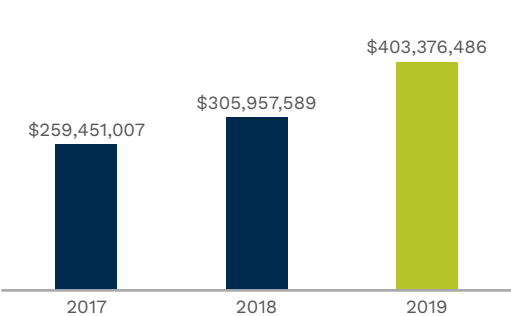
Supervisory Committee ■ 1500 S. Sepulveda Blvd. ■ Los Angeles, CA 90025

UCU by the Numbers

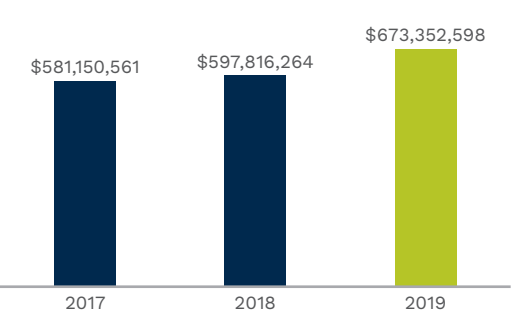
2019 Total Assets



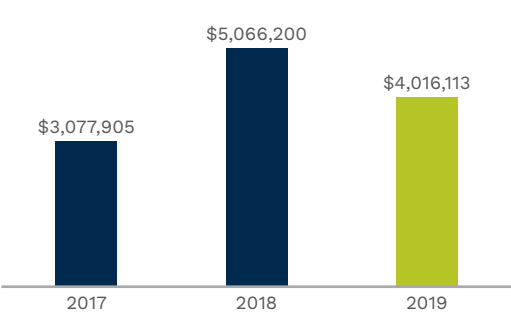
2019 Total Loans



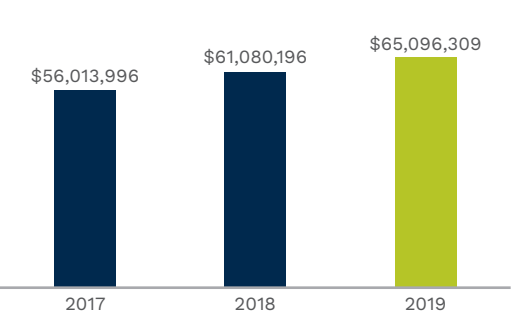
2019 Total Shares



2019 Net Income



2019 Net Worth



Statements of Financial Condition

December 31, 2019 and 2018

Assets	2019	2018
Cash and cash equivalents	\$ 90,808,814	\$ 59,478,741
Investments:		
Securities available-for-sale	186,769,209	235,303,084
Equity securities	1,241,807	—
Other	15,795,300	21,395,883
Loans held for sale	1,400,250	320,000
Loans, net	403,376,486	305,957,589
Accrued interest receivable	2,030,331	1,837,291
Premises and equipment, net	9,850,083	9,504,253
NCUSIF* deposit	6,141,912	5,484,816
Credit Union-owned life insurance	5,793,693	7,962,256
Other assets	16,248,725	10,989,132
TOTAL ASSETS	\$ 739,456,610	\$ 658,233,045
Liabilities and members' equity		
Liabilities:		
Members' shares	\$ 673,352,598	\$ 597,816,264
Accrued expenses and other liabilities	7,003,477	7,527,067
TOTAL LIABILITIES	\$ 680,356,075	\$ 605,343,331
Commitments and contingencies		
Members' equity:		
Retained earnings	\$ 65,096,309	\$ 61,080,196
Accumulated other comprehensive loss	(5,995,774)	(8,190,482)
TOTAL MEMBERS' EQUITY	\$ 59,100,535	\$ 52,889,714
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$ 739,456,610	\$ 658,233,045

* National Credit Union Share Insurance Fund

Statements of Income

December 31, 2019 and 2018

Interest income	2019	2018
Loans	\$ 16,885,975	\$ 13,021,252
Investments and cash equivalents	6,084,650	5,700,719
TOTAL INTEREST INCOME	22,970,625	18,721,971
Interest expense		
Members' shares	3,410,935	2,055,590
NET INTEREST INCOME	19,559,690	16,666,381
Provision for loan losses	1,464,951	983,717
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	18,094,739	15,682,664
Noninterest income		
Service charges on deposit accounts	1,499,378	1,503,883
Interchange and other fee income	2,626,725	2,628,057
Other noninterest income	1,886,700	1,916,934
TOTAL NONINTEREST INCOME	6,012,803	6,048,874
Noninterest expense		
Salaries and benefits	9,382,142	9,223,486
Operations	3,536,299	2,615,030
Professional and outside services	3,454,965	2,616,011
Advertising and promotions	2,837,325	1,442,137
Occupancy	880,698	768,674
TOTAL NONINTEREST EXPENSE	20,091,429	16,665,338
NET INCOME	\$ 4,016,113	\$ 5,066,200

Board of Directors



Norma Iadevaia
Chair



Jane Permaul
Vice Chair



Elizabeth Yzquierdo
Secretary/Treasurer



Keith Young



Kevin Baldwin



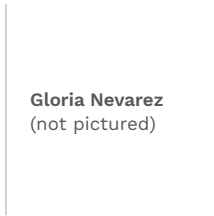
Lea Howe



Raymond Dennis



Richard Yamashita



Gloria Nevarez
(not pictured)

Supervisory Committee



Albert E. Aubin
Committee Chair



Patricia Lowe
Committee Secretary/
Treasurer



Pamela Burrill
Committee Member

Executive Leadership Team



David Tuyó
President/CEO



Estela Nagahashi
EVP, Chief Operating &
Lending Officer



Tristan Dion Chen
Chief Marketing Officer



Serge Rizk
Chief Financial
Officer



Steve Sercu
Chief Technology
Officer



Day of Champions

UCU's Day of Champions was the largest employee event our credit union has produced. The day celebrated Team UCU and all of the organization's recent achievements with fun activities, including raffles, an inspirational speech from former Dodger, Steve Garvey, and a scavenger hunt in which each team collected toys that were later donated to the UCLA Mattel Children's Hospital, a credit union partner, on behalf of UCU.





BRANCH LOCATIONS

Main Office

1500 S. Sepulveda Blvd.
Los Angeles, CA 90025

UCLA Campus Branch

308 Westwood Plaza
Ackerman Union A-Level
Los Angeles, CA 90095

Studio City Branch

12001 Ventura Pl.
Suite 204
Studio City, CA 91604

ON-CAMPUS RELATIONSHIP CENTERS

Santa Clara University

820 Alviso St.
Benson Memorial Center
Santa Clara, CA 95050

Saint Mary's College of California

1928 St. Mary's Road
Filippi Administrative Building
Moraga, CA 94575

CONTACT INFORMATION

Visit ucu.org

Call 800.UCU.4510

NMLS #409731
Federally Insured by NCUA.
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