

# Fulfilling Our Vision

ANNUAL REPORT 2022



# Tracking Our Progress

6,906 new member-owners joined in 2022

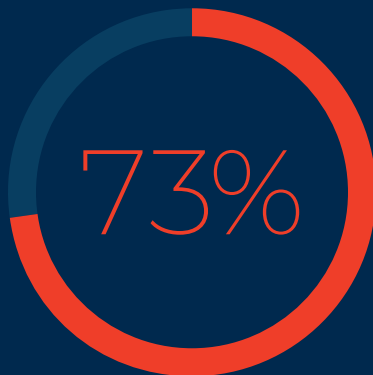
18% asset growth



increase in loans under management in fiscal year ending June 2022



increase in points earned with our Rewards Credit Card



increase in cash back earned with our Cash Back Credit Card



# Delivering Our Mission

2022 was an outstanding year for University Credit Union. We grew our membership, expanded our on-campus footprint, and offered new ways to help improve your financial lives. Each and every day, our team strived to live up to our purpose, to give you, our member-owners, a financial advantage.

## Expanding Our Footprint

As the only credit union founded by and for the university community, we continuously seek opportunities to enhance the financial lives of the unique groups we support – alumni, employees, and students. We are able to do this by growing our presence on campuses and expanding across universities with new partnerships.

After welcoming former Chabot FCU members to UCU at the end of 2021, we completed a successful system conversion at the beginning of 2022, giving those members seamless access to our array of products and services, and increased resources and locations, giving these members more convenience to bank.

In addition, we were thrilled to add a new partnership with University of California San Diego, which gives students, faculty, and alumni of this community full access to all that UCU has to offer. We also opened brand-new advisory centers on campus, at UC Davis and Saint Mary’s College, and we remodeled our Westwood Advisory Center.

## Supporting Our University Community

Giving back to our member-owners and university community will always be a priority for UCU, and last year we sought ways to increase our impact by donating over \$1.8 million across the universities we support. Of that total, we awarded \$15,000 in scholarships to three member-owners, donated over \$20,840 to UCLA Mattel Children’s Hospital, and provided nearly \$80,000 toward student assistance programs across each of our university partners. Our Engagement team also kept busy, attending close to 140 events across our nine partner university campuses to spread the word on how University Credit Union can help provide a financial advantage.

## Committing to Our Member-Owners

Possibly the most impactful change we made this year was to eliminate overdraft fees, setting ourselves apart from other financial institutions that charged a total upwards of \$1.4 billion in fees. Credit unions like UCU are founded on the idea of economic inclusivity – giving every member-owner a better chance to achieve a stable financial life no matter their background or circumstances. After thorough review, we determined

that overdraft fees were overwhelmingly burdening our most financially vulnerable member-owners, and thus, made the decision to stop charging them. We believe when finances are tight, the last thing you need is the burden of a fee.

With the current inflation and market volatility, we wanted more money to stay in our member-owners’ wallets, so we made it easier for our member-owners to be able to earn up to 5.00% Annual Percentage Yield (APY) with our University Checking Account. Now, in addition to debit card transactions, credit card transactions are included in the 25 monthly transaction count to qualify you to earn additional dividends. At a time when many banks are reducing benefits, UCU continues to make it easier for our member-owners to earn more.

## Upcoming Enhancements

Over the past couple years, we have been investing in technology and enhancements to better serve our member-owners and give them the world-class experience they deserve. We started in 2021, when we underwent a system upgrade, and will continue into 2023 and beyond. In 2023, we will be undergoing a digital banking upgrade to give you a bank-from-anywhere experience that we believe will be a model for others to follow, similar to the great universities we serve. We have also been working hard behind the scenes to redevelop our internal training program, to ensure you receive championship service and aligned advice, no matter who you speak to from Team UCU.

None of UCU’s progress would be possible without the support and trust of you – our valued member-owners. No matter how you found us, we are so thankful you are here. UCU remains steadfast in our promise to the university community and will continue to strive to be at the forefront of the industry to provide you best-of-breed banking. We are thrilled to deliver on our championship standards of excellence by supporting you through unparalleled value, unbiased conflict-free advice, and an unwavering commitment to be by your side no matter what happens.

Respectfully yours,

David L. Tuyo II, DBA  
President/CEO

Norma Iadevaia  
Chair of the Board

# Strengthening Our Connections

We’re continuously inspired by the meaningful relationships we’ve forged with universities, colleges, and other educational institutions.



1

UCLA


Big West



2

Pepperdine University

West Coast Conference



3

Loyola Marymount University

UCLA



4

Santa Clara University

Pepperdine University



5

Saint Mary's College of California

Loyola Marymount University



6

University of California, Davis

Santa Clara University



7

University of California, Irvine


Saint Mary's College of California



8

University of California San Diego

University of California, Davis



7

University of California, Irvine

University of California, Irvine



8

University of California San Diego

University of California San Diego



UCU offers official co-branded credit and debit cards for many of our university communities that feature iconic campus landmarks and team logos.

# Optimizing Our Tools

Our member-owners deserve to stay in control of their money and get the information they need – anytime and anywhere.

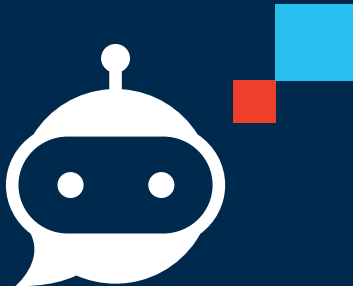


20,489 active online banking users

17,894 active mobile banking users

420,518

calls handled by Royce, our virtual assistant



40% increase in calls handled by Royce, our virtual assistant, compared to 2021

490 hours saved for our member-owners by using Royce, our virtual assistant

99.8% response accuracy from Royce, our virtual assistant

# Engaging Our Membership

Social media gives us the opportunity to reach a wider audience with timely updates and valuable opportunities, all while gathering important feedback.

5,988 social media followers



★★★★★  
Everyone I encountered was amazing. Knowledgeable, fast, efficient, and so very kind. Thank you again for restoring my faith in good banking service. You all rock!  
– Tiffany N.

★★★★★  
I’ve been a customer for over 30 years! The service is fantastic, with no fees like many other banking institutions do.  
– Ranmal R.

★★★★★  
They get an A+ for customer service. I had a little mix-up with them, and to show their appreciation for my understanding, they sent me a gift card. I don’t know any other bank that does that. Thanks, UCU!  
– Loretta C.

★★★★★  
My teller was professional, friendly, and asked me questions I wouldn’t have thought of but were pertinent to my accounts. I wish every place I did business with had staff like her!  
– Emily L.

★★★★★  
My representative took the time to understand what I wanted to accomplish and went above and beyond to make it happen. It was the best, most personal banking experience I have ever had!  
– Rhazes S.

★★★★★  
The information I needed during my loan application was provided clearly, with no delays. UCU has been very helpful with my financial needs. I’m so glad to be a member of this institution. Thank you!  
– Vivian J.



# Extending Our Reach

In 2022, UCU held two grand openings for our newest advisory centers. Having an on-campus presence allows us to have face-to-face interactions with our member-owners and to provide unbiased, conflict-free advice, helping to give them a financial advantage.



On March 30, 2022, members of the **Saint Mary's College of California** community joined College President Richard Plumb and UCU CEO David Tuyó for the grand opening of the University Credit Union Advisory Center, located at the center of campus in Dryden Hall.



On September 27, 2022, the **UC Davis** community joined Chancellor Gary S. May and UCU CEO David Tuyó for the grand opening of the University Credit Union Advisory Center, located in Memorial Union.



# Enhancing Our Community

UCU is dedicated to creating pathways to education and increasing quality of life in the diverse communities we serve.

Over **\$1.8 million** donated in 2022, including

**\$15,000**

**awarded** to 3 member-owners as part of UCU's annual scholarship

**\$20,840**

**donated** to UCLA Mattel Children's Hospital

**\$77,698**

**donated** to student assistance programs across our partner universities

36

educational workshops held for our partner universities



137

on-campus events held

# Securing Our Foundation

Each year, UCU’s volunteer Supervisory Committee audits our financials and operations to maintain a safe and strong foundation for all our members.



**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.



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 accompanying financial statements present fairly, in all material respects, the financial position of University Credit Union as of June 30, 2022 and 2021, 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.



**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.



To obtain a complete copy of the audited financial statements (including the audit opinion), contact the **Supervisory Committee** at: **1500 S. Sepulveda Blvd. | Los Angeles, CA 90025**

# Supporting Our Growth

\$1,089,670,897

Total Assets | June 2022

\$1,211,518,821

Total Loans Under Management | June 2022

\$ 959,683,308

Total Shares | June 2022

\$ 6,490,053

Net Income | June 2022

\$ 87,254,647

Net Worth | June 2022

# Statement of Financial Condition

## June 30, 2022

<b>ASSETS</b>		
Cash and cash equivalents	\$	44,581,746
Investments		63,597,867
Loans held for sale		42,441,598
Loans, net		874,220,813
National Credit Union Share Insurance Fund (NCUSIF) deposit		8,183,322
Other assets and receivables		56,645,551
<b>Total assets</b>	<b>\$</b>	<b>1,089,670,897</b>
<b>LIABILITIES AND MEMBERS' EQUITY</b>		
Members' shares	\$	959,683,308
Borrowed funds		40,000,000
Accrued expenses and other liabilities		9,920,591
<b>Total liabilities</b>	<b>\$</b>	<b>1,009,603,899</b>
<b>MEMBERS' EQUITY</b>		
Retained earnings	\$	77,350,273
Accumulated other comprehensive loss		(7,187,649)
<b>Total members' equity</b>	<b>\$</b>	<b>80,066,998</b>
<b>Total liabilities and members' equity</b>	<b>\$</b>	<b>1,089,670,897</b>

# Statement of Income

## Fiscal Year Ended June 30, 2022

Total interest income	\$	29,829,413
Total interest expense		2,553,744
<b>Net interest income</b>	<b>\$</b>	<b>27,275,669</b>
Provision for loan losses		1,919,842
<b>Net interest income after provision for loan losses</b>	<b>\$</b>	<b>25,355,827</b>
<b>Total non-interest income</b>	<b>\$</b>	<b>7,926,748</b>
<b>Total non-interest expense</b>	<b>\$</b>	<b>26,792,522</b>
<b>Net income</b>	<b>\$</b>	<b>6,490,053</b>

## Board of Directors



**Norma Iadevaia**  
Chair



**Elizabeth Yzquierdo**  
Vice Chair



**Keith Young**  
Secretary/Treasurer



**Kevin Baldwin**



**Raymond Dennis**



**Lea Howe**



**Philomel Peña**



**Alexandra Roosa**



**Richard Yamashita**

## Supervisory Committee



**Patricia Lowe**  
Chair



**Pamela Burrill**  
Vice Chair



**Christina Chase**  
Secretary/Treasurer

## Executive Leadership Team



**David Tuyo**  
President/CEO



**Estela Nagahashi**  
EVP, Chief Operating Officer



**Serge Rizk**  
EVP, Chief Financial Officer



**Pam Blackburn**  
Chief People Officer



**Tristan Dion Chen**  
Chief Marketing Officer



**Cory McDaniel**  
Chief Lending Officer



**Chiasia Moua**  
Chief Experience Officer



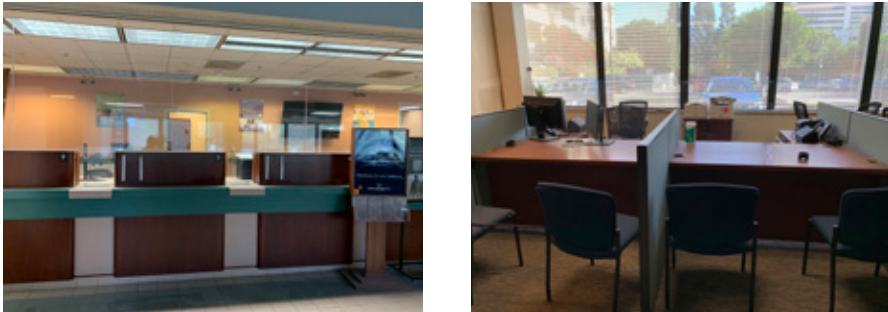
**Steve Sercu**  
Chief Technology Officer



# Transforming Our Spaces

Goodbye 1995, hello 2022! The '90s were a great decade, but we were ready to say goodbye to our mauve and seafoam green decor. In November, we welcomed our member-owners to our redesigned, full-service Westwood Advisory Center in Los Angeles. Whether you're looking to open an account, apply for a loan, or get personalized financial advice from a certified financial coach, our Westwood team is here for you!

## Before



## After



# Championing Our Scholars

In 2022, two University Credit Union scholarships were renamed to honor longtime board members, and the entire UCU Scholarship Program was opened to all student members, regardless of education level. Our program recognizes outstanding student members (high school, undergraduate, and/or graduate) who demonstrate leadership in addressing educational inequities and make an impact in their communities. Three recipients are awarded \$5,000 each for each scholarship category.



The **Jane Permaul Women in Leadership Scholarship** is awarded to a student who has supported, influenced, or led efforts to eliminate barriers for women in leadership roles. Dr. Permaul was a trailblazer during her accomplished career at UCLA, serving as a leader for both administrative services and the faculty. A UCU member-owner since the early 1960s, she was asked to join the board by founding member Jim Klain early in her career, though she did not accept that invitation until she retired. Dr. Permaul's drive to challenge the status quo and her constant advocacy for members helped propel UCU forward as an innovative and modern financial institution. Stepping away from the Board in 2021, she now mentors future credit union leaders through the Advisory Council.

The **Al Aubin Advocacy Scholarship** recognizes a student who has advocated, supported, or helped to alleviate barriers for underrepresented students in higher education. Dr. Aubin served on the UCU Board and Supervisory Committee for more than 20 years until 2021. He consistently analyzed potential changes at UCU and UCLA through the eyes of underrepresented members. At UCLA, he served on the Professional Awards Task Force, the Dependent Care Task Force, the Chancellor's Advisory Committee on Disabilities, the LGBT Campus Resource Center, and the Black Staff and Faculty Association, and he has been recognized often for his advocacy.



This year's **University Credit Union Financial Advantage Scholarship** will be awarded to a student who is using their education to positively impact their community.





#### ADVISORY CENTER LOCATIONS

**Westwood Advisory Center**  
1500 S. Sepulveda Blvd.  
Los Angeles, CA 90025

**UCLA Advisory Center**  
Ackerman Union A-Level  
308 Westwood Plaza  
Los Angeles, CA 90095

**Dublin Advisory Center**  
7080 Donlon Way  
Suite 100  
Dublin, CA 94568

**Saint Mary's College of California**  
Dryden Hall  
1928 St. Mary's Road  
Moraga, CA 94575

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

**UC Davis**  
Memorial Union  
Suite 246  
1 Shields Avenue  
Davis, CA 95616

**University of California San Diego**  
Price Center  
9500 Gilman Dr.  
La Jolla, CA 92093

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VISIT [UCU.ORG](https://www.ucu.org) | CALL 800.UCU.4510

