



Annual Report

2021



From the Chairman and CEO

This past year brought with it a wide range of circumstances and emotions. Hope, concern, encouragement, caution—they've been our constant companions. But lifting us up through it all was our unshakable purpose, our resilience, that inner strength that shines when a community comes together and supports each other.

That strength has fueled our culture at UFCU since we opened our doors in 1936. We celebrated our 85th anniversary in 2021, and we could not be prouder of the difference we make in so many Members' lives. Today, we work to help more than 346,000 Member-owners in building their financial futures.

We are honored that our strength as a financial institution and impact on communities served was recognized by so many in 2021. For the sixth consecutive year, the Austin Business Journal ranked us the number one credit union and number one mortgage company. Forbes named us a Best Credit Union in Texas, and we received three awards for workplace excellence.

Excellence in service is what we strive for at UFCU. In an effort to home in on how we can continually achieve more, last year we published our new vision and mission statements. These new statements clearly identify three areas in which we know our core competencies beautifully intersect with critical community needs. Our vision is a financially healthy community. Our mission is to advance

opportunities for quality education, employment, and housing.

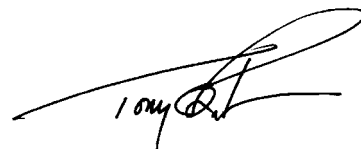
The more we can bring quality education, employment, and housing opportunities within reach for our Members and our community, the stronger we will all be. We look forward to a future in which everyone has the opportunity to earn a degree, advance their career, and afford a home of their own. So we partner with like-minded organizations, such as our exceptional local universities and colleges, Goodwill, and Foundation Communities to make change for the better. It's simply what we're here to do.

To accomplish this, we of course rely upon the talent and dedication of our extraordinary family of employees. They enable UFCU to serve not only as a place to earn a living, but as a means to transform our community for the better. Thank you, our Member-owners, for honoring us with your trust and confidence. We appreciate you and are privileged to serve you.



C Cale McDowell, JD

Chairman



Tony C Budet

CEO

From the Supervisory Committee

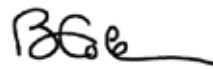
Our priority is and always has been to maintain high standards of financial management. To that end, the Supervisory Committee oversees and regularly reviews UFCU's financial management and reporting practices. We focus on ensuring that UFCU maintains internal controls, prepares accurate financial reporting, and develops relevant plans, policies, and procedures to safeguard Members' assets.

The committee regularly reviews management practices, risk, regulatory compliance, and operational issues, monitors governance matters, and directs internal audits. The committee also ensures any Member complaints sent to the National Credit Union Administration are addressed fairly.

Every year, we hire an outside firm to audit UFCU's financial statements annually. In 2021, the audit firm of

Moss Adams LLP reviewed our statements, reported there were no material issues, and found UFCU's financial statements to represent the credit union's financial position fairly, in accordance with generally accepted accounting principles. The audit report is available to Members upon request.

We are honored to serve our fellow UFCU Members and thank the UFCU Board and management for their commitment to addressing all audit and NCUA examination issues.



Brady M Cole, RADM USN SC (Ret)

Supervisory Committee Chairman

From the Treasurer

We've stayed strong together despite the challenges we all faced in 2021. UFCU provided Members with exceptional financial services that resulted in strong financial performance. We are continually proud to be there to meet our Members' financial needs and appreciate the trust our Members have placed in us.

Loan disbursements in 2021 totaled \$2.6 billion, boosting total loans outstanding to \$2.51 billion, an increase of \$53 million, or 2%, from 2020. Our competitive loan programs and highly rated lending teams helped Members finance 22,340 vehicles and 4,553 homes. Member deposits grew by \$589 million, or 20%, bringing the year-end total to \$3.59 billion. Total assets grew by 18% to \$3.95 billion. Together with over \$626 million in Member investments under UFCU's wealth management program and \$3.25 billion in loans sold with servicing retained, total assets under management and serviced amount to \$7.83 billion.

Net income in 2021 totaled \$31 million, a 0.86% return on average assets, bringing Member equity to \$292 million.

We thank the volunteer Members of UFCU's Asset Liability Management/Budget Committee who provide financial performance oversight. They provide a valuable service, and we feel privileged to work with them.

UFCU is financially strong, and we are proudly well-positioned to deliver the financial products and services more than 346,000 Members have come to expect of the number one credit union in Austin.



Leslie L Blanke, PhD

Treasurer

Consolidated Statement of Financial Condition

Unaudited

	As of December 31	
	2021	2020
Assets		
Cash and Cash Equivalents	\$792,194,034	\$675,714,840
Investments	\$453,734,838	\$5,670,057
Loans to Members (Net of Allowance for Loan Losses)	\$2,493,465,675	\$2,435,753,725
Property and Equipment	\$82,474,567	\$81,563,148
NCUA Insurance Fund Deposit	\$31,525,665	\$26,527,221
Other Assets	\$98,111,617	\$115,623,617
Total Assets	<u>\$3,951,506,396</u>	<u>\$3,340,852,608</u>
Liabilities and Members' Equity		
Members' Share and Savings Accounts	\$3,589,842,055	\$3,000,953,282
Borrowed Funds	-	-
Accrued Expenses and Other Liabilities	\$69,827,781	\$71,178,192
Total Liabilities	<u>\$3,659,669,836</u>	<u>\$3,072,131,474</u>
Members' Equity	\$291,836,560	\$268,721,134
Total Liabilities and Members' Equity	<u>\$3,951,506,396</u>	<u>\$3,340,852,608</u>

Consolidated Statement of Income

Unaudited

	For the Years Ended December 31	
	2021	2020
Interest Income from Loans to Members and Investments	\$105,591,666	\$105,633,999
Dividend Expense Paid to Members' Deposits and Interest on Borrowed Funds	\$5,574,107	\$8,499,807
Net Interest Income	\$100,017,559	\$97,134,192
Provision for Loan Losses	\$4,042,688	\$14,218,351
Net Income after Provision for Loan Losses	\$95,974,871	\$82,915,841
Non-Interest Income	\$105,236,606	\$108,651,787
Operating Expenses	\$169,816,728	\$163,186,352
Net Income	<u>\$31,394,749</u>	<u>\$28,381,276</u>

Board of Directors & Executive Leadership

Board of Directors

C Cale McDowell, JD, Chairman
Laura J Kilcrease, Vice Chairman
Molly Beth Malcolm, EdD, LPC, Secretary
Leslie L Blanke, PhD, Treasurer
Linus N Akanoh, Jr, CIA, CISA, CRMA, CGMS
Thomas J Ardis, MBA
D Michael Harris, PhD, CPA, CITP
Kathryn E Hoyt
John A Martin
Thomas Miranda
David W Niesel, PhD

Directors Emeritus

Carl E Hansen, PhD
Cynthia A Leach

Supervisory Committee

Brady M Cole, RADM USN SC (Ret), Chairman
Christine A Plonsky, Secretary
Steven K Darnell, CPA, MBA
Dena Jansen, CPA
Ellen E Wood, CPA

Principal Officers

Tony C Budet, CEO
Michael E Crawl, CPA, President
Michael F Clifford, EVP Operations & Strategy
Heather M McKissick, EVP Community Impact, Communications & Marketing
Chris J Turnley, EVP Member Experience
Jim Brown, VP Lending/CLO
Esther E Edevold, VP Finance
Rhonda N Hall, VP Human Resources & Organizational Development
Bernardo D Meza, VP Communications and Marketing/CMO
John Orton, VP Enterprise Risk Management
Dave Wagner, VP Information Technology/CIO