

UNIFY

FINANCIAL CREDIT UNION

Connect Your Way®

'21 ANNUAL REPORT

Federally Insured by NCUA.



SUPERVISORY COMMITTEE REPORT FOR THE 2021 ANNUAL REPORT

The Supervisory Committee of UNIFY Financial Credit Union works in conjunction with the Board of Directors to monitor and review the Credit Union's accounting procedures and practices. Our goal is to ensure all fiscal operations are performed accurately and in compliance with the Credit Union's Charter and federal regulations. The Supervisory Committee is also present at the monthly Board of Directors meetings and any special meetings called by the Chairman.

To assist the Supervisory Committee in monitoring the Credit Union's fiscal activities we retained the services of an independent public accounting firm to perform an audit of the financial statements and records. The audit was performed in addition to the National Credit Union Administration's annual regulatory examination. A copy of the audited financial statements, prepared by the independent public accounting firm, will be available after March 31, 2022, by calling 877.254.9328.

The Supervisory Committee is pleased to report your Credit Union is financially strong and in compliance with the Credit Union's Charter and federal regulations.

On behalf of the Supervisory Committee, it has been our pleasure to serve the UNIFY membership during the past year.

Respectfully submitted,

Kathryn Matsubara
Chairwoman



MESSAGE FROM THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

How refreshing it is and thankful we are delivering this Annual Report to the members of UNIFY Financial Credit Union, now being able to look clearly forward compared to the year prior when many once unthinkable considerations and complexities filled all of our daily lives. Still, preparing for 2021 was done with great attention to the ongoing impact of the coronavirus pandemic while maintaining clear focus on our unwavering commitment to provide superior quality service to our more than 260,000 members.

As a greater number of members continued to use our variety of digital options to manage their money, we maintained focus in the area by adding new innovations—including being the first credit union in the country to offer digital currency services (cryptocurrency) to its members. And, despite continued uncertainties about the economy, the loyalty and engagement of our members paved the way for a historically strong year of financial growth at your Credit Union.

Financial Strength to Serve and Support Members

- Based on the significant participation of members, our net income reached its highest yearly total ever at \$39.1 million.
- Our financial stability was bolstered as total assets increased to over \$3.5 billion, with a healthy net worth ratio of 9.09%.
- Significant income growth was driven by substantial lending gains; funding volumes of consumer, real estate, and business loans resulted in a record total over \$1.6 billion.
- Providing members good value and safe haven for their savings led to increase in total shares to \$3.06 billion.
- We welcomed more members across the country to the UNIFY family who took advantage of our many value-added products and services; membership growth resulted from employer partnerships, the consumer market, and our referral program for members' family/friends.

Digital Enhancement Benefits

- **Service Growth:** Our digital services continue to increase in use and popularity—in 2021, members visited eBanking more than 32 million times with total logins up 20% compared to 2020. Through upgrades, our secure online platform is more streamlined and members put their trust in us to transfer more than \$2 billion between their accounts.
- **Digital Currency:** As noted in our opening, UNIFY, working with key strategic partners, was the first credit union to establish cryptocurrency services; members can now buy, sell, and hold bitcoin (a popular form of cryptocurrency) alongside their other accounts within eBanking. In a very brief period of initial offer near the end of 2021, members had already purchased more than \$250,000 of bitcoin. We feel fortunate to be at the forefront of such a unique opportunity for our members, and look forward to expanding these offerings.



- **Digital Credit Score Monitoring:** A credit score monitoring solution, "Savvy Money," was added to eBanking which provides members with an estimate of their credit score for financial education and wellness. Since introduction, late in 2021, more than 10,000 members have enrolled in this new service.
- **ClickSwitch:** This service gives members the opportunity to switch their direct deposits and automatic transactions conveniently to UNIFY; ClickSwitch will be fully integrated within eBanking in 2022.
- **Speedpay:** A state-of-the-art payment solutions service was introduced giving members several digital-based options to schedule payments including a dedicated online portal, Android™ or iPhone® wallets, and automated call support.

Community Outreach and Giving Back

Supporting the needs of the communities where our members live and work is a core value of the credit union industry's "People Helping People" philosophy, as well as the foundation of UNIFY's outreach efforts. Snapshots of our work with others in 2021 included:

- A partnership with former Los Angeles Rams football player Kenny Young and his "Tackle Young Foundation," to provide an empowering 12-week financial education program to students facing financial and housing insecurity.
- Our Business Development team supported many organizational efforts across the markets and members we serve:
 - Special Olympics of West Virginia
 - St. Anne's Family Services/Los Angeles
 - Down Syndrome Organization of Southern Nevada
 - A Place Called Home/Los Angeles
- A formal Diversity, Equity, and Inclusion program was introduced for our internal team, and we identified collaboration opportunities with several of our employer partners and their diversity efforts; we were proud to assist offering resource support and financial education to these initiatives:
 - Northrop Grumman's African American Task Group and PrIDA LGBTQ
 - Women Influencing and Impacting Toyota

As we look forward to the coming year with again a renewed spirit, serving our membership remains at the heart of all we do. Thank you for trusting UNIFY as your financial partner.

With Warm Regards and Gratitude,

Lloyd Mistele
Chairman of the Board

Gordon Howe
President & CEO



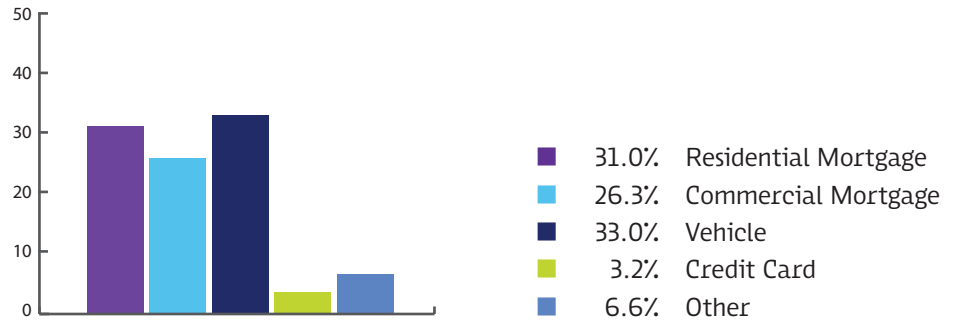
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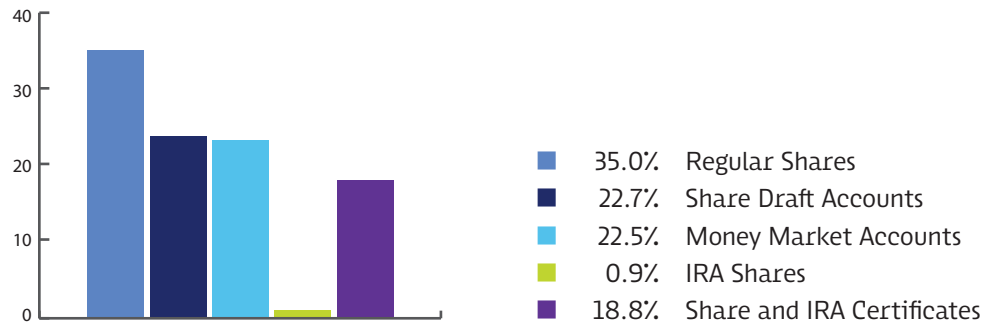
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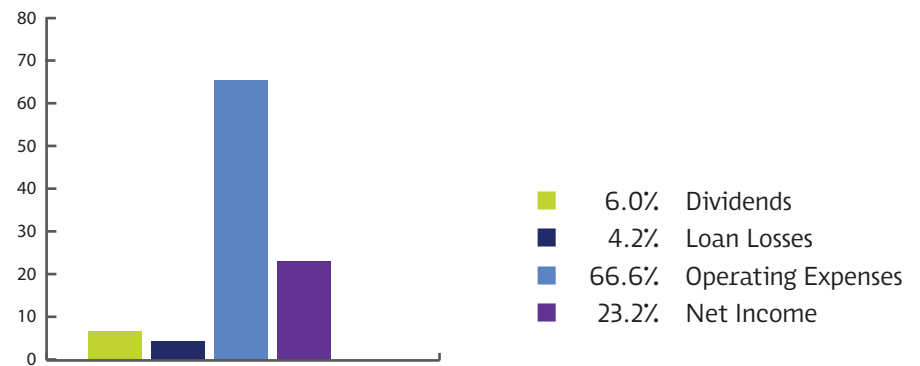
DISTRIBUTION OF LOANS



DISTRIBUTION OF MEMBERS' SHARES



DISTRIBUTION OF OPERATING INCOME



		<u>2021</u>	<u>2020</u>
Assets	Cash and Cash Equivalents	\$ 236,228,038	\$ 180,161,130
	Investments:		
	Available-for-sale	385,374,112	505,815,991
	Held-to-maturity	843	1,441
	Other	15,162,505	15,685,530
	Loans, net	2,780,098,141	2,485,622,097
	Accrued Interest Receivable	8,924,174	9,788,613
	Property and Equipment, net	13,039,112	19,656,069
	Share Insurance Deposits	28,529,027	25,738,742
	Other Assets	122,760,742	125,051,820
		Total Assets	\$ 3,590,116,694
Liabilities and Members' Equity	Liabilities		
	Members' Shares	\$ 3,065,075,256	\$ 2,882,225,035
	Borrowed Funds	150,000,000	150,000,000
	Accrued Expenses and other Liabilities	50,629,767	47,955,276
		Total Liabilities	\$ 3,265,705,024
	Commitments and Contingent Liabilities		
	Members' Equity		
	Retained Earnings	\$ 329,258,819	\$ 284,489,884
	Accumulated other Comprehensive (loss) Income	(4,847,149)	2,851,239
		Total Members' Equity	287,341,123
		Total Liabilities and Members' Equity	\$ 3,367,521,433

		<u>2021</u>	<u>2020</u>	
Interest Income	Interest on Loans	\$ 113,598,831	\$ 128,388,204	
	Interest on Investments and Cash Equivalents	5,369,990	4,990,747	
		Total Interest Income	\$ 118,968,821	\$ 133,378,951
Interest Expense	Interest on Borrowed Funds	2,176,112	5,568,746	
	Members' Shares	10,071,497	14,851,303	
		Total Interest Expense	\$ 12,247,609	\$ 20,420,050
		Net Interest Income	\$ 106,721,212	\$ 112,958,902
Provision for Loan Losses		7,000,166	36,698,675	
		Net Interest Income After Provision for Loan Losses	\$ 99,721,046	\$ 76,260,227
Non-Interest Income	Service Charges and other Fees	11,056,924	9,570,419	
	Interchange Income	13,827,938	11,697,899	
	Gains on Sale of Loans, net	15,880,043	8,101,160	
	Other Non-Interest Income	10,610,303	11,249,506	
		Total Non-Interest Income	\$ 51,375,209	\$ 40,618,984
Non-Interest Expense	Salaries and Benefits	64,414,766	58,992,843	
	Operations	37,644,312	32,261,490	
	Occupancy	9,959,933	12,172,559	
		Total Non-Interest Expense	\$ 112,019,011	\$ 103,426,892
	Gain on Sale of Buildings	17,892	646,678	
	Net Gain from Bargain Purchase	-	-	
	Net Income (loss)	\$ 39,095,135	\$ 12,805,640	