

# 2021 Annual Report



Simpler. Faster. Friendlier.





**89 years**  
of people helping people



**\$1.289 billion**  
in total assets



**62,942**  
total members



Members benefited from over  
**\$126 million**  
in loan refinances



**24,505** Alameda  
County residents received  
financial education



Helped **381** members  
protect their identity at our  
document shredding events



Donated **\$38,512**  
supporting 27 community groups



**231** educational  
articles authored



**3 years** selected  
as a Top Workplace

# 2021

# President's Message

2021 continued to be a challenging year for our members and employees. We are a financial cooperative that exists to serve our members and help to improve their financial lives. We worked hard over the last two years to maintain our commitment to you – keeping the Credit Union strong. Here are some of the ways we supported our members and the community in 2021:

## Improvements for a Greater Future

To continue to offer the best services, we completed two major initiatives last year – the conversion of our core operating system to the latest architecture and a complete update of our online and mobile banking platforms.

The core conversion brought us greater efficiencies, allowing us to better serve our membership while building a solid foundation for future growth. Our new online and mobile banking brought new functionality, including the ability to turn debit and credit cards on or off through the app, improved mobile deposit, and the ability to organize transactions with photos, notes, and tags. Members responded positively to the new system and 20% more of you are using online and mobile banking!

We also know how important the safety and security of your funds and personal data is to all members. During the year, 1st United continued to enhance our network security and backup systems, ensuring members' data is safe and secure, and that our systems are accessible in the event of a disaster. For the third consecutive year, 1st United received the Excellence in Network Security awards from Digital Defense, indicating the high level of security standards we have in place. In late 2021, we engaged BAI security to audit our internal controls, policies, and procedures, and our overall security posture, and received the highest possible audit result.

## 2021 Brought Growth

I'd like to personally welcome the 5,000 new members who joined the 1st United family last year. We're glad you are here. I'd also like to thank our members who participated in our successful Refer a Friend campaign. Your referrals demonstrated your trust in us and we appreciate that you shared the gift of Credit Union membership with your friends and family.

Although deposit rates remained lower last year than they were pre-pandemic, they were still competitive and well above bank deposit rates. Members responded positively

and we saw Rewards Checking account growth. This account has no minimum balance requirements or monthly service fee, and rewards members with interest earned on checking account balances, plus up to double rewards points on purchases used with a linked Platinum Rewards Visa credit card.

We also experienced loan growth due to reduced loan rates and expanded use of member pre-approvals. Members benefited from almost \$400 million in loans, a 10.8% increase over 2020.

## Supporting Community Remained a Priority

We recognize that many members are struggling due to the pandemic and we are helping where we can. We continued to support members who required loan modifications or payment deferrals. We also supported our community by donating almost \$40,000 to local community groups through sponsorships and our annual school supply, food, and toy drives. Our members and employees showed their generosity too, donating hundreds of toys and school supplies along with \$4,300 to our virtual food drive.

Financial education is another way we live our Credit Union promise. We had the privilege of teaching online at 13 local schools and community organizations, educating students on the basics of budgeting, banking, and how to spot and avoid financial scams, which have become more prevalent these past two years.

## Looking Forward

As we embark on our 90th year as a financial cooperative and look ahead to 2022 and beyond, 1st United remains committed to providing affordable financial products and exceptional service to our membership. We will continue to put people over profits and live the Credit Union promises.

I would like to thank our staff and our members for your continued patience and support. United together, we remain strong.



**Steve Stone**  
President and Chief Executive Officer

# Chairman's Report

For 90 years, "people over profits" has been the principle under which 1st United Credit Union has operated. This is the basis for decisions that the Board of Directors makes on behalf of our member-owners, especially during difficult times like we've experienced the past two years.

When the pandemic started, the Board of Directors made a promise that we would get through this together and we've done a good job of it. Thank you to our staff for their efforts and adaptability as the pandemic changed how we do business.

We are happy to report that 1st United finished 2021 well capitalized with \$1.289 billion in assets and good growth. We're also excited about the conversion to a new core operating system and online and mobile banking platform. The project itself is complex and 1st United accomplished it with the added challenge of remote work and social distancing. We are proud of their success – these updates will give the Credit Union the opportunity to continue to grow and offer the very best services.

The Board of Directors remains committed to keeping the assets of our members and the Credit Union safe and secure. In addition, our priority is to ensure the Credit Union continues to provide superior service to our members while maintaining the health and safety of everyone. Our hope is that you continue to find value in 1st United Credit Union and look to us to serve your financial needs.

On behalf of the entire Board of Directors, I thank each of you for your continued membership during these trying times. Please continue to share the benefits of Credit Union membership with your family, friends, and neighbors.

**Howard T. "Bud" Garrigan**  
Chair, Board of Directors



# Supervisory Committee Report

1st United Credit Union's volunteer Supervisory Committee ensures that an annual audit of financial statements takes place and monitors internal controls in order to safeguard member assets.

In 2021, the Supervisory Committee engaged an independent audit firm to perform the financial audit. The results of the audit were favorable and determined 1st United Credit Union to be safe and sound in policy and practice. The audit, conducted in accordance with Generally Accepted Accounting Principles (GAAP), indicated that 1st United Credit Union remains strong and financially stable.

**Crystal Hishida Graff**  
Chair, Supervisory Committee

# Treasurer's Report

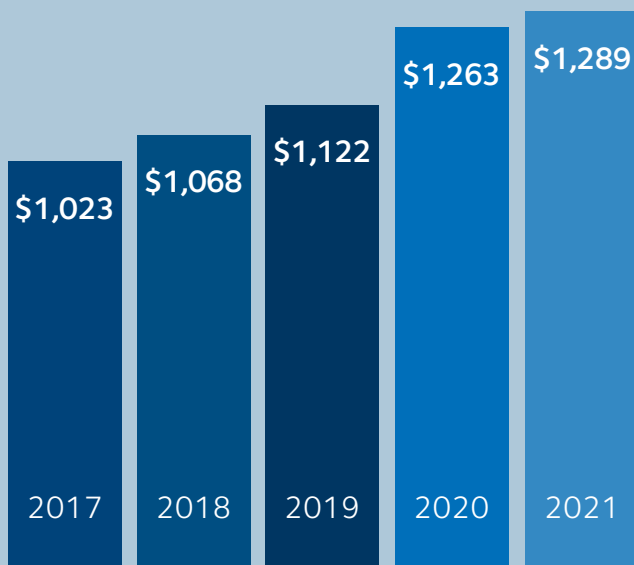
The Treasurer of 1st United Credit Union oversees and ensures the accuracy of the financial reports as presented to the Board of Directors by the management of the Credit Union.

1st United Credit Union continued to grow and gain financial strength. Total year-end assets for 2021 were \$1,288,886,913.

I am confident that 1st United will continue its great tradition of service to its members within the framework of financial strength and stability.

**Teresita M. Lauigan**  
Treasurer, Board of Directors

## Total Assets (\$ Millions)



## Comparative Balance Sheet

ASSETS	2020	2021
Loans, Net	\$ 806,987,463	\$ 795,602,276
Cash	175,912,977	121,659,010
Investments	254,718,108	346,218,562
Building and Land	4,837,351	4,449,253
Other Fixed Assets	4,833,349	3,994,910
Other Assets	15,669,308	16,962,902
<b>Total Assets</b>	<b>\$ 1,262,958,555</b>	<b>\$ 1,288,886,913</b>
<b>LIABILITIES</b>		
Regular Shares	\$ 285,446,717	\$ 358,032,445
Share Drafts	184,167,062	207,686,039
Money Market Account Shares	239,761,620	299,166,383
Share Certificates	431,305,664	304,838,568
<b>Total Shares</b>	<b>\$1,140,681,063</b>	<b>\$ 1,169,723,435</b>
Other Liabilities	4,717,651	3,831,019
<b>Total Liabilities</b>	<b>\$ 1,145,398,714</b>	<b>\$ 1,173,554,454</b>

## Operating Income Statement

INCOME	2020	2021
Loan and Visa Income	\$ 33,564,153	\$ 29,544,162
Income From Investments	2,775,103	3,020,792
Other Operating Income	7,064,976	7,808,774
<b>Gross Income</b>	<b>\$ 43,404,232</b>	<b>\$ 40,373,728</b>
<b>INTEREST EXPENSE</b>	<b>\$ 10,592,613</b>	<b>\$ 6,101,243</b>
<b>OPERATING EXPENSES AND PROVISION FOR LOAN LOSS</b>	<b>\$ 31,621,144</b>	<b>\$ 30,339,873</b>
<b>NET INCOME</b>	<b>\$ 1,190,475</b>	<b>\$3,932,612</b>

## EQUITY AND RESERVES

Unrealized Investment Gains/(Losses)	\$ 2,840,142	(\$ 3,319,852)
Regular Reserves	26,856,643	26,856,643
Undivided Earnings	87,863,057	91,795,668
<b>Total Capital &amp; Reserves</b>	<b>\$ 117,559,841</b>	<b>\$ 115,332,459</b>

TOTAL LIABILITIES, EQUITY AND RESERVES	2020	2021
Return on Average Assets	0.10%	0.31%
Net Worth Ratio	9.08%	9.21%
Asset Growth	12.59%	2.05%

## Board of Directors

Howard T. "Bud" Garrigan  
Chair

Dave Macdonald  
Vice Chair

Steve Manning  
Secretary

Teresita M. Lauigan  
Treasurer

Cyril Bonanno  
Director

Joan Johnson  
Director

Susan Muranishi  
Director

Patrick O'Connell  
Director

Veleta Savannah  
Director

## Supervisory Committee

Crystal Hishida Graff  
Chair

David Budde  
Secretary

Len Herrero  
Committee Member

Cecelia Leon  
Committee Member

Kevin Powers  
Committee Member

## Management Team

Steve Stone  
President & Chief Executive Officer

Tosha Y. Eagles-Williams  
Chief Lending Officer

Derrick Fortier  
Chief Retail Officer

Lynell Fraley  
Chief Human Resources Officer

Ganga Radhakrishnan  
Chief Financial Officer

Joanna Uhl  
Chief Information Officer



[1stunitedcu.org](http://1stunitedcu.org)

