

2020 **ANNUAL REPORT**



LOVE WHERE YOU BANK

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PRESIDENT'S REPORT

I'm pleased to report that in a year that brought unique and historic challenges across the nation, UCCU continued its tradition of steady growth in membership and financial strength.

In fact, UCCU grew by more than 30% in 2020 – which is the strongest year of growth ever experienced by this financial institution – serving 215,989

for the families and individuals who needed our assistance. Thank you for being there when our members really needed us.

2020 also marked the completion of UCCU's move into our corporate campus headquarters, which was both a prudent and important



RECOGNITION

*Bauer Financial Five-Star Ranking
Voted Best Credit Union*



PERFORMANCE

*Total Assets: \$2.18 Billion
Net Worth Capital Ratio: 9.4%
Dividends paid to members up 9.8%*



NEW TAGLINE

Love Where You Bank

members and growing to \$2.18 billion in assets.

UCCU also received the Datatrac Great Rate Award®, recognizing this financial institution for providing 22 products that outperformed the market average by up to 50% in 2020, resulting in over \$10,569,489 million in direct financial benefits to our members over the course of 12 months.*

Of course, none of this would have been possible without our valued employees. As COVID-19 news unfolded, UCCU remained open as an "Essential Business," and our employees stepped up and faced these new challenges head-on. I want to thank our employees for taking the time to listen to our members, so that we could ensure that we were providing the best solutions

step in supporting our continual growth as a not-for-profit financial institution.

Reflecting back on the challenges of 2020, I'm also reminded of how grateful I am for UCCU's voluntary board of directors. Each of these men and women are successful leaders in their own industries and communities, and their wise and dedicated leadership inspires me every day.

As UCCU moves forward into 2021, we remain focused on this credit union's mission to make the communities we serve better places to live, work and raise families.

In addition to opening new branches in Draper and Herriman in 2021, UCCU has announced plans to open a new branch in Vineyard.

These new branch locations will help meet the demands of UCCU's growing membership, which continues to expand throughout the state.

I reaffirm UCCU's unwavering dedication to improving the financial lives of our members, as well as our ongoing commitment to pioneering advanced technologies that make banking easier, safer, and more convenient.

Finally, I wish to express my gratitude to the members of UCCU, who continue to trust us with the opportunity to serve them, and to be their financial partner.

Bret VanAusdal
President/CEO

*Information independently certified by Datatrac, the National Credit Union Administration (NCUA), and the Credit Union National Association (CUNA)

BOARD OF DIRECTORS REPORT



UCCU BOARD OF DIRECTORS

Brent Bingham
Teri Chatterton
Carine Clark

Kim Jackson
Linda Makin
Steve Mann

Michael Orme
Barrett Slade
John Stevenson

Who would have imagined 2020 would turn out to be the crazy year it turned out to be? COVID-19 turned the world and our community upside down.

At the beginning of the pandemic, the Board was concerned what COVID might mean for UCCU and our members. Everything shut down.



Employees were sent to work from home. Branches were open only for drive-through service. We didn't know how the shutting down of the economy would impact our state, our members, or UCCU. Thankfully, as 2020 ended, and as the economy continues to reopen, it has become clear that due to the strength of our members, UCCU continues to be financially safe and strong.

Thanks to members being careful with their money during the pandemic, assets grew 30% to \$2.18B, a new milestone for UCCU. Members also took advantage of historically low interest rates to refinance and move loans to UCCU resulting in 19% loan growth. During a financially challenging year, loan delinquency declined nearly 50% from 60 basis points to 34. What a testament to the strength of our members. I'm convinced there isn't a better credit union membership anywhere in the world.

UCCU's strength doesn't only come from members but includes

its employees and management. Employees worked hard to maintain quality service during the pandemic. They were flexible, tolerant, compassionate and resilient in helping UCCU and our members get through the pandemic.

Though delayed by COVID, UCCU moved into a new headquarters in Provo during 2020. The larger space brings employees together from several different offices into a single location. Though employees continued to work from home during 2020, they are excited to now be serving members from the new campus.

As we learned during 2020, the future may hold unexpected events. However, I'm confident that with the strength of our members and the dedication of employees and management, UCCU will remain financially strong and ready to help members reach their financial goals.

John Stevenson
Chair, Board of Directors 2020-2021



RECOGNITION

Datatrak Great Rate Award

Celent Model Bank Retail Award

Visa DPS Innovation Award

SUPERVISORY COMMITTEE REPORT

The Supervisory Committee is appointed by the Board of Directors to assist in their oversight of the accounting and financial reporting processes of Utah Community Credit Union (UCCU), and the audit of its financial statements.

As such, our responsibilities to UCCU members include:

- Appointing the independent public accounting firm, and monitoring the professional services of the Internal Audit Department.
- Monitoring the integrity of the financial statements and systems of finance, accounting and regulatory compliance controls.
- Evaluating UCCU policies/procedures to ensure quality services provided to its members.
- Protecting the assets of UCCU from internal and external fraud or illegal acts.
- Reviewing credit union operations by evaluating internal accounting and management controls, and evaluating the performance of UCCU's management.
- Cooperating with and assisting federal regulatory agencies.

The committee retains the services of the independent accounting firm of Moss Adams LLP, who recently

concluded its comprehensive year-end audit(s) of UCCU's financial statements and issued an unqualified opinion in their Report of Independent Auditors and Financial Statements for the year ended December 31, 2020. Additionally, Moss Adams provided the Board and UCCU management with favorable information comparative to other credit unions, and provided best business practices, observations, and recommendations to assist and inform management in their respective duties.

In addition to the annual Moss Adams LLP audit, we work closely with a number of UCCU employees who report to the committee each month regarding their individual areas of responsibility. These employees include Steven V. Sorenson, Director of Internal Audit, Isaac Jones, Internal Audit Manager, Travis Clegg, AVP Risk Management/ Compliance, and Joseph Andersen, Information Security Officer.

Even though 2020 brought many challenges with it due to COVID-19, UCCU remains financially sound and continues to provide excellent service to its members. As we begin returning to "normal," be assured that credit union management and staff continue to strictly follow Federal and State guidelines to ensure the safety of its members, employees, and volunteers.

The Supervisory Committee is here to serve UCCU's members in any way that



SUPERVISORY COMMITTEE

Lori Glen

Chair

Kathy Sanders

Vice Chair

Todd Allen

Internal Audit

Ryan Lindstrom

External Audit

Kelly McDonald

IT/ Member Services

we can. Please contact us with any questions or concerns you may have. We are accessible at uccu.com/About, and we will follow up on all correspondence.

Lori Glenn

Chair, Supervisory Committee 2021

STATEMENT OF FINANCIAL CONDITION

BALANCE SHEET AS OF 12/31/20

ASSETS	2020	2019
Total Loans, net	\$1,355,374,039	\$1,139,170,519
Cash and Cash Equivalents	\$563,523,360	\$258,620,698
Investments	\$102,456,889	\$129,867,477
Accrued Interest	\$3,246,334	\$3,328,428
Property & Equipment	\$69,341,430	\$69,035,479
Insurance Deposit NCUSIF	\$14,388,094	\$11,838,904
Other Assets	\$71,350,464	\$65,644,655
TOTAL ASSETS	\$2,179,680,610	\$1,677,506,160
LIABILITIES & EQUITY		
LIABILITIES		
Member's Shares and Certificates	\$1,952,006,536	\$1,483,134,547
Accrued Expenses and Other Liabilities	\$23,147,235	\$19,785,477
TOTAL LIABILITIES	\$1,975,153,771	\$1,502,920,024
MEMBERS' EQUITY		
Regulatory and Other Reserves	\$204,526,839	\$174,586,136
TOTAL LIABILITIES AND EQUITY	\$2,179,680,610	\$1,677,506,160

STATEMENT OF INCOME

INCOME AS OF 12/31/20

INCOME	2020	2019
Loan Interest	\$54,537,906	\$52,529,893
Investment and Other Interest Income	\$3,970,737	\$6,702,445
Non-Interest income	\$51,713,102	\$30,260,031
TOTAL INCOME	\$110,221,745	\$89,492,369

EXPENSES	2020	2019
Dividend and Other Interest Expense	\$8,788,342	\$8,001,559
Provisions for Loan Loss	\$11,172,622	\$5,457,610
Operating Expense	\$61,791,642	\$53,936,234
TOTAL EXPENSE	\$81,752,606	\$67,395,403

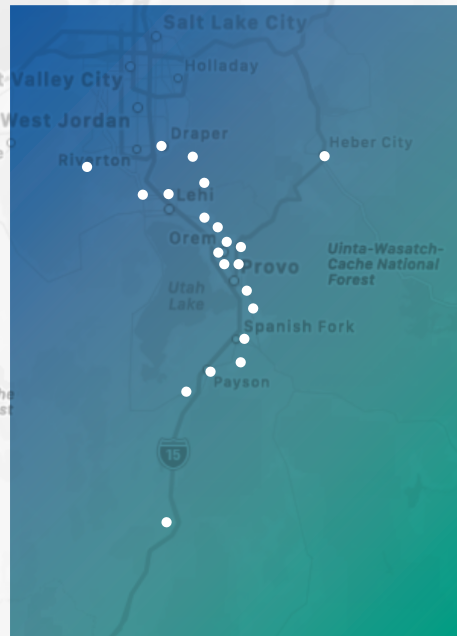
NET INCOME	\$28,469,139	\$22,096,966
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Audited Financial Statements

BRANCH LOCATIONS

For the most recent branch updates, visit uccu.com.

- AMERICAN FORK**
- DRAPER**
- HERRIMAN**
- HEBER**
- HIGHLAND**
- LEHI FINANCIAL CENTER**
- NEPHI**
- OREM NORTH**
- OREM SOUTH**
- PAYSON**
- PLEASANT GROVE**
- PROVO EAST BAY**
- PROVO HEADQUARTERS**
- PROVO FREEDOM BLVD.**
- SALEM**
- SANTAQUIN**
- SARATOGA SPRINGS**
- SPANISH FORK**
- SPRINGVILLE**
- UTAH VALLEY UNIVERSITY**



THANK YOU

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