

Moving Forward Together



**2021
ANNUAL
REPORT**

Our Mission

The United Nations Federal Credit Union is dedicated to '*serving the people who serve the world*' by enriching the lives of its members.



Chairperson Report

While 2021 brought ongoing pandemic-related and economic uncertainties, UNFCU demonstrated resilience in service to our members. We offered a safe haven to members of the UN community facing economic and political crisis. More than 17,000 new members, many from conflict regions, joined UNFCU in 2021. This represented a strong 10.65% growth in membership—a testament to how our members trust and rely on UNFCU.

Our financial position remained strong. Shares increased by 10.67%, and our assets reached \$7.54 billion, up from \$6.83 billion in 2020. Our capital to asset ratio remained solid at 9.29%, and our net income exceeded \$59 million. The net income has supported our ability to make strategic investments in our IT infrastructure and to further enhance our Digital Banking platform. As a result of these investments, we were able to deliver exceptional service to our members even as the pandemic disrupted all our lives.

As the world continues to experience conflict and humanitarian crises, UNFCU is working with the various UN offices to best serve the financial needs of UN staff members. In 2021, we collaborated with several resident coordinator offices and other UN entities to create service solutions under very challenging conditions. We also assisted staff in crisis regions with their UNFCU membership applications to help streamline the process. UNFCU will continue to provide peace of mind with this type of support to the UN community as needed.

While UN remote work continued, we connected with members virtually for financial education. In 2021, we hosted 98 virtual presentations spanning 39 countries. Our Africa Financial Fair drew nearly 600 members of the UN system across the continent. We developed videos, guides, and webinars on topics ranging from the 'Importance of Beneficiaries' to 'Achieving Financial Well-being.' We also maintained strong lines of communication with retiree and staff associations throughout the UN system.

Corporate social responsibility remained a priority. We wove the UN Sustainable Development Goals (SDGs) more fully into our business strategy, with plans to further advance nine SDGs by 2025. We remained climate neutral for the sixth consecutive year and renewed our commitment to the UN Global Compact. In 2021, the UNFCU Foundation supported various organizations, humanitarian relief efforts, and projects promoting COVID-19 vaccine availability globally.

Entering our 75th year, we look forward to supporting the UN community no matter what lies ahead. Thank you to our members for their trust and partnership. I also want to recognize management and staff's agility to deploy winning solutions. We want our focus on financial security to give members the peace of mind they deserve.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kumiko Matsuura-Mueller'. The signature is fluid and cursive, written over a white background.

Kumiko Matsuura-Mueller

Chairperson



President & CEO Report

2021 was another challenging year for us all. This was especially true for the UN community as the health crisis, political upheaval, and social unrest accelerated in parts of the world. I am therefore very pleased that UNFCU could make a difference in the lives of our global membership while also reporting strong financial results. We kept members' money safe and secure so they could focus their time and efforts on addressing emergencies around the globe.

To provide our members with even more convenience and security, we continued to enhance our solutions. During the year, we enriched our credit card program to offer members more points and protection when they use our cards. Members may also now better monitor their credit and debit card transactions, as well as account balances, through mobile and email alerts.

We made it easier for our members to apply for the loan that is right for them. We simplified the types of loans we offer and introduced a more interactive application system. We also expanded our lending guidelines so that members in almost every country are now eligible for our unsecured loans.

We expanded our presence in Uganda with a new office in Kampala, and introduced Uganda mortgages. Eligible members can now secure a mortgage with us to purchase a home in select regions of Uganda.

Given the success of our mobile money transfers, we expanded this low-cost service. As of the end of 2021, members could quickly send money to family and friends in 17 countries in their local currency. Mobile money transfers accounted for 18% of the 511,000 transfers we processed in 2021. This record number of transfers, an increase of 22% from 2020, enabled our global membership to send money as needed.

In order for our staff to achieve these results, creating a work environment that supports purposeful diversity, equity, and inclusivity (DEI) remains a priority. As part of our DEI program, we added the African-American and Black Business Resource Group (BRG) in 2021. This group's perspectives will complement those of our Multicultural, Women, and LGBTQ+ BRGs.

I want to thank our staff and management. Their focus and dedication make it possible for us to continuously add value for our membership. I also want to thank the Board, and the Supervisory, Loan Review, and Nominating committees for their support and guidance.

Most importantly, I want to thank our members, both for their trust in UNFCU and for the vital work that they do. It is truly an honor to serve the people who serve the world.

Sincerely,

A handwritten signature in black ink, appearing to read 'John Lewis'. The signature is fluid and cursive, with a long horizontal stroke at the end.

John Lewis
President & CEO

Financials

Consolidated Statements of Financial Condition

AS OF 31 DECEMBER

	2021	2020
ASSETS		
Cash and cash equivalents	\$183,510,915	\$201,900,368
Investments	2,895,544,575	2,577,703,292
Loans held for sale	7,319,830	3,915,105
Loans, net	4,177,725,222	3,801,091,315
Mortgage servicing rights	4,294,780	2,229,907
Accrued interest receivable	19,784,779	18,869,829
Property and equipment, net	104,195,041	108,801,076
National Credit Union Share Insurance Fund deposit	57,710,952	51,177,491
Other assets	91,640,030	66,668,815
Total assets	\$7,541,726,124	\$6,832,357,198
LIABILITIES AND MEMBERS' EQUITY		
Liabilities		
Members' shares	6,839,246,053	\$6,179,751,156
Accrued expenses and other liabilities	47,695,064	39,899,966
Total liabilities	6,886,941,117	\$6,219,651,122
Members' equity		
Retained earnings	700,506,581	641,295,143
Accumulated other comprehensive loss	(45,721,574)	(28,589,067)
Total members' equity	654,785,007	612,706,076
Total liabilities and members' equity	\$7,541,726,124	\$6,832,357,198

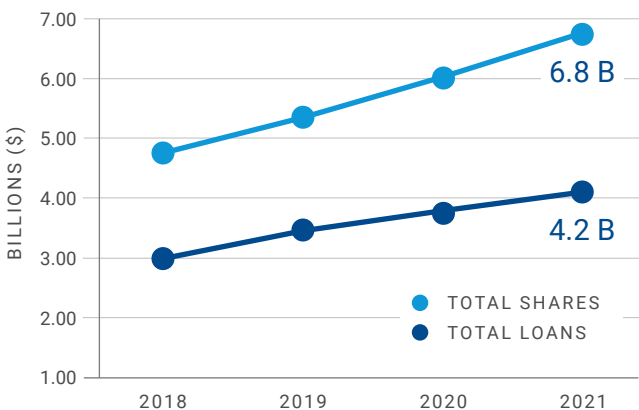
Consolidated Statements of Income

YEARS ENDED 31 DECEMBER

	2021	2020
INTEREST INCOME		
Interest on loans	\$154,369,449	\$155,154,700
Interest on investments and cash equivalents	28,962,400	35,594,659
Total interest income	183,331,849	190,749,359
Interest expense	22,543,623	34,057,904
Net interest income	160,788,226	156,691,455
Provision for loan losses	4,258,692	16,275,000
Net interest income after provision for loan losses	156,529,534	140,416,455
Total non-interest income	64,678,347	45,445,129
Total income net of provision expense	221,207,881	185,861,584
NON-INTEREST EXPENSE		
Salaries and benefits	97,093,646	89,578,724
Operations	48,689,201	44,669,573
Occupancy	7,850,056	7,788,651
Provision for Northstar loss	8,363,540	20,153,557
Total non-interest expense	161,996,443	162,190,505
Net income	\$59,211,438	\$23,671,079

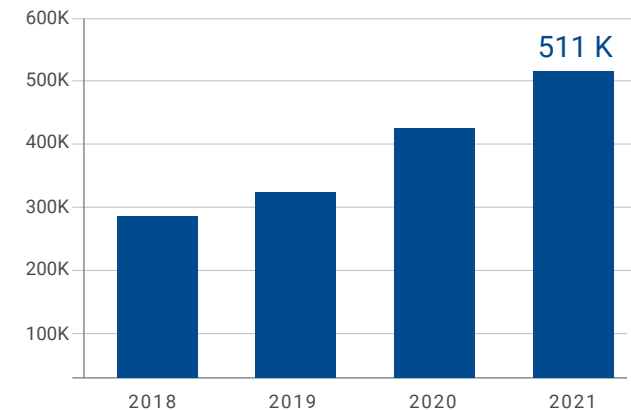
Share and Loan Balances

YEARS ENDED 31 DECEMBER



Number of Outgoing Money Transfers

YEARS ENDED 31 DECEMBER



Supervisory Committee Report

The Supervisory Committee (the "Committee") is primarily responsible for assisting the UNFCU Board of Directors in fulfilling its oversight responsibility. The Board is responsible for providing an independent appraisal of the safety and soundness of the operations and activities of the Credit Union.

In carrying out this responsibility, the Committee oversees the Internal Audit Department, which reports functionally to the Committee and administratively to the President and CEO of UNFCU. Primarily through the work of Internal Audit, the Committee i) monitors compliance with the policies established by the Board of Directors; ii) evaluates the adequacy and effectiveness of the system of internal controls established by UNFCU management; iii) investigates and responds to written member inquiries referred to the Committee; iv) appoints an independent certified public accounting firm to conduct an audit of UNFCU's financial statements; and v) reviews the policies and

procedures of the audit engagement including its scope, fees, and auditor independence matters.

The Committee itself does not prepare financial statements or perform audits. Its members are not the certifiers or auditors of UNFCU financial statements. The Committee engaged the independent certified public accounting firm of CliftonLarsonAllen LLP to audit and render an opinion as to whether the UNFCU financial statements for the period 1 January 2021 through 31 December 2021 fairly present, in all material aspects, the financial position of UNFCU.

CliftonLarsonAllen LLP has completed its audit, which was performed in accordance with auditing standards generally accepted in the United States of America. Its unqualified opinion, along with the Credit Union's audited financial statements, are available on the Credit Union's website at unfcu.org/2021Financials.

VOLUNTEERS

Board of Directors

Kumiko Matsuura-Mueller, Chairperson
Theresa Panuccio, Vice Chairperson
Michael Zilberg, Treasurer
Pedro Guazo, Assistant Treasurer
Ursula Wynhoven, Secretary
Clemens M. Adams, Director
Ana Maria Alvarez Herrera, Director
Adeyinka Ade Okuwoga, Director
Laura Rockwood, Director

UNFCU Financial Services Board

Thomas A. Bieler, Chairperson
Julie Anne Mejia, Vice Chairperson
John Lewis, Director

UNFCU Advisors Board

Julie Anne Mejia, Chairperson
Thomas A. Bieler, Vice Chairperson
John Lewis, Director

Nominating Committee

George Kyriacou, Chairperson
Ana María Alvarez Herrera, Member
Ursula Wynhoven, Member

Loan Review Committee

Melissa Dias Buerbaumer, Chairperson
Marco De Luca, Member
Sanjeeb Bhattarai, Member
Francesca Jean, Member
Florence Kahiro, Member
Lin Zhuo, Member

Supervisory Committee

Charalambos Constantinides, Chairperson
Dominik Jaksekovic, Secretary
Paul Gravenese, Member
Ajay Lakhanpal, Member
John Rutere, Member

SENIOR MANAGEMENT

John Lewis
President & CEO
Pamela K. Agnone
Executive Vice President
David Gosstola, CPA
Senior Vice President, Finance
Prasad Surapaneni
Senior Vice President
Chief Information Officer

Eric Darmanin
Chief Lending Officer

Faye Fardshisheh
Chief Marketing Officer

Lynne Healey
Chief Human Resources Officer

Manisha Shah, Esq.
Chief Legal Officer & General Counsel

Christopher Sullivan, CFA
Chief Investment Officer

William Thomas
Chief Member Operations Officer

Richard Colavecchio, CFA
First Vice President, Investment Management

Nelson Conde
First Vice President, Finance

Rossana Creo
First Vice President, Strategic Planning

Srinivasanarayanan Govindan
First Vice President,
Enterprise Applications & Services

Kumararaja Periasamy
First Vice President, Digital Transformation



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This credit union is federally insured by the National Credit Union Administration (NCUA).

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