2021 ANNUAL REPORT

PRESIDENT'S MESSAGE

As the dust began to settle in 2021 and we slowly adjusted to the new norms, we are reminded the value of teamwork and giving back to our community. Although, we have low fees compared to other financial institutions, we further reduced our fees by no longer charging a non-sufficient fund fee for transactions <$5 and we implemented early payroll deposit with direct deposit.

In response to our Members' demand, we enhanced our Real Estate and Home Equity Line of Credit offerings including, second homes and investment properties of up to 1 to 4 units which led to funding $19.8M in loans. Our partnership with CarScouts continued to grow as we help several Members get their dream cars without having to visit a dealership.

We continued to enhance our digital access by introducing a new text messaging platform for Members to conveniently contact us. And we started a financial education vlog to open up conversations on various financial topics.

Also, despite the pandemic, we continued our commitment to assisting and promoting prosperity to the Nikkei and Mabuhay communities with donations of food, clothing, blankets, and toiletries to the homeless students at our local colleges such as California State University of Dominguez Hills, Harbor City Community College, and El Camino College.

We appreciate your positive feedback from our surveys awarding us a 95% satisfaction on branch and lending services as well as a 4-star rating on several online review platforms. In addition, we continued to receive a 5-star rating from Bauer Financial, an independent bank research firm.

On behalf of the Board of Directors, Committee Members, Management, and Staff thank you for your continued support and for allowing us to serve your financial service needs.

Arigato Gozaimasu.
Salamat and Mabuhay,

Jon Hernandez
President & CEO

CHAIRMAN'S MESSAGE

Nikkei and Mabuhay Credit Union are committed to helping our Members achieve their financial goals and dreams. We're focused on providing excellent member service and increasing our value to you.

Our Management and Staff continue to keep our Members' best interests at the forefront, which resulted in a 95% approval rating in the 2021 Member Survey. With your support, our financial position remains strong.

I want to thank the Management and Staff's dedication, our Volunteers' commitment, and our Members' understanding through the pandemic.

Sincerely,

Gary Nakata, Board Chair

TREASURER'S REPORT

Nikkei Credit Union posted a net income of $349,047 while keeping our operation expense ratio at 2.33%, return on assets of 0.42%, and maintained our strong capital ratio of 11.44% as of December 31, 2021. Our strong capital will allow us to continue offering innovative financial products and services. We remain optimistic for 2022.

Nikkei's Board of Directors, Committee Members, Mabuhay Advisory Council and Management are dedicated to investing our resources on improvements to our product offering while maintaining a high level of member service for you and your family.

We appreciate your continued support and patronage.

Sincerely,

Glenn Matsushima, Board of Directors Treasurer

SUPERVISORY COMMITTEE REPORT

The Supervisory Committee provides an independent evaluation of Nikkei Credit Union's operations and compliance with the applicable laws and regulations. In 2021, the Committee commissioned several audits and evaluations of Nikkei's operations; completed the joint exam by the California Department of Financial Protection & Innovation and the National Credit Union Administration effective for period ending September 30, 2021. Richards and Associates CPA, an audit firm specializing in credit unions, conducted an opinion audit of the credit union's financial statements and operations for the audit period ending June 30, 2021. The firm's opinion indicates that Nikkei's financial statements were fairly stated in all material respects.

We welcome any questions, concerns or other feedback Members may have.

Sincerely,

Karen Yoshimura, Supervisory Committee Chair

MANAGEMENT & STAFF

President/CEO	Jon Hernandez
Vice President	Jay Lee
Administrative & HR Manager	Michiyo Tateley
EFT & Accounting Coordinator	Monica Seng
EFT & Cards Processor	Krystina Kuba

NIKKEI BRANCH STAFF

Branch Coordinator	Tess Nambu
Loan Sales Representative	Kaori Suzuki
Financial Service Representative	Kaualani Peters
Financial Service Representative	Tiffany Manalang
Financial Service Representative	Song Kadoi

MABUHAY BRANCH STAFF

Branch Coordinator	Fred Docdocil
Loan Sales Representative	Jamie Valenzuela
Loan Service Representative	Phoebe Tan
Financial Service Representative	Jennifer Andal
Financial Service Representative	Justine Alcantara

BOARD OF DIRECTORS

Chair	Gary Nakata
Vice Chair	Ryan Iwamoto
Treasurer	Glenn Matsushima
Secretary	Ryan Suzuki
Director	Alyssa Tanaka

SUPERVISORY COMMITTEE

Chair	Karen Yoshimura-Oto
Member	James Kawashima
Member	Kenneth Matsuno
Member	Masahide Nakagawa

MABUHAY ADVISORY COUNCIL

Evelyn Machan Andamo	Dr. Henrick Macalintal
Darnell Bagsik	Monica Monserrat
Jesus "Alex" Cainglet	Elito Macapagal Santarina
Katherine Chicas	Cynthia Carolyn Tan
Lemuel Guiyab	

SUMMARY STATEMENT OF FINANCIAL CONDITION

ASSETS	**12/31/21**	**12/31/20**
Consumer Loans	$9,783,751	$10,627,732
Real Estate Loans	$18,584,131	$14,556,241
HELOC	$17,750,493	$14,995,014
Loan Participations	-	-
TOTAL LOANS	$46,118,375	$40,178,987
(Less Allowance for Loan Losses)	$(47,364)	$(95,678)
Cash	$17,953,392	$7,356,862
Investments	$20,148,400	$30,150,695
Unrealized Gain/(Loss)	$38,288	$270,657
Fixed Assets	$813,653	$931,861
Other Assets	$1,013,799	$792,104
TOTAL ASSETS	**$86,038,543**	**$79,585,488**
LIABILITIES & EQUITY	**12/31/21**	**12/31/20**
TOTAL LIABILITIES	$330,678	$214,953
Member Deposits	$75,822,270	$69,604,619
Non-Member Deposits	-	-
TOTAL DEPOSITS	$75,822,270	$69,604,619
Regular Reserves	$1,349,581	$1,349,581
Undivided Earnings	$8,497,726	$8,145,678
Unrealized Gain/(Loss)	$38,288	$270,657
TOTAL RESERVES	$9,885,595	$9,765,916
TOTAL LIABILITIES & EQUITY	**$86,038,543**	**$79,585,488**
OPERATING INCOME	**12/31/21**	**12/31/20**
Income from Loans	$1,605,531	$1,473,659
Income from Investments	$487,077	$746,146
Income from Fees	$252,688	$180,735
Income from Miscellaneous	$55,971	$60,014
TOTAL OPERATING INCOME	**$2,401,267**	**$2,460,554**
OPERATING EXPENSES	**12/31/21**	**12/31/20**
Operating Expenses	$1,921,289	$1,972,429
Dividend Expenses	$171,087	$330,380
TOTAL OPERATING EXPENSES	**$2,092,376**	**$2,302,809**
NON-OPERATING INCOME	$40,156	$42,951
TOTAL NET INCOME/(LOSS)	**$349,047**	**$200,696**

"Advancing Prosperity for Nikkei and Mabuhay Communities"

OUR CORE VALUES

- One Team. One Goal.
- Empower Yourself through Knowledge
- Treat Everyone with Respect, Sincerity, and Compassion
- Inspire Trust, Be Ethical: Do the Right Thing
- Safeguard Member's Privacy & Financial Interests
- Be Passionate About Delivering Exceptional Experiences
- Strive for Excellence—Embrace Change
- Kodomo No Tame Ni—For the Sake of the Children

NIKKEI credit union

Nikkei Branch / Corporate Office
18425 S. Western Avenue 2nd Floor
Gardena, CA 90248

866.4NIKKEI (866.464.5534)

Online Banking
nikkeicu.org

Email
info@nikkeicu.org

/NikkeiCreditUnion
@NikkeiCU
@NikkeiCU
Nikkei Credit Union

MABUHAY credit union
A DIVISION OF NIKKEI CREDIT UNION

Mahbuhay Branch
146 Carson Street
Carson, CA 90745

888.MABUHAY (888.622.8429)

Online Banking
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Mabuhay Credit Union

NCUA
EQUAL HOUSING LENDER
CUNA Credit Union National Association
California CREDIT UNION LEAGUE
SCCUA SOUTHERN CALIFORNIA CREDIT UNION ALLIANCE