



Building on 75 Years of Trust

2022 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

In 2022, UNFCU commemorated its 75th year serving the global UN community. We also experienced record membership growth, welcoming 25,309 new members. Currently, more than 200,000 members trust UNFCU with their finances.

Despite global inflation and geopolitical uncertainties, UNFCU achieved strong fiscal results in 2022. We had solid share growth of 7.2% and exceptional loan growth of 19.5%, closing the year with over \$7.9 billion in total assets.

In alignment with the National Credit Union Administration (NCUA) regulations, we adopted a risk-based capital ratio as a new measurement standard in 2022. The risk-based capital ratio calculation offers a more detailed view of the adequacy of capital a credit union carries on its balance sheet. At 16.58%, UNFCU's ratio is well above the 10% minimum required by the NCUA, placing us in the top third of peer credit unions.

Our financial strength enables us to provide ongoing value to our members. In 2022, we paid members \$6.7 million in Member Loyalty Rewards. These included rebates of fees for ATM surcharges and wire transfers, as well as additional dividends for share certificates.

UNFCU resumed travel to meet with members in person at various UN duty stations, and virtual presentations were conducted in 60 countries. In a year of extraordinary humanitarian crises, we worked closely with UN officials around the globe to support impacted staff.

Actions were taken to advance 14 of the 17 UN Sustainable Development Goals (SDGs). Even with our record growth, we remained climate neutral in 2022, an achievement we have maintained for the seventh consecutive year. We also introduced sustainable loans, offering reduced rates to members making energy efficient home improvements, or purchasing electric or hybrid vehicles.

UNFCU founded the United in Sustainability (UIS) Network in 2018 to initiate a sustainability movement across credit unions. The network now includes 100 credit unions across the Americas. In 2022, more than 300 members of the credit union industry participated in the UIS Summit we co-hosted at UN headquarters in New York.

In 2022, the UNFCU Foundation reached a milestone, providing \$1 million in grants and humanitarian relief. It partnered with UN agencies to support relief efforts in Ukraine and the Horn of Africa. During 2022, the Foundation also approved 19 projects for 2023 to empower women and youth.

These achievements would not be possible without UNFCU's management, staff, and the volunteers in various committees of the Board. On behalf of the Board, I thank them for their dedication. The Board joins me in also expressing sincerest gratitude to our members for their confidence and enduring partnership.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kumiko Matsuura-Mueller', written in a cursive style.

Kumiko Matsuura-Mueller

Chairperson



President & CEO Report

The global economic conditions in 2022 posed challenges to financial institutions. In order to curb inflationary pressures, the US Federal Reserve Bank raised rates at a historic pace. In response, we increased our deposit rates, raising share certificate rates most frequently. We also increased our loan rates to industry levels. This approach enabled us to effectively manage our net interest margin, contributing to our \$44.9 million in net income.

We focused on increasing share certificate dividends to provide members the opportunity to lock in higher rates. Share certificates are fixed term deposits. While total deposits increased by 7.2% in 2022, share certificates increased by 13.4%. The Credit Union offers a variety of share certificate terms and types, giving members flexible options to diversify their savings strategy.

As a well-capitalized and profitable credit union, we continued to invest in our services for members in 2022. In direct response to members' requests, we enhanced Digital Banking with better biometric login and more money transfer options. We introduced fingerprint login for Android devices and made it easier to use biometric login options on Apple mobile devices. We expanded mobile money transfers, making them available in 19 countries, and we added Zelle®. For incoming transfers, we introduced a fast and cost-effective way for members to transfer euros to their UNFCU accounts. More currencies will be added to this new service in 2023. We are also making significant investments in our Contact Center staffing and technology, an area where we had some challenges in 2022.

Creating a work environment that supports diversity, equity, inclusion, and belonging (DEIB) remains a top priority at UNFCU. Filene Research Institute, a respected credit union research firm, recognized our business resource groups (BRGs) for their DEIB best practices. In 2022, our BRGs developed a supplier diversity policy to ensure we provide minority-owned businesses an opportunity to partner with UNFCU.

I would like to thank our staff and management, as well as our Board, and the Supervisory, Loan Review, and Nominating committees. Their focus and guidance enabled our achievements. I especially want to thank our members for their trust and ongoing support of UNFCU. It is an honor to be part of the Credit Union that has been serving the people who serve the world for more than 75 years.

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

	2022	2021
ASSETS		
Cash and cash equivalents	\$121,188,724	\$183,510,915
Investments	2,486,162,264	2,895,544,575
Loans held for sale	2,043,739	7,319,830
Loans, net	5,089,268,197	4,177,725,222
Mortgage servicing rights	4,939,811	4,294,780
Accrued interest receivable	22,598,463	19,784,779
Property and equipment, net	100,002,367	104,195,041
National Credit Union Share Insurance Fund deposit	62,149,605	57,710,952
Other assets	83,366,111	91,640,030
TOTAL ASSETS	\$7,971,719,281	\$7,541,726,124
LIABILITIES AND MEMBERS' EQUITY		
Liabilities		
Members' shares	7,331,826,988	6,839,246,053
Accrued expenses and other liabilities	54,653,072	47,695,064
Total liabilities	7,386,480,060	6,886,941,117
Members' equity		
Retained earnings	745,485,097	700,506,581
Accumulated other comprehensive loss	(160,245,876)	(45,721,574)
Total members' equity	585,239,221	654,785,007
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$7,971,719,281	\$7,541,726,124

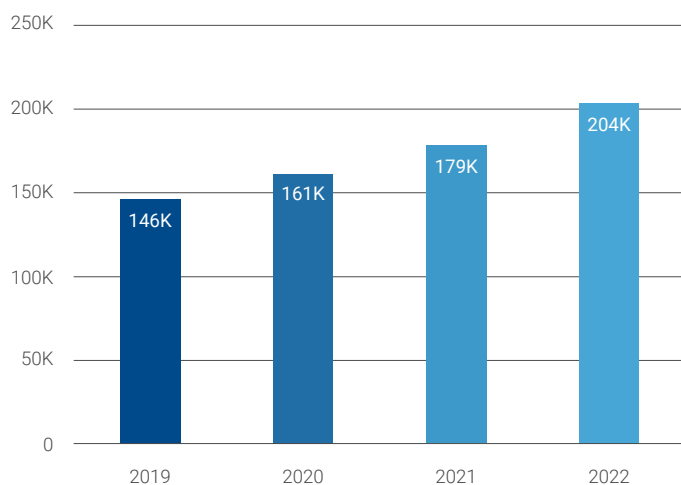
Consolidated Statements of Income

YEARS ENDED 31 DECEMBER

	2022	2021
INTEREST INCOME		
Interest on loans	\$179,858,935	\$154,369,449
Interest on investments and cash equivalents	35,007,123	28,962,400
Total interest income	214,866,058	183,331,849
Interest expense	29,396,667	22,543,623
Net interest income	185,469,391	160,788,226
Provision for loan losses	(410,000)	4,258,692
Net interest income after provision for loan losses	185,879,391	156,529,534
Total non-interest income	56,232,203	64,678,347
TOTAL INCOME NET OF PROVISION FOR CREDIT LOSSES	\$242,111,594	\$221,207,881
NON-INTEREST EXPENSE		
Salaries and benefits	104,036,073	97,093,646
Operations	55,748,491	48,689,201
Occupancy	8,381,446	7,850,056
Provision for Northstar loss	28,972,354	8,363,540
Total non-interest expense	197,138,364	161,996,443
NET INCOME	\$44,973,230	\$59,211,438

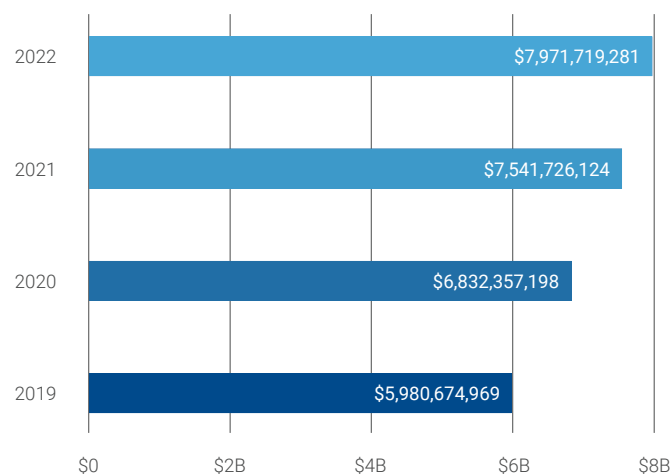
Membership Growth

YEARS ENDED 31 DECEMBER



Assets

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 2022 through 31 December 2022 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/2022Financials.

VOLUNTEERS

Board of Directors

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

Loan Review Committee

Melissa Dias Buerbaumer, Chairperson
Francesca Jean, Deputy Chairperson
Sanjeeb Bhattarai, Member
Florence Kahiro, Member
Nana Okyere, Member
Lin Zhuo, Member

Nominating Committee

Laura Rockwood, Chairperson
Catherine Lillie, Member
Advit Nath, Member

Supervisory Committee

Paul Gravenese, Chairperson
Dominik Jaksekovic, Secretary
Charalambos Constantinides, Member
Dr. Jessie Rose Mabutas, 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
Kumararaja Periasamy
Chief Digital 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

Juan Ducali

First Vice President, Global AML & Sanctions

Srinivasanarayanan Govindan

First Vice President, Enterprise Applications & Services

Sarah Klinger

First Vice President, Retail Lending & Servicing

Tom Kurian

First Vice President, Enterprise Information Security

Joseph Marasciullo

First Vice President, Deposit Products Officer

Lindy Ramsdale

First Vice President, Global Representative Office Operations

Chris Salata

First Vice President, Mortgage Underwriting & Operations

Stefanie Smedstad

First Vice President, Global Talent Management



United Nations Federal Credit Union
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unfcu.org

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

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