

Chairman's Report

I'm delighted to address you and humbled by the trust you have placed in me and our board members whose leadership, dedication, and passion for our Credit Union are integral to our success. As a National JACL Credit Union member, you can take comfort in knowing that, unlike for-profit financial institutions such as banks, your board of directors serves on a volunteer basis and does not profit from that service. Our sole interests are in your interests.

We are pleased to report the Credit Union continues to operate in a financially sound manner. In 2022 total assets increased to over \$38,958,000. In total, our members hold more than \$33,857,000 in savings. In another year of uncertainty, your savings increased by nearly \$500,000. You, the members and owners of this institution, borrowed more than \$5,529,000, adding 216 new loans in 2022. The quality and commitment of our members is reflected in an extremely low delinquency rate that averaged 0.1% and no loan related charge-offs for the year. I am very pleased to report that again this year the National JACL Credit Union is a well-capitalized financial institution, with a net worth to total assets ratio of 9.67%. After paying dividends of \$122,297 (including a year-end bonus dividend of \$23,201) the Credit Union ended the year with net income of \$110,625. Your Credit Union is financially strong today and positioned well for a stable future in an unstable economy.

We look forward to offering new member benefits and products in 2023, especially in new and improved on-line, remote access to your accounts, loans, and financial services. Innovative loan products and incentives are being put in place for your benefit. Our VISA card continues to be a great benefit with a with a low non-variable interest rate, cash back on purchases and ZERO annual fees.

Our total membership was 3,173 at the end of 2022. Please encourage your family members to open accounts and use our financial services.

NATIONAL JACL CREDIT UNION BALANCE SHEET at December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS:		
Cash on Hand	\$ 414,548	\$ 2,978,602
Investments	14,496,989	13,692,617
Loans	22,908,904	20,621,095
Allowance for Loan Losses	(226,498)	(205,823)
Accrued Income	118,323	100,369
Land, Credit Union Building	981,091	1,017,618
Other Fixed Assets	55,760	24,779
Other Assets	<u>208,909</u>	<u>177,984</u>
TOTAL ASSETS	<u>\$38,958,026</u>	<u>\$38,407,241</u>
LIABILITIES:		
Share Savings of our Members.	\$17,602,325	\$16,812,501
IRA Accounts	1,287,963	812,436
Certificates	6,775,003	7,194,451
Money Market Accounts	8,192,649	8,559,303
Accrued Interest Payable	3,478	5,203
Other Payables	<u>1,330,263</u>	<u>1,367,629</u>
TOTAL LIABILITIES.	<u>\$35,191,681</u>	<u>\$34,751,523</u>
MEMBER EQUITY:		
Regular Reserve	\$ 2,001,291	\$ 1,890,729
Undivided Earnings	<u>1,765,054</u>	<u>1,764,989</u>
TOTAL EQUITY.	<u>\$ 3,766,345</u>	<u>\$ 3,655,718</u>
TOTAL LIABILITIES & MEMBER EQUITY	<u>\$38,958,026</u>	<u>\$38,407,241</u>

Please pass the word to your family that they are eligible to join. And remember, "Once a member, always a member!"

As we enter our 80th year, I want to thank everyone who has made our continued success possible. I want to express my sincere appreciation to the Board of Directors and Supervisory Committee whose diligent work provides the best leadership and direction for

guidance of our credit union. Thanks to our CEO, Dean, who has worked tirelessly to keep the Credit Union operating smoothly and in complete compliance with applicable regulations. Well maybe he was often tired! Thanks to our staff, whose hard work and commitment is expressed in their daily commitment to kind, quality service in their interactions with members. And, thanks to YOU,

the member owners of the National JACL Credit Union, whose loyalty and confidence in our Credit Union, the staff and board ensures the ability to provide affordable and secure financial services year after year.

Thank you,
Larry Grant
Board Chair

NATIONAL JACL CREDIT UNION STATEMENT OF INCOME AND EXPENSES for year ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
EARNINGS:		
Interest on Loans to Members	\$ 920,107	\$ 819,423
Interest on Investments	214,758	181,612
Other Income	<u>119,797</u>	<u>197,743</u>
TOTAL EARNINGS	<u>\$ 1,254,662</u>	<u>\$1,198,778</u>
EXPENSES:		
Salaries & Employee Benefits	\$ 337,625	\$ 377,890
Occupancy	70,008	71,400
Operations	559,285	444,551
Insurance	26,632	26,257
Provision for Loan Losses	20,179	132,493
Miscellaneous	<u>8,010</u>	<u>6,380</u>
TOTAL EXPENSES	<u>\$ 1,021,739</u>	<u>\$ 1,058,971</u>
NET EARNINGS FROM OPERATIONS	\$ 232,923	\$ 139,807
DIVIDEND & INTEREST	\$(122,297)	\$(110,331)
EARNINGS AFTER DIVIDEND & INTEREST	<u>\$ 110,626</u>	<u>\$ 29,476</u>

DISTRIBUTION OF NET EARNINGS		
	<u>2022</u>	<u>2021</u>
Regular Reserves	\$ 110,561	\$ 167,774
Accumulated other comprehensive Income	0	0
Undivided Earnings	<u>\$ 65</u>	<u>\$(138,298)</u>
	\$ 110,626	\$ 29,476