

Annual Report

Ukrainian Selfreliance Federal Credit Union

Річний Звіт

Українська Федеральна Кредитова Кооператива "Самопоміч"



2019

Our Journey into the Digital World

BY THE NUMBERS



MEMBERSHIP UNDER THE AGE OF 24

■ 18%



MEMBERSHIP BETWEEN THE AGES OF 25 & 44

■ 30%



1,098 NEW MEMBERS

IN 2019

TOTAL AMOUNT OF MEMBERS
IN 2019 (YEAR END):

11,745



AVERAGE AGE OF A UKRFCU MEMBER – 45

AVERAGE AGE OF A CREDIT UNION MEMBER – 47



↑ 4.79%

ASSET GROWTH

TOTAL AMOUNT OF ASSETS IN 2019 (YEAR END):

\$368,954,458

↑ 6.46%

LOAN GROWTH

TOTAL AMOUNT OF LOANS IN 2019 (YEAR END):

\$259,854,803

UKRFCU
RANKED IN

TOP 25

CREDIT UNIONS
IN PA

THIRD-LARGEST

UKRAINIAN-AMERICAN CREDIT UNION IN THE USA IN ASSET SIZE

AUTO LOANS

↑ **24%**

745 AUTO LOANS IN 2019
(YEAR END)

VERSUS

556 AUTO LOANS IN 2018
(YEAR END)



COMMERCIAL LOANS

↑ **33%**

383 COMMERCIAL LOANS IN 2019
(YEAR END)

VERSUS

288 COMMERCIAL LOANS IN 2018
(YEAR END)

COMMUNITY SUPPORT Over \$157,000

in donations and sponsorships to over 80 organizations and events.

MISSION STATEMENT

UKRFCU will provide its members with a full range of financial services in a professional, economical and convenient manner while preserving the safety and soundness of the Credit Union.

CHAIRMAN'S REPORT



2019 has been another year of challenges addressed and opportunities realized. Your President's report describes how we have continued to grow – with increases in members, deposits and loans. Today, as we begin the third decade of this century, UKRFCU stands at the brink of fundamental transformative changes in the way it serves the financial needs of our members.

In previous reports, I discussed our digital banking capabilities – Bill Pay, Mobile Banking and Popmoney® services to name just a few of the free Online Banking services we now offer. This year, UKRFCU will extend digital banking to our core business – enrolling new members and accepting and processing loan applications. Once fully implemented, these initiatives will offer virtually unlimited opportunities for growth.

Much has been written about the safety and security challenges that this digital transformation presents. We do not enter this brave new digital world unprepared. Indeed, we are uniquely prepared to address these challenges. Cyber security has been a relentless focus of your Board of Directors and Management. With the guidance of senior information technology professionals on the Board, we have overseen expansion of staff and financial resources devoted to implementing and managing digital banking. Our “cyber minute” program ensures that cyber security is addressed at every meeting of your Board of Directors, so that Managers and Board members are attuned to managing cyber risks. All UKRFCU employees, and especially our information technology and digital banking teams undergo constant training, and they work closely with service providers and vendors to ensure that our systems operate with optimal security. We have also implemented communication protocols to ensure that members are aware of cyber breaches and are able to proactively help us protect their accounts from fraudsters.

The future success of your credit union will depend on successfully completing this digital transformation. However, this alone will not ensure our future. We are keenly aware that our members value the opportunity to interact directly with our banking professionals to ensure that questions are answered and that your financial goals are understood and respected. We will not sacrifice these crucial in-person member services as our digital services expand and will continue to provide a full network of branches at the most convenient locations where our staff will serve members as they have in the past. This in-person service is what makes our institution special, and we will ensure that this does not change.

Thank you again for the privilege and honor of serving your credit union and our community.

Roman Petyk, Chairman

ЗВІТ ГОЛОВИ РАДИ

2019 рік став ще одним роком для подолання викликів та реалізації можливостей. У звіті Вашого Президента описано, як ми не припиняли зростати, збільшуючи членство та обсяги депозитного і кредитного портфелів. Сьогодні, на початку третього десятиріччя 21-ого століття, Кредитівка стоїть на межі трансформацій методів якими вона забезпечує фінансові потреби своїх членів.

У попередніх звітах я розповідав про наші можливості у сфері цифрового банкінгу – сплату рахунків, мобільний банкінг та послуги Portmoney. Це лише кілька з пропонованих нами безкоштовних банківських онлайн-сервісів. Цього року Кредитівка розширить цифровий банкінг на наш основний бізнес – зарахування нових членів і прийняття та розгляд кредитних заявок. Нові зміни дозволять практично необмежені можливості для зростання.

Багато було написано про проблеми безпеки пов'язані з цифровою трансформацією. Ми не поступаємо у цей новий цифровий світ непередбаченими. Навпаки, ми повністю готові впоратися з усіма викликами. Кібербезпека постійно перебуває в центрі уваги вашої дирекції та управи. Під проводом найкращих фахівців з інформаційних технологій у Раді, ми нарощували кількість персоналу та фінансових ресурсів для впровадження та керування цифровим банкінгом. Наша програма “Кіберхвилина” гарантує, що питання кібербезпеки розглядається на кожному засіданні Ради директорів, щоб менеджери та члени Ради вміло керували кібер-ресурсами. Усі працівники Кредитівки, і особливо наші відділи інформаційних технологій та цифрового банкінгу, постійно проходять навчання і тісно співпрацюють з постачальниками послуг, щоб гарантувати оптимальну безпеку наших систем. Ми також впровадили методи комунікацій, завдяки яким наші члени одержують інформації про порушення кіберзахисту і здатні активно допомагати нам захищати їхні рахунки від шахраїв.

Прийдешній успіх вашої Кредитівки залежатиме від успішного завершення цієї цифрової трансформації. Однак лише її недостатньо щоб гарантувати наше майбутнє. Ми чітко усвідомлюємо, що наші члени цінують можливість безпосереднього спілкування з нашими банківськими професіоналами, які ваші фінансові потреби розуміють і поважають. Ми не будемо жертвувати цими ключовими персональними послугами, тоді як наші цифрові послуги розширяться, і надалі забезпечимо функціонування повноцінної мережі філій у найзручніших місцях, де наші працівники будуть продовжувати обслуговувати членів. Така персональна послуга робить нашу організацію особливою, і ми гарантуємо, що це не зміниться.

Хочу висловити щире подяку всім членам дирекції, контрольній комісії і менеджменту за співпрацю. І теж дякую вам, наші члени, за довіря і за привілей та честь служити кредитівці і нашій громаді.

Роман Петик, Голова Ради Директорів

PRESIDENT'S REPORT



On behalf of the staff of the Ukrainian Selfreliance Federal Credit Union (UKRFCU), I am pleased to report that 2019 was yet another year of growth and success for our credit union. Our assets grew 5% and our membership grew over 4%, which far exceeds our industry. We issued 1,208 loans totaling over \$65 million and our operating expenses are half that of our peer credit unions. The dividends we pay our members are 2.6 times that of our peers.

Thanks to our exceptional member base, the credit union is stronger than ever, and we look forward to continuing to improve the member experience in 2020. Since our founding in 1952, UKRFCU has lived by the "People Helping People" philosophy of the credit union movement. As such, our employees are committed to providing superior service to our members and to making a difference in the community in which we live and work.

To ensure that our mission and vision statements reflect these priorities, the Board of Directors focused intensely during 2019 on updating our strategic plan. Our mission is for "UKRFCU to provide its members with a full range of financial services in a professional, economical and convenient manner while preserving the safety and soundness of the Credit Union." These are not just words but the foundation behind all that we do.

In the past year, we continued to help our members and support our local community. We offered financial education seminars such as "First Time Home Buyer" seminars and personal finance classes for high school students. We hosted a blood drive for the American Red Cross, collected food for Philabundance, and collected clothes for orphans in Ukraine. As always, we continue to support our community with donations and sponsorships.

Our Board of Directors, Supervisory Committee, and Information Technology Committee are a driving force in continuing to guide us on our path of improving through innovation, technology and exceptional member service. I would like to thank them for their hard work.

On behalf of the Management staff and employees of UKRFCU, I thank you, our members, for your continued support.

Mary Kolodij, President

ЗВІТ ПРЕЗИДЕНТА

Від імени працівників Української Федеральної Кредитової Кооперативи «Самопоміч» я рада повідомити, що 2019-й рік був для нашої кредитівки ще одним роком зростання та успіху. Наші активи продовжують зростати та збільшились на 5%, а наше членство – на понад 4%, що значно перевищує середні показники між іншими кредитівками в галузі. Ми видали 1171 позиків на загальну суму понад 74 мільйонів доларів, а наші операційні витрати продовжують бути вдвічі менші, ніж в інших кредитових кооператив. Дивіденди, які ми виплачуємо своїм членам, в 2.6 рази перевищують суми наших конкурентів.

Завдяки нашому винятковому членству наша кредитівка є сильною, як ніколи, і ми сподіваємося вдосконалювати цей досвід у 2020 році. З часу свого заснування у 1952-му році наша кредитівка працювала за принципом руху кредитових кооператив «Люди допомагають людям». Саме тому наші працівники вважають своїм обов'язком надавати першокласні послуги нашим членам і робити свій внесок у громаду, в якій ми живемо та працюємо.

Для того щоб наші місія та бачення майбутнього відображали ці пріоритети, у 2019-му році Рада Директорів зосередила свої зусилля на оновленні нашого стратегічного плану. Наша місія полягає в тому, щоб кредитівка надавала своїм членам повний набір фінансових послуг професійно, економно та зручно, при цьому надалі гарантуючи безпеку та надійність Самопоміч. Це не просто слова, а підстава всього, що ми робимо.

В минулому році ми не припиняли допомагати нашим членам та підтримувати нашу громаду. Ми проводили семінари з фінансової освіти, такі як «Купівля першої домівки», та уроки фінансової грамотності для школярів. Ми організовували здачу крові для Червоного Хреста, збирали харчі для місцевої організації надання допомоги, а також одяг для сиріт в Україні. Як завжди, ми й надалі підтримуємо нашу громаду пожертвами та спонсорством.

Наша Рада Директорів, Контрольна Комісія та Комітет з Інформаційних Технологій є рушійними силами на нашому шляху до вдосконалення через інновації, технології та високу якість обслуговування. Я хотіла б подякувати їм за їхню нелегку працю.

Маруся Колодій, Президент

THANKS TO OUR EXCEPTIONAL MEMBER BASE, *the credit union is stronger than ever, and we look forward to continuing to improve the member experience in 2020.*



Roman C. Stelmach
Vice President of
Operations

OPERATIONS DEPARTMENT REPORT



TWO WAYS TO BANK: IN PERSON AND DIGITALLY

During 2019, our membership was “split” down the middle!

Our locations, combined with their convenient hours, had 4,431 members visit us to experience the personal touch of a friendly teller.

Another 4,000 members chose to conduct their financial transactions either through their desktop computer or a smart phone (see breakdown below). Common usage included checking balances, making deposits, conducting transfers, paying bills or retrieving monthly statements. Viewing monthly statements and other forms saves time and a little bit of the environment, and every little bit helps!



OPERATIONS BY THE NUMBERS

↑ 51.07%

Increase in members visiting our new
Feasterville location during 2019

4,431

Members visited our
6 locations during 2019



1,977

Online Banking
users as of
12/31/2019

↑ 10.63%

Increase in Online Banking users
compared to previous year (2018)



2,162

Mobile users as
of 12/31/2019

↑ 31.59%

Increase in mobile users
compared to previous year (2018)



1,509

Members depositing
checks via Mobile Deposit

↑ 52.58%

Increase in Mobile Deposit
compared to previous year (2018)

↑ 54.94%

Increase in Mobile Deposit
amount compared to
previous year (2018)

\$722,000

Amount of checks
deposited via
Mobile Deposit



2,008

Bill Pay users
as of 12/31/2019

↑ 19.52%

Increase in Bill Pay
users as compared to
previous year (2018)



1,759

Members receive
their statements
and notices
electronically



↑ 29.05%

Increase in
e-statement users as
compared to previous
year (2018)



MOBILE ENHANCEMENTS

- “Pending status” now visible. Members can view the available balance versus their current balance.
- Loan “PAY” button is available for members to make a loan payment quickly.
- A “CONTACT US” field is available for a direct phone call or e-mail to UKRFCU for any questions.
- The DIGITAL WALLET(S) for APPLE WALLET, SAMSUNG PAY, FITBIT PAY, GARMIN PAY, and GOOGLE PAY are now accepting the credit union’s VISA Debit Card and enhanced VISA Credit Card.
- Enhanced VISA Credit Cards offer a path to a better credit score or be rewarded by cashback, travel or credit points. Our VISA credit cards now offer 24/7 support and 24/7 Fraud Detection.



NEW WAY OF COMMUNICATION

- Finance and Loan Departments can “text” members in a confidential manner regarding various account-related issues.



YEARS OF MERCHANT DATA BREACHES – How UKRFCU responds and protects

We hear about merchant data breaches more frequently. Multiple companies have been hit with data breaches compromising confidential, sensitive, and protected data without authorized access. When these companies, or merchants, are hit, we are proactive about contacting our membership so that member Credit and or Debit Cards used with those companies and merchants are protected.

For some perspective, in 2013, 74 of our members' Debit Cards were "compromised" due to a merchant data breach. Within five hours of notification from VISA, all 74 members' affected cards were cancelled, and new cards were re-issued by two employees on a day our office was closed. Between 2014 and 2018, over 400 of our members' Debit Cards were "compromised" because of various merchant data breaches. All members' affected cards were cancelled, and new cards were re-issued within 12 hours of being notified by VISA.

Fast forward to 2019, 1,944 Credit and Debit Cards were reported as "compromised" because of the Wawa Data Breach. Within six hours after we were notified by VISA of the data breach, all affected cardholders were notified by e-mail, text or telephone call of the incident and provided steps they can take to protect their account.

No UKRFCU member funds were lost due to the merchant data breaches because we have a prompt response action plan when learning of a breach from VISA. Due to our proactive employees, we act quickly to solve the issue and help members protect their cards from future data breaches. We continuously monitor our members' accounts. Your financial security is important to us, which is why we are committed to safeguarding your personal information.



CYBER SECURITY TIPS

Danger, however, does lurk in the digital world. Identity Theft and related card theft occurs now on a regular basis. Therefore, we urge our members to be vigilant with their personal information and be aware of the following cyber security tips:

1. Keep a tab on your credit union and bank accounts – Keep track of your credit union and bank accounts on a weekly or bi-weekly basis.

2. Monitor your debit and credit cards – Review your transactions on a frequent basis. Report any fraudulent or questionable charges as soon as you notice them.

3. Set up email or text alerts – Get notification of your account balances and more. Set it up in Online or Mobile Banking.

4. Use a unique password – If you do not want to remember unique passwords for every website you use, create unique ones for your Online Banking profile, PayPal® account, credit card account, and other accounts linked to your financial information.

5. Change your passwords often – It is good practice to change your password every few months and store it in safe place. Also, make it a habit to make your passwords longer than 10 characters.

6. Be aware while using public Wifi – Do not shop online or access your financial institution while using public wireless networks as they pose a major security threat.

7. Protect your phone – Add a screen lock or pin code to your smartphone, and don't leave it unattended wherever you may be.

8. Maintain an open dialogue with your family, friends, and colleagues about cyber security – Many family members are unaware of all the cyber issues that occur in today's world. Keep them informed.

9. Be vigilant about offers online – If it sounds too good to be true, there is a high probability you are getting scammed.

10. Think before you click – Shopping deals and coupons might look genuine, but trust your intuition and do not click if you believe there is something wrong.

11. Phishing emails – Always check who the email is coming from. If it is free – it's probably a free virus. Don't click on links or attachments that you're not aware of.

12. Be careful who you give your information to – Never give your financial or personal information over the phone to someone that initiated the call. Only provide confidential information if you placed the call and are sure you are speaking to the desired company.

13. Be on the lookout for ATM tampering, skimmers or anything suspicious – Don't use sketchy ATMs and don't insert your card into anything that looks like it's been tampered with. If the card insert looks odd, use a different ATM or self-checkout/pump.

14. Be aware of spoofed phone calls or emails – If you are receiving a phone call from a number you recognize or an email address that seems legitimate, don't let your guard down – those can be spoofed!

15. Shred documents containing your information – Dumpster diving is a thing. Cyber Grinch could be going through your trash to collect valuable information about you!

16. Use two-factor or multi-factor authentication when possible – The more hurdles hackers have to jump over, the less attractive bait you are.

17. Password protect your home WiFi – Make sure your home has a strong WiFi password. You don't want your neighbors infecting your network with their bad internet behavior!

18. SMSing – Don't mistake an alert from your credit union or bank with a fraudulent text from someone who is trying to collect your credentials or sensitive information.

STATEMENT OF FINANCIAL CONDITION

From the Office of the Treasurer



Halyna O. Keller
Vice President of Finance

UKRAINIAN SELFRELIANCE FEDERAL CREDIT UNION

Statement of Financial Condition as of December 31, 2019 and 2018

Фінансовий Стан – Баланс на 31- ше грудня, 2019 і 2018 років

ASSETS	2019	2018	АКТИВИ
Loans	\$259,854,803	\$244,091,764	Позички
Allowance for Loan Loss	(760,662)	(535,000)	Резерва на Втрати
Cash and Cash Equivalents	8,544,189	3,154,381	Готівка
Investments	88,671,887	92,145,043	Інвестиції
NCUA Capitalization	2,967,207	2,767,486	Капіталізація NCUA
Prepaid Expenses	1,416,180	3,049,909	Передплачені Видатки
Property and Equipment	3,953,424	4,087,396	Нерухомості і Обладнання
Accrued Interest on Loans and Investments	996,534	999,511	Належні Відсотки з Позичок і Інвестицій
Other Assets	3,310,896	1,721,619	Інші Активи
TOTAL ASSETS	\$368,954,458	\$351,482,109	ЗАГАЛЬНА СУМА АКТИВІВ

LIABILITIES & MEMBERS' EQUITY	2019	2018	ПАСИВИ І ЧЛЕНСЬКІ УДІЛИ
Liabilities	\$669,038	\$731,254	Пасиви
Member Deposits	334,637,764	318,099,199	Членські Уділи
Statutory Reserves	4,425,479	4,425,479	Статутова Резерва
Undivided Earnings	33,605,549	32,704,443	Нерозділені Прибутки
Other	(3,332,794)	(1,805,012)	Інші
Unrealized Losses on Investments	(1,050,578)	(2,673,254)	Нездійснені Втрати на Інвестиціях
TOTAL LIABILITIES & MEMBERS' EQUITY	\$368,954,458	\$351,482,109	ЗАГАЛЬНА СУМА ПАСИВІВ І ЧЛЕНСЬКИХ УДІЛІВ

Federally Insured by NCUA

STATEMENT OF INCOME AND EXPENSE

From the Office of the Treasurer

UKRAINIAN SELFRELANCE FEDERAL CREDIT UNION

Statement of Income and Expense for 2019 and 2018

Звіт Прибутків і Видатків за 2019 і 2018 роки

INCOME	2019	2018	ПРИБУТКИ
Interest on Loans	\$9,979,395	\$8,176,366	Прибутки від Позичок
Interest on Investments	2,121,930	2,366,306	Прибутки від Інвестицій
Fees and Charges	957,863	1,466,420	Інші Прибутки
TOTAL INCOME	\$13,059,188	\$12,009,092	ЗАГАЛЬНА СУМА ПРИБУТКІВ
EXPENSES			ВИДАТКИ
Compensation	\$2,774,417	\$2,767,283	Платні Працівників
Employee Benefits	848,521	712,220	Забезпечення Працівників
Travel and Conferences	86,994	92,007	Подорожі та Конференції
Association Dues	18,563	19,083	Вклади до Асоціацій
Office Occupancy	375,725	384,914	Кошти Приміщення
Foreclosed Properties	10,986	500	Видатки на нерухомостях
Office Operations	1,103,331	1,016,576	Бюрові Видатки
Promotions and Donations	407,400	413,681	Реклама і Датки
Loan Servicing	495,040	400,931	Кошти Позичок
Professional Services	159,307	147,543	Професійні Послуги
Provision for Loan Loss	327,926	48,112	Резерва на Позичкові Втрати
Members Insurance	51,473	68,113	Забезпечення для Членів
Federal Examination	94,689	87,100	Державна Контроля
Annual Meeting	6,569	6,525	Річні Збори
Miscellaneous	26,667	29,830	Інші Видатки
TOTAL EXPENSES	\$6,787,608	\$6,194,418	ЗАГАЛЬНА СУМА ВИДАТКІВ
Income before Dividends	6,271,580	5,814,674	Дохід Перед Дивідендою
Dividends	5,494,868	4,462,615	ДИВІДЕНДИ ЧЛЕНАМ
Non-Operating Income	124,394	70,558	Інші Неопераційні Доходи
NET INCOME	\$901,106	\$1,422,617	ЧИСТИЙ ДОХІД

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Anatoli Murha
Vice President of Retail
Operations & Business
Development

RETAIL OPERATIONS & BUSINESS DEVELOPMENT REPORT



Retail Operations & Business Development

The Retail Operations and Business Development Department of the UKRFCU encompasses all branch and business development operations, marketing, communications, and community engagement initiatives.



Retail Operations

If you are used to visiting one of our branches, then you are accustomed to our personalized service. 2019 was a transformative year for our branches because we reclassified this important member experience into Retail Operations from Branch Operations. We achieved this with building more organizational capacity by training our retail team to

help you originate the day-to-day lending items such as auto or personal loans or a credit card. Instead of setting an appointment with a loan originator for any of these loans, you can stop by to talk to any of our member service representatives and other retail team members.



Marketing

Our digital engagement continues to grow with a newly launched website in 2019. Our new website serves as our digital branch. In the first 30 days of our new website launch, website users increased by 6.8%. These trends continued throughout the year and outperformed our peers. Our website is compliant with the Americans with Disabilities Act (ADA) and follows the California Consumer Privacy Act and New York Privacy Act.

We are constantly looking for ways to improve our members' experience. We continue to listen to members in focus groups and surveys. In 2019, we published over five surveys and received responses from over 800 members. Additionally, we hosted three focus groups on multiple topics including website experience and member experience. Feedback helps us improve our service to better meet our members' needs. For example, based

on the feedback from our website focus group, we were able to design a more user-friendly website.

Today, UKRFCU members use more products and services with us than ever before. By the end of 2019, over 35% of our membership took advantage of a digital service that UKRFCU provides, whereas in 2011, that number was 15%. Our progress is due to an active membership across all age demographics.



Communications

Our Business Development team leverages data analytics to actively communicate with members to ensure you have the most relevant information about what we're offering. We have transitioned from only communicating in print to also communicating digitally. In 2019, over 100 emails were sent to our email subscribers that included special promotions and exclusive offers, the latest product and service updates and news, and upcoming events in the community and UKRFCU-sponsored events. Our email marketing performance report, compared to the industry, stated we performed better in confirmed open rate and a higher acceptance rate.

Social media has become a commonplace platform for communication and engagement today. In 2019, we shared over 200 posts on our social media networks, which include Facebook and Instagram. We've seen more followers and likes compared to previous years and higher engagement from our audience than ever before.

Since the launch of our new website, we successfully diversified our traffic sources by expanding other channels. In particular, we increased traffic from social media by 1,420% by engaging more on social media and running a number of successful social media advertising campaigns.



Member Education

Our goal is to provide you with more educational resources in addition to higher savings rates and lower loan rates. UKRFCU committed itself to presenting a series of member education sessions. In 2019, we hosted multiple sessions on a variety of topics including information for first-time homebuyers and personal finance classes for our Generation Y and Z members. In addition to our member education sessions, since the launch of our new website, we have posted over 100 educational blogs including guides, the latest news, and cyber-security alerts.



Community Engagement

To fulfill our role as a community supporter, responsible and well-targeted charitable contributions are made to organizations that foster our mission. Reflecting our commitment to contributing to and enhancing the Ukrainian-American community, we donated over \$157,000 in 2019, which included support to over 80 organizations and events for educational, cultural, sporting, and other community causes.

COMMUNITY ENGAGEMENT

January

We hosted a "First Time Home Buying Seminar" on January 24th with Re/Max Regency Realty Realtor Marta Pilip at the St. Michael the Archangel Ukrainian Catholic Church Hall in Jenkintown, PA. Our presenters included Marta Pilip and Nataliya Syvyk. Marta Pilip discussed tips on how to purchase your first home and build your credit history. Nataliya Syvyk presented on how to qualify for a mortgage and what loans are available at UKRFCU. There were over 50 people in attendance.



February

We sponsored the Annual Ukrainian Heritage Day with the 76ers that was held on February 23rd at the Wells Fargo Center in Philadelphia, PA. A portion of the tickets sold benefited the Ukrainian Sports Museum and Hall of Fame. Ukrainian Heritage Day began with performances on the main concourse an hour before the Philadelphia 76ers vs. Portland Trail Blazers game.

March

We co-hosted the Ukrainian Dialogue: Kyiv Patriarchy and the Russian Aggression in the Kerch Strait on March 21st at Manor College in Jenkintown, PA. Presenters included Paul Grod, President of the Ukrainian World Congress, and Rev. (Douglas) Anthony Perkins, a Rector at St. Mary (Pokrova) Ukrainian Orthodox Pro-Cathedral in Allentown, PA, and moderated by Roman Popadiuk, former US Ambassador to Ukraine.

April

We celebrated National Credit Union Month by providing financial tips and sharing interesting articles via social media for our youngest members. Our goal was to promote the importance of saving and financial literacy, which ultimately has a positive impact on knowledge and measurable financial behaviors.



May

We held a Realtor Breakfast on May 1st at our Feasterville Administrative Center & Branch. Realtors had a chance to learn more about our latest mortgage products, as well as network with UKRFCU personnel and other realtors from the area.

June

We attended the Ukrainian Food & Culture Festival "Spirit of Ukraine" on June 1st at St. Michael the Archangel Ukrainian Catholic Church. Many members and nonmembers approached our table for more information about credit cards, membership, loans, and more.



July

We welcomed four interns in the month of July to UKRFCU. The internship provided knowledge and skills for interns to launch their careers in the financial, mortgage, and marketing industries. They learned firsthand about the work of consumer financial services institutions. Our interns rotated throughout various credit union departments learning and assisting in the day-to-day operation.

August

We sponsored and attended the 28th Annual Ukrainian Folk Festival at Truzyb and the Ukrainian Independence Day Festival in Trenton, NJ. We also celebrated Ukrainian Independence Day at all UKRFCU branches.



September

We hosted former National Hockey League (NHL) player, Wayne Babych on September 13th at our Feasterville Administrative Center & Branch. Wayne Babych is a Canadian retired professional right winger who played in the NHL for the St. Louis Blues, Pittsburgh Penguins, Quebec Nordiques, and Hartford Whalers. Babych was in town for the Ukrainian Sports Hall of Fame banquet that was held at Tryzub - Ukrainian American Sports Center.

October

We hosted a Blood Drive on October 17th at our Feasterville Administrative Center & Branch. We partnered with the American Red Cross for what we expect to be the first of many blood drives. Hosting a blood drive coincides with our core value of giving back to the community. With the help of our donors, we were able to collect 16 pints of blood. Our Blood Drive saved the lives of approximately 50 patients.



November

We held a Food Drive in the month of November at our UKRFCU branches. We partnered with Philabundance to take a stand in the fight against hunger by hosting a Food Drive. Due to your generosity, we successfully overfilled every donation bin at each participating location and collected over 1,000 pounds of food. Donations fed the families in the Philadelphia community who were struggling to provide food for their loved ones and themselves during the holiday season.



December

We attended the Christmas Bazaar on December 14th at the Ukrainian Educational and Cultural Center (UECC) in Jenkintown, PA. Attendees had a chance to visit our table to learn more about our latest products and services, spin the wheel to win UKRFCU giveaways, or sign up for a chance to win a cool prize.

LOAN DEPARTMENT REPORT

UKRFCU continues to experience a significant demand for loans. Based on member feedback through focus groups, surveys, and seminars, we listened to our membership and delivered new lending options in 2019. Furthermore, to better support the greater number of loan applications, maintain quality control, and advance our lending programs, UKRFCU created the Consumer Lending and Servicing Department in 2019. As such, members can now depend on UKRFCU to meet everyday needs with Consumer Loans in addition to Residential and Commercial Loans.



Walter Patrun
Residential Lending
Manager

Purchasing a house is one of the largest financial transactions someone can make. The UKRFCU Residential Loan team strives to be a partner in this process to ensure that our members are better educated about home financing. In 2019, we continued to partner with local Realtors to present First Time Home Buyer seminars in Philadelphia and Trenton. According to the National Association of Realtors, first-time home buyers made up 33% of all home buyers in 2019.

We have maintained a strong mortgage loan portfolio by being adaptable to offering higher loan amounts and lower rates than other financial institutions and lower lender fees than other mortgage companies, banks and credit unions. An example of this includes the Exclusive Closing Costs Special offered in the early part of 2019. In total, the Residential Loan team issued over 213 loans for more than \$38 million in 2019.



Christina Hewko
Business Lending
Manager

Commercial Real Estate lending demand remained positive in 2019. The steps taken by the Federal Reserve System afforded a favorable commercial lending environment throughout the year. We were able to maintain a strong commercial lending origination pace and closed 23 more loans in 2019 over 2018. Loan growth continues to remain strong along with a very low delinquency rate.

For interested members, we provide financing (purchase and refinance) on 1 to 4 residential units, 1 to 12-unit apartment buildings, mixed-use properties, retail space, and office space for properties in eastern Pennsylvania, New Jersey, Delaware, Maryland, southern New York, and Washington, D.C. Learning how to invest in Commercial Real Estate may seem intimidating at first but given our member education initiatives, we have broken down the process into six fundamental steps for your convenience:

1. Learn your niche
2. Identify your market
3. Find an investment opportunity
4. Acquire funding
5. Manage the property
6. Dispose of the property



Nataliya Syvyk
Consumer Lending
& Servicing Manager

Consumer loans encompass a variety of Credit Cards, Home Equity Options, Personal and Auto Loans. In 2019, our Credit Card program was enhanced to offer 1.5% to 3% cashback. This improvement also included a credit line limit increase and the ability to transfer from a Credit Builder card to a Platinum Rewards or Signature card, which presents a lower Annual Percentage Rate, more Bonus Points, and rewards every time you use your card. Each one of our credit cards is now designed for particular phases of life thus fitting the needs and wants for all our members.

Our Auto Loan portfolio continued to grow particularly due to the demand for used vehicles. Today, members can finance or refinance a vehicle for either personal or business use. Additionally, more UKRFCU members are applying for Personal Loans to consolidate debt or for planning a wedding, remodeling a home, or making a big purchase. Our unsecured fixed rate loan is quick to apply for and provides various terms for your convenience.

Regarding our Home Equity Options, we developed an entirely new program that now consists of a Home Equity Loan, Home Equity Line of Credit (HELOC), and a Home Equity Line of Credit (HELOC) – Interest Only. These options allow our members to borrow funds on their primary residence with no charge. We enhanced the program by offering lower rates, a streamlined application process, and no closing costs.

2019 LOAN REPORT

Loan Composition as of December 31, 2019

Type	NO.	Amount
Residential Real Estate		
First Mortgage	1,100	\$160,586,632
Sold to Secondary Market	512	\$84,219,009
Home Equity Loans	9	\$151,585
HELOC	320	\$9,381,147
Subtotal	1,941	\$254,338,374
Commercial Real Estate		
1-4 Unit MBL	333	\$45,101,703
Commercial MBL	5	\$2,984,051
Mixed Use/Non-P/Church MBL	30	\$13,402,953
Over 5 Unit MBL	15	\$14,058,432
Subtotal	383	\$75,547,139
Consumer Lending		
Credit Card	902	\$899,033
New Auto	158	\$2,778,227
Used Auto	587	\$8,759,046
Personal	116	\$1,169,729
Share/Certificate Secure	67	\$582,264
Subtotal	1,830	\$14,188,299
TOTAL	4,154	\$344,073,812

New Loans originated January 1, 2019 through December 31, 2019

Type	NO.	Amount
Residential Real Estate		
First Mortgage	89	\$19,314,687
Sold to Secondary Market	82	\$17,691,653
Home Equity Loans	1	\$69,543
HELOC	41	\$946,758
Subtotal	213	\$38,022,641
Commercial Real Estate		
1-4 Unit MBL	102	\$11,131,521
Commercial MBL	3	\$2,242,660
Mixed Use/Non-P/Church MBL	13	\$4,360,163
Over 5 Unit MBL	4	\$3,079,612
Subtotal	122	\$20,813,956
Consumer Lending		
Credit Card	462	\$400,394
New Auto	30	\$800,958
Used Auto	284	\$4,563,509
Personal	67	\$760,816
Share/Certificate Secure	30	\$123,265
Subtotal	873	\$6,648,941
TOTAL	1,208	\$65,485,538

SUPERVISORY COMMITTEE REPORT

The Supervisory Committee is appointed by the Board of Directors in accordance with the Federal Credit Union Act and ensures that your credit union conducts its operations and activities in a safe and sound manner. The Committee, as the members' representative and official auditor, has the responsibility to review and evaluate the overall financial operations and performance of your credit union, including that of its management staff, to ensure that regulations, procedures and policies that govern this institution are properly followed.

To assist the Committee in carrying out its responsibilities, it retains the services of a certified public accounting (CPA) firm to perform the required audits. The financial statements presented in this report, and the latest audit by the firm RKL LLP, have affirmed our belief that your credit union continues to be a sound financial institution. Furthermore, the firm Security Compliance Associates has been hired to perform the credit union's cybersecurity audits. Additionally, the credit union employs a full-time internal auditor, Alexandra Dolinay, who reports directly to the Supervisory Committee.

In order to effectively serve as your representative, we must be kept aware of your concerns. This can be done by formally writing to the Committee, ATTN: Supervisory Committee, 221 W. Street Road, Feasterville, PA 19053, or by informally contacting any member of the Committee.

George Danyliw

Chairman of the Supervisory Committee

Antoni Zygarewicz

Member of the Supervisory Committee

Anna Lewicky

Member of the Supervisory Committee

Звіт Контрольної Комісії

Контрольна Комісія, призначена Радою Директорів згідно з Федеральним Актом Кредитових Кооператив (Federal Credit Union Act) гарантує, що ваша Кредитівка виконує всі дії і діяльності в безпечному і надійному напрямку. Як представник членів і офіційний ревізор, Контрольна Комісія відповідає за перегляд і оцінку загальної фінансової діяльності включно з перевіркою менеджменту, щоб забезпечити дотримання всіх фінансових приписів та адміністративно-процедурних правил.

Щоб допомогти реалізувати свою відповідальність, комітет наймає сертифіковану бухгалтерську фірму провести необхідну ревізію. Фінансовий стан представлений в щорічному звіті і найновіший звіт створений фірмою Reinsel Kuntz Leshner LLP підтверджує, що ваша Кредитівка продовжує бути однією з стабільніших фінансових установ. Крім того, для проведення аудиту кібербезпеки Кредитівки, було залучено компанію Security Compliance Associates. Додатково, Кредитівка має постійно діючого ревізора, Олександру Долинай, котра відповідає Контрольній Комісії.

Щоб краще представляти членів Кредитівки, комітет мусить бути усвідомленим вашими турботами і пропозиціями. Просимо формально звернутися до Контрольної Комісії за адресою: Supervisory Committee, 221 W. Street Road, Feasterville, PA 19053, або до членів комітету.

Юрій Данилів

Голова Контрольної Комісії

Антоній Зигаревич

Член Контрольної Комісії

Анна Левицька

Член Контрольної Комісії

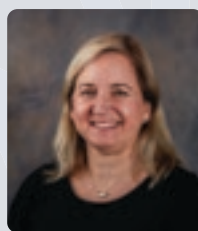
SUPERVISORY COMMITTEE



George Danyliw
Chairman



Antoni Zygarewicz
Member



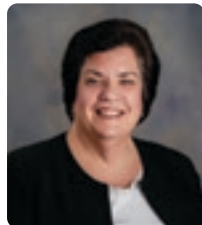
Anna Lewicky
Member

Meet Our Team

MANAGEMENT TEAM



Mary Kolodij
President



Halyna O. Keller
Vice President of Finance



Roman C. Stelmach
Vice President of Operations



Anatoli Murha
Vice President of Retail Operations & Business Development



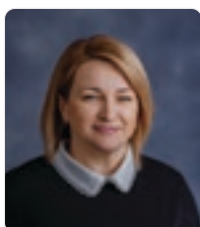
Laura Naumenko
Director of Human Resources



Walter Patrun
Loan Department Manager



Christina Hewko
Business Lending Manager



Nataliya Syvyk
Consumer Lending & Servicing Manager



Irina Yarinich
Operations Manager



Roman Kujdych
IT Manager

BOARD OF DIRECTORS



Roman Petyk
Chairman



Askold Sandursky
Vice Chairman



Ihor Jaryi
Secretary



Oxana Holubowsky
Treasurer



Marko Jarymovych
Director



Anna Lewicky
Director



Mary Kolodij
Director



LOCATIONS

**Administrative Center
& Branch**

221 W. Street Road
Feasterville, PA 19053

Somerton Branch

14425 Bustleton Avenue
Philadelphia, PA 19116

**Ukrainian Educational
& Cultural Center Branch**

700 N. Cedar Road
Jenkintown, PA 19046

Fairmount Branch

2307 Brown Street
Philadelphia, PA 19130

Trenton, NJ Branch

477 Jeremiah Avenue
Trenton, NJ 08610

215-725-4430 | www.ukrfcu.com

