

## Your Money, Your Way: How We're Making Banking Easier

At United Poles Federal Credit Union, we're proud to offer more than great rates — we deliver convenience, innovation, and peace of mind. That's why our mobile banking app remains a cornerstone of how we serve you.

From mobile deposits and bill payments to debit card controls, credit monitoring, e-statements, and IRA management, our app puts powerful tools at your fingertips — anytime, anywhere. It's all part of our commitment to making your financial life easier and more secure.

Behind every feature is the same promise we've kept for 61 years: to protect your information. Our mobile platform uses layered security and encryption so you can bank with confidence, knowing your data and finances are safeguarded.

We remain dedicated to blending personalized service with the latest digital advancements. Whether you're managing your budget or planning for the future, we're here with technology that works for you —not the other way around.

Thank you for your continued trust and membership. We're honored to serve you.

### Board of Directors

|                       |                     |
|-----------------------|---------------------|
| Thomas Kazalski       | Chairman            |
| Voytek Wicinski       | Vice Chairman       |
| Konrad Kolodziej      | Secretary/Treasurer |
| Teresa Rybinski       | Member              |
| Wieslaw Cwiek         | Member              |
| Izabela Jedruchiewicz | Member              |
| Maria Grzegorski      | Member              |

### Supervisory Committee Members

Ela Ozog-Osewski,  
Robert Slomicz,  
Julian Grochowski

### ALCO Committee Member

John Fidura

### Staff

|                   |                    |
|-------------------|--------------------|
| Iwona Karpeta     | CEO                |
| Renata Wilusz     | Vice President     |
| Marta Bogusz      | Operations Manager |
| Aneta Szewczyk    | Branch Manager     |
| Beata Labedzki    | MSR                |
| Ewelina Zajac     | MSR                |
| Marcela Baranova  | MSR                |
| Ewa Julia Jenszke | MSR                |

# 2024 ANNUAL REPORT



*Where People Are Worth More Than Money*

[www.unitedpolesfcu.com](http://www.unitedpolesfcu.com)



Bank and Credit Union data compiled from financial data for the period noted, as reported to federal regulators. The financial data obtained from these sources is consistently reliable, although the accuracy and completeness of the data cannot be guaranteed by BauerFinancial, Inc. Since 1983, BauerFinancial has relied upon this data in its judgment and in rendering its opinion (e.g. determination of star ratings). BauerFinancial, Inc. is not a financial advisor; it is an independent bank research firm. No institution can pay for or opt out of a BauerFinancial rating. Star-ratings are all available for free at [bauerfinancial.com](http://bauerfinancial.com).



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## Note from CEO

Member referrals were the cornerstone of our growth in 2024. This shows that our offer remains competitive and relevant in today’s difficult times and that our members trust us with their finances. I would like to thank the Board and my staff for their efforts to make our Credit Union a better place to bank, and for swiftly adapting to the needs of the bumpy economy and cyber world. We are excited to operate 3 branch offices in New Jersey. The significant increase in operating expenses is related mostly running 3 (vs 2 in 2023) branches. Increased inflation pressures had to be balanced with the need to maintain high information security and service excellence. We remained focused on stronger lending efforts and improving our service offer in 2024. We continue to invest in new technologies to better equip us to serve you in the digital era and to keep your financial information safe and secure.

It’s been a very solid lending year. We wrote over \$16.7mln in new loans last year with over \$5.6mln in car loans and \$10.3mln in mortgage loans, which helped our bottom line and capital position, but primarily matched the needs of our membership. What we take the most pride in is that our members recommend us and our services to their families and friends—that’s how we get most of our business. Your trust and satisfaction with our service are the utmost compliment. We continue with our mission of helping our members become financially successful and measure our success with their success now entering our 61st year of service.

Thank You,  
Iwona A. Karpeta, CEO



## Income Statement Commentary

Net interest income increased by almost \$29,000 as we grew our loan portfolio by over 15.8% compared to 2023. Credit Union paid out almost \$1.1mln in dividends as well. Real estate loans generate about 69% of our loan interest income. Investment income increased by over \$53,000 with the rates increasing for most of the year. Loan delinquencies remained elevated last year. With increased lending volume we also allocated over \$158,000 towards provision for loan losses, even though our loan loss ratio was low. Operating costs increased by about 16% as we were faced with increased expenses across all categories—especially technology/security expenses as well as plastic programs expenses. Our new branch office in East Brunswick became profitable less than a year after its launch. Overall year 2024 ended with a loss of \$290,402. Projections for 2025 show modest profit.

### Income Statement

|  | 2021             | 2022             | 2023             | 2024             |
|--|------------------|------------------|------------------|------------------|
| Interest Income  | \$1,381,766      | \$1,487,8109     | \$1,915,088      | \$2,523,670      |
| Investment Income  | 131,356          | 154,280          | 275,133          | 328,373          |
| Total Interest Income  | 1,513,122        | 1,642,090        | 2,190,221        | 2,852,043        |
| Dividend and Interest Expense  | 87,643           | 123,984          | 466,586          | 1,,099,636       |
| <b>Net Interest Income</b>   | <b>1,425,479</b> | <b>1,518,106</b> | <b>1,723,635</b> | <b>1,752,407</b> |
| Provision for Loan Losses  | (14,489)         | 53,331           | 98,393           | 158,626          |
| Other Income   | 332,558          | 205,728          | 212,799          | 227,557          |
| Employee Compensation  | 673,804          | 714,403          | 793,597          | 977,285          |
| Office Operations  | 666,154          | 727,454          | 816,846          | 913,259          |
| Professional and Outside Services  | 38,617           | 40,233           | 58,073           | 65,557           |
| Promotional and Advertising  | 151,993          | 125,498          | 149,722          | 156,119          |
| Other  | 22,567           | 21,706           | 25,807           | 29,310           |
| <b>Total Operating Expenses</b>  | <b>1,553,135</b> | <b>1,629,293</b> | <b>1,844,045</b> | <b>2,141,530</b> |
| Net income before share insurance expense and non-operating gains (losses) | 219,391          | 41,210           | (6,004)          | (320,192)        |
| Share Insurance Expense  |                  |                  |                  |                  |
| Gain (loss) on sale of assets  |                  |                  |                  |                  |
| Impairment expense   |                  |                  |                  |                  |
| Non-Operating Gains (Losses)   | 297,387          | 72,785           | —                | 29,789           |
| <b>NET INCOME</b>  | <b>516,778</b>   | <b>113,995</b>   | <b>(6,004)</b>   | <b>(290,402)</b> |

## Balance Sheet Commentary

Our core deposit base grew by over \$6mln or 11.30% in 2024. Our investment portfolio shrunk by almost \$700,000, but mostly in the short-term categories. We wrote over \$16.7mln in loans (mostly car and mortgage loans) in 2024.

Ratios illustrate some of our performance areas. Cost of funds increased to 1.91% as dividend rates remained high throughout 2024 and members shifted their savings into higher-yielding certificates. Our capital at the end of 2024 was at 7%, while the return on average assets was at -0.46%.

### Balance Sheet

|                                       | 2021              | 2022              | 2023              | 2024              |
|---------------------------------------|-------------------|-------------------|-------------------|-------------------|
| Member Loans                          | \$32,641,439      | \$39,696,565      | \$45,179,085      | \$52,348,372      |
| Allowance for Loan Losses             | (207,377)         | (257,957)         | (366,273)         | (435,071)         |
| Cash on Hand & Deposit                | 5,206,605         | 1,065,757         | 1,605,581         | 916,185           |
| Investments                           | 12,532,268        | 13,500,594        | 11,326,777        | 10,657,481        |
| Fixed Assets                          | 151,954           | 157,679           | 1,175,18          | 1,103,800         |
| Other Assets                          | 825,431           | 1,071,879         | 1,057,872         | 1,109,921         |
| <b>TOTAL ASSETS</b>                   | <b>51,150,320</b> | <b>55,234,517</b> | <b>59,978,224</b> | <b>65,700,688</b> |
| Dividends Payable                     |                   |                   | 15,164            | 16,292            |
| Outstanding official checks           | 114,856           | 165,345           | 380,634           | 153,514           |
| Accounts Payable                      | 478,125           | 631,230           | 606,628           | 568,212           |
| Loans Payable                         | —                 | —                 | —                 | —                 |
| Total Liabilities                     | 592,981           | 796,575           | 1,002,426         | 738,017           |
| Shares and Deposits                   | 45,915,645        | 49,952,771        | 54,383,681        | 60,529,589        |
| Regular Reserves                      | 240,574           | 240,574           | 240,574           | 240,574           |
| Undivided Earnings                    | 4,401,120         | 4,244,596         | 4,351,542         | 4,192,508         |
| Total Equity                          | 50,557,339        | 54,437,941        | 58,975,797        | 64,962,671        |
| <b>TOTAL LIABILITIES &amp; EQUITY</b> | <b>51,150,320</b> | <b>55,234,517</b> | <b>59,978,224</b> | <b>65,700,688</b> |
| Cost of Funds                         | 0.20%             | 0.26%             | 1.13%             | 1.91%             |
| Return on Average Assets              | 1.05%             | 0.21%             | 4.38%             | -0.46%            |
| Return on Loan Portfolio              | 4.20%             | 4.07%             | 5.44%             | 5.22%             |
| Return on Investments                 | 1.08%             | 1.14%             | 2.56%             | 2.99%             |
| Capital Ratio                         | 9.15%             | 8.68%             | 7.99%             | 6.75%             |