

ADVANCING INNOVATION

2023 ANNUAL REPORT



Our Vision

Be the unwavering
partner
to the justice,
and
law enforcement
community



Who We Are

Established in 1935, Justice Federal Credit Union is a non-profit financial cooperative founded in the halls of the Department of Justice, amid the Great Depression when twelve employees pooled their monies to extend loans to fellow employees in need. With just \$137 dollars in assets, these twelve visionaries laid the foundation for what has now become a financial pillar of hope and opportunity for Members of the justice and law enforcement community.

We continue to uphold our Founders legacy by helping Members and their families on their financial journey by providing competitive rates on loans when they need to borrow, and deposits to save for the future.

Our Members create their own futures, knowing the help we provide is anchored by integrity, accountability, and shared values.

We realize trust is earned.

We earn our Members trust by being here to help them make the right financial decisions as they do business with us safely, securely, and seamlessly across our channels: getting advice from our employees at their place of business, in our branches, on their mobile devices, online, and over the telephone.

We're here to help our Members feel confident in their financial decisions by providing a banking experience with a human touch. Our Members are served through nineteen branches across eight states and the District of Columbia, two contact centers, online and mobile banking platforms, more than 135,000 surcharge-free ATMs, and over 5,600 shared branches across the nation. We are focused on providing exceptional service to all Members no matter how they choose to interact with us.

We offer Members a wide range of products and services, including checking and savings accounts, credit cards, personal loans and lines of credit, loans for autos, education, and real estate. In addition, our team of Certified Financial Counselors offer valuable financial counseling to help Members build better spending and saving habits and strengthen their financial wellness.

Chair's Message

Producing good results under favorable conditions is always welcome—but it is also expected. However, obtaining strong results in times of uncertainty is evidence both of a successful strategic vision and a highly effective team.

As your representatives on the Board of Directors, we are pleased to report that your Credit Union had another year of strong results, despite a challenging economic environment. The Credit Union delivered strong financial results, maintained a strong balance sheet, and remained in a safe and sound condition.

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The coming year will be an important one for all of us. As we approach ninety years of service to our justice and law enforcement community Members, we continue to have great confidence in the long-term success of the Credit Union with a sound strategy and a focused team.

The Credit Union's strong growth in 2023 was accompanied by investments to advance the Credit Union's strategic priorities. These investments strengthen the Credit Union's ability to serve Members' needs and goals and to provide an enhanced Member experience. Among these investments, we have invested and continue to invest in technology to support high-quality digital strategies in pursuit of a differentiated Member experience. Contemporaneously, investments have been made in risk management and compliance to make the Credit Union stronger and more resilient. Of course, the investments needed to achieve and support the Credit Union's strategic priorities could not occur without the Credit Union's investment in

human capital—our team of exceptional employees who implement the Credit Union's vision so capably.

The coming year will be an important one for all of us. As we approach ninety years of service to our justice and law enforcement community Members, we continue to have great confidence in the long-term success of the Credit Union with a sound strategy and a focused team. And we continue to seek new opportunities to ensure the Credit Union is positioned for the future.

On behalf of you, the Members, we extend appreciation to all the employees of the Credit Union who contributed to the successful performance in 2023. And on behalf of the Board, we extend our thanks to you, our fellow Members, for your continued confidence in the Credit Union.

It is a privilege to serve you.

Warm Regards,

Ellen Warwick

CHAIR OF THE BOARD OF DIRECTORS

President's Report

The strategy of Justice Federal is summed up in a set of clear, concise statements that frame our decision-making and guide how we execute our business activities. These strategic priorities take a long-term perspective, providing a touchstone we can return to regularly as we gauge our progress and define new focus areas.

These are our priorities:

- Focus our products and services to align with the needs of our Members
- Build an infrastructure for best-in-class Member service that strives to exceed expectations
- Create an environment of transparency, continuous communication, and constant learning
- Foster innovation crucial for staying competitive and adapting to changing market dynamics

Our priorities have been refined to highlight the investments we've been making in the underlying architecture of the Credit Union's technologies and to recognize technology's potential to transform the business of banking. Of course, technology has played a significant role in our thinking for decades; and continues to be in the forefront as a fundamental element of our strategy.

The tremendous opportunities we see to enhance proven business models—and replace inefficient ones – are evident in the record results we achieved in 2023 and are key indicators of progress. From the Credit Union's perspective, they are underscored by our sense of purpose.

Our success lies in earning the trust of our Members, ensuring that any actions we take to help them reach their goals are anchored by integrity and a shared set of values. And we're differentiated by our deep desire to connect with Members: in making banking more personal, we're forging relationships that represent sustainable value.

We're using technology to create new business models—and to unlock new sources of value for our Members.

Technology is part of our strategy

Without question, 2023 confirmed how our forward-looking—investment in technology transformation has been reshaping the Credit Union. Over the past five years, we've reengineered our systems to enable a clear, relationship-based view of all relevant information with a credit union-wide data aggregation

platform and distributed analytic capabilities. We're making it easy for Members to access a wealth of knowledge within digital banking and have made enhancements to provide more card controls, security features, and a more intuitive experience. And through what can only be described as a passion for deepening Members' sense of control over their own finances, we're also giving them confidence that we'll uphold our promise to protect their interests while keeping their information secure and managing risk.



Our highly reliable core systems have been configured to efficiently meet the competing demands of multiple stakeholders—the most fundamental of which is Members' anticipation that their needs will be perfectly met. Equally important is the expectation that as we deliver services our employees' have a single view of every Member. And right alongside is the drive to adopt more agile work processes, with faster release cycles for new products and services; the rigor

we've brought to strengthening compliance disciplines such as anti-money laundering; and our continued vigilance around issues of privacy, information security and consumer protection.

Our success lies in earning the trust of our Members, ensuring that any actions we take to help them reach their goals are anchored by integrity and a shared set of values.

To simultaneously address these interrelated goals, achieving each without compromising the others, has required an unprecedented investment of time, energy, capital, and creativity. We've been listening closely to Members' feedback and sharpening our analytics to better understand their priorities and behaviors, as we expand and rethink the banking experience. Expectations around response times in

PRESIDENT'S REPORT



What's different today is that instead of simply finding faster, smarter ways of doing what we have always done, we're using technology to unlock new sources of value for our Members.

a mobile, connected world have dramatically increased the speed at which innovation needs to happen. And because our work calls for new knowledge and skills, we're developing and recruiting people with specialized expertise to find alternative solutions and reinvent our existing models.

As we accelerate these efforts, we're alert to the potential in collaborating with third parties who are using technology in new and interesting ways that complement our own thinking. We've long seen the value of working with external specialists in the service of our Members. Collaboration makes sense when we can see the opportunity to speed up change at an advantageous cost.

Technology is one part of innovation

Justice Federal has a long history of combining breakthrough thinking with continuous advances to make banking better for our Members.

What's different today is that instead of simply finding faster, smarter ways of doing what we have always done, we're using technology to unlock new sources of value for our Members.

Technology is helping us reduce operating costs and eliminate work that doesn't add value. It allows us to approach tasks differently and execute them more quickly. And as we meet the demand for increasingly sophisticated digital capabilities, especially through the mobile channel, we're attracting and retaining more Members. Becoming more connected to our Members, and delivering services in a more cost effective manner.

The fact is our Credit Union has many strategic advantages—technology expertise, capital strength, a well-established brand, a solid record of regulatory compliance and a prudent, disciplined approach to risk—that enables us to compete successfully with disruptors and traditional players alike. And the single thread tying together all these competitive advantages is trust.

Trust remains the foundation of loyalty

We realize that trust that has taken years to build can be easily eroded. You can't attract trust with features or purchase it with rewards. Trust must be earned. Even as the pace of change continues to accelerate—in fact, precisely because the world has become so complex and fast-moving—we see that our Members sense what Justice Federal stands for: that we act responsibly, not only in our interactions with them, but in everything we do.

We have a history of nearly ninety years spanning generations of social change and evolving expectations. We understand that trust can only be built over time, through the accumulation of consistent actions by everyone at Justice Federal. We're rightly judged not by what we say, but by what we do.

It's relevant to all our Members that we act with integrity, transparency, and accountability. We earn trust by managing our business responsibly and upholding the highest standards of governance. We reinforce it by giving back to the justice and law enforcement community—and by fostering an inclusive, socially conscious culture in which employees feel empowered. None of these things can be accomplished by technology alone.

Members remain the key to value creation

Our business is built on relationships. We base our brand promise on the recognition that money is personal, and the investment we're making in technology is entirely focused on that belief. We're creating tools that empower our Members while helping us understand their preferences and priorities. And we're blending virtual and face-to-face conversations to ensure we're delivering value at every touch point, providing Members with quick, clear, knowledgeable support—and more, when that's what they're looking for.

As we work to deepen our relationships with existing Members, the best



PRESIDENT'S REPORT

measure of our strategy's success is the growth of the Credit Union through our ability to attract new Members. We welcomed nearly 4,000 new Members from the justice and law enforcement community, and extended membership to public safety.

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Realizing a focus on mental health and wellness continues to be at the forefront of our partners, we teamed to conduct financial wellness workshops across the country to address financial resilience and officer wellness.

In addition, the Credit Union was represented at more than thirty-five conferences and re-trainer events within the justice and law enforcement community. Realizing a focus on mental health and wellness continues to be at the forefront of our partners, we teamed to conduct financial wellness workshops across the country to address financial resilience and officer wellness. We joined Concerns of Police Survivors at nine Traumas of Law Enforcement workshops in major cities, to address financial health.

We are honored to support the FBI National Academy Associates young leaders of tomorrow through the Youth Leadership Program (YLP). YLP is designed to offer lifelong enrichment opportunities in support

of exceptional young leaders' drive for knowledge and their desire to make a difference in the world.

The program focuses on 8 days of intensive instruction for sixty-two participants who have demonstrated high academic standards and good citizenship to be nominated for this program. The highly competitive program is run by a cadre of law enforcement training instructors and includes a personal finance workshop taught by Justice Federal.

A relevant strategy drives results

Critical to achieving the strategic priorities that drive Justice Federal's performance are our principal areas of operating focus: extending the digital experience across all channels; leveraging data to manage our business and serve Members better; simplifying and automating for greater efficiency; and elevating the brand of the Credit Union.

The here and now

We aren't waiting for the future to come to us—we're on it. As technology opens new opportunities, our employees understand that working together more productively not only yields higher returns for our Members, but also leads to more meaningful work and greater prospects for personal growth.

AMERICAN BANKER

2023

**Best Credit Unions
to Work For**

Our employees are the best representation of our Credit Union—their passion and commitment are apparent in all the ways we serve our Members. Our performance culture continues to rank among the best financial institutions surveyed nationwide. Again in

2023, Justice Federal ranked as "One of the Best Credit Unions to Work For." This honor, bestowed upon us is a result of an employee feedback survey conducted independently by the American Bankers Association.

In addition, the positive ratings of our 2023 High Performance Organization (HPO) survey indicate a high level of pride and employee engagement exists across the Credit Union which fosters success. The survey further reveals a strong sense of teamwork and acknowledges that coworkers, fueled by engagement and commitment, step up when needed.

Working as one team, we're eliminating geographical boundaries. We're using the knowledge we've gained—from our belief in rigorous risk management and a level of regulatory engagement that once seemed a daunting challenge—to be more proactive and adaptive in everything we do. And above all, we're leveraging technology to understand our Members better, to make their banking experience more personal and intuitive.

Propelled forward by the momentum of growth, we're meeting Members' changing priorities in ways that reinforce our brand and resonate in the digital marketplace. And after multiple consecutive years of investment, we're confidently executing our strategy in a world that reveals new potential—and becomes more interesting—every day.

Sincerely,

Mark L. Robnett
PRESIDENT & CHIEF EXECUTIVE OFFICER

Justice by the Numbers: 2023

Serving more than

63,000+

Members of
the justice and
law enforcement
community

A growing
Team of

166

Justice Employees

Recognized

17th out of **70**

"Best Credit Unions
to Work For"
by American Bankers

Instructed

63

Students of the
FBINAA Youth
Leadership program
on Financial Literacy

Awarded

\$10,000

in "The Building
Futures across the
Nation" Scholarship
Competition

Represented at

35

Conferences and
Training Events with
our Partners

Sponsored

9

C.O.P.S. Traumas In
Law Enforcement
Sessions Nationwide

Conducted

16

Financial Wellness
Workshops
across the Nation

Expertise of

21

Certified Credit
Union Financial
Counselors



Serving Justice Across the Nation[®]



Financial Wellness

An overshadowed pillar of wellness is personal finances. It is common for many to avoid the topic altogether, regardless of the financial and personal costs, which can contribute to deteriorating personal relationships, work-life imbalances, and even mental health disorders.

We realize that Members are facing a growing array of challenges, opportunities, and threats in their day-to-day operations. This stress can also be compounded by one of the biggest stressors in our personal lives today—financial uncertainty. Just as mental and physical wellness on the job is important, financial wellness is equally important.

We understand financial wellness isn't equivocal to simply the amount of money one makes as a measurement of financial success. Instead, it pertains to how well one manages their finances that establishes a degree of stability that leads to a more enjoyable life. With financial stability, it becomes easier to

maintain a positive lifestyle and to work towards achieving future goals.

At Justice Federal, we stand ready to offer Members confidential and complimentary, financial counseling through one of our twenty-one Certified Financial Counselors or

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We understand financial wellness isn't equivocal to simply the amount of money one makes as a measurement of financial success. Instead, it pertains to how well one manages their finances that establishes a degree of stability that leads to a more enjoyable life.



Scan to
learn more



Financial Wellness Resources

Whether you are burdened with debt, have the need to create a spending plan, or purchase your first home, we have the resources to help you along the way.



Webinars

Access Financial Wellness webinars that can be viewed on-demand, any time, you have time.



Financial Literacy Test

See how you rate when it comes to financial literacy. Take the quiz to rate your skill level!



Justice Federal Blog

Our Blog features a wide array of financial topics on saving, spending, borrowing and protecting your personal information. Visit jfcu.org/Blog



GreenPath[™]
financial wellness

We've partnered with GreenPath Financial Wellness to provide you with complimentary in-depth financial counseling services.

Speak to a GreenPath Counselor by calling 877.337.3399. All calls are confidential.

HOURS OF OPERATION:

Monday - Thursday: 8:00 AM - 10:00 PM, EST
Friday: 8:00 AM - 7:00 PM, EST
Saturday: 9:00 AM - 1:00 PM, EST

through our partner, GreenPath Financial Wellness®, a national nonprofit that shares our belief that financial health is a path to achieving dreams.

We realize life has its ups and downs. An unexpected financial setback can make it feel like your world is caving in around you. GreenPath Financial Wellness can help you find your path towards financial freedom.

Their professional Counselors will listen respectfully and support you in reviewing your personal financial situation. They will provide you advice on budgeting and planning, suggest services and options that support your goals, and connect you with information or a specialized Counselor to support your individual needs.

Together, they will work with you to make a personalized plan to build a foundation of financial wellness— so you can get back to focusing on your dreams.

Justice is for *Everyone*

At Justice Federal, we celebrate building connections that enable us to leverage our differences.

Diversity, Equity, and Inclusion (DE&I) are vital to our organization, and we believe that they are the catalysts for innovation. We know that we are stronger when we leverage our differences to generate ideas, and spark innovation that further connects us to our Members, their families, and the justice and law enforcement community.

We are committed to building a diverse, equitable and inclusive work environment that reflects our diverse group of employees.

We provide an environment of mutual respect where equal employment opportunities are available to all employees and applicants without

regard to ancestry, race, color, religion, sex, gender, gender identity, gender expression, national origin, age, disability, medical condition, marital status, military or veteran status, genetic information, sexual orientation, or other status protected by applicable federal, state, or local law.

We believe diversity and inclusion among our employees is critical to our success, and we seek to recruit, develop, and retain the most talented people from a diverse candidate pool.

Accordingly, at Justice Federal, we celebrate the broad range of human differences among us, while also embracing the commonalities we share, and strive to provide every individual with the opportunity to achieve their full potential.



LEFT: The Justice Team hosted the opening of our Atlanta branch within the Georgia Department of Public Safety Headquarters.

BELOW: Branch Managers volunteered to assist Concerns of Police Survivors with "Kritters for Kids" attended by children of fallen officers during National Police Week.



2023
2024

BOARD OF DIRECTORS

Ellen Warwick, *Chair*
Joan A. Buckley, *Vice Chair*
John F. Greaney, *Treasurer*
Mary Ann Woodson, *Secretary*
Carl Alexandre
Robin A. Stark-Nutter
Angela Ting
Lamonte Purdie
Roger L. Trott (*Retired July 2023*)
Thomas L. Wiseman

EXECUTIVE LEADERSHIP

DIRECTOR EMERITUS

Gregory P. Polonica

SUPERVISORY COMMITTEE

Angela Ting, *Chair*
Brian Murphy
Emily F. Kaplun

EXECUTIVE MANAGEMENT

Mark L. Robnett, *President & CEO*
David Jensen, *Chief Financial Officer*
Karen Bohn, *Chief Operations Officer*
Cindy Kenny, *Chief Lending Officer*

Safe. Sound. Secure.

Backed by the NCUA.

Supervisory Committee Report

Under the Federal Credit Union Act, your Supervisory Committee—appointed by the Justice Federal Credit Union Board of Directors—is responsible for providing assurance that Justice Federal's operations are conducted in a safe and sound manner in accordance with the Federal Credit Union Act and the regulations of the National Credit Union Administration (NCUA).

The Supervisory Committee meets with NCUA examiners and external auditors to ensure that internal controls are in place to safeguard Justice Federal's assets and that Justice Federal is operating effectively and efficiently. The Certified Public Accounting firm Doeren Mayhew assists the Supervisory Committee with the external audit. As one of the nation's leading CPA firms, Doeren Mayhew is comprised of cross-functional professionals delivering industry-focused expertise for over 90 years to more than four hundred financial institutions across the nation.

The 2023 Financial Statements audit report was "unmodified" indicating the financial statements of Justice Federal were presented fairly.

In addition to the annual financial audit as described above, the Supervisory Committee is responsible for implementing an internal audit plan and directs the efforts of Justice Federal's internal auditors. Audits of Justice Federal's key risk areas provide an additional layer of review of the effectiveness of the internal control mechanisms used by Justice Federal. Tests and reviews are performed on the overall system of internal controls and ensure adherence to policies and procedures and accounting principles, as well as compliance with Federal Regulations.

The Supervisory Committee reports that Justice Federal continues to remain in compliance with laws and regulations, operates in a sound manner, and is capable of withstanding business fluctuations.

The Supervisory Committee also acts as an ombudsman for Justice Federal Members. If ever you need assistance that cannot be resolved through normal channels, we encourage you to contact us at the following address:

The Supervisory Committee
Attention: Supervisory Committee Chair
P.O. Box 231381, Centreville, VA, 20120-1381

Sincerely,

Angela Ting
SUPERVISORY COMMITTEE CHAIR

COMPARATIVE BALANCE SHEET

ASSETS

	2023	2022
Gross Loans	748,454,367	732,367,896
Allowance for Loan Losses	(8,707,477)	(5,178,460)
Net Loans	739,746,890	727,189,436
Cash & Cash Equivalents	48,293,867	52,082,909
Investments	117,724,826	123,434,343
Other Assets	63,599,228	83,033,282
Total Assets	969,364,811	985,739,970

Liabilities

Accounts Payable	10,781,565	8,469,650
Notes Payable	25,000,000	25,000,000
Dividends Payable	1,946,765	1,043,597
Accrued Expenses	5,014,580	4,646,364
Total Liabilities	42,742,910	39,159,611

Member Shares

Regular Shares	253,529,714	278,549,620
Share Draft	197,127,554	204,144,793
Money Market	133,575,540	167,925,182
IRA	9,159,448	10,802,789
Share Certificate	231,850,191	188,619,545
Total Member Shares	825,242,447	850,041,929

Regular Reserves*	—	6,635,800
Undivided Earnings	120,895,754	110,222,466
Unrealized Gain / (Loss)	(19,516,300)	(20,319,836)
Total Reserves	101,379,454	96,538,430

Total Liabilities, Member Shares and Reserves	969,364,811	985,739,970
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COMPARATIVE INCOME STATEMENT

INCOME	2023	2022
Loan Income	40,314,991	34,219,818
Investment Income	4,865,498	2,817,733
Other Income	8,395,483	10,056,465
Total Income	53,575,972	47,094,016

Expenses

Dividend Expense	7,685,631	3,688,801
Compensation & Benefits	19,185,294	17,112,651
Office Occupancy & Operations	7,690,496	8,137,748
General & Admin. Expenses	7,061,795	6,067,440
Provision for Loan Losses	3,768,889	1,513,735
Interest on Borrowed Money	913,824	476,390
NCUSIF Premium Assessment	—	—
Total Expenses	46,305,929	36,996,765
Net Operating Income	7,270,043	10,097,251
Net Income	7,270,043	10,097,251

*Per NCUA guidance, Regular Reserves are combined with Undivided Earnings in 2023.

HEADQUARTERS

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WEBSITE

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