

GLOBAL  
CREDIT UNION



2023 ANNUAL REPORT

Your world of financial possibilities



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# The Board of Directors' and President's Report

Since it was chartered in 1948, Global's mission has been to provide financial services to members affordably, conveniently, and professionally. Throughout the credit union's 75 years of operations, it has remained true to its original purpose of providing members with a safe place to save and earn highly competitive rates on savings and, at the same time, be an available source for low-cost credit.

## STRENGTH IN MEMBERS

2023 was another year of significant challenges—persistent inflation, soaring interest rates from the most aggressive tightening cycle from the Federal Reserve in decades, instability in the regional banking system, and ongoing disruption in work force participation. As it represents a vital element in the everyday lives of its members, Global implemented key strategies to ensure the credit union remained financially strong into the future, and members would continue to benefit from that strength.

Despite all the challenges we experienced in 2023, it was a solid year for Global as we finished the year with near record levels of membership, deposits, loans, net worth, and assets. At year end, assets totaled \$11.90 billion with net worth of \$1.20 billion, and the credit union's membership totaled 754,160.

## The Board of Directors' and President's Report (cont.)



### BETTER THAN BANKING

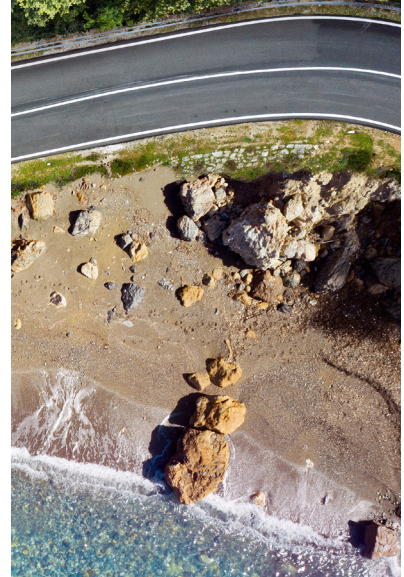
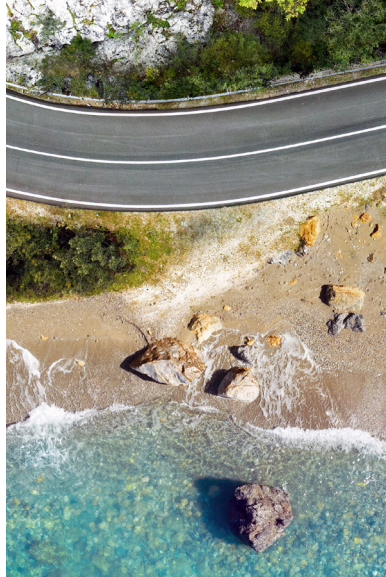
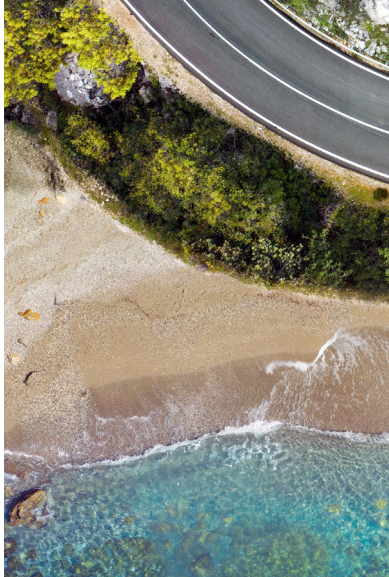
As a result of major shifts in consumer behaviors, expectations, and preferences over the past several years, Global continued to focus efforts and resources on digital transformation while continuing to enhance member experience through the branch and contact center delivery channels. These efforts continued to pay off in 2023, as the credit union processed 746 million transactions and 63,296 new loans totaling \$3.29 billion.

As a member-owned cooperative, Global transfers value to members by providing services more cost effectively than other financial organizations. To that end, in the early part of the year, we completely overhauled the deposit

account structure, enhancing savings and money market shares by removing tiers that created friction, streamlined checking accounts, removed most account maintenance fees, and eliminated Non-Sufficient Funds fees altogether.

To measure the credit union's success in this regard, the value transferred is rigorously calculated based on the dollar benefit Global members receive from higher rates on deposits, lower loan rates, and lower fees compared to those of competing banking institutions. We are pleased to report that this value transfer to members in 2023 was a record \$185.7 million, an approximate return of \$246 per member.





## PEOPLE HELPING PEOPLE

In addition to returning profits back to the members, Global is committed to making the communities in which the credit union operates a better place to live. Through corporate giving and community support programs, Global raised over \$670,000 that was contributed to nonprofit organizations in more than 50 distinct communities. Additionally, employees separately donated nearly \$30,000 to the United Way in 2023.

Charitable contributions weren't limited to the credit union and its employees; credit union

members and partners donated nearly \$400,000 to annual fundraisers coordinated by the Global Credit Union Foundation, an organization that directly funds needs-based services to children, Veterans, and active-duty members of the armed services. While financial support of nonprofit organizations is incredibly important to the co-operative mission of the credit union, Global employees in Alaska, Arizona, California, Idaho, Washington, and Italy also volunteered thousands of hours supporting non-profit organizations they are passionate about.

## The Board of Directors' and President's Report (cont.)



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In terms of service, numerous enhancements were made during the year designed to make Global more convenient for members. At year end, the credit union operated 77 branches, which includes eight financial centers in four states as well as a 24/7/365 contact center.

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### SERVICE FIRST

Another way Global measures its success in serving members is to conduct regular surveys asking members their opinion about the level of service the credit union provides. This member service survey has been conducted each month for the last 25 years. Even with the challenges we faced in 2023, the survey responses revealed incredibly high levels of member service satisfaction. In addition, we are extremely proud that Global was recognized by Forbes magazine as a best-in-state credit union in several states that we operate.

The credit union exists to serve its members, but we cannot effectively perform that function without each of the skilled and valuable employees that work diligently to make sure members have access to their money. We were inspired by Global's 1,975 dedicated employees, who continued to serve members through unprecedented adversity, and we want to thank them for their extraordinary efforts.



<b>Kent B. Berthiaume</b>	<b>Chairman</b>
<b>Ronald E. Lee</b>	<b>Vice Chairman</b>
<b>RaeDene K. Turner</b>	<b>Secretary</b>
<b>Richard F. Hawley</b>	<b>Treasurer</b>
<b>Lorran J. Skinner</b>	<b>Director</b>
<b>Geri M. Wacker</b>	<b>Director</b>
<b>Craig S. Wood</b>	<b>Director</b>
<b>Geoff Lundfelt</b>	<b>President and CEO</b>

## GLOBAL FUTURE

We are confident that Global's experience, sound business philosophies and practices, and strong financial foundation position the credit union well to meet the many challenges and opportunities that lie ahead. We are certain that Global's 75th year of operation will be another year of success in serving members' financial needs. We want to thank the membership for their seven and a half decades of support and participation in the credit union. We also want to congratulate and thank the volunteer officials and all the employees for their service to members and contributions to the credit union in 2023.

## Commitment to Members



- **Membership 754,160**  
Decrease over prior period: 7,593 | 1%
- **Assets totaled \$11.90B**  
Increase in millions over prior year end: \$58 | 0.49%
- **Loans totaled \$9.98B**  
Decrease in millions over prior year-end balances: \$288 | 2.8%
- **Value transferred**  
\$185.7 million | \$246 per member

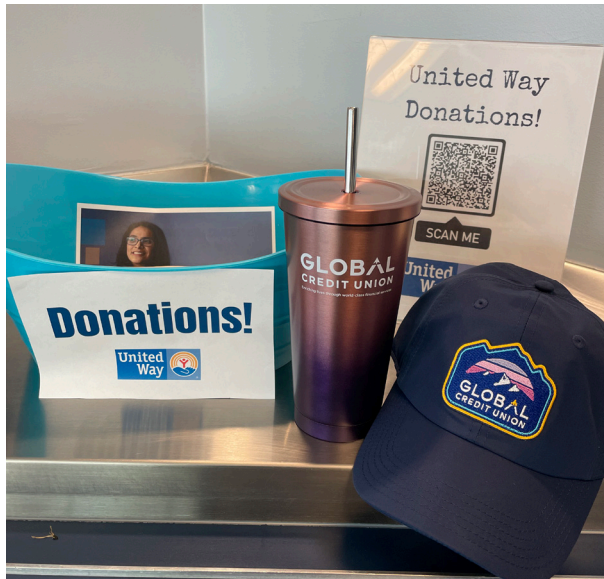
### WE ARE WHERE YOU ARE

The benefits of Global membership follow you wherever you go.

- Branches in five US states and Italy: **77**
- Member call support: **24/7/365**
- Shared branches: **5,000**
- Nationwide surcharge-free ATMs: **55,000+**



## Commitment to Community



### UNITED WAY DAY OF CARING

The credit union has a longstanding partnership with United Way to help support them in their mission to build resilient and equitable communities across the globe.

While we do a variety of events to fundraise for United Way, one of our favorite moments of 2023 was the United Way Day of Caring. Global employees personally donated money directly to United Way and volunteered their time to assemble breakfast packs for The Children's Lunchbox—a program working to ensure no child goes without food.

In Arizona, Global volunteers spent their Day of Caring putting together hygiene kits for Big Brothers Big Sisters.

In total the credit union and its employees gave \$30,000 to the United Way in 2023. We could not be more proud or thankful for their generosity.

## Commitment to Community (cont.)



### KIDS DAY AT THE ZOO

One of our favorite events is the yearly Kids Day at the Alaska Zoo. The credit union covers the cost for kids aged 3 to 17 to visit the zoo for a fun-filled day of family, friends, and fur.

Nearly 3,000 people walked through the gates for an incredible variety of exciting activities, such as face painting, animal enrichment, prizes and giveaways, photos, and more!

We believe everyone should have the chance to take part in the amazing amenities our communities have to offer, regardless of their ability to pay. As always, an excellent time was had by all, and we can't wait to do it again.





## OPERATION HOMEFRONT

Supporting military servicemembers, their families, and Veterans has been a focus of the credit union since the beginning. One of the ways we do this is through our partnership with Operation Homefront and their mission to build strong, stable, and secure military families so they can thrive—not simply struggle to get by.

Not only do we offer financial help, but Global employees also provide boots-on-the-ground support for events like Holiday Meals for Military, Back-to-School Brigade, Star-Spangled Babies, and more.

Support of organizations like Operation Homefront help to ensure that military families have access to the support and resources they need to stay strong, stable, and secure in the face of adversity.

## Commitment to Community (cont.)



### MILITARY APPRECIATION BREAKFAST

Each year the credit union hosts a breakfast for members of Alaska's armed services who were chosen to be Service Person of the Year honorees—as well as the Spouse of the Year, and the Bobby Alexander Civic Leader of the Year.

Twelve servicepeople, representing each of the active-duty branches of the Guard and Reserve, underwent a panel interview after being nominated by their supervisors and were recognized and awarded for their outstanding achievements.

The Global Credit Union Appreciation Breakfast takes place with the Armed Services YMCA of Alaska's annual Salute to the Military event. 2023 marked the 28th year that we've held this event.





## SPECIAL OLYMPICS

Global is a proud and longtime supporter of Special Olympics and their pursuit to create a better and more inclusive world through sports. In 2023, the credit union made donations totaling \$51,000 to Special Olympics programs while taking part in a variety of fun and exciting events in Alaska, Arizona, California, and Washington.

Some of our most memorable events include Law Enforcement Torch Runs, Polar Plunges, Community Challenge, Breakfast with Champions, and the Tasting Room Gala.

By partnering with these programs, Global helps ensure that Special Olympics will be able to continue to provide vital services to our communities.

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**Partnering with nonprofits in the areas we serve is a privilege we take very seriously—because communities are stronger when we work together for the greater good.**

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# Supervisory Committee Report



Global's Supervisory Committee is comprised of five volunteer members who function as the credit union's audit committee. It is the Committee's responsibility to ensure that internal controls are effectively maintained; accounting records and reports are promptly prepared and accurately reflect the results of operations; the

operation of the credit union is in accordance with the policies and procedures established by the Board of Directors; and member account inquiries are promptly and fairly considered.

Your Supervisory Committee has fulfilled these responsibilities during the past year as follows:

- Retained Crowe Horwath, a certified public accounting firm, to conduct the credit union's annual audit;
- Worked with the credit union's Internal Audit department to ensure that internal controls were maintained;
- Responded directly to members with account inquiries;
- Completed a random sample verification of member account balances and of closed accounts through direct correspondence; and
- Met regularly, and as required, to consider matters that were within the Supervisory Committee's area of responsibility.





<b>Sarah M. Warrington</b>	Chairman
<b>Jody L. Allen</b>	Secretary
<b>Gregory A. Brown</b>	Member
<b>John K. Hogue</b>	Member
<b>Hal Westbrook</b>	Member

It is our opinion that the enclosed financial statements fairly and accurately reflect the financial condition of Global Credit Union on December 31, 2023, and that the credit union operates and is managed on a sound basis, in accordance with current federal regulations.

# Consolidated Statements of Financial Condition

Global Federal Credit Union and subsidiaries  
December 31, 2022 and 2023  
(Dollars in thousands)

Assets	2023	2022
Cash and due from financial institutions	\$ 111,040	\$ 126,844
Interest-bearing deposits in other financial institutions	407,136	30,056
Total cash and cash equivalents	518,176	156,900
Debt securities available for sale	836,008	819,567
Equity securities	-	11,363
Total investments	836,008	830,930
Loans	9,837,411	10,203,597
Loans to members, net of allowance for loan loss of \$53,804 and \$46,133 as of December 31, 2020 and 2019	38,215	31,416
Loans held for sale	9,875,626	10,235,013
Deposit in National Credit Union Share Insurance Fund	90,908	94,058
Federal Home Loan Bank Stock, at cost	13,182	27,800
Accrued interest receivable	47,641	40,936
Other receivables	91,905	23,685
Premises and equipment, net	208,575	210,725
Right-of-use asset	14,193	17,728
Assets acquired in liquidation of loans, net	5,868	4,040
Goodwill	35,151	35,151
Mortgage servicing rights, net	38,374	39,193
Net pension asset	71,911	71,832
Intangible assets, net	8,726	12,508
Other assets, net	46,447	44,294
Total assets	\$ 11,902,691	\$ 11,844,793
<b>Liabilities and members' equity</b>		
<b>Liabilities</b>		
Members' share accounts	\$ 9,635,458	\$ 10,276,639
Non-member share accounts	287,097	-
FHLB advances	135,000	445,000
FRB borrowings	650,000	-
Subordinated debentures \$110,000 face amount (less unamortized debt issuance cost of \$1,411 as of December 31, 2023)	108,589	-
Lease liabilities	15,904	19,531
Accrued interest payable	32,116	2,883
Accrued expenses and accounts payable	175,008	181,242
Total liabilities	11,039,172	10,925,295
<b>Members' equity</b>		
Undivided earnings	978,108	1,039,278
Equity acquired in merger	66,896	66,896
Accumulated other comprehensive loss	(181,485)	(186,676)
Total members' equity	863,519	919,498
Total liabilities and members' equity	11,902,691	11,844,793



# Consolidated Statements of Income

Global Federal Credit Union and subsidiaries  
December 31, 2022 and 2023  
(Dollars in thousands)

	2023	2022
<b>Interest income</b>		
Interest on loans	\$ 458,337	\$ 363,312
Interest on investments	20,753	17,382
Other	25,318	16,612
	<u>504,408</u>	<u>397,306</u>
<b>Interest expense</b>		
Dividends on members' share accounts	89,029	36,018
Dividends on non-member share accounts	10,626	33
Subordinated debentures	7,051	-
FRB borrowings	19,522	-
FHLB advances	31,434	26,193
	<u>157,662</u>	<u>62,244</u>
<b>Net interest income</b>	<b>346,746</b>	<b>335,062</b>
Credit loss expense (recovery) – loans	33,026	(3,848)
<b>Net interest income after credit loss expense (recovery)</b>	<b>313,720</b>	<b>338,910</b>
<b>Noninterest income</b>		
Interchange fees	34,834	48,144
Other fees and charges	20,610	33,957
Net gain on sale of loans	9,001	15,981
Net mortgage servicing income	8,269	5,915
Net loss on sale of debt securities available for sale	-	(4,886)
Net gain on sale of equity securities	53	-
Other	26,856	28,832
<b>Total noninterest income</b>	<b>99,623</b>	<b>127,943</b>
<b>Noninterest expense</b>		
Compensation and benefits	223,835	231,421
Office operations	103,082	104,056
Office occupancy	29,417	27,109
Other	50,196	35,390
<b>Total noninterest expense</b>	<b>406,530</b>	<b>397,976</b>
<b>Net income</b>	<b>\$ 6,813</b>	<b>\$ 68,877</b>

## 2023 Executive Staff



<b>Geoff Lundfelt</b>	President and CEO
<b>Wayne Bailey</b>	Executive Vice President and CXO
<b>Mike Brady</b>	Chief Information Officer
<b>Randall Carswell</b>	Chief Financial Officer
<b>Patrick Cosgrove</b>	Chief Lending Officer
<b>Jack Fallis</b>	Regional President
<b>Jessica Graham</b>	Chief Risk Officer and General Counsel
<b>Rachel Norman</b>	Chief Administration Officer
<b>Elizabeth Pavlas</b>	Chief Operations Officer
<b>Todd Pearson</b>	Regional President
<b>Jason Sasena</b>	Chief Strategy Officer
<b>Shannon Conley</b>	Executive Director, Retail Financial Services
<b>Jeff Gregg</b>	Executive Director, Business & Commercial Services
<b>Steve Larson</b>	Executive Director, Mortgage & Real Estate Lending
<b>Julia Niziolek</b>	Executive Director, Insurance & Investment Services
<b>Tom Bentley</b>	Senior Vice President, Internal Audit
<b>Scott Chertkow</b>	Senior Vice President, Enterprise Technology Development
<b>Leisa DeYarmon</b>	Senior Vice President, Special Credits
<b>Clinton Hess</b>	Senior Vice President, Business Intelligence
<b>Doug Horner</b>	Senior Vice President, IM Operations
<b>Janene Kindred</b>	Senior Vice President, Mortgage Risk Management and Servicing
<b>Stephanie Maxwell</b>	Senior Vice President, Digital Experiences
<b>Tod Miller</b>	Senior Vice President, Consumer Lending
<b>Julie Moore</b>	Senior Vice President, Mortgage Operations
<b>Athar Nazir</b>	Senior Vice President, Consumer Lending Operations





<b>Maria Quick</b>	Senior Vice President, Finance
<b>Troy Sheldon</b>	Senior Vice President, Mortgage Risk Management and Servicing
<b>Mary Starkey</b>	Senior Vice President, Operations
<b>Bob Thompson</b>	Senior Vice President, Corporate Properties & Supply
<b>David Vanzant</b>	Senior Vice President, Enterprise Security
<b>Tim Woolston</b>	Senior Vice President, Marketing
<b>Peter Caldwell</b>	Vice President, Accounting
<b>Tim Cassels</b>	Vice President, Financial Risk and Capital Planning
<b>Joe Crosson</b>	Vice President, Consumer Lending Business Analysis
<b>Abigail Franklin</b>	Vice President, Marketing
<b>Holli Frenchik</b>	Vice President, Consumer Lending Processing and Funding
<b>Noel Gabler</b>	Vice President, Corporate Relations
<b>June Gardner</b>	Vice President, Consumer Compliance
<b>Christopher Hibbs</b>	Vice President, Consumer Lending
<b>Erica Kemp</b>	Vice President, Branch Administration, AK Region
<b>Laura Moore</b>	Vice President, Technology Engineering
<b>Roland Pilapil</b>	Vice President, Branch Administration, SW Region
<b>Katy Pritsos</b>	Vice President, Human Resources
<b>Bryan Rosbach</b>	Vice President, Business and Commercial Lending
<b>William Rosetti</b>	Vice President, Enterprise Architecture
<b>Sharlyn Ruyan</b>	Vice President, Member Service Center
<b>Kim Shill</b>	Vice President, Consumer Lending Administration and Servicing
<b>Robert Warthen</b>	Vice President, Commercial Services Administration
<b>Victoria Worley</b>	Vice President, Operations



Insured by NCUA

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