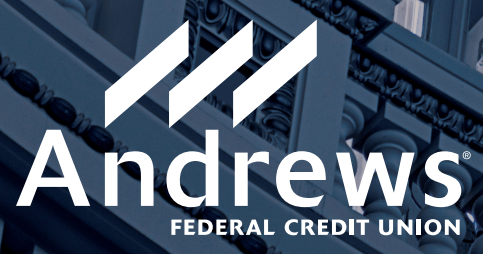




ANDREWS FEDERAL CREDIT UNION

ANNUAL REPORT



A MESSAGE FROM OUR BOARD CHAIR

Dear Members,

As we reflect on the opportunities and successes of 2023, let me start by thanking our members, employees and credit union volunteers for their exceptional support during our 75th year of service.

Our credit union remained strong in the face of challenging economic forces, thanks to the leadership of our experienced executive team and our dedicated Board of Directors. We relied on these leaders to scan the financial horizon, identify economic challenges and opportunities, and create the best path forward for our members.

During the year, we focused on listening to our valued members and took action to support them:

- **Offered a utility relief grant and loan for overseas military service members.** Our team created a program to support military service members facing high utility costs due to the conflict in Ukraine. Our overseas garrison leadership reached out to us and trusted us to provide a solution for members during a difficult time — totaling more than \$41,000 in grant relief.
- **Fortified our connections with our military communities.** We were honored to serve as the premier sponsor for the Joint Base McGuire-Dix-Lakehurst Power in the Pines Air and Space Open House in New Jersey and the Freedom Run in Wiesbaden, Germany.
- **Created a member service culture** that ensured our staff sought the best solution to meet each member's individual needs. Our Member Satisfaction Scores (NPS) reached Best in Class levels during 2023, which set us apart in the financial services industry.

These initiatives showed our credit union's commitment to providing strong financial guidance and investing in the resources that touch the heart of our communities. The combination of these efforts makes Andrews Federal a truly special place, as evidenced by the national and international awards we received last year:

- Andrews Federal received the **Distinguished Credit Union of the Year** recognition from the U.S. Department of the Army. The honor specifically referenced our work at USAG Benelux, which serves military members in Belgium, The Netherlands, and Luxembourg.
- Andrews Federal was also recognized as a **Great Place to Work** for the 4th consecutive time. This award shows our commitment to an exceptional corporate culture. This culture translates into the delivery of a better member experience throughout the organization.
- Andrews Federal Board Member Emeritus Roger Scarce was inducted into the **Defense Credit Union Council Hall of Honor**. Brigadier General Scarce has served the credit union since 1996 in roles ranging from Supervisory Committee Member to Treasurer to Board Chair. General Scarce is a tireless advocate for credit unions and military service members and we are grateful for his loyal service.

We are proud of all we accomplished in 2023, and we could not have achieved these successes without your support. Your membership and loyalty have kept Andrews Federal strong for 75 years and counting, and we look forward to continuing our service to you in 2024 and beyond.

Sincerely,

Kenneth E. McKinney
Board Chair



Kenneth E. McKinney



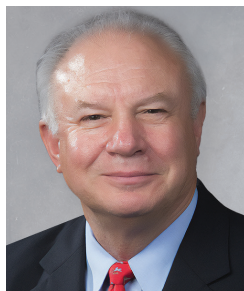
OUR MISSION

To deliver innovative products and world-class service to help our global membership realize their financial aspirations.

ANDREWS FEDERAL BOARD OF DIRECTORS



Kenneth E. McKinney
Board Chair



L. Dail Turner
Vice Chair



Eugene Dacus
Treasurer



Sharon Dunbar
Secretary



Robert D. Bowie
Director



Henry E. Bowman
Director



Derald E. Emory
Director



Emma Parsons
Director



Natasha Taylor
Director

ANDREWS FEDERAL SUPERVISORY COMMITTEE

Harold Springs
Chair

Kahlill Palmer
Member

Shannon Jackson
Member

Erik Winborn
Member

Jenny Kuhlmann
Member

ANDREWS FEDERAL'S DIRECTORS EMERITUS

Frank Cardile
Director Emeritus

Roger W. Scearce
Director Emeritus

ANDREWS FEDERAL EXECUTIVE TEAM

Kenneth Orgeron
President and Chief Executive Officer

Damita Robinson
Executive Vice President, Chief Operating Officer

Todd Olszowy
Executive Vice President, Chief Financial Officer

Marco Alvarez
Senior Vice President, Chief Retail Officer

Patricia Campbell
Senior Vice President, Chief Lending Officer

George Ksenics
Senior Vice President, Chief Information Officer

A MESSAGE FROM OUR PRESIDENT & CEO

Dear Members,

Our 75th anniversary marked a special milestone for our credit union. We appreciate your past loyalty and are committed to continuing to provide innovative products and services in the future.

In 2023, Andrews Federal earned a Certificate of Excellence from America's Credit Unions, a credit union industry research group, for providing our members with \$17 million in additional direct financial benefits, which translates to \$270 more to each member household. Members with multiple products earned \$1,372 in additional direct financial benefits per household by embracing more of our products and services:

- **Receive checking rewards.** Whether earning 3% cash back on debit card purchases, or utilizing a checking account that offers an outstanding 6.00% APY, Andrews Federal focused on providing members with greater rewards when using their checking account for everyday transactions.
- **Buy a home.** Andrews Federal offered some of the lowest mortgage rates in the nation, giving members access to the funding needed to establish their families or move into their dream homes. The credit union also provided financial education resources to assist members throughout the homebuying process.
- **Purchase a vehicle.** Acquiring a vehicle became easier for members as a result of Andrews Federal offering deferred first payments, giving members 90 days to start driving and enjoy their vehicles before making loan payments.
- **Manage finances.** Enhanced Digital Banking capabilities continued to be a priority for Andrews Federal members. During this past year, we launched new services, ClickSwitch and CardSwap, both of which made it easier for members to make payments, manage subscriptions and use Andrews Federal as their primary financial institution.
- **Save for goals and dreams.** The credit union offered resources that were nationally recognized, including market-leading share dividend rates. Our members earned more than \$32 million in dividends on their deposits in 2023 by choosing Andrews Federal.
- **Plan for the future.** Andrews Federal members also had access to financial and investment professionals such as GreenPath Financial Resources and LPL Financial to help plan for a successful future.

Andrews Federal continued to demonstrate strong financial performance. Our credit union is well capitalized with a net worth ratio of 11.00%. Our efficiency ratio of 51.95% indicates that we are safeguarding members' finances as we make decisions about new products, services and opportunities.

Financial services have changed over the years and new technologies have proliferated in the credit union sector. Our commitment to providing outstanding service to our members has remained our primary focus. As your credit union leadership team, we are proud to serve and support you, to provide resources for your financial needs, and to ensure your financial institution remains strong and stable for years to come.

Thank you for your membership, trust and loyalty.

Sincerely,

Kenneth Orgeron
President & CEO



Kenneth Orgeron



OUR VISION

*To be a world-class
financial institution
that serves our global
membership throughout
their lifetime.*

OUR MEMBERS SAY IT BEST MEMBER TESTIMONIALS

Being part of Andrews Federal means receiving high-quality member service, in addition to all of our excellent financial products and services.

In 2023, we received “**Best in Class**” ratings on our Member Satisfaction surveys. Our members say it best — and we wanted to share some of their candid feedback about the service they receive at Andrews Federal:

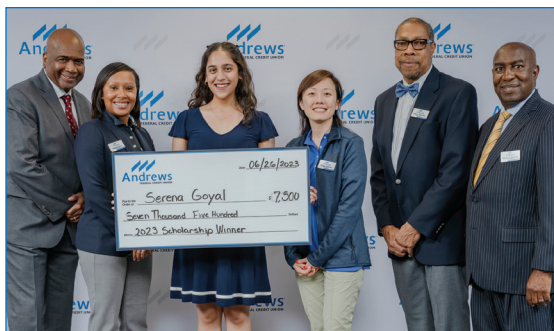
“ We came into the bank to conduct one transaction. When Monique looked at our account, she offered some suggestions that helped to make our accounts more fiscally sound.”

“ Courtney was pleasant and knowledgeable. She was very understanding when my mom needed her to repeat herself several times. She is certainly an exceptional example of kindness and compassion.”

“ Kimberlyn is an expert in the member experience. She can turn any frown upside down. I truly enjoyed learning more about products, services, and this location’s values.”

“ Vanessa handled my husband and I so professionally that we decided to change everything over to Andrews. There's absolutely nothing that takes the place of good old-fashioned service: having knowledge about your services and being compassionate enough to relay the information to the public. I applaud Andrews for a job well done!”

“ My visit with Courtney was an awesome experience. She was very professional, informative in guiding and help updating my account, assisting me with beneficiaries and educating me on properly using the different programs Andrews has. Since I live in Georgia, I don't often have the option to come into a branch office. Priceless experience and help.”



ANDREWS FEDERAL IS COMMITTED TO EDUCATIONAL EXCELLENCE

Supporting the educational goals of our youth is a cornerstone priority for Andrews Federal.

In 2023, Andrews Federal **awarded ten \$2,000 scholarships** and **two \$7,500 scholarships** to graduating high school seniors. The credit union also provided **educational summer camp experiences** to 11 students for a **total of \$40,750 in scholarship funds** committed to advancing these students' educations.

Credit union leaders also committed resources to improving educational experiences throughout our communities by adopting classrooms and funding school projects, sponsoring book drives at local branches, supporting Scout troops, and building an accessible sidewalk library for a local military charter school.

We take pride in providing resources that enhance students' educational journeys and continuing to build stronger, more successful communities.

A MESSAGE FROM OUR TREASURER

I am pleased to report that Andrews Federal performed exceedingly well in 2023 ending the year with total assets of \$2.31 billion and net income of \$18.4 million. We also maintained a very strong liquidity ratio of 58.63%.

As the Treasurer of Andrews Federal Credit Union, I am proud that we were able to continue our work toward these goals while maintaining a strong financial foundation for our credit union members. In 2024, we will continue to focus on safety and soundness as we serve the needs of our members.

We appreciate the employees and volunteers who contributed their time and energy to our credit union throughout this past year. Thank you, members, for your continued dedication to Andrews Federal.

Sincerely,

Eugene Dacus
Board Treasurer



Eugene Dacus

A GLANCE AT OUR CREDIT UNION GROWTH

Total Member Dividends

2023	\$31,860,939
2022	\$17,269,728
2021	\$16,490,707

Member Satisfaction Score (NPS)¹

2023	75
2022	74
2021	71

Liquidity

2023	\$154,657,526
2022	\$138,372,882
2021	\$116,991,840

Liquidity Ratio

2023	58.63%
2022	57.16%
2021	50.18%

Total Member Equity

2023	\$253,134,416
2022	\$234,702,872
2021	\$212,690,558

Equity Ratio²

2023	11.00%
2022	9.46%
2021	9.85%

¹ Industry Average = 44
Best in Class = 75
Source: customergauge.com

² 7.0% is considered
"Well Capitalized"
Source: NCUA.gov

CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

As of December 31, 2023 and 2022

ASSETS	2023	2022
Cash and Cash Equivalents	\$153,879,235	\$134,526,839
Investment Securities		
Equity Securities	778,291	3,846,048
Available-for-Sale Debt Securities	100,622,037	105,908,482
Loans Held for Sale	—	1,700,576
Loans to Members, Net of Allowance for Loan Losses	1,898,442,874	2,091,936,892
Accrued Interest Receivable	8,741,445	8,643,316
Prepaid and Other Assets	28,005,209	29,996,253
Variable Annuity Investments	12,905,437	12,787,872
Federal Home Loan Bank (FHLB) Stock	9,589,000	13,044,000
Split Dollar Life Insurance (SDLI)	35,361,773	34,575,665
Credit Union Owned Life Insurance (COLI)	32,132,925	31,419,816
Property and Equipment, Net	15,853,069	17,264,546
National Credit Union Share Insurance Fund (NCUSIF) Deposit	17,252,172	16,430,643
TOTAL ASSETS	\$2,313,563,467	\$2,502,080,948
LIABILITIES AND MEMBERS' EQUITY		
	2023	2022
Liabilities		
Members' Shares and Savings Accounts	\$1,861,195,191	\$1,954,495,687
Borrowed Funds	165,000,000	280,000,000
Accrued Expenses and Other Liabilities	38,722,133	39,025,212
TOTAL LIABILITIES	\$2,064,917,324	\$2,273,520,899
Members' Equity		
Undivided Earnings	253,134,415	234,702,871
Accumulated Other Comprehensive (Loss)	(4,488,272)	(6,142,822)
TOTAL MEMBERS' EQUITY	\$248,646,143	\$228,560,049
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$2,313,563,467	\$2,502,080,948

CONSOLIDATED STATEMENTS OF INCOME

As of December 31, 2023 and 2022

INTEREST INCOME	2023	2022
Loans to Members	\$98,484,678	\$85,452,766
Loans Held for Sale	—	3,945,211
Investment Securities	12,468,208	4,527,679
TOTAL INTEREST INCOME	\$110,952,886	\$93,925,656
INTEREST EXPENSE	2023	2022
Members' Shares and Savings Accounts	\$31,860,939	\$17,269,728
Borrowed Funds	5,022,828	5,214,512
TOTAL INTEREST EXPENSE	\$36,883,767	\$22,484,240
NET INTEREST INCOME	\$74,069,119	\$71,441,416
Provision for Credit Losses	9,353,603	10,265,804
NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES	\$64,715,516	\$61,175,612
NON-INTEREST INCOME	2023	2022
Fees and Charges	\$9,971,346	\$8,989,234
Interchange Income	6,903,885	6,899,582
Net Gain on Sale of Mortgages	520,487	5,995,613
Rental Income	1,822,381	1,746,366
Other Income	5,566,969	7,064,232
TOTAL NON-INTEREST INCOME	\$24,785,068	\$30,695,027
NON-INTEREST EXPENSES	2023	2022
Compensation and Benefits	\$34,809,705	\$33,279,532
Office Operations	19,533,041	17,805,935
Office Occupancy	4,389,409	5,201,812
Loan Servicing	5,595,158	6,268,447
Professional and Outside Services	3,055,351	4,120,864
Other Expenses	3,686,376	3,181,737
TOTAL NON-INTEREST EXPENSES	\$71,069,040	\$69,858,327
NET INCOME	\$18,431,544	\$22,012,312

A MESSAGE FROM OUR SUPERVISORY COMMITTEE

Per the Federal Credit Union Act, the Supervisory Committee is responsible for ensuring that the Board of Directors and management of the credit union meet required financial reporting objectives and establish practices and procedures sufficient to safeguard members' assets. The Supervisory Committee assists with oversight responsibilities including internal controls, audit processes and monitoring compliance with laws and regulations. The committee oversees and reviews audits to determine if management procedures meet required standards.

The Supervisory Committee selected the Certified Public Accounting firm of Doeren Mayhew, CPAs and Advisors, to audit the consolidated financial statements of Andrews Federal Credit Union. The firm performed the annual financial statement audit for 2023. Copies of the examination are available upon request. It is the opinion of the Supervisory Committee that Andrews Federal Credit Union remains strong and well-positioned for future growth.



Harold Springs

Sincerely,

Harold Springs
Supervisory Committee Chair

TOP ACHIEVEMENTS AND TEAM HIGHLIGHTS

- Our President and Chief Executive Officer Kenneth Orgeron was named an **Honorary Commander at Joint Base Andrews**, while our Chief Operating Officer Damita Robinson (photo 1, middle) was named **Honorary Commander at Joint Base Anacostia-Bolling**.
- Damita Robinson also assumed a critical leadership position in our community when she was selected to be **Treasurer of the Board of Directors for the Maryland Chamber of Commerce**.
- Two of our marketing initiatives were recognized with **CUNA Diamond Awards** (photo 2). We were recognized for our robust social media connection with members and for the planning and execution of our efforts at the Joint Base McGuire-Dix-Lakehurst Power in the Pines Air and Space Open House. We were also recognized by the **Maryland DC Credit Union Association** for our team's ability to connect with members, winning a **Trailblazer Award** for Best Integrated Campaign.
- Rosalind Bishop (photo 3, middle), our Director of Community Engagement, earned Diversity, Equity and Inclusion Certification from Cornell University and was appointed as **the credit union's first DEI Officer**.
- Three Andrews Federal employees were selected by industry leaders to attend a credit union conference program specifically for **emerging talent**. Arbia Bhouri (Senior Mortgage Underwriter), Ashlee Blankenship (Overseas Regional Sales and Service Manager) and Kyle-Anne Moden (Senior Human Resources Generalist) represented Andrews Federal and learned about critical issues facing the credit union industry.



ANDREWS FEDERAL IS COMMITTED TO OUR COMMUNITIES

Over **\$517,000** in charitable giving in 2023

\$328,872

for events on Joint Base Andrews, Joint Base McGuire-Dix-Lakehurst, and Joint Base Anacostia-Bolling

\$113,843

for stateside community engagement

\$74,285

for events at overseas military installations

\$35,000

in scholarships awarded to high school seniors

\$5,750

for summer camps awarded to children under 15

Donations, Sponsorships and Partnerships

- Adopt-A-Classroom
- Alsobrooks Youth Institute
- Americans Working Around the Globe
- Army Community Services
- Back to School Drive
- Boy Scouts
- Burlington County Chamber of Commerce
- Calvert County State of the County
- Calvert County Women to Women
- Cherry Blossom 10-Mile Run
- Child Youth Services
- Civil Air Patrol
- Cub Scouts
- Department of Defense Dependents Schools
- Father Center of New Jersey
- Feds Feed Families
- First Responders
- Gamma Nu Nu Fraternity
- H.D. Woodson High School
- Habitat For Humanity
- Harlem Globetrotters
- Joint Base Anacostia-Bolling 11th Wing
- Joint Base Anacostia-Bolling Honorary Commander
- Joint Base Anacostia-Bolling Learn DC Elementary School
- Joint Base Andrews 316th Wing
- Joint Base Andrews 459th Air Refueling Wing
- Joint Base Andrews 89th Airlift Wing
- Joint Base Andrews Airmen Leadership School
- Joint Base Andrews Airmen's Attic
- Joint Base Andrews Award Ceremonies – 459th Air Refueling Wing, 316th Wing, 89th Wing, D.C. Air National Guard, Air National Guard Readiness Center
- Joint Base Andrews Check 6
- Joint Base Andrews Chiefs Group
- Joint Base Andrews Freedom Fest
- Joint Base Andrews FSS Ladies
- Joint Base Andrews Imagine Andrews Charter School
- Joint Base Andrews Airmen Leadership School
- Joint Base Andrews Operation Warm Heart
- Joint Base Andrews Presidential Airlift Group
- Joint Base Andrews Retiree Association
- Joint Base Andrews Sounds of Freedom
- Joint Base Andrews Spouse Club
- Joint Base McGuire-Dix-Lakehurst 108th Wing
- Joint Base McGuire-Dix-Lakehurst 514th Air Mobility Wing
- Joint Base McGuire-Dix-Lakehurst 87th Wing Air Force
- Joint Base McGuire-Dix-Lakehurst Endeavor Elementary School
- Joint Base McGuire-Dix-Lakehurst First Sergeant Association
- Joint Base McGuire-Dix-Lakehurst Freedom Fest
- Joint Base McGuire-Dix-Lakehurst Power in the Pines Air Show and Open House (Premier Sponsor)
- Joint Base McGuire-Dix-Lakehurst Veterans
- Maryland Council on Education
- Morale, Welfare and Recreation
- Morale, Welfare and Recreation Freedom Run
- New Jersey Association on Corrections
- Our Boys South Jersey Chapter
- Prince George's County Veterans
- Prince Georges and Southern Maryland Food Banks
- Prince Georges County Police Department Division V
- Rowan College, Burlington, NJ
- Servicios Latinos Hispanic Heritage
- SHAPE
- South Jersey Chamber of Commerce
- South Jersey Food Bank
- Toy Drive
- Turkey Drive
- Tuskegee Airmen 82nd Airborne Division
- USAG-Brussels
- USAG-Wiesbaden Freedom Fest

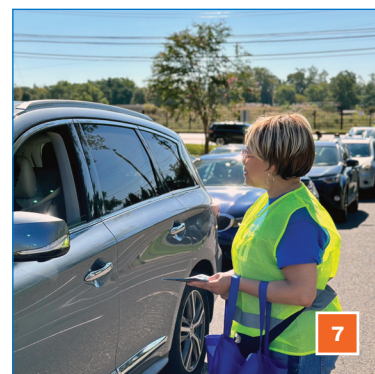


**WE ARE PROUD TO SERVE OUR
MILITARY & CIVILIAN COMMUNITIES**



2023 IN PHOTOS

OUR FAVORITE MOMENTS



- 1 Providing a \$500 donation to the Imagine Andrews Charter School at Joint Base Andrews.
- 2 Sharing financial literacy and educational resources to the Alsobrooks Youth Leadership Institute at Andrews HQ.
- 3 Serving as the premier sponsor of the Joint Base McGuire-Dix-Lakehurst Power in the Pines Open House in Burlington, NJ.
- 4 Sponsoring sidewalk library boxes for the Learn DC Public Charter School at Joint Base Anacostia-Bolling.
- 5 Celebrating our community at the Waldorf branch location.
- 6 Continuing our annual Turkey Drive charitable outreach to feed our community families in need.
- 7 Supporting our community with safe and secure document shredding on Shred Day.
- 8 Receiving honors at the Defense Credit Union Council's Annual Conference in Colorado Springs, Colorado.
- 9 Honoring military veterans at the Prince George's County Veterans Appreciation Luncheon alongside Col. Todd Randolph, Commander of Joint Base Andrews.

ANDREWS FEDERAL BRANCH LOCATIONS

STATESIDE

MARYLAND

Suitland (Headquarters)

5711 Allentown Rd
Suitland, MD 20746

Joint Base Andrews

Building 1677 D St
Joint Base Andrews, MD 20762

Waldorf

2595 Crain Highway
Waldorf, MD 20601

Upper Marlboro

7607 Crain Highway, Suite B-160
Upper Marlboro, MD 20772

VIRGINIA

Manchester Lakes

7025A Manchester Blvd
Alexandria, VA 22310

West Springfield

8410 Old Keene Mill Rd, Unit #14
Springfield, VA 22152

WASHINGTON D.C.

Brightwood

5935 Georgia Ave, NW
Washington, DC 20011

Henson Ridge

1556 Alabama Ave, SE
Washington, DC 20032

NEW JERSEY

Burlington

2200 Burlington-Mt. Holly Rd
Burlington, NJ 08016

Joint Base McGuire-Dix-Lakehurst

Building 34056 Broidy Rd
JBMDL, NJ 08641

Mt. Laurel

Larchmont Commons
3113 Route 38, Suite 24
Mt. Laurel, NJ 08054

OVERSEAS

GERMANY

Wiesbaden (Headquarters)

Lucius D. Clay Kaserne, GEB 1021
65205 Erbenheim, Wiesbaden, Germany

Hainerberg

Washington Strasse, BLDG 7850
65189 Wiesbaden, Germany

BELGIUM

Brussels

Leuvensesteenweg 13
1932 Zaventem, Belgium

Chièvres

Grand Rue 56, Bati 20201
7950 Chièvres, Belgium

THE NETHERLANDS

Brunssum

Kranenpool 3
6443 VA Brunssum, The Netherlands



Scan this code or visit
andrewsfcu.org/access
to find the location nearest you.

