

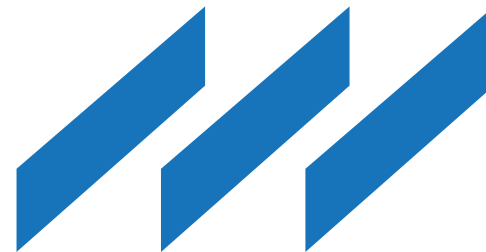


2021

ANNUAL REPORT

Most Distinguished Credit Union of the Year
by the United States Department of the Army

Most Distinguished Credit Union of the Year
by the United States Department of the Air Force



A MESSAGE FROM OUR CHAIRMAN

Better Together



2021 continued to challenge us to come together.

Andrews Federal provided our members with world-class service through the pandemic. Our primary focus was enhancing the digital experience for our global membership.

Thanks to your loyalty, Andrews Federal had another year of solid financial performance. We remain committed to the financial health and prosperity of our members and the communities we serve.

The Credit Union National Association estimated that Andrews Federal provided \$8.5 million in direct financial benefits to our members over the past 12 months. These benefits are delivered through lower loan rates, higher savings rates, and fewer fees than banking institutions.

The Board of Directors selected Mr. Ken Orgeron as our Chief Executive Officer. Ken has been a member of the Andrews Federal Executive Team for the past 8 years. He brings over 33 years of credit union management and leadership experience to our organization.

On behalf of the Board of Directors, I would like to thank our employees for their hard work and dedication. I would also like to thank you, our membership, for your continued confidence and patience through these unprecedented times.

Most of all, thank you for choosing Andrews Federal as your trusted financial partner. I am honored to serve as your Chairman and feel strongly that the work we do for our members leaves a lasting impression.

Over the next year, Andrews Federal will expand our products and services to meet your financial needs. We look to an even brighter future as we lead with our members in mind.

Sincerely,
L. Dail Turner
Board Chairman



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

THE ANDREWS FEDERAL CREDIT UNION TEAM

BOARD OF DIRECTORS



L. Dail Turner
Chairman



Kenneth E. McKinney
Vice Chairman



Roger W. Searce
Treasurer



Sharon Dunbar
Secretary



Robert D. Bowie
Director



Henry E. Bowman
Director



Derald E. Emory
Director



Eugene Dacus
Director



Natasha Taylor
Director

EXECUTIVE TEAM

Kenneth Orgeron, *President and Chief Executive Officer*

Damita Robinson, *Executive Vice President, Chief Operations 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*

SUPERVISORY COMMITTEE

Erik Winborn

Timothy F. Robertson

Gerald Brown

Emma Parsons

Harold Springs

DIRECTOR EMERITUS

Gerald Brown

Frank Cardile

Elijah "Bennie" Roberts

A LETTER FROM OUR PRESIDENT

Dear Members,



*Ken Orgeron,
President and CEO*

During 2021, Andrews Federal continued to face challenges that required creative solutions. We deployed innovative processes to maintain operations. Most importantly, we continued to serve our membership while keeping the health and safety of our members and employees a top priority.

I am honored to announce that Andrews Federal received the “Most Distinguished Credit Union of the Year” by both the U.S. Department of the Army and the U.S. Department of the Air Force. We also achieved our third consecutive “Great Place to Work” certification. These awards demonstrate the remarkable dedication of the Andrews Federal team.

I am also proud to announce that Damita Robinson was promoted to Chief Operations Officer. Over the past 28 years, Damita has held various leadership positions with Andrews Federal and has over 35 years of experience in the financial services industry.



*Damita Robinson,
Chief Operations
Officer*

2021 Accomplishments:

- Opened a new flagship branch at Manchester Lakes in Alexandria, Virginia
- Introduced new contactless debit cards with enhanced security and technology
- Implemented Zelle®, allowing for quick and easy money transfers
- Performed security upgrades to key infrastructure systems and processes
- Installed Interactive Teller Machines, expanding self-service options
- Recognized by CNBC, for the second year in a row, The Andrews Titanium Credit Card was named “Best Low-Rate Credit Card”
- Received CUNA Marketing & Business Council Diamond Awards for best Plastic Access Card Design, and the best Non-Commercial Video
- Impacted our communities with over \$150,000 in monetary and in-kind charitable donations

Andrews Federal delivered a solid financial performance for our 140,000 members worldwide. This was demonstrated by a strong efficiency ratio of 65.04% and healthy operating ratio of 2.74%. Your credit union recorded over \$10.5 million in net income and remains well capitalized with a net worth ratio of 9.85%.

We are committed to our vision of being a world-class financial institution, protecting and preserving member data and expanding access to our financial services.

Respectively,
Ken Orgeron
President and CEO



Our Vision: To be a world class financial institution that serves our global membership throughout their lifetime.

THE MEMBER IS OUR FOCUS

Member Testimonials

“The prompt and accurate attention that is given every single time you walk into the Mt. Laurel branch is wonderful. Everyone is extremely friendly. They greet you with a smile and by name, including security. They are all very knowledgeable and experienced, so you can be confident your finances will be handled correctly. Love this branch because of the team there.” **W. Henriquez**

“We’ve been members of Andrews FCU for over 35 years. We have found the tellers, customer service staff, managers, etc., to be courteous, efficient, friendly and totally professional.” **R. Navarra**

“I love how genuinely helpful the customer reps are. They really try to answer questions and resolve issues. I’ve been a member for over 20 years.” **H. Dixon**

“Sarah is awesome! She was exceptionally attentive to my needs. She is the epitome of service with a smile! Her follow up call was the icing on the cake. She deserves Employee of the Year. She makes in-person banking inviting and pleasurable. Thanks, Sarah, for your awesome customer service skills and making my visit to the branch to open an account memorable. You’re the best!” **I. Jones-Sullivan**



**WE ARE HONORED TO SERVE YOU
IN EVERY STAGE OF YOUR LIFE**



A MESSAGE FROM OUR TREASURER



As Treasurer, I am pleased to report that Andrews Federal performed exceedingly well in 2021 ending the year with total assets of \$2.3 billion and net income of \$10.5 million. Outstanding loans to members increased by \$120.4 million and interest income totaled \$76.4 million.

In 2022, we are continuing to grow our Credit Union to meet the primary objectives set forth by our strategic plan. These objectives include providing our members with exceptional service, evolving technology and financial security. As Treasurer, I am proud of the progress we have achieved.

Andrews Federal continues to be financially safe and sound. Thank you to all those who worked towards accomplishing our initiatives. I especially want to thank you; our members, for making 2021 an outstanding year.

Sincerely,
Roger W. Searce
 Treasurer



CREDIT UNION GROWTH AT A GLANCE

TOTAL ASSETS



TOTAL LOANS



TOTAL SHARES



TOTAL MEMBERS' EQUITY



CONSOLIDATED STATEMENT OF FINANCIAL CONDITION

As of December 31, 2021 and 2020

INTEREST INCOME	2021	2020
Loans to Members	\$74,885,076	\$76,263,314
INVESTMENT SECURITIES	1,563,099	1,885,963
TOTAL INTEREST INCOME	\$76,448,175	\$78,149,277
INTEREST EXPENSE		
Members' Shares and Savings Accounts	\$16,490,707	\$23,425,584
Borrowed Funds	1,717,903	2,461,791
TOTAL INTEREST EXPENSE	\$18,208,610	\$25,887,375
NET INTEREST INCOME	\$58,239,565	\$52,261,902
Provision for Loan Losses	3,956,780	11,031,143
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	\$54,282,785	\$41,230,759
NON INTEREST INCOME		
Fees and Charges	\$8,189,898	\$10,414,001
Interchange Income	6,502,179	5,318,270
Gain on sale of Visa stock	—	4,109,219
Rental income	1,760,857	1,690,843
Other Income	3,873,419	4,804,415
TOTAL NON-INTEREST INCOME	\$20,326,353	\$26,336,748
NON INTEREST EXPENSES		
Compensation and Benefits	\$31,621,425	\$29,368,257
Office Operations	15,823,772	14,628,731
Loan Servicing	4,864,583	4,821,040
Office Occupancy	4,569,831	4,476,670
Professional and Outside Services	3,856,891	3,254,456
Other	3,321,136	1,587,181
TOTAL NON-INTEREST EXPENSES	\$64,057,638	\$58,136,335
NET INCOME	\$10,551,500	\$9,431,172

CONSOLIDATED STATEMENT OF FINANCIAL CONDITION

As of December 31, 2021 and 2020

ASSETS	2021	2020
Cash and Cash Equivalents	\$116,991,841	\$152,685,450
Repurchase Agreement	—	45,000,000
Available-for-sale Investments	134,910,075	113,219,225
Loans Held for Sale	—	20,099,505
Loans to Members, Net of Allowance for Loan Losses	1,897,251,460	1,776,820,531
Accrued Interest Receivable	9,338,026	8,053,668
Prepaid and Other Assets	23,709,550	21,782,481
Variable Annuity Investments	12,182,849	—
Federal Home Loan Bank (FHLB) stock	10,493,700	10,354,300
Split Dollar Life Insurance (SDLI)	15,708,843	22,039,325
Credit Union Owned Life Insurance (COLI)	30,714,630	29,996,729
Property and Equipment, Net	19,722,414	19,641,029
National Credit Union Share Insurance Fund (NCUSIF) Deposit	16,848,894	17,656,560
TOTAL ASSETS	\$2,287,872,282	\$2,237,348,803

LIABILITIES AND MEMBERS' EQUITY		
Liabilities		
Members' Shares and Savings Accounts	\$1,790,101,569	\$1,804,368,829
Borrowed Funds	250,000,000	200,000,000
Accrued Expenses and Other Liabilities	34,117,972	29,112,742
TOTAL LIABILITIES	\$2,074,219,541	\$2,033,481,571

COMMITMENTS AND CONTINGENT LIABILITIES

Members' Equity		
Regular Reserve	\$15,381,367	\$15,381,367
Undivided Earnings	197,309,192	186,757,692
Accumulated Other Comprehensive Income	962,182	1,728,173
TOTAL MEMBERS' EQUITY	\$213,652,741	\$203,867,232
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$2,287,872,282	\$2,237,348,803

A MESSAGE FROM OUR SUPERVISORY COMMITTEE CHAIRMAN



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. This committee oversees audits and reviews to determine if management procedures are acceptable.

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 2021. 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.

Sincerely,
Erik Winborn
Supervisory Committee Chairman

BRIGADIER GENERAL FRANK CARDILE INDUCTED INTO THE DCUC HALL OF HONOR



Former Board Chairman, and Director Emeritus, Brigadier General Frank Cardile, was inducted into the Defense Credit Union Council's Hall of Honor in August 2021. This prestigious award recognizes the outstanding accomplishments of individuals whose contributions have significantly impacted the defense credit union community.

After an illustrious 30-year career in the United States Air Force, General Cardile chose to continue supporting service members through his volunteerism on the Andrews Federal Credit Union Board of Directors. During his 27-year tenure, he helped guide the credit union through unprecedented growth and expansion in three states, three countries, and the District of Columbia.

Additionally, General Cardile actively supported the defense credit union community through his involvement at DCUC conferences and Overseas Sub-Council assemblies. He truly embodies the "People helping People" spirit of the credit union movement.

COMMITTED TO DOING MORE

In partnership with the



Over \$150,000 in charitable giving

\$24,000

to events on Joint Base Andrews and Joint Base McGuire-Dix-Lakehurst

\$7,000

for events at overseas military installations

TWELVE

webinars hosted throughout the year promoting financial education

\$20,000

in scholarships awarded to high school students

\$5,000

in Summer Camp Awards Program to children under 16

Additional donations and sponsorships

- 459th Air Refueling Wing
- 87th WSA Morale, Welfare and Recreation Booster
- Camp Springs Civic Association
- Deborah Heart and Lung Center
- Defense Credit Union Council
- Friends of Burlington County Animal Shelter
- Gamma Nu Nu
- Imagine Andrews Charter School
- Installation Management Command
- Joint Base Andrews Airmen
- Joint Base Andrews Business Alliance
- Joint Base Andrews Community College of the Air Force
- Joint Base Andrews Military Retiree Association
- Joint Base Andrews Morale, Welfare and Recreation
- Joint Base McGuire Dix Lakehurst Military Retiree Association
- Joint Base McGuire Dix Lakehurst Top 3
- Maryland Chamber of Commerce
- New Jersey Run for the Fallen
- SHAPE (Supreme Headquarters Allied Power Europe) Community Services
- SHAPE International Schools
- Toys for Tots
- Tuskegee Airmen
- Wiesbaden Community Spouses Club
- U.S. Army Family and Morale, Welfare and Recreation (Army MWR)
- USAG Benelux

RETIREMENT OF ROGER SCEARCE FROM BOARD OF DIRECTORS



After a distinguished 26-year tenure on the Board of Directors at Andrews Federal Credit Union, General Roger Searce has announced his retirement. Words cannot adequately express how vital General Searce's leadership, energy, and guidance have enhanced mission performance at Andrews Federal Credit Union.

General Searce has helped guide the credit union's unprecedented growth from a \$483 million institution to the \$2.3 billion organization it is currently. The Credit Union's capital also grew exponentially under his leadership, increasing from \$57 million in 1996 to over \$214 million today. This enabled the credit union to remain financially safe and

sound while building the needed infrastructure improvements to provide exceptional service to members.

As the Chairman of the Board, General Searce spearheaded the effort to obtain a membership charter within the District of Columbia. This provided an underserved population access to low-cost financial services beginning in 2003. He was also instrumental in developing and implementing policies and procedures that govern the operation of the credit union as the long-tenured Chairman of the Policy and Bylaw Review Committee.

In 2013, General Searce headed the IT Technology Committee, where he aided the credit union through a technology transformation that began with a core system upgrade and continues today with a quest to automate ongoing processes to increase overall efficiency and provide enhanced service to our membership.

In addition to his dedicated service to the members of Andrews Federal Credit Union, General Searce has enthusiastically supported the Defense Credit Union Council through his active conference participation and Overseas Sub-Council meetings. Furthermore, he served in an advisory capacity with the Defense Credit Union Council to ensure a voice in state and federal legislation that impacted members of the armed forces and their ability to access credit union services worldwide.



U.S. BRANCH LOCATIONS

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

Washington D.C.

Brightwood

5935 Georgia Ave, NW
Washington, DC 20011

Henson Ridge

1556 Alabama Ave, SE
Washington, DC 20032

Virginia

Manchester Lakes

7025A Manchester Blvd
Alexandria, VA 22310

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

New Jersey

Burlington

2200 Burlington-Mt. Holly Rd
Burlington, NJ 08016

Joint Base McGuire-Dix-Lakehurst

Building 34056 Brody Rd
JBMDL, NJ 08641

Mt. Laurel

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

EUROPEAN BRANCH LOCATIONS

Germany

Wiesbaden (Headquarters)

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

Hainerberg

Washington Strasse, BLDG 7850
65189 Wiesbaden, Germany

Belgium

Chièvres

Grand Rue 56, Bati 20201
7950 Chièvres, Belgium

Brussels

Leuvensesteenweg 13
1932 Zaventem, Belgium

The Netherlands

Brunssum

Kranenpool 3
6443 VA Brunssum, The Netherlands