



2019 ANNUAL REPORT

AgFed
Credit Union
Your Partner for Life

“

I left DC five years ago, but kept my money at AgFed because I just had a feeling. I am back in Pennsylvania and now AgFed is my primary bank. The rates are great and the staff are professional, courteous, and helpful. You are doing a great job!

”



85TH ANNUAL MEETING AGENDA

August 26, 2020

CALL TO ORDER

QUORUM PRESENT

APPROVAL OF
THE 2019 ANNUAL
MEETING MINUTES

CHAIRPERSON REPORT

CEO REPORT

TREASURER'S REPORT

ADJOURNMENT



84TH ANNUAL MEETING MINUTES

April 24, 2019

The 84th Annual Meeting of the Agriculture Federal Credit Union (AgFed) was called to order by Mr. John Link, Chairperson of the Board, at 12:00 p.m. on Wednesday, April 24, 2019. The meeting was held in the back of the South Building Cafeteria in the U.S. Department of Agriculture, South Building, Washington, D.C.

Mr. Link determined that a quorum was present. The first order of business was to approve the minutes of the 83rd Annual Meeting. A motion to approve the minutes was made from the floor by a member. The motion was seconded; the motion carried.

Chairperson Report: Mr. Link thanked former Board of Directors Chairpersons Wilhelmina Bratton and Clif Jeter for their service. He also thanked David Rose, a former Board member, for his contributions to the Credit Union. Mr. Link introduced the members of the Board of Directors and Supervisory Committee to the membership. He thanked the staff of the Credit Union and called Ms. Margie Click, President/ CEO, to present the Chairperson/ CEO report.

CEO Report: Ms. Margie Click, President/CEO, began by stating that the Credit Union experienced a strong year full of many accomplishments. Ms. Click stated that the Credit Union's growth continued in 2018 with the addition of 2,201 new members.

Ms. Click stated that AgFed remains financially safe and sound. Net worth was almost 34 million and the Credit Union made over \$1.3 million in income. Loan growth was over 13%, including more than 100 first mortgages, which won the Credit Union an award from the Credit Union Mortgage Association for top producer in 2018. Ms. Click highlighted the following accomplishments in 2018:

- The assistance of more than 1600 government employees during the government shutdown
- The implementation of a separate AgFed Credit Card mobile app to allow members to manage their credit cards on the go

“

Thank you for the superb service and products that you provided me over the decades.

I truly appreciate YOU! AgFed was my first credit union—early 1970's!

”

- The reintroduction of the Summer Splash and Holiday Fun Loan
- The expansion of the 0.25% rate discount to include the Kennedy Center and Smithsonian in addition to the USDA
- A number of Home Banking improvements including the mobile app

Treasurer's Report: Mr. Elard Phillips, the Treasurer of the Board of Directors reported that the Credit Union ended 2018 fiscally sound with a capital to assets ratio of 10.69%, which is significantly higher than the well capitalized standard of 7% set for credit unions. AgFed experienced growth in consumer loans and strong loan growth is anticipated for 2019.

Nominating Committee Report: Mr. Stephen Hawkins, Chairperson of the Nominating Committee, reported that Elard Phillips, Carolyn Parker, Patricia O'Connell, David Lewis, Sederis Fields and Christian Obineme were appointed to the Board of Directors. No election was held as no qualified candidates applied for the Board of Directors.

Mr. Link opened the floor for questions.

Ms. Click addressed member inquiries.

A motion to adjourn the Annual Meeting was made from the floor by a member. The motion was seconded. The meeting adjourned at 12:45 p.m.

Stephen Hawkins
Secretary

“

*Have always
enjoyed their
personnel.*

*Very knowledgeable,
friendly and willing
to work with you.*

*Highly recommend
banking with them.*

”

“

Very pleased with everything which is why I have remained with you over the years! Thank you for the great service! I have been a member for 50+ years and have received excellent service during the many years I worked in USDA So. Bldg, and today.

”

CHAIRPERSON AND CEO REPORT FOR 2019

On December 31, 2019, we looked back with satisfaction at a year full of accomplishments to better serve our members and at strong financial and membership growth. We also looked forward to fulfilling our mission to our members in many more ways in 2020.

Assets grew 5.74% to over \$350.8 million and we added over 2,400 members to the AgFed family. The capital to assets ratio was at 10.56%, placing AgFed among the strongest credit unions in the nation.

Some of our other key accomplishments were based on suggestions from the Credit Union's 2019 Membership Survey: helping more than 100 members in purchasing homes, offering high-yield certificates and improving member experience in both mobile banking and inquiry response times.

Just a few months later, it's clear that 2020 is bringing unprecedented challenges to the entire world. The COVID-19 crisis is profoundly affecting every aspect of life, including credit unions and our members.

As member-owners of our financial cooperative, it's important for you to know that AgFed is financially strong, stable and very well prepared to weather the crisis. Due to a consistent, long-term strategy of financial prudence, AgFed holds over 50% more capital than required by regulation for a "well-capitalized" credit union.

We're also very well-prepared to help our members manage throughout the crisis. If you are facing financial struggles due to the coronavirus crisis, please reach out. We are committed to helping our members find solutions.

“

*I am happy that
I joined AgFed.
No problems,
friendly credit union,
trustworthy, good
Certificate of Deposit
rates, I expect to
remain a Member.*

”

During this time, it's important to remember that your funds are safe with AgFed. Deposits are insured up to \$250,000 per individual depositor by the National Credit Union Share Insurance Fund (NCUSIF), which is an independent agency administered by the National Credit Union Association.

It's also important to make note of our incredible team members. Even when branches had to restrict access and close temporarily, our employees have consistently gone the extra mile to pivot to remote service, making sure they're meeting our members' needs while keeping everyone safe and healthy. As events evolve, we will continue to make decisions and changes needed to help ensure the highest degree of safety along with the outstanding service our members deserve.

Overall, AgFed was very strong before this crisis, and we remain strong and stable. Whatever concerns you may have as we face the crisis and work together toward recovery, AgFed is not one of them.

Whatever is ahead, AgFed is strong and stable, and we stand prepared to assist our members cope with the crisis in every possible way.

Stay healthy, stay strong. We'll be here for you.

Elard J. Phillips, Chair and Margie Click, President/CEO

PRESIDENT/CEO AND BOARD



Margie Click, President/CEO



Elard J. Phillips, Chair



John Link, Vice-Chair



Steve Hawkins, Secretary



David Lewis, Treasurer



Iris Carter



Carolyn Parker



Christian Obineme



Patricia O'Connell



Sederis Fields

TREASURER'S REPORT

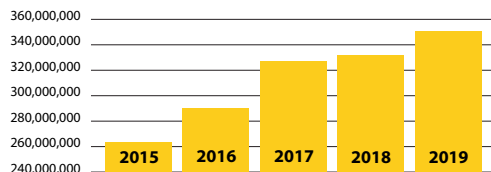
Agriculture Federal Credit Union ended the year in a fiscally sound position with a capital to assets ratio of 10.56%. This ratio is an indicator of excellent financial strength and is significantly higher than the regulatory well-capitalized standard of 7% set for credit unions.

The Credit Union experienced strong loan growth, with loans outstanding increasing by \$13.0 million from 2018 to 2019, while member deposits increased by \$16.3 million.

Our asset size ended the year at over \$350.8 million, an increase of 5.74% from 2018, and we experienced a good return on assets of 0.47% for the year.

I am happy to report our credit union remains fiscally sound and AgFed is looking forward to continuing this well into the future.

David Lewis
Treasurer



INCOME AND EXPENSES

Years Ended December 31,

Interest on Revenue

Interest on Loans
Interest on Investments

2019

\$9,642,605
\$2,173,684
\$11,816,289

2018

\$8,692,633
\$2,102,940
\$10,795,573

Interest Expense

Dividends on Shares

\$2,934,056

\$2,074,876

Net Interest Income

Provision for Loan Losses
Net Interest Income After Provision
Other Operating Income
Operating Expenses
Non-Operating Losses (Gains)

\$8,882,233

\$514,409
\$8,367,824
\$2,703,903
\$9,485,077
\$0

\$8,720,697

\$1,023,533
\$7,697,164
\$2,903,021
\$9,276,883
(\$1,004)

Net Income

\$1,586,650

\$1,324,306

FINANCIAL CONDITION

As of December 31,

Assets

Net Loans
Net Cash & Investments
Other Assets

2019

\$228,698,040
\$105,024,995
\$17,107,570
\$350,830,605

2018

\$215,728,734
\$105,248,023
\$10,817,972
\$331,794,729

Liabilities and Equity

Shares
Other Liabilities
Reserves

\$312,217,263
\$1,348,990
\$37,264,352

\$295,910,113
\$1,516,352
\$34,368,264

Total Liabilities and Equity

\$350,830,605

\$331,794,729

SUPERVISORY COMMITTEE REPORT

AgFed's Supervisory Committee is comprised of 3 volunteer members: Mr. Theodore D. Covey (Chair), Ms. Lynn Moaney (Secretary) and Ms. Senney Gray. The Committee's 2019 activities and accomplishments ensure the adequacy of AgFed's internal controls and financial reporting. The Committee safeguards member assets by ensuring that the Board of Directors' policies and operating procedures are executed in a timely, efficient, and effective manner.

During election year 2019, the Supervisory Committee:

- Met with a representative of AgFed's external auditors (Doeren Mayhew) to review new external audit findings (year ending 3/31/2019) and the member verification procedures.
- Reviewed audit and examination results with AgFed management and followed up on auditors' recommendations.
- Met monthly to conduct Supervisory Committee business using the new Zoom technology that allows for meetings with fellow supervisors and others over the internet; filed monthly Committee minutes with the Board of Directors; attended monthly Board meeting; participated in Board/Supervisory Committee planning sessions; reviewed Board travel & training annual expenditures; responded to AgFed members' concerns.
- Was briefed on the annual branch audit report by the AgFed SVP/CFO;
- Met quarterly with the independent internal auditor's (Rowles & Company) engagement partner regarding issues of importance to Credit Union risk management and findings of the periodic internal audit reports; corresponded as well on any questions or issues that arose.
- Completed Bank Secrecy Act/Anti-Money Laundering (BSA/AML) training and other essential training.
- Presented a proposed Supervisory Committee charter to the Board of Directors.
- Approved AgFed's new internal audit risk management 3-year plan for 2020-2022.

Theodore D. Covey, Chairperson
AgFed Supervisory Committee

SUPERVISORY COMMITTEE

Mr. Theodore Covey

Chair

Ms. Senney Gray

Ms. Lynn Moaney

Secretary

AGFED CREDIT UNION FOUNDATION

The AgFed Credit Union Foundation is a not-for-profit charitable foundation established in 2014 to enrich the lives of our community through scholarships, charitable contributions and community outreach, especially in communities in which AgFed Credit Union members and employees live and work. It was established in memory of a long-time board member, the late Col. Preston Davis, who had a passion to promote economic empowerment and self-sufficiency in people, especially youth.

The AgFed Credit Union Foundation continued this mission in 2019 with significant growth, adding several hundred new members. The Foundation was also in receipt of over \$15,000 in donations, allowing it to add to its success and accomplishments in the community.

The 2019 accomplishments:

- Awarded two \$1,000 scholarships to individuals attending college or trade school
- Sponsored a school supply drive and donated the supplies to three DC-area schools
- Made a monetary contribution and a school supply contribution to a local DC high school
- Sponsored a holiday toy drive benefitting Children's National Medical Centers
- Ruffled off two cruises during a donation drive

The Foundation Board of Directors is pleased to announce that your generous contributions have allowed the Foundation to expand the number of scholarships awarded in 2020. We encourage you to donate so that the Foundation may enrich the lives of many more students in the future.

If you would like to make a donation to the AgFed Credit Union Foundation, you may donate online at www.agfedcufoundation.org or mail a check to AgFed Credit Union Foundation, P.O. Box 523383, Springfield, VA 22152.

If you have any questions, feel free to contact us at directors@agfedcufoundation.org. Thank you for supporting schools and students in your community!

OUR BOARD

John Link

Chairman of the Board

Margie Click

Secretary of the Board

Elard J. Phillips

Treasurer

Theodora Ezekwerre

Board Member

Patricia O'Connell

Board Member

Dave Rose

Board Member

“

I have been a member for over 40 years. I am so happy to have a bank that I trust and that is so easy and positive to work with. I love AgFed! Recently, my daughter has joined also. She may use more of the automated services because she is more computer aware. Keep up the great work.

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www.agfed.org

24/7 Member Services/Loans
(202) 479-2270
(888) 451-LOAN (5626)

members@agfed.org

USDA SOUTH
BUILDING BRANCH
1400 Independence Ave., SW
Room SM2
Washington, DC 20250

CAFETERIA BRANCH
1400 Independence Ave., SW
Wing 2, Room 1210
Washington, DC 20250

SMITHSONIAN BRANCH
Smithsonian Castle
Room B-10
1000 Jefferson Dr., SW
Washington, DC 20560

RIVERDALE BRANCH
4700 River Rd., RM 1C09
Riverdale, MD 20737

CARVER CENTER BRANCH
(temporarily closed)
5601 Sunnyside Ave.
Rm 1-1180
Beltsville, MD 20705

BARC WEST BRANCH
10300 Baltimore Ave.
Building 003, RM 327
Beltsville, MD 20705

CREDIT UNION
SERVICE CENTERS
ARE AVAILABLE
NATIONWIDE.
*To locate a CU Service
Center near you, please
visit www.agfed.org.*