

There are triumphs
to celebrate amid the
losses we all mourn
and the challenges
we faced together.

To all our members,
staff and volunteers:

Thank you
for your flexibility, confidence and commitment.

“I needed help and AgFed was there.”

“They still reach out and help when they can. Please keep up the good work.”

“My AgFed Credit Union account became a blessing in 2020 giving me extra financial security.”

“Despite this stressful pandemic, they haven’t lost a beat.”

86TH ANNUAL MEETING AGENDA

April 28, 2021

CALL TO ORDER

QUORUM PRESENT

APPROVAL OF THE 2020 ANNUAL MEETING MINUTES

CHAIRPERSON REPORT

CEO REPORT

TREASURER’S REPORT

ADJOURNMENT

2020 ANNUAL MEETING MINUTES

August 26, 2020

The 85th Annual Meeting of the Agriculture Federal Credit Union (AgFed) was called to order by Mr. Elard J. Phillips, Chairperson of the Board, at 12:00 p.m. on Wednesday, August 26, 2020. The meeting was held virtually.

The meeting moderator determined that a quorum was present. The April 24, 2019 Annual Meeting minutes were presented to the attendees prior to the meeting with no suggested changes or corrections and have passed.

Chairperson Report: Mr. Phillips introduced the members of the Board of Directors and Supervisory Committee to the membership. He presented the Chairperson Award to each member of the Board and Supervisory Committee for their hard work and dedication over the past 18 months and during the COVID-19 crisis.

Mr. Phillips reported that the credit union ended 2019 with a long list of accomplishments. In 2019 technology and the member experience were improved. The credit union helped many members purchase hundreds of cars and homes. The credit union saw impressive growth, adding over 2,400 new members.

Mr. Phillips recognized the outstanding performance of AgFed Credit Union’s COVID-19 Response Team. The team is comprised of members of the management team who quickly and seamlessly acted to maintain a safe and healthy environment for members and staff while continuing to provide outstanding member service.

Foundation Report: Mr. Phillips reported that the AgFed Credit Union Foundation saw a significant increase to its donations during 2019.

The AgFed Credit Union board voted to make a pledge of a percent of the credit union's 2019 income in support of the Foundation. AgFed Credit Union also provides continuous administrative support, which allows the Foundation to use all of its donations for scholarships, meeting local community needs and much more.

CEO Report: Ms. Margie Click, President/CEO thanked the Board of Directors and Supervisory Committee for their dedication and leadership. She also thanked the credit union staff for their excellence in driving AgFed's success and growth.

Ms. Click stated that AgFed remains financially safe and sound. The credit union had asset growth of 5.7% and income of over \$1.5 million. The capital to assets ratio stood at 10.56%, placing AgFed among the strongest credit unions in the nation with over 50% more capital than required NCUA.

Ms. Click highlighted the accomplishments for the past 18 months:

- 95% of the staff was quickly transitioned to remote work due to the COVID-19 pandemic
- AgFed provided much needed relief to those affected by the COVID-19 pandemic by issuing over 500 Skip-a-Payments and booking over 100 Hardship Loans
- AgFed's electronic member support coverage was expanded to meet the increased demand caused COVID-19 and stay at home orders
- The AgFed Credit Card and Debit CardControl apps were launched improving the electronic experience
- The renovation of the South Building Branch was completed

Treasurer's Report: Mr. Elard J. Phillips reported that the Credit Union ended 2019 in a solid financial position with over \$350 million in assets. Net income for the year was \$1.5 million. The credit union received an unmodified or "clean" audit opinion from NCUA.

Nominating Committee Report: Mr. Elard J. Phillips, reported that John Link, Stephen Hawkins and Christian Obineme were reappointed to the Board of Directors by acclamation.

Mr. Phillips opened the floor for questions.

Ms. Click addressed member inquiries.

The moderator adjourned the meeting.

"This credit union is like a rock to lean on when there's a need for financial support."

"As our family has grown, we are proud that Agfed has been part of our journey for 22 years."

"I love how my team works together and looks out for each other."

"Thank you very much for all you do to help folks like me to save money!"

“Thank you so much AgFed, your service during one of my lowest points made me really appreciate being a member.”

•
“Whether I am home or around the world, I know that AgFed and the fantastic staff are there for me.”

•
“Thanks to Agfed I was able to refinance my vehicle and save thousands.”

CHAIRPERSON AND CEO REPORT FOR 2020

We can all agree: it’s been a challenging year, to say the very least.

But as we look back on 2020, there’s also a lot we can be proud of. There are triumphs to celebrate amid the losses we all mourn and the challenges we faced together. And there’s much we can be thankful for.

The landscape of member service changed drastically in the last year, as we transitioned seemingly overnight to remote work and members transitioned to online, mobile, and virtual services in order to keep our members and staff safe.

We’re incredibly grateful to our members for their flexibility, confidence, and patience throughout the crisis. And we thank our staff for all their hard work and their dedication to outstanding member service.

The pandemic has also made everyone more aware of how connected we are as a community. At AgFed, we’ve done what we can to help support the membership through these challenging times, and the AgFed Foundation has continued its important work.

While we always love to see members in our branches, many have discovered the benefits and convenience of online and mobile banking, along with the peace of mind that comes from knowing that their personal and financial information remains secure.

AgFed members embraced accelerated digital adoption on all fronts during the pandemic. This provided AgFed with several opportunities to enhance technology access:

- Zelle person-to-person payments launched/will be launching in early spring 2021
- An extra layer of security was added to online and mobile banking using multi-factor authentication to protect member’s personal information.
- A call-back feature was implemented to allow members calling in to keep their place in the queue without staying on hold.
- AgFed implemented a virtual hiring process.

- Our cybersecurity policy remains a major priority, and we continue to receive high ratings from the governing authorities.

AgFed remains well-capitalized, secure, and strong, thanks to our unique culture, our shared values, and the ability to share knowledge and learn together. We have strong reserves, an experienced and capable team, and wonderful members who motivate us to do our best work every day.

That's why, although many aspects of the future seem uncertain, I'm sure of one thing: AgFed will continue to grow and thrive in 2021 and beyond.

We all look forward to continuing to support you in reaching your goals, and we thank you for choosing AgFed.

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



Carolyn Parker, Secretary



Stephen Hawkins, Treasurer



Iris Carter



Christian Obineme



Patricia O'Connell



Sederis Fields



David Lewis

“When I really needed help with my holiday loan AgFed came through exceptionally fast and deferred my payments until I was able to get back on track.”

•
“I love working at AgFed because it is a place where all of us work as a team to achieve the common goal of serving our members with greatness while enjoying our work!”

TREASURER'S REPORT

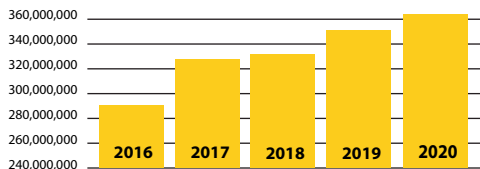
Agriculture Federal Credit Union ended the year in a fiscally sound position with a capital to assets ratio of 10.39%. This ratio is an indicator of excellent financial strength and is significantly higher than the regulatory well-capitalized standard of 7% set for credit unions.

Despite the financial challenges presented by the COVID-19 pandemic, the credit union's loan portfolio remained strong at over \$215.7 million, while member deposits increased by \$9.8 million from the previous year to \$322.0 million.

Our asset size ended the year at over \$362.4 million, an increase of 3.30% from 2019, and we experienced a good return on assets of 0.17% 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.

Stephen Hawkins
Treasurer



INCOME AND EXPENSES

Years Ended December 31,

Interest on Revenue

Interest on Loans
Interest on Investments

2020

\$8,854,106
\$1,550,559
\$10,404,665

2019

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

Interest Expense

Dividends on Shares

\$2,379,656

\$2,934,056

Net Interest Income

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

\$8,025,009

\$801,087
\$7,223,922
\$2,297,263
\$8,868,465
\$456,260

\$8,882,233

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

Net Income

\$606,460

\$1,586,650

FINANCIAL CONDITION

As of December 31,

Assets

Net Loans
Net Cash & Investments
Other Assets

2020

\$215,744,338
\$125,821,040
\$20,839,585
\$362,404,963

2019

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

Liabilities and Equity

Shares
Other Liabilities
Reserves

\$321,980,708
\$1,526,009
\$38,898,246

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

Total Liabilities and Equity

\$362,404,963

\$350,830,605

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 Turner (member). The Committee's election year 2020 (EY 2020) 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 EY 2020, the Supervisory Committee:

- Met with a representative of AgFed's external auditors (Doeren Mayhew) to review new external audit findings (year ending 3/31/2020) and the member verification procedures.
- Reviewed audit and examination results with AgFed management and followed up on any relevant recommendations.
- Held virtual monthly meetings in order to conduct Supervisory Committee business using Zoom technology; 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 periodically with the independent internal auditor's (Rowles & Company, LLP) 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 education essential to the performance of the supervisor's role in the federal credit union.

Theodore D. Covey, Chairperson
AgFed Supervisory Committee

SUPERVISORY COMMITTEE

Mr. Theodore Covey
Chair

Ms. Senney Gray

Ms. Lynn Moaney
Secretary

"I was able to refinance my car loan and completely paid it off a year early. Now I am using that money to save for a down payment on my first home!"

"AgFed was there to support me, each time by lending a caring helping hand, keeping me moving forward, and rejoicing with me as I celebrated."



www.agfed.org
24/7 Member Services/Loans
(202) 479-2270
(888) 451-LOAN (5626)
members@agfed.org

We continue to help our members remotely and offer appointments at the South Building Branch on a limited basis for members who have USDA ID.

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

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

SMITHSONIAN BRANCH
Smithsonian Castle, Rm 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.

AGFED CREDIT UNION FOUNDATION

The AgFed Credit Union Foundation continued its mission in 2020 as well as, adding new members. The Foundation received over \$9 thousand in donations. This allowed it to provide assistance to more entities.

The 2020 accomplishments:

- Awarded four \$1,000 scholarships to individuals attending college or trade schools
- Made a \$2500 donation to Zion Baptist Church located in Louisiana to assist hurricane victims
- Donated over \$5,000 to the following metro area charities to provide much needed assistance during the COVID-19 pandemic:
 - DC Central Kitchen
 - Bread for the City
 - Children's National Hospital

The Foundation Board of Directors sincerely appreciates your generous contributions. They have allowed the Foundation to expand the number of scholarships awarded in 2021 and continue to look for new ways to help the community. We encourage you to donate so that the Foundation may enrich the lives of many more 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 director@agfedcufoundation.org.

Thank you for supporting schools, students and charities in your community!

FOUNDATION 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

Carolyn Parker
Board Member