



# 2022 ANNUAL REPORT

# A MESSAGE FROM OUR CHAIRMAN

On behalf of the Board of Directors, I want to thank our members, employees, and fellow volunteers for another strong year at Andrews Federal Credit Union in 2022.

Our credit union continued to grow over the past year, welcoming new members and increasing total assets to more than \$2.5 billion. We were able to attain this remarkable achievement during a time of global economic uncertainty because we were strong, resilient, and prepared. Our credit union was built on a solid foundation, and the leadership team remains focused on ensuring we have the strategic foresight, people, resources, and technology required to maintain stability in the larger financial market.

I am truly grateful for the people who make Andrews Federal the successful financial institution it is today.

Most of all, we appreciate you. Our credit union is a strong and secure institution because we have a leadership team focused on making strategic management decisions for the long-term benefit of our credit union and our members. We take our responsibility to you very seriously and appreciate that you trust us with your financial well-being for your homes, cars, families, and future.

We appreciate the hard work of our employees and know they are the heart and soul of Andrews Federal. During the past year, I had the opportunity to visit locations throughout our branch network, both stateside and overseas. I met a diverse, welcoming group of employees who are passionate and committed towards providing you world-class member service. I was honored to hear their stories regarding the pride they take in supporting our members and communities they serve.

We appreciate the commitment of our team of invaluable board and committee volunteers. Our talented professionals bring their distinct backgrounds credentials, and experience in the military and corporate sectors to benefit our credit union.

Looking forward, we remain committed to being your financial institution of choice...anytime, anywhere!

Sincerely,

**Kenneth E. McKinney**  
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



**Kenneth E. McKinney**  
Chairman



**L. Dail Turner**  
Vice Chairman



**Eugene Dacus**  
Treasurer



**Sharon Dunbar**  
Secretary



**Robert D. Bowie**  
Director



**Henry E. Bowman**  
Director



**Derald E. Emory**  
Director



**Emma Parsons**  
Director



**Natasha Taylor**  
Director

## SUPERVISORY COMMITTEE

**Erik Winborn**  
Chairman

**Harold Springs**  
Member

**Jenny Kuhlmann**  
Member

**Colin Steele**  
Member

**Kahlill Palmer**  
Member

## DIRECTORS EMERITUS

**Gerald Brown**  
Director Emeritus

**Elijah "Bennie" Roberts**  
Director Emeritus

**Frank Cardile**  
Director Emeritus

**Roger W. Searce**  
Director Emeritus

## 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 LETTER FROM OUR PRESIDENT & CEO

During 2022, many members were impacted by the high costs of inflation and uncertainty in the market. Our Andrews Federal team worked diligently as your trusted partner through life's challenges. By looking forward and proactively anticipating the potential impact of changing market conditions, we ensure our financial institution remains safe, secure and capable of supporting our members' financial aspirations.

Andrews Federal continues to be a financial institution you can trust with your deposits, loans and livelihood. We are proud of our team members' dedication to providing members innovative products and exceptional service, including:

- Developing new checking account options with valuable features, including cash back on debit card purchases and special benefits for our military service members.
- Launching new interactive technology in our branches to allow members convenient self-service opportunities.
- Providing members with additional ways to send money affordably, particularly overseas, through the international online money transfer platform Wise.
- Completing mortgage platform updates to offer members more loan options and a more robust lending experience.
- Adding new live chat functionality so members have another option for communicating directly with our team.
- Receiving high service ratings from members via our Net Promoter Score. You continue to give Andrews Federal world-class reviews, and we appreciate your confidence in our credit union.

Andrews Federal continued its strong financial performance in 2022. Our credit union is well capitalized with a net worth ratio of 9.46%. Our efficiency ratio of 56.78% remains strong and underscores the hard work and dedication of our employees.

This year was also a year of renewed connection as many gatherings and events were relaunched after the pandemic. It is a pleasure and a privilege to connect with you, whether at the Joint Base Andrews Air and Space Expo, on-base events at our overseas garrisons, or celebrations across our communities.

In 2023, we are celebrating 75 Years of Service. As we look toward the future, we will continue to focus on our vision of being a world-class financial institution that serves our global membership throughout their lifetime.

We take our responsibility to you very seriously, and we prioritize our members' financial well-being with every decision we make.

Respectively,

**Kenneth 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

“ All of the employees at your Burlington, NJ location are extremely welcoming and friendly. They know you by name and pay attention to your needs. By getting to know you, they are able to spot trends in your banking and make helpful suggestions about products and services they have proven beneficial to me. They are truly an asset to the credit union.”  
— **Regina D.**

“ Debbie Velazquez is a shining star. She is very dedicated, provides awesome customer service, and always goes the extra mile — even thinking outside the box to help customers when a different approach is needed. Makes banking a pleasure. Thank you so much!”  
— **Joerg V.**

“ Andrews Federal has been our go to financial institution for years. Today, I had several banking issues that needed solving and Moria was instrumental in the outstanding service I received. She answered all my questions efficiently and competently. She was patient and explained all my options. I can not express how grateful we are to be banking with such an outstanding credit union. Over and over they have served all our needs! Thank you! And Mo, stellar service!”  
— **Jenny A.**

“ In our small military community, we are more like neighbors, and I always welcome the opportunity to spend time with them in any capacity.”  
— **Emma R.**

“ Really appreciate your service during these times. You keep your clients and your staff safe while providing EXCELLENT customer service.”  
— **Jordan W.**

“ Initially I was disappointed when I learned at the drive-thru teller that I would need to come inside because of the amount of the check I had requested. But when I got inside, I was greeted by name and everyone was very professional and made me feel like a valued customer.”  
— **John H.**

“ After decades of being a member of Andrews Federal, many requests and services have been done in a very transparent and professional way. Makes you feel secure and worry-free. Thanks!”  
— **Karina C.**

“ Andrews Federal on Chievres Air Base, Belgium, has the best, friendliest and most knowledgeable bank and loan tellers in Belgium. It is always a pleasure to call or visit the Andrews Team. I have been a member for over 5 years and each and every experience I have had with the Team or Management has been a great experience.”  
— **Tiffany K.**

# A MESSAGE FROM OUR TREASURER

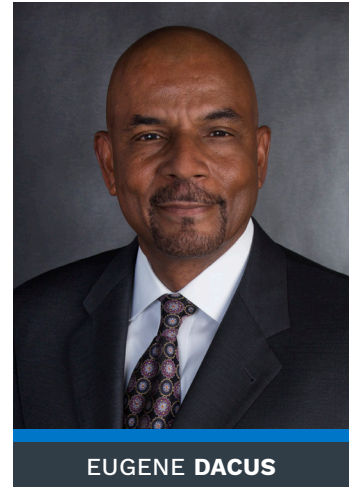
As Treasurer, I am pleased to report that Andrews Federal performed exceedingly well in 2022 ending the year with total assets of \$2.5 billion and net income of \$22 million. Outstanding loans to members increased by \$183.1 million and interest income totaled \$93.9 million.

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 2023, 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 loyalty to Andrews Federal.

Sincerely,

**Eugene Dacus**  
Board Treasurer



## CREDIT UNION GROWTH AT A GLANCE

### TOTAL ASSETS

2022	\$2,502,080,948
2021	\$2,287,872,282
2020	\$2,237,348,803

### TOTAL SHARES

2022	\$1,954,495,687
2021	\$1,790,101,569
2020	\$1,804,368,829

### TOTAL LOANS

2022	\$2,091,936,892
2021	\$1,897,251,460
2020	\$1,776,820,531

### TOTAL MEMBERS' EQUITY

2022	\$228,560,049
2021	\$213,652,741
2020	\$203,867,232

### NET INCOME

2022	\$22,012,312
2021	\$10,551,500
2020	\$9,431,172

# CONSOLIDATED STATEMENT OF FINANCIAL CONDITION

As of December 31, 2022 and 2021

ASSETS	2022	2021
Cash and Cash Equivalents	\$138,372,887	\$116,991,009
Available-for-Sale Investments	105,908,482	134,910,075
Loans Held for Sale	1,700,576	—
Loans to Members, Net of Allowance for Loan Losses	2,091,936,892	1,897,251,460
Accrued Interest Receivable	8,643,316	9,338,026
Prepaid and Other Assets	29,996,253	23,710,382
Variable Annuity Investments	12,787,872	12,182,849
Federal Home Loan Bank (FHLB) Stock	13,044,000	10,493,700
Split Dollar Life Insurance (SDLI)	34,575,665	15,708,843
Credit Union Owned Life Insurance (COLI)	31,419,816	30,714,630
Property and Equipment, Net	17,264,546	19,722,414
National Credit Union Share Insurance Fund (NCUSIF) Deposit	16,430,643	16,848,894
<b>TOTAL ASSETS</b>	<b>\$2,502,080,948</b>	<b>\$2,287,872,282</b>

## LIABILITIES AND MEMBERS' EQUITY

### Liabilities

Members' Shares and Savings Accounts	\$1,954,495,687	\$1,790,101,569
Borrowed Funds	280,000,000	250,000,000
Accrued Expenses and Other Liabilities	39,025,212	34,117,972
<b>TOTAL LIABILITIES</b>	<b>\$2,273,520,899</b>	<b>\$2,074,219,541</b>

### Members' Equity

Regular Reserve	—	\$15,381,367
Undivided Earnings	234,702,871	197,309,192
Accumulated Other Comprehensive (Loss)/Income	(6,142,822)	962,182
<b>TOTAL MEMBERS' EQUITY</b>	<b>\$228,560,049</b>	<b>\$213,652,741</b>

<b>TOTAL LIABILITIES AND MEMBERS' EQUITY</b>	<b>\$2,502,080,948</b>	<b>\$2,287,872,282</b>
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# CONSOLIDATED STATEMENT OF INCOME

As of December 31, 2022 and 2021

INTEREST INCOME	2022	2021
Loans to Members	\$85,452,766	\$74,885,076
Loans Held for Sale	3,945,211	119,083
Investment Securities	4,527,679	1,563,099
<b>TOTAL INTEREST INCOME</b>	<b>\$93,925,656</b>	<b>\$76,567,258</b>
<b>INTEREST EXPENSE</b>		
Members' Shares and Savings Accounts	\$17,269,728	\$16,490,707
Borrowed Funds	5,214,512	1,717,903
<b>TOTAL INTEREST EXPENSE</b>	<b>\$22,484,240</b>	<b>\$18,208,610</b>
<b>NET INTEREST INCOME</b>	<b>\$71,441,416</b>	<b>\$58,358,648</b>
Provision for Loan Losses	10,265,804	3,956,780
<b>NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES</b>	<b>\$61,175,612</b>	<b>\$54,401,868</b>
<b>NON-INTEREST INCOME</b>		
Fees and Charges	\$8,989,234	\$9,063,059
Interchange Income	6,899,582	6,502,179
Net Gain/(Loss) on Sale of Mortgages	5,995,613	(992,244)
Rental Income	1,746,366	1,760,857
Other Income	7,064,232	3,873,419
<b>TOTAL NON-INTEREST INCOME</b>	<b>\$30,695,027</b>	<b>\$20,207,270</b>
<b>NON-INTEREST EXPENSES</b>		
Compensation and Benefits	\$33,279,532	\$31,621,425
Office Operations	17,805,935	15,823,772
Office Occupancy	5,201,812	4,569,831
Loan Servicing	6,268,447	4,864,583
Professional and Outside Services	4,120,864	3,856,891
Other Expenses	3,181,737	3,321,136
<b>TOTAL NON-INTEREST EXPENSES</b>	<b>\$69,858,327</b>	<b>\$64,057,638</b>
<b>NET INCOME</b>	<b>\$22,012,312</b>	<b>\$10,551,500</b>



# A MESSAGE FROM OUR SUPERVISORY COMMITTEE

Under the Federal Credit Union Act, the Supervisory Committee is responsible for ensuring that the Board of Directors and management of the credit union meet the required financial reporting objectives and establish practices and procedures sufficient to safeguard members' assets.

The Supervisory Committee oversees the activities of the Internal Audit department including a review of the internal control environment established by management. The Committee also monitors compliance with all the internal Board approved policies and with all applicable laws and regulations.

The Supervisory Committee selected the independent 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 2022, in accordance with generally accepted auditing standards. Their unmodified opinion, along with Andrews Federal Credit Union audited financial statements, is 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



★ ★ ★ ★

**PROUDLY SERVING OUR  
MILITARY AND CIVILIAN  
COMMUNITIES**

★ ★ ★ ★

# COMMITTED TO OUR COMMUNITIES

Over **\$379,718** in charitable giving in 2022

**\$223,000**

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

**\$85,968**

for events at overseas military installations

**\$45,750**

for stateside community engagement

**\$20,000**

in scholarships awarded to high school students

**\$5,000**

for summer camps awarded to children under 15

## Donations, Sponsorships and Partnerships

- 316th Civil Engineering Squadron
- 316th Force Support Squadron
- 316th Force Support Squadron
- 316th Wing
- 459th Air Refueling Wing
- 87th Force Support Squadron
- 89th Airlift Wing
- Air National Guard
- Army Community Services
- Association of Retired Members of the Armed Forces in Belgium
- Baumholder IMCOM
- Boy Scouts
- Brussels Aid for Ukraine
- Cub Scouts of America Pack 457
- East Coast Chapter Tuskegee Airman Inc.
- Imagine Andrews Charter School
- JB Andrews Check 6 Foundation
- Joint Base Andrews 5/6 Council
- Joint Base Andrews Airman Leadership School
- Joint Base Andrews Airman's Attic
- Joint Base Andrews Chief's Council
- Joint Base Andrews Community College of the Air Force
- Joint Base Andrews First Sergeant's Council
- Joint Base Andrews Retiree Association
- Joint Base Andrews Top III Council
- Joint Base McGuire-Dix-Lakehurst Air Force Ball Committee
- Morale, Welfare and Recreation (MWR)
- SHAPE
- SHAPE Girl Scouts
- SHAPE High School
- SHAPE Middle School
- SHAPE Parent Teach Student Organization
- USAG Benelux
- USAG Benelux Brunssum
- USAG Benelux Brussels
- USAG Wiesbaden
- Washington D.C. Air National Guard



- 1 President & CEO Ken Orgeron is honored with a commander's challenge coin from Colonel Todd E. Randolph, 316th Wing and Installation Commander, in appreciation of the credit union's longstanding support of the Joint Base Andrews Air & Space Expo.
- 2 Andrews Federal employees hosting a "Pink Out" fundraiser event in October, donating over \$2,000 for breast cancer research.

# 2022 PHOTO HIGHLIGHTS



- 1 Supporting Blue Star Families at Joint Base McGuire-Dix-Lakehurst in New Jersey.
- 2 Volunteering at the Cherry Blossom Run in Washington, DC.
- 3 The executive team visits the West Springfield, VA branch.

- 4 Donating turkeys to local food banks and community organizations in Prince George's County, Maryland.
- 5 Celebrating outstanding employees at the Overseas Awards Gala.

- 6 Welcoming community members to the Manchester Lakes branch open house in Springfield, Virginia.
- 7 Welcoming our Board Chair and executive leaders to the branch in Brunssum, The Netherlands.

- 8 Supporting the Joint Base Andrews Air & Space Expo as the event's Premier Sponsor.
- 9 Ken McKinney, Damita Robinson, and Ken Orgeron visiting the Burlington, NJ branch to thank the team for their hard work.

# 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

## 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

## 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

# 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