



ATLANTIC FINANCIAL
FEDERAL CREDIT UNION

Where you matter

2023

ANNUAL REPORT

President and Chairperson's Report

Dear Members of Atlantic Financial Federal Credit Union,

Welcome to the 2023 annual report! It is our pleasure to present you with the events of your credit union from the past year.

Your credit union has continued to show strength and growth in the face of many challenges during 2023. Atlantic Financial Federal Credit Union (AFFCU) met these challenges and generated forward momentum through strategic change.

Our Members Matter Most

2023 will likely be remembered as one of the most volatile interest rate markets in recent history. Unlike the past decade or so, the rates market seemed to change constantly. Rising mortgage and deposit rates forced consumers' mindsets to adapt to a new reality. This also meant that Atlantic Financial needed to pivot quickly in order to serve our members to the best of our ability.

Through all this change, Atlantic Financial continued to reinvest in the credit union. The opening of the Pikesville branch in early 2023 marked the attainment of expanding the credit union's reach in the Greater Baltimore area. We are proud of our new location and expanding our service network for members. We also continued to invest in our members through financial education by sponsoring community events and hiring dedicated team members that provide exemplary service.

Forward Momentum

As we look to the future, we are excited by the opportunities that lie ahead. Technology continues to evolve at a rapid pace, and we are utilizing new trends to serve our members better through technology, making their financial lives easier.

We continued our efforts to add members in the extended field of membership in metropolitan Baltimore and beyond. There is no doubt that the years to come will bring Atlantic Financial into new communities, new events, and new sponsorships to help further our mission.

As we close out 2023, we are happy with the challenges we have overcome and are excited about the future. Above all, we would like to thank our dedicated staff, volunteers, and board of directors for their hard work and commitment to our credit union. Together, we create a winning culture that will propel the credit union and our members forward into 2024 and beyond.

Thank you,

Matthew Piazza, MBA, CPA, President & CEO

Wade Walters, Board Chairperson

2023 OVERVIEW



Member Enrichment Report

Advancing the Atlantic Financial Cause

Atlantic Financial Federal Credit Union's mission is to enrich our members' lives through consistent, exceptional experiences. Whether that is by them being able to check in on their finances each day through mobile or online banking or by visiting with an Atlantic Financial team member to work out a financial plan, we strive for enrichment.

In 2023, Atlantic Financial realized a variety of accomplishments that helped enrich the lives of our members. These included:

- The opening of our Pikesville location.
- Attending and/or sponsoring more than 20 community events.
- Completing a market research project for future growth.
- Completing several loan campaigns with promotional rates for members.
- Introducing a free financial wellness webinar series.
- Expanding new member growth efforts into surrounding counties.

Atlantic Financial Federal Credit Union's efforts over the past year show our commitment to providing consistent and exceptional experiences, our strong involvement in the community, and our focus on member enrichment.

Our members are showing us that they trust us when they make the choice to do business at Atlantic Financial. Our never-ending goal is to continue to provide them with reasons to keep that trust and show them that Atlantic Financial is where they matter.

MEMBER ENRICHMENT

OUR MISSION

To enrich our members' lives through consistent, exceptional member experiences.

OUR VISION

To be our members' financial institution of choice.

OUR VALUES

Our core guiding values define the **STRONG** foundation on which we operate and serve one another every day.

S - Service

T - Trust

R - Reliable

O - Open-Minded

N - Nimble

G - Genuine

Supervisory Report

Atlantic Financial Federal Credit Union's Supervisory Committee has the responsibility of ensuring that AFFCU is operating in a safe and prudent manner and in the best interests of our members.

To help fulfill this oversight we engage an outside auditing firm, CliftonLarsonAllen, LLP, to perform the annual opinion audit and to verify member accounts, as well as other required NCUA procedures. We also undertake a federally mandated annual NCUA examination.

The Supervisory Committee is happy to confirm that under the leadership of our President and CEO, Atlantic Financial Federal Credit Union continues to meet its obligation of operating in an efficient and responsible manner that confirms its financial stability and soundness. The continuous monitoring and review of its operations, procedures, and controls ensures the safeguarding of the credit union's assets. These controls and processes were examined by NCUA and our independent CPA audit, both yielding no issues of concern for the credit union. The Supervisory Committee will continue to ensure that AFFCU remains a safe and financially sound institution, ready to meet your financial needs.

Respectfully,

The Supervisory Committee

SUPERVISORY REPORT



Treasurer's Report

The Board of Directors approves the annual budget prepared by AFFCU's management. Part of the budgeting process is setting goals for key performance factors and then tracking them throughout the year. Year-end 2023 results for these key performance factors are reported as follows:

NET WORTH	10.75%
CHARGE-OFFS	0.77%
LOAN-TO-SHARE RATIO	68.85%
ASSET GROWTH	-4.73%

DELINQUENCIES	1.87%
EFFICIENCY RATIO	81.21%
RETURN ON ASSETS	-0.54%
LOAN GROWTH	-9.55%

The 2023 budgeted goal for net worth was 9.84%. At year-end, AFFCU's net worth was 10.75%, above the level required by federal regulators to be classified as a "well-capitalized" credit union. AFFCU reported a net loss of \$574,437 (or return on assets of -0.54%) for the year ending December 31, 2023. The AFFCU board of directors and management remain committed to growing and strengthening the organization. The board believes in AFFCU's mission and is confident that the credit union remains strong and viable.

Respectfully,
Francis "Fran" Reinhardt
Treasurer

FINANCIAL STATEMENT

Statement of Financial Condition - 2023

BALANCE SHEET		
	December 2023	December 2022
ASSETS		
Cash and Cash Equivalents	11,362,460	5,392,586
Investments	23,567,425	27,236,700
Loans – less allowance for loan loss	61,015,405	67,190,270
Premises and Equipment	1,758,731	1,783,888
Other Assets	1,926,679	1,665,001
Total Assets	99,630,700	103,268,445
LIABILITIES		
Members' Share and Savings	90,086,491	94,078,497
Other Liabilities	798,354	580,378
Total Liabilities	90,884,845	94,658,875
MEMBERS' EQUITY		
Total Members' Equity	8,745,855	8,609,570
Total Liabilities and Members' Equity	99,630,700	103,268,445
INCOME STATEMENT		
Interest Income	4,069,409	3,593,406
Interest Expense	(1,048,042)	(506,228)
Provision for Loan Losses	(573,783)	(469,902)
Non-Interest Income	1,503,491	1,652,379
Non-Interest Expenses	(4,525,512)	(4,270,852)
Net Income	(574,437)	(1,197)



BOARD OF DIRECTORS

Wade Walters, Chairperson

Michael Spencer, Vice Chairperson

Francis “Fran” Reinhardt, Treasurer

Barbara Byrnes, Secretary

Romelle Bacon

James Crogan

James Haenlein

Stacy Purnell

Trista Nachodsky

COMMITTEE VOLUNTEERS

SUPERVISORY COMMITTEE

James Haenlein, Committee Chair

Femi Olawuyi

Christopher Perez

Brian Shepley







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Where you matter

HUNT VALLEY BRANCH

40 Schilling Road, Hunt Valley, MD 21031

PIKESVILLE BRANCH

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