



Afena Federal Credit Union
2023 Annual Report



MAKING AN IMPACT

At Afena, we understand the power of positive impact; whether it's something small like a freshly painted mural on an old brick wall or much bigger, like working to increase financial equity among marginalized communities, making a positive impact on your community creates energy that ripples through society, fostering a culture of empathy, support, and progress.

That's why, as a credit union, we are committed to serving our community and generating as much positive impact as we possibly can, because we know there is power in positive actions to inspire others to follow suit, creating a domino effect of goodwill and sparking sustainable, lasting change. Every day, we seek to turn our individual interactions with you, our members, into a collective force for social betterment and financial empowerment, because we're in this together. Please enjoy the 2023 annual report: IMPACT.

2024 ANNUAL MEETING AGENDA

WELCOME & CALL TO ORDER

Chairman, Michael Crawford

DINNER & ENTERTAINMENT

Marion High School Jazz Band

ORDER OF BUSINESS

Minutes from 2023 Annual Meeting Secretary, Torianna Williams

Roll Call - Secretary, Torianna Williams

Nominating Committee Report - Scott Overman

Chairman's Report - Michael Crawford, Chairman of the Board

President's Report - Karen Madry, President/CEO

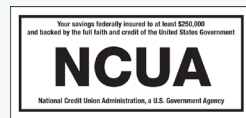
Treasurer's Report - Richard Dollar

Supervisory Committee Report - Mindy Mayes

NEW BUSINESS

Awards and Recognition

ADJOURN



MEMBER IMPACT STORY

GEORGIA

Georgia's the type of person who believes in going above and beyond to support others; she loves banking at Afena because she knows the credit union staff does the absolute best they can to support their members and make things happen.

A motorcycle enthusiast, Georgia uses her bike to help others. In her free time, she volunteers with the local chapter of Guardians of the Children, a non-profit organization comprised of volunteers who use motorcycles as tools to help children who have been victims of abuse to become strong, confident, and courageous again. After a divorce left her struggling to get back on solid financial footing, she came to Afena for help; her ex was threatening to use her financial vulnerability to take away her most sentimental possession, her bike.

She was worried that the divorce had hurt her credit score too much, but the helpful and supportive loan officer at Afena went right to work crunching the numbers to find a solution. With the equity Georgia had in her bike, Afena was able to refinance her motorcycle and use the equity to combine all of her debt into one payment. She felt like she'd been sent an angel from above.

Of the impact Afena has made on her life, Georgia says, "I was able to wipe out everything and basically become debt-free and start over fresh again as my own person. I wasn't tied to the past anymore, and it felt great. I'm so thankful and so grateful for that opportunity. If it wasn't for Afena, I wouldn't be where I'm at right now financially. I'm extremely grateful; it was a godsend."



CHAIRMAN'S REPORT

Greetings, and thank you for reading Afena Federal Credit Union's 2023 Annual Report. The board is grateful for your interest in the operations and leadership of our credit union. First, I would like to thank the amazing staff and administration of Afena FCU. I'm grateful for the dedication and talent of our exceptional employees and for their commitment to providing Afena members with the highest-quality service, while continuously seeking to develop new products and services to better meet their financial needs.

Additionally, I would like to thank our President/CEO, Karen Madry, for her visionary leadership, under which Afena has achieved remarkable growth and national attention. Karen's relentless commitment to the credit union movement was nationally recognized recently, when she received

the distinguished honor of being inducted into the national African-American Credit Union Hall of Fame. Congratulations, Karen! The board is so proud of you, and we are grateful to have your talent and leadership here at Afena!

Thank you for the opportunity to serve as your board chairman. It has been my pleasure to serve the members of Afena alongside such an incredible board of directors, each of whom faithfully serves the credit union on a volunteer basis, investing their time and energy to make our community a better place. As a board, we listen to and serve the needs of our membership through opportunities such as authorizing and encouraging new programs, forgiving fees, being more lenient in collection efforts, and overseeing the strategic planning of Afena's next steps. Our sole interest is to operate in your best interest; we are all stakeholders in this credit union, and we all share in its future.





The main story of 2023 locally, was the grand opening of Afena's new North Marion branch and corporate headquarters located on Baldwin Avenue. The vision began more than six years ago, when the leadership of Afena realized the need for a new facility on the north side of Marion. Now, we have a beautiful, brand-new facility strategically located on the Marion bypass, complete with more space and new technology to better serve your needs. The major story of 2023, nationally, was the continuation of high inflation. After peaking at 9.1% in June of 2022, the U.S. inflation rate had only decreased to 6.5% by the beginning of 2023. In an attempt to lower inflation rates to its target of 2%, the Federal Reserve raised interest rates multiple times the first half of the year, with .25% interest rate increases in February, March, May and July. Though we found it necessary to increase our rates on various loan products, we were diligent in our commitment to competitive pricing; therefore, our rates remained low when compared to other local and nation lending institutions.

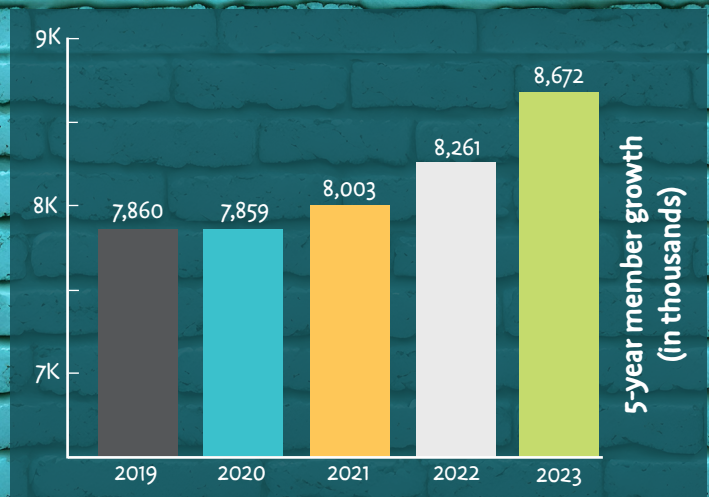
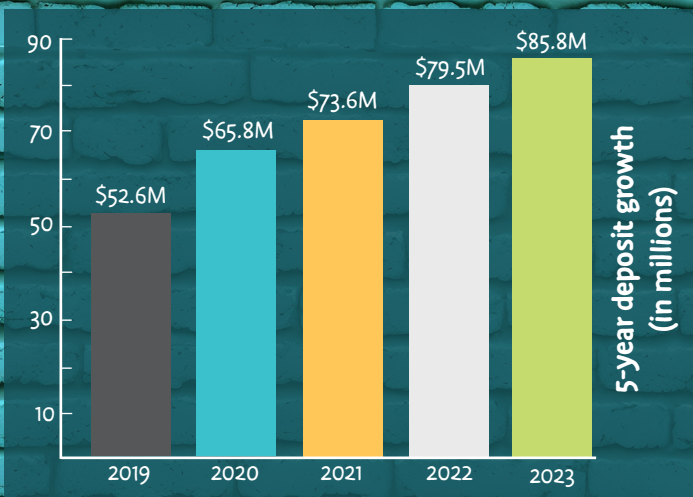
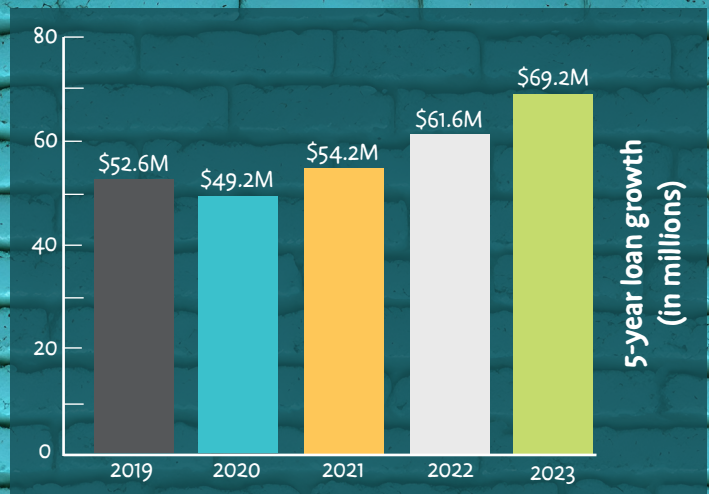
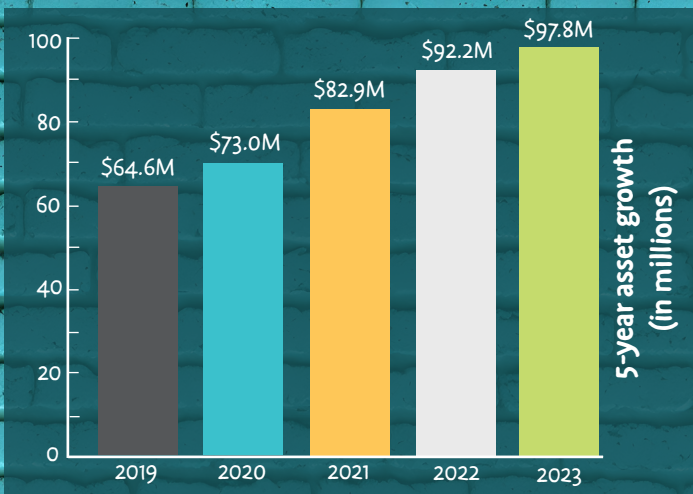
Finally, I would like to ask you for your recommendation. We, as a board, ask that if you are happy with your credit union and appreciate our relationship-based approach to meeting your financial needs, that you would please refer your family and friends to Afena FCU and help us continue to grow! This growth is what allows us to help more people and deepen our impact in the communities that we serve.

Michael Crawford
Chairman, Board of Directors

Mark Souers, Vice-Chairman
Richard Dollar, Treasurer
Torianna Williams, Secretary

Evan Gillmore, Board member
Mindy Mayes, Board member
Nate McNeely, Board member

2023 NUMBERS IN REVIEW



**2023 Asset
Growth**

6.04%

**2023 Deposit
Growth**

7.96%

**2023 Loan
Growth**

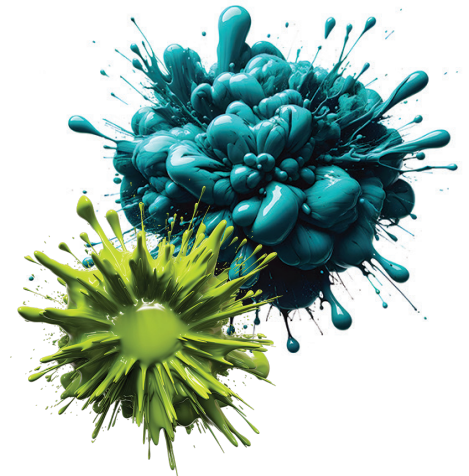
12.33%

**Membership
Growth**

4.98%

COMPARATIVE FINANCIAL STATEMENT

	December 2022	December 2023
Cash and Investments	\$19,570,432	\$16,069,553
Loans (net of loss reserves)	61,634,993	69,232,265
Other Assets	11,041,805	12,512,899
Total Assets	\$92,247,231	\$97,814,718
Liabilities	\$1,313,121	\$720,567
Member Savings	79,530,793	85,858,223
Equity	11,403,316	11,235,927
Total Liabilities & Equity	\$92,247,231	\$97,814,718
Interest Income	\$3,109,580	\$4,020,677
Dividend Expense	432,123	1,003,291
Net Interest Income	2,677,457	3,017,386
Operating Expense	3,840,366	4,587,823
Provision for Possible Loan Losses	372,983	567,486
Other Income	2,438,236	2,107,520
Other Expenses	70,885	
Net Income	\$831,459	(\$30,403)



TREASURER'S

REPORT

Afena Federal Credit Union delivered another year of remarkable financial achievements in 2023. We granted more than 2,800 loans totaling \$36.2 million, finishing the year with net loans of \$69.2 million—an increase of \$7.6 million or 12.33%. Member deposits also experienced robust growth, expanding by \$6.3 million or 7.96%. Total assets increased by \$5.6 million or 6.04%. Our strong performance showcases our dedication to financial stability and member-centric services.

In 2023, we successfully opened our new corporate headquarters, and we managed expenses effectively, resulting in a smaller net loss than anticipated. The investment in our new location is already yielding significant returns, our membership grew by 4.98% in 2023, reaffirming our commitment to serving our members' evolving needs. Afena prioritizes delivering value to our members, as evidenced by the \$432,123 return in dividends to our membership last year—a 132.28% increase over the year prior. In summary, our financial performance in 2023 reflects our unwavering commitment to excellence, innovation, and member satisfaction. Thank you for your continued trust and support as we strive to exceed expectations and deliver value at every opportunity.

PRESIDENT'S

REPORT

The economic challenges we all faced in 2023 created an opportunity for Afena Federal Credit Union to reinforce its steadfast dedication to you, our members, and to the communities we serve. Throughout the year we faced rising interest rates, the collapse of three major banks, and volatility in the financial markets. Yet, amidst this unpredictability caused by external factors, we remained resolute in our role as a trusted financial partner, offering stability and support when it was needed most. As the year unfolded, it became a testament to the resilience of our brand as existing and new members turned to us for guidance and assistance in navigating life's twists and turns. Despite the economic uncertainties, our commitment to serving our members remained unwavering, as we continued to

provide low-cost loan products and personalized financial solutions, walking alongside our members through the peaks and valleys of their financial journeys.

Impactful Community Revitalization Efforts:

In addition to overcoming economic challenges, Afena took decisive action to invest in the revitalization of our community. We proudly unveiled our new corporate headquarters and retail branch, strategically located in an area where businesses were migrating from, with the aim of injecting new vitality into the community and serving as a catalyst for further development. Our deliberate decision to move to a more accessible location in North Marion reflects our commitment to meeting the needs of all residents. Beyond the physical structures erected, our investment in this overlooked and forgotten area resonates deeply, fostering hope, pride, and economic opportunity, while inspiring positive change that we hope will benefit generations to come.

Building Stronger Communities Together:

We are deeply committed to making a meaningful and lasting impact in the communities we serve, helping them to become stronger, healthier, and more resilient. Our dedication to this cause is reflected in our support for numerous local events, organizations, and charitable endeavors. Through our free community events, donations, and sponsorships, we proudly contributed over \$20,000 to various initiatives, demonstrating our unwavering commitment to supporting the well-being of our community members. We are proud to share that we extended our reach in 2023 by providing Christmas care packages to 40 families served by the Training Center. This heartwarming initiative, made possible through our employee giving fund, highlights our dedication to making a positive

impact in our community by extending a helping hand to those in need. Through these collective efforts, we strive to foster a sense of belonging and unity, ensuring that all residents have an opportunity to thrive and succeed.

Demonstrating Impact Through Growth and Member Benefits:

By the numbers, our impressive growth tells the story of our impact in our community and in the lives of our members. With a 4.98% increase in membership and 12.33% loan growth, we outpaced industry peers. Our commitment to helping our members improve their financial health is evidenced by the \$132,123 returned to members in the form of dividends. We are happy to report that our credit union's assets grew by \$5.6 million or 6.04%. Despite challenges such as a small net loss attributed to the new corporate headquarters, we maintained a strong capital ratio of 11.57%.

In 2023, we originated \$36.2 million in loans, with 10% dedicated to debt consolidation, freeing members from the burden of high-interest loans, including those provided by predatory lenders such as finance companies and payday lenders. Our \$21.6 million in auto loans provided essential transportation to members, ensuring access to work and vital services. The launch of Afena's Fast Cash loan program further demonstrates our commitment to meeting members' immediate needs, with over \$642,000 in small dollar loans funded. Most notably, 45% of our loans were provided to low to moderate-income families, highlighting our mission to provide fair and equitable financial services and empower under-served communities. These statistics are not just numbers; they represent lives changed, dreams realized, and futures secured. As we look ahead, we remain steadfast in our commitment to making a positive impact in the communities we serve, one member at a time.

Celebrating Collective Achievements:

We extend our deepest gratitude to you, our valued members, for your unwavering support. Together, we have made a tangible difference in the lives of our 8,672 members and the broader communities we serve. With our recent charter expansion, we are poised to extend our impact even further in the years to come. Thank you for entrusting us with your financial needs and for being an integral part of the Afena family.

Sincerely,



Karen L. Madry President/CEO

MEMBER IMPACT STORY

DEBBIE



Debbie, an Afena member since 2010, is no stranger to hardship. In October 2022, her sister was placed on life support at an Indianapolis hospital while battling a long-term illness. Debbie stayed by her side the entire time until she passed. Just a few weeks later, her fiancé of 19-years passed away after a years-long battle with COPD. Somewhere in the midst of those two devastating losses, her daughter was hospitalized, and Debbie stepped in to help pay her bills.

Dealing with so many tragedies in such a short time was emotionally and financially devastating. When all was said and done, she found herself with over \$27K in credit card debt. Down to only her income, and with interest rates on her cards reaching as high as 19.89%, she quickly realized she needed help and came into Afena.

Soon, her distress was replaced with gratitude and relief. The loan officer she worked with was empathetic and creative, and he helped find a way to refinance the 2021 vehicle that she owned outright for the full \$27K that she owed. Not only was Debbie able to save \$229 a month in payments, but her debt will be paid in full in only five years.

Of Afena's impact on her life, Debbie says, "The bottom line is: I needed help, and I went in and asked, and they were there. Afena makes me feel safe, secure, and I know they will help me, not just in this situation, but any other situation I have."

SUPERVISORY committee REPORT

The Supervisory Committee is an audit committee composed of credit union members who are appointed by the Board of Directors. The purpose of the Supervisory Committee is to ensure the financial condition of the credit union is accurately and fairly presented in the organization's financial statements, and that the credit union's management practices and procedures are in accordance with federal regulations and are sufficient to safeguard members' assets and sensitive information.

In pursuit of this goal, the Supervisory Committee's activities include: participation in the monthly Board of Directors' meetings; appointing and engaging with independent auditing firms and relying upon their expertise to assist with reviewing financial performance, assessing the overall financial health of the Credit Union, and performing periodic audits of accounts, policies, procedures, and internal controls.

To assist in our review of the Credit Union the Supervisory Committee engaged, FORVIS, LLP, an independent, outside accounting firm with proven knowledge of credit union regulations and operations, to perform the annual certified audits. An opinion audit was completed in 2023 for the year of 2022. FORVIS proposed no audit adjustments, resulting in a clean, unmodified opinion of the Afena FCU's financial statements and did not note any material weaknesses or significant deficiencies relating to internal controls. The 2023 audit is currently in process.

The Committee also engaged the CPA firm of Whiting and Company to provide the internal audit function on a regular ongoing basis. In addition to these reviews, the National Credit Union Administration (NCUA) performs a regulatory examination every 12 – 18 months. The results of all reviews to date give us confidence that the Credit Union is in compliance with applicable regulations, safeguarding members' assets, and following policies and procedures approved by the Credit Union Board of Directors.

We strongly believe our financial condition and management practices play a role in helping the Credit Union to be the area's leader in financial services. The audit opinion from FORVIS, along with other audit reports, reflects the great care given to managing the operations of the credit union and demonstrates the commitment of the leadership team and staff of Afena Federal Credit Union.

Respectfully,

Mindy Mayes, Supervisory Committee Chairwoman
Robert Bannister, Supervisory Committee Member
Andy Henderson, Supervisory Committee Member
Michael Moffitt, Supervisory Committee Member



COMMUNITY IMPACT

2023 LOAN APPROVAL
PERCENTAGE

92%

WE SAY YES!

WE IMPROVE
FINANCIAL HEALTH!

\$3.6M

MEMBER DEBT
CONSOLIDATED 2023

WE LOOK BEYOND
CREDIT SCORE!

28%

LOANS APPROVED WITH
NO CREDIT SCORE REQ.

LOANS ORIGINATED TO
LOW-INCOME MEMBERS

26%

WE INCREASE FINANCIAL EQUITY!

LOANS ORIGINATED TO
MOD. INCOME MEMBERS

19%

Afena maximizes our impact by increasing financial equity and empowering under-served communities to achieve financial success. We seek to build thriving, financially-savvy communities with universal access to high-quality financial products, services, and resources, because we believe that in life, and in banking, progress is more important than perfection.

AWESOMENESS HAPPENS HERE.

2023 COUNTDOWN TO IMPACT

10

WE PARTNERED WITH THE MARION REGIONAL CAREER CENTER TO PROVIDE FINANCIAL LITERACY TRAINING AND OUTREACH FOR STUDENTS AND ADULTS.

WE PROUDLY CONTRIBUTED OVER \$20,000 TO VARIOUS LOCAL AND REGIONAL INITIATIVES TO SUPPORT THE WELL-BEING OF OUR COMMUNITY MEMBERS.

8

WE HELPED OUR MEMBERS CONSOLIDATE OVER \$3 MILLION OF THEIR HIGH-INTEREST DEBT AND DRAMATICALLY IMPROVED THEIR FINANCIAL HEALTH.

WE RETURNED \$132,123 TO OUR MEMBERS IN THE FORM OF DIVIDENDS, HELPING TO GROW WEALTH AND IMPROVE FINANCIAL WELL-BEING.

6

WE LAUNCHED AFENA FAST CASH, A LOAN PRODUCT DESIGNED TO ENSURE MEMBERS HAVE IMMEDIATE ACCESS TO SMALL-DOLLAR LOANS 24 HOURS A DAY.

WE PROVIDED OVER 1,000 HOURS OF FREE FINANCIAL COACHING AND TRAINING TO COMMUNITY MEMBERS WHO NEEDED HELP.

4

WE HELPED MEMBERS OF MODEST MEANS ACHIEVE THEIR FINANCIAL GOALS; 45% OF ALL LOANS ORIGINATED WENT TO LOW-MODERATE INCOME FAMILIES.

WE PROVIDED CHRISTMAS CARE PACKAGES TO 40 LOCAL FAMILIES SERVED BY THE TRAINING CENTER, THANKS TO THE GENEROSITY OF OUR STAFF.

2

WE GREW OUR MEMBERSHIP BY 4.98%, ALLOWING US TO HELP HUNDREDS OF ADDITIONAL PEOPLE IN OUR COMMUNITY TO ACHIEVE THEIR FINANCIAL GOALS.

WE INVESTED IN THE REVITALIZATION OF OUR COMMUNITY WITH THE GRAND OPENING OF OUR NEW CORPORATE HQ AND RETAIL BRANCH IN NORTH MARION!

1



**WE
DON'T
JUST
MAKE
LOANS;
WE
HELP
ACHIEVE
DREAMS.**

Afena Federal Credit Union exists to give our members what counts most in life: freedom, pride, and legacy. We promise to listen to your whole story and treat you like a person, not just a credit score. We work hard to improve financial well-being for everyone —regardless of credit score or income level. Our friendly, non-judgmental staff walk alongside our members to help them achieve their financial goals. We are committed to leveling the playing field and increasing financial equity, especially within marginalized communities. Because, we don't see limitations, we see possibilities. We're in this together.

HONORING AFRICAN AMERICAN CREDIT UNION HALL OF FAME INDUCTEE

Afena Federal Credit Union is honored to celebrate Karen L. Madry, President/CEO, for her recent induction into the African American Credit Union Hall of Fame. At the induction ceremony, Karen was recognized for her visionary leadership, exceptional contributions to the credit union industry, and unyielding dedication to serving marginalized communities.

The African American Hall of Fame recognizes individuals who have contributed to the credit union movement by providing financial services and access to financial capital for African Americans and people of color. This prestigious award is presented annually to leaders who have made a remarkable impact on their credit unions, their members, and the communities they serve.

During Madry's 10-year tenure, Afena has experienced remarkable growth, nearly doubling in asset-size, as well as adding new members, opening new branches, expanding into new counties, and launching new member-centric products. We are incredibly grateful for the vision, leadership, talent, hard work, and commitment that Karen has brought to Afena and to our community, and we proudly celebrate this exceptional achievement.



KAREN L. MADRY



afenafcu.org