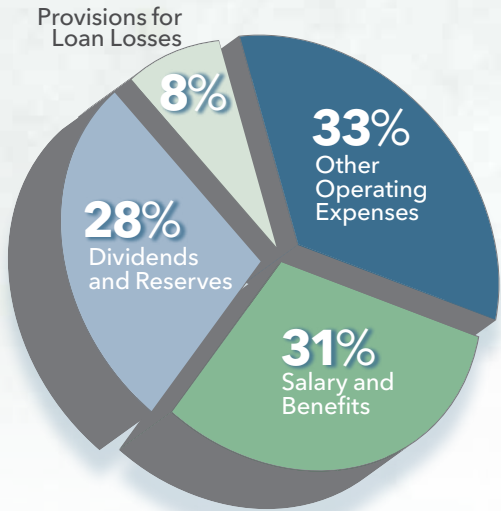


DISTRIBUTION OF INCOME



A FEW YEARS IN BRIEF

	2012	2013	2014
Assets	\$ 299,739,970	\$ 329,938,193	\$ 340,745,581
Shares/Savings	\$ 54,120,744	\$ 58,291,092	\$ 60,206,083
Checking	\$ 26,697,026	\$ 30,553,342	\$ 32,367,345
Certificates	\$ 107,795,259	\$ 119,555,909	\$ 122,910,683
Money Market	\$ 57,688,873	\$ 57,876,702	\$ 60,115,112
IRAs	\$ 18,137,341	\$ 19,917,556	\$ 20,396,636
Loans	\$ 104,342,966	\$ 145,608,808	\$ 159,435,027
Vehicles	\$ 22,212,531	\$ 24,699,169	\$ 23,524,245
Home Equity/2 <sup>nd</sup> Trust Mortgages	\$ 12,871,574	\$ 13,514,962	\$ 14,162,114
1 <sup>st</sup> Mortgages	\$ 37,943,088	\$ 74,585,552	\$ 89,863,359
VISA	\$ 12,818,505	\$ 13,348,326	\$ 13,506,305
Reserves/ Undivided Earnings	\$ 25,697,452	\$ 27,657,735	\$ 29,513,672
Net Income	\$ 2,099,976	\$ 1,960,282	\$ 1,855,937
Membership	15,295	15,951	17,637

STATEMENT OF INCOME

	2013	2014
Member Loan Incomes	\$ 7,110,784	\$ 7,935,849
Investment Income	5,017,124	4,613,866
Other Income	1,502,591	1,612,596
<b>TOTAL Income</b>	<b>\$ 13,630,499</b>	<b>\$ 14,162,311</b>
Dividend and Interest Expense	\$ 3,218,749	\$ 3,102,853
Provision for Loan Losses	\$ 924,051	\$ 871,734
<b>OPERATING EXPENSES</b>		
Salary and Benefits	\$ 3,647,423	\$ 4,222,350
Other Operating Expenses	3,879,994	4,109,437
<b>TOTAL Operating Expenses</b>	<b>\$ 7,527,417</b>	<b>\$ 8,331,787</b>
<b>NET INCOME</b>	<b>\$ 1,960,282</b>	<b>\$ 1,855,937</b>

STATEMENT OF FINANCIAL CONDITION

	2013	2014
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 1,272,143	\$ 1,219,998
Loans to Members	145,739,364	159,547,191
Allowance for Loan Losses	(1,799,742)	(1,472,860)
Investment Securities	173,778,701	168,092,132
NCUSIF Deposit (Share Insurance)	2,600,753	2,682,670
Other Assets	8,346,974	10,676,450
<b>TOTAL Assets</b>	<b>\$ 329,938,193</b>	<b>\$ 340,745,581</b>
<b>LIABILITIES AND MEMBERS' EQUITY</b>		
Members' Share Account	\$ 286,194,601	\$ 295,995,859
Other Liabilities	2,382,634	2,476,529
Borrowings	\$ 11,050,000	\$ 10,000,000
Total Liabilities	\$ 299,627,235	\$ 308,472,388
Member's Equity	30,310,958	32,273,193
<b>Total Liabilities and Members' Equity</b>		
<b>TOTAL</b>	<b>\$ 329,938,193</b>	<b>\$ 340,745,581</b>

STAFF DIRECTORY

<b>ADMINISTRATION</b>	
Evan Clark, <i>President/CEO</i>	202.808.3633
Jeffrey Banyas, <i>VP Lending</i>	202.808.3621
Nilda Cruz, <i>VP Operations</i>	202.808.3618
Emilia Cabrera, <i>Administrative Assistant</i>	202.808.3604
<b>ACCOUNTING DEPARTMENT</b>	
Patrick Collins, <i>CFD</i>	202.759.1021
Chin-Ping Sun, <i>Controller</i>	202.808.3636
Ngoc Tran, <i>Accountant</i>	202.808.3599
Michelle Corum, <i>Accountant</i>	202.808.3598
<b>HCHB BRANCH</b>	
Shirl Desormeaux, <i>HCHB Branch Manager</i>	202.808.3615
Jessica Watson, <i>Teller Supervisor</i>	202.808.3612
Iris Calloway, <i>Sr. Member Service Representative</i>	202.808.3610
Adriana Green, <i>Member Service Representative</i>	202.808.3613
Carmen Herrera, <i>Member Service Representative</i>	202.808.3619
Manda Shu-Nyamboli, <i>Member Service Representative</i>	202.808.3614
Anibal Garcia, <i>Compliance Fraud Analyst</i>	301.658.7273
<b>BUSINESS DEVELOPMENT</b>	
R. Brinkley Seward, <i>Business Development Director</i>	202.808.3632
Victor Salas, <i>Business Development Representative</i>	202.905.0814
Brenda Vaughn, <i>Business Development Representative</i>	202.905.0815
Patrice Williams, <i>Administrative Assistant</i>	202.759.1020
<b>HUMAN RESOURCES</b>	
Reisa Jackson, <i>HR Director</i>	202.808.3631
<b>INFORMATION TECHNOLOGY DEPARTMENT</b>	
Massud Zahir, <i>IT Director</i>	202.808.3597
Lamar Strothers, <i>IT Specialist</i>	202.808.3629
Lisa James, <i>Project Manager</i>	202.808.3596
Carmella Smith, <i>Software Administrator</i>	202.808.3595
<b>LOAN DEPARTMENT</b>	
Carina West, <i>AVP of Lending</i>	202.808.3622
Traci Cummings, <i>Sr. Loan Officer</i>	202.808.3623
Octavia Jackson, <i>Sr. Loan Officer</i>	202.808.3624
Shavon Massey, <i>Sr. Loan Officer</i>	202.808.3625
Karen Sanders, <i>Loan Disbursement Officer</i>	202.808.3626
Juanita Cates, <i>Sr. Visa Representative/Loan Officer</i>	202.808.3627
Mike Bargeran, <i>Mortgage Loan Officer</i>	202.808.3628
<b>COLLECTIONS DEPARTMENT</b>	
Wanda Jackson, <i>AVP Collections and Call Center</i>	202.808.3605
Gwen Taylor, <i>Collection Officer</i>	202.808.3606
<b>CALL CENTER / MAIN NUMBER</b>	<b>202.808.3600</b>
Lena Lane, <i>Member Relations Manager</i>	202.808.3602
Samantha Curry, <i>Sr. Call Center Representative</i>	202.808.3607
Danielle Hawkins, <i>Call Center Representative</i>	202.808.3634
<b>SILVER SPRING BRANCH</b>	<b>301.658.5005</b>
Arlene Reddy, <i>Branch Manager</i>	301.658.7274
Cierra Leigh, <i>Assistant Branch Manager</i>	301.658.7276

BOARD OF DIRECTORS

James Boney	<b>CHAIRMAN</b>
Henry Misisco	<b>1<sup>ST</sup> VICE CHAIRMAN</b>
Roger Gilbertson	<b>2<sup>ND</sup> VICE CHAIRMAN</b>
Thomas W. Zetty	<b>SECRETARY</b>
Donald R. Trafton	<b>TREASURER</b>
Thomas C. Earley	<b>DIRECTOR</b>
Barbara J. Kone	<b>DIRECTOR</b>
Lori Trawinski	<b>DIRECTOR</b>
Georg Mehl	<b>DIRECTOR</b>
Skip Jones	<b>DIRECTOR</b>

SUPERVISORY COMMITTEE

Brian DiGiacomo	<b>CHAIRMAN</b>
Dennis Atkinson	<b>MEMBER</b>
Amber Beam	<b>MEMBER</b>
Sheila Bradley	<b>MEMBER</b>
Raghawendra Dwivedy	<b>MEMBER</b>



DEPARTMENT of COMMERCE  
FEDERAL CREDIT UNION

LIVE WELL. BELOW YOUR MEANS.

202.808.3600  
OUTSIDE D.C. 888.626.9845

DOCFCU.org

MAILING ADDRESS

P.O. Box 14720, Washington, DC 20044-4720

BRANCH LOCATIONS

Herbert C. Hoover Building, Room B-841A  
Washington, DC 20230

1325 East West Highway, Metro II Building  
Silver Spring, MD 20910

SUPERVISORY COMMITTEE

P.O. Box 841, Washington, DC 20044

Federally insured  
by the **NCUA**



 h150-gp

EVERYONE has a story ...please tell us YOURS.



DEPARTMENT of COMMERCE  
FEDERAL CREDIT UNION

2014  
ANNUAL  
REPORT

Your savings federally insured to at least \$250,000  
and backed by the full faith and credit of the United States Government

**NCUA**

National Credit Union Administration, a U.S. Government Agency

PRESIDENT’S REPORT

Thank you for your patronage and support in 2014.

At the Credit Union, we have strived to give you the members the most competitive rates possible on our loan and savings products and innovative products to help you do your banking.

In 2015, one of the major points of emphasis for the credit union will be listening to your story. Everyone has a story and most of them have a financial aspect. What does your story involve? Do you have some debts you haven’t been able to handle and need some help? Are you a big saver and you aren’t sure if the big gains the stock market has seen the last couple years are real or for you? Do you have a car that you’ve had for many years and it isn’t running quite as well as it once did?

**At the credit union we know that everyone has a story. Please tell us yours.**

Thank you again for your continued support and patronage. I look forward to serving you in 2015 and into the future.

Respectively Submitted,

Evan Clark  
**PRESIDENT/CEO**

CHAIRMAN’S REPORT

The Credit Union had another successful year in 2014. Our assets grew and we remained profitable. We continued to emphasize savings and investing for our members by offering very competitive rates on our money market accounts and our certificates of deposit.

During the year, we had a number of significant enhancements to the credit union’s services. More are on the way. Chief among them are a new, more member friendly website and debit and credit cards with chips in them to enhance their security. Be watching for continuing announcements as these new enhancements to our member service roll out.

I would like to thank you, our members, for the feedback that we have been receiving. Your feedback helps us serve you better. We would also like to thank our members for their continued support and patronage. Please tell your family members and co-workers about your Credit Union—your endorsement is our best advertising.

You can count on DOCFCU for all of your financial needs; DOCFCU is a symbol of financial strength and security.

Respectfully Submitted,  
**James Boney**  
**CHAIRMAN**

TREASURER’S REPORT

Your Credit Union was able to come through a very difficult economic year in good financial shape. The extremely low interest rate environment that we’ve experienced since 2009 is still with us and low rates look to be with us for some time into the future. This especially hurts savers. It was very challenging in 2014 to maintain low loan rates and relatively high savings rates. This challenge will be magnified as the low rates continue into the future.

In spite of this economic environment, your credit union’s assets grew by \$10.8 million or 3.3%. Outstanding loan balances increased by 9.5% as many members took advantage of the low mortgage rates of last year to refinance their mortgages with the credit union. Additional information on loan activity is contained in the Credit Committee Report.

All share type’s experienced good growth. Money Markets grew by 3.87%. Regular savings grew by 3.29 %. Certificates grew by 2.81%. Checking accounts grew by 5.94%.

Because loans grew faster than deposits, investments decreased by 3.27% to end the year at \$168 million. As in the past few years, however, average return on investments decreased throughout the year. As older investments (and loans) mature or are paid off, newer investments carry a lower rate of return, thereby reducing the Credit Union’s net interest margin.

Austerity continued to be important in 2014. The credit union’s operating expense ratio was 2.48% for 2014. This ratio is little changed from the previous year when it was 2.39%.

Even though the economic environment was difficult, \$1.8 million was added to Reserves in 2014, and your Credit Union continues to be officially recognized as “well capitalized”.

Please refer to the accompanying charts and figures for an overall view of the Credit Union’s performance in 2014.

Respectfully Submitted,  
**Donald R. Trafton**  
**TREASURER**

CREDIT COMMITTEE REPORT

The Credit Union continued to serve our members’ lending needs in 2014. As the economy continued to improve and individuals felt more comfortable with their financial situation, our membership sought more credit. Last year, the Credit Union originated 2,178 new loans, including 1,816 consumer loans, 84 mortgage loans, and 278 new VISA accounts. Overall, we granted \$48.2 million in new loans. As a result, our loan portfolio grew almost 9%, finishing the year at \$158.6 million in total loans outstanding.

The Credit Union assisted the membership to meet their financial needs by offering first mortgage, home equity, automobile, personal loans, lines of credit, and credit cards.

The Credit Committee is proud to say that it was once again able to approve the vast majority of all our member requests for loans. During 2014, we approved 66.41% of the loan applications we received.

As the economy and the job market continued to improve, so did the Credit Union’s delinquencies. Our delinquency rate remains below its peers. As of December 31<sup>st</sup>, 2014, our loan portfolio had an overall delinquency rate of 0.48%, down 0.28% from the year prior.

DOCFCU is proud to report that it continues to work closely with members who are experiencing financial difficulties. Last year, we granted payment extensions or loan modifications on 184 loans totaling almost \$2.8 million.

The Credit Union staff appreciates the opportunity to offer loans and other financial services to our members and assist them in meeting their financial needs. We look forward to refining our loan products and services as we grow and strive to meet its members’ needs.

Respectfully Submitted,  
**Jeffrey J. Banyas**  
**CHAIRMAN, CREDIT COMMITTEE**

SUPERVISORY COMMITTEE REPORT

The Supervisory Committee is the members’ representative under the Federal Credit Union Act. The committee has the responsibility to review and evaluate the internal controls of the Credit Union and monitor the performance of elected officials and employees.

In this regard, an audit performed during the past year reports that the Credit Union is being operated in compliance with applicable laws and regulations. Internal controls are in place and are being followed. It is the opinion of our auditor, Nearman, Maynard, Vallez CPAs, that the financial records and statements fairly reflect the financial condition of the Credit Union.

Should a member find an error or experience a problem of any kind with his/her account statement or with services provided, he/she should contact the Supervisory Committee immediately at the following address:

**Supervisory Committee**  
**Department of Commerce**  
**Federal Credit Union**  
**PO Box 841**  
**Washington, DC 20044**

The above address should not be used for normal credit union financial transactions, such as making deposits. Any normal financial sent to this address may experience a significant delay in posting.

Respectfully Submitted,  
**Brian DiGiacomo**  
**CHAIRMAN, SUPERVISORY COMMITTEE**