

JUSTICE FEDERAL CREDIT UNION
ANNUAL MEMBERSHIP MEETING
May 27, 2021

Meeting Called to Order

Due to the COVID-19 Pandemic, the Annual Meeting was held virtually via Zoom Webinar. As there was a quorum with 47 attendees, Ms. Woodson, Chair of the Justice FCU Board of Directors called the Annual Membership Meeting to order at 5:01 p.m. and welcomed everyone to our second virtual Annual Meeting. She thanked everyone for making time to join us and stated that questions could be submitted during the meeting using the Q and A button and questions would be answered at the end of the meeting.

Approval of Minutes

Ms. Woodson asked for a motion to waive the reading of the minutes and approval of the 2020 Annual Meeting minutes. Mr. Greaney motioned to approve the minutes of the 2020 Annual Meeting as presented and Ms. Warwick seconded the motion. The motion was approved unanimously.

Chair's Report

Ms. Woodson stated that economically 2020 was a very challenging year dominated by a single event, the global coronavirus pandemic. When the impact of COVID-19 became clear, our Justice Team focused on what they do best, providing support and advice to the thousands of members who count on the credit union's help to achieve their financial goals and pursue their dreams for the future.

It is gratifying for the Board of Directors that the credit union's financial performance over the past 12 months has been excellent. Even more so, knowing the uncertain conditions under which those results were achieved. This achievement was a direct result of the credit union's continuing efforts to put members first, which is at the core of the business strategy led by our CEO, Mark Robnett and his management team. The Board of Directors fully supports the management team and looks forward to working closely with them as they capitalize on new opportunities to ensure the credit union remains well-positioned for the future.

Ms. Woodson thanked the management team and the entire Justice Federal staff for all their efforts during the past year. On behalf of the Board of Directors, she was pleased to report that your credit union is financially sound and performing well as demonstrated by the 2020 financial results. We take great pride in serving Justice Federal which ranks among the most respected and long-lived financial institutions. In the course of our 85 years in business, it has been our tradition to be there for our members in times of need allowing us to meet this 85 year milestone with pride and we look forward to the future with optimism.

Foundation Report

Mr. Baker, President of the Justice FCU Foundation, stated the foundation was started in 2016 with the goal of assisting JFCU members and their families. The Foundation is a non-profit and is managed by a voluntary Board of Directors consisting of himself as President, Roger Trott, Vice President, Gary Penrith, Treasurer John Greaney, Secretary and Mark Robnett who serves ex-officio.

The Foundation engages in two major activities; our scholarship program and our hardship program. We support the Youth Leadership Scholarship given by FBI National Academy Associates. Our Hero Scholarship program fulfills two of the goals of the Foundation, to promote education and provide assistance to our membership. Each \$2,500 scholarship is named after a hero from among those groups that comprise our membership: Enrique S. "Kiki" Camarena, DEA agent murdered in Mexico by the drug cartels, John O'Neill, FBI agent killed during the September 11th attacks on our country and Federal District Judge John Howland Wood Jr. murdered in Texas also by the drug cartels. Our newest scholarship is to honor David Dorn, 38-year veteran of St. Louis Police Department, who was killed by rioters last year.

Our main hardship grant consists of assisting members who are facing a one-time hardship where our money could help them over one of life's bumps in the road. You can help us with this program by donating by going to our website, www.JFCUFoundation.org and almost as importantly, by keeping in mind the existence of our

JUSTICE FEDERAL CREDIT UNION
ANNUAL MEMBERSHIP MEETING
May 27, 2021

hardship program. If you know of others in your workplace or your family who could use our assistance, please let us know. We have funds and we want to help.

President's Report

Mr. Robnett stated that Justice Federal has marked its 85th year of business moving forward, confident with a clearly defined strategy. We have been putting the pieces in place to continuously deliver greater value to our members. The actions we have taken to advance the credit union's strategic priorities have been consistent, effective and on target. Moreover, we have experienced success in an environment where more opportunistic scenarios had to be set aside due to the global pandemic, where interest rates remained at an all-time low, unemployment was at record highs and economic growth was unpredictable. Through all these changes and often despite them, our credit union achieved robust growth against the key metrics of progress.

Our results underscore the strength of our business model and also reflect the impact of sustained investment in a technology infrastructure that enhances the member experience, while allowing us to do more, quickly and efficiently to generate value. By investing strategically in advanced digital technology, we can deliver faster, simpler transactions, higher quality information, more personalized offers and consistent streamlined communications. At the same time, we are changing how we work to ensure everyone across the credit union is empowered to create maximum positive impact while delivering on our vision, to be the unwavering partner to the justice and law enforcement community. Building member loyalty remains our first priority. It is the key to sustainable growth. This is something Justice Federal has understood from its earliest days, in a journey not simply of endurance but of enduring relevance to our members. We have a deep sense of continuity that gives us confidence as we deliver on our commitment to our members and their success. A success that continues to drive our own.

Treasurer's Report

Mr. Greaney reported on the 2020 financial highlights and stated he would start with the balance sheet, move to the income statement and then finish up with some key financial ratios. Total assets grew \$72.30 million to end the year at \$861.70 million which was an increase of 9.16%, which was above our budget projections by \$75.18 million or 9.56%. Gross loans ended the year at \$611.71 million, which was an increase of \$48.65 million in loans over 2019. The credit union originated approximately \$221 million in total loan volume, which was above our budget forecast by \$66.24 million or 42.83% which was an outstanding accomplishment on the part of our loan origination personnel. Total shares grew \$80.97 million, ending the year at \$721.49 million. This represented an increase of 12.64% from 2019, which was above our budget projections by \$72.45 million or 11.16%. Capital grew by \$7.31 million. Total equity ended the year at \$97.87 million. The credit union remains well capitalized with a capital ratio of 11.55%.

Turning to the income statement, net operating income for the year was \$5.97 million, which was over budget by \$1.96 million and was a decrease of \$4.76 million compared to 2019. Also, compared to 2019, net interest income decreased by \$3.04 million and non-interest income decreased by \$1.17 million. On the expense side, our provision for loss increased by \$2.40 million while our operating expenses decreased by \$1.85 million.

Turning to the key ratios for the year, return on average assets decreased to .72% from 1.38% in 2019. The credit union's net interest margin decreased to 3.52% in 2020, from 4.16% in 2019. Our credit union's capital ratio, or net worth, increased to 11.55% at the end of 2020, above the ending ratio of 11.54% in 2019. All in all, despite all of the problems encountered with the virus during 2020, your credit union has done very well financially and is in a very stable and secure position.

Supervisory Committee Report

Ms. Warwick stated that your Supervisory Committee which is appointed by the Justice Federal Credit Union Board of Directors is responsible for providing independent assurance that the credit union's operations are

JUSTICE FEDERAL CREDIT UNION
ANNUAL MEMBERSHIP MEETING
May 27, 2021

carried out in a safe and sound manner in accordance with the Federal Credit Union Act and the regulations of the National Credit Union Administration (NCUA).

As Chairwoman of the Supervisory Committee, she expressed her appreciation to the other members of the committee, Ms. Robin Stark-Nutter, Mr. Lamonte Purdie, and Mr. Andrew Gibson for their participation and contributions this year. The Supervisory Committee is assisted in carrying out its responsibilities by the Certified Public Accounting firm Doeren Mayhew, the credit union's external auditor. The 2020 Financial Statements audit report was "unmodified" indicating the financial statements of the credit union were fairly stated.

In addition to obtaining an annual independent audit, the Supervisory Committee directs the credit union's internal audit function. The Supervisory Committee meets regularly with NCUA examiners and internal and external auditors to monitor and evaluate the credit union's internal controls. The committee is also represented at all Board of Directors meetings. Based on audits and reviews, it is the opinion of the Supervisory Committee that Justice Federal Credit Union continues to remain in compliance with laws and regulations, operates in a safe and sound manner and is capable of withstanding business fluctuations. Our efforts help ensure that your assets are safeguarded and that the credit union is operating effectively and efficiently.

Election Results

Mr. Trott stated he was Chair of the Nominating Committee for the past year and that the committee plays an important role in the selection of future directors. Joining him on the committee were Mr. John Greaney and Mr. Gregory Polonica. Their work was essential to the success of the committee and he thanked them for their service during the past year.

He presented a brief overview of the election results. Four director terms expired in 2021. Three terms of which were three-year slots, while the fourth term was for one year. No petitions were received and the incumbents, Ms. Joan Buckley, Ms. Emily Kaplun, Mr. Thomas Wiseman and Ms. Ellen Warwick were nominated to serve this year. As Chair of the Nominating Committee, Mr. Trott declared the above nominees elected by general acclamation. Mr. Trott congratulated the newly elected Directors.

Old Business

None

New Business

None

Questions

Mr. Robnett stated that no relevant questions were received. But he did want to remind the membership that all branches are fully open with the exception of Arlington DEA which is receiving some upgrades and will soon reopen. He stated that we stand ready to assist our members as the nation continues to reopen. With the pandemic further behind us, he wanted to remind our members that your credit union is here to serve you. And if you are still experiencing financial difficulties due to the pandemic, please visit our website for self-service tools, or Live Chat, or contact us by phone for assistance as well.

Ms. Woodson clarified that the questions submitted were member-specific and would not be addressed in a public setting.

Ms. Woodson thanked all those who participated in this year's Annual Meeting.

**JUSTICE FEDERAL CREDIT UNION
ANNUAL MEMBERSHIP MEETING
May 27, 2021**

Adjournment

Mr. Robnett motioned to adjourn the meeting and Ms. Buckley seconded the motion. The meeting was adjourned at 5:19 p.m.

Chair

Secretary