

2019 Annual Report



Federally Insured by NCUA


Leadership Message

Empower Federal Credit Union's performance for 2019 was outstanding and reached record levels in terms of membership, loans, deposits, and assets. Due to this strong performance, the Board of Directors declared another giveback to its member-owners. The giveback was \$4.0 million and was divided between both savers and borrowers of the credit union. Over the last 12 consecutive years, Empower has given back a total of over \$35.5 million to its membership.

Empower also performed well against peer credit union benchmarks for 2019. The membership base increased by over 16,800 to a new record of 211,959 which is an 8.6% increase as compared to our peers who increased membership by 4.6% nationally. Total net loans outstanding reached record levels that increased \$130.7 million to \$1.654 billion or 8.6%. The number of loans originated equaled 45,394 for an amount of \$680 million in total for the year. Deposits and assets also reached new highs as deposits increased \$191.4 million to \$1.701 billion or 12.6% and assets also increased \$151.4 million to \$1.954 billion or 8.4%.

In our continued support of the many non-profit charitable organizations within our field of membership, sponsorships and donations exceeded \$175,000 to over 188 charities. In addition, Empower employees donate their time to teach a variety of financial education programs to both area schools and associations. The credit union philosophy of "people helping people" sets us apart from other financial institutions in both giving of monetary support and volunteerism.

In 2019, we completely replaced and modernized all our ATMs with the latest in touch screen technology and security. The project did extend into early 2020 but all ATMs were converted as of the end of February, 2020. We also opened our brand new Central Square branch that has been well received by members living north of Oneida Lake. The branch opened on March 2nd of 2020 and is conveniently located at 3056 East Avenue, Route 49, Central Square, NY 13036.



However, for the majority of time in 2020, our main focus has been on COVID-19 and our ability to keep employees and members safe while at the same time continue to maintain high levels of service for our membership. We started planning for and testing remote access in earnest by late January and by the time we were instructed to lockdown by NY State at the end of March we were ready. Many headquarter and branch staff were outfitted to work safely and securely from home and as expected call volumes increased dramatically over that time period. We continued to process all types of loans through remote delivery channels including mortgages and auto loans.

While we continued to service members through our drive ups during the lockdown as banking services are considered essential, we were able to reopen almost all of our branch lobbies by the end of June by retrofitting them with plexiglass shields and implementing appropriate safety protocols to help stop the spread of the virus. We are currently in the process of reopening our main headquarters by implementing the same safety measures and protocols. All of us at Empower would like to thank the membership for your patience through this pandemic.

On behalf of the Board of Directors, volunteers, and employees of Empower, we appreciate the confidence you have placed upon us. Your participation as member-owners has created a growing, dynamic, exciting and strong credit union. As stewards of Empower, we look forward to serving you and in meeting all of your financial needs both now and in the future.

Respectfully Submitted,

Bob Cummings, Chair, Board of Directors

John D. Wakefield, President & CEO



Supervisory Committee Report for Year-End 2019

The objectives of the Supervisory Committee include the following:

- ▶ Determine that established internal controls are effectively maintained and adequately protect the credit union and its members.
- ▶ Determine that accounting records and reports are prepared and accurately reflect credit union operations.
- ▶ Ensure that the policies and procedures of each functional department are adhered to.

The Supervisory Committee accomplishes these objectives in three primary ways:

- ▶ Oversight of the Internal Audit Department including reviews of Internal Audit reports and monitoring and tracking of audit recommendations.
- ▶ Engaging an independent public accounting firm to complete a comprehensive year-end audit of the credit union's financial statements.
- ▶ Review of examinations performed by the NCUA's Federal Examiners.

The firm of Firley, Moran, Freer & Eassa, P.C. performed an audit of the financial statements of Empower Federal Credit Union, for the year ending December 31, 2019. The audit was completed in conformity with generally accepted auditing standards. Empower received an unqualified opinion.

I would like to thank the Internal Audit Department for their efforts during the past year in assisting the Supervisory Committee to reach their objectives.

Respectfully Submitted,

Dave Cusano, Chairman - Supervisory Committee

Treasurer's Report

Empower Federal Credit Union had another strong year of financial performance. Our healthy financial results combined with our strong net worth base provide Empower the ability to continue to deliver superior value to our members.

Earnings in 2019 before the member giveback was \$27.7 million, a \$3.2 million, or 13%, increase over 2018. Because of this performance, the member giveback was \$4.0 million. Net income after the member giveback was \$23.7 million. Non-Interest Income increased \$3.8 million or 8.0% to \$51.9 million. This demonstrates strong product usage by our members. Non-interest expense also increased \$4.9 million or 5.9% as we continue to make investments in the credit union to ensure we maintain high levels of service.

One of the most important metrics is net worth. The ability to grow net worth and maintain an appropriate level is critical to a growing financial institution. Empower ended 2019 with net worth of \$213.5 million, a \$23.7 million increase over 2018. Our net worth as a percentage of total assets is a very healthy 10.93% and was 10.53% one year ago. This provides a proper level of safety and soundness as well as the capacity to offer new and enhanced products and services. We continually monitor and evaluate this position to ensure continued safety and soundness while balancing the needs of our members.

Empower Federal Credit Union continues to maintain the financial strength to ensure our members' trust and continued participation in our products and services. Empower is financially secure and well positioned for future growth and well prepared to continue to deliver superior value to our members.

Respectfully submitted,

Jan Mileskey, Treasurer

Richard P. Nave, Senior Vice-President/CFO

Statements of Financial Condition for Empower Federal Credit Union as of December 31, 2019

Assets:	2019	2018
Cash and Cash Equivalents	91,011,000	44,608,000
Total Investments	110,288,000	138,052,000
Total Loans & Leases	1,673,461,000	1,539,404,000
Less: Allowance for Loan & Lease Losses	(19,289,000)	(15,923,000)
Net Loans	1,654,173,000	1,523,481,000
Total Other Assets	98,895,000	96,790,000
Total Assets	1,954,367,000	1,802,931,000
Liabilities:		
Notes Payable	6,396,000	72,989,000
Total Liabilities	33,305,000	35,185,000
Total Member Shares	1,701,117,000	1,509,668,000
Member Equity	213,545,000	189,843,000
Unrealized Gains (Losses) on Investments	3,000	(4,753,000)
Total Liabilities, Shares and Equity	1,954,367,000	1,802,931,000

Statements of Income for Empower Federal Credit Union for the Year Ended December 31, 2019

Income and Expense	2019	2018
Interest Income:		
Interest on Loans	88,011,000	73,652,000
Less: Interest Refunded	(3,019,000)	(3,022,000)
Income on Investments	4,590,000	5,300,000
Total Interest Income	89,582,000	75,931,000
Interest Expense:		
Dividends on Shares	12,635,000	6,563,000
Bonus Dividend	1,002,000	1,000,000
Interest on Borrowed Money	873,000	1,159,000
Total Interest Expense	14,510,000	8,722,000
Net Interest Income	75,072,000	67,209,000
Provision for Loan and Lease Losses	13,603,000	10,280,000
Net Interest Income after Provision for Loan Losses	61,469,000	56,929,000
Total Non-Interest Income	51,819,000	48,016,000
Non-Interest Expense:		
Compensation and Benefits	41,587,000	38,917,000
Office Operations and Occupancy	14,320,000	16,370,000
Loan Servicing	11,562,000	10,559,000
Professional and Outside Services	17,242,000	15,666,000
Education and Promotion	4,521,000	2,823,000
Total Non-Interest Expense	89,233,000	84,335,000
Income (Loss) before Non-Operating Income (Loss)	24,055,000	20,610,000
Non-Operating Income (Loss):		
(Loss) Gain on Disposal of Property and Equipment	(353,000)	(121,000)
Net Income (Loss)	23,702,000	20,489,000





Empower Year in Review 2019

*It was a year full of events, sponsorships,
and fun! Here are just a few Empower FCU
memories from 2019.*

Locations

AUBURN

65 State Street
Auburn, NY 13021

BALDWINSVILLE

15 East Genesee Street, Suite 110
Baldwinsville, NY 13027

CANANDAIGUA

400 Fort Hill Avenue
Building 7
Canandaigua, NY 14425

CENTRAL SQUARE

3056 East Ave/Route 49
Central Square, NY 13036

CHEEKTOWAGA

2690 Walden Avenue
Cheektowaga, NY 14225

CHITTENANGO

278 Genesee Street
Chittenango, NY 13037

CICERO

5791 Route 31
Cicero, NY 13039

EAST SYRACUSE

900 Kinne Street
East Syracuse, NY 13057

ELMIRA

351 N. Main Street
Elmira, NY 14901

FAIRMOUNT

3700 W. Genesee Street
Syracuse, NY 13219

FAYETTEVILLE

7320 E. Genesee Street
Fayetteville, NY 13066

FULTON

722 West Broadway
Fulton, NY 13069

520 South Second Street
Fulton, NY 13069

JOHNSON CITY

760 Harry L. Drive
Johnson City, NY 13790

LAKELAND

963 State Fair Blvd
Syracuse, NY 13209

LIVERPOOL

7670 Morgan Road
Liverpool, NY 13090

NORTH MEDICAL CENTER

5112 West Taft Rd. Suite B
Liverpool, NY 13088

OSWEGO

100 George Street
Oswego, NY 13126

PALATINE BRIDGE

121 Price Chopper Plaza
Palatine Bridge, NY 13428

SYRACUSE

515 Erie Boulevard West
Syracuse, NY 13204

300 Erie Boulevard West*
Syracuse, NY 13204

800 Irving Avenue*
(VA Medical Center)
Syracuse, NY 13202

Green Hills Farms
Grocery Store
5933 S. Salina St,
Syracuse, NY 13205

UTICA

1928 Genesee Street
Utica, NY 13502

WESTERN LIGHTS

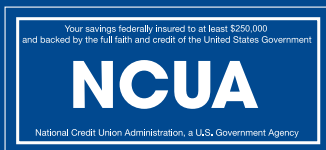
4729 Onondaga Blvd.
Syracuse, N.Y. 13219

**Location not open
to the public.*



www.empowerfcu.com

800.462.5000



Federally Insured BY NCUA

