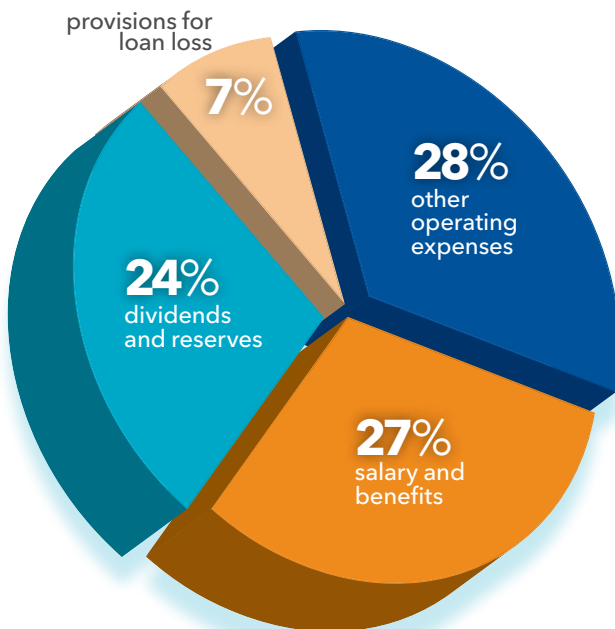


DISTRIBUTION OF INCOME



A FEW YEARS IN BRIEF

	2011	2012	2013
Assets	\$ 267,761,728	\$ 299,739,970	\$ 329,938,193
Shares/Savings	\$ 47,416,887	\$ 54,120,744	\$ 58,291,092
Checking	\$ 25,128,735	\$ 26,697,026	\$ 30,553,342
Certificates	\$ 89,748,337	\$ 107,795,259	\$ 119,555,909
Money Market	\$ 55,638,243	\$ 57,688,873	\$ 57,876,702
IRAs	\$ 15,916,138	\$ 18,137,341	\$ 19,917,556
Loans	\$ 103,358,674	\$ 104,342,966	\$ 145,608,808
Vehicles	\$ 20,623,212	\$ 22,212,531	\$ 24,699,169
Home Equity/2 nd Trust Mortgages	\$ 12,880,119	\$ 12,871,574	\$ 13,514,962
1 st Mortgages	\$ 40,145,998	\$ 37,943,088	\$ 74,585,552
VISA	\$ 11,835,635	\$ 12,818,505	\$ 13,348,326
Reserves/Undivided Earnings	\$ 23,597,476	\$ 25,697,452	\$ 27,657,735
Net Income	\$ 2,099,976	\$ 1,983,870	\$ 1,960,282
Membership	14,797	15,295	15,951

STATEMENT OF INCOME

	2012	2013
Member Loan Incomes	\$ 6,545,294	\$ 7,110,784
Investment Income	5,138,426	5,017,124
Other Income	1,445,285	1,502,591
TOTAL Income	\$ 13,129,005	\$ 13,630,499
Dividend and Interest Expense	\$ 3,174,692	\$ 3,218,749
Provision for Loan Losses	\$ 1,125,958	\$ 924,051
OPERATING EXPENSES		
Salary and Benefits	\$ 3,324,564	\$ 3,647,423
Other Operating Expenses	3,403,815	3,879,994
TOTAL Operating Expenses	\$ 6,728,379	\$ 7,527,417
NET INCOME	\$ 2,099,976	\$ 1,960,282

STATEMENT OF FINANCIAL CONDITION

	2012	2013
ASSETS		
Cash and Cash Equivalents	\$ 7,029,931	\$ 1,272,143
Loans to Members	104,435,532	145,739,364
Allowance for Loan Losses	(1,658,226)	(1,799,742)
Investment Securities	184,218,074	173,778,701
NCUSIF Deposit (Share Insurance)	2,449,958	2,600,753
Other Assets	3,264,701	8,346,974
TOTAL Assets	\$ 299,739,970	\$ 329,938,193
LIABILITIES AND MEMBERS' EQUITY		
Members' Share Account	\$ 264,439,243	\$ 286,194,601
Other Liabilities	2,194,279	2,382,634
Borrowings	\$ 5,000,000	\$ 11,050,000
Total Liabilities	\$ 271,633,522	\$ 299,627,235
Member's Equity	28,106,448	30,310,958
Total Liabilities and Members' Equity	\$ 299,739,970	\$ 329,938,193

STAFF DIRECTORY

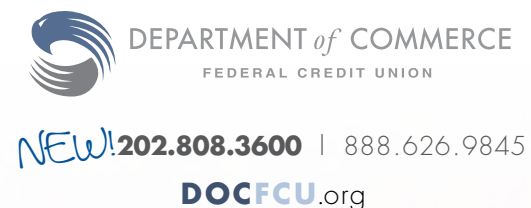
ADMINISTRATION	
Evan Clark, <i>President/CEO</i>	202.808.3633
Jeffrey Banyas, <i>VP Lending</i>	202.808.3621
Nilda Cruz, <i>VP Operations</i>	202.808.3618
Emilia Cabrera, <i>Administrative Assistant</i>	202-808-3604
ACCOUNTING DEPARTMENT	
Chin-Ping Sun, <i>Controller</i>	202.808.3636
Ngoc Tran, <i>Accountant</i>	202.808.3599
Michelle Corum, <i>Accountant</i>	202.808.3598
HCHB BRANCH	
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
BUSINESS DEVELOPMENT	
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
HUMAN RESOURCES	
Reisa Jackson, <i>HR Manager</i>	202-808-3631
INFORMATION TECHNOLOGY DEPARTMENT	
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
LOAN DEPARTMENT	
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 MSR/Loan Officer</i>	202.808.3627
Mike Barger, <i>Mortgage Loan Officer</i>	202.808.3628
COLLECTIONS DEPARTMENT	
Wanda Turner, <i>AVP Collections and Call Center</i>	202.808.3605
Gwen Taylor, <i>Collection Officer</i>	202.808.3606
CALL CENTER / MAIN NUMBER	202.808.3600
Lena Lane, <i>Member Relations Manager</i>	202.808.3602
Samantha Curry, <i>Call Center Representative</i>	202.808.3607
Danielle Hawkins, <i>Call Center Representative</i>	202.808.3634
SILVER SPRING BRANCH	301.658.5005
Anibal Garcia, <i>Branch Manager</i>	301.658.7273
Arlene Reddy, <i>Assistant Branch Manager</i>	301.658.7274
Cierra Leigh, <i>Member Service Representative</i>	301.658.7276
Hesper Sullivan, <i>Member Service Representative</i>	301.658.7275

BOARD OF DIRECTORS

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

SUPERVISORY COMMITTEE

Thomas G. Oldis	CHAIRMAN
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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



LIVE WELL
BELOW YOUR MEANS

2013
Annual
REPORT



PRESIDENT'S REPORT

Thank you for your patronage and support in 2013.

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. We will continue to do so going forward.

The year 2013 saw the economy begin to heal. With that healing came big gains in the stock market. These were fueled by the injection of billions of dollars by the Federal Reserve Bank. Many people have decided to venture back into the stock market. If you are among these people I can't give you investment advice but I urge caution because of the volatility inherent in stock market investments. Always remember to continue to save and invest at the credit union as well just in case the investments in the stock market don't turn out quite as you expected. And don't forget that our members' deposits are insured to \$500,000.

As always, we will continue to give you excellent, friendly member service. Thank you again for your continued support and patronage. I look forward to serving you in 2014 and into the future.

Respectfully Submitted,
Evan Clark
PRESIDENT/CEO

CHAIRMAN'S REPORT

The Credit Union had another successful year in 2013. 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. Chief among them was moving our Silver Spring branch to the ground floor of the NOAA II building. Now, you can visit the credit union's Silver Spring branch without going through security.

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 sometime into the future. This hurts both borrowers and savers. It was very challenging in 2013 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 \$30 million or 10.1%. Outstanding loan balances increased by 39.5% 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.

With the exception of money market accounts, all share type's experienced good growth. Regular savings grew by 7.7%. Certificates grew by 11.2%. Checking accounts grew by 14.4%.

Because loans grew faster than deposits, investments decreased by 6% to end the year at \$174 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 2013. The credit union's operating expense ratio was 2.39% for 2013. This ratio is little changed from the previous year when it was 2.37%.

Even though the economic environment was difficult, \$2.0 million was added to Reserves in 2012, 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 2013.

Respectfully Submitted,
Donald R. Trafton
TREASURER

CREDIT COMMITTEE REPORT

The Credit Union continued to serve our members' lending needs in 2013. As the economy stabilized and individuals felt more comfortable with their financial situation, our membership sought more credit. Last year, the Credit Union originated 3,585 new loans, including 3,229 consumer loans, 162 mortgage loans, and 194 new VISA accounts. Overall, we granted \$79.3 million in new loans, more than twice the amount closed the previous year. As a result, our loan portfolio grew over 30%, finishing the year at \$145.6 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 2013, we approved 78.12% of the loan applications we received were approved.

In spite of the headwinds caused by the Sequester, the Furlough, and other events, the Credit Union's delinquency rate remains below its peers. As of December 31st, 2013, our loan portfolio had an overall delinquency rate of 0.76%, only slightly higher than the 0.67% marked 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 563 loans totaling more than \$7.8 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. Banyask
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,
Thomas G. Oldis
CHAIRMAN, SUPERVISORY COMMITTEE