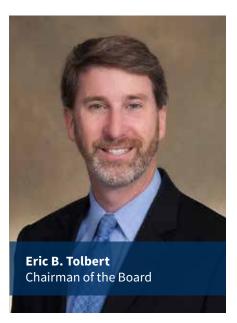


2018 Annual Report to Members



Chairman's Message



- Total assets grew to more than \$3.6 billion.
- VACU provided over \$1.4 billion in loans to members, the most ever.
- Total loans grew by 8%.
- Member deposits grew by 3%.
- VACU posted net income of \$35.6 million.
- Virginia Credit Union's net worth ratio grew to 10% by year-end.

Credit unions are considered by regulators to be well capitalized when their net worth ratio is above 7 percent.

PERFORMANCE

Dear Member-Owners,

Virginia Credit Union reached new milestones in 2018, and our membership continued to grow, topping 275,000 for the first time. In 2018, your credit union:

- Unveiled new tools to give members more control over their debit and credit cards, like turning your card on or off, managing alerts, setting travel memos and more.
- Boosted security as more members signed on for VACU Voice ID recognition software.
- Substantially completed construction for a larger facility in Spotsylvania County to replace the Cosner's Corner branch. The new Cosner East branch will open in early 2019.
- Gained recognition for excellence by readers of *Richmond Magazine* and the *Richmond Times-Dispatch*.
- Set a new record for financial education programs, with 27,113 attending a VACU-led workshop or class.

2018 was also a year of growth for the local businesses that rely on Virginia Credit Union. VACU is helping local businesses compete by providing business loans for needed projects and expansions. In 2018, financing from VACU helped open a restored hotel in Farmville, renovate historic properties near downtown Richmond, and expand operations for a Charlottesville-based solar energy company.

Looking to 2019, VACU's continued investments in technology will help us serve you better. We'll continue to add new self-service tools to increase your access and convenience, while taking steps to adjust products and processes based on your preferences.

All that being said, it still comes down to you and your money. Helping members aim higher and go farther on their financial goals is what it's all about. One member wrote to thank VACU for making a difference in her life:

"Thank you for the programs you offer to members. You gave me the information I needed to help get my finances back on track. Not only have I managed to clean up two credit cards, I've mapped out a path to be completely debt free within a year! Having a plan has motivated me to budget, rethink purchases, and actually save for vacations. It's so liberating!"

Please tell us how we may assist you. Your active membership is important and vital to our continued success. Thank you for your loyalty and support.

Eric B. Tolbert Chairman of the Board

Supervisory Committee Report

Virginia Credit Union's Supervisory Committee is responsible for ensuring that credit union policies, procedures and internal controls are adequately designed to protect members' assets against fraud and conflict of interest. This committee consists of volunteers who apply to serve and are appointed by the Board of Directors.

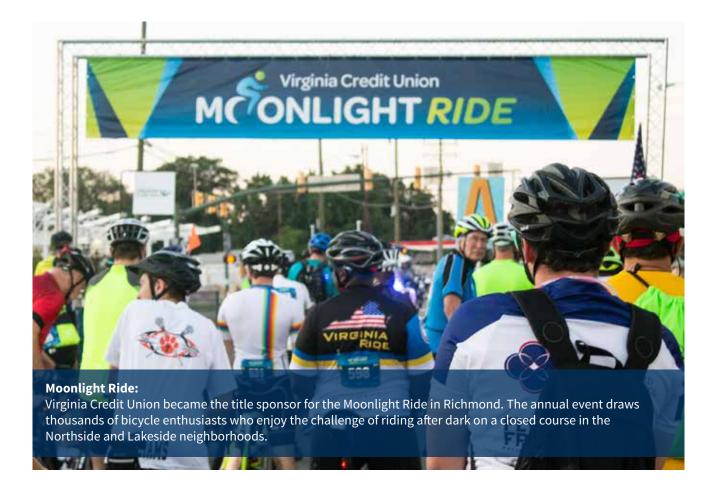
In carrying out its duties, the Committee oversees and reviews the activities of the internal audit department. The Supervisory Committee is also responsible for ensuring that the financial condition of the credit union is accurately presented in the credit union's financial statements by engaging an independent audit firm.

The independent auditor's report, issued by CliftonLarsonAllen LLP, for the year ended December 31, 2018, confirmed that the financial statements fairly present, in all material respects, the credit union's financial position and conform with generally accepted accounting principles. The financial statements, related footnotes and auditor's report are on file at the credit union for members' review.

The State Corporation Commission's Bureau of Financial Institutions, the credit union's primary regulator, also conducts periodic examinations of records and operations. The last review by the Bureau was performed as of December 31, 2017.

The Supervisory Committee is pleased to report these positive results and to be of service to the Virginia Credit Union membership. If you have questions, please contact a member of your credit union's management team, Board of Directors or Supervisory Committee.

James M. Holland Chairman











Treasurer's Report

Virginia Credit Union, Inc. Consolidated Statements of Financial Condition December 31, 2018 and 2017

(dollars in thousands)

	2018	2017
Assets		
Loans	\$2,613,223	\$2,411,401
Less Allowance for Loan Losses	34,006	27,850
Net Loans	2,579,217	2,383,551
Investments	909,144	965,651
Other Assets	149,666	140,931
TOTAL ASSETS	\$3,638,027	\$3,490,133
Liabilities and Members' Equity		
Members' Shares	\$2,892,005	\$2,820,198
Borrowed Funds	363,100	317,900
Other Liabilities	49,057	50,271
Members' Equity	333,865	301,764
TOTAL LIABILITIES AND	42.622.627	† 2 400 422
MEMBERS' EQUITY	\$3,638,027	\$3,490,133

Consolidated Statements of Income For the Years Ended December 31, 2018 and 2017

(dollars in thousands)

	2018	2017
Interest Income		
Interest on Loans	\$135,205	\$120,860
Provision for Loan Loss	26,585	21,496
Net Interest on Loans	108,620	99,364
Interest on Investments	20,096	15,473
Total Interest Income	128,716	114,837
Less Cost of Funds		
Share Dividends	22,701	20,364
Borrowed Funds	8,989	7,282
Total Cost of Funds	31,690	27,646
Net Interest Income	97,026	87,191
Other Income	59,133	52,491
Less Other Expenses	120,559	117,333
Net Income	\$35,600	\$22,349

Volunteers

Board of Directors

Eric B. Tolbert, Chairman
Robert B. Jones, Jr., Vice Chairman
Paul D. Thompson, Secretary/Treasurer
Kenneth E. Ampy
John T. Grier
Neila L. Gunter
Tracy McCabe
Robert P. Morris
D. B. Smit
Margaret E. White
Janet Wiglesworth

Associate Directors

L. Robert Bolling Melina D. Davis-Martin Patricia A. Green Brian K. Jackson

Honorary Directors

Belinda W. Blanchard Herbert A. Parr Roscoe C. Roberts

Supervisory Committee

James M. Holland, Chairman Cynthia S. Jarboe, Secretary Thomas S. Grahek Anne B. Hagen David L. Walsh

Asset Liability Committee

Manju S. Ganeriwala, Member-at-Large

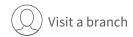
President/CEO

Christopher M. Shockley











Virginia Credit Union P.O. Box 90010 Richmond, VA 23225-9010











NMLS# 407552

(COVER)

Farm the City

Virginia Credit Union members and employees volunteered at Shalom Farms to build a greenhouse and complete other garden projects. Shalom Farms works to ensure access to healthy food and to support healthy living in local communities.