



2017

Annual Report to Members

VIRGINIA
Credit Union 

Federally insured by NCUA

Chairman's Message



- ▶ Total assets grew to **\$3.5 billion**.
- ▶ VACU provided **\$1.4 billion** in loans to members, the most ever.
- ▶ Total loans grew by **8%**.
- ▶ Member deposits grew by more than **6%**.
- ▶ VACU posted net income of **\$22.3 million**.
- ▶ Virginia Credit Union's net worth ratio was **9.40%** at 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,

In 2017, Virginia Credit Union opened its 18th branch, launched a youth savings initiative, introduced new technologies for members' convenience and security, and helped small businesses in our region grow and prosper.

In those 12 months your credit union expanded membership, enabled more members to meet college expenses with scholarships, gained recognition for service excellence and innovation, fulfilled members' need for credit for cars, homes and home improvements, and discovered new ways to deliver quality financial education to the community.

Some highlights:

- Membership grew to 265,000
- The Hancock Village branch opened in Chesterfield County
- Member convenience and security grew with new biometric identification features
- VACU was named "best credit union" by readers of *Richmond Magazine* and the *Richmond Times-Dispatch*

More important than any of these accomplishments is the value and trust that members place in their credit union. In April we asked members to share how they had grown confident about finances with help from Virginia Credit Union. Many members offered inspiring stories and quotes:

"Virginia Credit Union is a vital resource to my family."

"Your financial seminars opened my eyes to saving for the future."

"I can't imagine getting our finances in order without VACU."

"VACU made buying a car easier than I could have imagined."

"VACU takes weight off my shoulders so I can breathe easier."

You are an owner of your credit union, and VACU's purpose is to help you succeed. Member comments like these are so gratifying because they confirm your credit union is fulfilling its mission every day.

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.

Marge White
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.

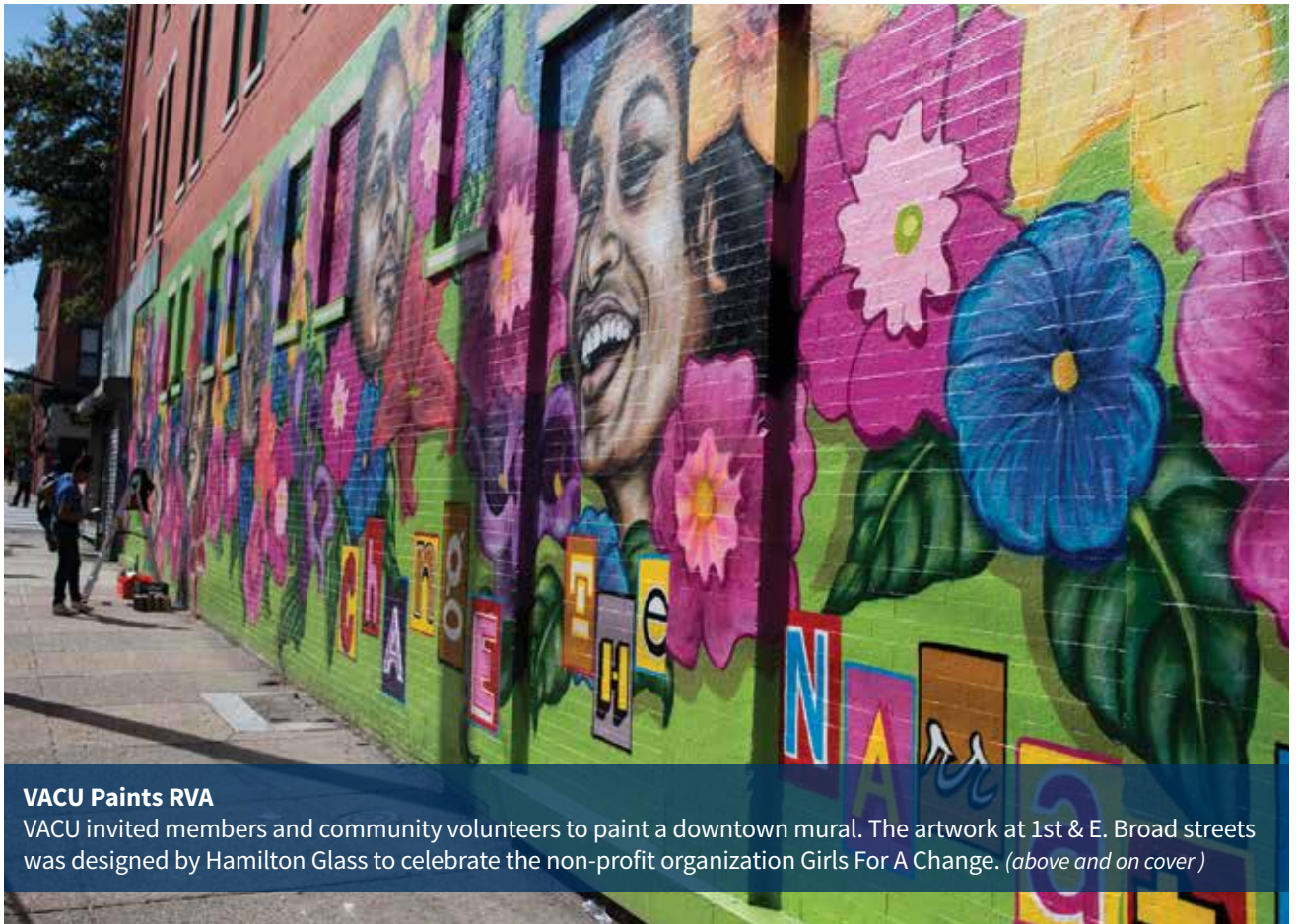
In carrying out its duties, the Committee oversees and reviews the activities of the internal audit department. The Supervisory Committee is also responsible for ensuring that the financial condition of the credit union is accurately presented in the credit union's financial statements by engaging an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

The independent auditor's report, issued by CliftonLarsonAllen LLP, for the year ended December 31, 2017, 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, 2016.

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.

Anne B. Hagen
Chairman



VACU Paints RVA

VACU invited members and community volunteers to paint a downtown mural. The artwork at 1st & E. Broad streets was designed by Hamilton Glass to celebrate the non-profit organization Girls For A Change. *(above and on cover)*



New Hancock Village Branch

VACU volunteers and staff cut the ribbon at a preview event for the new Hancock Village branch in December. U.S. Rep. Dave Brat (right) joined in the event.



VACU's Business Services team helped local companies expand. Carter Snipes of the Hof, a rooftop restaurant in Scott's Addition, is pictured above.



VACU employees contributed school supplies and backpacks to the YMCA Bright Beginnings Program to help area students begin school on the right foot.



VACU launched a quarterly recognition program for Virginia teachers of economics and personal finance. The program carries a \$250 cash prize.



More than 24,500 people in our community participated in VACU financial education programs in 2017, the most ever in a single year.

Treasurer's Report

Virginia Credit Union, Inc.
Consolidated Statements of Financial Condition
December 31, 2017 and 2016
(dollars in thousands)

	2017	2016
Assets		
Loans	\$2,411,401	\$2,241,204
Less Allowance for Loan Losses	27,850	23,408
Net Loans	2,383,551	2,217,796
Investments	965,651	955,199
Other Assets	140,931	130,931
TOTAL ASSETS	\$3,490,133	\$3,303,926
Liabilities and Members' Equity		
Members' Shares	\$2,820,198	\$2,662,268
Borrowed Funds	317,900	313,800
Other Liabilities	50,271	48,980
Members' Equity	301,764	278,878
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$3,490,133	\$3,303,926

Consolidated Statements of Income
For the Years Ended December 31, 2017 and 2016
(dollars in thousands)

	2017	2016
Interest Income		
Interest on Loans	\$120,860	\$107,417
Provision for Loan Loss	21,496	16,289
Net Interest on Loans	99,364	91,128
Interest on Investments	15,473	12,517
Total Interest Income	114,837	103,645
Less Cost of Funds		
Share Dividends	20,364	18,961
Borrowed Funds	7,282	5,937
Total Cost of Funds	27,646	24,898
Net Interest Income	87,191	78,747
Other Income	52,491	48,949
Less Other Expenses	117,333	108,107
Net Income	\$22,349	\$19,589

Robert B. Jones, Jr.
Treasurer

Volunteers

Board of Directors

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

Honorary Directors

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Ray C. Goodwin
Herbert A. Parr

Supervisory Committee

Anne B. Hagen, Chairman
James M. Holland, Secretary
Cynthia S. Jarboe
Elizabeth F. Smith
David L. Walsh

Asset Liability Committee

Manju S. Ganeriwala, Member-at-Large

Farmville Advisory Council

Sheron Jenkins
Fletia Kyle
Michael O'York
Kylor Reed, Jr.
Mary Jo Stockton

Fredericksburg Advisory Council

Mary Buck
Rose Heyward
Brian Orrock
Debbie Queen
Brooke Sullivan

President/CEO

Christopher M. Shockley



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vacu.org



Visit a branch



Mobile

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NMLS#
407552