



Caring for our members

It's been a challenging year, but we've worked to provide our members the same outstanding service with every interaction.

2020 Annual Report to Members



Federally insured by NCUA

Chairman's Message



- ▶ Total assets grew to more than **\$4.5 billion**.
- ▶ VACU provided over **\$2.1 billion** in loans to members, the most ever.
- ▶ Total loans grew by **1%**.
- ▶ Member deposits grew by **24%**.
- ▶ VACU posted net income of **\$30.5 million**.
- ▶ Virginia Credit Union's net worth ratio grew to **9.7%** by year-end.

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

Performance

Dear Members,

To say that 2020 presented new, unexpected challenges would be an understatement. But during this unusual year, your credit union protected member savings, provided loans for member needs, and enhanced services to help you manage your money safely and securely.

Virus impact: The coronavirus significantly impacted the needs of members and your credit union.

We worked with members experiencing hardship by listening and offering options that could help. In many cases, VACU was able to offer extensions, consolidate debt, waive fees, or refer members to BALANCE. Please remember: when facing financial challenges, the best strategy is to call us. Don't wait. Let us work with you on finding a solution.

Following the guidance of health officials, beginning in March, VACU transitioned 400 operations, contact center, and member service employees to work-from-home within a matter of days. At the same time, your credit union branches remained open while keeping members and employees safe. We expanded drive-thru and ATM services, and scheduled member appointments to limit exposure. In light of increased demand, VACU made digital banking tools even easier to use, releasing enhancements like self-service password resets, account number visibility, and more capacity for GINI, our online chat tool.

Financial strength: In response to economic uncertainty, many members were choosing to save more in 2020. Overall deposits grew by more than \$700 million. Members know VACU as a safe and reliable place to save, and we are honored by the trust you place in us.

A notable highlight was the strong response to VACU's mortgage loans. A record number of mortgages were originated or refinanced. We benefited from referrals from our real estate partners at Joyner Fine Properties and our other subsidiary real estate firms. Adding auto loans, personal loans, equity loans, and credit cards to mortgages, VACU originated more than \$2.1 billion in loans in 2020, a new record.

As always, guiding members to greater financial knowledge is key. In 2020, our financial education and Partner Perks teams quickly shifted to online classes and workshops. More than 61,000 individuals of all ages participated in education programs at VACU, the most ever.

As a 30-year member of VACU, I am very proud to be serving as Chairman of your Board. Your credit union's attractive rates, low fees, safe, secure technology, and hands-on personal services to help you meet your financial goals are more important than ever. Throughout this challenging year, VACU's staff have demonstrated remarkable adaptability and commitment to members. As always, thank you for your membership in your credit union. Please let us know how we may help you and your loved ones.

Sincerely,

Rob Jones, Chairman

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, 2020, 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 June 30, 2020.

The Supervisory Committee is pleased to report these 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.

Cynthia S. Jarboe
Chairman



Best Credit Union!

For the 4th year in a row, the readers of Richmond Magazine voted for us as Richmond's best credit union!



2020

VOTED

BEST

Richmond
magazine



Outstanding Partner Award

Both VCU and the Virginia Department of Human Resources Management nominated VACU for the Outstanding Partner Award from the Central Virginia Chapter of the Association of Fundraising Professionals.



Award-winning financial education

VACU won a prestigious national award for a financial education program that helps incarcerated individuals get their finances in order before release.

New digital tools

With the pandemic forcing us to adjust, we ramped up digital banking with enhanced authentication, a new appointment tool for branches, new mobile app features, and live chat assistance during business hours.



Record-breaking mortgage volume

We handled more mortgages and referrals than any year in VACU's history. Record growth was aided by our subsidiary partners in real estate.



Treasurer's Report

Virginia Credit Union, Inc.
Consolidated Statements of Financial Condition
December 31, 2020 and 2019
(dollars in thousands)

	2020	2019
Assets		
Loans	\$2,809,330	\$2,770,016
Less Allowance for Loan Losses	59,000	38,857
Net Loans	2,750,330	2,731,159
Investments	1,602,441	834,955
Other Assets	179,987	163,292
TOTAL ASSETS	\$4,532,758	\$3,729,406
Liabilities and Members' Equity		
Members' Shares	\$3,788,209	\$3,037,238
Borrowed Funds	261,766	259,870
Other Liabilities	65,262	48,679
Members' Equity	417,521	383,619
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$4,532,758	\$3,729,406

Consolidated Statements of Income
For the Years Ended December 31, 2020 and 2019
(dollars in thousands)

	2020	2019
Interest Income		
Interest on Loans	\$150,836	\$152,177
Provision for Loan Loss	39,799	28,485
Net Interest on Loans	111,037	123,692
Interest on Investments	19,735	22,532
Total Interest Income	130,772	146,224
Less Cost of Funds		
Share Dividends	27,127	29,085
Borrowed Funds	6,249	9,470
Total Cost of Funds	33,376	38,555
Net Interest Income	97,396	107,669
Other Income	108,906	71,699
Less Other Expenses	175,837	140,514
Net Income	\$30,465	\$38,854

Kenneth Ampy
Treasurer

Volunteers

Board of Directors

Robert B. Jones, Jr., Chair
Paul D. Thompson, Vice Chair
Kenneth E. Ampy, Secretary/Treasurer
L. Robert Bolling
Melina D. Davis
Patricia A. Green
John T. Grier
Brian K. Jackson
Tracy McCabe
D. B. Smit
Eric B. Tolbert

Supervisory Committee

Cynthia S. Jarboe, Chair
Andrew P. Daire, Ph.D.
Thomas S. Grahek
Anne B. Hagen
David S. Wyman

Asset Liability Committee

Manju S. Ganeriwala, Member-at-Large

Honorary Directors

Neila L. Gunter
Robert P. Morris
Margaret E. White
Janet Wigglesworth

President/CEO

Christopher M. Shockley



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vacu.org



Visit a branch



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NMLS#
407552