THANK YOU for your membership

As we begin 2018, I take this opportunity to thank you for your continued membership with the Virginia Credit Union League (VACUL) and the Credit Union National Association (CUNA).

Credit unions continue to prove that our cooperative model remains relevant even in today’s hyper-competitive marketplace and your League is proud to promote, protect and advance that model. We have benefited greatly from the uniqueness of our movement, which still values collaboration and remains committed to a shared vision of a thriving, vibrant and diverse system.

Our mission remains the delivery of exceptional value as your chief advocate in the legislative, regulatory and public arenas. In addition, an important part of our service mission is providing innovative training, networking opportunities, and quality operational compliance support to help your credit union prosper.

Participation of credit unions like yours in the work of your League allows us to accomplish initiatives in the best interest of the Commonwealth’s 136 credit unions. With your support of the CUNA/League system, we saw important progress on the advocacy front in 2017, with Sens. Mark Warner and Tim Kaine both signing on as co-sponsors of regulatory relief legislation; a good year on our election endorsements, including the governorship; and successful efforts to minimize the impact of regulation on credit unions, including the delay of rules’ effective dates as we push for changes that will improve those regulations.

Thank you, too, for your support of our education and networking offerings, with more than 400 young professionals now counted among our Young Professionals Network and more than 700 participants in our events, including the League Annual Meeting.

Again, thank you for your membership in your Virginia League and for your support this past year. Your League is proud to serve the Commonwealth’s credit unions and we look forward to the promise of an exciting and successful 2018. Please call me at 800.768.3344, ext. 601 if you have any questions or concerns.

Sincerely,

Richard D. Pillow, CLE
President, Virginia Credit Union League

CREDIT UNIONS OF VIRGINIA at a glance

<table>
<thead>
<tr>
<th>Number of credit unions in Virginia by asset size</th>
<th>Total Memberships (4 Million VA residents)</th>
</tr>
</thead>
<tbody>
<tr>
<td>53 &lt; $20 Million</td>
<td>11.5 MILLION</td>
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<tr>
<td>17 $20 Million–$50 Million</td>
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<tr>
<td>21 $50 Million–$100 Million</td>
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<tr>
<td>18 $100 Million–$250 Million</td>
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<tr>
<td>10 $250 Million–$500 Million</td>
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<tr>
<td>7 $500 Million–$1 Billion</td>
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<tr>
<td>10 &gt; $1 Billion</td>
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</tbody>
</table>

Total Loans: $102.8 BILLION
Total Savings: $105.8 BILLION

136 CREDIT UNIONS IN VIRGINIA
33 State-Chartered Credit Unions
103 Federally Chartered Credit Unions

Source: National Credit Union Administration, 3Q2017 Call Report Data
OUR MISSION

ADVOCACY

Our core mission focuses on being your advocate and champion in a number of areas, primarily on the legislative and regulatory fronts.

But that mission extends to other areas as well, including helping consumers understand and access credit unions.

CREDIT UNIONS CARE FOUNDATION OF VIRGINIA

Dedicated to credit unions’ mission as agents of social good.

LEAGUE SERVICE CORPORATION

Market-proven products & services that expand your reach and enrich the lives of your members.

YOUR LEAGUE DOLLARS AT WORK

18% League Service Corporation
16% Administrative
1% Boards & Committees
12% Marketing & Communications
30% Governmental Affairs
11% Education, Workshops, & Conferences
12% CU Development, Consulting, Training & Support
YOUR ADVOCATE
helping move
credit unions forward

REMOVING BARRIERS
TO SERVICE

Congressman Don Beyer (D-VA) co-sponsored a bill that would create parity with banks for credit unions making loans for 1-4 unit non-owner-occupied properties.

Sen. Tim Kaine (D-VA) co-sponsored the Senior SAFE Act protecting financial institution staff who report suspected financial exploitation of the elderly.

Virginia Senators signed onto key Senate legislation providing new service opportunities for credit unions and much-needed regulatory relief.

2 high-profile appointments for League President Rick Pillow – Attorney General’s panel on predatory lending and Governor-Elect Northam’s policy panel on the economy.

100 credit union advocates reached 70 state lawmakers during General Assembly session.

12 of Virginia’s federal lawmakers were represented at League’s Congressional Luncheon; 10 lawmakers addressed 120 credit union advocates.

6 Congressman reached through district-level meetings involving credit unions and League staff.

In 2017, developed the Advocacy Certification Program to prepare the next generation of credit union advocates.

The Advocacy Certification Program helped my employees learn more about political and regulatory advocacy and better understand the critical role of advocacy in preserving the credit union system.

Patsy Smith, CEO, Peoples Advantage Federal Credit Union

2 Congressmen signed onto letter asking U.S. Attorney General to provide clarification on ADAs compliance requirements for digital service channels.

3 Regulatory Gains
- Excluding loan participations from MBL cap.
- Field-of-Membership guidelines expanded for community chartered credit unions.
- Charitable Donation Accounts (CDA) approved by Virginia through administrative ruling.

13 meetings that reached the legislative aides covering banking for all members of Virginia’s Congressional delegation.

As a longtime member of a credit union, I appreciate the opportunity to work with VACULI and its members, as a member of the House of Delegates. Just as I strive to put my constituents first, credit unions have a long history of striving to put their members first.

Delegate Eileen Filler-Corn, Virginia House of Delegates, Finance Committee

50 editions of newsletter published covering regulatory affairs and compliance news.

60 bills tracked and monitored in Virginia General Assembly; dozens of others initially reviewed for their potential impact on credit unions.

$122,890 RAISED THROUGH THE VIRGINIA CREDIT UNION LEAGUE POLITICAL ACTION COMMITTEE (VACUPAC)

$17,500 CREDIT UNION LEGISLATIVE ACTION COUNCIL (CULAC) CONTRIBUTIONS PROVIDED TO VIRGINIA’S CONGRESSIONAL DELEGATION, MADE POSSIBLE IN PART BY VACUPAC CONTRIBUTIONS
Promoting the CREDIT UNION DIFFERENCE

FINANCIAL EDUCATION

- 36,500 students reached through financial education presentations (Ranked 6th in the nation)
- 1,135 number of financial education presentations conducted by our credit unions (Ranked 4th in the nation)
- 403 educators trained on personal finance content
- 74 Certified Credit Union Financial Counselors in Virginia

"The FICEP program has given our staff the tools they need to help members get on a path of sustainable financial stability."
Marella Nardotti, VP of Marketing, Fairfax County Federal Credit Union

FOUNDATION

- Nearly $100,000 in charitable giving through the Credit Unions Care Foundation in partnership with credit unions
- $60,000 in Hurricane relief for the victims of Harvey, Irma, and Maria
- $20,000 raised by Bronco FCU through the Foundation for Children’s Hospital of the King’s Daughters
- $8,000 charitable gift to the Blue Ridge Autism and Achievement Center
- $7,000 to support financial education initiatives in Virginia
- $4,000 to various Children’s Miracle Network Hospitals

LEADING THE WAY ON SOCIAL MEDIA

88,926 Total impressions creating awareness of credit unions

CREDIT UNION HOUSE OF VIRGINIA

- 1,984 people attended events at Credit Union House
- 80 events were hosted at facility
- 95 state lawmakers, elected officials and gubernatorial candidates have visited CUHVA

MEDIA

584,000 total reach for League news distributed through external media sources

INTERNATIONAL CU DAY

3,600 commercials promoting credit unions in Virginia shown on 445 Gas Station TVs
"Fort Lee Federal Credit Union partnered with PDP to service our electronic liens two years ago and has seen savings of roughly $1,500 per year. Great customer service is key to any business’s success and that commitment to service excellence is a value PDP shares with Fort Lee Federal Credit Union."

– Patsy Stuard, CEO, Fort Lee Federal Credit Union

- **1.1 MILLION**
  - Total transactions completed nationally for members from Virginia's 49 participating credit unions

- **800,000+**
  - Transactions processed by 22 participating Virginia-based credit unions at their 71 branch outlets

- **$68,022,409**
  - Dollar amount of claims paid to Virginia-based credit unions and their members in 2016

- **CUNA MUTUAL GROUP**
  - $12,796,560 reimbursements paid to Virginia-based credit unions for the business they do with CUNA Mutual Group

- **78**
  - Credit unions participate with a total of 687 surcharge free ATMs

- **CULIANCE (CU24)**
  - $7,882,626.30 estimated savings in surcharge fees for Virginia-based credit union members who used the network ($2.90 national average surcharge)

- **99.4%**
  - Borrower satisfaction

- **LENDER SELECT MORTGAGE**
  - 98.4% close by contract date

- **37**
  - Virginia-based credit unions signed on to PDP’s electronic lien and titling service

- **PDP GROUP INC.**
  - 20% – 30% amount saved by credit unions using the service

- **58 MILLION**
  - Debit and credit cards managed worldwide

- **FISERV CARD SERVICES**
  - 14.7 BILLION debit, card and ATM transactions processed worldwide

- **19,966**
  - Virginia households served

- **GREENPATH FINANCIAL WELLNESS, INC.**
  - 663 households received Mortgage Delinquency Counseling
PROFESSIONAL DEVELOPMENT
Networking, education and training to enhance knowledge and improve skills

LEAGUE CONSULTING
142 onsite consulting, training, and planning sessions offered by the League.

EDUCATIONAL EVENTS
733 participants in League-sponsored workshops, conferences, roundtables, and forums.

WEBINARS
160 webinars offered through the League including more than 50 on compliance and regulatory issues.

COMPLIANCE HOTLINE
258 calls made for assistance with compliance issues.

EMPLOYMENT LAW HOTLINE
587 calls to League partner Woods Rogers Law firm for assistance on HR/Employment issues.

ANNUAL MEETING
100% of respondents would likely or definitely recommend attendance.

POLICY PRO
50 credit unions in Virginia used Policy Pro over 3,100 times in 2017 to get assistance with organizational policies.

LEAGUE INFOSIGHT
Credit unions accessed InfoSight compliance resources 1,391 times.

The HR Hotline has been a valuable, professional and convenient resource for us. Not only did we receive prompt and professional service, the advice suggested and solutions given were vital. Great staff!

Tim Rowe, Chief Risk Officer
Member One Federal Credit Union

“Policy Pro is such a great system for us that we moved ALL of our policies and procedures over to it. It works really well in keeping our staff and board organized and updated throughout the year. The model policies are especially helpful.”

Susan Krantz, VP of Operations
Beacon Credit Union

YOUNG PROFESSIONALS NETWORK

400 Participants in the Network
10 Networking and educational events held
300 YPs participated in YPN events

“Learning from the intelligent and forward-thinking professionals in the Young Professionals Network has pushed me to grow beyond limits I didn’t even know were possible. Thanks, YPN!”

- Amanda Habansky, VP Retail, Peoples Advantage Federal Credit Union
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We appreciate your continued membership.
Please feel free to contact us anytime!