

ANNUAL REPORT 2020

Putting People First –
Our Members,
Our Communities,
& Each Other



LIFE.
MADE AFFORDABLE.

2020 HIGHLIGHTS

PEOPLE FIRST: Being Well & Being Kind



16,878
New members

12,025
Loans skipped



\$600,000+
Charitable grants

2,500+
Life-changing
experiences that
brought joy, hope, and
smiles to children



**TOP WORK
PLACES**
in Virginia and Utah

19
Team members facing
hardship received
financial support



23%
Increase in
valued deposits



Supported **272**
small businesses with
Payroll Protection Loans



Put **11,030**
members behind
the wheel



Helped **685**
members with their home
mortgage financing needs



Put **1,978**
new credit cards in
members' hands

2020 MEMBERS

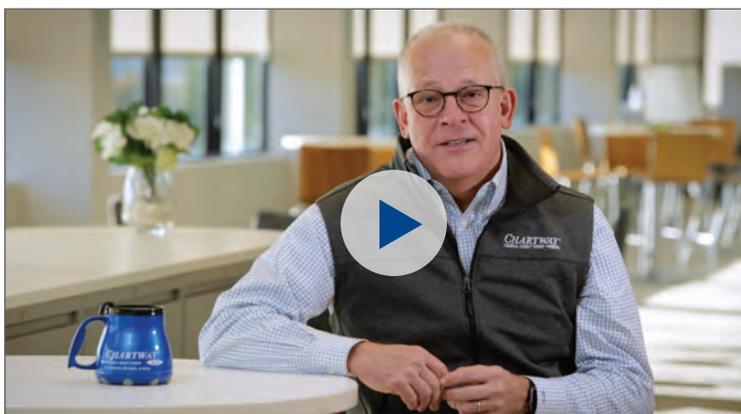
INNOVATING FOR OUR MEMBERS



Continued Modernizing Branches



Delivered More Direct Tellers



Listen to Brian Schools share his commitment to the Chartway “Be Well & Be Kind” mindset by clicking on the QR code below.



Upgraded Mobile Banking



Launched Video Banking

“Thanks to all our Chartway team members who truly embrace One Family in all that they do – **putting our members, communities, and each other first.**”

– George E. Sauer, III, Board Chair

Thoughts from the Board Chair and President & CEO

2020. As we reflect on the year, we recognize the unprecedented circumstances our Chartway membership and team members faced with positivity, grace, empathy and kindness. Together, we've weathered a global health crisis, political and social unrest, and a historic collapse of the job market. With no precedent to guide us, your Credit Union relied solely on our values to navigate these uncharted waters. Foundational responsibilities of **People First** and **Financial Soundness** made our path forward very clear: our members, our communities, and our team are always the top priority. We take our commitment to serving as a trusted partner and making a meaningful impact seriously. Caring deeply about the people and communities we serve means contributing no matter the circumstance. **It's who we are.**

Valuing People First.

Our vibrant people-first culture is driven by team members who love what they do – and find real purpose in being able to make a meaningful difference in the lives of individuals and families. This past year, in response to the many challenges we faced, every single team member embraced our **People Helping People** philosophy by rolling up their sleeves – working and thinking differently, remaining flexible and agile – to better serve our members. Through our team's efforts and the trust you place in us, Chartway continues making life affordable for our more than 190,000 member-owners and remains a very strong credit union.

Focusing on Financial Soundness.

Organic growth and strategic mergers continued in 2020 as we happily welcomed 16,878 new members to the Chartway family, including the memberships of Cadmus Credit Union and Saint Matthews Federal Credit Union. Additionally, we know that our ability to support our members' saving and lending needs is an important measure of our success, so we are pleased to report a significant number of new deposits, mortgages, vehicle loans, and credit cards for the year. You can rest assured that Chartway is financially sound and that we are well-positioned to continue making your life more affordable.

Keeping You Safe.

The COVID-19 pandemic placed the safety of our members and our team front and center, impacting every decision made to provide the best member experience in the safest working environment. Chartway continually adapted to the changing landscape of CDC

guidance and commonsense measures – while still welcoming members into our branches by appointment and offering convenient service with our drive-thru areas, live Direct Teller machines, and Video Banking.

Serving You Well.

We know many of our members faced financial challenges in 2020, and we recognized early on that expectations for communication and interaction had changed as a result. That's why, we deployed our Video Banking service, which – in conjunction with Online and Mobile Banking – gave us the ability to provide personalized service to you on your couch, in your car, or where ever you happened to be – no branch visit necessary. For those who prefer in-person service, however, Chartway's branch modernization and expanding footprint of new branches and Direct Teller locations gave us many more opportunities to provide personal and memorable experiences to you, our members. We constantly strive to deliver the most up-to-date and easy-to-access financial solutions and services – and to exceed your expectations in every encounter.

Supporting Small Businesses.

In response to COVID-19's unprecedented and disruptive impact on small businesses' bottom line, the federal CARES Act Paycheck Protection Program provided forgivable loans to local business owners to continue paying employees. We are happy to report that Chartway was able to support 272 businesses in our communities with payroll loans. Our team mobilized in record time providing business owners with personal caring service, timely information, and assistance with documentation. We're proud of the credit union difference our team made for small business owners.

Engaging and Educating.

Chartway values learning and the unique position we hold in making financial education engaging and accessible for those in our communities. In 2020, we invested in further developing our relationships with institutions of higher education, public schools, employer groups, and community organizations to increase the financial health and wellness of those we serve. Our partnerships expanded to include financial seminars and webinars, in-school branches, and onsite events. We focused our teaching on achievable ways to create smart saving and spending habits, realize financial goals, and make life more affordable.

People First: Our Members, Our Communities, and Our Team

Investing in Our Communities.

In 2020, the We Promise Foundation raised more than \$600,000 to provide life-changing experiences that brought joy, hope, and smiles to 1,104 children facing medical hardship or illness. We were able to adapt with online and in-branch fundraising and a virtual race for the Norfolk Harbor We Promise 5K, grant wishes and make dreams come true by partnering with charitable foundations in Virginia and Utah, and find innovative ways to celebrate our kid heroes. Thank you to everyone who continues to support our We Promise Foundation – we are so grateful.

Taking Care of Our Team.

The health and well-being of our team members has always been a priority at Chartway, but it became increasingly important in 2020. Chartway fully committed to our team individually and as a group by delivering on our intent to avoid pandemic layoffs, quickly instituting remote work, and providing everyone tools and resources to safely work, prosper, and continually develop new skills. We adopted a “Be Well & Be Kind” mindset in our daily interactions and the ways we supported one another. Taking care of our team members in the way we did allowed them to not miss a beat in doing the same for our members and communities.

Listening and Learning.

All of us at Chartway stand united in our strong culture of caring, listening, and learning. In 2020, we had many important and necessary conversations about the longstanding and systemic issues facing our country as well as ways Chartway can be part of the change that’s so desperately needed. We are focused on strengthening our diversity, equity, and inclusion efforts and creating a workplace that can benefit from all backgrounds, viewpoints, and life experiences. In honor of Juneteenth, we provided every team member the opportunity to take a paid day to reflect – to meaningfully listen and learn; and we

CAPT George E. Sauer, III, USN (Ret.)
Board Chair



made the decision to include the 19th of June in our official holiday schedule for 2021 and beyond. Working together in harmony to create a welcoming and safe space is what makes us so special and it’s who we are – more determined than ever to build on our strong foundation.

Thanking You for Your Support.

We are both humbled and pleased by the awards and acknowledgments of our organization and our team in 2020. Chartway was named as a “Top Workplace” by the business journal for southeastern Virginia, *Inside Business*, and we were honored to place 2nd in the Large Companies category. We are also grateful to have been recognized as a “Top Workplace” by *The Salt Lake Tribune* for mid-size businesses, and included in Suffolk, Virginia’s “Best of” nominations.

Looking to 2021 and Beyond.

The lessons learned in 2020 made us a better team, a closer knit family, and underscore our ability to evolve with ever-changing circumstances. As we look to 2021 and beyond, we’re excited about what’s ahead. With our **People First** and **Financial Soundness** responsibilities guiding our future plans, we look forward to further modernizing our growing branch footprint, expanding our digital and self-service options, continuing to provide trusted service from the heart, and strengthening our communities. We are grateful to have the opportunity to serve you.

At Chartway, it’s all about people.

Be Well & Be Kind,

Brian T. Schools

President & Chief Executive Officer



Supervisory Committee's Report

The Federal Credit Union Act requires the Supervisory Committee to evaluate the adequacy and effectiveness of the internal security controls put in place by Chartway Federal Credit Union.

Our primary goal is to protect the interest of our members; therefore, we contract with an independent certified public accounting firm to audit the financial statements of the credit union each year. Chartway's financial statements conform to Generally Accepted Accounting Principles.

2020 Supervisory Committee:

- Gary M. Abrams, Supervisory Committee Chair
- Robert F. Boyle, Vice Chair
- Thomas B. Hoddinott, Secretary
- William R. Caviness, Member
- Brenda L. Horne, Member

The Committee, along with Supervisory Team members Cindy Nyberg and Marissa Carrasquillo, extend their appreciation to the credit union members, Board of Directors, management, and team for their support.



Gary M. Abrams
Supervisory Committee Chair

We love our team members! Here are a couple of sentiments shared:

"I'm so deeply grateful to be part of an organization that puts people first and genuinely **leads with heart.**"

– Heidi
Team Member Since 2005

"I'm proud to be a part of an organization that not only says **they care about their people,** but they show it through their actions, as well."

– Mallory
Team Member Since 2013

Consolidated Statements of Financial Condition

ASSETS	DECEMBER 2020	SEPTEMBER 2019
Cash and Cash Equivalents	\$292,897,140	\$115,657,120
Securities – Available-for-Sale	\$210,676,033	\$498,303
Securities – Held-to-Maturity	–	\$109,252,638
Other Investments	\$14,136,929	\$4,581,520
Loans Held-for-Sale	\$11,941,036	\$4,132,400
Loans, Net	\$1,543,821,642	\$1,699,085,766
Accrued Interest Receivable	\$7,294,746	\$6,682,368
Premises and Equipment, Net	\$52,385,951	\$54,583,247
NCUSIF Deposit	\$20,062,871	\$18,209,357
Credit Union Owned Life Insurance	\$51,161,513	\$49,330,279
Goodwill and Other Intangible Assets	\$71,734,974	\$71,903,154
Other Assets	\$107,292,761	\$83,529,813
TOTAL ASSETS	\$2,383,405,596	\$2,217,445,965
LIABILITIES	DECEMBER 2020	SEPTEMBER 2019
Members' Share and Savings Accounts	\$2,145,392,802	\$1,958,665,343
Borrowed Funds	–	\$31,000,000
Accrued Expenses and Other Liabilities	\$23,771,291	\$23,668,747
TOTAL LIABILITIES	\$2,169,164,093	\$2,013,334,090
MEMBERS' EQUITY	DECEMBER 2020	SEPTEMBER 2019
Regular Reserves	\$18,529,735	\$18,529,735
Undivided Earnings	\$195,711,768	\$185,582,140
TOTAL MEMBERS' EQUITY	\$214,241,503	\$204,111,875
TOTAL LIABILITIES & MEMBERS' EQUITY	\$2,383,405,596	\$2,217,445,965

Note: Chartway's Fiscal Year has changed from September-end to December-end; this chart uses unaudited financials

2020 COMMUNITY

KEEPING PEOPLE FIRST



COVID-19

Health
Pandemic
Innovation
&
Team Member
Support



Digital Access Modernization

Direct Teller
Video Banking
Digital Banking
Innovations



Contactless Credit Cards



New Credit Cards
for Old Dominion
University Athletics



Payroll
Protection
Program



Branch Modernization

Harbour View (New)
Hampton Blvd. (Renovated)



Sponsors Of:

Old Dominion University Athletics • Utah Grizzlies
Chartway American Music Festival • Virginia Beach Funk Fest
First Responder Fridays



We were excited to have received Gold Honors in the “Best Credit Union” category for the “Best of Southern Utah” program.



In 2020, we were honored to work with our partners to provide lunches to frontline heroes.



Chartway’s President & CEO, Brian Schools, joined *The Hampton Roads Show* as a guest to talk about our partnership with Operation School Supplies.



Chartway’s We Promise Foundation continued making dreams and wishes come true for children like Clayton who face medical challenges.



Our vibrant people-first culture is driven by team members who love what they do and find real purpose in being able to make a meaningful difference.

Our Board of Directors

FRONT ROW (L TO R)

Richard A. McGrath
1st Vice Chair

George E. Sauer, III
Board Chair

Nancy W. McMahon
2nd Vice Chair

TOP ROW (L TO R)

Robert O. Holmes
Treasurer

Melinda M. Barbish
Director

Jared B. Perry
Director

James S. Bibbs
Director

Wayne E. Foshay, Sr.
Director

E.L. "Lou" Gull, Jr.
Secretary



Our Leadership Team

FRONT ROW (L TO R)

Melissa D. Cade
Senior Vice President,
Member Solutions Services

Brian T. Schools
President &
Chief Executive Officer

Kim J. Little
Executive Vice President &
Chief Operating Officer

Rob B. Keatts
Chief Information Officer

TOP ROW (L TO R)

Rebecca J. Riordan
Chief Talent Officer

Paul V. Annunziata
Corporate Development
Executive

George J. Pita
Chief Lending Officer

C. Skip Wilson
Senior Vice President,
Branch Services

Ben Lemoine
Chief Financial Officer



“All of us at Chartway stand united in our strong **culture of caring, listening, and learning.**”

Brian Schools, President & CEO

2020 HEROES

Our vibrant people-first culture is driven by team members who love what they do – and find real purpose in being able to make a meaningful difference in the lives of individuals and families. This past year, in response to the many challenges we faced, every single team member embraced our **People Helping People** philosophy by rolling up their sleeves – working and thinking differently, remaining flexible and agile. **It's who we are.**





We Promise[®]
FOUNDATION

THE CHARTWAY CHARITY

**Providing life-changing
experiences to children facing
medical hardship or illness.**



**To make a donation, please
click on the QR code or visit
WePromiseFoundation.org**

We Promise[®] FOUNDATION

THE CHARTWAY CHARITY

1,104 Children's dreams and wishes granted in 2020



Thanks to your ongoing support and generous donations, kid heroes like Ames, Krislyn, and Koby were all able to have once in a lifetime dreams come true!



Click on the QR code to view our special We Promise Foundation video, thanking everyone who supported Chartway's charity in 2020.

(800) 678-8765
chartway.com



CHARTWAY
FEDERAL CREDIT UNION

A photograph of an ATM located inside a Chartway branch. The ATM is silver and blue, and the Chartway logo is visible on the wall behind it.

CHARTWAY
FEDERAL CREDIT UNION

A photograph of the exterior of a Chartway branch building. The building has a blue awning with the Chartway logo and name.

This credit union is federally insured by the National Credit Union Administration.
Membership eligibility subject to verification.