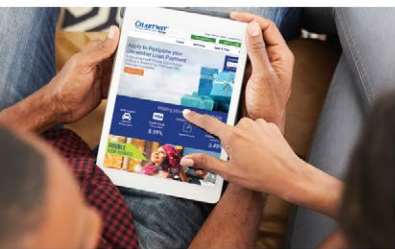


LIFE.
MADE AFFORDABLE.



BUILDING **THE** NEW CHARTWAY



2018 ANNUAL REPORT

CHARTWAY[®]
FEDERAL CREDIT UNION 

OUR VISION

SERVING OUR COMMUNITIES
TO MAKE YOUR LIFE AFFORDABLE.

OUR MISSION

THE CHARTWAY FAMILY OF MEMBERS AND EMPLOYEES **INVESTS IN THE GOOD OF OUR COMMUNITY.** THROUGH OUR SHARED VALUES AND GOALS OF **LIVING AFFORDABLY AND BEING FINANCIALLY OPTIMISTIC**, TOGETHER WE PROSPER – THROUGH SERVICE RELATIONSHIPS AND **PROVIDING SOUND FINANCIAL OPPORTUNITIES.**

OUR VALUES

PROMOTING THE PHILOSOPHY OF **PEOPLE HELPING PEOPLE.**

EXCEEDING THE EXPECTATIONS OF THOSE WE SERVE.

BUILDING POSITIVE, LIFETIME **RELATIONSHIPS BUILT ON RESPECT, COURTESY, AND INTEGRITY.**

INSPIRING OUR EMPLOYEES AND VOLUNTEERS IN THE PURSUIT OF EXCELLENCE.

IMPROVING THE COMMUNITIES WE SERVE.

VIEWING ONLINE?

CLICK THE LINK BELOW
TO WATCH A VIDEO.



CHARTWAY[®]
FEDERAL CREDIT UNION 

MESSAGE FROM THE CHAIRMAN AND PRESIDENT & CEO

BUILDING THE NEW CHARTWAY: FROM LEGACY TO TOMORROW

Throughout the past few years, we've been modernizing every dimension of our business – building on our strong foundation to create the new Chartway: a Member-First organization that listens and adapts to the evolving needs of our members and strengthens our communities – all while offering products to make your life affordable. We're excited to share that our transformation is well underway, and we're more focused than ever on building on our long-standing legacy of affordability and trust.

PROVIDING GRATIFYING MEMBER EXPERIENCES

In 2018, we placed a renewed focus on making member experiences even more gratifying. With this goal in mind, we solicited ongoing feedback and made investment decisions that directly aligned with what we heard – many of which we discuss below.

MODERNIZING FOR THE FUTURE

As one of the strongest credit unions in the country, we recognize the importance of growing and innovating in a rapidly changing market. That's why, in 2018, we launched improved solutions and services that you told us mattered most to you, including:

Better Branch Experiences. Last year, we began a multi-year effort to modernize our branch network – creating an experience that allows you to benefit from an accessible, welcoming design and convenient technology. We completed two branch renovations and we appreciate your flexibility as we continue to update remaining locations in 2019 and beyond.

We also introduced Direct Teller technology in our drive-thru areas, enabling you to quickly complete transactions with a live video teller. We look forward to installing more than 30 additional machines in 2019 to provide added convenience and expanded hours.

Digital Banking Enhancements. In 2018, we launched our new Online Banking, which offers many important features, including the ability to view and pay accounts, integrated credit card information, person-to-person payments, and financial management tools. We also added enhanced security features and created an experience that's the same across any device. While the new platform offers the modern experience many of you requested, we know that you may have experienced some inconvenience. We want to thank you for your patience as we worked through the transition, and we look forward to launching continued upgrades and delivering the reliable system stability you expect.

TRUSTED PARTNER

We take our commitment to serving as a trusted and reliable partner very seriously. These aren't just words on a page; rather, they are a reflection of how we operate and make daily decisions because we consider our members family. In 2018, this approach resulted in continued growth and stability – and is one of the many reasons we were proud to welcome members of PortAlliance Federal Credit Union on December 31, 2018.

Additionally, in our Virginia market, Chartway was again named a “Best Place to Work” by *Inside Business*, which helps us attract and maintain dedicated team members to serve you.

COMMUNITY COMMITMENT

Making a meaningful impact in our geographic footprints is core to who we are. We want to make every community in which we live and serve better, which is why we sponsor events, fund programs, and raise money to provide charitable grants.


While you can learn more about our community commitment on page 4, we'd like to highlight that in 2018, our We Promise Foundation reached a new fundraising total: more than \$10.5 million raised to provide the financial support needed to make dreams and wishes come to life for children facing medical challenges. Thank you to everyone who continues to support our We Promise Foundation.

PRIVILEGE TO SERVE YOU

2018 was a big year for the new Chartway, and we're just getting started. We're grateful for your loyalty and trust, excited about what the future holds, and look forward to continuing to build on our strong foundation to better serve you for years to come.

Thank you for your membership.


Robert O. Holmes
Chairman, Board of Directors


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 contracted an independent certified public auditing firm to examine the year. Following the examination and audit, we received an opinion letter confirming that Chartway's financial statements conform to Generally Accepted Accounting Principles.

2018 Supervisory Committee:

Gary Abrams, Chairman;
Gerald Hensley, Vice Chairman;
Scott Sumpter, Secretary;
Robert Boyle, Member;
Eleanor Willhoite, Associate 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
Chairman,
Supervisory Committee

TREASURER'S REPORT

For nearly six decades, Chartway has worked to earn the trust of our members by offering competitive loan and deposit rates, as well as low fees on our other financial products – all while maintaining the highest standards of integrity and responsible financial management. As a result, we experienced strong financial and operating performance results.

Our assets, as of September 30, 2018, were \$2,125,714,802, and share deposits totaled \$1,835,558,375. Additionally, as of September 30, 2018, we were pleased to have net loans to members in the amount of \$1,696,969,660.

As further evidence of our financial stability, I am proud to report that our gross income for the 12-month period totaled \$95,896,289 and was distributed, as follows:

- ▶ **\$11,880,427 of gross income in dividends to our members**
- ▶ **\$9,844,382 in reserves and retained earnings**
- ▶ **\$74,171,480 to offset credit union operating expenses in providing products and services to our members**

Through our continued commitment to sensible financial management and a disciplined compliance program, we accumulated a healthy level of reserves and undivided earnings. As of September 30, 2018, our retained earnings and equity totaled \$196,412,111, representing a capital ratio of 9.24%.

We're proud of our growth and look forward to continuing to invest in initiatives that help us facilitate the financial well-being of our members and our communities.

We're honored to serve you, well-positioned for growth and prosperity, and greatly appreciate your loyalty and trust!



Melvin S. Mizelle
Treasurer, Board of Directors



CHARTWAY FEDERAL CREDIT UNION

CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

ASSETS	SEPTEMBER 2018	SEPTEMBER 2017
Cash and Cash Equivalents	\$ 54,258,457	\$ 91,459,794
Securities - Held-to-Maturity	125,606,467	119,917,590
Other Investments	5,313,145	2,176,000
Loans Held-for-Sale	993,650	793,600
Loans, Net	1,696,969,660	1,723,758,129
Accrued Interest Receivable	6,164,289	5,794,542
Premises and Equipment, Net	43,058,245	40,869,044
NCUSIF Deposit	18,534,270	18,625,006
Credit Union Owned Life Insurance	47,898,013	46,466,846
Goodwill and Other Intangible Assets	71,488,504	71,547,286
Other Assets	55,430,102	43,545,082
Total Assets	\$2,125,714,802	\$2,164,952,919
LIABILITIES	SEPTEMBER 2018	SEPTEMBER 2017
Members' Share and Savings Accounts	\$ 1,835,558,375	\$ 1,955,801,838
Borrowed Funds	67,000,000	-
Accrued Expenses and Other Liabilities	26,744,316	22,616,894
Total Liabilities	\$1,929,302,691	\$1,978,418,732
MEMBERS' EQUITY	SEPTEMBER 2018	SEPTEMBER 2017
Regular Reserves	\$ 18,529,735	\$ 18,529,735
Undivided Earnings	177,882,376	168,004,452
Total Members' Equity	\$ 196,412,111	\$ 186,534,187
Total Liabilities and Members' Equity	\$2,125,714,802	\$2,164,952,919

COMMUNITY COMMITMENT



- **EVENTS, SPONSORSHIPS** AND OTHER PROGRAMS
- **AMERICAN MUSIC FESTIVAL**
- **CHARTWAY HALF MARATHON** AND **WE PROMISE FOUNDATION 5K**
- **NORFOLK TIDES** BASEBALL
- **SALT LAKE BEES** BASEBALL
- **OLD DOMINION UNIVERSITY** ATHLETICS
- **DIXIE STATE UNIVERSITY** ATHLETICS
- **TOOELE** BASEBALL FIELDS DONATION
- **LOCAL PARADES** AND **SCHOOL EVENTS**
- **RODEOS** IN TEXAS AND UTAH
- **CHAMBER OF COMMERCE PARTNERSHIPS** ACROSS THE COUNTRY



WE PROMISE FOUNDATION OUR CHARITABLE ARM



SINCE 1999, WE HAVE RAISED MORE THAN **\$10.5 MILLION**

TO PROVIDE LIFE-CHANGING EXPERIENCES THAT BRING JOY, HOPE, AND SMILES TO CHILDREN FACING MEDICAL HARDSHIP OR ILLNESS.



BOARD OF DIRECTORS

FRONT ROW (L TO R):

Melvin S. Mizelle
Treasurer

Robert N. Cook
2nd Vice Chairman

George E. Sauer III
1st Vice Chairman

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

TOP ROW (L TO R):

Nancy W. McMahon
Director

Richard R. Ahlborn
Director

Wayne E. Foshay
Director

Robert O. Holmes
Chairman

Jared B. Perry
Director

Richard A. McGrath
Director



LEADERSHIP TEAM

FRONT ROW (L TO R):

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Chief Information Officer

Brian T. Schools
President &
Chief Executive Officer

Kim J. Little
Executive Vice President &
Chief Operating Officer

TOP ROW (L TO R):

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Chief Human Resources
Officer

Paul V. Annunziata
Corporate Development
Executive

Jim A. Edwards
Chief Financial Officer

C. Skip Wilson
Senior Vice President,
Branch Services

Beth H. Long
Senior Vice President,
Marketing & Communications

Melissa D. Cade
Senior Vice President,
Member Solutions Services



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JOIN US

ENJOY THE CONVENIENCE AND VALUE
THAT A CHARTWAY MEMBERSHIP PROVIDES!

STOP BY A BRANCH

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(800) 678-8765 | CHARTWAY.COM



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

