

Balance Sheet

	2017		2016		2016 TO 2017
ASSETS	AMOUNT	% OF ASSETS	AMOUNT	% OF ASSETS	DIFFERENCE
Loans To Members (Net Of Allow For Loan Loss)	\$ 877,656,486	77.2%	\$ 823,992,124	75.5%	\$ 53,664,326
Cash and Cash Equivalents	65,884,789	5.8%	65,074,148	6.0%	810,641
Investments	90,678,455	8.0%	101,788,400	9.3%	(11,109,945)
Accrued Income: Loans	2,227,068	0.2%	2,013,991	0.2%	213,077
Accrued Income: Investments	290,388	0.0%	282,878	0.0%	7,510
Building/Land (Net)	44,845,327	3.9%	40,234,581	3.7%	4,610,746
Furniture/Fixtures (Net)	5,913,780	0.5%	6,305,168	0.6%	(391,388)
NCUA Deposit	9,241,443	0.8%	8,651,543	0.8%	589,900
Other Assets	40,488,561	3.6%	42,586,334	3.9%	(2,097,773)
TOTAL ASSETS	\$ 1,137,226,297	100.0%	\$ 1,090,929,167	100.0%	\$ 46,297,130
LIABILITIES AND EQUITY					
Corporate Drafts Outstanding	\$ 3,846,303	0.3%	\$ 4,404,153	0.4%	\$ (557,850)
Regular Shares/Clubs/IRA's	256,937,282	22.6%	238,917,064	21.9%	18,020,218
Money Market	294,586,319	25.9%	283,586,416	26.0%	10,999,903
Certificates	168,130,183	14.8%	173,352,665	15.9%	(5,222,482)
Checking	265,753,761	23.4%	244,193,335	22.4%	21,560,426
Accounts Payable	391,346	0.0%	612,277	0.1%	(220,931)
Loans Payable	27,797,593	2.4%	33,613,179	3.1%	(5,815,586)
Other Liabilities	11,332,852	1.0%	10,948,861	1.0%	383,991
TOTAL LIABILITIES	\$ 1,028,775,639	90.5%	\$ 989,627,950	90.7%	\$ 39,147,689
EQUITY					
Reserves	\$ 19,899,638	1.7%	\$ 19,899,638	1.8%	\$ -
Accumulated Other Comprehensive Loss (OCL)	(7,219,035)	-0.6%	(7,968,251)	-0.7%	749,216
Retained Earnings	95,770,055	8.4%	89,369,830	8.2%	6,400,225
TOTAL EQUITY	\$ 108,450,658	9.5%	\$ 101,301,217	9.3%	\$ 7,149,441
TOTAL EQUITY (EXCLUDING OCL)	115,669,693	10.2%	109,269,468	10.0%	6,400,225
TOTAL LIABILITIES AND EQUITY	1,137,226,297	100.0%	1,090,929,167	100.0%	46,297,130

Income Statement

	2017		2016		2016 TO 2017
INCOME	AMOUNT	% OF GROSS INCOME	AMOUNT	% OF GROSS INCOME	DIFFERENCE
Loan Interest	\$ 38,693,604	66.3%	\$ 34,511,202	67.2%	\$ 4,182,402
Investment Income	2,360,677	4.0%	2,056,255	4.0%	304,422
Other Income	17,514,620	30.0%	14,571,732	28.4%	2,942,888
Gain (Loss) On Investments	(49,148)	-0.1%	208,841	0.4%	(257,989)
Gain (Loss) Disposition Of Assets	(116,254)	-0.2%	12,733	0.0%	(128,987)
TOTAL GROSS INCOME	\$ 58,403,499	100.00%	\$ 51,360,763	100.0%	\$ 7,042,736
EXPENSES					
Staff Compensation/Benefits	\$ 21,288,963	36.5%	\$ 19,906,727	38.8%	\$ 1,382,236
Training/Staff Development	394,400	0.7%	535,066	1.0%	(140,666)
Association Dues	112,933	0.2%	103,653	0.2%	9,280
Cost of Space	2,165,994	3.7%	1,699,366	3.3%	466,628
Cost of Operations	9,705,076	16.6%	9,182,882	17.9%	522,194
Marketing/Promotions	1,533,874	2.6%	1,558,649	3.0%	(24,775)
Annual Meeting/BOD Election	8,007	0.0%	29,537	0.1%	(21,530)
Provision For Loan Losses	6,420,843	11.0%	2,233,963	4.3%	4,186,880
Professional Services	618,109	1.1%	575,255	1.1%	42,854
Loan Expenses	2,919,040	5.0%	2,526,425	4.9%	392,615
Borrowed Money Expense	925,059	1.6%	1,101,137	2.1%	(176,078)
Miscellaneous Expense	440,959	0.8%	104,497	0.2%	336,462
TOTAL OPERATING EXPENSE	\$ 46,533,257	79.7%	\$ 39,557,157	77.0%	\$ 6,976,100
PAID TO MEMBERS					
Certificate Interest	\$ 1,913,203	3.3%	\$ 2,007,739	3.9%	\$ (94,536)
Dividends	3,556,814	6.1%	3,519,414	6.9%	37,400
TOTAL PAID TO MEMBERS	\$ 5,470,017	9.4%	\$ 5,527,153	10.8%	\$ (57,136)
ADDED TO EQUITY	\$ 6,400,225	11.0%	\$ 6,276,453	12.2%	\$ 123,772

Board of Directors

DCCU's Board of Directors is comprised of members who volunteer their time and expertise to the membership by overseeing the management of the credit union. Board members serve three-year terms and are elected by the membership.

Everett J. Campbell, Jr. *Chairman*

Q. Maurice Gresham *Vice Chairman*

Leslie E. Ramsey *Treasurer*

Drew Ellen Gogian *Secretary*

Timothy M. Simmons *Director*

Daniel L. Bowman *Director*

Michael P. Blinn *Director*

Marvin G. Copeland *Associate Director*

Angela M. Simonetti *Associate Director*

Steve F. Elkins *President/CEO*

Governance Committee

Responsible for ongoing review and recommendations concerning the governance of the credit union to enhance the leadership quality, effectiveness and strategic impact of the Board and all elements of the governance structure; and, to refresh and renew the Board through a thoughtful Board member nominations and development process.

Michael P. Blinn *Chairman*

Drew Ellen Gogian *Director*

Angela M. Simonetti *Associate Director*

Mary Louise Leake *Member*

Terri E. Stevens *Member*



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Annual Report

2017





Chairman's Report

DuPont Community Credit Union (DCCU) experienced another positive year in 2017 as we demonstrated our commitment to the membership and our community.

HIGHLIGHTS FROM 2017 INCLUDE:

- We originated \$108.8 million in real estate lending in 2017, and remain committed to becoming the premier real estate lender in the Shenandoah Valley.
- Additionally, we originated \$93.5 million in auto, credit card, and home equity loans; and \$18.9 million in member business loans.
- Our request to expand our field of membership was approved by the State Corporation Commission. Now, individuals who live, work, worship, attend school, or volunteer in Clarke, Frederick, Page and Warren counties, and the City of Winchester can become members of our cooperative and share all the benefits of credit union membership.
- We opened two new branch locations – Downtown Staunton in January and Stone Port (Harrisonburg) in December. A full service ATM was also installed in the town of Grottoes in February.
- DCCU released Online Banking enhancements and completed an upgrade for our Bill Payer system that helps members conveniently manage their finances.
- We announced an agreement with Sigora Solar to install solar power generation at nearly all DCCU locations, providing a more efficient and cost-effective way to use our resources.
- DCCU was recognized by the Virginia Credit Union League for its Community Donation Program (CDP). The CDP was established as a meaningful and equitable way to distribute DCCU's surplus furnishings and fixtures to local non-profits to help them serve their clients. Approximately 50 agencies spanning from Lexington to Winchester were recipients of the donated items.
- Each year, DCCU employees select a corporate charity to support. In 2017, DCCU donated over \$11,700 and volunteered over 150 hours in support of local Meals on Wheels programs.
- Employees also raised over \$28,000 and volunteered over 140 hours to benefit the United Way organizations of Greater Augusta, Harrisonburg and Rockingham County, the Northern Shenandoah Valley, and Rockbridge County.

These highlights reflect some of the ways we are putting our members first and helping to make a positive impact on our community. We are excited about 2018 and the many years ahead. On behalf of the Board of Directors and the staff of DuPont Community Credit Union, we appreciate your membership and continued support of our financial cooperative.

Supervisory Committee Report

The Supervisory Committee is appointed by the Board of Directors to oversee the operation of the Credit Union. The Committee acts as your member advocate. It strives to assure members that DCCU is operated in a financially safe and sound manner so that member assets are protected.

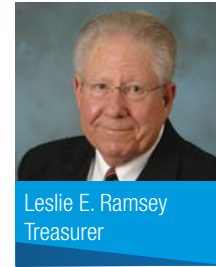
The Committee is currently composed of the following four members: Bruce F. Hamrick (Chairman); Ron L. Harlow (Secretary), Eugene F. Walker (Member) and Wesley B. Wampler (Associate Member). The Committee is assisted by the Internal Audit team, headed by Director, Alan Christopher.

As required by law, an Annual Opinion Audit was performed by the independent CPA firm, CliftonLarsonAllen. The report stated that DCCU's financial statements were prepared in accordance with accepted accounting principles. The auditors noted only minor exceptions that were promptly corrected by DCCU staff.

Our most recent routine joint examination was completed in 2016 by Virginia and NCUA examiners. That report gave DCCU good ratings for financial safety and soundness. All recommendations in the report were promptly responded to by the Board and management.

DCCU continues to work hard to protect members from fraud. However, an important part of fraud reduction is member vigilance. This Committee urges each member to routinely monitor all of their DCCU statements and/or accounts and report any suspicious activity promptly.

In summary, your credit union is operated in a safe and sound manner and continues to be in excellent financial condition.



Leslie E. Ramsey
Treasurer

Treasurer's Report

The 2017 financial performance and accomplishments are reflected by category in detail below.

GROWTH

Assets grew at a rate of 4.5% or \$48.6MM ending 2017 at \$1.14B. Member savings grew 4.8% or \$45.4MM during 2017. The ratio of our loans to assets increased from 75.5% to 77.2%. Total loans outstanding increased by 6.8% or \$56.0MM. The investment portfolio decreased 10.9% or \$11.1MM during the year. All of our investments are issued by the U.S. Treasury, U.S. Government Sponsored Enterprises, or insured institutions.

Figure 1 Assets, Savings, Loans (Millions of dollars)

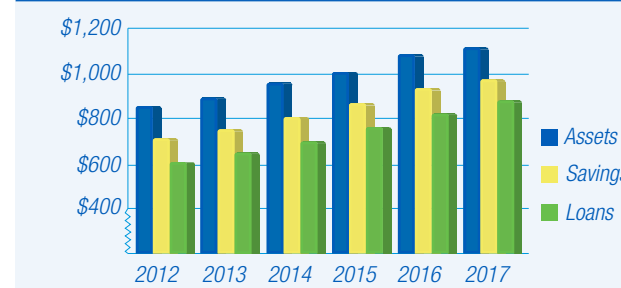
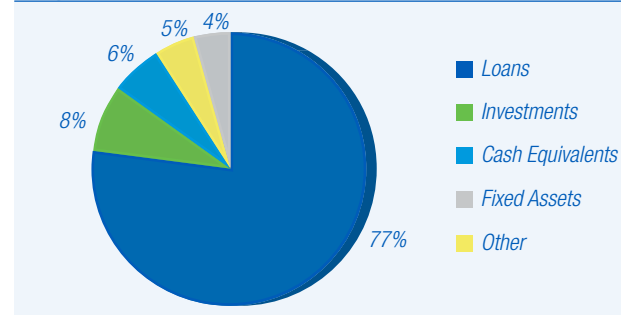


Figure 1 illustrates the 6-year relationship of assets, savings and loans, while Figure 2 shows the distribution of assets.

Figure 2 Asset Distribution



NET INCOME

Net income for 2017 was \$8.7MM, an increase of \$2.4MM. Dividends and interest paid to members totaled \$5.5MM, a decrease of \$0.1MM or 1.0% compared to 2016.

Figure 3 Distribution of Income

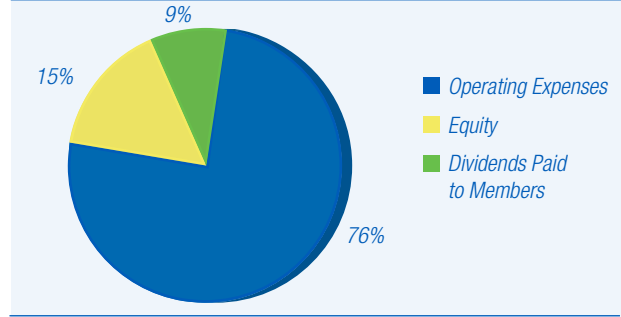


Figure 3 illustrates the distribution of income.

EQUITY (NET WORTH)

Our equity ratio increased to 10.35% of assets at year-end as compared to 10.02% at year-end 2016. The \$110.8MM of equity helps maintain our sound financial position, and benefits both savers and borrowers as it provides a cushion for loan losses and other economic pressures that may arise.

Figure 4 Equity (Millions of dollars)

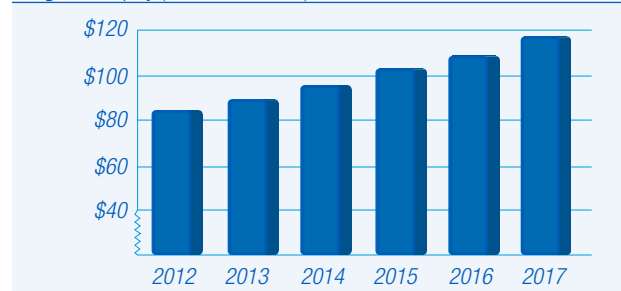


Figure 4 shows equity in dollars for the past 6 years.

LOAN QUALITY

Our delinquency rate (based on all loans) increased from 0.46% at year-end 2016 to 0.89% at year-end 2017. Net write-offs in 2017 were \$3.1MM or 0.37% of average loans, compared to \$1.9MM or 0.24% in 2016.

SUMMARY

These financial results reflect strong performance and stability in DCCU's Balance Sheet. This strong position will enable DCCU to continue providing various forms of member-giveback and to make investments in our products, services, and delivery channels.

We look forward to another strong year in 2018 and, as always, appreciate your cooperation and support!