

2020 Board & Management Report

Tennessee Valley Federal Credit Union (TVFCU) delivered tremendous results for our membership during the past year, even while facing the unprecedented challenges brought about by the Pandemic in 2020. Credit union members like you know that if you *open your eyes to a credit union*, you'll find a trusted, local resource for your finances along with the power of a consumer cooperative. But it's also a concept that clearly appeals to many residents of our community.

We added 7,741 new members in 2020, reaching nearly 160,000 total members and assets grew by almost 23% to \$1.96 billion at year's end. To help meet this growing demand, we opened a new in-store branch at the Etowah Food City last year, and several existing branches were upgraded with our convenient interactive teller machines (ITMs). Additional renovations are scheduled for later in 2021 to add ITMs inside several branches.

TVFCU will close the existing Downtown Branch at 715 Market Street in May 2021 and open two new branches in its place. Directly across Market Street, the new City Center Branch will offer downtown workers and residents the convenience of walk-up service. The new Southside Branch on 20th Street will be full-service with parking and feature a unique building facade with 3D-printed panels from Branch Technology in Chattanooga. Plans also call for a new branch in Chickamauga, serving the growing north Georgia area, to open before the end of the year. With these additions, we will have 21 convenient locations throughout the Tennessee Valley to serve our steadily growing membership.

Although the COVID-19 pandemic presented everyone with unprecedented challenges in 2020, we continued to meet the financial needs of our members by providing a variety of convenient options for remote account access and services. The demand for loans remained strong. Consumer and vehicle loans grew by \$75 million, while consumer real estate loans and commercial lending each added another \$33 million, pushing total loans to \$1.37 billion. Total deposits also increased almost 25%, to end the year at \$1.70 billion. Our performance enabled the credit union to add \$21.6 million to equity in 2020 and we ended the year with a capital ratio of 12.87%. Thanks to the support of our members, these numbers indicate another very successful year and give us a strong foundation for future growth.

By working together in the true credit union spirit of *people helping people*, we continued to grow stronger in spite of the challenges due to COVID. So if you have any friends and family who are not enjoying the benefits of TVFCU membership, encourage them to *open their eyes to a credit union*. It's clear we are stronger together!

2020 Supervisory Committee Report

The Supervisory Committee is created by Federal law and appointed by the Board of Directors in accordance with the provisions of the Federal Credit Union Act. Committee members for 2020 included Lee Brouner, Laura Dutton, Bernard Harris, Cheryl Rogers, and Ron Thomas.

According to the rules and regulations of the National Credit Union Administration (NCUA) and the Federal Credit Union Act, the Supervisory Committee is accountable for the performance of certain duties and responsibilities. The Committee is available to provide impartial assistance to any member who encounters problems transacting credit union business, and is responsible for internal audit oversight that seeks to minimize the credit union's risk of loss due to carelessness, error, or fraud.

The Internal Audit Department, under the Committee's direct supervision, assists by performing periodic audits of the credit union's operations, policies, procedures, internal controls and regulatory compliance. Board and management then utilize these audits to consider possible improvements to the credit union.

The Supervisory Committee annually enlists outside auditors to provide an independent financial audit of the credit union's records. For 2020, the accounting firm of Elliott Davis, LLC performed the audit. This audit assured the Committee that Tennessee Valley Federal Credit Union's financial statements present fairly, in all material respects, the financial position and the changes in net assets and cash flows for the year ended December 31, 2020.