



People Come First.

2021 annual report



chair & president's report

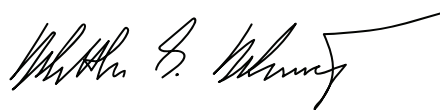
With the dedication of 1,600 team members, DCU continued to provide a variety of products and services that help our members save money and reach their financial goals.

In 2021, DCU saw a **6.7%** increase in membership, ending the year with **978,805** members. Much of this increase is due in thanks to our loyal members who referred their family and friends to a credit union they trust.

Members were attracted by some of the most competitive rates in the market and the convenience in the application process.

This year, we also continued our commitment to making a difference in the community through DCU and our foundation, DCU for Kids, contributing to organizations that support children and families. The unrestricted donations and scholarships made a positive impact on those most in need.

Our efforts and successes are detailed in the following pages, providing insight into our growth as a credit union and community partner. Thank you to our members for your continued dedication.



Matt Menning
Chair, Board of Directors



Jim Regan
President/CEO



DCU offered one of the best APR for auto loans. Their application and loan approval process is seamless and quick. I had to decide on purchasing a vehicle and get auto loan approved within a short period of time. After submitting my application online, everything was taken care by DCU and turned it around quickly.”

— **Vincent K., New Hampshire**

a year in review

90K+ new or pre-owned vehicles financed, totaling **\$2.3B** in auto loans

Nearly 4,000 members reviewed products and services on dcu.org an average of **★★★★★ 4.6 out of 5 stars**

5,913 members purchased or refinanced their home with DCU, bringing the total to **\$1.5B** in mortgage loans

Members referred **23K** individuals, resulting in **11K** new memberships

Fee reduction and pandemic-relief efforts resulted in **\$36M** in members savings

Fee & discount savings include: ATM surcharge reimbursement, foreign currency fee savings, check returned fee savings, overdraft fee savings, stop payment fee savings, and loan discount savings

60K+ new checking accounts bringing total to **672,860** – **over 30%** of members opting for direct deposit get paid up to two days early

693 business loans processed through a new sales automation platform in 2021

200% increase from 2020

21M total DCU Visa® purchases, totaling **\$1.3B** – **34K** members transferred **\$1.1M** of balances from high-rate credit cards and store cards to DCU Visa
Nearly half of all DCU member households carry a DCU Visa

service features

savings

Higher dividend rate on the first \$1,000 in primary savings encourages and rewards members for saving for the unexpected. As a result, members received **\$27M** in dividends in 2021, contributing to their financial health.

free checking

DCU's **Free Checking with the Earn More Feature** enables you to earn while maintaining access to your funds. To learn more, please visit dcu.org/freechecking.

mortgage processing

An online tool allows members to schedule an appointment with a **Mortgage Loan Originator** to review questions regarding the mortgage pre-qualification process for a new home purchase. The tool also provides a checklist of items needed for the pre-qualification and has increased efficiency in the loan application process.

DCU partnered with a **digital mortgage platform** to create a streamlined process for email communication between DCU and applicants, leading to shorter turnaround times and keeping applicants up to date with milestones that are reached in the application process.

consumer lending

A new auto refinance automation streamlines the application process by pre-populating required fields and eliminating the need for external loan details or documents. The application takes only a couple of minutes to complete and presents the member with DCU loan options, highlighting their monthly payment savings.

quick loans

Quick Loans are an alternative to high-interest payday loans. With a loan maximum of \$2,000, no payment due for 60 days, APR starting at 10%, and a repayment term of 12 months, these loans **assist members**, fast, when an emergency arises.

DCU in the community

DCU for Kids donated **\$2.9M** to 195 charitable organizations this year, following a successful Annual Golf Classic, raffles, and other fundraising efforts.

Administrative costs and volunteering is covered by DCU, allowing **98%** of all funds to be donated directly to programs and services that support children and families.

Since 2005, DCU for Kids has provided a total of **\$23M** in charitable donations.

Additionally, DCU made **\$10M** in charitable contributions to **586** organizations which support education, healthcare, housing, job training, counseling, and social service that benefit children and families.

Giving included \$4.4M to 44 hospitals and \$2.1M to 118 food banks.

DCU Scholarship Funds supported **27** schools at **\$340K**, with the DCU for Kids Memorial Scholarship Program providing **120** awards totaling **\$190K** for a total of **\$530K**.

84 classrooms in 47 schools in MA/NH supported through Adopt a Classroom.

152 classrooms in 61 schools in MA/NH supported through Donors Choose.

60+ companies have received free mentorship, workspace, community, and a professional network through DCU's FinTech Innovation Center since 2016.



DCU's generous gift to Hope & Comfort means more than ever. Hygiene insecurity remains an enormous but largely unmet need. DCU's support has helped us distribute over 1.5M hygiene products, including over 650K bars of soap, to keep children clean, healthy and confident."

— **Jeff Feingold, Founder and President of Hope & Comfort, Needham, MA**



consolidated statements of financial condition (in thousands)

Assets	2021	2020
cash and cash equivalents	\$ 1,200,266	\$ 2,287,247
deposits in corporate federal credit union	20,000	10,000
securities - trading	452,856	356,986
securities - available-for-sale	280,514	246,164
other investments	9,418	10,313
loans held-for-sale	104,318	278,291
loans, net	7,582,425	6,657,864
accrued interest receivable	23,419	26,268
premises and equipment, net	84,651	79,739
ncusif deposit	82,093	84,434
other assets	43,408	48,226
total assets	\$ 9,883,368	\$ 10,085,532
Liabilities and Members' Equity		
liabilities		
members' share and savings accounts	\$ 8,804,288	\$ 9,035,280
accrued expenses and other liabilities	107,230	112,820
total liabilities	\$ 8,911,518	\$ 9,148,100
members' equity		
regular reserves	\$ 100,227	\$ 100,227
undivided earnings	873,952	837,134
accumulated other comprehensive income (loss)	(2,329)	71
total members' equity	\$ 971,850	\$ 937,432
total liabilities and members' equity	\$ 9,883,368	\$ 10,085,532

The Consolidated Statements of Financial Condition and accompanying graphs are unaudited. To view the 2021 Audited Financial Statements, visit dcu.org.

consolidated statements of income (in thousands)

Interest Income	2021	2020
loans	\$ 307,021	\$ 343,940
securities, interest bearing deposits and cash equivalents	4,657	11,250
total interest income	\$ 311,678	\$ 355,190
Interest Expense		
members' share and savings accounts	45,282	59,378
borrowed funds	-	4,744
total interest expense	\$ 45,282	\$ 64,122
net interest income	\$ 266,396	\$ 291,068
Provision for Loan Losses		
net interest income after provision for loan losses	261,396	186,468
Non-Interest Income		
service charges and fees	8,774	4,249
interchange income	60,146	48,430
other non-interest income	14,068	12,448
net gain on sale of loans	9,108	52,016
net (loss) gain on equity securities	(4,129)	3,421
total non-interest income	\$ 87,967	\$ 120,564
Non-Interest Expense		
employee compensation and benefits	147,045	131,656
office occupancy and operations	72,895	62,707
other operating expenses	92,605	93,256
total non-interest expense	\$ 312,545	\$ 287,619
net income	\$ 36,818	\$ 19,413

The Consolidated Statements of Financial Condition and accompanying graphs are unaudited. To view the 2021 Audited Financial Statements, visit [dcu.org](https://www.dcu.org).

products & services

Personal Banking

Loans

Apply online or by phone 24 hours a day

- Auto, Boat, Recreational Vehicle, Motorcycle, Solar, Personal Aircraft, and more
- Visa® Platinum, Visa® Platinum Rewards, and Visa® Platinum Secured Credit Cards
- Private Student Lending and Refinance Solutions
- Mortgages, Home Equity Loans and Lines of Credit
- Personal, Debt Consolidation, Savings-Secured, Certificate-Secured, Stock-Secured, and Quick Loans

Savings

Account opening and online access 24 hours a day

- Savings, Checking, Earn More Checking, Money Market, and Certificates
- Ltd Savings Account
- Individual Retirement Accounts
- Holiday Club and Member Described Accounts
- Trust and UTMA Accounts

Special programs

- Mobility Vehicle and Access Loans
- Financial Wellness and Recovery Program
- Skip-A-Payment
- Auto Buying Service

Account access and other services

- Online Banking with Bill Payer
- Mobile Banking
- Online Deposit
- DCU Pay
- Apple Pay®
- Android Pay®
- Samsung Pay
- People Pay
- Voice Banking
- DCU Visa® Debit Card and ATM Card
- Card Settings
- Easy Touch Telephone Teller
- Text Alerts

- Overdraft Protection Service
- CashEdge Funds Transfer Service
- Domestic and International Money Wires
- Money Orders and Travelers Cheques

Education and Information

- StreetWise Consumer Education Program
- Members' Monthly Newsletter
- Show Me Website and Newsletter
- Barnyard Cents Website and Newsletter
- Know The Risk Monthly Article
- Auto Buying Research Services
- BALANCE Financial Wellness Program
- Online Calculators

Business Banking

Loans

- Lines of Credit and Term Loans
- Investment Property Equity Lines and Loans
- Commercial Mortgages
- Construction Mortgages
- Auto, Business Vehicle, and Business Equipment
- Visa® Business Platinum
- SBA Loans

Savings

- Free and Premier Business Checking
- Savings, Money Market, Certificates, Ltd Savings Accounts
- SEP and SIMPLE IRAs

Account access and other services

- Online and Mobile Banking
- Business Visa® Check Card
- Online Federal Tax Payments (EFTPS)
- Merchant Credit Card Referral Services
- Payroll Service

branch locations

Massachusetts

Acton

100 Powdermill Road
Acton, MA 01720

Andover

209 North Main Street
Andover, MA 01810

Burlington

15 Greenleaf Way
Burlington, MA 01803

Fitchburg

350 John Fitch Highway
Fitchburg, MA 01420

Framingham

60 Worcester Road
Framingham, MA 01702

Franklin

500 West Central Street
Franklin, MA 02038

Leominster

210 New Lancaster Road
Leominster, MA 01453

Lexington

1751 Massachusetts Avenue
Lexington, MA 02420

Littleton

207 Constitution Avenue
Littleton, MA 01460

Lowell

564 Bridge Street
Lowell, MA 01850

Marlborough

279 East Main Street
Marlborough, MA 01752

Marlborough

865 Donald Lynch Boulevard
Marlborough, MA 01752

Methuen

(Member Service Center)
2 Broadway
Methuen, MA 01844

Tyngsborough

378 Middlesex Road
Tyngsborough, MA 01879

Waltham

130 Lexington Street
Waltham, MA 02452

Westborough

18 Lyman Street
Westborough, MA 01581

Worcester

11 Tobias Boland Way
Worcester, MA 01607

Worcester

131 Gold Star Boulevard
Worcester, MA 01606

Worcester

225 Shrewsbury Street
Worcester, MA 01604

New Hampshire

Hudson

8 Flagstone Drive
Hudson, NH 03051

Manchester

369 South Willow Street
Manchester, NH 03103

Merrimack

19 Premium Outlets Boulevard
Merrimack, NH 03054

Nashua

379 Amherst Street
Nashua, NH 03063

Branch Hours

Monday – Wednesday

9:00am – 5:00pm Eastern Time (ET)

Thursday – Friday

9:00am – 7:00pm (ET)

Saturday

9:00am – 3:00pm (ET)

Lexington, MA Hours

Monday – Wednesday

8:00am – 4:00pm (ET)

Thursday – Friday

8:00am – 6:00pm (ET)

Saturday

9:00am – 3:00pm (ET)

Methuen, MA Hours

Monday – Friday

9:00am – 7:00pm (ET)

Saturday

9:00am – 3:00pm (ET)

Information Center Hours

Monday – Friday

8:00am – 9:00pm (ET)

Saturday

9:00am – 3:00pm (ET)

Not near a branch?

Use Online or Mobile Banking

Easily bank at home with Online Banking or on the go with our Mobile Banking App for iPhone, iPad, and Android.

Try a CO-OP Shared Branch

Find a CO-OP Shared Branch near you by using our Branch/ATM Locator at dcu.org/locations



Find an ATM near you!

Access over 80,000 ATMs surcharge-free nationwide displaying any of these logos: Allpoint® | SUMSM | CO-OPSM

Find ATMs at dcu.org/atm

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Kumar Kittuswamy
Treasurer

Anshul Gupta
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Vice Chair

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President
Chief Executive Officer

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Caleb Cook
Vice President
Consumer Lending

Julie Katalinich
Senior Vice President
Member Services

Philip Salis
Interim Vice President
Marketing



Full-service realty specialists to help you buy or sell a home or condo. List "By Owner" homes for sale nationwide on dcuhomes.com, or in the Massachusetts and New Hampshire Multiple Listing Services. Our relocation service helps members in all 50 states.



Direct independent agency services in CO, CT, GA, ME, MA, and NH. Policies in other states available through direct affinity programs of national insurance carriers.

- Personal Automobile
- Homeowners / Condo Owners
- Renters, Dwelling Fire, and Flood
- Umbrella Liability

Property and casualty insurance provided by DCU Insurance (DCU Financial Insurance Services, LLC), a subsidiary of DCU. Business conducted with DCU Insurance is separate and distinct from any business conducted with the credit union. Remember that any insurance required as a condition of the extension of credit by the credit union need not be purchased from DCU Insurance but may, without affecting the approval of the application for credit, be purchased from an agent or insurance company of the member's choice. Insurance products are not deposits of Digital Federal Credit Union (DCU) and are not protected by the NCUA. They are not an obligation of or guaranteed by the credit union and may be subject to risk. Any questions or concerns regarding this relationship may be addressed to the Office of Consumer Affairs.



220 Donald Lynch Boulevard
Marlborough, MA 01752

dcu.org

NMLS#: 466914

In Your Community Report: dcu.org/community

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