



Digital Credit Union



40 years  
of putting  
our members  
first.

Helping People  
Loans  
Share Certificates  
Family Members

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In all fairness and truth, you can't go wrong with DCU. They are fair and are out to help enrich people's lives; rebuild them; give them hope; give them peace of mind; and give them the ability to be independent. You will be able to save without fear of hidden fees.

— DCU member – Kent, WA



# chair & president's report

Since our humble beginnings as the financial services provider for the employees of Digital Equipment Corporation (DEC) in 1979, DCU has never lost sight of its roots of being a not-for-profit financial cooperative owned by and operated for our members.

In October of 1979, DEC received approval from the National Credit Union Administration (NCUA) to federally charter Digital Employees' Federal Credit Union (DCU) to serve DEC employees and their families. And, in May 1980, DCU welcomed our very first member. Within the first month of opening, 3,200 members had joined the credit union. While DEC has since closed its doors, the company's legacy lives on with DCU and its over 850,000 members that span all 50 states.

Our initial vision "All Members Achieve Financial Well-Being," has since transformed into "All Members Achieve Their Financial Goals Collaboratively." Each and every DCU team member takes that vision into account when helping members answer, "What Will DCU Mean to You?"

For some, it could mean saving for a down payment on their first home, while for others it could be purchasing a reliable vehicle to get where they need to go.

A lot of things can change in 40 years, but some things remain constant, like DCU's unwavering commitment to provide exceptional service and making a positive impact in the communities where our members live and work. No matter what our members' unique goals are, we are committed to helping them the only way we know how – The DCU Way. This mentality consists of three core philosophies:

- **People Come First**
- **Do the Right Thing**
- **Make a Difference**

Through the offering of innovative products and services, our team members embody these philosophies every day. Whether our members communicate with us in-person, over-the-phone or via online chat, we are dedicated to ensuring that we put their needs first and do the right thing for them and their finances.

Making a difference means giving back to the communities we are a part of. Last year, we sponsored 40,000 meals for the non-profit, Feeding America, in honor of our 40th Anniversary of serving members among other monetary donations to local food banks and pantries. Our commitment to the community doesn't stop at feeding the hungry – we have passionately supported numerous after school programs, veterans' organizations and other worthy causes that are doing their part to help individuals and families in need with over \$1.6 million in cumulative donations in 2019 alone.

## Sharing the results of 2019

In 2019, nearly 1,500 dedicated team members from DCU worked to show our members what we could save them. Our priorities continued to be delivering great value to our members while providing an even greater level of service in all that we do. Thanks largely to existing members who told their friends and families about DCU, new members came to us for help by the thousands. We're honored to have the opportunity to make a difference in the lives of so many people and we promise to do everything we can to earn your continued loyalty and keep your trust.

DCU ended 2019 with \$9.4 billion in assets and 871,546 members. 69,539 new members joined DCU during the year – an increase of nearly 8.7% over 2018. We now serve employees or members of more than 700 businesses and organizations and their families. Throughout 2019, we worked to maximize your return as a DCU owner through better rates, new services, and product enhancements. Total deposits were \$7.9 billion and total loans under management were \$11.0 billion. Attracted by our competitive loan rates and convenient ways to apply, members opened more than 170,000 loans totaling over \$3.4 billion in 2019.

## Member participation

Providing members with products and services that can help improve their financial well-being is another way we made a difference. In 2019, members chose DCU for a variety of reasons including:

**A Trusted & Reliable Partner** – According to our annual survey, 90% of our members consider DCU as a trusted financial services provider. Additionally, 91% of members say they are either satisfied or very satisfied with the service they receive from DCU. New members often share that the desire for this type of relationship is what brought them into the credit union.

**Member Referrals** – In 2019, members used our automated member referral system to share DCU with over 16,000 individuals and by year-end, more than half of those referred opened a membership. The long-term success of the credit union is closely tied to the loyalty of members like yourselves who actively recommend DCU.

**Free Checking** – More than ever, members used DCU for their primary checking account. By year end, 363,413 members considered their DCU checking account as their primary account, an increase of 6.9% over 2018. Also, by the end of the year, over 445,000 members received over \$17 billion in payroll and Social Security direct deposits to their DCU checking accounts. This represents a 7% increase in volume from 2018. DCU members who utilized this service found that they typically receive their direct deposit up to two days early.

**Getting a Home** – Over the course of 2019, DCU helped more than 2,900 members realize the American Dream by helping them purchase or refinance their home. We ended the year with 19,284 members having their mortgages with DCU – an increase of 5.5% over 2018.

**Affordable Transportation** – Whether it was for a new or pre-owned vehicle, members chose DCU to finance 71,897 vehicles in 2019 – totaling over \$1.3 billion in auto loans.

**Helping Member Businesses Grow** – DCU made over \$342 million in loans to member-owned businesses in 2019.

**DCU Visa® Platinum** – Our competitive low interest rate and rewards credit cards are so popular, that nearly half of all DCU member households choose to carry one. During the year, members used their DCU Visa cards to make over 22.7 million purchases totaling over \$1.2 billion in online or in-person transactions. Plus, throughout the year, nearly 22,000 members took advantage of transferring over \$130 million from their existing high rate credit or store card balances to a DCU Visa credit card.

## In closing

As we enter our 40th year of operation, the continued success of DCU is because of you – our members. On behalf of the Board of Directors, volunteers, management, and staff, we thank you for choosing and using DCU for your financial needs. In 2019, and the years to come, you have our unwavering commitment to provide exceptional member service and a team of caring individuals that delivers on that promise each and every day.



**Matt Menning**  
Chair, Board of Directors



**Jim Regan**  
President/CEO

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“DCU has a great rate on their savings account. I live 1000+ miles away from their nearest branch, but [their mobile app and CO-OP credit unions make banking with DCU easy](#). I highly recommend DCU to friends/family and anyone looking for a great savings rate.”

— DCU member – Omaha, NE



# benefits and enhancements

## Making every dollar count for DCU members

Our efforts to reduce fees and provide our members additional value in the products and services they utilize with DCU resulted in an estimated \$14 million in members savings in 2019. This included ATM surcharge reimbursements, foreign currency fee savings, check returned savings, overdraft savings, stop payment fee savings, and the loan discount savings.

## Helping members achieve their savings goals

Saving money for planned purchases, unexpected expenses, or retirement is not always easy. To encourage all members to start saving and further reward those who do, DCU members earn a higher dividend rate on the first \$1,000 in their Primary Savings account. Members find this to be valuable as we saw their balances grow throughout 2019 with members receiving dividends over \$20 million as a result of this.

## Members earn more on their checking account

In the later part of 2019, DCU's Free Checking account got even better with the Earn More feature which allows members to earn interest while maintaining normal access to their funds. Earn More is an interest earning sweep feature that can be activated on DCU's Free Checking account and enables members to earn a competitive rate on balances up to and including \$25,000.00. Eligible balances are automatically swept out to interest-bearing FDIC insured deposit accounts held at participating institutions throughout the country.

## DCU branches out to Methuen, MA

In October, we opened our first-ever Member Service Center in Methuen, MA. This new Member Service Center encourages individuals to take control of their everyday banking transactions with three 24-hour indoor ATMs and a drive-up ATM to complete deposits, withdrawals, and transfers. Additional Member Service Representatives are on-site to assist with the opening of new memberships, applying for loans, and to provide financial education.

## A new DCU.org

In August, we launched a completely redesigned dcu.org. The website is DCU's most trafficked branch and this new redesign helps to ensure that we continue to be an expert and leader in the financial services industry by providing members with convenient, competitive banking options, and cutting-edge technology. With this redesign, regardless of whether visitors view our website from a desktop computer, laptop, tablet, or mobile phone, it dynamically adjusts for each of these devices. When redesigning the website, we took what our members and employees had to say and incorporated suggestions and feedback into the new site to ensure we put the end user's experience first and foremost.

## DCU Cares Disaster Recovery Program

The DCU Cares program, established in 2018, strives to relieve some of the stress caused by financial obligations for those in disaster situations. Since its inception, this program has supported members following the wildfires in California as well as the tornadoes and flooding that have impacted members in different areas in the United States. Through this effort, eligible members receive automatic reimbursements for ATM transaction fees and waivers on overdraft fees. In addition, those needing financial assistance in recovery and reconstruction are offered interest-free loan options. To date, DCU has made over 105 emergency loans totaling more than \$660,000, provided relief options for 205 members with existing loans totaling over \$1.5 million and waived almost \$85,000 in fees as part of the program.



# DCU in the community

At DCU, we remain committed to making meaningful and positive contributions to the communities that we serve. Among our efforts in 2019 were:

## DCU for Kids

Our charitable foundation raised and donated \$2.8 million in 2019, following a successful annual Golf Classic, raffles, and other events. Among the 150 charitable organizations that DCU for Kids supported this year with these raised funds were programs focused on education, healthcare and medical research, Autism and other special needs, support services, and anti-bullying. Since DCU covers the foundation's administrative costs and volunteering needs, 98% of all funds raised go directly to children and families in need.

## DCU for Kids scholarships

Since 1996, DCU for Kids has awarded scholarships to graduating high school seniors who are deemed most likely to excel at a college or university based on their scholastic performance, character, and achievements. In 2019, 90 scholarships were distributed totaling \$165,000 to deserving recipients from around the country.

## Support of schools

DCU's continued partnership with EVERFI, a leading financial technology company, brings financial literacy programming to area schools through the EVERFI curriculum. In 2019, over 2,188 students in 34 branch community high schools completed 10,675 learning modules and approximately 8,126 hours of learning. DCU additionally provided education to 346 students in low-to-moderate income communities – totaling 1,349 hours of learning at nine schools. EVERFI's technology platform teaches, assesses and certifies individuals in critical financial skills at no cost to the participating schools or students.

In cooperation with Adopt-A-Classroom, we supported and donated to 261 public elementary school classrooms in DCU branch communities. An emphasis was placed on special needs and special needs-inclusion classrooms. DCU also provides annual charitable contributions to over 60 schools throughout Massachusetts and New Hampshire in support of high school scholarship programs. These scholarships help hundreds of students achieve their goal of attending college and continuing their education

## Fostering FinTech startups

The DCU FinTech Innovation Center opened in 2014 and has since established itself as one of the leading fintech startup

accelerator programs in the country. Focused on helping startups gain initial customer traction, the Center provides companies with free mentorship, workspace, community, and a professional network. As of 2019, the DCU FinTech Innovation Center has assisted 71 companies, many of which have since signed new deals or expanded their partnerships with financial service providers.

## Charitable contributions

DCU's primary charitable initiatives are directed towards supporting organizations that provide healthcare, housing, job training, counseling, social services, and educational programs that primarily benefit children and families. DCU collaborated with police and fire departments, libraries, and other community resources to assist with after-school programs and initiatives geared towards fostering the development of children.

Donations to hospitals help provide comfort to patients undergoing treatment, easing the burden of a prolonged hospital stay while helping the healing process both during and after treatment. Local, regional, and national hospital support helps to advance the understanding, diagnosis, treatment, cure, and prevention of diseases affecting families around the world. Contributions come in many forms, including supporting fundraising efforts held to advance medical research.

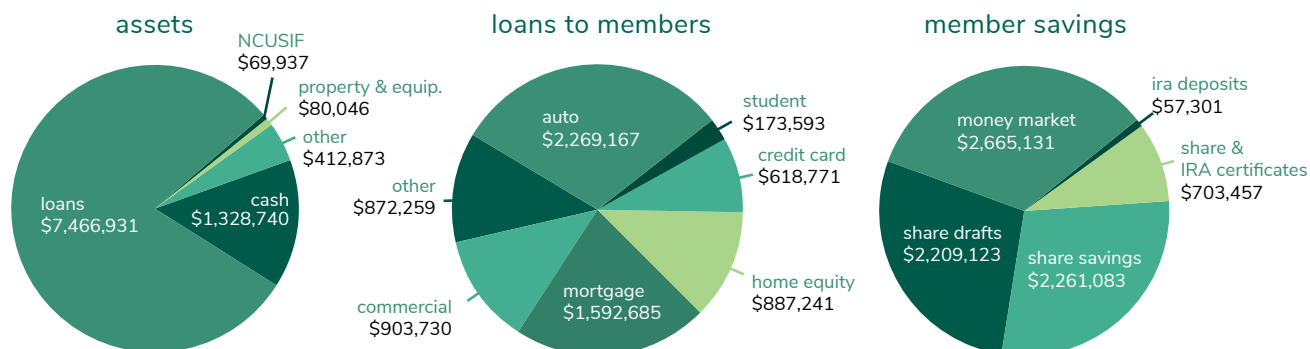
DCU is committed to helping end hunger in many of the communities our employees and members work and reside. This year, DCU volunteers had a hand in packing 72,000 meals to benefit those who are facing food insecurity. Over the last five years, DCU has increased its support to local food banks, food pantries, and homeless shelters by approximately 45% with donations totaling over \$800,000 in 2019.

Veterans' organizations provide important and ongoing support to the brave men and women who have served our country. Recognizing the special sacrifices that both veterans and families have made, DCU's goal is to honor and support our military heroes by continuing to create new opportunities in the areas of health, employment, and housing through partnerships with organizations that are providing the highest quality services.

Throughout 2019, we continued to focus our financial support and build partnerships with numerous organizations who serve those most in need. DCU employees volunteered 8,371 hours at charity fundraising events, helping over 780 organizations drive their missions forward.

# consolidated statements of financial condition as of December 31, 2019 (in thousands)

Assets	2019	2018
cash and cash equivalents	\$ 1,328,740	\$ 690,707
deposits in corporate federal credit union	20,000	10,000
securities - trading	183,565	181,475
securities - available-for-sale	100,045	119,334
other investments	25,802	34,192
loans held-for-sale	252,449	129,078
loans, net	7,214,482	7,141,038
accrued interest receivable	30,818	28,627
premises and equipment, net	80,046	73,249
ncusif deposit	69,937	65,735
other assets	52,643	54,497
<b>total assets</b>	<b>\$ 9,358,527</b>	<b>\$ 8,527,932</b>
<b>Liabilities and Members' Equity</b>		
<b>liabilities</b>		
members' share and savings accounts	\$ 7,896,095	\$ 7,046,463
borrowed funds	425,000	535,000
accrued expenses and other liabilities	119,425	103,160
<b>total liabilities</b>	<b>\$ 8,440,520</b>	<b>\$ 7,684,623</b>
<b>Commitments and Contingent</b>		
<b>members' equity</b>		
regular reserves	\$ 100,227	\$ 100,227
undivided earnings	817,721	743,331
accumulated other comprehensive income (loss)	59	(249)
<b>total members' equity</b>	<b>\$ 918,007</b>	<b>\$ 843,309</b>
<b>total liabilities and members' equity</b>	<b>\$ 9,358,527</b>	<b>\$ 8,527,932</b>



The Consolidated Statements of Financial Condition and accompanying graphs are unaudited. To view the 2019 Audited Financial Statements, visit [dcu.org](http://dcu.org).

# consolidated statements of income as of December 31, 2019 (in thousands)

	2019	2018
<b>Interest Income</b>		
loans	\$ 371,081	\$ 306,968
securities, interest bearing deposits and cash equivalents	28,315	25,556
<b>total interest income</b>	<b>\$ 399,396</b>	<b>\$ 332,524</b>
<b>Interest Expense</b>		
members' share and savings accounts	75,749	49,229
borrowed funds	10,416	12,789
<b>total interest expense</b>	<b>\$ 86,165</b>	<b>\$ 62,018</b>
<b>net interest income</b>	<b>\$ 313,231</b>	<b>\$ 270,506</b>
<b>Provision for Loan Losses</b>	<b>\$ 92,000</b>	<b>\$ 70,500</b>
net interest income after provision for loan losses	221,231	200,006
<b>Non-Interest Income</b>		
service charges and fees	27,767	23,842
interchange income	45,978	42,638
other non-interest income	11,168	12,752
net gain on sale of loans	9,693	2,325
<b>total non-interest income</b>	<b>\$ 94,606</b>	<b>\$ 81,557</b>
<b>Non-Interest Expense</b>		
employee compensation and benefits	107,435	98,332
office occupancy and operations	67,454	54,309
other operating expenses	68,648	62,948
net (gain) loss on sale of investments	(2,090)	1,454
<b>total non-interest expense</b>	<b>\$ 241,447</b>	<b>\$ 217,043</b>
<b>net income</b>	<b>\$ 74,390</b>	<b>\$ 64,520</b>

The Consolidated Statements of Financial Condition and accompanying graphs are unaudited. To view the 2019 Audited Financial Statements, visit [dcu.org](http://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
- Personal, Debt Consolidation, Savings-Secured, Certificate-Secured, Stock-Secured, and Quick Loans

### Savings

#### Account opening and online access 24-hours a day

- Savings, 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
- DCUPay
- 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 Services

# 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 Mass 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

257 Lowell Road  
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

### Thursday – Friday

9:00am – 7:00pm

### Saturday

9:00am – 3:00pm

### Lexington, MA hours

#### Monday – Wednesday

8:00am – 4:00pm

#### Thursday – Friday

8:00am – 6:00pm

#### Saturday

9:00am – 3:00pm

### Methuen, MA hours

#### Monday – Friday

9:00am – 7:00pm

#### Saturday

9:00am – 3:00pm

### Information Center hours

#### Monday – Friday

8:00am – 9:00pm

#### Saturday

9:00am – 3:00pm

## 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](http://dcu.org/locations).



### Find an ATM near you!

Access over 80,000 ATMs surcharge-free nationwide displaying any of these logos:

Allpoint® | SUM<sup>SM</sup> | CO-OP<sup>SM</sup>

Find ATMs at [dcu.org/atm](http://dcu.org/atm)



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.



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

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"Thanks to DCU, I was able accomplish many things. First, I did get comparatively the best interest rate in the market. Secondly, I was able to close the home in 30 days from the time I chose the house. Communication is great from the credit union's staff in all three stages. Thanks for making the whole thing stressless.

— DCU Member - Northville, MI

## board of directors

Matt Menning  
Chair

Kumar Kittuswamy  
Treasurer

Anshul Gupta  
Director

Curt Raffi  
Vice Chair

Karyn Brown  
Director

Njeri Gichohi  
Secretary

David Garrod  
Director

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## supervisory committee

Scott Gordon  
Chair

Frank Branca  
Carlo Cestra

Julia Conn-Espitia  
Cathy Giunta

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## management

James Regan  
President  
Chief Executive Officer

Laurie LaChapelle  
Senior Vice President  
Finance

Sean McNair  
Vice President  
Marketing

Nancy D'Amico  
Senior Vice President  
Technology and Innovation

Julie Moran  
Senior Vice President  
Member Services

Jason Sorochinsky  
Vice President  
Mortgage Lending

David DeWitt  
Senior Vice President  
Enterprise Services

Craig Roy  
Senior Vice President  
Retail Lending

Debbie Taverna  
Vice President  
Branch Services

Jane Fontaine  
Senior Vice President  
Human Resources & Training

Paul Carey  
Vice President  
Commercial Lending

Marianne Zawacki  
Vice President  
Financial Services

Tim Garner  
Senior Vice President  
Capital Planning

Caleb Cook  
Vice President  
Consumer Lending



220 Donald Lynch Boulevard  
Marlborough, MA 01752

www.dcu.org  
800.328.8797

NMLS#: 466914

**In Your Community Report:** [dcu.org/community](http://dcu.org/community)

 [facebook.com/DigitalFederalCreditUnion](https://www.facebook.com/DigitalFederalCreditUnion)

 @DCUcreditunion

 @DCUcreditunion

