



It's better  
when you  
belong.



Chevron Federal  
Credit Union

**2021**  
Annual Report

# TO OUR members

Amidst the rapid pace of change throughout many aspects of our lives, the Credit Union aims to consistently deliver exceptional value and service to you, our members. At the same time, we are capitalizing on opportunities to innovate and adapt, turning possibilities into progress.

## Reliability and stability

Reliability and stability are cornerstones of our service to you, as most clearly evidenced by the strength of our financial position. We had earnings of \$40 million in 2021 and closed the year with a capital ratio of 13%, above more than 90% of our peers.

Our deposit interest rates remain at or near the top of the market, and deposit balances ended the year 8% higher. Our mortgage and consumer loan rates are equally competitive, and total loan balances grew 11% in 2021, fueled by increases across both our mortgage and consumer lending portfolios.

Operationally, we continue to prudently manage risk across our business. The quality of our credit portfolio is exceptionally strong, and we have been vigilant in addressing risks related to information security, fraud, and interest rates.

*Amidst the rapid pace of change throughout many aspects of our lives, the Credit Union aims to consistently deliver exceptional value and service to you, our members.*

## Advancing our service delivery

Our mission is to serve you, and, beyond the competitive rates we provide on loans and deposits, we are continually focused on improving your experience. A key example was the creation of our new Rate Refresh process in 2021, which has enabled members to refinance an existing Credit Union mortgage in a matter of weeks instead of months. We also streamlined several other service areas to create a more seamless member experience, including, most notably, those related to setting up new memberships and transacting wire payments.

We continue to add products that expand our service offering and grow our membership. In 2021, we nearly doubled our solar loan balances and created a new program to provide recreational vehicle loans through an extensive network of dealers.

We are also capitalizing on the possibilities that technology offers to deliver faster and virtual experiences. Members can now send payments

with the popular peer-to-peer payment platform, Zelle®, and we have also increased the speed with which members can transfer money to and from other financial institutions. Our video banking platform

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continues to evolve and will bring an even higher level of personalization for remote interactions.

## Digital banking

Digital banking is an exciting area for the Credit Union. In December 2021, we converted to a new digital banking platform, leveraging technology from an innovative third-party partner. Over time, this platform will enable us to offer a broader array of self-service functionality

*It's our goal to successfully deliver on these promises to you while maintaining reliability and stability and continuing to turn possibilities into progress.*

impact that this had on a number of members. We thank you for your patience as we worked diligently to resolve issues. With the conversion now behind us, we are excited to further leverage our new platform to continue improving your digital banking experience.

and ultimately achieve our vision of empowering you with the option to conduct most activities wherever you choose — in a branch, over the phone, or via digital banking.

Any system upgrade of this magnitude is challenging. However, our rollout fell short of our expectations, and we apologize for the

## Our member promises

Ultimately, we aim to fulfill our promises of delivering top-notch personalized service and value. In this annual report, you'll see examples of these in action.

In the year ahead, it's our goal to successfully deliver on these promises to you while maintaining reliability and stability and continuing to turn possibilities into progress.

Sincerely,



**David Andrade**  
*Board Chair*  
chairperson@chevronfcu.org



**Jon Berlin**  
*President and CEO*  
president@chevronfcu.org

# OUR promises TO YOU

PERSONAL  
**service | value | trust | guidance**

More than just words on a page, these four promises come to life every day, and we're happy to share some firsthand stories with you here.

# PERSONAL service

Listening to members, getting to know them, and providing them with service and solutions tailored to their needs are what we are all about.

You could give this a label like “personalized service,” but perhaps member Byron S. of Texas said it best when he described receiving assistance that was “professional with a family feel” from Relationship Manager Crystal Bergeron.

Though she is based out of our Oak Point branch, Crystal



**Crystal Bergeron**  
Oak Point Branch

*Even if our members are miles, states, or countries away, I strive to provide such a personalized service that it establishes a rapport.*

Crystal is a strong believer in “treating others the way I want to be treated.”

“For me, as a Relationship Manager, I aim to provide an experience to our members that is unforgettable — and an experience that I would want to receive when I pick up my phone needing assistance,” Crystal says. “If I was on the other end of the call, I would want my representative to give it their all, so I’m going to provide that for our members.”

often helps members far away from the Belle Chasse, Louisiana, area.

“Even if our members are miles, states, or countries away, I strive to provide such a personalized service that it establishes a rapport,” she says. “I genuinely enjoy being an advocate for our members and seek to do everything within my power to deliver solutions.”

“

Crystal went above and beyond to meet our needs. She was pleasant, patient, professional, and followed through on every detail to ensure we received what we expected. When we encountered a few obstacles during our vehicle purchase, Crystal got creative and smoothed things out without missing a beat. I appreciated her ‘professional with a family-feel’ treatment.

**Byron S.**  
MEMBER IN TEXAS



# value

We want to help your money go further, so you can spend more of it on the things you care about – like a great family car.

Darius L. of Hawaii says of his experience working with Consumer Loan Processor Melissa Lagasca: “I got a great rate, great customer service, great support, and a great car.”

Melissa not only helped Darius get the car his family needed, she left him feeling that she truly had his best interests at heart.



**Bev Calma**  
Consumer Lending

*I believe that providing good value and showing members we value them go hand in hand.*

“I believe that providing good value and showing members we value them go hand in hand,” Bev says. “We not only provide competitive rates, we give members a personal touch, following up with them throughout the financing process and helping to make it as smooth and convenient as possible.”

If there are any issues that pop up during financing, our loan processors will go the extra mile to help you resolve them.

As Bev says, “It’s about taking care of our members.”

That’s just the way it should be according to another star Consumer Loan Processor, Bev Calma. Bev believes that great service and support on top of a great rate is what makes the Credit Union experience special.

“

This was the first time I ever got a car from a used car dealership, and I honestly was worried about the whole process. From the beginning, Melissa was such a huge help. She bent over backwards to help us get the used car that my family needed. I’m truly grateful for the Credit Union as it really does look out for the best interest of the member. To sum it up: I got a great rate, great customer service, great support, and a great car. Thanks again.

**Darius L.**

MEMBER IN HAWAII



# trust

It's important that you feel good about having your money with the Credit Union. Your trust that the person on the other side of the table or the other end of the phone line will do the right thing for you is something we cherish and work hard to maintain.

According to members Erik and Shashanna S. from California, Sr. Mortgage Relationship Manager Katie Farina has earned their trust for more than 12 years: "She has always been accessible and knowledgeable and has always looked out for our family's best interest."



**Katie Farina**  
Home Lending

*It is very important for me to be honest with members, even if that means telling them we don't have the right loan for their circumstances right now.*

Katie has been with the Credit Union for 15 years and notes, "It really is like a family."

"You get to know your members and learn about their families, their kids," she says. "When it comes to recommending a loan, I listen closely and ask a lot of questions to make sure I understand what they need. I make recommendations as if I were giving advice to my best friend."

Katie also strongly believes in being frank and honest. "It is very important for me to be honest with members, even if that means telling them we don't have the right loan for their circumstances right now," she says. "I really do want the best for them, and I think when you demonstrate that, you gain their trust and respect."

“

We have been with the Credit Union for almost 12 years. We have purchased multiple homes and gotten home equity lines and mortgage refinances, and we have had the pleasure of working with Katie for every one of them. Katie is incredible. She has always been accessible and knowledgeable and has always looked out for our family's best interest. She works so hard to make the process as stress-free and seamless as possible for us.

**Erik and Shashanna S.**

MEMBERS IN CALIFORNIA



# guidance

Anytime you want to learn more about budgeting or some great savings strategies, our online resources and tools are at your fingertips. Our knowledgeable staff is always available to answer any questions.

But sometimes financial guidance is more than just answering questions. It's getting to know our members and recognizing when we can help them make sound financial decisions.

Member Roger G. of California recounts a time he went into the Pleasant Hill branch to perform a simple transaction and got "much more



**Justine Bae**  
Pleasant Hill Branch

*Members often don't realize some of the ways we can help them. I look at all the options for the member — I have to think of what is in their best interest.*

interested in how they are doing and their wellbeing," she says. "You just have to listen to what the members are telling you about their financial goals and needs."

When it comes to providing financial guidance, Justine says, "Members often don't realize some of the ways we can help them. I look at all the options for the member — I have to think of what is in their best interest. I know they trust me to give them the best solution for their needs."

service than I was expecting" when Sr. Financial Services Representative Justine Bae helped him with his transaction — and then helped him find the best loan option when he mentioned a large expense.

To Justine, who has been with the Credit Union for 20 years, it's all just part of doing what is right for members.

"When you build a relationship with members, you are genuinely interested in how they are doing and their wellbeing," she says. "You just have to listen to what the members are telling you about their financial goals and needs."

“

Justine at the Pleasant Hill branch always takes time to greet me and ask how she can help. This time she handled my withdrawal and, when she asked if there was something else, I mentioned a recent high-cost dental situation that will impact me over the next year. She examined my Personal Line of Credit and, after checking my credit score, told me I qualified to have my limit raised to an amount which will just cover the dental. I also qualified for a lower rate. Much more service than I was expecting. I was only really there to get cash. Kudos to Justine! She is the best.

**Roger G.**

MEMBER IN CALIFORNIA



# 2021 Highlights



## Deposits

**Up 8%** in deposits

Members realized the meaning of “it’s better when you belong” with our exceptional deposit rates. Our deposit balances increased by \$276 million to over \$3.8 billion in 2021.



## Financial Soundness

**13%** capital ratio

Our financial soundness continued to be outstanding. Our 2021 capital ratio of 13% was well above the 7% regulatory threshold for “well-capitalized” as defined by our regulators. The Credit Union’s asset quality, as measured by delinquency and charge-off ratios, also continued to be very strong.



## Loans

**Up 11%** in loans

The Credit Union had strong loan growth across all categories in 2021. Real estate loan balances grew by 6% (\$155 million increase), while our solar loan balances nearly doubled (\$200 million increase). Additionally, we helped existing members with real estate loans totaling \$850 million reduce their rates through our streamlined Rate Refresh program.



## Member Satisfaction

**89%** branch survey respondents reported an **excellent experience**

Satisfaction with the member experience in branches increased to record levels in 2021, with 89% of branch survey respondents reporting an excellent experience (up from 87% in 2020 and 85% in 2019). Several other key member experience metrics also improved in 2021.



## Assets

**Among top 1%** of credit unions by asset size\*

We continue to be one of the largest credit unions in the country. Total assets grew more than 7% to more than \$4.4 billion.

\*Source: Callahan and Associates data as of 3rd Quarter 2021.



## Earnings

**\$40 million** in net income (**\$18 million** in core income)

Core net income was \$18 million in 2021, up from \$14 million in 2020. Key drivers included a higher net interest margin (fueled by increased loan balances) and a lower loan loss provision.

The Credit Union uses derivatives to hedge interest rate risk arising from taking short-term deposits and making long-term fixed-rate mortgages. The value of these derivatives fluctuates year-to-year but evens out over time, as the value of the derivatives ultimately returns to zero at maturity. The market value of our derivatives improved by \$22 million due to increases in long-term market interest rates.



# 2021 Audited Financial Statements in Thousands of Dollars

## Statement of Financial Condition (at December 31)

ASSETS	2021	2020
Mortgages	\$2,809,915	\$2,654,631
Other Secured Loans	552,921	384,181
Unsecured Loans	52,266	47,842
<b>Total Loans</b>	<b>3,415,102</b>	<b>3,086,654</b>
Less: Allowance for Loan Losses	(17,502)	(14,646)
<b>Net Loans</b>	<b>3,397,600</b>	<b>3,072,008</b>
Cash and Investments	1,010,256	1,043,623
Other Assets	57,621	49,134
<b>Total Assets</b>	<b>\$4,465,477</b>	<b>\$4,164,765</b>

## LIABILITIES AND MEMBERS' EQUITY

Savings	\$490,388	\$432,009
Checking	435,490	398,196
Share Certificates	823,168	898,189
Money Market	2,105,199	1,849,367
<b>Total Members' Balances</b>	<b>3,854,245</b>	<b>3,577,761</b>
Other Liabilities	34,231	46,977
<b>Total Liabilities</b>	<b>3,888,476</b>	<b>3,624,738</b>
Reserves and Undivided Earnings	578,659	538,684
Unrealized Gain (Loss) on Securities	(1,658)	1,343
<b>Total Members' Equity</b>	<b>577,001</b>	<b>540,027</b>
<b>Total Liabilities and Members' Equity</b>	<b>4,465,477</b>	<b>\$4,164,765</b>

## Statement of Operations (for year ending December 31)

INCOME	2021	2020
Interest on Loans	112,970	\$117,363
Income from Investments	3,543	6,453
<b>Total Interest Income</b>	<b>116,513</b>	<b>123,816</b>

## COST OF FUNDS

Dividends Paid to Members	(23,464)	(39,790)
Interest Rate Risk Hedging Expense	(10,949)	(7,731)
<b>Total Cost of Funds</b>	<b>(34,413)</b>	<b>(47,521)</b>
<b>Net Interest Income</b>	<b>82,100</b>	<b>76,295</b>
Provision for Loan Losses	(4,385)	(7,655)
Non-Interest Income	8,557	7,600
Non-Interest Expense	(68,147)	(62,146)
<b>Core Net Income</b>	<b>18,125</b>	<b>14,094</b>
Change in Fair Value of Derivatives	21,850	(20,096)
Gain from VISA Stock Holding	0	150,119
<b>Net Income</b>	<b>\$39,975</b>	<b>\$144,117</b>

A complete copy of our audited financial statements is available upon request.

# SUPERVISORY COMMITTEE report

In accordance with the Federal Credit Union Act, the Supervisory Committee is responsible for ensuring that the Credit Union safeguards its assets, maintains adequate systems of internal control, and reports accurate financial information.

We meet regularly with Internal Audit and our external auditors to monitor and evaluate internal controls and to ensure that your assets are safeguarded.

The Committee also monitors the performance of Credit Union employees and volunteer officials and

the policies established by the Board of Directors to ensure their compliance. The Committee engages independent firms to perform the annual financial, 401(k), technology, and other necessary audits.

Members can confidentially report perceived Credit Union violations of rules and policies, unethical behaviors, and other complaints directly to a special post office box established for the Supervisory Committee:

**Chevron Federal Credit Union  
Supervisory Committee**  
P.O. Box 70157  
Oakland, CA 94612-0157

Based on the results of internal audits and external reviews for the year 2021, we conclude that Chevron Federal Credit Union has adequate internal controls and is financially sound.

**Rick Van De Boom**  
*Chair, Supervisory Committee*



"I have been with Chevron FCU for about 17 years. They have always been great at meeting all my banking needs. Fast and efficient."

**Gloria F.**  
MEMBER IN CALIFORNIA



"We went solar!"

**Lindsey C.**  
MEMBER IN TEXAS



"Chevron FCU has helped me save up money over the years. I was able to go parasailing in Hawaii with my mom on our first ever family vacation!"

**Rachel K.**  
MEMBER IN CALIFORNIA

"Krisa at the Houston location was phenomenal! Being a first time car buyer, I didn't know ANYTHING. She walked me through every step, answered ALL of my questions in detail, and made me feel so comfortable throughout the process. Now I am all smiles in my new car!"

**Taylor S.**  
MEMBER IN TEXAS



"Chevron FCU was not only instrumental in helping me save for college, but they awarded me a scholarship that has helped pay for some of the bills. Thank you, Chevron FCU!"

**Miranda B.**  
MEMBER IN CALIFORNIA

## Board of Directors

David Andrade  
*Chair*

Rick Van De Boom  
*1st Vice Chair*

Doug Thompson  
*2nd Vice Chair*

Bill Clutter  
*3rd Vice Chair*

May-Yee Ng  
*Secretary/Treasurer*

Will Fleming  
*Director*

Michelle Green  
*Director*

Alana Knowles  
*Director*

Billy Liu  
*Director*

David Seals  
*Director*

Marla Wright  
*Director*

Alan Wong  
*Associate Director*

## Supervisory Committee

Rick Van De Boom  
*Chair*

Denise Coyne

James Killoran

Kirk Rehage

Ron Susa

## Senior Management

Jon Berlin  
*President and CEO*

Sachin Kundra  
*EVP Chief Information Officer*

Janet Lee  
*EVP Chief Financial Officer*

Mitch Dormer  
*SVP Controller*

Rick Kapur  
*SVP Chief Retail Officer*

Jennifer Lawson  
*SVP Chief Audit and Compliance Officer*

Mike Long  
*SVP Chief Lending Officer*

Eileen Loustau  
*SVP Marketing*

Pat Schneider  
*SVP Chief People Officer*

Kyle Whittlinger  
*SVP Finance*

## Chevron Federal Credit Union

[chevronfcu.org](http://chevronfcu.org) | 800-232-8101

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## Spectrum Credit Union

[spectrumcu.org](http://spectrumcu.org) | 800-782-8782

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