

ANNUAL REPORT  
LANGLEY FEDERAL  
CREDIT UNION  
2015



## VISION:

Improve members' lives  
by helping them  
save, borrow, and spend wisely.



# 2015 ANNUAL REPORT

## Making A Difference

### CONTENTS

Chairman and President's Report .....	2-4
Supervisory Committee Report .....	5
Financial Information .....	6-7
Board of Directors .....	8
Management Team .....	8
Langley in the Community .....	9

# CHAIRMAN AND PRESIDENT'S REPORT

## 2015 IN REVIEW

As we reflect on 2015, it is clear that our focus on Making a Difference was indeed successful. We know that when we serve our members, create a positive environment for our staff and actively partner in our communities, we are destined for success.

In 2015, Langley successfully undertook a balanced approach to growth, focusing on both deposits and loans. As a result, we delivered value to our members across a variety of different financial products and services.

### FINANCIAL SUCCESS

Langley's financial strength continues to be the foundation on which our success is built. In 2015, we eclipsed \$2 billion in assets and \$15 million in net income, representing new levels of financial achievement for the credit union. This balanced growth allows us to continue to invest in valuable solutions for our members, improving their experience with Langley.

Loan growth for the year was very strong, with the overall portfolio growing to \$1.5 billion. This represents a 19.7% increase over 2014 and reinforces the value that we deliver to our members with low rates across all of our loan products.

These financial milestones are not possible without a healthy membership and in 2015 net membership grew by just over 25,000. With branch locations stretching from Williamsburg to Chesapeake, we continue to expand our service capabilities across the Hampton Roads region.

### LENDING SUCCESS

In 2015, the overall loan portfolio grew by \$253 million. Langley saw strong growth across the entire consumer loan portfolio, once again demonstrating competitive rates for our membership.

Auto loans led the way with loan balances growing to \$906 million. Our relationships with local auto dealers continued to pay dividends, while branches, the contact center and online channels drove strong volume over 2014. Langley is the largest indirect auto lender and second largest auto lender overall in Hampton Roads.

The Fixed and Adjustable Real Estate portfolios grew by a combined total of \$65 million to an overall balance of \$379 million in 2015. The introduction of the 5/5 Adjustable Rate Mortgage in the summer of 2015 was a new and very popular mortgage solution for our members.

Our credit card portfolio continues to offer a selection of credit cards designed to meet various member needs. In 2015, the credit card portfolio grew 21%, with total balances eclipsing \$126 million.





Langley provided volunteer time, talent and donations to numerous charities throughout Hampton Roads in 2015. Pictured (in red vest) above: Langley Senior Vice President and CHKD volunteer Development Advisory Board Member Deb Vollmer presents a check to Children's Hospital of the King's Daughters Child Abuse Prevention team. For more examples of Langley in the community see page 9.

## SUCCESS WITH DEPOSITS

In keeping with our focus on balanced growth, members maintained almost \$1.7 billion in deposits with Langley, recognizing the value we deliver on our savings rates.

Deposits in checking and savings accounts totaled \$611 million. We offer the most attractive checking program in the region with ten cents cash back on every debit card purchase, over 55,000 free ATMs across the country and no minimum monthly balance fees.

Despite an ongoing, low-rate environment for investments, Langley delivered aggressive rates on certificates and IRAs. Combined, money market and certificate balances surpassed \$1 billion in 2015.

## CHARITABLE GIVING/LANGLEY FOR FAMILIES FOUNDATION

This year, the Hampton Roads community benefited from the continued giving of Langley Federal Credit Union, along with introductory donations from the Langley for Families Foundation. Combined, the two organizations gave approximately \$475,000 to the community in 2015.

Langley for Families Foundation completed its first full year of outreach in Hampton Roads. The Foundation held numerous fund raising events during the year. As a result, the Foundation was able to donate \$75,000 to help nine agencies in the Hampton Roads area with a focus on healthcare, housing and human services, safety and security, and financial education.



The senior management team continued its commitment to serve on local non-profit Boards of Directors in a variety of organizations on the peninsula and on the south side.

## SUCCESSFUL PROJECTS AND MILESTONES

We recognize that we can make a difference in our members' lives by making it easier to do business with us. More and more, our members expect convenient online and mobile banking capabilities to facilitate their financial activities. Langley made significant investments in technology to ensure that we continued to deliver on this promise of convenience.

In 2015, we launched new and improved online, mobile and voice banking solutions, offering enhanced bill pay and check deposit capabilities, along with greatly improved funds transfer capabilities and monthly FICO score updates. These enhancements resulted in a 37% increase in active online users over the course of the year.

Langley also successfully introduced a new loan origination platform, an electronic payment processing system and a new business lending software platform during the year. Combined, these technology investments made solid improvements in the way we transact business with our members.

## NEW BRANCHES AND ACCESS TO LANGLEY

In April 2015, Langley opened its first Virginia Beach location in the Hilltop section of the city. Building also began in Greenbrier, which opened in early 2016. We saw continued growth in our contact center, with volume growing 23% over 2014. Average wait time also decreased by 33% over 2014, significantly improving our ability to satisfy members.

## LOOKING TOWARD 2016

We move into 2016 with our new vision statement:

*"Improve Members' Lives by helping them Save, Borrow, and Spend Wisely."*

The adoption of the new vision statement is not a directional change; it simply states our purpose in more aspirational terms. Langley was created and exists to serve our members' financial needs. We make a difference in our members' lives in so many ways.



*Lester Wingrove*      *Thomas K. Ryan*

Lester Wingrove  
Chairman, Board of Directors

Thomas K. Ryan  
President/CEO

# SUPERVISORY COMMITTEE REPORT

Supervisory Committee members are appointed by the Langley Federal Credit Union Board of Directors. The Supervisory Committee's tasks include ensuring the security of your Credit Union, protecting your assets, and maintaining compliance with the governing directives established by the National Credit Union Administration (NCUA). The Board of Directors and Management maintain a system of internal controls designed to ensure that assets are safeguarded against loss or unauthorized use. Management reviews daily reports to ensure all transactions are recorded properly and in a timely manner in the accounting system, and also maintains an intricate computer system which provides state-of-the-art services related to money management.

Under the direction of the Supervisory Committee, the accounting firm of CliftonLarsonAllen, LLP, performed an audit of the 2015 accounting records in accordance with generally accepted auditing standards. As added assurance that your assets are safeguarded, the NCUA conducted its annual examination and provided a report reflecting outstanding leadership and performance. Based on issued reports and other examinations, Langley Federal Credit Union continues to provide a financially sound and operationally effective credit union.

Langley and its Supervisory Committee urge members to be diligent regarding the care and protection of debit and credit cards. Protect them from use by unauthorized personnel and review your accounts and statements often to detect and report unauthorized use. If you note questionable

transactions, contact Langley's Contact Center immediately. This action may prevent losses to you and the Credit Union. To assist you in this endeavor, Langley modified the debit and credit cards to include a chip which provides greater fraud protection.

Langley recognizes its responsibility to conduct business in accordance with the highest ethical standards. This responsibility is reflected in a comprehensive code of business conduct that, among other things, addresses potentially conflicting outside interests of employees and Board members and provides guidance as to the proper conduct of activities.

The Supervisory Committee and Chief Executive Officer provide oversight to an Internal Audit Department, which reviews and monitors the Credit Union operations to ensure they comply with the applicable regulations, laws and credit union policies. We commend the Langley Board of Directors and the diligent staff for a job well done. It has been our pleasure to serve fellow member-owners of Langley Federal Credit Union.



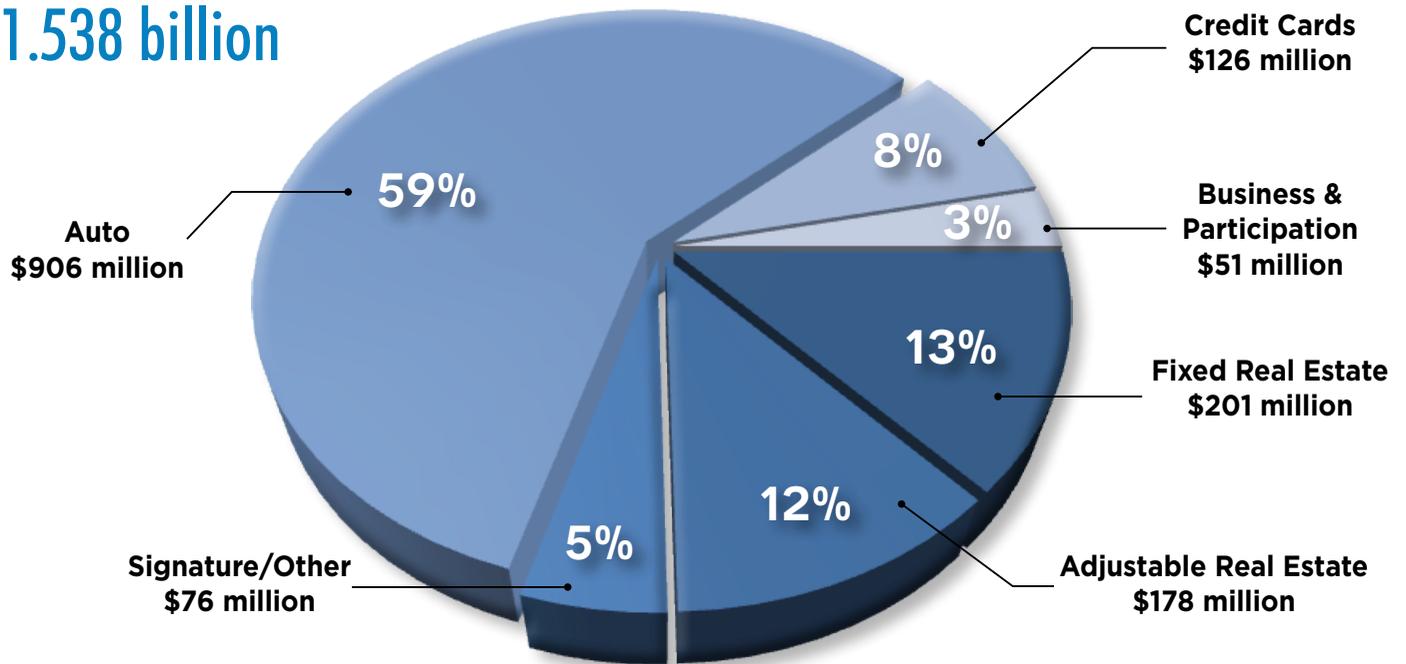
*John H. Crumpler*  
John H. Crumpler  
Supervisory Committee  
Chairman

SUPERVISORY  
COMMITTEE  
Paul V. Koehly  
James M. Michael, Jr.  
James R. Motley

# FINANCIAL INFORMATION

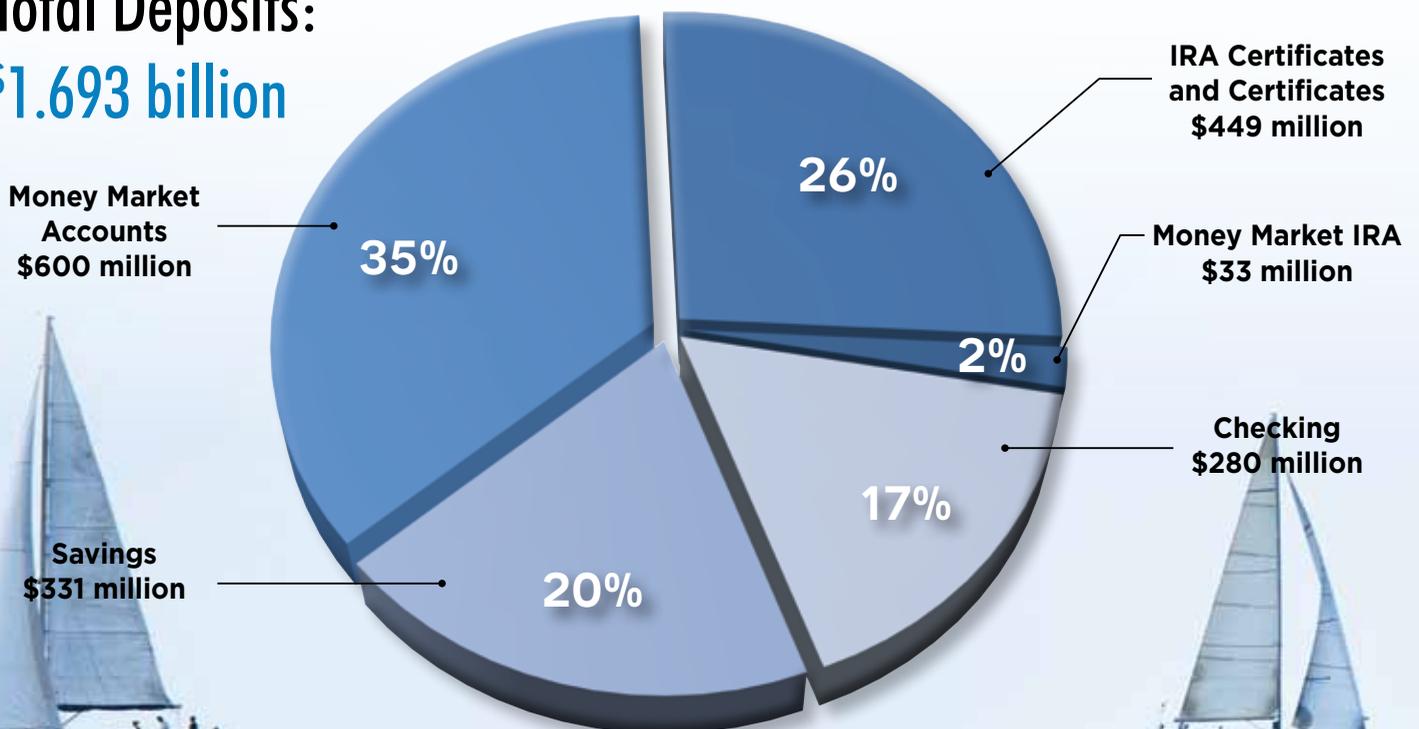
## Total Loans Outstanding:

**\$1.538 billion**



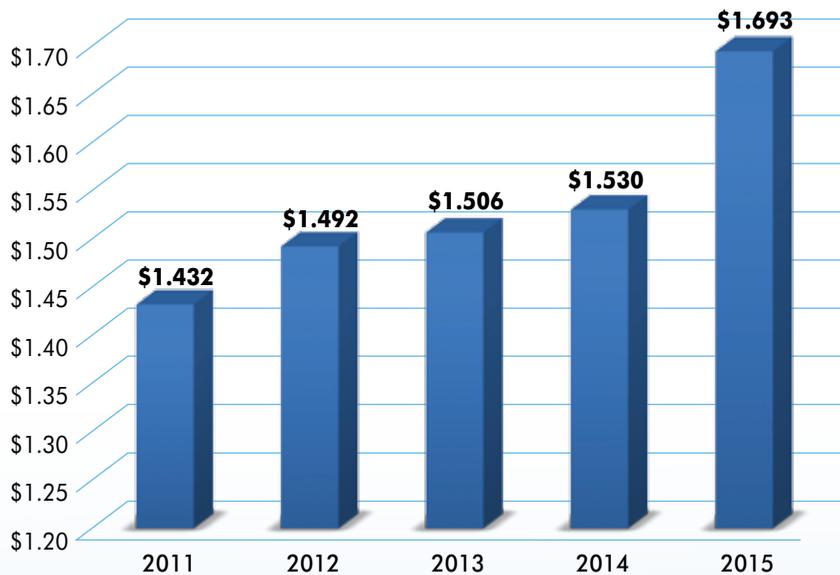
## Total Deposits:

**\$1.693 billion**





**Total Assets**  
(billions)



**Total Deposits**  
(billions)



**Total Loans**  
(millions)



# BOARD OF DIRECTORS



(Standing, left to right): **EDWARD G. HENIFIN**, Secretary; **PETER A. MORLEY** (CMSgt. USAF - Ret.), Director; **DEBRA A. FLORES**, Director; **WILLIAM E. GRIFFITH, JR.**, Director; **RICHARD A. BIEGE**, Director;  
(Sitting, left to right): **R. LESTER WINGROVE, JR.**, Chairman; **BRUCE R. HOOGSTRATEN**, Vice Chairman  
Directors Emeritus: **GEORGE R. HAYES, JOYCE M. WRIGHT**

## MANAGEMENT TEAM

### **TOM RYAN**

President/Chief Executive Officer

### **CURTIS BAKER**

Senior Vice President/Lending

### **INGO HUEMER**

Senior Vice President/Chief Financial Officer

### **VICTOR PULIAFICO**

Senior Vice President/Langley Financial Services

### **DEB VOLLMER**

Senior Vice President/Branch Services

### **TAMMY GELLES**

Vice President/Mortgage Lending

### **FRED HAGERMAN**

Vice President/Marketing

### **MARILYN KUHN**

Vice President/Human Resources

### **MICHAEL MCNABB**

Vice President/Consumer Lending

### **NATASHA MERZ**

Vice President/Commercial Lending

### **FRANK WILLIAMS**

Vice President/Chief Information Officer

# LANGLEY IN THE COMMUNITY

Part of Langley's mission involves continued support for a variety of charitable causes within the communities where we do business. During 2015, Langley invested over \$400,000 back in the community.

## EDUCATION

Financial Education has always been a part of our mission. Langley continues to offer free seminars for the community on a regular basis at the Member Education Center. We also awarded 22 Teacher Grants of \$500 each across the Hampton Roads area that helped educate children on financial education topics. In addition, we were proud to offer four \$5,000 college scholarships last May to deserving High School graduates.

## FAMILY/CHILDREN/YOUTH

Langley supports a number of causes that help Hampton Roads families—from CHKD's Child Abuse Center, to helping homeless children and families through LINK, Hotel Kids and the Center for Child and Family Services.

## ARTS, CULTURE AND HUMANITIES

Hampton Roads is home to a wide variety of museums and centers for the arts. Langley recognizes the importance of these facilities in our community. In 2015, we supported the Virginia Living Museum and Thomas Nelson Community College's Performing Arts and look forward to continuing that tradition in 2016.

## HEALTH

Langley is proud to support a number of health-related causes such as Relay for Life, March of Dimes Walk for Babies and Lackey Free Clinic. Our hope is to provide better education, research and access to health care.

## MILITARY

Langley has a proud legacy of supporting the military in our community. Each year, we sponsor the YMCA Five Star Military Lunch and USO.

## LANGLEY FOR FAMILIES

The Langley for Families Foundation is a 501c(3) operating outside of Langley Federal Credit Union's existing charitable giving structure. The Foundation concentrates on supporting organizations that serve the needs of families—specifically healthcare, housing and human services, safety and security, and financial education. As a result of numerous fund raising events held throughout the year, the Foundation was able to donate \$75,000 to nine agencies in the Hampton Roads area.





## GENERAL INFORMATION

### MAILING ADDRESS

Langley Federal Credit Union  
P.O. Box 120128  
Newport News, VA 23612

### ON THE WEB

[langleyfcu.org](http://langleyfcu.org)  
[facebook.com/langleyfcu](https://facebook.com/langleyfcu)  
[twitter.com/langleyfcu](https://twitter.com/langleyfcu)  
[linkedin/company/langleyfcu](https://linkedin/company/langleyfcu)

### CONTACT CENTER

757-827-5328  
800-826-7490

### TELEPHONE BANKING

757-827-9434  
800-233-2819

### CONSUMER LENDING

757-827-3279  
800-588-3279

### MORTGAGE LENDING

757-825-7108

### COMMERCIAL LENDING

757-224-4777