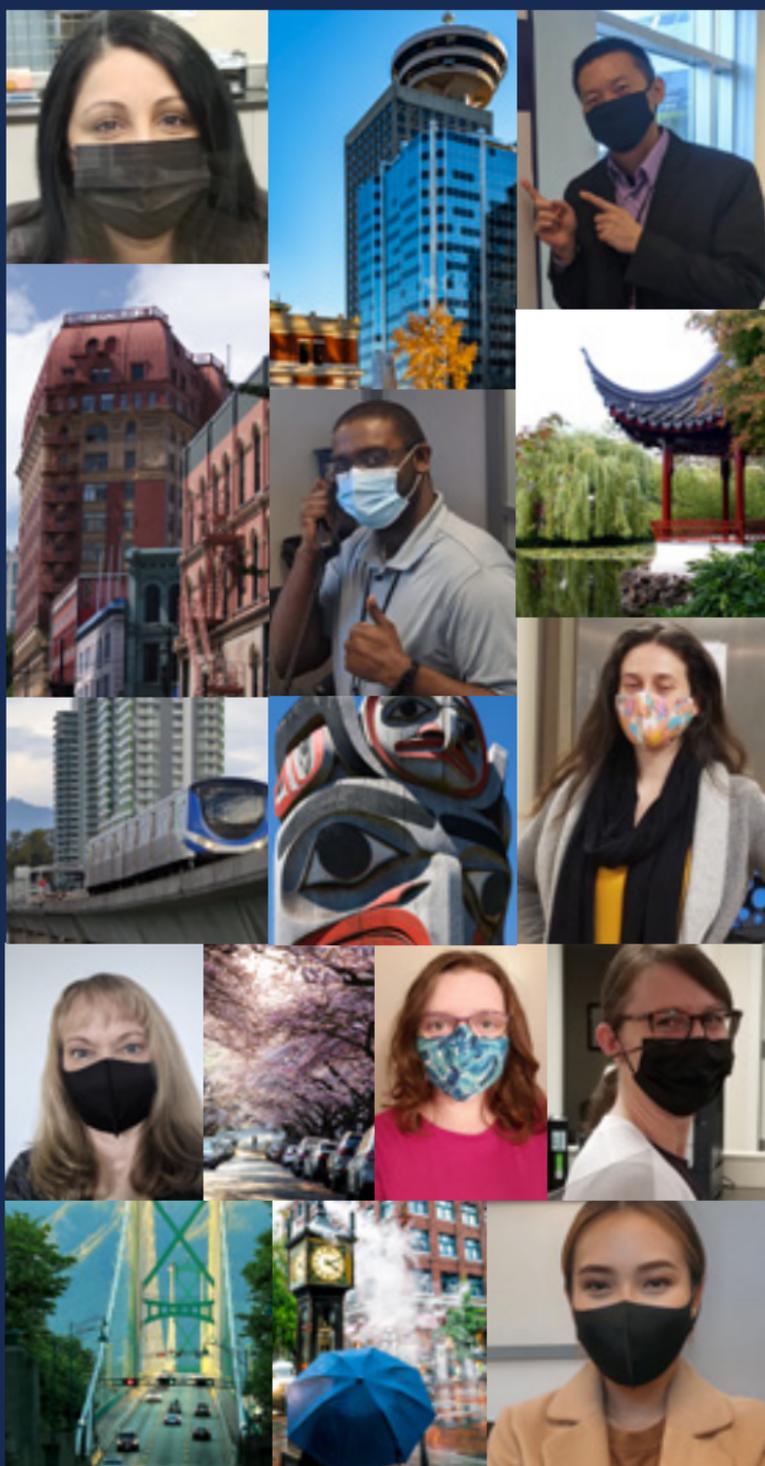




2020 ANNUAL REPORT



BOARD CHAIR'S MESSAGE



We have all experienced an extraordinarily challenging year. VP Credit Union has continued to serve its members with our usual high standards in place. I am grateful to have been your Board Chair during 2020.

Our primary focus was that of our members' and staff's safety as we navigated through the Covid 19 pandemic. Our employees ensured that member care was part of every change we made. We're grateful for our members who showed ongoing cooperation and care for one another as you visited our branches. It made our jobs easier.

I am pleased to share our 2020 results with you. We closed the year with a profit of \$312,000. Please refer to the Financial Statements for more details. While we are pleased with the net result, it did come at the high cost of market pressure during an extremely active real estate market, combined with record low interest rates.

I am pleased that so many members added E-transfers to their everyday banking, all the while staying Covid 19 safe. Protecting our members' accounts remained a continued priority, with the introduction of Enhanced Passwords for on-line access. We are excited about the 2021 roll out of our new website launch. Watch for updates!

Sharing earnings through our commitment to our Law Enforcement Communities was harder to accomplish with so many event cancellations, however we did continue to support Cops for Cancer, and our long-standing support of students in Law Enforcement education. We're pleased to have helped recipients as we awarded the Don McKay, David Lee Durkin, and the Phyllis Mortimore Memorial Scholarships.

2020 saw the retirement of a long serving Director, Robert Barber. I wish to acknowledge Rob's years of dedicated service. The year also presented a sad note for VPCU. Our longest serving Director, Neal Tyldsley passed away. His many years as a dedicated Director served us with many contributions.

2020 welcomed Directors Chris Johnson and Corey Bech; and we continue to benefit from the dedicated service of our Board of Directors. I am proud to serve alongside each, and thank them for their commitment to our members - our most important asset.

Sincerely,

Jean Dowling

Board Chair

GENERAL MANAGER'S REPORT



'Unprecedented' was 2020's most used word, they say. I'd have to agree as it relates to how you navigated through the year to get your banking completed, and certainly how our staff served you and your needs. We missed

seeing many of our regular members. It's the best part of our jobs and the year interrupted our fondness of visits with so many of you.

2020 welcomed new staff members James Cunningham and Apar Tha who bring new smiles, along with the same high service standards.

We launched a new International Wires service to allow members to send monies across international boundaries through our on-line services. This was an exciting new service, much needed during a time of travel restrictions. In addition, we aligned with Concentra Bank for their exceptional Wills and Estates services. The timely and relevant content for members needing Estate Planning or Estate settling support is easy on-line access. The group of Estate professionals can support our members when they may need it the most.

We're aiming to reach out to our members to personalize our products and services approach wherever we can. Talking to you will help us to learn more about how best we can serve your needs, find ways to add value to your banking relationship and discover what's most important to you and your family's needs.

Although we've committed to updating our website regularly, we know it needs a refresh! That'll be a key deliverable to you in 2021. A fresh look and feel with added tools and some long-awaited technologies...stay tuned for the new brighter website ahead!

Protecting your accounts from Cyber attacks continues to be a top priority, so we implemented higher security standards. Thank you for navigating these changes with us. Many members added to their security through our new log-in passwords. Together we are reducing cyber attacks!

My thanks to our staff and dedicated Board of Directors for making the VPCU difference. For a year of all things different, it's just as important to recognize what isn't different...VPCU's commitment to our members' best interests, now and for many years to come. Thanks for being here with us. We value you and your business. Together we are better.

Sincerely,

Lydia Johnson
General Manager

INDEPENDENT AUDITOR'S REPORT

To the Members of V.P. Credit Union:

Opinion

The summary financial statements, which comprise the summary statement of financial position as at December 31, 2020, and the summary statements of comprehensive income and changes in members' equity and cash flows for the year then ended are derived from the audited financial statements of V.P. Credit Union (the "Credit Union") for the year ended December 31, 2020.

In our opinion, the accompanying summary financial statements are a fair summary of the audited financial statements.

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon.

The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated February 24, 2021.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of the summary financial statements.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary financial statements are a fair summary of the audited financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standards (CAS) 810, Engagements to Report on Summary Financial Statements.

The logo for MNP LLP, featuring the letters 'MNP' in a large, stylized, handwritten font, followed by 'LLP' in a smaller, clean, sans-serif font.

Chartered Professional Accountants

February 24, 2021

Abbotsford, BC

SUMMARY STATEMENT OF FINANCIAL POSITION

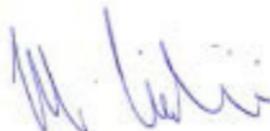
As at December 31, 2020

	2020	2019
Assets		
Cash and cash equivalents	30,458,455	9,435,750
Investments	12,265,861	8,468,678
Member loans receivable & accrued interest	102,268,682	117,469,067
Income taxes receivable	-	1,584
Prepays and other	6,919	291,872
Property and equipment	3,366,107	3,403,838
Intangible assets	252,796	285,555
	<u>148,618,820</u>	<u>139,356,344</u>
Liabilities		
Member deposits and accrued interest	134,989,375	126,945,382
Accounts payable and accrued liabilities	155,181	164,548
Income taxes payable	20,836	-
Member shares	4,309,600	3,384,609
Deferred income taxes	67,000	63,000
	<u>139,541,992</u>	<u>130,557,539</u>
Members' equity		
Equity shares	1,742,146	1,803,685
Retained earnings	7,334,682	6,995,120
	<u>9,076,828</u>	<u>8,798,805</u>
	<u>148,618,820</u>	<u>139,356,344</u>

Approved on behalf of the Board,



Director



Director

A complete set of Financial Statements is available upon request.

SUMMARY STATEMENTS OF COMPREHENSIVE INCOME AND MEMBERS' EQUITY

For the year ended December 31, 2020

	2020	2019
Interest income	3,607,640	4,066,989
Interest expense	1,393,496	1,721,900
Financial margin	2,214,144	2,345,089
Other income	336,408	227,438
Financial margin & other income	2,550,552	2,572,527
Operating & administrative expenses	2,060,318	2,261,402
Earnings from operations	490,234	311,125
Provision for impaired loans	53,980	25,000
Earnings before distribution to members & income taxes	436,254	286,125
Distribution to members	29,760	24,783
Income before income taxes	406,494	261,342
Income taxes	66,932	45,096
Comprehensive income	339,562	216,246
Members' equity, beginning of year	8,798,805	8,666,302
Net redemption of equity shares	(61,539)	(83,743)
Members' equity, end of year	9,076,828	8,798,805

SUMMARY STATEMENT OF CASH FLOWS

For the year ended December 31, 2020

	2020	2019
Cash provided by (used for) the following activities		
Operating activities	850,879	775
Financing activities	8,879,848	(2,544,606)
Investing activities	11,291,978	3,720,786
Increase in cash and cash equivalents	21,022,705	1,176,955
Cash and cash equivalents, beginning of year	9,435,750	8,258,795
Cash and cash equivalents, end of year	30,458,455	9,435,750

Note: Readers are cautioned that these summarized financial statements do not include all the disclosures required for complete and fair presentation.

V.P. CREDIT UNION ANNUAL GENERAL MEETING



Saturday, May 1, 2021

Virtual ZOOM Meeting

Business portion of the meeting includes:

- Review of the minutes of the 2019 AGM
- Reports of Board Chair, General Manager & Auditor
- New Business
- Appointment of Auditor for 2021
- Election of Directors

Elected Officers for 2021

Board of Directors	Elected	Terms Due
Jean Downing	Chair	2 years
Mario Giardini	Vice Chair	2 years
Eric Borglund	Director	2 years
Augie Daniels	Director	***
Sarah Wu	Director	1 year
Ruben Sorge	Director	***
Christopher Johnson	Director	1 year
Corey Bech	Director	***

***indicates completed terms at time of AGM

2021 Chairman of the Nominations Committee

Mario Giardini

PRODUCTS & SERVICES

In addition to all our current lending, mortgages, deposits and everyday banking services, we also offer:

- Registered products: RRSP's, RRIF's, TFSA's & RESP's
- Escalator term investment options
- Virtual Wealth investments; QTrade self-directed investments; Investment Management
- Direct payroll deposits
- E-Transfers making moving money so much easier!
- Visa credit cards: 11 options to meet all your needs
- 80 foreign cash currencies, with home delivery
- Wills and Estates Services
- Estate administration
- Electronic signatures – sign documents from anywhere!
- Home, property and travel insurance protection
- Green car loans

Membership in V.P. Credit Union is available to the immediate family members of all qualifying members.

YOUR STAFF

Lydia Johnson	General Manager
Belinda Micevska	Financial Controller
Ben Choy	Manager, Lending & Wealth
Anna Sandhu	Manager, Member Services
Crista Preece	Member Service Supervisor
Jackie Felker	Loans Officer
Lisa Parans	Lending Administrator
Karyn Cochrane	Administration Officer
Farnaz Tajpour	Finance Administration
Darcy Knoll	Member Services Representative
Apar Tha	Member Services Representative
James Cunningham	Member Services Representative

Locations

4837 Victoria Drive
Vancouver BC V5N 4P3
Monday to Friday 8-4

108-3585 Graveley Street
Vancouver BC V5K 5J5
Monday to Friday 8-4
Closed for lunch 11:30-12:30

Contact Us

Phone 604-683-2434

E-mail info@vpcu.com

Fax 604-683-3565

Website www.vpcu.com

Toll Free 1-877-683-8727

Telebanking 604-683-5300