SHAPING THE FUTURE

2019 PROVIDENCE FEDERAL CREDIT UNION
FINANCIAL REPORT
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Shaping the Future of Our Membership
Every financial institution has a mission. Few can claim a mission that aligns so directly with their field of membership and their members. We’re the credit union for Providence healthcare workers, families and retirees. After more than five decades, we are deeply in tune with their motivations, their challenges and their dreams.

Providence FCU understands that every healthcare worker is unique and has diverse financial needs. Many work outside the normal nine-to-five, and their jobs are emotionally demanding at times. They put so much into caring for their patients that they can forget to take care of themselves.

That’s why we offer financial services like the Caregiver Loan, which helps Providence caregivers navigate their life’s emergencies—just like they’ve done for so many. In 2019, PFCU was thrilled to donate $60,000 to the Oregon Providence Helping Hands Fund, which is a financial resource for Providence employees.

In the last year, we’ve expanded our reach to new Providence locations in other states, and continued to add new technology to be there for our members no matter where they are. We are proud to continue to offer Investment Solutions here at PFCU. The Investment Professionals can advise members on investment services, financial management options and a variety of insurance and investment strategies that complement our traditional, insured savings accounts.

Because we’re not for profit and close to our membership, we can skip many of the frustrations consumers encounter at most banks. No fees that show up out of nowhere. No interest rates that jump when no one is looking. We are a dedicated credit union that knows how to help caregivers make the most of their money.

Mary Savage
Chair
SERVING OUR MEMBERS

“We continue to focus on our members and their needs. Whether it’s lower fees, nationwide access or innovative ways to connect with our members - this is the center of what PFCU is all about.” – Shirley Cate, Chief Executive Officer

90,000+
We added access to 90,000 ATMs and 9,000 deposit-taking ATMs across the country.

REDUCED FEES
We've cut overdraft fees to $15—less than half the national average.

GRAND OPENING
Our new Providence Cancer Center Branch opened in April 2019.
ENHANCING DIGITAL ACCESS

“Technology has come a long way in making banking transactions faster and more convenient, but often lacks that human touch. We’re putting the humans back in touch with our members.” — Brett Wooden, Chief Operations Officer

ITMs
Rolled out ITMs (Interactive Teller Machines) for the full branch service, without the branch.

MOBILE
Our revamped mobile app handles mobile deposits, peer-to-peer transfers, car shopping and more.

VidMe
VidMe offers real-time, face-to-face banking in a mobile app.

ONLINE SCHEDULING
Tapped into appointment scheduling software to help members set meeting times to chat with a Member Service Representative.
INVESTING IN OUR COMMUNITY

“The Helping Hand Fund embodies the Providence mission in so many ways. It’s given us the ability to share critical financial assistance with fellow caregivers during difficult times to get them back on their feet.” — Tam Everard, Development Coordinator for Providence Portland Medical Foundation

DONATIONS
Contributed $60,000 to the Oregon Providence Helping Hand Fund.

VOLUNTEER
510 volunteer hours served local organizations, including:

GIVEBACK
The Member Giveback Program delivered $79,000+ to support community causes, including:
“Andrew was a genuine listener throughout my financial counseling session. He answered all of my questions and provided a lot of food for thought specific to my interests. I walked away reassured and motivated to pursue my financial goals. Thank you, Andrew!” — Melissa PFCU Member

**CULTIVATING FINANCIAL WELLNESS**

**MONEYEDU**
Our Financial Wellness Program offers online tools to build a budget, calculate loan interest, and develop a financial plan for the future.

**CHECKUPS**
Members can schedule a Financial Wellness Checkup with our certified financial counselor. Members can get help with debt repayment, credit repair, developing a plan and more.

**WORKSHOPS**
Members can attend free, educational events through in-person workshops, via webinars online, or through other partnerships, like College Way.
STATEMENT OF INCOME

<table>
<thead>
<tr>
<th>INCOME</th>
<th>2019</th>
<th>2018</th>
</tr>
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<tbody>
<tr>
<td>Loan Income</td>
<td>$4,692,236</td>
<td>$4,165,341</td>
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<tr>
<td>Investment Income</td>
<td>$837,864</td>
<td>$794,617</td>
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<tr>
<td>Fee Income</td>
<td>$1,711,500</td>
<td>$1,728,795</td>
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<tr>
<td>Total Income</td>
<td>$7,241,600</td>
<td>$6,688,753</td>
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EXPENSES

<table>
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<tr>
<th>EXPENSES</th>
<th>2019</th>
<th>2018</th>
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<tbody>
<tr>
<td>Operating Expenses</td>
<td>$3,281,036</td>
<td>$2,853,402</td>
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<tr>
<td>Compensation Benefits</td>
<td>$2,508,691</td>
<td>$2,185,605</td>
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<tr>
<td>Total Operating Expenses</td>
<td>$5,789,727</td>
<td>$5,039,007</td>
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<tr>
<td>Interest Expense</td>
<td>$578,477</td>
<td>$563,677</td>
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<tr>
<td>Provision for Loan Loss</td>
<td>$643,040</td>
<td>$181,165</td>
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<tr>
<td>Total Expenses</td>
<td>$7,011,244</td>
<td>$5,783,849</td>
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<tr>
<td>Total Net Income</td>
<td>$230,356</td>
<td>$904,904</td>
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STATEMENT OF FINANCIAL CONDITION

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<thead>
<tr>
<th>ASSETS</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans</td>
<td>$87,787,936</td>
<td>$90,954,730</td>
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<tr>
<td>(Less Allowance for Loan Loss)</td>
<td>$-431,000</td>
<td>$-213,000</td>
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<tr>
<td>Net Loans</td>
<td>$87,356,936</td>
<td>$90,741,730</td>
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<tr>
<td>Cash</td>
<td>$1,392,110</td>
<td>$1,040,436</td>
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<tr>
<td>Investments</td>
<td>$47,892,942</td>
<td>$44,454,573</td>
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<tr>
<td>Other Assets</td>
<td>$1,619,904</td>
<td>$1,332,401</td>
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<tr>
<td>TOTAL ASSETS</td>
<td>$138,261,891</td>
<td>$137,569,139</td>
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</tbody>
</table>

Liabilities w/o Suspense | $322,247 | $207,728
Shares                  | $119,580,338 | $119,885,945
Reserves                | $1,988,775 | $1,988,775
Undivided Earnings      | $16,370,531 | $15,486,692
Net Worth               | $18,393,306 | $17,475,467
Total Liabilities and Equity | $119,902,585 | $120,092,673
TOTAL LIABILITIES       | $138,261,891 | $137,569,140

SUPERVISORY COMMITTEE REPORT

The Supervisory Committee represents the membership’s interests by ensuring:

- Assets are properly safeguarded;
- Policies and procedures are in place;
- Internal controls are effective;
- Applicable laws and regulations are followed; and
- The Credit Union’s financial condition is fairly presented in accordance with generally accepted accounting principles.

The Supervisory Committee engaged Hauser Jones & Sas to conduct the annual independent audit of the statements of financial condition, related statements of income, and changes in members’ equity for the period ending September 30, 2019. Based upon the audit conducted, the Supervisory Committee is pleased to report that the financials presented are a fair and accurate assessment of Providence Federal Credit Union’s financial position as of September 30, 2019.

Not only is the Credit Union financially sound, but it operates within a strong internal control environment that also ensures compliance with applicable laws and regulations. Our focus will always be to provide our members a safe and sound financial environment.

SUPERVISORY COMMITTEE

Bill Borquist  Chair
Rebecca Martinson  Member
Bert Sperry  Member
Henry Vera  Member
PFCU STAFF

Adam Alcala  Underwriter
Alberta Moranchel MSR I
Amanda Wells Underwriter
Amber Flores MSR II
Andrew Cicka Business Development Officer
Angie Allen MSR I
Bill Keeney Project Manager
Brett Wooden Chief Operations Officer
Bryan Jordan AVP of Lending
Cathy Lawpugh MSR II
Chelsa Reyes ITM Teller
Chris Nguyen IT Support Specialist
Crystal Thai Electronic Service & Payments Administrator
Erik Porter Processor
Imra Cervache MSR I
Jenni Figueroa Accounting Specialist
Jason Smith Member Care Manager
Justin Beunnot MSR II
Kaitlinh Phoan MS I
Kelly Johnson MSR I
Kelly Holbrook Member Solutions Officer
Leo Lee AVP of IT
Linda Carlson Financial Advisor Assistant
Mark Chipperfield MSR III
Mark Gonzalez Assistant Operations Manager
Matt Hessler IT Coordinator
Shari Stoecker Marketing Coordinator
Sharon Hughes Business Development Officer
Shirley Woodruff MSR II
Shirley Cate Chief Executive Officer
Tara Hongo MSR II
Tiffany Pillars AVP of Finance

BOARD OF DIRECTORS

Mary Savage Chair
Tammy Pierce Vice Chair
Gina McGee Secretary
Ruth Johanson Director
Sarah Lott Director
Kevin Matheny Director
Joann Phister Director

SUPERVISORY COMMITTEE

Bill Bonsaint Chair
Rebecca Martinson Member
Brett Sperry Member
Henry Vera Member
With our expansion into all states within the Providence Health footprint, we are excited to provide even more Providence caregivers with services built to fit their needs. We are also pleased to be adding some new offerings that make financial wellness easier. Like 24/7 Lending, which takes the stress out of applying for a loan by letting members apply online at any time, day or night—and get help from a real person along the way.

We will be extending our call center hours to offer help when you need it. And added more ATMs and ITMs to our network of well over 90,000 surcharge-free locations. We are renovating our St. Vincent branch to add two ITMs, Smart Lockers, Financial Wellness coaching and a self-service coin machine. This will give members 24/7 access at St. Vincent’s.

While there are plenty of banks and credit unions with great customer service, there are none that understand Providence caregivers like we do. Their sacrifice and dedication inspire us to pay them back with the personalized service they need to stop worrying about money—and get back to their careers, families, goals and passions.

Since 1962, we’ve built our reputation on personal services that meet the unique needs of those in the healthcare industry. We look forward to serving our new members with the same focus and dedication—and caring for those that care for others.