



We care for those who care for others.

2020 ANNUAL REPORT





Shirley Cate
President / CEO



Mary Savage
Board Chair

State of the Credit Union

CEO & Chair Report

The year is one for the history books with many unexpected events including devastating natural events, a global pandemic, economic challenges, social distancing and wearing masks wherever you go. But with all these challenges, we saw some amazing things in our community. AND Healthcare workers were recognized as hero's (as they should be!). The support for the 1st responders, small businesses and essential workers was incredible. So many people stepped up to help their coworkers, neighbors, families, and strangers who needed help no matter their needs. We faced unprecedented challenges on a global scale from COVID-19 and it has had a dramatic effect on all our lives and has touched very close to home for many of us.

However, through these difficult times we have realized our resilience and strength as a community.

Providence Credit Union's goal throughout the pandemic has been to continue to provide exceptional service to our members while ensuring their safety and the safety of our Providence Credit Union Employees. In February and March of 2020, as we saw the virus growing in numbers so PFCU quickly developed and executed plans to ensure the safety of our members and staff.

- **We limited lobby access at both our POP II and St. Vincent branch**
- **Moved our branch staff to our Milwaukie office, to ensure staff kept working**
- **Discontinued in-person meetings**
- **Implemented additional safety measures to protect our employees needed at our offices**
- **And moved many of our staff to work from home securely**
- **Our 57th Annual Meeting was held virtually for the first time**

Throughout the pandemic we responded quickly to the infection rates within our area, reopening our lobbies when we were able to do so safely. We will continue to execute our comprehensive strategy to help prevent the spread of infection and protect the health of our employees and members with minimal impact to the service we provide.

Our top priority and focus have remained on our members and guiding them through the financial uncertainties that many have faced because of the pandemic. We provided members with Mortgage and Home Equity Relief, and a Skip a Payment program. With our members' safety in mind, we emphasized transaction methods that require minimal to no contact including Online / Mobile Banking, remote deposit capture, self-serve ITMs, ATMs, our Member Care Center and online appointment scheduling.

In 2020, PFCU continued its support of all Providence communities by offering a 0% Hardship Loan and updated our caregiver loan program to help even more members. The 0% hardship loan was shared systemwide within Providence Health, which allowed us to reach out to outlying states such as California, Alaska, Texas, and New Mexico.

In April of 2020, your credit union wanted to give back to the Providence healthcare workers who not only work on the front line, but those others who continue to support their coworkers. We worked with Providence Nutrition Centers and PFCU supplied healthy snack baskets for all employees of Providence locations in Oregon.

We celebrated these changes and challenges by having many spirit days throughout the year; created videos showing our support for healthcare workers throughout Providence; many donations not only for pandemic relief but also for devastating fires.

As we move into 2021, while things have shifted for everyone in one way or another, our dedication to our members and their financial well-being was and will always be our top priority. We have been partners with Providence for over 58 years, and while there have been many economic changes, shifts in the financial industry and the tremendous growth of Providence over the years, we have remained committed to our members and to the Providence community. WE ARE VERY PROUD OF THIS.

2020 was a good year financially for Providence Credit Union. Our Assets grew over 19% from \$138.3M to \$164.7M. Our Shares also increased to \$144.9M from \$119.6M. This growth was due to not only our members saving money during the pandemic, the Stimulus money also helped increase these numbers. Loans increased 2.0% from \$87.8M to \$89.5M. These numbers reflect increases in our Mortgage portfolio, our Caregiver Loan, and the 0% Hardship Loan. We continued to remain competitive in both our Savings and Loan rates for 2020.

PFCU has always been a very strong credit union with consistent income, Loan losses kept to a minimum and a strong Capital Ratio. Having a strong Capital Ratio allowed us to tolerate the quick rise in our Asset growth in 2020 as well as take on additional risk such as the 0% Hardship Loan. We ended 2020 with 15,793 members while our Investment Solutions program continued to increase in Assets under Management to over \$10M serving almost 75 PFCU members.

Thank you to our members for their understanding and loyalty this past year and to the staff for all of their hard work and dedication through the trying times.

Statement of Income

INCOME	2020	2019
Loan Income	\$4,219,160	\$4,692,236
Investment Income	\$697,613	\$837,864
Fee Income	\$1,959,186	\$1,711,500
Total Income	\$6,875,960	\$7,241,600

EXPENSES	2020	2019
Operating Expenses	\$3,306,975	\$3,281,036
Compensation Benefits	\$2,423,285	\$2,508,691
Total Operating Expenses	\$5,730,260	\$5,789,727

EXPENSES	2020	2019
Interest Expense	\$441,631	\$578,477
Provision for Loan Loss	\$230,821	\$643,040
Total Expenses	\$6,402,712	\$7,011,244
Total Net Income	\$473,248	\$230,356

Statement of Financial Condition

ASSETS	2020	2019
Loans	\$89,450,603	\$87,787,936
(Less Allowance for Loan Loss)	\$ -345,318	\$ -431,000
Net Loans	\$89,105,285	\$87,356,936
Cash	\$2,319,415	\$1,392,110
Investments	\$71,074,353	\$47,892,942
Other Assets	\$2,201,056	\$1,619,904
Total Assets	\$164,700,109	\$138,261,891

LIABILITIES	2020	2019
Liabilities w/o Suspense	\$580,470	\$87,787,936
Shares	\$144,964,667	\$119,580,338
Reserves	\$1,988,775	\$1,988,775
Undivided Earnings	\$17,166,198	\$16,370,531
Net Worth	\$19,154,973	\$18,359,306
Total Liabilities & Equity	\$145,545,136	\$119,902,585
Total Liabilities	\$164,700,109	\$138,261,891

Supervisory Committee Report - Annual Meeting 2020

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 consolidated financial statements which comprise of the balance sheet, related statements of consolidated statements of income, changes in member's equity and cash flows for the period ending March 31, 2020. 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 March 31, 2020.

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.

Bill Borquist | Chair

Rebecca Martinson | Member

Bert Sperry | Member

"I had to drive from Vancouver to Milwaukie because d/t the COVID pandemic everywhere else was closed within my vicinity, the people who helped me made it worth my while to drive across town to perform my checking deposit. Thank you."

Olivia D. | Providence FCU Member

PFCU COVID-19 Member Relief 2020



Skip Payments

644 Requests



Caregiver Loan

\$190,045.00



Fees Waived

\$29,824.00



Mobile Deposits

\$12,048,577.12

Registered Users 4,319
Active Users 1,109
Total Checks 21,126



Emergency Loans

\$429,705.00



Contact Center

39,271 Total Calls

Silvercloud Cases 377
PopiO Calls 82



Email / Chat

Beginning 3/15/2020

8,198

Est. Incoming Emails

10,000 +

We Care for Those Who Care for Others

Member Touchpoints

- Dedicated website landing page, “How We Can Help.”
- Social media posts
- Targeted emails regarding COVID-19 assistance
- Economic Impact Payments landing page
- Credit Unions are here for you video
- COVID-19 scam notifications
- Remote technology usage

“I wanted to let you know about a member who expressed that she was eternally grateful when I spoke to her yesterday. I called to inform her that the lending department made an exception to the direct deposit rule and approved a \$4,000 hardship loan for her over a \$2,000 amount. She was nearly in tears on the phone and said that we could never know how much this meant for her family. She explained that her father is in the hospital right now with COVID-19, and her significant other tested positive for it. Additionally, her mother, who lives with her and shares bills, was laid off from her job. Irene has a baby that she’s caring for as well, all while working full time to support her whole family. The extra funds, the zero interest, and the 90-days of no payments are providing some peace of mind and one less thing to worry about in a storm of worries.”

Andrew C. | Providence FCU Employee

Employee Support

- Masks provided for all Providence FCU Employees
- Welcome Back Kits provided to all Providence FCU Employees
- Protective Shields and social distancing protocols in effect at member-facing locations for added safety
- Transit reimbursement for impacted employees
- Use of remote work tools and resources for non-member-facing employees including a \$250.00 allowance for remote employees for office needs
- Emphasis on morale boosting campaigns such as credit union spirit week
- Weekly credit union zoom calls to review COVID-19 plan and share success stories

Providence Caregiver Giveback

- Purchased 680 Healthy Gift Baskets for 7,000 Providence Caregivers