You, our members, make us possible. Our goal is to make your financial goals possible.

Providence FCU has always focused on the people who give purpose to our credit union. 2017 was a year of refining that focus to understand how we could enhance our service to you, our members, and deliver even greater financial support. As a credit union founded to serve caregivers who work tirelessly each day to provide medical services to our community, we pursued opportunities to tailor our services to the Providence St. Joseph Health community.

At the core of our member focus was convenience and access. We recognized the need to make it easier to spend, save and manage your finances. Easy access to banking tools when and where you need them is especially important as technological advances like smart phones put more tools at our finger tips. Our vision in 2017 was to use technology to make a better banking experience for you.

Adding a mobile deposit feature to the Providence Federal CU mobile app was an obvious choice. We understood that not everyone operates on a “banker’s schedule” and, with many of our members providing crucial medical services at all hours of the day, it’s important to have flexibility in how and when members can deposit checks. We also brought 24-7 debit card management to Providence FCU through the enhancement of our debit card call center. Fraudsters and identity thieves don’t take a day off — and now neither do we. Members can report fraud and block unwanted debit card transactions anytime using the new debit card call center.

In the fall, we redesigned the functionality and navigation of our website to make it more convenient to conduct online banking, open a new account or apply for a loan. One other online addition was the launch of our social media presence — specifically Facebook. We wanted to connect with members to share updates and financial tips while also giving members one more way to ask questions or share feedback. We ran two contests in the fall to share the news and generate new followers, which increased our Facebook page following by more than 775 people. We’re excited to explore how we can best use this two-way communications platform in 2018 and beyond.

We also took time in 2017 to expand our physical space. In September, we expanded our Milwaukie main office to accommodate our new call center, which averages more than 5,000 calls per month. The expansion also made room for our lending department and future growth.

We’re always looking for ways to enhance our service to members and 2017 proved a good year to focus on areas that showcased Providence FCU’s value. Over the coming years we look forward to delivering even more technological conveniences, new financial solutions and upgrades to our branches. Most of all, Providence FCU is focused on being the primary financial partner for Providence St. Joseph Health employees, retirees and families.

A Message from our Chair & President

Shirley Cate, President & CEO

“I am absolutely, 100%, over the moon with you and your services. Thank you!” — Nicolas S.

“I enjoy being a credit union member. It’s like being part of a family — you know they will look after your best interest and help any way they can.” — Patricia F.
It's All About Our Members

Statement of Income

<table>
<thead>
<tr>
<th>INCOME</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan Income</td>
<td>3,545,616</td>
<td>3,158,299</td>
</tr>
<tr>
<td>Investment Income</td>
<td>652,344</td>
<td>683,899</td>
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<tr>
<td>Fee Income</td>
<td>1,633,639</td>
<td>1,538,571</td>
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<tr>
<td>TOTAL INCOME</td>
<td>5,831,599</td>
<td>5,380,769</td>
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</table>

<table>
<thead>
<tr>
<th>EXPENSES</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Expenses</td>
<td>2,597,323</td>
<td>2,545,520</td>
</tr>
<tr>
<td>Compensation / Benefits</td>
<td>1,983,577</td>
<td>1,646,363</td>
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<tr>
<td>TOTAL OPERATING EXPENSES</td>
<td>4,580,900</td>
<td>4,191,883</td>
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<tr>
<td>Interest Expense</td>
<td>159,286</td>
<td>150,163</td>
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<tr>
<td>Provision for Loan Loss</td>
<td>225,350</td>
<td>202,093</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>4,965,536</td>
<td>4,544,139</td>
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<tr>
<td>TOTAL NET INCOME</td>
<td>866,064</td>
<td>836,630</td>
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Statement of Financial Condition

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<thead>
<tr>
<th>ASSETS</th>
<th>2017</th>
<th>2016</th>
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</thead>
<tbody>
<tr>
<td>Loans</td>
<td>87,180,687</td>
<td>73,898,136</td>
</tr>
<tr>
<td>(Less Allowance for Loan Loss)</td>
<td>(237,000)</td>
<td>(244,000)</td>
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<tr>
<td>Net Loans</td>
<td>86,943,687</td>
<td>73,654,136</td>
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<tr>
<td>Cash</td>
<td>397,361</td>
<td>638,637</td>
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<tr>
<td>Investments</td>
<td>48,408,314</td>
<td>57,212,849</td>
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<tr>
<td>Other Assets</td>
<td>784,501</td>
<td>921,931</td>
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<tr>
<td>TOTAL ASSETS</td>
<td>136,533,862</td>
<td>132,427,553</td>
</tr>
<tr>
<td>Liabilities w/o Suspense</td>
<td>148,868</td>
<td>74,309</td>
</tr>
<tr>
<td>Shares</td>
<td>119,626,443</td>
<td>116,458,416</td>
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<tr>
<td>Reserves</td>
<td>1,988,775</td>
<td>1,988,775</td>
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<tr>
<td>Undivided Earnings</td>
<td>14,769,776</td>
<td>13,906,053</td>
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<tr>
<td>Net Worth</td>
<td>16,758,551</td>
<td>15,894,828</td>
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<tr>
<td>Total Liabilities and Equity</td>
<td>119,775,331</td>
<td>116,532,725</td>
</tr>
<tr>
<td>TOTAL LIABILITIES</td>
<td>136,533,862</td>
<td>132,427,553</td>
</tr>
</tbody>
</table>

Stability and Growth

Our vision for growth is not for bragging rights; growth drives new resources and financial service.

We are in the second year of our five-year strategic growth plan, which set out to reinforce our mission to serve our membership within the Providence St. Joseph Health community. Providence FCU’s total assets grew by three percent in 2017. We connected with new members and deepened our financial support with existing members by providing lending solutions tailored to their needs and lifestyles. Net loan growth in 2017 was more than $13 million, a 15 percent increase over 2016.

In August, we launched our new Student Loan program to provide financial support to members who need another option for private student lending or those who want to refinance an existing student loan. Providence FCU designed the student loans to help members consolidate payments and, when possible, reduce their interest rate. Our focus was, and remains, helping make higher education more affordable for our members and removing (some) of the stress associated with the high costs of getting an education.

Another initiative that helped Providence FCU grow was our Refer a Caregiver Program. Word-of-mouth referrals truly show the support and service we’re providing. We already knew we were getting great referrals, so we created a program to reward the happy member who referred us and the new members joining our community. We gave both parties $50, a small but meaningful thank you, which led to more than 75 members opening checking accounts. We view this program as a real win-win and plan to offer it again in the future.

“\"I have been with the Providence Credit Union for 14 years, and have always had a great experience doing my banking. Thank you all!\"” – Carrie H.
Community Commitment

Providence FCU gives back to the larger Providence St. Joseph Health community that supports and employs our members.

In 2017 we directed our charitable giving toward programs focused specifically on supporting the needs of our members, the Providence St. Joseph Health community, and their families.

In addition to the hundreds of volunteer hours our staff put in, we stepped up with our pledge of $50,000 to Providence St. Joseph Health’s Helping Hands Fund. In October, we donated $10 on behalf of each new member who joined Providence FCU in support of our overall contribution. The Helping Hands Fund gives emergency financial support to Providence St. Joseph Health employees and families who need temporary help paying bills, escaping an abusive relationship or facing another financial hardship.

In December, we sponsored the Santa Claus picture booth at the Safeway Providence Festival of Trees. The festival drew 20,000 people, and our booth gave more than 400 lucky kids and families a chance to get their picture taken with Santa. Our support helped provide more than $10,000 toward the event’s charity recipients.

We also surprised folks on Providence St. Joseph Health campuses with random acts of kindness. This ranged from a cup of coffee to solar eclipse glasses. This was a fun initiative to engage people in their daily lives and something we plan to develop and grow in the future.

As a credit union founded to serve the health care community, Providence FCU remains dedicated to providing support to members when and where it’s needed most. We can’t wait to see how we serve our membership at Providence St. Joseph Health in 2018!

“Providence FCU’s ongoing commitment to support our Providence caregivers through the Helping Hands Fund is incredible and shows a true sense of community.” – Tam E.

Giving Back

<table>
<thead>
<tr>
<th>Organization</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Catholic Charities 2017 Celebration of Hope</td>
<td>3,000.00</td>
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<tr>
<td>CU Aid Hurricane Harvey (Fundraising)</td>
<td>2,509.16</td>
</tr>
<tr>
<td>CU Aid Credit Union Donation</td>
<td>500.00</td>
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<tr>
<td>Clackamas Service Center Donation</td>
<td>500.00</td>
</tr>
<tr>
<td>Camp Erin (Donated Supplies)</td>
<td>1,160.99</td>
</tr>
<tr>
<td>Providence Willamette Falls Medical Center Gala (Fire &amp; Ice)</td>
<td>1,500.00</td>
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<tr>
<td>Providence Festival of Trees Sponsor</td>
<td>5,000.00</td>
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<tr>
<td>Providence Festival of Trees Santa Photo</td>
<td>2,757.02</td>
</tr>
<tr>
<td>Providence Helping Hand Fund</td>
<td>50,000.00</td>
</tr>
<tr>
<td>Providence Portland Medical Center (Helping Hand Fund/ Matching New Members)</td>
<td>310.00</td>
</tr>
<tr>
<td>Providence Marianwood Foundation</td>
<td>500.00</td>
</tr>
<tr>
<td>Children’s Miracle Network</td>
<td>125.00</td>
</tr>
<tr>
<td>TOTAL</td>
<td>67,862.17</td>
</tr>
</tbody>
</table>

450+ Volunteer Hours

$65,000+ in Charitable Donations
None of Us Can Do It Alone

Shirley Cate  
Chief Executive Officer  
scate@providencecu.org

Brett Wooden  
Chief Operations Officer  
bwooden@providencecu.org

Crystal Coutu  
Chief Financial Officer  
ccoutu@providencecu.org

OUR TEAM
Albina Batishev  
Member Service Representative
Javier Vidaurreza  
Member Service Representative
Andrea Herbst  
Member Service Representative
Sharon Popp  
Director of Operations
Angela Allen  
Member Service Representative
Shelley Woodruff  
Online Member Service Representative
Cathy Lawpaugh  
Member Service Representative
Alberta Moranchel  
Member Service Representative
Kathy Johnson  
Member Service Representative
Andrew Cecka  
Business Development Officer
Sharon Hughes  
Business Development Officer
Angelica James  
Member Service Representative
Tamara Amador  
Member Service Representative
Adam Alcala  
Loan Officer
Heather Franklin  
Loan Officer
Lisa Bartlett  
Loan Officer
Mark Gonzalez  
Loan Officer
Alexandria Coutu  
Marketing Coordinator
Aladeen Awadd  
Loan Administrative Specialist
Bryan Jordan  
AVP of Lending
Kelly Hottenroth  
Member Support
Matt Hessler  
Information Systems Coordinator
Leo Lee  
Director of IT
Tiffany Pillars  
Director of Accounting
Crystal Thai  
Esupport/Card Services
Bill Kearney  
Project Manager
Chris Nguyen  
IT Support Specialist

BOARD OF DIRECTORS
Mary Savage  
Chair
Mike Schwab  
Vice Chair
Gina McGraw  
Secretary
Ruth Johnson  
Director
Sarah Lott  
Director
Kevin Matheny  
Director
Tammy Pierce  
Director

SUPERVISORY COMMITTEE
Bill Borquist  
Chair
Rebecca Martinson  
Member
Bert Sperry  
Member
Henry Vera  
Member
Leilani Wilson  
Member

Providence Federal Credit Union
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