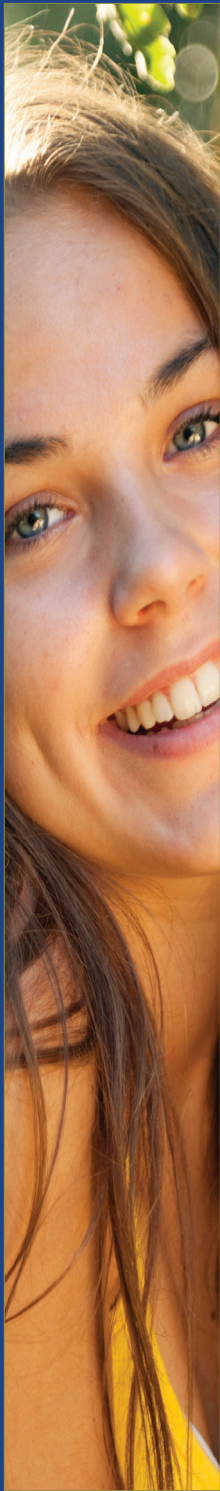


ANNUAL REPORT 2019



P A R D A
FEDERAL CREDIT UNION
ANYTIME ANYWHERE

Board of Directors

Jacquelyn Randall
Chair

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Vice Chair

Sherry L. Gass
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Secretary

Stephen Barrett, CCUB
Director

Donald M. Callihan
Director

Manuel Hernandez
Director

Robert Schelkun
Associate Director

Supervisory Committee

Kenneth Christie
Chair

Manuel Hernandez

Nancy Wasczenski

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Kimberly Jones
President & CEO

Jill Reinert
*Executive Director of
Human Resources*

Anthony Steffens
Chief Information Officer

Timothy Gallagher
Vice President of Operations

Robert Stier
Vice President of Finance



Letter from our President and CEO Kimberly Jones

PARDA's success during this past year was a direct result of keeping members at the center of everything we do. The experience we provide builds valuable connections; we are not just in the **financial service business**, we are in the **people business**. Your Credit Union funded over **\$44 million of low-cost financing**, closing 2019 with well-capitalized strength.

Our efforts to deepen relationships help our members achieve financial stability. Our new Credit Builder Loan is designed to assist members in building or repairing their credit. Member loan balances grew substantially at 8.46% over the prior year, while loan delinquency and charge offs decreased and fell below peer average by year end.

Additional Highlights of 2019

- Voted Best of the Best Credit Union in the Holland Sentinel – Holland, MI
- Nominated for Reader's Choice Best Credit Union in Greenwood, SC
- Awarded \$1,000 college scholarships to five members
- Contributed to 28 charitable organizations and engaged in 39 branch and local events throughout our PARDA communities
- Launched a new website, initiated a new online loan application system, and upgraded infrastructure systems
- Welcomed over 1,500 survey responses from members, volunteers, and staff — providing valuable insight that will shape the future of PARDA

Looking Ahead in 2020

All of our lives have been impacted by the global coronavirus pandemic. As we begin to find our way forward, it is important for members to know that PARDA is committed to the model that best supports your financial life. We continue to ensure secure, easy access to your accounts and explore all available tools to help borrowers who need assistance.

Throughout more than 80 years, we have served our members through wars, civil unrest, natural disasters, economic upheaval, and other national events. Long before the discovery of this dangerous disease, we developed contingency plans for emergency situations. The most important factor was always to anticipate our members' needs and how we would meet those needs under challenging circumstances.

Our financial community endures, thanks to the tireless efforts of our volunteer Board of Directors and dedicated staff. We will be moving ahead advised by the guidelines of our health experts, city and state officials — incorporating all recommended safety and sanitation measures. On behalf of all of us at your Credit Union, I want to thank our members for continuing to support the concept of "People Helping People" that is central to our philosophy.



BALANCE SHEET

ASSETS	2019	2018
Loans (Net of Allowance)	\$105,914,467	\$102,777,972
Cash and Cash Equivalents	9,646,454	9,535,555
Equity Securities	5,375,721	—
Securities Available-for-Sale	31,529,645	40,897,193
Other Investments	19,893,200	17,020,200
Accrued Interest Receivable	465,307	477,719
Property and Equipment	2,032,695	2,107,621
National Credit Union Share Insurance Fund	1,494,428	1,530,506
Other Assets	1,522,675	1,562,234
TOTAL ASSETS	\$177,874,592	\$175,909,000
LIABILITIES AND MEMBERS' EQUITY		
Members' Share Deposits	\$151,003,953	\$151,311,798
Accrued Expenses and Other Liabilities	633,331	541,346
Borrowed Funds	—	—
TOTAL LIABILITIES AND DEPOSITS	151,637,284	151,853,144
Retained Earnings, Substantially Restricted	26,019,498	25,437,806
Unrealized Gain (Loss) on Securities Available-for-Sale	217,810	(1,381,950)
TOTAL MEMBERS' EQUITY	26,237,308	24,055,856
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$177,874,592	\$175,909,000

STATEMENT OF INCOME

	2019	2018
INTEREST INCOME		
Interest on Loans	\$5,153,683	\$5,018,707
Interest on Investments and Cash Equivalents	1,679,918	1,599,914
	6,833,601	6,618,621
INTEREST EXPENSE		
Dividends Expense	271,369	270,082
Interest on Borrowed Funds	—	10,051
	271,369	280,133
NET INTEREST INCOME	6,562,232	6,338,488
Provision for Loan Losses	428,914	1,183,400
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	6,133,318	5,155,088
NON-INTEREST INCOME		
Service Charges and Other Fees	1,749,530	1,786,144
Other Non-Interest Income	1,332,089	1,269,122
Gain on Sale of Securities	(7,709)	141,546
	3,073,910	3,196,812
NON-INTEREST EXPENSE		
Salaries and Benefits	4,087,758	3,750,439
Operations	3,765,211	3,763,070
Occupancy	476,324	484,993
	8,329,293	7,998,502
NET INCOME	\$877,935	\$353,398

HIGHLIGHTS

	2019	2018	% CHANGE
Total Loans	\$107,359,815	\$104,392,577	2.84% ↑
Real Estate Loans	\$35,556,100	\$28,122,688	26.43% ↑
Total Deposits	\$151,003,953	\$151,311,798	-0.20% ↓
Total Gross Income	\$9,915,220	\$9,673,887	2.49% ↑
Net Worth	\$26,019,498	\$25,437,806	2.29% ↑
Net Worth Ratio	14.63%	14.46%	1.16% ↑
Delinquency Ratio	0.71%	0.81%	-12.35% ↓
Total Members	15,879	16,243	-2.24% ↓
Checking Accounts	10,830	10,766	0.59% ↑

#GIVINGTUESDAY 2019

A new initiative for us, GivingTuesday is a global generosity movement based on a simple idea: one day that encourages people to do good. By matching employee pledges and making donations on behalf of our members, PARDA contributed \$2,350.00 to these as well as other organizations:

- St. Jude Children's Research Hospital
- SafeHouse Center
- Rescue Haven Foundation
- Grace Centers of Hope
- Ronald McDonald House of Charities
- Goldie B. Floberg Center

Member-submitted entries shared why these organizations are important
(edited for space consideration):

Hilda A. | St. Jude Children's Research Hospital – Royal Oak, MI
"As a teacher, I believe children are our future generation. My heart goes out to parents of children born with cancer. St. Jude Children's Research Hospital makes a huge difference by treating for free every child who walks through their doors in an attempt to find a cure and make life worth living."

Anne R. | SafeHouse Center – Pontiac, MI
"...SafeHouse provides a service to individuals who have been physically or psychologically injured at a desperate time in their lives, when there may be few other options. Violence affects women and children in invisible ways. It is important we assist them for their futures and that of our community."

Christina C. | Rescue Haven Foundation – Caldwell, NJ
"I fostered 15 dogs whose lives were saved prior to the rescue pulling them and having them adopted. Those 15 may not be here today without this rescue."

Katie G. | Grace Centers of Hope – Ypsilanti, MI
"They help people with drug and alcohol addictions."

Russell M. | Ronald McDonald House of Charities – Charleston, SC
"My wife stayed here while my son was in the Hospital for two weeks. He was born 7 weeks premature."

Thomas M. | Goldie B. Floberg Center – Rockton, IL
"My grandson has autism and has been accepted into the Goldie Floberg Center. It caters to children and adults with developmental disabilities, helping them to achieve personal goals and learn everyday living skills so that they can become active members in the community. My grandson has made wonderful progress."

PARDA
 FEDERAL CREDIT UNION
 ANYTIME ANYWHERE

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 Auburn Hills, MI 48326
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 Eastpointe, MI 48021
 586.773.9444

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 Holland, MI 49424
 616.994.6117

259 East 24th Street
 Holland, MI 49423
 616.392.6979

3650 Carpenter Rd.
 Ypsilanti, MI 48197
 734.973.7208

1835 Bypass 72 NE
 Greenwood, SC 29649
 864.223.6787

c/o Johnson & Johnson
 400 W. Lincoln Ave.
 Lititz, PA 17543
 717.405.3498

c/o Edgewell Inc.
 10 Leighton Road
 Milford, CT 06460
 203.882.2327

c/o Mondelez International
 5500 Forest Hills Road
 Loves Park, IL 61111
 815.580.3096

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