



2024 Annual Report

Service. Value. Convenience. Trust.

PFFCU is federally insured by the NCUA.

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Board of Directors

Anthony LaRosa
Chairman

John H. Richardson
Vice Chairman

James E. Cunningham
Secretary

John LaRosa
Treasurer & Retired CEO

Joann Zarro
Director

Patricia Fox
Director

Timothy J. Haggerty
Director

PFFCU's Commitment to Staff

At PFFCU, we recognize that a motivated and knowledgeable staff is critical to the success of our organization. We can't achieve our member service and loan and deposit growth goals without our dedicated staff.

Employment Stability

It is management's responsibility to develop and execute appropriate business strategies to be successful so that we avoid the cycle of hiring and firing that exists at many large companies. Management takes the responsibility for our staff's job security very seriously.

Recognition and Financial Rewards for Superior Performance

PFFCU staff have the opportunity to earn more if they perform at a superior level. We have awarded annual performance bonuses every year since 1992. We want every staff member to have the opportunity to share in the success of PFFCU based upon their contribution to PFFCU.

Friendly and Teamwork-Oriented Work Environment

Management wants PFFCU to continue to be a great place to work. We hope the staff look forward to coming to work, enjoy the people they work with, and the type of work they do. At PFFCU, staff have the opportunity to help people achieve their financial goals with our deposit and loan products.

Training in the Skills Staff Need to Succeed and Knowledgeable Managers who Help Staff Succeed

Your success and satisfaction at work can be closely correlated to having a quality department manager and the appropriate level of training for your position. It is PFFCU's responsibility to ensure that we have effective new hire and ongoing training programs to provide you with the skills needed to succeed in your position. It is also PFFCU's responsibility to ensure that the leadership in each department is managing in a way consistent with PFFCU's core values of Member Service and Teamwork, is very knowledgeable in their area of expertise, and works constructively with staff to help them succeed.

Honesty

At PFFCU, we tell the truth to our members as well as our staff. PFFCU should do what's right, even if it is not easy or convenient. Honesty is a simple principle, but as we have seen with many corporate scandals, it is not always followed. This principle also requires that each individual staff member be honest when dealing with the membership and fellow staff members.

PFFCU's Values (*Staff Commitment to PFFCU*)

PFFCU's Values represent the staff's commitment to the Credit Union. It is a statement of how staff should think and act with regard to their position at PFFCU. We urge staff members to use these principles as a guide in their decision making because it will help them make the right decision.

Member Service

Member service comes first. Members are the reason PFFCU exists. PFFCU is a not-for-profit financial services cooperative. We are willing to accept lower profitability than a bank in order to give more benefits to our members; such as lower loan rates, higher deposit yields, lower fees and better member service. Every member is unique. Our philosophy is to apply PFFCU policies and procedures to effectively treat each member with kindness and compassion while helping them achieve their financial goals.

Teamwork

We must work constructively within our department and with other departments to achieve the common goals of PFFCU. One of the reasons teamwork is a key value is because it is much more effective and enjoyable to work together to achieve our member service and financial performance goals. If each department were self-centered and indifferent toward the needs of other departments, it would create a work environment where much time and energy was wasted on inter-departmental conflict.

Commitment

We must devote the energy and effort needed to achieve excellence. We must embrace change, continually learn, and strengthen our current business processes to improve member service, reduce operating expenses, and increase revenues.

Performance

We must achieve results, take responsibility for our individual and team performances and learn from our mistakes.

PFFCU's Commitment to Our Members

PFFCU's mission is to be our members' primary financial services provider, focusing on loans and deposits. We will earn our members' **Trust** by providing quality financial products at very attractive prices, delivered with superior **Service, Value, and Convenience**.

PFFCU's Business Performance Goals are the quantitative measures we use to determine if we are achieving our mission. PFFCU cannot survive by just doing what it has always done. We must move forward or we will fall behind the competition.

Our long term business goals are the following:

- a. Member Service superior to the competition as measured by our Member Surveys.
- b. Loan Growth of 5% to 10%.
- c. Deposit Growth of 5% to 10%—focusing primarily on active checking account growth.
- d. Household Growth of 5% to 10%.
- e. ROA or profitability of 0.8% to 1.0%.

PFFCU's commitment to our staff, combined with the staff demonstrating PFFCU's values, enables us to accomplish our mission and achieve our business goals.

2024 Annual Report

Lisa Girdharry

President and Chief Retail Officer

PFFCU's mission is to be our members' primary financial services provider, focusing on loans and deposits. We earn our members' Trust by providing quality financial products at very attractive prices, delivered with superior Service, Value, and Convenience. At PFFCU, we take our commitment to our members seriously and only offer products and services that serve their best interests.

PFFCU had another successful year in 2024 in a high interest rate environment. Our primary goal continues to be keeping PFFCU financially strong so member deposits are safe. We will continue to reward members with great loan and deposit rates and superior service so that members can benefit from our high level of financial strength.

In the high interest rate environment, depositors continued to benefit from high dividend earnings. PFFCU remains in the forefront for providing its members with significantly higher rates for Checking, Savings, our Premium Yield Account, and IRAs. In 2024, PFFCU paid over \$218 million in dividends to members. As a member, if you have money elsewhere, you can earn more by moving funds to PFFCU. PFFCU consistently offers higher deposit rates for all members in any rate environment. In addition, PFFCU awarded another \$16 million to members in the form of a Member Bonus. Together, more than \$234 million was returned to members in the form of dividends and the Member Bonus.

PFFCU is focused on serving its members with no banking disruptions through our Branch Network, Online and Mobile Banking, and Call Center. Our branches serviced over 2.5 million member Teller transactions. In 2024, we introduced Interactive Teller Machines (ITMs) at seven branch locations. ITMs are designed to help members complete the majority of in-branch transactions quickly and securely. Nearly 110,000 ITM transactions were completed by members.

Our Tellers will always be available for more complex transactions, for members unable to use ITMs, and for assistance with the ITMs. PFFCU remains committed to our staff and our members. No Tellers will lose employment at PFFCU as a result of the ITMs. Some Tellers will move to our Call Center or a back office position. ITMs help manage expenses so that members can continue to benefit from better loan and deposit rates. PFFCU and all of our employees continue to be committed to serving our members with the highest level of service.

In 2024, our Telephone Member Service Representatives answered nearly 1.8 million calls, with 90% of those calls being answered in less than 30 seconds with an average delay before answering of 14 seconds. These outstanding service levels are hard to find in a financial call center, let alone any call center. Post-pandemic, PFFCU focused on ensuring we provide outstanding service levels. Our Call Center is fully staffed with local representatives, and we look forward to continuing to provide the high-level of service our members expect.

At PFFCU, we recognize that motivated and knowledgeable staff are critical to the success of our organization. We can't achieve our member service and loan and deposit growth goals without our dedicated staff. Members who responded to our Branch and Call Center transaction surveys, rated PFFCU with industry-leading member service scores.

- Our Branch Network Net Promoter Score was 90% and on a scale of 1 to 5, received an Overall Experience score of 4.73.
- Our Call Center Net Promoter Score was 93% and received an Overall Experience score of 4.81.

Our staff members are vital to the success of the organization and we thank them for their dedication and commitment to our members in 2024.

Our marketing strategy for lending focuses on promoting loan originations through pre-approved and general awareness direct mail

and emails, targeted digital advertising, and Call Center and Branch Service Sales Staff. We also align our marketing strategies within our Online and Mobile Banking platform making it easy for members to apply online by taking advantage of pre-approved or general awareness offers.

PFFCU continues to see financial scams targeting our membership. In order to minimize losses, we provide frequent education to our employees and members on different types of scams. PFFCU will never text, email or call asking for personal information like Online/ Mobile Banking Logins or Passwords, including one-time security text codes. It's vital that staff and members stay vigilant against this growing problem. If someone promises free money, asks you for money, or provides a too good to be true way to receive money, rest assured, it's a scam. Our employees are trained to ask questions about certain withdrawals or deposits as a way to help prevent members from a financial loss.

Our goal is to be very convenient for our membership, and that means providing members access to PFFCU anytime, anywhere. We continue to see strong year-over-year growth in members utilizing Online/ Mobile Banking. PFFCU is committed to enhancing this self-service channel in order to allow our members to bank when it's convenient for them wherever they may be, at any time. More than 302,000 member accounts are enrolled in Online and Mobile Banking. Members pay more than 104,000 bills each month through Bill Pay and deposit more than 58,000 checks per month remotely using Mobile Deposit. PFFCU is a 24-hour per day, 365 day per year operation. We rely heavily upon lower cost, more convenient ways to service our members, like Online and Mobile Banking, ATMs and ITMs, Debit Cards, and Direct Deposit. While the Information Systems and Operations departments may appear to be back-office functions, they are responsible for more member transactions than any other department. PFFCU is never closed and our systems must be as close to 100% reliable as possible.

To stay competitive in the financial services industry, we must adapt to changing circumstances, introduce new products, improve member service and streamline operations to become more efficient. In 2025, members will see the ITMs at all of our branch locations. In addition, we are working to make the debit card dispute and fraud process easier by bringing it in-house. Members will be able to do a dispute directly in Online/Mobile Banking, or talk directly with a PFFCU Branch or Call Center Representative. We are also adding the Presto! Network to ensure that members traveling south on vacation or to their second home can enjoy surcharge-free ATM access at over 1,300 Publix® locations.

In closing, our balance sheet strength, loan volume, and member survey results demonstrate that we are providing our members with the financial products and services they desire, and that our staff continue to provide exceptional member service. We appreciate you, and the ability for PFFCU to service your financial needs!

James Duke

President and Chief Operating Officer

At PFFCU, our mission is to be our members' primary financial services provider, delivered with superior Service, Value, and Convenience. PFFCU's Lending business is critical to our long-term success and can be divided into four major product lines:

1. First Mortgages
2. Home Equity Loans and Lines of Credit
3. Auto Loans
4. Unsecured Loans–Visa, PLOC, and Signature Loans

Our pricing philosophy and rate and fee structure for loans are open and fair to our members. Our loan rate surveys of the local competition detail that we are providing our members great value through our lower rates and fees.

In 2024, interest rates remained historically high, resulting in our new loan originations being significantly lower for our first mortgages, while home equity loan originations remained strong.

In this higher interest rate environment, our auto loan balances decreased 7% to \$1.7 billion. Direct auto loans decreased \$44 million while indirect auto loans decreased \$86 million. Auto loan losses remained low at 23BP (Basis Points).

First mortgage loans ended 2024 at \$3.3 billion, down \$222 million, or 6% when compared to last year. First mortgage loan losses remain historically low at less than 1BP. With the higher interest rates, our members favored our home equity products, with home equity loan and line of credit balances increasing \$227 million or 25% to \$1.1 billion. Home equity loan origination volume was strong at \$287 million. Our home equity loan rates are very competitive, while our home equity losses were again very low at 1BP.

Trends in this higher rate environment had members utilizing our unsecured loan products, increasing our unsecured balances by 3% during the year to \$579 million. Unsecured loan losses increased during the year to 2.8% but below our peers' levels at 4% and higher.

Within all of our loan portfolios, over the past 3 years, our total loss rate has been under 35 Basis Points, with 2024 at 33BP and 2023 at 24BP vs the 15BP for 2022. This greatly reflects the team effort of all the lending staff, as well as our Legal and Collection teams, as our peers' loan loss level is at 60BP or higher.

Our success is based on earning our members' business every day in achieving our mission – to be our members primary financial services provider – focusing on loans and deposits delivered with superior Service, Value, and Convenience.

We also provide our staff at PFFCU with a challenging and rewarding work environment, one that places an emphasis on employment stability, honesty, and fairness. We do this by adhering to our Core Values of Member Service, Teamwork, Commitment, and Performance.

Supervisory Committee Report

One of the Supervisory Committee's major responsibilities is to have an independent audit performed at least annually to verify member account balances. To accomplish this, the Supervisory Committee engaged the independent public accounting firm of CliftonLarsenAllen, LLP (CLA).

In addition, the Supervisory Committee works with the National Credit Union Administration (NCUA), our federal regulator, when it conducts its annual examination of PFFCU.

The Supervisory Committee also oversees the internal audit department that performs ongoing reviews to determine whether PFFCU is operating in compliance with policies, procedures, and regulations, and that internal controls are in place and operating effectively.

We are pleased to report that CliftonLarsonAllen LLP completed the annual audit of the financial statements for 2023 in March 2024. The Committee is pleased to report that PFFCU is a financially sound organization dedicated to serving its members.

PFFCU Supervisory Committee

Anne Kelly King, *Chairperson*

Joann Chapman

Margaret Kaufman

Toni Rosen

Dexter Green

Unaudited Statement of Financial Condition*
as of December 31, 2024

Assets	
Cash & cash equivalents	\$3,312,537,000
Investments	
Available for sale	\$26,217,000
Other	\$3,516,000
Loans held for sale	\$2,674,000
Loans to members, net	\$5,973,150,000
Accrued interest receivable	\$21,522,000
Property and equipment, net	\$52,084,000
Share insurance deposits	\$69,553,000
Other assets	\$23,831,000
Total Assets	\$9,485,084,000
Liabilities and Members' Equity	
Liabilities	
Members' shares	\$7,810,166,000
Borrowings	\$0
Accrued expenses and other liabilities	\$60,408,000
Total Liabilities	\$7,870,574,000
Members' Equity	
Retained earnings	\$1,613,987,000
Accumulated other comprehensive gain	\$523,000
Total Members' Equity	\$1,614,510,000
Total Liabilities and Members' Equity	\$9,485,084,000

* The audited financial statements would include other financial statements, accompanying notes that are an integral part of the financial statements, and the independent Auditor's Report.