



**PARTNERS
ANNUAL
REPORT
2021**

PARTNERS!
FEDERAL CREDIT UNION

BOARD OF DIRECTORS

Made up of volunteers who represent the Partners Membership, the Partners Board of Directors sets the strategic direction of the Credit Union. The Board meets monthly to review financial reports, budgets, and expenses and to adopt resolutions related to rates, business objectives, and policies.



Mark Gustovich
Chairman



Cindy Luttrell
Vice-Chairman



Debbie Bales
Director



Jennifer Baucher
Director



Bob Cunningham
Director



André M. Hale
Director



Tracy Montoya
Director



Tom Tancredi
Director



Jaye Thompson
Director, Secretary/Treasurer



Alden Weiss
Director



Jack Yellin
Director



PRESIDENT/CEO'S REPORT

As I reflect on 2021, I want to begin by expressing my gratitude to our Board, the entire Partners team, and you, our Members, for the warm welcome I received as I began my journey with the Credit Union as President & CEO. Much of what drew me to Partners is what excites me most about the future: our commitment to delivering an exceptional Member service experience. No two Members are the same – each of you have your own unique goals and aspirations. Therefore, it is most appropriate that our reimagined Vision statement is not focused on making all financial dreams come true, but more specifically, *your* financial dreams come true.

Despite the continued effects of the pandemic and their far-reaching impact on you, your families, our communities, our Sponsor, and the economy at large, the Partners team has stood by with unwavering dedication and resilience to serve and support you during these turbulent times. This laser focus on our Vision and Mission has resulted in impressive business results.

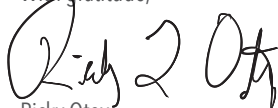
I am proud to share that the Credit Union has continued its strong performance by meeting, and in some cases exceeding, our strategic targets. Loan originations were 12% above target, helping thousands of Members realize their dream of home ownership, or refinancing their mortgage for a new great rate. We also helped Members save more with on-target net deposit growth and achieved 7% gross Membership growth vs. our target of 4%.

Other ways we added value and supported our Members include:

- Offering over 200 financial education sessions to over 3,500 participants, focusing on Budgeting, Home Ownership, Understanding Your Credit, Money Management, and more
- Releasing free, self-service loan payment channels, making it easier for you to stay in the driver's seat in managing your finances
- Activating new Member text channels, offering support and reminders for payments due
- Offering easy access to scheduling appointments directly from our website, ensuring your time is not wasted in waiting for service
- Introducing a relocation assistance program for Members experiencing job changes
- Continuing our Member Assistance Program support for Members in need
- Continuing our focus on health and safety throughout the pandemic, creating opportunities and conditions for you to interact with us safely in person, or through digital or virtual channels

As we move through 2022, I am looking forward to sharing new offerings and opportunities to support your financial journey as we launch our 2022-2025 strategic plan and focus in achieving our Mission: **We are your financial Partners for Life.** Thank you for the opportunity to serve as *your* Credit Union. We are inspired, committed and looking forward to a bright future ahead, with our heads, hearts, and hands engaged and ready to make your financial dreams come true, together!

With gratitude,


Ricky Otey



CHAIRMAN'S REPORT

As we moved into 2021, we were hopeful that the worst of the pandemic was behind us, and that the economy would quickly rebound. However, our resilience was tested as we experienced the ongoing effects of the pandemic, economic instabilities, and a volatile job market. Members needed support and guidance in navigating these challenges, and I am proud of and grateful for our Partners team who continued to meet the moment and serve the Membership. We remained nimble in response to health and safety protocols and continued to provide increased service and access through our digital channels to serve Members where and when needed.

Despite continued challenges, there were many bright spots for the Credit Union. First and foremost, the Credit Union was able to deliver strong financial results in 2021. Remaining safe and sound and maintaining a solid balance sheet is foundational to ensuring that the Credit Union is, and always will be, fiscally ready and able to support Member needs.

We ended 2021 with:

- \$2.5B in assets; a new record high
- A net worth ratio of 9.94%, keeping us well capitalized, strong, and secure
- 167K Members

SUPERVISORY COMMITTEE

The Supervisory Committee provides Membership with an independent appraisal of the safety and soundness of Credit Union operations and activities as guided by the Federal Credit Union Act, Partners charter, and policies and procedures.

The Committee engaged the services of Crowe LLP, a public accounting firm, to understand internal controls and perform the testing necessary to attest to the integrity of Partners financial statements. In addition, the Committee has oversight of the Internal Audit function and monitors and reviews audit reports and follow-up, including periodic examinations conducted by the National Credit Union Administration (NCUA), the regulatory agency for all federally chartered credit unions.

Based on the results of the financial statement audit completed by Crowe LLP, continuous internal audit work and follow-up, and the most recent review by the NCUA, it is the opinion of the Supervisory Committee that Partners is financially strong and in compliance with Federal Regulations as well as Partners policies and procedures.

Supervisory Committee Members

Gerry Dunning, Chairman

Dawn Ellis

Courtney Cappa

Grace Yang

A key highlight for the board was the selection and onboarding Partners' new President & CEO, Ricky Otey. Selecting a CEO is the most important decision a board can make, and we were committed to a rigorous and thorough process. Our goal was to find a candidate whose experience and leadership philosophy would align with the Credit Union culture and Core Values, enabling Partners to take the Member experience to the next level. In Ricky we believe we have found all these characteristics and are confident that we will achieve great things together for our Members and the Partners cast under his leadership.

As we look to the future and launch the 2022-2025 strategic plan, we are pleased to share an updated vision, mission, and brand promise with you, renewing our commitment to serve as your financial institution for life. I am confident that Partners is poised to create more value and a more dynamic Member experience as we remain dedicated to making all your financial dreams come true, today and tomorrow.

Honored to be your Chair, thank you.



Mark Gustovich
Chairman, Partners Federal Credit Union

MEMBER SERVICE ADVISORY COMMITTEE

The Member Service Advisory Committees (MSAC) interacts with the Credit Union's Board of Directors and management on behalf of Disney cast members and employees. There are three MSAC committees, each participates in strategic planning processes with the Board and plays a critical role in helping the Credit Union deliver exceptional financial experiences to its Member-owners.

We are delighted to introduce our new MSAC Partners executive, Robert Thompson, Chief Strategy and Marketing Officer. Join Robert and the Credit Union team in our journey to become a better financial Partner for life. Look out for enhancements to our MSAC communications, meeting schedules, and new innovative ways to share our appreciation for the hard work to benefit all Partners Members.

Member Service Advisory Committee Chairs

ORLANDO
Mark Todd

BURBANK
Gina Rakestraw

ANAHEIM
Robyn Vossen



FINANCIAL REPORT & INCOME STATEMENT

STATEMENT OF FINANCIAL CONDITION

(as of December 31, 2021)

ASSETS

Cash and cash equivalents	\$ 731,622,914
Investments	98,241,535
Federal Home Loan Bank stock	6,377,200
Loans receivable, net	1,575,000,339
Loans held for sale	14,547,175
Accrued interest receivable	4,294,359
Property and equipment	14,001,355
National Credit Union Share Insurance Fund deposit	19,674,708
Other assets	23,247,916
Total Assets	\$ 2,487,007,501

LIABILITIES & MEMBERS' EQUITY

LIABILITIES

Members' share accounts	\$ 2,194,344,235
Borrowing funds	20,000,000
Accrued expenses & other liabilities	25,896,152
Total Liabilities	\$ 2,240,240,387

MEMBERS' EQUITY

Regular reserve	\$ 15,636,145
Undivided earnings	231,473,847
Accumulated other comprehensive income (loss)	(342,878)
Total Members' Equity	\$ 246,767,114
Total Liabilities & Members' Equity	\$ 2,487,007,501

STATEMENT OF INCOME

(as of December 31, 2021)

INTEREST INCOME

Loans receivable	\$ 64,148,788
Investments and interest-bearing accounts	1,780,145
Total Interest Income	\$ 65,928,933

INTEREST EXPENSE

Members' share accounts	\$ 6,807,731
Borrowed funds	335,997
Total Interest Expense	\$ 7,143,728

NET INTEREST INCOME **\$ 58,785,205**

PROVISION FOR LOAN LOSSES **(3,493,963)**

NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES **\$ 62,279,168**

NON-INTEREST INCOME

Service charges and other fees	\$ 14,417,759
Interchange income	15,043,937
Commission revenue	3,007,186
Wealth management revenue	3,301,343
Gain on sale of loans	6,842,587
Other	835,918

Total Non-Interest Income **\$ 43,448,730**

NON-INTEREST EXPENSE

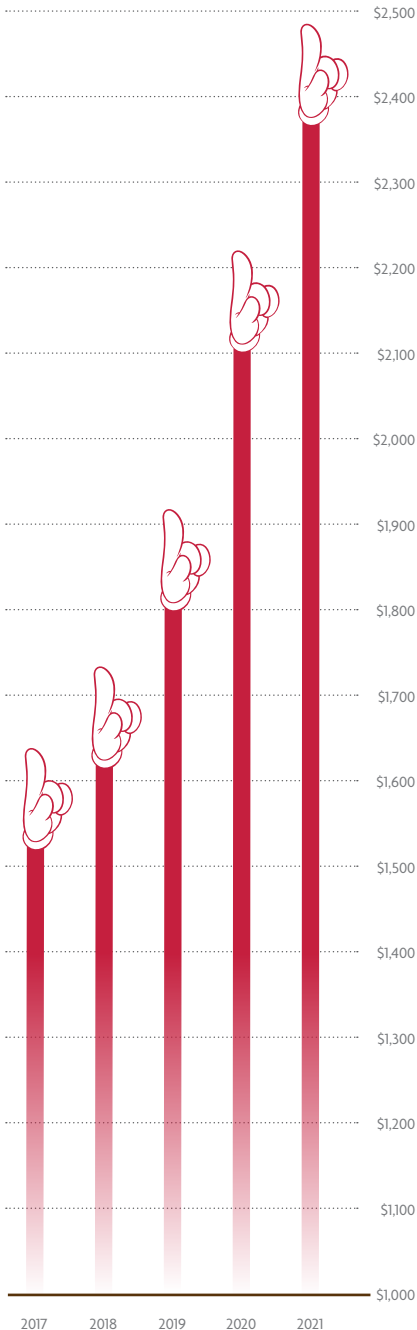
Compensation and benefits	\$ 42,869,548
Operations	11,474,229
Loan servicing	6,069,078
Occupancy	11,879,148
Debit card processing	3,752,827
Communications	3,313,324
Marketing	1,086,650

Total Non-Interest Expense **\$ 80,444,804**

NET INCOME **\$ 25,283,094**

ASSET GROWTH

\$ in millions



BRANCH LOCATIONS ¹

CALIFORNIA

Buena Vista Plaza
2411 West Olive Avenue

Downtown Anaheim
100 South Anaheim Boulevard,
Suite 100

Grand Central Creative Campus
1201 Flower Street

Harbor Pointe
1313 South Harbor Boulevard

Katella
2401 East Katella Avenue, Suite 100

Team Disney Anaheim Express²
700 West Ball Road

Walt Disney Studio Lot
500 South Buena Vista Street

FLORIDA

Disney's Hollywood StudiosTM Express²
Ops. 1, Second Floor

Disney University
5555 North Center Drive

Epcot[®] Express²
1510 North Avenue of the Stars

International Drive
13705 International Drive South

Lake Buena Vista
Partners Building
1675 Buena Vista Drive

Magic Kingdom[®] Park Express²
Tunnel, Workforce Management

¹ Hours and services vary by location, visit PartnersFCU.org for branch hours of operation.

² Express branches do not handle cash transactions.

PARTNERS!
FEDERAL CREDIT UNION

PartnersFCU.org • 800.948.6677

Federally insured by the NCUA.
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