



Evergreen
Credit Union

Annual Report
2019



Federally Insured by NCUA

Update

from our Board Chair & CEO



March 26, 2020

Evergreen Credit Union
Annual Meeting
P.O. Box 1038
Portland, ME 04104-1038

Dear Members,

Greetings! Evergreen Credit Union achieved many of our goals in 2019, all while providing the World-Class Member Service that you, our members, expect.

In 2019 we rolled out new initiatives to better serve our communities. Notably, we established a new program called ECU@Work - a program where employers can offer our credit union as a benefit to their employees. Part of the ECU@Work program includes free financial counseling and budgeting assistance. Next, we expanded our Lending Partner network, and now offer a direct connection to our online lending platform to most of the automotive and recreational vehicle dealers in Cumberland and York Counties. Our continued rollout of our SunSelect VISA® credit card goes very well, as does our offer of cash bonuses to members for transferring balances to our card. We feel the huge benefit of our card is the low fixed rate versus the more common and higher variable rate option.

On the expansion front, we moved our Commercial Lending team into a new office in Westbrook. We needed the space in our Riverside Street location in Portland and wanted to re-establish a presence close to our roots in downtown Westbrook. In this newly renovated and larger space we can continue to provide our business members with the great service they want. 2019 also saw our location on Broadway in South Portland get a completely new retail interior. The new renovation now offers a better teller line and lighting, with a much more modern feel. We hope you like the changes, our Broadway team sure does.

In 2019, Evergreen Credit Union truly stepped up our collaboration with our community partners! As a community-based credit union, we have a mission to help connect our members to organizations that are making Cumberland and York Counties a great place to live. We currently are partnered with 9 relevant community partners: the Animal Refuge League of Greater Portland, Portland Trails, Maine Brewers Guild, Maine Red Claws Basketball, Maine Mariners Hockey, Portland Museum of Art, Portland Food Map, Portland Seadogs Baseball and Ending Hunger in Maine. Using our many resources, we connected them to each other and increased awareness of their mission and benefits to the community. As an example, we relied on our social media presence to promote news and raffles which increased general engagement with the organizations. In the fall, we even helped partner Portland Trails rebuild a trail adjacent to the Animal Refuge League facility so adopters of dogs could "test walk" a dog they liked. All our partners appreciated Evergreen as a good neighbor, and we certainly enjoyed helping to foster their growth.

As we look forward to 2020, our members will continue to enjoy innovative products and services, along with our commitment to World-Class Service in all we do. Please tell your friends and family about Evergreen, we will be grateful to have them join our family too! We think that this is truly an exciting time to be a member of Evergreen Credit Union.

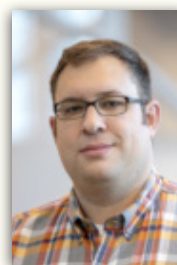
It's a great pleasure to serve you,

Christopher Doe
Chair

Jason Lindstrom
President/CEO



Jason Lindstrom
President/CEO



Christopher Doe
Board Chair

Community

February 2019 - Date Night at Honey Paw



Maine Mariners Hockey Promotes Partnership

Twitter

GAME DAY! Happy St. Patrick's Day to all and Happy Birthday to @BeaconThePuffin! Come celebrate Beacon's Birthday Bash with @Evergreen_CU at the @CrossArena today at 3 PM as we host the @NIGrowlers! All members of the Kids Club can skate with the team following the game!



8:29 AM · Mar 17, 2019 · Twitter Web Client

3 Retweets · 12 Likes

- We engage people with our partnerships, products and services in innovative ways across multiple social media platforms.

ECU Celebrates Sea Dogs Birthdays



Portland Museum of Art Promotes Partnership

Facebook



Evergreen Credit Union

October 18 · 🌐

You're invited to enjoy FREE Fridays from 4pm-8pm at the Portland Museum of Art, compliments of Evergreen.



Boost Post

Portland Trails & Animal Refuge League Promote Partnership

Facebook



Portland Trails shared an event.
September 18 · 🌐

We're almost as excited as the pups at the Animal Refuge League of Greater Portland are about this new & improved trail 🐾 Celebrate the grand reopening at this community event on Saturday, and bring your kids (and your own pup!) to join in the fun.

Thanks to Evergreen Credit Union and Maine Community Foundation for supporting this project, and thanks to all of our volunteers who worked so hard to improve this trail.



Walking Trail Opening

Animal Refuge League of Greater Portland · Westbrook, ME

238 Interested



Low Fixed Rate
Credit Card!

Growth

- Our new office for expanding our commercial loans and business banking services opened in Westbrook.



The building is in the heart of Westbrook's busy downtown.



- The retail ground floor in our South Portland branch was completely redesigned.



New teller stations are cleaner and more accessible.



The overall design follows the colors and look of our popular Windham branch opened in 2018.



A sitting area with coffee station and TV offers more comfort.

Our Membership Development Office expanded with new services to more companies.



FINANCIAL COUNSELING – Members can meet with one of our seven Financial Counselors to begin our Free “Your Money 101” Financial Wellness program.

ECU@WORK – This free service provides employers many ways to help their employees improve their Financial Wellness and drive productivity.



MEMBER DEVELOPMENT TEAM
Julia Leighton (left) joined Brenda Pollock in October. Together, they promote Evergreen's programs, products, and services to reach a broader audience.



LOAN PORTAL CONNECT – Evergreen offers local businesses an online loan application tool that directly connects them with our lending team. Search the list of more than 100 trusted Local Lending Partners at egcu.org. We also have some fun, pictured here at a Mariners Hockey game.

A year of great additions

- 1,158 new members
- 20 new employees



2018 LENDING PARTNER OF THE YEAR - Scott's Recreation



A year of growing financial strength

- Over \$80 million in new loan volume
- Added \$23 million to our asset size making a total \$315 million at year-end

Financials



Balance Sheet

	% CHANGE	2019	% CHANGE	2018	2017
ASSETS:					
INSTALLMENT LOANS	18.90%	68,952,851	40.88%	57,990,707	41,162,249
HOME EQUITY LOANS	-5.31%	53,910,753	9.20%	56,935,568	52,137,700
FIRST MORTGAGES	5.30%	62,353,682	26.83%	59,212,970	46,686,061
COMMERCIAL LOANS	17.73%	53,518,675	23.68%	45,457,772	36,753,064
ALLOWANCE FOR LOAN LOSSES	-2.01%	(2,541,773)	1.52%	(2,593,965)	(2,555,035)
NET LOANS OUTSTANDING	8.84%	236,194,188	24.58%	217,003,052	174,184,039
CASH AND INVESTMENTS	-0.16%	61,113,647	-24.85%	61,214,116	81,456,694
ALL OTHER ASSETS	30.12%	18,437,190	2.03%	14,169,735	13,888,104
TOTAL ASSETS	7.99%	315,745,025	8.48%	292,386,903	269,528,837

LIABILITIES AND CAPITAL

LIABILITIES:					
OTHER LIABILITIES	6.62%	3,951,896	527.95%	3,706,613	590,272
SAVINGS EQUITY					
SHARES	6.12%	94,824,706	16.74%	89,352,092	76,539,383
MONEY MARKET	1.48%	64,841,773	-1.85%	63,893,131	65,097,541
SHARE DRAFTS	4.76%	57,641,751	15.58%	55,022,493	47,604,627
TIME DEPOSITS	35.01%	39,316,969	-8.97%	29,120,930	31,989,187
IRA ACCOUNTS	8.51%	21,610,917	2.16%	19,915,720	19,493,968
OTHER	-1.00%	4,823,395	18.62%	4,872,002	4,107,186
TOTAL SAVINGS EQUITY	7.97%	283,059,511	7.08%	262,176,368	244,831,892
TOTAL RESERVES	8.41%	28,733,618	9.94%	26,503,922	24,106,673
TOTAL LIABS. AND EQUITY	7.99%	315,745,025	8.48%	292,386,903	269,528,837

Income Statement

INTEREST ON LOANS	20.04%	11,068,708	28.12%	9,220,498	7,196,634
INTEREST ON INVESTMENTS	-16.21%	1,029,116	-6.72%	1,228,238	1,316,757
NON-INTEREST INCOME	4.80%	4,026,183	21.06%	3,841,941	3,173,613
TOTAL INCOME	12.83%	16,124,007	22.28%	14,290,677	11,687,004
LESS DIVIDENDS	51.97%	1,051,488	-0.99%	691,902	698,840
GROSS INCOME	10.84%	15,072,519	23.76%	13,598,775	10,988,164
LESS OPERATING EXP.	15.07%	12,602,822	20.30%	10,952,128	9,103,828
LESS PROVISION FOR LL	23.08%	240,000	-27.78%	195,000	270,000
NET OPERATING INCOME (LOSS)	-9.05%	2,229,697	51.87%	2,451,647	1,614,336
LESS EXTRAORDINARY ITEMS	100.00%	-	100.00%	54,399	-
NET INCOME (LOSS)	-6.99%	2,229,697	48.50%	2,397,248	1,614,336



Audit Committee Report – 2019

In 2019, I assumed the role as Chair of the Audit Committee when the previous Chair, Julie Lunt-Farley, left the Evergreen Board of Directors. Robert Dorr continued to serve on the Committee, and we added Rick Paraschak as well. Credit Union leadership members Jason Lindstrom, Tim Verreault, Michael Dorey and Laura Briggs also continued to serve on the Committee.

The Committee met quarterly during 2019 to review and analyze the Credit Union's:

- *Annual compliance and audit planning process*
- *Third party audit results and timely resolution of audit findings*
- *Audit & Compliance Committee activities*
- *Loan and share accounts*

The Committee continued with the use of a learning component in meetings to review specific Credit Union systems and/or processes. We found this component to be highly valuable as we gained additional insight and understanding of Credit Union operations.

The Committee would like to thank all of the Evergreen staff and management for answering our questions, and especially Laura and Michael for gathering the materials we analyze during our meetings.

Respectfully submitted,
Eric R. King, Chair, Audit Committee

Audit Committee Members:

Evergreen Credit Union Board of Directors:

Eric King, Chair
Robert Dorr, Director
Rick Paraschak, Director

Evergreen Credit Union Senior Leadership:

Jason Lindstrom, President/CEO
Tim Verreault, Executive Vice President
Laura Briggs, VP, Compliance and BSA Officer
Michael Dorey, VP, Audit and Deposit Operations



#evergreeneverywhere

from the western mountains
to the coast of Maine



Evergreen
Credit UnionSM

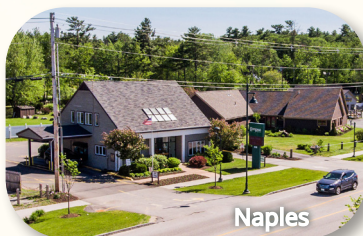
egcu.org

Portland
225 Riverside Street

South Portland
799 Broadway

Windham
785 Roosevelt Trail

Naples
Rt. 302, Causeway



Naples



Windham



Portland



South Portland

Serving Cumberland
& York Counties, Maine