

A *Journey* Toward Excellence

2020 ANNUAL REPORT

Delivering the best value for lifelong relationships one member at a time

Publix Employees Federal Credit Union (PEFCU) wasn't built with brick and mortar. PEFCU was built with people, by people, and for people. We owe our success to the people who share our trust, commitment, and values. Membership is essential to the design of our not-for-profit co-operative, and the members keep the credit union strong.

Our commitment to our members is to give them a sense of ownership. We listen to their feedback and value their ideas. We will help them save money with lower loan rates, earn money with competitive savings and certificate rates, and access their money with improved technology.

We will continue our journey toward excellence.

About Us

Headquartered in Lakeland, Fla., Publix Employees Federal Credit Union (PEFCU) is a member-owned co-operative that was founded in 1957 to meet the financial needs of Publix Super Markets, Inc. associates and their family members. PEFCU, with over \$1 billion in assets, is ranked in the top five percent of credit unions nation-wide. PEFCU maintains a five-star rating by Bauer Financial and boasts an “A+” in financial health. PEFCU remains committed to improving the financial lives of its members and continues to expand its membership throughout the southeastern U.S.



PEFCU was envisioned by Publix Founder George Jenkins, John Turner, and other leaders of Publix Super Markets. Mr. George was known for his generosity, and he often helped Publix associates in times of financial need. More than 60 years ago, someone suggested to Mr. George a means by which all employees could be helped on a broader scale—establishment of a credit union. He and the other leaders believed that Publix’s hardworking associates deserved access to better loans and savings options, and the “people helping people” principle of a credit union fit perfectly with Publix’s philosophy of supporting each other. They applied for a credit union charter, and the plan was put into motion



George W. Jenkins



John A. Turner

Leadership Team

Executive Vice Presidents



Robert Bregler
President/CEO



Karen Boccaleri
EVP, Chief Operating Officer

Senior Vice Presidents



Cheryl Brown
SVP, Chief People and
Organizational Excellence Officer



Robert Goebel
SVP, Chief Lending Officer



Ted Hassenfelt
SVP, Chief Information Officer



Erika Hernden
SVP, Chief Experience Officer



Scott McKim
SVP, Chief Financial Officer



Shannon Patten
SVP, Chief Marketing Officer

Vice Presidents

Kaylan Brugh | VP, Controller

Jim Dougherty | VP, Branch Operations

Joe Mayhew | VP, Lending

Karen Paulk | VP, Digital Transformation

Derrick Perry | VP, Information Technology

Nicholas Phillips | VP, People Development

Susan Toadvine | VP, People and Culture

Kim Williams | VP, Card and Digital Services

President's Message

Given what the world faced this year, I'd like to share an inspiring quote by Gregory S. Williams. "On the other side of the storm is the strength that comes from having navigated through it."



Like many of you, when we planned for 2020, we did not expect to have to make major adjustments to our day-to-day operations, resulting from a global pandemic. We started our journey committed to our values, which include being caring, inclusive, transparent, accountable, and innovative. When unforeseen circumstances arose, those values proved to be anchors for us. They motivated us to stay the course and to continue providing top-notch services to members like you.

Consistent with our caring nature, we reached out to our communities when they faced difficult times—like surprising families with young children with care packages filled with activities during school closures and gifting cash to our employees so they could donate to front line workers, first responders, and charities they know and love. We also continued to enhance our diversity and inclusion programs at PEFCU; both in hiring and in our products and services. We appreciate the feedback you provided to us on satisfaction surveys during the year.

We became more transparent by communicating more often on a variety of channels about branch operations, weather alerts, system downtimes, and other information that you would find most important. Due to the continued presence of COVID-19, we committed more resources to the cleanliness of our facilities, personal protection equipment, and work-from-home technology to maintain the best possible service level to you, all while increasing our assets by over \$225 million!

We became more innovative—we selected and began to develop a number of digital upgrades to provide you with a state-of-the-art digital experience. We also found ways to remain open and safely serve you in person during shelter-in-place orders, while embracing a new work-life integration outlook for our employees.

The challenges of 2020 helped us change for the better. Now the wind is at our back as we navigate through the challenges of 2021. Join with us as we move forward with confidence in our future by coming together each day to strengthen the bonds of understanding and kindness. We look forward to providing you with stellar service in 2021 at whatever phase of your life you're in.

Thank you for your loyalty and trust.

Robert Bregler

Robert Bregler

President/CEO

Board of Directors



Terry Brigman | Chairman



Linda Hall | Vice-Chairman



Kindle Bowden | Secretary



Adrian Bennett | Director



Jeff Chamberlain | Director



Merriann Metz | Director



Jeff Stephens | Director

Chairman's Message

"In the face of adversity, we have a choice. We can be bitter, or we can be better." — Caryn Sullivan



An experienced traveler knows that resilience is essential to their journey. The people who make the journey with them are just as important. In 2020, Publix Employees Federal Credit Union (PEFCU) persevered because they had resilient people on their team, including loyal members, innovative leaders, and committed employees. The portfolio for 2020 clearly shows that PEFCU's sound financial habits prepared them for the challenges of the global pandemic and leaves them on a solid foundation. The Credit Union remained stable and experienced growth, all while making smart adjustments to help protect those they serve and those who serve with them.

As Chairman, I am proud to report that PEFCU remains strong and secure to meet all your financial needs. PEFCU is also becoming more innovative to ensure new products and services are provided on a timely basis to meet your changing needs this year and in the future.

PEFCU continued to grow in 2020.

As evidenced by the charts and financial reports contained in this Annual Report, PEFCU added \$227 million in assets in 2020 and ended the year at \$1.274 billion. Our success is due to your continued loyalty and unwavering support, even during the difficulties our nation faced. For this we are truly grateful.

PEFCU remained financially sound in 2020.

The public accounting firm of Doeren Mayhew, CPAs and Advisors audited PEFCU and rendered a clean opinion on its financial statements. Examiners from NCUA, our regulators, agreed that PEFCU remained financially sound. In addition, Bauer Financial gave PEFCU a rating of "5 stars," their highest rating, once again.

PEFCU remained secure in 2020.

Our top priority is keeping your assets and personal data secure. As confirmed by third-party audits and governing bodies of the NCUA, we continued to enhance our Security Program to protect your assets and personal data. PEFCU has maintained a strong and dedicated effort of protecting member assets and non-public personal information.

PEFCU remained competitive in 2020.

Fees and charges to members remained at a minimum. PEFCU does not charge fees for many products and services that other banks and credit unions charge. When fees are necessary, they are usually lower than those charged by our competitors.

PEFCU remained a single sponsor credit union in 2020. As a single sponsor credit union, membership is primarily limited to current and former employees of Publix Super Markets and their immediate family members. This common bond allows us to focus on the specific needs of the Publix family. PEFCU was founded in 1957 as another exclusive benefit for the Publix family and it remains so today.

PEFCU prioritized innovation in 2020.

In 2020, we continued to use technology to reach our members in new ways. We launched our Making Money Prosper blog and Instagram page, and increased our social media followers by 43%. We made several improvements to our website, which now includes a Careers page and Security tab. We made great strides in restructuring departments, enhancing technology, and improving service to our members. We kicked off a project to provide a new online banking and payment experience that will be released in 2021. During the pandemic, we rose to the occasion by continuing operations while keeping our members and employees safe; including offering work-from-home options, appointments for branch visits, and implementing best safety practices in our buildings.

PEFCU continued to give back to our communities.

Giving back to the communities we serve remained a priority for PEFCU employees. With the current pandemic, we had to be more innovative in how we served. Despite the obstacles, we made great strides in our community. Throughout the year, we partnered with several non-profit agencies to provide support when and where they needed it most. This year, we participated in the #CreditUnionCaresChallenge, which benefited those in our local communities who needed support the most. We raised money for breast cancer awareness and participated in the "More than Pink" virtual walk. To support social justice efforts, we donated to the Equal Justice Initiative. We continued with our donations to Angel Tree and Support Our Troops during the holiday season.

Board of Directors

Kindle Bowden, Adrian Bennett, and I were re-elected to the Board in 2020 for additional three-year terms. PEFCU's Nominating Committee has nominated current Board members Meriann Metz and Jeff Stephens for re-election to the Board in 2021 for additional three-year terms. Both agreed to serve if elected.

In closing, I would like to thank my fellow Board members for their leadership and dedication, the members of the Supervisory and Credit Committees for their commitment, the management and staff of the Credit Union for their hard work, and members like you for your continued loyalty and support.

Respectfully submitted,

Terry Brigman

Terry Brigman | Board Chairman

Supervisory Committee Report

The Supervisory Committee is appointed by the Board of Directors and is responsible for the annual financial audit. To assist the Supervisory Committee, the Credit Union has selected the accounting firm of Doeren Mayhew CPAs and Advisors. The primary focus of the annual audit is to determine the completeness of financial statements and the ownership of assets and liabilities.

The annual audit results indicate the 2020 financial statements accurately represent the results of operations and the financial condition of the Credit Union. Federal examiners representing the National Credit Union Administration (NCUA) also conducted their required annual examination and found the general condition of the Credit Union to be financially sound.

Respectfully submitted,

Meghan Vazquez

Meghan Vazquez
Chair, Supervisory Committee

Committee Members

Lisa Merchant
Cindy White

Credit Committee Report

The Credit Committee is appointed by the Board of Directors and has final decision-making authority on all loan applications. Our lending underwriters have authority to review and decide on loan application requests and will review many scenarios for approving loan requests.

In 2020, our lending teams approved and booked 9,766 loan applications totaling more than \$226 million. This included Mortgage Loans, Automobile Loans, Credit Cards, Unsecured Loans, and Loans secured with Publix Super Markets, Inc. Shares of Stock.

Robert Goebel

Robert Goebel
Chair, Credit Committee

Committee Members

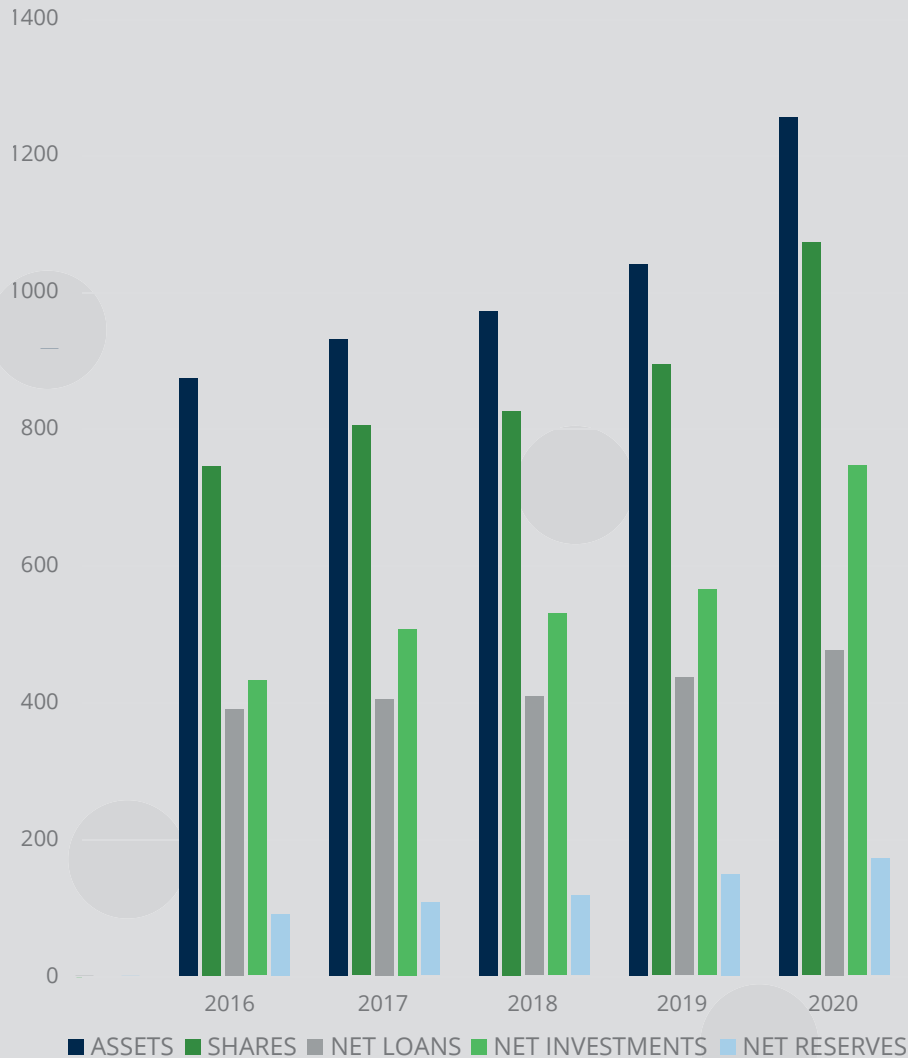
Jayne Couch
Janet Magnatta
Joe Mayhew

Secretary

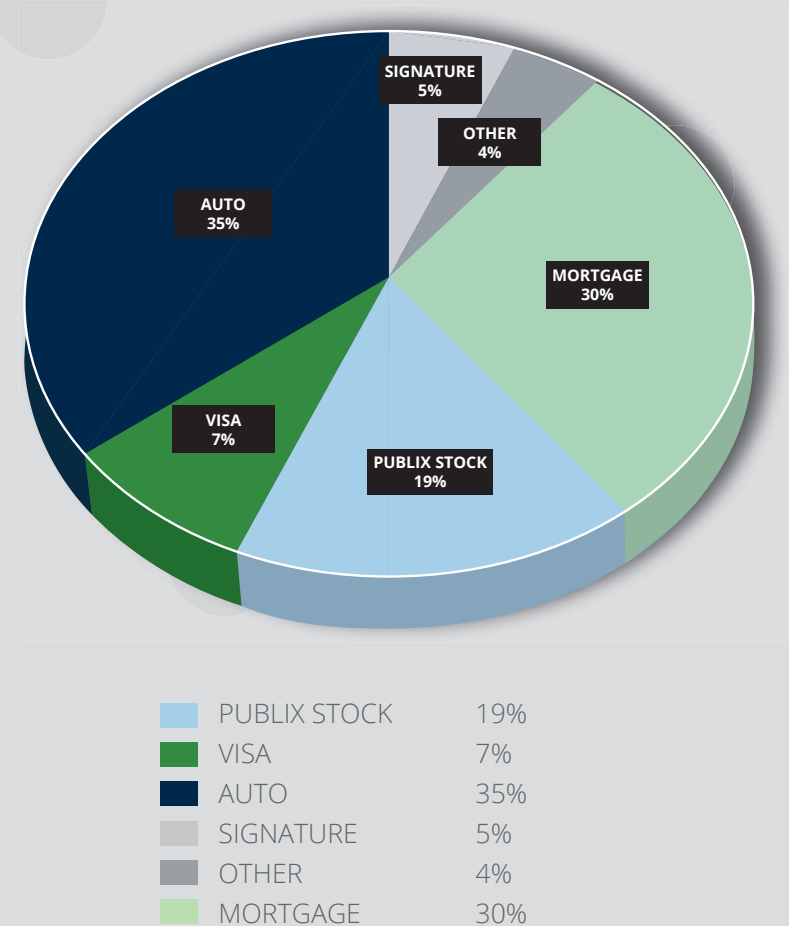
Robyn Monts de Oca

Financial Condition

HISTORICAL GROWTH ANALYSIS (IN MILLIONS)

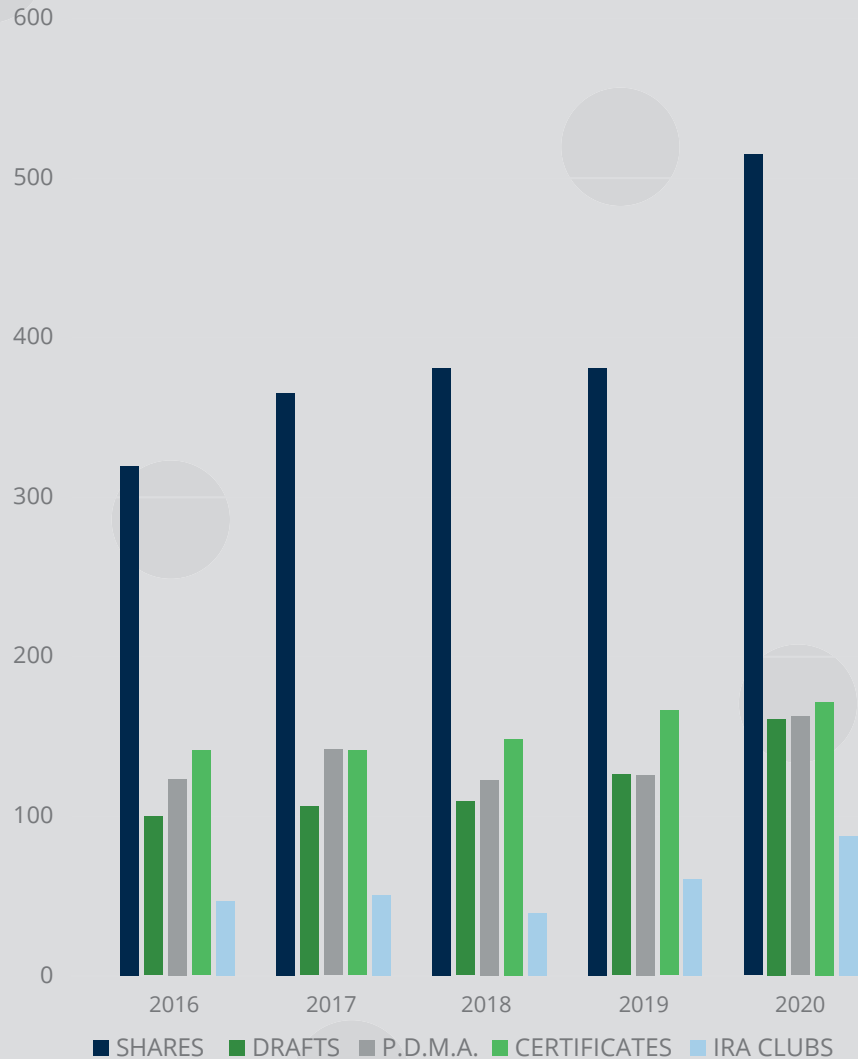


LOAN ACCOUNT ANALYSIS DECEMBER 31, 2020

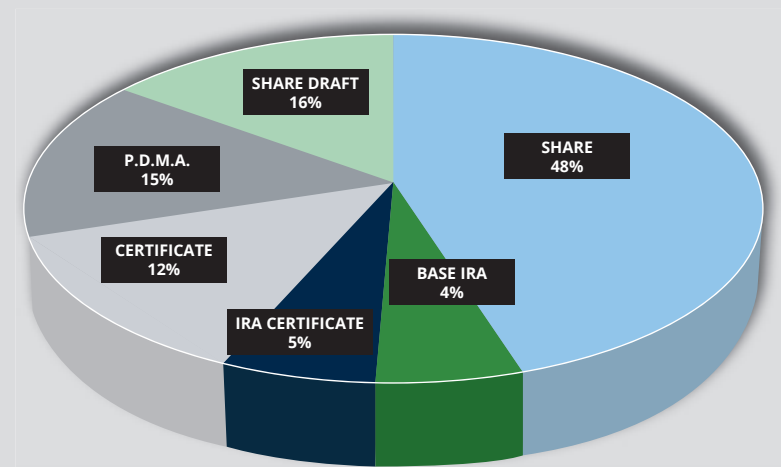


Financial Condition

SHARE ACCOUNT GROWTH (IN MILLIONS)



SHARE ACCOUNT ANALYSIS DECEMBER 31, 2020



Income & Expenses

STATEMENT OF FINANCIAL CONDITION AS OF DECEMBER 31, 2020

	2020	2019	% CHG	INC. (DEC.)
ASSETS:				
LOANS (NET)	\$478,507,912	\$432,542,218		\$45,965,694
CASH	\$10,053,481	\$10,807,732		\$(754,251)
INVESTMENTS (NET)	\$762,305,340	\$570,143,172		\$192,162,168
FIXED ASSETS (NET)	\$6,081,927	\$4,709,837		\$1,372,090
OTHER ASSETS	\$16,373,126	\$28,969,633		\$(12,596,507)
TOTAL ASSETS	\$1,273,321,786	\$1,047,172,592	21.60%	\$226,149,194
LIABILITIES:				
ACCOUNTS PAYABLE	\$2,339,925	\$2,129,812		\$210,113
OTHER LIABILITIES	\$7,843,546	\$6,419,070		\$1,424,476
TOTAL LIABILITIES	\$10,183,470	\$8,548,882	19.12%	\$1,634,588
MEMBER EQUITY:				
MEMBER SHARES	\$1,101,331,707	\$892,699,828		\$208,631,879
CAPITAL	\$161,806,609	\$145,923,882		\$15,882,727
TOTAL MEMBER EQUITY	\$1,263,138,316	\$1,038,623,710	21.62%	\$224,514,606
TOT. LIABILITIES & CAP.	\$1,273,321,786	\$1,047,172,592	21.60%	\$226,149,194

RESULTS OF OPERATIONS AS OF DECEMBER 31, 2020

	2020	2019	% CHG	INC. (DEC.)
TOTAL ALL INCOME				
INTEREST ON LOANS/VISA	\$22,539,986	\$22,254,743		\$285,243
INVESTMENT INCOME	\$9,434,775	\$12,687,308		\$(3,252,533)
OTHER INCOME	\$14,769,855	\$15,206,298		\$(436,443)
GAIN/(LOSS) ON INVESTMENTS	\$2,209,036	\$2,685,025		\$(475,989)
GAIN/ (LOSS) ON ASSETS	\$(349,383)	\$(36,343)		\$(313,040)
GROSS INCOME	\$48,604,269	\$52,797,031	-7.94%	(\$4,192,762)
LOAN LOSS PROVISION	\$841,700	\$1,580,200		\$(738,500)
OPERATING EXPENSES:				
ADMINISTRATIVE	\$19,948,561	\$17,517,991		\$2,430,570
MARKETING & EDUCATION	\$778,257	\$702,938		\$75,319
OFFICE OPERATIONS	\$2,743,917	\$2,576,551		\$167,366
OFFICE OCCUPANCY	\$1,710,576	\$1,289,373		\$421,203
LOAN SERVICING	\$2,682,014	\$2,397,523		\$284,491
PROFESSIONAL SERVICES	\$2,589,830	\$1,658,561		\$931,269
EXAMINATION EXPENSES	\$285,346	\$261,102		\$24,244
DATA PROCESSING	\$5,504,668	\$5,509,644		\$(4,976)
MISCELLANEOUS EXPENSES	\$674,281	\$925,373		\$(251,092)
TOTAL EXPENSES	\$36,917,450	\$32,839,056	12.42%	\$4,078,394
NET OPERATING INCOME:	\$10,845,119	\$18,377,775	-40.99%	(\$7,532,656)

DISTRIBUTION OF NET OPERATING INCOME AS OF DECEMBER 31, 2020

	2020	2019	% CHG	INC. (DEC.)
NET OPERATING INCOME:	\$10,845,119	\$18,377,775	-40.99%	(\$7,532,656)
TO: DIVIDENDS	\$5,372,125	\$6,673,602	-19.50%	(\$1,301,477)
TO: CAPITAL	\$5,472,994	\$11,704,173	-53.24%	(\$6,231,179)
TOTAL DISTRIBUTION:	\$10,845,119	\$18,377,775	-40.99%	(\$7,532,656)

Mapping Our Journey

Vision

We are proactive in providing stellar financial services throughout all phases of our member's life.

Core Competencies

Sponsor Relationship
Employee Experience
Member Experience

Mission

Delivering the best value for lifelong relationships one member at a time.

Pillars

Leadership	Agility
Culture	Execution

Values

Caring:

We enhance the member and employee experience

Inclusive:

We foster an environment where everyone is valued and respected

Transparent:

We create trustworthy relationships with our members and employees

Accountable:

We are committed to and are responsible for a standard of excellence for our members and employees

Innovative:

We consistently challenge the status quo to provide a stellar member and employee experience

PEFCU Culture

PEFCU strives to be an employer of choice by embracing a work-life integration approach to serving members and employees. Our team of Champions believe in people helping people, celebrating diversity, and just having good fun! You can see some of the events that brought our team together during 2020.



Our
VALUES
are our
blueprint
for **SERVING**



PEFCU in the Community

PEFCU enthusiastically supported our community in 2020. We initiated in-branch events, local sponsorships, and other philanthropic commitments to help make our community a better place. Thank you to our partners and volunteers who were involved in these inspirational efforts.



PEFCU 2020 Fact Sheet

102,000+
Members

63
Years of Service

Over **\$1.2 Billion**
in Assets

200,000+ *Members Served via
Our Contact Center*

18th *Largest Credit Union in FL*

More than
63,000 *Active Mobile and
Online Banking Users*

Over **\$226 Million**
in Loans Booked

79 *Net Promoter Score*

43% *Increase in
Social Media Followers*

Over
27,000
*Loan Applications
Reviewed*

6,870
*Hours of
Employee Training*

12%
Net Worth Ratio

Less than
4
*Minute Average
In-Branch Wait Time*

55
*Employee Training
Programs Completed*

Average of
52
*Seconds to Answer
Member Phone Calls*

Branch Hours:

Mon., Tues., Thur., Fri. 8:30 a.m. - 5 p.m.

Wed. 10 a.m. - 5 p.m.

Lakeland Main Branch

3005 New Tampa Hwy. | Lakeland, FL 33815

Mailing:

PO Box 1000 | Lakeland, FL 33802-1000

Toll-Free: (800) 226-6673

24/7 ATM Access

Altamonte Springs Branch

482 East Altamonte Drive | Suite 1010 | Altamonte Springs, FL 32701

Jacksonville Branch

101 Scholars Way | Jacksonville, FL 32216

Norcross Branch

59 South Peachtree Street | Norcross, GA 30071

Pembroke Pines Branch

219 North University Drive | Pembroke Pines, FL 33024

24/7 ATM Access

Royal Palm Beach Branch

11957 Southern Boulevard | Royal Palm Beach, FL 33411

24/7 ATM Access

Sarasota Branch

3564 Clark Road | Sarasota, FL 34231

24/7 ATM Access

CAT (Computer Access by Telephone)

Lakeland (863) 680-1733 | Toll-Free (800) 226-7611



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www.PEFCU.com



**Publix Employees
Federal Credit Union**

Helping YOU Live Your Best Financial Life

