



# 2026

## BUSINESS PLAN

INCLUDES ANALYTICS, STRATEGIES, AND GOALS



# TABLE OF CONTENTS

**01**

LETTER FROM  
THE CEO

**02**

SITUATIONAL  
ANALYSIS

**05**

CCCU  
HEALTH

**06**

2025  
IN REVIEW

**11**

2025  
ACHIEVEMENTS

**12**

2026 STRATEGIC  
INITIATIVES

**14**

2026 MARKETING  
PLAN

**17**

PROJECTIONS  
& GOALS

**18**

2030 GROWTH  
PLAN

**20**

2026 OPERATING  
BUDGET

**23**

FINANCIAL  
ASSUMPTIONS

**26**

CONTACT

# FROM THE CEO

Each year brings new opportunities for our credit union, and 2026 is no exception. The Providence Credit Union merger has already delivered strong results, including positive member and deposit growth, while the Providence team has become an invaluable part of our organization. Their expertise and collaboration were instrumental in the successful system conversion, which was a major milestone this past year.

Integration remained a top priority in 2025, as we focused on aligning people, systems, and processes between PFCU and CCCU. In 2026, integration will again be central to our efforts as we prepare for the KaiPerm merger, with a planned system conversion date of August 1, 2026. Joint teams are currently working on product and system integration, ensuring a smooth transition. Both credit unions share a commitment to right-sizing the business model, enabling us to effectively market our expanded services to 400,000 Kaiser Permanente employees and 5,800 KaiPerm members.

While merger activity has been a major focus, we have continued to advance our digital transformation strategy. In 2025, we made significant investments in employee collaboration tools and workstation equipment, implemented new phone and contact center systems, transitioned to Microsoft 365, and began exploring AI solutions to enhance operational efficiency and member service.

In both September and October, the Federal Reserve decreased rates by 25 basis points, with additional cuts of 0.75% to 1% projected over the next 12 months. This lower-rate environment should stimulate loan demand, though it may temper deposit growth, which is typical during rate decreases. We continue to monitor economic conditions closely, especially unemployment rates among key employers—Providence, Kaiser, adidas, Freightliner, and Columbia Sportswear. Oregon's unemployment rate remains above 5%, higher than the national average, but most other economic indicators for the state remain neutral to positive.

Community development remained a core focus in 2025. Our partnership with the Urban League continues to be one of our primary philanthropic initiatives. Additionally, we have strengthened our relationship with the University of Portland, launching a co-branded debit and credit card for students, alumni, and staff in September 2025, alongside expanded financial education programs for student-athletes.

The successful execution of recent mergers has also positioned us as an attractive partner for other credit unions seeking succession solutions or support in navigating the current economic landscape. We anticipate additional merger opportunities in the near future, and we will continue to evaluate each carefully, pursuing only those that are mutually beneficial and strategically aligned. As consolidation accelerates across our industry, we are well-positioned to leverage our strengths and grow strategically.

Looking ahead, I am genuinely excited about our organization's future. The PFCU and KaiPerm mergers have expanded our reach, enhanced our product offerings, and deepened our connections with Providence and Kaiser Permanente employees. These developments will serve as key building blocks for our continued growth and long-term success.

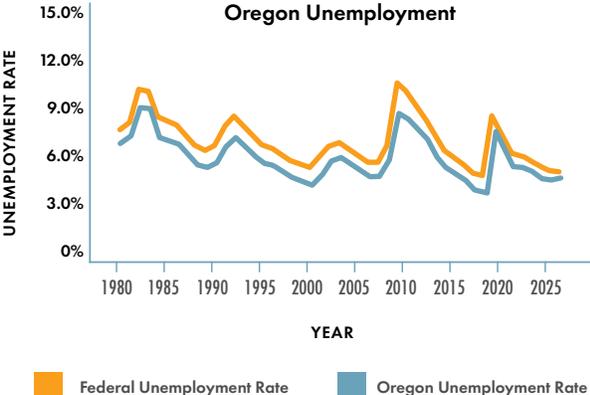


- Larry Ellifritz, CEO

# SITUATIONAL ANALYSIS

## OREGON'S ECONOMY IN 2025

In 2025, Oregon's economy stayed fairly strong, but signs of strain started to show in some key industries. The state's unemployment rate rose to 5.0% in August, which is the highest it has been since the recovery after COVID. This increase followed national trends and was driven by job losses in manufacturing, construction, and retail, which together lost more than 25,000 jobs.



Even with those challenges, Oregon's job market stayed active. Sectors like healthcare, social assistance, and hospitality added nearly 12,000 jobs, helping to balance out the losses. Real estate and professional services also kept growing steadily, continuing to serve as reliable sources of employment.

The state's labor force participation rate stayed 1.6% above pre-pandemic levels, showing that many people were still engaged in the workforce. By the end of 2025, Oregon is expected to add around 19,000 jobs, keeping total employment just over 2 million.

Oregon's economy is projected to reach a Gross State Product (GSP) of \$275 billion in 2025, with a modest growth rate of 2.3% expected over the next five years slightly below earlier forecasts. Looking ahead to 2026, unemployment is expected to stay somewhat high, with benefit claims likely rising and the jobless rate hovering between 5.0% and 5.2%.

Population growth remained slow, with only a 0.1% annual increase projected through 2030. While this limited growth could reduce long-term consumer demand, it also helped ease housing pressures in cities.

After two years of high interest rates, the Federal Reserve began lowering rates in September 2025, cutting the benchmark rate by 0.50% as of the end of October. Analysts expected further cuts of .75% to 1% over the following year, which could encourage more borrowing and boost the housing market. As one economist put it, "Lower rates will be a tailwind for Oregon's housing market and credit unions, especially after a long stretch of weak loan demand."

Refinancing activity picked up in 2025, especially among homeowners who had locked in higher rates in 2023 and 2024. This trend is expected to continue into 2026, helping to increase loan volume and member engagement.

Credit unions in Oregon continued to see low loan delinquency rates, well below the national average. Strong lending practices and proactive collections helped, and even with some job losses, most members were still able to keep up with payments. The link between steady employment and good credit performance remained clear.

In the housing market, prices in the Portland metro and Columbia Gorge areas dipped slightly year-over-year. Sellers were more often offering concessions and rate buydowns to attract buyers. For instance, Portland's average home price dropped 0.6% from August to September, though it was still 2.1% higher than the year before. SW Washington and Mid-Columbia saw similar monthly declines but posted annual gains of 4.7% and 3.6%, respectively.

Looking ahead to 2026, Oregon's economic outlook is cautiously optimistic. Federal policy changes like tax updates and infrastructure spending could help drive growth. Still, Oregon's ranking for individual fiscal freedom has dropped to 44th in the country, raising concerns about how regulations might affect the state's business climate.

# SITUATIONAL ANALYSIS

## COMPETITION

The competitive landscape for credit unions in 2025 remains dynamic and increasingly complex. While national banks continue to dominate the financial services market, holding over 90% of bankable assets, Oregon's community credit unions are steadily gaining ground. However, the battle for market share is intensifying as new players and regulatory changes reshape the environment.

### *Fintech Disruption*

Fintech companies remain among the most agile and disruptive forces in the market. Their ability to specialize in key banking functions such as payments, lending, and financial planning without the burden of full-scale regulatory compliance gives them a strategic advantage. In 2025, fintechs evolved from mere competitors to valuable collaborators. Many credit unions are now partnering with fintech firms to enhance digital banking capabilities, automate savings, and deliver personalized member experiences through AI-driven tools.

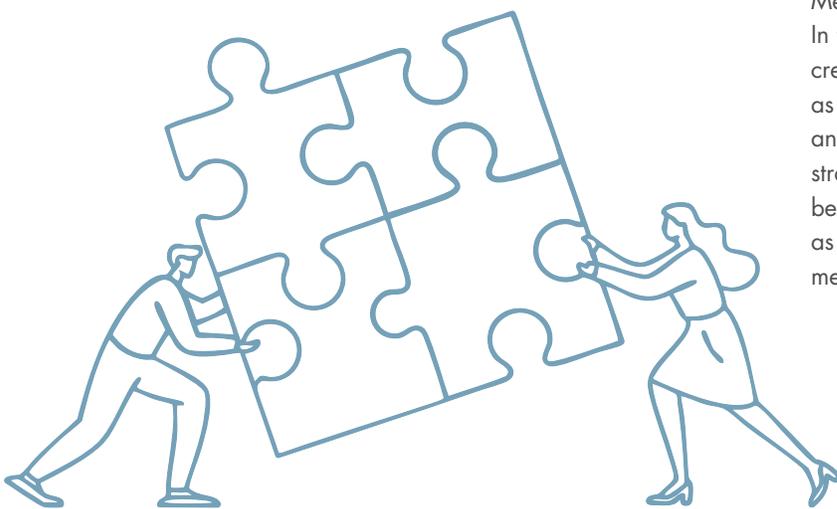
Despite these partnerships, the competitive threat persists. Fintechs offer seamless, mobile-first platforms that resonate strongly with younger and tech-savvy consumers. To remain relevant, credit unions must continue investing in digital transformation and member-centric innovation.

## *Bank Acquisitions and Mergers*

The trend of credit unions acquiring community banks continues, though growth is measured. By November 2025, 20 credit union-bank deals had been announced, up from 11 in 2024. These acquisitions offer credit unions access to commercial lending, expanded geographic reach, and greater operational scale. However, the regulatory environment is becoming more challenging. Heightened scrutiny and political pressure have slowed deal approvals, creating early-year delays. According to the ABA Banking Journal, only one such merger was announced in the first quarter of 2025 as policymakers and industry advocates raised concerns over tax-exempt credit unions acquiring tax-paying banks. Despite these headwinds, activity accelerated later in the year, driving the overall increase in announced deals.

A notable development impacting future acquisitions is Washington State's HB 1506. Effective October 1, 2025, this legislation removes the business and occupation tax exemption for state-chartered credit unions that merge with or acquire a commercial bank. These institutions will now be subject to a 1.2% tax on gross income, creating a significant financial disincentive. This law may set a precedent for other states and could slow the pace of credit union-bank mergers across the Pacific Northwest.

Mergers among credit unions themselves are on the rise. In the first half of 2025 alone, the NCUA approved 80 credit union mergers, with most citing expanded services as the primary motivation. As operational costs climb and competition intensifies, consolidation is becoming a strategic imperative. The coming decade is expected to be marked by continued mergers and acquisitions, as institutions pursue scale, efficiency, and broader member reach.



# SITUATIONAL ANALYSIS

## Economic Forecasts

The Federal Reserve is expected to cut interest rates more aggressively in 2026 to address slowing economic growth and inflation, although tariff-related inflation could delay this easing. Despite these concerns, long-term expectations still point toward lower rates. Investor sentiment reflects growing uncertainty and global risk aversion, leading to expectations of lower yields. Crude oil prices are declining due to these economic headwinds, including weaker corporate earnings projections driven by slowing GDP and reduced consumer demand.



	GDP Growth	Inflation	Interest Rates	Unemployment	Crude Oil	Corporate Earnings
Fed 2025	2.3%	3.0%	10 - year treasury rate 3.63 - 4.14%	4.5%	\$61	9.3%
Fed 2026	2.1%	2.6%	3.0 - 3.4%	4.4%	\$55 - \$60	7%

## Consumer Confidence Snapshot

Consumer confidence remains subdued, with the index dipping from 55.4 in Q3 2025 to 53 in Q4, reflecting economic uncertainty and cautious sentiment. A gradual recovery is projected through mid-2026, reaching 55 as inflation eases and interest rates decline. However, levels remain well below the historical average of 98, signaling continued consumer caution. This trend may influence member spending, borrowing, and saving behaviors, all of which are key areas for strategic focus in the coming year.



# CCCU HEALTH

## ASSETS + LIABILITIES

	Q3 2024	Q3 2025
Assets	\$502.4mm	\$687.7mm
Loans	\$381.4mm	\$468.0mm
Deposits	\$403.5mm	\$572.9mm
Equity Capital	\$68.6mm	\$82.3mm
Loan Loss Allowance	\$1.37mm	\$1.46mm
Unbacked Noncurrent Loans	\$345k	\$428k
Real Estate Owned	0	0

**OVERALL**

**NCUA#:** 9292  
**Year Chartered:** 1954  
**Employees:** 93

**PROFIT MARGIN (Q3 2025)**

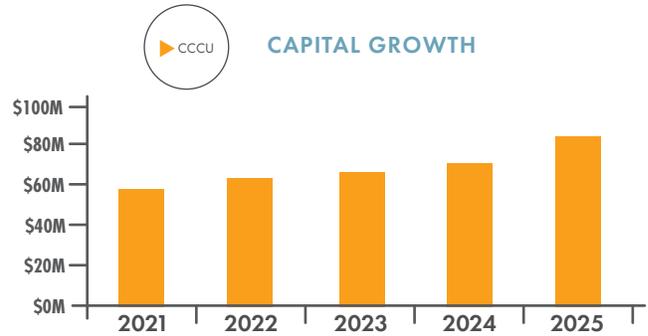
**Return on assets YTD:** 0.92%  
**Return on Equity YTD:** 7.89%  
**Annual Interest Income:** \$35mm



# 2025 IN REVIEW

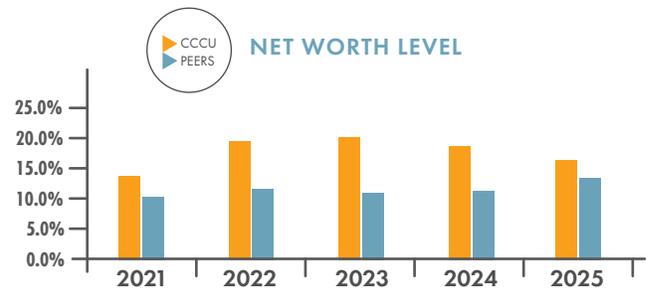
## INTEREST RATES

One-year treasury decreased from 4.17% in January to 3.67% in September 2025. Interest rates are forecasted to continue to decrease into 2026. Fixed rate mortgages decreased to 6.125%, while home equity rates decreased to 7%. If loan rates continue to decrease, loan demand should increase. Our cost of funds has also increased this year from 1.69% to 1.87%. As interest rates decrease, we expect cost of funds to decrease during 2026.



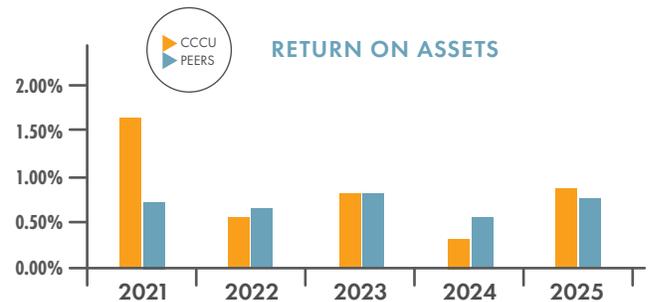
## CAPITAL

The Net Worth ratio decreased from 18% to 16% due to the merger activity in 2025. As an industry, net worth moved from 11% to 13% year over year. Our high Net Worth ratio gives us a sizable cushion if the economy slides into a recession, or if we have growth opportunities.



## RETURN ON ASSETS (ROA)

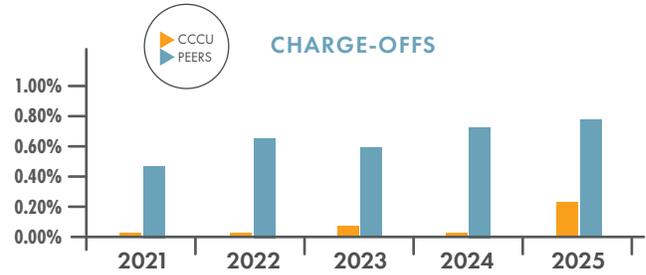
Most of the credit unions in our peer group will post returns of 69 basis points this year, but we'll be over 90 basis points. This return is largely due to the increases in interest income and a charge-off ratio well below peer.



# 2025 IN REVIEW

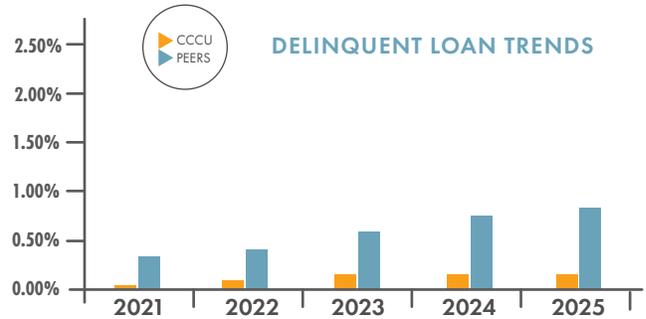
## LOAN LOSSES

As expected, loan losses will be higher than last year; as of Q3 our total loan charge-offs were \$674,720. We are projecting our gross loan losses to be around \$1 million for 2025. Our credit union peer group has an average loss ratio of 79 basis points. This loss ratio would equate to over 3.4 million in loan losses for an organization our size.



## LOAN DELINQUENCY

Our loan delinquency at the end of Q3 was .17%, which equates to less than \$815,000 in past due loans for a \$474 million loan portfolio. Typically, a credit union of our size would have loan delinquency of 91 basis points or over \$4.3 million in delinquent loans.



## DEPOSIT GROWTH

In 2025, the credit union industry averaged 4% deposit growth. CCCU is projected to close the year at 6%, outperforming peers by 50%. With the inclusion of the PFCU merger, total deposit growth is anticipated to reach approximately 40%.



## LOAN GROWTH

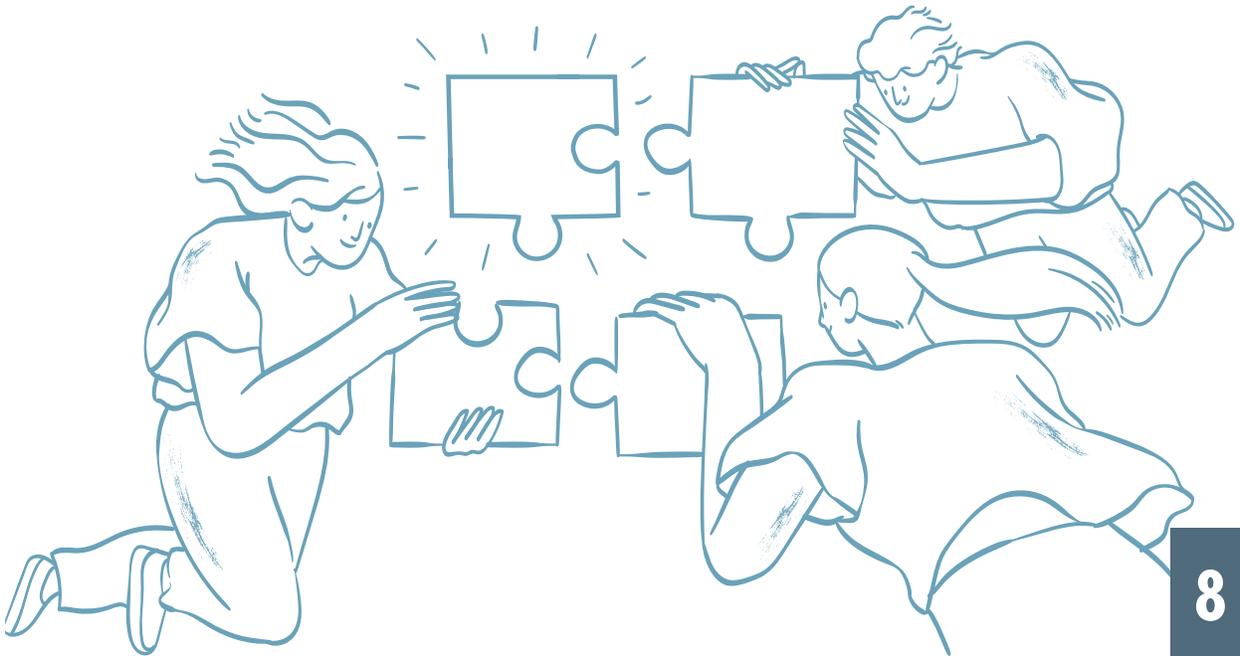
Outside of loans gained through mergers, loan growth has been flat since 2022; however, mortgage, home equity, and commercial real estate lending have been the bright spots. By the end of the third quarter this year, we were up 3.5% in home equity loans and nearly 10.5% in mortgage loans.



# 2025 LOAN AND DEPOSIT GROWTH

FINANCIAL GOALS		
LOAN GROWTH	ORIGINAL GOAL	REVISED YEAR-END FORECAST
CONSUMER	(\$12.50mm)	(\$22.50mm)
HOME EQUITY	\$14.00mm	\$7.00mm
REAL ESTATE	\$2.50mm	\$10.00mm
MEMBER BUSINESS LOANS	\$2.50mm	\$0.50mm
<b>TOTAL</b>	<b>\$6.50mm*</b>	<b>(\$5.00mm)*</b>
DEPOSIT GROWTH		
SAVINGS	(\$-10.50mm)	(\$-12.50mm)
CHECKING	\$6.50mm	\$10.50mm
MONEY MARKET	\$12.50mm	\$50.50mm
CERTIFICATES	\$7.00mm	\$-25.00mm
<b>TOTAL</b>	<b>\$15.50mm</b>	<b>\$23.50mm</b>

\*Excluding loan participations.



# ASSET LIABILITY MANAGEMENT

## WHAT IS ASSET LIABILITY MANAGEMENT (ALM)?

Asset liability management (ALM) is the active management of our balance sheet to ensure adequate capital, stable earnings, and appropriate risk-taking; in order to maintain the safety and soundness of the credit union.

### ALM GOALS

- Utilize Brean Financial’s ALM modeling to monitor the change in income and risk as interest rates change.
- Monitor the liquidity of the credit union.
- Manage the interest rate risk so that the credit union can thrive regardless of interest rate movements.

### HOW WE ACHIEVE OUR GOALS:

- Manage Net Economic Value (NEV) so it doesn’t exceed a 30% decline in any scenario, from up 3% to down 3% in interest rates.
- Maintain Net Interest Income (NII) so it doesn’t exceed a 30% decline in any scenario, from up 3% to down 3% in interest rates.

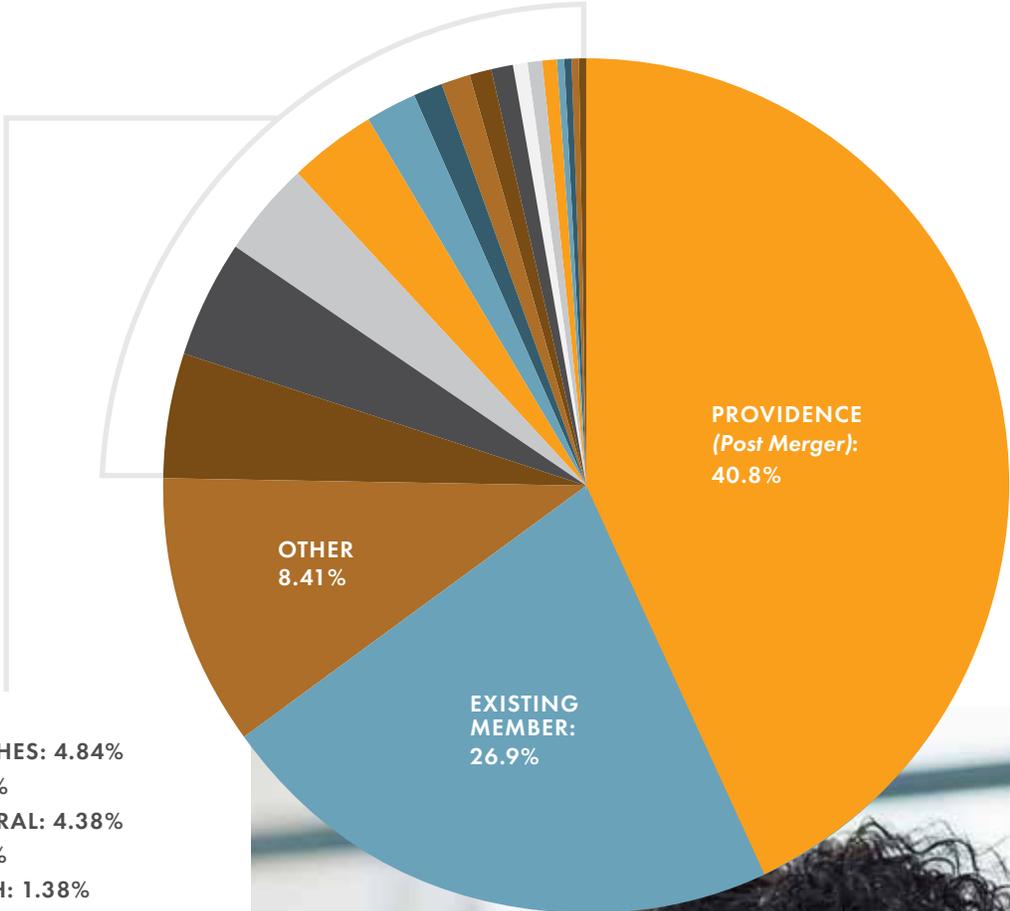
## NCUA INTEREST RATE RISK GUIDELINES

The following chart reflects NCUA’s interpretation of NII and NEV risk level based on a plus 300 basis point environment.

BASIS OF MEASUREMENT	LOW RISK	MODERATE RISK	HIGH RISK
<b>NII (NET INTEREST INCOME)</b> <i>Earnings Simulation</i> (After shock change over any 12 mo. period)	<-20% Currently 8.00%	-20-30%	>30%
<b>NEV (NET ECONOMIC VALUE)</b> (After shock change in market value net worth)	<-25% Currently -3.10%	-25-50%	>50%

# NEW ACCOUNTS

Where did they come from?



- SIGNS/BRANCHES: 4.84%
- GOOGLE: 4.67%
- MEMBER REFERRAL: 4.38%
- DAIMLER: 1.49%
- LEGACY HEALTH: 1.38%
- HOME IMPROVEMENT: 0.46%
- ADIDAS: 0.09%
- BILLBOARD: 0.08%
- CUDL/DEALERTRACK: 0.08%
- EMPLOYEE REFERRAL: 0.08%
- REALTOR REFERRAL: 0.07%
- TV: 0.04%
- WEBSITE: 0.04%
- COMMUNITY EVENT: 0.02%
- CCCU EMPLOYEE: 0.02%
- E-MAIL: 0.01%
- CONWAY/XPO LOGISTICS: 0.01%
- RADIO: 0.01%
- ON-SITE VISIT: 0.01%
- APARTMENT BUILDING: 0.01%



# 2025 ACHIEVEMENTS

*2025 was a year of meaningful progress and transformation across our organization. We expanded our reach through strategic mergers, deepened our community impact through service and partnerships, and strengthened our internal capacity for project execution. By investing in collaborative technologies and building specialized teams, we laid the groundwork for scalable, efficient growth. These achievements reflect our commitment to serving members with excellence while remaining agile and mission-driven in a rapidly evolving environment.*

## MERGERS AND STRATEGIC GROWTH

In 2025, we advanced our strategic growth through two mergers. The successful mid-year system conversion with PFCU marked a key milestone, integrating our platforms to cohesively serve our combined membership. This merger brought 16,000 new members and expanded services and delivery channels for both organizations. Later in the year, we began merger efforts with KaiPerm, with legal day-one happening on January 1, 2026. Together, these mergers will increase our assets to over \$800 million and increase our membership base to over 40,000. Just as importantly, we welcomed new talent, broadened our service capabilities, and enhanced the overall member experience.

## COMMUNITY ENGAGEMENT ACHIEVEMENTS

This year, we deepened our commitment to community engagement through a wide range of impactful initiatives. We proudly supported several Providence Hospital initiatives as we continue to invest in this new relationship born out of our recent merger. We continue to give to the Providence Foundation with our lifetime giving, reaching over \$700k this year.

In addition, we supported Caregiver and Diagnostic Imaging Week. Our partnership with the University of Portland (UP) enabled us to deliver financial education classes to student athletes, equipping them with essential life skills as well as rolling out our new UP branded debit and credit cards. Through the Financial Empowerment Collaborative (FEC) with the Urban League of Portland (ULPDX) and the GoWest Credit Union Foundation, we advanced the financial well-being of Black Oregonians by hosting workshops on homeownership, credit building, and investing. Furthering our mission to build stronger, more equitable communities, we continued partnerships with Hacienda CDC and Proud Ground two nonprofits focused on expanding affordable homeownership opportunities for BIPOC residents.

## PROJECT IMPLEMENTATION

To strengthen our capacity for successful project execution, we established a dedicated Organizational Development and Implementation team this year. This team plays a pivotal role in increasing the volume and quality of projects completed annually by partnering with departments to develop strategic road map items, research potential solutions,

and guide implementation efforts. Their work includes comprehensive support in training, change management, and internal communications to ensure smooth adoption and long-term success. As our credit union continues to grow, we remain committed to evolving our organizational structure to include specialized expertise that aligns with our strategic goals while maintaining a lean and efficient operational model.

## COLLABORATION TOOLS

In 2025, we made significant strides in enhancing internal and external collaboration by implementing RingCentral and Microsoft 365 across the organization. RingCentral has streamlined our communication infrastructure, offering better service to our members using the contact center and the employees serving them. Microsoft 365 has empowered staff with a robust suite of productivity tools fostering real-time collaboration, secure document sharing, and improved workflow efficiency. These tools not only support remote and hybrid work environments but also strengthen cross-departmental coordination and member service delivery. As we continue to grow, these platforms will be instrumental in maintaining connectivity, transparency, and operational excellence.

# 2026 STRATEGIC INITIATIVES

*In 2026, our credit union will advance strategic initiatives designed to position us for long-term success and industry leadership. We will accelerate our Digital Transformation, leveraging artificial intelligence, expanding digital payment capabilities, and optimizing member and employee experiences through smarter tools and platforms. Second, we will pursue Strategic Growth opportunities through well-aligned mergers and partnerships, expanding our credit union mortgage partnerships and increasing our retail footprint through digital service delivery channels. Finally, we are focused on Organizational Agility by aligning our structure, employee & leadership development, and operational practices to support growth beyond \$1B in assets. Together, these initiatives will strengthen our foundation, enhance member value, and ensure we remain future-ready.*

## DIGITAL TRANSFORMATION

### Artificial Intelligence

We are focused on accelerating digital transformation by integrating artificial intelligence (AI) to enhance operational efficiency and empower staff. Key initiatives include building an AI-powered internal knowledge base to streamline access to procedures and policies, improving and automating underwriting and lending decision-making utilizing insights provided by AI, and increasing employee utilization of AI for tasks such as drafting communications, documenting meeting minutes, and developing policies. We will also harness data-driven insights to support strategic decision-making, supported by the automation of reporting through our newly implemented data warehouse. To ensure success, we will invest in comprehensive staff training to build confidence and competence in using AI tools effectively across the organization.

### Digital Member Services

In 2026, we will continue to prioritize innovation in digital member services to enhance convenience, security, and accessibility. Key initiatives

include expanding our digital payments capabilities through digital card issuance and evaluating integration with FedNow to enable real-time payment options. We will also conduct strategic research into Stablecoin technologies to assess their potential role in future member offerings and financial ecosystems. Additionally, we plan to streamline the digital account opening experience by implementing advanced software solutions that simplify member account onboarding and improve operational efficiency as well as digital card issuance capabilities.

## STRATEGIC GROWTH AND INDUSTRY PARTNERSHIPS

### Credit Union Mortgage Partnerships

A key differentiator in our operations is the strength and scale of our mortgage department, which currently processes mortgages for nearly 40 small credit unions in 9 states. This specialized capability has become a competitive advantage, allowing us to offer high-quality, cost-effective mortgage

solutions to institutions that may lack the resources to maintain their own mortgage departments. In 2026, we will continue to build on this success by actively pursuing partnerships with larger credit unions that are facing increasing challenges in sustaining in-house mortgage operations. We will also be expanding our realtor network.

### Future Mergers

Inorganic growth through mergers remains a strategic priority as we successfully wrap up two integrations over the past two years. As we explore future opportunities, we will be highly intentional in evaluating cultural alignment and market expansion to ensure that each partnership strengthens our ability to serve members. Our goal is to build a greater, more unified organization that delivers long-term value and operational excellence. To support this, we will leverage our newly formed Organizational Development and Implementation team to streamline the merger process, ensuring a smooth transition for both members and employees while preserving the integrity of service and experience.

*(continued)*

# 2026 STRATEGIC INITIATIVES

## Service Delivery Channels

As part of our commitment to organic growth, we will continue to develop our service delivery channels to meet members where they are and how they prefer to be served. This includes exploring the implementation and potential transition to an Interactive Teller Machine (ITM) models where relevant, particularly within our Providence Hospital locations, to enhance accessibility and efficiency. We remain dedicated to investing in our brick-and-mortar presence in communities like Hood River and NE Portland, ensuring these locations reflect the needs and expectations of local members. Additionally, we will focus on understanding and engaging our newest KaiPerm members to tailor service experiences that foster long-term relationships and satisfaction.

## ORGANIZATIONAL AGILITY

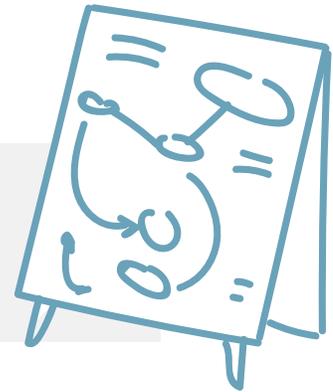
A priority will be the continued development of our centralized project governance capabilities, enabling more consistent execution and alignment across initiatives. This year, we will lay the foundation for a comprehensive employee development framework that aligns with our long-term vision for talent growth and organizational strength. This initiative will focus on designing the structural components necessary for future implementation, including personalized development planning and leadership and learning pathways. We will also begin identifying participants for early

engagement and pilot programs to validate our approach. By establishing these core elements, we are advancing a critical strategy to enhance retention, build leadership capacity, and foster a culture of continuous learning that supports key objectives.



# 2026 MARKETING PLAN

*The marketing team will spearhead initiatives to digitally drive lead generation, increase member adoption of products, and enhance the visibility and impact of the CCCU and PCU brands.*



## STRATEGIES

- Develop acquisition and retention campaigns that fuel membership growth.
- Grow product and brand awareness to deepen relationships with Legacy Hospital Employees, Providence Hospital Employees, PCU Members, Kaiser Permanente Employees and KaiPerm Members.
- Expand Credit Union Mortgage Program.
- Create custom audiences from online banking data that allow us to further customize marketing campaigns and increase wallet share among members.

## TACTICS

- TV – local and national channels
- Radio – music, talk, local (Hood River)
- STV – streaming TV
- Lead generation through inbound campaigns (Hubspot)
- Paid and organic social media
- Pay-per-click advertising
- Hood River billboard
- University of Portland partnership/sponsorship
- Target campaigns for Providence Hospital employees and Kaiser Permanente employees
- Attend credit union conferences
- Online banking data solution

## DIGITAL MARKETING AND TECHNOLOGIES

Similarly to the merger with PCU, the merger with KaiPerm creates greater opportunities to leverage Hubspot and the data we receive from the websites and sales enablement tool. We will continue to refine our efforts in developing customized email campaigns, website content and automation based on website activity, enhancing the financial journey for both current and prospective members.

Pairing these efforts with the insights from our online banking data solution will further enhance the quality and effectiveness of our efforts. With this solution, we can create custom audiences and leverage them to recommend targeted account upgrades, suggest products aligned with life milestones, and deliver personalized offers unique to each group.

# 2026 MARKETING PLAN

## INCREASING PRODUCTS AND BRANCH GROWTH

### Increasing Products:

Sponsoring events and educational seminars at CCCU's partner companies; Daimler, adidas, Legacy Health, Columbia Sportswear and University of Portland, proves to be a key mover in product growth and brand awareness. In 2026, we will expand these seminars beyond our legacy companies and will host events for Providence and Kaiser Permanente employees further deepening our relationships with these organizations.

### Hood River Branch/Market:

We will continue introducing CCCU Cascade to our Hood River neighbors by supporting local nonprofits, businesses, and schools through sponsorships, events, and financial education. We are also partnering with local media for radio, tv, and billboard advertising to increase exposure in the area.

Since merging with PCU, we have a great opportunity to deepen our community roots and better serve the employees of Providence Hood River Memorial Hospital. This partnership enables us to deliver greater convenience and a more comprehensive range of products to both members and hospital employees than ever before.

### Serving Merger Members and their Employer Groups:

Increasing brand recognition among the over 400,000 employees of Kaiser Permanente and Providence Medical will take precedent in 2026. Mergers with each of the credit unions for these organizations carves out a distinct niche by further expanding our reach into the healthcare sector; an audience with specialized financial needs. The partnership with PCU brings valuable ITM technology that will enhance our ability to connect with employees at facilities beyond Portland and Hood River. Additionally, we'll create target email campaigns to promote the new range of products and services now available to them as a direct result of the mergers. These campaigns will be closely aligned with the campaigns we're running across all other media channels such as TV/Streaming, radio, pay-per-click, web and online banking.



# MARKETING BUDGET

## 2026 BUSINESS PLAN

- TV: \$90,000
  - Radio: \$10,000
  - Streaming TV: \$40,000
  - Social & Paid Search: \$30,000
  - SEO: \$78,000
  - Philanthropy: \$20,000
  - Website: \$47,000
  - Events: \$20,000
  - Branded Swag: \$20,000
  - University of Portland: \$50,000
  - Mortgage Program Business Development: \$50,000
  - Mortgage Program Marketing: \$50,000
- TOTAL: \$505,000**

## HOOD RIVER

- Business Development: \$10,000
  - TV: \$30,000
  - Radio: \$10,000
  - Billboards: \$15,000
  - Community Involvement: \$5,000
  - Sponsorships: \$5,000
  - Events: \$20,000
- TOTAL: \$95,000**

## PROVIDENCE

- Business Development: \$25,000
  - Miscellaneous: \$10,000
  - Philanthropy: \$65,000
- TOTAL: \$100,000**

---

**OVERALL TOTAL: \$700,000**

---

# PROJECTIONS & GOALS

2026 PROJECTIONS		
FINANCIAL	2025	2026
Capital/Asset Ratio	12.05%	11.74%
Return on Assets	0.90%	0.74%
Capital Growth	\$6.16mm	\$6.08mm
Loan/Deposit Ratio	81.54%	73.74%
Operating Expense/Average Assets	3.14%	2.96%
Loan/Delinquent Ratio	0.17%	0.20%
Charged-off loan ratio	0.17%	0.20%
Charged-off loans (Gross)	\$1.00mm	\$1.25mm
Recoveries - Charged-off Loans	\$180,000	\$200,000
<b>Real Estate Loan Fee Income</b>	\$2.5mm	\$2.75mm

2026 FINANCIAL GOALS		
LOANS	DEPOSITS	GROWTH
Auto/Consumer: (-18.5mm)	Savings: (-\$13.5mm)	MEMBERSHIP:
Home Equity: \$11.0mm	Checking: \$10.75mm	3% Growth
Real Estate: \$6mm	Money Market: \$26mm	CHECKING ACCOUNTS:
Commercial MBL: \$2.5mm	Certificates: (\$2.25mm)	5% Growth
<b>Total: \$1mm</b>	<b>Total: \$21mm</b>	

5-YEAR CREDIT UNION GOALS (2030)			
<b>Assets</b> \$1.3 Billion	<b>ROA</b> 1%	<b>Capital</b> >11%	<b>Members</b> 50k

# 2030 GROWTH PLAN

**Assets**  
\$1.3 Billion

**ROA**  
1%

**Capital**  
11%

**Membership Growth**  
50,000

## CORE OBJETIVES

### Real Estate Lending/Credit Union Partners:

We have significantly expanded our mortgage servicing capabilities, now supporting credit unions with asset sizes over \$1 billion. Our strong partnerships span to over six western states, where we provide reliable and efficient mortgage processing solutions tailored to each organization's needs. Through the development of relevant and competitive real estate products and services, we've positioned ourselves as a trusted resource in the credit union space. As our internal departments continue to grow, we are able to offer our credit union partners an increasingly diverse and scalable suite of financial products and services reinforcing our role as a strategic ally in their long-term success.

### Tactics:

- Outside sales team
- Expanding realtor networks
- More CU partners/leverage GoWest Association
- Evolve HELOC products
- Develop Commercial Real Estate Department
- Commitment to fast, friendly and knowledgeable service

### Organizational management:

We've structured the organization to support long-term growth by identifying capability gaps and aligning talent accordingly. Our focus includes strengthening project governance and expanding employee development through personalized plans, leadership training, and goal-driven performance reviews.

### Tactics:

- Succession planning
- Develop departments
- Process improvement
- Employee and leadership training and development

### Brand Value & Pricing:

We offer our members high-value products and services which have created a loyal and stable membership base in alignment with our strong brand recognition with employees, members, credit union partners and the communities we serve.

### Tactics:

- Evolve to leverage brand and price
- Invest in CCCU brand for external growth and employee alignment
- Love Where you Work Employee Recognition Program
- Commitment to \$5 - \$7 million over 10 years

# 2030 GROWTH PLAN

## Digital Transformation Strategy:

We've created a member-centric environment that balances digital convenience with operational excellence. By equipping employees with efficient tools and streamlined processes, we empower them to deliver exceptional service and consistently uphold our brand promise.

## Tactics:

- Mindset shift in leveraging technologies and associated risks
- Fast follower with internal resources and capital
- Learn from the early adopters
- Meeting members and employee expectations

## Growth

Our growth to a \$1 billion asset size has been driven by a balanced approach combining strategic mergers and disciplined organic expansion. This progress reflects our commitment to continuous process improvement, data-informed decision-making, and a strong adherence to our defined risk framework.

## Tactics:

- Increase core relationships with members
- Mergers
- Facilities (branch strategy/admin office)
- ECIP - secondary capital



# 2026 OPERATING BUDGET

## INCOME

	03/2026	06/2026	09/2026	12/2026	2026 YTD
Income From Loans	\$7,560,282	\$7,540,346	\$7,605,010	\$7,541,477	\$30,247,114
Investment Income	\$2,310,933	\$2,389,367	\$2,365,054	\$2,338,488	\$9,403,841
Fees/Charges	\$779,786	\$1,134,551	\$1,134,504	\$739,495	\$3,788,336
Miscellaneous Income	\$442,658	\$460,442	\$477,129	\$494,290	\$1,874,519
<b>TOTAL INCOME</b>	<b>\$11,093,659</b>	<b>\$11,524,706</b>	<b>\$11,581,696</b>	<b>\$11,113,750</b>	<b>\$45,313,810</b>

## EXPENSE

Employee Salaries	\$2,937,700	\$2,966,338	\$3,047,407	\$3,002,180	\$11,953,625
Employee Benefits	\$754,103	\$763,996	\$774,045	\$777,310	\$3,069,454
Travel/Conference	\$28,240	\$28,240	\$28,240	\$28,240	\$112,962
Association Dues	\$22,625	\$22,625	\$22,625	\$22,625	\$90,501
Office Occupancy	\$257,323	\$257,033	\$256,993	\$257,103	\$1,028,452
Postage & Telephone	\$159,131	\$158,631	\$158,631	\$158,631	\$635,022
Equip Maintenance	\$593,463	\$570,963	\$570,963	\$570,963	\$2,306,351
Stationery Supplies	\$14,586	\$14,586	\$14,586	\$14,586	\$58,345
Insurance Expense	\$50,133	\$50,833	\$50,833	\$50,133	\$201,932
Depreciation Expense	\$77,187	\$76,127	\$75,557	\$75,125	\$303,996
Personal Property Taxes	\$9,000	\$9,000	\$9,000	\$9,000	\$36,000
Bank/Share Draft Expense	\$95,909	\$95,909	\$95,909	\$95,909	\$383,637
ATM Expenses	\$122,259	\$122,259	\$122,259	\$122,259	\$489,037
Education/Promotion	\$184,000	\$184,000	\$184,000	\$184,000	\$736,000
Loan Service Expense	\$469,550	\$468,951	\$467,805	\$467,618	\$1,873,924
Professional/Outside	\$240,348	\$244,345	\$244,317	\$379,429	\$1,108,439
Provision for Loan Loss	\$206,500	\$206,500	\$206,500	\$206,500	\$826,000
Other Losses	\$98,991	\$97,625	\$97,526	\$97,301	\$391,444
Other Expenses	\$42,812	\$47,324	\$47,324	\$47,324	\$184,783
<b>TOTAL EXPENSES BEFORE DIVIDENDS</b>	<b>\$6,363,861</b>	<b>\$6,385,285</b>	<b>\$6,474,520</b>	<b>\$6,566,237</b>	<b>\$25,789,902</b>

## DIVIDENDS

<b>TOTAL DIVIDENDS</b>	<b>\$3,198,328</b>	<b>\$3,308,043</b>	<b>\$3,421,624</b>	<b>\$3,477,668</b>	<b>\$13,405,680</b>
------------------------	--------------------	--------------------	--------------------	--------------------	---------------------

## TOTAL NON-OP INC/EXP NET INCOME

<b>\$0</b>	<b>(\$33,357)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$33,357)</b>
<b>\$1,531,470</b>	<b>\$1,798,021</b>	<b>\$1,685,534</b>	<b>\$1,069,846</b>	<b>\$6,084,872</b>

# 2026 OPERATING BUDGET

## Proforma Statement of Financial Condition

### ASSETS

	03/2026	06/2026	09/2026	12/2026
Consumer Loans	\$54,646,045	\$49,227,470	\$44,693,621	\$40,467,717
Student Loans	\$1,284,096	\$1,192,835	\$1,100,467	\$1,007,797
Commercial Loans	\$1,827,588	\$1,812,600	\$1,799,054	\$1,785,593
Home Equity Loc	\$194,469,579	\$196,912,643	\$200,832,401	\$205,448,304
Visa Loans	\$7,907,137	\$7,511,933	\$7,114,330	\$7,267,366
Real Estate Loans	\$211,039,482	\$215,766,410	\$221,564,017	\$219,955,455
Non-Member Business Loans	\$12,119,503	\$11,837,948	\$11,556,836	\$11,131,825
Participation Loans Purchased	\$37,027,460	\$35,084,897	\$33,138,214	\$31,475,905
Participation Loans Sold	(\$719,421)	(\$715,435)	(\$711,317)	(\$707,225)
Allowance For Loan Loss	(\$2,409,939)	(\$2,405,226)	(\$2,407,801)	(\$2,357,102)
Merger Loan Discounts	(\$3,310,647)	(\$2,851,445)	(\$2,464,140)	(\$2,145,965)
<b>Loans to Members</b>	<b>\$513,880,882</b>	<b>\$513,374,631</b>	<b>\$516,215,682</b>	<b>\$513,329,670</b>
Accounts Receivable	\$6,362,374	\$6,362,374	\$6,362,374	\$6,362,374
Total Cash in Bank	\$36,629,818	\$36,629,818	\$36,629,818	\$36,629,818
Total Cash	\$4,293,206	\$4,293,206	\$4,293,206	\$4,293,206
<b>Cash in Bank/on Hand</b>	<b>\$40,923,024</b>	<b>\$40,923,024</b>	<b>\$40,923,024</b>	<b>\$40,923,024</b>
EBPA Investments	\$10,186,768	\$9,749,468	\$9,266,668	\$4,281,389
Other Bond Investments	\$72,562,126	\$69,937,126	\$67,312,126	\$64,687,126
Corporate CU Accts	\$144,687,880	\$156,328,570	\$163,656,179	\$182,469,180
CD Investments	\$0	\$0	\$0	\$0
Total Other Investments	\$7,577,803	\$7,577,803	\$7,577,803	\$7,577,803
<b>Investments</b>	<b>\$235,014,577</b>	<b>\$243,592,967</b>	<b>\$247,812,776</b>	<b>\$259,015,498</b>
<b>All Other Assets</b>	<b>\$22,204,864</b>	<b>\$21,890,367</b>	<b>\$21,593,024</b>	<b>\$21,312,836</b>
<b>TOTAL ASSETS</b>	<b>\$818,385,720</b>	<b>\$826,143,362</b>	<b>\$832,906,879</b>	<b>\$840,943,401</b>

# 2026 OPERATING BUDGET

## Proforma Statement of Financial Condition

### LIABILITIES

	03/2026	06/2026	09/2026	12/2026
Payables	\$1,566,638	\$1,566,638	\$1,566,638	\$1,566,638
Other Liabilities	\$13,963,357	\$13,963,357	\$13,963,357	\$13,963,357
Total Notes & Interest Payable	\$24,500,000	\$24,500,000	\$24,500,000	\$24,500,000
<b>ALL LIABILITIES</b>	<b>\$40,029,995</b>	<b>\$40,029,995</b>	<b>\$40,029,995</b>	<b>\$40,029,995</b>

### EQUITY

Regular Savings	\$142,597,964	\$138,642,912	\$134,637,833	\$132,742,100
Other Savings	\$16,940,464	\$17,284,431	\$17,439,341	\$16,648,877
Checking Accounts	\$180,974,976	\$183,572,381	\$186,239,420	\$189,271,053
Hi-Yield Money Market	\$242,749,958	\$250,824,472	\$258,119,198	\$265,708,332
IRA Shares	\$10,923,132	\$10,769,453	\$10,624,943	\$10,535,066
IRA Certificates	\$15,140,895	\$15,138,415	\$15,136,042	\$15,157,381
Certificates	\$73,958,684	\$73,378,453	\$72,799,891	\$72,207,505
Non-Member Deposits	\$1,065	\$1,065	\$1,065	\$1,065
<b>Member Shares</b>	<b>\$683,287,138</b>	<b>\$689,611,583</b>	<b>\$694,997,733</b>	<b>\$702,271,379</b>
Undivided Earnings	70,364,017	71,716,797	73,184,649	74,035,811
Equity Acquired in Merger	26,494,627	26,494,627	26,494,627	26,494,627
Other Comp Income (Pension)	0	0	0	0
Other Comprehensive Income	26,802	26,802	26,802	26,802
Other Comprehensive Inc	(2,330,810)	(2,330,810)	(2,330,810)	(2,330,810)
Equity Income (Loss)	513,952	594,369	503,883	415,597
<b>Total Reserves</b>	<b>\$95,068,587</b>	<b>\$96,501,785</b>	<b>\$97,879,151</b>	<b>\$98,642,027</b>
<b>TOTAL EQUITY</b>	<b>\$778,355,725</b>	<b>\$786,113,367</b>	<b>\$792,876,884</b>	<b>\$800,913,405</b>
<b>LIABILITIES + EQUITY</b>	<b>\$818,385,720</b>	<b>\$826,143,362</b>	<b>\$832,906,879</b>	<b>\$840,943,401</b>

# FINANCIAL ASSUMPTIONS

## INCOME STATEMENT

### INTEREST ON LOANS

Computed based on loan category data. New growth projected at current market rates as of 9/30/2025.

### INVESTMENT INCOME

Computed based on average return on investments as of 9/30/2025. New growth projected at current market rates.

### FEES AND CHARGES

Loan Fees, late fees, VISA fees, share service charges and overdraft fees, based on historical trends. Mortgage and member business loan fee income estimated at \$2,805,000.

### MISC OPERATING INCOME

Insurance commissions, interchange income is based on historical trends.

## OPERATING EXPENSES

### COMPENSATION

Employee wages average increase 5%. Includes anticipated commissions for mortgage loans, business development and employee incentive program. Includes the addition of one new staff member.

### EMPLOYEE BENEFITS

This includes social security taxes, unemployment insurance, workers compensation, medical/dental, and disability. Based on historical trends with projected increases where applicable.

### TRAVEL AND OFFICIALS

Includes expenses associated with both typical travel expenses and National Marketing Conferences, Symitar conferences and training, as well as local mileage and board meeting expenses.

### ASSOCIATION DUES

Credit Union Association dues projected based on our asset size and number of members and other misc dues based on historical trend.

### OFFICE OCCUPANCY EXPENSE

Includes current building depreciation, real estate taxes and rent. Existing office occupancy expenses such as utilities and maintenance are based on historical trends.

### POSTAGE & TELEPHONE

Telephone expense is based on existing circuits as including our disaster recovery site. Postage expense is based on historical usage.

### EQUIPMENT MAINTENANCE AND DATA PROCESSING

Hardware maintenance of computers, maintenance of furniture and fixtures and software maintenance. Based on historical and projected new contracts and software upgrades.

### STATIONERY AND SUPPLIES

Office forms and supplies, computer supplies, subscriptions. Based on historical trends.

### INSURANCE EXPENSE

Casualty, bond and package of protection. Based on historical rates plus 5%.

### DEPRECIATION EXPENSE

Depreciation of furniture and fixtures, computer hardware and software. Based on historical with allowances for new equipment including the routine replacement of aging PCs and servers.

### BANK SERVICE CHARGES/ SHARE DRAFT EXPENSE

Correspondent bank fees, money order fees, bill payment service fees, and check printing costs based on historical trends.

### ATM EXPENSES

Network fees for CO-OP, Plus, Cirrus and Exchange system, also FiServ processing fees, shared branching expenses and cost of ATM cards, receipts, and other ATM supplies and servicing expenses based on historical trends.

# FINANCIAL ASSUMPTIONS

## ADVERTISING AND PROMOTIONAL

Education and training, gifts and goodwill, advertising and promotions based on historical expenses and projections based on current marketing strategies.

## LOAN SERVICING EXPENSES

Credit reports, collection costs not passed through to members, recording fees, VISA processing fees and other loan servicing expenses. Based on historical and projected fees associated with the promotion of loans with costs absorbed by the credit union.

## PROFESSIONAL AND OUTSIDE SERVICES

Legal, audit, accounting, data processing and other professional fees. Based on historical trends.

## PROVISION LOAN LOSS

Projected to be \$826,000 including KaiPerm NW FCU.

## OTHER LOSSES

Projected at \$148,783 based on historical average.

## OTHER EXPENSES

Includes the usual NCUA operating fee based on credit union asset size. Projected annual meeting and annual dinner expense, and historical miscellaneous operating expense.

## DIVIDENDS

Dividends based on the current yields.

## BALANCE SHEET

### ASSETS

#### CONSUMER LOANS

Projections are for the portfolio to decrease by \$18.5 million throughout the year.

#### HOME EQUITY LOANS

Projections are for the portfolio to increase by \$11 million throughout the year.

#### VISA LOANS

Projections are for the portfolio to decrease by \$1,000,000 throughout the year.

#### REAL ESTATE LOANS

Includes Commercial Real Estate. Projections are for the portfolio to increase by \$6 million in residential and commercial real estate loans.

#### PARTICIPATION LOANS PURCHASED

Projections are for the normal pay down of the participation portfolios.

#### PARTICIPATION LOANS SOLD

Assumes normal pay down.

#### ALLOWANCE FOR LOAN LOSSES

Projecting net charge-offs of \$1,050,000 for the year.

#### CASH

The bulk of surplus funds not loaned to members and move up and down in relation to variances in deposit

and loan growth.

#### INVESTMENTS

Includes EBPA Investments, CMOs, Agency bonds, Corporate Credit Union investments, and CDs.

#### NCUSIF

Based on a percentage of assets.

#### PREPAIDS

Based on historical trend.

#### LAND AND BUILDING

Includes land and building for the Sandy office, the Administration building, parking lot and the Hood River Office, less accumulated depreciation.

#### FURNITURE & EQUIPMENT/LEASEHOLD IMPROVEMENT

This includes normal depreciation of existing furniture and equipment and projected purchases for 2025 including replacement of aging PCs and other miscellaneous IT equipment and software licenses.

#### ACCRUED INCOME

Based on historical trends.

### LIABILITIES

#### ACCOUNTS PAYABLE

This includes an estimate of the Credit Union checks outstanding. Based on historical.

#### OTHER LIABILITIES

Based on historical trend.

# FINANCIAL ASSUMPTIONS

## **EQUITY**

### **REGULAR SAVINGS**

Projections are for a decrease of \$13.5 million throughout the year.

### **CHECKING**

Projections are for an increase of \$10.75 million throughout the year.

### **MONEY MARKET**

Projections are for a decrease of \$26 million throughout the year.

### **IRA SAVINGS**

Projections are for a decrease of \$500,000 throughout the year.

### **IRA CERTIFICATES**

Projections are to remain unchanged throughout the year.

### **CERTIFICATES**

Projections are for an increase of \$-2.25 million throughout the year.

### **EQUITY ACQUIRED IN MERGER**

Additional contributions due to KaiPerm NW FCU merger.

### **UNDIVIDED EARNINGS - NET INCOME**

Monthly earnings with previous monthly earnings going to undivided earnings.

# CONTACT

## LARRY ELLIFRITZ

*President/  
Chief Executive Officer*

✉ [lelifritz@consolidatedccu.com](mailto:lelifritz@consolidatedccu.com)

📞 503.872.9421

---

## MELISSA VIGIL

*Chief Operating Officer*

✉ [mvigil@consolidatedccu.com](mailto:mvigil@consolidatedccu.com)

📞 503.963.6659

---

## CHRIS BEECHWOOD

*Chief Financial Officer*

✉ [cbeechwood@consolidatedccu.com](mailto:cbeechwood@consolidatedccu.com)

📞 503.963.6657

# BANKING | SIMPLIFIED

