




# Here for our members now, and always.

SERVICE CREDIT UNION | 2020 Annual Report





*"I love the challenge of knowing we are always changing – always evolving. We are all a part of the bigger picture to help this company and community grow and succeed. I get the satisfaction of relaying that to our member base and promoting the credit union on a daily basis."*

– Kaley Patterson,  
Branch Manager, Seabrook InStore

*"Over this past year, we've faced a challenge never before seen at Service Credit Union with the COVID-19 pandemic. I could not be more proud of the way the credit union acted quickly to assist our members as well as our communities."*

– Jonathan Millett,  
Branch Manager, Durham

*"People come and go all the time, but from time to time, I see that familiar face return back to the community and to know that they remember me and I remember them makes what I do that much better."*

– Charles Houseworth,  
Branch Manager, Stuttgart Panzer

## Table of Contents

Leadership Teams  
Report of the Board Chair and President/CEO  
Treasurer's Report  
Statement of Financial Condition  
Statement of Income  
Supervisory Committee Report  
2020 Highlights  
Branch Locations

---

### Mission

Doing what is right for our members by:

- Improving financial well-being,
- Supporting communities we serve, and
- Creating value and enduring relationships.

### Vision

Utilizing the cooperative principles, we will be a trusted partner providing services and resources that optimize the financial well-being of our members while contributing to the communities in which they live.

# Leadership Teams

As not-for-profit cooperative financial institutions, credit unions elect officials who volunteer their time and talent to serve the credit union. The credit union Board and Supervisory Committee members are nominated from the membership at large, and voted on by the members at the annual meeting.

## Senior Leadership

**David Araujo,**  
President/CEO

**Dan Clarke,**  
Senior Vice President - Member Experience

**Michael Dvorak,**  
Senior Vice President - Accounting/Finance

**Geoffry Gilton,**  
Senior Vice President - Technology

**Wendy Beswick,**  
Vice President - Marketing

**May Hatem,**  
Vice President - Human Resources/Training

**Mark O'Dell,**  
Vice President - Lending

**Tyler Pihl,**  
Vice President - Internal Audit

**Michael Porter,**  
Vice President - Operations

**Philip von Streicher,**  
Vice President - Overseas Operations

## Board of Directors

**James Fishbein,** Chair

**Scott Wensley,** Vice Chair

**Major General Susan Desjardins, USAF Ret.,** Secretary

**Daniel Egan,** Treasurer

**Joanne Whiting,** Director

**Michael McMahon,** Director

**Clifford N. Taylor,** Director

## Supervisory Committee

**Thomas Lynch,** Chair

**Deborah Schreck,** Secretary

**Daniel Egan**

**Dr. Jeffrey Saltz**

**Ramey Sylvester**



# Report of the Board Chair and President/CEO

While the past year was one we could have never predicted, the unwavering dedication and resiliency of our staff, members and community has made us stronger than ever. We are proud of the past year's successes and look forward to growing together in the year ahead.

Amid the pandemic, Service Credit Union continued to give back to the community in impactful and creative ways. We donated more than 27,000 medical grade masks and 15,000 surgical caps when such supplies were in short demand. To help students taking part in both remote and in-person learning, we took our annual Pack a Pack effort virtual, donating over 3,000 backpacks with school supplies to those in need. In the late fall, we distributed 5,000 sacks filled with a blanket, gloves, hat and a scarf in a new initiative called "Stay Warm with Service," in which 39 organizations and schools participated. To assist with the increased need for food in NH, the credit union donated \$125,000 to the NH Food Bank, and more than \$43,000 to local food pantries.

Overseas, in partnership with the USO, we donated 950 frozen turkeys as well as gift cards to assist families across U.S. military installations in Germany during the holiday season. The credit union provided board games, pizza parties, snacks, and other forms of entertainment at Camp Kasserine and Camp Algiers, in which both facilities are housing over 1,000 soldiers with no place to go during mandatory quarantine.

We adjusted our branch operations accordingly to prioritize the safety of our staff, but we never stopped being there for our members. Our branches moved through phases of either closing or operating via the drive-thru, accepting appointments and reopening for walk-in service. Our branch staff split up into teams to support one another and to continue to serve members.

To alleviate the financial burden our members faced as a result of the pandemic, the credit union offered a Relief Loan at 0% APR to members with direct deposit, and a rate of 1.99% APR to all other members. We also allowed members to skip a loan payment at no fee throughout the spring, and updated our funds availability policy in order to provide members with expanded access to their money when they needed it the most.

To increase our community giving footprint even further, in June 2020, we launched the Service CU Impact Foundation. In September the Service CU Impact Foundation, in collaboration with the Robert Irvine Foundation, hosted its inaugural Charity Golf Classic and raised more than \$250,000 for organizations that support military families and veterans.

Supporting the financial well-being of our members continues to be a critical part of our mission, and as such, in July we launched the EVERFI Achieve Program, which is designed to help educate individuals on how to navigate their finances with confidence.

On October 1, 2020, Service CU converted from a state-chartered credit union to a federally chartered one. We are excited for this opportunity to expand in the communities we currently serve and in surrounding areas, as well as the ability to compete with other military based credit unions.

We advanced the credit union greatly in the past year, adding more than 25,000 members whose financial goals we are helping achieve, and we are excited to see where 2021 will take us.

**James Fishbein, Board of Directors Chair**  
**David Araujo, President/CEO**



# Treasurer's Report

The annual report to the membership contains complete statements of Service Credit Union's financial condition, income, reserves and retained earnings for 2020.

We are pleased to report that loans, shares and assets continue to grow at a healthy rate, and exceed last year's exceptional results. We had a very prosperous year and these results are demonstrative of our financial strength, as well as the continued support of our members.

Your money is safe and secure at Service Credit Union. Our member's shares are insured up to \$250,000.

We follow state and federal laws pertaining to operations.

The credit union undergoes regular state, federal, third-party CPA and internal audits and examinations. We are recognized for our safety and soundness and have received the highest score from BauerFinancial, the nation's leading independent provider of ratings and analyses of financial services companies.

Assets have increased by 20.03% from \$3.815 billion at the end of 2019 to \$4.579 billion as of December 31, 2020. Service Credit Union is the largest credit union in New Hampshire and ranks among the top 60 of the over 5,200 credit unions in the United States by asset size.

In summary, the strong commitment and expertise of our Board of Directors, Supervisory and Credit Committees and our professional management team ensures that Service Credit Union remains a sound financial institution.

We will remain vigilant representatives of our members' interests, ensuring Service Credit Union's financial soundness, as your credit union continues to provide you and your family with the highest level of member service. It is our pleasure to serve the fellow member-owners of Service Credit Union.

**Daniel Egan,  
Treasurer**

---

*"Working at Service CU means that I get to be impactful every day. It makes me so proud to hear from members about how a project I've helped work on has provided value to them and their lives."*

– Sarah LeBlanc,  
Marketing Communication Specialist

---



## Loan Portfolio

Real Estate .....	30.11%
All Auto Loans .....	45.78%
Business.....	14.15%
All Other Loans .....	9.96%



## Highlights from the Statement of Financial Condition

Loans outstanding up 10.27% at \$3.48 billion  
 Share capital up 22.79% at \$3.84 billion  
 Total assets up 20.03% at \$4.58 billion  
 Total reserves and undivided earnings up 10.48% at \$498 million  
 Members earned \$35,139,793 in dividends in 2020

## Shares in millions

2020	\$3,841
2019	\$3,128

## Loans in millions

2020	\$3,480
2019	\$3,156

## Assets in millions

2020	\$4,579
2019	\$3,815

## Members

2020	321,184
2019	293,800

### 2020 Classification of Loans Outstanding

Degree Of Delinquency	Number	Amount	Other Assets	Delinquency
Current	172,740	\$3,438,264,216	(\$42,870)	\$3,438,221,346
Less Than 2 Months	2,113	\$30,128,753	(\$135,561)	\$29,993,192
2 To Less Than 6 Months	413	\$5,661,352	(\$582,230)	\$5,079,123
6 Months +	3	\$558,040	\$0	\$558,040
<b>Total Loans</b>	<b>175,269</b>	<b>\$3,474,612,360</b>	<b>(\$760,660)</b>	<b>\$3,473,851,700</b>

Unaudited

### 2020 Statement of Reserves and Retained Earnings

	Statutory Reserves	Unappropriated Retained Earnings	Unrealized Gain or Loss on AFS	Other Comprehensive Income	Total
Balance 12/31/19	\$17,043,124	\$450,989,975	\$8,154	(\$20,072,057)	\$447,969,196
Unrealized Gain/Loss AFS			\$5,273,412		\$5,273,412
Net Income		\$30,232,529			\$30,232,529
Fas 158 Pension Adjustment				\$299,769	\$299,769
<b>Balance 12/31/20</b>	<b>\$17,043,124</b>	<b>\$481,222,504</b>	<b>\$5,281,565</b>	<b>(\$19,772,288)</b>	<b>\$483,774,905</b>

## 2020 Statement of Financial Condition

Assets	2020	2019
Cash & Cash Equivalents	\$551,901,760	\$318,180,094
<b>Investments</b>		
(Net of Market Rate Adjustment)	\$325,925,470	\$161,837,523
<b>Loans to Members</b>		
(Net of Allowance for Loan Losses)	\$3,479,700,582	\$3,155,617,380
Accrued Interest Receivable	\$10,552,238	\$8,244,997
<b>Property &amp; Equipment</b>		
(Net of Accumulated Depreciation)	\$82,905,405	\$81,286,255
Other Assets	\$128,314,192	\$90,316,532
<b>Total Assets</b>	<b>\$4,579,299,647</b>	<b>\$3,815,482,781</b>
<b>Liabilities &amp; Equity</b>		
Notes & Interest Payable	\$195,326,232	\$195,371,483
<b>Dividends Payable</b>		
Other Liabilities	\$59,304,080	\$43,715,796
Total Liabilities	\$254,630,312	\$239,087,280
Member Accounts	\$3,840,894,430	\$3,128,426,306
Reserves	\$17,043,124	\$17,043,124
Undivided Earnings	\$481,222,504	\$450,989,975
Gain/Loss AFS Investments	\$5,281,565	\$8,154
Gain/Loss FAS 158 Pension	\$(19,772,288)	\$(20,072,057)
<b>Total Equity</b>	<b>\$4,324,669,335</b>	<b>\$3,576,395,502</b>
<b>Total Liabilities &amp; Equity</b>	<b>\$4,579,299,647</b>	<b>\$3,815,482,781</b>

## 2020 Statement of Income

Interest Income	2020	2019
Interest On Loans	\$133,984,043	\$125,494,406
Interest On Investments	\$5,493,169	\$8,909,906
Unrealized Gain/ (Loss) on Investments	\$1,051,749	\$0
<b>Interest Expense</b>		
Dividends	\$35,139,793	\$37,050,466
Interest On Borrowed Funds	\$4,138,765	\$4,452,681
Provision For Loan Losses	\$10,271,155	\$9,857,422
Net Interest Income	\$90,979,247	\$83,043,742
<b>Operating Expenses</b>		
Compensation And Benefits	\$68,312,786	\$62,236,332
Office Operations And Occupancy	\$29,102,764	\$30,083,373
Other	\$36,482,567	\$30,716,203
Other Operating Income	\$72,421,506	\$78,373,898
<b>Non-Operating Income</b>		
Gains/Losses	\$729,892	(\$466,860)
<b>Net Income</b>	<b>\$30,232,529</b>	<b>\$37,914,872</b>

*"During the height of the pandemic, I was so proud of the way the credit union assisted people by offering a relief loan. We all came together to get the word out and get members situated with loans to help them through this unprecedented time."*

– Dave Dwyer,  
Marketing Field Representative





# Supervisory Committee Report

The Supervisory Committee is responsible to you, our Service Credit Union members. The committee represents the best interests of the membership by providing oversight of the Board of Directors, ensuring safe and sound business practices and confirming proper internal controls are being followed. Your Supervisory Committee is elected by the Board of Directors from members of your Credit Union.

To review management practices and the credit union's financial condition, the Supervisory Committee ensures that audits are conducted on a regular basis and that established internal controls effectively maintain and protect the credit union and its members, management and employees. Service Credit Union employs an internal auditing staff to monitor day-to-day operations through audit and review. The Supervisory Committee consults with these staff members on an ongoing basis to ensure the continued integrity of the credit union's finances and reporting systems.

The comprehensive annual audit required by federal and state law was performed based on the September 30, 2020 financials by Wolf & Company of Boston, Massachusetts. After reviewing the results of our annual audit, as well as many additional reports and financial documents, we confidently state that Service Credit Union continues to maintain the highest possible level of financial standards. We will remain vigilant representatives of our members' interests, ensuring Service Credit Union's financial soundness, as your credit union continues to provide you and your family with the highest level of member service. It has been our pleasure to serve fellow member-owners of Service Credit Union

**Thomas Lynch,**  
**Supervisory Committee Chair**

---

*"Having grown up mostly overseas around military bases, working for Service CU means serving those who serve and being a contributing member of my community. Since I moved around a lot, I consider overseas military communities in general as my 'home town' and it's been fulfilling to educate and assist our members with personal banking and living life abroad."*

- Joshua Lockridge,  
Branch Manager, Spangdahlem

---



# 2020 Highlights

## Product and Service Highlights

### Everyday Credit Cards

To better serve our members at every stage of their lives, we launched a new line of credit cards including the Visa® Signature Everyday Elite, Everyday Preferred, Everyday and Business Platinum cards. All cards are contactless, have been redesigned with a thicker plastic and offer competitive benefits.

### “Always On” Lending

We simplified the lending process by automatically notifying members when they have prequalified loans for special offers via online banking and email.

### New Rochester Branch

The credit union moved our former Rochester branch located at 90 South Main St., to a new location across the street at 83 South Main St. The new space features many modern updates to include a more digital-focused experience and an environment that serves as a financial wellness center. This branch will serve as our model for future branches.

### Financial Literacy

The credit union continues to invest in ways to improve our members’ financial wellness. In 2020, we purchased the Bite of Reality app and conducted virtual Bite of Reality fairs to teach junior middle and high school students real-life budgeting.

Additionally, all members now have access to EVERFI Achieve, a leader in financial wellness technology solutions. Through an online portal, members may access modules with customized learning plans on a variety of financial wellness topics.

## Community Highlights

**For more community giving highlights, check out our Annual Giving Report at [servicecu.org/givingreport](https://servicecu.org/givingreport).**

- **27,450** medical grade masks and **15,000** surgical caps donated
- **2,110** Relief Loans disbursed
- **3,000** backpacks stuffed and donated
- **5,000** Stay Warm bags donated
- **\$12,000** donated to Rochester, NH schools to support hybrid learning
- **\$20,000** donated to MWR Emergency Assistance
- **\$250,000** raised for military families and veterans through the Service CU Impact Foundation

## Awards

- Army Credit Union of the Year
- Desjardins – Youth Financial Literacy Award
- Dora Maxwell Social Responsibility Award
- Rochester Business of the Year
- Best Credit Union - Best of the Seacoast
- The Falls Chamber Business of the Year
- NHBR Business Excellence Award

*"With so much disruption to people's lives and jobs during the pandemic, I've been especially proud of Service CU's commitment to the NH Food Bank, donating \$125,000 in 2020. Food insecurity has grown with COVID-19, but Service CU stepped up to the plate to help the people of New Hampshire."*

– Sean Hladick,  
Community Relations Coordinator

*"Since starting at Service Credit Union, I have never felt more appreciated and proud to work for a team and company. Since week 1 I have seen myself starting a career here at Service CU."*

– Sammie Olson,  
MSR, Garmisch Branch



## New Hampshire

All In-Store locations are inside Walmart

**Amherst In-Store**  
85 NH 101A  
603.249.9532

**Bedford**  
14 Colby Court  
603.629.9898

**Berlin**  
200 Coos Street  
603.752.2750

**Concord In-Store**  
344 Loudon Road  
603.225.0601

**Derry In-Store**  
11 Ashleigh Drive  
603.434.3555

**Durham**  
155 Main St.  
(UNH Wildcat Stadium)  
603.868.1425

**Epping In-Store**  
35 Fresh River Road  
603.679.5187

**Exeter**  
109 Epping Road  
603.418.0234

**Franklin**  
886 Central Street  
603.934.6323

**Gorham In-Store**  
561 Main Street  
603.752.0020

**Hampton**  
887 Lafayette Road  
603.926.5653

**Hinsdale In-Store**  
724 Brattleboro Road  
603.336.5212

**Hudson In-Store**  
254 Lowell Road  
603.579.5423

**Keene**  
403 Winchester Street  
603.352.0475

**Keene**  
580 Court Street (CMC)  
603.352.6889

**Laconia**  
11 Veterans Square  
603.524.4967

**Lancaster**  
148 Main Street  
603.788.4450

**Lebanon**  
1 Medical Center Drive (DHMC)  
603.650.7053

**Lebanon**  
225 Mechanic Street  
603.448.9620

**Manchester In-Store**  
725 Gold Street  
603.669.6546

**Nashua**  
337 Amherst Street  
603.883.8883

**Newington**  
100 Piscataqua Drive  
Not open to the general public  
603.436.6100 Ext. 284

**Newington In-Store**  
2200 Woodbury Avenue  
603.431.2764

**Pease ANG Base**  
153 Newmarket Street  
Military ID cardholders only  
603.422.0442

**Pease Int'l Tradeport**  
14 Manchester Square,  
Suite 190  
603.436.0537

**Plymouth In-Store**  
683 Tenney Mountain Highway  
603.536.1408

**Portsmouth**  
2032 Lafayette Road  
603.422.8340

**Portsmouth In-Store**  
2460 Lafayette Road  
603.436.1901

**Rochester**  
83 South Main Street  
603.335.3940

**Rochester In-Store**  
116 Farmington Road  
603.332.2043

**Salem**  
158 North Broadway  
603.893.4377

**Salem In-Store**  
300 North Broadway  
603.898.0166

**Seabrook In-Store**  
700 Lafayette Road  
603.474.0950

**Somersworth**  
15 Penny Lane  
603.692.5620

**Somersworth In-Store**  
59 Waltons Way  
603.692.5435

## Massachusetts

**Falmouth**  
199 Worcester Court  
508.548.8877

## North Dakota

**Grand Forks AFB**  
589 Holzapple Street  
Military ID cardholders only  
701.594.3347

## Germany

Military ID cardholders only

**Ansbach**  
Bldg. 5823  
09802.8680 or DSN 467.2556

**Baumholder**  
Bldg. 8669  
06783.999.9860 or DSN  
485.7109/6226

**Garmisch**  
Bldg. 9901  
08821.730.3600 or DSN 440.3373

**Grafenwoehr**  
Bldg. 148  
09641.926.790 or DSN 475.9050

**Hohenfels**  
Bldg. 335  
09472.911050 or DSN 466.4157

**Kapaun**  
Bldg. 2762  
0631.351.20950 or DSN 489.7663

**Kleber**  
Bldg. 3226  
0631.411.7940 or DSN 483.7940

**Ramstein**  
Bldg. 2410  
06371.463.9600 or DSN  
480.5556/2425

**Ramstein KMCC**  
Bldg. 3336, Suite M 20  
06371.613690

**Sembach**  
Bldg. 147  
06302.924000

**Spangdahlem**  
Bldg. 174  
06565.616011 or DSN  
452.6674/6011

**Stuttgart.Panzer**  
Bldg. 2915  
07031.819.4333 or DSN 431.3237

**Stuttgart.Patch**  
Bldg. 2325  
0711.686.87580 or DSN  
430.7194/8181

**Vilseck**  
Bldg. 224  
09662.700280 or DSN 476.2839

