FINANCIAL Sunshine®

FIRST CREDIT UNION

TUESDAY, MARCH 22, 2022

2021 Annual Report

PRESIDENT'S REPORT

As we reflect on 2021, we express sincere gratitude for your continued trust and strong commitment to the Arizona economy. Through your membership with First Credit Union, you're making a difference in your community while keeping the credit union principles of "people helping people" a viable option for cooperative financial services.

Growth and Stability. It's been a year of unprecedented deposit growth and solid loan production; we appreciate your loyalty and continued support which is reflected in these numbers. Throughout 2021, we turned challenges into opportunities and maintained our focus on prioritizing the many strategic initiatives that drive our vision toward future success – here are some highlights.

Embrace Innovation. We are constantly striving to enhance our processes, products, and services to better serve you! As technology evolves, we carefully analyze new ways to create self-serve convenience for a personalized banking experience!

Enhance Member Experience. We completed our rollout of contactless (or tap-to-pay) debit/credit cards with both contactless capabilities and EMV chip. Along with the security features of the cards, we released card controls within our digital banking platform. Enabling you to turn your card on/off, report lost or stolen cards, adjust your ATM withdrawal limits and notify us about travel plans to avoid any interruption to your card access while you're away.

Our Video eBranch, electronic signature and text communication have made it easier for you to manage transactions at your convenience. Whether you're away on vacation or just not able to make a trip to the branch, you can still take care of your account from anywhere using your personal mobile device.

Community Focused. We continue to support the communities we serve by contributing to local charities and participating in events with a primary focus on kids, pets and military veterans. We emphasize the importance of financial education, providing resources to schools, employers and directly to members on our website. We held a virtual Mad City Money (financial literacy) workshop and continued to foster our partnership with the East Valley Institute of Technology for their banking and finance program tailored to high school students.

Stable and Secure. Amidst the ever-changing landscape of world events, one thing remains the same – our unwavering commitment to serving you, protecting your personal information, and continuing to provide first class solutions to meet your unique financial needs. On behalf of everyone here at First Credit Union - Thank you for your membership, we appreciate your business!

JAY CURTIS PRESIDENT/CEO

$64,575 CHARITABLE GIVING

4,470 NEW MEMBERS

TOTAL LOANS FUNDED SINCE 1929 **3,455,068,931**

BOARD OF DIRECTORS' Report

Your Board of Directors' primary role is to ensure the viability and future of First Credit Union. Throughout the year, together with the Executive Management team, we made decisions to help strengthen and grow our credit union, keeping our member-owners' best interest at the forefront. We are your representatives and we are accountable to you.

An ongoing commitment to implementing technology enhancements enables our credit union to continually evolve and offer products, services and delivery channels making it ever easier and more convenient for members to access and manage their accounts. Increased focus on funded loan growth and continued disciplined expense control helped increase our credit union's profitability. The sum total of these efforts benefits and retains members, attracts new members, and makes the future of First Credit Union even brighter.

The Board of Directors has complete trust in the credit union's Executive Management team. We're confident First Credit Union remains a safe, stable and beneficial financial institution. Thank you for your continued loyalty and commitment to First Credit Union.

Caryn Horvitz-Strauss CHAIR



Russell Puckett VICE CHAIR



Kenneth Mullins SECRETARY



Ben Tan TREASURER



Jay Curtis DIRECTOR



Bill Jimro DIRECTOR



Barry Schegel DIRECTOR



CREDIT COMMITTEE Report

First Credit Union's primary goal is to be a safe and stable financial institution for our members. The Credit Committee met regularly throughout 2021 to ensure our credit union is operating within established lending policies and guidelines.

Last year First Credit Union funded a total of $225,511,977 in total loans.

First Credit Union strives to be our members' primary resource for their borrowing needs. We remain committed to offering our members innovative loan products, services and delivery channels that meet our members' needs and service experience expectations.

SUPERVISORY COMMITTEE Report

The role of the Supervisory Committee is important and similar to the role of internal auditors, which is to protect the interests of First Credit Union members. The committee members assume this responsibility by ensuring a quality system of checks and balances is maintained. The committee is appointed by the Board of Directors. Committee members for 2021 were Bill Jimro, David Brink, JoLea Quintana and Gregg Giannantonio.

The Supervisory Committee oversees that operations are conducted in accordance with credit union governing rules and regulations and that assets are properly administered. The committee has normally, and did again in 2021, retained the services of an independent, national Certified Public Accounting firm, to perform an annual financial statement audit in conformance with Generally Accepted Auditing Standards.

Based on their interaction with the Board of Directors, Executive Management, and Internal Auditors, it is the opinion of the Supervisory Committee that First Credit Union is conducting its affairs in a fiscally responsible manner and that the financial statements presented in this annual report fairly represent the condition of First Credit Union at year-end 2021.

2021 Meeting Minutes

The 2021 Annual Meeting was called to order at 5:13pm on Tuesday, March 23, 2021 at the corporate headquarters in Chandler, Arizona and via a Virtual Meeting (as a result of social distancing guidelines for the COVID-19 Pandemic) by the Board Chairperson, Caryn Horvitz-Strauss. Chairperson Horvitz-Strauss named Lori Gallegos as the credit union's Parliamentarian. A quorum was ascertained by Russ Puckett, Vice Chairperson of the Board.

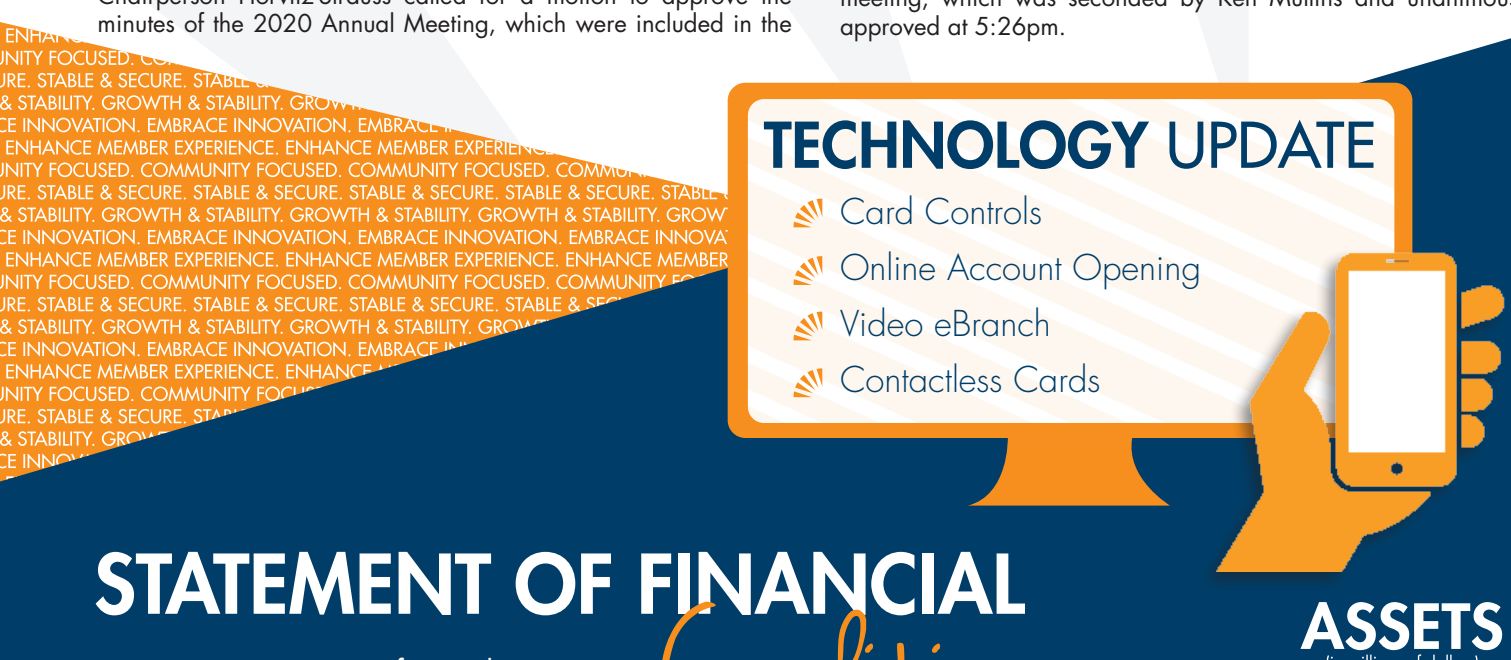
Following an invocation and recitation of the Pledge of Allegiance, Chairperson Horvitz-Strauss introduced members of the Board of Directors and the Supervisory Committee.

Jay Curtis, President and CEO introduced the credit union's leadership team. After introducing the leadership team, Mr. Curtis reviewed the 2020 Annual Report. Mr. Curtis drew attention to four reports within the Annual Report: The President's Reports, the Board of Director's report, the Supervisory Committee Report and the Credit Committee Report. Mr. Curtis also provided a 2020 year in review.

Chairperson Horvitz-Strauss called for a motion to approve the minutes of the 2020 Annual Meeting, which were included in the 2020 Annual Report. Lori Gallegos made a motion to approve the minutes, seconded by Ben Tan, motion was approved unanimously. Because there is no Old Business, Chairperson Horvitz-Strauss moved directly to New Business and called attention to the Amended and Restated Bylaws Agenda item. The Board of Directors reviewed and approved an amendment to the credit union's bylaws. This restatement provides greater detail to the credit union's business practices and expands the articles from a set of ten to thirteen. The amendments further clarify the qualification, maintenance, and duties of Membership, Board Officers and Committees. The changes were approved by both the Credit Union Board of Directors and by the Arizona Department of Insurance and Financial Institutions. Chairperson Horvitz-Strauss called for a motion to ratify the Amended and Restated Bylaws as presented. Bill Jimro made a motion to ratify the Amended and Restated Bylaws, seconded by Russ Puckett, motion was approved unanimously.

Director Bill Jimro delivered the Governance Committee Report. There were two vacancies for the Board of Directors and the Governance Committee nominated three candidates, Caryn Horvitz-Strauss (incumbent), Ben Tan (incumbent), and David Brink (member). Votes were confidentially tallied by an independent third party. Caryn Horvitz-Strauss and Ben Tan were re-elected to the board and they will serve a three-year term.

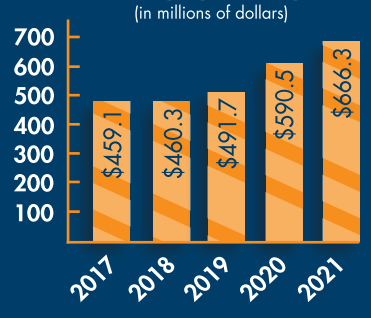
Chairperson Horvitz-Strauss noted that there being no further business called for a motion to adjourn the Annual meeting. Ben Tan offered a motion to adjourn the First Credit Union Annual meeting, which was seconded by Ken Mullins and unanimously approved at 5:26pm.

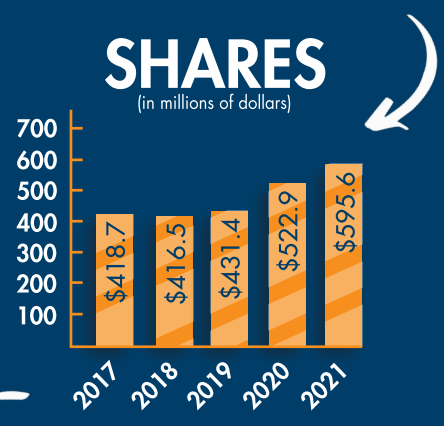


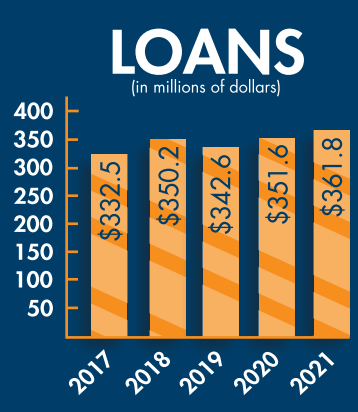
STATEMENT OF FINANCIAL Condition

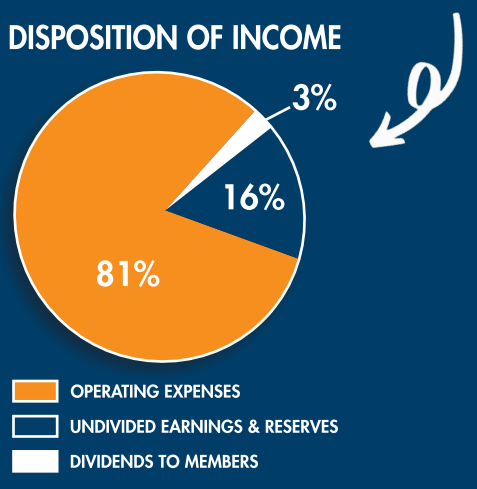
As of December 31, 2021 *(unaudited)*

ASSETS	2021	2020
Loans to members	361,852,920	351,681,050
Allowance for loan losses	(2,422,875)	(3,126,641)
Investments	184,044,223	132,103,819
Fixed Assets	9,633,295	9,367,887
Cash and cash equivalents	81,633,698	76,779,430
All other assets	31,574,629	23,734,204
Total Assets	**666,315,890**	**590,539,749**
LIABILITIES	**2021**	**2020**
Accounts payable	7,779,103	2,215,771
Other liabilities	10,075,522	16,848,517
Member equity:		
Shares and certificates	595,659,064	522,932,716
Statutory reserves and other comprehensive income (loss)	8,661,217	8,627,544
Undivided earnings	44,140,984	39,915,201
Total Liabilities and Members' Equity	**666,315,890**	**590,539,749**
INCOME	**2021**	**2020**
Interest from loans	15,653,747	16,136,921
Investment income	2,268,606	2,227,987
Other income	6,633,112	5,983,451
Total Gross Income	**24,555,465**	**24,348,359**
OPERATING EXPENSES	**2021**	**2020**
Compensation and employee benefits	9,710,468	10,833,258
General and administrative expenses	9,955,780	10,322,434
Total Operating Expenses	**19,666,248**	**21,155,692**
Income before the following:	4,889,217	3,192,667
Provision for loan losses	36,332	(1,275,322)
Interest	(302,578)	(454,654)
Dividends to members	(397,188)	(309,416)
Total Net Income (Loss)	**4,225,783**	**1,153,275**









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THIS CREDIT UNION IS FEDERALLY INSURED BY THE NATIONAL CREDIT UNION ADMINISTRATION