FIRST CREDIT UNION

2022 ANNUAL REPORT



Who We Are

We're a dedicated not-for-profit financial cooperative that's been serving Arizona since 1929. We sincerely care about our member's financial strength and show it by offering member-valued products and services. We also offer free financial education and money management tools to help our members improve their financial future. Simply put, we exist to serve our members. :)



Grand Canyon
National Park, AZ

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Our Mission

To provide First Class Personal Solutions.



Our Strategic Vision

To be a thriving, innovative financial services provider that can adapt and evolve to the market.

Our Strategic Initiatives

Enhance the Member Experience
Embrace Innovation
Ignite Employee Engagement

PRESIDENT'S REPORT

First, I'm proud to report that 2022 was another successful year for First Credit Union!

Thanks to the support of our loyal members, dedicated volunteers, and incredible staff, we continue to navigate a quickly changing financial landscape together, while achieving our mission to provide First Class Personal Solutions.

Your credit union experienced significant organic growth in 2022 and successfully grew by merging both Bashas' Associates Federal Credit Union and San Tan Credit Union into our credit union family. We have a strong heritage of growth through merger and we're proud to partner with these two local credit unions as we continue our commitment to the communities we serve.

In 2022, we ensured our focus on enhancing the member experience had a tangible member impact: Reducing account overdraft fees; Crediting direct deposits (up to) two days early; and Launching a CD Special. All of these reflect our strong effort to assist you in achieving your personal financial goals. "People Helping People" - is at the heart of the credit union movement, it's our Why and inspires us to look beyond today and plan for the future.

Our Strategic Vision, as we approach our 100th anniversary, is to be a "thriving, innovative financial services provider that can adapt and evolve to the market."

Amidst the unsettled post-pandemic economy, we want to assure you that we're here for you through every season of your financial life-cycle and protecting your personal information remains our top priority. From ALL of us at First Credit Union, we appreciate your membership and look forward to serving you for many years!



JAY CURTIS
PRESIDENT & CEO

2022 COOL #s

4,550
NEW MEMBERS

$63,350
CHARITABLE GIVING

TOTAL LOANS
FUNDED SINCE 1929
3,869,006,403



Red Mountain
Phoenix, AZ

BOARD OF DIRECTORS' REPORT

Your Board of Directors are committed to ensuring the well-being of First Credit Union for today, tomorrow and for years to come. We keep our member-owners' best interests at the forefront when, along with the Executive Management team, we make decisions throughout the year to strengthen and grow our credit union. We are your representatives and take seriously our responsibilities to you.

Your Board of Directors has complete trust in our credit union's Executive Management team and their ability to make sound decisions for our future success. We're confident First Credit Union remains a safe, stable, and beneficial financial institution.



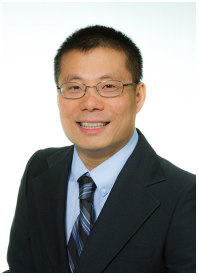
Caryn Horvitz-Strauss
Chair



Russell Puckett
Vice Chair



Kenneth Mullins
Secretary



Ben Tan
Treasurer



Bill Jimro
Director



Barry Schegel
Director



Jay Curtis
Director

SUPERVISORY COMMITTEE REPORT

The purpose of the Supervisory Committee is to protect the member's funds, ensure accurate records and maintain a quality system of checks and balances. The committee utilizes the support of internal auditors to review selected areas of credit union operations on an ongoing basis. The 2022 committee members were JoLea Quintana, Bill Jimro, David Brink, 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 2022, 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 2022.



Cathedral Rock
Sedona, AZ

CREDIT COMMITTEE REPORT

First Credit Union's goal is to be a safe and stable financial institution for our members. The Credit Committee met regularly throughout 2022 to ensure this credit union is operating within established lending policies and guidelines.

During 2022, First Credit Union funded $153.1 million in consumer loans and $17.2 million in first mortgage loans. The total loan portfolio grew by $52.2 million to $414.1 million, which is a year-over-year increase of 14.4%.

First Credit Union strives to be our members' primary resource for their borrowing needs. We remain committed to providing members with flexible and innovative loan products to meet their financial needs in an ever-changing lending environment.



2022 MEETING MIN

The 2022 Annual Meeting was called to order at 5:03 pm on Tuesday, March 22, 2022, at the corporate headquarters in Chandler, Arizona, 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, Curtis reviewed the 2021 Annual Report. Curtis drew attention to four reports within the Annual Report: The President's Report, the Board of Directors' Report, the Supervisory Committee Report, and the Credit Committee Report. Curtis also provided a 2021 year in review.

Chairperson Horvitz-Strauss called for a motion to approve the minutes of the 2021 Annual Meeting, which were included in the 2021 Annual Report. Gallegos made a motion to approve the minutes, seconded by Jimro, 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



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agenda item. The Board of Directors reviewed and approved an amendment to the credit union's bylaws. This reinstatement provides enhanced Supervisory Committee composition, as well as an update to the field of membership (add new entities, update business name changes, remove those business no longer in operation). The changes were then approved 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. Gallegos made a motion to ratify the Amended and Restated Bylaws, seconded by Jimro, motion was approved unanimously.

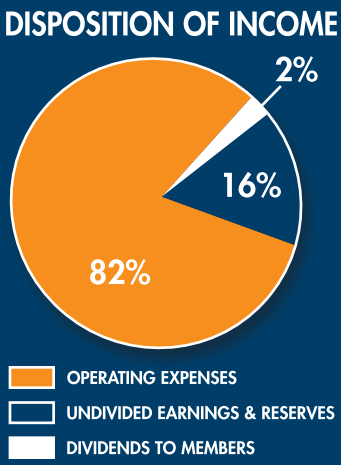
Chairperson Horvitz-Strauss delivered the Nominating Committee Report. There were two vacancies for the Board of Directors and the Nominating Committee nominated two candidates, Russ Puckett (incumbent), and Barry Schlegel (incumbent). Because only one member was nominated by the Nominating Committee for each position to be filled, the board has declared that each nominee is elected by general consent. Puckett and Schlegel have been re-elected to the board and they will serve a three-year term.

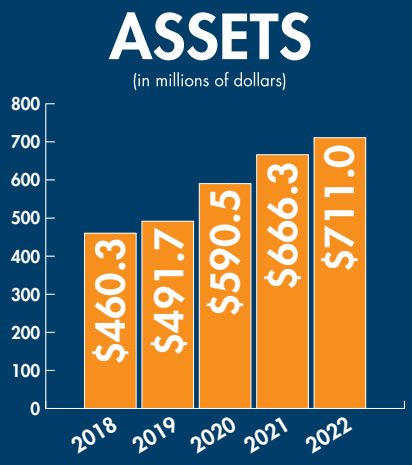
Chairperson Horvitz-Strauss noted that there being no further business, called for a motion to adjourn the Annual Meeting. Curtis offered a motion to adjourn the First Credit Union Annual Meeting, which was seconded by Puckett, and unanimously approved at 5:12pm.

STATEMENT OF FINA

ASSETS	2022	2021
Loans to members	413,937,472	361,852,920
Allowance for loan losses	(2,816,228)	(2,422,875)
Investments	200,208,985	184,044,223
Fixed Assets	10,810,900	9,633,295
Cash and cash equivalents	56,805,896	81,633,698
All other assets	32,070,016	31,574,629
Total Assets	**711,017,041**	**666,315,890**

LIABILITIES	2022	2021
Accounts payable	2,740,272	7,779,103
Other liabilities	29,787,271	10,075,522
Member Equity:		
Shares and certificates	636,915,684	595,659,064
Undivided earnings and statutory reserves	62,447,640	55,586,152
Other comprehensive income (loss)	(20,873,826)	(2,783,951)
Total Liabilities and Member's Equity	**711,017,041**	**666,315,890**



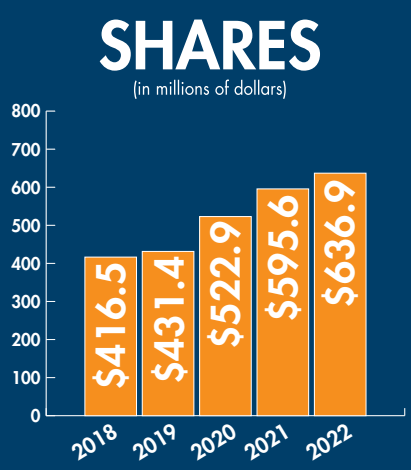


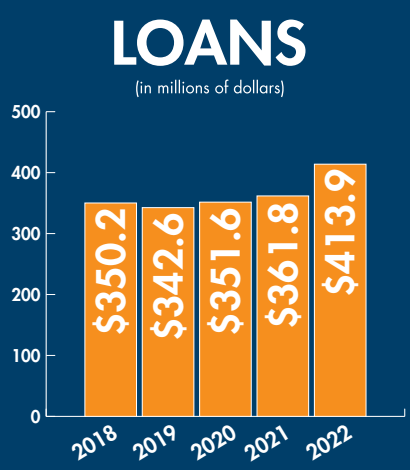
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As of December 31, 2022 *(unaudited)*

INCOME	2022	2021
Interest from loans	17,986,466	15,653,747
Investment income	4,582,377	2,268,606
Other income	8,041,901	6,633,112
Total Gross Income	**30,610,744**	**24,555,465**

OPERATING EXPENSES	2022	2021
Compensation and employee benefits	11,901,763	9,710,468
General and administrative expenses	11,072,214	9,955,780
Total Operating Expenses	**22,973,977**	**19,666,248**
Income before the following:	7,636,767	4,889,217
Provision for loan losses	(1,962,133)	36,332
Interest on borrowings	(171,448)	(4)
Dividends to members	(727,850)	(699,762)
Total Net Income (Loss)	**4,775,337**	**4,225,783**





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Your savings federally insured to at least $250,000
and backed by the full faith and credit of the United States Government

NCUA

National Credit Union Administration, a U.S. Government Agency

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