

FIRST CREDIT UNION

1929 95 2024

years of service

2024 ANNUAL REPORT



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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.

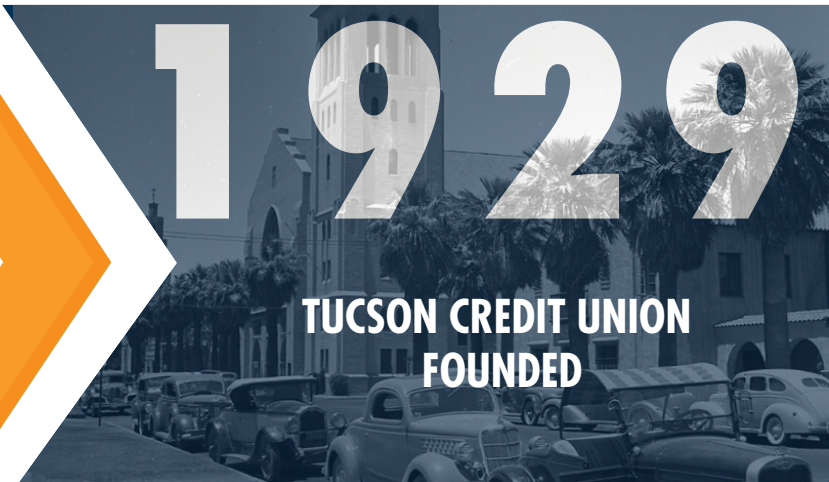
OUR VISION

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

OUR MISSION

To provide First Class Personal Solutions.

OUR JOURNEY TO FINANCIAL *Sunshine*



MEETING AGENDA

Tuesday, March 25, 2025

5:00 PM Business Meeting

- Call meeting to order
- Ascertainment of quorum
- Moment of Silence
- Pledge of Allegiance
- Approval of the 2024 Annual Meeting Minutes
- Reports
- Old Business
  - Bylaws Update
- New Business
  - Introduction of nominees and election results announced
- Call for adjournment

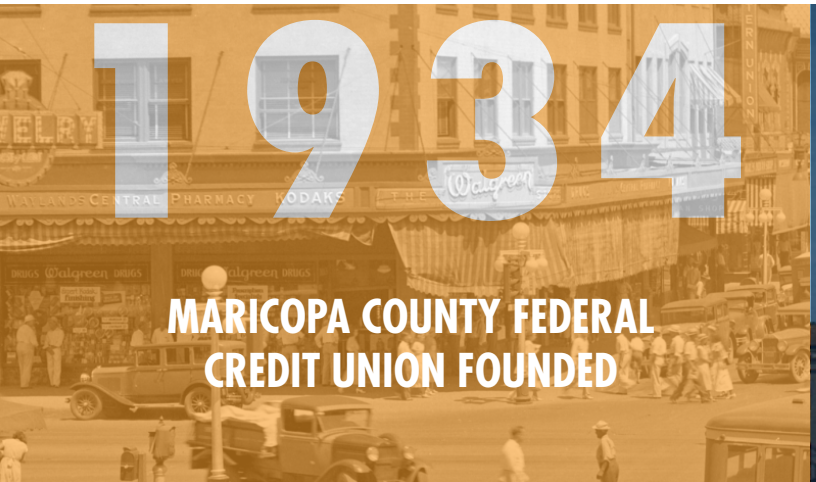


The Little Man Under the Umbrella, also known as Umbrella Man, played a significant role in the credit union movement. This cartoon character was created in the late 1920s by Joe Stern, an editorial cartoonist for the Boston Herald, at the request of Roy Bergengren, who led the Credit Union National Extension Bureau. Bergengren sought a symbol that would represent everyday people within the credit union movement.

Over the years, the Little Man appeared in various depictions—sometimes holding an account book or insurance policy, and at other times shown at the beach, in wartime, or celebrating the holidays.

As one of the most recognizable symbols of America's Credit Unions (formerly, CUNA) and its affiliated organizations, including TruStage (formerly, CUNA Mutual), the Little Man Under the Umbrella became an iconic figure in the credit union movement. Copyrighted in 1936, it remained America's Credit Unions' official trademark until the 1960s.

(Source: UmbrellaMan.org)





PRESIDENT'S REPORT

As we reflect on the past year, 2024 has been an extraordinary milestone for First Credit Union—our **95th anniversary of serving our members and communities!** Since 1929, we have remained steadfast in our mission to provide **first-class personal solutions** while fostering financial well-being for our members.

Throughout the year, we continued to innovate and enhance our products and services, ensuring a seamless banking experience tailored to your evolving needs. Our commitment to financial strength has allowed us to navigate economic shifts with confidence, building capital, reserves, and liquidity to protect the financial security of our membership. **Your trust and support fuel our drive to deliver exceptional financial solutions, and we are excited about the progress we've made.**

In 2024, we introduced several new digital enhancements designed to make managing your finances easier and more convenient. We launched **FirstFunds: Buy Now, Pay Later**, giving members the flexibility to convert larger purchases into manageable payments directly within digital banking. We are also preparing enhancements to digital banking that will include guided tools to help members get the most out of its many great features. Additionally, we introduced a new **student loan marketplace**, an online platform that allows borrowers to compare student loan offers and rates in one place—similar to how travel websites help users compare flights and hotels. This tool empowers students and families to make more informed decisions when financing education.

Beyond digital advancements, we also focused on enhancing in-person experiences. This year, we completed the **Devonshire branch remodel**, transforming the space into a more modern and welcoming environment for our members.

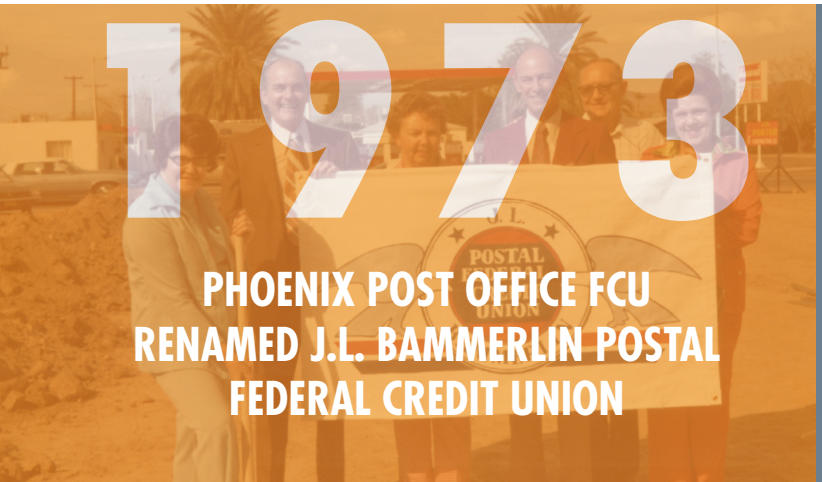
We are proud to have been recognized once again as a **'Top Company to Work For in Arizona,'** a reflection of our commitment to fostering a collaborative and supportive workplace. Our dedicated team is at the heart of everything we do, and their passion for serving our members is what makes First Credit Union truly special.

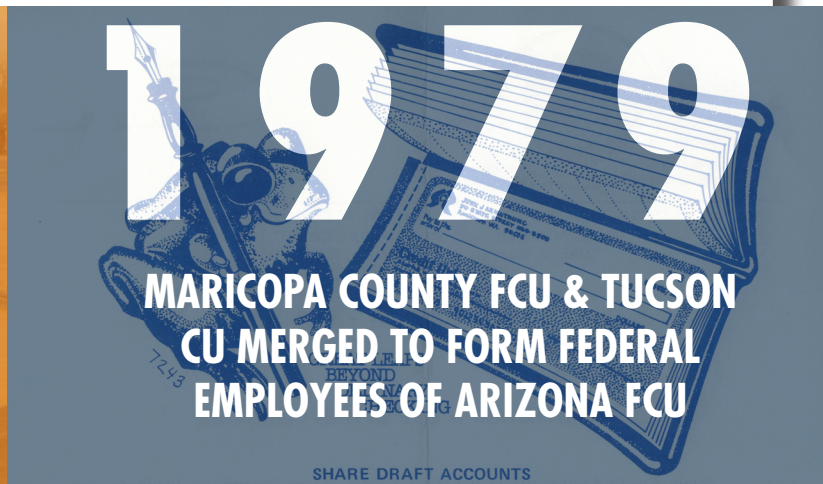
As we celebrate **95 years of financial service**, we remain committed to innovation, financial empowerment, and community engagement. Looking ahead, we will continue to introduce solutions that enhance the member experience, helping you achieve your financial goals with confidence.

Thank you for being part of our journey. **Here's to another year of success, growth, and brighter financial futures—together!**

JAY CURTIS
PRESIDENT & CEO









2024 BOARD OF DIRECTORS



Caryn Horvitz, CPA
Chair



Lori Gallegos
Vice Chair



Kenneth Mullins
Secretary



Ben Tan
Treasurer



William Jimro
Director



Mark Morrison
Director



Jay Curtis
Director

1994 BOARD OF DIRECTORS



Standing (left to right): LaRue Nikolaus, William (Roy) Laudenschlager, Fred L. Kent, Bill Loder, Thomas Meushaw
Seated (left to right): Wayne F. Sillyman, Betty Duprest, Jean CroucHer, Philip H. Stephan

2008 BOARD OF DIRECTORS

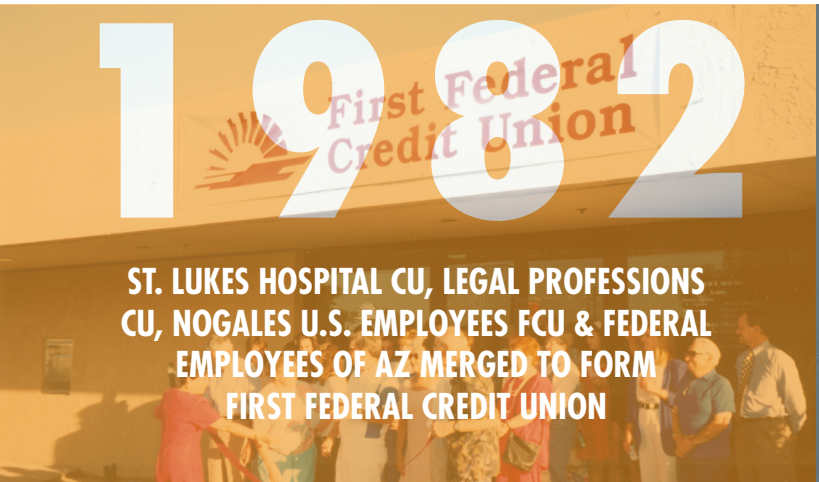


L to R: Kenneth Mullins, Dena Trangsrud, Fred Kent, Michelle Legg, José Luis Carrera Sr., Wayne F. Sillyman
Not pictured: Caryn Horvitz

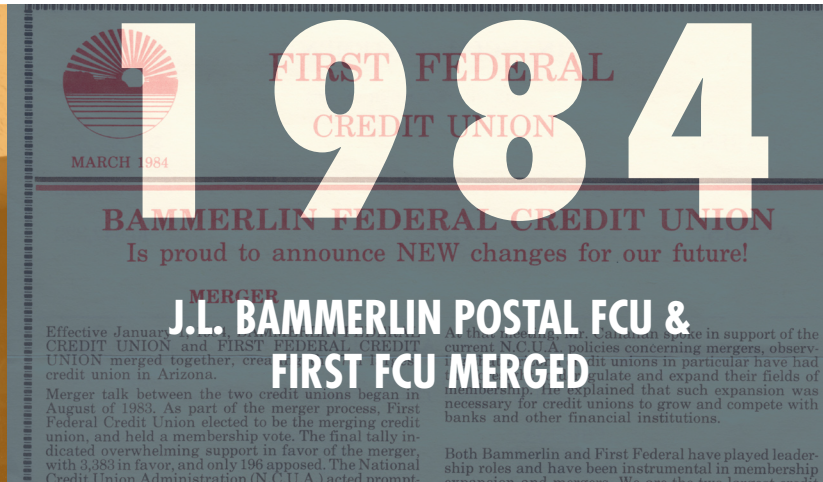
2013 BOARD OF DIRECTORS



L to R: Kenneth Mullins, Jay Curtis, Wayne F. Sillyman, José Luis Carrera Sr., Caryn Horvitz, Russell Puckett, Charles Hultstrand



ST. LUKES HOSPITAL CU, LEGAL PROFESSIONS CU, NOGALES U.S. EMPLOYEES FCU & FEDERAL EMPLOYEES OF AZ MERGED TO FORM FIRST FEDERAL CREDIT UNION



J.L. BAMMERLIN POSTAL FCU & FIRST FCU MERGED

SUPERVISORY COMMITTEE REPORT

The Supervisory Committee is appointed by the Board of Directors for the purpose of ensuring accurate records, protecting members' funds, and maintaining 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. Committee members for 2024 were JoLea Quintana, Debra Curry, Mark Morrison and Roland Tanner.

The Supervisory Committee acts as a guardian of the credit union by ensuring that operations are conducted in accordance with governing rules and regulations and that assets are properly administered. The committee 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. Additionally, the National Credit Union Administration and the Arizona Department of Financial Institutions, our regulatory agencies, conducted thorough examinations of the credit union's operations.

Based on the Supervisory Committee's 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 safe manner and that the financial statements presented in this annual report fairly represent the condition of First Credit Union at year-end 2024.

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 2024 to ensure our credit union is operating within established lending policies and guidelines.

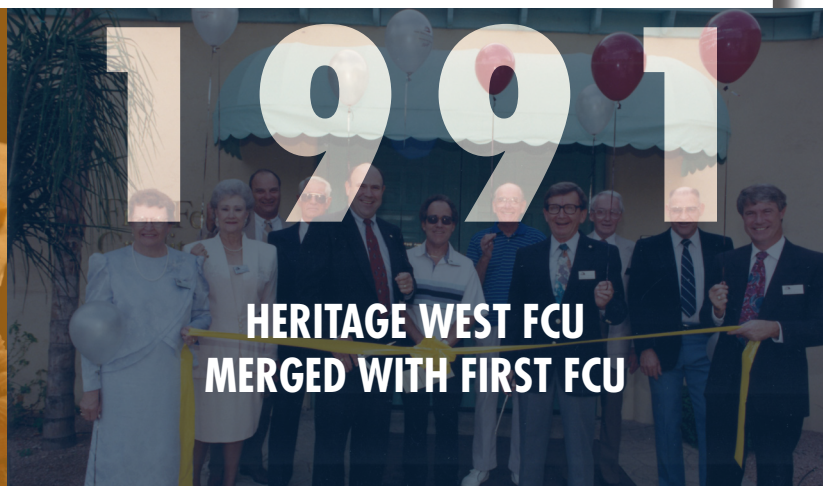
During 2024, First Credit Union funded $122.4 million in consumer loans and $10.2 million in first mortgage loans. The total loan portfolio grew by $8.6 million to $411.1 million, which is a year-over-year increase of 2.14%.

As we continue to navigate an evolving economic landscape, First Credit Union remains steadfast in our commitment to responsible lending practices. By maintaining diligent oversight of underwriting guidelines and loan portfolio management, we ensure that we meet our members' borrowing needs while preserving the financial strength of the credit union.

Being the "first choice" for our members' borrowing needs is our goal. Looking ahead, First Credit Union and the Credit Committee remain committed to offering innovative loan products, competitive rates, and enhanced service delivery channels that meet our members' financial needs and service expectations.



REPUBLIC AIRLINES EMPLOYEES FCU MERGED WITH FIRST FCU



HERITAGE WEST FCU MERGED WITH FIRST FCU

BOARD OF DIRECTORS' REPORT

Your Board of Directors' primary responsibility is to ensure the continued strength, stability, and future of First Credit Union. Throughout 2024, we worked closely with the Executive Management team to make strategic decisions that enhance our credit union's growth while always prioritizing the best interests of our member-owners. We are your representatives and remain steadfast in our commitment to serving you.

First Credit Union continues to evolve to meet the changing needs of our members. This year, we introduced new digital enhancements and financial solutions designed to provide greater convenience and flexibility. Our dedication to financial education and community engagement remains a cornerstone of our mission, reinforcing our role as a trusted financial partner.

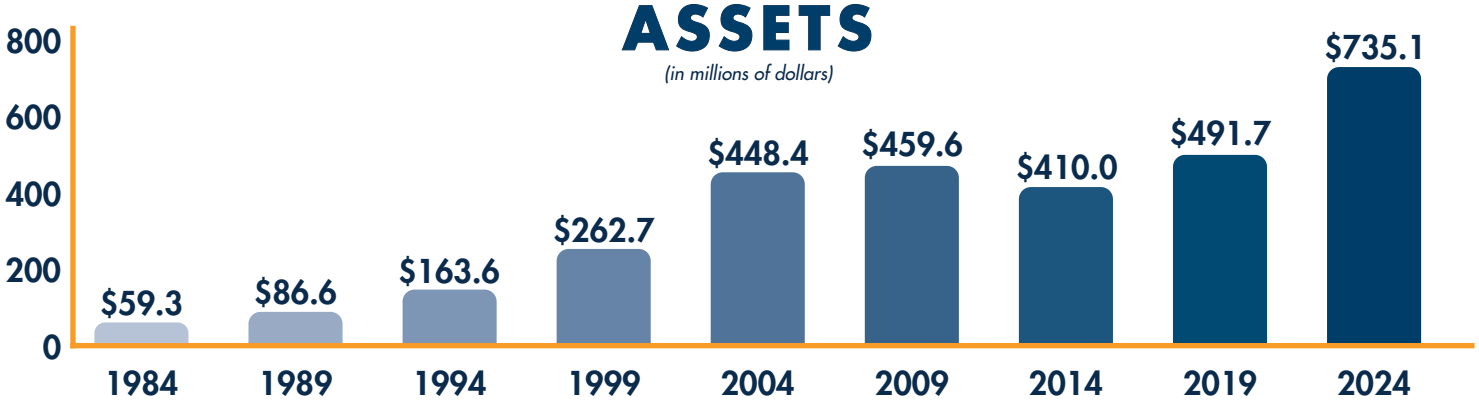
Disciplined financial management and a focus on sustainable growth have positioned First Credit Union for continued success. Through prudent decision-making, we have maintained a strong financial foundation while expanding our ability to serve members with innovative products and services.

Your Board of Directors has complete trust in the credit union's Executive Management team and their ability to navigate the ever-changing financial landscape. We are confident that First Credit Union remains a safe, stable, and beneficial financial institution.

Thank you for your ongoing loyalty and commitment to First Credit Union. We look forward to serving you for many years to come.

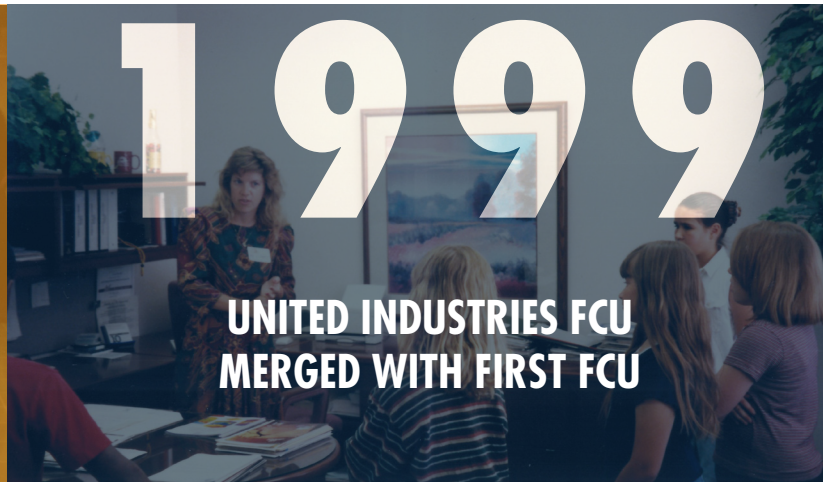
ASSETS

(in millions of dollars)





AEA CREDIT UNION'S AZ INTEL EMPLOYEES ELIGIBLE TO JOIN FIRST FCU



UNITED INDUSTRIES FCU MERGED WITH FIRST FCU



2024 COOL NUMBERS

80 NET PROMOTER SCORE

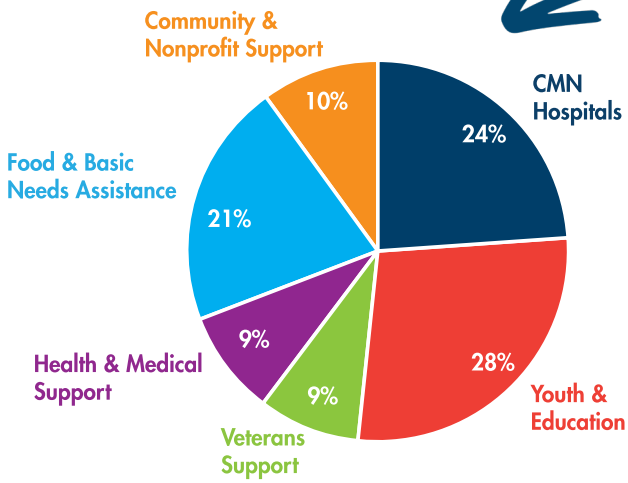
158,386 IN-BRANCH TRANSACTIONS

97,986 CALLS ANSWERED BY THE MEMBER SOLUTIONS CENTER

19,082 TEXT & CHAT MESSAGES

324 VIDEO CALLS

$68,604 CHARITABLE GIVING



$4,683,342,969 TOTAL LOANS FUNDED SINCE 1929

44,042 MEMBERS

2000

FIRST FCU CONVERTED TO STATE CHARTERED & RENAMED FIRST CREDIT UNION

2006

AZ COUNCIL OF THE BLIND CU MERGED WITH FIRST CU

2024 ANNUAL MEETING MINUTES

The 2024 Annual Meeting was called to order at 5:08pm on Tuesday, March 26, 2024 at the corporate headquarters in Chandler, Arizona, by the Board Chairperson, Caryn Horvitz. Chairperson Horvitz named Lori Gallegos as the credit union's Parliamentarian. A quorum was ascertained by Bill Jimro, Vice-Chairperson of the Board.

Following a moment of silence and recitation of the Pledge of Allegiance, Chairperson Horvitz introduced members of the Board of Directors and the Supervisory Committee.

Jay Curtis, President and CEO, thanked the Board of Directors, Supervisory Committee and the Member Advisory Group for the active engagement and personal time commitment to the credit union. Curtis also introduced the credit union's leadership team. After introducing the leadership team, Curtis reviewed the 2023 Annual Report. Curtis called 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 2023 year in review.

Vice-Chairperson Bill Jimro called for a motion to approve the minutes of the 2023 Annual Meeting, which are included in the 2023 Annual Report. Gallegos made a motion to approve the minutes, seconded by Morrison, the motion was approved unanimously.

Because there is no Old Business, Chairperson Horvitz moved directly to New Business.

Vice-Chairperson Jimro delivered the Nominating Committee Report. There were four vacancies for the Board of Directors and the Nominating Committee nominated four candidates, Caryn Horvitz, Ben Tan, Lori Gallegos, and Mark Morrison. The board election was held electronically. Voting opened to members on February 20, 2024, and concluded on March 21, 2024. Votes were confidentially tallied by an independent third-party, the Credit Union Executive Society (CUES) and the results of the election are: Caryn Horvitz and Ben Tan were both re-elected to a three-year term. Lori Gallegos was elected to a one-year term to complete the term of former board member, Barry Schlegel. Mark Morrison was also elected to a one-year term to complete the term of former board member, Russ Puckett.

Chairperson Horvitz noted that there being no further business, called for a motion to adjourn the Annual Meeting. Gallegos offered a motion to adjourn the First Credit Union Annual Meeting, which was seconded by Morrison, and unanimously approved at 5:22pm.



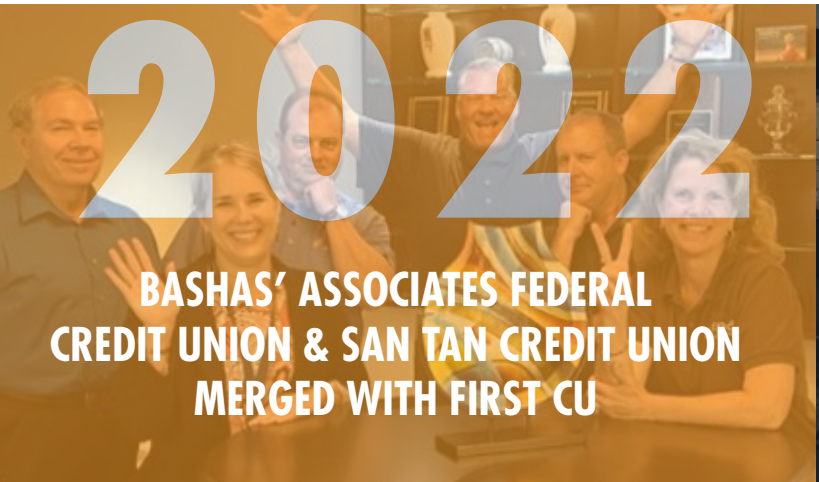




STATEMENT OF FINANCIAL CONDITION

ASSETS	2024	2023
Loans to members	411,130,022	403,206,544
Allowance for loan losses	(6,970,388)	(5,160,223)
Investments	176,800,633	173,812,682
Fixed Assets	12,830,599	11,581,780
Cash and cash equivalents	107,804,667	88,754,183
All other assets	33,516,051	33,444,006
Total Assets	**735,111,584**	**705,638,972**

LIABILITIES	2024	2023
Accounts payable	6,061,522	3,816,610
Other liabilities	18,022,981	54,469,306
Member Equity:		
Shares and certificates	655,207,679	599,825,407
Undivided earnings and statutory reserves	71,472,248	65,613,620
Other comprehensive income (loss)	(15,652,847)	(18,085,971)
Total Liabilities and Member's Equity	**735,111,584**	**705,638,972**







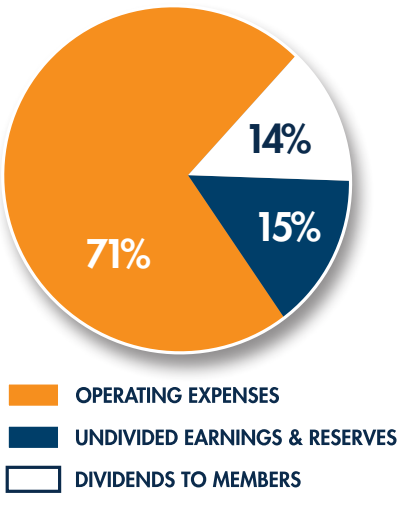
INCOME	2024	2023
Interest from loans	24,874,450	23,154,908
Investment income	11,773,194	8,271,910
Other income	13,756,857	6,883,357
Total Gross Income	**50,404,501**	**38,310,175**

OPERATING EXPENSES	2024	2023
Compensation and employee benefits	13,432,584	12,163,441
General and administrative expenses	13,843,279	12,888,043
Total Operating Expenses	**27,275,864**	**25,051,484**
Income before the following:	23,128,637	13,258,691
Provision for loan losses	(6,400,000)	(4,940,258)
Interest on borrowings	(1,913,311)	(1,078,432)
Dividends to members	(7,156,697)	(3,255,502)
Total Net Income (Loss)	**7,658,629**	**3,984,499**

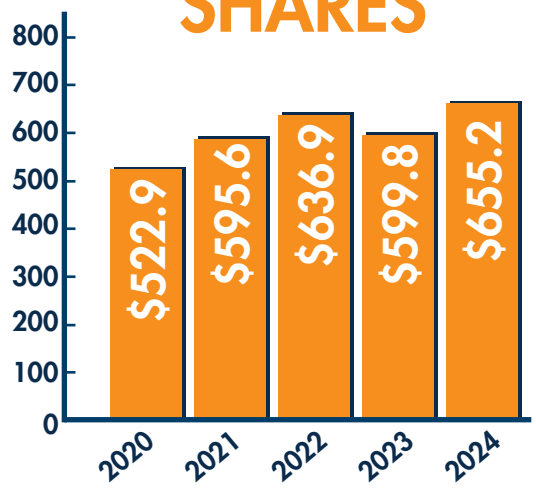
LOANS



DISPOSITION OF INCOME



SHARES



firstcu.net















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