

PIVOT

“You never know how strong you are until being strong is the only choice you have.”

PRESIDENT'S REPORT

Looking back on 2020, a few words come to mind – uncertainty, resilience and perseverance.

Our thoughts go out to those that experienced a personal impact and we express our sincere appreciation to the many front-line heroes that kept essential services available for the good of our community. As an organization, we adjusted service delivery to ensure the health and safety of our staff while maintaining business continuity with minimal disruption to our members.



This is our commitment to members, especially during difficult times. Throughout 2020 our 24/7 Phone Center and branches remained open, with expanded drive-thru services and lobby appointments to ensure physical distancing.

We adjusted our service fees to reduce member impact and allowed loan payments to be skipped up to 3 times without a fee. We also worked one-on-one with any member falling into financial hardship, providing solutions that kept them in their homes and vehicles.

KEEP MOVING FORWARD

Amidst the challenges, we were determined to stick to our strategic plan. We quickly wrapped up production of our Video eBranch and launched this service ahead of schedule to increase remote member access.



Video eBranch is a great way to receive the live-person Branch experience wherever a member chooses, on their own personal device.

We completed our digital banking conversion in May 2020! This enhanced banking platform allows you to view all your First Credit Union accounts in one dashboard, easily transfer funds between your accounts (internal & external) or Pay-A-Person directly. Our Digital Banking functionality is built to maximize member access and visibility to your accounts. We continue to add new features for member engagement, like access to your credit score and full credit report at no cost!

We launched Contactless debit & credit cards or tap-to-pay, working behind the scenes to get these instant issued in-branch and reissued as cards expire. And lastly, we reimagined our Corporate facility with a focus on footprint efficiency – creating new work space for our Solutions Teams.



STRONGER TOGETHER

Although 2020 was a year full of challenges, we were driven by solutions while creating a haven of normalcy for our staff and members, we take great pride in what we do - delivering Financial Sunshine® to our members!

On behalf of everyone here at First Credit Union – Thank you for placing your trust in us.

BOARD OF DIRECTORS REPORT

Your Board of Directors' primary focus is to ensure the financial strength of First Credit Union for today and strategic direction for years to come. We keep our member-owners' best interest at the forefront when, along with the Executive Management team, we make decisions throughout the year to enhance and grow our credit union. We are your representatives and take seriously our responsibilities to you.

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

CREDIT COMMITTEE REPORT

First Credit Union is committed to being a safe and stable financial institution for our members. The Credit Committee met regularly throughout 2020 to ensure the credit union is operating within established lending policies and guidelines.

During 2020, First Credit Union funded \$122 million in consumer loans and \$69 million in first mortgage loans. The total loan portfolio grew by \$9.0 million to \$351,681,050 which is a year-over-year increase of 2.63%.

Being the “first choice” for your borrowing needs is our goal. Going forward, First Credit Union and the Credit Committee remain committed to offering new products, services and enhancing our delivery channels to continue meeting our members' financial needs and service expectations.

2019 RECAP

SUPERVISORY COMMITTEE REPORT

The purpose of the Supervisory Committee is to protect the member's funds, ensure accurate records and maintain a quality systems of checks and balances. The committee utilizes the support of internal auditors, strictly following an audit plan, to review selected areas of credit union operations on an ongoing basis. The 2020 committee members were William Jimro, Chris Dunlevy, Robert MacGregor, Shari Burkholder and Brian Walker.

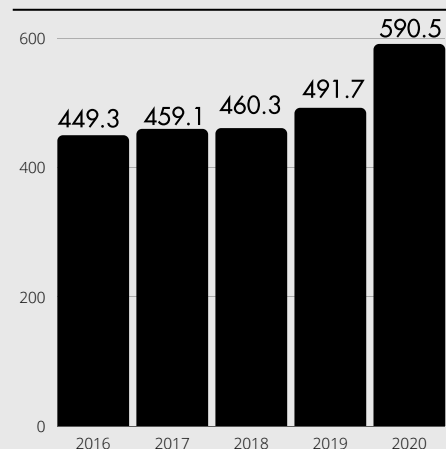
The Supervisory Committee oversees that operations are conducted in accordance with credit union governing rules and regulations and that assets are properly administered. The committee has normally, and did again in 2020, retained the services of an independent, Certified Public Accounting firm, to 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 2020.

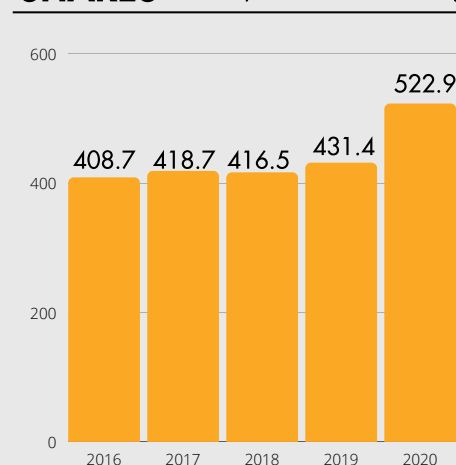
STATEMENT OF FINANCIAL CONDITION

As of December 31, 2020 (unaudited)

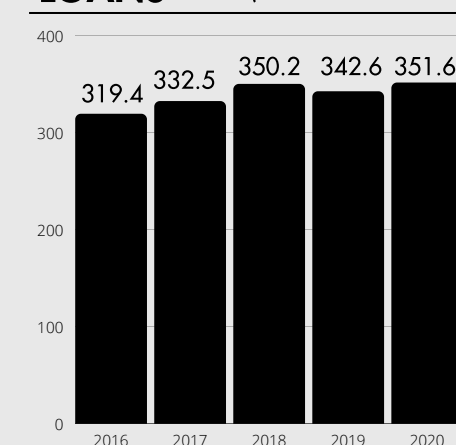
ASSETS (in millions of dollars)



SHARES (in millions of dollars)



LOANS (in millions of dollars)



The 2020 Annual Meeting was called to order at 6:03pm on June 23, 2020 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. 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 leadership team. After introducing the leadership team, Mr. Curtis reviewed the 2019 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 2019 year in review, highlighting First Credit Union's 90th Anniversary and 90 days of Giving.

Chairperson Horvitz-Strauss called for a motion to approve the minutes of the 2019 Annual Meeting, which were included in the Annual Report. Lori Gallegos made a motion to approve the minutes, seconded by Bill Jimro, motion was approved unanimously.

Vice Chairperson Russ Puckett delivered the Governance Committee Report. There were three vacancies for the Board of Directors. The Board of Directors and the Governance Committee nominated three candidates. Votes were confidentially tallied by an independent third party. Jay Curtis, Bill Jimro and Ken Mullins 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. Jay Curtis offered a motion to adjourn the First Credit Union Annual meeting, which was seconded by Lori Gallegos and unanimously approved at 6:15 PM.

ASSETS

Loans to members	351,681,050	342,673,441
Allowance for loan losses	(3,126,641)	(2,887,225)
Investments	132,103,819	82,656,441
Fixed Assets	9,367,887	7,387,394
Cash and cash equivalents	76,779,430	41,453,454
All other assets	23,734,204	20,506,918

Total Assets

2020

2019

LIABILITIES

Accounts payable	2,215,771	1,228,369
Other liabilities	16,848,517	12,444,865
Member equity:		
Shares and certificates	522,932,716	431,432,877
Statutory reserves and other	8,627,544	7,922,386
comprehensive income (loss)	39,915,201	38,761,926
Undivided earnings		

Total Liabilities and Members' Equity

2020

2019

INCOME

Interest from loans	16,136,921	16,716,475
Investment income	2,227,987	2,922,178
Other income	5,983,451	11,882,212

Total Gross Income

2020

2019

OPERATING EXPENSES

Compensation and employee benefits	10,833,258	10,431,173
General and administrative expenses	10,322,434	10,043,446

Total Operating Expenses

2020

2019

Income before the following:	3,192,667	11,046,246
Provision for loan losses	(1,275,322)	(1,545,386)
Interest	(454,654)	(388,952)
Dividends to members	(309,416)	(383,435)

Total Net Income (Loss)

2020

2019

