



Not a basic bank.

Greater Albuquerque
Habitat
for Humanity

PREVENTING BANKING BASIC

SINCE 1937.

2022 ANNUAL REPORT



PRESIDENT'S REPORT

While 2021 was about getting back to normal, we found ourselves, at times, wondering what the new normal would be as 2022 rolled around. While supply chains stabilized, auto dealer inventories grew, and consumers started taking vacations again, it didn't feel all that normal for many of us. Just like the flu pandemic that took place 100 years ago, the effects of this pandemic will be evident for a while. One of the biggest effects that all businesses feel is the challenge of hiring staff, and we are no different in that regard.

We received the honor of being a Forbes Best-in-State Credit Union award again in 2022 (3rd time in 5 years). This award is based on your feedback to the independent survey group Statista, so thank you again for your support! First Financial also received other

important recognitions during the year, including the 2022 Top Places to Work, the USA Cultural Excellence, and the 2022 Family Friendly Business awards both for the 5th year in a row.

We initiated plans for refreshing and expanding our branch network, starting work on several projects that will be completed in 2023 and 2024. The first project is a remodel of San Mateo, and once that is complete we will start work on new branches in the South Valley and Bernalillo. As usual, we also continue to upgrade and update our mobile and online technology.

The country has experienced a low interest rate environment for over a decade, but due to persistent inflation in 2022 the Federal Reserve raised interest rates faster than anytime in recent history. This is the reason many loan rates increased during

the year, and to some extent deposit rates. For those of you with one of our credit cards, you did not see an increase in our rates. We believe interest rates will moderate eventually, but it may take several years before that happens.

Your credit union is financially strong (rated as Excellent by Bauer Financial®), and without you, our members, we would not be here. Your continued partnership allows us to grow, providing more of the technology and financial services you need, as well as the opportunity to serve more members in this great State of New Mexico.

I am very fortunate to work with such an amazing group of volunteers and staff. Thank you for allowing us to grow with you as your preferred financial partner.

Ron Moorehead, CEO



CHAIR'S REPORT

As the Chair of your volunteer Board of Directors, I'm proud to say that First Financial Credit Union (FFCU) remains financially safe, secure, and stable despite the economic challenges faced globally. Our cooperative business model allowed us to continue to be a source of support for our members and the communities we serve in all the ways you have come to expect. FFCU continues to be committed to providing even more value to our members through enhanced products and services, innovative technologies, and first-class service.

As the needs of our members change, we stand ready to help our members navigate their unique financial goals by offering free financial wellness programs. We are proud to provide the financial tools and in-person service to equip

our members with the knowledge and assistance to maintain a strong financial foundation. In 2022, FFCU launched a convenient online registration process for financial education classes and reached 1,685 community members, held over 145 community education events, taught 185 hours of financial skills to kids, teens adults and seniors. Additionally, FFCU provided financial resources to various organizations, and held Spending Frenzy Reality Fairs that help prepare kids and teens by simulating real-world skills about managing money.

The philosophy of "people helping people" was carried throughout 2022 and our mindset remained focused on our values and mission as we actively participated in giving back to many community events and charities across New Mexico. In

2022, FFCU proudly supported various community organizations and awarded 26 scholarships to local students totaling \$39,000. In celebration of our 85 years in service to our community and members, FFCU's employees were empowered to conduct 85 Random Acts of Kindness to strangers. These acts of kindness not only positively affected members in our communities, but also made a huge positive impact on our employees who participated.

In 2022 FFCU was also honored to be recognized with numerous awards by our local communities. Across New Mexico, FFCU was voted Best Credit Union by our most important audience, YOU our

members. Once again, FFCU was named by Forbes Magazine as a top ten Best-in-State credit union based on a nationwide survey of consumers about their banking relationships. We were also awarded the Family Friendly Platinum Business Award and Top Work Places for 2022.

Thank you for your trust and loyalty and choosing FFCU as your trusted financial partner. We're honored to serve all of your financial needs every day, and we look forward to helping you succeed for many years to come.

CASSIE KELLEY



TREASURER'S REPORT

STEWART LOGAN



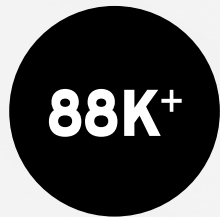
TOTAL
net income



ASSET
growth



TOTAL
assets



MEMBERS
5.84% growth



LOAN
growth



AWARDED
in scholarships



TO MEMBERS
through Kasasa Rewards



5TH YEAR VOTED
Top Places to Work



5TH YEAR VOTED
Family Friendly Business

2022 was a challenging but exciting year, and similar to recent years the Credit Union experienced strong growth in a number of areas. Your Credit Union grew assets by 4.12% in 2022, ending the year as a \$861 million credit union. Membership grew by 5.84%, ending the year with 88,757 members. The Credit Union grew loans by 14.77% in 2022 and generated \$7.6 million in net income.

During the year, First Financial sold the adjacent land to our corporate office for a gain of \$2.4 million. FFCU invested in new cybersecurity, network infrastructure and other technology enhancements in 2022 to ensure safety and soundness of our members' data. FFCU also received a grant of \$1 million.

A look ahead into 2023 will bring a new branch located in Bernalillo and a branch expansion of South Valley. As well continued improvements in information technology, and new products to service members.



2022 STATEMENT OF FINANCIAL CONDITION
FIRST FINANCIAL CREDIT UNION AS OF 12/31/2022

ASSETS

2022

2021

| | | |
|----------------------------|-----------------------|-----------------------|
| Loans | \$ 663,530,412 | \$ 578,160,268 |
| Allowances for Loan Losses | (3,069,852) | (2,529,725) |
| Net Loans | \$ 660,460,559 | \$ 575,630,543 |
| Cash & Investments | 135,007,469 | 188,374,009 |
| Fixed Assets (Net) | 22,177,117 | 24,337,389 |
| Other Assets | 44,295,827 | 39,485,779 |
| TOTAL ASSETS | \$ 861,940,972 | \$ 827,827,720 |

LIABILITIES & EQUITY

| | | |
|---------------------------------------|-----------------------|-----------------------|
| Current Liabilities | \$ 15,994,924 | \$ 10,874,833 |
| Member Shares | 780,350,943 | 750,490,796 |
| Retained Earnings | 65,595,105 | 66,462,091 |
| TOTAL LIABILITIES & EQUITY | \$ 861,940,972 | \$ 827,827,720 |

STATEMENT OF INCOME & EXPENSES

2022

2021

INTEREST INCOME

| | | |
|-------------|---------------|---------------|
| Loans | \$ 27,400,284 | \$ 23,838,597 |
| Investments | 1,933,292 | 1,142,934 |

INTEREST EXPENSE

| | | |
|----------------------------|-------------|-------------|
| Dividends to Members | (2,110,522) | (2,084,072) |
| Interest on Borrowed Funds | (421,825) | (335,404) |

| | | |
|---------------------|---------------|---------------|
| Net Interest Income | \$ 26,801,229 | \$ 22,562,055 |
|---------------------|---------------|---------------|

| | | |
|------------------------|------------|------------|
| Other Operating Income | 19,162,583 | 16,803,905 |
|------------------------|------------|------------|

| | | |
|-----------------------------|-----------|-----------|
| Non-Operating Income/(Loss) | 2,418,225 | (105,149) |
|-----------------------------|-----------|-----------|

| | | |
|-------------------|--------------|--------------|
| Operating Expense | (39,047,194) | (33,524,534) |
|-------------------|--------------|--------------|

| | | |
|---------------------------|-------------|-----------|
| Provision for Loan Losses | (1,700,000) | 4,159,000 |
|---------------------------|-------------|-----------|

| | | |
|---------------------|--------------|--------------|
| Net Income / (Loss) | \$ 7,634,844 | \$ 9,895,277 |
|---------------------|--------------|--------------|



SUPERVISORY COMMITTEE'S REPORT

The Supervisory Committee provides management and Board of Directors with an independent assessment of the safety and soundness of First Financial Credit Union operations and ensures the financial statements are a fair and accurate presentation of its financial condition.

The Supervisory Committee fulfilled its responsibility by:

- Employing the independent accounting firm of Nearman, Maynard, & Vallez CPAs to perform a comprehensive review of the credit union's

financial statements for 2022, which were rendered accurate in all material respects;

- Participating in the joint examination conducted by the regulatory agencies of National Credit Union Administration (NCUA) and the New Mexico Financial Institutions Division, which indicates the credit union continues to be financially and operationally sound and well managed;
- Meeting monthly with the Director of Internal Audit to oversee the internal audit program, discuss

audit results, Internal Audit recommendations for strengthening controls, and the status of management's action on all prior recommendations;

- Reviewing and responding in writing to letters and emails it received from the membership or any regulatory agency.
- We welcome and appreciate our newest Associate, Debra Stone to the committee. The Supervisory Committee will continue to perform its oversight responsibilities in the best interest of the

membership and First Financial Credit Union.

The cooperation and support from credit union members, employees, officers, and volunteers is greatly valued.

PEOPLE



**NM STRONG
PROUD**

HELPING

PEOPLE



Not a basic bank.

First Financial Credit Union is dedicated to our member-owners in diverse communities by providing trusted and exceptional financial services, products, and education.

BOARD OF DIRECTORS

CHAIR

Cassie Kelley

FIRST VICE CHAIR

Loretta Montoya

SECOND VICE CHAIR

Vincent Esparza

SECRETARY/TREASURER

Stewart Logan

DIRECTORS

Ava Boswell

Iva Curley

Rick Goshorn

Cindy Frost

Melissa (Missy) Wauneka

EMERITUS DIRECTORS

Boyd Miller

Cathy Thomas

ASSOCIATE DIRECTORS

Andrea Telford

M. Vanessa Ragsdale

SUPERVISORY COMMITTEE

Christine Duncan - Chair

Jennifer Gibbs - Member

Trish Roughgarden - Member

Debra Stone - Associate