



FirefightersFirst

CREDIT UNION

It's yours.

2020



ANNUAL REPORT

MISSION

To improve the financial lives of our Fire Family



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2020 BOARD OF DIRECTORS EXECUTIVE TEAM

2020 BOARD OF DIRECTORS

L. Scott Gribbons
Board Chair
Captain, Los Angeles Fire Department

John Buck
First Vice Chair
Retired Battalion Chief, Los Angeles Fire Department

Richard Frawley
Second Vice Chair
Battalion Chief, Milpitas Fire Department

Ronald D. Jackson
Treasurer
Retired Battalion Chief, Los Angeles Fire Department

Greg Porter
Secretary
Retired Captain, Los Angeles Fire Department

John Cermak
Fire Chief, North County Regional Fire Authority

Marshall Hatch
Captain, Ventura County Fire Department Regional Training Center

Jeff Haughy
Lieutenant, Oakland Fire Department

Jerry Horwedel
Retired Captain, Los Angeles Fire Department

Sheldon McKowan
Retired Captain, Los Angeles Fire Department

Larry Metz
Retired Staff Assistant, Los Angeles Fire Department

Andrew Patai
Firefighter, Las Vegas Fire Department

Wayne Schuetz
Captain, Los Angeles Fire Department

Nathan Sweet
Fire Captain I/Paramedic, Los Angeles Fire Department

Marv Williams
Retired Captain, Los Angeles Fire Department

BOARD OF DIRECTORS



SUPERVISORY COMMITTEE

Mike Arguelles
Chair, Supervisory Committee
Retired Battalion Chief, Los Angeles Fire Department

Bryan Nassour
Secretary, Supervisory Committee
Engineer Paramedic, Los Angeles Fire Department

Patrick L. Engel
Retired Battalion Chief, Los Angeles Fire Department

Sharon Draper
Retired Executive Assistant,
Firefighters First Credit Union

CREDIT UNION EXECUTIVE TEAM

Dixie Abramian
President/Chief Executive Officer

Richard Dillon
Chief Financial Officer

David Fitzgerald
SVP, Lending

Dyan Mashman
SVP, Information Technology

Kelly Ramsay
SVP, Marketing

2020 BOARD CHAIR AND CHIEF EXECUTIVE OFFICER REPORT TO THE MEMBERSHIP

Congratulations and thank you are in order for all of our heroes (employees and members) given the great challenges of 2020! It was truly a year we will never forget. The pandemic, the volatility, the level of change, the ambiguity, the division in our country, and the fear (health, economic, financial) were felt by our employees and our members. Everyone was impacted.

As always, we had the best laid plans coming into the year. We had put together a business plan and budget for 2020, but it went out the window in March. No one could have predicted a pandemic scenario. During the year, we adjusted our strategy and made decisions that best served our members, our employees, and our organization. The Credit Union ended the year strong with \$11.9M net income before paying out \$2.1M in interest refunds, and the following metrics before the interest refund:

- **ASSETS OF \$1.8B**
- **CAPITAL RATIO 8.09%**
- **RETURN ON ASSETS (ROA) .73%**
- **RETURN ON EQUITY (ROE) 8.16%**

We are also proud of ending the year with best in service amongst 154 credit unions in the United States as measured by the industry standard, Net Promoter Score.

We were able to assist many members during this volatile year with their investments, trust documents, and insurance needs. As soon as we learned about the government funded Paycheck Protection Program (PPP) being available for our business members, we registered through the Small Business Administration (SBA) to offer PPP funds and assisted 96 members for a total of \$3.4M.

We also completed many initiatives that our members are now enjoying.

- We launched a partnership with a national mortgage service (CUMA) which allows us to offer mortgage loans in all fifty states.



L. SCOTT GRIBBONS
Board Chair



DIXIE T. ABRAMIAN
Chief Executive Officer

- We enhanced our self-service channel and have added wire transfer, travel notification, and cashback redemption forms within online banking.
- We successfully converted both our Debit and Credit Card programs to our in-house Credit Card Module. We are pleased to have the rolling balance feature back and members now have the ability to load their own travel notifications through the FireFirstCard App.
- We opened our new Headquarters branch in Pasadena and a new branch in Santa Clarita.

Even with drill tower and station restrictions, we were able to continue growing the organization and ensure our safety and soundness. We added over 4,000 members in 2020. Today, we have almost 53,000 members and serve over 741 fire departments nationwide.

Through the Fire Family Foundation, we gave over \$100,000 in assistance. We supported fire families in need, gave to other fire charities, and awarded \$50,000 in scholarships to the children of ten fire families.

Thank you to our members, Board of Directors, and employees for your loyalty, dedication, and continued support of Firefighters First Federal Credit Union.

We remain committed exclusively to firefighters, executing everything with uncompromising integrity and competence, and remain relentless in our pursuit of legendary service. Congratulations Firefighters First Credit Union for celebrating 85 years of firefighters helping firefighters!

Respectfully submitted,

A handwritten signature in black ink, appearing to read "L. Scott Gribbons".

L. Scott Gribbons
Board Chair

A handwritten signature in black ink, appearing to read "Dixie T. Abramian".

Dixie T. Abramian
Chief Executive Officer

2020 ANNUAL TREASURER'S REPORT

2020 was a challenging year. Like all organizations, Firefighters First Credit Union (FFCU) was adversely affected by the COVID-19 global pandemic. Employee health and safety became our primary concern and we immediately adjusted the office environment to meet that need. Additional equipment was purchased, and workplace PPE's were provided. Working remotely became the new normal for most of the staff.

Because of the efforts of the leadership team, FFCU was able to successfully meet this challenge. Our employees displayed an attitude that is germane to the fire service and first responder culture. Despite an extraordinarily high volume of share deposits, FFCU was able to end the year fiscally strong meeting our year-end goals.

FFCU's full year 2020 Consolidated Financial Income after refund was \$9.7M compared to budget of \$8.1M. This year we returned over \$2.1M to our member/owners. Our after-refund Capital Ratio was 7.97%, Operating Efficiency Ratio was 79.79%, ROA was .60%, ROE was 6.77%, and Liquidity Ratio was 23.33%. Net loan growth for the year was \$4.8 Million, and Shares increased by \$308 Million.

FFCU's lending statistics are listed below:

	2019	2020	% Increase
TOTAL LOAN ORIGINATIONS	\$483,950,810	\$646,350,418	34.6
BUSINESS LENDING	\$56,511,585	\$87,083,504	54
CONSUMER LENDING	\$165,775,666	\$192,945,854	16
RESIDENTIAL LENDING	\$261,663,558	\$366,321,059	40



RONALD D. JACKSON
Director, Board Treasurer

We were able to assist many members during this volatile year with their investments and grew assets under management by 15% to a total of \$312M. We added 22 new designations for a total of 88 since the inception of Trust Services, whereby the Credit Union is named as Successor Trustee. Commissions also increased at Firefighter Insurance Services by 9% for a total of \$2.3M. The small insurance agency that we initially invested \$50,000 into is now valued at over \$8M.

We will continue to meet the challenges of the future and invest members' resources appropriately while working within the framework of our mission and core values. The Credit Union is financially sound and well-positioned for another successful year in 2021.

Respectively submitted,

Ronald D. Jackson
Director, Board Treasurer

2020 ANNUAL SUPERVISORY COMMITTEE REPORT



MIKE ARGUELLES
Supervisory Committee Chair

It is the role of the Supervisory Committee, with the support of Internal Audit and Risk Management teams, to ensure your Credit Union leadership maintains sound internal controls. Additionally, we ensure financial statements provide a fair and accurate presentation of the credit union's financial condition. Finally, it is our duty to provide the membership with an independent appraisal of the safety and soundness of operations and activities.

During 2020, the National Credit Union Administration (NCUA), the regulatory agency for all federally chartered credit unions, performed its periodic examination. Based on the results of the Examination Report of the NCUA, along with the Annual Report of Independent Auditors, it is the opinion of the Supervisory Committee that Firefighters First Credit Union continues to be financially strong and well managed, with sound policies and controls.

Respectfully Submitted,

A handwritten signature in black ink that reads "M. J. Arguelles".

Mike Arguelles
Supervisory Committee Chair

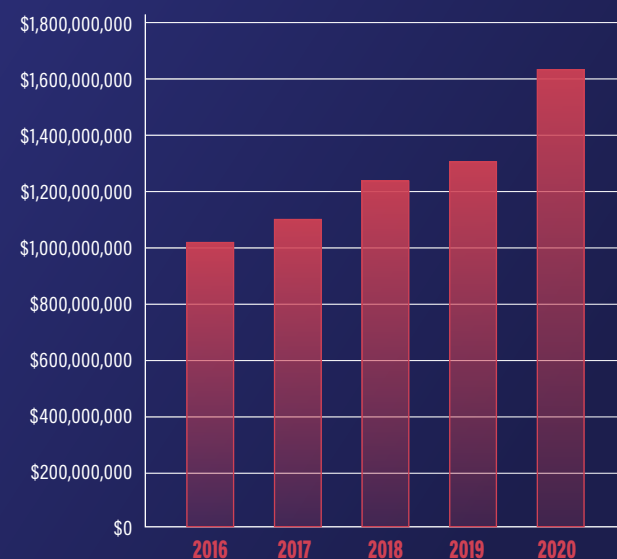


2020 FINANCIALS

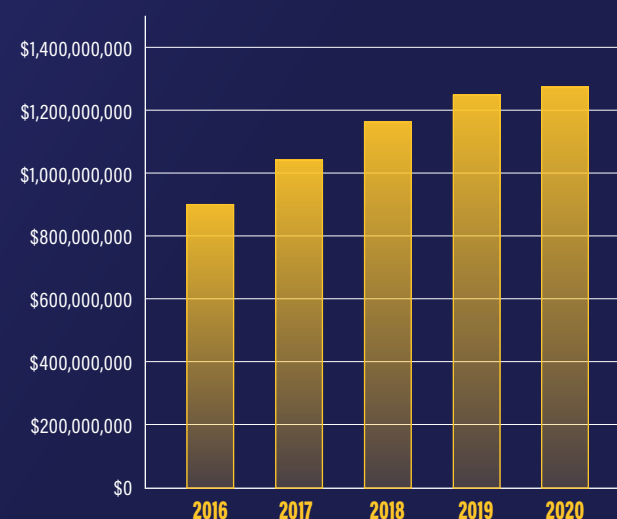
Unaudited Consolidated Income Statement - After Refund

	FY 2020	FY 2019	Diff	Variance
INTEREST INCOME				
Interest Income on Loans	49,309,751	50,363,983	(1,054,232)	-2.09%
Less Interest Refunds	(994,042)	(1,030,417)	36,375	-3.53%
Income from Investments	1,385,080	3,651,272	(2,266,191)	-62.07%
Total Interest Income	49,700,789	52,984,837	(3,284,048)	-6.20%
INTEREST EXPENSE				
Dividends	12,355,570	14,362,817	(2,007,247)	-13.98%
Extraordinary Dividends	1,014,857	1,017,766	(2,909)	-0.29%
Total Interest Expense	13,370,427	15,380,583	(2,010,156)	-13.07%
NET INTEREST INC (Before Provisions)	36,330,362	37,604,254	(1,273,892)	-3.39%
Provisions for Loan Loss	548,685	431,338	117,347	27.21%
Provisions for Share Loss	9,604	43,640	(34,035)	-77.99%
NET INTEREST INCOME	35,772,072	37,129,276	(1,357,204)	-3.66%
NON-INTEREST INCOME				
Interchange Income	5,465,792	6,791,060	(1,325,268)	-19.51%
Fee Income	1,148,776	1,442,169	(293,393)	-20.34%
Real Estate Fee Income	2,630,252	1,800,424	829,828	46.09%
Tenant Income	940,632	1,009,227	(68,595)	-6.80%
Other Operating Income	4,093,504	3,332,845	760,659	22.82%
Total Non-Interest Income	14,278,956	14,375,725	(96,769)	-0.67%
OPERATING EXPENSES				
Employee Compensation	17,102,230	16,223,485	878,745	5.42%
Employee Benefits	4,088,830	3,979,434	109,396	2.75%
Travel and Conference Expense	261,822	644,839	(383,017)	-59.40%
Office Occupancy Expenses	3,937,234	3,580,839	356,395	9.95%
Office Operations Expenses	4,429,531	4,397,008	32,523	0.74%
Marketing Expenses	640,513	733,362	(92,848)	-12.66%
Loan Servicing Expense	1,798,100	3,754,583	(1,956,484)	-52.11%
Professional Services	6,514,086	7,066,001	(551,914)	-7.81%
Operating Fees	409,280	234,374	174,906	74.63%
Miscellaneous Operating Expenses	1,897,674	2,886,873	(989,199)	-34.27%
Total Operating Expenses	41,079,300	43,500,797	(2,421,496)	-5.57%
Non-Operating Gain (Loss)	526,606	309,397	217,209	70.20%
Gain/(Loss) on Investments	232,084	0	232,084	100.00%
NET INCOME / (LOSS)	9,730,418	8,313,601	1,416,816	17.04%

Share Growth



Loan Growth



2020 FINANCIALS

Unaudited Consolidated Statement of Financial Condition

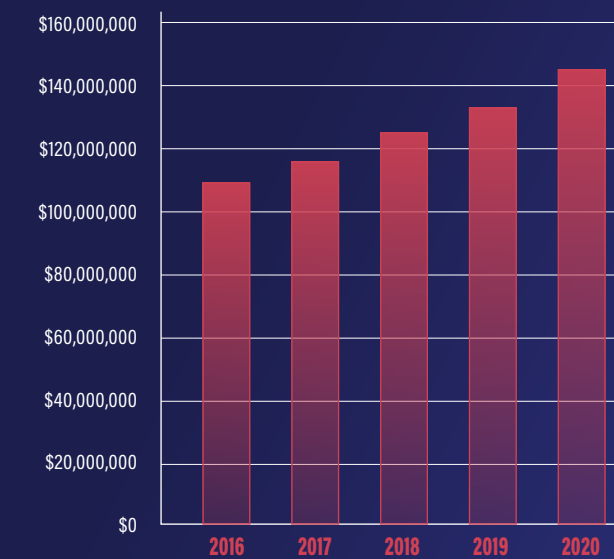
ASSETS

	YE 2020	YE 2019
Loans Outstanding	1,274,675,624	1,267,490,962
Allowance for Loan Loss	(4,542,024)	(4,293,125)
Loan Origination Fees	(362,247)	(555,803)
Loan Prepaid Cost	1,253,226	1,112,361
FASB 91	5,570,841	4,711,533
Total Loans	1,276,595,420	1,268,465,928
Loans Held for Sale	810,400	381,000
Total Investments	28,392,719	12,282,126
Total Cash	420,981,997	124,050,005
Land and Building	24,034,380	21,413,106
Software	644,331	272,100
Furniture and Fixtures	1,347,327	1,195,077
Building in Progress	221,841	791,956
Total Accrued Income	3,920,554	3,589,655
NCUSIF Insurance	13,000,097	11,340,178
All Other Assets	34,714,304	44,880,571
TOTAL ASSETS	1,804,663,370	1,488,661,702

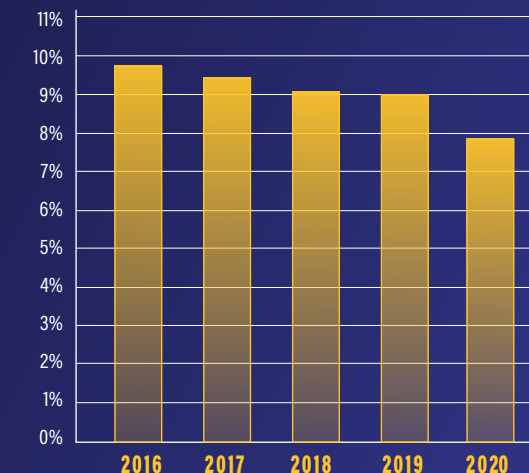
LIABILITIES & EQUITY

	YE 2020	YE 2019
AP and Other Liabilities	12,178,694	14,020,573
Share Savings	287,369,587	194,843,528
Checking	282,166,326	208,578,463
Money Market	648,586,455	516,039,129
Certificates	367,470,229	363,050,482
IRA Accounts & CDs	62,840,124	57,568,950
Total Shares and Certificates	1,648,432,721	1,340,080,552
Non Controlling Interest	300,669	233,339
Regular Reserves	41,734,816	41,734,816
Undivided Earnings	92,286,724	84,277,950
Unrealized Gain (Loss) on Investment	(671)	871
Net Income	9,730,418	8,313,601
TOTAL LIABILITIES & EQUITY	1,804,663,370	1,488,661,702

Net worth



Capital Ratio



CELEBRATING OUR 85TH ANNIVERSARY



CELEBRATING 85 YEARS

Auto Loans as low as **1.85% APR¹** for up to 60 months

We are celebrating 85 years of proudly serving the Fire Family. Thank you!

¹APR (Annual Percentage Rate). Rate includes promotional rate and direct deposit discount. To qualify for the 0.25% direct deposit discount, funds must be deposited into your Firefighters First checking account. Offer for qualified new and existing members. Rate discount applies to loans up to a term of 60 months. All other terms remain at the current market rate. More details at FirefightersFirst.org/Personal/Vehicle/Loans/Auto/Loans.

CELEBRATING 85 YEARS

Amazing RV Loan Rates

Celebrating 85 years with a low **4.85% APR¹** FOR 120 MONTHS. Find new adventures.

¹APR (Annual Percentage Rate). Rate includes promotional rate and direct deposit discount. To qualify for the 0.25% direct deposit discount, funds must be deposited into your Firefighters First checking account. Offer for qualified new and existing members. Rate discount applies to loans up to a term of 120 months. All other terms remain at the current market rate. More details at FirefightersFirst.org/Personal/Vehicle/Loans/Recreational/Vehicle/Loans.



WE ARE THE FIRST RESPONDERS **FOR OUR MEMBERS**

"We have been Firefighters First Credit Union members since my husband joined the Department in 1956, and I have been a member since being widowed in 1996. I have always been well taken care of, and I feel that the employees of the Credit Union are always there for me, and have got my back on all things financial. Thank you!"

— Carole G.

"I have been able to do everything online or through my mobile app so well that I haven't had to step foot in a branch in 4 years, which amazes me since I live over 2 hours away. This is my primary financial institute! I love this Credit Union!"

— Nancy R.

"I've had wonderful experiences with the staff from consumer loans to general customer service. They are quick to take care of my needs and are always friendly. We've held three auto loans, a few savings accounts, checking and a Line of Credit with Firefighters First and we love it!"

— Kent R.

"Firefighters First really treats you like family. They will work with you on anything you need and with whatever budget you have. I personally have had the operators help me with personal and car loans in all the years I've been a member. It has been quick, easy and painless. Thank you for all you do!"

— Claudia V.

2020 — THE YEAR THE PANDEMIC CHANGED OUR PLANS

In a challenging year, we were successful ...

Added
4,000
new members
*6% growth
(vs. 3.5% CU average)*

Gained membership in
6 NEW STATES

RANKED #1
in member satisfaction & loyalty
(as validated by a 3rd party)

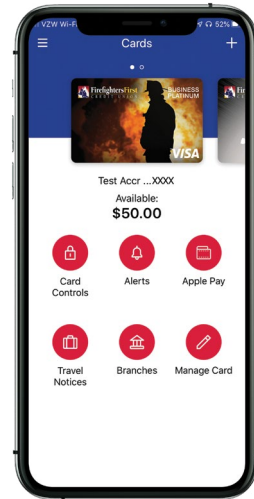
For a total of 53,000 members and over 741 fire departments served nationwide.



2020 KEY ACHIEVEMENTS



- **Provided member fraud educational emails/videos** to help members understand email and phone scams
- **Improved credit and debit card rewards** – converted points to cashback, redeemable in online banking
- **Introduced the MoneyGuidePro^{®1} tool** to help our members retire in style
- **Launched nationwide mortgages in association with CUMA** to ensure we can meet our members' needs wherever they move
- **Enhanced credit/debit card features to include Tap to Pay and Digital Wallet**
- **Announced the new FireFirstCard app (replacing CardValet^{®2}) with added benefits:**
 - Members can set alerts for transactions
 - Conveniently set travel notifications
 - View available credit, plus see the last 10 transactions



¹ ©MoneyGuide, Inc. Reproduced with Permission. All rights reserved.

² CardValet[®] is a trademark of Fiserv, Inc. or its affiliates.

2020 KEY ACHIEVEMENTS

Opened two new branches:



Opened in May 2020
1520 W. Colorado Blvd.
Pasadena, CA 91105



Opened in August 2020
26650 The Old Road, Suite 180
Stevenson Ranch, CA 91381

A STRONG FAMILY OF ANCILLARY SERVICES



We safeguard your future and protect your property. We understand your unique lifestyle.

Firefighter Owned and Operated

- Auto
- Recreational Vehicles
- Home and Landlord
- Business
- Life

Firefighter Insurance Services is not insured by NCUA.



We can provide you the necessary resources to help achieve your financial goals.

We assist with:

- Retirement positioning
- College Savings
- Investment Portfolios
- Brokerage Services

*Non-deposit investment products and services are offered through CUSO Financial Services, L.P. ("CFS"), a registered broker-dealer (Member FINRA/SIPC) and SEC Registered Investment Advisor. Products offered through CFS: are not NCUA/NCUSIF or otherwise federally insured, are not guarantees or obligations of the credit union, and may involve investment risk including possible loss of principal. Investment Representatives are registered through CFS. The Credit Union has contracted with CFS to make non-deposit investment products and services available to credit union members.



To educate, guide and facilitate all your estate planning needs.

We can help you with:

- Estate Planning
- Trustee and Executor Services
- Trust Settlement

Trust services are provided by Members Trust Company, a federal thrift regulated by the Office of the Comptroller of the Currency, Trust and investment products are not deposits or guaranteed by the trust company, a credit union or credit union affiliate, are not insured or guaranteed by the NCUA, FDIC, or any other governmental agency, and are subject to investment risks, including possible loss of the principal amount invested.

WE SUPPORTED OUR FIREFIGHTERS AND THEIR FAMILIES

As the charitable hand of Firefighters First Credit Union, Fire Family Foundation continues its mission of assisting Firefighters and their families in need.

Fire Family Foundation supports Firefighters and their families by providing the Firefighter Relief Fund, offering scholarships, and supporting other Fire Charities.

In 2020, the Fire Family Foundation provided over \$100,000 in assistance:

- Awarded **\$50,000 in scholarship grants** in 2020 to children of ten Fire Families
- **Helped seven families directly**, with nearly \$11,000
- Gave over **\$38,000 to other Fire Charities**
- Provided nearly **\$16,000 to Disaster Relief** in Northern, CA
- Launched **Partnership with CARS** to accept vehicle donations
- Organized three fundraisers which **raised \$80,000**



Fire Family Foundation is a nonprofit 501(c)(3) organization, Tax ID #36-4613248, and is the charitable hand of Firefighters First Credit Union. All donations to the Foundation are tax deductible to the full extent of the law. Affiliate of Firefighters First Credit Union.



2020 Scholarship Winners



Fire Boot Classic



WE SHARE OUR PROFITS WITH OUR MEMBER-OWNERS

It's Yours – It's Our Tradition.

Firefighters First Credit Union
members earned

**OVER \$2
MILLION**

in profit sharing in 2020!*

Firefighters First Credit Union
reimbursed

**NEARLY
\$456,000**

in ATM fees**

*An Annual Profit Sharing Bonus or an Interest Refund may be declared at the discretion of the Firefighters First Board of Directors at year-end.

**ATM rebate program details: Firefighters First Credit Union will reimburse you for ATM surcharge fees incurred when making a withdrawal using your Firefighters First debit card. Fees will be reimbursed for your first five (5) ATM transactions that incur a surcharge fee, per calendar month. Fees will be reimbursed the same day unless your ATM withdrawal is after 3:00 pm (PT). Withdrawals after this time or on a non-business day will post on the next business day along with the fee reimbursement. To qualify for this program, you must have a combined direct deposit total of at least \$1,000 per month for at least two (2) consecutive months ongoing and you must make your ATM withdrawal from your Firefighters First personal or business account.





FirefightersFirst
CREDIT UNION

815 Colorado Blvd.
Los Angeles, CA 90041


800-231-1626

FirefightersFirstCU.org

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

Federally Insured by NCUA



**EQUAL OPPORTUNITY
LENDER**