

Focused on Values

**FULFILLING DREAMS
FOR 78 YEARS**



2019 Annual Report

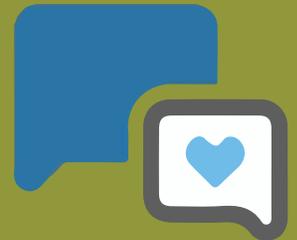


2019 in review



We broke ground for our new Brawley Branch to bring more convenience to our members through a more accessible location, Drive-Up ATM and Drive-Up Teller.

We made updates to our FICU Mobile App and Online Banking in order to provide more communications options that included Travel Notifications and Secure Messaging functions.



We implemented a new employee incentive program called "SPIN" Awards (Special Performance INcentive) which focuses on our Core Values of recognizing outstanding performance related to members, employees and community.

We signed a contract to begin upgrading our core system to allow better functionality and team resources which in turn provides more expedited services to our members.



We were approved for a membership expansion by our regulator, Department of Business Oversight, to include individuals living, working, worshipping, or non-natural persons located within the following fourteen cities: Banning, Beaumont, Blythe, Cathedral City, Coachella, Desert Hot Springs, Indian Wells, Indio, La Quinta, Palm Desert, Palm Springs, Rancho Mirage, Thermal and Thousand Palms, each within the County of Riverside, California.

Service **YOU**

FOCUSED ON



FICU is established
August 21, 1942
with 7 members



As of December 2019,
we have more than
happy 19,000 members



Dr. Kathleen Lang
Board Chairwoman



Fidel Gonzalez, CCUE
President/CEO

The key to our success in 78 years of business has been remaining true to our intrinsic value of people helping people. By leveraging our services and our member-focused employees, we have been able to set ourselves apart by focusing on our member needs and the products that will help them thrive. 2019 saw a federal government shutdown and we worked quickly to make sure our affected members received the services they needed to move forward. We are proud to note that we funded 45 member assistance loans for \$133,000 and approved 48 loan deferrals. First Imperial continues to put itself in a position that implements the next up-to-date products and services in anticipation of member expectations that align with our business mission. The Board of Directors, which is made up of seven volunteer members, instills a vision to create initiatives that will allow the management team and employees to focus on process efficiency, better products and most importantly member service. Through this guidance and diligent work, FICU was able to complete many strategic initiatives for 2019 which covered credit union growth, operational efficiency and effectiveness, and internal and external culture.

We stand by the statement “To deliver quality, affordable financial services with an exceptional member-focused experience.” Staying true to our mission is far less than simple, and takes a great undertaking on behalf of the management team and employees, but we know that maintaining our commitment to service and keeping our members, employees and community at the forefront are the first steps in both retaining and inspiring loyalty. In 2019, we conducted a membership satisfaction survey which resulted in FICU receiving a 65 Net Promoter Score, ranking significantly higher than the industry average of 47. (*Source: The Financial Brand*) To accomplish our goals, we know that it takes the right talent of leaders at all levels that are able to adapt their thinking of a changing membership and environment. With nearly 20,000 members, 5 branches and more than \$120 million in assets, FICU must remain in a sound position to effectively and resourcefully serve all of our members and be their first choice for their primary financial institution. On behalf of the Board of Directors and the management team, we give our pledge to ensure a prosperous future for our credit union for many years to come and to do so with purpose and integrity in our actions.

Consolidated Statement of Financial Condition

Consolidated Income Statements Year Ended December 31, 2019 and 2018

INTEREST INCOME	2019	2018
Loans Receivable	\$ 6,446,906	\$ 6,158,508
Investments and Interest-Bearing Accounts	\$ 221,364	\$ 203,023
Investments Designated for Deferred Comp Plan	\$ 98,441	\$ 7,520
TOTAL INTEREST INCOME	\$ 6,766,711	\$ 6,369,051

INTEREST EXPENSE	2019	2018
Members' Share Accounts	\$ 878,468	\$ 623,564
Borrowed Funds	\$ 22,826	\$ 53,261
TOTAL INTEREST EXPENSE	\$ 901,294	\$ 676,825

NET INTEREST INCOME	2019	2018
TOTAL NET INTEREST INCOME	\$ 5,865,417	\$ 5,692,226

PROVISION FOR LOAN LOSSES	2019	2018
PROVISION FOR LOAN LOSSES	\$ 2,328,233	\$ 2,087,786

NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	2019	2018
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	\$ 3,537,184	\$ 3,604,440

NON-INTEREST INCOME	2019	2018
Deposit Service Charges and Related Fee Income	\$ 2,682,304	\$ 2,376,431
Interchange Income	\$ 704,921	\$ 579,644
Net Realized and Unrealized Gain (Loss) on Trading and Equity Securities	\$ 190,385	\$ (10,634)
Other	\$ 219,194	117,905
TOTAL NON-INTEREST INCOME	\$ 3,796,804	\$ 3,063,346

NON-INTEREST EXPENSE	2019	2018
Compensation and Benefits	\$ 2,893,150	\$ 2,689,479
Office Operations	\$ 2,564,641	\$ 2,355,324
Office Occupancy	\$ 507,475	\$ 468,228
Other	\$ 192,856	\$ 240,515
TOTAL NON-INTEREST EXPENSE	\$ 6,158,122	\$ 5,753,546

NET INCOME	2019	2018
NET INCOME	\$ 1,175,866	\$ 914,240

Consolidated Balance Sheets Year Ended December 31, 2019 and 2018

ASSETS	2019	2018
Cash and Cash Equivalents	\$ 8,045,326	\$ 8,355,491
Investments	\$ 8,839,519	\$ 9,180,053
Loan Receivable Net	\$ 95,473,445	\$ 91,631,816
Accrued Interest Receivable	\$ 366,620	\$ 378,801
Property and Equipment	\$ 7,672,972	\$ 6,431,813
National Credit Union Security Insurance Fund Deposit	\$ 1,020,283	\$ 877,571
Other Assets	\$ 5,814,253	\$ 5,624,459
TOTAL ASSETS	\$ 127,232,418	\$ 122,480,004

LIABILITIES AND EQUITY	2019	2018
Members' Share Accounts	\$ 110,975,374	\$ 106,098,850
Borrowed Funds	\$ 2,500,000	\$ 4,165,429
Accrued Expenses and Other Liabilities	\$ 1,257,641	\$ 830,916
Regular Reserve	\$ 1,543,777	\$ 1,543,777
Undivided Earnings	\$ 11,741,868	\$ 10,566,002
Accumulated Other Comprehensive Loss	\$ (786,242)	\$ (724,970)
TOTAL LIABILITIES AND EQUITY	\$ 127,232,418	\$ 122,480,004

First Imperial Credit Union remained financially strong in 2019. For the year ending 2019, our total assets grew to \$127,232,418, deposits ended at \$110,975,374 and net loans ended at \$95,473,445. Our membership grew to 19,300, a number which continues to increase. Net income for the year was \$1,175,866 which gave us an ROA (Return on Assets) of 0.94% that is higher compared to our peers that stand at 0.71%. Overall 2019 was



Josue "Josh" Mercado
Treasurer

proven to be a sound and impactful year for FICU.

The Board of Directors and senior management team have worked together closely to ensure that we remain a well-capitalized credit union with a net worth to total asset ratio of 10.44% as of year-end 2019. This ratio, established by the NCUA (National Credit Union Administration), sets the minimum allowable capital level for "well-capitalized credit unions" at 7%. First Imperial Credit Union continues to exceed this requirement.

Thank you for the trust you place in First Imperial Credit Union. We look forward to being your financial partner for many years to come.



We live our values.

It's demonstrating our passion for serving others that allows us to be *first* for our members, employees and community.



First Imperial Credit Union employees participated in, or supported various organizations throughout the community including:

- 4-H and FFA Clubs of Imperial Valley
- 40th Annual Farmworkers Appreciation Breakfast
- Boys & Girls Club of Imperial Valley
- Brawley Feed the Need
- Brown Bag Coalition
- Calexico Neighborhood House
- Cancer Resource Center of the Desert
- El Centro Regional Medical Center Foundation
- El Centro Police Athletic League
- Girl Scouts of Imperial Valley
- Halos & Tiaras
- I Pink I Can! 5K
- Imperial County Office of Education Foundation
- Imperial Valley Cancer Support Center
- Imperial Valley College Foundation
- Imperial Valley Food Bank
- IVC Associated Student Government Color Run
- Los Vigilantes
- Mana de Imperial Valley
- Pioneers Memorial Healthcare District Foundation
- Red Shoe Day
- Womanhaven, A Center for Family Solutions



More than \$46,000 contributed to our community in 2019.

The supervisory committee's role is to maintain oversight of the safety and soundness of the credit union. Operating independently of all entities at the credit union, we review practices and procedures followed by staff to verify that management carries out the policies set by the Board. The Department of Business Oversight (DBO) and the National Credit Union Administration (NCUA) examine the credit union on a regular basis; the supervisory committee reviews the results and follows up with senior management on any action items identified in the report to ensure compliance with applicable laws and government regulations.



Steve Escalera
**Supervisory Committee
Chairman**

The committee reviews quarterly financial reports and conducts ongoing operational audits. Annually we engage an independent certified public accounting firm to perform an opinion audit that evaluates accounting controls, financial statements and verification of members' accounts. For the fiscal year ending December 31, 2019, Turner, Warren, Hwang and Conrad conducted the 2019 audit of FICU. After the audit was completed, the CPA firm felt that the credit union followed all accounting rules appropriately and that the financial reports are an accurate representation of our financial condition.

The supervisory committee would like to report that FICU continues to maintain a high level of financial stability. I would like to express my gratitude to our dedicated Supervisory Committee volunteers. On behalf of the Committee, I would like to extend our appreciation to all the employees of First Imperial Credit Union and its Board of Directors, for their ongoing efforts to ensure the safety and soundness of the credit union.

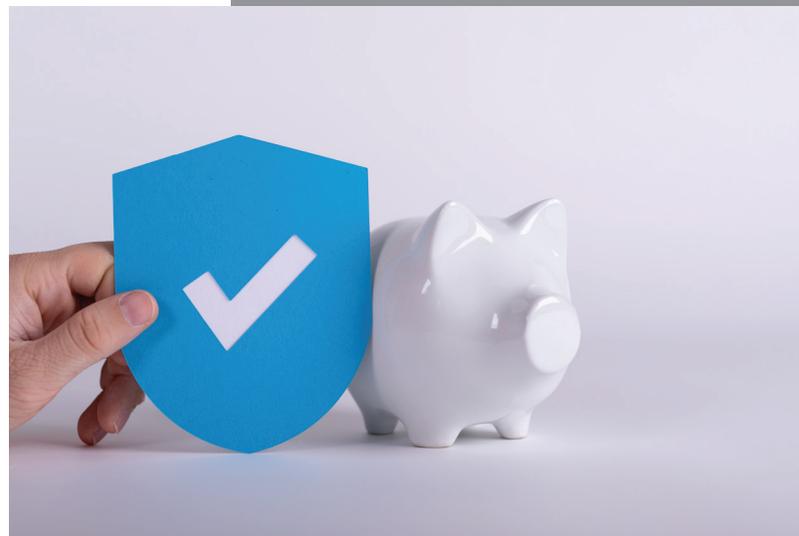
SAFE & SECURE BANKING



The CPA firm felt that the credit union followed all accounting rules appropriately and that the financial reports are an accurate representation of our financial condition.

Supervisory Committee

Steve Escalera
Alexis Araujo
Richard Morales





4.9% MEMBERSHIP
increase



Social Media

2,713 Likes on Facebook

993 Instagram Followers

Follow us @firstimperialcu



Assets



Asset Growth



Member Equity

502,370
Page views
on ficu.com



2.7%
from 2018



1,147 Autos **28 Real Estate** **5,151 Personal**

Funded
\$41.2 million
in loans

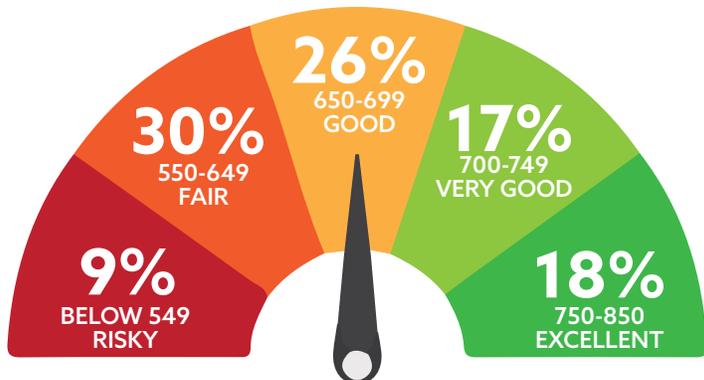
In 2019, we made *6,326 dreams* come true.



76% of members would recommend us to family and friends.

Financial Industry Average is 43%

Source: netpromoter.com



OUR MEMBERS ARE NOT JUST A NUMBER

FICU Borrowers have a diverse range of credit scores from 850 to below 549. Apply today.

Online Banking Users
12% increase
7,968 total



2,433
new checking accounts

454,024
transactions

LOWERED
INTEREST RATES OF
485 members
THROUGH OUR
AUTO REFI PROMOTION

19,300
total membership

54 credit union employees

5 Branches in Imperial County
Brawley | El Centro | Calexico | Imperial | IVC

Management

Fidel Gonzalez
President/CEO

Cauhtemoc De La Torre
Executive Vice-President/CFO

Jorge Alcantar
Chief Operations Officer

Marlena Rascon-Renteria
Marketing & Member Engagement Manager

Dulce Luna
Lending Manager

Lupita Agbalog
Imperial Branch Manager

Angelina Araujo
Brawley Branch Manager

Sergio Jimenez
Calexico Branch Manager

Moises Lopez
Information Technology Manager

Evangelina Loya
Human Resources/Compliance Manager

Frank Ornelas
Loan Servicing Manager

Micaela R. Pena
El Centro Branch Manager

Veronica Yee
Accounting Manager

Employees

Connie Atrian
Yvette Baca
Graciela Bueno
Alfonso Cabrera
J. Gabby Castanon
Cibia Chavez
Rosemary Cornejo
Fernando Davila
Zerlina Fernandez
Janelle Frazier
Jovita Galindo
Dayanne Gallo
Stephanie Garcia
Cesar Gonzalez
Priscilla Gutierrez
Joseph Hazen
Sandra Ibarra
Jorge Islas
Laila Jimenez
Ashley Lara
S. Edith Lopez
Stephanie Lopez
Mayra Luna
Carmelita Mellin

Robert Morlet
Vincente Munoz
Francisco Nolasco
Ruth Olivas
Jessica Ortega
M. Alejandra Puentes
Lilia Reyes
Juanita Saenz
J. David Salazar
Ryan Sanchez
Emmanuel Santos
Trini Vasquez
Deanna Villaescusa
Jordana Vizcarra
Paola Zazueta
Alejandra Zuniga

Board of Directors

Dr. Kathleen Lang
Chairwoman

Christopher Petree
Vice-Chairman

Josue "Josh" Mercado
Treasurer

Michael Campbell
Secretary

Dr. Victor Jaime

Katie B. Luna

Victor Torres



1602 W. Main St.
El Centro, CA 92243

1010 E. Cole Blvd.
Calexico, CA 92231

1020 S. Brawley Ave.
Brawley, CA 92227

123 W. Barioni Blvd., Ste. D
Imperial, CA 92251

760-352-1540 | ficu.com



We're More Than a Bank, We're Your Credit Union.

