



The Daniels Family
Members Since 1980



Pat Johnson
Wentzville Branch Manager



Angela Sanders
Member since 1981



Mandy Fix
Financial Services Representative



Helping People 1st
Habitat For Humanity



Nancy Lane
Financial Services Representative

2015 Annual Report

Helping people achieve their financial dreams.





Jim Combs
Chairman of the Board

2015 Chairman's Report

2015 brought another year of strong growth for 1st Financial. Our strategic focus continued to be in the areas of income growth, member experience, employee experience, and community presence. This controlled focus allowed us to see significant impact in these areas.

Your Board of Directors is happy to see positive growth in our metrics related to loans made to members, new accounts, checking account growth, employee engagement scores, and community impact.

Our 2015 results reflect the fact that the Executive team and the employees of 1st Financial are committed to ensuring that we are improving the financial lives of our members while continuing to make a positive difference in the communities we serve.

The Board of Directors is looking forward to another year of continued positive impact and success for our members, employees, and the communities we serve in 2016.

Respectfully submitted,

Jim Combs
Chairman of the Board

Helping our Neighbors

Like all credit unions, we were created with a philosophy of 'People Helping People'. This means we have the pleasure of being more than just a checking account or auto loan service provider. We make decisions every day with the knowledge that we not only have the power, but the responsibility to invest in the financial success of the communities we serve.



Helping People 1st
St. Louis College Prep.

40 hours

Financial counseling for credit union members.

2210 students

Participated in at least one financial education program.

402 members

Participated in adult education programs held or sponsored by 1st Financial.

419 volunteer hours

(i.e. charitable organizations, tutoring, etc.),

Logged by *Helping People 1st*. 1st Financial's employee volunteer program.

373 small-dollar loans

Provided to members, totaling \$423,630.03 with an average loan value of \$1,135.73.



2015 CEO Report

1st Financial Federal Credit Union is a locally owned, not-for-profit, financial cooperative that is owned by you, our members. We have a unique business model in that every single member has a voice. One member, one vote.

Year in Review

2015 was a very good year for our members and our credit union. We saw slow, controlled growth that helped us reach \$208 million in assets by December year

end. We had 2318 new members join our credit union and our members opened 1828 new checking accounts. 5117 members borrowed money from us which resulted in a total of \$83 million in new loans. Our outstanding loan portfolio grew by 9.7% in 2015. Our outstanding deposit accounts grew by 3.94%. Numbers like these are not possible without our loyal members and the dedicated group of employees we have serving them.

Products and Services

In 2015 we also added new services like Apple Pay and the ability to transfer money to and from other financial institutions via NetBr@nch. We started delivering EMV chip debit cards to our members to provide an additional layer of security. We rolled out our Frugie app which gives our members discounts at local merchants. We began delivering loan documents electronically to our members via DocuSign

which allows members to close their loan from anywhere they have internet access. We implemented changes to our TailorMade checking accounts so we could pay higher incentives to our members for using their debit card. We also added a new investment advisor, Tim Altepeteter, to our team so that we can continue to be a resource for your investment needs.

Regulatory

In another year of increasing regulatory burden, we saw new regulations pass that impact our credit union and our members. The Telephone Consumer Privacy Act was amended which adds additional restrictions to how we can contact our members. New regulations related to mortgage loans required us to provide additional disclosures which add confusion and unnecessary forms to the mortgage closing process. These regulations also set minimum standards for all mortgage loans which adds to the complexity and compliance burden for these types of loans. All of these regulations were put in place because of the bad behaviors of several big banks. However, these regulations are applied to all financial institutions so even though we weren't part of the problems that necessitated these regulations, we are required to comply with them. This additional regulatory burden costs your credit union money and continues to impact our ability to make

the best use of the funds you entrust us with. We continue to advocate in Jefferson City and Washington for the rights of credit unions and our members.

Community

1st Financial had many opportunities in 2015 to make a positive impact in our communities. We continued our partnership with the City of St. Louis and the STL Youth Jobs program which allowed us to open checking accounts and provide financial education for 1429 young adults. In another partnership with the City of St. Louis Treasurer's Office, we opened 2818 college savings accounts for kindergartners in St. Louis City public and charter schools. Statistics tell us that children with balances as low as \$1 in a dedicated savings account are 2.5 times more likely to enroll in and graduate from college than students with no previous savings. We are proud to be part of this program that invests in the future of our community and our children. In addition to these two programs, our employees worked more than 407 hours with our non-profit partners in the communities we serve.

The Year Ahead

2016 will prove to be a year with a continued focus on improving member experience. We will be rolling out new services to make our member's lives easier. The ability to remotely deposit checks via our mobile banking application will be delivered to our

members during the first half of the year. In addition, we are looking at options to provide a new mobile experience later on in 2016. We are also looking forward to offering four new VISA credit card programs that provide rewards, low interest rates, credit building, and credit repair for our members. We are finalizing plans to move our retail space in St. Charles to a brand new building that will allow for easier access to the branch. Finally, with our continued growth in regulatory capital, our goal is to reach a position in 2016 that will allow us to give more money back to you, our members. Your loyalty is a significant contributor to our success.

1st Financial is very blessed to have a dedicated group of Board and Supervisory Committee members that are committed to the success of our credit union. In addition, we have a passionate group of employees who care about the financial dreams of our members and work diligently to serve you. Thank you for playing a part in the growth of 1st Financial Federal Credit Union.

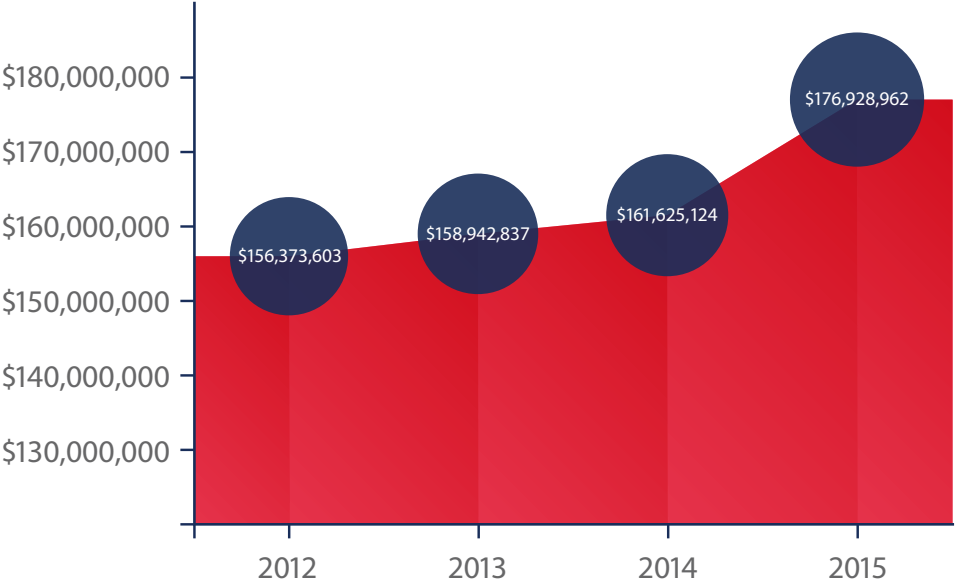
I look forward to another successful year in 2016.

Respectfully,

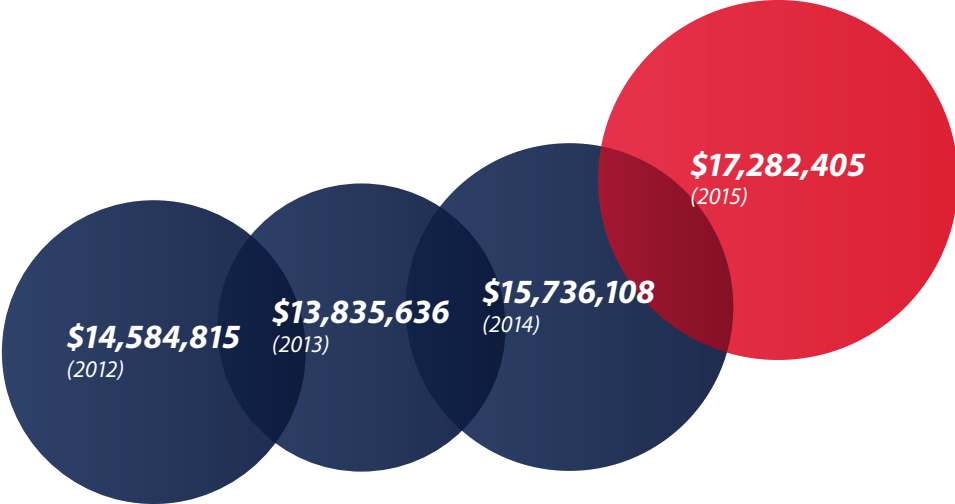
Carol Minges
Chief Executive Officer

Our Financial Growth (by year)

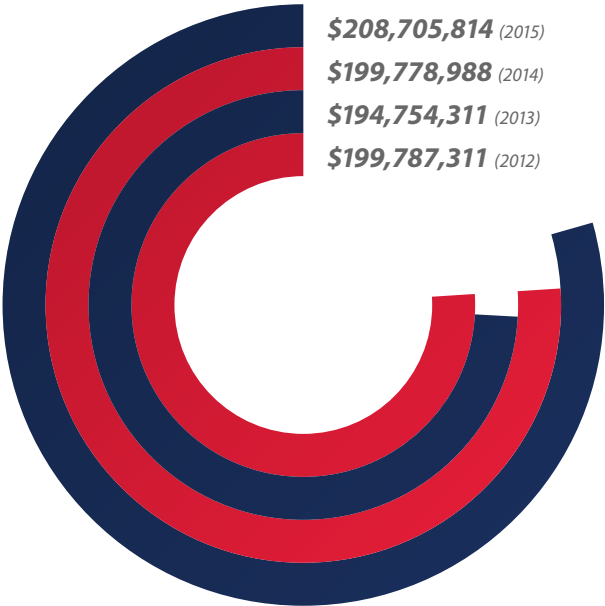
Net Loan Growth



Overall Capital Growth



Total Assets



Comparative Balance Sheet

Assets	2015	2014
Cash on-hand and in Banks	2,819,237	3,095,566
Investments & Deposits	12,687,131	18,412,375
Loans to Members	176,928,962	161,625,124
Land, Office Property, & Equip.	11,850,261	12,153,179
National CU Share Ins. Fund	1,812,607	1,799,459
Accrued Interest Receivable	702,595	598,951
Other Assets	1,905,021	2,094,334
Total Assets	\$208,705,814	\$199,778,988
Liability and Equity		
Member Savings	188,450,532	181,303,915
Accrued Expenses & Other Liabilities	2,972,877	2,738,965
Total Liabilities	\$191,423,409	\$184,042,880
Equity and Reserves		
Regular Reserves	2,923,808	2,923,808
Reserve for Contingency	14,377,914	12,807,237
Unrealized Gains (Losses) on Investments	(19,317)	5,063
Total Equity and Reserves	\$17,282,405	\$15,736,108
Total Liabilities, Equity & Reserves	\$208,705,814	\$199,778,988

Comparative Income Statement

Assets	2015	2014
Interest Income	9,266,198	7,885,973
Interest Expense	607,469	731,841
Net Interest Income	\$8,658,729	\$7,154,132
Provision for Loan Losses	1,741,069	890,030
Net Interest Income After Provision	\$6,917,660	\$6,264,102
Other Income	4,495,760	4,394,300
Other Non Interest Operating Expenses	9,842,743	9,107,721
Net Income/(Loss)	\$1,570,677	\$1,550,681



Todd Grizzle
Supervisory Committee Chairman

2015 Supervisory Committee Report

The purpose of the Supervisory Committee is to ensure that the financial condition of the credit union is accurately and fairly presented in the credit union's financial statements; and the credit union's management practices and procedures are sufficient to safeguard members' assets. The Committee supervises an annual external audit of the financial condition of the credit union, verifies account information, and reports the results to the Board of Directors. In 2015, the Certified Public Accounting firm of Cummings, Ristau & Associates was retained by the Committee to perform the annual audit of the credit union's financial statements. The National Credit Union Administration conducted their examination of the credit union during 2015.

In addition to these audits and examinations, the Committee conducts periodic tests of the credit union's operations and accounting practices. All items disclosed by the above referenced audits, examinations, and tests have been addressed and any necessary corrective action(s) has been taken. It is the unanimous opinion of the Supervisory Committee that 1st Financial Federal Credit Union is a financially solid credit union and is being operated safely and soundly while providing quality member service.

Respectfully submitted,

Todd Grizzle
Supervisory Committee Chairman

Our Mission

Save you money. Make you money. Save you time. *That's why we exist.*

Our Service Promises

- We promise to provide you with service so great you will never want to leave us
- We promise to listen to you and offer appropriate solutions
- We promise to recommend products and services that are in your best interest
- We promise to act with integrity
- We promise to take ownership of your requests
- We promise to make decisions that benefit you, the owners as a whole

Our Core Purpose

Helping people achieve their financial dreams.

Your Investment Into The Community

We are a not for profit financial institution, using our limited resources to change lives throughout St. Louis and St. Charles communities.

1st Financial Federal Credit Union is more than just a banking institution. Like all credit unions, we were created with a philosophy of 'People Helping People'. This means we have the pleasure of being more than just a checking account or auto loan service provider. We make decisions every day with the knowledge that we not only have the power, but the responsibility to invest in the financial success of the communities we serve.

We have created community development programs that offer small monthly grants to nonprofits and government programs which are focused in the areas of providing sustainable housing, job training and education to our communities. These are the areas we see our members having some of the largest hurdles for financial success and it is our desire to use our limited resources to assist our community to overcome and succeed in each of these capacities.

Since early 2014 we have been able to donate over \$30,000 to these local nonprofit and government initiated organizations and offer over 700 paid employee volunteer hours to the people of St. Louis and St. Charles counties.

At 1st Financial, we want you to know that when you invest your money in one of our checking accounts or auto loans, you have done more than give yourself a low cost banking product. You have also invested into the future success and continued change in the communities you love.



Ted Thorton
Financial Empowerment Specialist



Board Members and Management

Board of Directors

Jim Combs	Chairman
Christina Mulvenna	1st Vice Chairperson
Bo Setzekorn	2nd Vice Chairperson
Paul Sikorski	Secretary
Bob Rutkowski	
Victoria Reed	
Gina Hakenewerth	

Supervisory Committee

Todd Grizzle	Committee Chairman
Aileen Sandoval	Secretary
Nick Ferro	
Arlene Glover	
Sherron Rives	

Executive Management

Carol Minges	Chief Executive Officer
Mary Jo Garofalo	Chief Operations Officer
Dave Franke	Chief Financial Officer
Michelle Rosner	Chief Lending Officer
Robyn Whalen	VP, Human Resources & Administration
Laura Woods	VP, Marketing & Community Presence



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St. Louis, MO 63103

Hazelwood
5916 North Lindbergh
Hazelwood, MO 63042

St. Charles
1550 Country Club Plaza
St. Charles, MO 63303

Wentzville
1232 Wentzville Parkway
Wentzville, MO 63385



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