



Maddie F.
Cubby Member

2019 Annual Report

Helping people achieve their financial dreams.





Gina Hakenewerth
Board Chairwoman

2019 Chairwoman's Report

2019 was another very strong performance year for 1st Financial Federal Credit Union. We saw strong earnings month after month and built our capital to a healthy number ending the year at 9.88%. In late 2018, the board of directors set a minimum capital threshold of 9.50% to let the credit union know what level of capital the board feels comfortable maintaining. We did this to ensure we have funds set aside for any negative economic factors that might come our way as well as to ensure we are giving back to our members. The credit union was successful in maintaining this threshold while beginning to plan to spend some capital to reinvest in the membership and growth of the credit union in 2020.

During a planning session in early 2019, the board decided to

set a 10-year target to grow our membership to 100,000 members by December 2029. At that time, the credit union had approximately 34,000 members. Achieving this lofty goal will allow 1st Financial (soon to be Alltru) to expand our reach in St. Louis to serve more of the people in the holistic way we are currently serving you. We are excited about the opportunities this will bring.

During 2019, 1st Financial exceeded all our measures in the four key strategic focuses of income growth, member experience, employee experience, and community presence. Measuring results in each of these areas helps us keep a balanced focus so one area doesn't outweigh the other. Achieving targets in all of these areas helps us know we are focused on the right things.

Your Board of Directors is pleased with the progress the credit union is making in all key areas and we are delighted that the credit union is positioned and ready for growth in the coming years.

We are excited to be part of a thriving credit union and know that our members have come to trust 1st Financial to help them achieve their financial dreams. We are committed to continuing to improve the financial lives of our members within the communities we serve.

We look forward to a year of positive change and growth for our members, our employees, and our communities in 2020.

Respectfully submitted,

Gina Hakenewerth
Board Chairwoman

2019 CEO Report

Year in Review

Fifty-two years ago, a small group of men and women in North County St. Louis, began pooling their funds together. They trusted one another. They started this credit union with the belief that everything is possible when people work together with integrity and trust. They built a financial institution as a not for profit cooperative. A place where everyone has equal ownership. Everyone has an equal voice. Whether they have \$1,000 to invest, or \$1. And that is still true today. One member, one vote.

In 2019, our board set a minimum capital ratio of 9.50% and a goal of reaching 100,000 members by December 2029. This got us excited and helped us start thinking about what it would take to grow our membership at that pace and the incredible impact we would have along the way.

One of the first things we began talking about was how we would grow our membership with the name 1st Financial. Our name is regularly confused with another St. Louis credit union with a similar name and two banks in our area with similar names. We knew we needed a name that would stand out amongst all of the First's and Financial's in our marketplace.

We also began talking about our digital services and how we needed a platform that would allow us to provide our members with choices on how, where, and when they wanted to do business

with the credit union. The platform we had was not keeping up with the many self-service choices we wanted to provide for our members so we knew that was going to need to change.

So 2019 brought a lot of research and planning and resulted in the new online banking platform we introduced in August 2020 as well as our new name, Alltru.

We also saw strong financial performance in 2019 ending the year with a capital ratio of 9.88% and a strong Return on Assets (ROA) of 1.59%. Our members increased their overall deposit balances by \$16 million, \$4 million of which was in our very competitive high yield savings account.

We also loaned out \$100.5 million dollars to 4,412 members in 2019 helping them purchase new homes, refinance existing homes, pay for college, buy vehicles to help them get to and from jobs, consolidate their debt, and to help them build financial security.

Products and Services

Although a large portion of 2019 was spent planning for significant foundational 2020 projects like our name change, online banking platform change, and our new website, we were able to implement a few new products for our members.

In the spring, we implemented Health Savings Accounts that have been helping our members save for their healthcare needs.

We also revamped our mortgage program providing a better experience for our members which resulted in many people bringing their mortgage business to us throughout the year.

When General Motors employees went on strike in September 2019, we quickly created a loan program that helped many of our GM members have enough resources to make it through the strike.

In the fall, we replaced our outdated ATM's with machines that allow our members to make deposits without envelopes and get immediate availability on cash deposits.

In October, we implemented software that allows our members to make appointments online and in branch saving valuable time during branch visits.

Community

Two great honors we experienced in the community in 2019 was having both Justine Petersen and the Urban League open their doors to allow us to serve their clients, giving us the opportunity to offer accessible financial products and services and to expand our footprint in these underserved markets.

Our Community Development Financial Institution (CDFI) Designation was renewed again in 2019 by the US Treasury which shows we are a credit union that is focused on helping people get out of poverty.



Carol Minges
Chief Executive Officer

Some of the ways we do this is by participating in the VITA tax preparation program, providing credit building seminars, providing financial education seminars, and by performing credit reviews utilizing one of our on staff certified credit counselors. In 2019, 1st Financial provided 248 hours of financial literacy classes and one on one financial counseling to our members.

As part of our programs to give back, our employees spent 536 hours serving in non-profit organizations in our community. Giving back to the community for credit unions isn't required by a Community Reinvestment Act like it is for banks. It's part of who we are. I am proud of our team of employees for the passion they have to serve in our community just because.

1st Financial is dedicated to strengthening and providing access to the people in the communities in which we live and work.

The Year Ahead

2020 has been an unprecedented year with the pandemic and a financial crisis. Your credit union was well prepared for both by having adequate capital to weather the storm and by being nimble enough to reinvent ourselves to serve the needs of our members. During the first several months of 2020, we were able to help nearly 10% of our members by working with them to defer loan payments on \$27 million in loan balances. We waived fees and worked with members in financial crises find a resolution to the unforeseen issues that were impacting our members month after month. We found ways to serve our members fully online and through the drive through when we were asked to shut down our lobbies.

We also pivoted to determine how to help our business members find relief with the Paycheck Protection Program (PPP) assisting our members with more than \$800,000 in PPP loans.

We've seen several foundational projects started in 2019 come to life with our new Alltru name and brand, our state of the art online and mobile banking platform that will allow us to provide more self-service options for our members, and our new website that will be implemented in November 2020.

We still have several new online banking enhancements you'll see over the coming months.

These include:

- The ability to access your Alltru mortgage balance, history, and make payments online from within online banking.
- The ability to access and change your Tailormade checking rewards options from within online banking.
- The flexibility to pay your Alltru loan from a credit card. We will also be implementing video banking in our branches and online so you can talk to a real person from the convenience of your

home or if you prefer from within a branch.

Our goal is provide you with choices so you can do your banking how you want, when you want, where you want.

1st Financial, now Alltru, Credit Union is still a locally owned, not-for-profit, financial cooperative that is owned by you, our members. Alltru is a name that reflects our collective ownership and demonstrates our shared integrity. We are all in this together, just as we always

have been. Just as we always will be. When you succeed, so do we, and our shared successes build a better community for us all.

I look forward to the coming year and our collective future. With a strong cooperative of members, a passionate team of employees and board members, a new name, a flexible digital platform, and strong capital, we are well positioned to grow to achieve our goal of serving 100,000 members.

Thank you for owning and investing in this credit union and for your trust. Your membership makes our cooperative better.

Respectfully,

Carol Minges
Chief Executive Officer

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CREDIT UNION

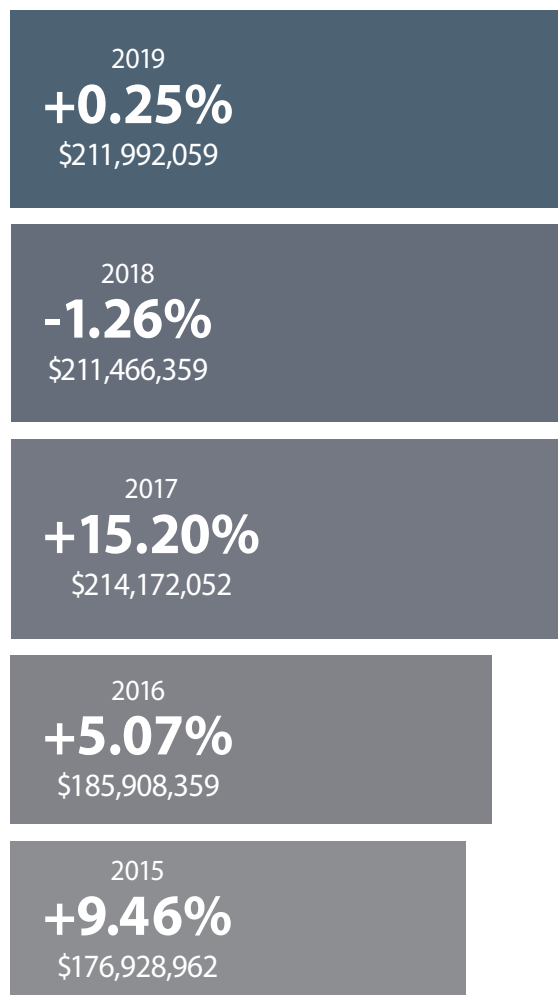
New name. Same mission. Same us.

THE BETTER WAY TO BANK

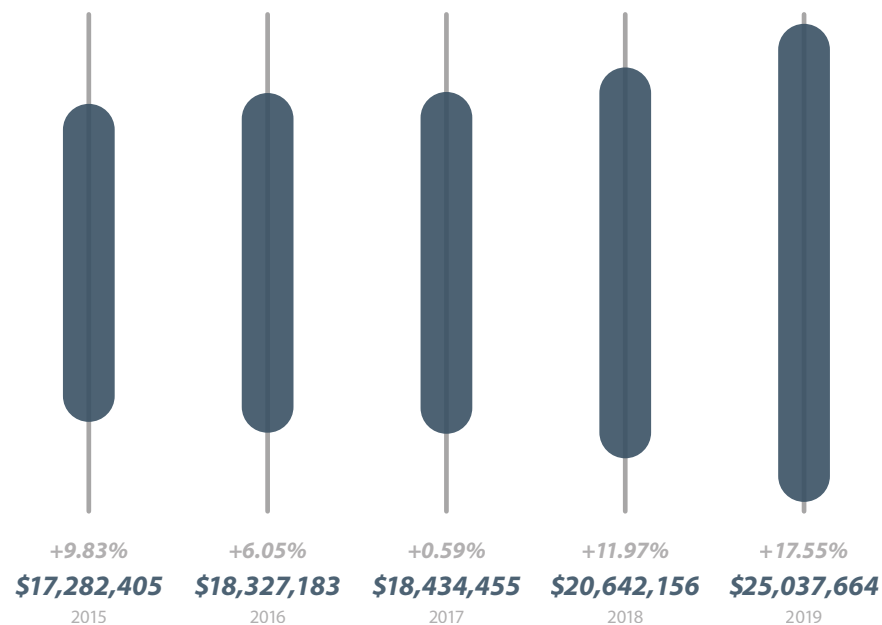
Learn more at TheBetterWayToBank.org

Our Financial Growth (by year)

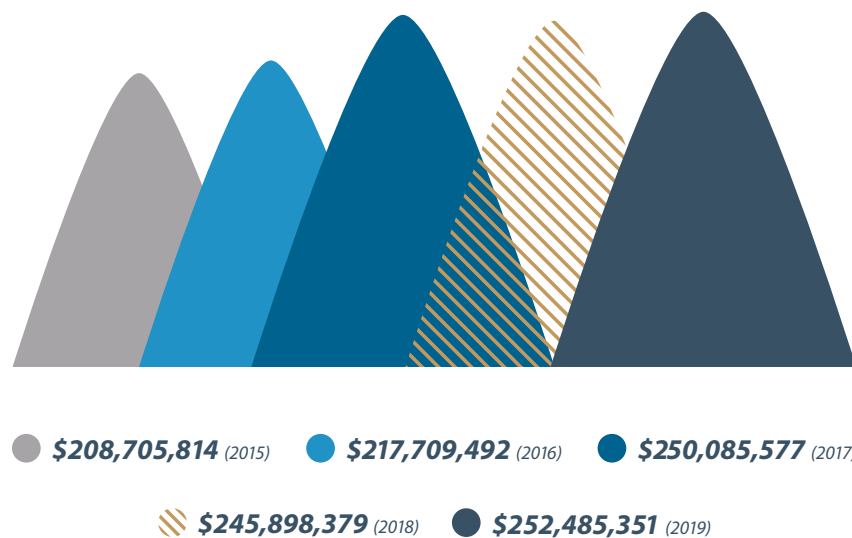
Net Loan Growth



Overall Capital Growth



Total Assets



Comparative Balance Sheet

Assets	2019	2018
Cash on-hand and in Banks	\$2,905,927	\$3,712,516
Investments & Deposits	\$18,531,248	\$12,271,578
Loans to Members	\$211,992,059	\$211,466,359
Land, Office Property, & Equip.	\$12,811,810	\$12,904,055
Other Assets	\$6,244,307	\$5,543,871
Total Assets	\$252,485,351	\$245,898,379
Liability and Equity		
Member Savings	\$219,479,030	\$203,202,640
Nonmember Deposits	\$2,243,596	\$7,996,000
Accrued Expenses & Other Liabilities	\$5,725,061	\$14,057,583
Total Liabilities	\$227,447,687	\$225,256,223
Equity and Reserves		
Regular Reserves	\$2,923,808	\$2,923,808
Reserve for Contingency	\$22,011,224	\$18,060,121
Unrealized Gains (Losses) on Investments	\$102,632	(341,773)
Total Equity and Reserves	\$25,037,664	\$20,642,156
Total Liabilities, Equity & Reserves	\$252,485,351	\$245,898,379

Comparative Income Statement

	2019	2018
Interest Income	13,931,940	13,127,462
Interest Expense	1,250,688	1,056,012
Net Interest Income	\$12,681,252	\$12,071,450
Provision for Loan Losses	1,785,251	2,898,389
Net Interest Income After Provision	\$10,896,001	\$9,173,061
Other Income	6,169,140	6,215,459
Other Non Interest Expenses	13,114,038	12,960,697
Net Income	\$3,951,103	\$2,427,823

Todd Grizzle
Supervisory Committee Chairman

2019 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 2019, 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 also conducted their examination of the credit union during 2019.

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/Alltru 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 the St. Louis and St. Charles communities.

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.

We work hard to build strong relationships with local nonprofit organizations because we see a need to strengthen our community. 1st Financial Federal Credit Union is more than just a banking institution, we develop these partnerships with passionate individuals who also fill a need within the community.

Since early 2014 we have been able to donate more than \$60,000 to these local nonprofit and government initiated organizations and offered over 2,518 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.



LaKeisha J
Member



Michelle M
Member

Board Members and Management

Board of Directors

Gina Hakenewerth	Chairwoman
Robert Rutkowski	Vice Chairman
James Setzekorn	Secretary
Christopher Wood	Director
Jennifer Coliny	Director
Robert Noonan	Director
Bob Cote	Director

Supervisory Committee

Todd Grizzle	Chairman
Lisa Gates	Committee Member
Tyrome Petty	Committee Member
Kasie Orso	Committee Member
Nila Tuckson	Secretary

Executive Management

Carol Minges	Chief Executive Officer
Dave Franke	Chief Financial Officer
Michelle Rosner	Chief Lending Officer
Robyn Whalen	VP of Employee Experience
Laura Woods	VP of Marketing & Community Presence
Lone Callahan	VP of Member Experience
Donn Dischert	VP of Technology



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