



putting you FIRST!

FirstFinancial
CREDIT UNION

REPORT LIDEDR TAINNVA 410Z FIRST

ALBUQUERQUE BRANCHES

- Downtown: 601 Tijeras NW
- San Mateo: 2700 San Mateo NE
- Coors: 2929 Coors Road NW
- South Valley : 1625 Rio Bravo Blvd, SW Suite 6
- Juan Tabo: 831 Juan Tabo NE, Suite A
- Academy: 10400 Academy NE, Suite 150

DEMING BRANCH

- 801 East Cedar Street

FARMINGTON BRANCH

- 4919 E Main St Suite 103

GALLUP AREA BRANCHES

- Boardman: 313 S. Boardman
- Mesa View: 1383 N. HWY 491

PINE HILL BRANCH

- Located in the Pine Hill Market, Route 125

PORTALES BRANCH

- 700 W. 2nd

RIO RANCHO BRANCH

- 2201 Rio Rancho Blvd SE

SILVER CITY BRANCH

- 2290 Superior Street

ZUNI BRANCH

- 1202 East Highway 53

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BOARD OF DIRECTORS

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First Vice Chair

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Second Vice Chair

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Chair - Jennifer Walters

Secretary - Gloria Herrera

Member - Olivia Jimenez

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PRESIDENT'S REPORT • RON MOOREHEAD

Credit Unions are financial cooperatives that exist to provide value for their owner/members. First Financial Credit Union continues to focus on providing the absolute best value possible for its members, and to the communities where our members live. In 2014 the Credit Union started several multi-year initiatives including enhanced member tools for a better financial experience. While many financial interactions, such as those associated with loans

... enhanced member tools for a better financial experience. and deposits currently take place in the branch environment, the trend is that more transactions are moving to the electronic or digital environment. Several large digital initiatives were started in 2014 that will be rolled out to membership in 2015.

As part of the Credit Union's continued mission to provide financial education, a financial literacy center was opened at the Mesa View branch in 2014. The center is part of a plan to offer a variety of financial capability learning options to our members including digital pathways like an interactive touchscreen and individual kiosks. As the concept matures, it will be added to other branches where feasible.

Another initiative started in 2014 was the merger between Chino Federal Credit Union (CFCU) and First Financial Credit Union. This merger will strengthen the Credit Union in many ways with a strong and growing membership and additional geographic diversification. Discussions between the two Credit Unions started in May 2014 and by late summer both Credit Unions had agreed to the merger in principle, as the merger brings significant value to the members and communities of both Credit Unions. Regulatory approval for the merger was received in early January 2015. With the merger, CFCU members in the Silver City and Deming areas will be able to access a larger array of products and services, better interest rates, and greater digital capabilities. One immediate benefit for the CFCU membership will be access to the free nationwide ATM and Shared Branching network that is available to all First Financial Credit Union members.

I am proud of what our staff and volunteers accomplished over the past year, and thank you for the continued privilege we have to work with you and serve you.

CHAIR'S REPORT • CASSIE KELLEY

The past year was full of growth at First Financial Credit Union (FFCU), from member growth to enhanced services, we had a great 2014. We met new friends, made banking more convenient, and membership more valuable.

In 2014, we opened the FIRST interactive financial education center at our Mesa View Branch in Gallup. Members can walk into the branch and learn more about getting ahead financially, all at the touch of their fingertips. However, technology didn't stop at the door of our newest education center.

Technological advances and enhanced mobility topped the list of achievements for First Financial in 2014, and we're not stopping in 2015! FCCU was the FIRST New Mexico credit union to launch Apple Pay to our membership, and have already started upgrading your credit and debit cards with EMV chip technology for even greater security. We also plan on improving our mobile and online banking systems, and soon will have a new rewards checking account that is simply KASASASOME!

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The next topic, and possibly my favorite topic, is First Financial's continued commitment to the community. For us, quality banking isn't all about the money. It's about giving back to our community and bringing more value to you. This is something we feel sets us apart from other financial institutions.

From the "whole-credit union" initiatives like supporting Making Strides Against Breast Cancer, Children's Miracle Network, and Animal Humane of NM to the individual programs that our branches lend support to. Some of the other organizations we've helped in 2014 include Big Brothers and Big Sisters, The Storehouse, NM Autism Society, Gallup Inter Tribal Indian Ceremonial, Project Share, and Suicide Prevention just to name a few. I am so proud of our employees for taking the credit union philosophy of "people helping people" to heart.

Lastly, I'd just like to say thank YOU. Thank you for being a loyal member of First Financial. On behalf of the Board Of Directors, we are honored to serve more than 59,000+ members throughout the state, and we look forward to exciting developments in 2015.



2014 was similar to 2013 in many ways in New Mexico, with some areas of the State experiencing growth while other areas remaining economically stagnant. New Mexico's unemployment improved from 6.7% to 6.0% during the year. Your Credit Union started a commercial lending program during 2014, with a goal of helping our small business members grow their businesses and create new jobs.

Now 77 years strong, First Financial Credit Union continued its pattern of growth in 2014. Membership increased by 2.12%, ending the year with 58,713 members. Deposits grew by \$10.6 million, and assets grew by \$12.0 million to \$427 million. While interest rates continue to be near all-time lows and net interest income declined by \$1.3 million from the prior year, operating expenses and provision for loan losses also declined from 2013 levels and net income improved to \$869,256. The Credit Union remains financially strong, with net worth ending the year at \$37.6 million and 8.80% of assets.

Your Credit Union continues to fund new technologies that will enhance both the safety of your financial information and the convenience of using your funds. While the financial services marketplace is rapidly evolving with more companies and options than one would have thought possible even a few years ago, your Board of Directors remains committed to making First Financial Credit Union your trusted local financial partner for many years to come.

2014 STATEMENT OF FINANCIAL CONDITION

FIRST FINANCIAL CREDIT UNION AS OF 12/31/14

ASSETS	2014	2013
Loans	\$ 272,442,873	\$ 312,444,812
Allowance for Loan Losses	(3,530,496)	(4,228,384)
Net Loans	\$ 268,912,377	\$ 308,216,429
Cash & Investments	133,234,308	78,380,954
Fixed Assets	9,074,732	9,751,801
Other Assets	16,184,562	19,105,738
Total Assets	\$ 427,405,979	\$ 415,454,922

LIABILITIES & EQUITY	2014	2013
Current Liabilities	\$ 3,020,103	\$ 2,533,190
Member Shares	386,767,876	376,172,988
Retained Earnings	37,618,000	36,748,744
Total Liabilities & Equity	\$ 427,405,979	\$ 415,454,922

STATEMENT OF INCOME & EXPENSE	2014	2013
Interest Income:		
Loans	\$ 14,802,486	\$ 16,636,628
Investments	873,033	355,285
Interest Expense:		
Dividends to Members	(1,812,509)	(1,859,840)
Interest on Borrowed Funds	(186)	(540)
Net Interest Income	\$ 13,862,824	\$ 15,131,533
Other Operating Income	9,507,669	9,011,047
Non-Operating Income/Loss	182,992	(787,940)
Operating Expense	(19,589,229)	(19,925,308)
Provision for Loan Losses	(3,095,000)	(3,725,000)
Net Income	\$ 869,256	\$ (295,669)



The Supervisory Committee ensures that the Board of Directors and Credit Union management meet required financial reporting objectives and establish practices and procedures sufficient to safeguard members' assets. This is accomplished through a combination of internal audits and external examinations.

Internal audits performed by the Director of Internal Audit evaluate the internal controls established by the Credit Union for effectiveness, adherence, and compliance with regulatory requirements.

External examinations are performed periodically. In 2014, examinations were conducted by our federal regulator, National Credit Union Administration (NCUA), our State regulator, NM Financial Institutions Division, and an independent certified public accountant firm, Nearman, Maynard, Vallez CPAs.

Additionally, in accordance with our Credit Union Bylaws, a verification of members' share and loan accounts was conducted effective September 30, 2014.

The Supervisory Committee is also the advocate for members who have concerns or may need assistance resolving a problem encountered in transacting business. Members may contact the Supervisory Committee at P.O. Box 26926, Albuquerque, NM 87125.

Based on the above actions and results, the Supervisory Committee is pleased to report (i) the accounting records and financial reports of First Financial Credit Union are accurately stated in all material respects, (ii) adequate internal controls are consistently used in daily operations, (iii) all examiner issues or concerns have been addressed, and (iv) First Financial Credit Union is financially secure and dedicated to serving its members.