

# 2022

# ANNUAL REPORT

America's First Federal Credit Union



# AmFirst Executive Team

(L to R): Alan Stabler, EVP-CAO General Counsel; Phil Boozer, SVP-Chief Sales Officer; Nancy Rice, SVP-Chief Risk Officer; Mike Northrup, SVP-Chief Delivery Systems Officer; Bill Connor, President/CEO; Audra Weber, SVP-Chief Operating Officer; Teresa Owens, SVP-Chief Financial Officer; Kevin Morris, SVP-Chief Retail Officer





## > from the President & CEO: **Bill Connor**

As we have progressed further and further away from the COVID crisis, we have experienced a return to a more normal business climate. 2022 was a year of renewed strength in all of the key metrics we use to gauge success. The strategic plan put in place by our Board of Directors provided the framework for these metrics for success and the leadership team and credit union staff executed at a high level to achieve the desired results.



While each of the Board's strategic objectives are crucial to the overall success of our organization, the expansion of our product and service profile to serve a broader segment of our membership stands as the most impactful in terms of carrying out our mission to improve the lives of the members we serve.

During 2022, we introduced a number of new loan products within our consumer, mortgage, and small business areas specifically designed to serve those members who previously may not have qualified for one of our loan products. Opening up these new channels for loan production proved to be widely received by the membership and help guide us to a record year in new loans granted.

In addition to an expanded product line, we saw solid growth in membership with over 15,000 new members and 75 new companies joining through our Benefit Partners program. Overall, assets were up nearly 6.5% and net worth grew to 10.64%, again solidifying our position as one of the strongest credit unions in the State.

Of course, as the largest community-chartered credit union in Alabama, our opportunities to impact those communities where our members live and work are equally as important as our financial performance. I'm proud to report that in 2022, AmFirst maximized our efforts as a good corporate citizen, supporting our local food banks, awarding scholarships to outstanding students, and providing significant funding support for the United Way and other worthy non-profits who provide such vital services in our communities.

We roll up our sleeves and get involved in our communities as well. Last year, our employees contributed nearly 2,000 hours of volunteer time in local schools, non-profits, health organizations, and recreational venues and we attended and supported over 830 community events. We remain committed to investing in our communities as a way to improve the quality of life for everyone.

In closing, let me express my appreciation for our volunteer Board of Directors who bring a deep sense of responsibility and commitment to their role. They have provided guidance and encouragement throughout the year and our success is possible because of the strong set of values they have instilled in our organization. They unselfishly give of their time and talents to ensure that our credit union continues to deliver on our promise of improving the lives of our members and the communities we serve. On behalf of the 430 employees of AmFirst, I'd like to thank you for your support of the credit union and for allowing us to serve you in 2022.

A handwritten signature in black ink, appearing to read 'Bill Connor'. The signature is fluid and cursive, with a long, sweeping underline that extends to the right.



In 2022, your credit union was named **credit union of the year** by the League of Southeastern Credit Unions.

The Credit Union of the Year Award recognizes the League of Southeastern Credit Unions & Affiliates (LSCU)-affiliated credit unions for their outstanding achievements in the various areas of day-to-day operations, financial prowess, and community outreach.

## > from the Chairman: Barney Hatten

As a member of the AmFirst Board of Directors, it is an honor and privilege to serve an organization that is so thoroughly committed to the People Helping People philosophy that is the foundation of the credit union industry. Your Board of Directors is mindful of the daily impact that we have on our members, and we are deeply committed to ensure that we continually strive to advance the economic well-being of each member.



Barney Hatten, Chairman

Looking back on 2022, we can celebrate another outstanding year in our long history of serving our members. However, rest assured that your elected Board of Directors is also looking to the future to find ways to enhance all of our delivery systems to better serve you no matter how you choose to engage with us.

2022 was a rebound year in many respects as we mostly returned to normal business operations and were able to put the pandemic behind us. Moving into our 87th year of operations, we have come a long way from our humble beginnings in 1936 at the Ensley Steel Works when 19 employees of the Tennessee Coal, Iron and Railway Company formed our credit union with initial deposits totaling \$1,500. At year's end, our credit union has grown to \$2.349 billion in assets serving 198,000 members, over 400 employees and 21 branch locations. Additionally, our online and mobile digital channels provide 24/7 access to meet the demands of an increasingly virtual relationship.

While we are pleased with the growth and soundness of our credit union, we recognize that we cannot be complacent in pursuing new and exciting ways to serve you. In 2023, we are working towards a new computer operating system that will not only substantially upgrade our systems but will also allow AmFirst to be poised to improve the overall member experience, by allowing us to offer more products and services including more robust business services. In addition to updating our data and technological capacity, we have a continuing focus on enhancing security to ensure that our member accounts remain secure.

We are excited for what the future brings, and you can be certain that we will continue to work to provide the best solutions that allow each of our members to thrive in their financial journey.

It has been an honor and privilege to serve as your chairman and to be part of a team that remains focused on helping our members to meet their financial needs and goals. On behalf of my fellow directors, thank you for your membership and your continued support. We look forward to continuing to serve you and your family in the future.

## > from the Supervisory Committee

In accordance with the Federal Credit Union Act, the Supervisory Committee is given the responsibility to determine whether the operations of the credit union are carried out in compliance with the Act and the regulations of the National Credit Union Administration.

The Supervisory Committee meets monthly with Risk Management and Audit Services staff as well as external auditors to review progress on the audit plan, discuss audit results and address the policies and procedures supporting the internal control systems of the credit union. The Board of Directors reviews a report from the Supervisory Committee each month.

Supervisory Committee members are appointed by the Board of Directors annually and serve on a volunteer basis. Members of the committee are selected based on their experience and expertise in the areas of business, finance and accounting.

Mauldin & Jenkins, LLC, an independent certified public accounting firm, was selected by the Supervisory Committee to conduct an audit of the financial statements of America's First Federal Credit Union for the calendar year 2022.

Upon review of their audit report, the Supervisory Committee is proud to report that America's First received an unqualified opinion, meaning the financial statements as presented by management fairly represent the financial condition of the credit union as of December 31, 2022.

This opinion is the highest attainable and reflects very favorably on the financial stewardship of the Board of Directors and the Management team of America's First Federal Credit Union.



Jim Dorris, Chairman



Jim Momenee, Secretary



Ray Morris, Member



Cathy Antee, Member

## > Statements of Financial Condition

	2022	2021
<b>Assets</b>		
Cash and Cash Equivalents	\$385,986,063	\$671,378,868
Loans to Members-net	\$1,636,632,982	\$1,229,518,622
Investments	\$240,568,394	\$226,379,713
Property and Equipment	\$63,397,102	\$60,979,260
Other Assets	\$23,410,927	\$21,193,154
<b>Total Assets</b>	<b>\$2,349,995,468</b>	<b>\$2,209,449,617</b>
<b>Liabilities and Members' Equity</b>		
Dividends and Interest Payable	\$515,415	\$291,109
Accrued Expenses and Other Liabilities	\$31,161,549	\$13,466,370
Members' Shares and Deposits	\$2,086,454,010	\$1,967,378,484
<b>Total Liabilities</b>	<b>\$2,118,130,974</b>	<b>\$1,981,135,963</b>
Undivided Earnings	\$231,864,494	\$218,700,614
<b>Total Members' Equity</b>	<b>\$231,864,494</b>	<b>\$228,313,654</b>
<b>Total Liabilities and Equity</b>	<b>\$2,349,995,468</b>	<b>\$2,209,449,617</b>

## Statements of Income

	2022	2021
<b>Income</b>		
Loan Interest Income	\$50,541,331	\$45,375,105
Investment Income	\$10,982,746	\$2,745,465
Fees and Other Income	\$26,494,038	\$34,658,939
<b>Total Income</b>	<b>\$88,018,115</b>	<b>\$82,779,509</b>
<b>Expenses</b>		
Compensation & Benefits	\$32,632,326	\$30,373,143
Office Operations and Loan Servicing	\$20,113,190	\$18,228,507
Occupancy	\$3,720,697	\$3,608,278
Other	\$6,322,404	\$6,010,703
<b>Total Operating Expenses</b>	<b>\$62,788,617</b>	<b>\$58,220,631</b>
<b>Income from Operations</b>	<b>\$25,229,498</b>	<b>\$24,558,878</b>
Provision for Loan Losses	\$2,256,507	-\$928,938
<b>Income Before Capital Costs</b>	<b>\$22,972,991</b>	<b>\$25,487,816</b>
Dividend and Interest Expense	\$8,454,278	\$5,862,502
<b>Net Income</b>	<b>\$14,518,713</b>	<b>\$19,625,314</b>



## > Loan Officer's Report

2022 was a challenging year for many in the financial sector, but AmFirst managed to maintain and build on our history of being a reliable provider of loans for our membership.

### **Our loan portfolio expanded to a new record with total balances exceeding \$1.6 billion at year end.**

Our growth is attributed to the credit union's continued focus on member service and satisfaction, competitive loan rates, and a robust loan product suite.

Our loan performance remained strong, with a low rate of delinquency and default. This is a testament to the effectiveness of our credit risk management policies and procedures.

We are committed to providing excellent member service, and our staff played a crucial role in achieving this in 2022. We listened to our members' needs and provided customized solutions that met their individual financial requirements.

### **In 2022, our team granted 31,540 loans for a combined volume exceeding \$927 million representing a 65.5% increase over the previous year.**



**\$927**  
**MILLION**

Of that total, 23,991 loans were made for general consumer use including cars, trucks, boats, motorcycles, and recreational vehicles. In addition, we opened 5,155 new unsecured loans and credit cards. Our Mortgage Services team closed 2,130 real estate loans, totaling \$169.9 million representing a 45% increase over 2021. Our Business Services area continued our planned small business growth model by granting 264 loans totaling over \$15 million. This diverse loan mix reflects the credit union's commitment to meeting the financial needs of its members across a variety of lending categories.

In conclusion, the credit union's loan production for 2022 reflects strong growth, a well-diversified loan mix, and robust credit quality. These results are a testament to the credit union's commitment to serving its members and meeting their financial needs. The credit union is well-positioned to continue its loan growth and maintain the strength of its loan portfolio into the future.

## > Community Engagement

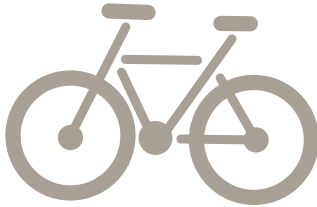
With the pandemic behind us, AmFirst was able to resume our place in the community by participating in 836 events in 2022. These events included our participation for the third year in a row in the Feeding Families Across Alabama Food Drive by donating \$25,000 and collecting 22,314 pounds of food, providing over 118,000 meals to families in need.



# 22,314 lbs.

**pounds of food donated to  
Feeding Families Across Alabama**

AmFirst members and employees served more than 400 families and 600 children in 2022 with the largest collection of toys in our long history with our participation and sponsorship of the Magic City Toy Drive. Knowing the joy and excitement that this worthy event brings to families, makes this one of our most popular and exciting events for our employees and members.



# 600

**children served with the  
Magic City Toy Drive**

AmFirst continued to demonstrate its support for the future of our community by sponsoring the Rising Star Student program along with WBRC, Fox 6 by recognizing 30-students in the central Alabama area and awarded 5 scholarships in the amount of \$5000 each. Since 2009, we have awarded more than \$114,000 in scholarships to local students to allow them to continue their education.



# \$114,000

**in scholarships to local students**

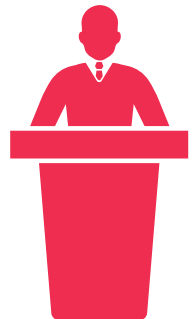
## > Membership Development

The AmFirst commitment to serving our community is continuously growing through our Benefit Partner, Philanthropy and Community Outreach programs. Our Benefit Partner program offers local business, schools, colleges and organizations free financial wellness workshops and special member benefits.

In 2022, our team conducted 127 financial wellness workshops. These workshops impacted approximately 1,200 students in schools and colleges in our community. Several of our local businesses are now including AmFirst financial workshops as part of their DEI programs.

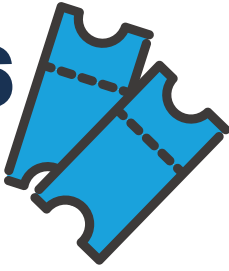
# 127

**financial  
wellness  
workshops**



# 836

annual  
community  
events



AmFirst employees continued our commitment to United Way surpassing our goal and continued to be recognized as a pace-setter by contributing \$144,000 to United Way of Central Alabama, as well as contributions to United Way in Mobile, Cullman, Oxford, and Talladega.



# \$150,000

presented to 3 local charities in 2022

As part of our Community First fundraising campaign, the AmFirst team made the largest contribution in its history by presenting Bundles of Hope, The Literacy Council of Central Alabama and YouthServe with awards of \$50,000 each. Since 2014, the AmFirst employees have raised more than \$900,000 for local charitable organizations.

# \$144K

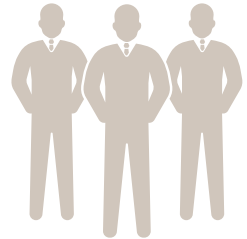
contributed by AmFirst  
employees to United  
Way of Central Alabama



# 75

 new benefit partners

AmFirst added an additional 75 new Benefit Partners and conducted more than 300 enrollments. These consisted of virtual and onsite enrollments, supporting local businesses through employee benefits and wellness fairs and some virtual options as well. Membership Development and our branch staff continues to diligently promote all services and benefits of AmFirst to the communities we serve.



# 300

onsite/virtual enrollments

# CORE VALUES

## > INTEGRITY BASED

The Board of Directors and Management have instilled the highest ethical standards for all business practices and personal conduct and will accept nothing less.

## > MEMBER FOCUSED

We are committed to consistently providing exceptional service and value to our members and pledge to treat every member with dignity and respect and in a fair and equitable manner.

## > FINANCIALLY SOUND

We maintain disciplined business practices to ensure that we have the financial resources to meet the needs of our members.

## > COMMUNITY COMMITMENT

We will be a valued corporate participant in the communities we serve by actively supporting organizations and events that improve the quality of life of our neighbors.

## > EMPLOYEE CENTRIC

We strive to maintain a corporate culture and learning environment that inspires, attracts and retains highly talented, diverse and service-minded team members.

FEDERALLY INSURED BY

**NCUA**