



45 YEARS

PLANTING THE SEEDS FOR SUCCESS

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2022: Planting the Seeds for Success



94,051
Members



260
Employees Serving our Members



\$56,084,423
in Home Loans Granted in 2022



286,264
Member Calls Answered in 2022



\$28,624,225
in Loans Granted Through Virtual Banking in 2022



152,535,307
Debit Rewards Points Redeemed by Members in 2022



\$198,552,673
in Auto Loans Granted in 2022



255,831,127
Debit Rewards Points Earned by Members in 2022



\$1,117,395,907
in Total Deposits



\$2,345
Awarded in Youth Account Semester Earnings in 2022

IDEAS *are like* **SEEDS.**
A small one *can* **TRANSFORM** *an entire*
COMMUNITY,
even **GENERATIONS** *later.*



First Service Credit Union started from a simple idea: financial stability can uplift an entire community. Following the turmoil of the 1973 oil crisis, 15 Brown & Root employees resolved to create a better financial future for both their co-workers and family members. Because of their commitment to financial success, they built Brownbuilder Federal Credit Union, first chartered on December 9, 1977.

Four months later, on April 3, 1978, the credit union officially opened its doors to serve Brown & Root employees and family members.



After 45 years, the seeds continue to grow. The once small credit union opened new branch locations, offered new products, and eventually, became the First Service Credit Union it is today.

Throughout this exponential growth, one thing remained the same — First Service has maintained its original promise to provide financial services that enhance members' lives.



45 YEARS OF SERVICE



1977



Established as Brownbuilder Federal Credit Union

1999

Home Banking & Bill Pay introduced

2003

eStatements introduced

2005



Name changed to Right Choice Credit Union

2010

Mobile deposit introduced

2012

Completed merger and changed name to First Service Credit Union

2013

Completed merger with El Paso Corporation Federal Credit Union

2016



Moved in to new headquarters at Park Ten

2021

Deposit-taking ATMs, tap-to-pay cards, & Zelle introduced

2022

Completed merger with People's Trust Federal Credit Union

Rewards credit card introduced

FIRST SERVICE CREDIT UNION & PEOPLE'S TRUST FEDERAL CREDIT UNION MERGE



On May 1, 2022, People's Trust Federal Credit Union merged with First Service. This vibrant alliance expanded resources, benefited members, and allowed us to serve more of the Greater Houston area. Members can now access more ATMs and convenient branch locations. Additionally, First Service grew to more than 260 employees, which has allowed us to support even more community members and uplift the local economy.



MORE CONVENIENT BRANCH LOCATIONS

“Being a great place to work is the difference between being a good company and a great company.”

- Brian Kristofek
Award-winning Creative Marketer

TOP WORKPLACE FOR 10 YEARS RUNNING



We are committed to both our members and employees. As a result, the Houston Chronicle recognized First Service as one of the Top Workplaces of 2022! Our employees are the heart of First Service, and it is an honor to be named a Top Workplace in Houston for the 10th consecutive year. This recognition is a great testament to our employees' passion and exemplary service.



First Service Credit Union

MESSAGE FROM THE PRESIDENT & CEO



Dave Bleazard
President & Chief Executive Officer

The merger of First Service and People's Trust brought exciting opportunities for the Greater Houston area. Unifying the vast knowledge and skills of staff members from both institutions has had tremendous benefits, allowed us to deliver a range of affordable products and quality services, and ensured that all members have an opportunity to improve their financial well-being. This merger further solidified our position as a leading credit union in the community.

We are proud to share that our membership growth, loan growth, return on net assets, and net income growth are at the top for a credit union our size. For more details, please

refer to the 2022 Statement of Financial Condition on pages 18-19 of our Annual Report. Additionally, we are honored to have been recognized as a Top Place to Work by the Houston Chronicle for ten consecutive years.

Harvesting the Benefits of Technology

Consolidating two financial institutions gave our newest members access to an enriched banking platform and enhanced the user experience.

Digital Banking

Everyone deserves a secure, simple way to manage finances. Those who joined our membership family from People's Trust

now have access to a digital banking system that provides:

- Optimized, easy-to-use interface
- Extensive selection of products and services
- New and enhanced features, such as Personal Spending Analyzer and Video Banking

We are committed to offering advanced digital banking services to all members so they can manage their finances from anywhere in the world. We will continue to enhance the digital banking experience, and we're excited to roll out more features in the near future.

Mortgage Applications

Because purchasing a home is often stressful, we debuted a new mortgage application that streamlines the home-buying process and allows members to complete and submit home loan documents easily. As a result, the process of applying for a mortgage has become easier than ever before, bringing prospective homeowners one step closer to realizing their dream. In 2022, First Service funded over \$20 million in new mortgages and home equity loans using this new tool.

2023 Priorities

The 2022 merger provided fertile ground for us to launch two new member-centered projects: branch and operational

experience optimization. Members will benefit from these enhancements in the coming months.

Relationship Branch Concept

Expect a new look and feel across First Service branch locations in 2023. Starting with the Downtown Tunnels branch, each location will undergo renovation to offer the best features of video banking and interactive teller systems.

Cultivating Operational Excellence

Our goal is for members to feel valued, and we always look for ways to improve. After the merger, we reviewed internal operations to ensure maximum efficiency and excellent service. Over the year, we will implement process changes and keep members updated accordingly.

For You, Not Profit

As First Service has grown and changed in the past 45 years one thing remains the same—we exist solely for the benefit of you, our members. It is a privilege to serve our credit union family, and we look forward to a healthy and prosperous 2023.



Kourtney Calhoun
Board Chair

MESSAGE FROM THE CHAIR OF THE BOARD

At First Service Credit Union, we focus on progress for our members throughout their financial journeys. During last year's annual meeting, we announced our intention to merge with People's Trust Federal Credit Union. Now that the merger is complete, our members have benefited by having access to more branches and ATMS, additional staff to assist them, and an improved member experience.

45th Charter Anniversary

We commemorated our 45th Charter Anniversary with member celebrations at our Eldridge and Katy Branches in December 2022. We are delighted that First Service, which began in 1977 with 15 Brown & Root employees and a single location, has grown to over 260 employees and 14 branch locations servicing roughly 95,000 members.

Nurturing Rapid Growth

First Service's commitment to our community expanded with the addition of seven more counties to our field of membership, making membership easier and available to even more Texans. The credit union also grew to \$1.3 billion in net assets, an increase of 63% from 2021. Surpassing a billion dollars in assets was a significant milestone, putting our credit union in a new league that will continue to allow us to offer enhanced services to our members.

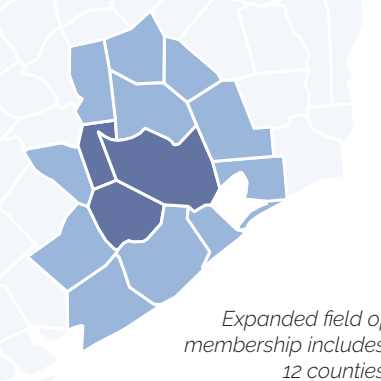
To help support the significant expansion of the credit union, First Service created a new position of Chief Growth Officer to oversee marketing, sales, product development, and member service. Additional growth and expansion will benefit all members.

Fostering a Positive Member Experience

A top priority for the credit union is the continual enhancement of our digital banking. We're excited to roll out more features and a new user interface in the coming months. We also created a Business Development and Member Experience Department that promotes positive member interactions in person, on the phone, and online.

Members Empower our Success

Our incredible growth in both assets and memberships is only possible with you, our members—special thanks to you for your valued loyalty and support. Because of you, we proudly provide the best financial products and services available, and we look forward to continuing to do so in 2023 and beyond.



Expanded field of membership includes 12 counties

“We appreciate the opportunity to serve and encourage all members to take advantage of the many services and benefits we offer.”

- Doug Esmond, CPA
Supervisory Committee Chair

SUPERVISORY COMMITTEE REPORT



Doug Esmond, CPA
Supervisory Committee Chair

To provide members with financial services that enhance their lives, we must ensure that First Service Credit Union is operationally sound. The Supervisory Committee monitors the credit union's operations and procedures on behalf of members. We oversee the internal audit function, initiate an annual external audit, commission member account verification, and review closed accounts.

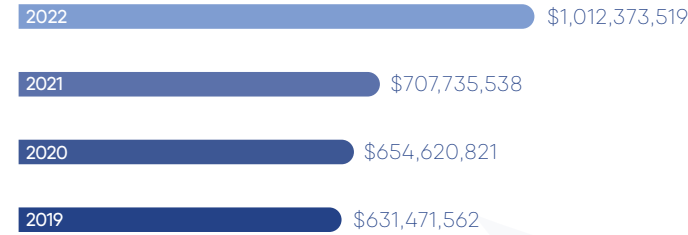
The Supervisory Committee members are well qualified, with extensive financial audit experience. We maintain sound management practices and reporting that instills member confidence in the credit union's strength and stability.

Each year, we have an annual audit performed by an independent CPA firm to ensure the credit union's financial statements accurately and fairly present First Service's financial condition and that management practices and procedures safeguard members' assets. This past year, we contracted with Nearman, Maynard, Vallez, CPAs to conduct the annual financial audit. In the opinion of Nearman, Maynard, Vallez, CPAs, the financial statements as of December 31, 2022, fairly present, in all material respects, the credit union's financial position, results of operations, and cash flow for 2022.

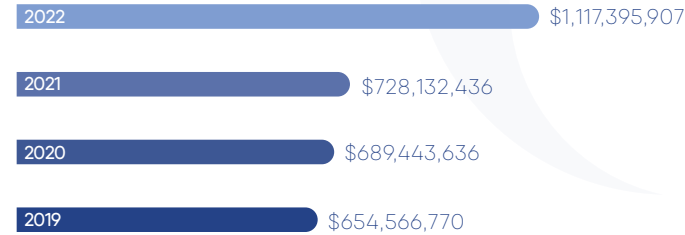
I want to extend my thanks to the members of the Supervisory Committee, the Board of Directors, and the First Service staff for their continued cooperation, assistance, and support. We appreciate the opportunity to serve and encourage all members to take advantage of the many services and benefits we offer.

2022 STATEMENT OF FINANCIAL CONDITION

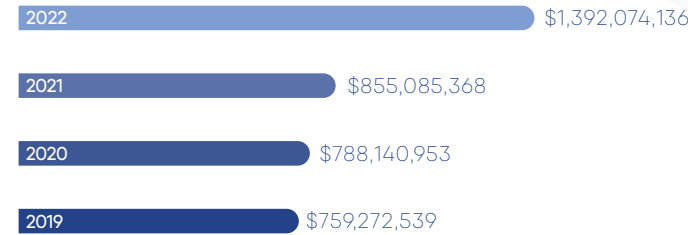
Net Loans



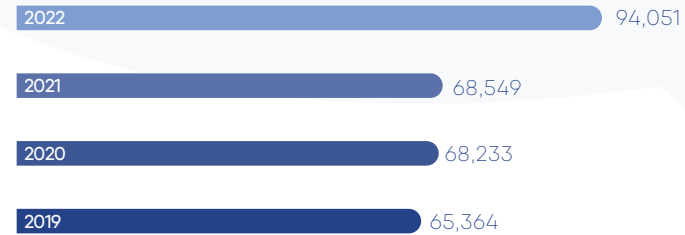
Deposits



Assets



Members



ASSETS

	2021	2022
Cash	\$32,688,248	\$91,712,780
Investments	\$45,113,445	\$186,883,884
Net Loans	\$707,735,538	\$1,012,373,519
Accrued Interest Receivable	\$1,986,727	\$3,201,387
Premises and Equipment, Net	\$38,195,242	\$47,027,749
National Credit Union Share Insurance Fund Deposit	\$7,155,853	\$11,347,589
Other Assets	\$22,210,315	\$39,527,228
Total Assets	\$855,085,368	\$1,392,074,136

LIABILITIES & MEMBER EQUITY

Liabilities	\$35,789,466	\$141,999,198
Members' Shares and Deposits	\$728,132,436	\$1,117,395,907
Members' Equity	\$91,163,466	\$132,679,031
Total Liabilities and Members' Equity	\$855,085,368	\$1,392,074,136

INCOME & EXPENSE STATEMENT

Total Income	\$54,331,620	\$73,320,942
Operating Expenses	\$36,122,800	\$51,157,666
Provision for Loan Losses	\$2,789,029	\$5,695,196
Interest and Dividend Expense	\$4,018,706	\$4,167,118
Non-Operating Income/Expense	\$3,314	\$2,132,158
Net Income	\$11,397,771	\$10,168,804

2022 BOARD OF DIRECTORS



Gary Daugherty
Vice Chair
Volunteer since 2014



Tom Bullard
Secretary
Volunteer since 2018



Doug Esmond
Treasurer
Volunteer since 1990



Ron Booth
Director
Volunteer since 2001



Mohan Dinanath
Director
Volunteer since 1998



Janet Hill
Director
Volunteer since 2001



David Itz
Director
Volunteer since 1994



Paul Love
Director
Volunteer since 1984



Mike Read
Director
Volunteer since 1972



Paul SoRelle
Director
Volunteer since 1980



Wayne Taylor
Director
Volunteer since 1982



Dominique Varner
Director
Volunteer since 2021



Kourtney Calhoun
Chair
Volunteer since 1996

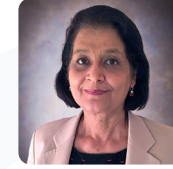
2022 ADVISORY DIRECTOR COMMITTEE



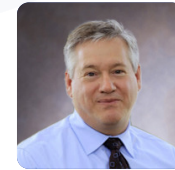
Rhonda Bouldin
Director Emeritus
Volunteer since 1995



Andrea Mangiacvacci
Volunteer since 1999



Nirupa Oudit
Volunteer since 2018

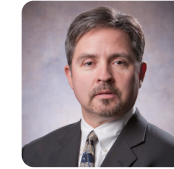


Ed Raponi
Volunteer since 2017



Scott Sellers
Volunteer since 2021

2022 SUPERVISORY COMMITTEE



Doug Esmond
Chair
Volunteer since 1990



Adrian Nieto
Volunteer since 2014



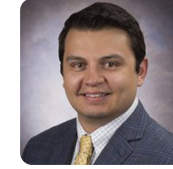
Mack Mayhew
Volunteer since 2007



Paul SoRelle
Volunteer since 1980



Mohan Dinanath
Volunteer since 1998

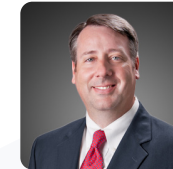


Brett Rychel
Volunteer since 2020

“Our incredible growth in both assets and memberships is only possible with you, our members.”

- Kourtney Calhoun
Board Chair

EXECUTIVE LEADERSHIP TEAM



Dave Bleazard
President & Chief Executive Officer



David Dang
Chief Information Officer



Teri Edge
Chief Operating Officer



Steve Gilman
Director of Political Advocacy & Community Relations



Frank Halstead
Chief Risk Officer



Sonya Harris
Chief Lending Officer



Jana Heaton
Chief Financial Officer



Ty Robbins
Chief Data Officer



Jon Shurtz
Chief Administrative Officer/In-House Counsel



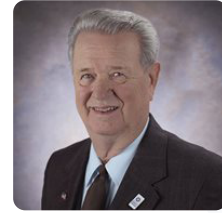
Nolan Waltman
Chief Growth Officer

BOARD NOMINEES



Gary Daugherty
Vice Chair
Volunteer Since 2014

Mr. Daugherty has been a credit union member for more than 40 years and currently serves as Vice Chair of the Board. He spent most of his career with Shell Oil Company in management and leadership positions and retired from IBM as an Associate Partner in 2014. Soon after, he joined the People's Trust Advisory Council as a volunteer. He served as Chair of the Supervisory Committee before being elected to the Board in 2015. Mr. Daugherty has served on the CEO Assessment and Compensation Committee, Community Outreach Committee, and Volunteer Recruitment Committee, and has chaired three ad-hoc committees. He served as Board Vice Chair and Board Chair for People's Trust.



Wayne Taylor
Director
Volunteer Since 1982

Mr. Taylor has been an active Board Director for almost all of his over 40 years of credit union membership. He has served on most of the credit union's standing committees and served three terms as Chair of the Board. He spent 25 years in the Credit Department with Brown & Root and then managed American Express Travel Card Program with ESG/Halliburton. His years of credit-oriented service put him in good stead to monitor the nuances of the credit union during several challenging financial periods since the 1980s.



Janet Hill
Director
Volunteer Since 2001

Ms. Hill currently serves as a Board Director and as Chair of the Executive Compensation Committee, and she has served on the board since 2001 as Chair, Vice Chair, and Secretary of the Board. Ms. Hill served in similar capacities with Legacy Right Choice Credit Union. As a career employee with KBR, she had responsibilities for a variety of positions in the Procurement, Human Resources, and Dispute Resolution departments.



Ron Booth
Director
Volunteer Since 2001

Mr. Booth currently serves as a Board Director. He began volunteering for People's Trust (then Shell Employees Federal Credit Union) in 2001 on the Financial Resources Board of Directors. He spent five years on the People's Trust Board, including a year as Vice Chair. He also chaired both the CEO Assessment and Compensation Committee and the Community Outreach Committee, and continued as Director/Treasurer for People's Trust Financial Resources. Mr. Booth retired from Shell Oil after 25 years of service.



Mohan Dinanath
Director
Volunteer Since 1998

Mr. Dinanath held several volunteer positions with People's Trust and currently serves as a Board Director. He began on the Supervisory Committee in 1998 when People's Trust was Shell Employees Federal Credit Union and was appointed as a Director-In-Training in 2000. He was elected Board Director in 2001. He has served on numerous committees, including Asset and Liability Management, Board Development and Governance, CEO Assessment and Compensation, and Volunteer Recruitment. Mr. Dinanath retired from Shell Oil after 34 years of service.

ANNUAL MEETING MINUTES

April 5, 2022

Chair of the Board, Kourtney Calhoun, welcomed everyone to the 44th Annual Meeting of First Service Credit Union (FSCU), which was held in person at the corporate office in Houston, TX. The meeting was called to order at 6:05pm. Chair Calhoun asked if a quorum was present and Executive Assistant Virginia Dolan affirmed that there was.

Chair Calhoun stated that Executive Assistant Dolan will serve as our secretary and has a recorder available. Because we are required to follow Robert's Rules of Order and our Bylaws, the Board is appointing a parliamentarian to help ensure that our meeting is conducted properly and efficiently. The Board has appointed Timothy Oppelt, an attorney for the Credit Union, to serve as parliamentarian. Chair Calhoun asked if there were any proposed adjustments to the minutes as presented in the 2021 Annual Report. There were none and Chair Calhoun proceeded to ask for a motion to accept the minutes as presented.

Motion: A motion was made by Director Dominique Varner and seconded by CLO Sonya Harris to accept the 2021 Annual Meeting minutes as presented. The motion passed.

"With the approval of the minutes, we move to the Noticed New Business on the agenda." Chair Calhoun stated, "As noted in your Notice of Annual Meetings, the Credit Union is presenting for approval by the membership Special Rules of Order, also known as 'House Rules,' for the conduct of our meetings. A copy of the proposed motion has been circulated to

those in attendance. These proposed rules are intended to assist in managing orderly meetings and help us further comply with our Bylaws as approved by the Texas Credit Union Department. Is there a motion to enact these 'House Rules'?"

Motion: A motion was made by Director Wayne Taylor and seconded by Director David Itz to enact these House Rules. The motion passed.

Chair Calhoun turned the podium over to President & CEO Dave Bleazard to present his CEO Report.

"In the 44 years since we opened our first location, banking technology has changed at warp speed." President & CEO Bleazard said, "Our commitment to adopting new technologies to improve the member experience has not slowed. Our four recent technological enhancements are Tap to Pay cards from Visa, Deposit accepting ATM's, Zelle, and Video Banking. These are a few advances that enable us to better serve the financial needs of our members. We continue to make improvements and have plans to create a branch experience that is even more digitally focused and convenient for our members. We consider it a privilege to serve our Houston community and we are excited to see what the New Year will bring."

President & CEO Dave Bleazard turned the podium over to Chair Calhoun. Chair Calhoun introduced the Board members, Advisory Committee, Supervisory Committee and the Executive Team.

Board Members: Chair Kourtney Calhoun, Vice-Chair Paul Love, Secretary Tom

Bullard, Treasurer Doug Esmond, Director Wayne Taylor, Director Janet Hill, Director David Itz, and Director Dominique Varner.

Advisory Committee Members: Andrea Mangiavacchi and Scott Sellers.

Supervisory Members: Chair Doug Esmond, Dominique Varner, Mack Mayhew and Brett Rychel.

Executive Leadership Team: President & CEO Dave Bleazard, CFO Jana Heaton, CRO Frank Halstead, CIO David Dang, CAO / In-House Counsel Jon Shurtz, CXO Daniel Souers, and CLO Sonya Harris.

Chair Calhoun presented the Chairman's Report stating, "This past year as the Houston community continued its recovery from the Covid-19 pandemic, our commitment to putting members first was stronger than ever. First Service was founded on the principles of helping and serving each other while providing outstanding member service. Today, we embrace these ideals as we continue to expand our services, staff and products. First Service provided \$196 million in auto loans and \$63 million in home loans, began waiving non-sufficient funds (NSF) and Courtesy Pay Fees for consumer accounts overdrawn by \$5 or less, and helped by participating in the Paycheck Protection Program (PPP) funds totaling \$1,911,033 to member businesses. In 2021, First Service Credit Union was recognized as a Top Workplace by the Houston Chronicle for the ninth consecutive year. We will continue to maintain strong relationships with you and the communities we serve."

Supervisory Chair, Doug Esmond, presented the Supervisory Committee Report stating that "to provide you with the innovative financial products and first-class service you have come to expect from us, we must ensure First Service is operating soundly. The Supervisory Committee monitors operations and procedures of the credit union on behalf of the

membership. Our responsibilities include overseeing the direction and focus of the internal audit function, initiating an annual external audit of the credit union's financial records and control structure, commissioning member account verification, and ensuring an ongoing review of closed accounts. We appreciate the opportunity to serve you."

Chair Calhoun stated, "Since there is no Old Business on our agenda for tonight, we will move to New Business: the elections," and she turned the podium over to Board Secretary Tom Bullard to introduce our Board candidates and conduct this meeting's election.

For New Business, the Nominating Committee Chair, Tom Bullard, stated the Nominating Committee has recommended that Kourtney Calhoun, Paul Love, Doug Esmond, and David Itz be re-elected for three-year terms, and Dominique Varner be re-elected for a two-year term.

Motion: A motion was made by VP of HR Kimberly Minnick and seconded by VP of Lending & Collections Scott Slattery to approve the nominations presented by acclamation to serve: Kourtney Calhoun, Paul Love, Doug Esmond, and David Itz were re-elected for three-year terms, and Dominique Varner was re-elected for a two-year term. The motion passed.

Hearing the majority in favor, the Board nominees have now been re-elected.

Chair Calhoun thanked everyone for coming and asked for a motion to adjourn.

Director Taylor made a motion to adjourn with the meeting ending at 6:30pm.

2022 BYLAW UPDATES



In 2022, First Service amended its bylaws by incorporating People's Trust members and their Select Employee Groups into its field of membership. First Service also began the process to add several counties to its field of membership. As of May 2023, First Service provides financial services to residents who live, work, worship, or attend school in Austin, Brazoria, Chambers, Fort Bend, Galveston, Grimes, Harris, Liberty, Matagorda, Montgomery, San Jacinto, Walker, Waller, and Wharton Counties.

HOUSE RULES



The following special rules of order have been adopted for the conduct of membership meetings of First Service Credit Union:

1. No business other than that related to the Noticed Business, or customary board and management reports at annual meetings, shall be transacted at meetings of the members.
2. Noticed Business motions may be subject to amendment and debate, but may not exceed the scope of the original topic of business noticed.
3. Notwithstanding the Bylaws, the Board may ask for nonbinding member consensus, or other similar polling, through a nonbinding vote at any meeting of the members. Such polling shall not be considered transaction of business.
4. In any question before the members subject to debate, each member may speak once in debate for a maximum of three (3) minutes, unless extended by the Chair for an additional two (2) minutes in the Chair's discretion. Members of the Board and management, or special presentations, may be excepted, subject to reasonable time limitations set by the Chair in advance of the meeting. The member who makes or seconds a motion may be called upon or recognized to respond to debate separate from the above timeframe. The Chair may limit the time available for overall debate on any main or subsidiary motion to a reasonable time, and may end debate and/or limit a member's time if the Chair believes that debate is becoming repetitive.



FOR YOU, NOT PROFIT

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First Service Credit Union
16430 Park Ten Place, Houston, TX 77084



Your savings are federally insured to at least \$250,000 and backed by the full faith and credit of the United States Government. National Credit Union Administration, a U.S. Government Agency. First Service Credit Union is an Equal Housing Lender. NMLS #411394