

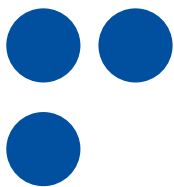


Annual Report 2017



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500,000 members strong

Thank you for your continued support, trust and loyalty. It's because of you—our family of members—that we were able to achieve some incredible results in 2017.

As a member-owned and operated cooperative, we remain focused on delivering exceptional experiences and benefits for current and future members. We take our role as financial stewards for you and your family seriously. We measure our success in delighting you and making a difference in the lives of others through a number of metrics, including member satisfaction, member growth, number of families assisted through lending activities, community service and staff satisfaction. As the leading credit union serving America's

technology sector and other innovative companies, we maintain an obligation to innovate and remain relevant through the development and implementation of new tools, technologies, products and staff expertise that make it easier for members to manage their money and achieve their financial dreams.

Key achievements in 2017 include:

- Originating \$4.4 billion in new loans while assisting 73,637 members with auto loans, mortgage loans, credit cards and student loan debt
- Welcoming 41,123 new members, reaching more than 506,000 members as of December 31, 2017
- Recording \$1.9 billion in asset growth, reaching \$11.4 billion in total assets
- Recording strong improvement in member sentiment and satisfaction scores while also earning national recognition for our improved mobile banking solutions

- Being ranked by Money Magazine as the “Best Bank for Everyone” in California and Oregon for our favorable rates on loans and deposits, service experience and low fees
- Earning S&P Global’s ranking as the best performing credit union among the Nation’s top ten credit unions and #16 against all U.S.-based credit unions
- Continued ranking as the nation’s top Credit Union financial advisor through Addison Avenue Investment Services and achieving strong growth in our insurance services group
- Contributing more than 30,000 hours of community service and donating ~\$3.12 million to support STEM, breakthroughs in medical research and innovative solutions to our communities’ most pressing needs

Our core was tested

Hurricanes, wildfires and weather-related storms impacted thousands of First Tech family members across our Puerto Rico, Texas and California regions. While these events were devastating to many, the level of support among our membership and staff served as a testament to the power of the human spirit and the resilience of our franchise in time of need.

The best is yet to come!

In 2018, we expect continued growth in assets, membership and portfolio of employer sponsors, while continuing to deliver improved solutions to serve your financial needs with the best possible member experience.

Thank you again for continuing to trust, support and engage with us as we continue our journey to be America’s Most Admired Credit Union.

Sincerely,



Gregory A. Mitchell

President and CEO



Dotty Hayes

Chair, 2017 Board of Directors





2017 Board of Directors



Dotty Hayes

Chairman; Chair,
Executive Committee



Tony Backes

Vice-Chairman



Jeff Hank

Treasurer; Chair,
Enterprise Risk Committee



Craig Nordlund

Secretary; Chair,
Nominating and Governance Committee



Tom Gifford

Director; Chair,
Supervisory Committee



Greg Gillas

Director; Chair,
Compensation and Benefits
Committee



Shola Aluko

Director



Margaret Arakawa

Director



Kathy Farmer

Director



Peter Horadan

Director



David Martens

Director




Greg Mitchell

Director

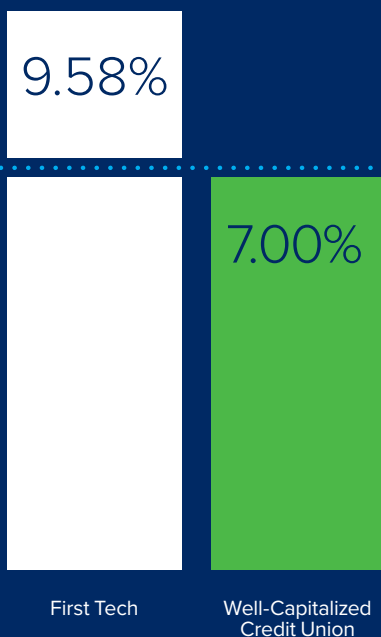


Mark Plastino

Director



Financially strong, safe and sound



As your financial cooperative, we exist to serve all of your financial needs. To do that, we must remain safe, sound and secure.

For the year, assets grew by 19.8%, reaching \$11.4 billion at year end. We had a strong lending year with loans growing by 21.4%, reaching \$8.5 billion at year end. We maintained our strong credit quality, as evidenced by our delinquency ratio (loans 60 days delinquent or greater to total loans) of 0.28%. We also remained a safe harbor for your savings, with total deposits increasing by 12%, reaching \$8.1 billion at year end.

Through earnings of \$115.7 million, we increased our regulatory capital to \$1.1 billion or 9.58% of assets. To put this in context, our regulator, the National Credit

Union Administration (NCUA), considers a credit union to be well capitalized if its regulatory capital ratio or PCA capital ratio exceeds 7%. We have \$294.1 million in surplus capital to both ensure we remain safe and sound and to support future growth.

We thank you for partnering with us for your financial needs. You are the reason we exist, and our success depends on *your* success!





Supervisory Committee statement

The Supervisory Committee of First Technology Federal Credit Union (First Tech Federal Credit Union) provides independent monitoring and review of the Credit Union's operations, procedures, internal controls and management on behalf of the membership.

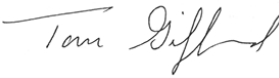
In fulfilling statutory duties and obligations to safeguard member assets, the Supervisory Committee's primary responsibilities include overseeing the completion of the independent external financial audits of the financial statements and records of the Credit Union and verification of member accounts, as well as reviewing of the control structures of the Credit Union; ensuring ongoing reviews of closed accounts; directing the internal audit function; and attending monthly Board of Directors' meetings.

To accomplish these responsibilities, First Tech Federal Credit Union's Supervisory Committee relied on the services of Deloitte & Touche LLP to conduct the independent audit of First Tech Federal Credit Union's consolidated financial statements as of December 31, 2017 and to complete a verification of member accounts for the same period. The Committee further relied on the services of the Credit Union's

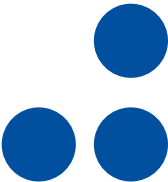
Internal Audit department and the firm of Crowe Horwath LLP to provide internal audit services.

In addition, in 2017, our government regulator, the National Credit Union Administration (NCUA), conducted our annual regulatory exam. None of the audits or exams raised material issues or contained findings that resulted in management disagreement.

It is the conclusion of the Supervisory Committee that First Tech Federal Credit Union operated in a safe and sound financial manner, and that the assets of the membership are being effectively safeguarded. I would like to thank each of our Committee Members for their volunteered time and committed efforts during the past year.



Tom Gifford
Chairman, Supervisory Committee



Assets	Thousands
Cash and cash equivalents	\$228,165
Investments:	
Available for sale	2,067,475
Held to maturity	29,113
Other	104,069
Loans held for sale	12,552
Loans, net of allowance for loan losses	8,477,634
Accrued interest receivable:	
Loans	23,172
Investments	6,057
Federal Home Loan Bank (FHLB) stock	66,732
Prepaid and other assets	177,784
Property and equipment, net	51,464
NCUSIF deposit	65,400
Goodwill	74,237
Intangible assets, net	8,846
Total Assets	\$11,392,700

Liabilities and Members' Equity

Members' share and savings accounts	\$8,089,430
Borrowed funds	2,071,076
Accounts payable and accrued liabilities	140,638
Total liabilities	10,301,144

Members' Equity

Regular reserves	76,883
Undivided earnings	726,557
Equity acquired through merger	300,000
Accumulated other comprehensive income/(loss)	(11,884)
Total members' equity	1,091,556

Total Liabilities and Members' Equity	\$11,392,700
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Interest Income	Thousands
Loans	\$300,224
Investments	52,059
Total interest income	352,283
Interest Expense	
Members' share and savings accounts	38,590
Borrowed funds	30,656
Total interest expense	69,246
Net Interest Income	283,037
Provision for loan losses	37,809
Net interest income after provision for loan losses	245,228
Non-Interest Income	
Interchange income	38,052
Sales of insurance and investments products	25,314
Fees and service charges	12,515
Mortgage servicing revenue, net	6,674
Gain on sale of loans	24,218
Gain on sale of investments, net	14,159
Other income, net	4,442
Total non-interest income	125,374
Income before non-interest expense	370,602
Non-Interest Expense	
Compensation and employee benefits	135,206
Loan servicing (includes lending costs)	23,199
Professional & outside services	40,310
Marketing and promotional	5,818
Office operations	25,773
Office occupancy	14,126
Other expense	10,461
Total non-interest expense	254,893
Net Income	\$115,709



Beyond the numbers



Community

\$3,117,299

Total contributed in 2017

170

Organizations supported

\$1.275

*Million raised for
Credit Union for Kids*

\$50,000

*In scholarships provided to
members*

Employees

1,450+

Number of employees

31,216

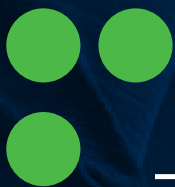
Employee volunteer hours

\$133,490

*Employee donations including
First Tech match*

While our numbers may tell an impressive story, we believe the stories that can't be quantified often best capture *who we are* and *why we do what we do*. The impact we had in 2017 was only possible because of the hard work and dedication of our members, communities and employees alike.





Two little robots, one big impact

Dash and Dot are small—in fact, Dot could fit in the palm of your hand. But these little robots are making a big impact in Hillsboro, Oregon, a quickly growing community west of Portland.

“Dash and Dot have kids from kindergarten to sixth grade programming and coding robots,” said Aron Carleson, Hillsboro Schools Foundation Executive Director. “Coding and math are universal languages for kids who are exposed to it early. In a school with more than 20 different languages spoken by our kids—that’s an exciting prospect for teachers and for our community.”

Dash and Dot received funding through a Hillsboro Schools Foundation innovation grant, which supports programs and projects that engage students in new ways to drive achievement and support student success. First Tech has been supporting these innovation grants for more than 10 years, specifically funding STEM initiatives that help bridge the digital divide, providing access to technology for kids who need it most.

“We’re providing access to robotics, engineering and creative problem solving so our students can see themselves as

being engineers, designers and creators of our future” said Aron Carlson, Hillsboro Schools Foundation Executive Director. “Thanks to First Tech’s support, children who wouldn’t have the opportunities to engage in technology have this hands-on STEM experience in the classroom.”

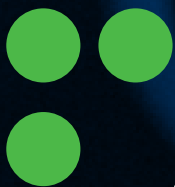
For kids, Dash and Dot are fun and games; for our communities, they’re helping build our future—one little robot at a time.

“

We’re providing access to robotics, engineering and creative problem solving, so our students can see themselves as being engineers, designers and creators of our future.

”





Aloha...
on a plate!

Meet Jensen, a small business owner, husband, dad and proud member of First Tech. Like so many of our members, Jensen is looking for financial security while pursuing his dreams. He hails from Hawaii and brings with him a unique flavor of the islands, which he has parlayed into a successful business. Years ago, Jensen bought a car—financed through First Tech—and later sold it to buy his first food truck serving traditional Hawaiian food in a very Portland way: unique, fast and delicious. Jensen's work ethic and entrepreneurial business sense has helped him grow his business to include multiple food trucks plus a brick-and-mortar location in and around the Portland area.

Jensen and his wife, Jesse, met years ago and shared the same belief that putting their trust in a community-oriented institution like First Tech was the best decision for their growing family. When asked why she stays with First Tech and doesn't move to another bank, Jesse simply replied, "They're so friendly. Every time you walk in the door, they make you feel like you're part of the family."

Jensen's mom works for a credit union in Hawaii, so he learned from a young age that credit unions have the same

community commitment that he does. Likewise, Jensen's dad instilled in him an appreciation for supporting kids and local schools from his career as a teacher. "Just taking our food truck [to the school], serving them at their school carnivals... donating gift certificates for auctions... we feel really strong about giving back to the kids."

“

They're so friendly. Every time you walk in the door, they make you feel like you're part of the family.

”


We are pleased to have Jensen and Jesse as members of First Tech, raising their family with the same financial discipline that was instilled in them from generations before.





Empowering our people





Four job changes, two houses, two kids and one marriage. This isn't an unusual story for our members or our employees. What *is* unusual is going through all of these life changes while working with the same company. Derek Weber began his career at First Tech in the Contact Center back in 2004. Then he spent more than 11 years in Marketing in a variety of roles, and he is now a manager with our Member Experience team.

"Working here for so long, and in roles that have allowed me to interact with many different people, has helped me grow my career, and I now have the skills to make a significant change throughout the credit union," said Derek. "I've had many personal life changes since working here, and my experiences and support at work have had an impact on my personal life."

*We're on a path to
make so many things
better for everyone.*

Derek's story of achieving his personal and professional goals is a story we hope inspires all employees at First Tech. Doing

things like helping people like Derek grow and progress in their career, or helping a member or employee get into their first house, is why we're excited to partner with you on your financial journey to reach your dreams.

"Right now, I feel like I'm set up to make huge improvements for our members and employees," said Derek, when thinking about the future of First Tech. "We're on a path to make so many things better for everyone."

Together with our members, communities and employees, we're proud of everything we've accomplished—as a family—in 2017. We'll remain committed to serving your financial needs and creating meaningful experiences in 2018 and beyond.

“
The best is
yet to come!
”

Gregory A. Mitchell
President and CEO

