



# Annual Report

**2022**



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# Members First

## A Message From Greg Mitchell and Jeff Hank

Thank you! Through the engagement and support of more than 649,000 active members, along with our volunteer board and the 1,700 employee members who are privileged to serve you, First Tech continues to lead the way in member service, innovation, financial performance and community impact. Our credit union is strong—and growing ever stronger—through our efforts to enrich the lives of members, employees and our communities where we live and work.

During this challenging time in history, we're proud to champion the tremendous acts of kindness and generosity that serve to enrich the lives of many. The countless stories and testimonies of members, benefiting from the love, support and generosity of our communities, serve to bring purpose and voice to our collective work while propelling us forward into a brighter future. We've been challenged over the past year of economic upheaval, disruption and global stress, and we've prevailed in our pursuit of improved member service, innovation and product delivery. At the same time, we've delivered strong asset growth, earnings and benefits to our members.

As one of America's leading credit unions, we remain steadfast in our resolve to make your financial life easier and more rewarding. To this end, First Tech continues to make meaningful investments

in programs and tools that deliver secure, fast, frictionless and delightful solutions for our members whenever, wherever or however you wish to engage with us.

### A Few Notable Achievements in 2022:

- Originated **\$5.0 billion** in new consumer loans to help members build stronger financial futures.
- Increased assets by **11.9%**, reaching **\$16.7 billion** in total assets as the 9th largest credit union in the country.
- Generated **\$95 million\*\*** in core income while providing material economic relief for impacted members, solid investments in infrastructure and strong reserves to cover long-term impacts of the pandemic.
- Increased regulatory capital to more than **\$1.62 billion**, resulting in a **\$453.6 million** surplus to protect our members and fuel future growth.
- Recorded solid improvement in member sentiment and satisfaction scores while earning national recognition for member service and our improved mobile banking solutions.

- Retained our ranking as the largest credit union investment program in the United States through Addison Avenue Investment Services.
- Protected nearly **16,000 member households** through our independent insurance agency.
- Expanded remote banking options and improved fraud prevention measures to strengthen members' security and account access during the pandemic.
- Contributed more than **\$4 million** to support **128 nonprofit** organizations including Credit Unions for Kids.
- Originated more than **8,000 mortgage loans** while navigating members through a challenging housing market and rate environment.

We remain steadfast in our commitment to be a good steward of the financial gifts and trust that you have placed in us. The entire First Tech family joins us in a shared commitment to do all that we can to make a profound difference in the lives of our members and in the communities where we live and work through reducing our carbon footprint, celebrating our diverse communities and remaining transparent with our business

operations. We challenge and invite you to join us in this journey while holding us accountable for delivery of the cooperative promise of people helping people.

### Looking Ahead:

In 2023, we will continue to deliver the product and service experiences that our members have come to expect and appreciate from us, placing our members at the center of all that we do. We remain confident in the long-term future of First Tech that through safe and sound business practices, and our indomitable spirit, we will continue to shine and grow stronger than ever on our journey to become America's most admired credit union.

We are grateful to have you as part of our family. The best is yet to come!

Sincerely,

**Gregory A. Mitchell**  
President and CEO

**Jeff Hank**  
Chairman, 2022 Board of Directors



\*\*Core net income represents new income from operations and is defined as net income of \$59 million adjusted for realized and unrealized net market value loss in NCUA-permissible equity investments of \$35 million.

# 2022 Board of Directors



**Jeff Hank**  
Chairman



**Dotty Hayes**  
Vice Chair,  
Executive Committee



**Craig Nordlund**  
Secretary; Chairman of  
Nominating and Governance



**Rajeev Agarwal**  
Director



**Margaret Arakawa**  
Director



**Vincent Brennan**  
Director



**Tony Backes**  
Director



**Kathy Farmer**  
Director



**Tom Gifford**  
Director; Chair,  
Supervisory Committee



**Greg Gillas**  
Director; Chair, Human  
Capital Committee

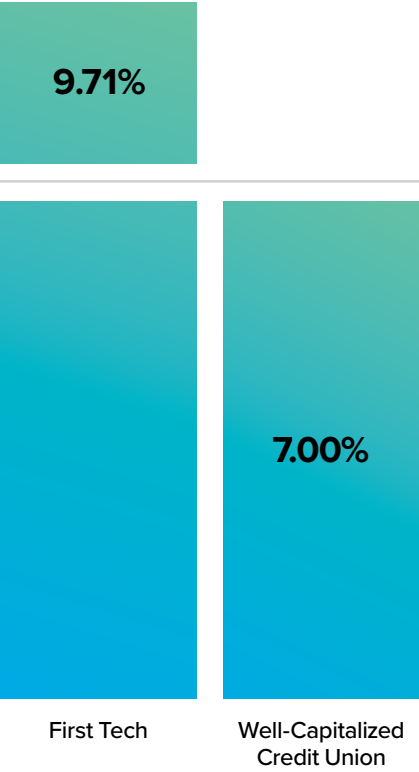


**Todd Hauschildt**  
Treasurer; Chair, Enterprise  
Risk Committee

# Financially Strong, Safe and Sound

For the year, assets grew by 11.9%, reaching \$16.7 billion at year end. We had a solid lending year with loans growing by 25.4%, reaching \$12.0 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 0.32%. We also remained a safe harbor for your savings, with total deposits of \$11.1 billion at year end.

Through core earnings of \$95 million, we increased our regulatory capital to \$1.62 billion or 9.71% 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 \$453.6 million in surplus regulatory capital to ensure we remain safe and sound to support future growth.







# Supervisory Committee Statement

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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 audit of the financial statements and records of the Credit Union and verification of member accounts, as well as reviewing the control structures of the Credit Union, 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 and Touche LLP to conduct the independent audit of First Tech Federal Credit Union's consolidated financial statements as of December 31, 2022 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 Grant Thornton to provide internal audit services.

In addition, in 2022 our government regulator, the National Credit Union Administration (NCUA), conducted the annual regulatory exam both in person and remotely. 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*

*First Tech Federal Credit Union Supervisory Committee*

# Consolidated Statements of Financial Condition



(dollars in thousands)

	As of December 31,	
	2022	2021
<b>Assets</b>		
Cash and cash equivalents	\$69,470	\$122,256
Investments:		
Available for sale, measured at fair value (amortized cost of \$4,129,562 and \$4,427,024 as of December 31, 2022 and 2021, respectively)	3,727,371	4,447,847
Other, measured at fair value (amortized cost of \$218,832 and \$119,704 as of December 31, 2022 and 2021, respectively)	234,911	171,689
Loans held for sale	2,389	10,152
Loans, net of allowance for loan losses of \$90,207 and \$73,252 as of December 31, 2022 and 2021, respectively	11,998,895	9,572,292
Accrued interest receivable:		
Loans	40,571	25,500
Investments	26,609	20,864
Federal Home Loan Bank stock	124,140	56,483
Prepaid and other assets	227,618	248,650
Property and equipment, net	84,168	83,111
National Credit Union Share Insurance Fund deposit	96,535	95,700
Goodwill	74,237	74,237
<b>Total assets</b>	<b>\$16,706,914</b>	<b>\$14,928,781</b>
<b>Liabilities and Members' Equity</b>		
<b>Liabilities</b>		
Members' share and savings accounts	\$11,064,302	\$11,353,719
Borrowed funds	4,197,830	1,819,100
Accounts payable and other liabilities	166,878	115,008
Total liabilities	15,429,010	13,287,827
<b>Members' Equity</b>		
Undivided earnings	1,384,885	1,325,026
Equity acquired through merger	300,000	300,000
Accumulated other comprehensive income	(406,981)	15,928
Total members' equity	1,277,904	1,640,954
<b>Total liabilities and members' equity</b>	<b>\$16,706,914</b>	<b>\$14,928,781</b>

# Consolidated Statements of Income

(dollars in thousands)

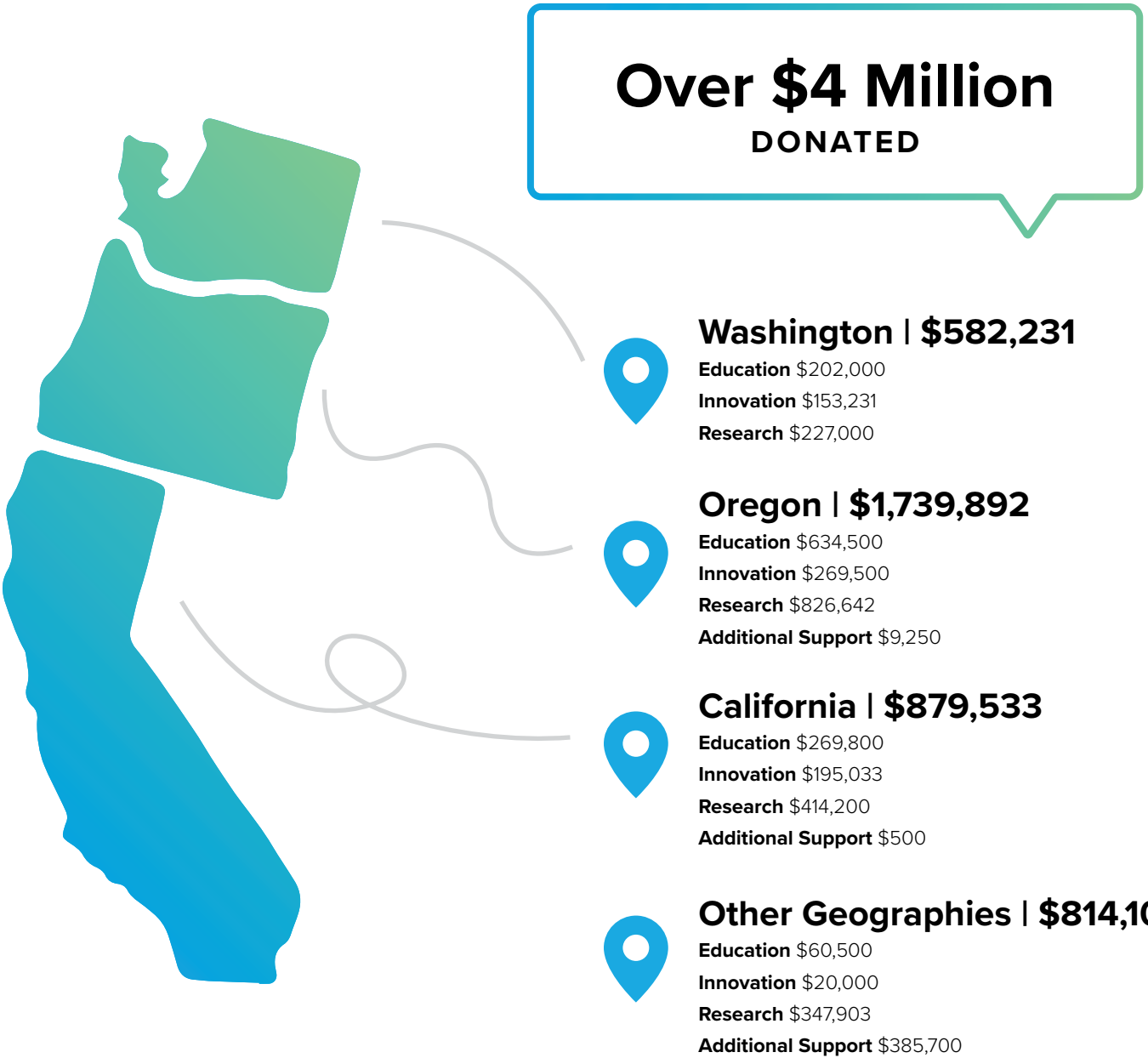
	For the years ended December 31,	
	2022	2021
<b>Interest Income</b>		
Loans	\$432,695	\$360,914
Investments	112,036	83,796
Total interest income	544,731	444,710
<b>Interest Expense</b>		
Members' share and savings accounts	44,841	37,620
Borrowed funds	71,940	27,687
Total interest expense	116,781	65,307
<b>Net interest income</b>	427,950	379,403
<b>Provision for Loan Losses</b>	59,164	32,243
Net interest income after provision for loan losses	368,786	347,160
<b>Non-Interest Income</b>		
Interchange income, net	21,611	22,412
Sales of insurance and investment products	38,170	38,126
Fees and service charges	17,804	15,595
Mortgage servicing revenue, net	5,291	(3,482)
Gain on sale of loans, net	6,039	34,141
Gain/(loss) on investments, net	(35,163)	39,786
Other income, net	7,156	12,796
Total non-interest income	60,908	159,374
<b>Income before non-interest expense</b>	429,694	506,534
<b>Non-Interest Expense</b>		
Compensation and employee benefits	200,025	188,719
Loan servicing and lending expense	23,586	19,904
Professional and outside services	69,302	56,572
Marketing and promotional	22,862	15,314
Office operations	27,266	26,130
Office occupancy	17,145	16,108
Other	9,649	8,784
Total non-interest expense	369,835	331,531
<b>Net income</b>	<b>\$59,859</b>	<b>\$175,003</b>



# Our Approach to Funding

When it comes to being a committed community partner, we strive to make the biggest impact we can with every dollar we invest in the community. First Tech's Community Engagement programs do just that by focusing on supporting efforts to dismantle barriers, eliminate gaps and foster a more equitable future in the communities where our employees and members live and work.

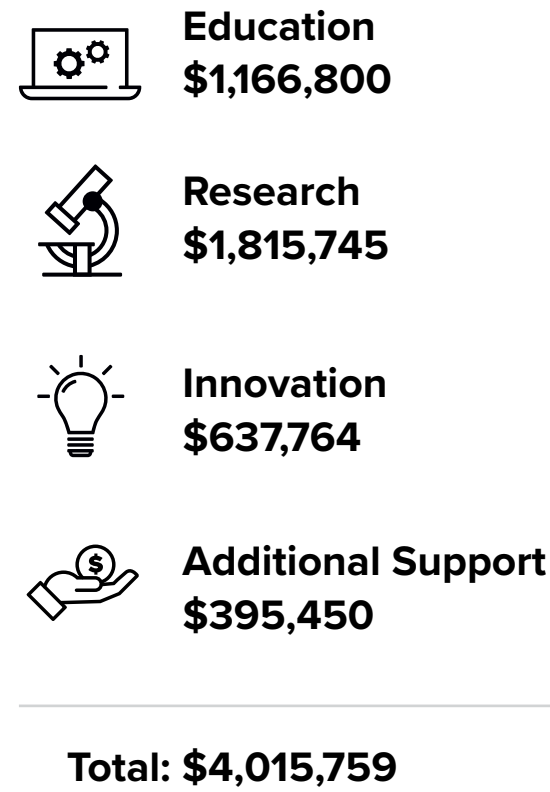
In 2022, First Tech provided over **\$4 million** in charitable giving to **128 organizations**, and more than 80% of employees participated in community engagement, directing dollars and time to nonprofit partners, ensuring that children have the tools they need to learn, be healthy and succeed.



# Being a Force for Good

As a leading financial institution, we have a responsibility to be a leader in our community by helping people overcome challenges so we can become stronger together. First Tech's philanthropic focus areas include support for education (STEM, early childhood literacy, financial education and scholarships), research (Credit Union for Kids and Supportive Health Service) and innovation (food, safety and shelter).

Each year, First Tech is dedicated to going beyond banking by giving 2% of First Tech's annual net income or \$2 million dollars (whichever is higher) as part of our commitment to the communities where we live and work. Working with our community partners, our funding provides access to STEM education to underserved communities and fuels new programs to address the most urgent needs of children and families.



### Our Inclusive Approach to Giving

First Tech's grant decision process has adopted more inclusive practices and is conducted by engaging leaders from different areas of the organization. We encourage participation from employees to engage in the decision-making process and proactively reach out to organizations that serve low-income populations and communities of color. An equity lens is also applied as a transformative tool used to improve decision-making and resource allocation, leading to more equitable funding and programs. At its core, it is a set of principles, reflective questions and processes that help remove barriers to access and ensure that cultural needs are being met across First Tech's funding areas.



## First Tech Corporate Philanthropy Recognized: PBJ Philanthropy Award

In 2022, the Portland Business Journal named First Tech as a Top Philanthropic Company in Oregon and SW Washington. This award celebrates the region's most philanthropic companies and honors businesses that give back to their communities through supporting area nonprofits. First Tech was recognized in the Million Dollar Club category of the Corporate Philanthropy Awards for donating over \$1 million to the Oregon and SW Washington community.

# Empowering Communities



## iUrban Teen

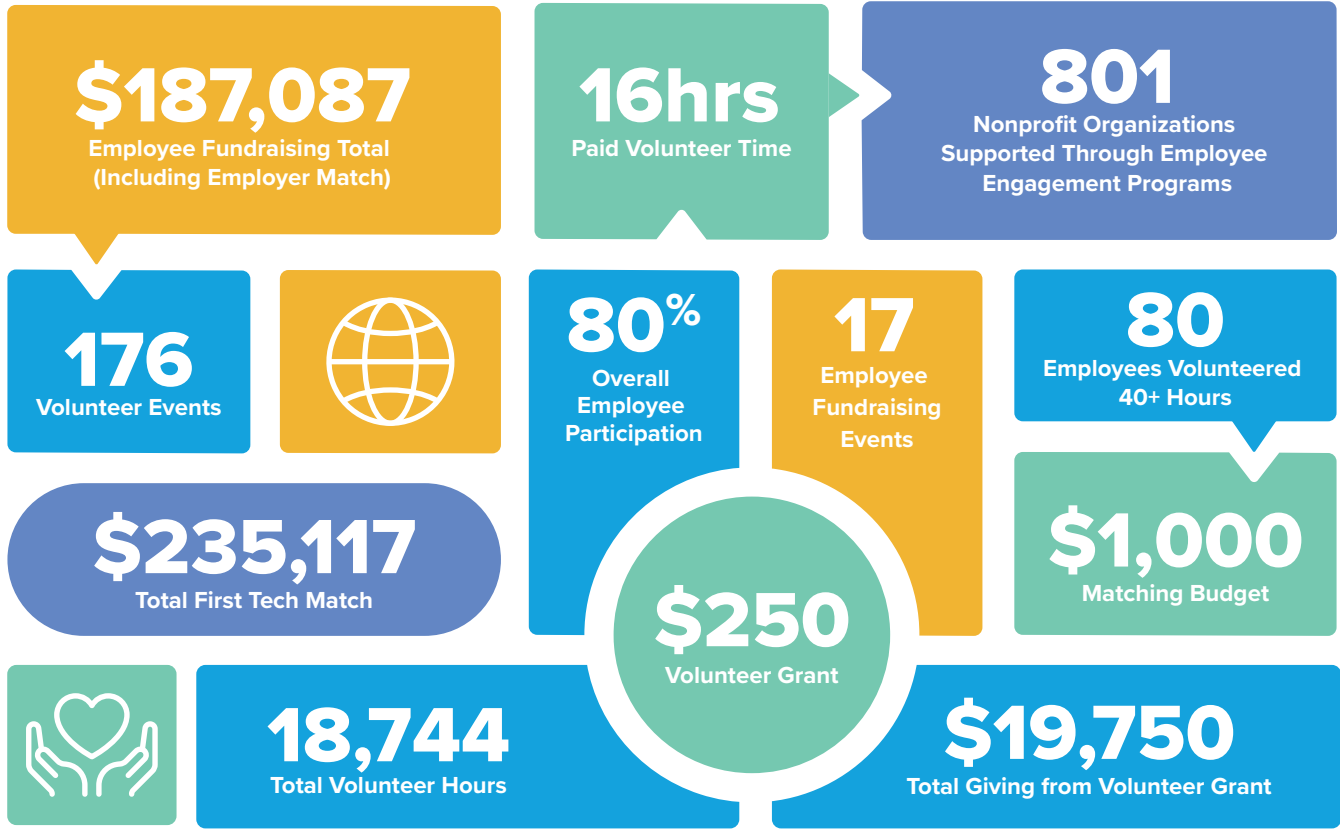
First Tech is continuously having conversations and collecting feedback from nonprofit partners, and expanded exposure to STEM careers is one of the most powerful themes. First Tech’s education grant supports iUrban Teen’s expansion into Sacramento, including implementation of their 2022 STEM Summit for BIPOC Youth. iUrban Teen, an organization focused on encouraging new ways of thinking about STEM, provides insight to underrepresented youth about their future career opportunities. One high school participant from the program shared, “iUrban Teen opened my eyes to the larger world of STEM and how I can find my place in that world.”



## Adelante Mujeres

Building on pre-existing relationships and strengthening partnerships year over year are what positions First Tech to make a lasting difference. Adelante Mujeres’ Chicas Program provides education and empowerment opportunities to Latina youth to support them in developing their leadership potential, cultural identity and achieving academic success. A participating high school student shared, “[The Chicas Program] helped me to broaden my knowledge of potential career paths that I was previously unaware of and gave me the opportunity to explore my curiosities about my own prospects and background. It assisted me in overcoming personal obstacles. They are more than just a program to me; they are family to me.”

# It Takes All of Us



## Gabriel Jones-Gallardo

One of our colleagues here at First Tech, Gabriel Jones-Gallardo, Associate II, Regulatory Deposit Services, is especially dedicated to helping his community.

Gabriel has an unwavering devotion to his community and has volunteered with local nonprofits for most of his life. “My grandparents were active in their communities, and when I would visit them as a kid, I would tag along and find a job that I could do,” said Gabriel. “When I was 12, I joined DeMolay International. We would do fundraisers for the Shriners Children’s Hospital,

Relay for Life, and participate in learning programs to further our own development.”

To this day, Gabriel’s support for his community remains steadfast. “Three years ago, I joined the Board of Directors for the Library Foundation of Hillsboro, raising funds to help support the Hillsboro Public Library with its programs and outreach in the community,” said Gabriel.

“Volunteer work doesn’t need to be a big function,” said Gabriel. “Five minutes to be kind and give some of yourself to aid someone else can go a long way. The opportunities are endless if you want them to be.”

“I’m proud of the work our employees, members and nonprofit partners have accomplished this year to support our community. Each year, we strive to exemplify the credit union difference of people helping people and none of this would be possible without our incredible members who choose First Tech as their trusted financial institution. Together, we’re creating change and supporting organizations that ensure children and families have the resources they need to thrive.

— Greg Mitchell  
President and CEO of First Tech Federal Credit Union



# Credit Unions for Kids



For more than 35 years, First Tech has led the way in fundraising efforts for Credit Unions for Kids, which benefits Children's Miracle Network Hospitals across our footprint.

Supporting the youngest members of our community has always been a top priority for First Tech. In 2022, First Tech employees and members, business leaders, and credit unions from across the region raised more than \$1.6 million dollars as part of the annual Credit Unions for Kids fundraising campaign.

"Actions speak louder than words. The Credit Unions for Kids campaign embodies the value we place on supporting our community and reflects the guiding principle of our people helping people," said Greg Mitchell, First Tech Federal Credit

**Over \$1.6 Million  
RAISED**

Union President and CEO. "It's another opportunity for credit unions like First Tech to step up and take a leadership role beyond banking."

First Tech's Children's Miracle Network hospital partners are renowned for their cutting-edge medical research, innovative therapies and treatments, and world-class care for children. Beneficiaries include:



## Meet Doernbecher Patient, Gautam

In many ways, Gautam is a typical 14-year-old. Outside of school, he loves basketball, playing video games and spending time with his friends. Twelve years ago, his life took an unexpected turn that brought him to OHSU Doernbecher Children's Hospital.

A few weeks after his 2nd birthday, Gautam was diagnosed with High-Risk Acute Lymphoblastic Leukemia (ALL).

After working with a team of Doernbecher pediatric specialists, including nurses, therapists and doctors, Gautam underwent cranial radiation along with two different forms of chemotherapy. He spent the next three years undergoing treatment at Doernbecher, often staying for extended periods of time and returning frequently for appointments with his care team, all with his mother and brother by his side.

Over a decade later and now a healthy teenager, Gautam carries with him memories of tram rides up to Doernbecher and watching the Fourth of July fireworks from the hospital windows on the 10th floor. Most of all, Gautam looks back and feels lucky he had Doernbecher as a partner in his fight for a healthy future.



**PLAY VIDEO**

**Gautam Josse**  
Children's Miracle Network  
Hospitals Champion

## Scholarships

This year, we awarded  
**\$60,000**  
**to 12 students**  
and we wish them the very  
best in their future careers.

Since 2008, we've supported our members in achieving their dreams of higher education through our scholarship program. Each year, we're proud to award twelve outstanding members with \$5,000 scholarships: five to students with a STEM-focused major, five to students with other areas of studies, and two awards to family members of First Tech employees.

“

**I cannot say thank you enough to  
First Tech for the blessing that  
this award will be in the coming year.**

— Rhand Wood

*Oregon State University  
Biochemistry and Molecular Biology*

”



People helping people is the credit union difference. First Tech goes above and beyond to support the communities where we live and work by enriching and protecting the environment, following best in class governance standards, and creating a warm, open and inclusive environment where members, employees and guests can thrive.

# Sustainability is Top of Mind at First Tech

Being mindful about our environmental impact is a core value at First Tech. We don't just give lip service to making our work environment better and more sustainable—we demonstrate our commitment with thoughtful action.

When the new corporate office was being designed, we knew this was our opportunity to design an office space that was both sustainable and kept our people top of mind. Much of the building's design draws on the beauty of wood and cross-laminated timber. Producing modern load-bearing materials such as concrete or steel emits high levels of carbon into the atmosphere. Wood is a lower carbon material, which allowed First Tech to reduce the overall carbon footprint of the building. At the time of completion, the Hillsboro corporate office was the largest glulam and cross-laminated timber (CLT) building in the United States.

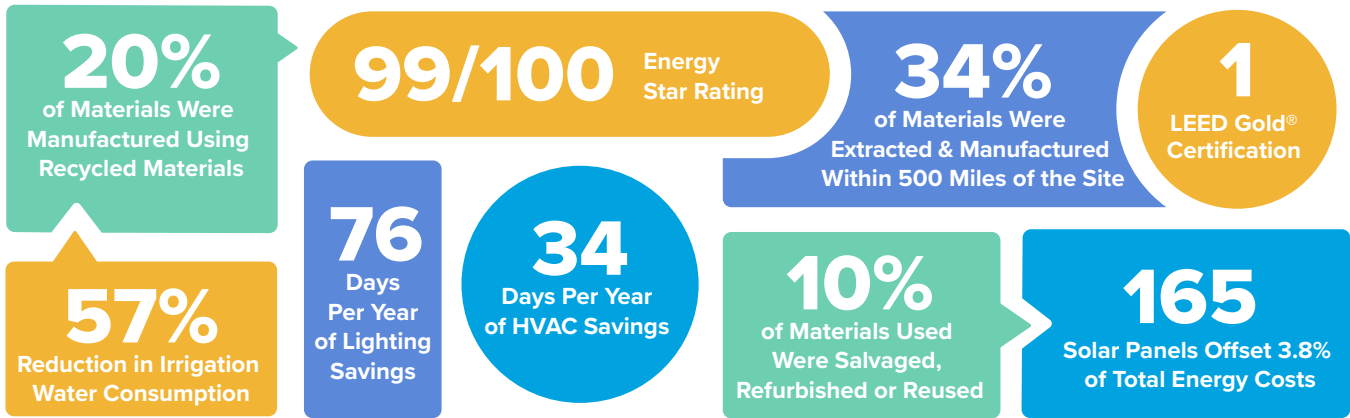
We're proud of all the action we've taken at an organizational level to be more green, but we're even more proud of the intrepid First Tech employees who care passionately about the environment just as much as we do.

In 2017, a group of employees launched a recycling program for their K-Cups after noticing there was no proper recycling option for the discarded coffee cups. That program endures today, and in that time, First Tech has diverted more than 26,000 K-Cups from the trash into the recycling bin.

That's just one example of what makes our First Tech family such great stewards of sustainability. Here are a few more reasons why we're proud of our sustainability at First Tech:

- Invested in resources at our Hillsboro Corporate campus that earned us a LEED Gold® certification.
- Active with the Washington County Green Business Alliance (GBA), where our sustainability practices often score outside the charts on GBA metrics.
- Introduced electric vehicle charging stations at our Hillsboro, San Jose and Rocklin locations.
- Installed water-efficient landscaping and irrigation systems at Hillsboro Corporate designed to reduce water consumption for irrigation by 57%.
- Partnered with a janitorial vendor (ABM) that employs green cleaning supplies at all First Tech locations.
- Invested in regeneration ergonomic chairs at our corporate locations, made from recycled plastic.
- Hosted our first-ever Eco Expo in 2022, promoting awareness and green practices for all First Tech employees.

## Hillsboro corporate building by the numbers:





# First Tech and Centro Cultural Team Up to Tackle Hunger with Community Garden



When a few First Tech employees had an idea in 2021 to plant a garden and share it with the public, they didn't realize the long-term impact they would be making to relieve hunger in their community.

In the fall of 2021, First Tech broke ground on our Community Garden in a plot on our Hillsboro, Oregon corporate campus. Many employees rolled up their sleeves and began planting the first seeds that would eventually become a bounty of fresh produce for our neighbors in Washington County.

Fortunately, First Tech has shared a years-long partnership with [Centro Cultural](#), an organization that builds systems to improve the health and economic mobility of underserved communities in Washington County, Oregon. With the help of [Centro Cultural's Free Food Mercado program](#), First Tech was able to harvest our community garden produce in 2022, and share it directly with the people in our community that are most affected by food insecurity.

"The free food markets around here started around 2020, and the reason was the COVID-19 epidemic. The organization found a huge need for people to have better access to food," said Ivan Ortiz Mata, Free Food Program Manager for Centro Cultural.

"The Latino community and the Hispanic community here have been marginalized and underserved for so long," Mata said.

"Here, people are allowed to come in and get as many items as they want, get whatever it is that they need. So to have this program, to have people working with us on this mission, has been incredible."

Centro Cultural reaches about 4,000 people per month with their outreach efforts. Their tireless work to improve our community means that First Tech employees have a unique opportunity to come together and fight hunger alongside a leading local partner. Working together with Centro Cultural, the fruits of First Tech's Community Garden are sure to land in good hands for years to come.

“  
**...to have this program, to have people working with us on this mission, has been incredible.**  
— Ortiz Mata  
Free Food Program Manager for Centro Cultural

# First Tech Family Comes Together for Pride Month Celebration



Every June, First Tech celebrates the history of our LGBTQIAP+ community and commemorates the 1969 Stonewall Uprising with our Pride Month festivities.

By celebrating the progress that we've made in the 50+ years since Stonewall—while also acknowledging the ongoing fight for equal rights and the sacrifices made in service of that fight—First Tech honors our commitment to inclusion, belonging and community partnership.

In 2022, First Tech employees teamed up to celebrate our LGBTQIAP+ family through a range of educational and social events, donations, volunteer opportunities and more. The variety of Pride events and social occasions highlighted the diversity of First Tech's family and the important work being done to improve our communities.

First Tech sponsored and participated in several events throughout the month to mark the occasion, including OMSI's Pride at the Museum, PDXWIT's Pride Programming and the Technology Association of Oregon's Community Pride Parade. In July, we also joined our partners at the Hillsboro Hops to help sponsor their Pride Night baseball game. Our social media presence helped to highlight the theme of Pride and spread our message of inclusion and belonging at First Tech.

First Tech team member Loren Wertz also helped us wear our Pride message on our sleeves—literally. Loren designed First

Tech's T-shirt emblazoned with an image of a Pride flag, which was available to all employees at their request.

"I wanted our First Tech LGBTQIAP+ community to have a visible way of showing pride in who they are and have First Tech stand with them," Loren said about his T-shirt design. "I'm very grateful that many others have chosen to wear the shirt in solidarity and allyship. We all build the community and culture in which we feel safe, seen, supported and included, and designing this shirt was one way I could contribute to that."

Rounding out our efforts to celebrate Pride Month, First Tech offered employees a 2:1 match on donations to LGBTQIAP+ organizations, bringing a spotlight to other groups in our community that are doing hard work every day to make the world a better place for all LGBTQIAP+ identifying people.

We can't wait to celebrate Pride Month again in 2023 with our First Tech family and community!

“  
**I wanted our First Tech LGBTQIAP+ community to have a visible way of showing pride...**  
—Loren Wertz, First Tech team member



# Strong Risk Management Practices Aid First Tech’s Stability and Growth

As a financial institution, there’s no such thing as being risk-proof. First Tech navigates both internal and external risks every day.

In order for our credit union to provide the best products and services for our members, we have to embrace some calculated risks. The key to growing as an organization is not to avoid these potential risks, but rather to strategize and make a plan for how to identify, assess and prepare for them.

That’s where Cary Oswald, First Tech’s Senior Director of Risk Management, and his team of analysts step in. This core group is responsible for tracking and analyzing First Tech’s risk profile.

Oswald and his team have established a methodology and a system of reporting that guides First Tech’s risk appetite, playing a large part in keeping First Tech strong and secure. They are tasked with assessing the eight main banking risks that First Tech faces: credit, market, liquidity, information security, operational, compliance and legal, reputational and strategic.

“The expectation is that First Tech is efficient and effective, and that we have developed internal controls to help things get caught earlier and fixed earlier,” Oswald said.

Improving on these controls is an ongoing process of refining and monitoring, and is critical to the growth of First Tech. Without these controls, First Tech could not adequately address threats to credit union assets or to our reputation.

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**The expectation is that First Tech is efficient and effective.**

— Cary Oswald  
Senior Director of Risk Management

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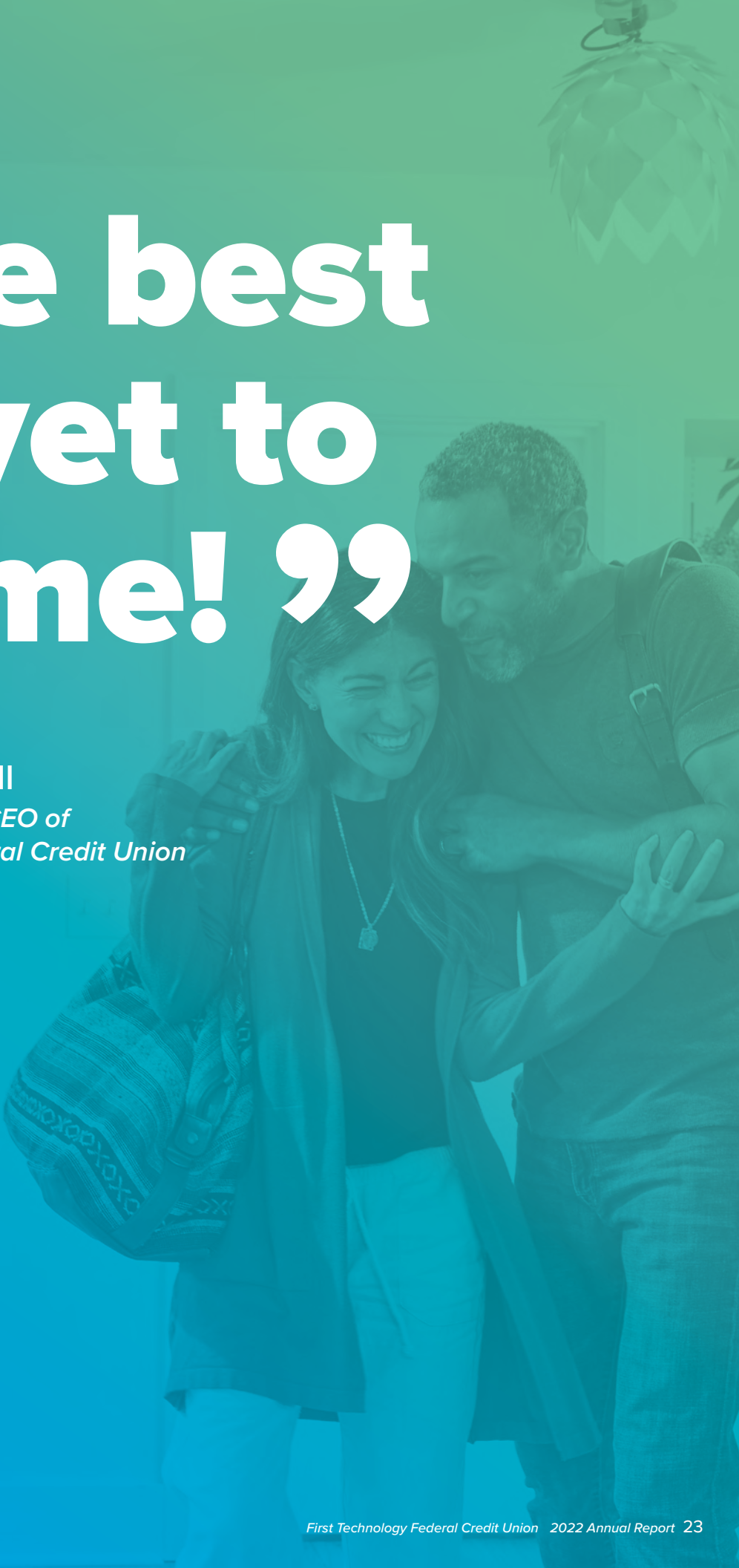
“It’s important that our methodology is based on something measurable, like impact and likelihood, so that all risk ratings mean the same thing across the board. We’re working to tie metrics to all of these elements, so that our risk appetite tolerance for the eight main risks is defensible if there are any questions raised,” Oswald added.

Assessing enterprise risk profiles in an ever-changing marketplace is no easy task, and First Tech is lucky to have Cary Oswald and his team working to keep First Tech safe.



“  
**The best is yet to come!**”

— Greg Mitchell  
President and CEO of First Tech Federal Credit Union







INVEST IN *you.*



Equal Housing  
Opportunity

| Insured by NCUA