

MESSAGE FROM THE TREASURER

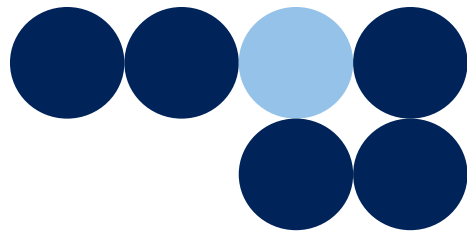


Jack Marmash,
Treasurer

I am pleased to report that Members First Credit Union continues to maintain its strong financial performance. The Board of Directors and the Management team have worked closely together to ensure that we remain a well-capitalized credit union with a net capital ratio of 14.10% as of December 31, 2018. This ratio, established by NCUA, sets the regulatory standard for the minimum, allowable capital level for "well-capitalized credit unions" at 7.00%. We well exceeded that number as a result of prudent practices. Remaining safe and secure is a significant achievement, and our members can take comfort in this strong performance.

2018 was a year of steady growth as our asset total was pushed over \$193 million. To ensure profitable results, your credit union focused on reducing expenses and improving risk management processes and operational efficiencies. We are providing a secure and rewarding environment for all members. With our current membership at 17,062, we continue to strive to meet all our members' financial needs through excellent member service and innovative products and services.

Members First Credit Union holds the best interest of our members in high regard and remains competitive, while continuing a long history of giving back to our members and the communities that we serve. Recognizing the diverse needs of our members, our plans for the future include offering a wide variety of additional new and innovative products and services. We are confident that MFCU will continue to prosper in the coming years.



MEMBERS FIRST CREDIT UNION OF FLORIDA Distribution of Income for the years ended December 31, 2018 and 2017

INCOME

| | 2018 | 2017 |
|-------------------------|---------------------|--------------------|
| Interest on Loans | \$5,041,527 | \$4,632,991 |
| Income from Investments | 1,550,900 | 1,052,408 |
| Other Income | 3,670,025 | 3,341,375 |
| TOTAL INCOME | \$10,262,452 | \$9,026,774 |

EXPENSES

| | | Percent of Income | | Percent of Income |
|------------------------------------|--------------------|----------------------|--------------------|----------------------|
| Employee Compensation and Benefits | \$4,238,128 | 41.297% | \$4,126,590 | 45.715% |
| Travel and Conference | 100,720 | 0.981% | 95,966 | 1.063% |
| Office Occupancy | 471,036 | 4.590% | 453,273 | 5.021% |
| Office Operations | 1,770,663 | 17.254% | 1,680,304 | 18.615% |
| Educational and Promotional | 204,610 | 1.994% | 188,133 | 2.084% |
| Loan Servicing | 592,448 | 5.773% | 523,054 | 5.794% |
| Professional and Outside Services | 155,649 | 1.517% | 157,447 | 1.744% |
| Provision for Loan Losses | 389,287 | 3.793% | 621,210 | 6.882% |
| Operating Fees | 48,709 | 0.475% | 47,275 | 0.524% |
| Miscellaneous Operating Expense | 187,357 | 1.826% | 137,095 | 1.519% |
| TOTAL EXPENSES | \$8,158,607 | 79.500% | \$8,030,347 | 88.961% |

INCOME BEFORE COST OF FUNDS

| | | |
|--|-------------|-----------|
| | \$2,103,845 | \$996,427 |
|--|-------------|-----------|

COST OF FUNDS

| | | | | |
|----------------------------|---------|--------|---------|--------|
| Interest on Borrowed Money | \$23 | 0.000% | \$122 | 0.001% |
| Dividends on Shares | 148,475 | 1.447% | 138,990 | 1.540% |
| Interest on Certificates | 320,895 | 3.127% | 263,866 | 2.923% |

TRANSFER TO UNDIVIDED EARNINGS AND RESERVES

| | | | | |
|--|-----------------|---------|-----------------|--------|
| | \$1,634,452 | 15.927% | \$593,449 | 6.574% |
| | 100.000% | | 100.000% | |

STAFF

Lena Marie Avant
Charisse Bailey
Shelby Ballard
Bokanyi, Brenda
Diane Carney
Adam Carpenter
Juleah Chandler-Trim
Alexandria Cloud
Jaleese Cope
Debbie Cosson
Kristin Cotney
Jasmine Crenshaw
Jeff Crutchfield
Mitch Davis
Donlee Dunn
Conor Dunne
Hunter Ernde
Carrie Gavin
Todd Goodloe
Rhonda Gray
Caryl A Greene
Andrea Haynes
Pamela Haynes
Kevin Jeremiah

Brandi Johnson
Luann Joyner
Tammy Keith
Vanessa Knight
Marisa Ladner
Sara Legg
T J Lemaster
Michelle Lopez-Santos
Emily Lopiccolo
Leslie Lowery
Adriana Marrero-Maldonado
Jenni Mckinney
Tammy Miller
Ashley Murcko
Jennifer Myrick
Natalie Neal
Rhonda Nelson
Tom Painter
Marcus Pitman
Vicki Raines
Regina Ramirez
Debbi Rice
Jessica Roberts
Renee Rogers

Adetoun Sanders
Jeremy Schepper
Stacy Seaman
Lisa Sewell
Bobbie Simmons
Troy Simonton
Kenneth Smith
Lauren Smith
Courtney Staples
Pamela Stier
Marshall Sykes
Whitney Thomas
Leslie Tibbitt
Lisa Tipton
Martha Tubb
Melanie Vaughan
Candace Wade
Mary Wade
Adrian Wartenbe
Donna Whitehurst
Michele Williams
Selena Wilson
Edel Wintersteen
Doug Zepp

MANAGEMENT

Caryl A. Greene, President/CEO
Michele Williams, EVP/Chief Engagement Officer
Tom Painter, Chief Lending Officer
Debbie Cosson, Chief Financial Officer
Doug Zepp, Chief Compliance Officer
Jeff Crutchfield, VP of Information Technology
Adetoun Sanders, VP of Marketing & Business Development
Martha Tubb, VP of Human Resources

BOARD OF DIRECTORS

Bill Farinas, Chairperson, 2020 Term
Linda Harris, Vice Chairperson, 2021 Term
Theresa McCants, Secretary, 2019 Term
Jack Marmash, Treasurer, 2021 Term
Dr. Clarence Ladner, Member, 2019 Term
Charlotte Schipman, Member, 2020 Term
Kathy Terrell, Member, 2019 Term

AUDIT COMMITTEE

Melissa Weekley, Chairperson
Jack Marmash, Secretary
Mary Stanley, Member

CONTACT US

Member Information: (850) 434-2211 • 1-877-434-MFCU | 24-HOUR
Phone Banking: (850) 433-8350 • 1-877-433-8350

P. O. Box 12983 • Pensacola, FL 32591-2983 • Fax: (850) 434-9995
www.MembersFirstFL.org • mfcufl@mfcufl.org



MEETING AGENDA

Call to Order
Invocation
Pledge of Allegiance
Determine Quorum
Minutes | 64th Annual Meeting
Volunteers & Special Guests Intro
President's Address
Report of the Treasurer
Report of the Audit Committee
Report of the Nominating Committee
Old Business/New Business
Adjournment



OUR MISSION

Our mission is to always put members before profits while providing world-class service that they love and expect, in the easiest, savviest, most convenient way possible.

MINUTES OF THE 64TH ANNUAL MEETING

Board Chairperson Charlotte Schipman called the 64th Annual Meeting of Members First Credit Union of Florida to order at 5:30 p.m. The meeting was held March 8, 2018, in the Downtown Branch lobby at 251 W. Garden Street. Other Board Members present were Farinas, Harris, Ladner, McCants, Terrell, and Thomas. Audit Committee Members Marmash, Stanley, and Weekley and Attorney Palmer Williams (via teleconference) were also present.

Tom Painter gave the invocation, and Chairperson Schipman led the Pledge of Allegiance.

Chairperson Schipman introduced Palmer Williams from the office of Williams, Gautier and appointed him as Parliamentarian. Schipman then introduced Bill Farinas, Acting Secretary to the Board of Directors, and asked if there was a quorum. Farinas declared that a quorum was present.

On motion by Terrell, seconded by Harris, the minutes of the 63rd Annual Meeting were approved as printed in the program.

Chairperson Schipman announced the names of the 2017 Board of Directors and Audit Committee for Members First Credit Union of Florida. They are:

Board of Directors:
Charlotte Schipman, Chairman
Bill Farinas, Vice Chairperson
Theresa McCants, Secretary
Linda Harris, Treasurer
Dr. Clarence Ladner
Kathy Terrell
Charles Thomas

Audit Committee:
Melissa Weekley, Chairperson
Jack Marmash, Secretary
Mary Stanley

Chairperson Schipman introduced President/Chief Executive Officer Caryl Greene who welcomed the volunteers and thanked them for their service and time given to the Credit Union. She also thanked members and staff for attending the meeting. Greene then presented the Report of the President and the Board as printed in the 2017 Annual Report.

Board Treasurer Linda Harris gave the Treasurer's Report as printed in the Annual Report stating that the Credit Union continues to remain financially strong.

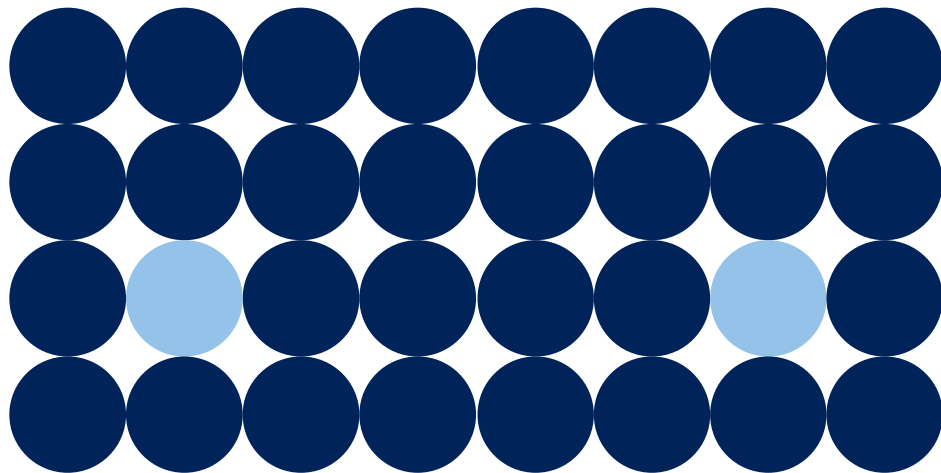
Audit Committee Chairperson Melissa Weekley gave the Report of the Audit Committee as printed in the Annual Report. She stated that Members First Credit Union is a sound institution operating within all the necessary credit union rules and regulations and is looking forward to continued growth in the future.

Nominating Committee Chairperson Dr. Clarence Ladner gave the Nominating Committee Report. The Nominating Committee consisted of Dr. Clarence Ladner, Chairman, Bill Farinas, and Kathy Terrell. This year, there were two 3-year terms up for election. The following members were nominated to serve on the Board of Directors: Linda Harris and Jack Marmash.

Chairperson Schipman declared that two vacancies were to be filled, and the Nominating Committee nominated two members. There were no nominations by Petition. Linda Harris and Jack Marmash were duly elected to serve 3-year terms as Board Members.

Chairperson Schipman had no response to her request of any Old Business to discuss.

With there being no additional New Business, Chairperson Schipman adjourned the meeting at 5:42 p.m.



MEMBERS FIRST CREDIT UNION OF FLORIDA Statement of Financial Condition as of December 31, 2018 and 2017

| ASSETS | 2018 | 2017 | incr/(decr) |
|--|----------------------|----------------------|--------------------|
| Loans to Members | \$98,876,047 | \$87,229,975 | \$11,646,072 |
| Cash | 2,969,979 | 2,947,017 | 22,962 |
| Investments | 76,356,767 | 80,631,279 | (4,274,512) |
| Accrued Interest Receivable | 291,025 | 271,702 | 19,323 |
| Furniture and Equipment (net) | 468,891 | 573,054 | (104,163) |
| Land and Buildings | 6,702,489 | 6,827,783 | (125,294) |
| Other Assets | 7,569,417 | 7,714,763 | (145,346) |
| TOTAL ASSETS | \$193,234,615 | \$186,195,573 | \$7,039,042 |
| LIABILITIES | | | |
| Dividends and Interest Payable | \$0 | \$0 | \$0 |
| Other Liabilities | 587,410 | 506,819 | 80,591 |
| TOTAL LIABILITIES | \$587,410 | \$506,819 | \$80,591 |
| MEMBERS' EQUITY | | | |
| Member Shares | \$135,847,132 | \$129,090,270 | \$6,756,862 |
| Member Certificates | 31,114,217 | 32,169,747 | (1,055,530) |
| Regular and Other Reserves | 2,288,303 | 2,665,636 | (377,333) |
| Undivided Earnings | 23,397,553 | 21,763,101 | 1,634,452 |
| TOTAL EQUITY | \$192,647,205 | \$185,688,754 | \$6,958,451 |
| TOTAL LIABILITIES AND MEMBERS' EQUITY | \$193,234,615 | \$186,195,573 | \$7,039,042 |

MESSAGE FROM THE PRESIDENT AND THE BOARD



Caryl A. Greene,
President/CEO

We are pleased to report that Members First Credit Union is in a strong financial position and growing to meet your needs now and well into the future. We attribute that success to our focus on helping our members achieve their financial goals. That is what motivates our Board of Directors and energizes our employees every day. Our goal is to turn dreams into reality for our members and to support the communities we serve.

The Credit Union delivered solid financial results while continuing to provide superior service our members expect. Loans grew by 13.28%, and total deposits grew by 3.54% in 2018. We maintained a strong capital position with a net capital ratio of 14.10%. The growth we experienced pushed our asset total over \$193 million.

We added our Skip-A-Pay program to help members who needed it. Our updated New Member Application process also allowed us to better serve you by enabling our Member Information Center to open additional accounts and services by phone, saving you a trip to a branch. These programs are indicative of our focus on people and have lifted our membership and organization to new heights.

Another highlight of 2018 was our partnership with the Escambia County School District to open a student-run Credit Union Branch at Booker T. Washington High School. This allows us to provide financial literacy and workforce training to students. In addition, informative and educational seminars were offered to members, both in person and online. Topics included Credit Scoring and Investments; Wills & Estate Planning; and Electronic Services. Look for more educational seminars in 2019.

Once again, we teamed up with Everman for their Meal-in-a-Bag program which helped 403 local families receive a wholesome Thanksgiving meal. We gave a helping hand, through the Credit Union Relief Fund, to our neighbors in Panama City who were in great need after Hurricane Michael. It is truly amazing to see what the co-operative spirit of community, partnership, and family can do.

Thank you for choosing Members First Credit Union. We value your membership and appreciate your business. On behalf of every Members First employee, thank you for your trust, loyalty, and continued support. We look forward to serving you in 2019 and welcome any suggestions you may have to improve your credit union experience with Members First.

MESSAGE FROM THE AUDIT COMMITTEE



Melissa Weekley, Audit
Committee Chairperson

The Audit Committee is comprised of three volunteers who are appointed by the Board of Directors to represent the members of Members First Credit Union of Florida.

The Audit Committee is responsible for reviewing the internal operations of the Credit Union on an annual basis. Its primary responsibility is to safeguard member assets by overseeing the financial and internal control systems and policies related to credit union operations.

The Committee also contracts an independent CPA firm to perform quarterly and annual audits who carry out several specific duties including:

- Verifying members' accounts
- Reviewing internal accounting systems and controls
- Ensuring that all policies and procedural guidelines are followed

This year, an external audit was conducted by the Certified Public Accounting firm, Warren Averett CPAs and Advisors. The results of the examination of Members First's financial statements and practices, along with audits conducted internally by the Accounting Department, confirmed that Members First Credit Union of Florida is fiscally sound, and its operations are managed responsibly.

As Chairperson of the Audit Committee and on behalf of this committee, we feel confident that Members First Credit Union is a sound institution operating within all the necessary Credit Union rules and regulations. We look forward to continued growth and success in 2019 and beyond.



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| EXPENSES | | |
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| INCOME BEFORE COST OF FUNDS | \$2,103,845 | \$996,427 |
| COST OF FUNDS | | |
| Interest on Borrowed Money | \$23 | \$122 |
| Dividends on Shares | 148,475 | 138,990 |
| Interest on Certificates | 320,895 | 263,866 |
| NET OPERATING INCOME | \$1,634,452 | \$593,449 |
| PERCENTAGE OF EXPENSES TO GROSS INCOME | 79.500% | 88.961% |