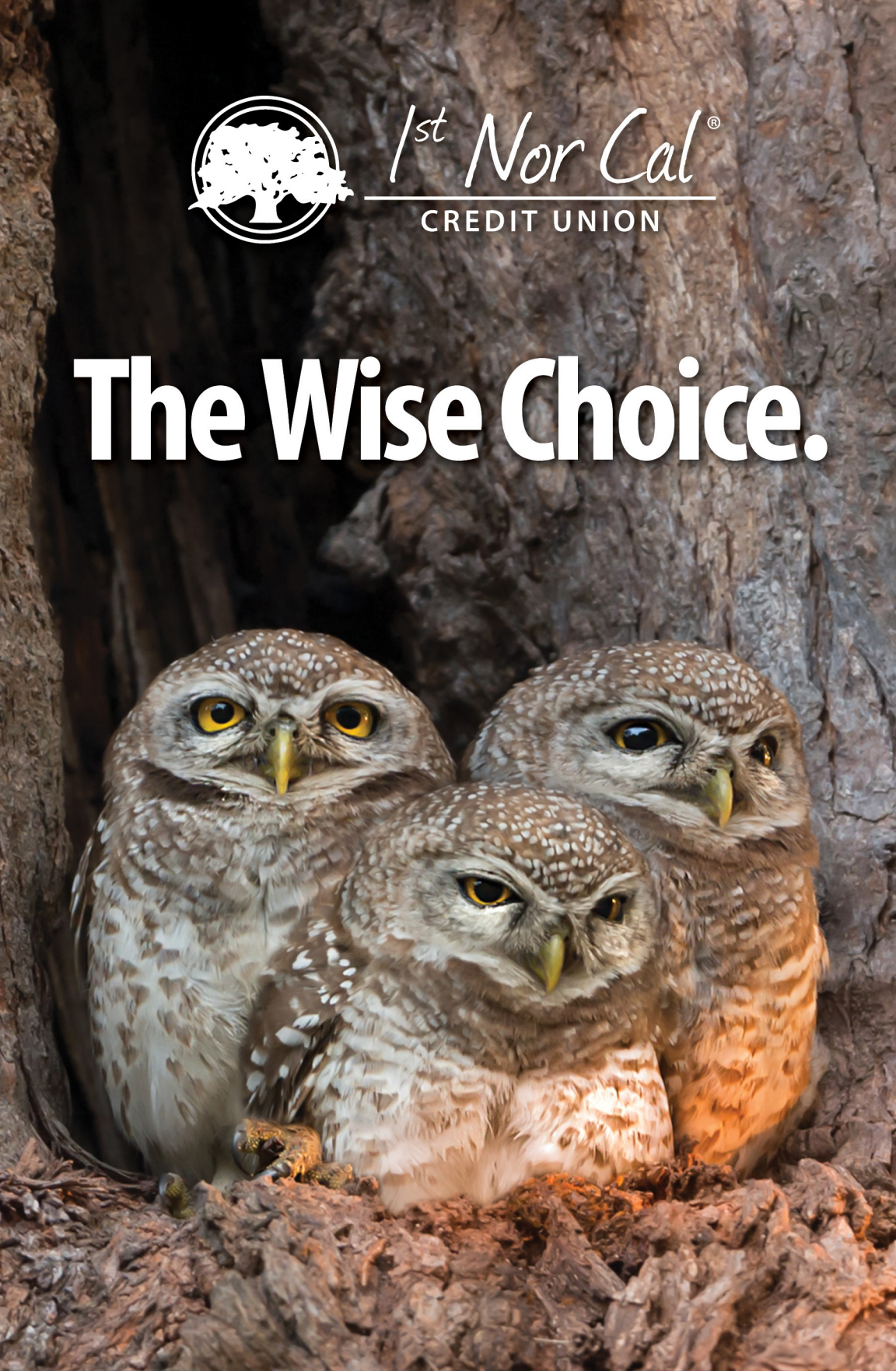


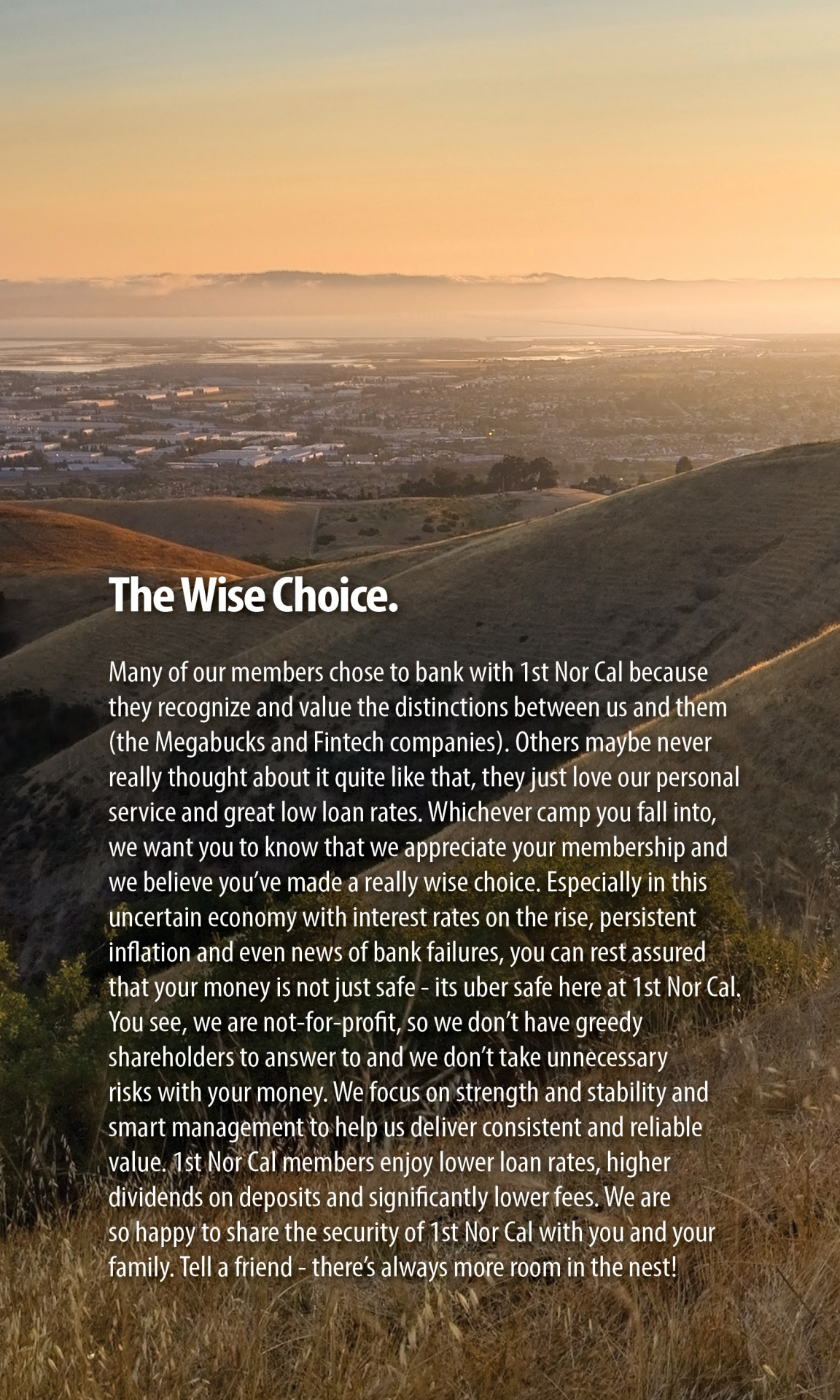


1st Nor Cal[®]
CREDIT UNION

The Wise Choice.



2022 Annual Report



The Wise Choice.

Many of our members chose to bank with 1st Nor Cal because they recognize and value the distinctions between us and them (the Megabucks and Fintech companies). Others maybe never really thought about it quite like that, they just love our personal service and great low loan rates. Whichever camp you fall into, we want you to know that we appreciate your membership and we believe you've made a really wise choice. Especially in this uncertain economy with interest rates on the rise, persistent inflation and even news of bank failures, you can rest assured that your money is not just safe - its uber safe here at 1st Nor Cal. You see, we are not-for-profit, so we don't have greedy shareholders to answer to and we don't take unnecessary risks with your money. We focus on strength and stability and smart management to help us deliver consistent and reliable value. 1st Nor Cal members enjoy lower loan rates, higher dividends on deposits and significantly lower fees. We are so happy to share the security of 1st Nor Cal with you and your family. Tell a friend - there's always more room in the nest!



1st Nor Cal Credit Union... everything you expect plus the low fees and low loan rates you deserve.

- Checking, Savings & Money Market Accounts
- Individual Retirement Accounts (IRAs)
- Certificates
- Club Accounts
- New or Used Auto Loans
- Auto Loan Refinance
- Title Loans
- Motorcycle, RV & Boat Loans
- Visa® Credit Cards
- First & Second Mortgages
- Home Equity Loans
- 1st Line Unsecured Line-of-Credit®
- Online Banking (@ccessOnline)
- Mobile Banking (@ccessMobile)
- Webchat & Telephone Banking (AccessLine)
- Mobile Wallet
- Mastercard™ ATM or Debit Card
- Nearly 30,000 Fee-Free ATMs Nationwide
- Direct Deposit & Payroll Deduction
- eDeposit
- Online Billpay
- eStatements

Message from Your Chairperson

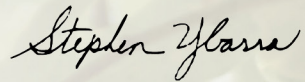
2022 was an exciting time for many of us as we started putting the COVID-19 pandemic squarely behind us. It was a blessing to see our children back in school full time where they could once again benefit from live teaching and the invaluable fellowship that comes with school sports and extracurricular activities. For us grownups, face-to-face meetings and on-site collaboration was a welcome return to good ol' days. Sadly though, not every aspect of life was looking up. We saw dramatic and persistent inflation which impacted us at the gas pumps, the grocery store and beyond. Next came the harsh realization that the low interest rates we benefited from during COVID were gone for good. Add to that, the increasing geopolitical tensions we have in the world today and our own national struggles with crime, immigration and our very less than partisan political climate and you can't help but adopt a wary posture.

Thankfully however, I am pleased to report that your Credit Union performed exceptionally well during these challenging times and overall as a financial institution in service of our membership. Our core business model promoting safety, security, reliability and value have served us well. The backstop of dedication in the service of our members continued to guide our best practices for management of the credit union's investment portfolio, our lending policy and our dividend and fee structures. At 1st Nor Cal, it's all about the members and supporting the communities we serve and no matter how much the world around us ebbs and flows, that will never change.

Our "people helping people" philosophy will forever guide us as we strive to provide real, enduring financial value and dedicated personalized service for our members. This philosophy also guides us in support of our community - in 2022, we once again participated as the lead sponsor of a Radiothon benefiting UCSF Benioff Children's Hospital through the Children's Miracle Network Hospitals which helped raise over \$190,000 for deserving members of our local communities.

Looking back on the challenges our country and world faced last year, we humbly but proudly convey our excitement in 1st Nor Cal Credit Union's 2022 performance. The Credit Union embarked on a soon to be released online and mobile banking upgrade project and implemented new, ever-advancing levels of oversight, compliance and security in pursuit of our steadfast commitment to member account safety. We also successfully achieved our goals for even greater loan application and loan processing efficiency - members now enjoy undeniably rapid turnarounds on loan requests. It is such a pleasure to meet and exceed our members expectations for reliability, value and convenience in providing the financial services that help them thrive both financially and personally.

1st Nor Cal Credit Union's financial performance was solid with assets decreasing 2.0% to \$878 million and shares decreasing 2.7% ending the year at over \$785 million. Meanwhile, loan growth achieved another all-time high of more than \$327 million. All this while maintaining a Net Operating Expense to Average Asset Ratio of 1.6%, well below that of our peers. Our exceptionally low delinquency ratio of 0.07% is another reliable sign of our Credit Union's health and one which we are very proud of. The accomplishments at 1st Nor Cal are the direct result of the continued support and loyalty of the Membership, Volunteer Officials, Management and Staff. I would like to express my sincere gratitude to all of you who have contributed to the success of your 1st Northern California Credit Union.



Stephen J. Ybarra, *Chair*
Board of Directors

Board of Directors



Stephen J. Ybarra, *Chair*



Mary Ann Mason, *1st Vice Chair*



Robert Campbell, *2nd Vice Chair*



Julie Enea, *Treasurer*



Christina Dunn, *Secretary*

Message from Your Treasurer Your Financials

Your Credit Union has remained strong during 2022. While high inflation has impacted our local communities, we saw signs of improvements later in the year. Much of the economic and health impacts from the pandemic have also subsided. Your Credit Union continued to respond by providing high quality service to our members during these constantly changing times to support your needs. Our commitment to our members to improve their lives was exemplified with low fees, high dividends, valuable loans, and unmatched service.

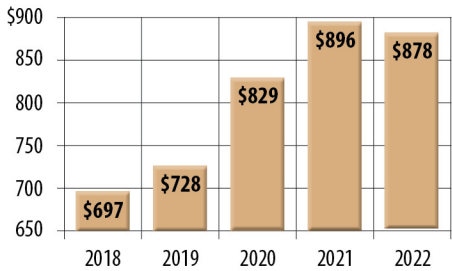
Your Credit Union has these success highlights to report for the year 2022:

- Assets decreased 2.0% to \$878.4 million.
- Shares decreased 2.7% to \$785.3 million.
- Loans increased 11.5% to \$327.1 million. Your Credit Union approved 4,113 loans, an increase of 46.1%, for a total of \$121.8 million, an 8.7% increase compared to the prior years approved loans. Since your Credit Union was organized, 289,343 loans have been approved for a total of \$2.337 billion.
- Dividends paid to Members was \$1.5 million. This represents 58% of Net Income before Dividends are paid.
- Our Net Operating Expenses to Average Asset Ratio of 1.6% was substantially less than the Credit Union industry average of 2.9%.
- Net income was \$1.1 million, a return on assets of 0.1%.
- Our delinquency ratio was 0.07%, significantly less than the national industry average of 0.45%.
- Our total Net Worth (Undivided Earnings) to Total Asset Ratio of 9.6% is equal to the industry average and 3% higher than the minimum required. The high Net Worth Ratio enhances further the Credit Union's substantially strong financial base and better positions us to absorb any future economic fluctuations.
- Again received the "5-Star Rating" from Bauer Financial Group, which is the highest rating possible in the financial industry.

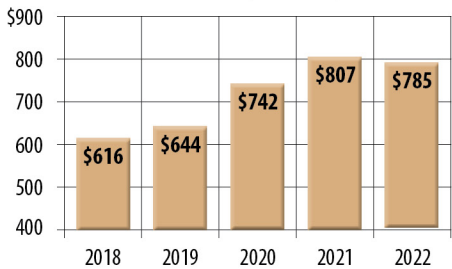
I am pleased to report that Your Credit Union has maintained the highest degree of fiscal and financial soundness. I would like to express my thanks to the Members of 1st Northern California Credit Union for your continued support.

Julie Enea
Julie Enea, Treasurer
Board of Directors

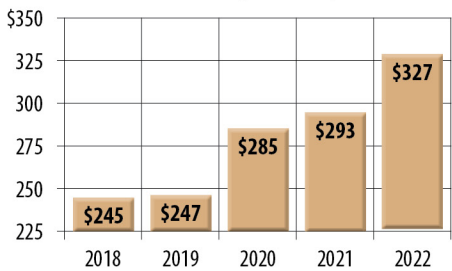
ASSETS (in millions)



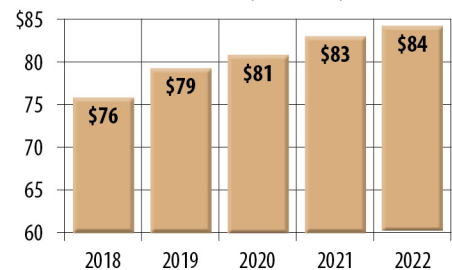
SHARES (in millions)



LOANS (in millions)



CAPITAL (in millions)



2021 & 2022 Financial Statements

BALANCE SHEET

Assets:	12/31/2022	12/31/2021
Cash & Investments	\$515,200,919	\$572,394,200
Loans to Members (net)	327,144,219	292,756,956
Accrued Interest Receivable	2,594,689	2,675,794
Fixed Assets (net)	2,930,329	3,182,228
Other Assets	30,502,141	25,040,188
Total Assets	\$878,372,297	\$896,049,366
Liabilities:		
Member Shares	\$785,297,748	\$807,089,476
Dividends Payable	215,609	194,104
Other Liabilities	8,971,868	5,931,711
Total Liabilities	\$794,485,225	\$813,215,291
Equity:		
Undivided Earnings	\$83,057,649	\$82,004,652
Equity Acquired in Merger	829,423	829,423
Total Capital	83,887,072	82,834,075
Total Liabilities & Equity	\$878,372,297	\$896,049,366

INCOME & EXPENSES

Income:	12/31/2022	12/31/2021
Interest on Loans	\$8,953,791	\$8,497,305
Investment Income	5,991,241	6,420,997
Other Income	1,690,694	2,050,503
Total Income	\$16,635,726	\$16,968,805
Expenses:		
Salary & Benefits	\$7,344,131	\$7,114,209
Office Occupancy	1,046,057	992,723
Office Operations	5,914,811	5,713,515
Provision for Loan Losses	(190,074)	(200,000)
Total Operating Expenses	14,114,925	13,620,447
Net Income Before Distributions	\$2,520,801	\$3,348,358
Distribution of Net Income:		
Dividends to Members	\$1,467,804	\$1,789,612
Undivided Earnings	1,052,997	1,558,746
Total Distribution	\$2,520,801	\$3,348,358

1st in Your Community

Each year, 1st Nor Cal participates in many local events. We support our public service, non-profit, charity and educational communities through sponsorships and staff volunteerism. We take pride in our community involvement and enjoy connecting with and working to support our amazing neighbors.

In 2022, we were involved in the following events:

- Sponsored Contra Costa County Retired Employee's Association Quarterly Luncheons
- January - Sponsor for the West Coast Jamboree Girls Youth Basketball Tournament
- April - Participated in Bite of Reality event, highlighting everyday financial scenarios for high school students
- May - Participant in Martinez Police Department's Mini Motor Land Event
- June - Vendor at the Martinez Chamber of Commerce King of the County BBQ
- July - Vendor at City of Oakley's Summer Fest
- July - Banner sponsor for Crockett Sugar Festival
- August - Vendor at Hercules and San Pablo Police Department's National Night Out events and Benicia Peddlers Fair
- September - Donated gift cards for a fundraiser at Liberty High School in Brentwood
- September - Vendor at Concord Senior Center Health & Wellness Fair and Rodeo Chili Cook-Off & Car Show
- September - Donated 1st Nor Cal bags and other items for Downtown Martinez Madness on the Main Car Show
- September - Donated gift basket for Guys Annual Golf Tournament for the CTTA Teen & Youth Group
- September - Participated in Heart of Oakley event
- September - Tee sponsor for Contra Costa County Sheriff's Golf Tournament and donated 1st Nor Cal t-shirts
- September - Sponsor and vendor for the Water District Employee Appreciation & Benefits Fair
- September - Sponsored a personalized brick in front of the Martinez Historical Society House
- September - Sponsored the Martinez Education Foundation Run
- October - Tee sponsor and volunteer at the Richmond Police Department (PAYAPL) Golf Tournament
- November - Sponsored the KOIT Cares for Kids Radiothon benefiting Children's Miracle Network Hospitals
- December - Opened our branch during Benicia Tree Lighting and Downtown Holiday Parade events
- December - Collected toys at our branches for Toys for Tots

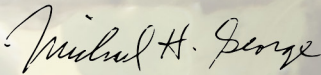
Message from Your Supervisory Committee

The Supervisory Committee is appointed by your Board of Directors to fulfill the requirements of the National Credit Union Administration (NCUA) and California State Department of Financial Protection and Innovation (DPFI) to objectively audit the financial records, review the operations and monitor the performance of your Credit Union.

To ensure the utmost accuracy in meeting these requirements, we engaged an independent auditor to perform an audit of 1st Northern California Credit Union's financial statements. Additionally, your Credit Union performs year-round compliance assessments to ensure all applicable federal and state regulations are being properly followed.

The NCUA and DPFI also conducted its annual review of your Credit Union's operations. The report indicated that your Credit Union is operating on a sound financial basis with a high degree of efficiency and is in full compliance with Credit Union rules and regulations. Accounting reports are prepared promptly and accurately, internal controls are adequate, and the plans, policies and procedures established by the Board of Directors are being followed.

It is the opinion of this Supervisory Committee, and that of our auditors and federal and state examiners, that your Credit Union is a financially sound and well-managed financial institution.



Michael H. George, Chair
Supervisory Committee

Supervisory Committee



Michael H. George, Chair



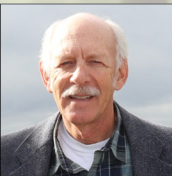
Joanne Bohren



Laura Strobel



Rick Koehler



Terry Mann



1st Nor Cal[®]

CREDIT UNION

Branch Locations

1111 Pine Street, Martinez

538 Center Ave, Martinez

4261 Century Blvd, Pittsburg

8660-E Brentwood Blvd, Brentwood

560 First St, Suite B-106, Benicia

1420 Pomona St, Crockett

2500 Nevin Ave, Richmond

(888) 387-8632

www.1stnocalcu.org



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