

Annual General Meeting

Class A Shareholders:

May 13, 2014 7 PM Town Centre Hotel
Powell River, BC

Auditors' Report

Auditors' Report on Summarized
Financial Statements

To the Members of First Credit Union:

The accompanying summary financial statements, which comprise the balance sheet as at December 31, 2013, and the summary statements of income and retained earnings and cash flows for the year then ended, and related notes, are derived from the audited financial statements of First Credit Union for the year ended December 31, 2013. We expressed an unmodified audit opinion on those financial statements in our report dated March 26, 2014. Those financial statements, and these summary financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements.

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of First Credit Union.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation

and fair presentation of these financial statements in accordance with International Financial Reporting Standards.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard (CAS) 810, Engagements to Report on Summary Financial Statements.

Opinion

In our opinion, the summary financial statements derived from the audited financial statements of First Credit Union for the year ended December 31, 2013 are a fair summary of those financial statements, in accordance with International Financial Reporting Standards. In our opinion, the accompanying financial statements fairly summarize, in all material respects, the related complete financial statements in accordance with the criteria described in the Guideline referred to above.

These summarized financial statements do not contain all the disclosures required by International Financial Reporting Standards. Readers are cautioned that these statements may not be appropriate for their purposes. For more information on First Credit Union's financial position, results of operations and cash flows, reference should be made to the related complete financial statements.

**Powell River, BC
March 26, 2014**

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Balance Sheet

Summary of the Consolidated Balance Sheet as at December 31, 2013

ASSETS	2013	2012
Cash	\$15,504,825	\$4,031,531
Treasury Deposits	\$13,233,781	\$17,173,922
Income Taxes Recoverable	\$102,041	\$145,263
Investments and Other Assets	\$3,518,782	\$5,933,530
Loans and Notes Receivable (net of allowance)	\$208,067,036	\$190,271,878
Property and Equipment	\$5,388,036	\$5,962,287
Intangible Assets	\$986,467	\$1,001,412
Goodwill	\$12,370,036	\$12,370,036
	\$259,171,004	\$236,889,859
LIABILITIES		
Accounts Payable	\$1,972,421	\$2,239,613
Demand Deposits	\$123,674,222	\$109,885,460
Accrued Interest and Dividends	\$1,407,363	\$1,381,503
Deferred Income Taxes	\$223,917	\$349,662
Term Deposits	\$68,768,328	\$59,424,048
Registered Savings Plan Deposits	\$40,375,111	\$38,411,809
Capital Lease Obligations	\$49,740	-
Non Equity Shares	\$1,778,212	\$4,698,091
	\$238,249,314	\$216,390,186
MEMBERS' EQUITY	\$20,921,690	\$20,499,673
	\$259,171,004	\$236,889,859

Statement of Income

Summary of the Consolidated Statement of Income and Retained Earnings for the year ended December 31, 2013

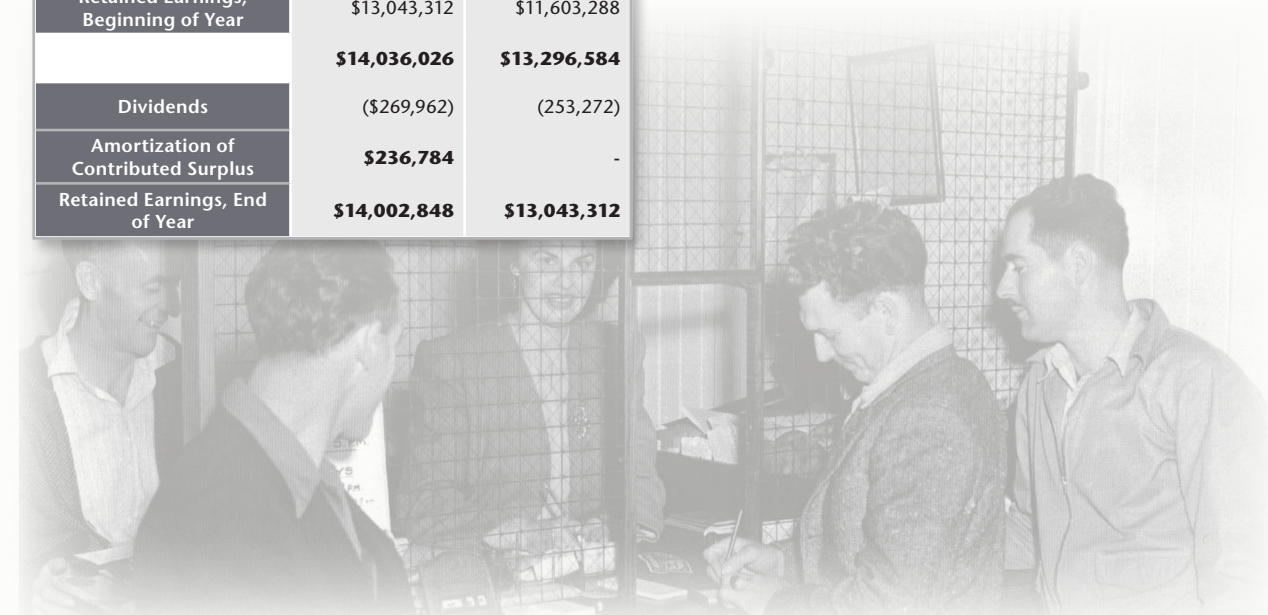
	2013	2012
Financial Income	\$8,085,801	\$7,378,744
Financial Expenses	\$3,233,237	\$2,730,895
Provision for Credit Losses	\$70,867	\$127,060
Financial Margin	\$4,781,697	\$4,520,789
Other Income	\$7,645,821	\$7,708,473
Operating Margin	\$12,427,518	\$12,229,262
Operating Expenses	\$11,189,420	\$10,851,520
Gain (Loss) on Disposal of Assets	(\$39,699)	\$660,950
Net Income Before Income Tax	\$1,198,399	\$2,038,692
Provision for Income Tax	\$205,685	\$345,396
Net Income	\$992,714	\$1,693,296
Retained Earnings, Beginning of Year	\$13,043,312	\$11,603,288
	\$14,036,026	\$13,296,584
Dividends	(\$269,962)	(253,272)
Amortization of Contributed Surplus	\$236,784	-
Retained Earnings, End of Year	\$14,002,848	\$13,043,312

Statement of Cash Flows

Summary of the Consolidated Statement of Cash Flows, December 31, 2013

	2013	2012
Cash Flows from Operating Activities	\$7,678,614	\$12,918,180
Cash Flows Used In Financing Activities	(\$694,032)	(\$6,484,413)
Cash Flows From Investing Activities	\$548,571	\$466,122
Net Increase in Cash and Cash Equivalents	\$7,533,153	\$6,899,889
Cash and Cash Equivalents, Beginning of Year	\$21,205,453	\$14,305,564
Cash and Cash Equivalents, End of Year	\$28,738,606	\$21,205,453

A complete set of financial statements is available from First Credit Union. Please contact your nearest branch for details.



Celebrating 75 years of community impact

2013 was a demanding year for First Credit Union. Increased competition, increased regulatory demands, and continued low interest rate environment, challenged our staff to be creative and innovative. As we looked for new ways to do business we continued to focus on our vision of building successful relationships and our four main organizational goals: provide excellent service; achieve financial goals; develop leadership in everyone; and make a difference in the community.

To help us achieve our organizational goals, we clearly defined our purpose and linked it to something meaningful to our staff. Through a collaborative process involving the board, senior management, and all employees the organization went through a four month process to reflect on 'why' we exist. At the end of that process our purpose was collectively defined as: 'To strengthen the well-being of our members and clients and make meaningful community impact'.

In 2013 we introduced banking services within the 8th Street location which will provide excellent service to our existing Comox Valley members and clients in addition to help us to achieve financial goals. Since purchasing insurance offices in the Comox Valley, it has been the vision to integrate banking services into the offices. The September 2012 merger with Cumberland Credit Union provided the vehicle we needed to move this forward. Late 2013, First Credit Union staff were onsite to offer member services to existing and prospective members.

We have identified leadership to be the most important determinant of success moving forward. This is why 'developing leadership in

everyone' is now an organizational goal. In 2013 all staff received leadership and coaching training. First Credit Union also provided a Young Leaders scholarship program to five grade 12 students, and two students were sponsored to attend the BC Cooperative YES Leadership Camp.

To make a difference in the communities we serve, we supported hundreds of community groups and initiatives through donations, sponsorships, scholarships and countless volunteer hours. Donations and sponsorships each in excess of \$1,000 included: Powell River United Way, Powell River Kings, PRISMA, Powell River Parks and Wilderness Society, Powell River Family Literacy Day, Powell River United Soccer Club, YES Leadership Camp, Powell River Model Community Project, Texada Arts and Culture, Dream Auction & Golf Classic, Powell River Minor Hockey, Powell River Search and Rescue Society, Success By 6, Comox Valley Foundation, Comox Rotary Ducky, Saratoga Speedway, Vanier Van, Habitat for Humanity, and Boomer's Legacy Foundation. First Credit Union also continues to be a proud lead partner for the local Success By 6 program which supports early childhood development.

First sponsors and participates in numerous community events throughout the year, but our flagship events are the popular 'Movie Under the Stars' events held once again in Powell River, Bowen Island, and the Comox Valley. These events positively touch the lives of thousands of people, build community spirit and provide excellent exposure for First Credit Union, First Insurance Agencies Ltd. and the featured charities.

July marked another patronage profit share payout for members of First Credit Union. Based

on the 2012 financial year just over \$100,000 was shared with members.

The audited year end net income for 2013 was \$992,714 which will allow a 2013 dividend and patronage payment in excess of \$250,000. The loan portfolio saw an increase of \$17.0 million or 9.4%. The deposit portfolio experienced an increase of \$25.0 million or 12.1%.

One Director was elected and three Directors were re-elected at the 2013 AGM. The Board of Directors takes their responsibility as the Members' representatives seriously; in addition to attending Board meetings and monitoring all key aspects of Credit Union operations, they participate in mandatory and optional education sessions. Directors also attend Credit Union regional, provincial, and national meetings on our behalf. In the fall of 2013 the Board participated in comprehensive strategic planning sessions for 2014. These sessions were an opportunity for the Board and managers to plan for the upcoming year.

As we head into our 75th year, we'd like to reflect on our rich history, the stories of our organization, our members and how together we have impacted the communities we serve. We're excited about the future and what the next 75 years will bring! The board wishes to extend its thanks to the CEO, management, and staff for a job well done and is looking forward to the success and achievement of future goals.


Gerry Wray
Board Chair


Dave Craigen
CEO

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Follow us on Facebook and Twitter to discover the impact First Credit Union is having in your community.
www.firstcu.ca

