



ANNUAL REPORT

2026



*Proudly helping Kiwis achieve their
financial goals for over 70 years!*



First Credit Union Staff at the First Credit Union Hamilton Christmas Parade 2025

2026 HIGHLIGHTS

About us



111
employees



11
branches



58,927
members

Financial Highlights



\$2.63M
operating surplus



\$543.58M
assets



4.05%
net interest margin

Members



\$465.80M
member shares



\$12.92M
interest paid to members

Loans to members



\$101.96M
personal loans



\$259.65M
mortgages

Service to members



186,124
phone calls
answered



27,915
Members using
online banking



19,604
welcome emails
answered

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CHAIR'S REPORT

Judith Taane

On behalf of the Board, I am pleased to present the First Credit Union Annual Report for the year ended 30 June 2026. During the year, First Credit Union continued its strong commitment to members and the communities we serve.

Depositor Compensation Scheme

The Depositor Compensation Scheme (DCS), came into effect on 1 July 2025 under the Deposit Takers Act 2023. The scheme provides eligible depositors with protection of up to \$100,000 per depositor, per licensed deposit taker.

In the lead up to the DCS being implemented, the Board maintained oversight of First Credit Union's readiness for the regulatory change and continues to monitor it.

Deposit Takers Act 2023

The introduction of the Deposit Takers Act 2023 represents the most significant change to New Zealand's prudential regulatory framework in many years.

Throughout the year, the Board and Management have actively monitored developments and progressed preparations for the new licensing and supervisory requirements. This work supports our commitment to maintaining strong governance, prudent risk management, and the long-term financial strength of First Credit Union. We welcome the opportunities the new framework provides to further strengthen confidence in New Zealand's deposit-taking sector.

As the regulatory framework continues to develop, First Credit Union will remain engaged with industry bodies and the Reserve Bank to ensure a smooth transition to the new regime while maintaining our strong focus on member service and financial resilience.



Judith Taane

Strategic Planning

In April, the Board held their annual Strategic Planning Day. The session provided an opportunity for the directors to focus on First Credit Union, including our members, industry trends, technological developments, regulatory changes, and the broader economic environment.

Strengthening our Board: Simon Thomas

In September 2025, Simon Thomas joined the First Credit Union board. In the lead up to Simon's appointment, the Board had spent some time reflecting on diversity of skill and what gaps were evident on the Board. That evaluation, along with our participation in a Governance Thematic Review with the RBNZ and FMA, showed that we lacked a board level skill of all matters "cyber".

Simon is an experienced governance advisor with a strong background in cyber risk oversight, privacy compliance, and digital governance strategy and is an expert in privacy frameworks across multiple jurisdictions, including the NZ Privacy Act, GDPR, and Australian Privacy Principles.

On behalf of the Board, I would like to acknowledge and thank our management team and staff for another excellent year. Their commitment to our members is what sets First Credit Union apart and is a key reason for our continued success.

I would also like to acknowledge my fellow directors for their dedication and valuable contributions during the year.

J a Taane.
JUDITH TAANE

Governance

Our Board is elected by and are accountable to our members. The Board is responsible for the overall governance and strategic direction of First Credit Union. Every decision our Board makes is with the best interest of our members in mind.



Judith Taane
Chair



Malcolm Blair
Deputy Chair



Peter Iles
Director



Rachel Drent
Director



Rob Pascoe
Director



Phil Todd
Director



Simon Thomas
Director



Simon Scott
Director & Chief Executive

Director	Board Meetings Eligible to attend	Board Meetings Attended
Judith Taane	12	12
Malcolm Blair	12	12
Peter Iles	12	12
Rachel Drent	12	11
Rob Pascoe	12	12
Phil Todd	12	12
Simon Thomas	10	10
Simon Scott	12	12

2026 Board Committees	
Audit & Risk	Health & Safety
Rob Pascoe (Chair)	Peter Iles (Chair)
Malcolm Blair	Simon Scott
Phil Todd	
Simon Thomas	
Simon Scott	

Breast Cancer FOUNDATION NZ



2026 STAFF FUNDRAISER

First Credit Union staff raised over \$1,200 to donate to the Breast Cancer Foundation of New Zealand in May

CHIEF EXECUTIVE'S REPORT

Simon Scott

The year ended 30 June 2026, was a significant milestone for First Credit Union, as we proudly celebrated 70 years of serving our members and communities.

This year, we continued to invest in our technology, branches, and member services while maintaining a strong focus on supporting the communities we serve.

Celebrating 70 Years of Service

In July 2025, we officially turned 70 - a huge achievement that reflects seven decades of putting our members first and the continued trust our members place in First Credit Union for their savings, loans, and investments. This achievement belongs not only to First Credit Union, but also to the generations of members, directors, and staff who have helped shape our story over the past 70 years.



Simon Scott

We celebrated this special anniversary all year long. We proudly donated \$70,000 to local foodbanks and community organisations and our teams were busy out and about lending a hand to causes that make a positive difference in the communities we serve.

We received many warm birthday messages from industry peers, community partners, and supporters who have been part of our journey. These acknowledgements were a reminder of the strong relationships we have built and the positive impact a member-owned organisation like First Credit Union can have over time.

CUA Account Migrations

A significant operational achievement this year was the successful migration of Credit Union Auckland (CUA) accounts to the First Credit Union system.

The account migration was the last step in the CUA transfer of engagements to First Credit Union, and delivered immediate benefits to CUA members, including access to our enhanced Mobile Banking app.

Investing In Our Branch Network

We continued to invest in our branch network to ensure members have access to welcoming and modern facilities. A highlight of the year was the redevelopment of our Rotorua branch, enhancing both the member experience and the working environment for our team.



Simon Scott with the Rotorua team in their new space.

For 50 years our Hamilton building has served our members and staff well, however, it needed some essential maintenance to ensure that it continues to be around for many more years to come. We completed this maintenance early this year, and I would like to thank our Hamilton members for their patience while this work was carried out.

Enhancing the Member Experience

A key focus during the year was improving the way our members interact with us. We continued to invest in digital solutions that make everyday banking more convenient while ensuring members have access to the support they need.

In December 2025, we successfully launched Google Pay, enabling members to securely make contactless payments using compatible Android devices. This was followed by the introduction of Apple Pay in April 2026, providing an additional payment option for members using Apple devices. These enhancements represent an important step in delivering modern payment solutions that reflect evolving member expectations.



“Seven decades of putting our members first. This achievement belongs to the generations of members, directors and staff who have helped shape our story over the past 70 years.”

We have introduced Cloudcheck, a secure digital identity verification solution that streamlines the membership and personal loan application process for members. By using Cloudcheck we have been able to reduce friction in our application processes, whilst continuing to adhere to compliance requirements.

To further enhance the lending experience for members, we launched a new online loan portal, which allows members who apply online to track the progress of their loan application and stay informed every step of the way.

We've begun work on a new website, which will be launched early 2027. The new website has been designed with a stronger member-centric focus, making it easier for members to access information about our products, and services.

Introducing Penny, our AI assistant

This year, we introduced Penny, our AI-powered assistant to our website, providing members with instant access to information and support 24 hours a day, seven days a week.

Penny helps members find answers to common questions and access to relevant resources on our website quickly and easily.



By providing immediate support online, Penny enhances the member experience while freeing up our call centre team to focus on more complex enquiries.

Community and Stakeholder Engagement

Showing up for the communities that support us is very important to the board, management and staff of First Credit Union. In March 2026 we hosted Hon Tama Potaka.

Tama's visit provided us with an opportunity to share what makes First Credit Union different and discuss issues relevant to First Credit Union, our members and local community.

At the end of March, I had the privilege of attending the Governmental Affairs Conference in Washington DC, United States of America.

The conference provided valuable insights into international trends, advocacy efforts, and emerging opportunities within the cooperative financial services sector in the United States of America.



Simon speaking at a fundraiser for Via Stellar in Washington DC

We also continued to strengthen relationships within the wider credit union movement, recognising the importance of being connected to a global network of cooperative financial institutions. This includes our support for Via Stella which is a credit union inspired foundation to support Ukrainian refugees in Poland, chaired by our friends Brian Branch (USA) and Rafal Matusiak (Poland).

These connections reinforce that First Credit Union is part of something much bigger - a worldwide movement committed to improving the financial wellbeing of its members through cooperative values and member-focused service.

During 2025, First Credit Union was represented at a number of key international industry events, including the World Council of Credit Unions (WOCCU) Conference and the 2025 COBA (Customer Owned Banking Association) Conference.

Remembering Mike Bowler

This year, we lost ex-director and long time friend of First Credit Union, Mike Bowler.



Mike sat on the Board of First Credit Union (originally St Mary's Credit Union and then Credit Union Hamilton) from 1985 to 2007. He served as Chair from 1996 to 2000 and was a huge advocate of our credit union, and the New Zealand Credit Union movement.

We extend our condolences to his wife Jill (who was a terrific support for Mike while he was on our board) and the Bowler family.

Looking Ahead

As we move into our 71st year, we remain committed to enhancing member experiences, and strengthening our community impact.

I would like to thank our Members, Board, Management and staff for their continued support.


SIMON SCOTT
B.A., LL.B, MInsD

TREASURER'S REPORT

Peter Iles



Peter Iles

It is my pleasure to present the First Credit Union Treasurer's Report for the year ended 30 June 2026.

70 Years Of Service

As we celebrated 70 years of service to our members and local communities, our financial position reflects the principles that have allowed us to continue to serve our members for all these years- people helping people, responsible lending and a commitment from Board, Management and Staff to put our members first.

I would like to thank the Board, Management and Staff for all their hard work this year.

Special thanks to our members for your continued support- we couldn't have made it this far without you!

PETER ILES

As at 30 June 2026 First Credit Union is reporting:



An increase in total assets of 8.08%, resulting in year end assets of \$543.58 million



Member shares of \$465.80 million. This is an increase on last year's balance by 8.74%



A Loan book of \$361.61 million



A net profit of \$2.63 million

COMMUNITY REPORT

Community is much more than belonging to something; it's about doing something together that makes belonging matter.

Brian Solis



Some of the First Credit Union Hamilton team helping out at a community event hosted by Annie's Corner in Enderley



\$157,907

Sponsorship



\$70,005

Community
Donation



\$1,515

Staff donations to
charities



71

Local teams, clubs and
community groups
supported



415

Community Volunteer
Hours

COMMUNITY REPORT

In the year ended 30 June 2026, First Credit Union remained committed to supporting and building connections with the communities we serve.

This year, we're proud to have supported:

- Local sports clubs/ teams: (Netball, Hockey, Junior Rugby, Swimming, Tennis, Cricket, Basketball, Rugby, Rugby League, Surf Life Saving, Fishing, Football, Bowling and Golf)
- Community planting days
- Sports camps
- Te Aroha Domain Day
- The Graeme Dingle Foundation Waikato Excellence Awards
- Enderley Community Event
- Waipuna Hospice
- Taiopenga Tūwharetoa Kapa Haka Festival
- The Waikato Special Children's Christmas Party
- Christmas Parades

“

To First Credit Union, thank you for your generous donation towards the Awakeri Top School 2026. The day wouldn't have been possible without your support.

Ella, Awakeri School

”



First Credit Union Taupō staff at OD Park Gully for Greening Taupō & Kidz Greening Taupō 2026

COMMUNITY REPORT

Highlights

PiPS Bay of Plenty

PiPS is an incorporated society that supports school garden and environmental programmes. Facilitators deliver fun, hands on garden and sustainable activities that children love- digging, planting, harvesting, tasting, creating, planting natives and fruit trees and exploring.

Ironkidz Taupō

First Credit Union has been proudly supporting the Ironkidz Taupō event for eight years. The Ironkidz triathlon includes a triathlon for kids aged 7 to 15 and an event for the 5 to 7 year olds. The event is all about getting out there, having a go and having fun.

Santa at your school

In 2025 we teamed up with Tauranga's The Breeze radio station to bring a Christmas celebration, complete with a visit from Santa to one lucky school or community group. Our team got to attend the event, which was won by Gate Pa School.

The Waikato Bay of Plenty Magic

First Credit Union proudly supported The Waikato Bay of Plenty Magic Netball team as they prepared for their 2026 season. We've always watched the team from afar, and were thrilled to be able to support them in achieving their goals in 2026.

Waikato Volunteer Awards

During National Volunteer Week, Volunteering Waikato celebrated the incredible individuals who generously give their time and energy to support our communities at the Annual Volunteer Awards.

The event recognises the invaluable contribution volunteers make in strengthening and enriching communities across the Waikato. As sponsors of the Unsung Hero Award, we were proud to support the recognition of those whose dedication and commitment often go unnoticed, yet make a lasting difference to the lives of others.



AWARDS AND MILESTONES

This year we had plenty of reasons to celebrate as an organisation and with our staff who have celebrated significant milestones. We were proud to be recognised again by the MoneyHub Editor’s Choice Awards, which recognise our commitment to helping everyday Kiwis achieve their financial goals.

We were also named as finalists in the Community Impact Award at the Financial Services Federation Awards, recognising the positive difference we make to the communities we serve.

Alongside these achievements, we acknowledge our staff who have reached significant service anniversaries.

Awards

First Credit Union has once again been awarded “Favourite Personal Lender” and “Favourite Credit Union” by MoneyHub, New Zealand’s leading consumer finance guide.

Both of these awards recognise our commitment to putting our members first.

Here’s what MoneyHub had to say about us:

Favourite Credit Union- *"First Credit Union doesn't charge account fees on loans and mortgages and reinvests 100% of profits to keep services affordable. It does more for consumers, with better deposit and loan rates and a genuine focus on helping the local community."*

Favourite Personal Lender- *"First Credit Union offers no-fee personal loans with no early-repayment, application or issue fees, which is most unheard of in the personal loans space. Every borrower also contributes at least \$5 a week to savings, finishing their loan with money in the bank."*



Recognitions

First Credit Union was a Community Impact Award Finalist in the 2025 Financial Services Federation Awards.

The Community Impact Award celebrates those involved in initiatives big or small that have a positive impact on the lives of New Zealanders.

Being selected as a finalist reflects our ongoing commitment to our members and communities.

Milestones

Throughout the year, we were proud to celebrate team members reaching significant service anniversaries.

Thank you, and congratulations to the following staff who celebrated their anniversary during this financial year:

- | | |
|--|--|
| 5 Years <ul style="list-style-type: none">• Vilisi Buke• Angie Cunningham• Mel Jones | 15 Years <ul style="list-style-type: none">• Asenaca Curulala• Horianana Wimuthu |
| 10 Years <ul style="list-style-type: none">• Malakai Curulala• Mikayla Betts• Stephen Hawkins• Fiona Rasmussen• Ben Tonga | 20 Years <ul style="list-style-type: none">• Richard O'Regan• Tanya Parker• Melissa Hay |
| | 25 Years <ul style="list-style-type: none">• Sandy Guptill |
| | 30 Years <ul style="list-style-type: none">• Brenda Mareroa |

STATEMENT OF SERVICE PERFORMANCE

Who are we?

First Credit Union is a not-for-profit financial co-operative that has been helping everyday Kiwis achieve their financial goals, within their means for over 70 years. Our products and services are designed to make managing your personal finances easy. Members come first at First Credit Union, every strategic decision made by our Board and Senior Management team has the best interests of our members in mind.

Our common bond allows us to accept members from across New Zealand, we have a large call centre, and online services to support our members and this is backed up with a branch network across New Zealand.

Why do we exist?

We exist for our members. Our purpose is to provide our members with a low cost alternative to the banks. We promote savings amongst our membership and we use these savings for the mutual benefit of our members.

What we intend to achieve- our medium/ long term objectives

- a) Continue to put our members first by providing everyday Kiwis with reliable products and services to help them achieve their financial goals, within their means through a low fee structure and competitive interest rates.
- b) Promoting "thrift" within the membership
- c) 'People helping people'- supporting and giving back to our local communities

We have considered our objectives and have determined that the service performance information presented is considered appropriate and meaningful in measuring the service performance of the Credit Union.

How we measure our performance

Putting members first, providing reliable products & services

	FYE 30 Jun 26	FYE 30 Jun 25
 Number of Members	58,927	59,922
 Number of NO fee personal loans disbursed	8,353	8,189
 Member Shares	\$466 million	\$428 million
 Number of member calls answered	186,124	199,049
 Number of members using online banking*	27,915	21,548
 Number of members with a debit card	22,101	22,426

*The measure for online banking has changed from the number of members registered for online banking to the number of members who used online banking during the year. Management considers the revised measure better reflects members' actual engagement with online banking services. The comparative has been restated on the same basis, resulting in the previously reported 2025 measure of 38,272 registered members being restated to 21,548 members using online banking.

The measure "First Insurance Limited – claims paid out to members" has been removed from the Statement of Service Performance, consistent with the cessation of the insurance business, as it no longer reflects the Group's current service performance. In 2025, claims paid to members were \$646,000.

STATEMENT OF SERVICE PERFORMANCE

CONTINUED

Promoting "thrift" within the membership

	FYE 30 Jun 26	FYE 30 Jun 25
 Number of Jimmy Jumper accounts	1,688	2,128
 Loan Provider Accounts (our cornerstone savings account)	21,261	22,302

'People helping people'

	FYE 30 Jun 26	FYE 30 Jun 25
 Sponsorship	\$157,907	\$115,000
 Community Donations	\$70,005	\$43,500
 Social Housing: Number of developments the approved funding covers	16	53
 Social Housing: Amount approved for funding in the year	\$8,858,000	\$23,645,041
 Staff community volunteer hours	415	450

**SUMMARY FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026**



Summary Consolidated Statement of Comprehensive Revenue & Expense

For the year ended 30 June 2026

	2026 \$000	2025 \$000
REVENUE		
Interest Revenue	33,395	36,770
Interest Expenditure	(12,925)	(16,033)
Net Interest Revenue	20,470	20,737
Other Income	8,545	8,329
Insurance Service Result	0	650
Gross Contribution from Activities	29,015	29,716
EXPENDITURE		
Operating Expenses	(15,940)	(17,792)
Employee Benefits	(8,839)	(8,568)
Loan Impairment Expenses	(2,034)	(1,870)
Total Operating Expenditure	(26,813)	(28,230)
Share of Surplus/(Deficit) of Joint Venture	427	452
Surplus before Taxation	2,629	1,938
Income Tax Expense	0	(37)
Surplus for the Year Attributable to Members	2,629	1,901
Revaluation of Property	0	(1,025)
Total Comprehensive Revenue and Expense for the year	2,629	876

Summary Consolidated Statement of Financial Position

As at 30 June 2026

	2026 \$000	2025 \$000
MEMBERS' FUNDS		
Accumulated Revenue and Expense	71,407	68,778
Property Revaluation Reserve	2,438	2,438
TOTAL MEMBERS' FUNDS	73,845	71,216
ASSETS		
Cash and Cash Equivalents	40,639	40,405
Term Deposits and Other Investments	118,552	79,991
Loans to Members	358,467	356,282
Property, Plant and Equipment	15,618	15,258
Prepayments and Other Assets	1,312	2,428
Investment in Joint Venture	8,999	8,572
TOTAL ASSETS	543,587	502,936
LIABILITIES		
Trade and Other Payables	3,516	3,051
Employee Entitlements	425	343
Members' Deposits	465,801	428,326
TOTAL LIABILITIES	469,742	431,720
NET ASSETS / EQUITY	73,845	71,216

Summary Consolidated Statement of Changes in Net Assets/ Equity

For the year ended 30 June 2026

	2026 \$000	2025 \$000
Opening Balance	71,216	70,340
Surplus for the Year Attributable to Members	2,629	1,901
Revaluation of Property	0	(1,025)
Closing Balance	73,845	71,216

Summary Consolidated Statement of Cash Flows

For the year ended 30 June 2026

	2026 \$000	2025 \$000
Net Cash Provided by Operating Activities	39,770	16,691
Net Cash Used in Investing Activities	(39,536)	(24)
Total Net Increase (Decrease) in Cash and Cash Equivalents	234	16,667
Cash and Cash Equivalents at the Beginning of the Period	40,405	23,738
Cash and Cash Equivalents at the End of the Period	40,639	40,405

1. Corporate Information

These summary consolidated financial statements comprise First Credit Union Incorporated ("the Credit Union") for the year ended 30 June 2026.

After a strategic review in 2024, the Directors of First Credit Union and First Insurance Limited resolved to cease the underwriting of all insurances and the insurance portfolio was divested effective 1 April 2025. Subsequently FIL applied to the RBNZ for the cancellation of its insurance licence and this was approved by the RBNZ on 21 April 2025 and First Insurance Limited ceased incorporation on 19 February 2026. The Group has no insurance contract liabilities as at 30 June 2026 (2025: nil). In relation to the divestment, the parties (of which the Credit Union is guarantor), are bound by guarantees and warranties through to 30 September 2026 - the maximum liability is limited in aggregate to \$2,000,000.

The summary consolidated financial statements were extracted from the full consolidated financial statements authorised for issue by the directors on 23 September 2026.

The consolidated statement of service performance from the full consolidated financial statements is published within this annual report. The presentation currency is New Zealand Dollars rounded to the nearest thousand.

As the summary consolidated financial statements do not include all the disclosures that are in the full consolidated financial statements they cannot be expected to provide a complete understanding as produced by the full consolidated financial statements which are available at www.firstcu.co.nz. These summary consolidated financial statements have been prepared in accordance with Financial Reporting Standard No 43 'Summary Financial Statements'. The full consolidated financial statements have been prepared in accordance with New Zealand generally accepted accounting practice (NZ GAAP) and comply with Public Benefit Entity Accounting Standards (PBE Standards) as appropriate for Tier 1 not for profit public benefit entities.

The full consolidated financial statements received an unqualified audit opinion.

2. Credit Risk

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Group incurring a financial loss. This usually occurs when debtors fail to settle their obligations owing to the entity.

Loan Security Analysis:

Credit Quality - Security Dissection	2026 \$000	2025 \$000
Secured by Mortgage Over Real Estate with LVR < 80%	227,032	237,944
Secured by Mortgage Over Real Estate with LVR > 80%	32,613	25,761
Secured by Members Shares	10,991	11,880
Partially Secured by Motor Vehicles or Other Collateral	58,084	55,889
Unsecured Loans	32,884	27,995
Gross Loans to Members	361,604	359,469
Less: Allowance for Impairment	(3,137)	(3,187)
Net Loans to Members	358,467	356,282

Impairment of Loans and Advances	\$000	\$000
Provision for Impairment - Increase / (decrease) in the Year	(50)	85
Bad Loans to members written off	2,084	1,785
Loan Impairment Expenditure	2,034	1,870

3. Liquidity Risk

Liquidity risk is the risk that the Group may encounter difficulties raising funds to meet commitments associated with financial instruments, e.g. borrowing repayments.

It is the policy of the Board of Directors that the Group maintains adequate cash reserves so as to meet the member withdrawal demands when requested.

The table below shows the period in which different financial liabilities held will mature and be eligible for negotiation or withdrawal.

Maturity Profile of Financial Liabilities:	Within 12 On Call \$000	Months \$000	1 to 5 Years \$000	Over 5 Years \$000	2026 Total \$000	2025 Total \$000
Financial Liabilities 30 June 2026						
Payables	0	3,516	0	0	3,516	3,051
Members Call Shares	200,685	0	0	0	200,685	179,232
Members Term Shares	0	255,928	9,188	0	265,116	249,094
Total Financial Liabilities 30 June 2026	200,685	259,444	9,188	0	469,317	431,377

The table below shows net financial assets held by the Group for the purpose of managing liquidity risk.

Liquidity Management:	2026 \$000	2025 \$000
Cash and Cash Equivalents	40,639	40,405
Term Deposits and Other Investments - Current	118,552	77,977
Term Deposits and Other Investments - Non-Current	0	2,014
Total Liquidity	159,191	120,396

4. Credit Rating

The Credit Union has been rated by Fitch Ratings. Fitch Ratings gives ratings from AAA through to C.

The Credit Union has a long-term issuer default (IDR) rating of BB with a stable outlook, issued on 3 December 2025 (2025: BB with a stable outlook).



First Credit Union's Super Saver- Jimmy Jumper

 www.firstcu.co.nz

 07 834 4810

 welcome@firstcu.co.nz

first
credit union