OUR COLLECTIVE
Success Story

Annual Report 2021
First Entertainment Credit Union is where Your Story Matters™. Our members are at the heart of everything we do, and our products, services, and financial resources are designed to help you achieve your financial success story.

As we look back at 2021, we had a lot of success stories that I am honored to share with you. We continued enhancing your digital banking experience to help you easily manage, monitor, track, transact, and access financial resources anytime, anywhere, on any device. We provided tools, including free credit monitoring, credit alerts, and access to your complete credit report, putting you in charge of your credit. We added even more new features to Digital Banking with our Financial Wellness Survey, which is an interactive tool that assesses your financial wellness and provides recommendations to help improve your financial health.

As your financial well-being is one of our top priorities, we continued adding to our financial resources and tools by offering more than two dozen personal finance topics to our list of seminars and webinars. As a result, we saw a significant jump in the usage of our financial resources in 2021, including a 238% increase (to nearly 3,000 users) of our online Financial Education Center modules, and a 283% increase in virtual and in-person educational events led by our team of experts.

We worked to provide you with a more holistic member experience by streamlining the online loan application process, simplifying the credit card activation process, providing a faster, more secure transaction experience with the launch of our new Digital ID verification process, and reducing loan decision turnaround times.

It certainly was a productive year, and collectively we made it successful as well. As we look ahead to 2022, we will continue to seek new opportunities that support your financial well-being, enhance your member experience, strengthen our technology, and save you money – because your story matters™!

On behalf of the First Entertainment Credit Union team, I want to thank you for your membership and for entrusting us with your financial needs. I want to also thank our employees for providing their dedicated service to our members and all of our Trustees who volunteer their time to serve on the Board of Directors, Supervisory Committee and Media Benefits Board.
TREASURER’S Message

As the creators of entertainment, you know a great story matters. I’m proud to report that we have a great story to share about 2021. The Credit Union’s success in 2021 is a testament to the fact that our members trust us to meet their financial needs. And we worked hard to meet those needs. Our focus was on finding resources to support your financial well-being, enhancing your experience, and strengthening our technology, all while finding ways to save you money.

This past year, your Credit Union surpassed $2.1 billion in assets. We’ve come a long way since our humble beginnings in 1967 when we were founded with only $40 as Warner Seven Federal Credit Union.

We also closed out 2021 with net income of $17.2 million, up $18 million from 2020. Operating expenses dropped $8.8 million, from $58 million in 2020 to $49.2 million in 2021. Last year the pandemic continued to present its challenges and our financial resources were appropriately directed at helping members who were financially impacted, as well as investing in ways to safely serve you. The growth we experienced in 2021 is partly the result of being able to put our focus back on building products, services, and financial resources that support your ongoing financial success.

The year-end deposit and loan totals were notable as well. It was evident that replenishing and building savings were important goals for our members as deposit balances increased by $209 million, or 10.8%, to $1.92 billion. We also saw loan growth, but at a slower pace with an increase of $26 million, or 2.3%, to $1.21 billion.

We are extremely pleased with our 2021 results because it means your Credit Union continues to be well-capitalized. We have the financial strength to develop and deliver the products, services, and financial resources to help you with your financial success story – now and in the future.

Collectively we built a great story in 2021. We are looking forward to continued success in 2022 and we thank you for your membership. It’s a privilege to be the financial ally for the creators of entertainment and their supporters.

Irwin Jacobson
Treasurer
SUPERVISORY COMMITTEE Message

The Supervisory Committee is appointed by the Board of Directors to independently evaluate the soundness of First Entertainment’s operations and enterprises by hiring an external auditor and directing internal auditing. The Supervisory Committee’s primary role is to ensure the safety and soundness of the credit union in accordance with the rules and regulations set by the California Department of Financial Protection and Innovation (DFPI) and the National Credit Union Administration (NCUA).

Working independently from the Board of Directors and Senior Management, the Supervisory Committee oversees the credit union’s operations, safeguarding assets and ensuring management complies with policies and procedures to mitigate financial risks and achieve compliance. They must also ensure all records are accurately maintained and sufficient internal controls are observed.

Following a review of current practices and the results of the auditors’ efforts, the Supervisory Committee believes First Entertainment continues to maintain accurate and timely records, is in a strong financial position, and operates in compliance with all laws and regulations. A summary of First Entertainment’s Consolidated Statements of Financial Condition as of December 31, 2021, is included herein.

The committee also believes the credit union’s commitment to improving internal controls that strengthen the credit union is key in maintaining the stability and growth for the membership.

Mitch Nedick
Chair

MEDIA BENEFITS CORPORATION Message

As part of the First Entertainment family, we are proud to be a part of your financial success story. Media Benefits Insurance Services (MBIS) has been protecting what matters most to you since 2013. Safeguarding you, your family, your property, and even your furry friends is at the heart of everything we do. We are dedicated to providing stellar service and access to quality coverage that’s customized to your lifestyle at a price that fits your budget.

I’m proud to report that we also have a great story to share about 2021. We added 604 new policies and managed more than 3,500 policies. This, coupled with the increased convenience of providing online quotes for your home and auto, generated $641,000 in revenue – a 16% increase over 2020. Our success is a strong statement that members value our products and trust us to meet their insurance needs.

In 2022, we will continue to make members aware of the benefits of working with MBIS at every stage of their journey. Whether you are looking to reduce annual insurance costs, increase your coverage limits, or purchase a new policy, our team of experts is here to help you navigate your options.

Along with our members, we shared a great story in 2021, and we look forward to continuing that success story for our members in 2022. We are honored to be a part of the First Entertainment family and privileged to provide insurance services to our members.

Tad Marburg
Chair

We are a member-owned not-for-profit financial institution, and we pass along our profits to our members in the form of competitive rates and lower fees...

...And, as one of Forbes Best-In-State-Credit-Unions in 2021, you can trust that we have all the products and services you need to achieve your financial goals.
### CONSOLIDATED BALANCE SHEET
As of December 31, 2021
(Unaudited)

#### ASSETS

<table>
<thead>
<tr>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Investments</td>
<td>$839,313,836</td>
<td>$639,723,593</td>
</tr>
<tr>
<td>Loans, Net of Allowance for Loan Loss</td>
<td>$1,212,589,752</td>
<td>$1,184,935,656</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>$4,176,841</td>
<td>$16,448,998</td>
</tr>
<tr>
<td>Property and Equipment</td>
<td>$7,408,709</td>
<td>$8,931,067</td>
</tr>
<tr>
<td>National Credit Union Share Insurance</td>
<td>$16,803,609</td>
<td>$14,424,893</td>
</tr>
<tr>
<td>Foreclosed Assets</td>
<td>$28,346</td>
<td>$321,088</td>
</tr>
<tr>
<td>Other Assets</td>
<td>$27,322,542</td>
<td>$26,866,695</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$2,107,643,635</strong></td>
<td><strong>$1,891,651,990</strong></td>
</tr>
</tbody>
</table>

#### LIABILITIES

<table>
<thead>
<tr>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Members’ Shares</td>
<td>$1,929,341,788</td>
<td>$1,720,169,080</td>
</tr>
<tr>
<td>Accrued Expenses and Other Liabilities</td>
<td>$18,139,864</td>
<td>$16,138,178</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>$1,947,481,652</strong></td>
<td><strong>$1,836,307,258</strong></td>
</tr>
</tbody>
</table>

#### MEMBERS’ EQUITY

<table>
<thead>
<tr>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular Reserve</td>
<td>$3,515,665</td>
<td>$3,515,665</td>
</tr>
<tr>
<td>Undivided Earnings</td>
<td>$163,541,398</td>
<td>$146,356,819</td>
</tr>
<tr>
<td>Unrealized Gain/Loss on Investments</td>
<td>($6,895,080)</td>
<td>$5,472,248</td>
</tr>
<tr>
<td><strong>Total Members’ Equity</strong></td>
<td><strong>$160,161,983</strong></td>
<td><strong>$155,344,732</strong></td>
</tr>
</tbody>
</table>

**Total Liabilities and Equity**

<table>
<thead>
<tr>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>$2,107,643,635</strong></td>
<td><strong>$1,891,651,990</strong></td>
<td><strong>$1,836,307,258</strong></td>
</tr>
</tbody>
</table>

### CONSOLIDATED STATEMENT OF INCOME
As of December 31, 2021
(Unaudited)

#### INCOME

<table>
<thead>
<tr>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INTEREST INCOME</strong></td>
<td></td>
</tr>
<tr>
<td>Interest on Loans</td>
<td>$46,088,865</td>
</tr>
<tr>
<td>Interest on Investments</td>
<td>$8,336,645</td>
</tr>
<tr>
<td><strong>Total Interest Income</strong></td>
<td><strong>$54,425,510</strong></td>
</tr>
<tr>
<td><strong>INTEREST EXPENSE</strong></td>
<td></td>
</tr>
<tr>
<td>Members’ Share Accounts</td>
<td>$3,848,450</td>
</tr>
<tr>
<td><strong>Total Interest Expense</strong></td>
<td><strong>$3,848,450</strong></td>
</tr>
<tr>
<td><strong>Net Interest Income</strong></td>
<td><strong>$47,577,060</strong></td>
</tr>
<tr>
<td>Provision for Loan Losses</td>
<td>$2,802,965</td>
</tr>
<tr>
<td><strong>Net Interest Income after Provision for Loan Losses</strong></td>
<td><strong>$44,774,095</strong></td>
</tr>
<tr>
<td><strong>NON-INTEREST INCOME</strong></td>
<td></td>
</tr>
<tr>
<td>Fees, Charges, and Other Income</td>
<td>$15,853,987</td>
</tr>
<tr>
<td>Real Estate Loan Sales/Servicing</td>
<td>$3,231,806</td>
</tr>
<tr>
<td>Gain/(Loss) on Sales of Property and Equipment/OREO</td>
<td>$(58,231)</td>
</tr>
<tr>
<td>Gain/(Loss) on Equity Securities</td>
<td>$(12,059)</td>
</tr>
<tr>
<td>Gain/(Loss) on Insurance &amp; Investments</td>
<td>$242,910</td>
</tr>
<tr>
<td><strong>Total Non-Interest Income</strong></td>
<td><strong>$19,258,413</strong></td>
</tr>
<tr>
<td><strong>NON-INTEREST EXPENSE</strong></td>
<td></td>
</tr>
<tr>
<td>Compensation and Benefits</td>
<td>$28,338,226</td>
</tr>
<tr>
<td>Office Occupancy</td>
<td>$2,975,123</td>
</tr>
<tr>
<td>Office Operations</td>
<td>$2,141,893</td>
</tr>
<tr>
<td>Other</td>
<td>$16,398,372</td>
</tr>
<tr>
<td><strong>Total Non-Interest Expense</strong></td>
<td><strong>$49,853,614</strong></td>
</tr>
<tr>
<td><strong>NET INCOME</strong></td>
<td><strong>$17,178,894</strong></td>
</tr>
</tbody>
</table>

#### INCOME

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>$12.6</strong></td>
<td><strong>$0.8</strong></td>
<td><strong>7.8</strong></td>
<td><strong>1.2</strong></td>
<td><strong>6.3</strong></td>
<td><strong>13.7</strong></td>
<td><strong>12.6</strong></td>
<td><strong>17.2</strong></td>
</tr>
</tbody>
</table>

#### NET INCOME

<table>
<thead>
<tr>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>$17,178,894</strong></td>
<td><strong>$(825,193)</strong></td>
</tr>
</tbody>
</table>

#### Bar Charts

- **Member Shares**
  - 2019: $1,929
  - 2020: $1,720
  - 2021: $1,929

- **Asset Size**
  - 2019: $1,613
  - 2020: $1,891
  - 2021: $2,107
BOARD OF DIRECTORS
Chair
Howard Welinsky
Vice-Chair
Michael G. Edwards
Treasurer
Irwin Jacobson
Secretary
Patrick Walters
Director
Gari Ann Douglass
Director
James Herr
Director
Sakae Manning
Director
Jeff Minke
Director
Stephen Raynes
Director
Ted Schilowitz
Director
Laura Valan

SUPERVISORY COMMITTEE
Chair
Mitch Nedick
Committee Members
Frank Cannata
Heather Cochran
Dhiren Patel
Doug Regan
Corrie Rothbart
Miri Stucker

MEDIA BENEFITS CORPORATION BOARD OF DIRECTORS
Chair
Tad Marburg
Treasurer
Elizabeth “Tig” McKenzie
Secretary
Charles Bruen
Director
Elena Campbell-Martinez

SENIOR LEADERSHIP
President/CEO (Interim)
Charles Bruen
SVP/Chief Experience Officer
Addie Atkinson
SVP/Chief Financial Officer
Ken Kramer
SVP/Chief Lending Officer
Tom Orman
VP Commercial Lending
Shannon Leitch
VP Digital Product & Business Systems
Nas Birmingham
VP Finance
Larry Grager
VP Marketing
Molly Holcomb
VP Operations
James Marcellino
VP Payments/PMO
Daniel Arita
VP Real Estate
Bill Walker
VP Retail
Nick Levi
VP Risk Management/General Counsel
Jennifer Jordan

Locations
Main Office
6735 Forest Lawn Drive
Hollywood, CA 90068

Paramount Studios*
5555 Melrose Ave
Hollywood, CA 90038

Sony Pictures*
10202 Washington Blvd
Culver City, CA 90232

Burbank
2520 Olive Ave
Burbank, CA 91505

Santa Clarita
25828 McBean Parkway
Santa Clarita, CA 91355

Culver City
11052 Washington Blvd
Culver City, CA 90232

Santa Monica
2425 Colorado Ave., Ste. B119
Santa Monica, CA 90404

Studio City
4067 Laurel Canyon Blvd
Studio City, CA 91604

Warner Bros*
4000 Warner Blvd., Bldg. 19
Burbank, CA 91522

*Branches only accessible for those cleared for access.
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