

Supervisory Committee Report

The duties of the Supervisory Committee include maintaining internal controls to protect the Members and the Credit Union; ensuring the Credit Union is run in a fiscally sound manner and most importantly to be an advocate for the Members. For this purpose, the committee oversees an independent annual audit of the credit union to verify compliance, in accordance with the regulations set by the California Department of Financial Institutions and the National Credit Union Administration, our governing agencies.

In 2009, the committee engaged the services of Turner, Warren, Hwang and Conrad, an independent certified public accounting firm, to assist them in conducting a comprehensive audit of the credit union's financial statements.

It is the opinion of the Supervisory Committee that the financial statements published in this report fairly and accurately represent American First Credit Union's financial condition, and that the credit union is managed soundly in accordance with state and federal regulations.



Roger Vander Wende
Supervisory Committee Chairperson

Branch Locations

La Habra 700 N. Harbor Blvd. La Habra, CA 90631	Orange 1010 W. Chapman Ave. Orange, CA 92868
Buena Park 6011 Lincoln Ave., Suite B Buena Park, CA 90620	Tustin Express 13265 Jamboree Rd. Tustin, CA 92782

Branch Hours

Monday-Thursday	9 am - 5 pm
Friday	9 am - 6 pm
Saturday & Sunday	closed

24/7 Live Phone Support (including holidays)

800/ 290-1112 • www.amerfirst.org
contactus@amerfirst.org

Fax

Main	562/ 237-5111
Lending	562/ 697-9634
Real Estate	562/ 697-9592

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THE PROMISE OF THE FUTURE



Chairman and CEO Report

A Promising Future

Those words are easy to say but not easy to believe, especially when we reflect on the last two years in a tough economy. 2009 was once again a difficult year for our business, our industry and our nation. If one were to look only at our balance sheet, it would tell an incomplete story; a simplified view of our business. For a more complete picture, we must look to our Members, their challenges and their successes. In 2009, many Americans struggled with unemployment and underemployment. American First helped more than 80 impacted Members stay in their homes. We continue to work with our Members and stand beside them during this tumultuous economic time.

Going forward into 2010 and beyond, we are looking at continuous growth that will ensure a positive future for our Members and our organization.

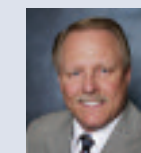
Our promise for the future:

- To provide the best financial products and services at competitive prices
- To treat Members with respect
- To listen to our Members needs
- To be a trusted advisor
- To help Members plan for their financial future

As Winston Churchill wisely said, "A pessimist sees the difficulty in every opportunity; an optimist sees the opportunity in every difficulty." We choose the latter. We choose to see the opportunity and in that opportunity we see a Promising Future. Thank you for your Membership and your continued trust in us. We are proud to be your financial partner and look forward to serving you for many years.



Robert E. Street
Robert E. Street
President/CEO



Tom Cook
Tom Cook
Chairman



From left to right: Carlos Miramontez, Ryan Zilker, Robert E. Street, Brian Thompson, Pamella Easley, Scott Rains

Management Team and Volunteers

Senior Management

Robert E. Street	President/CEO
Pamella Easley	Chief Lending Officer
Scott Rains	Chief Financial Officer
Ryan Zilker	Chief Operations Officer
Brian Thompson	Chief Information Officer
Carlos Miramontez	Vice President, Lending

Board of Directors

Tom Cook	Chairman
Ron Baker	Vice Chairman
Ann Hall	Secretary/Treasurer
Danny Doss	Director
Bob Hall	Director
Don Kocherhans	Director
Patti Malott	Director
Robert E. Street	Director
Greg Tippings	Director

Supervisory Committee

Roger Vander Wende	Chairperson
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Year In Review

Planning for the Future

This year, we added another tool to empower our Members on the road to financial success. We have enlisted the services of CUSO Financial Services, L.P. (member FINRA/SIPC), a broker/dealer to provide our Members with Licensed Financial Advisor, Colin Babb, CRPC[®], who is available for consultations and assistance with questions related to retirement plans, planning for college expenses, IRAs, long-term care insurance, stocks and bonds, and more.

CRPC[®] is a registered service mark of the College For Financial Planning.

Investing in our Community

We were proud to be a major sponsor for the City of La Habra events during 2009, including the La Fiesta Carnival at Our Lady of Guadalupe, City Employees Association BBQ, and Concerts in the Park, among others. A team of associates took part in the La Habra 5K/10K Run/Walk and we had a booth at the event where we interacted with the community throughout the day.

Growing Future Leaders

Future Members are important to us and we spend a significant amount of time focusing on students from elementary to high school age. We presented financial literacy seminars at more than 60 schools and to over 1,750 students throughout Orange County. We participated in the National Credit Union Youth Week, once again sponsored a "Bring Your Child to Work" day in our corporate office and donated scholarship money to students in our partner schools.

Giving for a Better Future

With the recent struggles in our nation, there has been an even greater need for giving. Our associates have been generous in the past and this year was no exception, as our associates once again took part in a number of charitable events throughout the year. Credit Unions for Kids has long been a cause we care about and this year employees donated \$5,000 to assist them with their efforts. During the holiday season associates were extremely generous and purchased more than 125 gifts for the Angel Tree Program, and also donated money to purchase 75 gifts for the Santa Comes to La Habra program.

Financial Position

As of December 31 (unaudited)

Assets	2009	2008	2007
Loans to Members	414,493,747	546,970,060	584,858,646
Cash and Investments	113,307,210	83,028,917	52,238,534
Other Assets	49,246,331	35,782,942	33,310,229
Total Assets	\$ 577,047,288	\$ 665,781,919	\$ 670,407,409
Liabilities			
Borrowings	-	50,000,000	60,500,000
Deposits	532,466,392	557,314,219	537,688,698
Other Liabilities	4,427,770	4,239,804	3,638,253
Total Liabilities	\$ 536,894,162	\$ 611,554,023	\$ 601,826,951
Reserves	40,153,126	54,227,896	68,580,458
Total Liabilities/Reserves	\$ 577,047,288	\$ 665,781,919	\$ 670,407,409

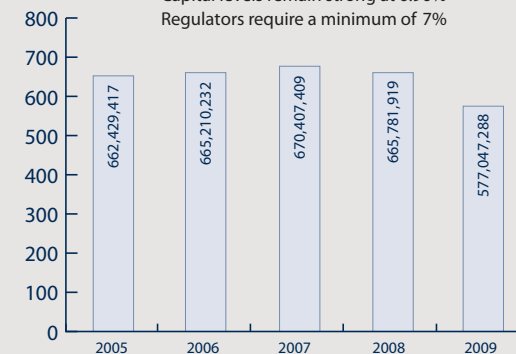
Income and Expenses

As of December 31 (unaudited)

Income	2009	2008	2007
Interest on Loans	26,120,738	36,974,825	36,604,609
Interest on Investments	2,475,341	2,493,905	2,671,529
Other Income	8,795,708	8,675,220	7,303,573
Total Income	\$ 37,391,787	\$ 48,143,950	\$ 46,579,711
Expenses			
Operating Expenses	42,098,881	43,941,358	33,474,266
Non-operating Income	5,480,286	500,333	856,375
Net Income Before Dividends	\$ 773,193	\$ 4,702,925	\$ 13,961,820
Dividends	\$ 15,174,327	\$ 19,257,208	\$ 19,067,199
Net Income	\$ (14,401,134)	\$ (14,554,283)	\$ (5,105,379)

Assets

Capital levels remain strong at 6.96%
Regulators require a minimum of 7%



Member Shares

