So much has happened in the last year it is difficult to know where to begin. The past twelve months has seen Fitzsimons Credit Union (Fitzsimons) take on a new identity, build and move into a new facility, and weather some of the more stringent new regulatory burdens in recent memory.

In last year’s report, we hinted at a new identity that was in the works for Fitzsimons. At that time, it was felt that with the impending new facility, a change in brand was in order. A new image was required to reflect the strategic direction the credit union was taking yet still capitalized on the strong heritage attached to the Fitzsimons name while retaining a strong affinity with the dynamic plans in store for the Fitzsimons campus. With the help and guidance of a branding/consulting firm, we arrived at the credit union’s new brand that you see on the cover of this report today:

Fitzsimons, a Partnering Credit Union.

We are very proud of this new brand and the message it conveys. It has not only retained the Fitzsimons name, but has emphasized and elevated it. In addition, it has provided fresh ideas and avenues for promoting the credit union to potential new members. Fitzsimons, and the credit union movement as a whole, has very well-crafted messages in conveying the advantages of credit unions over banks. This new brand, and the value proposition behind it provides a compelling message about what sets Fitzsimons apart from other credit unions.

We are, of course, very delighted to be able to provide you with a beautiful new facility. Sleek, streamlined, airy and open, it epitomizes the type of forward thinking that goes into the credit union’s long-term strategic planning. We enjoyed a wonderful grand opening event on November 13, 2009, that was attended by Congressmen Ed Perlmutter and Mike Coffman in addition to numerous city, state, and local officials. It was gratifying indeed to host some of our leaders in government that were so helpful to Fitzsimons in this time of transition and we thank them for their assistance.

The new facility has some notable design features that were incorporated to improve service to our members. Chief among these is the separate branch and administration sections to the building. Like our previous headquarters, the building houses not only front-line functions such as teller service and lending, but also administrative areas such as accounting, information technology, human resources, loss prevention, communications center, and marketing. By planning for a clear separation between the front-line and administrative functions, it allowed us to offer Saturday lobby hours without having to open up the entire building, which I am pleased to say, we have done.

Finally, I am thrilled to announce the credit union has made it through some of the more withering changes to regulatory compliance in recent memory. The stresses of the economy of the past 18 months took their toll on the corporate credit union system which in turn impacted natural member credit unions such as Fitzsimons in the form of higher premiums on the national share insurance fund, special one-time assessments, and devalued assets that had been on deposit at the corporate. These burdens certainly had an impact on Fitzsimons, but I am delighted to say the credit union emerged from these challenges in a strong financial position.

Through these events of the past year, I have been proud to serve as your Chairman and am pleased to say that you have a safe, strong and sound credit union to help you achieve your financial goals.

THOMAS H. SMITH | Chairperson of the Board
With the disruptions of the last 4½ years behind us, member-partners and staff are now enjoying the new credit union facility at 2201 N. Fitzsimons Parkway. I want to thank those members who were so supportive and patient as we operated out of various locations in what was not the most ideal of conditions. My personal contacts with members who visited the temporary Sable branch were encouraging and optimistic, and I was impressed with the loyalty shown to us even when operations and services were disrupted at times during the two moves.

While the dislocation and multiple moves were not part of our long-term strategic plan, and although it was a painful ordeal, the end result is positive. We enjoy a new 20,000 sf. headquarters and branch on a valuable piece of land at a great location for a net cash outlay of $1.7 million at a time when building projects are scarce. Included in that number is a state-of-the-art security system, new core computer and telephone systems. I don’t think that was too bad of a price to pay.

Speaking of “price to pay,” the regulators, financial market and member loan defaults continued to damper our net income in 2009, so we looked for all the ways we could to cut operational expenses. As we developed the facilities portion of our strategic plan, we decided to take a critical look at member activity and logistics of our branches. During the analysis, we discovered that out of over 14,000 members, only 400-500 members physically visit the branches regularly. Most members use automated telephone system (ANDI), online banking or ATMs for service. Therefore, it made economic sense to close the Kmart branch at Colfax and Chambers which was within one-mile proximity to Fitzsimons. Staff from the temporary Sable and Kmart branches were transferred to either the Southlands or Fitzsimons branches. We continue to operate the National Jewish Health branch a few times a week, which allows us to have offices located north, south and west within our charter area. Additionally, we may plan for a branch in the eastern territory once the economy improves.

I want to thank my staff for their cooperation and endurance throughout last year and the board of directors for their support along the way. But mostly, thank you, our member-partners for staying with Fitzsimons throughout this period. We will continue with our efforts to demonstrate our new promise—“Pride, passion and integrity... in our words, our actions and our motivations... every day, with every transaction and to every partner.”

SANDRA B. NEVES | President & CEO

“I want to thank those members who were so supportive and patient as we operated out of various locations in what was not the most ideal of conditions.”
AS OUR PARTNER,
WE STRIVE TO OFFER
THE BEST ONLINE
TOOLS TO HELP YOU
MANAGE YOUR MONEY.

that's what partners are for.
2009 was a challenging, yet historical year for the credit union. The full force of the economic downturn had significant impact on the credit union’s earnings and net worth directly, through higher loan defaults, and indirectly through mandatory write-downs of other assets and higher regulator assessed premiums. On a positive note, 2009 marked the grand opening of the credit union’s new headquarters back on the Fitzsimons campus capping 4 ½ years of preparation, planning, and negotiations with the Veterans Affairs, the Fitzsimons Redevelopment Authority, Forest City, and the City of Aurora.

Fitzsimons’ net income for the year was negative primarily from a required write-down of assets held in SunCorp (corporate credit union), premium assessments by its federal regulator, and historically high loan loss estimates. In March of 2009, the credit union’s federal regulator, the National Credit Union Administration (NCUA), placed U.S. Central Federal Credit Union into conservatorship due to recession related credit losses on asset and mortgage-backed securities that exceeded total capital. These losses were passed through to the member corporate credit unions, to include SunCorp’s capital holdings in US Central. All of SunCorp’s retained earnings were extinguished from the elimination of its holdings with US Central, and also from impairment charges against some of its own securities. Losses originating with US Central eventually passed through to all member credit unions of SunCorp, including Fitzsimons. The mandatory write-down of Fitzsimons’ paid in capital with SunCorp was recognized in September 2009 for nearly $668K. In October 2009, Fitzsimons was assessed a $129.6K premium by the National Credit Union Share Insurance Fund to cover potential losses from credit union failures in the next 15 months and to raise the federal insurance coverage limit from $100K to $250K on member deposits. The NCUA also imposed a $60K premium to repay the Treasury on borrowings related to corporate credit union stabilization. Together the two premiums amounted to $189K of additional expense during 2009 for Fitzsimons.

Excluding the write-down of the credit union’s paid in capital with SunCorp and the assessed premiums for corporate stabilization and the share insurance fund, net income would have been negative by $290K including a 95% increase in provision for loan loss expense from 2008. The actual amount expensed for loan losses, $2.1 million, was significantly greater than the amount of actual loans written off during the year of $1.28 million. Provision for loan loss expense, the amount reported on the income statement, includes actual losses, but also adds forward looking components for projected or anticipated losses at some future point based on risk characteristics in the loan portfolio. The economic slump has forced ever more conservative regulatory estimates of potential losses in the loan portfolio, even if actual losses do not reflect these estimates. Had provision for loan loss increased by even 50% over 2008 figures, net income from operations would have been positive.

Despite our conservative underwriting policies, actual loan losses climbed in 2009 as affects of the recession were realized through higher loan defaults from rising unemployment and downward pressure on housing prices. Net charge-offs grew by 39% from 2008 levels with losses concentrated in auto (new & used) and real estate secured loans. Nearly 80% of all loan losses in 2009 were attributed to real estate secured loans, a majority of which had been granted to long term core members and held by the credit union for a number of years. When it can, the credit union works to assist members experiencing financial difficulties; however, significantly reduced member income (from job losses) and erosion of equity from depressed home values proved difficult to overcome entirely. Recognizing that these are highly unusual times, the credit union will not cut off lending as a knee-jerk reaction, but rather conduct periodic risk analyses of the entire loan portfolio and balance sheet to manage, not eliminate, credit risk.

Looking forward into 2010 and beyond, there are still many financial positives for the credit union:

- The net worth position, accumulated over time to remain solvent during hard economic times like now, remained well above NCUAs “adequately capitalized” category at 11.32%. Fitzsimons members can be assured that with this strong net worth position, the credit union is positioned to weather a prolonged economic downturn.
- The net income for the fourth quarter of 2009 was positive and hopefully an indicator of continued profitability in 2010. A component in calculating net income, operating expenses, actually decreased during 2009 from the previous year.
- The new facility, completed after 2 years of having operations “split” among varying locations, is open for business back on the Fitzsimons campus.

While there’s no guarantee that the worst of this economic downturn is behind us, there is comfort in knowing that the board and management have always operated a safe and sound institution by not taking unnecessary risks. We thank our member-partners for their loyalty during this challenging time.

DAROLD RIESGAARD | Board Treasurer
The National Credit Union Administration (NCUA) requires that the supervisory committee be responsible to ensure that the board of directors and management of Fitzsimons Credit Union meet required financial reporting objectives and establish practices and procedures sufficient to safeguard members’ assets. In satisfying this requirement, the supervisory committee assures that (1) internal controls are in place and effectively maintained, (2) accounting records and financial reports are accurate, and (3) plans, policies and controls are properly administered by the board to safeguard against error, conflict of interest, self-dealing and fraud.

The supervisory committee has contracted with Lombardi Accounting Services Inc. since October 2007 to provide quarterly audits of the credit union’s internal controls. The committee meets and reviews any findings from the internal audits and follows up with management on any corrective actions.

The supervisory committee has contracted with McGladrey & Pullen, Certified Public Accountants, since 2005 to perform an opinion audit of the credit union’s accounting records and financial reports every calendar year in accordance with generally accepted auditing standards. A component of the opinion audit includes performing a verification of members’ accounts against the credit union’s records. The independent auditor’s report, conducted as of September 30, 2009, indicates the audited financial statements present fairly the financial condition of the credit union.

As of yet, the unaudited financial statements (as of December 31, 2009), in the annual report, have not been verified by the supervisory committee; however, there have been no material changes in accounting policies or management of the credit union that would cause concern.

It has been a pleasure serving the Fitzsimons Credit Union membership. Lastly, we thank the board of directors, the management and staff for their support.

JAMES L. DYE | Supervisory Committee Chairperson

“There have been no material changes in accounting policies or management of the credit union that would cause concern.”
AS OUR PARTNER, YOU CAN COUNT ON US TO BE PREPARED FOR THE ROAD AHEAD.

that’s what partners are for.
## BY THE NUMBERS:

(as of 12/31/09)

- **Asset Size** - $160 Million
- **Total # of Members** - 14,396
- **Total # of paid employees** - 42
- **Members residing in Colorado** - 88.8%

### BALANCE SHEET

<table>
<thead>
<tr>
<th>Assets</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Loans</td>
<td>106,473,436</td>
</tr>
<tr>
<td>Allowance for Loan Losses</td>
<td>(2,126,062)</td>
</tr>
<tr>
<td>Net Loans</td>
<td>104,347,373</td>
</tr>
<tr>
<td>Cash</td>
<td>1,846,516</td>
</tr>
<tr>
<td>Investments</td>
<td>41,910,024</td>
</tr>
<tr>
<td>Fixed Assets</td>
<td>8,919,519</td>
</tr>
<tr>
<td>Share Insurance Capitalization Deposit</td>
<td>1,261,837</td>
</tr>
<tr>
<td>All Other Assets</td>
<td>2,524,053</td>
</tr>
<tr>
<td><strong>Total Other Assets</strong></td>
<td><strong>12,705,408</strong></td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$ 160,809,321</strong></td>
</tr>
</tbody>
</table>

### STATEMENT OF INCOME

<table>
<thead>
<tr>
<th>Interest Income</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest on Loans</td>
<td>6,310,873</td>
</tr>
<tr>
<td>Income from Investments</td>
<td>782,639</td>
</tr>
<tr>
<td><strong>Total Interest Income</strong></td>
<td><strong>7,093,512</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Interest Expense</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividends on Shares</td>
<td>2,039,161</td>
</tr>
<tr>
<td>Interest on Borrowed Money</td>
<td>19,239</td>
</tr>
<tr>
<td><strong>Total Interest Expense</strong></td>
<td><strong>2,058,400</strong></td>
</tr>
<tr>
<td>Provision for Loan Losses</td>
<td></td>
</tr>
<tr>
<td><strong>Net Interest Income Before Provision</strong></td>
<td><strong>5,035,112</strong></td>
</tr>
<tr>
<td>Provision for Loan Losses</td>
<td></td>
</tr>
<tr>
<td><strong>Net Interest Income After Provision</strong></td>
<td><strong>2,927,602</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Non Interest (Operating) Expense</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Compensation &amp; Benefits</td>
<td>2,467,698</td>
</tr>
<tr>
<td>Travel &amp; Conference</td>
<td>37,194</td>
</tr>
<tr>
<td>Office Occupancy</td>
<td>426,913</td>
</tr>
<tr>
<td>Office Operations</td>
<td>1,625,689</td>
</tr>
<tr>
<td>Educational/Promotional</td>
<td>156,225</td>
</tr>
<tr>
<td>Loan Servicing</td>
<td>361,788</td>
</tr>
<tr>
<td>Professional/Outside Services</td>
<td>221,543</td>
</tr>
<tr>
<td>NCUA Operating Fee</td>
<td>34,330</td>
</tr>
<tr>
<td>Miscellaneous Operating Expense</td>
<td>61,109</td>
</tr>
<tr>
<td><strong>Total Non-Interest Expense</strong></td>
<td><strong>5,392,489</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Non-Interest (Operating) Income</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Fee Income</td>
<td></td>
</tr>
<tr>
<td>Other Operating Income</td>
<td></td>
</tr>
<tr>
<td><strong>Total Non-Interest Income</strong></td>
<td><strong>2,296,111</strong></td>
</tr>
</tbody>
</table>

| Net Operating Income           | (168,776) |
| Net NCUSIF Stabilization Expense | (189,276) |
| Gain (Loss) on Disposition of Assets | (792,669) |
| **Net Income**                 | **$(1,150,721)** |
SHARE ACCOUNT COMPOSITION

- Checking Accounts: 27%
- Individual Retirement Accounts: 8%
- Money Market Accounts: 11%
- Savings Accounts: 34%
- Certificate Accounts: 20%

LOAN PORTFOLIO COMPOSITION

- Home Equity Line of Credit Loans: 32%
- First Mortgage Loans: 37%
- Auto Loans: 11%
- Personal Line of Credit Loans: 9%
- Equity Loans: 10%
- Other Loans: 1%
Who we are, and what we are about.

Fitzsimons Credit Union is a member-owned, not-for-profit financial cooperative committed to providing for the financial success of all members. We have been serving our member-partners and our community since 1955.

Fitzsimons, a community-chartered credit union, upholds our fundamental responsibility to actively serve people within our field of membership and, as appropriate, the communities in which they live, work, worship, attend school and do business.

As a partnering credit union, all members are treated with respect and dignity and are offered honest, fair treatment at all times. The credit union delivers a range of competitively priced products and services to the diverse economic and social make-up of our members and potential members.

Fitzsimons reaches out to the unserved and under-served in our field of membership, and continually, in all areas of operation, demonstrates the value of membership in this credit union.

Fitzsimons monitors and communicates our products and services in a meaningful way so that partners, potential partners, legislators, regulators, and the community at large can understand and appreciate the unique role that member-owned financial cooperatives play in their lives.

Fitzsimons’ mission statement: To know our partners as individuals and focus on their life-long financial needs; advise and advocate while always exceeding their expectations, demonstrates that through our strategic planning, every effort is put forth to enable our members to become financially self-sufficient and successful. High importance is placed on consumer education and the teaching of financial thrift.

Fitzsimons is committed to our community and committed to the credit union’s principle of “not for profit, not for charity, but for service”, and our philosophy of “people helping people”. At the same time, this commitment represents sound business practices that ensure the financial strength of the credit union on behalf of all members.

Volunteer Board of Directors

JAMES DYE  RUTH BIGHAM  THOMAS SMITH

DAROLD RIESGAARD  GEORGE TOUCHARD
AS OUR PARTNER,
SOMETIMES YOU
NEED A LITTLE
SUPPORT.

*that’s what partners are for.*
MORTGAGE & HOME EQUITY LOANS
- First Mortgage
- Home Equity Line of Credit
- Gold Equity Mortgage
- Easy Equity
- Rental Equity Loan

SAVINGS ACCOUNTS
- Share Savings
- Money Market
- Share Certificates
- Individual Retirement Accounts
- Christmas Club

PERSONAL CHECKING
- Fitzsimons Free Checking
- Partner Checking
- Partner Paramount Checking
- Cash Back Rainbow Rewards

BUSINESS CHECKING
- Premium Business Checking
- Small Business Checking
- Express Business Checking

AUTO & VEHICLE LOANS
- New & Used Auto Loans
- Motorcycle / RV / Other Vehicle

VISA CARDS
- Visa Debit Card
- Visa Personal Credit Cards
- Visa Business Credit Cards
- Visa Gift Cards

PERSONAL LOANS
- Personal Loan
- Personal Line of Credit
- Jump Start Loan
- Student Loans
- Share Secured Loan
- Partners Instant Cash Loan (PIC5)

YOUTH & TEEN SAVINGS
- Youth Savings Account
- Teen Savings Account
- Education Savings Account
- FoolProof Financial Education

CONVENIENCE SERVICES
- Direct Deposit
- Automatic Funds Transfer
- Automatic Loan Payment
- Automatic Clearing House (ACH)
- Wire Transfers
- 3,000+ Shared Branching Locations
- 28,000+ CO-OP Network ATMs
- ANDI Phone Service

ONLINE BANKING
- Account Summary
- Bill Pay
- eChecks
- Paperless eStatements

ONLINE SERVICES
- New Account Online Application
- Online Loan Application
- Free Mobile Banking
- Information updates on Facebook
- Financial Calculators
- Latest Fraud Alerts
- FoolProof Financial Education
- Latest Loan and Savings Rates

PERSONAL SERVICES
- Safe Deposit Boxes
- Long Term Care Insurance
- Access to Financial Planning & Advice
- Refer-a-Friend Program
- Where Members Drive Auto Buying
Minutes of the 54th Annual Meeting

Fitzsimons Federal Credit Union
March 6, 2009

I. WELCOME AND INTRODUCTIONS
Mr. Smith welcomed the members in attendance and introduced special guests: Attorney and Parliamentarian Brian Holst, Ground Works Design Principals and Architects David Morris and Brian Milnick, Architect Tony Mazeo and; Congressman Ed Perlmutter's Constituent Representative Bill Holen; former state senator Stephanie Takis; and Aurora City Manager Ron Miller.

II. CALL TO ORDER/ MINUTES AND REPORTS
a. Chairman Thomas Smith called the 54th annual meeting of Fitzsimons Credit Union (Fitzsimons) to order at 8:00 PM at the Summit Conference and Event Center, 411 Sable Blvd, Aurora, CO on March 6, 2009.
b. A quorum was present.
c. A motion by Nyle Neves seconded by Mary Jo Touchard to approve the minutes of the 53rd annual meeting was carried. Ken Melcher moved and Lyle Arzt seconded the motion to approve the reports of the Chairman, CEO, Treasurer and Supervisory Committee as printed. Motion carried.

III. CHAIRMAN'S TIME
a. Mr. Smith spoke briefly about the current worldwide economic crisis and assured members that Fitzsimons is in a well-capitalized position, which should provide the cushion needed as net income continues to decline in 2009. He emphasized that the credit union is accustomed to tough times, and cited two examples where the corporate office and branch building was forced to move since 1990. He stated the credit union remained conservative and did not take part in the sub-prime lending frenzy. Although Fitzsimons is feeling the crunch, the credit union is doing all it can to help members restructure their loans as they come upon personal hardships during this crisis.
b. Mr. Smith introduced the board members: Vice Chair George Touchard, Treasurer Darold Riesgaard, Secretary Ruth Bigham and Member Jim Dye.
c. Mr. Smith introduced the executive team and thanked them for their long-term dedication and loyalty to the daily management of the credit union, their solid working relationship with the board, and their steadfastness to the mission of the credit union. Staff was also recognized.

IV. PRESENTATION
a. Lance Jackson and Cindy Milnick from Art + Business ONE were introduced as the creators of the new Fitzsimons Credit Union brand and logo.
b. CEO Sandy Neves presented and explained Fitzsimons' new brand and logo to the membership in attendance.

V. NOMINATING COMMITTEE REPORT
a. Upon determining there was no unfinished business, Mr. Smith introduced Nominating Committee Chairman George Touchard who presented a gift of appreciation to outgoing board members Tom Smith and Darold Riesgaard for their service on the board this term. Mr. Touchard then presented incumbent nominees Thomas Smith and Darold Riesgaard to serve three-year terms. There were no nominations from the floor.
b. Betty Love moved and Mary Jo Touchard seconded the motion to close the nominations. Bob Fritsch moved and Kiki Brown seconded the motion that the positions be filled by acclamation. Motion carried.

VI. ADJOURNMENT
Following awards of several door prizes, a motion by Carol Mills and seconded by Nyle Neves was carried to adjourn the meeting at 9:10 PM.

THOMAS H. SMITH
Chairman of the Board

RUTH E. BIGHAM
Secretary of the Board
THAT’S WHAT PARTNERS ARE FOR.

BOARD OF DIRECTORS
Thomas Smith
Chairman
George Touchard
Vice Chairman
Darold Riesgaard
Treasurer
Ruth Bigham
Secretary
James Dye
Member

MANAGEMENT
Kathy Hix
Fitzsimons Branch Manager
MaryAnne Biaesch
Southlands Branch Manager
Aaron Frick
Loss Prevention Manager
Jessica Mills
Accounting Manager

EXECUTIVES
Sandy Neves
President / CEO
Robert Fryberger, Jr.
Executive Vice President
Kim Awaznezhad
Vice President Lending
Dave Erickson
Vice President Finance
Judy Booth
Vice President Business Relations
Greg Fickas
Vice President Marketing
Andrey Parshenkov
Vice President Information Technology
Cheri Prochazka
Vice President Human Resources

SUPERVISORY COMMITTEE
James Dye
Committee Chairperson
Anthony Briseno
Member
Robert Fritsch
Member
Karen Goodson
Member
Donald Wagner
Member

Your savings are federally insured to a minimum of $250,000 by the National Credit Union Administration.