



Frontier
CREDIT UNION

89th Annual Membership Meeting Report

2025



AGENDA

Wednesday, May 7th, 2025

Welcome	Nathan Downey
Meeting Called to Order	Nathan Downey
Approval of Agenda	Nathan Downey
Determination of a Quorum	Josh Searle
Approval of 2024 Minutes	Nathan Downey
Reports:	
Chairman	Nathan Downey
President	Dan Thurman
Treasurer	Josh Roos
Supervisory Committee	Bryan Forsmann
Credit Committee	Jeff Vogt
Election Results	Cindy High
Welcome New Board Members	Nathan Downey
Old Business	Nathan Downey
Adjournment	Nathan Downey

FRONTIER CREDIT UNION LEADERSHIP

Board of Directors



Nathan Downey
Chairman of the Board



Nicole Mattos
Vice Chairman



Justin Searle
Secretary



Josh Roos
Treasurer



Tyler Brooks
Director



Justin Chipp
Director



Mark Hyndman
Director



FRONTIER CREDIT UNION LEADERSHIP

Executive Team



Dan Thurman
CEO | President



Cindy High
EVP | Chief Operations Officer



Jeff Vogt
EVP | Chief Financial Officer



Ethan Morriss
EVP | Chief Lending Officer



Tina Davis
Chief Marketing Officer



Robert Maynes
General Counsel



Bob Hale
Chief information Officer



FRONTIER CREDIT UNION

Supervisory Committee



Bryan Forsmann
Chairman



Sherree Schell
Vice Chair



Mike Duke
Member



Duane Adamson
Member



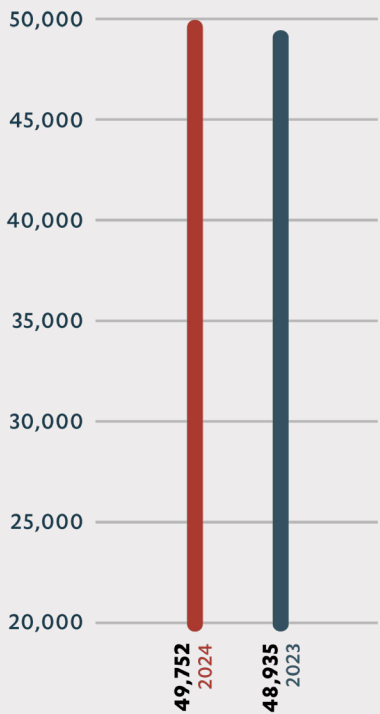
Chad Ostergar
Internal Auditor



FINANCIAL HIGHLIGHTS

As of December 31st, 2024

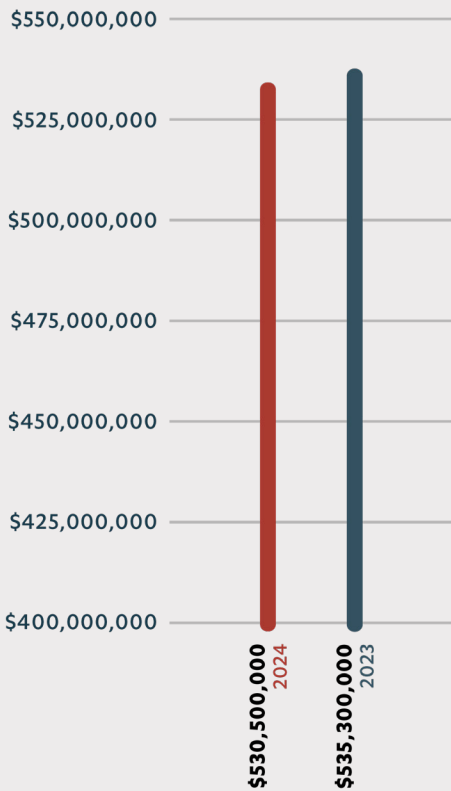
MEMBERSHIPS



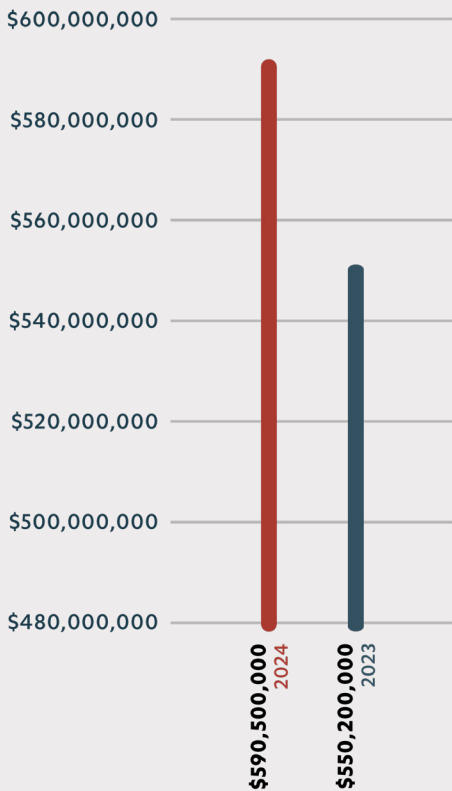
ASSETS



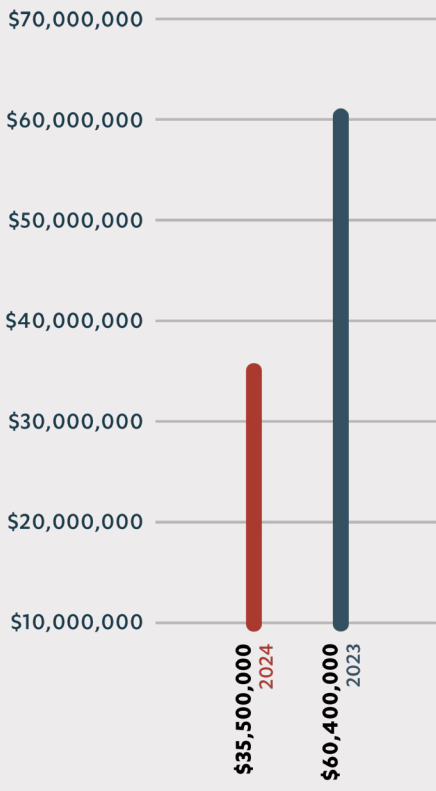
LOANS OUTSTANDING



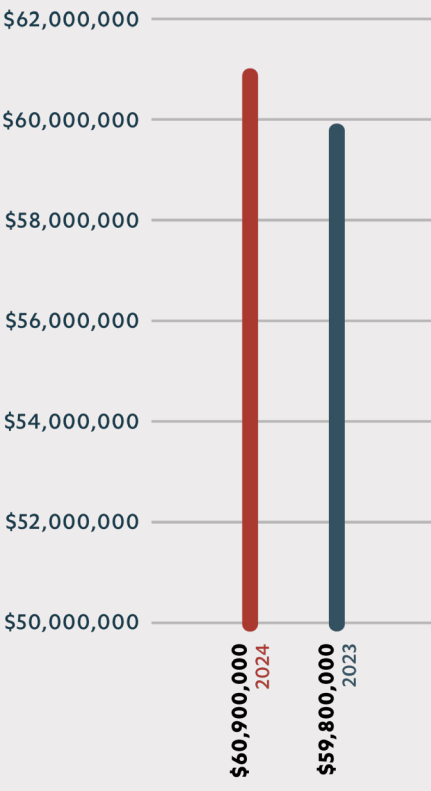
SHARE ACCOUNTS



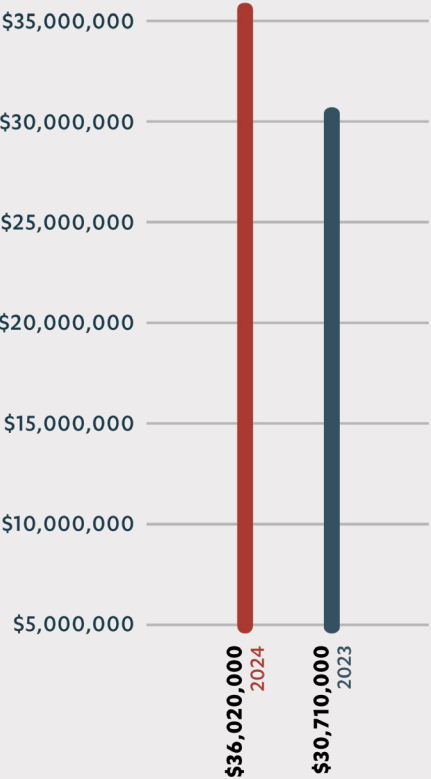
LIABILITIES



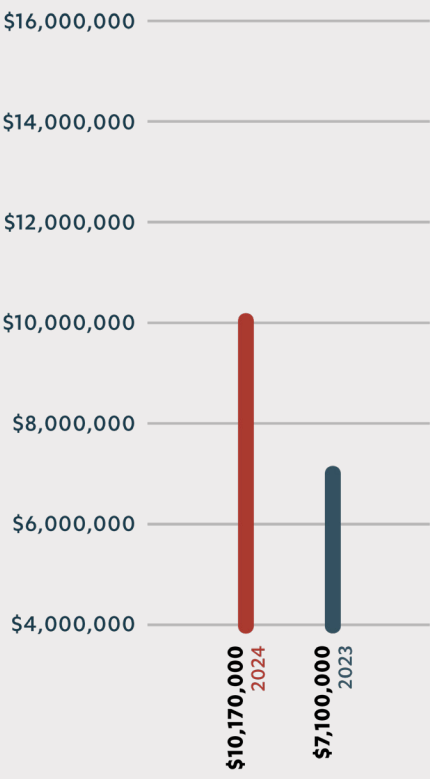
TOTAL EQUITY



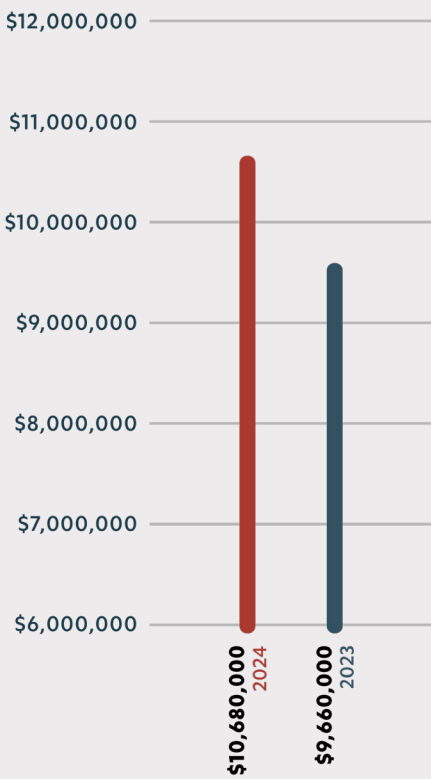
INTEREST INCOME



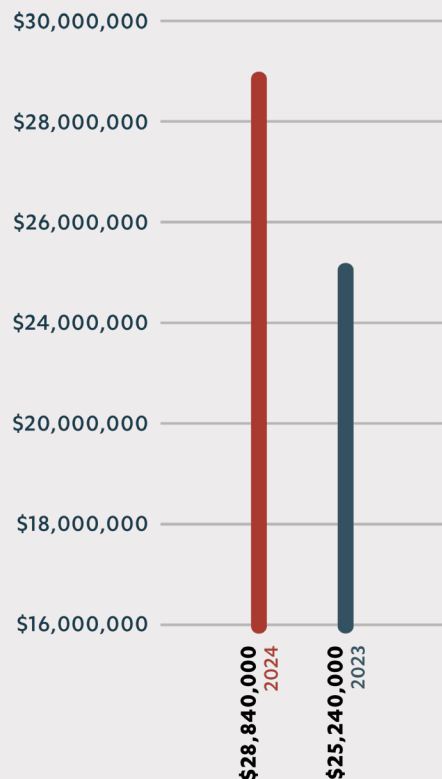
INTEREST EXPENSE



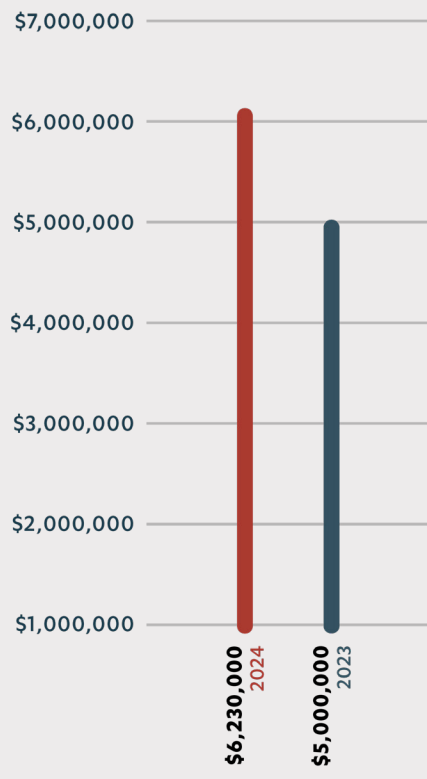
NON-INTEREST INCOME



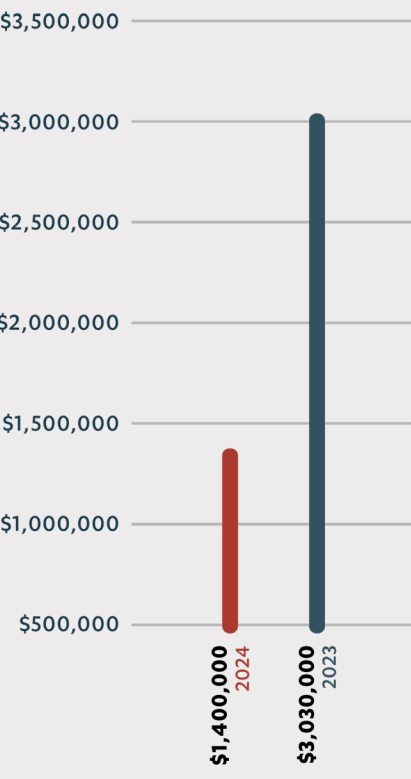
NON-INTEREST EXPENSE



LOAN LOSS EXPENSE



NET INCOME



CHAIRMAN'S REPORT

Hello Frontier Credit Union Members,

It is an exciting time to be a part of Frontier Credit Union. This year marks the 90th year since the founding of this great organization. We have come a very long way since our humble beginning of just a few members and a small amount of deposits to where we are now, and it is my belief that the future is only getting brighter.

This past year the Frontier Team continued to put a large focus on improving our liquidity position as this was something that Federal regulators were still asking of the entire financial industry. Through the efforts of the entire Frontier Team, we have satisfied any requirements and recommendations the regulators gave, and Frontier Credit Union is in a stronger financial position because of the hard work and dedication of the entire team. The Board of Directors is grateful to the entire team for all that they have accomplished. From the front-line employees to the executive level, this was an entire team effort, and it speaks to the caliber of our Frontier team.

As we all know, this past year has been tough economically for many of our members and for the financial industry in general. Inflation and its effects continued to be felt by most of us, from the price of eggs and groceries to the increased interest rates on everything, it was a rough year for individuals, families and organizations, including ours. However, the Board of Directors is happy to report that because of the amazing efforts of the entire team, Frontier Credit Union ended the year with a profit and a strong net worth. These allow us to keep our doors open and continue working hard for you, our members.

The Board of Directors wants to thank you, our Frontier membership, for the confidence you place in us as your elected representatives at this great organization. We are pleased to report that your Frontier Credit Union is strong and has a solid plan to continue our momentum into the future. As the Board continues to work collaboratively and strategically with the executive team, we are very confident that the direction we are headed will benefit both our current and future membership.

I end where I began: It is an exciting time to be a part of Frontier Credit Union

Respectfully,

Nate Downey | Board Chairman



PRESIDENT'S REPORT

As we celebrate the 90th anniversary of Frontier Credit Union, we are reminded that our greatest asset is not just our financial strength, it is the people and communities we serve.

This past year has not been without its challenges. Inflation, elevated interest rates, and shifts in consumer behavior created headwinds for families and financial institutions alike. But through it all, I remain inspired by the dedication, innovation, and heart of our team. Every department, every branch, and every individual contributed to a year defined not only by resilience, but by progress.

We saw substantial growth in member shares, with deposits increasing by \$47 million—a 9% jump over last year. Our new Driggs branch played a vital role in that growth, and with upcoming locations planned in Star, Montpelier, and Shoshone, we are expanding our reach and reaffirming our mission to build better lives across Idaho.

Building Better Lives isn't just about numbers, it's about what those numbers allow us to do. Because we're growing, we can give more, support more, and show up for our communities in new and meaningful ways.

We are especially proud of the new Spirit Card program we're launching in partnership with local high schools. This co-branded card initiative is designed to provide schools with some much-needed funding with no strings attached. Beyond the card itself, it represents our investment in the future of our communities. The long-term impact of this program could be transformational, and we're excited to take this first step together. This is just one of the many investments we have made in the communities we serve, and we are proud of the work we are doing to Build Better Lives.

This builds on the ongoing work of the Frontier Foundation, which expanded its reach again in 2024. From scholarships to shoes, food drives to community events, the Foundation continues to be a beacon of hope and a source of pride for everyone connected to Frontier.

Financially, we've taken prudent measures to address industry-wide loan losses, particularly in auto lending. With new tools, partnerships, and a focus on proactive service, we are better positioned for a stronger 2025. Our Net Worth Ratio of 9.09% keeps us well within the "well capitalized" category, proof of our long-term stability and sound strategy.

As our Chairman so perfectly put it when he said "this is an exciting time to be part of Frontier Credit Union." And I couldn't agree more.

Thank you for your trust, your membership, and your shared belief in the power of community. Here's to the next 90 years, and to the brighter futures we're building together.

With gratitude,

Dan Thurman | President & CEO



TREASURER'S REPORT

In 2024, Frontier Credit Union experienced significant growth in member shares, marking a strong rebound from the flat growth observed in 2023 across the industry. Member shares increased by \$47 million, reflecting a 9% year-over-year growth. This was partially driven by the successful opening of our newest branch in Driggs. Looking ahead, we anticipate further deposit growth with the planned openings of new branches in Star, Montpelier, and Shoshone, reinforcing our commitment to building better lives for our members and communities.

While member deposits were up substantially, loans were flat. With rates still high, many consumers were taking a wait-and-see approach to big ticket items such as new cars and homes.

Our 2024 financials were impacted by high loan losses. Income was down from the prior years, but still reasonable given loan loss challenges; our book income came in at \$1.4 million.

On the heels of COVID, the Credit Union Industry was marked by a trend that impacted our 2024 loan losses. Used auto prices had risen dramatically in 2022 and 2023 as inventory at dealers was still low from COVID-induced supply shortages. As our 2024 repossessed collateral was sold, the write-downs from the realized sales prices fell materially short of the original loan values. The resale markets are starting to correct themselves and we look for an improved loan loss picture in 2025. We have added new collections tracking software as well as a 3rd party that specializes in Credit Union collections to further mitigate these losses.

Our NCUA-measured Net Worth Ratio finished the year at 9.09% of assets, which was well above the required level of 7.00% to be considered in the “well capitalized” group of credit unions in the country. For over 89 years we’ve been providing for the financial growth of our members and the communities we serve. As the Treasurer of the Board of Directors I am happy to report that as an organization we are financially strong.

Thank you,

Josh Roos | Treasurer



SUPERVISORY COMMITTEE'S REPORT

It is my privilege, as Chairman of the Supervisory Committee, to present our report on the oversight activities conducted throughout the past year.

The Supervisory Committee is entrusted by you, the members, with the crucial responsibility of ensuring the safety and soundness of your credit union. We diligently work to safeguard your assets and verify that Frontier Credit Union operates in a manner consistent with its bylaws, sound financial practices, and all applicable regulations.

Throughout 2024, the Committee actively fulfilled its duties through a combination of ongoing reviews, detailed examinations, and collaborative engagement with management and staff. We focused on key areas including internal controls, adherence to policies and procedures, and the overall financial health of the credit union.

A significant aspect of our oversight this past year was the engagement of the independent auditing firm, Eide Bailly LLP, to conduct a comprehensive audit of the credit union's financial statements as of year-end 2024. We are pleased to report that Eide Bailly has completed their audit, and in their professional opinion, the financial statements of Frontier Credit Union as of December 31, 2024, are represented fairly in all material respects. This opinion underscores the integrity and accuracy of the credit union's financial reporting.

The Supervisory Committee extends its sincere appreciation to the management team and staff of Frontier Credit Union for their dedication, cooperation, and commitment to maintaining a strong and secure financial institution for its members. Their professionalism and transparency are vital to the effective fulfillment of our oversight responsibilities.

In closing, the Supervisory Committee believes that Frontier Credit Union remains a financially sound and well-managed institution, dedicated to serving the financial needs of its membership. We are confident in the credit union's continued success and its ability to provide valuable services to you, our members.

On behalf of the Supervisory Committee, I respectfully submit this report.

Thank you,

Bryan Forsmann | Supervisory Committee Chairman





14 CONVENIENT BRANCHES

Main Branch

865 S. Woodruff Avenue | Idaho Falls, ID 83401

Freeman Branch

1170 Science Center Drive | Idaho Falls, ID 83402

Ammon Branch

3255 E. 17th Street | Ammon, ID 83406

Shelley Branch

418 W. Fir Street | Shelley, ID 83274

Pocatello Branch

1700 Hurley Drive | Pocatello, ID 83202

Arco Branch

120 W. Grand Avenue | Arco, ID 83213

Challis Branch

1307 A Highway 93 S. | Challis, ID 83226

Salmon Branch

777 Shoup Street | Salmon, ID 83467

Rexburg Branch

310 N. 2nd E. | Rexburg, ID 83440

St. Anthony Branch

750 N. Bridge Street | St. Anthony, ID 83445

Ten Mile Branch

3087 W. Milano Drive | Meridian, ID 83646

Star Branch

11368 W. State Street | Star, ID 83669

Driggs Branch

1105 N Highway 33 | Driggs, ID 83422

Montpelier Branch

276 N. 4th Street | Montpelier, ID 83254

Shoshone Branch

coming soon

Butte, Montana Branch

coming soon

FrontierCreditUnion.com

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FRONTIER CREDIT UNION ANNUAL MEETING MINUTES

Held at Frontier Credit Union / 865 S. Woodruff Avenue, Idaho Falls / May 1st, 2024

Nate Downey, the Board Chairman, called the meeting to order at 3:30 p.m.

Nate asked for a motion to approve the agenda, there was a second. The motion carried.

Nate then asked Nicole Mattos, Board Secretary, if we had a quorum in attendance. She replied, “Yes”.

Nate asked for a motion to approve the 2023 Minutes. There was a second and the motion carried.

Nate stated the reports presented in today’s meeting will come from the Annual Meeting Report booklet found digitally on the Frontier Credit Union website. Highlights will be shared in this meeting.

REPORTS:

Chairman: Nate Downey shared the following:

- One of the biggest areas of change in 2023 was the name change, from East Idaho Credit Union to Frontier Credit Union. Even though we changed our logos, brands, etc., the areas that didn’t change included our people, our values and those things that lead us and guide us as we pursue helping our members build better lives for themselves. I am proud of this monumental change in our organization while still maintaining our values and the things that are important to us without compromising a thing.
- Like many of you, we heard questions like, “Did you get bought out?” “Did you merge with someone?” The answers of course were no. We are no longer East Idaho Credit Union, we are growing and we have big plans for the future. Although we love our roots, we had to do some changes. I enjoyed the conversations with others ensuring them that we are the same people, the same organization, and we are just making plans for a great future.
- In 2023, the Federal and State examiners had us focus on liquidity. We knew it was coming. We have been focused on liquidity all year. Thank you to the entire Frontier team because we have been able to achieve those goals quicker than expected. Because of the efforts of our amazing team, we were able to get there ahead of or at the schedule everyone was expecting.
- I am proud of being a part of this organization and thankful for the whole team here at Frontier Credit Union.

President: Dan Thurman shared the following:

- The last two years we have been focused on developing a new commercial business line for our organization. The Treasury Management and Commercial Lending teams have started to take hold and are really helping the small businesses in our communities. The more we work with the small businesses in the communities that we serve, we will become their trusted partner that is there to help support what is “main street in Idaho, in the nation and in the communities that we serve”. I am proud of the work we are doing in that area.



FRONTIER CREDIT UNION ANNUAL MEETING MINUTES | 2

Held at Frontier Credit Union / 865 S. Woodruff Avenue, Idaho Falls / May 1st, 2024

- We have opened two more branches since our last Annual meeting. A branch in Treasure Valley is a historic event for our organization to be in that area. Our Ten Mile Branch is open and doing well. We also opened a new branch in Driggs. I have worked at Frontier for 22 years, and there have been people calling us yearly asking us when we are going to put a branch in Driggs. It was never quite the right time, or the right fit for our organization. However last year it was the right time and place. We are proud to be in Driggs and supporting that part of our state as well.

- We also had the opportunity last year to make a sizable donation to the City of Idaho Falls. It is a private, public partnership to move a project forward for what used to be the Civic Auditorium. In addition to the remodel, they will expand the lobby space, add ADA bathrooms, and a new exterior façade. They will also close off access to the high school, which will help increase the security and bring that safety standard up to par. In addition to all those things, we have a renaming right to that building. It will now be called The Frontier Center for Performing Arts. Things are moving nicely, and they are finishing up their fundraising round and will go out to bid shortly.

We are excited to be part of it. It plays a huge part in our community with dance recitals, concerts, Broadway shows, symphonies and youth symphonies. Our focus is on building better lives, and the Frontier Center for Performing Arts is key in our community and a great spot for the kids in our community with dance recitals, concerts and symphonies. Our Foundation is focused on helping the youth and the kids in our community. It's a nice partnership!

- With our 2023 rebranding, it was a monumental undertaking. Hats off to Steven Foster and the Rebranding Committee and everyone involved. It took everyone to help with this endeavor, from tellers on the front line to our Board of Directors and Supervisory Committee members and more to make it happen. I was on the fence when we first started talking about it, but as we got going and saw the possibilities, I was still not prepared for it. When you make a decision like that, there will always be people who are not happy about the decision. Even though there were a few, it was so minimal compared to what we were prepared for, it was a resounding success. What a great transition, adjustment and legacy that we are leaving for this organization as we continue to grow and push forward.

Treasury Report: Josh Roos thanked Dan and the whole team for the hard work they have done in 2023. Josh shared the following:

- 2023 was a challenging year for the industry and we were no exception here at Frontier. We saw a rapid increase in the cost of deposits after the banking crisis caused by the failure of Silicon Valley Bank.

- Frontier and the industry had an increase in loan losses, which we call delinquencies and charge offs. Although our delinquencies and loan losses increased as we moved through 2023, they are currently back down to normal levels. This is great news for all of us.

- Despite all of this, we finished the year with earnings over \$3 Million. We had a strong net worth ratio of 9.19%.

- For over 88 years, we have been providing for the financial growth of our members and the communities we serve.

As the Treasurer of the Board of Directors, I am happy to report that as an organization we are financially strong.

Supervisory Committee: Bryan Forsmann, the Supervisory Committee Chairman shared the following:



FRONTIER CREDIT UNION ANNUAL MEETING MINUTES | 3

Held at Frontier Credit Union / 865 S. Woodruff Avenue, Idaho Falls / May 1st, 2024

- Frontier Credit Union's Supervisory Committee is appointed by the Board of Directors and is responsible for ensuring that the credit union is operating within the policies and procedures set forth by the state and federal regulators and the Board of Directors of the credit union. The Supervisory Committee reports annually to the members and monthly to the Board of Directors.
- Frontier Credit Union is a state chartered financial institution, and as such, is regulated by the state of Idaho Department of Finance. The state is required to examine the credit union to ensure state and federal regulations are followed. This year we also received a joint exam by the State of Idaho Department of Finance and the National Credit Union Administration (NCUA). The examiners were pleased with their findings and complimentary of our policies, our supervisory oversight, and financial performance.
- Each year the Supervisory Committee engages an independent auditing firm to perform an external audit of the credit union's financial accounts for the completed year. The Supervisory Committee engaged the independent accounting firm Eide Bailly to perform the external audit for the period ending December 31, 2023.
- As the Supervisory Committee, we would like to thank the Board of Directors and the Senior Leadership Team for their continued vigilance in providing sustainable growth and monitoring risk in a sound and responsible manner.

Credit Committee Report: Ethan Morris, the Chief Lending Officer shared the following:

- We had a great year last year. We did what we budgeted. We planned two years ago to pull our lending back. Last year we wanted to make sure our net interest margin was strong. We set up a plan on how to lend, not to lend too much but keep the lending engines rolling.

The lending numbers at the end of 2023 were as follows:

- In the branches we made \$8.7M.
- Remote Lending and Product Advisory was \$15.6M
- Indirect was \$77M
- Mortgage was \$40.1M and Commercial was almost \$20M.

Although it wasn't the years we had in the past when we were lending \$35M a month, we ended the year at \$147.6M and adding the mortgages that we sold, we were about \$162M.

- Like our peers, the number of delinquencies have been going up. Collections and charge offs went up and spiked at the end of the year. We ended our year at \$7.1M with our delinquencies that are over 60 days late. Our gross charge offs were averaging \$500k. We ended the year with charge offs at \$443k.

Collections:



FRONTIER CREDIT UNION ANNUAL MEETING MINUTES | 4

Held at Frontier Credit Union / 865 S. Woodruff Avenue, Idaho Falls / May 1st, 2024

- We are getting it back to normal with our net charge offs doing great. We are recovering more money than we ever have and our net charge offs for the end of March was \$236k.
- Delinquencies ended at \$5.4M, down from \$7.1M at the end of December. We have brought our delinquencies down 24% since the first of the year.
- We have done this through training, procedures and practices, we have revised letters, enhanced disposition of repossessed collateral. We have instituted texting which we didn't do before. We have also partnered with SWBC, a collections company. They do our early collections through phone calls, texts and emails for up to 30 days and recently moved that to 45 days. The legal partnership between collections and legal has grown great roots and we will continue to grow together. We recently hired a new Collections Manager about 6 weeks ago. She has 20 years of experience and is doing great. We are also implementing new software to better manage that area.

Election Results: Cindy High, representing the Nominating Committee, shared the following:

- For 2024, we have two open positions on the board. We have been voting for the past week. We welcome the following: With 72% of the votes, Josh Roos and with 69% of the votes Nicole Mattos. Thank you for your participation.

Nate thanked Cindy and the nominating committee for their efforts in this process. He welcomed both Josh and Nicole back to the board.

Old Business:

Nate stated we had a member come into the branch prior to this meeting. She was not able to attend this meeting, but she left some paperwork for Dan Thurman to review and present at this meeting.

Dan said this member had some concerns and unfortunately her time commitment didn't allow her to attend. She brought letters addressed to each board member and supervisory committee and several of the management team members. It was a situation that was new to Dan, and it was discussed with Rob Maynes, General Council. He was not aware of the situation either. We are starting to get information about her concerns. It looks like this member may be involved in some type of fraud or scam. We are looking into this and will distribute this letter to those addressed on the letter. We will have updates later on that situation.

There was a motion and a second to adjourn the meeting.

The meeting adjourned at 3:49 p.m.





Frontier
CREDIT UNION

89th Annual Membership Meeting Report

2025