



2009 Annual Report





Dale R. Whittaker, Chairman, Board of Directors

In 2009, we saw the worst economic downturn since the Great Depression. It is times like these that distinguish strong financial institutions from the others. I am pleased to report that in the midst of these trying times, Vantage West remains financially viable.

In 2009, Vantage West served more than 104,000 members, held more than \$1 billion in total assets, and maintained more than \$102 million in reserves at year's end.

As we continue to weather these turbulent economic times, we are very aware that many of our members are also faced with unique and unprecedented financial challenges. Rest assured, we have not, and will not lose sight of our mission, *"People helping people achieve their financial goals...our #1 priority!"*

Our strategic approach to remaining financially sound during this recession is centered on you, our members. We know you have many options for meeting your financial goals. We promise to continue earning your business by providing loans, accounts and financial tools that work for you.

On behalf of the Board of Directors, our Supervisory Committee, and staff at Vantage West Credit Union, I am pleased to present this Annual Report to the credit union membership.

Thank you for helping keep Vantage West Credit Union what it is today!

Robert D. Ramirez, President/CEO

On January 1, 2009, we started our bounce back from one of the worst financial periods in the history of our credit union. After ending 2008 with a \$10.1 million net loss, we responded to the challenge by taking positive steps. We rededicated our management teams, and went to work at finding ways to enhance revenue and reduce operating expenses. We also formed a committee to review our processes, and to determine how we could improve on the delivery of products and services to our membership. Furthermore, we did something unprecedented for financial institutions: We reviewed several of our member fees and rather than raise them, we reduced them, or in some cases, eliminated them all together.



As we looked at our future as a credit union, we evaluated a few viable options and determined we could either find ways to grow, or we could reduce our size and operations. However, we agreed the one option that was not suitable was to stay the same. Consequently, we chose to find ways to grow our credit union using two strategies: 1) organic growth by providing our members with exceptional member service, and 2) through mergers.

I am happy to report that our efforts have paid off. As of December 31, 2009, our net income was \$429,000, which is a turnaround of more than \$10.5 million from the previous year.

In 2010, we will be adding a full-service branch in Casa Grande, another in Tucson at Tanque Verde/Sabino Canyon, and three additional branches in Phoenix through our merger with First Edition Community Credit Union. We will also continue to explore other innovative ways to provide our members with exceptional services using more electronic delivery channels.

We remain focused and committed to our mission, *"People helping people achieve their financial goals...our #1 priority,"* and we will always work hard to earn your business and trust.



Charles H. Matthewson, Treasurer, Board of Directors

The National Credit Union Administration described the year-end situation this way: “Credit unions finished 2009 with nearly 10% net worth, while loan demand and delinquencies showed weakness in the face of economic stress” (The NCUA Report, March 2010). This description precisely fits the Vantage West experience.

We finished with a net worth of 9.54% (the NCUA considers levels above 7% to be “well capitalized”), a loan-to-share ratio of 90.87% (it was well over 100% for the prior two years), and a delinquency rate of 2.12% (it was under 0.5% at the beginning of the recession).

While 2009 was a tough year for the credit union and our members, we remain positioned as one of the most safe and most sound credit unions in Arizona. Because of this, we entered the new year in a good position to help our members achieve their financial goals.

Unlike most Arizona credit unions (and unlike all other Tucson credit unions), Vantage West ended the year in the black, yielding a net income of \$429,000. This helped us begin 2010 with the foundation and momentum for improving member services, our financial products, and our interest rates.

Already, we are seeing signs of recovery for 2010: Our net worth has risen to 10%, and delinquencies have declined to 1.84%. However, our loan-to-share ratio is still only about 90%. This is where you, our members, come in.

So, please do “come in” and help us help you. We are here to lend you money, and we have been working to make our loan policies and loan rates more favorable to you, your families and friends. Tell them to come in, too. Like you, they’ll like the difference.

Helen Arnold, Chairperson, Supervisory Committee

The members of Vantage West Credit Union's Supervisory Committee are appointed by the credit union's Board of Directors, in accordance with Arizona law and the credit union's bylaws. The committee's primary responsibility is to ensure that the directors, committees and employees of our credit union comply with the rules and regulations set forth by Arizona law and enforced by the Arizona Department of Financial Institutions (ADFI). General credit union operations for Vantage West are overseen and regulated by the AZDFI, in accordance with Arizona's financial institution laws as well as by the National Credit Union Administration (NCUA). The ADFI conducts the credit union's regular safety and soundness examinations.



The Supervisory Committee also conducts an annual comprehensive review of the credit union's internal controls in association with the certified public accounting firm of Orth, Chakler, Murnane and Company, CPAs; and retains an internal auditor on staff.

I am pleased to report that all reviews of Vantage West's performance indicate that the credit union is a strongly capitalized financial institution. Congratulations to all Vantage West staff, management and volunteers for their part in making the credit union a success.



Vantage West Credit Union Officers

Board of Directors

Dale R. Whittaker	Chairman
Wilmer L. "Lou" Gum	Vice Chairman
Charles H. "Matt" Matthewson	Treasurer
Gloria Gonzalez	Secretary
Tomas L. Valdez	Director
Edward L. Sorrell	Director
Gary W. Smith	Director

Supervisory Committee

Helen Arnold	Chairperson
Ernie Norzagaray	Secretary
Edward Martin	Member
Sophie Elder	Member
Richard Diaz	Member
Miland Wilken	Alternate Member
Patricia Raymond	Alternate Member
Charles Wilson	Alternate Member

Senior Management

Robert D. Ramirez	President/CEO
Rene S. Almazan	Sr. Vice President, Sales
Gary S. Bram	Sr. Vice President, Marketing
Steven M. Mott	Sr. Vice President, Information Technology
Tamara Achilles	Vice President, Compliance
Daniel Clemens	Vice President, Enterprise Risk Management
Doris Gant	Vice President, Operations
Jamie S. Hernandez	Vice President, Regional Manager
Sandra B. Lueders	Vice President, Human Resources
Gary McDougall	Vice President, Loan Sales/CLO
Scott B. Odom	Vice President, Finance/Controller
Charles "Chuck" Powell	Vice President, Asset/Liability
Kathy Ramirez	Vice President, Business Lending & Services



**Statement of Financial Condition
As of December 31, 2009**

Assets	
Cash & Cash Equivalents	\$ 87,874,831
Investments	107,927,090
Loans, Net of Allowance for Loan Loss	831,708,959
Accrued Interest Receivable	4,094,949
NCUA Share Insurance Deposit	9,539,716
Land & Buildings, Net of Depreciation	16,491,520
Furniture & Equipment, Net of Depreciation	2,795,680
Other Assets	11,852,170
Total Assets	<u><u>1,072,284,915</u></u>
Liabilities	
Borrowed Funds	25,000,000
Accounts Payable and Accrued Liabilities	7,529,991
Member Deposit Accounts	937,152,512
Total Liabilities	<u><u>969,682,503</u></u>
Equity	
Reserves	102,296,259
Accumulated Other Comprehensive Income (Loss)	306,153
Total Equity	<u><u>102,602,412</u></u>
Total Liabilities & Equity	<u><u>\$ 1,072,284,915</u></u>

Statement of Income
For the Twelve Months Ending December 31, 2009

Interest Income	
Loan Interest	\$ 57,456,080
Investment Income	<u>2,018,527</u>
Total Interest Income	<u>59,474,607</u>
Dividend and Interest Expense	
Dividend Expense	13,838,343
Interest on Borrowed Funds	<u>198,429</u>
Total Dividend and Interest Expense	<u>14,036,772</u>
Net Interest Income	45,437,835
Provision for Loan Losses	<u>24,250,000</u>
Net Interest Income after Provision	<u>21,187,835</u>
Non-Interest Income	
Fees and Commission Income	12,556,248
Income from NCUSIF	5,254,466
Miscellaneous Non-Interest Income	<u>270,986</u>
Total Non-Interest Income	<u>18,081,700</u>
	<u>39,269,535</u>
Non-Interest Expense	
Salaries and Benefits	17,009,174
Office Operations	11,731,794
Impairment of NCUSIF Deposit	5,254,466
Office Occupancy	1,802,308
NCUSIF Premium Assessment	1,430,957
Other Expense	874,627
Professional and Outside Services	<u>737,075</u>
Total Non-Interest Expense	<u>38,840,401</u>
Net Income (Loss)	<u>\$ 429,134</u>

Website

Vwestcu.org

Email

Info@Vwestcu.org

Corporate Address

2480 N. Arcadia Ave., Tucson, AZ 85712

Mailing Address

P.O. Box 15115, Tucson, AZ 85708

Branch Locations

Broadway	8465 E. Broadway Blvd.
Craycroft	2222-4 S. Craycroft Rd.
DM Air Force Base*	2520 S. Craycroft Rd.
Marana (<i>AZ Pavilions</i>)	8290 N. Cortaro Rd.
Northwest	550 W. Magee Rd.
Rita Ranch	7394 S. Nexus Rd.
Southwest	3125 E. Valencia Rd.
University	801 E. Speedway Blvd.
Wilmot	1100 N. Wilmot Rd.
Phoenix	3416 N. 24th Ln.
San Manuel	141 W. 8th Ave.

* *Limited Access*