



VantageWest
CREDIT UNION

2008 Annual Report



Dale R. Whittaker, Chairman, Board of Directors

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 you.

The financial services marketplace has been severely challenged this past year, and many of our members, their families and friends have been adversely affected. Throughout this whole ordeal, one thing remains constant at Vantage West Credit Union: We remain focused on our mission, *"People helping people achieve their financial goals...our #1 priority!"* We continue to provide competitively priced products and services to our members, and unlike other financial institutions, we have money to lend.

Vantage West Credit Union remains a strong financial institution with more than 104,000 members, more than \$964 million in total assets, and total reserves of nearly \$102 million. Our membership can rest assured that we will be here for the long-term in meeting and exceeding your need for financial products and services.

I want to thank you, our membership, for your continued support of our credit union. We know that you have many options in meeting your financial goals. We will not lose sight of the fact that we need to continue earning your business now and into the future.

Robert D. Ramirez, President/CEO



The year 2008 will be remembered as a year of change and a year of economic challenges. We saw changes in the political leadership, and unprecedented challenges in the financial services sector. We also saw how the failures of parts of our economic system generated hardships for many of our citizens and great anxiety across our nation.

Although no one wishes for difficult economic times, for Vantage West Credit Union, this has presented us with a great opportunity to live our mission, *"People helping people achieve their financial goals... our #1 priority."* We have remained focused on the ongoing needs of our members, and worked on being proactive in helping those who have been hurt by the economic crisis.

We continued to enhance our value-based products and services (such as checking, savings and retirement accounts, as well as home, vehicle and commercial loans) to meet your personal and small business needs. We also expanded our vehicle loan program in the Phoenix market with the opening of our Phoenix Loan Center in August 2008. In 2009, we will continue to expand our business locations in an effort to provide additional convenience to our members.

In closing, let me assure you that we remain financially sound and stable. We have taken positive steps to ensure that we remain a viable financial institution, and our nearly 55 years in business has prepared us well to succeed in the times ahead.

When times are good, it is easy to say, *"We're here when you need us."* But it is during the times when people and institutions are challenged that the true character of a person or an institution becomes apparent. **Your credit union is here for you.**

I thank you for your support. We appreciate the opportunity to serve you. We value your membership, and we will continue to work diligently on your behalf.



Charles H. Matthewson, Treasurer, Board of Directors

I'll summarize my report in non-technical, non-financial terms: *"It's good to see the year 2008 in our rear-view mirror!"* With better economic signals on the horizon as we move into mid-2009, your credit union is positioned as an industry leader in Southern Arizona - strong and sound, even after maneuvering rough roads over the past year.

We finished 2008 with our net worth at nearly 11% of our assets, down just more than one percentage point from 2007, and about equal to the national average of other large credit unions. Federal regulators consider credit unions to be "well capitalized" when they are above 7%. So, we remain very well capitalized even after enduring several difficult months in latter 2008 when we absorbed unusually high charges for anticipated loan losses and for special assessments for certain impaired investments. We met these costs head on, positioning us to emerge from this economic pile-up, not just safely but stronger than other financial institutions.

Despite higher than normal loan losses, we have maintained an earnings ratio that is higher than the average of other large credit unions. With greater earnings, we've been able to offer higher dividends for our members, even as other investment vehicles were crashing around us during the closing months of 2008.

The opportunities ahead for reaching your financial destinations are likely to be just as dramatic as the tough times we're leaving behind. You should feel very confident that your credit union's management has a strong hand on the wheel (*an expert leadership team*), a heads-up view of the road (*the latest economic data and analytical tools*), a detailed and current roadmap (*an updated strategic business plan*), and a well-maintained vehicle (*outstanding operational systems and staff*).

All they need is for you to keep pumping the fuel by making deposits and taking out loans.

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 ADFI, 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
Wilmer L. "Lou" Gum
Charles H. "Matt" Matthewson
Gloria Gonzalez
Tomas L. Valdez
Edward L. Sorrell
Gary W. Smith

Chairman
Vice Chairman
Treasurer
Secretary
Director
Director
Director

Supervisory Committee

Helen Arnold
Ernie Norzagaray
Sophie Elder
Edward Martin
Richard F. Diaz
Ricardo Rodriguez
Miland "Mike" Wilken

Chairperson
Secretary
Member
Member
Member
Alternate Member
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
Marilyn J. Austin	Vice President, Branch Sales
Autumn Bradley-Dinkel	Vice President, Sales/Market Manager
Daniel Clemens	Vice President, Internal Audit
June Diaz	Vice President, Loan Administration
Doris Gant	Vice President, Operations
Suzanne M. Hurst	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, 2008

Assets

Loans, Net of Allowance for Loan Loss	\$	847,047,899
Cash & Cash Equivalents		59,254,807
Investments		19,096,411
NCUA Share Insurance Deposit		7,536,621
Land & Buildings, Net of Depreciation		15,933,962
Furniture & Equipment, Net of Depreciation		4,048,235
Accrued Income		3,750,150
Other Assets		7,602,791
Total Assets	\$	964,270,876

Liabilities

Borrowed Funds	\$	50,000,000
Accounts Payable and Accrued Liabilities		5,516,036
Member Deposit Accounts		806,560,365
Total Liabilities	\$	862,076,401

Equity

Reserves	\$	101,867,124
Accumulated Other Comprehensive Income (Loss)		327,351
Total Equity	\$	102,194,475
Total Liabilities & Equity	\$	964,270,876

Statement of Income
For the Twelve Months Ending December 31, 2008

Income

Interest on Loans	\$ 57,187,685
Income on Investments	1,600,526
Other Income	12,833,352
Total Gross Income	<u>\$ 71,621,563</u>

Operating Expenses

Employee Compensation & Benefits	\$ 17,059,585
Office Occupancy	1,825,565
Office Operations	8,255,994
Marketing	1,812,406
Loan Servicing	1,020,402
Contract Services	613,361
Provision for Loan Losses	28,911,100
Other Expenses	960,480
Total Operating Expenses	<u>\$ 60,458,893</u>

Net Operating Income	\$ 11,162,670
Non Operating Income (Expense)	<u>(1,115,487)</u>
Net Income Before Dividends	\$ 10,047,183
Dividends and Interest Expense	20,171,883
Net Income (Loss)	<u>\$ (10,124,700)</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 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*

