

Making an Impact: Point West's staff gave back to the in a big way in 2014²



\$13,000

Dollars donated by staff to charity in 2014, including \$7,500 to CU4Kids.



878 Hours

Hours spent volunteering by staff in 2014, or about 30.3 hours per employee.



24+ Charities

Organizations assisted in 2014, including Financial Beginnings, Oregon Food Bank and more.



Statement of Financial Condition³

	2013	2014	2013	2014
CAPITAL/TOTAL ASSETS	6.35%	6.98%		
ASSETS				
Loans	59,920,672	62,719,084	Income from Loans	3,169,817
Allowance for Loan Losses	(1,243,922)	(831,744)	Income from Investments	234,421
Cash & Cash Equivalents	9,032,087	12,628,144	INTEREST EXPENSE	
Investments	16,722,192	13,360,291	Dividends & Interest Paid	317,404
Property & Equipment	3,441,549	3,412,310	Borrowing Expense	37
Accrued Interest Receivable	219,226	230,786	NET INTEREST INCOME	
NCUSIF Deposit	843,699	878,748	3,086,797	3,036,564
Other Assets	1,729,073	1,568,440	PROVISION FOR LOAN LOSSES	
TOTAL ASSETS	91,714,576	93,966,059	(1,055)	(74,851)
LIABILITIES & MEMBER EQUITY				
Member Shares	84,753,910	86,500,918	NON-INTEREST INCOME	
Borrowings	0	695,506	Fees & Charges	1,046,040
Accrued Expenses & Other Liabilities	492,231	472,002	Other Income	101,111
Regular Reserves	4,725,630	5,104,555	Sale of Property & Equipment	0
Undivided Earnings	1,058,602	1,200,981	Sale of Investments	0
Unrealized Gain/Loss on Investments	(315,797)	(7,903)	TOTAL NON-INTEREST INCOME	
TOTAL LIABILITIES & MEMBER EQUITY	90,714,576	93,966,059	1,147,151	1,163,642
NOTES TO FINANCIAL STATEMENT				
Total Regulator Net Worth	5,784,232	6,555,536	NON-INTEREST EXPENSE	
Secondary Capital	0	250,000	Compensation & Benefits	1,627,366
Non-Member Deposits	0	50,000	Office Operations	949,707
Total Coverage for Problem Loans	7,028,154	7,137,280	Professional Services	413,652
Problem Loans	160,173	10,529	Office Occupancy	266,260
Troubled Debt Restructures	460,318	201,935	Loan Servicing	77,762
			Marketing & Promotion	120,650
			NCUA Assessments	67,496
			Other Expense	305,195
			TOTAL NON-INTEREST EXPENSE	
			3,828,088	3,753,753
			NET INCOME	
			406,915	512,304

¹ECONorthwest completed an independent analysis in 2014 that analyzed the gross economic impacts of Point West. The study measured jobs, economic output, and income supported by credit unions in the regional economy, as well as the direct benefit value that not-for-profit, credit unions are uniquely positioned to return to members. ²Data obtained from the credit union's internal tracking and reporting platforms. ³The accompanying December 31, 2014 condensed financial statements have been derived from financial statements prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. Audited statements will be available upon request by contacting the credit union at 503.546.5000.

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2014 Annual Report

Pursuing Financial Wellness for our members and member businesses and empowering our community.

Point West Credit Union 82nd Annual Member Business Meeting

Tuesday, April 7th, 2015
Multnomah County Board Room
501 SE Hawthorne Blvd | Portland, OR

Meeting Agenda

- 4:30pm Welcome
- 4:35pm Board Elections
- 4:45pm Keynote Speaker: Jennifer Wagner, SVP Advocacy, NWCUA
- 5:10pm Chairman's Report
Supervisory Committee Report
President's Report
- 6:00pm Prize Drawings
Annual Meeting Concludes

A Message from your President & CEO



This past year was yet another reminder that Point West is a credit union on the move. We continue to make significant strides to strengthen our cooperative, while remaining laser-focused on providing our members the Financial Wellness that they deserve.

Net income exceeded forecasts for the year, with the credit union earning over \$500,000, a 28% increase over 2013. That, combined with maintaining

low loan delinquencies, a nearly 1% reduction in our charge-off ratio as a percentage of total loans, and continuing to watch our operating expenses, created an opportunity to bring Point West's net worth ratio over 7% using average assets for the first time since the credit union entered prompt corrective action to enter a net worth restoration plan, back in 2008.

Together with the board of directors, we spent 2014 building a strategic business plan to take Point West to the next level. We recently received our Community Development Financial Institution (CDFI) certification from the US Treasury, allowing us to leverage their dedicated funds and community partners to reach our identified target markets, including minority and underserved communities as well as small, microenterprise businesses. We continue to building strategic partnerships with mission-aligned community organizations, including the Portland State University Business Outreach Program, Innovative Changes, Financial Beginnings and Mercy Corps Northwest. The possibilities are endless, and we look forward to continuing to build new partnerships and opportunities to better serve you and our larger community.

Serving you, our members, is still our number one priority. To that end, we've been making numerous improvements to our services as well as behind the scenes. We reintroduced lending to our members that utilize International Tax Identification Numbers (ITINs), bringing needed access to our underserved members. We introduced our Business VISA credit card program and revitalized our business loan program to better serve microenterprises in our community. And we brought Mobile Deposit to our Mobile Banking platform, allowing our members to deposit checks using nothing more than their smartphone whenever and wherever convenient.

On the backend, we are ever-closer to bringing our members an all-new loan and account origination platform, which will provide incredible ease and increased access to loan decisioning for our members, while streamlining our internal loan and new account processes. We're also improving our network infrastructure, increasing our bandwidth, building our business continuity and disaster recovery capabilities, and reworking our entire internal network infrastructure to reduce wait times and provide for lasting

technological benefits. Not enough? We have good news... there's much more to share with you.

Thanks to our partners at the Northwest Credit Union Association, Point West was able to get an unprecedented look at your credit union's impact both directly to you, the members, but also our local community, working with the renowned and independent consultants at ECONorthwest. The results are incredibly impressive; in 2014, Point West returned \$591,000 in direct benefits and \$1,283,000 in total benefits to our members. Because you belong to a not-for-profit cooperative credit union, you receive the benefits, not stockholders. That's real money in your pocket.

Additionally, for the 29 people directly employed here at Point West, each of those jobs indirectly supported additional jobs for workers in other sectors, for a total of 63 jobs. Combined with the benefits returned to you, all of this translates to a direct output of \$4,574,000, and \$9,818,000 in total support to our local economy. Together, we are making a big impact in our local community! Your support of our cooperative model is making a real difference.

Charitably, our team was once again very engaged in the community. In 2014, staff volunteered over 878 hours of service and donated nearly \$13,000 to over two dozen different organizations. Together with our members, we raised \$7,500 for Credit Unions for Kids, supporting Doernbecher Children's Hospital. And for more than 20 years running, our Caring Tree brought needed gifts and cheer to families in need this past holiday season. On the advocacy front, we continue the good fight to protect the credit union difference. Members and staff contributed over \$1,300 to CULAC in 2014, our national credit union PAC. Whether locally or all the way out in Washington DC, Point West made sure to be present to share the great work being done at your credit union and to fight for our not-for-profit, member-owned structure. As credit unions continue to gain ground against the Big Banks, and tax reform remains a top priority for Congress, we'll make sure to continue to carry the torch for the importance of our tax-exempt status, as we return benefits directly to you, our members, not corporate shareholders.

The year past was a good one, but in many ways, it simply set the stage for the amazing future Point West has in the coming years. To all of our staff, our volunteers, and you, our members, which we could not do any of this without, thank you. We look forward to prosperous 2015 with you all, and hope to build Financial Wellness with each and every one of you.

Cooperatively,

Amy Nelson, President/CEO

A Message from your Chairman

To say that 2014 was a year of change at Point West is an understatement. This past year saw the credit union leave its net worth restoration legacy firmly in the past, with net worth ending in 2014 above 7.00% as a percentage of average daily assets. We became community chartered, committing to serving all that live and work in Multnomah, Clackamas, Washington and Yamhill counties. We welcomed Amy Nelson into the role of President/CEO, where she and the her team have continued to innovate and excel despite continuing pressures from a still-weak economy and unprecedented regulatory burden. And the credit union received its Community Development Financial Institution (CDFI) certification from the US Treasury, joining the ranks of less than 500 other credit unions across the country that have shown dedication and proven results to serving underserved communities.



It's an impressive list, and through it all, the focus has remained on providing Point West members with Financial Wellness. Net worth improved significantly this year, from 6.36% to 6.98% on end-of-year balances, a 9.7% year-over-year increase. How was that accomplished? Thanks to increased loan production, an infusion of secondary capital from the National Federation of Community Development Credit Unions, higher returns on average assets, and an ever-watchful eye on operational costs, Point West was able to continue to provide its members the products and services they deserve and expect, while strengthening the organization's bottom line for stability and growth in the future.

As Point West continues to evolve and

grow, it's important that we seek out new volunteers to serve on the supervisory committee and the board. Democratic control of the credit union is an essential principle for all cooperatives, and finding new volunteers that are passionate about Point West and its strategic direction is one of our top priorities. To all of our members,

I would encourage to reach out to me and my fellow volunteers to learn more. We eagerly await to hear from you - together, we can and will continue to build the best cooperative possible.

As always, I would like to thank my fellow directors and members of the supervisory committee for the dedication and insight to keep Point West not only safe and sound, but responsive to the needs of the their fellow members. A huge thank you as well to the staff, who work tirelessly every day to bring Financial Wellness into the lives of our members. Last, but certainly not least, thank you to you - our members - for your continued support and membership at Point West Credit Union. It's you, our member-owners, that make this all possible and ensure we are not just another financial institution, but a not-for-profit, member cooperative that is dedicated to the Financial Wellness of its fellow members and community. The best is truly yet to come. Thank you again for your support, and here's to an exciting and productive 2015.

Sincerely,

John Savory, Chairman of the Board

Supervisory Committee Report

The Point West Credit Union Supervisory Committee meets on a quarterly (and as needed) basis with the internal auditor to lead the internal audit program. In addition, members of the Supervisory Committee also attend the monthly board meetings. The internal audit program helps the Board of Directors effectively oversee and update controls, policies, and procedures. In 2014, the internal audit findings were minimal and resolved in a timely manner. Each year, the Supervisory Committee also contracts with third party accounting firm to conduct a thorough financial statement audit of the credit union. In 2014, we worked with Moss Adams, LLP, which stated in

their independent audit report that the results of Point West Credit Union's operations and its cash flows for 2014 ended in conformity with generally accepted accounting principles.

We would like to thank the Board of Directors for giving us the opportunity to serve our membership in this capacity. We would also like to thank Darlene Amacher-Conner, Point West's internal auditor and compliance officer, for her assistance and the staff of Point West Credit Union for their efforts to provide a safe and sound Financial Wellness to the membership.

The Point West Difference¹



Member Benefit Value

In 2014, Point West Credit Union provided **\$591,000 in direct benefits** and **\$1,283,000 in total benefits to members.**



Local Jobs

Point West employed **29 people directly**, and each of those jobs indirectly supported additional jobs for workers in other sectors, for a **total of 63 jobs.**



Total Economic Output

All of this translates to a **direct output of \$4,574,000**, and **\$9,818,000 in total support for the local economy.**

Board of Directors

John Savory, Chair
 Jake Hammer, Vice Chair
 George Hagger, Secretary
 Susan Luce, Chief Governance Officer

Dan Hein, Director
 Walter Sofko, Director
 Graham Eichman, Director

Supervisory Committee

Dr. Bryan Baisinger, Committee Chair
 David Taylor, Committee Member
 Susan Luce, Board Liason