



2011 Annual Report

Point West Celebrates 80 Years of Service!



.....

Point West Credit Union 79th Annual Meeting 80th Year Celebration

Tuesday, May 1st, 2012
Lloyd Double Tree Hotel, Pacific NW Ballroom
1000 NE Multnomah | Portland

Member Appreciation Week

Monday, April 30th - Friday, May 4th
Details inside!

.....

Meeting Agenda

- 6:00pm Registration & Refreshments
- 6:30pm Welcome
Meeting Begins
Board & Staff Reports
- 7:15pm Raffle Prizes
- 8:00pm Adjournment & Conversation



Point West: In Recent Years

1991: Year-end assets totaled \$26.8 million. The credit union merged into its fold Portland-based NAACP Federal CU.

1995: Multco moves to "The Clubhouse," once Lloyd Golf Club, built in 1932.

2001: Multco changes its name to Point West Credit Union, to reflect the progressive and positive spirit of the northwest, and to provide a better sense of accessibility to members outside of county and city government.

2005: Point West Credit Union merged with Hacienda Community Credit Union, providing a much-needed service to the local Latino community.

2008: Point West goes into self-initiated prompt corrective action to preserve financial services for its members, and to weather the first pains of a broken economy.

2010: The National Credit Union Association (NCUA) approves a 5-year Restoration Plan, designed to safely and soundly restore the credit union.

2012: Point West crests the 6% net worth milestone, and receives its highest member loyalty score in recent years, of 88%. Poised to complete the restoration plan two years ahead of schedule, it is the loyal, active participation of the membership which provided the safe and sound base to our survival.

A Message from your CEOs

Amy Nelson & Nick Hodson



The facts and financials of Point West Credit Union tell the story of a rejuvenated cooperative, collectively championed by loyal members, volunteers, staff and the local credit union community.

The financial progression from 2008 to 2011 represents economic

improvement for both the membership and Portland-Metro area. Point West grew its net worth from 3.86% in December 2009, to 5.95% as of December 2011 (with Q1 2012 posting 6.06%, now 'adequately capitalized'). During the same two-year timeline, we increased net income from a loss of \$118,711 to a gain of \$1,113,256; decreased delinquency from 1.064% to 0.661%; and increased Return on Assets (ROA) by 423 basis points, to 1.32%.

Financial restoration is the base of this story – and a myriad of 2011 innovations provide a framework for growth going forward. A new data processor, website, telephone teller, and ATMs replaced antiquated and noncompliant systems. These technological improvements strengthened electronic security, increased the number of transactional options members have available, and now provide a backbone for offering new products and services, expanding business development and reintroducing a revived Point West to the community at large.

However, Point West members truly make this revival shine. The Annual Member Survey, conducted in March 2012, revealed 88% of members refer Point West to family and friends, and 76% consider Point West their primary financial institution. What keeps members loyal? Products and services are certainly important, but your message was clear in the survey: friendly, helpful staff. For the second year running, this attribute was most important to the membership, and also ranked #1 in satisfaction, with 2011 bringing a 90% satisfaction rating of 'excellent' or 'good.'

This story visually comes to life through the 2011 cooperative-wide rebrand. Fresh, Northwest-inspired colors and imagery showcase the energy and financial vitality gaining traction once more. 2011 was a year-in-motion and 2012 is no different. Your Point West team works to continue improvement through the coming year to meet both Business and Net Worth Restoration Plan goals. We encourage you to check the website and blog often, sign up for ePoint email alerts, and take our Point West surveys. Your voice shaped this past year, and will continue to bring vibrancy to this story going forward.

From Our View,



Nick & Amy

THEN: 1932

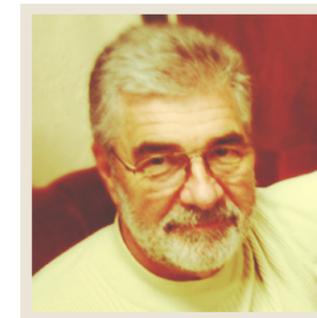
Point West was founded by 7 Multnomah County worker with a start up of \$36.75 (25 cent membership fee & \$5 share). Account offerings: Savings Accounts.

NOW: 2012

Point West has 9,900 members & \$88 million in assets (\$25 share per member). Account offerings: full suite of deposit & loan products, investment services, ATM/branch network, & online services.

A Message from your Board Chair

John Savory



Serving the Point West cooperative in 2011-2012, your Board of Directors are: John Savory (chair), Jake Hammer (vice chair), George Hager (secretary), Sharon Cowley, Josh Kirby, Susan Luce and Lew Tycer. We volunteer our time to represent you, the membership and bring your voice and vision forward.

In addition to monthly business meetings, the Board actively engages in sub-committee work and strategic planning. Due diligence and board governance are additional key focus areas to ensure the safety and soundness of Point West as we restore net worth and engage in new product and service opportunities.

I commend the volunteers, staff and executive team for their efforts. In 2011, they teamed together to upgrade the core system, phone system, website, launch a rebrand, reduce delinquency and increase income – all while appropriately tracking with an NCUA-approved net worth restoration plan. Their commitment to the future success of Point West and to helping countless members weather the financial storm, deserve our recognition and thanks.

We appreciate your participation in surveys, and suggestions to staff are heard at the Board level to help direct strategic planning for Point West. Thank you for your membership, and your active commitment to your credit union.

Sincerely,



John Savory, Board Chair

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. 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 2011, the internal audit findings were minimal and resolved in a timely manner. Each year the Supervisory Committee also hires an outside accounting firm to conduct a thorough financial statement audit of the credit union. In 2011, the credit union hired Moss Adams, LLP, who stated in their independent audit report, the results of Point West Credit Union operations and its cash flows for 2011 ended in conformity with generally accepted accounting principles.

We would like to thank the Board of Directors for giving us the opportunity to serve the membership in this capacity. We would also like to thank James Alexander, our internal auditor, for his assistance and the staff of Point West Credit Union for their efforts to provide a safe and efficient financial resource for the membership.

Your Supervisory Committee: Bryan Baisinger (Chair), Dallas Roemeling, David Taylor, & Susan Luce (Board Liaison)

Board of Directors & Supervisory Committee



Back Row (left to right): John Savory, Jake Hammer, Bryan Baisinger, George Hager. Front Row (left to right): Lew Tycer, Josh Kirby, Sharon Cowley, Susan Luce, and Dallas Roemeling. Not pictured: David Taylor.

Member Appreciation Week

Monday, April 30th - Friday, May 4th

All week in the lobby: raffle, prizes, free shred bin access, & visits with Business Partners.

Friday, May 4th from 11:30am to 1:30pm - BBQ Celebration: Food (provided by Auto Mentors), gardening & button making stations, a visit with Max D. Posit, and more. Join us! Visit pointwestcu.com for details.

Statement of Financial Condition

Capital/Total Assets	4.44%	5.95%			
ASSETS	2010	2011	INCOME FROM OPERATIONS	2010	2011
Loans	71,389,124	62,025,551	Income from Loans	4,911,798	4,235,814
Allowance for Loan Losses	(3,002,803)	(2,175,991)	Income from Investments	133,624	78,407
Cash & Checking Deposit	4,162,844	14,218,330	Other Operating Income	1,381,545	1,242,492
Investments	3,464,089	3,065,961	TOTAL	6,426,968	5,556,713
Land & Building	3,237,672	3,209,723			
Accrued Interest Receivable	351,507	240,861	OPERATIONAL EXPENSES		
NCUSIF Deposit	839,668	783,895	Compensation	1,344,709	1,192,456
Other Assets	2,689,631	3,843,951	Benefits	264,771	280,978
TOTAL ASSETS	83,131,732	85,212,280	Travel & Conference	50,172	60,125
			Association Dues	28,156	24,499
LIABILITIES			Office Occupancy	228,822	253,441
Accounts Payable	166,197	190,146	Office Operations	1,179,453	1,097,908
Dividends Payable	-	-	Marketing & Business		
Other Liabilities	491,468	1,207,120	Development	59,928	67,126
			Loan Servicing	71,920	73,634
MEMBER SHARES & SAVINGS			Outside & Professional	362,358	388,692
Regular Shares	49,665,056	46,017,009	Provision for Loan Loss	1,670,346	421,487
Checking	12,679,519	13,241,045	Interest on Borrowed Funds	512	(464)
IRA	4,190,072	3,798,179	Examination & Supervision	17,534	15,472
Business Accounts	1,118,903	1,387,593	NCUSIF Stabilization Expense	219,934	195,974
Certificate Accounts	11,065,033	14,491,174	Annual Meeting	6,192	12,167
TOTAL MEMBER SHARES			Miscellaneous	18,355	(13,170)
& SAVINGS	78,718,583	78,935,001	Gain/Loss on Sale of Assets	(162,942)	(9,958)
			Gain/Loss on Sale of Investment	(234,189)	-
MEMBER EQUITY			TOTAL	5,920,293	4,060,367
Regular Reserves	3,670,075	3,922,375			
Undivided Earnings	23,607	884,563	RECAP		
Unrealized Market			Income from Operations	6,426,968	5,556,713
Gain/Loss on Invest	61,802	73,075	Operational Expenses	5,920,293	4,060,367
TOTAL LIABILITIES			Dividends & Interest	629,703	382,536
& MEMBER EQUITY	83,131,732	85,212,280	Unrealized Market		
			Gain/Loss on Invest	-	-
			Change to Reserves &		
			Undivided Earnings	(123,029)	1,113,810
			Net Loss/Gain	(123,029)	1,113,810

The accompanying December 31, 2011 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.