

**Statement of Financial Condition**

Capital/Total Assets	5.95%	6.21%		
<b>ASSETS</b>	<b>2011</b>	<b>2012</b>	<b>INCOME FROM OPERATIONS</b>	<b>2011</b> <b>2012</b>
Loans	62,025,551	58,677,622	Income from Loans	4,235,814      3,594,575
Allowance for Loan Losses	(2,175,991)	(1,571,525)	Income from Investments	78,407      128,140
Cash & Checking Deposit	14,218,330	7,915,412	Other Operating Income	1,242,492      1,166,447
Investments	3,065,961	13,571,616	<b>TOTAL</b>	<b>5,556,713      4,889,163</b>
Land & Building	3,209,723	3,190,342	<b>OPERATIONAL EXPENSES</b>	
Accrued Interest Receivable	240,861	209,420	Compensation	1,192,456      1,320,140
NCUSIF Deposit	783,895	813,333	Benefits	280,978      307,431
Other Assets	3,843,951	3,798,484	Travel & Conference	60,125      59,243
<b>TOTAL ASSETS</b>	<b>85,212,280</b>	<b>86,604,705</b>	Association Dues	24,499      40,566
			Office Occupancy	253,441      215,585
<b>LIABILITIES</b>			Office Operations	1,097,908      1,086,184
Accounts Payable	190,146	216,573	Marketing/Biz Development	67,126      100,627
Dividends Payable	-	-	Loan Servicing	73,634      85,864
Other Liabilities	1,207,120	556,109	Outside & Professional	388,692      423,130
			Provision for Loan Loss	421,487      157,655
<b>MEMBER SHARES &amp; SAVINGS</b>			Interest on Borrowed Funds	(464)      116
Regular Shares	46,017,009	48,058,217	Examination & Supervision	15,472      14,981
Checking	13,241,045	17,196,135	NCUSIF Stabilization Expense	195,974      77,267
IRA	3,798,179	3,954,270	Annual Meeting	12,167      13,353
Business Accounts	1,387,593	1,735,364	Miscellaneous	(13,170)      57,193
Certificate Accounts	14,491,174	9,433,873	Gain/Loss on Sale of Assets	(9,958)      -
<b>TOTAL MEMBER SHARES &amp; SAVINGS</b>	<b>78,935,001</b>	<b>80,377,858</b>	Gain/Loss on Sale of Investment	-      -
			<b>TOTAL</b>	<b>4,060,367      3,959,333</b>
<b>MEMBER EQUITY</b>			<b>RECAP</b>	
Regular Reserves	3,922,375	4,358,147	Income from Operations	5,556,713      4,889,163
Undivided Earnings	884,563	1,019,168	Operational Expenses	4,060,367      3,959,333
Unrealized Market			Dividends & Interest	382,536      359,453
Gain/Loss on Invest	73,075	76,850	Unrealized Market	
<b>TOTAL LIABILITIES &amp; MEMBER EQUITY</b>	<b>85,212,280</b>	<b>86,604,705</b>	Gain/Loss on Invest	-      -
			Change to Reserves & Undivided Earnings	1,113,810      570,377
			Net Loss/Gain	1,113,810      570,377

The accompanying December 31, 2012 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.



# 2012 Annual Report

Building Lifelong Relationships One Member at a Time.

**Point West Credit Union  
80th Annual Meeting beginning our  
81st Year of Service**

Tuesday, April 30th, 2013  
Lloyd Double Tree Hotel, Pacific NW Ballroom  
1000 NE Multnomah | Portland

**Member Appreciation Week**  
Monday, April 29th - Saturday, May 4th  
Details inside!

**Meeting Agenda**

- 5:30pm Registration & Refreshments  
Booth Passport - visit all 8 booths, collect all 8 stamps & be entered to win a prize!
- 6:30pm Welcome
- 6:40pm Keynote Address - Troy Stang, President/CEO, Northwest Credit Union Assoc.
- 7:00pm Annual Business Meeting & Prizes
- 7:45pm Let's chat! - We welcome your questions/conversation. Browse booths, eat, etc.



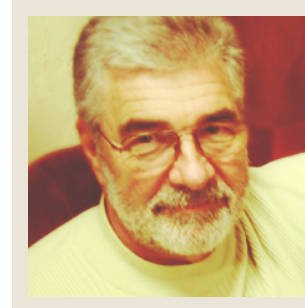
## Supervisory Committee Report

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 2012, 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 2012, 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 2012 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)

## A Message from your Board Chair



We volunteer our time to represent you, the membership; and to provide clear guidance to the management team regarding the progression of our cooperative.

In addition to monthly business meetings, the Board actively engages in sub-committee work and ongoing strategic planning. Due diligence and board governance are additional key focal 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 collaboration and dedication, to keep strengthening the financial health of Point West. They have operated cohesively and consistently to exceed goals set forth in an NCUA-approved Net Worth Restoration Plan (NWRP). It is these concerted efforts which allows us to apply for release from the plan almost two years earlier than expected. The

volunteer and staff commitment to the future success of Point West, and to helping countless members weather the financial storm, deserve our recognition and thanks. We will keep you posted in the coming weeks and months via our website and other communication channels, regarding the status of our NWRP release.

A special thanks to volunteer Josh Kirby, who completes a successful tenure with Point West this April. Josh served on the Supervisory Committee and Board of Directors for 10 years, including two years as Chair of the Information Technology Subcommittee. During his tenure, Josh oversaw the implementation of two core systems, two websites, a corporate name change, and rebrand. His professional experience as Lead Developer/Web Strategies for OHSU has been key in helping Point West manage technology improvements during a challenging economy. We are sincerely appreciative of the commitment and expertise Josh has demonstrated as a representative for Point West.

As is the spirit of all credit unions, keep lending us your voice! Participation in the Annual Member Survey, emails to [contact@pointwestcu.com](mailto:contact@pointwestcu.com), letters to management and board, and in-person meetings are all helpful as we build a financially strong and technologically sound base for Point West members. Your input is heard at the Board level to help inform and direct strategic planning.

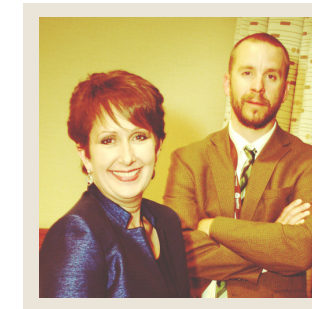
Thank you for your membership, and your active commitment to your credit union.

Sincerely,  
  
 John Savory, Board Chair



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.

## A Message from your CEOs



Point West continues to make significant strides, posting a 6.21% net worth for 2012, a 255 basis-point improvement from our low point in December 2009. Delinquency as of Q4 2012 is 0.64%, compared to our peer group average of 1.28%. Net Charge-Offs continue to decline as well, posting 1.37% at year's end; with an annualized 0.98% from May 2012, to today.

The financials speak volumes, and the Member Voice is heard as well. The Annual Member Survey, conducted in March 2013, revealed 89% of members refer Point West to family and friends, a 4% increase from the first online survey in 2010. More than 800 members gave us valuable feedback regarding products, member service, and future needs for the cooperative. You voiced what's important to you about Point West – here is a sampling of how we are responding:

1. **You want a mobile app for banking!** Point West rolled out a new **Point West Mobile Banking App** in April 2013. Check your balance, pay bills, conduct cross-account transfers, view checks, and find a deposit-taking ATM or shared branching location. Pre-existing online banking account required for activation.
2. **Overwhelmingly, you don't like our 24/7 Call Center.** Effective May 5th, we are concluding our contract with the credit union service organization who provides this service. We are re-aligning our phone system, so when you call during business hours, you'll talk to a Point West employee, or be able to leave us a message which we'll return within 24 hours or less.
3. For the third year in a row, you **rated "friendly, helpful staff" as the #1 reason why Point West is your primary financial institution.** Thank you. We will continue to invest in training opportunities for our team, which ultimately is an investment to better serve you.

Watch our blog, ePoints emails and the newsletter for financial updates, product and service announcements and additional survey results and responses.

We'd like to thank the Employee Team for their hard work and dedication; the Volunteers for their deft guidance; and the Membership for casting a voice and investing in Point West. We are a stronger cooperative today as a result.

From Our View,  
  
 Nick Hodson & Amy Nelson, co-CEOs

## Board of Direction Election Candidates

Two board positions are up for election by the membership, to serve three year terms. The following board member has declared his intent for re-election, and is presented by the Board Nominations Committee to the membership for vote:

- John Savory - has been a volunteer since 2002

The committee also presents Daniel Hein to fill a board vacancy beginning May 1st, 2013, for a term of three years. Mr. Hein is a long-time member of the credit union, and has formerly served on the Supervisory Committee, as a Board member and Board Chair. Dan brings expertise in IT and strategy, combined with a passion for the Member Service Experience.

## Member Appreciation Week

Monday, April 29th - Saturday, May 4th

### All week in the lobby:

- Prize Drawing – enter to win a fabulous prize generously donated by a business partner or vendor of Point West.
- Prize Wheel – visit the branch and spin the wheel to win a prize and additional entries into the prize drawing!
- Shred Bins – safely dispose of confidential documents.

### Seminars:

RSVP today - [mwalter@pointwestcu.com](mailto:mwalter@pointwestcu.com) or 503.546.5376.

#### Wednesday, May 1st

Auto Buying Seminar - Given by: Auto Mentors  
 12 noon to 1pm @ Point West – Lunch will be provided!

#### Thursday, May 2nd

PERS Simplified Seminar - Given by: Dean Eisenbraun†  
 12 noon to 1pm @ Point West – Lunch will be provided!

#### Friday, May 3rd

All About BALANCE Seminar - Given by: Point West  
 12 noon to 1pm @ Point West – Lunch will be provided!

### Events:

#### Saturday, May 4th - BBQ & New Car Sale

Where & When: Point West from 11am – 3pm

Test drive some new cars and enjoy food plus fun activities for kids! Auto Mentors will have a wide variety of new cars available for members to preview, drive and purchase.

†Securities and advisory services offered through KMS Financial Services, Inc. Member FINRA/SIPC. Investments Are: NOT NCUA/FDIC, NO CREDIT UNION GUARANTEE, MAY LOSE VALUE.