



2013 Annual Report

Pursuing relevant financial wellness solutions for our members and member businesses.

Point West Credit Union 81st Annual Member Business Meeting

Monday, May 12th, 2014
Multnomah County Board Room
501 SE Hawthorne Blvd | Portland, OR

Meeting Agenda

- 12:30pm Welcome
 - 12:35pm Chairman's Report
Supervisory Committee Report
President's Report
 - 1:05pm Board Elections
 - 1:10pm Keynote Speaker: Ted Wheeler, Oregon
State Treasurer
 - 1:30pm Preliminary Election Results
End of Annual Meeting
-

A Message from your President & CEO

What a difference a year makes. When we addressed you last year in our report, Point West was still in Net Worth Restoration. Today, we have successfully completed our Net Worth Restoration Plan and are moving full steam ahead with growing and strengthening your credit union. It was no small feat, and with the support of our volunteers, staff and of course, you, our members, we achieved this important milestone.

Net worth continues to improve, rising to 6.35% at 2013 year-end. Delinquencies were down nearly 50% over 2012, and net charge-offs were reduced by 38%. We increased our loan portfolio \$1.3 million dollars, and cut operating expenses 3.5% by finding new efficiencies, streamlining internal processes, renegotiating contracts and increasing accessibility to services through technology.

It's not all just numbers though. We are focused on broadening our connectivity to our members and our reach within the local community. We unveiled the Point West Mobile Banking app to help you manage your accounts and loans wherever you are, and whenever you need to conduct business. This past January we introduced Mobile Deposit, giving members and member businesses the ability to make check deposits right from your smart phone. We partnered with CU Members Mortgage to provide you with new mortgage products and services. And as of April 1 of this year, Point West is officially a community chartered credit union, proudly serving not only its historic employee group partners like Multnomah County employees, but also those who live and work in Multnomah, Clackamas, Washington and Yamhill counties.

We have worked hard to enhance our product and service lines to recognize and reward our member-owners of the Point West cooperative – and your feedback regarding these efforts is positive. Based on the preliminary results of our recent annual member survey, it's clear to us why we have such a strong, loyal membership. Nine out of 10 members have a positive or very positive view of Point



West in the community, and 3 out of 4 consider us their primary financial institution. Amazingly, this year over 92% of respondents said they would recommend Point West to their friends and family, our highest percentage yet. Thank you so much for your honest input, and know we will be reviewing the full results in greater detail to ensure we continue to meet and exceed your expectations.

Speaking of which, we're not content to sit idly by; no, we're moving forward with some fantastic initiatives both in front of and behind the scenes. We're investing in new systems and infrastructure to increase our operational efficiencies and beef up our security, including an all new, streamlined online account and loan application platform and an internal electronic, paperless document storage solution. We're building new relationships with community organizations such as IRCO (Immigrant and Refugee Community Organization), Portland State University, Financial Beginnings and the Northwest Credit Union Foundation to seek new business channels and enhance our community presence. And we're constantly reviewing our current product and service offerings, like our VISA credit cards and Eco Checking to ensure they remain relevant and competitive in today's economy. These are just a taste of what your Point West team is working on currently, so look for additional announcements throughout the year as we bring you the latest and greatest.

As always, we remain committed to providing you exceptional service and a robust offering of products and services in a fiscally responsible way that promotes financial wellness for our members and our credit union. We can't say it enough – thank you for your continued support and membership here at Point West. Together, our cooperative's future is very bright indeed.

Cooperatively,

Amy Nelson, President/CEO

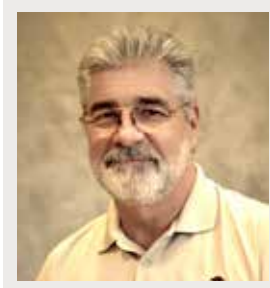
Supervisory Committee Report

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 2013, 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 2013, the credit union hired 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 2013 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 services to the membership.

A Message from your Chairman



If you need proof that we are different than other financial institutions, look no further; as a not-for profit cooperative, your board of directors volunteers its time to represent you, the membership, as well as to provide clear guidance to the management team regarding the direction of our credit union.

I commend the volunteers, staff and executive team for their collaboration

and dedication to improving the financial wellness of Point West. Thanks to their combined efforts, we have completed the goals set forth in the NCUA-approved Net Worth Restoration Plan (NWRP) nearly two years ahead of schedule. It's an amazing accomplishment and a testament to the entire operation's resolve to see Point West not only survive, but thrive. The volunteer and staff commitment to the future success of Point West, and to helping countless members weather the financial storm, deserves our recognition and thanks. Likewise, the strong trust and commitment our members continue to show the credit union made all of the successes these past few years possible – on behalf of your board of directors, thank you.

Completion of the NWRP is not the only significant accomplishment of the past year. As of April 2014, Point West is officially a community chartered credit union serving those that live and work in Multnomah, Clackamas, Yamhill and Washington counties. While the

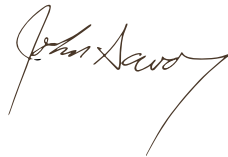
impact of this change is still in its infancy, it positions our cooperative for strong growth in the months and years ahead.

As we've seen the past few years, the only thing that's constant is change; yet change is exactly what we need to continue the great work here at Point West. Your board of directors is proud to stand behind Amy Nelson as your president and CEO; we're excited to see her continue to build net worth while seeking out new opportunities for growth and added strength for the credit union and its members. We truly believe the best is yet to come.

As member-owners of your credit union, your input continues to be incredibly important to us. We thank you for participating in our annual survey, contacting your board and the Point West Member Service team, and for your honest and ongoing feedback. Together, we'll continue to make Point West one of the best financial institutions in Portland and beyond.

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

Sincerely,



John Savory, Chairman of the Board



Board of Directors: Back Row (left to right): George Hager, Jake Hammer; Middle Row (left to right): Susan Luce, Sharon Cowley, Lew Tycer; Front Row (left to right): Dan Taylor, John Savory



Supervisory Committee: (Left to right): David Taylor, Susan Luce, Dallas Roemeling; Not pictured: Brian Baisinger

Point West Community Involvement

Point West recently became community chartered, but we've always been involved in our community. Here is a breakdown of Point West's Employee Community Engagement in 2013.

\$8,855
dollars donated to charitable organizations in 2013

537
hours spent volunteering in 2013
(average of 28 hours per person)

40
different local organizations that Point West donated to or volunteered at in 2013



Statement of Financial Condition

	2012	2013		2012	2013
Capital/Total Assets	6.21%	6.35%			
ASSETS			INCOME FROM OPERATIONS		
Loans	58,677,622	60,323,902	Income from Loans	3,594,575	3,207,238
Allowance for Loan Losses	(1,571,525)	(1,105,228)	Income from Investments	128,140	233,063
Cash & Checking Deposit	7,915,412	6,131,953	Other Operating Income	1,166,447	1,111,081
Investments	13,571,616	17,806,787	TOTAL INCOME	4,889,163	4,551,382
Land & Building	3,190,342	3,164,823	OPERATIONAL EXPENSES		
Accrued Interest Receivable	209,420	228,920	Compensation	1,320,140	1,347,653
NCUSIF Deposit	813,333	843,699	Benefits	307,431	280,460
Other Assets	3,798,484	3,638,254	Travel & Conference	59,243	81,905
TOTAL ASSETS	86,604,705	91,033,110	Association Dues	40,566	34,096
LIABILITIES & MEMBER EQUITY			Office Occupancy	215,585	220,540
Accounts Payable	216,573	239,737	Office Operations	1,086,184	1,133,266
Dividends Payable	0	0	Marketing	100,627	128,146
Other Liabilities	556,109	571,030	Loan Servicing	85,864	77,762
MEMBER SHARES			Outside & Professional Services	423,130	413,652
Regular Shares	48,058,217	52,345,786	Provision for Loan Loss	157,655	(1,055)
Checking	17,196,135	19,667,514	Interest on Borrowed Funds	116	37
IRA	3,954,270	4,060,621	Examination & Supervision	14,981	16,421
Business Accounts	1,735,364	1,739,598	NCUSIF Stabilization Expense	77,267	67,496
Certificate Accounts	9,433,873	6,940,390	Annual Meeting	13,353	12,739
TOTAL MEMBER SHARES	80,377,858	84,753,909	Miscellaneous	57,193	13,914
MEMBER EQUITY			Gain/Loss on Sale of Assets	-	-
Regular Reserves	4,358,147	4,725,630	Gain/Loss on Sale of Investments	-	-
Undivided Earnings	1,019,168	1,058,602	TOTAL EXPENSES	3,959,333	3,827,032
Unrealized Market			RECAP		
Gain/Lost on Investments	76,850	(315,797)	Income from Operations	4,889,163	4,551,382
TOTAL LIABILITIES			Operational Expenses	3,959,333	3,827,032
& MEMBER EQUITY	86,604,705	91,033,110	Dividends & Interest	359,453	317,404
			Unrealized Market		
			Gain/Loss on Investments	-	-
			Change to Reserves		
			& Undivided Earnings	570,377	406,946
			NET GAIN/LOSS	570,377	406,946

The accompanying December 31, 2013 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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