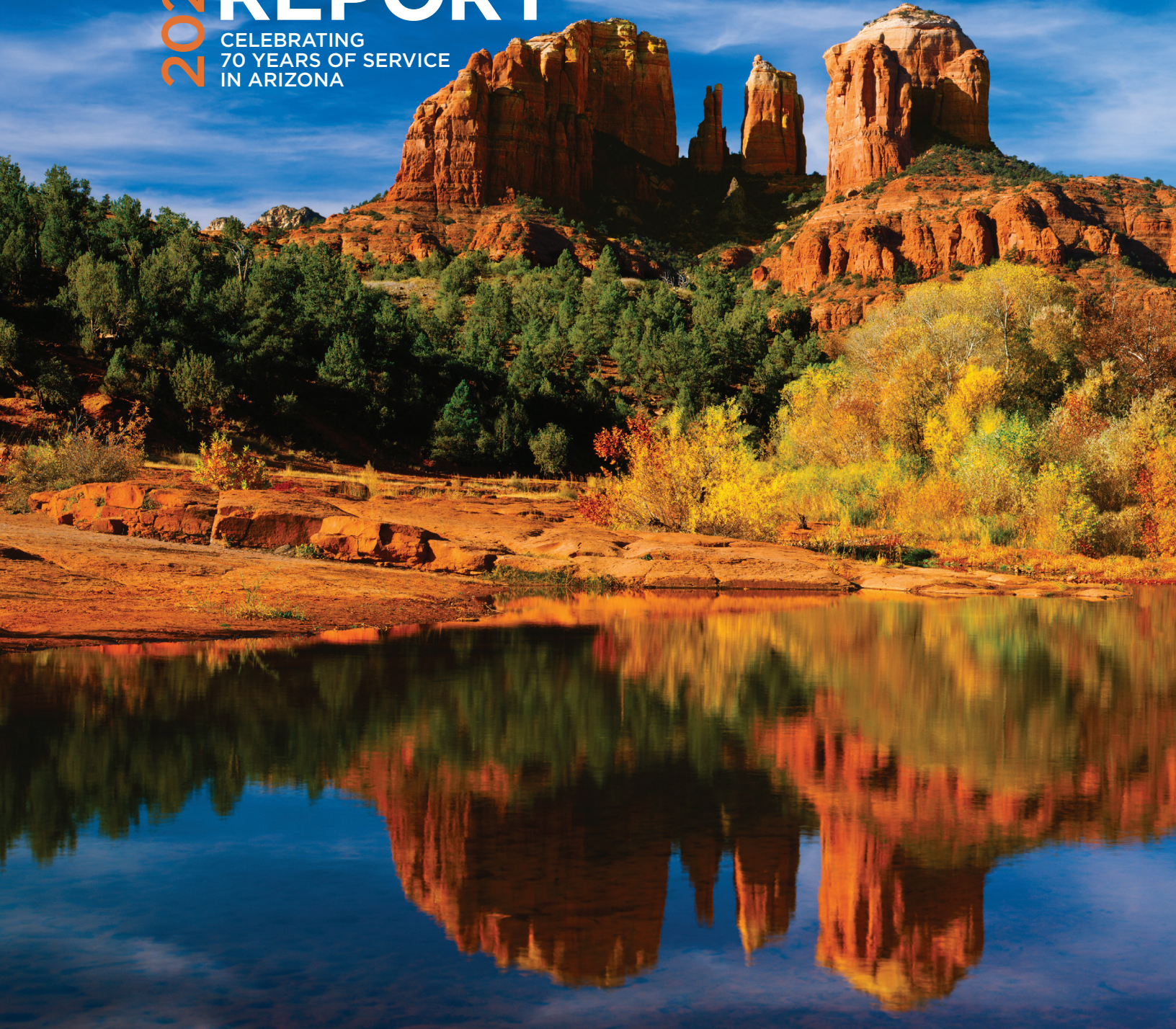


ANNUAL 2021 REPORT

CELEBRATING
70 YEARS OF SERVICE
IN ARIZONA



Our Mission

To inspire our members, employees and communities to achieve their financial goals and enhance their quality of life.

Our Vision

To be your primary trusted financial services provider for life.

Our Core Purpose

To enhance the quality of life by establishing long-term relationships, providing sound ethical advice and delivering superior service.

Our Core Values

Security
Excellence
Respect
Vision
Integrity
Commitment
Empowerment

Message from the Board Chair and CEO

On behalf of the Board of Directors and Credit Union West team, we are pleased to present the Annual Report for 2021. Although it was another year of unexpected challenges and uncertainties, the extraordinary efforts of our employees, volunteers, and support of our members and communities helped us finish 2021 with stellar results. We are proud to share that Credit Union West continues to operate in a financially sound manner.

In 2021, we crossed several major milestones including reaching \$1 billion in assets in April, celebrating our 70th anniversary in November, and ending the year with over 80,000 members. Despite the ongoing challenges of COVID, Credit Union West generated over \$8.1 million in net income, grew membership by 4.97% and saw a 9.18% increase in gross loans. All loans granted went to

Credit Union West generated over \$8.1 million in net income, grew membership by 4.97% and saw a 9.18% increase in gross loans.

helping our members achieve their dreams of home ownership, home renovations and updates, purchase of new and more dependable vehicles, and to reduce monthly payments by consolidating high interest rate debt. We stand proud of being our members' chosen financial partner to accomplish their life goals.

Throughout the year, we adjusted our branch and Member Contact Center operations accordingly to prioritize the safety of our employees and members. We moved through various phases with our top priority focused on maintaining the service and experience levels our members have grown to love. We finished the year with solid ratings from our members in the area of overall satisfaction with a 9.62 rating out of 10. More than 85% of members said they would recommend Credit Union West as a great place to bank.

We know the crisis experienced over the last two years has not completely passed. We empathize with our employees, members, and communities for the losses they experienced. As we press ahead, it will be our mission, vision, and core values that anchor us to be a good force in banking and to uphold our commitment to our members as a trusted financial partner.

From the bottom of our hearts, thank you to our members for your ongoing support of Credit Union West. A big thanks to our volunteer Board of Directors, Supervisory Committee members, and employees for all that you do.



Luis Gendreau

Luis Gendreau
BOARD CHAIR



Karen Roch

Karen Roch
PRESIDENT AND CHIEF EXECUTIVE OFFICER

Supervisory Committee Report

Cynthia Griffin | Supervisory Committee Chair

Each year, your Board of Directors appoints a Supervisory Committee to serve as guardians of Credit Union West's financial security, including its internal control structure and processes. Our volunteer committee is responsible for and committed to ensuring that the credit union's financial records are maintained properly and accurately, and that the credit union is compliant with all applicable laws and regulations. We arrange for regular audit reviews of the credit union's financial practices and procedures. In short, we are committed to and diligently work for you. The Supervisory Committee concurs with both the external and internal audits conducted in 2021. We conclude that the condensed 2021 financial statements contained in the report are accurate and correct. Rest assured that the oversight and affairs of your credit union are being conducted in a sound and consistent manner. The Supervisory Committee has observed that your credit union's finances are being accounted for in accordance with generally accepted accounting principles in the United States of America.



Cynthia Griffin
CHAIR

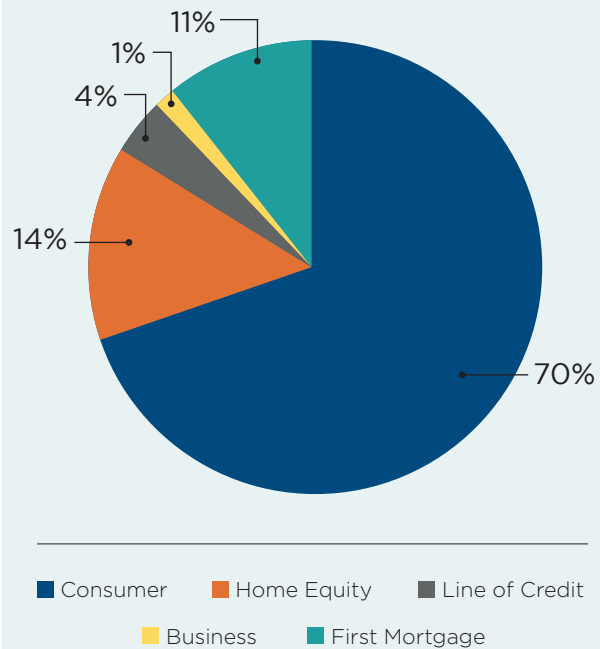


Craig Heiser
VICE CHAIR



Maria Cienfuegos
SECRETARY

OUTSTANDING LOAN BALANCE



Chief Credit Manager's Report

Bob Birr | Vice President, Chief Lending Officer

Credit Union West's loan portfolio increased by 9.18% in 2021. The increase was driven by strong growth in several loan categories with a 32.58% gain in recreational vehicles, 12.65% in home equity and a 13.58% gain in personal loans. Credit card balances rebounded with a slight increase of 3.17% as compared to a decline of 7.01% in 2020. The microchip shortage curtailed new vehicle sales in 2021 and the credit union's new vehicle loan balances decreased 8.45%. Credit Union West focuses on maintaining a diversified lending portfolio of secured and unsecured loans with fixed and variable rate loans. This helps to safeguard against potential credit and interest rate risks. Sound underwriting, effective collection practices and government stimulus checks to members resulted in a very low combined delinquency and charge off rate of 0.26% at year-end.



“Absolutely wonderful, friendly and easy service every time! They always greet you with [a] smile. We highly recommend to anyone (for business needs or personal)! We have used them for our personal accounts for over 20 years. Recently, we did our research comparing other banks and ultimately chose Credit Union West for our business too! Super quick and easy to set up our business account. Todd was fantastic!”

Christina D. | Google Review



“I would like to say that CU West Customer Service has been awesome every time I have ever communicated with you all either via phone or web based messaging. I am going to continue using your financial institution as an additional savings account.”

Anonymous | Member Contact Center

Treasurer's Report

Connie Loveland | Senior Vice President, Chief Financial Officer

In the past year, the economic conditions have improved both nationally and locally. The state unemployment rate dropped from a high of 14.2% at the height of the pandemic in March 2020, to 5.2%. While people are back to work, the cost of doing business has increased as a result of the supply shortages generated from the pandemic. This can be measured by the rise of the State Consumer Price Index (CPI), to 9.7% in 2021. Due to these new economic conditions, our members and our organization have been impacted. This is most noted by the shortage in the technology chips required for new vehicles and credit/debit cards. Through all this economic turbulence, the credit union has continued to be proactive to meet our members' needs.

Even in these uncertain economic conditions, the credit union continued its investment in member experience by refreshing the interior of our branches and rolling out new technology. Our Arrowhead, Surprise and Prescott branches received new paint, flooring and furniture. We announced that in

2022 we will be relocating our Prescott Valley Branch once the construction is complete. Lastly, we rolled out new technology that allows us to communicate with our members through text messaging.

As compared to credit unions statewide, Credit Union West grows at or above average trends year after year—and 2021 was not an exception. We once again increased our membership, and now boast more than 80,000 members. This growth is a direct result of the credit union's ability to continue offering competitive rates on deposit accounts, low loan rates and electronic banking. These offerings, coupled with our first-class member services, encourage existing members to increase their relationship with us while simultaneously attracting new members.

The accompanying financial statements detail how Credit Union West finished 2021. Operating earnings were strong, allowing the credit union to add \$8.2 million to our members' equity which reached \$97.6 million at year-end. Our capitalization ratio remained strong at 9.48%. These results demonstrate our continued commitment to financial strength and protecting our members' assets.

During 2021, the credit union achieved a major milestone, reaching \$1 billion in assets. By year-end, total assets reached nearly \$1.1 billion, an increase of \$138.1 million. Members' active participation and greater account utilization increased deposits to \$939.1 million.

With growth and strong earnings, members can feel confident that Credit Union West is a sound financial institution that will continue to meet our members' needs and provide reliable financial resources well into the future.

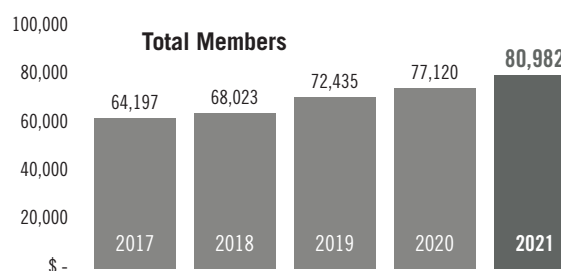
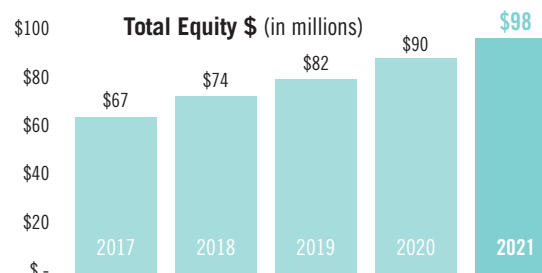
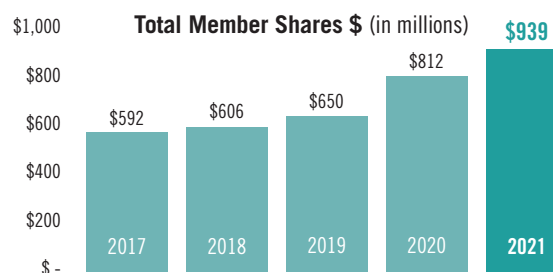
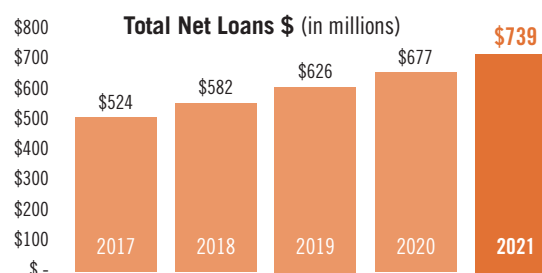
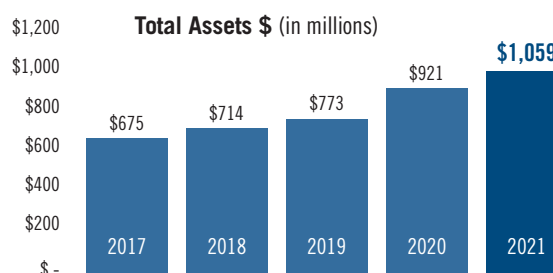
By year-end, total assets reached nearly \$1.1 billion, an increase of \$138.1 million.

STATEMENT OF FINANCIAL CONDITION

	December 31, 2021	December 31, 2020
Assets		
Net Loans	\$ 739,426,635	\$ 677,221,540
Cash and Investments	\$ 253,546,262	\$ 187,167,005
Total Net Fixed Assets	\$ 30,210,832	\$ 31,053,057
Other Assets	\$ 36,137,844	\$ 25,801,294
Total Assets	\$ 1,059,321,573	\$ 921,242,896
Liabilities and Members' Equity		
Liabilities	\$ 22,652,185	\$ 19,137,820
Shares and Certificates	\$ 939,073,394	\$ 812,442,548
Members' Equity	\$ 97,595,994	\$ 89,662,528
Total Liabilities and Capital	\$ 1,059,321,573	\$ 921,242,896

STATEMENT OF INCOME

	December 31, 2021	December 31, 2020
Income		
Interest on Income	\$ 32,621,253	\$ 33,047,648
Investment Income	\$ 1,269,442	\$ 1,303,601
Other Income	\$ 12,900,592	\$ 11,049,948
Gross Income	\$ 46,791,287	\$ 45,401,197
Expenses		
Compensation & Benefits	\$ 17,718,631	\$ 17,026,528
Office Operating Expenses	\$ 7,936,944	\$ 7,352,305
Education & Advertising	\$ 865,786	\$ 909,404
Loan Servicing	\$ 5,764,768	\$ 4,469,335
Professional Services	\$ 1,433,347	\$ 1,463,876
Provision for Loan Loss	\$ 1,124,550	\$ 2,780,087
Other Expenses	\$ 95,326	\$ 78,151
Total Operating Expenses	\$ 34,939,353	\$ 34,079,686
Income from Operations	\$ 11,851,934	\$ 11,321,511
Less Dividends Paid to Members	\$ 3,843,849	\$ 4,611,773
Less Interest Paid on Borrowed Funds	\$ -	\$ 520,079
Less Loss on Disposition of Assets	\$ (156,024)	\$ 3,475
Net Income	\$ 8,164,109	\$ 6,186,184





70th Anniversary Employee Celebration

Celebrating 70 Years of Service in Arizona!

We are proud to be celebrating our 70th anniversary year! Over the past seven decades a lot has changed, but one thing that has stayed the same is our strong commitment to our members, communities and employees.

In November, we introduced two exciting promotions as a 'Thank You' to our members. Our 'Spend to Win' promotion awarded 70 lucky credit card holders \$500 for their swipes. We also launched our 'Refer a Friend' program where members could refer a friend to become a member and they each receive a \$70 bonus.

A Look Back

Our story started on November 21, 1951 in Glendale, Arizona. We established Luke Federal Credit Union on Luke Air Force Base with a mission to serve military members and their families. Luke Federal Credit Union was later named Credit Union West on November 29, 1999.

As our credit union grew, we extended our commitment to our membership to include all who live, work or worship in 11 of Arizona's 13 counties. Today, we are a full-service financial institution proudly serving more than 80,000 members at 13 branches throughout Maricopa and Yavapai counties.

A Look Ahead

As we continue to grow, we are expanding our reach in Yavapai County. In 2021, we announced our plans for a brand new 2,200 square foot branch in Prescott Valley to better serve the community. It will feature three drive-thru lanes with a drive-up ATM for easy access, expanded parking options, and enhanced amenities for members. Our flagship branch on Luke Air Force Base will also receive an update as we move forward to start remodel plans at the location in 2022.

Looking ahead, we are placing more emphasis on financial education for the youth in our community. We look forward to sponsoring more community events, charitable donations and engaging with our members to focus on what they care about the most. We are excited for our future and consistently looking for ways to connect with our members to bring them more of what they value.

1950



1951

Luke Federal Credit Union was officially incorporated on November 21, 1951.

1960



1967

On October 17, 1967, the credit union welcomed its 20,000th member.

1970



1978

Colonel Jack O'Donnel and Mrs. Evelyn Shuffebarger helped break ground on the credit union's first permanent location at Luke Air Force Base.

1980



1986-1988

Credit Union West began offering credit cards, mortgages and home equity loans.

2021 Highlights

LOANS ORIGINATED



5,706
AUTO LOANS



1,764
CREDIT CARDS



2,137
PERSONAL LOANS/
LINES OF CREDIT



4,461
OTHER SECURED
NON-REAL ESTATE
LOANS/LINES



1,490
REAL ESTATE LOANS

MEMBERSHIP



New Members in 2021: **3,877**
Total Members: **80,982**

CHECKING



We paid out **\$505,453.24**
in interest to Heritage High-Yield
Checking account holders.

SOCIAL MEDIA



Social Media Followers from
Facebook, LinkedIn, Twitter, and
Instagram: **8,358**



Platinum Rewards card holders redeemed over **\$400,000** in rewards during the 2021 calendar year.

1990



1999
Luke Federal Credit Union officially changed its name to Credit Union West on November 29, 1999.

2000



2005
Credit Union West broke ground on their Cactus Branch location near 67th Avenue and Cactus Road in Peoria, Arizona on August 8, 2005.

2010



2017
The credit union began construction on its new sustainable Corporate Center in Glendale, Arizona. The 80,000-square foot, two-story building features energy efficient windows, doors, and landscaping, plus more than 50 solar paneled parking spots.

2019
Karen Roch became President and CEO.

2020



2021
Credit Union West celebrated its 70th anniversary as it reached 80,000 members and \$1 billion in assets!

★★★★★

“We have dealt with Victoria twice now at this location and she is amazing! Very knowledgeable, helpful and friendly. Would highly recommend this credit union and location because of her excellent customer service. Thank you Victoria!”

Jenny N. | Yelp Review

★★★★★

“Kim and I wanted to say thank you for always being so nice to us...I know we were late on our payments and you always treated us with respect etc, and that means a lot...I wish nothing but the best for you and yours and would absolutely recommend Credit Union West because of you.”

Anonymous | Risk Management

★★★★★

“Friendly and professional. Denise with the Osborn Branch assisted us with our banking needs, explained every document in detail. She’s very thorough with her explanations where we the consumer were able to understand. Highly recommend this branch.”

Luis P. | Yelp Review



Check presentation to the Arizona Foundation for Suicide Prevention - EmployeesCARE Program

Community Impact



EmployeesCARE Program

Each year, employees nominate and vote to award four deserving charities to receive a portion of the funds they donate. In 2021, our EmployeesCARE Program gave over \$18,000 to the following non-profit organizations:

- AZ Blankets 4 Kids
- Firefighter Angel Foundation
- American Foundation for Suicide Prevention
- United Animal Friends, Inc.



Scholarship Program

We proudly provide community scholarships for local high school students each year. Our goal is to lessen the financial burden they may face and help students establish strong financial futures as they pursue their educational goals.

Congratulations to the 2021 scholarship recipients, who exemplified a commitment to furthering their education and improving their communities. We are pleased to support their educational journey.

2021 Scholarship Program Award Recipients:

- Cheyla Daverman, Prescott High School
- Suhani Patel, Mountain Ridge High School
- John Coleman, Estrella Foothills High School
- Gabriela Flores-Diaz, Independence High School, JROTC
- Timothy O’Hara-Haworth, Westwood High School, JROTC

Giving Back | Charity Donations and Sponsorships: **\$21,663** |



Cell Phones for Soldiers Program



Cell Phones for Soldiers

We are proud to be an official drop-off site for the Cell Phones for Soldiers Program that supports our active-duty military members, military families and veterans. Throughout the year, our branches collect cell phone donations for the organization who in turn provides monthly discounts on domestic wireless minutes and free international calling cards.

Since 2010, Credit Union West members and staff have donated 6,621 phones equating to 632,900 minutes of free talk time for active military and veterans!

**CELL PHONES
—★ FOR ★—
SOLDIERS**



Community Events

Our organization was built from a passion to help our community and members build better futures through financial health and stability. We work towards this mission every day by listening to community needs through local partnerships. The credit union gives back by providing financial education, awarding scholarships and sponsoring events that benefit families and local businesses throughout Arizona.

- Glendale Community College Innovation Challenge
- Freedom Fest at Luke Air Force Base
- Second Responders Reception for City of Glendale
- POW/MIA 24 Hours of Remembrance Vigil Run at Luke Air Force Base
- Fighter Country Air Force Ball
- Grapes 4 Good Annual School Auction
- YMCA Whiskey Row Marathon
- Veteran's Medical Leadership Council Heroes Patriotic Luncheon
- Flying High Turkey Drive
- Glendale Chamber of Commerce Military Appreciation Event
- Phoenix Children's Hospital Ignite Hope Walk
- Holiday Magic at Luke Air Force Base



POW/MIA 24 Hours of Remembrance Vigil Run - Luke Air Force Base



Freedom Fest - Luke Air Force Base

EmployeesCARE Donations: **\$18,089** | College Scholarships Awarded: **\$5,000**



“Keita, the branch manager, helped my husband and I from start to finish when we decided to buy a vehicle. She worked with us while the dealership was giving us the run around. Both Keita and Denise, the loan specialist, even agreed to stay late and wait for us to come sign papers and complete the process. Thank you both!”

Regina S. | Yelp Review



“Daniel is wonderful! He is one of the reasons why I continue to bank with Credit Union West.”

Jessica R. | Google Review

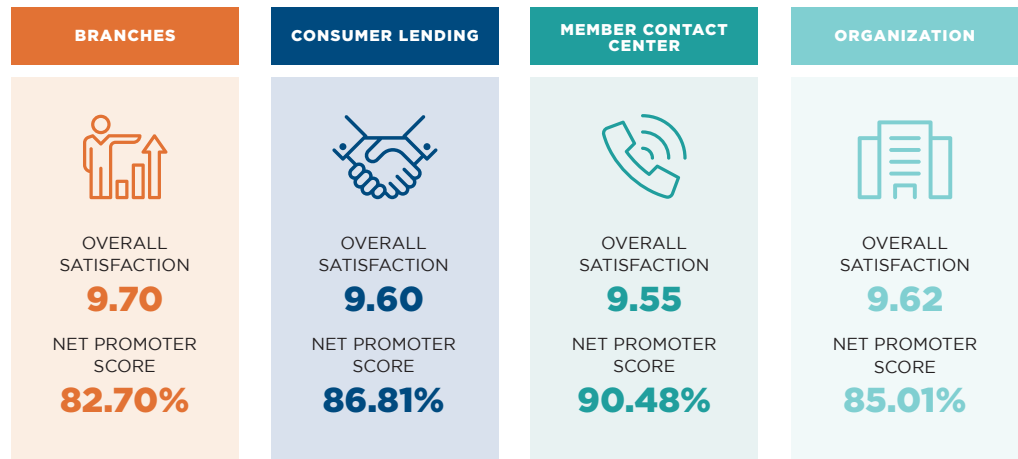


“Today Holly helped me with forms and I just wanted to say her customer service was outstanding. She really helped me a lot and I appreciate her time. Please give her a big thank you from me again.”

Anonymous | Member Contact Center

Member Experience

One of the best ways we learn how to better support our membership and their financial success is through member feedback. At Credit Union West, your voice really does matter. Throughout the years, we have been able to make positive changes because of opportunities identified by members that were shared with us. As we continue to grow and serve even more members, we remain committed to providing excellent service and member experience.



Awards, Achievements & Milestones

- Named ‘Top Company to Work for in AZ’ for the ninth year in a row by AZ Capitol Times
- President and CEO, Karen Roch, awarded 2021 Credit Union Leader of the Year by AZ Big Media
- Named #1 Best Financial/Retirement Planner in Glendale by the Glendale Star
- Ranked #7 of Top 10 Credit Unions in Arizona by AZ Big Media
- Reached 70 years of service with 80,000+ members and over \$1 billion in assets
- Increased minimum wage company-wide to \$20 per hour
- Refreshed three branch locations: Arrowhead, Surprise and Prescott
- Expanded ATM services by adding the Allpoint ATM Network to member benefits



Board of Directors



Luis Gendreau
CHAIR



Ray Boucher
VICE CHAIR



Donald Jackson
DIRECTOR



Frances Laguna
DIRECTOR



Gary Larberg
DIRECTOR



Edward Logan
DIRECTOR



Wanda Tyus
DIRECTOR



Jonathan Ford
ASSOCIATE BOARD MEMBER

Executive Management



Karen Roch
PRESIDENT AND
CHIEF EXECUTIVE OFFICER



Ning Duong
SENIOR VICE PRESIDENT
CHIEF OPERATING OFFICER



Connie Loveland
SENIOR VICE PRESIDENT
CHIEF FINANCIAL OFFICER



Bob Birr
VICE PRESIDENT
CHIEF LENDING OFFICER



Cheryl Brown
VICE PRESIDENT
CHIEF HUMAN RESOURCES
OFFICER



Diana Cruz
VICE PRESIDENT
OF ENTERPRISE RISK
MANAGEMENT



Danielle Green
VICE PRESIDENT
OF BRANCHES



Ryan O'Connor
VICE PRESIDENT
OF MARKETING AND
COMMUNICATIONS



Kelly Poldoski
VICE PRESIDENT
OF FINANCE



"I have been going to Credit Union West over 10 years. I like the personal service and down-home feeling that they give you when you walk in the branch. They also do not have huge lines like other major banks. They have good rates on all types of loans. Love them."

Sue B. | Google Review



"I wanted to take the time to write to you personally of my experience with your services! I recently reached out to your bank to refinance my car loan and was helped by Natalia who made this process so clear and simple for me! She listened to all my concerns every step of the way. She made me feel comfortable in asking even the 'silliest questions' and made sure I was satisfied with the process. Just wanted to recognize Natalia for her patience and her professionalism! I am very happy that I made the switch to your bank and was given the best service!"

Anonymous | Consumer Lending

Branch Locations

Arrowhead

20155 N. 67th Avenue
Glendale, AZ 85308

Avondale

503 W. Van Buren Street
Avondale, AZ 85323

Cactus

6777 W. Cactus Road
Peoria, AZ 85381

Cottonwood

1672 E. Cottonwood Street, Suite C
Cottonwood, AZ 86326

Kierland

14601 N. Scottsdale Road, Suite 115
Scottsdale, AZ 85254

Luke Air Force Base

BASE ACCESS REQUIRED
13708 W. Glendale Avenue
Luke AFB, AZ 85307

North Mountain

350 E. Dunlap Avenue
Phoenix, AZ 85020

Osborn Campus

3604 N. Wells Fargo Avenue, Suite A
Scottsdale, AZ 85251

Prescott

528 W. Gurley Street
Prescott, AZ 86301

Prescott Valley

8640 E. State Route 69
Prescott Valley, AZ 86314

Sun City West

19436 N. R.H. Johnson Boulevard
Sun City West, AZ 85375

Surprise

16765 N. Litchfield Road
Surprise, AZ 85374

Westgate

10150 W. Desert River Boulevard, B-170
Glendale, AZ 85307

800.621.0287 | 602.631.3200

cuwest.org



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