



VantageWest
CREDIT UNION

2011

*Annual
Report*



Federally Insured
by NCUA



Dale R. Whittaker
Chairman, Board of Directors

In 2011, Vantage West Credit Union emerged strong and healthy amidst a competitive financial services industry. As your Chairman of the Board of Directors and a member of Vantage West for more than 40 years, I have found over the years that our best asset is our members.

Today, Vantage West has more than 110,000 members, each with financial needs such as loans, savings, financial planning, and insurance. We have the products to help meet our members' needs. Our products, services and rates are designed to benefit the membership and the community, and to keep our credit union strong, healthy and competitive in today's financial environment. We continue to be one of the best-managed credit unions in the country with \$1.1 billion in total assets, and an impressive capital ratio of 11.91% as of year-end 2011.

Vantage West Credit Union also serves many communities: Tucson, San Manuel, Casa Grande, Catalina and the Phoenix area. We are the largest credit union in Southern Arizona, thanks to you, our members. Vantage West's Board of Directors, management team and employees are dedicated to our members, our financial health and our financial growth.

Thank you for your membership. Together, we can expand our boundaries as we remain true to our mission, *"People helping people achieve their financial goals...our #1 priority."*



Robert D. Ramirez
President/CEO



I want to begin by letting all our members know that Vantage West Credit Union is in excellent financial health, thanks to your continued patronage. I also want to thank and recognize our Board of Directors, Supervisory Committee and dedicated employees for their passion and commitment to serving our membership.

This past year, we saw a shift in consumer confidence; and with this shift, we are beginning to see signs of recovery from the financial crisis that has challenged us for a number of years. To assist the membership, we set out to finance home and auto needs and to make entrepreneurial dreams a reality.

Vantage West is continuously working to find ways to make it easier for you to do business with us, and we are focused on expanding our consumer and business offerings. We are investing in new technologies to enhance account access through Online Banking, as well as Mobile Web and Text Banking. We also installed new Deposit Automation ATMs capable of check imaging and convenient no-envelope cash and check deposits.

Meanwhile, I am proud to say that your credit union is actively involved in the political process. We are committed and passionate in our belief that our political system works, and we are strong advocates to ensure that your voices are heard regarding proposed changes that could adversely affect your financial well-being.

At Vantage West, we are focused on our goal to build member loyalty, and we want you to be pleased with our services so that you recommend us to your family and friends. We will continue to pursue our mission, *"People helping people achieve their financial goals...our #1 priority."* We know that you have choices to make in meeting your financial needs, and we thank you for your business. We will continue to work diligently to earn your trust.

Charles H. Matthewson
Treasurer, Board of Directors



The word "audit" typically carries a negative connotation. However, I carried positive feelings away from two Vantage West audits in 2011. In May, our external auditors reported we are in the top 1% of credit unions. This was later confirmed in October by our NCUA auditors saying, *"You are at the top of our industry."*

Also present for the NCUA report was our State regulator from the Arizona Department of Financial Institutions. Based on the NCUA audit, she affirmed that, *"This is a very well-run and well-established organization. These results (from our Financial Statement) are quite uncommon in a good way across Arizona. The results are really good and are happening for a reason – good governance."*

"Really good results." That is what we as a Board *like* to see, what I as the Treasurer *want* to see, and what you as our Owners *need* to see. Here are a few key financial indicators for 2011 that captured our regulators' attention, "in a good way": **Net Worth** grew from 11% to 12% compared to our competitors' 10%; **Net Margin** held strong at 6% compared to our competitors' 4.4%; **Return on Assets** came in more than the desired 1% compared to our competitors' 0.7%; **Loan-to-Share Ratio** hit 90% compared to our competitors' 70%; **Delinquent Loans** decreased from 3% to 2%; **Net Income** was at \$13 million – averaging more than \$1 million each month; **Loan Growth** was up 3% compared to our competitors' -1%; and **Member Growth** was also up 3% compared to our competitors' 0.4%. All this resulted in a bottom line where our **Equity** grew by more than 10%.

As stewards of the credit union, we will continue to practice good governance, and we will remain responsive to your financial needs. We look forward to greater successes with you in 2012.





Ernie Norzagaray
Chairperson, Supervisory Committee

The members of Vantage West Credit Union's Supervisory Committee are appointed by the credit union's Board of Directors, in accordance with Arizona law and the credit union's bylaws.

The committee's primary responsibility is to ensure that the directors, committees and employees of our credit union comply with the rules and regulations set forth by

Arizona law and enforced by the Arizona Department of Financial Institutions (AZDFI). General credit union operations for Vantage West are overseen and regulated by the AZDFI, in accordance with Arizona's financial institution laws as well as by the National Credit Union Administration (NCUA). The AZDFI conducts the credit union's regular safety and soundness examinations.

The Supervisory Committee also conducts an annual comprehensive review of the credit union's internal controls in association with the certified public accounting firm of Orth, Chakler, Murnane and Company, CPAs; and retains an internal auditor on staff.

I am pleased to report that all reviews of Vantage West's performance indicate that the credit union is a strongly capitalized financial institution. Congratulations to all Vantage West staff, management and volunteers for their part in making the credit union a success.

Vantage West Credit Union Officers

Board of Directors

Dale R. Whittaker	Chairman
Wilmer L. "Lou" Gum	Vice Chairman
Charles H. "Matt" Matthewson	Treasurer
Gloria Gonzalez	Secretary
Gary W. Smith	Director
Telesforo "Soonie" Marin	Director
Terri Branham	Director
Lea Marquez-Peterson	Associate Director

Supervisory Committee

Ernie Norzagaray	Chairman
Helen Arnold	Member
Richard Diaz	Member
Miland Wilken	Member
Patricia Raymond	Alternate Member
Ramona Gutierrez	Alternate Member

Senior Management

Robert D. Ramirez	President/CEO
Rene S. Almazan	Sr. Vice President, Chief Lending Officer
Gary S. Bram	Sr. Vice President, Marketing
Steven M. Mott	Sr. Vice President, Technology
James "Rocky" Chandler	Vice President, Indirect Lending
Danielle Bridges	Vice President, Consumer Lending
Daniel Clemens	Vice President, Enterprise Risk Management
Doris Gant	Vice President, Operations
Stefan Harris	Vice President, Technology
Jamie S. Hernandez	Vice President, Regional Sales Manager
Sandra B. Lueders	Vice President, Human Resources
Scott B. Odom	Vice President, Finance
Paul Barriball	Vice President, Business Lending & Services
Charles "Chuck" Powell	Vice President, Asset/Liability Management
Jason Smalarz	Vice President, Loss Mitigation and Loan Servicing



Statements of Financial Condition

	As of December 31,	
	2011	2010
Assets		
Cash & Cash Equivalents	\$ 87,226,986	\$ 64,282,632
Investments	107,177,099	120,464,076
Loans Held for Sale	57,000	-
Loans, Net of Allowance for Loan Loss	850,352,716	823,021,100
Accrued Interest Receivable	3,698,427	3,902,162
NCUA Share Insurance Deposit	9,369,724	9,496,883
Property and Equipment, Net of Depreciation	28,001,980	27,206,056
Other Assets	29,801,977	25,556,662
Total Assets	1,115,685,909	1,073,929,571
Liabilities		
Borrowed Funds	-	-
Accounts Payable and Accrued Liabilities	14,704,100	8,588,403
Member Deposit Accounts	968,155,246	946,223,217
Total Liabilities	982,859,346	954,811,620
Equity		
Reserves	129,834,921	116,524,176
Equity Acquired in Merger	2,800,000	2,800,000
Accumulated Other Comprehensive Income (Loss)	191,642	(206,225)
Total Equity	132,826,563	119,117,951
Total Liabilities & Equity	\$ 1,115,685,909	\$ 1,073,929,571

Statements of Income

	For the years ended December 31,	
	2011	2010
Interest Income		
Loan Interest	\$ 56,301,235	\$ 57,891,624
Investment Income	2,273,499	2,807,556
Total Interest Income	58,574,734	60,699,180
Dividend and Interest Expense		
Dividend Expense	5,341,892	6,851,873
Interest on Borrowed Funds	-	2,709
Other Interest	51,791	-
Total Dividend and Interest Expense	5,393,683	6,854,582
Net Interest Income	53,181,051	53,844,598
Provision for Loan Losses	9,080,000	15,396,000
Net Interest Income after Provision	44,101,051	38,448,598
Non-Interest Income		
Fees and Commission Income	13,812,701	13,511,365
Gain from Bargain Purchase - Acquisition	-	2,234,554
Miscellaneous Non-Interest Income	240,239	422,471
Total Non-Interest Income	14,052,940	16,168,390
	58,153,991	54,616,988
Non-Interest Expense		
Salaries and Benefits	23,467,854	20,961,750
Office Operations	14,469,246	13,164,365
Office Occupancy	2,359,923	1,949,680
NCUSIF Premium Assessment	2,378,617	2,460,490
Other Expense	1,652,282	1,187,965
Professional and Outside Services	515,325	664,820
Total Non-Interest Expense	44,843,247	40,389,070
Net Income (Loss)	\$ 13,310,744	\$ 14,227,918



Phone Numbers

520.298.7882
800.888.7882

Website

Vwestcu.org

Email

Info@Vwestcu.org

Corporate Address

2480 N. Arcadia Ave., Tucson, AZ 85712

Mailing Address

P.O. Box 15115, Tucson, AZ 85708

Branch Locations

Pima County

Broadway	8465 E. Broadway Blvd.
Catalina	16460 N. Oracle Rd.
Craycroft	2222-4 S. Craycroft Rd.
DM Air Force Base (<i>Limited Access</i>)	3320 S. Craycroft Rd., Bldg. 2520
Marana (<i>AZ Pavilions</i>)	8290 N. Cortaro Rd.
Northwest	550 W. Magee Rd.
Rita Ranch	7394 S. Nexus Rd.
Southwest	3125 E. Valencia Rd.
Tanque Verde/Sabino Canyon	7163 E. Tanque Verde Rd.
University	801 E. Speedway Blvd.
Wilmot	1100 N. Wilmot Rd.

Maricopa County

32 nd & Shea	10440 N. 32 nd St.
Black Canyon (<i>Phoenix</i>)	3416 N. 24 th Ln.

Pinal County

Casa Grande	2008 E. Florence Blvd.
San Manuel	141 W. 8 th Ave.



