

# Looking Forward.



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# Contents

Chairman's Message	pg.2
President's Message	pg.3
Treasurer's Message	pg.4
Supervisory Committee's Message	pg.5
Statements of Financial Condition	pg.6
Statements of Income	pg.7
Leadership	pg.8
Locations / Contact Information	IBC

# Our story continues.

**In 2015, we as an organization paused for a moment to reflect on 60 years of successes, challenges and growth. Today, we continue to build on our 60-year legacy with current achievements – and our vision for the future.**

A quick review of the year 2015 tells a story of how we invested in new technologies to make banking more convenient for our members. We succeeded in our efforts to bring new financial products and services, and offered nationally competitive deposit and loan rates. And, in recognition of our deep roots in Arizona, we supported local nonprofits and strengthened our ties with the local communities we serve.

Starting with a small membership at the DM Air Force Base in 1955, we ended 2015 more than \$1.5-billion strong, touching the lives of more than 136,000 members.

## The vision ahead.

Looking forward, we continue to expand our member-centric approach in all our areas of business. We will continue to grow in strength and assets to be well-positioned to serve the growing needs of our members.

Given our ultimate goal to deliver more and better service to the membership, a modern branch network will complement mobile and electronic technologies. We also see ourselves growing our service footprint and asset base – organically and through strategic mergers & acquisitions.

We are driven by our focus on our membership, because we believe that as Vantage West Credit Union members, you deserve more!



# 2015

"...we ended 2015 more than \$1.5-billion strong, touching the lives of more than 136,000 members."



**Charles H. Matthewson**

*Chairman, Board of Directors*

**At Vantage West, we are proud of our achievements in 2015. As a forward-looking organization, we also have a vision for the future.**

Your board of directors and management team work together to develop and implement strategies that will keep us strong and viable as a world-class financial institution. We are pursuing long-term strategic priorities and short-term goals, with great success relative to the performance of our industry peers.

One of our strategic initiatives is to strengthen the “member-centric” fabric of our organization. It is our basic purpose – our “mission” – to work together (with you, our partners, and our employees) to meet *your* financial needs. And it is our value proposition – our “promise” – to provide *you* with the best overall financial services advantage. You are the reason for our looking forward and our growth strategies, so you can save more money on credit and make more money on savings. *Yes, you deserve more!*

To be a member-centric organization, we will continue to differentiate Vantage West from our competitors by delivering a uniquely

superior level of value and personalized service to our member-owners. We will create a member experience that builds high levels of engagement and loyalty for the consumers and businesses in our markets. We will continue to focus on inspiring repeat business to retain our members, and provide the support and tools to help you reach all your financial goals.

As we move forward, we will pursue levels of innovation that enable us to give you what you need – even in cases where you might not yet realize a need exists. With technology moving so fast, we will strive to stay ahead of the competition with 21<sup>st</sup> century financial products, tools, channels and services.

You are the key to our being more member-centric. We invite you to work with us to meet your financial needs. We encourage you to connect with us, either at the branches or via phone or the web. We value the power of deep human relationships, and that is what we are looking forward to building with you, your friends and families.



*“One of our strategic initiatives is to strengthen the ‘member-centric’ fabric of our organization.”*



**Robert D. Ramirez**

*President/CEO*

**In 2015, we marked our 60<sup>th</sup> year in business. This is a special milestone for all of us, growing from our one-room barrack office at the Davis-Monthan Air Force Base in 1955, to being southern Arizona's largest credit union.**

Today, we are in a unique position of being a very large, grassroots, homegrown credit union with more than \$1.5 billion in total assets and more than 136,000 members as of year-end 2015.

Our focus has always been the same: Take care of our members and they will take care of us. I am proud to say, as I have over the last 16 years, that our credit union remains in excellent financial health, because we value both our membership and our employees who take care of our membership.

Beyond our exceptional focus on servicing our membership with competitively priced loan and deposit products, we make every effort to make it easy to do business with us. We have a multitude of delivery channels from our branch network to sophisticated technologies that offer 24x7 coverage to meet our members' financial needs.

Vantage West is a community leader, giving back and getting involved in the communities we serve. As such, we make it a point to align

ourselves with organizations that support local economic growth, education and financial literacy.

In 2015, we were honored with numerous accolades. We received a 5-star rating from Bauer Financial, and were the first credit union in Arizona to receive the Juntos Avanzamos designation for our service to the Hispanic community. We were named Junior Achievement Community Partner of the Year, and won the Arizona Daily Star Readers' Choice Awards for Best Bank/Credit Union and Best Adult Enrichment Classes.

Our success has been the result of doing many things right as we learned from our experiences over the past 60 years. What has remained unchanged is our focus to always provide our members with a very competitive value proposition in handling their financial goals. Looking forward, we will continue to work hard to earn our members' business and fulfill our mission, *"Working together to meet our members' financial needs."*



*"To be successful, you have to have your heart in your business, and your business in your heart."*

*- Thomas Watson, Sr.*



**Gary W. Smith**  
*Treasurer, Board of Directors*

**Vantage West Credit Union ended 2015 with more than \$1.5 billion in total assets. The organization is in excellent financial health and is well-positioned for future growth.**

Our loan-to-share ratio is 102% compared to our national peer group of 79%. We had an 11.8% total asset growth over 2014 and we saw a significant increase of 13% in total net loan growth, adding more than \$166 million to our loan portfolio from 2014 to 2015. This well exceeded the 12% goal and can be attributed to the steady loan growth in mortgages, auto, and business lending.

Today, Vantage West remains in a safe and sound financial condition. A joint audit of our credit union was conducted by the National Credit Union Administration and the Arizona Department of Financial Institutions for safety and soundness in 2015, and both organizations reported the best examination results in five years.

Also in 2015, Vantage West was the recipient of a number of accolades. As noted in the president's message, we received a 5-star rating from Bauer Financial for demonstrating the highest level of financial stability and for having a strong capital position. Additionally, we were recognized by DepositAccounts.com for the second year in a row as being among the nation's top credit unions based on deposit growth, capitalization and loan-to-reserve ratios.

As the treasurer of this outstanding institution, I am pleased to report that your credit union is in excellent financial health: It is financially sound, secure, and postured to move forward in a positive growth pattern.

**\$1.5  
BILLION**

*Vantage West Credit Union ended 2015 with more than \$1.5 billion in total assets.*





**Ernie Norzagaray**

*Chairman, Supervisory Committee*

**Functioning as an independent entity, members of the Supervisory Committee/Audit Committee are responsible for evaluating the soundness of Vantage West Credit Union's operation and activities.**

We ensure that the credit union's Internal Audit Department and management implement sound internal controls, and maintain practices and procedures following generally accepted accounting principles. In doing so, we carry out our primary responsibilities as follows:

- 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)
- Conduct an annual comprehensive review of the credit union's internal controls in association with the external certified public accounting firm of Orth, Chakler, Murnane and Company
- Work directly with the Internal Audit Department to ensure compliance, regulations, policies and procedures are being followed to ensure Vantage West Credit Union continues to grow our membership and asset base
- Review and monitor member complaints to ensure a satisfactory disposition of all complaints in our quest to better serve our membership
- Ensure Vantage West Credit Union provides our membership the best possible customer service as well as new and improved products and services

In the joint audit conducted in 2015 by the National Credit Union Administration and AZDFI for safety and soundness, both graded Vantage West Credit Union the best examination result in the last five years.

I am very pleased to report that all reviews of Vantage West's performance indicate that the credit union is a safe and sound financial institution with strong financial controls, and is a highly capitalized financial institution.

Congratulations to all Vantage West staff, management and volunteers for their part in making the credit union a great success.

# Statements of Financial Condition

As of December 31,

Assets	2015	2014
Cash & Cash Equivalents	\$61,141,993	\$34,017,900
Investments		
Trading Securities	25,097,856	25,125,873
Available-for-Sale	17,698,589	52,279,052
Other	5,262,329	5,110,174
Federal Home Loan Bank Stock	6,000,000	2,516,300
Loans, Net of Allowance for Loan Loss	1,401,214,515	1,235,483,708
Accrued Interest Receivable	4,171,718	4,234,654
Loans Held for Sale	938,871	1,225,917
Note Receivable	891,868	916,068
Prepaid and Other Assets	14,259,047	13,069,396
Other Real Estate Owned (OREO)	2,783,451	145,080
Intangible Assets	2,322,746	2,669,792
Property and Equipment, Net of Depreciation	29,382,741	28,231,166
NCUA Share Insurance Deposit	12,568,574	11,160,902
<b>TOTAL ASSETS</b>	<b>\$1,583,734,298</b>	<b>\$1,416,185,982</b>
<b>Liabilities and Member Shares</b>		
Members' Share Accounts	\$1,381,144,054	\$1,187,216,935
Borrowed Funds and Interest Payable	-	40,000,291
Dividends Payable	128,393	86,256
Accounts Payable and Accrued Liabilities	19,346,370	18,597,705
<b>TOTAL LIABILITIES AND MEMBER SHARES</b>	<b>\$1,400,618,817</b>	<b>\$1,245,901,187</b>
<b>Equity</b>		
Regular/Statutory Reserve	\$14,105,367	\$14,105,367
Undivided Earnings	1,500,000	1,500,000
Other Reserves	164,781,421	152,467,349
Accumulated Other Comprehensive Income (Loss)	(71,307)	(587,921)
Equity Acquired in Merger	2,800,000	2,800,000
<b>TOTAL EQUITY</b>	<b>\$183,115,481</b>	<b>\$170,284,795</b>
<b>TOTAL LIABILITIES AND MEMBERS' EQUITY</b>	<b>\$1,583,734,298</b>	<b>\$1,416,185,982</b>

# Statements of Income

For the years ended December 31,

Interest Income	2015	2014
Loan Interest	\$66,749,266	\$62,761,585
Investment Income	1,582,728	1,196,684
<b>TOTAL INTEREST INCOME</b>	<b>\$68,331,994</b>	<b>\$63,958,269</b>
Dividend and Interest Expense		
Dividend Expense	\$7,326,455	\$5,299,001
Other Interest	371,589	134,182
Total Dividend and Interest Expense	\$7,698,044	\$5,433,183
Net Interest Income	\$60,633,950	\$58,525,086
Provision for Loan Losses	\$12,319,000	\$12,120,000
<b>NET INTEREST INCOME AFTER PROVISION</b>	<b>\$48,314,950</b>	<b>\$46,405,086</b>
Non-Interest Income		
Fees and Commission Income	\$18,025,969	\$16,439,012
Miscellaneous Non-Interest Income	953,021	1,096,380
Gain on Sale of Loans	299,360	325,521
<b>TOTAL NON-INTEREST INCOME</b>	<b>\$19,278,350</b>	<b>\$17,860,913</b>
<b>TOTAL NET INTEREST PLUS NON-INTEREST INCOME</b>	<b>\$67,593,300</b>	<b>\$64,265,999</b>
Non-Interest Expense		
Salaries and Benefits	\$30,969,799	\$30,341,162
Office Operations	19,429,786	17,764,830
Office Occupancy	2,721,171	2,727,890
Other Expense	1,550,470	1,633,863
Professional and Outside Services	608,002	675,755
<b>TOTAL NON-INTEREST EXPENSE</b>	<b>\$55,279,228</b>	<b>\$53,143,500</b>
<b>NET INCOME (LOSS)</b>	<b>\$12,314,072</b>	<b>\$11,122,499</b>

## Leadership



### Board of Directors

Charles H. Matthewson	<i>Chairman</i>
Eugene Santarelli	<i>Vice Chairman</i>
Gary W. Smith	<i>Treasurer</i>
John R. Driskill	<i>Secretary</i>
Gloria R. Gonzalez	<i>Director</i>
Ana M. Archer	<i>Director</i>
Dr. Paul L. Melendez	<i>Director</i>
Mitchell S. Pisik	<i>Associate Director</i>
Gregory E. Good	<i>Associate Director</i>

### Senior Management

Robert D. Ramirez	<i>President/CEO</i>
Rene S. Almazan	<i>Sr. Vice President, Chief Lending Officer</i>
Scott B. Odom	<i>Chief Financial Officer</i>
Steven M. Mott	<i>Sr. Vice President, Technology</i>
Danielle M. Bridges	<i>Vice President, Consumer Lending</i>
Timothy J. Overton	<i>Vice President, Business Banking</i>
Daniel M. Clemens	<i>Vice President, Enterprise Risk Management</i>
Brenda Gordon	<i>Vice President, Legal Counsel</i>
Allan J. Switalski	<i>Vice President, Marketing</i>
Jamie S. Hernandez	<i>Vice President, Regional Sales</i>
Stefan A. Harris	<i>Vice President, Technology</i>
Sandra B. Lueders	<i>Vice President, Human Resources &amp; Development</i>

### Supervisory Committee

Ernie R. Norzagaray	<i>Chairman</i>
Linda P. Broadwater	<i>Secretary</i>
Joe J.A. Rodriguez	<i>Member</i>
Barry S. Holbert	<i>Member</i>
Patrick Greene	<i>Member</i>

# Locations

## Pima County

1st Avenue	4280 N. 1st Ave.
Broadway	8465 E. Broadway Blvd.
Catalina	16460 N. Oracle Rd.
Craycroft	2222-4 S. Craycroft Rd.
DM Air Force Base	3320 S. Craycroft Rd., Bldg. 2520
Marana	8290 N. Cortaro Rd.
Northwest	550 W. Magee Rd.
Rita Ranch	7394 S. Nexus Rd.
Southwest	3125 E. Valencia Rd.
Tanque Verde	7163 E. Tanque Verde Rd., Ste. C114
University	801 E. Speedway Blvd.
Wilmot	1100 N. Wilmot Rd.

## Maricopa County

32nd & Shea	10440 N. 32nd St.
Black Canyon	3416 N. 24th Ln.

## Pinal County

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

## Cochise County

Tombstone	218 S. Sumner St.
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# Contact Information



### Online

[vantagewest.org](http://vantagewest.org)  
[info@vantagewest.org](mailto:info@vantagewest.org)



### Phone

520.298.7882  
800.888.7882



### Corporate Address

2480 N. Arcadia Ave., Tucson, AZ 85712



### Mailing Address

P.O. Box 15115, Tucson, AZ 85708



NMLS# 485751

[vantagewest.org](http://vantagewest.org)

