

A large blue graphic featuring the number '70' with a white star inside the zero, and the text '1952-2022' arched above it and 'YEARS' below it. The graphic is set against a white circular background.

1952-2022  
**70**  
YEARS

**ANNUAL REPORT 2022**  
70th Anniversary Edition





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# OUR *Mission*

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TruWest Credit Union is a cooperative providing trusted financial solutions and services, so members can achieve their goals.

# OUR *Vision*

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Members can easily interact with TruWest from wherever they are, and experience the benefit of the TruDifference in their lives.

From Left to Right:

**Nikki Badje** Senior Vice President and Chief Human Resource Officer  
**Mike Ward** Senior Vice President and Chief Financial Officer  
**Gary Bernard** Executive Vice President and Chief Operations Officer  
**Alyse Medina** Senior Vice President and Chief Legal Officer

**Chris Kearney** Executive Vice President and Chief Information Officer  
**Alan Althouse** President and Chief Executive Officer  
**Farid Farbod** Senior Vice President and Chief Lending Officer  
**Jennifer Kimmell** Senior Vice President and Chief Marketing Officer

# MEET THE **SENIOR LEADERSHIP TEAM**

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# 2022 HIGHLIGHTS



**90,309**  
MEMBERS



**\$11,831,928**  
NET INCOME



**\$1.51 BILLION**  
TOTAL ASSETS



**\$1.4 MILLION+**  
in REWARDS CHECKING

Incentives paid to members



GREW OUR  
**FINANCIAL  
LITERACY  
PROGRAMS  
& EDUCATION**



INTRODUCED  
**SAVVY MONEY**  
free credit score education tool



INTRODUCED  
**TEXT & VIDEO  
BANKING**

**Home**  
by TRUWEST MORTGAGE™

LAUNCHED  
**Home by TruWest  
Mortgage™**

# A LETTER FROM THE **CHAIR AND PRESIDENT & CEO**

*To our members,*

2022 was a year in which the Credit Union pivoted from achieving financial success in a historic low-interest rate environment to achieving even greater success in a world of rising rates. Rising interest rates allowed us to reward our many members who save with us. For example, by late 2022, we were offering market-leading rates on certificates of deposit (CD) – 4.00% for all terms ranging from 6 months to 5 years.

When rates were at historic lows, the Credit Union sold most fixed-rate loans it originated into the secondary market, providing market-leading low mortgage rates to members without exposing the Credit Union to the risks of holding those mortgages on its balance sheet when rates inevitably rose. During this time, we accumulated a large amount of cash to deploy into loans when rates rose, as they did in 2022. As a result, we grew loans to members in 2022 by over \$216 million.

This strong loan growth created strong revenue growth, with revenue rising 35% by December, when compared to the prior year. Revenue growth continues to accelerate in early 2023. Strong revenue growth meant strong earnings, as the Credit Union achieved a net income of over \$11.8 million in 2022. This occurred despite a 33% increase of dividends paid out.

TruWest increased its already strong capital ratio from 9.73% at the end of 2021, to 10.54% by the end of 2022—easily surpassing the 7% level our regulatory authority requires for a “well capitalized” designation. As an indication of our financial strength, TruWest Credit Union once again received a five-star rating from Bauer Financial, their highest rating.

Our ability to provide members with exceptional service and value is the cornerstone of TruWest’s financial stability. In our frequent 2022 branch service surveys, members rated our service 6.79 on a scale of 1 to 7. Similarly, our mobile app earned an Apple App Store rating of 4.8 on a 5-point scale.

*continued...*



We survey our members every year through the Net Promoter Score (NPS) process, and in 2022 members gave TruWest another high vote of confidence with an NPS of 66%, 4% higher than last year's 62%. This places us above such well-regarded brands as Apple and Amazon.

Despite these elite results, we continue to strive for ever higher levels of member service. For example, in 2022, we launched Savvy Money, a free online tool that provides members real-time credit scores. Savvy Money also includes a host of useful tools to manage credit, personalized advice to help members improve their credit score, alerts whenever their credit is accessed, and the ability to dispute card charges – all in one place.

It has been 70 years since Rufus Coulter and seven of his fellow Motorolan's pooled their money to form this credit union. These founding members had a vision of people sharing their resources so that, by coming together, members could get a fair shake. People helping people we call it - the credit union philosophy.

Now, 70 years later, we're a \$1.5 billion credit union, with over 90,000 members strong. However, the most important thing isn't our size, but the fact we've never lost sight of the founding vision of people helping people.

Today we call it the TruDifference - great rates, great service, and a culture of caring. We know we deliver each of these because we measure them and hold ourselves accountable to this standard set many years ago.

We constantly monitor the market, making sure our rates and low fees are among the best deals available for our members. We also hire skilled professionals, provide them with great training, and treat them with the respect they deserve so they stay and make careers here. Our member surveys show that our staff delivers outstanding member service each and every day.

Our culture of caring – for our members, our employees, and our community – is the foundation of our TruDifference. We make a difference in the lives of our members and in our community – through contributions and volunteer time at Phoenix Children's Hospital, Dell Children's Medical Center, Mesa Community College, the American Lung Association, and so many more great organizations. Our employees celebrated our 70th anniversary with a challenge to themselves of delivering 700 hours of community service in 70 days – and in the end beat that goal with over 880 volunteer hours delivered to nearly 50 community organizations.

We are grateful for our members who made this exciting 70-year journey possible. These achievements simply could not have happened without their support. In conclusion, consider this: if nine members can become 90,000 in 70 years, just imagine what this Credit Union can become 70 years from now.

*Sincerely,*



**Rick O'Connor**  
Chair



**Alan Althouse**  
President & CEO



# COMMUNITY INVOLVEMENT



**\$64,000**

Member and employee payroll deduction donations



**\$13,000**

Member and employee payroll deduction donations



**\$56,000+**

Member and employee donations



**85** Scholarships and more than **\$54,000** Grants for *First-Year Experience* students + food and clothing drives



## WORKFORCE INITIATIVE SUBSIDY FOR HOMEOWNERSHIP (WISH) FOR FIRST-TIME HOMEBUYERS

Helped **54** families purchase their first home through grants totaling more than **\$1.2 million**



## BACKPACK DRIVES



Provided **140+** backpacks, **30** laptops and school supplies to schools in Arizona and Texas for the 2022 school year

## FINANCIAL LITERACY

Financial literacy courses taught at multiple schools and non-profit organizations



## COATS 4 KIDS



**60+** winter coats donated to families

## SPONSORSHIPS & SPONSOR SUPPORT



**50+** Arizona and Texas community organizations, schools & school districts, charities, partnerships, food banks & city chambers

# TREASURER'S LETTER

I am pleased to present the Treasurer's Report for the fiscal year 2022.

During the past year, TruWest Credit Union continued to maintain a solid financial position. Our total assets remain a strong \$1.51 billion, while our net income for the year was \$11.8 million. Our capital ratio remained above regulatory requirements at 10.54%, an increase from 9.73% the prior year, indicating that we have a solid financial foundation.

One of our primary goals for 2022 was to continue providing our members with competitive rates and low fees, while also investing in the technology and infrastructure necessary to meet their evolving needs. To that end, we introduced several new products and services, including expanded mobile app functionality, the launching of video banking connecting members to branch employees, and rolling out SavvyMoney, which provides members an online credit report along with reference materials on how to improve their credit score.

Our loan portfolio also continued to grow, with total loans outstanding increasing by 23% to \$1.16 billion. We were able to maintain a low delinquency rate, a testament to the creditworthiness of our members and our prudent underwriting practices.

Looking ahead, we remain committed to providing our members with the best possible products, services, and customer experience. We are investing in technology and infrastructure to ensure we remain at the forefront of innovation in the financial industry, while also maintaining our strong financial position.

In closing, I would like to thank our members for their continued loyalty and support. We are proud to serve you and look forward to another successful year ahead.

*Sincerely,*



**Scott Johs (AZ)**

**Board of Directors**  
Position: Treasurer



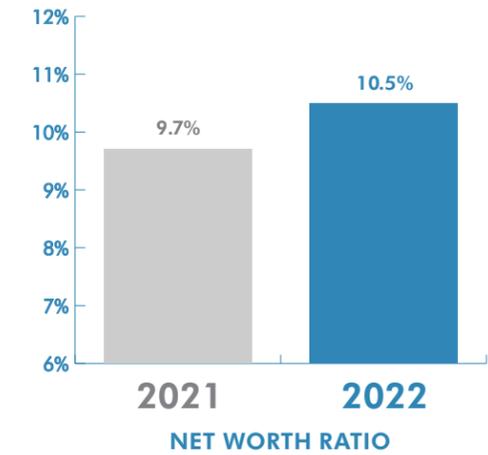
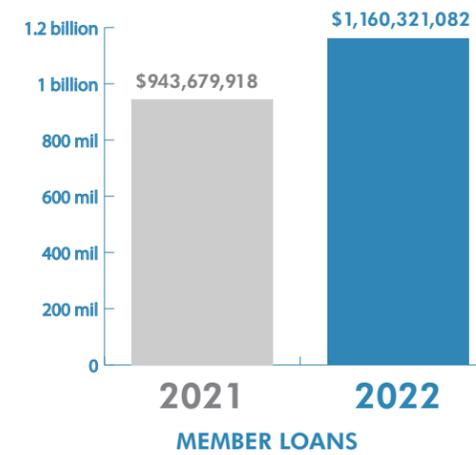
# FINANCIAL REPORT

## 2022

### BALANCE SHEET

ASSETS	2022	2021	% Change
Loans to Members	\$1,160,321,082	\$943,679,923	23.0%
Allowance for Loan Loss	-\$3,444,554	-\$4,528,559	-23.9%
Net Loans	\$1,156,876,528	\$939,151,364	23.2%
Total Investments	\$294,114,564	\$515,914,948	-43.0%
Net Fixed Assets	\$11,650,655	\$12,514,909	-6.9%
Other Assets	\$52,140,009	\$51,606,447	1.0%
<b>TOTAL ASSETS</b>	<b>\$1,514,781,756</b>	<b>\$1,519,187,668</b>	<b>-0.3%</b>

LIABILITIES AND EQUITY	2022	2021	% Change
Total Liabilities	\$20,448,170	\$12,775,009	60.1%
Total Members Equity			
Total Savings	\$407,164,240	\$406,145,158	0.3%
Total Checking	\$401,614,329	\$398,855,888	0.7%
Total Money Market	\$386,477,620	\$433,686,711	-10.9%
Total IRA	\$23,487,174	\$26,266,860	-10.6%
Total Certificates	\$161,618,939	\$98,634,640	63.9%
Total Deposits	\$1,380,362,301	\$1,363,589,257	1.2%
Total Reserves	\$113,971,285	\$142,823,402	-20.2%
<b>TOTAL LIABILITIES, MEMBER DEPOSITS AND RESERVES</b>	<b>\$1,514,781,756</b>	<b>\$1,519,187,668</b>	<b>-0.3%</b>



### HIGHLIGHTS & INCOME STATEMENT

HIGHLIGHTS	2022	2021	% Change
Members	90,309	90,461	-0.2%
Saving Accounts	102,662	102,720	-0.1%
Checking Accounts	52,328	52,720	-0.7%
IRAs	2,733	2,807	-2.6%
Money Market	7,630	7,748	-1.5%
Certificates	4,018	3,355	19.8%
Online Banking Users	62,634	60,101	4.2%
Mobile Banking Users	56,742	53,687	5.7%
Bill Pay Users	23,148	22,278	3.9%

INCOME STATEMENT	2022	2021	% Change
Interest on Loans	\$46,980,742	\$41,193,059	14.1%
Interest on Investments	\$8,998,720	\$3,270,648	175.1%
Interest Expense	\$4,246,595	\$3,184,007	33.4%
Net Interest Income	\$49,244,663	\$41,279,700	19.3%
Non-Interest Income	\$16,262,703	\$19,565,310	-16.9%
Non-Interest Expense	\$53,566,112	\$49,098,202	9.1%
Provision for Loan Losses	\$109,325	-\$900,000	-112.1%
Net Income	\$11,831,928	\$12,646,808	-6.4%

# SUPERVISORY COMMITTEE'S LETTER

The role of the Supervisory Committee is to ensure accurate financial reporting, sound internal controls and adherence to policies and procedures within the credit union. This responsibility is a key element of independent oversight that protects members assets. The committee consists of a minimum of three volunteers who apply to serve and are appointed by the Board of Directors. Currently, our committee members are Brian Pickett, Rebecca Plantz and Steve Benton.

In performing our duties, we select the external auditing firm, oversee the activities of the internal audit function and make sure audits are performed regularly. In support of these audits, TruWest engages with our external audit firm, CliftonLarsonAllen, as well as various other regulatory agencies including the National Credit Union Administration, the Arizona Department of Financial Institutions and the Texas Credit Union Department. The audits and oversight provide a significant foundation for the financial health of the credit union.

Based on the results of the independent audits and duties performed by the committee, we are pleased to report the financial condition of the credit union is accurately represented and a strong internal control environment is in place to protect our members assets.

On behalf of the Supervisory Committee, we are dedicated and honored to serve our members and we thank you for making TruWest your trusted financial institution.

*Sincerely,*



**Steve Benton (AZ)**

Supervisory Committee  
Position: Committee Chair



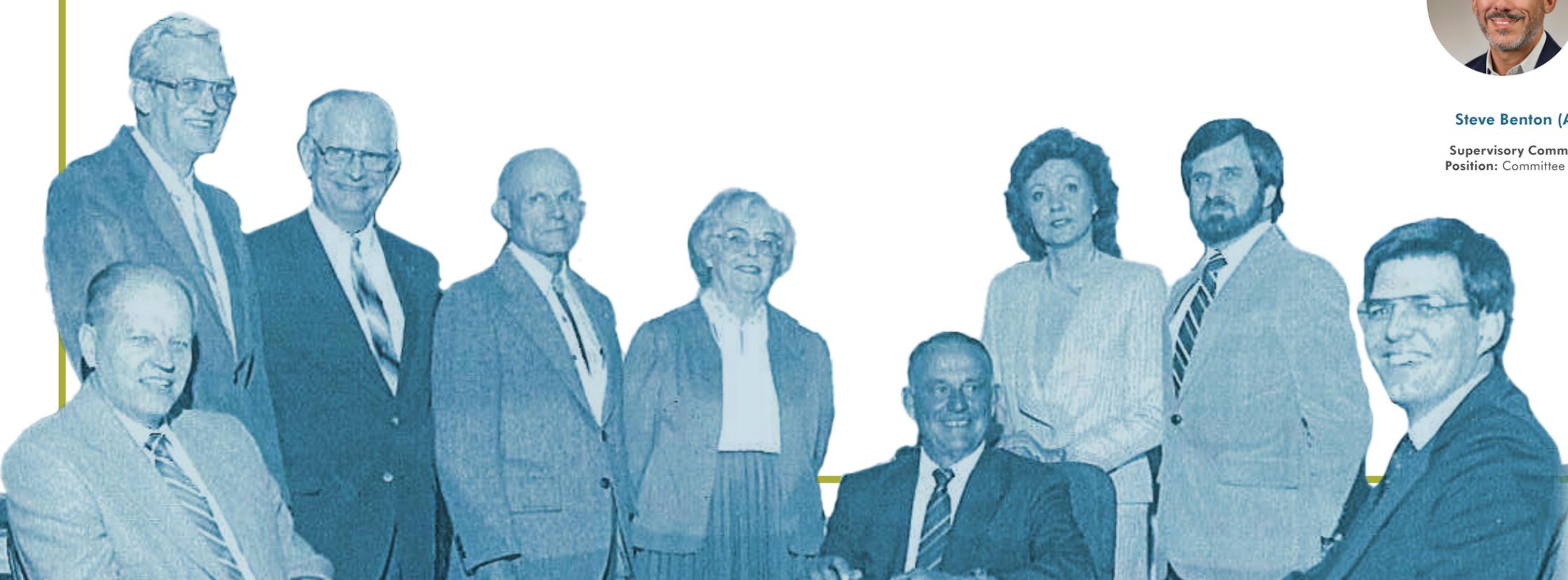
**Brian Pickett (AZ)**

Supervisory Committee



**Rebecca Plantz (AZ)**

Supervisory Committee



# MEET THE BOARD MEMBERS

Our Board Committee Members work to further the goals of TruWest® Credit Union and focus on member concerns. They listen to our members and communicate issues, needs and interests to the Board of Directors.



**Rick O'Connor (AZ)**  
**Board of Directors**  
**Position:** Chair  
**Term Expiration:** 2025



**Mike Moulton (TX)**  
**Board of Directors**  
**Position:** Vice Chair  
**Term Expiration:** 2024



**Scott Johs (AZ)**  
**Board of Directors**  
**Position:** Treasurer  
**Term Expiration:** 2023



**Susanna DeFranco (AZ)**  
**Board of Directors**  
**Position:** Secretary  
**Term Expiration:** 2025



**Tom Cummiskey (AZ)**  
**Board of Directors**  
**Term Expiration:** 2024



**Steve Benton (AZ)**  
**Supervisory Committee**  
**Position:** Committee Chair  
**Term Expiration:** 2025



**Tim Niesz (AZ)**  
**Board of Directors**  
**Term Expiration:** 2023



**Jeff Homer (AZ)**  
**Board of Directors**  
**Term Expiration:** 2025



**Brian Pickett (AZ)**  
**Supervisory Committee**  
**Term Expiration:** 2024



**Caitlin Davison (AZ)**  
**Advisory Committee**  
**Term Expiration:** 2023



**Mike Vasko (AZ)**  
**Board of Directors**  
**Term Expiration:** 2024



**David Holody (TX)**  
**Board of Directors**  
**Term Expiration:** 2023



**Rebecca Plantz (AZ)**  
**Supervisory Committee**  
**Term Expiration:** 2023



**Stephanie Williams (AZ)**  
**Advisory Committee**  
**Term Expiration:** 2023

# TRUWEST CREDIT UNION

## HISTORY



### 1960's

- **1961** – The Hayden Branch office opens and the first loan manager is hired
- **1962** – Membership increases to 5,000 members
- **1964** – Membership expands to include retired Motorola employees
- **1965** – The 8,000th member is awarded a transistor radio!
- **1966** – Membership reaches 10,000 members



- **1952** – On August 12, Rufus Coulter, Head of Personnel for Motorola Government Electronics Group, gathers seven fellow Motorola Employees and each contribute \$5 to form Motorola Credit Union, serving only Motorola employees
- **1952** – The first board meeting is held in September and loans of up to \$300 are extended to employees
- **1957** – The first annual meeting is held and the Credit Union grows to 1,378 members
- **1959** – New car loans of up to \$2,500 are offered to Motorola employees

### 1950's



### 1970's

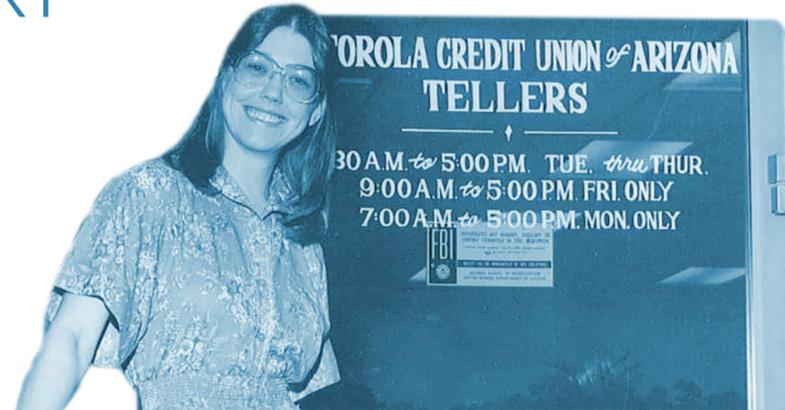
- **1973** – Peter DiSylvester is named manager of the Credit Union
- **1975** – The slogan "Once a Member, Always a Member" is implemented
- **1975** – Membership expands to include spouses and dependent children
- **1975** – The Christmas Club, traveler's checks, unsecured lines of credit and money orders are added to the Credit Union offerings
- **1976** – The Credit Union grows to nine branches
- **1977** – The first full service branch opens in Austin, Texas and memberships increase to over 19,000
- **1977** – Direct deposits are introduced
- **1979** – Memberships can now include immediate family members
- **1979** – A new credit union logo is introduced
- **1979** – The first three ATMs are installed

### 1980's

- **1982** – The 30th Anniversary is celebrated with the groundbreaking of the Roosevelt Branch
- **1982** – Membership reaches 32,000
- **1982** – The Credit Union changes its name to Motorola Employees Credit Union – West (MECU West), to differentiate itself from Motorola Employees Credit Union – East (serving the East Coast)
- **1983** – The first home office branch opens in Arizona, the first community branch location outside of a Motorola facility – and it has a drive up window!
- **1986** – The Data Dial Audio Response System, or "24-hour branch" call system is introduced
- **1986** – "New Car Central" is unveiled, a computerized, one-stop auto shopping service
- **1986** – Motorola Employees Credit Union West merges with Four Phase Credit Union
- **1987** – Memberships hit 35,000 and the Visa credit card is introduced
- **1988** – A quality awareness program is launched, to ensure first-class service
- **1989** – A first mortgage program is implemented

# TRUWEST CREDIT UNION

## HISTORY



### 1990's

- **1994** – A “Mystery Shopper” program is introduced to ensure quality service
- **1994** – The first offsite community branch is opened in Austin, TX
- **1995** – Peter DiSylvester, the Credit Union Manager, is elected to Chairman of the Board for the Credit Union National Association (CUNA)
- **1996** – The first credit union website is launched, accepting online membership and loan applications
- **1996** – Data Dial expands to 20 lines to allow members greater telephone access
- **1996** – The Credit Union partners with Credit Unions for Kids, part of the Children’s Miracle Network
- **1996** – Three new branches break ground, expanding the Arizona and Austin footprint
- **1998** – The Credit Union welcomes its 50,000th member
- **1999** – ON Semiconductor employees can now become members and two new branch facilities are added in Austin, Texas
- **1999** – Visa Platinum and Gold Cards introduced

### 2000's

- **2000** – Membership grows to over 55,000
- **2001** – Membership expands again to welcome General Dynamics employees
- **2002** – Approval is given from the Arizona State Banking Department and members to expand membership to anyone living or working in the East Valley of metro Phoenix
- **2003** – Motorola Employees Credit Union West changes its name to TruWest® Credit Union
- **2004** – Membership expands to include anyone living or working in Maricopa County, AZ, and Travis County, TX

### 2010's

- **2012** – TruWest celebrates 60 years of service
- **2013** – Membership passes 60,000
- **2014** – TruWest updates its logo and brand
- **2017** – Membership now expands into Yavapai and Pima Counties in Arizona and Williams County in the Austin Area
- **2017** – The new Truwest.org website is launched
- **2017** – Membership exceeds over 80,000
- **2017** – The Credit Union surpasses \$1 billion in assets
- **2018** – TruWest partners with the American Lung Association to expand its charitable reach in the community
- **2018** – TruWest provides financial and training support to Mesa Community College’s First-Year Program
- **2019** – Rewards Checking is launched to all members

### 2020's

- **2022** – TruWest celebrates 70 years with over 90,000 members and 11 branch locations between Arizona and Texas





**TruWest® Credit Union**  
Insured by NCUA

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