



2024 ANNUAL REPORT

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MEETING AGENDA

Call to Order & Welcome

Mike Moulton, Board Chair

Approval of Minutes

Mike Moulton, Board Chair

Reports from Officials

President & CEO Report

Chris Kearney, President & CEO

Supervisory Committee Report

Brian Pickett, Supervisory Committee Chair

Board of Directors Election Report

Tim Niesz, Nominating Committee Chair

Board Chair Report

Mike Moulton, Board Chair

New Business

By-Law Changes

Mike Moulton, Board Chair

Adjournment

Mike Moulton, Board Chair

Questions from the Floor

Mike Moulton/Chris Kearney



MEET OUR SENIOR LEADERSHIP

From Left to Right:

Chris Kearney President and Chief Executive Officer
Mike Ward Executive Vice President and Chief Financial Officer
Alyse Medina Senior Vice President and Chief Legal Officer
Pete Lopez Senior Vice President and Chief Information Officer

Nikki Badje Senior Vice President and Chief People Officer
Jennifer Kimmell Senior Vice President and Chief Experience Officer
Farid Farbod Senior Vice President and Chief Lending Officer

2024 HIGHLIGHTS



\$27 MILLION+

in dividends and rewards given back to members – an **increase of 34.7% over 2023**



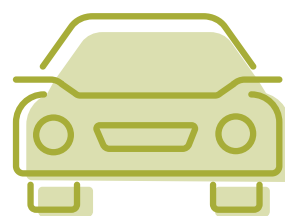
a newly upgraded **truwest.org** launched with a new design and improved navigation



\$9.6 MILLION
NET INCOME

Average term of employment

reached **8+** years



4,600+

members drove away in a **new or preowned car** financed by a TruWest loan

TruWest Wealth Management Services

\$500 MILLION+
in assets



TruWest recieved **Best Places to Work** for the **2nd consecutive year** and earned a **Most Admired Company** award for culture, and community service

A LETTER FROM THE CHAIR AND PRESIDENT & CEO

To our members,

As we reflect on 2024, we are proud to share the remarkable achievements of TruWest Credit Union. Building on a strong foundation, we have continued to grow and innovate, always with our members' best interests at heart.

TruWest Credit Union finished the year with total assets of \$1.6 billion, loans outstanding of \$1.3 billion and deposits of \$1.4 billion. Assets contracted modestly as the Credit Union paid down borrowings. Over the past five years, assets have grown at a steady, annualized rate of 6.5%.

Net worth, the bedrock of our Credit Union, improved 6% to \$172 million or 10.69% of total assets. Our financial strength was once again recognized by Bauer Financial, which awarded us the highest rating of five stars.

2024 was an exceptional year for savers. TruWest remains committed to providing our members with competitive rates and high dividends. Members earned a collective \$27 million on their deposits at TruWest, a 34.7% increase over the prior year. Our Certificate of Deposit rates remained among the highest in the marketplace, ensuring our members receive the best possible returns on their savings.

"Our promise to members is TruWest's TruDifference – a promise of great rates and great service, delivered with a culture of caring. We are grateful for your trust and look forward to serving you in the years ahead."

TruWest continues to show up for members when they need credit for life's big purchases.

- Over 4,600 members drove away in new and preowned cars, financed by loans from the Credit Union.
- 106 members bought their first home through the WISH (Workforce Initiative Subsidy for Homeownership) program, delivering over \$3.2 million in matching down payment assistance grants. In a challenging housing market, TruWest is helping make dreams come true.

Saving for and entering retirement with confidence is a priority for our members. TruWest Wealth Management Services surpassed a significant milestone in 2024, exceeding \$500 million assets under management. Our skilled financial advisors serve over 1,750 clients from all wealth levels to help them plan for their future.

TruWest's revenue grew by 19%, as TruWest expanded its Brilliance innovation program to consider revenue opportunities. Operating expenses remained well managed, with a modest increase of only 5.6% for the year. This efficiency allowed the credit union to maintain high dividends for our members and achieve a net income of \$9.6 million.

At the heart of TruWest's success is our commitment to exceptional member service in person, over the phone, and through digital banking efforts.

- We completed the transition of our branches to Financial Service Centers, with over 95% of our service center employees becoming certified financial counselors.
- For members who contact the Credit Union over the phone, wait times were reduced by 32% to about 90 seconds.
- Zelle transactions exploded in popularity with our members, growing to over 32,000 transactions per month, second only to card transactions in volume.
- The Credit Union's digital front door, truwest.org, relaunched in late 2024, with an updated look and feel. With a broad array of digital tools, we are committed to help members Save, Spend and Borrow Smarter.

TruWest was recognized as one of the *Best Places to Work* in Arizona for the second year in a row and earned a *Most Admired Company* award for our results, culture, and community service. Employee turnover remained low as employees chose to stay and build long-term careers.

continued...

TruWest remains committed to making a positive impact in our community. In 2024, we raised \$77,537 for Phoenix Children’s Hospital and Dell Children’s Medical Center in Austin. Our community impact extended through volunteer efforts at food banks, toy and school supply drives, financial workshops, and more.

Our promise to members is TruWest’s TruDifference – a promise of great rates and great service, delivered with a culture of caring. We are grateful for your trust and look forward to serving you in the years ahead.

Thank you for being a valued member of TruWest Credit Union.

Sincerely,



Mike Moulton
Chair



Chris Kearny
President & CEO



2024 COMMUNITY HIGHLIGHTS



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

Helped families purchase their first home through grants
totaling more than **\$3.22 million**

BACKPACK DRIVES

Provided **125+** filled backpacks and school
supplies to schools in Arizona and Texas for the
2024 school year



FINANCIAL LITERACY

Financial literacy courses provided to **485+**
participants at multiple schools and non-profit
organizations throughout Texas and Arizona

BITE OF REALITY

Hosted **300+** participants in financial
literacy simulations throughout
Arizona non-profits and schools



\$69,000+

Member and employee payroll
deduction donations



\$38,000+

Member and employee donations



COMMUNITY SERVICE OPPORTUNITIES

90+ Arizona and Texas
community service volunteer
opportunities served



\$9,000+

Member and employee payroll deduction
donations + **a holiday toy drive**



\$25,000

for *First-Year Experience* students
+ **food and hygiene drives**



SPONSORSHIPS & SPONSOR SUPPORT

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

TREASURER'S LETTER

To the members of TruWest Credit Union,

During 2024, TruWest Credit Union continued to show strong financial performance. The following reflects the credit union's key financial results:

- 2024 Earnings were \$9.6 million, an 18.5% increase over 2023.
- Total assets were \$1.61 billion, reflecting a decrease of 11.2% from the prior year.
- Total member deposits were \$1.4 billion, a modest 2.6% reduction from 2023.
- Loans ended in 2024 at \$1.28 billion, a decrease of 3.1% year over year.
- Our capital ratio ended the year at 10.69%, a 19.3% increase from 2023.
- Dividends paid to members grew an impressive 34.7% to \$27 million in 2024.

While total assets, deposits, and loans showed a reduction from the prior year, this is due to the Credit Union's strategic decisions in 2023 to yield additional income. Total assets declined as liabilities were paid down during 2024. TruWest's commitment to you is seen in the growth of members' dividends.

In 2024, we continued to empower our employees to find ways to operate more efficiently. The opportunities identified by the team will save members 872 hours per year in the future. Additionally, TruWest engaged our commitment to the TruDifference and successfully expanded services to include financial coaching in all Financial Service Centers. This creates opportunities for you, the members, to meet with our coaches to learn financial skills that were not available in Financial Service Centers in the past. The Credit Union continued investing in modern technologies that enable employees and members to experience improved interactions with the Credit Union. Finally, we welcomed Chris Kearney, our new CEO, as we wished Alan Althouse the absolute best as he enjoys his well-deserved retirement.

As we look ahead, we create our strategic objectives with members at the forefront. 2025 will lay the groundwork for significant transformation as we work towards adopting a new core processor, the backbone of the Credit Union. This investment will drive TruWest forward and position us for success for the next 20 years. This project defines how you will transact with TruWest going forward. The team is striving to make this change with the least amount of impact as possible on its members. We want you to have smooth transactions while we also ensure your assets are safe.

I would like to thank you, our members, for your ongoing loyalty and support. I am proud to serve as your Treasurer and am thrilled about the future of TruWest.

Sincerely,



Susanna DeFranco (AZ)
Board of Directors
Position: Treasurer

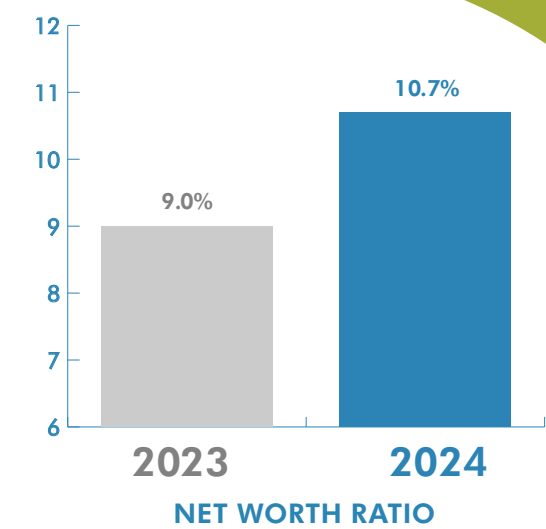
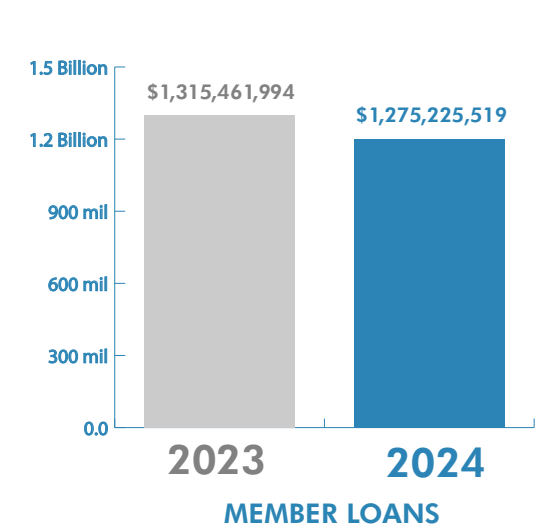


2024 FINANCIALS

BALANCE SHEET

ASSETS	2024	2023	% Change
Loans to Members	\$1,275,225,519	\$1,315,461,994	-3.1%
Allowance for Loan Loss	-\$11,952,532	-\$12,457,232	-4.1%
Net Loans	\$1,263,272,987	\$1,303,004,762	-3.0%
Cash and Cash Equivalents	\$90,967,013	\$106,652,796	-14.7%
Total Investments	\$192,865,477	\$348,576,229	-44.7%
Net Fixed Assets	\$13,098,671	\$13,343,616	-1.8%
Other Assets	\$46,797,460	\$38,657,586	21.1%
TOTAL ASSETS	\$1,607,001,608	\$1,810,234,989	-11.2%

LIABILITIES AND EQUITY	2024	2023	% Change
Total Liabilities	\$53,632,455	\$227,408,255	-76.4%
Total Savings	\$326,284,442	\$343,869,092	-5.1%
Total Checking	\$358,433,334	\$373,940,002	-4.1%
Total Money Market	\$287,975,988	\$294,570,649	-2.2%
Total IRA	\$16,914,261	\$18,439,895	-8.3%
Total Certificates	\$431,818,122	\$428,259,573	0.8%
Total Deposits	\$1,421,426,146	\$1,459,079,211	-2.6%
Total Reserves	\$131,943,007	\$123,747,523	6.6%
TOTAL LIABILITIES, MEMBER DEPOSITS AND RESERVES	\$1,607,001,608	\$1,810,234,989	-11.2%



HIGHLIGHTS & INCOME STATEMENT

HIGHLIGHTS	2024	2023	% Change
Members	89,803	91,126	-1.5%
Saving Accounts	101,901	103,478	-1.5%
Checking Accounts	51,456	52,216	-1.5%
IRAs	2,837	2,946	-3.7%
Money Market	7,316	7,488	-2.3%
Certificates	10,486	10,299	1.8%
Online Banking Users	67,206	66,089	1.7%
Mobile Banking Users	43,968	42,733	2.9%
Bill Pay Users	23,509	23,736	-1.0%

INCOME STATEMENT	2024	2023	% Change
Interest on Loans	\$81,959,092	\$68,191,753	20.2%
Interest on Investments	\$12,951,985	\$10,502,137	23.3%
Interest Expense	\$35,214,523	\$21,737,569	62.0%
Net Interest Income	\$59,696,554	\$56,956,321	4.8%
Non-Interest Income	\$15,550,459	\$13,964,253	11.4%
Non-Interest Expense	\$58,303,590	\$55,207,771	5.6%
Provision for Loan Losses	\$7,304,736	\$7,579,515	-3.6%
Net Income	\$9,638,686	\$8,133,288	18.5%

SUPERVISORY COMMITTEE LETTER

The Supervisory Committee, composed of dedicated volunteers appointed by the Board of Directors, plays a vital role in upholding effective governance and accountability. As an essential part of TruWest Credit Union’s independent oversight structure, the Committee works to safeguard member assets by ensuring the Credit Union maintains financial integrity and complies with all legal and regulatory requirements.

The Supervisory Committee is responsible for independently overseeing the effectiveness of internal audit functions and the successful completion of external and mandatory audits. It also evaluates independent auditors’ qualifications and participates in selecting the external audit firm. CliftonLarsonAllen, LLP, has conducted audits for TruWest in prior years and was selected again for the 2024 financial audit. TruWest works closely with agencies such as the National Credit Union Administration (NCUA), the Arizona Department of Financial Institutions, and the Texas Credit Union Department to meet audit and regulatory compliance standards.

TruWest Credit Union reaffirms its financial health, as evidenced by the independent financial audit and the NCUA’s annual examination. The positive outcomes, coupled with the Supervisory Committee’s diligent efforts, ensure an accurate reflection of the Credit Union’s financial position and the effectiveness of its internal controls.

The Supervisory Committee remains committed to safeguarding the financial well-being of TruWest and its members.

The Committee extends its sincere appreciation to members for their trust in TruWest and for choosing the Credit Union as their preferred financial partner.

Sincerely,



Brian Pickett (AZ)
Supervisory Committee
Position: Committee Chair



Ryan Dick (AZ)
Supervisory Committee



Georgia Sanchez (TX)
Supervisory Committee



Bill Cranker (AZ)
Supervisory Committee



MEET THE BOARD



Mike Moulton (TX)
Board of Directors
Position: Chair
Term Expiration: 2027



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



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



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



Scott Johs (AZ)
Board of Directors
Term Expiration: 2026



David Holody (TX)
Board of Directors
Term Expiration: 2026



Tim Niesz (AZ)
Board of Directors
Term Expiration: 2026



Steve Benton (AZ)
Board of Directors
Term Expiration: 2027



Caitlin Davison (AZ)
Board of Directors
Term Expiration: 2027



Brian Pickett (AZ)
Supervisory Committee
Position: Committee Chair
Term Expiration: 2027



Bill Cranker (AZ)
Supervisory Committee
Term Expiration: 2026



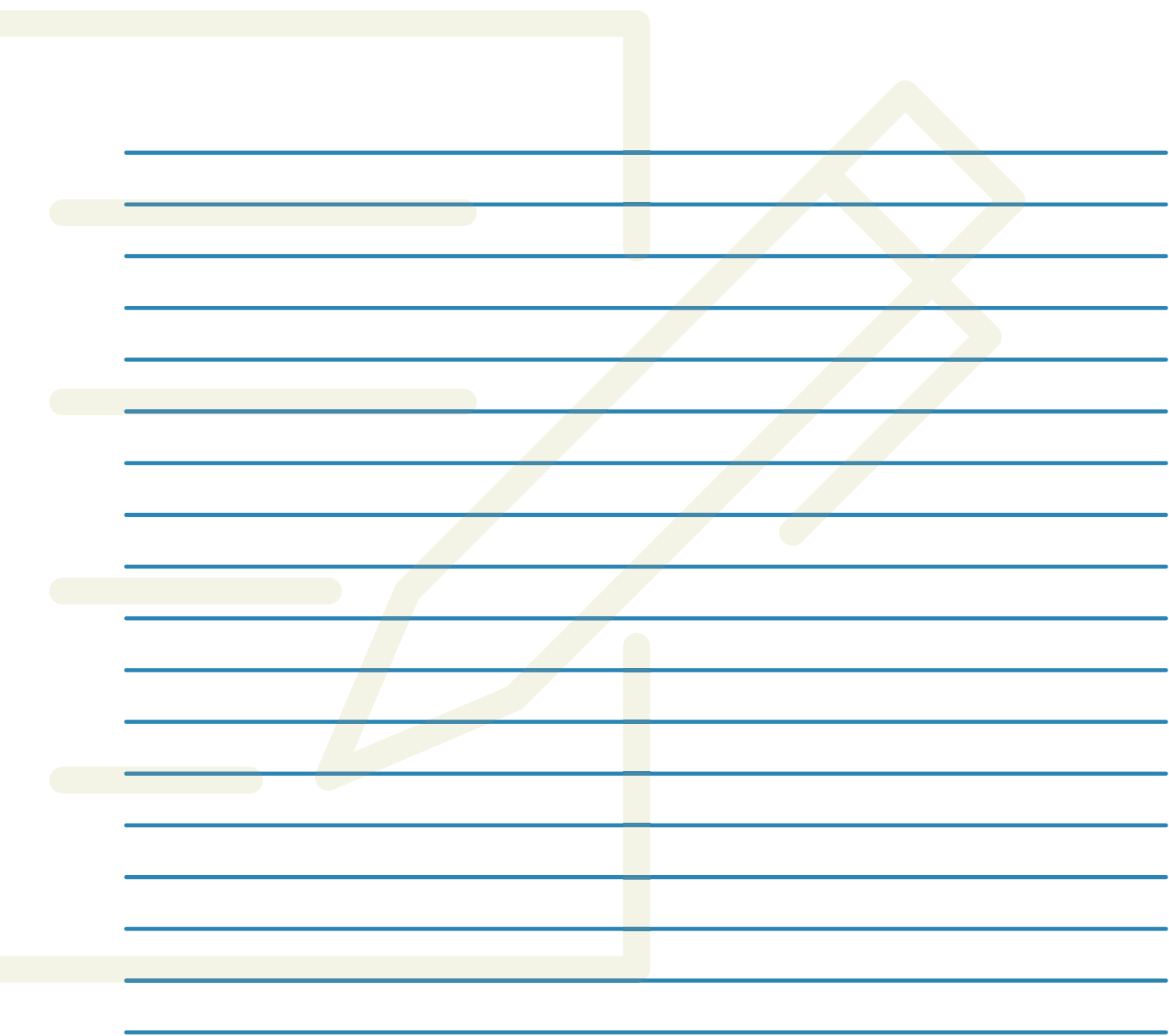
Ryan Dick (AZ)
Supervisory Committee
Term Expiration: 2025



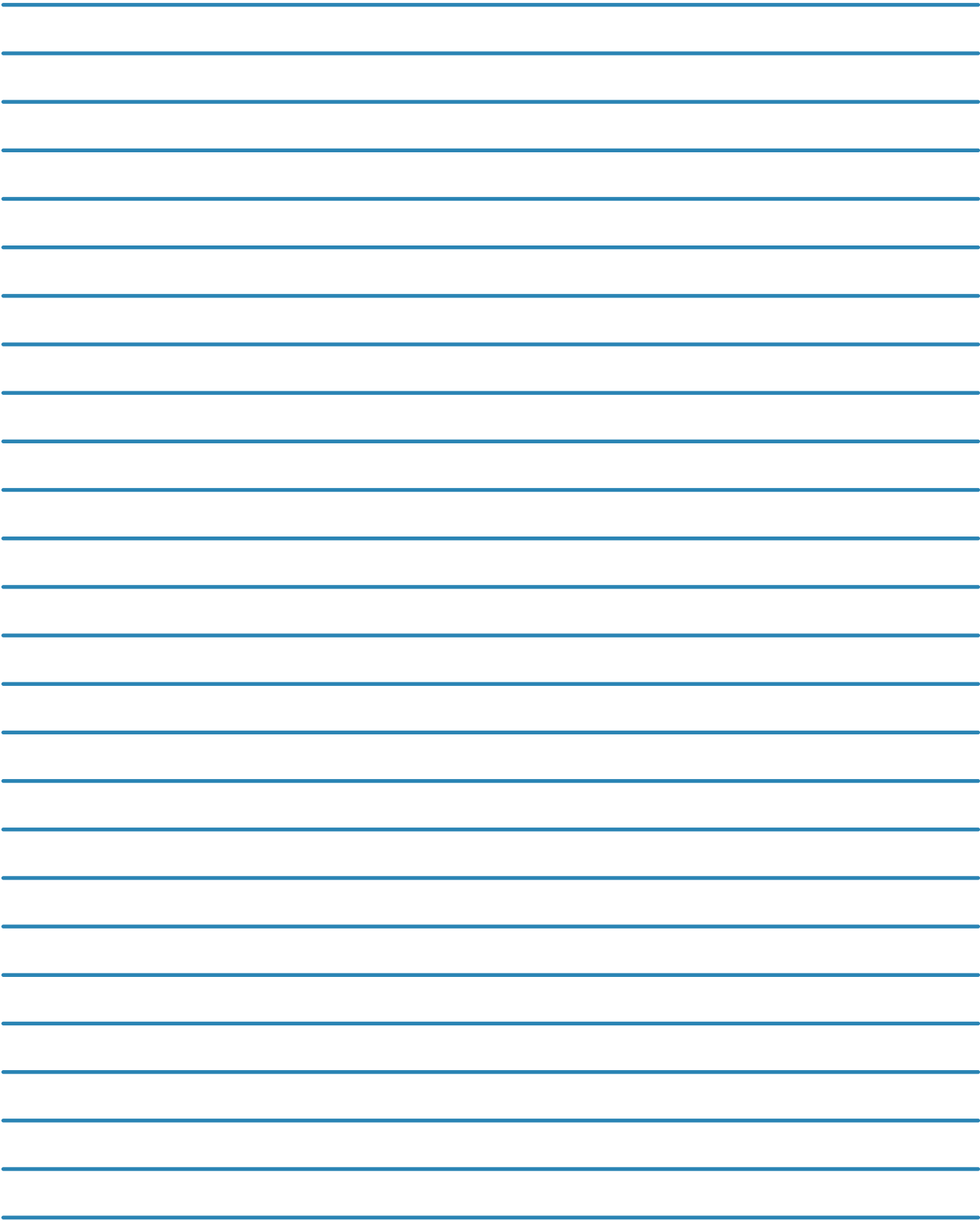
Georgia Sanchez (TX)
Supervisory Committee
Term Expiration: 2025

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.

NOTES



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A series of horizontal blue lines for writing, spanning the width of the page.



TruWest® Credit Union
Insured by NCUA

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truwest.org
NMLS ID 640299

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