



Westerra Credit Union 2022 Annual Report



A letter to our valued members



We look back on 2022 as a year marked by a volatile economy that created market conditions unlike anything we've seen in decades. In spite of the many challenges, we remained committed to our journey of building a modern financial community where we all truly belong.

In order to serve our members, we prioritized enhancements to our auto, HELOC and commercial loan production and completed important milestones that furthered our digital transformation while laying the foundation for continued growth and improvement. Along the way, we kept our members' experiences front and center — and have been recognized for it. Thanks to the implementation of our pioneering “Everyday Money Account,” Westerra is now “National Bank On Certified,” which means we ensure everyone has access to a safe and affordable checking account. We are only one of four credit unions in Colorado to receive this certification! Our new, highly competitive Certificate of Deposit rates now help savers generate current income and savings for the future.

As we look forward to 2023, we anticipate we will continue to operate in a challenging economic environment. We understand this and are committed to offering financial solutions that meet members where they are and when they need them, always acting in their best interest in the spirit of cooperative finance.

This, and so much more, is what we strive for here at Westerra. Thank you for being part of this journey with us.

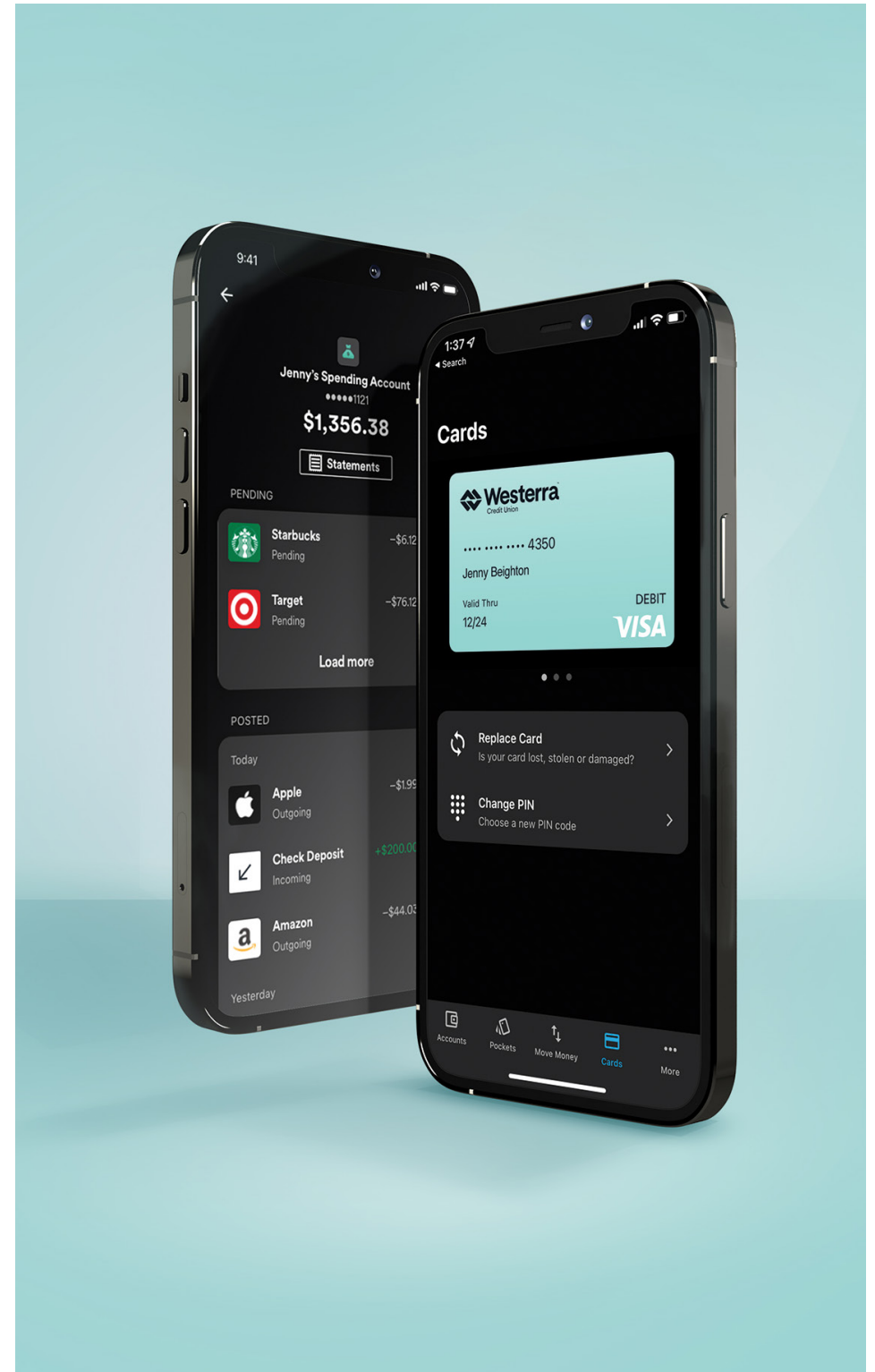


Enhancing our products and services



Digital Banking

A significant investment this past year was transitioning approximately 50,000 members to our new Digital Banking system, which has modern features and navigation designed to make members' banking experience easier and more convenient. Members can now find spending insights and analysis, budgeting tools, easy transfer and payment features, self-service options, and much more as we continue to update this system.





Everyday Money

In 2021, when we set out to design a new type of spending account, we wanted a member-friendly product that was valuable to our members and allowed us to connect with potential new members. The result was our “Everyday Money Account”. This past year, we enhanced this account by adding some exciting new features, including:

- **Two-Days-Early Paycheck** – Members can get paid two days early with direct deposit
- **WeGotYa** – Covers transactions up to \$200 if there aren’t enough funds in a member’s account
- Removal of overdraft, foreign transaction and out-of-network ATM fees




Building Partnerships

At Westerra, we don't just bank in our communities, we live here, too, so we are committed to ensuring a bright and healthy future. This includes making it simple for members to switch to energy-efficient options, including solar.

In 2021, we launched a partnership with the Colorado Clean Energy Fund with the goal to support renewable energy providers in Colorado. This past year, Westerra continued our innovative ways through building a digital platform to provide free renewable energy financing tools to those in the RENU program. To date we've enrolled over 40 renewable energy providers, and we continue to grow each month. This is helping support small businesses in our communities that have very limited options when it comes to providing their customers with payment options. In addition to the RENU program, Westerra also celebrated our first solar loan funding with our new partner Enium, which is also participating in this space.

These partnerships benefit our members in several ways, including providing competitive financing rates and terms as well as the ability to re-amortize their loan for free with any future tax credits they may receive. More often than not, members are able to offset their loan payment with savings from their utility bill, and once paid in full it becomes a permanent value and ongoing savings for their home.

Collectively, we are working with the State of Colorado to provide our members with renewable energy options, which truly becomes a win/win for Colorado, local small businesses, Westerra and our members!



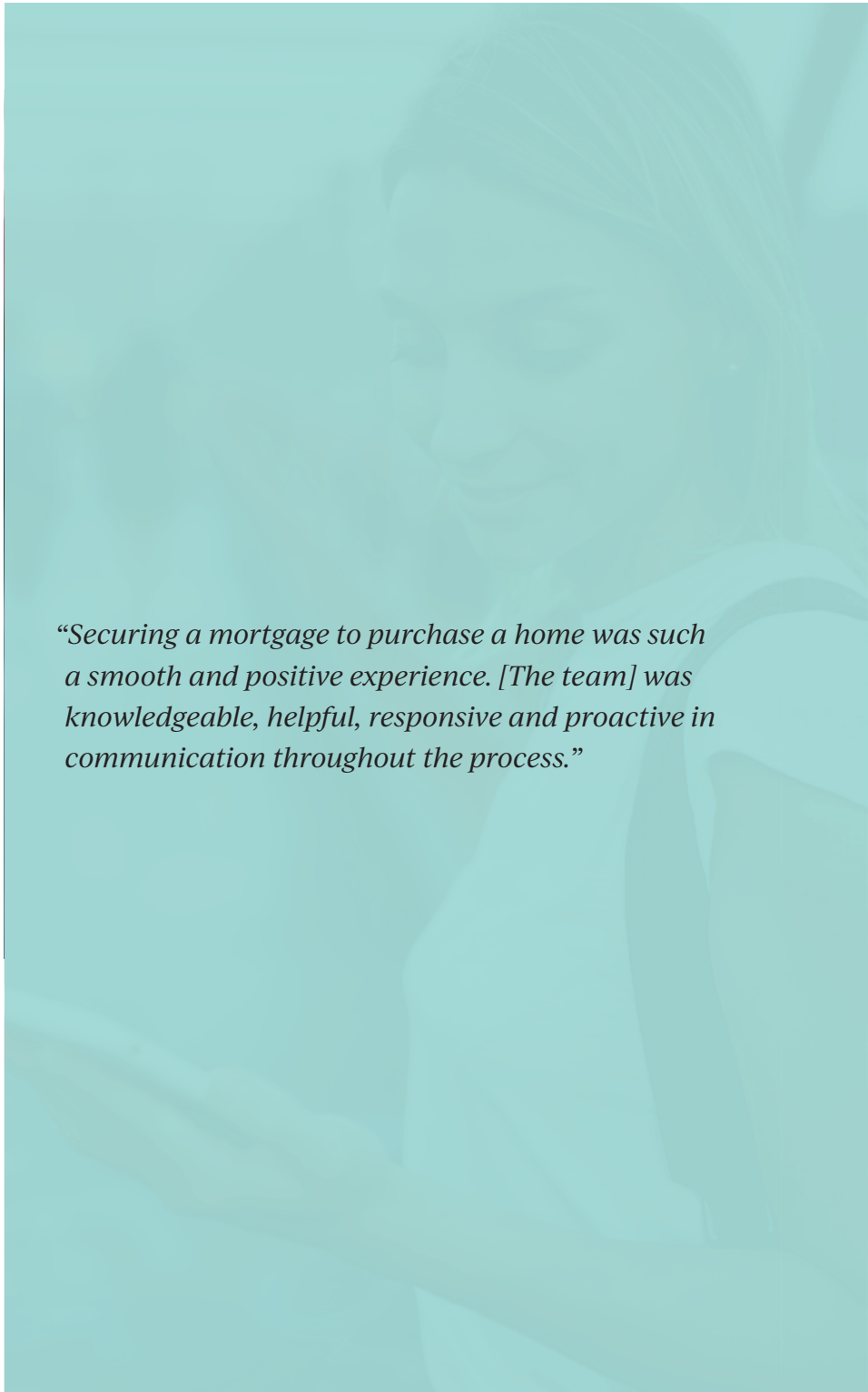
“I have enjoyed the offered rates on your loan products over the past two years. When attractive rates and low fees are combined with strong personal service, you have a winning combination. Keep it up!”



Mortgage

This past year, we saw a big swing in mortgage rates from the beginning of the year to the end. Westerra remained a steady force for our members, continuing to offer mortgages that benefit our members in several ways, such as the ability to lock a rate while shopping for a home and extended rate lock offerings for new construction. Additionally, we offered many mortgage improvement products, including “2-1 Buydowns,” a type of financing offer that reduces interest rates for the first two years of a mortgage (i.e., interest rates are reduced by 2% the first year and 1% the second year), and our loan officers’ ability to take HELOC applications, making the experience for our members much smoother.

Our Mortgage team also continues to connect with members, potential members and our community through a variety of networking and other events. In all, they attended more than 60 networking events, including luncheons, golf tournaments and local festivals. Lastly, for each mortgage closed at the credit union, Westerra provides a \$20 donation (up to \$10,000 annually) to benefit The Colorado Home Ownership Coalition.



“Securing a mortgage to purchase a home was such a smooth and positive experience. [The team] was knowledgeable, helpful, responsive and proactive in communication throughout the process.”



Modern look, trusted legacy



Celebrating Together

We continue to roll out Westerra's new brand online and in printed spaces, at events, in our advertising promotions and more. Though we are embracing our modernized look and feel, Westerra continues to be – and always will be – proud of our roots as a credit union founded in 1934 by eight schoolteachers. This legacy was honored in 2022 by placing historic photos – some dating back over 50 years! – on tables at our “New Brand Mixer” event on May 25, 2022, at the Green Mountain branch.

The event was held in collaboration with West Metro Chamber, and over 75 guests witnessed the official unveiling of the outdoor sign with the updated logo. Notable attendees included Charley Able, city council member; Scott Earl, CEO of Mountain West Credit Union Association; Madison MacDonald, West Chamber vice president; along with Board members and the executive team. Westerra's recent brand milestones were beautifully shared via window displays.



Attendees ooh'd and ahh'd over the impressive new Westerra sign, which lights up at night and showcases the modernized brand.





The best job is the one that lets you be your true self.

Cynnomon Gordon
Director of Fraud & Card Dispute Operations

In her seven years with Westerra, Cynnomon Gordon has grown as a professional, and her roles have grown with her — from fraud prevention coordinator to fraud senior specialist. Recently, she was promoted to director of the fraud department and card dispute operations.

Westerra lets people bring their whole selves to work. Here's her take: "Some of my favorite things is that I see from top leadership down that the passion truly is the employees. Like I can come to work every day and truly present who I am. I'm going to be accepted. My voice is going to be heard; my opinions do matter."

"I feel so proud to work at a place like Westerra Credit Union, where our strengths are celebrated, and our differences are embraced."

Cynnomon's job is imperative to Westerra Credit Union, as fraud issues are constant and it's so important to protect our members. She loves her team like her own family, and shares the satisfaction they get from helping members daily.

Who does Cynnomon credit for her work ethic and outgoing personality? Her mother. She was a force to be reckoned with, and always gave back to the community. She never accepted failure or defeat. Her favorite saying was "Swim or Swim" because "sinking" was not an option in their family! Cynnomon has raised her own children with these strong values.

"I think that applies to all areas of my life and everything that I'm working on. If it's important, if it needs to get done, it's going to get done," Cynnomon remarked. "I feel so proud to work at a place like Westerra Credit Union, where our strengths are celebrated and our differences are embraced."

Learn more about Cynnomon's journey at WesterraCU.com/about.

Westerra Works

As a company, Westerra is always working to make people's lives better, easier, and more productive. Westerra Works is an example of our efforts to be a credit union that serves our members — and an employer that serves our people. For all of them, we want to make sure that Westerra works.

When we help make people's work lives as fulfilling as their personal lives, Westerra works.

When our people can make things better for each other, Westerra works.

When our people are able to make things better for our members, Westerra works.

When we help people make their money work smarter, Westerra works.

When we offer financial tools people need, not what makes us the most money, Westerra works.

When we put people first and profits second, Westerra works.

Westerra works for 337 people. And counting.

- + Westerra promotes from within as much as possible.
- + Westerra provides 16 hours of volunteer time off for every employee. To date, over 1,232 paid hours have been donated to 86 community organizations in the Denver area.
- + Westerra helps people grow through mentoring and new challenges.
- + Westerra offers generous policies for personal time off, health coverage, and leave of absence.

Westerra Works

As a company, Westerra is always working to make people's lives better, easier and more productive. Our new "Westerra Works" video series showcases our efforts as a credit union that serves our members and an employer that serves our people. The first video of the series, "Swim or Swim," which featured Cynnomon Gordon, director of fraud & card dispute operations, was completed at the end of 2022 and received rave reviews from staff and members. The video can be viewed on our YouTube channel: youtube.com/c/Westerracu.

Accolades & Media Mentions

Westerra's legacy of trust continues to foster industry and community accolades. For the third year in a row, Forbes recognized Westerra in its annual rankings of the Best-In-State Banks and Credit Unions in the United States. Additionally, Westerra continues to be ranked 5-stars by Bauer Financial, which has been analyzing and reporting on the industry since 1983.

Media across the Denver Metro area have also showcased Westerra's experts in the financial industry and highlighted community engagement activities. This past year, Westerra was featured in over 50 local and industry publications, including Denver Business Journal, "Great Day Colorado" (Channel 2), OutFront Magazine, The Gazette, Credit Union Times, CUInsight, KOA Radio, KUSA 9News Mornings, Denver Post, Loveland Reporter Herald, Daily Camera, CU Today and All Things Boulder.



Caring for our communities



Diversity, Equity, Inclusion & Belonging

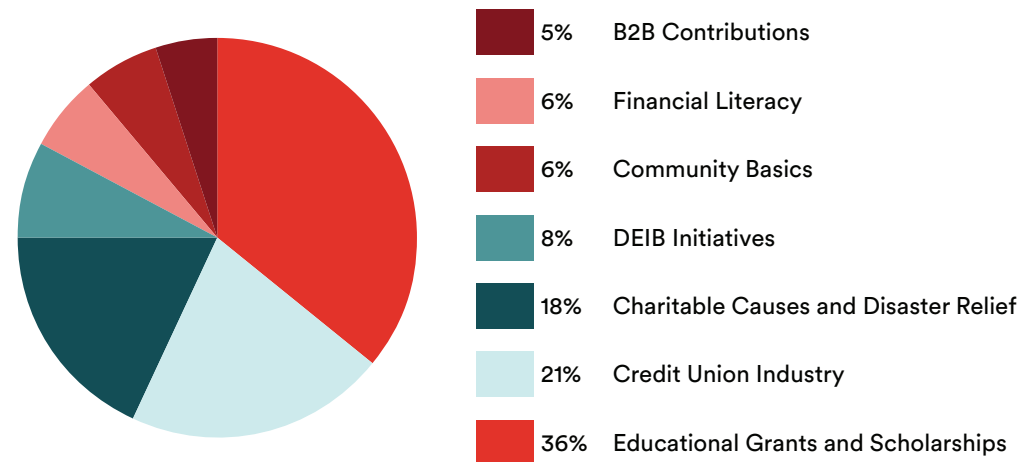
Our Diversity, Equity, Inclusion and Belonging (DEIB) journey began in 2020, and this past year Westerra continued to expand on it to better serve our diverse employee base and membership. We remain committed to increasing awareness and competencies throughout the organization and our work in the communities we serve. Our team participated in several events during the year that celebrated and supported diverse cultures across the Denver metro area.

Westerra Cares

In 2022, we celebrated the launch of Westerra Cares, a combined corporate giving and employee volunteerism program focusing on three impact areas: education, financial literacy and community basics, identified as food, clothing, shelter and mental health. In total, 198 unique Westerra staff members participated in this program in 2022, volunteering a total of 1,232 hours with a total value of \$42,614.88 (based on Westerra's salary average). The top three areas staff volunteered to support were community basics (73%), financial literacy (18%) and education (9%). Additionally, monetary contributions through Westerra corporate donations and employee giving supported several areas of the communities we serve.



In July 2022, the official "Westerra Cares" logo was unveiled.



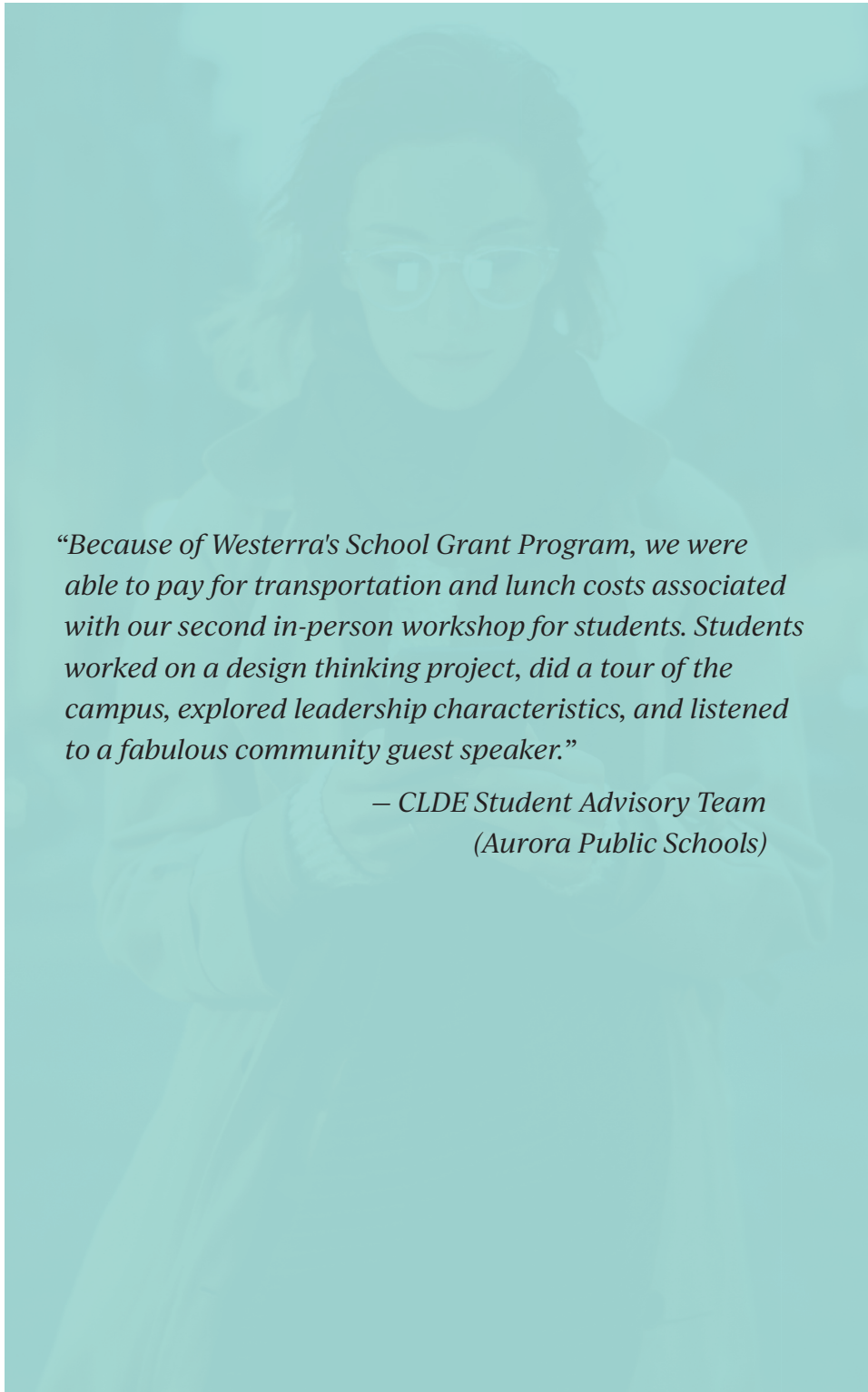
Westerra Cares' Community Impact – 2022



Rooted in Education

Since our founding by Denver Public School teachers in 1934, our charitable footprint has expanded to include the following school districts: Aurora Public Schools, Cherry Creek Schools, Douglas County Schools, Jefferson County Schools and Mapleton Public Schools.

We support these school districts through Westerra's School Grant Program. Launched in 2010, it has since become a cherished tradition and has contributed over \$500,000 to more than 1,000 Denver metro area schools over the years. These monetary awards enable teachers and school staff to purchase items, such as art supplies, sports fees and equipment, after-school programs, and classroom materials, to bolster academic success and personal growth. In 2022, Westerra awarded 71 grants to local schools! A full list of the 2022 School Grant Program recipients is available here: www.westerracu.com/about/community.



“Because of Westerra's School Grant Program, we were able to pay for transportation and lunch costs associated with our second in-person workshop for students. Students worked on a design thinking project, did a tour of the campus, explored leadership characteristics, and listened to a fabulous community guest speaker.”

*— CLDE Student Advisory Team
(Aurora Public Schools)*





Director of Corporate Communications, Kristina Shaw, and Chief of Staff, Laci Gettings, braved a snowy day to “take the plunge” in WashPark on March 6, 2022.

Community Connections

For the past eight years Westerra has served as the title sponsor of the Special Olympics’ Polar Plunge Series. A natural fit, we love supporting their work in schools through unified sports that builds inclusiveness and leadership skills. This past year, more than 25 staff members participated in four Polar Plunges across the Denver Metro area through volunteering and walking in the 5ks, and some were brave enough to take the chilly plunge!

Community Response

When tragedy hits our local communities, Westerra is there to provide support. This year, this included a corporate donation to the Community Foundation Boulder County — as well as funds raised by Westerra’s employees and members — to benefit the Wildfire Relief Fund, and a corporate donation to Colorado Healing Fund to support victims of the Club Q attack in Colorado Springs.



Delivering Financial Performance

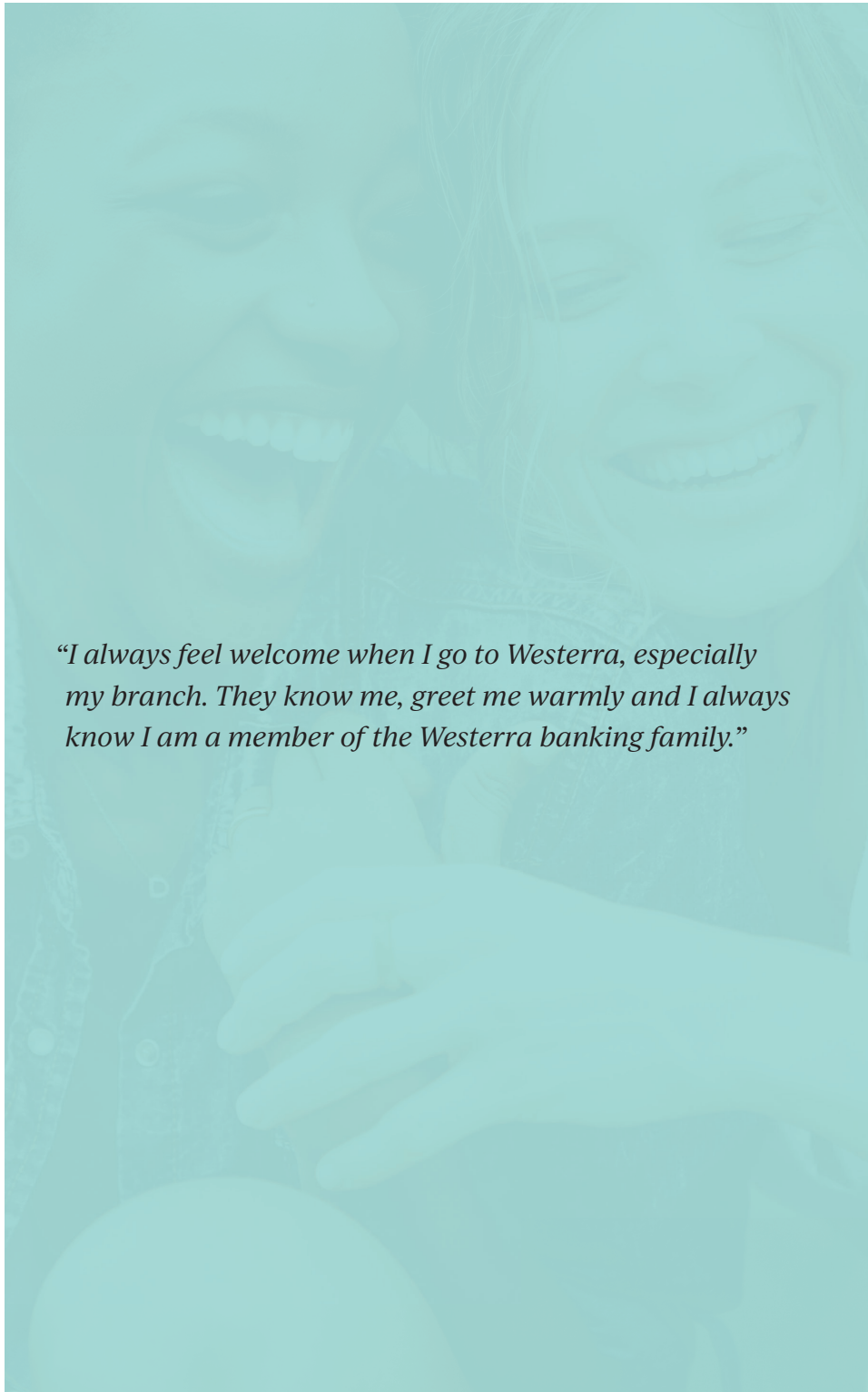
2022 was a year of growth and progress for Westerra and its membership. Despite much rate volatility in the market and economic uncertainty in the news, Westerra's loan growth remained strong as the organization continued to deliver meaningful strategic improvements.

Across all loan categories, loans provided to members grew by \$347 million during 2022. Leading the growth was automobile loans and business loans, increasing by \$136 million and \$97 million respectively. Westerra was also able to continue to help more members realize the dream of home ownership, delivering mortgage originations of \$138 million. Net charge-offs remained historically low and below the peer average at 0.14% of average loans, evidencing the strong credit quality of our loan portfolio.

Deposit balances decreased during 2022, as excess funds from COVID-19-related government stimulus were spent and increased rate competitiveness caused downward pressure on account balances. Nevertheless, \$1.7 billion of deposit balances provide the funding for our lending success. Total assets increased by 11.9% to \$2.21 billion at year-end.

The revenue produced by this growth was purposefully reinvested back into the organization in the form of improved digital solutions and member experiences, which will support improved earnings in the future. As a result, the credit union recognized a \$589 thousand loss for the year, resulting in a net income to assets ratio (ROA) of -0.03%. Westerra's net worth ratio decreased from 9.91% in 2021 to 8.83% as of December 31, 2022. Westerra's net worth position remains well above the 7% level at which the National Credit Union Administration (NCUA) considers a credit union "Well Capitalized."

A great deal has recently been delivered to modernize our solutions and experiences, but much more is left to be done. In addition to making our new tools and solutions more robust and easier for members to use, we also continue to focus on enhancements that make our products and services more attractive to existing and new members. We realize that our future success is based on a mantra of continuous improvement and purpose-driven innovation.



"I always feel welcome when I go to Westerra, especially my branch. They know me, greet me warmly and I always know I am a member of the Westerra banking family."





Looking to the future

As we enter a new year faced with continued economic uncertainty, we also recognize the potential opportunities that lay ahead of us. Everything we do at Westerra is rooted in our purpose and vision, and focused on you, our member-owners. Our purpose is to teach one another to prosper. And our vision is to be a modern financial community where we all truly belong.

As the world continues to change and market conditions continue to fluctuate with it, our definition of prosperity doesn't change. However, the strategies we use to get there need to be carefully considered. This year, our success will be driven by our ability to focus on financial durability and superb member experience. We are confident we have a winning team of amazing people who are already well on their way to meeting these, and other, strategic goals that align with this objective. When we work together to achieve big goals, amazing things happen.

Special thanks to our employees, and our Board of Directors, for their unwavering commitment to serve our members.

ANDY RAICEVICH
Chairman of the Board

A handwritten signature in black ink, reading "Andy Raicevich".

JAY CHAMPION
President/Chief Executive Officer

A handwritten signature in black ink, reading "Jay Champion".



Financial Highlights

BALANCE SHEET (UNAUDITED)

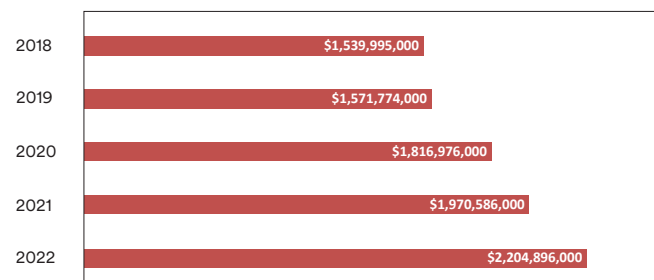
ASSETS	2022	2021
Loans to Members (net of allowance for loan losses)	\$1,274,648,000	\$927,972,000
Investments	600,187,000	499,827,000
Cash and Cash Equivalents	231,654,000	383,974,000
Property and Equipment, net	22,912,000	22,628,000
National Credit Union Share Insurance Fund Deposit	17,445,000	16,451,000
Other Assets	58,050,000	119,733,000
TOTAL ASSETS	\$2,204,896,000	\$1,970,586,000
LIABILITIES AND MEMBERS' EQUITY	2022	2021
Members' Deposits	\$1,701,204,000	\$1,755,659,000
Borrowed Funds	330,000,000	0
Accounts Payable and Other Liabilities	24,573,000	17,227,000
Members' Equity	149,119,000	197,701,000
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$2,204,896,000	\$1,970,586,000

INCOME STATEMENT (UNAUDITED)

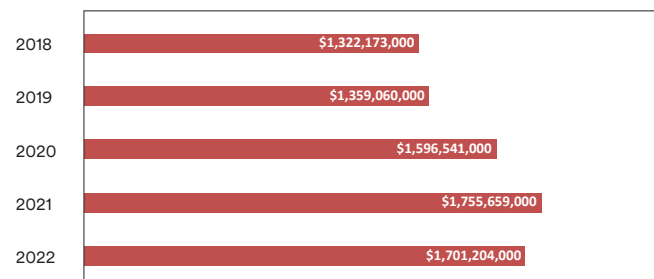
INCOME	2022	2021
Interest Income	\$60,443,000	\$41,281,000
Dividend and Interest Expense	(10,145,000)	(6,563,000)
Provision for Loan Losses	(2,290,000)	2,460,000
Non-Interest Income	13,104,000	18,740,000
Non-Interest Expenses	(61,700,000)	(56,956,000)
NET INCOME	(\$ 589,000)	(\$ 1,038,000)

Audited financial statements are available upon request.

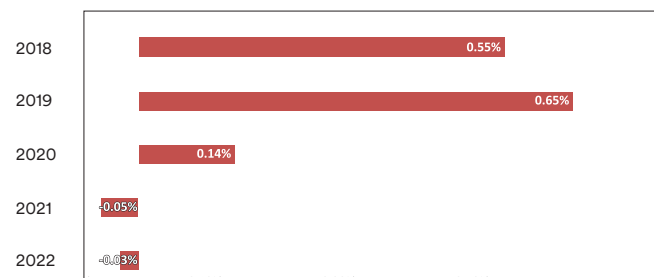
TOTAL ASSETS



MEMBER DEPOSITS



RETURN ON ASSETS



Products & Services

Convenience Services

- 1,000 Colorado Free CO-OP ATMs
- 200 Colorado CO-OP Shared Branches
- Online Banking
- Mobile Banking
- Bill Pay Service
- Auto Buying Resource Center
- CardNav App
- Apple Pay
- eStatements
- 24-Hour Loan Applications
- 24-Hour Phone Banking
- Direct Deposit

Savings and Spending Products

- Savings Accounts
- Holiday Savings
- Spending Accounts with Debit Card Rewards
- Money Market Accounts
- Certificates of Deposit (CDs)
- Traditional and Roth IRAs
- Coverdell Education Savings Accounts

Loan Products

- Mortgage Loans
- Home Equity Loans
- Auto Loans
- Energy Efficiency Loans
- Motorcycle Loans
- Recreational Vehicle Loans
- Visa® Credit Cards
- Personal Loans

Business Services

- Spending/Checking Accounts with Debit Card Rewards
- Lines of Credit and Credit Cards with Rewards
- Online Banking, Mobile Banking and Bill Pay
- Auto, Equipment and Commercial Loans, including SBA 7(a) Loans
- Electronic Payment Processing

Financial Education & Community Services

- Westerra Cares Program
- School Grant Program
- Classroom Presentations
- Financial Literacy
- DEIB Initiatives
- Scholarships
- Direct Business-to-Business and Community Support
- Charitable Causes / Disaster Relief



Board of Directors

Andy Raicevich, Chairman

Larry Ottele, Vice Chairman

William S. Abbey, Secretary

Barry Beal Jr., Treasurer

JT Gaietto, Board Member

James Kullhem, Board Member

Ron Walker, Board Member

Laura Morales, Associate Director

John Lanz, Associate Director

Executive Leadership

Jay Champion, President/CEO

Steve Schmidle, Chief Financial Officer

Brooke Fleming, Chief Lending Officer

Ellie Fordyce, Chief People Officer

Laci Gettings, Chief of Staff

Wade Paschall, Chief Marketing Officer

Steve Stevens, Chief Digital Officer

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