

Annual Report 2022

Moving Forward, Together



A New Leader



Viktoria Earle Named CEO, Effective May 1, 2022

After conducting a nationwide search, Commonwealth's Board of Directors named Viktoria Earle as the new President and Chief Executive Officer, effective May 2022. Viktoria is the fifth President/CEO in Commonwealth's 65-year history. Having served as the Credit Union's Chief Financial Officer for nine years, Viktoria was instrumental in positioning the Credit Union for financial strength, soundness, and stability. Prior to joining Commonwealth, Viktoria held executive-level roles in several local credit unions.



After an extensive search, we are excited that the Credit Union's new CEO came from within. Viktoria's depth and breadth of experience will enable her to provide strategic direction and leadership to continue moving our credit union forward.

- **Michael F. Filice, Jr.**, Commonwealth's 2022 Board Chair



Viktoria's appointment to President/CEO marks the importance and value placed on her visionary leadership as she charts the path forward for Commonwealth. She is passionate about making a difference in the lives of our members and employees and remains committed to ensuring this will be at the center of all that we do in the future.



It is an incredible honor for me to lead and serve you—members, employees, and Board of Directors as Chief Executive Officer. As we embark on a new journey, I look forward to continuing to strengthen our core value to Make a Difference in our members' lives and the community we serve!

- **Viktoria Earle**, President/Chief Executive Officer



A Letter to Our Member-Owners

As we reflect on the past year, making a difference in the lives of our members and employees continued to be a focus for 2022. Through our products and services, we were able to help members reach their goals and achieve their dreams.

Our impact can be measured by the \$262 million in loans funded, representing the opportunity for members to purchase a car, renovate their home, send a child to college, and consolidate debt to improve their overall financial health. Similarly, over \$600 million in member deposits represents our impact on members with day-to-day expenses in addition to savings and investment goals. Our impact also extended to the community through our charitable giving and scholarship programs.

Helping members improve their financial well-being throughout the year remained a top priority. The Credit Union provided a variety of financial wellness tools and resources to our members and the community through seminars and online content. Enhanced convenience was also an area of focus with the introduction of contactless "Tap and Pay" debit and credit cards, along with the launch of a new Virtual Assistant within Online Banking to make it easy for members to ask questions, check balances and view recent transactions.

These collective efforts throughout 2022 resulted in CommonWealth being named Best Place to Bank for the seventh year in a row by the Morgan Hill Times and being awarded Best of the Best New Member Experience by our member experience survey partner. While we are honored by this recognition, we remain committed to continually enhancing our member experience through our products, services, tools, and added convenience.

The past year also reflects financial success with year-end assets exceeding \$672 million and a strong net worth ratio of 9.44% which represents the safety and soundness of the Credit Union. Our financial strength will enable us to focus on serving you now and into the future.

As we enter our 65th year, we thank you for your trust in us to help you with your financial needs. The strength of our organization allows us to remain focused on the financial well-being of our members and their families, and we will continue to strive to make a difference in our members' lives and our communities.



James Crawford

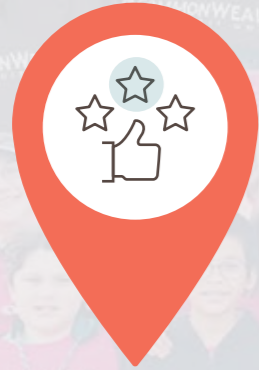
Chairperson, Board of Directors



Viktoria Earle

President/Chief Executive Officer

2022: Where We've Been and Where We're Headed



Member Goals & Dreams

- ◆ Gave back nearly **\$1M** to members in the form of dividends and cash back
- ◆ Funded **\$262M** in loans to help members improve their overall financial health



Financial Wellness

- ◆ Offered Financial Literacy Programs for members, youth and community
- ◆ Hosted member seminars



Technology & Security

- ◆ To protect our members, we continued to enhance our technology and cyber security posture



Strength & Stability

- ◆ New CEO appointed 05/22
- ◆ Over **40K Members**
- ◆ Highly Capitalized at 9.44%



Community Impact

- ◆ Donated over **\$60K** to our local communities
- ◆ Awarded **\$29K** in scholarships and grants
- ◆ Participated in more than **20 community events**



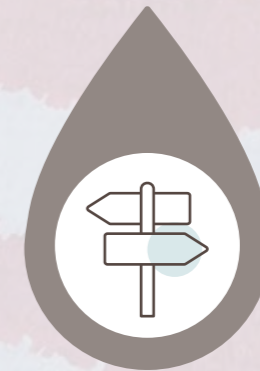
Access & Convenience

- ◆ New "Tap and Pay" debit and credit cards
- ◆ Launched 24/7 Virtual Assistant



Honors & Recognition

- ◆ Voted Best Place to Bank in Morgan Hill
- ◆ Awarded Best of the Best New Member Experience



The Road Ahead

- ◆ Strengthen and grow member relationships
- ◆ Reinvent mission, vision, and future roadmap
- ◆ Continue making a difference in our members' lives

2022 Financial Performance

Statement of Financial Condition	2022
Assets	
Cash	\$8,528,630
Investments	134,001,659
Total Loans	489,776,199
Allowances for Loan Losses	(2,634,980)
Other Assets	42,895,104
Total Assets	\$672,566,612
Liabilities & Equity	
Other Liabilities	\$5,542,143
Total Member Shares	604,791,889
Capital	62,232,580
Total Liabilities and Equity	\$672,566,612

Statement of Operations	2022
Total Income	\$26,655,582
Total Operating Expenses	(19,940,045)
Provision for Loan Losses	(807,154)
Cost of Funds	(657,810)
Net Income	\$5,250,573

Unaudited. Audited financial statements are available upon request by calling (800) 564-1588.



Special Highlight: Honoring Michael F. Filice, Jr. We appreciate your service and dedication to the Credit Union.

Filice joined the Credit Union's Board of Directors back in 1981, serving on the board for an impressive 41 years—an incredible milestone! We are honored to have had Michael's presence, vision, and leadership on the board for many years. As we look back, Michael helped guide our Credit Union through many milestone such as:

- Installing our first ATM
- Opening new branch locations
- Introducing Online Banking
- Reaching \$500 million in assets

“ 41 years, what a great accomplishment! You could always count on Mike to pay a visit at our off-site car sales. We'll miss you, Mike! – *Oscar Sanchez, Lending Manager*

It was definitely nice to see Mike visit the Cochrane branch! Thank you for all that you did for the credit union Mike! We will sure miss seeing you at the branches. Best wishes to you and your family! – *Brenda Lara, Branch Manager*

“ In addition to his impressive years of service, Michael's leadership, mentorship, and passion for serving the credit union are unmatched. We can't thank him enough for being such a special and integral part of Commonwealth's history and success. – *Barry Schimmel, Board of Directors*

What Our Members Are Saying



I have been banking at CWCCU for well over a decade and couldn't be more pleased! I have had consistently great experiences with my banking needs; every experience feels personal and supportive.

Victoria M. | Member since 2012

I fell down after the '08 crash, no one else would deal with me. You guys helped me build back from scratch. Now I don't deal with anyone else, I use CWCCU for all my needs.

Anonymous | Member since 1999



CommonWealth has always taken very good care of me and my financial needs.

John T. | Member since 2016

Board of Directors

James Crawford
Chairperson

Larry Chambers
Vice Chairperson

Anna Le
Secretary

Albert Balagso
Treasurer

Lily Lim-Tsao
Director

Barry Schimmel
Director

Executive Team

Viktoria Earle
President/Chief Executive Officer

Lisa Brown
Chief Strategy & People Officer

Jennifer D'Amico
Chief Marketing Officer

Sundeep Jain
Chief Lending Officer

David Loftus
Chief Financial Officer

Val Ovrootsky
Chief Information Officer

Supervisory Committee

Jeanette Micko
Chairperson

David Hook
Vice Chairperson

Pavel Kovar
Secretary



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