

{ BOARD COMMITTEES }

Budget Bob Goodale Bob Gadotti Ed Maxwell Steve Porter Shirlee Saum Patti Chartrand DeWayne Ledbetter	Human Resources Sharon Eastman Scott Bieber Doug Lehrman Marsha Carner Ed Maxwell Mary White Linda Barber Melanie Stephens Kim Slorey Autumn Hoffman Kristi Cuffel	Facilities Evie Grendahl Lowell Neil Jim Sork Ron Allbaugh Jodie Sharp Monte Page Steve Porter Don Kitterman Brad Lothspeich Jim Morrell Imogene Patrick Donna Thomas Danette LaChapelle	Information Security Bill Hogan Jaye Folsom Carol Newton Steve Porter Monte Page Rod Manchester Imogene Patrick Brad Wood Tracy Miller Jim Morrell Shanna Oberg	Asset/Liability Mgmt. Doug Lehrman Bob Goodale Scott Bieber Jim Sork Ed Maxwell Roger Michaelis Danette LaChapelle Linda Barber Jim Morrell Shirlee Saum DeWayne Ledbetter Ed Turk	Policy Bob Goodale Bill Hogan Evie Grendahl Donna Roberge-Nozel John Feliz Donna Thomas Jim Morrell Ed Turk Tracy Shawa Lesley Wiese
Governmental Affairs Scott Bieber Bill Hogan Jaye Folsom Ed Turk Linda Barber Danette LaChapelle	Executive Jim Sork Bob Goodale Doug Lehrman Scott Bieber Roger Michaelis	Nominating Ed Maxwell Jim Rinta Ron Allbaugh	Board Reorganization Ed Maxwell Bill Hogan Sharon Eastman	Clark Financial Services Terry Nelson Bill Lothspeich Jon Wagner	401K Trustees Sharon Eastman Doug Lehrman Shirlee Saum Linda Barber

{ LOCATIONS }

Branches

Battle Ground Branch
109 S.W. 1st Street
close to Schuck's Auto Supply

Camas Branch
1599 S.W. 6th Avenue
off Hwy. 14, exit 12
Coming Soon!

City Branch
601 E. 16th Street
corner of 16th and F Street

Clark College Branch
Gaiser Hall
1800 E. McLoughlin Boulevard

Fisher's Landing Branch
2620 S.E. 165th Avenue
near 164th and McGillivray

Hazel Dell Branch
305 N.E. 81st Street
in the JM Plaza

Ridgefield Branch
2 South 56th Place
Suite 105
off of I-5, Pioneer Street
Exit 14

Salmon Creek Branch
13505 N.E. 10th Avenue
west of I-5 and 205,
134th street exit

Vancouver Mall Branch
7017 N.E. Vancouver Mall Drive
corner of Andresen and
Vancouver Mall Drive

Campus Branches

Battle Ground High School
Camas High School
Clark County Skills Center
Evergreen High School
Skyview High School
Union High School

Member Service Center
(360) 695-3441
(800) 247-4364

On the Web
www.iQcu.com

ATMs

Battle Ground Branch
109 S.W. 1st Street

Center for Community Health
1601 E. 4th Plain Boulevard
Building 17

City Branch
601 E. 16th Street

Clark College
1800 E. McLoughlin Boulevard

Clark County Skills Center
12200 N.E. 28th Sreet

ESD #112
2500 N.E. 65th Avenue

Fisher's Landing Branch
2620 S.E. 165th Avenue
Suite 100

The Jim Parsley Center
2901 Falk Road

Hazel Dell Branch
305 N.E. 81st Street

Salmon Creek Branch
13505 N.E. 10th Avenue

Vancouver Mall Branch
7017 N.E. Vancouver Mall Drive

Washington State School for the Blind
2214 E. 13th Street

WSU-Clark Center
14204 N.E. Salmon Creek Avenue

An ATM is located inside each of the following high schools:
Battle Ground, Camas, Clark County Skills Center, Columbia River, Evergreen, Fort Vancouver, Hudson's Bay, Skyview and Union.
With over 25,000 fee-free CO-OP ATMs available nationwide, you are never far from a machine. Go to www.co-opnetwork.org to find an ATM near you.

{ 2007 ANNUAL REPORT }

Celebrating Success



iQ CREDIT UNION
Financial Intelligence Pays Off



MEMBER
NCUA

iQ CREDIT UNION

Financial Intelligence Pays Off

The Benefits of Membership

The role of a credit union is simple: To serve the financial needs of you, our members. Unlike banks, who report to stockholders and Wall Street, we report to no one but you. Membership means ownership in every sense of the word. Any profits generated are returned to members — via lower loan rates, higher savings rates, lower fees and additional products and services. These are just some of the many benefits of membership with iQ Credit Union.

In 2007, the benefits of membership included a variety of new programs, each designed to help you make the most of your money. Smart Equity combines the security of a fixed-rate loan with the flexibility of a line of credit. With Smart Equity, you can use any or all of your approved amount as a line of credit or as a fixed-rate loan — with up to three different fixed-rate loans from your approved amount. After three loans have been activated, any remaining funds become a variable-rate home equity loan, ready to be tapped into whenever needed.

With national savings at an all-time low, we created Easy Saver to make saving not only easy, but profitable. With Easy Saver, every time you use your iQ VISA® Check card, your purchase is rounded up to the nearest dollar — with the difference going directly into your savings. What's more, iQ Credit Union will match 50% of the daily transfers for the first 30 days. After that, we will match 5% of your total saved, up to \$300 per year.

At the start of 2008, we introduced Intelligent Checking. Members who use electronic services (such as eStatements and debit card transactions) earn a high interest rate, along with refunds on ATM fees each month. The benefits of membership continued making account access more convenient than ever with two new branches, a new High School Campus Branch and a new headquarters under construction.

We participate in Shared Branching through Financial Service Center Cooperative. Members of other participating credit unions can use iQ for a variety of transactions and vice versa. Kiosks were recently added

to 7-Eleven stores, allowing members to make account transactions at over 4,000 locations in 47 states. iQ is also part of the Co-Op Network of ATMs, giving members access to more than 25,000 fee-free cash machines throughout the U.S. and Canada.

The benefits of membership expanded to business owners, too. We understand that businesses that thrive contribute to our local economy and build strength in our community. We also understand that business owners are busy and often need creative financing solutions to help them stay on top of their game. Our Business Services Department is skilled, staffed and ready to help. From financing and investment options to a full range of merchant services, we're open for business.

The benefits of membership reach well beyond our branches and ATMs, into the communities we serve. Our iQ for Kids Foundation granted more than \$250,000 to local charities, including Principal's Checkbook, Doernbecher Children's Hospital and Special Olympics. To help young adults get a solid financial foundation, our Youth VISA® program combines classes on money management with a low-balance first VISA®. And we are a participating sponsor of "BizKid\$," a new PBS program that promotes an understanding of finances among today's youth.

Yes, 2007 has definitely showcased the benefits of membership. And thanks to you, the word is spreading. iQ's membership growth in 2007 was 4.67% — nearly double the national average for credit unions. Home Equity Loans grew by 17.04%, followed by Business Loans at 14.85%. All this while striving to pay some of the highest rates in the area on savings products. As always, I thank you for being a member of iQ Credit Union. I encourage you to take full advantage of your benefits of membership.



Roger Michaelis

Roger Michaelis
President/CEO
rogerm@iqcu.com

{ CHAIRMAN'S REPORT }

The Big News in 2007? — GROWTH !

If you have been to downtown Vancouver recently you may have noticed a change in the scenery. That familiar large sign atop the city's Public Services Building at the corner of 4th Plain and Broadway now displays the iQ Credit Union name and logo. That's because the building no longer belongs to the city. It belongs to us! The new red and white iQ sign atop the building proudly announces to the entire community, that iQ has moved to downtown Vancouver. More importantly, the banner signals that a new chapter has begun in our Credit Union's 67 year success story - a chapter titled GROWTH !

During 2007, our Credit Union continued its pattern of growth. While other credit unions across the nation and in our area were losing members, we continued to add members. iQ now ranks second in our area with 41,000 members and 13th in Washington state with assets of more than \$375 million. This growth has allowed us to expand our network of branches and to improve convenience for our existing and new members. In March we opened a new branch to serve the growing Ridgefield community. A new high school campus branch opened later in the fall at Union High School. The acquisition and remodel of our new downtown building began in 2007 and will be completed early in 2009. This facility will allow us to expand service to Vancouver's growing downtown community. A branch office is planned for the ground floor with business services and administrative offices on the upper levels. Remodeling and modernization efforts are also underway to improve our Fishers Landing branch. This work will be completed in March 2008.

Work is nearly complete on a new branch in the Camas area that will open to serve iQ members in April of 2008. Future plans include relocating the Battle Ground Branch to the Gardner Center in Battle Ground. These facility improvements confirm our commitment to provide convenient, well-designed, member-friendly branches to our growing family of iQ members. Our new branches will help us to deliver the high level of service iQ members have come to expect for years to come.



James Sork

Dr. James Sork
Chairman, Board of Directors
directors@iqcu.com

	2006	2007
ASSETS		
Total Loans	\$268,442,919	\$295,702,020
Loan Loss	(\$1,138,085)	(\$1,435,475)
Cash and Cash Equivalents	\$17,677,536	\$11,781,992
Total Investments	\$54,081,980	\$44,035,017
Land and Buildings	\$6,233,787	\$11,499,817
Fixed Assets	\$3,108,464	\$2,044,676
Other Assets	\$14,756,609	\$11,967,808
Total Assets	\$363,163,210	\$375,595,855
LIABILITIES		
Accounts Payable/Borrowing	\$679,300	\$3,210,108
Share Certificates	\$104,200,999	\$105,911,902
Checking Accounts	\$65,218,025	\$60,955,302
Money Markets	\$84,158,442	\$94,365,303
Deferred Compensation	\$798,344	\$636,589
Regular Shares	\$49,554,753	\$47,318,881
IRAs	\$26,443,110	\$31,480,386
Regular Reserves	\$12,761,288	\$12,761,288
Undivided Earnings	\$19,348,949	\$18,956,096
Total Liabilities	\$363,163,210	\$375,595,855
INCOME		
Interest on Loans	\$17,365,509	\$20,326,106
Interest on Investments	\$2,548,228	\$2,244,339
Other Operating Income	\$5,644,435	\$6,795,916
Total Gross Income	\$25,558,172	\$29,366,361
EXPENSES		
Employee Salary/Benefits	\$8,024,670	\$9,130,904
General & Administrative	\$6,848,280	\$7,926,385
Provision for Loan Loss	\$460,800	\$909,900
Other Interest Expense	\$15,225	\$7,696
Dividend Expense	\$6,753,344	\$8,864,293
Reserve Transfers	\$3,455,853	\$2,527,183
Total Expenses	\$25,558,172	\$29,366,361
Members	39,231	41,065

{ CORE VALUES }

People. All people—employees, volunteers and members—play an important role in achieving our goals.
Relationships. We work to build relationships that benefit our members and the Credit Union.
Integrity. We demonstrate integrity by being ethical, honest and mutually respectful.
Mutual Interests. We distribute profits to serve the mutual interests of both the member and the Credit Union.
Excellence. We strive for excellence in the service we deliver and the products we provide.

The iQ Credit Union Supervisory Committee is composed of three volunteer members elected by the membership to three-year terms. Under the by-laws, the Supervisory Committee serves as a check-and-balance to the Board of Directors. The function of the committee is to ensure that iQ Credit Union follows all state and federal regulations and that members' money is protected. This is accomplished by making sure accurate records are maintained and members' assets are safeguarded and appropriately used.

During 2007, iQ Credit Union underwent three different external audits. The first audit was performed by accounting firm Moss Adams. They found iQ Credit Union to be well-managed and in sound financial condition. The second audit was performed by information security assessment specialists Info@Risk. This audit provided the Credit Union with a thorough survey of information technology threats and risks. Info@Risk found iQ Credit Union to be outstanding in keeping members' data safe — both from technical as well as in-person attempts to breach our systems and organizational practices. The third audit was performed on our business loans by JLK Risk Management. They found all iQ Credit Union member business loans to be in compliance with federal and state guidelines.

With the books closed and the audits complete, I am proud to say that iQ Credit Union is a sound financial institution and one of the most respected Credit Unions in the region. The Supervisory Committee, which meets and reports monthly to the Board of Directors, will continue to vigilantly ensure the quality of service to all iQ Credit Union members while making sure assets are safe, secure and well cared for.



Monte Page
Chairman, Supervisory Committee
directors@iqcu.com

