



2018 ANNUAL REPORT

BANKING FOR WANDERERS & EXPLORERS

OUR PURPOSE IS SIMPLE
to make the PNW a better place to live, work & bank.



2018: UniQue - Unlike Anything Else

2018 brought us some very special accomplishments. We reached \$1 billion in assets in February and closed the year with \$1.1 billion for a total asset growth of 12.96 percent. We also increased membership by 6.4 percent, welcoming almost 5,000 new members. Our strong financial foundation has allowed us to balance our growth and stay true to our roots.

Our iQ Kindness Crew continues to hit the streets to pay it forward with random acts of kindness and “Good Things Happen” events. During the regular work day, our staff enjoys connecting with the community by volunteering eight hours per year to an organization of their choice through our Community Time Off program. Staff gave back over 1,200 hours in 2018.

This past year we introduced Banking for WAnderers and explORers, expansive words that summarize our promise to our members in Washington and Oregon—and reflect our commitment to making the Pacific Northwest a better place to live, work and bank. Our friendly and visionary nature ensures we can grow and change in ways that support our ever-evolving Portland-Vancouver area communities.

As we continue to embrace expansion, we moved our Camas Branch this year to the city’s walkable and bikeable downtown core. We also remodeled our busy Battle Ground Branch to add more member services. And in a few short months, we’ll celebrate our second Portland location opening its doors in the St. Johns neighborhood.

Our products and services have come a long way since 1940 when 10 Vancouver schoolteachers pooled their money together to provide low-interest loans to fellow teachers and we continue to strive to improve. In 2018 over 15,000 consumer and business loans were funded, helping members make their dreams a reality. Progressive new programs and products were developed to better serve our members. A mortgage product especially for teachers and first responders. Two updated market-competitive business checking accounts. Visa credit cards got a complete refresh, removing annual fees and adding overdraft protection. Knowing our members are unique, our interest rates now vary person-to-person to accommodate a range of credit scores and credit history.

Thank you for being a member of iQ Credit Union and for trusting us as your financial partner. We feel honored to be a part of the remarkable communities we serve and to make a positive difference with our neighbors. We look forward to another 79+ years of continued growth and plaidtastic service to our members.



Dr. James Sork, Board Chairman



Kelly Schrader, President/CEO



A BILLION REASONS TO

Celebrate

iQ officially surpassed \$1 billion in assets in February 2018.

We couldn't have done this without the help of the entire iQ community, tirelessly working together to serve you – our members – and help you to meet your financial goals. The first billion is a very special accomplishment and will be an important achievement in the legacy and foundation of our Credit Union.



**MORE THAN 80,000
MEMBERS ARE NOW PART
OF THE iQ FAMILY**

We gave members the tools to

REACH FINANCIAL GOALS



292
HOMEOWNERS

We helped 292 members purchase their dream home or refinance their existing one.

"It's not just a mortgage, it's our home. We take care of each other. iQ Credit Union was there for me when I needed them the most."

SHANNON V. *Member since 2012*



8,804
MEMBERS

We helped make it possible for more than 8,000 members to drive off in a new car, truck or RV.



7,141 *new*
INTELLIGENT CHECKING ACCOUNTS

Intelligent Checking accounts were reintroduced to help members manage their money while earning interest.



INVESTMENT &
RETIREMENT SERVICES

The department set an all-time high in total invested dollars & gross revenue for this year.

TOTAL GROWTH RATE 11%

33% GROSS REVENUE

insureQ PROTECTING
WHAT MATTERS

4,600 MEMBERS

protected their family's financial security with our affordable insurance programs through insureQ.



\$89.56M BUSINESS LOANS

We funded over 70 business loans for \$89.56M in 2018.

We helped members navigate financial journeys

EVERY STEP OF THE WAY



23,911
Content Views

We delivered money management tips and education through our blog and via our monthly email newsletters, including downloadable guides.



142
Workshops & Presentations

We hosted educational workshops and classroom presentations in Southwest Washington and Portland on financial basics and budgeting, investing, money management and homebuying.



1,068
Live chats

We introduced live chat to strengthen member service options. Since September 1,068 chats received with an average speed to answer of 25 seconds.

“I love how involved they are in the community, and even getting young people involved, to me, that means a lot because I didn’t know how to manage money, and iQ helped me do that. I feel that iQ Credit Union has prepared me for a life of financial literacy.”

LAUREN V. *Member since 2011*



Giving back

WE WORKED TO MAKE A DIFFERENCE IN OUR COMMUNITIES

Local Nonprofits & Schools

\$185,711

Donated locally to Southwest Washington
& Portland nonprofits and schools

2018 Spirit Week

\$55,000

raised for Credit Unions for Kids supporting
Doernbecher Children's Hospital.

iQ FOR KIDS AWARDED **\$80,534** IN GRANTS
& CONTRIBUTIONS TO THE COMMUNITY IN 2018.

\$8,280

Read With Me Program

Supports school reading programs through literacy grant
dollars funded by plaid merchandise sold in our retail branches.

6,942 Students

benefited from education on financial basics
and budgeting offered by iQ.

AWARDS & RECOGNITION



TOP WORK PLACES

We were the highest-ranked financial institution in
the mid-sized category in the Oregonian's Top 100
Employers list for the second year in a row.



PHILANTHROPY

The Portland Business Journal recognized iQ as one of the top
Philanthropic Businesses across Oregon and Southwest Washington.



LEADERSHIP

We received the 2018 Washington Association of School
Administrators (WASA) Community Leadership Award
for our ongoing contribution to education.



COMMUNITY ENGAGEMENT

We received a Credit Union National Association Excellence Award
in Community Engagement, which recognizes human resources best
practices and achievements in the credit union industry.

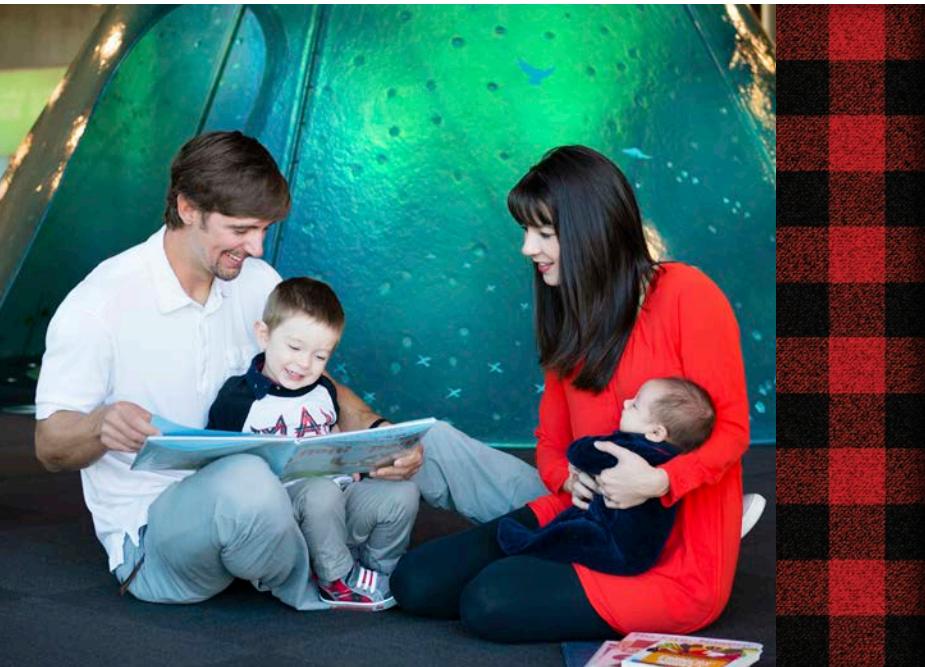


1,200 Hours volunteered

Our plaidtastic iQ Crew spent 1,200 hours volunteering in our communities.



OUR iQ CREW GREW TO
308 Employees



"iQ's always in the community.
They're always around, and they're
always supporting us."

THE PEAVEY FAMILY

Members since 2005

More to explore in

2019

We look forward to our newest branch opening this spring!

Look for us in The Union building in Portland's St. Johns neighborhood.



2019 FINANCIALS

ASSETS

	2017	2018
Total Loans	\$ 803,741,749	\$ 831,371,126
Allowance for Loan Loss	(-\$ 8,357,953)	(-\$ 8,323,317)
Cash and Cash Equivalents	\$ 45,462,398	\$ 183,900,017
Total Investments	\$ 57,606,783	\$ 17,140,167
Land and Building	\$ 21,844,329	\$ 21,906,585
Fixed Assets	\$ 4,708,686	\$ 4,806,241
Other Assets	\$ 53,751,533	\$ 54,930,303
Total Assets	\$ 978,757,525	\$ 1,105,731,122

LIABILITIES & EQUITY

	2017	2018
Accounts Payable	\$ 11,314,476	\$ 13,809,827
Share Certificates	\$ 47,896,437	\$ 93,410,917
Checking	\$ 243,073,062	\$ 302,622,315
Money Market	\$ 218,783,216	\$ 202,003,832
Deferred Compensation	\$ 374,832	\$ 163,229
Regular Shares	\$ 330,599,424	\$ 349,540,067
IRAs	\$ 35,546,390	\$ 36,596,053
Regular Reserves	\$ 12,761,288	\$ 12,761,288
Undivided Earnings	\$ 64,715,592	\$ 81,130,786
Equity Acquired in Merger	\$ 13,692,808	\$ 13,692,808
Total Liabilities & Equity	\$ 978,757,525	\$ 1,105,731,122

INCOME

	2017	2018
Interest on Loans	\$ 31,827,716	\$ 40,682,819
Interest on Investments	\$ 2,291,274	\$ 2,043,565
Other Operating Income	\$ 17,953,314	\$ 18,617,998
Total Gross Income	\$ 52,072,304	\$ 61,344,382

EXPENSES

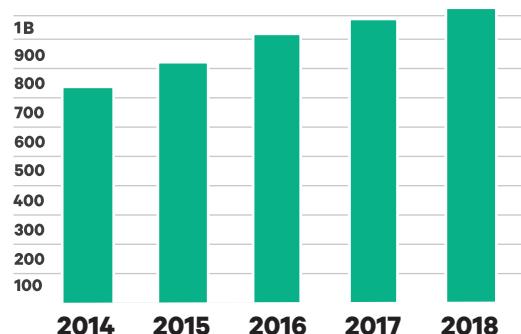
	2017	2018
Employee Salary/Benefits	\$ 18,378,528	\$ 20,060,214
General & Administrative	\$ 16,374,529	\$ 18,004,560
Provision for Loan Loss	\$ 4,380,365	\$ 4,371,499
Other Interest Expense	\$ 179	\$ 459
Dividend Expense	\$ 1,096,453	\$ 2,248,161
Reserve Transfers	\$ 11,842,250	\$ 16,659,489
Total Expense	\$ 52,072,304	\$ 61,344,382

Membership

76,022 80,878

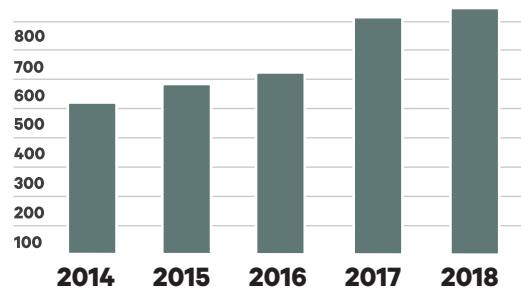
ASSETS

IN MILLIONS



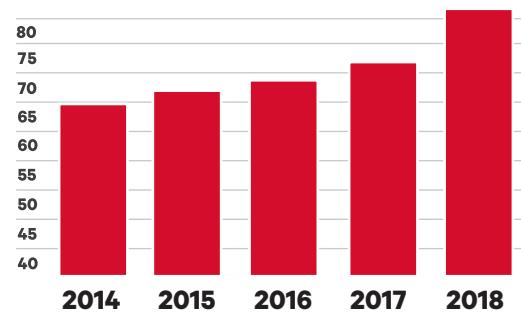
LOANS

IN MILLIONS



MEMBERSHIP GROWTH

IN THOUSANDS





BUILT FOR **W**andering
BUILT FOR **e**xplORing
BUILT FOR THE **uniQue** PNW

THIS IS iQ CREDIT UNION

BANKING BUILT FOR WANDERERS AND EXPLORERS

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Dr. Arlene Hett
Audit Committee

Brian Loos
Audit Committee

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Danette LaChapelle
Senior Vice President
Chief Communications Officer

DeWayne Ledbetter
Senior Vice President
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Ali Migaki
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Retail Delivery

Eric Petracca
Senior Vice President
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360.695.3441 | 800.247.4364 | iQcu.com

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