

We are uniQue in the P.N.W.





Living in the upper left-hand corner of the map has its advantages. A chance to rock the plaid. A sock-and-sandal rugged individualism. And an unabashed love for all things Mother Nature — rain or shine. This is also where you'll find a truly unique alternative to banking. Welcome to iQ Credit Union.

A Northwest State of mind.

Our humble beginnings in 1940 included a schoolteacher's shoebox and a handwritten ledger. From a basic desire to help neighbors in need, a community-centered credit union was created that now counts nearly 70,000 members as family. Putting community first is who we are, it's in our DNA.

The iQ of today is stronger than ever. You can see it in our 14 branches spanning southwest Washington — with plans to expand across the river into Oregon. You can see it in our assets totaling close to \$1 billion. But most importantly you can see it in our dedication to the communities we serve — supporting our schools, marching in parades, sponsoring events, volunteering time and serving on local boards.

Yet beyond the spreadsheets and statistics lies the most important reason for everything we do. You, our members. Stronger together for more than 75 years. We do our best to salute and embrace our combined uniqueness every day — through helpful programs, time-saving convenience and friendly, personal service. To all our flannel-wearing, rain-loving, coffee-drinking, mountain-climbing, go-with-the-flow members, we have just one thing to say. Thank you.


Dr. James Sork, Board Chairman


Kelly Schrader, President/CEO

2016, the year that was...

A NEW BUSINESS SERVICES CENTER



iQ Business Member, Kim Erion of LKE Corporation

We opened our new Business Service Center, allowing us to consolidate all our business lending efforts under one roof, providing maximum convenience for our business members with space to grow, an easily accessible location and plenty of free parking. 2016 was our best production year ever with total loan volume of \$73 Million.

\$73 MILLION IN BUSINESS LOANS



\$8,500

RAISED FOR READ WITH ME
THROUGH MERCHANDISE SALES

And on the style (and fundraising) front, we introduced a fun line of iQ-themed “Seek the uniQue” merchandise in our branches, designed to create a unique connection with our members. Hundreds of blankets, shirts, hats, backpacks and more helped us raise nearly \$8,500 for our Read With Me™ literacy grant program.

NEW SERVICES

In 2016, we introduced instant-issue iQ Visa credit cards at our branches — allowing you to apply and receive a Visa credit card in 30 minutes. Thanks to this addition, we have seen a continued increase in the number of new cards issued to our members. This is the perfect companion to our already popular instant-issue Visa debit cards.



MOBILE ACCOUNT OPENING

Also during the past year, a new mobile account opening program was used for the first time. Members of the iQ Business Development Team opened new accounts — on site — at teacher orientations over the summer.

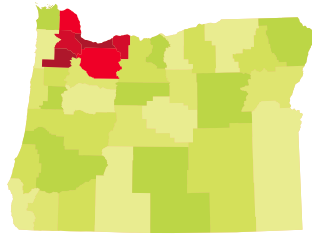


COMING! ATTRACTIONS

So what's on tap for your credit union in the year ahead? For starters, Touch ID for mobile login on iPhones is on the way. A new Bill Pay service is coming, too — and includes Pop Money that lets you make person-to-person payments. Work is underway on an all new Battle Ground branch, complete with drive-up ATM and easy parking — plus a new look for the 192nd Street branch. For those who like to talk with a Member Solutions Center representative without having to call or visit a branch, Live Chat is on the way.

Growing — the path forward.

Growth in the Northwest is often measured in rings on a Douglas fir or inches of rain. Here at iQ Credit Union, our goal has always been a steady, purposeful growth that allows us to not only maintain, but exceed the stellar level of service and value we're known for.



Moving into Oregon is a natural evolution of the growth we've enjoyed over the past several years and allows us to better service our members who live, work and do business on both sides of the river. In fact, we already have close to 5,000 members who call Oregon home. Over the next year, we'll make decisions on when, how and where we open branches.

In the short term, we will continue to engage in the Portland market through community sponsorships and build awareness in select neighborhoods and communities. The plan is to grow organically at a pace suitable for our size.

And rest assured our home will always be Southwest Washington. So whether you visit us in Battle Ground, Fisher's Landing, Washougal or someday in the Beaver State, no matter where you find us, we'll always be the same iQ with the same 76-year dedication to individual service. Putting members and communities first isn't our slogan, it's our commitment.



Making a difference in the community.

Putting community first is who we are, and caring for the community is part of the iQ culture. We don't just work here, we live here, too. That's why we're proud to march in the Hazel Dell Parade, race bathtubs during Camas Days and hand out candy during Harvest Days in Battle Ground. It's why we're in the Ridgefield 4th of July Parade and the Timber Carnival in Stevenson. And it's why

we happily spend countless hours hiding Easter eggs, gathering school supplies, helping with teacher orientation events and hosting member appreciation BBQ's. We even display artwork of local landmarks inside our branches, each unique to that area. We're not just your financial partner, we're your neighbor. This is home.



At iQ, financial education takes place both in and out of the classroom. As a way to connect with millennials in their natural habitat, our Budget & Brews workshops are held in local brewpubs across the area. In schools, iQ has become the go-to local resource for financial education — including Financial Reality Fairs for high school students and classroom presentations for school kids of all ages.

83 READ WITH ME GRANTS AWARDED TO LOCAL TEACHERS

Our Read With Me™ program puts books where they're needed most — in the hands of young readers. Elementary school teachers selected via a grant application receive funds to provide books for their students — books the students can keep forever. It's a wonderful way to encourage reading and instill a lifelong love of books. To date, more than 70,000 books have been handed out. This year, we introduced a Literacy Grant program that addressed the needs of older students. Grants are awarded to support innovative program ideas to encourage reading in middle and high school.

91 CLASSROOM PRESENTATIONS

6 CAMPUS BRANCHES

Students at six Clark County high schools are running their own fully operational campus iQ branches, learning—through hands-on, day-to-day financial transactions—how to operate a real financial institution. Our campus branches are located at Camas, Union, Skyview, Evergreen, Battle Ground and Mountain View high schools.



\$57,347
DONATED FROM
iQ FOR KIDS

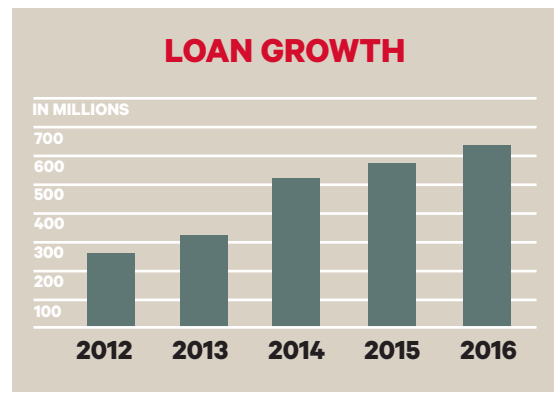
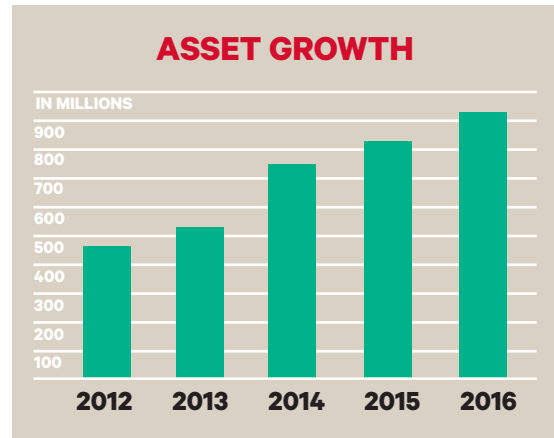
Ever since our founding, iQ has stood for education and improving the lives of children in our area. Our iQ for Kids — a nonprofit established by the staff of iQ Credit Union — was created to raise money for local groups that support children. In 2016 alone, staff members donated more than \$38,000 through dress down days, skip pays, calendar sales and more. There’s no better motivation to help than the kids in our community.



In 2016, we created our Community Hours program as a way to make a real difference. So while our branches were closed for Columbus Day, more than 200 “Q Crew” staffers from iQ Credit Union spent their day stocking shelves in a food bank, cleaning the grounds at a camp for area youth groups, sorting clothes at a resale shop, restoring wildlife habitat and more. Going forward, iQ will continue to promote the culture of giving back by letting staff members take paid time off to support nonprofits in our local community.

2016 Financials

ASSETS	2015	2016
Total Loans	\$ 591,319,682	\$ 638,103,772
Allowance for Loan Loss	(\$ 5,507,991)	(\$ 6,360,768)
Cash and Cash Equivalents	\$ 74,525,197	\$ 125,255,288
Total Investments	\$ 93,776,323	\$ 80,416,818
Land and Building	\$ 21,512,311	\$ 21,171,230
Fixed Assets	\$ 3,492,258	\$ 3,448,938
Other Assets	\$ 42,656,022	\$ 57,574,191
Total Assets	\$ 821,773,802	\$ 919,609,469
LIABILITIES & EQUITY		
Accounts Payable	\$ 8,584,717	\$ 9,281,114
Share Certificates	\$ 55,829,383	\$ 52,058,912
Checking	\$ 202,837,840	\$ 230,962,387
Money Market	\$ 198,162,930	\$ 212,596,973
Deferred Compensation	\$ 431,863	\$ 411,349
Regular Shares	\$ 249,133,349	\$ 297,563,328
IRA's	\$ 37,366,610	\$ 37,318,914
Regular Reserves	\$ 12,761,288	\$ 12,761,288
Undivided Earnings	\$ 42,973,014	\$ 52,962,396
Equity Acquired in Merger	\$ 13,692,808	\$ 13,692,808
Total Liabilities & Equity	\$ 821,773,802	\$ 919,609,469
INCOME		
Interest on Loans	\$ 24,489,631	\$ 28,027,032
Interest on Investments	\$ 1,677,024	\$ 1,781,312
Other Operating Income	\$ 13,585,620	\$ 15,476,779
Total Gross Income	\$ 39,752,275	\$ 45,285,123
EXPENSES		
Employee Salary/Benefits	\$ 15,306,601	\$ 16,016,929
General & Administrative	\$ 14,150,079	\$ 14,442,709
Provision for Loan Loss	\$ 2,324,687	\$ 2,652,939
Other Interest Expense	\$ 8	\$ 0
Dividend Expense	\$ 1,112,438	\$ 1,101,715
Reserve Transfers	\$ 6,858,462	\$ 11,070,831
Total Expense	\$ 39,752,275	\$ 45,285,123
Membership	66,900	69,272



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