2021 ANNUAL REPORT

LOOKING BACK

While we didn't see a return to normal in 2021, your Credit Union still achieved a great number of wins. We grew our loan portfolio by over \$2 million and enjoyed strong earnings. With healthy financials, we invested in our membership in the following ways:

- Overhauled our entire Visa credit card program. Visa credit cards are now fully integrated into online banking and include a FREE rewards program for all cardholders to enjoy.
- · Created our Preferred Agency Staffing Loan for Farmers agents to hire producers.
- Significantly increased our lending caps on various Farmers and Allstate agency loans.
- Partnered with the CO-OP Network to answer member calls during busy times and off hours. Members are now able to speak with a live representative 24/7 regarding their accounts.

Our future is very promising and your Board of Directors and I thank you for continuing to give us the opportunity to serve you.

Jim Burgett, Chairman of the Board

LOOKING FORWARD

I'm excited for 2022 as we are continuing to rollout new and improved products and services for our members to enjoy.

In quarter one, we launched new loan enhancements to our agency offerings. Including a Leads Loan for Farmers and Allstate agents to grow their businesses, startup capital for successful graduates of Farmer's Protégé Program and enhanced Contract Value lending.

In quarter three, members will be able to text employees at the credit union with their mobile phones. Members can service their accounts and send/receive secure documents through this new and easy channel.

Lastly, throughout the year, we'll continually be making improvements to our online banking and mobile app – to allow for more functionality and an easier to use experience.

As always, thanks for your continued support of NW Preferred!

Steve Canfield, President/CEO

FINANCIAL STATEMENT Period Ending December 31, 2021

The Supervisory Committee's objectives are to ensure that the Credit Union:

- Maintains accurate financial records
- Has implemented a program of internal controls
- Preserves financial assets

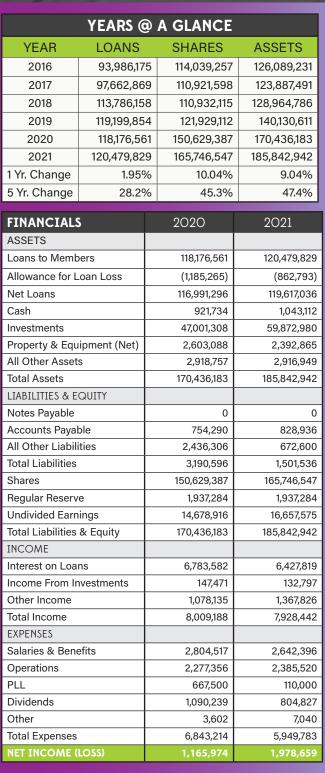
Throughout the year, the Committee audits different areas of the Credit Union's operation to ensure these objectives are met. The Committee also investigates and responds to member inquiries.

Annually, we engage an independent CPA firm to conduct a financial audit of the Credit Union. The Credit Union is also examined annually by the National Credit Union Administration (NCUA), an agency of the federal government. The NCUA makes an assessment of our financial strength, and determines whether or not the Credit Union has been operating in compliance with the law. We are very pleased to report that no material weaknesses were found in our operation!

Based on reports submitted, it is the Committee's belief that the financial statements of December 31, 2021, fairly and accurately reflect the financial condition and results of operations of NW Preferred Federal Credit Union.

Bo Lindemann, Chairman





MONEY DISTRIBUTION



NCUA