

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

YEARS @ A GLANCE

YEAR	LOANS	SHARES	ASSETS
2016	93,986,175	114,039,257	126,089,231
2017	97,662,869	110,921,598	123,887,491
2018	113,786,158	110,932,115	128,964,786
2019	119,199,854	121,929,112	140,130,611
2020	118,176,561	150,629,387	170,436,183
2021	120,479,829	165,746,547	185,842,942
1 Yr. Change	1.95%	10.04%	9.04%
5 Yr. Change	28.2%	45.3%	47.4%

FINANCIALS	2020	2021
ASSETS		
Loans to Members	118,176,561	120,479,829
Allowance for Loan Loss	(1,185,265)	(862,793)
Net Loans	116,991,296	119,617,036
Cash	921,734	1,043,112
Investments	47,001,308	59,872,980
Property & Equipment (Net)	2,603,088	2,392,865
All Other Assets	2,918,757	2,916,949
Total Assets	170,436,183	185,842,942
LIABILITIES & EQUITY		
Notes Payable	0	0
Accounts Payable	754,290	828,936
All Other Liabilities	2,436,306	672,600
Total Liabilities	3,190,596	1,501,536
Shares	150,629,387	165,746,547
Regular Reserve	1,937,284	1,937,284
Undivided Earnings	14,678,916	16,657,575
Total Liabilities & Equity	170,436,183	185,842,942
INCOME		
Interest on Loans	6,783,582	6,427,819
Income From Investments	147,471	132,797
Other Income	1,078,135	1,367,826
Total Income	8,009,188	7,928,442
EXPENSES		
Salaries & Benefits	2,804,517	2,642,396
Operations	2,277,356	2,385,520
PLL	667,500	110,000
Dividends	1,090,239	804,827
Other	3,602	7,040
Total Expenses	6,843,214	5,949,783
NET INCOME (LOSS)	1,165,974	1,978,659

MONEY DISTRIBUTION

