



PACIFIC NW
FEDERAL CREDIT UNION



2025

**ANNUAL
REPORT**

YOUR FINANCIAL PARTNER **FOR LIFE**

Cover photo by
Nick Wolchesky

Chair & President's Report	1
Financial Condition	3
Income & Expense	4
Supervisory Committee Report	5
In Our Community	7
What's New	9
Thank You	11
Leadership	12



CHAIR & PRESIDENT'S REPORT

2025 By the Numbers

- Net membership growth was the lowest in years. We had normal new member growth but experienced a high number of member closures. Net members increased marginally from 22,800 to 23,024, a net increase of 224. The larger number of closures was due to maintenance on accounts with little to no activity.
- PNWFCU made a record 3,345 consumer loans totaling \$100.0 million. This is the first time we have made \$100 million in consumer loans in one year.
- Helped 75 members buy, refinance or tap equity in their homes for almost \$12.9 million.
- Total assets rose from \$306.8 million to \$313.3 million in 2025.
- Total loans (held and serviced) ended the year at \$435 million.
- In 2025 PNWFCU added \$1.7 million to our net worth, bringing our total net worth ratio to 9.64%, well above what the National Credit Union Administration (NCUA), our regulators minimum of 7.0% to be considered well capitalized

Community Development Financial Institution Certification (CDFI) Progress

In 2025 we started our path to becoming certified as a Community Development Financial Institution (CDFI). As a CDFI, PNWFCU would have access to grants and loans to further serve our members. To attain this certification requires making 60% of our loans to qualifying members. This shift is expected to take multi-years. As of 2025 we made 54% of the number of loans and 40% of the dollar amount of new loans to qualifying members. We will continue to work towards achieving the 60% goal over 2026.

Clean Energy Lending

In 2025 we also increased our focus on clean energy lending. In 2025 PNW made 427 EV/Hybrid car loans for \$15.5 million and one Green Start Home Equity loan for \$75K.

Digital Card Issuance

In 2025 we implemented a new service in which we can immediately issue a digital card (able to pay with phone). This allows members to get a card number and be able to make purchases immediately, while waiting for the physical card to be mailed. This went live in August. In less than five months PNWFCU issued over 1,300 cards.



SHARA WOKAL, BOARD CHAIR

Shara's profession developed from an eclectic background of accounting/finance, HR, project management, and general leadership. Her diverse professional experience also provides the knowledge and experience needed to be an asset to the Board and our membership.

Financial Literacy

In 2025, our financial literacy program continued to grow its reach and impact across our communities. We had 4,027 lesson downloads, providing teachers with free access to practical, classroom-ready financial education resources. We taught in 72 classrooms, reaching nearly 2,000 students with hands-on instruction focused on real-world money skills. In response to statewide education changes, we also expanded our curriculum to help teachers meet the new Oregon high school graduation requirements, ensuring our lessons remain relevant, compliant, and valuable for both students and educators.

Plans for 2026

New Branch in Troutdale

We have already signed the lease and are well in the design phase for our first new branch in over 20 years. This branch will be located at 257th and Stark in Troutdale. We anticipate the grand opening to be September 1st. This could move up or back based on the speed of the buildout.

Business Lending

PNWFCU is bringing back business lending late 2026. We will be slowly re-entering the market to serve our business members going forward. More to come as we put all the pieces in place.

Ron Miller Board Member and Secretary Stepping Down

Ron has volunteered on PNWFCU's board for the past fifteen years. He did not stand for re-election this year and will be stepping down from the board. Ron has been a tremendous supporter of PNWFCU throughout this time and has helped us navigate these past fifteen years with his expertise in architecture and building. He has agreed to remain part of our Branch Committee through the buildout of our new branch in Troutdale. Thank you, Ron, for all your support.

Throughout all of this, our main goal is to be "Your Financial Partner for Life". Thank you for your membership.



THOMAS E. GRIFFITH, CMA, CHIEF EXECUTIVE OFFICER

Tom has been in the credit union industry since 1989. He holds a Bachelor's in Accounting from Portland State University and is a Certified Management Accountant (CMA). He spent eleven years as the Chief Financial Officer for a \$600 million credit union before joining Pacific NW Federal Credit Union in 2003 as the CEO.

FINANCIAL CONDITION

Year ended December 31

	<u>2024</u>	<u>2025</u>
ASSETS		
Cash & cash equivalents	\$ 27,503,029	\$ 18,451,981
Investment securities held to maturity	70,180,027	56,844,891
Loans held-for-sale	127,000	581,000
Restricted equity securities	276,204	272,404
Loans to members, net	193,821,986	229,267,039
Accrued interest receivable	722,028	897,513
Property & equipment, net	2,231,754	2,190,077
National Credit Union Share Insurance Fund (NCUSIF) deposit	2,528,704	2,601,117
Other assets	<u>9,419,321</u>	<u>2,150,614</u>
TOTAL ASSETS	<u>\$ 306,810,053</u>	<u>\$ 313,256,636</u>
LIABILITIES		
Members' shares	\$ 274,252,373	\$ 279,592,089
Borrowings	-	-
Accrued expenses & other liabilities	<u>4,020,995</u>	<u>3,458,724</u>
Total liabilities	<u>278,273,368</u>	<u>283,050,813</u>
MEMBERS' EQUITY		
Undivided earnings	<u>28,536,685</u>	<u>30,205,823</u>
Total members' equity	<u>28,536,685</u>	<u>30,205,823</u>
TOTAL LIABILITIES & EQUITY	<u>\$ 306,810,053</u>	<u>\$ 313,256,636</u>

INCOME & EXPENSES

Year ended December 31

	2024	2025
INTEREST INCOME		
Interest on loans to members	\$ 10,820,121	\$ 11,919,947
Interest on investments	1,888,575	2,131,661
Total interest income	<u>12,708,696</u>	<u>14,051,608</u>
INTEREST EXPENSE		
Dividends on members' shares	2,665,644	2,890,056
Interest on borrowed funds	337,453	219
Total interest expense	<u>3,003,097</u>	<u>2,890,275</u>
NET INTEREST INCOME	9,705,599	11,161,333
PROVISION FOR LOAN LOSSES	<u>1,174,600</u>	<u>1,267,000</u>
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	8,530,999	9,894,333
NONINTEREST INCOME		
Interchange income, net	1,389,827	1,356,182
Employee retention credit	-	312,998
Mortgage banking income	460,168	467,928
Deposit account service fees	599,948	663,191
Loan fees	280,178	281,944
Other noninterest income	370,184	489,210
Total noninterest income	<u>3,100,305</u>	<u>3,571,453</u>
NONINTEREST EXPENSE		
Salaries & benefits	5,827,116	6,268,862
Operations	4,560,863	5,235,061
Occupancy	307,333	292,725
Total noninterest expense	<u>10,695,312</u>	<u>11,796,648</u>
NET INCOME	<u>\$ 935,992</u>	<u>\$ 1,669,138</u>

SUPERVISORY COMMITTEE REPORT

The Supervisory Committee (the “Committee”) is comprised of independent volunteers who are primarily responsible for ensuring the Board of Directors and Management of the Credit Union meet required financial reporting objectives and establish practices and procedures sufficient to safeguard members’ assets, in accordance with the Federal Credit Union Act.

To help accomplish this, we meet every other month with Credit Union Team Members, which include audit and risk personnel, to review, among other things, the results of internal and external audit services, internal controls and risk management processes, and examinations by regulatory agencies. In addition, we attend various board and strategic planning meetings.

The Committee also appoints an independent CPA firm to complete the annual financial statement opinion audit. The opinion audit allows us to better assess the risks and soundness of the Credit Union’s operations. In 2025,

the Committee engaged Baker Tilly US, LLP to perform the financial statement audit of the Credit Union. Baker Tilly US, LLP expressed an audit opinion that your Credit Union’s financial statements, which include the statement of financial condition as of December 31, 2025, and the related statement of income, changes in members’ equity, and cash flows for the year then ended, were presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America.

In performing an opinion audit, the independent CPA firm considers the Credit Union’s internal controls over financial reporting as a basis for designing its audit procedures. Audit procedures include examining and testing supporting evidence for the amounts and disclosures presented in the Credit Union’s financial statements. A copy of their audit report is available to members upon request.

Ultimate responsibility for the accuracy of the financial

As of December 31, 2025, your Credit Union's net worth was **9.64%** compared to 9.34% as of December 31, 2024, which is considered **"well capitalized"** by NCUA standards."

statements is held with the Credit Union's Management. The management team and the Board of Directors continually evaluate the financial condition and monitor the state of your Credit Union. Pacific NW Federal Credit Union's assets as of the end of 2025 were \$313.3 million, an increase of \$6.4 million in assets from the prior year. As of December 31, 2025, your Credit Union's net worth was 9.64% compared to 9.34% as of December 31, 2024, which is considered "well capitalized" by NCUA standards. The Credit Union ended 2025 with a net income of \$1,669,138.

Lastly, during 2025, your supervisory committee also ordered other audits as required by NCUA regulations, in compliance with the Bank Secrecy Act (BSA), Office of

Foreign Assets Control (OFAC) and the USA Patriot Act.

I would like to express my appreciation to fellow Committee Members Holly Howard, Jackie Tran, and Paul Blackburn for their time and commitment throughout the year. On behalf of the Committee, I would also like to commend the Board of Directors, Management, and the entire Pacific NW Federal Credit Union team for continuing to provide extraordinary value to you, our members. Additionally, I would like to thank you for your loyalty and support in your pursuit as your preferred financial partner for life!

Sincerely,
Ezekiel Rubio
Supervisory Committee Chair

IN OUR COMMUNITY

COMMUNITY PARTNERS

We proudly supported these organizations in 2025:

- Atkinson Elementary PTA
- CU4Kids Doernbecher
- Gorge Grown Farmers Market
- Hood River Graduation Night
- Hood River Heritage Council
- Hood River HS Robotics
- Hood to Coast
- Parkrose Boosters
- Parkrose Educational Foundation
- Portland Literary Council
- Prescott Community Family Learning Night
- Project Lemonade
- Schoolhouse Supplies
- World Forestry Center

SCHOLARSHIP WINNERS

PNWFCU has been helping members reach their educational goals for over two decades with our annual scholarship program. Each year, we offer two \$1,500 scholarships to deserving members. This year, our winning members were Lissette Beltran-Juarez and Rachael Mooney. Congrats to these two hard-working students!



LISSETTE BELTRAN-JUAREZ



RACHAEL MOONEY

LOCAL EVENTS

PNWFCU donated dozens of toys to the KGW Toy Drive in December (top left). We also sponsored BPA's Hood to Coast team (top right), stocked backpacks for local students at Schoolhouse Supplies warehouse (bottom right) and volunteered at Schoolhouse Supplies' 'Thanks a Million' event (bottom left).



WHAT'S NEW AT YOUR CU

SAVINGS CALCULATORS

With the help of Datatrac, we added new savings widgets and calculators to our website to help show our members just how much they can save by banking with PNWFCU. The tools helpfully compare our savings and loan rates with the live rates of local competitors.

TEMPORARY DIGITAL CARDS

In August, we added new digital temporary-use cards. With digital cards, there's no need to wait for your new debit or credit card to arrive in the mail. We'll send you a link to add your temporary card to your digital wallet so you can start using it immediately.

MEMBER BENEFITS REPORT

We asked unbiased third parties to take a deep look at how we support our members. The findings? We've delivered over **\$3.6 million in direct financial benefits**, which translates to:

- **\$162** annual benefit per member, or
- **\$340** annual benefit per household

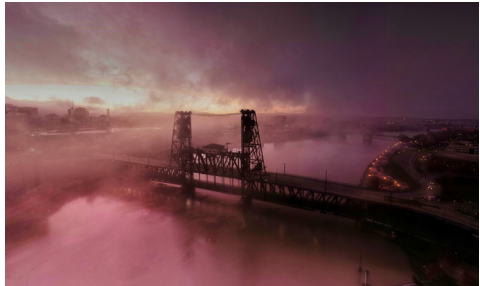
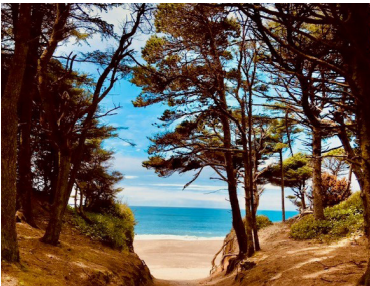
What's more, loyal, high-use member households see even more value: **\$543** in direct annual benefits!

This value comes from exactly what you'd expect from a true financial partner: **lower loan rates, higher savings returns, and fewer fees.**

Get full details at: pnwfcu.org/member-benefit-report

PHOTO CONTEST

We received 98 entries in our 2025 'Into the Wild' Photo Contest. Thanks to everyone for participating! We donated \$490 to the World Forestry Center on behalf of our entries. After a staff vote, employees selected our winning entries, featured here:



Nick Wolchesky, 1st place (top); **Shannon MacLean**, 2nd place (bottom left); **Karl Pfalzgraff**, 3rd place (bottom right)

THANK YOU

PRIZE SPONSORS

- Cigna Health Care
- CO-OP Shared Branch/Velera
- CUDL Origence
- CUNA TruStage
- Meadow Outdoor
- Outfront Media - Billboard
- SWBC
- USC
- Gear

SERVICE AWARDS

Congratulations to PNWFCU employees who celebrated milestones in 2025! We thank you for your hard work and dedication to our members over the years.

5 YEARS

Jacky Herrera, *Collections Specialist*

10 YEARS

Michael Bradshaw, *Mortgage Sales Manager*

15 YEARS

Kristin Wright, *Accounting Clerk*

25 YEARS

Diane Calvin, *SVP CLO*

LEADERSHIP

We are grateful to our volunteer directors and senior leadership team, whose governance and vision have helped shape a strong future for our credit union.

BOARD OF DIRECTORS

Shara Wokal, Chair
Paresh Patel, Vice Chair
Ron Miller, Secretary
Spencer Wedlund, Treasurer
Holly Howard, Director
Larry Long, Director
Linda McKinney, Director
Harry Speropulos, Director
Henry Tieu, Director

SUPERVISORY COMMITTEE

Ezekiel Rubio, Chair
Holly Howard, Member
Jackie Tran, Member
Paul Blackburn, Member

SENIOR MANAGEMENT

Tom Griffith, President/CEO
Diane Calvin, SVP CLO
Eric Keyser, SVP CIO
Jessica Nielsen, SVP COO
Kaylee Brophy, VP HR & Training
Dana Eaton, VP Marketing
Karina Pérez, VP Risk Management



LOCATIONS

ERIN WAY

12005 NE Erin Way
Portland, OR 97220

HOOD RIVER

1004 Pacific Ave.
Hood River, OR 97031

ROSS

1650 NE Ross St.
Vancouver, WA 98663