

Growing Our Impact

2024 Annual Report

Gallatin Valley, MT



clearwater
CREDIT UNION

Insured by NCUA

CEO and Board Chair Report

Throughout 2024, financial institutions across the country navigated a difficult economic landscape. The Federal Reserve held the Fed Funds Rate at 5.35% for most of the year, which kept borrowing costs high and suppressed loan demand for autos and homes. This also led to reduced deposit growth and increased competition for deposits, thereby increasing interest expense. The combination of factors created liquidity challenges for many institutions.

Despite these conditions, Clearwater continued to deliver a solid financial performance in 2024. We achieved continued, strong membership growth at over 5.00%, modest deposit and loan growth, solid asset quality, and healthy net earnings, leading to a very strong 12% net worth ratio.

Our strong financial position allowed us to continue expanding our branch network and to upgrade our digital banking services to meet member demand and reach more Montanans.



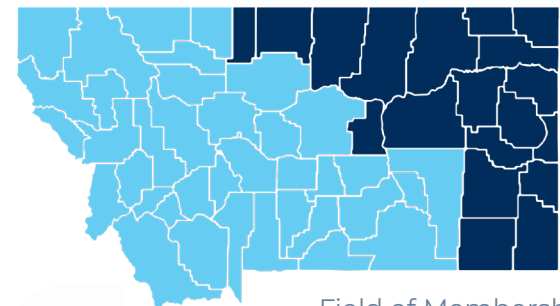
Expanding Our Branch Network

We expanded our branch network to include new locations in Bozeman and Great Falls, giving us nine retail branches in total. Clearwater's new Bozeman Branch opened in Fall 2024 in the heart of downtown Bozeman. In Great Falls, we purchased land on the corner of 1st Ave N and Park Drive where we will build a permanent branch location. In the interim, we opened a temporary location in downtown Great Falls.

In late 2024, we also received approval from the National Credit Union Administration (NCUA) to expand our field of membership to include an additional 20 counties, bringing

Clearwater's field of membership to 37 total counties across Western and Central Montana.

We will evaluate additional branch locations thoughtfully and make strategic investments to expand our branch network across Montana. That said, to adequately serve 37 counties and meet our members' demand for top-tier digital banking,



Field of Membership

we significantly upgraded our digital banking services in 2024 by launching the brand-new Clearwater Digital Branch.

Upgrading Your Access

In a physical Clearwater branch location, you can learn about the products and services included with your membership, open new accounts, apply for loans, and complete banking transactions. With the new Clearwater Digital Branch, you can do all that and more from wherever you have an internet connection.

The new Clearwater Digital Branch included a brand new, public-facing website and a modern, robust digital banking platform giving both consumers and businesses easy access to first-rate banking services. Positive member feedback and significantly improved mobile app scores indicate members are pleased with the new platform and the access it offers.

That said, we acknowledge that the conversion to a new platform created some frustration, longer than normal wait times in the Contact Center, and delayed responses to questions and emails for some of you. We apologize for those inconveniences. We have learned valuable lessons that we will carry forward as we introduce new services in the future.

Overall, our financial cooperative is strong, stable, and remains committed to the principles of values-based banking to ensure that we remain a force for good in banking, in the lives of our members, and in the communities we serve.

Lastly, we thank you for your continued membership. Without you and your participation in our financial cooperative, none of this would be possible.



JACK LAWSON
President & CEO



TONY BOOTE
Board Chair



Bozeman Branch

Membership Impact



Total Members

63,402



Net New Members

3,263



Consumer Loans
to Members

9,083 Loans
\$120 Million



Home Loans to
Members

477 Loans
\$95 Million



Mortgage Loans
Serviced

3,352
\$554 Million



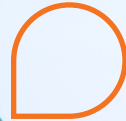
Business Loans to
Members

90 Loans
\$71 Million



2024 Bitterroot River Clean Up

Community Impact



Philanthropy

\$474,000

201 Nonprofits



Financial Empowerment

3,497

People Attended



Financial Counseling



570

Sessions



Employee
Volunteer Hours



2,515 Hours



Read more about our
community impact.

Financial Report

Similar to the past several years, 2024 was another year of financial strength for Clearwater, and your credit union remains strong, safe, and sound. We experienced good deposit growth, solid asset quality, and healthy earnings in 2024, leading to a very strong 12% net worth ratio.

Loan Growth and Asset Quality

Loan balances grew by 10% in 2024, with a very healthy loan-to-asset ratio of 73%. Credit quality remained sound with 0.3% of actual loan losses (net charge-offs) and 0.8% delinquencies (loans that are paying late). As the size and complexity of our loan portfolio has grown, we have been careful to help members into loans appropriate to their circumstances. Clearwater continues to be well-reserved for potential credit issues with 1.43% of the loan portfolio reserved for potential losses.

Earnings

The credit union's net earnings performance is healthy with a return on average assets of 0.9%. Several things contributed to that profitability including an expanding net interest margin and well-managed expenses.

Net Worth

Clearwater's net worth ratio continues to be very strong at just over 12%.

	2020	2021	2022	2023	2024
Net Worth Ratio	9.0%	9.8%	12.0%	12.0%	12.1%
Return on Average Assets	1.0%	2.1%	1.1%	1.1%	0.9%
Member Growth	2.6%	4.3%	4.5%	5.3%	5.4%
Loans to Assets	55.9%	58.9%	67.8%	70.7%	73.2%
Net Interest Margin	3.0%	2.8%	3.0%	3.3%	3.3%
Net Charge Off + Delinquency Ratio	0.3%	0.1%	0.3%	0.3%	1.2%



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Balance Sheet

	2023	2024	% Change
Loans	\$719,784,578	\$792,333,501	10%
Investments	\$279,446,253	\$266,569,069	-5%
Other Assets	\$32,585,437	\$39,560,772	21%
Total Assets	\$1,031,816,267	\$1,098,463,342	6%
Liabilities	\$154,309,926	\$166,414,547	8%
Deposits	\$789,868,202	\$833,049,336	5%
Equity	\$87,638,140	\$98,999,459	13%
Total Liabilities, Deposits, & Equity	\$1,031,816,267	\$1,098,463,342	6%

Income Statement

	2023	2024	% Change
Loan Interest	\$32,483,836	\$41,761,757	29%
Investment Interest	\$8,618,579	\$10,307,615	20%
Interest Expense	\$8,923,087	\$16,545,490	85%
Net Interest Income	\$32,179,327	\$35,523,882	10%
Provision for Credit Loss	\$2,845,135	\$4,706,523	65%
Non-Interest Income	\$11,432,143	\$11,813,583	3%
Non-Interest Expense	\$29,507,150	\$33,166,178	12%
Extraordinary Income (Expense)	(\$6,638)	(\$5,688)	-14%
Net Income	\$11,252,546	\$9,459,076	-16%



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Banking on Values



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documents online
clearwatercreditunion.org



Global Alliance for
Banking on Values

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