



## **90th Annual Membership Meeting April 25, 2023**

### **Agenda**

- Call to Order 4:00 PM
- Introduction of Current Directors
- Approval of Previous Year's Minutes
- Chairman's Report
- President's Report
- Supervisory Committee Report
- Nominating Committee Report
- Old Business
- New Business
- Adjournment
- Door Prizes

**NORTHWESTERN MUTUAL CREDIT UNION  
89TH ANNUAL MEETING OF THE MEMBERSHIP  
TUESDAY, APRIL 26, 2022**

Ryan Fleming, chair of the board of directors, called the meeting to order at 4:01 p.m. At least 15 members were present, which represented a quorum.

Mr. Fleming commended credit union employees for their outstanding work this past year during the continuing COVID-19 pandemic and the reopening of the credit union to members. Mr. Fleming then introduced the members of the board of directors and key members of the credit union staff in attendance. Mr. Fleming thanked the current board members for their work throughout the year. He also recognized NMCU members for volunteering on various board committees. They were:

|                 |                        |
|-----------------|------------------------|
| James Dobrinska | (Marketing Committee)  |
| Margaret Lusiba | (Marketing Committee)  |
| Ron Thelen      | (Technology Committee) |
| Anupama Pakala  | (Technology Committee) |

The membership approved the minutes from the 88th annual meeting of the membership, which was held on April 27, 2021, by unanimous consent.

Mr. Fleming presented his report to the membership.

Joseph Bukowski, president of the credit union, presented the president's report to the membership, thanked the board members and staff and answered member questions.

Emily Ho, chair of the supervisory committee, presented the report of the supervisory committee to the membership.

Jon Sternberg, chair of the nominating committee, reported to the membership that the election process in 2022 was carried out according to Article V, Section 4 of the credit union's bylaws. The publication *Dollars and Sense* notified the membership of the election process and called for nominees. In 2022, three positions were open on the board of directors. The following three duly qualified members, all incumbents, were nominated (Jon Sternberg, Emily Ho and Ryan Fleming). Because the number of nominees was equal to the number of open board positions, the three nominees were elected unanimously.

Mr. Fleming asked if there was any old or new business items to be discussed. There was none.

Mr. Fleming asked if there were any additional questions, comments, or concerns to be brought before the board. The membership had questions concerning NMCU technology, the 2018 special dividend payout, plans to grow members/loans from Northwestern Mutual New York employees, minor checking accounts and interest rates set by the NMCU.

A motion was made to accept all reports as presented and to adjourn the meeting. The membership approved the motion. The meeting adjourned at 4:51 p.m.

Respectfully submitted,

Jeff Niehaus, Assistant Secretary

Approved,

Ryan Fleming, Chair



September 14, 2022

To the Membership of  
Northwestern Mutual Credit Union  
Milwaukee, Wisconsin

Dear Members:

We performed a supervisory exam of Northwestern Mutual Credit Union (the "Credit Union") as of June 30, 2022. The procedures performed and findings, including the independent accountants' report on applying agreed-upon procedures, were issued subsequent to the completion of the supervisory exam and are on file at the Credit Union.

A supervisory exam is one of the options available to federally insured credit unions under Section 715 of the NCUA Rules and Regulations. We performed the supervisory exam in accordance with the minimum procedures described in the *Other Supervisory Committee Audit* Minimum Procedures Guide. Any findings identified at your credit union were reported to its Board of Directors.

Sincerely,  
HAWKINS ASH CPAs, LLP

A handwritten signature in dark ink that reads "Jeffrey Daman". The signature is written in a cursive, flowing style.

Green Bay, Wisconsin  
September 14, 2022

A photograph of three people celebrating. On the left, a man with sunglasses and a beard is smiling. In the center, a woman with long brown hair is shouting with her mouth wide open, holding her hands out as if blowing confetti. On the right, a man in a plaid shirt is smiling and holding a red and yellow firecracker. The background is bright and out of focus, suggesting an outdoor event. The overall mood is festive and joyful.

# 2022 ANNUAL REPORT

Celebrating 90 Years!



Northwestern Mutual®  
Credit Union

# A MESSAGE FROM THE CHAIR

## Happy 90th Birthday Northwestern Mutual Credit Union!

In reviewing the year, we reflect on the tailwinds of COVID, record inflation, and changing interest rates. It is humbling, however, to reflect on a few of the significant financial events that occurred in 1933, the year our credit union was chartered:

- Worst year of the Great Depression with unemployment peaking at 25.2%.
- Passing of the U.S. Banking Act to shore up bank reserves and prevent bank runs.

Our founders were looking for and fulfilled our mission today of “delivering a surprisingly different banking experience to our members and the Northwestern Mutual community.” We’ve grown from a mere deposit of 25 cents to a full-service financial institution with 6,900+ members and \$245mm in assets.

Amid the highest inflation in 40 years and a 425bps rate increase by the Federal Reserve in 2022, your credit union delivered another year of solid financial performance. Despite this backdrop, loans outstanding increased by \$10.4mm (10%), led by phenomenal growth in auto loans of \$4.5mm (30%). While the average 30-year fixed mortgage rate ended the year at 6.56%, more than double its 3.22% level at the end of 2021, outstanding mortgage loans increased by \$6mm (7%). Our overall saving deposits increased by \$10mm (5%). Over the course of the year, the landscape of interest rates changed significantly from stable and low to volatile and increasing. We are committed to offering highly competitive loan and savings rates, as well as low fees across the board. Our various special-term certificates of deposit were quite popular, with members depositing \$8.7mm into them. This past year we also reviewed our schedule of fees and lowered several of them. The hallmark of our overall financial profile is our net worth ratio, which ended the year at 11.4%, up from 11.1% in 2021. Our regulators consider a credit union to be well capitalized at 7%. Our delinquency and loss ratios also remain very low.

We continue to offer new services to improve and enhance your digital experience. In November, we launched a new card control feature in our mobile app that allows members to receive texts for purchase, travel, and spending alerts, as well as granting them the ability to turn their debit card on and off. Another accomplishment in 2022 was the launching of a new and improved website. We hope you have found these new enhancements to be beneficial. We have more services that we plan to implement in 2023, including more debit card enhancements and multi-factor authentication.

We would like to thank you, our members, for your tremendous support in 2022. We also extend our appreciation to our volunteer board and committee members for their commitment and time. Last but not least, we would like to thank our top-notch staff; their dedication to both our members and each other is the foundation of our success.

We look forward to serving you in 2023 and beyond.



Timothy Sternberg, Chair



Joe Bukowski, President & CEO

# 2022 FINANCIAL REPORT

## Comparative Statement of Financial Position

| ASSETS                                | 2022                  | 2021                  | % CHANGE |
|---------------------------------------|-----------------------|-----------------------|----------|
| Loans Outstanding                     | \$ 116,763,371        | \$ 106,352,221        | 10%      |
| Less: Allowance for Loan Losses       | 229,724               | 204,959               | 12%      |
| Net Loans Outstanding                 | \$ 116,533,647        | \$ 106,147,262        | 10%      |
| Cash & Investments                    | 123,968,755           | 130,194,952           | -5%      |
| Other Assets                          | 4,140,579             | 3,943,285             | 5%       |
| <b>TOTAL ASSETS</b>                   | <b>\$ 244,642,981</b> | <b>\$ 240,285,499</b> | 2%       |
| LIABILITIES & EQUITY                  |                       |                       |          |
| Miscellaneous Liabilities             | \$ 14,153,292         | \$ 15,831,794         | -11%     |
| Member Savings                        | 208,411,405           | 198,261,645           | 5%       |
| Equity                                | 22,078,284*           | 26,192,060            | -16%     |
| <b>TOTAL LIABILITIES &amp; EQUITY</b> | <b>\$ 244,642,981</b> | <b>\$ 240,285,499</b> | 2%       |

\*Excluding the market value adjustment of our investment portfolio, equity would be \$27,779,703.

## Comparative Statement of Income and Expense

|                                    | 2022                | 2021                | % CHANGE |
|------------------------------------|---------------------|---------------------|----------|
| Interest Income                    | \$ 4,806,331        | \$ 4,317,017        | 11%      |
| Less: Dividends & Interest Expense | 1,496,048           | 800,700             | 87%      |
| Net Interest Income                | \$ 3,310,283        | \$ 3,516,317        | -6%      |
| Other Operating Income             | 579,277             | 1,663,215           | -65%     |
| Less: Operating Expenses           | 2,705,937           | 2,501,510           | 8%       |
| <b>NET INCOME</b>                  | <b>\$ 1,183,623</b> | <b>\$ 2,678,022</b> | -56%     |

## Loan Production

|                              | 2022                 | 2021                 | % CHANGE |
|------------------------------|----------------------|----------------------|----------|
| Mortgages (1st and 2nd Lien) | \$ 21,393,046        | \$ 55,069,067        | -61%     |
| Home Equity Lines of Credit  | 9,943,046            | 7,589,443            | 31%      |
| Auto Loans                   | 12,126,436           | 9,609,663            | 26%      |
| All Other Loans              | 1,598,632            | 1,847,234            | -13%     |
| <b>TOTAL LOANS GRANTED</b>   | <b>\$ 45,061,160</b> | <b>\$ 74,115,407</b> | -39%     |

# Mission Statement

Our mission is to bring a surprisingly different banking experience to our members and the Northwestern Mutual community.

## WE BELIEVE...

That banking should be easy. That all members are equal, and all member service experiences should be seamless. We are here to serve the Northwestern Mutual Community and provide competitive financial products to meet your financial needs, all while maintaining the high level of financial security you expect. We focus on members over profits and believe in people-helping-people.

We are Northwestern Mutual Credit Union, and we're a surprisingly different banking experience.

## 2022-2023 Board of Directors

|                    |                 |
|--------------------|-----------------|
| Timothy Sternberg  | Chair           |
| Aaron Schroeder    | Vice Chair      |
| Jeff Koeberl       | Treasurer       |
| Jon Sternberg      | Secretary       |
| Ryan Fleming       | Asst. Secretary |
| Jeff Niehaus       | Director        |
| Emily Ho           | Director        |
| Jeff Nelson        | Director        |
| Christopher Miller | Director        |
| Justin Ugent       | Director        |
| Ellen Hopper       | Director        |

## By the Numbers

**\$45.1**  
**MILLION**  
loan volume

  
**6,912**  
members

**672**  
closed loans

**\$244.6**  
**MILLION**  
record total assets

**11.36%**  
capital ratio  
\*our regulators consider a well capitalized credit union at 7%!



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[www.mynmcu.com](http://www.mynmcu.com)

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