



## **91st Annual Membership Meeting April 23, 2024**

### **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  
90TH ANNUAL MEETING OF THE MEMBERSHIP  
TUESDAY, APR. 25, 2023**

Tim Sternberg, chair of the board of directors, called the meeting to order at 4:01pm CT. At least 15 members were present, which represented a quorum.

Mr. Sternberg introduced the members of the board of directors, volunteer members of the board's committees, the president of the credit union, and other members of the credit union's management team. The membership approved the minutes from the 89th annual meeting of the membership, which was held on Apr. 26, 2022, by unanimous consent.

Mr. Sternberg presented his report to the membership.

Joe Bukowski, president of the credit union, presented the president's report to the membership.

Emily Ho, representing 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 2023 to fill the four open positions on the board of directors 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. The following four duly qualified members, all of whom were incumbents, were nominated: Ellen Hopper, Jeff Koeberl, Jeff Niehaus, and Justin Ugent. Because the number of nominees was equal to the number of open board positions, the nominees were elected by acclamation.

Tim Sternberg invited the membership to bring forward any old or new business for consideration. No old business was brought forward. The credit union's management team answered questions submitted by members.

The membership approved by unanimous consent all reports as presented. The meeting adjourned at 4:45pm CT.

Respectfully submitted,

Jon Sternberg, Secretary

Approved,

Tim Sternberg, Chair



September 5, 2023

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, 2023. 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 cursive script that reads 'Jeffrey Danen'.

By Jeffrey Danen, Partner

2023  
ANNUAL  
REPORT



Northwestern Mutual<sup>®</sup>  
Credit Union

# A MESSAGE FROM THE CHAIR

Greetings,

We finished one of the most dynamic and historic years in the financial industry. Repercussions from the Federal Reserve's most aggressive rate hiking cycle in four decades were felt across the industry; as a result, both savings and loan rates increased significantly. Against the backdrop of the failure of several specialized banks, competition to retain deposits intensified, and certificate of deposit "specials" became the norm. Throughout this challenging period, your credit union continues to offer a competitive package of loan and savings rates, low fees, and outstanding personal service. We remain steadfast to our principle of "members over profits," and this year's decline in profitability was driven by returning our profits to our members in the form of competitive rates. This is evidenced by results of a member survey performed earlier this year in which 95% of our members "would" or "would very likely" recommend us to others.

Our liquidity remains strong, and our capital position increased from 11.4% to 11.9% year over year. Our regulators consider 7% to be well-capitalized, so your credit union remains in a strong financial position. For the first time in years, deposit balances declined in 2023, as many members returned to pre-pandemic spending and saving patterns. Spending was magnified by both large-ticket item purchases and travel, both of which were curtailed during the pandemic. As anticipated, profitability was down, as the Federal Reserve's aggressive fight against inflation increased our cost of funds significantly. We expect our profitability to increase throughout 2024 as our balance sheet continues to reprice with new loans and investments. Our strong capital position and low loan delinquency put us in a great position to weather challenging economic environments.

We continue to offer new services and features to enhance your digital experience, and according to our survey, 80% of members said our online tools are above average. Services and features added this past year include:

- Multi-factor authentication for added security.
- PIN self-activation on debit cards.
- Viewable 12-month transaction history on debit cards.
- Contactless debit cards.

We look forward to offering more enhancements in the future.

We thank you, our members, for your tremendous support in 2023. We appreciate our volunteer board and committee members for their commitment and time. Last but not least, we 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 2024 and beyond.



Timothy Sternberg, Chair



Joe Bukowski, President & CEO

# 2023 FINANCIAL REPORT

## Comparative Statement of Financial Position

ASSETS	2023	2022	% CHANGE
<b>Loans Outstanding</b>	\$ 114,332,062	\$ 116,763,371	
<b>Less: Allowance for Loan Losses</b>	281,012*	229,724	
<b>Net Loans Outstanding</b>	\$ 114,051,050	\$ 116,533,647	-2%
<b>Cash &amp; Investments</b>	117,636,850	123,968,755	-5%
<b>Other Assets</b>	3,781,055	4,140,579	-9%
<b>TOTAL ASSETS</b>	<b>\$ 235,468,955</b>	<b>\$ 244,642,981</b>	-4%
<b>LIABILITIES &amp; EQUITY</b>			
<b>Miscellaneous Liabilities</b>	\$ 15,704,613	\$ 14,153,292	11%
<b>Member Savings</b>	195,367,353	208,411,405	-6%
<b>Equity**</b>	24,396,989	22,078,284	11%
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$ 235,468,955</b>	<b>\$ 244,642,981</b>	-4%

\*One time accounting change.

\*\*Excluding the market value adjustment of our investment portfolio equity would be \$27,991,554 (2023), and \$27,779,703 (2022).

## Comparative Statement of Income and Expense

	2023	2022	% CHANGE
<b>Interest Income</b>	\$ 6,878,143	\$ 4,806,331	43%
<b>Less: Dividends &amp; Interest Expense</b>	4,366,462	1,496,048	192%
<b>Net Interest Income</b>	\$ 2,511,681	\$ 3,310,282	-24%
<b>Other Operating Income</b>	461,859	579,277	-20%
<b>Less: Operating Expenses</b>	2,713,998	2,705,937	0%
<b>NET INCOME</b>	<b>\$ 259,542</b>	<b>\$ 1,183,622</b>	-78%

## Loan Production

	2023	2022	% CHANGE
<b>Mortgages (1st and 2nd Lien)</b>	\$ 9,183,189	\$ 21,393,046	-57%
<b>Home Equity Lines of Credit</b>	12,420,681	9,943,046	25%
<b>Auto Loans</b>	6,298,408	12,126,436	-48%
<b>All Other Loans</b>	1,539,635	1,598,632	-4%
<b>TOTAL LOANS GRANTED</b>	<b>\$ 29,441,913</b>	<b>\$ 45,061,160</b>	-35%

## 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.

## 2023-2024 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

**\$29.4**  
**MILLION**  
loan volume

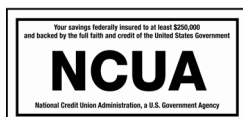
**95%**  
of our members are likely  
to recommend us to oth-  
ers

  
**6,792**  
members

  
**8/10**  
members say our online tools  
offered are **above average**

**11.9%**  
capital ratio  
\*our regulators consider a well capitalized  
credit union at 7%!

**\$235**  
**MILLION**  
total assets



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