



UW Credit Union Announces Fourth Quarter 2023 Financial Performance

Madison, WI – February 1, 2024 – UW Credit Union’s fourth-quarter 2023 financial statements were filed with the National Credit Union Administration (NCUA) and the Wisconsin Department of Financial Institutions (DFI). As stated in these regulatory filings, UW Credit Union has assets totaling \$5.3 billion. Net income for 2023 totaled \$28.1 million, a 36.4% increase over the same period last year. Interest margin in 2023 was \$152.3 million, up from \$120.9 million during 2022. As of December 31, 2023, member deposit balances reached nearly \$4.6 billion, growing at a rate of 3.5% during the year. Membership growth in 2023 exceeded 19,000, reaching over 348,000. Member checking account relationships increased by nearly 17,000 for 2023, reflecting annual growth of 6.4%. “We continue to welcome new members organically,” said President and CEO Paul Kundert.

The Credit Union reported a strong liquidity position as of December 31, 2023, with total cash and Federal Reserve deposits in excess of \$300 million. Credit lines of \$1.7 billion from the Federal Home Loan Bank and Federal Reserve were available. Approximately 93% of the credit union’s deposit balances as of year-end were within the limits of federal deposit insurance. The credit union’s deposit funding on December 31, 2023, was entirely from its members, with no brokered deposits.

As of December 31, 2023, the credit union held \$885.4 million of investment securities. 53% of these holdings mature in the next 12 months and a total of 62% reach maturity within the next 36 months. As of December 31, 2023, the credit union had a \$7.1 million unrecognized market value loss in the held-to-maturity investment portfolio. The decline in fair values is largely due to changes in interest rates and market conditions. No losses have been recognized due to the high credit quality of U.S. government bonds. Management expects to receive the full principal balance of the securities as the bonds mature. While unlikely, the credit union could liquidate its entire investment portfolio (at a loss) and still hold the top “well capitalized” regulatory rating.

UW Credit Union’s portfolio of loans to members surpassed \$3.7 billion at year-end. Delinquent loans, as a percentage of total loans, were 0.56%, well below the 0.82% noncurrent loan bank average most recently reported by the FDIC. Chief Financial Officer Brad McClain stated, “We’re well positioned for today’s higher interest rates which has enabled us to be a steady partner. UW Credit Union is financially well-positioned to continue serving our members through the uncertainty of inflation, and other economic unknowns.” UW Credit Union’s history of positive earnings added to capital reserves has created the financial strength to enable the credit union to meet member needs during challenging times.” Today we hold \$496.8 million in regulatory capital, which is 33.8% more than the amount our regulators require for their top “well-capitalized” rating of financial strength.