



UW Credit Union Announces Third Quarter 2023 Financial Performance

Madison, WI – November 3, 2023 – UW Credit Union’s third-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 \$5.1 billion. Net income for the first three quarters of 2023 totaled \$18.9 million, a 12% increase over the same period last year. Interest margin during the first nine months of 2023 was \$109.5 million, up from \$88.0 million during the first nine months of 2022. As of September 30, 2023, member deposit balances reached \$4.5 billion, growing at an annualized rate of 3.3%. Membership growth in 2023 has exceeded 16,000, reaching over 345,000. Member checking account relationships increased by 14,000 for the same period, which is reflected in a 7.4% annualized growth rate. “We continue to welcome new members organically,” said President and CEO Paul Kundert.

The Credit Union reported a strong liquidity position as of September 30, 2023, with total cash and Federal Reserve deposits in excess of \$137 million, and no outstanding borrowings from the Federal Home Loan Bank or Federal Reserve. Credit lines of \$1.5 billion from the Federal Home Loan Bank and Federal Reserve were available and undrawn. Approximately 92% of the credit union’s deposit balances as of September 30, 2023, were within the limits of federal deposit insurance. The credit union’s funding on September 30, 2023, was entirely from its members, with no brokered deposits.

As of September 30, 2023, the credit union held \$767 million of investment securities. 49% of these holdings mature in the next 12 months and a total of 71% reach maturity within the next 36 months. As of September 30, 2023, the credit union had a \$12 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 over the next 13 months. 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 neared \$3.7 billion at quarter end. Delinquent loans, as a percentage of total loans, were 0.46%, well below the 0.76% noncurrent loan bank average most recently reported by the FDIC. Chief Financial Officer Brad McClain stated, “We have positioned our balance sheet to respond positively to rising interest rates. 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 \$489.8 million in regulatory capital, which is 37.7% more than the amount our regulators require for their top “well-capitalized” rating of financial strength.