

2020
ANNUAL
REPORT



Northwestern Mutual[®]
Credit Union

A MESSAGE FROM THE CHAIR

In many ways, 2020 will go down as a challenging year for all of us and devastating for those families directly impacted by the pandemic through the loss of a loved one. Masks, social distancing, quarantining, plex-shields, hand sanitizing, and curbside service became commonplace. Had you asked what that meant a year ago, we would have responded, “what are you talking about?”

At NMCU, despite the challenges caused by the pandemic, we thrived at meeting our members’ needs, which resulted in unprecedented asset growth and continued strong financial performance. Members continue to take advantage of our attractive rates, full suite of options (adding a 20-year mortgage), low closing costs, and streamlined processing, which led to a record year in both loan volume (\$80 million) and loan growth (25%). In 2020, we originated 869 loans, a new record and a significant increase from 664 (prior record) in 2019. We continue to experience very low delinquency and loss ratios.

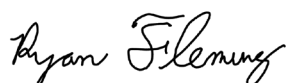
Our capital position continues to be strong with a year-end capital ratio of 11.2%. Our regulators consider a credit union to be well-capitalized at 7%. Our board of directors continued to place an emphasis on providing highly competitive savings rates to our members, and as a result, our deposit rates consistently ranked amongst the best in the country. As members took notice of our rates and desired safety during economic uncertainty, deposits increased by 23%, which was the highest growth rate in our history. During 2020, NMCU paid out over \$1.3 million in dividends to its 6,800+ members.

In May, our organization adopted a new mission statement: “To bring a surprisingly different banking experience to our members and the Northwestern Mutual community.”

Based on overwhelmingly positive feedback, our members have been pleasantly surprised with the ease of using our products and services, even as our branches have essentially remained closed. While we have maintained a rotating work schedule from home, our staff is essential and must maintain an in-branch presence to serve our membership. One statistic we are proud of is that our lending team performed over 160 curbside loan closings. We also experienced a significant increase in various channels as our members changed the way they access the credit union: mobile deposits increased by 50%, shared branch use increased by 40%, and mobile app use increased by 19%. We implemented Zelle, a new person-to-person payment system. To improve communication with our members, we launched our Facebook page and introduced a “Monthly Memo” e-Newsletter.

A strategic directive from our board was to undertake a full assessment of our technology products and look for ways to improve our offerings. We partnered with a consulting group to help us identify gaps in our current member-facing digital products, and to identify potential solutions that will support NMCU’s long-term goals and mission. The need for robust digital solutions has accelerated. Although we are early in the process, we have identified several potential solutions and will prioritize these in 2021.

We would like to thank our staff for their dedication, flexibility, and innovation demonstrated during these unprecedented times. Thank you for your tremendous support in 2020. We look forward to serving you, our valued members, in 2021 and beyond.



Ryan Fleming, Chair



Joe Bukowski, President & CEO

2020 FINANCIAL REPORT

Comparative Statement of Financial Position

ASSETS	2020	2019	% CHANGE
Loans Outstanding	\$ 107,091,055	\$ 103,134,817	4%
Less: Allowance for Loan Losses	232,822	221,233	5%
Net Loans Outstanding	\$ 106,858,233	\$ 102,913,584	4%
Cash & Investments	105,269,238	68,772,500	53%
Other Assets	2,398,936	1,796,684	34%
TOTAL ASSETS	\$ 214,526,407	\$ 173,482,768	24%
LIABILITIES & EQUITY			
Miscellaneous Liabilities	\$ 13,006,751	\$ 7,415,327	75%
Member Savings	177,300,550	143,917,936	23%
Equity	24,219,106	22,149,505	9%
TOTAL LIABILITIES & EQUITY	\$ 214,526,407	\$ 173,482,768	24%

Comparative Statement of Income and Expense

	2020	2019	% CHANGE
Interest Income	\$ 4,742,400	\$ 4,667,392	2%
Less: Dividends & Interest Expense	1,411,203	1,760,377	-20%
Net Interest Income	\$ 3,331,197	\$ 2,907,015	15%
Other Operating Income	1,192,580	519,314	130%
Less: Operating Expenses	2,798,024	2,461,667	14%
NET INCOME	\$ 1,725,753	\$ 964,662	79%

Loan Production

	2020	2019	% CHANGE
Mortgages (1st and 2nd Lien)	\$ 50,126,624	\$ 29,895,870	68%
Home Equity Lines of Credit	10,399,629	10,312,595	0%
Auto Loans	7,521,557	5,899,481	27%
All Other Loans	1,955,760	2,083,129	-6%
TOTAL LOANS GRANTED	\$ 70,003,570	\$ 48,191,075	45%

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.

2020-2021 Board of Directors

Ryan Fleming	Chair
Timothy Sternberg	Vice Chair
Jeff Koeberl	Treasurer
Aaron Schroeder	Secretary
Jeff Niehaus	Asst. Secretary
Jon Sternberg	Director
Emily Ho	Director
Brian McDonald	Director
Ron Thelen	Director
Justin Ugent	Director
Ellen Hopper	Director

By the Numbers

\$69.1
MILLION
new record loan volume

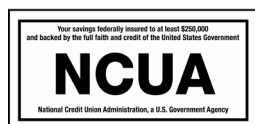

6,918
members

23%
record deposit growth

160
curbside closings

\$214.5
MILLION
total assets

869
closed loans



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