



UW Credit Union Announces First Quarter 2024 Financial Performance

Madison, WI –April 2024 – UW Credit Union’s first-quarter 2024 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 \$5.6 billion. Net income for the first three months of 2024 totaled \$8.2 million, a 49.5% increase over the same period last year. Interest margin in Q1 2024 was \$44.1 million, up from \$34.1 million during Q1 2023. As of March 31, 2024, member deposit balances reached nearly \$4.7 billion, growing at an annualized rate of 9.8% in the first quarter. Membership growth in Q1 2024 exceeded 3,700, reaching nearly 351,800. Member checking account relationships increased by 3,100 for 2024, reflecting annualized growth of 4.5%. “We continue to welcome new members organically,” said President and CEO Paul Kundert.

The Credit Union reported a strong liquidity position as of March 31, 2024, with total cash and Federal Reserve deposits totaling nearly \$500 million. Undrawn credit lines of \$1.6 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 March 31, 2024, was entirely from its members, with no brokered deposits.

For March 31, 2024, the NCUA expanded regulatory reporting for large credit unions to include overdraft fee income, and non-sufficient funds (NSF) fees. In Q1 2024 the credit union reported serving 281,205 checking accounts, with overdraft income of \$155,130, and \$84,531 in non-sufficient fund fees. On an annualized basis, first quarter overdraft income per checking account was \$2.21, or about 28 times less than the annual industry average of \$61.15 per account as reported in the CFPB Data Point 2021. Beginning April 1, 2024, the credit union announced it would no longer charge NSF fees.

As of March 31, 2024, the credit union held \$893.4 million of investment securities. 49% of these holdings mature in the next 12 months. As of March 31, 2024, the credit union had a \$4.7 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 quarter-end. Delinquent loans, as a percentage of total loans, were 0.54%, well below the 0.86% 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. Now in our 93rd year, UW Credit has the financial resources 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 \$504.9 million in regulatory capital, which is 29.4% more than the amount our regulators require for their top “well-capitalized” rating of financial strength.