



MARINE

CREDIT UNION



2023

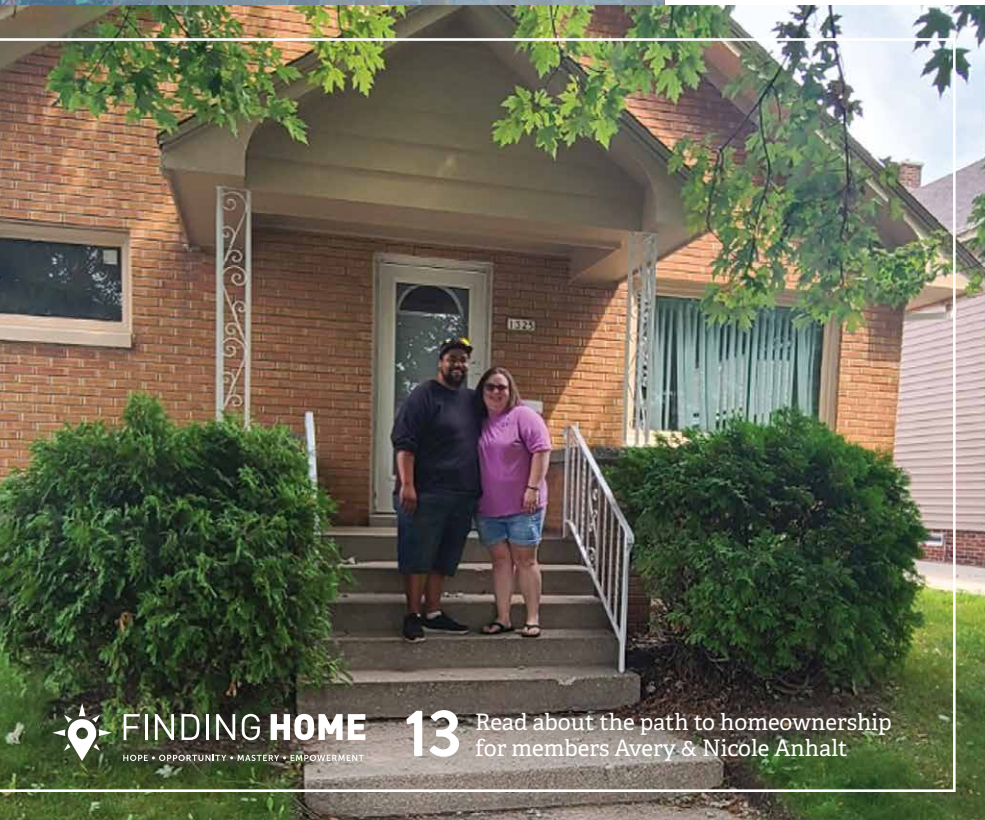
ANNUAL REPORT





Contents

- 4 Message from the Chairman and CEO
- 5 Our Board Members
- 7 Building a Bright Future
- 8 Members at the Center
- 10 Living Our Mission: Employee Spotlight
- 12 MCU Foundation and Finding HOME
- 16 Treasurer's and Audit Reports
- 17 Financial Report



Message from the Chairman & CEO

As we reflect on a remarkable year, we're filled with gratitude for the work we've done and the strides we've made together. 2023 was a year of renewed commitment from the entire MCU team as we channeled our energy to a single purpose: enhancing our members' financial health and wellness.

We're here to advance people's lives from a place of financial need to a life of ownership and giving back in our communities. This mission has been at the center of our focus since Marine Credit Union's inception, and it continues to guide us in our ever-evolving landscape.

It is our pleasure to share the highlights of our accomplishments in 2023 and offer a glimpse of the path ahead.

Highlights from 2023:

- We marked MCU's second consecutive year certified as a "Great Place to Work" and employee engagement reached an all-time high. This achievement reflects our commitment to creating a workplace where our employees thrive and, in doing so, provide our members with unparalleled service.
- We officially launched our Voice of the Member program, reinforcing our commitment to place our members first in everything we do. The program

uses their insights to shape our strategies and actions. In response to member feedback, we extended branch hours to ensure they can bank when it's most convenient for them.

- We introduced My Relationship Checking, a new account designed to help members build strong financial habits. The revamped account comes with features that give members greater control over their hard-earned money and the reassurance that MCU is always in their corner.
- Simultaneously, we implemented new systems to simplify members' interactions with us. Initiatives to enhance the account opening experience and implement new loan origination systems are making members' financial journeys smoother and more efficient.
- We continued to experience headwinds for things we cannot control, like the economy, consumer sentiment and regulatory reactions, and Marine Credit Union again achieved solid financial performance with \$77 million in net income and a strong net worth ratio of 11.2%. MCU also posted record gross loans of \$841 million.

The MCU Board of Directors and executive leadership team remain hyper-focused on the member experience. We continually ask ourselves, "Are we providing what they need, when they need it, in the best way possible?" After all, MCU only exists because of our members.

This focus will guide us in 2024 with a roadmap that includes initiatives to refine our checking account offerings and make account opening easier. We plan to make further improvements to our lending processes so that obtaining a loan remains hassle-free and we'll introduce new lending products to better serve members' immediate needs.

As we look forward, we do so with optimism and confidence in our ability to meet the growing needs of our members and communities. Together, we'll continue to build a bright future. Thank you for your continued support of Marine Credit Union.



Tom Knothe,
Chairman



Darrick Weeks,
President & CEO

“ We continually ask ourselves, ‘Are we providing what members need, when they need it, in the best way possible?’ ”

Our Board Members



Marine Credit Union



Tom Knothe
Chair



Brian Rude
First Vice Chair



William Maas
Second Vice Chair



Jonathon Horne
Third Vice Chair



Anne Snow
Fourth Vice Chair



Mic Michels
Treasurer



Mark Reed
Secretary



Robert Carney
Emeritus Director



Charlie Jelen
Advisory Director



Jasmine Johnson
Advisory Director

Marine Credit Union Foundation

Anne Snow, William Maas, Joumana Mcdad, Darrick Weeks

Qualities, Responsibilities and Benefits of Marine Credit Union Board Members

Qualities

We expect our Board members to possess:

- Proven leadership capabilities with investor-owned companies or successful businesses of a significant scale.
- Recognized experience holding self and others accountable while supporting individuals and ideas.
- Demonstrated sales and networking skills, with an ability to professionally influence groups while maintaining relationships.
- Demonstrated commitment to learning and continued improvement of self and others.

Benefits

The size and complexity of the organization continue to grow and require a knowledgeable, skilled and experienced Board of Directors. As a result, Marine Credit Union compensates its officers. Annual compensation for 2023 was: Board Chair, \$24,960; Vice Chairs, Secretary and Treasurer, \$18,720.

Responsibilities

We expect our Board members to:

- Embody leadership competencies and govern through broad policies and objectives that align with the mission and vision of the organization as established by the Board.
- Evaluate the performance of the CEO, directors and committee members, and hold them accountable to organizational goals.
- Have strategic alliances and maintain appropriate government, professional and organizational relationships.
- Possess knowledge of and act in compliance with the laws of the State of Wisconsin, National Credit Union Association and other regulatory bodies.
- Demonstrate literacy in finance, accounting, audit, enterprise risk and compliance.
- Have the ability to analyze financial statements and contribute to budget, risk and strategic discussions.
- Understand the fiduciary responsibilities of a Board member.



We're energized to make a difference for our members, and that energy fueled our progress in 2023.



At Marine Credit Union, people fuel our purpose. For more than 90 years, we've focused on advancing people's lives from a place of financial need to a life of ownership. With that mission in mind, we're on a journey to optimize our products, experiences and education in ways that invite members to join us for a lifetime and not just one loan.

We're energized to make a difference for our members, and that energy fueled our progress in 2023. We created new opportunities for our members, employees and communities to thrive. As we continue to broaden our focus and deepen our relationships, we're focused on three strategic pillars:

We are experience driven.

Employee and member experience are central to our success. [In 2023, we took steps to enhance the mortgage lending experience and initiated more than 600 mortgage applications](#) via our new systems. Next up, we're transforming the consumer lending and member account opening experience.

We are relationship focused.

Our relationships set MCU apart. [In 2023, we introduced My Relationship Checking, a reimagined account with features that give members greater control of their money](#) and a chance to build strong financial habits. With the rollout, we saw a significant uptick in active checking accounts.

We are committed to sustainable growth.

Our ability to make a positive difference depends on the strength of our foundation. [In 2023, we embraced opportunities to enhance operations, reduce risk and increase safety and soundness](#) to ensure MCU remains a reliable partner on our members' financial journeys for years to come.

In a tumultuous economy and increasingly competitive environment, the past several years have been challenging for financial institutions large and small. We've remained diligent in our decision-making, considering member impact in everything we do.

Members at the Center: Our Pledge to Listen and Respond



Voice of the Member Program unlocks new paths for feedback

At Marine Credit Union, our members are at the heart of all we do, influencing our decisions and inspiring our actions. With the launch of the Voice of the Member program in late 2022, we renewed our pledge to listen and respond to members' insights and feedback.

The program's launch was spearheaded by Laura Mueller, Vice President of Member Experience and Digital. The initial steps involved partnering with a third-party provider who serves as an extension of the credit union, leveraging their technology to send surveys directly to members. Those surveys have created a valuable feedback loop, bringing members' voices into better focus.

Gaining this new channel for feedback has resulted in some early wins, with teams focusing on small, incremental improvements over time. "It's simply been about leaning in, acknowledging the feedback we're getting and focusing on solid service, consistently," Laura said. [The focus on small steps helped double MCU's Net Promoter Score \(NPS\) in just 12 months.](#)

Laura believes leadership's commitment has played an important role in the program's success so far. Top-down support combined with bottom-up engagement creates an environment where everyone feels a responsibility for the member experience.

Success can also be attributed to the involvement of our front-line teams. Branch team members have especially embraced the program, making it an integral part of their

daily interactions. It's propelling our evolution as an organization committed to the full member relationship.

Looking ahead, two building blocks will help us double our efforts: enhancing the omni-channel account opening processes and creating a service ambassador team to establish service principles and standards.

The Voice of the Member Program is a testament to the power of listening, and the examples on these pages are just the beginning of what's possible. It's about more than hearing their voices; it's about creating a path to a brighter future together.

“ You have a checking account that covers up to \$50 in overdrafts and I get paid two days early! I don't know of many financial institutions that offer this option. It really comes in handy when you have a financial emergency. Very thankful! ”



Annette Bartus

St. Cloud, Wisconsin | MCU Fond du Lac Rees St. Branch

“ Every time I think I'm in a bind and can't get out of it, you guys help me figure it out. ”



Dana Glor

Ellsworth, Wisconsin | MCU Eau Claire Branch

Here's what other members are saying about MCU

“ You helped us get a house in a fast market when our rental was up for sale and we needed to make an unexpected move. ”

Boscobel, Wisconsin | MCU Lancaster Branch

“ You blessed us with a house again after losing our first one nine years ago. ”

Fond du Lac, Wisconsin | MCU Fond du Lac Pioneer Rd. Branch

“ I love both the Onalaska and West Ave branches. I came to MCU from a bank and the experience is like night and day. ”

Onalaska, Wisconsin | MCU Onalaska Main St. Branch

Living Our Mission



Adis Salkic
Central Consumer Loan Officer

Born in Bosnia, Adis Salkic and his family left their country during the Bosnian War. They made a path to a better life in the United States, but Adis encountered an unexpected obstacle on the journey.

He planned to attend college, but a few months after his high school graduation, Adis lost his father. The loss weighed heavily on Adis and his family, but he was determined to pursue his dreams.

Adis knew he wanted to work in finance and his first banking role was in collections. It was during this time that a friend introduced him to MCU, and he immediately felt a strong connection. "It was the only job I wanted," he said. "Once I read the mission, I was on board."

Prior to joining MCU, Adis walked in the shoes of many of the members he now serves. No one had taught him about finances and credit, and he didn't know much about banking, but he embraced the opportunity to learn from his personal experiences.

Now, Adis uses compassion to relate to members and assure them they can succeed. "If you are at the bottom, there is only one place to go...up!"



Andrea Devine
Senior Contact Center Specialist

Andrea Devine knows how important it is to have someone in your corner. MCU was there to help her when she experienced her own financial struggles. "Somebody believed in me and that was really special," she said.

Andrea joined the MCU team in 2021 because she was drawn to the opportunity to help others. "It's one of the best experiences I have in my life," she said. When she sees someone struggling, she doesn't hesitate to share her experience and what helped her persevere. She believes being vulnerable gives others hope that they can make it through, too.

"The best education was living through it," Andrea said. "It gives you empathy and understanding."

In addition to working full-time at MCU, Andrea has returned to school to study nursing. It's a dream she's waited a long time to fulfill. "My kids (Dean, 2, and Athena, 4) are incredibly motivating," she said. "They are my why. I want to give them the best that I can."



Amy Bryant
Consumer Loan Officer

"How do you eat an elephant? One bite at a time." This reminder from her sister has helped Amy Bryant during some of her toughest challenges. So much so that she has the phrase tattooed on her arm.

Amy finds comfort in the mantra, which helps her stay grounded. Her struggles have taught her compassion – a value that aligns perfectly with MCU's values.

Amy's journey to MCU began while she was working for a payday loan company. A friend suggested she would thrive at MCU, and the following year, Amy decided to apply. Joining the credit union turned out to be everything she was told it would be, and more.

"Life happens. We know that. And we want to get your story," Amy said. "Compassion definitely comes out because I've been there, done that. I wasn't always dealt the best hand."

She added, "I change people's lives. It's not something you can say often...not in the financial industry. I know I'm in the right company with MCU."



Cassandra Sears

Consumer Loan Officer

Early in her career, Cassandra Sears knew she wanted to make a difference. "I've always been involved, always helping everyone I could," she said. "I chose MCU because I want to impact people's lives."

As a young, single mom, Cassandra fell on hard financial times. "I lived paycheck to paycheck and was struggling," she said. When her daughter was born, she was motivated to make a change. "I had another person depending on me. I wanted to give her the best life."

Cassandra worked hard to turn her financial situation around. "I raised my credit score 120 points in one year," she said. "I worked a lot of overtime and paid off all my debts."

Now she uses that experience to help the members she interacts with every day. "I know what people go through. Having walked in their shoes helps," she said.

Reflecting on her role at MCU, Cassandra said, "The impact we make is real. These are opportunities I wouldn't get anywhere else."

MCU Employee Impact Fund

At Marine Credit Union, we believe in taking care of our employees who drive our mission forward every day. In 2023, we introduced the Marine Credit Union Employee Impact Fund.

Life comes with unexpected challenges, including short-term emergencies that require immediate financial assistance. The Employee Impact Fund offers zero percent interest loans of up to \$2,000 to MCU employees, giving them a financial lifeline when they need it most. Since its launch, the Fund has helped 21 MCU employees.

The MCU Employee Impact Fund is more than financial assistance; it strengthens our commitment to every member of our team as we empower them to continue their journeys with confidence.



MCU Foundation

\$ 1.7 MILLION
 donated to more than
 1,700 worthy causes
 and organizations in
 the areas MCU serves

\$ 830,000+
 donated by
 MCU employees

\$ 242,000+
 donated by
 MCU members

The Marine Credit Union Foundation, a non-profit 501(c)(3) organization, is committed to making an impact in the communities we serve through charitable contributions and by increasing financial literacy. Since its inception, more than \$1.7 million has gone toward worthy causes. The MCU Foundation supports a variety of local community organizations and educational programs.

Finding HOME

The MCU Foundation launched Finding HOME in 2018 to further its mission. Finding HOME is a free financial literacy program designed to help credit-challenged borrowers achieve homeownership through one-on-one financial literacy counseling, education and resource navigation assistance.

Finding HOME Overview since inception

- ▶ **442**
Number of households counseled.
- ▶ **304**
Number of households connected to homeownership in first appointment.
- ▶ **37** (63 adults, 69 children)
Number of households graduated.
- ▶ **85 pts** per person
or **145 pts** per household
Average credit score increase.
- ▶ **\$8,704**
Average dollars saved per program graduate.
- ▶ **\$13,542**
Average debt reduction per program graduate.



Avery & Nicole Anhalt

Manitowoc, WI

The path to homeownership can feel long and winding. For many people, it's filled with starts, stops and the occasional detour. But it's determination that sets successful journeys apart from the rest.

For Finding HOME graduates Avery and Nicole Anhalt, 2023 was the year perseverance paid off. The couple achieved their dream of homeownership by building new financial habits, helping them stay the course.

When you're on a path that's new to you, it's best to have a guide who's been there before. That's what Avery and Nicole learned after their second housing review with Lisa Musch, a Finding HOME financial counselor. Although they made progress on their own after their first meeting in 2021, the couple came back and joined the Finding HOME program in 2022 for more support to achieve their dream of homeownership.

"We wanted to get into a house, but we weren't making it happen," said Nicole. "We weren't on track, and we needed some direction."

Lisa helped the couple identify which bills to pay down and where to prioritize their efforts.

"We weren't paying attention to our credit," Nicole said. Lisa's guidance revealed the contrast between paying off bills versus making minimum payments and how it could drastically change their credit scores.

Lisa equipped Avery and Nicole with the knowledge they needed to make a plan to meet their goals – and Nicole built an important tool to keep them on track.

"I bought poster board, got some markers and mapped everything out," she said. "When I first made the board, Avery looked at me and sighed. He said it looked overwhelming, but I felt like we needed to feel overwhelmed so we could work on where we needed to be."

Nicole mapped out each month along the top of the board and listed their bills, payment amounts and due dates down the side. Each time a bill was paid, she colored in the corresponding square. The visual helped them keep track of payments and kept them motivated.

"It was fun to see [our progress] on the board," Nicole said. "Our payments were going down, and squares were filling with color."

Over the course of the program, **Avery and Nicole reduced their debt by 41 percent. This helped them raise their credit scores a combined 131 points. They also increased their annual income by \$25,993 and saved more than \$3,000.**

By summer, Avery and Nicole were ready to go house hunting. After a search that lasted several months, they found a home with huge potential.

Nicole recalled the first time they saw their future home. "The lady who owned it followed us as we walked through," said Nicole. "We told her we loved her house and were looking for our starter home."

That visit led to an accepted offer, and in August, the couple moved into their new home. Now, their favorite part of homeownership is having a place they can truly call their own.



"This is ours," said Nicole. "Everything feels a little different when you're moving into a house forever."

For Avery, the responsibility that comes along with homeownership is worth it. "Even having to do the upkeep is exciting because we know this is ours," he said. "It's our responsibility and an investment for the future."

Now that they're settled in their new house, Nicole has created a new board to help the family maintain the healthy financial habits they've built. Through these habits, they achieved the dream of homeownership and took control of their financial future.

Igniting Our Impact: Employee Giving in 2023



In 2023, Marine Credit Union employees embraced the power of giving back to transform our communities by volunteering nearly 2,000 hours through the MCU Foundation. Some of the highlights include:

Sleep In Heavenly Peace



MCU volunteers built beds for children in their communities who don't have one. In Fond du Lac this year, **the MCU team built a record-breaking 106 beds.**

Ruck March



Senior Collections Representative Cayla Gregory took strides that echoed across 160 miles from the Fond du Lac branch to the MCU Plow building. **Her Ruck March raised over \$5,000 for veteran's mental health initiatives.**

Purple Chair Project



MCU volunteers painted and donated more than 40 chairs to raise awareness of overdose deaths. Each brush stroke was a testament to remembrance, highlighting the empty spaces left by those we've lost.

Children's Miracle Network Radiothon



MCU employees helped make miracles happen by staffing phone lines to receive donations for the Children's Miracle Network. **MCU volunteers raised over \$4,400, adding wings to the dreams of kids facing medical battles.**

Advancing the MCU Foundation



Majel Hein

Director of Financial Education, Finding HOME Program Manager

As an advocate for financial inclusion, Majel works to expand awareness of financial trauma and how it impacts people's relationship with money and access to financial education, resources and support. Through Finding HOME, she helps people take control of their finances and achieve homeownership.



Lisa Musch

Finding HOME Financial Counselor

An experienced financial counselor and advocate for financial education, Lisa has helped expand the reach of the Foundation's Finding HOME program. She is also the co-founder and chief executive officer at the non-profit Simplify, Inc.



Miranda Barker

Financial Trauma Coach

As a financial trauma coach, Miranda believes everyone has the potential to nourish their inner power. She leverages acceptance, compassion and trust to teach clients practical coping and stress management skills.



Kyli Hames

MCU Foundation Coordinator

Kyli works with employees to fulfill community giving requests, organize fundraising events and increase dynamism and efficiency.

Learn more about the MCU Foundation



Financial Report



Mic Michels
Treasurer
Audit Committee Chair

Treasurer's Report

Marine Credit Union experienced another successful year in 2023. Navigating uncertain economic conditions, the Credit Union positively impacted members by growing gross loans by 6.9% to \$841 million. Liquidity risk was a major industry concern in 2023 and Marine Credit Union is in a solid position with ample sources of funds to continue to lend to our members. Net income targets were met and exceeded expectations at \$7.7 million.

The Wisconsin Department of Financial Institutions and the National Credit Union Administration receive detailed financial information from Marine Credit Union on a quarterly basis. The net worth to asset ratio is used to measure fiscal strength and stability. Your Credit Union's net worth to asset ratio is 11.16% for the year ended December 31, 2023 and is deemed "Well Capitalized."

The enclosed financial statements are summarized from the complete financial statements of Marine Credit Union.

Audit Report

The Audit Committee acts independently of management and the Board of Directors. The Committee is responsible for monitoring that management is meeting financial reporting objectives, has established practices and procedures that are effective in safeguarding members' assets and ensuring the Credit Union has a strong internal control framework.

To meet these responsibilities, the committee contracted with Moss Adams to conduct an independent audit of the consolidated financial statements of Marine Credit Union for the year ended December 31, 2023. Moss Adams is in the process of auditing the Credit Union's 2023 results.

Additional audits, reviews and risk assessments are conducted to monitor operational practices. Any material findings are reported to the Board of Directors.

It is the opinion of this committee that the financial condition of Marine Credit Union remains strong and is being operated in a safe and sound manner.

Balance Sheet

Assets	2019	2020	2021	2022	2023
Cash	\$67,949,956	\$96,882,313	\$127,539,396	\$30,847,470	\$43,023,231
Investments	20,477,527	92,745,155	155,125,458	157,005,345	104,415,045
Consumer Loans	272,267,176	261,990,732	240,338,326	257,445,591	260,855,731
Real Estate Loans	423,067,716	446,149,931	460,048,649	529,280,621	580,531,560
Total Loans	\$695,334,892	\$708,140,663	\$700,386,976	\$786,726,212	\$841,387,291
Allowance for Loan Loss	(9,897,901)	(12,415,060)	(9,330,822)	(10,437,734)	(12,606,805)
Other Assets	81,453,786	75,933,489	72,340,499	69,856,966	69,808,499
Total Assets	\$855,318,260	\$961,286,560	\$1,046,061,507	\$1,033,998,259	\$1,046,027,261
Liability and Equity					
Savings	\$630,372,490	\$728,803,649	\$805,181,187	\$811,966,128	\$802,638,046
Borrowings	124,030,204	133,500,000	129,500,000	109,500,000	119,500,000
Other Liabilities	9,205,942	9,577,220	11,081,733	12,830,365	15,523,148
Member Equity	91,709,624	89,543,085	100,298,587	99,701,766	108,366,067
Total Liability and Equity	\$855,318,260	\$961,286,560	\$1,046,061,507	\$1,033,998,259	\$1,046,027,261

Member Loans

2019	\$695,334,892
2020	\$708,140,663
2021	\$668,774,763
2022	\$737,420,820
2023	\$796,827,746

Member Loans Granted

2019	\$331,503,428
2020	\$350,748,811
2021	\$341,127,629
2022	\$377,612,555
2023	\$304,805,634

Financial Report

Income Statement

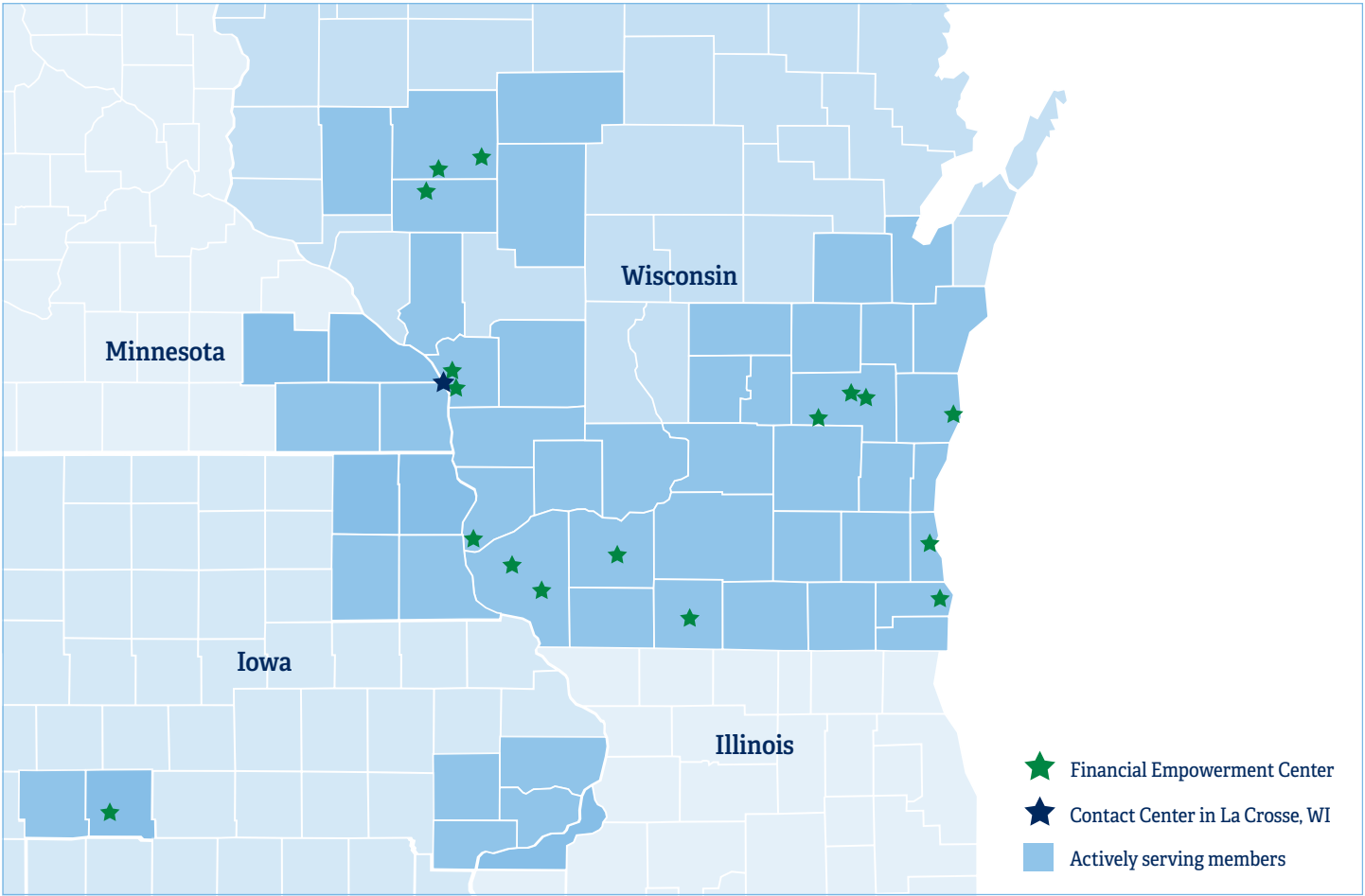
	2019	2020	2021	2022	2023
Loan Income	\$47,677,056	\$52,444,354	\$52,944,373	\$53,870,923	\$62,501,717
Investment Income	1,587,126	971,652	987,702	4,079,161	5,611,691
Total Interest Income	\$49,264,182	\$53,416,006	\$53,932,075	\$57,950,084	\$68,113,408
Dividend Expense	\$3,042,754	\$3,412,815	\$3,219,817	3,620,623	8,974,854
Interest Paid on Borrowed Money	689,223	1,504,560	1,339,190	1,316,502	2,357,077
Net Interest Margin	\$45,532,204	\$48,498,631	\$49,373,068	\$53,012,960	\$56,781,477
Provision for Loan Loss	4,685,790	8,926,327	1,343,024	4,688,472	5,674,677
Net Interest Margin after PLL	\$40,846,414	\$39,572,304	\$48,030,044	\$48,324,487	\$51,106,800
Operating Expense	\$52,624,210	\$56,345,532	\$55,774,459	\$59,254,709	\$61,812,634
Fee & Other Operating Income	17,459,172	17,644,282	18,287,517	17,940,844	16,577,744
Non Operating Income	761,936	1,006,644	1,081,174	1,279,310	1,595,696
Gain (Loss) on Sale of Assets	158,583	(945,591)	249,932	239,313	273,746
NCUA Stabilization Expense	0	0	0	0	0
Net Income	\$6,601,895	(\$2,067,892)	\$11,874,209	\$8,529,245	\$7,741,352

Net Charge Off

2019	\$5,750,766
2020	\$6,435,974
2021	\$4,427,261
2022	\$3,581,561
2023	\$4,462,702

Net Charge Off %

2019	0.89%
2020	0.92%
2021	0.63%
2022	0.48%
2023	0.54%



Download the **Marine Mobile App** today!



Iowa

909 9th Street
West Des Moines, IA 50265

80 W. Rees Street
Fond du Lac, WI 54935

1712 12th Street
Monroe, WI 53566

730 N. 9th Street
Sheboygan, WI 53081

Wisconsin

302 Bay Street
Chippewa Falls, WI 54729

661 W. Pioneer Road
Fond du Lac, WI 54935

1848 E. Main Street
Onalaska, WI 54650

101 N. Broadway Street
Stanley, WI 54768

316 W. Spring Street, Suite 1
Dodgeville, WI 53533

127 West Avenue N
La Crosse, WI 54601

80 S. Court Street
Platteville, WI 53818

1 Gateway Drive
Waupun, WI 53963

3406 Oakwood Hills Pkwy,
Suite 100,
Eau Claire, WI 54701

708 N. Madison Street
Lancaster, WI 53813

1415 S. Marquette Road
Prairie du Chien, WI 53821

333 N. 35th Street
Milwaukee, WI 53208

3039 S. Green Bay Road
Racine, WI 53403



Connect with Marine Credit Union

www.marinecu.com | 800.923.7280 | Info@MarineCU.com



Reviews ★★★★★

Thank you for being a Marine Credit Union employee, member or partner. Please leave a review about your experiences with us!