

2022 ANNUAL — Impact — REPORT





Message from the CEO

In my first year as President and CEO of Marine Credit Union, I have been humbled by the stories of how we have helped our members and the commitment of our teams who work hard to live our mission and serve our communities. We accomplished incredible work this year, in addition to reflecting on where we've been and where we're going.

In 2022, we spent much time thinking about our purpose and passion. Marine Credit Union's rich history spans more than 90 years, from a modest start to supporting more than 78,000 members today. From the beginning, we've strived to serve members with relevant, valued products and services.

We believe our purpose in the world is about more than offering competitive products, rates and fees. 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.

Our accomplishments in 2022 demonstrate the ways in which our teams have continued to make a difference for our members.

Highlights from 2022:

- ▶ We significantly grew lending support in our communities, helping people get the products and services they need to achieve ownership and stability. With targeted outreach and a new, automated loan decision tool, we're saying 'yes' to our members faster and more frequently. This improvement in auto-decisioning has generated approximately 60 additional loans monthly for MCU members.
- ▶ We strengthened and extended relationships with members by launching our first-ever proactive loan retention program. The program rewards members who have paid their loans on time with a lower loan interest rate and payment. The program resulted in 872 loans to benefit families with improved terms while keeping them on their financial journey with MCU.

- ▶ Continuing to envision meaningful, fulfilling work for our teams, we maintained our focus on the employee experience and well-being. We achieved overall employee retention of 80% at year-end, a remarkable figure amidst current workforce trends. Plus, MCU was officially certified as a Great Place to Work™.
- ▶ Furthering our commitment to serve members *and* employees with the products and services they need, we helped more than 80 employees with \$1.2 million in consumer loans in 2022.
- ▶ Despite external challenges that can be characterized as aftershocks rippling from the pandemic, Marine Credit Union achieved solid financial performance with \$8.5 million in net income and total equity/capital approaching \$100 million, along with record loan volume of \$787 million.

I look forward to 2023 as we prepare to expand our mission and reimagine what Marine Credit Union means to the members and communities we serve. Thank you for your continued support.



Darrick Weeks
President & CEO

What's Inside

- 3 | Our Board Members
- 5 | Reimagining MCU:
A New Era of Our Mission
- 7 | Our Heart & Soul
- 11 | MCU Foundation
- 15 | Treasurer's Report
& Audit Report
- 17 | 2022 Financial Overview



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



Michael Linse
President



Nancy McHugh
Secretary



Ryan Hall
Treasurer



Shy Jackson
Director



Juan Jimenez
Director



Sam Kaufman
Director



Ken King
Director



Josh VandeBerg
Director



Tonya Wagner
Director

Qualities, Responsibilities & Benefits

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.

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.

Benefits

The size and complexity of the organization continues to grow and requires a knowledgeable, skilled and experienced Board of Directors. As a result, Marine Credit Union compensates its officers. Annual compensation for 2022 was: Board Chair, \$24,000; Vice Chairs, Secretary and Treasurer, \$18,000.



REIMAGINING MCU: A New Era of Our Mission

Expanding Our Vision

Our mission has always been to advance lives from a place of financial need to a life of ownership and give back in our communities. As we look forward, we're eager to focus on our new vision to *enrich our communities by improving the financial lives of all.*



With a rich history that spans more than 90 years, Marine Credit Union has aspired to make a difference from the start. Our mission to improve lives held firm through humble beginnings in the throes of the Great Depression, to serving more than 78,000 members across multiple states in our present-day footprint.

Our passion for people fuels MCU for the future. As we look ahead, we're ready to optimize our mission with products, features, experiences and education aligned in a way that invites members to participate over their lifetime and not just one loan. We're energized to make a difference for members throughout their total financial and life journeys.

Our purpose is a compass charting a transformational journey. We're reimagining MCU, with a purpose-driven vision that creates new opportunities for members, employees and communities to thrive. As we broaden our focus and deepen our relationships, we're focused on three strategic pillars.

Our Strategic Focus



We are experience driven.

Employee and member experience are central to our success, and in 2022 we invested in new ways to meet peoples' needs. Looking ahead, we'll expand our capabilities to create even more meaningful experiences for employees and members.



We are relationship focused.

Our relationships are what set MCU apart. In 2022, we strengthened our ability to serve members in human-centric ways. Moving forward, we're renewing our commitment to fostering long-term partnerships.



We are committed to sustainable growth.

Our ability to make a positive impact depends on sound operations and sustainable growth. In 2022, we embraced opportunities for improvement and invested in the development of our people, and we will continually strive to be better.

Enhancing the Employee and Member Experience

Because people are at the heart of all we do, Marine Credit Union emphasizes investments that improve both the employee and membership experience. It all ties back to our three-stakeholder model: if we treat our employees better than anyone else, they will treat our members better than anyone else, and our members will remain loyal to our credit union to help us grow and succeed.

In 2022, MCU was officially certified and named a Great Place to Work™ by an external benchmarking company evaluating employee surveys. Our employee experience peaked with a record-setting engagement score that signifies the satisfaction and loyalty of our workforce.

At the end of 2022, we also took steps to implement an enhanced Member Experience Measurement System with an industry-leading partner. The system will help us improve the member experience by listening to, evaluating and improving service at every point of contact.





Our HEART & SOUL

The Soul of MCU

In 2021, we introduced *The Heart of MCU* to share the stories of Marine Credit Union employees and highlight the ways we build connections between people and in our communities. In 2022, we extended our storytelling to members, the “soul” of our credit union.





Amelia Gaetz

Monroe, WI

Amelia Gaetz became a member of MCU in 2020 and two years later decided to become an employee. Her upbringing, unfortunately fraught with loss and hardship, had a significant impact on the person she is today and the path she's traveled.

"I lost my mom when I was 11 and my dad got into a motorcycle accident when I was 13, so I lived with my grandparents," Amelia explained. "When I lived with my grandparents, I wasn't a priority because I could take care of myself. It kind of pushed me into wanting to do more."

The instability Amelia experienced when she was shifted from home to home showed up in money matters, too.

"My grandparents didn't have any financial plans, they didn't save anything," Amelia said. "Nobody explained to me what credit was. I had no idea about bills and credit cards and different things affecting your credit score."

Today, Amelia is married and a mom of three. It hasn't been an easy road, but she's proud of the path she's paved.

"Before I started working with Marine, I was [banking] with a financial institution that wouldn't help me," she said. Driving past an MCU branch one day, Amelia saw a sign for Get Credit, a 12-month program that helps you to build your credit score and savings simultaneously. She applied online and was approved.



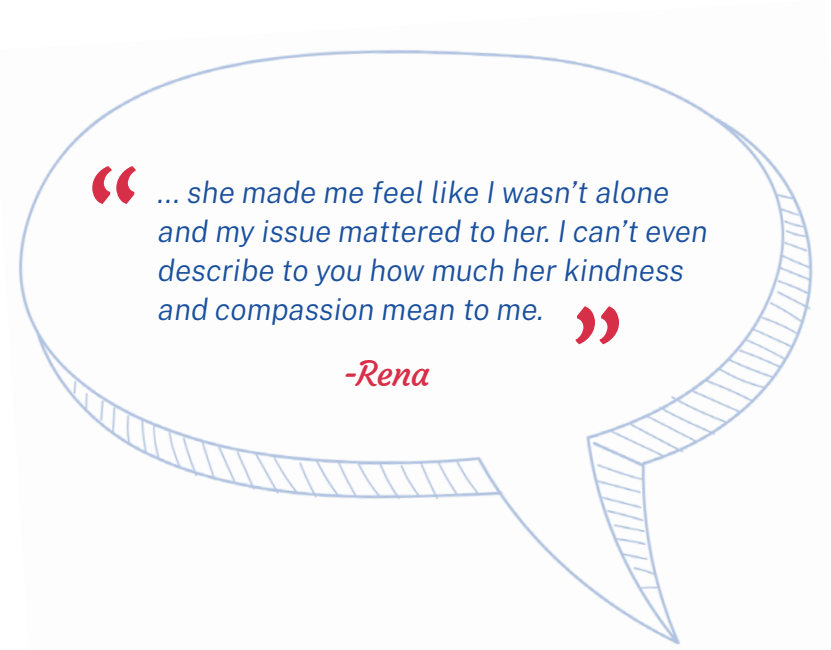
Amelia paid off her first Get Credit loan in nine months and then got another. After paying off the second loan, she was in a position to apply for an unsecured loan for the first time. "When I first started my journey four years ago, my credit score was 400," she said. "Now, with two Get Credit loans and an unsecured loan, my score is 700."

With the credit she's built, Amelia and her husband are saving to buy a house. "Four bedrooms, two baths and a dishwasher — those are my top goals!" said Amelia.

Amelia is currently a Member Services Representative at MCU. "One of the things that drew me to Marine was that they wanted to help me," said Amelia. "I came from a spot where I was 18 and didn't know anything about credit. Here I am now at 32, and I put \$50 in each of my kid's savings accounts with every check I get. It's just a point I never thought I would be at."

"Marine has given me the tools that I needed," said Amelia. "I can't wait to see how much further my financial dreams will grow."

The Soul of MCU



Daniel and Marion Rasmussen DePere, WI

Dan and Marion had been searching for a new van for more than two years. "My husband is in a wheelchair, and we needed a van with a ramp," said Marion. Unfortunately, a huge down payment requirement had deterred them from making a purchase. In 2022, they came to MCU, where Central Consumer Loan Officer II Amy Bryant approved them for an auto loan at a rate 1.25% lower than the manufacturer and with less money down. "They knew my husband was in desperate need," Marion said. Now, she and Dan have reliable transportation to help them live a mobility-impaired life together.

Gary Heintz La Crosse, WI

In November 2022, Gary's accounts were unfortunately scammed resulting in a loss of more than \$4,000. He brought the fraudulent transactions to the attention of MCU and had his accounts frozen. Service Advisor Maria Horn advised Gary and his wife to notify the police of the crime. With Maria's help, they were able to re-establish their accounts and recoup the losses. "She helped turn the embarrassing and victimized guilt feelings we were feeling into relief that we were going to be okay," said Gary. "I have been a member of this credit union for over 40 years and have always had great service. I am thankful for Marine CU and their employees."

Rena Holland Onalaska, WI

When Rena's mother passed away in 2022, she inherited her home and mortgage through MCU. During a sad and stressful time, she feared that selling the house would be an overwhelming ordeal. She went to the Onalaska branch where she met Senior Member Service Representative Janese Leuthner. Janese took ownership of the issue from the start. "She went above and beyond to find out what was needed, got the answers for me rather than passing me along to other departments, and communicated every step of the way," said Rena. "But more than that, she made me feel like I wasn't alone and my issue mattered to her. I can't even describe to you how much her kindness and compassion mean to me."

The Heart of MCU



Learn more about the Heart of MCU



Veronica Segovia Mortgage Retention Representative

Originally from Puerto Rico, Veronica came to the United States in 2017 when Hurricane Maria struck. “I moved with only my carry-on bag,” she said.

She had lived in paradise, but not everything was perfect. Like others in Puerto Rico, Veronica and her family were forced to overcome challenges. They were resilient and able to bounce back from hardships, but it’s not that way for everyone.

Veronica is able to help other Puerto Ricans and Hispanic-speaking people because she relates to the hardships they’ve faced. “Since I’ve been here, I’ve been looking for a place to work to serve people who have gone through something similar,” she said. “I can do that now. MCU has allowed me to do what I do for the people I love”

In her time at MCU, Veronica has become a leader of initiatives like Hispanic Heritage Month, the Spanish Task Force, and efforts to send aid to Puerto Rico.



Joshua Russell Consumer Lending Market Manager

From a young age, Joshua understood the importance of financial education. He watched his parents, members of his church and people in his community navigate the ups and downs.

“It was hard to find people to trust with your finances,” Joshua said. He knew he “wanted to be that person people could trust.”

Today, his team works to evaluate members’ whole financial pictures to help them feel empowered through both loans and financial education. Joshua thrives on teaching, especially youth. He believes early exposure to financial wellness is important. “Younger people don’t have a grasp of financial literacy until it’s too late,” he said.

Joshua believes in MCU’s core values of compassion, collaboration, commitment and courage, and MCU’s mission to empower people. “I’m blessed to have the opportunity to do what I do,” he said. “We help people take control of their finances. It’s people helping people.”



MCU FOUNDATION

MCU Foundation Impact

\$1.53+
MILLION

donated to more than
1,500 charitable causes
in the areas MCU serves.

\$750,500+

donated by
MCU employees.

\$230,000

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 \$1.5 million has gone toward worthy causes. The MCU Foundation supports a variety of local community organizations and educational programs.



HOME OWNERSHIP
IS FOR ~~SOME~~

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.



Employee Giving

In 2022, Marine Credit Union employees devoted their time and demonstrated their commitment to our communities by volunteering countless hours to the MCU Foundation.

Highlights include:

- Core Four Fundraising Competition
- Chippewa Falls branch craft sale
- Financial Education 5k run/walk
- Prairie du Chien County Line Country Fest Raffle



Marine Credit Union also celebrated its first annual MCU Day of Service on October 10, 2022. MCU offices were closed while employees volunteered in communities across our footprint to help enrich the lives of others.

Since Program Inception

- ▶ **344** households counseled (475 adults, 582 children)
- ▶ **215** households directed to mortgage programs/products (333 adults, 423 children)
- ▶ **26** households graduated (46 adults, 55 children)
- ▶ **88 points per person** (140 points per household) average credit score increase
- ▶ **\$8,263** average dollars saved per program graduate
- ▶ **\$10,202** average debt reduction per program graduate
- ▶ **62.5%** percent of applicants connected to mortgage programs/products





Raven Tillman

There is a Japanese proverb that says, “Fall seven times and stand up eight.” Raven Tillman, a Finding HOME graduate, has lived this proverb. Born and raised in La Crosse, Wisconsin, Raven is the oldest of four siblings and a mother of one daughter. “I’m always looking for new experiences to show my daughter that the world’s best moms sometimes do it alone,” she says.

Raven recalls struggling to find a foothold in life and finances. After leaving an abusive relationship, she found herself trying to balance motherhood with a full-time job. “I was lost and empty-headed,” Raven explained. “I didn’t think much was left for me. I didn’t have financial or mental guidance.”

To find stability for her family, she pushed herself, became part of the community and found resources to move forward. A caseworker suggested she talk to Finding HOME Program Manager Majel Hein.

FALL SEVEN TIMES AND STAND UP EIGHT.

Raven entered the Finding HOME program in October 2020 and shortly thereafter was laid off as a result of pandemic-induced organizational restructuring. Finding a job as a single black woman proved more challenging than expected. Despite experiencing blatant discrimination and facing homelessness, Raven was undeterred.

Through it all, Majel was at her side, offering tailored advice and helping her navigate resources. As a result of her work with Majel, Raven was able to raise her credit score, reduce her debt and create savings. She has also found stable housing, a full-time job, and enrolled in Western Technical College's Human Resources program. She's eager to look for and purchase her and her daughter's forever-home when she finishes her coursework.

Reflecting on her Finding HOME journey, Raven said other participants should "be ready to be fully open and fully honest about your money and your life. It will be life changing."

Learn more about
the MCU Foundation



The MCU Foundation Team



Quinn Devlin, Executive Director

With a background in grassroots programming, education, fundraising and strategic planning, Quinn works with employees, members, and the MCU Foundation Board of Directors to positively impact our communities.



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.



Kyli Hames, MCU Foundation Coordinator

Kyli works with the MCU Foundation team, the Foundation Board of Directors and MCU staff to fulfill community giving requests, organize fundraising events and increase dynamism and efficiency.

In 2022, the MCU Foundation team was also supported by intern Rebecca Gnewikow.



TREASURER'S & AUDIT REPORT





Treasurer's Report

Marine Credit Union experienced another successful year in 2022. Navigating uncertain economic conditions Marine positively impacted members by growing gross loans 12% to \$787 million. Credit risk was well managed and evidenced by improved year over year net charge offs. Net income targets were met and exceeded expectations at \$8.5 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 10.63% for the year ended December 31, 2022 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.

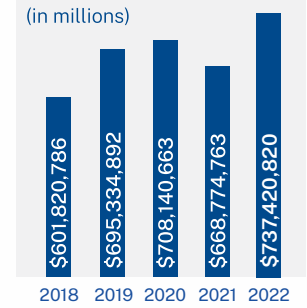
To meet these responsibilities, the committee contracted with Moss Adams to conduct an independent audit of the consolidated financial statements of Marine Credit Union for the year ended December 31, 2022. Moss Adams is in the process of auditing the credit union's 2022 results.

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

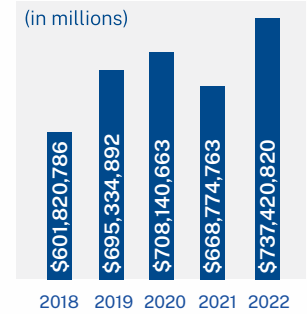
It is the opinion of this committee that the financial condition of Marine Credit Union remains strong and is being operated in a safe and sound manner.

Mic Michels, Treasurer
Audit Committee Chair

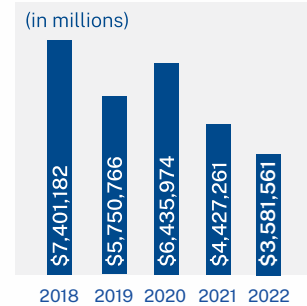
Member Loans



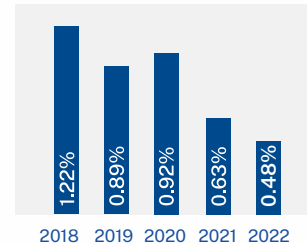
Member Loans Granted



Net Charge Off



Net Charge Off %

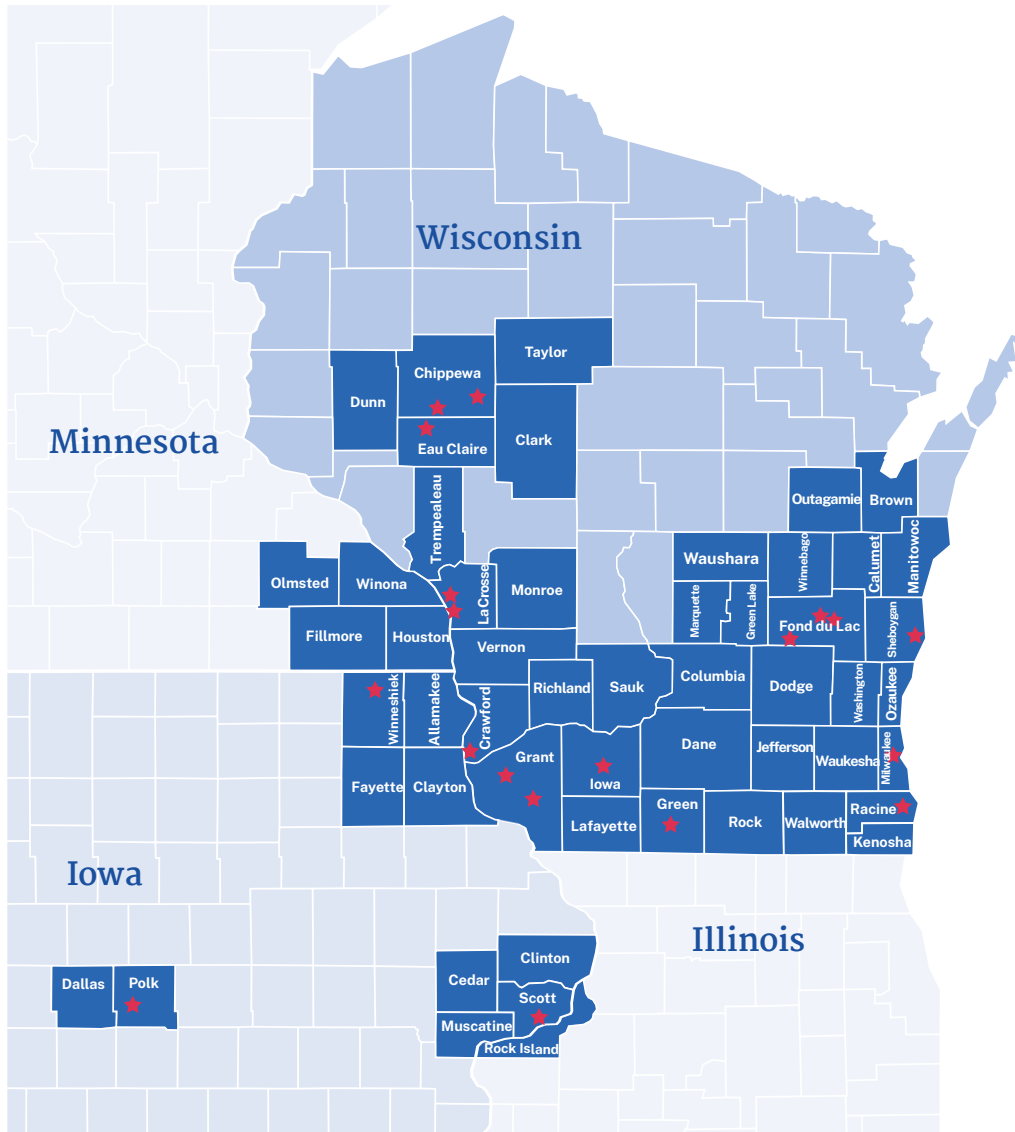


Balance Sheet

Assets	2018	2019	2020	2021	2022
Cash	\$46,369,283	\$67,949,956	\$96,882,313	\$127,539,396	\$30,847,470
Investments	33,482,731	20,477,527	92,745,155	155,125,458	157,005,345
Consumer Loans	248,506,454	272,267,176	261,990,732	240,338,326	257,445,591
Real Estate Loans	353,314,332	423,067,716	446,149,931	460,048,649	529,280,621
Total Loans	\$601,820,786	\$695,334,892	\$708,140,663	\$700,386,976	\$786,726,212
Allowance for Loan Loss	(10,532,496)	(9,897,901)	(12,415,060)	(9,330,822)	(10,437,734)
Other Assets	80,224,733	81,453,786	75,933,489	72,340,499	69,856,966
Total Assets	\$751,365,037	\$855,318,260	\$961,286,560	\$1,046,061,507	\$1,033,998,259
Liability and Equity					
Savings	\$654,925,265	\$630,372,490	\$728,803,649	\$805,181,187	\$811,966,128
Borrowings	0	124,030,204	133,500,000	129,500,000	109,500,000
Other Liabilities	11,514,358	9,205,942	9,577,220	11,081,733	12,830,365
Member Equity	84,925,414	91,709,624	89,543,085	100,298,587	99,701,766
Total Liability and Equity	\$751,365,037	\$855,318,260	\$961,286,560	\$1,046,061,507	\$1,033,998,259

Income Statement

	2018	2019	2020	2021	2022
Loan Income	\$46,000,032	\$47,677,056	\$52,444,354	\$52,944,373	\$53,870,923
Investment Income	1,478,697	1,587,126	971,652	987,702	4,079,161
Total Interest Income	\$47,478,729	\$49,264,182	\$53,416,006	\$53,932,075	\$57,950,084
Dividend Expense	\$2,359,797	\$3,042,754	\$3,412,815	\$3,219,817	3,620,623
Interest Paid on Borrowed Money	2,153,953	689,223	1,504,560	1,339,190	1,316,502
Net Interest Margin	\$42,964,979	\$45,532,204	\$48,498,631	\$49,373,068	\$53,012,960
Provision for Loan Loss	8,204,074	4,685,790	8,926,327	1,343,024	4,688,472
Net Interest Margin after PLL	\$34,760,905	\$40,846,414	\$39,572,304	\$48,030,044	\$48,324,487
Operating Expense	\$47,556,727	\$52,624,210	\$56,345,532	\$55,774,459	\$59,254,709
Fee & Other Operating Income	16,495,266	17,459,172	17,644,282	18,287,517	17,940,844
Non Operating Income	0	761,936	1,006,644	1,081,174	1,279,310
Gain (Loss) on Sale of Assets	(196,531)	158,583	(945, 591)	249,932	239,313
NCUA Stabilization Expense	0	0	0	0	0
Net Income	\$3,502,913	\$6,601,895	(\$2,067,892)	\$11,874,209	\$8,529,245



Iowa

709 E 46th St.
Davenport, IA 52807

915 Short Street, Suite 105
Decorah, IA 52101

909 9th Street
West Des Moines, IA 50265

Wisconsin

302 Bay Street
Chippewa Falls, WI 54729

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

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

80 W. Rees Street
Fond du Lac, WI 54935

661 W. Pioneer Road
Fond du Lac, WI 54935

127 West Avenue N
La Crosse, WI 54601

Wisconsin (continued)

708 N. Madison Street
Lancaster, WI 53813

333 N. 35th Street
Milwaukee, WI 53208

1712 12th Street
Monroe, WI 53566

1848 E. Main Street
Onalaska, WI 54650

80 S. Court Street
Platteville, WI 53818

1415 S. Marquette Road
Prairie du Chien, WI 53821

3039 S. Green Bay Road
Racine, WI 53403

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