



MIDLAND
CREDIT UNION

Invested in your success.

2023

ANNUAL

REPORT

About Midland



Midland Credit Union is
Invested in *Your Hometown*
& proudly serving hometowns in these 24 counties!



*The We Saved Our Members total is an estimate. When a member refinances a loan, we calculate what their finance charges would have been if they kept the loan to term using the rate, term, and balance. Then, we calculate the finance charges of the new loan using the new rate, term, and balance. Then, we subtract the new loan finance charge from the old loan finance charge to calculate the amount the member saved on finance charges. We collect this information for all refinanced loans each calendar year and then share this number with the members. Federally insured by the NCUA. Equal House Opportunity.

Chairman's Report

To the Midland Credit Union members and others to whom it may concern, I am pleased to report that your credit union is financially sound.

To start, I want to welcome all of our new members to Midland Credit Union. I also want to thank all of the N.G.P.L. Employees Credit Union members who decided to stay with Midland Credit Union after our recent merger. I truly hope you have a great experience as a Midland Credit Union member.



In 2023, Midland Credit Union celebrated its 90th Anniversary serving our members with relevant products and services. Midland's Board of Directors continues through its actions and policies to enable Midland to continue to be valuable to our membership as we continue into the future.

I met many of you during our membership appreciation days at our locations this past summer. If you were able to attend, I truly hope that you enjoyed yourselves, met our great staff and hopefully took home a prize.

In almost every month of 2023, the board saw growth in the membership and assets of Midland Credit Union. Midland continued to excel in providing financial products to remain competitive in the marketplace with services our members expect, and it shows in the continued membership growth Midland experienced in 2023. Midland Credit Union ended 2022 with a net of 235 new member accounts and assets exceeding \$76 million; in 2023, our total assets are just shy of \$81 million and growth of 347 new members, truly a remarkable job by our Midland employees! But we are not stopping there; we have some great plans for 2024.

We want Midland Credit Union to be considered problem-solvers, showing care and concern through our brand, providing services and products to assist us in cementing our relationship with existing members, and growing future membership by being better equipped to compete with other financial service providers. One of Midland's goals is to reach \$100 million in assets, which will most likely be fulfilled with a planned merger in 2024. Midland's Board of Directors is actively looking at where we are in relation to what we had hoped to accomplish and evaluating what changes the credit union will make to achieve our goals and improve services to our membership.

(Continued)

Chairman's Report, Cont.

Midland continued to expand our service area in 2023. As previously mentioned, Midland Credit Union completed a merger with N.G.P.L. Employees Credit Union in 2023, which expanded into five new counties in Iowa. The board is looking into ways to better serve all of these new counties with our products and services. Our expected merger in 2024 will provide Midland members with another location to better service our membership.



Midland Credit Union always looks for ways in which we can continue to grow and be more relevant as a credit union. We continue to investigate mergers with smaller credit unions that are having difficulty in providing services to their members as well as those that see a partnership with Midland Credit Union as a way to expand their footprint, streamline operations, and better compete under the Midland Credit Union name.

In closing, Midland is managed with integrity that you, as a member, can trust. I feel privileged to serve as the Chairman of the Board of Directors of such a fantastic institution. I am looking forward to this coming year, as I hope to be able to report even more growth and membership services.

Respectfully submitted,

Frank Wimler, Chairman of The Board

Chief Executive Officer's Report



2023 marked a major milestone in the history of Midland Credit Union as we celebrated our 90th anniversary of providing financial products and services to our growing membership. Member appreciation days were held at each of our branch locations throughout the summer months. Members could come and interact with the Board and staff and participate in music, a picnic atmosphere, and the awarding of prizes to some lucky attendees.

As you all know, 2023 was a challenging year for people worldwide, including our member-owners.

The global economy and our local and national economies suffered from high inflation, increasingly higher interest rates, with some business sectors unable to find adequate staffing. In contrast, other business sectors had to lay off workers due to low demand, such as in the mortgage and real estate arena. Prices on goods and services, homes, building materials, automobiles, gasoline, groceries, property taxes, travel expenses...everything costs more and took its toll on built-up savings or the ability to save for many of our members.

Although no credit union in the U.S. failed in 2023, the country was rocked in March by two major banks collapsing due to liquidity concerns and improper planning in terms of their investments and customer needs for cash. Many banks and credit unions across the country experienced a decrease in their deposits as dollars received from the government's stimulus packages rolled out the door along with additional savings due to the increases in the cost of living and by members seeking a higher return on their savings wherever they could find it.

Here at Midland, it was tough to manage through the turbulence in 2023 but I am proud to say that we had a truly stellar year in terms of achieving the goals the Board and management team had set when planning for the year. Of the 14 major goals that were established, the staff succeeded at 100% or above in 12 of them. The staff achieved 99% in both categories in the other two areas. This is truly fantastic and something that I am extremely proud of, for it reflects that even though we as an organization try to instill fun into our workday, the Midland team takes pride in what they do and focuses on the things that make your financial institution stronger and capable of thriving even in tough financial times.

(Continued)

Chief Executive Officer's Report, Cont.



In terms of membership, we brought on an additional 347 new members; this takes into account the number that had closed their membership as well, which was 105% of our annual goal and is important when we look at future growth opportunities. This achievement was partly helped by a successful merger with N.G.P.L. Employees Credit Union that took effect on August 1st, 2023. With this merger, Midland expanded into five additional new counties in S.E. Iowa, and our current 24-county field of membership extends from the Mississippi River across the lower section of Iowa to the Missouri River.

As we continue into 2024, the Midland team is gearing up for another successful merger with a credit union about 20% of our size. Members of United Credit Union in Council Bluffs, Iowa, have recently approved a merger of our two credit unions, and we anticipate them joining the Midland family in May. This will bring about 1,800 new members and, more importantly, establish a branch office outside the Des Moines metro area in Council Bluffs. This is just another step taken by the Board and management to strengthen your credit union and expand our ability to display the Midland Difference!

On behalf of the staff and Board of Directors at Midland Credit Union, I want to thank our members for continuing to come to us for their financial needs and for referring their co-workers, friends, and family members to join Midland Credit Union. We are so grateful for the opportunity!

Respectively submitted,

Randy Hass, Chief Executive Officer

The Midland Difference



The Midland Difference is best explained by our member-owners as the reasons they love and continue to bank with Midland. Here are a few stories we've received:

"My wife Janice and I recently had such a positive experience at Midland Credit Union! Cindy at the front counter is always a pleasure to meet and chat with! She recommended to Janice to look into your low interest program to pay off high interest credit cards. She recommended getting in touch with Baylie. We did and Baylie very quickly and professionally took care of us! They are two wonderful ladies representing Midland Credit Union. Their positive attitudes, hardworking, and extreme thoughtfulness and caring for your customers makes them two great ladies."

Matt & Janice A. - Member-Owners since 1975

"I have been with Midland Credit Union since the 80's. We have always felt like valued customers with Midland. They have all the sources that we need. They are always willing to meet our financial needs. My experience with Midland is outstanding. I am always greeted with a friendly smile. They make me feel very special. I always get a very warm reception when I walk in the front door. I can truly say that I know them ALL on a first name basis. You can not get that anywhere else. They are all A #1 in my book."

Patrick C. - Member-Owner since 1988

"Why do I choose and stay with Midland Credit Union? The first thing is the people. It always feels like home. They're always polite, they're always nice, the customer service is the best. If we needed a loan or a mortgage, everything we've done is through here. Our kids bank here. We've been here 34 years and there's no reason to go anywhere else. It's the customer service and the people here that make it feel like home. This is our bank, our financial institution. It's always been an easy place to come into. The online banking is very convenient now, you can do everything any time of day. You can look at balances, deposit checks online, and it doesn't get any easier. But the people have always made all the difference."

Gary L. - Member-Owner since 1989

Financial Summary

ASSETS	12/31/2023	12/31/2022
Loans	\$55,283,258	\$52,707,355
Allowance for Loan Loss	-\$283,918	-\$336,968
Accounts Receivable	\$90,933	\$51,080
Operating Funds	\$442,918	\$405,247
Investments	\$20,267,037	\$18,151,799
Prepaid Expenses	\$184,213	\$221,194
Fixed Assets	\$2,033,140	\$2,139,155
NCUSIF Deposit	\$700,568	\$602,097
Other Assets	\$2,251,729	\$2,150,347
Total Assets	\$80,969,878	\$76,091,305

Liabilities & Capital	12/31/2023	12/31/2022
Liabilities	\$3,319,521	\$275,420
Member Deposits	\$68,795,788	\$68,041,800
Equity (reserves)	\$8,854,569	\$7,774,085
Total Liabilities, Shares, & Equity	\$80,969,878	\$76,091,305

Financial Summary, Cont.

Income & Expense	12/31/2023	12/31/2022
Loan Income	\$3,219,026	\$2,299,663
Investment Income	\$576,583	\$278,735
Income Fees/Charges	\$201,174	\$249,680
Misc. Operating Income	\$663,140	\$642,136
Operating Expenses	\$3,701,782	\$3,138,639
Reserve Expenses	\$0	\$0
Dividend Expense	\$753,614	\$272,035
Gain/(Loss) Sale of assets	\$0	\$0
Net Income/(Loss)	\$204,528	\$59,540

BOARD OF DIRECTORS



Frank Wimler



Tiffany Menke



Troy White



Ryan Bhattacharyya



Kim Knoll



Eric Williams



Jonathan Colby



Linda Gast



Steven Correa

Chief Financial Officer's Report



The 2023 Annual Report documents the financial condition of Midland Credit Union as of December 31, 2023.

Highlights include: (Ongoing Growth)

Total Assets grew by 6.40% to just under \$81 million.

Total Deposits increased by 1.10% to \$68.8 million.

Total Loans grew 4.90% to \$55.2 million.

Midland maintained a strong loan-to-share key ratio of 80.36%.

Our delinquency rate ended at a respectable rate of 0.66%.

Midland's Capital Reserves rose significantly from 10.22% to 10.84%!

Once again, our credit union staff exceeded their stated goals for the year. The numbers above support some of those goals. 2023 was a fantastic growth year! We are now over \$80 million in assets and trending upwards. Two straight years of growth of over 6% is fantastic in this current economic environment. Additionally, we added 347 members! The Board and staff at Midland Credit Union take their responsibility to earn the trust of the membership seriously and are extremely proud to be able to deliver these results.

Respectfully submitted,

Troy White
Chief Financial Officer

Credit Committee Report



The Credit Committee oversees the credit union's lending policies and practices to fulfill the borrowing needs of our members. Lending our depositors' funds at the best rate is our main purpose. However, we must balance satisfying all members' borrowing needs with maintaining a watchful eye on delinquency to protect our members' deposits.

Loan Officers are given authorization to make decisions within the credit union office, allowing decisions to be made as timely as possible. Therefore, only those loans exceeding the authorization given to loan and executive officers are referred to this committee for further action.

During 2023, the credit union granted 647 loans in the amount of \$17,483,047, plus another \$795,175 in loans was added, consisting of 386 loans through a loan purchase made in January and a merger that was completed in August of 2023. Our year-end delinquency to total loans was 0.66% compared to our peers 0.85%. The credit union's net charge-off to average loans was 1.01%, as we saw an increase in bankruptcies and repossessions due to the tightening economy.

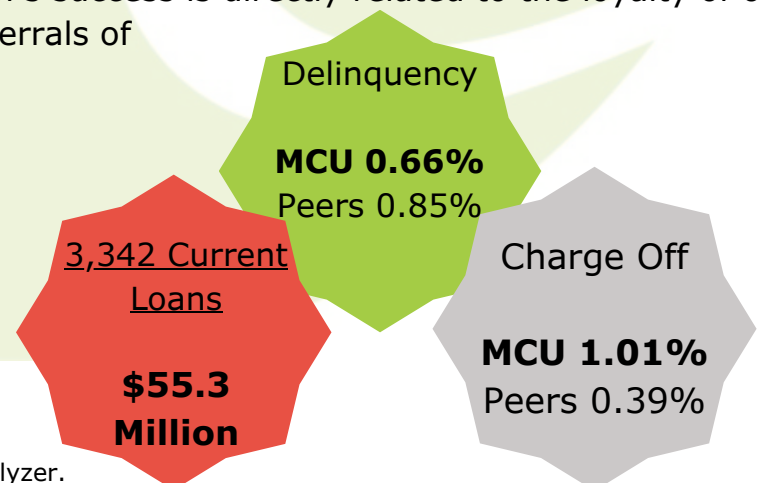
We continue to review our existing underwriting guidelines to serve more borrowers while maintaining a delinquency ratio of less than 1%.

To assist members with credit blemishes, Midland Credit Union continues to review their scores and discuss ways to improve credit scoring to obtain the best possible borrowing rate. In 2023, our lenders went through training to become Certified Financial Counselors; this practice will continue as we increase the lending staff.

We thank you for using our lending services and for prompt repayments. We look forward to serving you in the future. Midland Credit Union's success is directly related to the loyalty of our member-owners. We truly appreciate your referrals of family, friends, and coworkers.

Respectfully submitted,

Steven Correa – Chair
Tiffany Menke
Troy White



*National peer Delinquency and Charge off numbers per CU Analyzer.

Audit Committee Report



Our committee's responsibility is to verify that Midland Credit Union complies with all policies set forth by the Midland Credit Union Board of Directors and with all State and Federal regulations.

To accomplish this task, members of this committee regularly monitor various segments of our office operations. We use information from our system's reports and inquiries made by the credit union staff.

In addition to our inquiries, the Audit Committee employs the CPA firm of Gardiner + Company, formerly known as Gardiner Thomsen, to perform an independent opinion audit at year-end. The complete report of their last audit and unqualified opinion letter is on file at the Urbandale office.

The Iowa Credit Union Division, our state regulator, performs a further examination of our operation. The last examination was effective as of June 30, 2023.

The Audit Committee is pleased to report that Midland Credit Union is in sound financial condition. The financial reports in this brochure reflect the true and actual condition of the credit union as of December 31, 2023.

Respectfully submitted,

Linda Gast, Chairperson
Kim Knoll
Eric Williams

SECRETARY'S NOTES
Virtual ANNUAL MEETING
May 4, 2023

- **Welcome Message by Frank Wimler and instructions provided for voting via the Virtual Annual Meeting.**
- **Frank Wimler, introduction of the board of directors.**
- **Frank Wimler, introduction of CEO.**
- **CEO Report video was played.**
- **Tiffany Menke welcome and determined quorum present.**

1. **Quorum Present? (need 20 members) Yes.**

(Total members present) 20 (Total in attendance) 20

2. **Called to order at: 5:03pm**

- **Frank Wimler, Approval of Minutes of 2022 Annual meeting: Motioned by Eric Williams, Seconded by Baylie Boyer, as noted within the annual report.**
- **Frank Wimler, Approval of all written reports located in the annual report, which includes the Chairman's Report, CFO's Report, Credit Committee's Report, the Audit Committee's Report and the CEO's Report. ---approval motion by Jonathan Colby, Seconded by Eric Williams.**
- **Frank Wimler, Approval of actions taken in 2022: Motioned by Hayley Sever, Seconded by Cindy Draper.**
- **Tiffany Menke, Nominating Committee Report**
- **Frank Wimler, Election of officers - Frank Wimler motion (Unanimous): Motioned by Tiffany Menke, Seconded by Cindy Draper.**
- **Frank Wimler**
 - 1. **Adjournment Time: 5:20pm, motion by Jonathan Colby, Seconded by Baylie Boyer**

Completed by: Tiffany Menke