

# NORTHWEST FEDERAL CREDIT UNION

Stop Searching. GO NORTHWEST.



# 2023 ANNUAL REPORT



TOGETHER,

WE **SERVE**

&

**INSPIRE TO**

**TRANSFORM**

LIVES

## Board of Directors



Gerianne “Winky” Burks  
Chair

Chuck Molina  
1st Vice Chair

Tom Conroy  
2nd Vice Chair

Dawn Eilenberger  
Secretary

Barbara Holmes  
Treasurer

Charlie Barlow  
Director

Bill Coquelin  
Director

David Eldred  
Director

Liz Scholz  
Director

Meredith Delaware  
Associate Director

Richard Price  
Associate Director

Krista Scalise  
Associate Director

## Executive Team



Jeff Bentley  
President/Chief  
Executive Officer

Erin Krause  
Chief Member  
Experience Officer

Dennis Holthaus  
Chief  
Financial Officer

Michael Kapfer  
SVP/Chief Information  
Officer

Sara Depauw  
Chief Lending Officer

Jeff Margeson  
SVP Retail

Jean Cain  
Chief Human  
Resources Officer

Milly Cramer  
SVP Operations

Ed Hollingsworth  
SVP, Risk, Audit  
and Program  
Management

Leslie Houseman  
Corporate Chief  
of Staff

Nate Turner  
SVP, Marketing and  
Communications

## Supervisory Committee



Robert Grieve  
Chair

Margaret Augustine  
Vice Chair

Sandera Oliver  
Committee Member

Nancy Whipp  
Committee Member

Susan Wilson  
Committee Member

# Report from the Chair and President/CEO



## Navigating Challenges, Embracing Opportunities: Reflecting on 2023

As we reflect on the dynamic landscape of 2023, characterized by inflationary pressures and market volatility, we found ourselves at the intersection of challenges and opportunities. Inflation emerged as a prominent theme, triggering unprecedented increases in interest rates to mitigate its impact. These increases, while necessary, brought about market volatility and increased



borrowing costs for both consumers and businesses, influencing economic growth and profitability.

Amidst these challenges we witnessed resilience and focused on our strategic initiatives that propelled us forward, including our unwavering commitment to maintaining our financial strength and stability. Despite economic uncertainties, we maintained a robust regulatory capital ratio of 11.21% and a risk-based capital ratio of 19.91%, well exceeding regulatory thresholds. Our strong credit quality and prudent management is reflected in our low net charge-offs and a strong liquidity position, enabling us to meet everyday operational needs and short-term obligations.

## Innovative Solutions and Member Service Excellence

At the heart of our commitment to a sound future for the credit union lies a relentless focus on service excellence and technological advancement. We invested strategically in technology, including the successful implementation of phase 1 of our Customer Relationship Management platform, fostering deeper connections with members and employees alike. To foster these connections even further, we continued to work toward expanding our branch footprint by opening a new branch in McLean. This new branch underscored our commitment to providing our current members with additional branch access while driving membership growth.

As our membership continued to grow in 2023, it enabled us to roll out innovative programs, technological enhancements, and new member benefits. We introduced special certificate promotions to compete, retain and benefit our members, and we increased our brand recognition in the community by

becoming the Official Credit Union of the Washington Commanders. To help fight fraud we introduced additional multi-factor authentication methods and focused on data-driven insights to protect member accounts.

## Brand Recognition and Community Outreach

2023 marked a pivotal year for us, defined by strategic initiatives aimed at enhancing our reach and relevance. We reintroduced television advertising, ventured into streaming service ads, and amplified our presence on social media, particularly resonating with the vibrant 18-34 age group and the Latino communities. Notably, our collaboration with the Washington Commanders in co-branding efforts was a testament to our commitment to innovative partnerships. This partnership brings together two organizations that have a deep commitment to making a difference in the communities they serve.

Our deep-rooted involvement in community partnerships and philanthropic endeavors through the Northwest Federal Credit Union Foundation exemplified our commitment to making a lasting difference in the lives of those we serve. Furthermore, our dedication to workplace excellence and community impact garnered significant recognition in 2023. We were honored with accolades such as the 2023 Top Workplace in the Financial Services Industry and various awards recognizing our culture, leadership, and commitment to employee well-being.

...we maintained a robust regulatory capital ratio of **11.21%** and a risk-based capital ratio of **19.91%**, well exceeding regulatory thresholds.



## OFFICIAL CREDIT UNION OF THE WASHINGTON COMMANDERS

### Top Workplace Culture Badges



### Northwest Capital Management: Enhancing Financial Solutions

Northwest Capital Management, operating as Northwest Financial Advisors, NW Insurance Agency, and Northwest Title & Escrow, has been instrumental in delivering tailored financial solutions since 1995. Their expertise in investment, insurance, and real estate settlement services complements our core offerings, empowering our members with comprehensive financial strategies.

In 2023, NW Capital Management's innovative approach and client-centric solutions significantly contributed to our financial performance. As we move forward, NW Capital Management remains a vital part of our vision, enabling us to navigate financial complexities and drive growth for our members.

### Looking Ahead with Confidence

As we stride into 2024, our focus remains on harnessing technological advancements, fostering diversity, equity, and inclusion, and fortifying our commitment to exceptional member experiences. We are poised for further renovations, technological upgrades, and strategic initiatives that align with our mission to be the lifetime financial partner for our growing membership base.

As we look ahead with optimism and enthusiasm, we want to assure you, our members, that we are steadfast in our commitment of ensuring that Northwest remains a strong and vibrant organization. We want to extend our deepest gratitude to each one of you—for your trust, loyalty, and unwavering support. It is your stories, your resilience, and your dreams that fuel our passion and drive us to be the best financial partner you deserve. Together, let us continue this journey of growth, empowerment, and gratitude.

Sincerely,

*Gerrianne D. Burks*  
**Gerrianne "Winky" Burks**  
Chair

*Jeff Bentley*  
**Jeff Bentley**  
President/CEO

# Report from the Treasurer & Financial Management Committee



Northwest Federal Credit Union showcases exceptional financial strength and performance for the fiscal year ending 2023. Our regulatory capital ratio stands strong at 11.21%, exceeding the well-capitalized requirement of 7.00% set by regulators.

Additionally, our risk-based capital ratio of 19.91% surpasses the well-capitalized requirement of 10.00% also set by regulators. Both of the capital ratios demonstrate Northwest's solid financial foundation and ability to meet regulatory requirements.

We also maintain a healthy liquidity position, with liquidity of 20.49% of total assets as of the end of 2023, ensuring our ability to meet member demands and operational needs effectively.

Moreover, despite economic challenges, we funded over 23,900 loans totaling \$947.8 million while maintaining a low net charge-off rate of 0.10% of our total loan portfolio, which is well below our peers, showcasing our commitment to sound lending practices and diligent credit risk assessment.

These achievements highlight Northwest Federal Credit Union's unwavering financial strength, resilience, and dedication to serving our members with excellence.

*Barbara Holmes*

**Barbara Holmes**

Treasurer, Board of Directors  
Chairman, Financial Management Committee

## NWFCU FOUNDATION SCHOLARSHIP PROGRAM

In 2023 the NWFCU Foundation awarded \$130,000 in scholarships to outstanding students to help defray the cost of college.

Since its inception in 2005, Northwest Federal Credit Union Foundation has awarded over \$2 Million to a total of 400 scholarship award recipients.

# Report from the Supervisory Committee



Northwest Federal's Supervisory Committee (the Committee) is a Board-appointed volunteer organization that works on your behalf as members, to monitor the financial health of the Credit Union as well the internal control environment that is in place to

mitigate financial, operational, and compliance risks facing the Credit Union.

The Committee provides an independent view of Northwest Federal's safety and soundness by:

- Monitoring the financial health of the Credit Union.
- Monitoring the controls, policies, and systems put in place by the Credit Union to mitigate financial, operational, and compliance risks.
- Investigating perceived violations of Credit Union rules and policies or unethical behavior.
- Monitoring compliance with the National Credit Union Administration (NCUA) regulations.

The Committee meets regularly to execute, coordinate, review, and assess the effectiveness of its responsibilities. Below are key activities the Committee performs on behalf of the Members:

- **Oversight of Northwest Federal's Internal Audit (IA)** – Through direct lines of communication, the Committee oversees and meets regularly with the Vice President of IA to review the risk assessment and internal audit planning process, the results of ongoing and completed audits, progress on activities, management's responses addressing recommendations, and the adequacy of the resources, executive support, and training the IA function needs to execute its mission.
- **Audit of the Credit Union's Financial Statements** – The Committee is responsible for the selection of the independent accounting firm that the Credit Union contracts to conduct an external audit of the Credit Union's Financial Statement. To promote transparency, Northwest Federal's consolidated financial statements, along with the Independent Auditor's Report, are available on the Credit Union's website for your review.
- **Review of External Regulatory Examinations** – The NCUA conducts regular examinations of the Credit Union. The Committee monitors the results of the NCUA examinations as well as tracks management's responses to NCUA recommendations.

- **Monitor Internal/External Complaints** – Through IA, the Committee reviews and delegates, as appropriate, investigations of complaints received through channels such as the NCUA's Consumer Assistance Center and the Employee Ethics Hotline.

The Committee expresses our sincere appreciation to the Credit Union's volunteer-Board for their diligence in the oversight of the Credit Union as well as their support of the Committee and its activities. I would also like to use this opportunity to thank my colleagues on the Committee who proudly volunteer their time and display a sincere commitment to their responsibilities – Margaret Augustine, Sandera Oliver, Susan Wilson, and Nancy Whipp.

The ability of the Committee to effectively serve as your representatives includes knowing when concerns arise, and therefore, we welcome hearing from members. If you have a question relating to the financial soundness, or management of this organization, please do not hesitate to contact us:

Supervisory Committee  
P.O. Box 1167  
Herndon, VA 20172-1167

Or, to contact a member of the Supervisory Committee, you may also send an email to [supervisory@nwfcu.org](mailto:supervisory@nwfcu.org).

The Committee would like to thank you, the members, for supporting Northwest Federal. We are honored to serve you.



**Robert Grieve**  
Chair, Supervisory Committee

*Together, we serve and inspire to transform lives*



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[nwfcu.org](https://www.nwfcu.org)

