



Jim Doyle, Governor

Lorrie Keating Heinemann, Secretary

## Director's Comments

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Director, Office of Credit Unions

This bulletin highlights the 2009 mid-year financial trends for Wisconsin's 245 state-chartered credit unions. The analysis is based on data compiled from the June 2009 5300 call reports. This information is provided to keep you informed of current conditions and trends in the Wisconsin credit union industry.

Wisconsin credit unions grew \$1.2 billion during the first half of 2009. This is a 6.5% increase in the assets held by Wisconsin credit unions. Total assets as of June 30, 2009 were \$19.4 billion.

The net worth ratio remained strong at 10.07%. Delinquency was 1.70%, up from 1.44% as of December 31, 2008. The return on average assets was 0.44% compared to 0.72% in June 2008. Net income was \$41.5 million compared to \$62.1 million as of June 30, 2008.

Loans outstanding grew by \$184 million and savings grew by \$1.3 billion, but the loan to savings ratio continues to be high at 90.1% for all Wisconsin credit unions.

The financial indicators for Wisconsin's state-chartered credit unions exhibit sound financial performance for the first half of 2009 amid extremely challenging markets.

## Examiner News

Two new examiners were hired recently. Tim Fernandez joined the Fox Valley Territory to replace Paul Sylvester and Jeff Kelly took Jamie Wadlington's position in the Milwaukee Territory.

Long-time examiner Mike Norkofski retired in June 2009. Mike worked in the Fox Valley Territory.

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## *Credit Union Online*

On September 1, 2009, the National Credit Union Administration (NCUA) will transition from a software-based process to collect Report of Officials and 5300 call report information to a web-based system for natural person credit unions. The online system provides credit unions the opportunity to self-manage profile information, submit data, and receive information from the NCUA.

Credit unions without a computer and access to the internet are categorized as manual filers. Manual filing credit unions will complete two forms, the NCUA Profile Form 4501A and the 5300 call report forms, and return them to their regulator for input into the online system.

Additional information is available on NCUA's website including Letter to Credit Unions No. 09-CU-17 and a Frequently Asked Questions document.

## *Money Smart Week Wisconsin – 2009*

Money Smart Week Wisconsin is a program designed to help improve the financial knowledge of Wisconsin citizens. Wisconsin credit unions are encouraged to get involved in 2009 and publicize the credit union difference. Governor Doyle has declared October 10-17, 2009 as Money Smart Week Wisconsin. To find out more about how your credit union can help, please visit the website for this worthwhile program at [www.moneysmartwi.org](http://www.moneysmartwi.org).

**COMPARISON STATEMENTS OF CONDITION  
OF WISCONSIN CREDIT UNIONS  
JUNE 30, 2009 and DECEMBER 31, 2008**

	<u>June 30, 2009</u>		<u>December 31, 2008</u>		<u>Increase or Decrease</u>	<u>% Change</u>
<b>Number of Credit Unions</b>	245		250		-5	-2.0%
	<u>AMOUNT</u>	<u>% OF ASSETS</u>	<u>AMOUNT</u>	<u>% OF ASSETS</u>		
<b>ASSETS</b>						
Personal Loans	5,406,325,751	27.9%	5,217,188,487	28.7%	189,137,264	3.6%
Real Estate Loans	<u>9,520,189,127</u>	49.2%	<u>9,525,845,235</u>	52.4%	<u>-5,656,108</u>	-0.1%
Total Loans	14,926,514,878	77.1%	14,743,033,722	81.1%	183,481,156	1.2%
Allowance for Loan Losses	<u>146,003,196</u>	0.8%	<u>115,397,708</u>	0.6%	<u>30,605,488</u>	26.5%
Net Loans	14,780,511,682	76.4%	14,627,636,014	80.4%	152,875,668	1.0%
Cash	1,507,262,998	7.8%	914,134,974	5.0%	593,128,024	64.9%
Investments	1,898,526,614	9.8%	1,577,181,071	8.7%	321,345,543	20.4%
Fixed Assets	588,802,743	3.0%	544,205,529	3.0%	44,597,214	8.2%
Other Assets	<u>581,825,566</u>	3.0%	<u>519,186,020</u>	2.9%	<u>62,639,546</u>	12.1%
TOTAL ASSETS	<u>19,356,929,603</u>	100.0%	<u>18,182,343,608</u>	100.0%	<u>1,174,585,995</u>	6.5%
<b>LIABILITIES</b>						
Regular Shares	3,711,045,743	19.2%	3,169,272,733	17.4%	541,773,010	17.1%
Share Drafts	2,057,036,357	10.6%	1,979,047,388	10.9%	77,988,969	3.9%
Other Shares & Deposits	<u>10,793,794,026</u>	55.8%	<u>10,057,712,122</u>	55.3%	<u>736,081,904</u>	7.3%
Total Savings	16,561,876,126	85.6%	15,206,032,243	83.6%	1,355,843,883	8.9%
Notes and Accounts Pay.	883,471,805	4.6%	1,063,350,894	5.8%	-179,879,089	-16.9%
Regular Reserve	803,503,937	4.2%	803,018,294	4.4%	485,643	0.1%
Other Reserves	<u>1,108,077,735</u>	5.7%	<u>1,109,942,177</u>	6.1%	<u>-1,864,442</u>	-0.2%
TOTAL LIABILITIES	<u>19,356,929,603</u>	100.0%	<u>18,182,343,608</u>	100.0%	<u>1,174,585,995</u>	6.5%

**NOTE:** Some small statistical errors may occur due to rounding.

**STATEMENT OF INCOME  
FOR WISCONSIN CREDIT UNIONS  
FOR THE PERIOD ENDING JUNE 30, 2009**

	<u>AMOUNT</u>	<u>% OF GROSS INCOME</u>	<u>AVERAGE ASSETS</u>
<b>INCOME</b>			
Interest on Loans	441,080,674	71.29%	4.70%
Less: Interest Refunds	<u>89,741</u>	0.01%	0.00%
Net Interest Income	440,990,933	71.28%	4.70%
Income on Investments	31,204,074	5.04%	0.33%
Other Income	<u>146,482,559</u>	23.68%	1.56%
TOTAL OPERATING INCOME	618,677,566	100.00%	6.59%
 <b>ADMINISTRATIVE EXPENSES</b>			
Employee Costs	176,784,676	28.57%	1.88%
Travel and Conference	3,539,377	0.57%	0.04%
Office Occupancy	24,267,750	3.92%	0.26%
General Operations	59,018,283	9.54%	0.63%
Education and Promotion	11,707,201	1.89%	0.12%
Loan Servicing	25,947,851	4.19%	0.28%
Professional Services	21,622,609	3.49%	0.23%
Member Insurance	1,113,247	0.18%	0.01%
Operating Fees	1,811,227	0.29%	0.02%
Other Operational Expenses	<u>11,506,592</u>	1.86%	0.12%
TOTAL ADMINISTRATIVE	337,318,813	54.52%	3.59%
Provision for Loan Loss	<u>61,496,439</u>	9.94%	0.66%
TOTAL OPERATING EXPENSES	398,815,252	64.46%	4.25%
 <b>COST OF ACQUISITION OF FUNDS</b>			
Dividends Paid on Savings	162,384,903	26.25%	1.73%
Interest on Borrowed Funds	<u>11,843,215</u>	1.91%	0.13%
TOTAL COST OF FUNDS	<u>174,228,118</u>	28.16%	1.86%
TOTAL EXPENSES	573,043,370	92.62%	6.11%
 <b>NET OPERATING INCOME</b>	45,634,196	7.38%	0.49%
<b>NON-OPERATING GAIN/ LOSS</b>	<u>78,426,391</u>	12.68%	0.84%
<b>NET INCOME</b>	124,060,587	20.05%	1.32%
<b>NCUSIF STABILIZATION EXPENSE</b>	82,586,248	13.35%	0.88%
<b>NET INCOME (LOSS)</b>	41,474,339	6.70%	0.44%

**NOTE:** Some small statistical errors may occur due to rounding.

**COMPARISON STATEMENTS OF INCOME  
FOR WISCONSIN CREDIT UNIONS  
FOR THE PERIODS ENDING JUNE 30, 2009 AND JUNE 30, 2008**

	2009	% OF AVERAGE ASSETS	2008	% OF AVERAGE ASSETS
	<u>AMOUNT</u>		<u>AMOUNT</u>	
<b>INCOME</b>				
Interest on Loans	441,080,674	4.70%	449,813,309	5.24%
Less: Interest Refunds	<u>89,741</u>	<u>0.00%</u>	<u>120,557</u>	<u>0.00%</u>
Net Interest Income	440,990,933	4.70%	449,692,752	5.24%
Income on Investments	31,204,074	0.33%	48,177,927	0.56%
Other Income	<u>146,482,559</u>	<u>1.56%</u>	<u>113,632,134</u>	<u>1.32%</u>
TOTAL OPERATING INCOME	618,677,566	6.59%	611,502,813	7.13%
<b>ADMINISTRATIVE EXPENSES</b>				
Employee Costs	176,784,676	1.88%	164,437,533	1.92%
Travel and Conference	3,539,377	0.04%	4,428,087	0.05%
Office Occupancy	24,267,750	0.26%	22,653,743	0.26%
General Operations	59,018,283	0.63%	57,736,244	0.67%
Education and Promotion	11,707,201	0.12%	12,600,375	0.15%
Loan Servicing	25,947,851	0.28%	21,039,323	0.25%
Professional Services	21,622,609	0.23%	19,901,487	0.23%
Member Insurance	1,113,247	0.01%	1,130,377	0.01%
Operating Fees	1,811,227	0.02%	1,320,424	0.02%
Other Operational Expenses	<u>11,506,592</u>	<u>0.12%</u>	<u>6,770,946</u>	<u>0.08%</u>
TOTAL ADMINISTRATIVE	337,318,813	3.59%	312,018,539	3.64%
Provision for Loan Loss	<u>61,496,439</u>	<u>0.66%</u>	<u>22,591,283</u>	<u>0.26%</u>
TOTAL OPERATING EXPENSES	398,815,252	4.25%	334,609,822	3.90%
<b>COST OF ACQUISITION OF FUNDS</b>				
Dividends Paid on Savings	162,384,903	1.73%	203,474,017	2.37%
Interest on Borrowed Funds	<u>11,843,215</u>	<u>0.13%</u>	<u>12,677,192</u>	<u>0.15%</u>
TOTAL COST OF FUNDS	174,228,118	1.86%	216,151,209	2.52%
TOTAL EXPENSES	573,043,370	6.11%	550,761,031	6.42%
<b>NET OPERATING INCOME</b>	45,634,196	0.49%	60,741,782	0.71%
<b>NON-OPERATING GAIN/LOSS</b>	<u>78,426,391</u>	<u>0.84%</u>	<u>1,340,879</u>	<u>0.02%</u>
<b>NET INCOME</b>	124,060,587	1.32%	62,082,661	0.72%
<b>NCUSIF STABILIZATION EXPENSE</b>	82,586,248	0.88%		
<b>NET INCOME (LOSS)</b>	41,474,339	0.44%		

**NOTE:** Some small statistical errors may occur due to rounding.

**SIGNIFICANT OPERATIONAL RATIOS  
FOR THE PERIOD ENDING JUNE 30, 2009**

Peer Groups by Assets	\$ 2,000,001- \$ 10,000,001-		\$ 50,000,001- \$ 100,000,001-		\$ 500,000,000 >\$500,000,000		TOTAL
	<\$2,000,000	\$10,000,000	\$50,000,000	\$100,000,000	\$500,000,000	>\$500,000,000	
<b>Number of Credit Unions</b>	51	45	85	21	34	9	245
<b>CAPITAL ADEQUACY</b>							
Net Worth/ Total Assets	21.71%	15.85%	12.22%	11.29%	10.38%	9.02%	10.07%
Net Worth/ PCA Optional Total Assets	21.71%	15.86%	12.27%	11.29%	10.39%	9.02%	10.08%
Total Delinquency/ Net Worth	9.34%	6.31%	9.88%	11.11%	13.94%	13.84%	12.98%
Solvency Evaluation	127.84%	119.13%	114.14%	113.00%	112.11%	110.15%	111.54%
Classified Assets/ Net Worth	5.44%	4.66%	8.18%	7.31%	7.67%	7.33%	7.49%
<b>ASSET QUALITY</b>							
Delinquent Loans/ Loans	3.60%	1.58%	1.79%	1.70%	1.86%	1.57%	1.70%
Net Charge Offs/ Avg. Loans	0.51%	0.79%	0.49%	0.52%	0.52%	0.49%	0.50%
Fair Value/ Amortized Cost for HTM	100.00%	100.00%	100.13%	100.99%	99.12%	101.87%	99.64%
Accumulated Unrealized Gains or Losses on AFS/ Amortized Cost AFS	0.00%	0.00%	1.56%	1.59%	-3.62%	-3.88%	-3.25%
Delinquent Loans/ Assets	2.03%	1.00%	1.21%	1.25%	1.45%	1.25%	1.31%
<b>EARNINGS (to Average Assets)</b>							
Return on Average Assets (BEFORE)	0.70%	0.66%	0.72%	1.27%	1.31%	1.49%	1.32%
NCUSIF Stabilization Expense	0.91%	1.11%	1.13%	1.08%	1.05%	0.67%	0.88%
Return on Average Assets (AFTER)	-0.21%	-0.44%	-0.42%	0.19%	0.26%	0.81%	0.44%
Gross Income	4.69%	5.56%	6.15%	6.58%	6.63%	6.70%	6.59%
Yield on Average Loans	6.72%	6.52%	6.54%	6.30%	6.05%	5.71%	5.95%
Yield on Average Investments	1.61%	2.27%	2.61%	2.12%	2.54%	1.96%	2.26%
Fee & Other Op. Income	0.12%	0.53%	0.97%	1.37%	1.49%	1.79%	1.56%
Cost of Funds	0.95%	1.26%	1.46%	1.72%	1.84%	1.99%	1.86%
Net Margin	3.74%	4.30%	4.68%	4.85%	4.79%	4.71%	4.74%
Operating Exp. (less PLL)	3.69%	3.92%	4.09%	4.02%	3.78%	3.30%	3.59%
PLL	0.20%	0.71%	0.87%	0.53%	0.69%	0.60%	0.66%
Net Interest Margin	3.62%	3.77%	3.71%	3.48%	3.30%	2.92%	3.17%
Operating Exp./ Gross Income	78.52%	70.40%	66.50%	61.20%	56.96%	49.17%	54.52%
Fixed Assets+FRA's**/ Assets	0.22%	1.57%	2.71%	3.45%	3.62%	2.72%	3.04%
Net Operating Expense	3.62%	3.57%	3.42%	3.13%	2.92%	2.58%	2.83%

**SIGNIFICANT OPERATIONAL RATIOS  
FOR THE PERIOD ENDING JUNE 30, 2009**

Peer Groups by Assets	\$ 2,000,001- \$ 10,000,001- \$ 50,000,001- \$ 100,000,001-						TOTAL
	<\$2,000,000	\$10,000,000	\$50,000,000	\$100,000,000	\$500,000,000	>\$500,000,000	
<b>Number of Credit Unions</b>	51	45	85	21	34	9	245
<b>ASSET-LIABILITY MANAGEMENT</b>							
Net Long Term Assets/ Assets	1.75%	13.68%	16.98%	24.13%	33.07%	32.05%	29.95%
Shares/ Savings+Borrowings	85.77%	61.55%	38.79%	25.50%	22.95%	15.82%	21.83%
Loans/ Savings	72.17%	76.51%	78.58%	86.53%	94.15%	92.43%	90.85%
Loans/ Assets	56.27%	63.38%	67.34%	73.76%	77.75%	79.73%	77.11%
Cash + ST Invest./ Assets	39.25%	27.30%	21.05%	15.44%	10.96%	10.59%	12.42%
Shares, Deposits & Borrowings/ Earning Assets	78.43%	86.62%	92.40%	93.56%	95.41%	95.80%	94.99%
Shares+Drafts/ Savings+Borrowings	86.72%	68.74%	51.62%	37.85%	34.88%	27.05%	33.45%
Borrowings/ Shares & Net Worth	0.00%	0.62%	0.61%	1.01%	5.71%	3.52%	3.67%
<b>OTHER RATIOS</b>							
Net Worth Growth	-0.24%	-2.58%	-5.61%	0.37%	0.68%	3.21%	0.85%
Savings Growth	18.05%	14.85%	16.88%	20.44%	16.01%	18.92%	17.83%
Loan Growth	-1.20%	-1.62%	2.85%	5.14%	1.36%	2.91%	2.49%
Asset Growth	13.69%	11.00%	12.22%	17.63%	10.83%	13.86%	12.92%
Investment Growth	36.57%	-2.07%	36.80%	26.17%	118.93%	103.98%	81.91%
Investments/ Assets	18.32%	21.92%	19.90%	13.15%	10.38%	6.42%	9.81%
Employee Cost/ Gross Inc.	37.25%	38.40%	32.24%	32.28%	30.20%	26.01%	28.57%
Employee Cost/ Avg. Assets	1.75%	2.14%	1.98%	2.12%	2.00%	1.74%	1.88%
Average Loan Balance	\$6,766	\$7,483	\$9,882	\$11,852	\$13,970	\$11,236	\$11,811
Average Savings Balance	\$2,004	\$2,701	\$3,063	\$3,484	\$3,782	\$4,567	\$3,968

*\*\*Foreclosed and Repossessed Assets*

**NOTE:** Some small statistical errors may occur due to rounding.

**SIGNIFICANT OPERATIONAL RATIOS  
FOR ALL WISCONSIN CREDIT UNIONS  
2003-2008**

	2003	2004	2005	2006	2007	2008
<b>Number of Credit Unions</b>	298	287	280	267	260	250
<b>CAPITAL ADEQUACY</b>						
Net Worth/ Total Assets	10.90%	11.08%	11.12%	11.17%	11.19%	10.68%
Total Delinquency/ Net Worth	7.28%	6.38%	7.65%	7.91%	9.17%	10.96%
Solvency Evaluation	112.62%	113.04%	113.22%	113.20%	113.21%	112.58%
Classified Assets/ Net Worth	4.62%	4.52%	4.81%	4.71%	5.11%	5.94%
<b>ASSET QUALITY</b>						
Delinquent Loans/ Loans	1.05%	0.89%	1.05%	1.09%	1.27%	1.44%
Net Charge Offs/ Avg. Loans	0.31%	0.30%	0.30%	0.31%	0.31%	0.38%
<b>EARNINGS (to Average Assets)</b>						
Return on Average Assets	1.07%	0.94%	0.91%	0.70%	0.70%	0.53%
Net Operating Expense	2.88%	2.80%	2.86%	2.84%	2.85%	2.87%
Fixed Assets+FRA's**/ Assets	2.54%	2.71%	3.03%	3.00%	3.08%	2.99%
Gross Income	6.67%	6.09%	6.48%	7.01%	7.44%	7.07%
Cost of Funds	1.61%	1.32%	1.75%	2.45%	2.79%	2.38%
Operating Exp. (less PLL)	3.72%	3.58%	3.64%	3.62%	3.65%	3.66%
Net Interest Margin	3.65%	3.60%	3.51%	3.31%	3.33%	3.35%
PLL	0.29%	0.27%	0.29%	0.28%	0.32%	0.42%
<b>ASSET-LIABILITY MANAGEMENT</b>						
Net Long Term Assets/ Assets	24.44%	26.41%	25.10%	26.32%	28.34%	39.03%
Shares/ Savings+Borrowings	30.20%	29.28%	26.04%	22.82%	20.63%	20.04%
Loans/ Savings	87.62%	93.49%	97.67%	96.66%	95.90%	97.48%
Loans/ Assets	75.49%	79.07%	81.28%	81.21%	80.57%	81.08%
Cash + ST Invest./ Assets	11.55%	9.14%	8.72%	9.79%	10.12%	9.04%
<b>OTHER RATIOS</b>						
Savings Growth	8.74%	5.26%	6.89%	6.62%	5.57%	8.98%
Net Worth Growth	10.31%	8.92%	8.62%	6.26%	5.92%	4.83%
Loan Growth	13.01%	12.23%	11.21%	5.66%	4.87%	10.61%
Asset Growth	9.49%	7.14%	8.19%	5.75%	5.72%	9.91%
Investments/ Assets	18.69%	15.08%	12.62%	7.74%	8.04%	8.67%
Employee Cost/ Gross Inc.	29.77%	31.35%	29.75%	27.16%	25.83%	27.14%
Employee Cost/ Avg. Assets	1.98%	1.91%	1.93%	1.90%	1.92%	1.92%
Average Loan Balance	\$9,314	\$10,003	\$10,565	\$11,030	\$11,306	\$11,777
Average Savings Balance	\$3,112	\$3,209	\$3,260	\$3,386	\$3,473	\$3,661

*\*\*Foreclosed and Repossessed Assets*

**NOTE:** Some small statistical errors may occur due to rounding.

**ANALYSIS OF INCOME AND EXPENSES TO GROSS INCOME  
FOR THE PERIOD ENDING JUNE 30, 2009**

Peer Groups by Assets	\$ 2,000,001- <\$2,000,000	\$ 2,000,001- \$10,000,000	\$ 10,000,001- \$50,000,000	\$ 50,000,001- \$100,000,000	\$ 100,000,001- \$500,000,000	\$ 500,000,001- >\$500,000,000	TOTAL
<b>Number of Credit Unions</b>	51	45	85	21	34	9	245
<b>OPERATING INCOME</b>							
Interest on Loans	83.43%	76.60%	73.33%	72.80%	72.56%	69.68%	71.29%
Less: Interest Refunds	0.00%	0.00%	0.04%	0.07%	0.01%	0.00%	0.01%
Income on Investments	14.08%	13.89%	10.89%	6.40%	4.91%	3.57%	5.04%
Income on Trading Securities	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Fee Income	1.41%	6.15%	10.91%	13.56%	12.83%	10.64%	11.52%
Other Operating Income	<u>1.08%</u>	<u>3.37%</u>	<u>4.92%</u>	<u>7.32%</u>	<u>9.71%</u>	<u>16.11%</u>	<u>12.15%</u>
TOTAL INCOME	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
<b>OPERATING EXPENSES</b>							
Employee Costs	37.25%	38.40%	32.24%	32.28%	30.20%	26.01%	28.57%
Travel and Conference	1.07%	0.88%	0.94%	0.78%	0.81%	0.30%	0.57%
Office Occupancy	3.28%	3.89%	5.11%	4.45%	4.32%	3.35%	3.92%
General Operations	15.48%	13.75%	12.38%	12.21%	10.77%	7.67%	9.54%
Education and Promotion	0.57%	0.64%	1.89%	2.04%	1.91%	1.89%	1.89%
Loan Servicing	3.43%	1.50%	4.04%	3.00%	4.16%	4.47%	4.19%
Professional Services	5.18%	5.60%	6.29%	4.53%	3.22%	2.93%	3.49%
Member Insurance	4.64%	1.90%	0.44%	0.19%	0.19%	0.07%	0.18%
Operating Fees	2.07%	0.54%	0.57%	0.41%	0.34%	0.18%	0.29%
Miscellaneous	<u>5.56%</u>	<u>3.30%</u>	<u>2.60%</u>	<u>1.31%</u>	<u>1.05%</u>	<u>2.28%</u>	<u>1.86%</u>
TOTAL ADMINISTRATIVE	78.52%	70.40%	66.50%	61.20%	56.96%	49.17%	54.52%
Provision for Loan Loss	<u>4.32%</u>	<u>12.75%</u>	<u>14.22%</u>	<u>8.07%</u>	<u>10.47%</u>	<u>8.97%</u>	<u>9.94%</u>
TOTAL OPERATING EXP.	82.84%	83.15%	80.71%	69.27%	67.44%	58.14%	64.46%
<b>COST OF FUNDS</b>							
Interest on Borrowed Funds	0.01%	0.61%	0.40%	0.56%	2.35%	2.15%	1.91%
Dividends on Savings	<u>20.29%</u>	<u>22.12%</u>	<u>23.42%</u>	<u>25.63%</u>	<u>25.39%</u>	<u>27.57%</u>	<u>26.25%</u>
TOTAL COST OF FUNDS	20.30%	22.73%	23.83%	26.19%	27.74%	29.72%	28.16%
<b>NET INCOME FROM OPERATIONS</b>	-3.14%	-5.88%	-4.54%	4.55%	4.83%	12.14%	7.38%
NON-OPERATING GAIN/LOSS	<u>18.03%</u>	<u>17.83%</u>	<u>16.20%</u>	<u>14.77%</u>	<u>14.93%</u>	<u>10.06%</u>	<u>12.68%</u>
<b>NET INCOME</b>	14.88%	11.95%	11.66%	19.31%	19.76%	22.20%	20.05%
NCUSIF STABILIZATION EXPENSE	19.31%	19.89%	18.44%	16.46%	15.89%	10.06%	13.35%
<b>ADJUSTED NET INCOME (LOSS)</b>	-4.43%	-7.94%	-6.78%	2.85%	3.87%	12.14%	6.70%

**NOTE:** Some small statistical errors may occur due to rounding.

**ANALYSIS OF INCOME AND EXPENSES TO AVERAGE ASSETS  
FOR THE PERIOD ENDING JUNE 30, 2009**

Peer Groups by Assets	<\$2,000,000	\$ 2,000,001- \$10,000,000	\$ 10,000,001- \$50,000,000	\$50,000,001- \$100,000,000	\$100,000,001- \$500,000,000	>\$500,000,000	TOTAL
<b>Number of Credit Unions</b>	51	45	85	21	34	9	245
<b>OPERATING INCOME</b>							
Interest on Loans	3.92%	4.26%	4.51%	4.79%	4.81%	4.67%	4.70%
Less: Interest Refunds	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Income on Investments	0.66%	0.77%	0.67%	0.42%	0.33%	0.24%	0.33%
Income on Trading Securities	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Fee Income	0.07%	0.34%	0.67%	0.89%	0.85%	0.71%	0.76%
Other Operating Income	<u>0.05%</u>	<u>0.19%</u>	<u>0.30%</u>	<u>0.48%</u>	<u>0.64%</u>	<u>1.08%</u>	<u>0.80%</u>
TOTAL INCOME	4.69%	5.56%	6.15%	6.58%	6.63%	6.70%	6.59%
<b>OPERATING EXPENSES</b>							
Employee Costs	1.75%	2.14%	1.98%	2.12%	2.00%	1.74%	1.88%
Travel and Conference	0.05%	0.05%	0.06%	0.05%	0.05%	0.02%	0.04%
Office Occupancy	0.15%	0.22%	0.31%	0.29%	0.29%	0.22%	0.26%
General Operations	0.73%	0.77%	0.76%	0.80%	0.71%	0.51%	0.63%
Education and Promotion	0.03%	0.04%	0.12%	0.13%	0.13%	0.13%	0.12%
Loan Servicing	0.16%	0.08%	0.25%	0.20%	0.28%	0.30%	0.28%
Professional Services	0.24%	0.31%	0.39%	0.30%	0.21%	0.20%	0.23%
Member Insurance	0.22%	0.11%	0.03%	0.01%	0.01%	0.00%	0.01%
Operating Fees	0.10%	0.03%	0.04%	0.03%	0.02%	0.01%	0.02%
Miscellaneous	<u>0.26%</u>	<u>0.18%</u>	<u>0.16%</u>	<u>0.09%</u>	<u>0.07%</u>	<u>0.15%</u>	<u>0.12%</u>
TOTAL ADMINISTRATIVE	3.69%	3.92%	4.09%	4.02%	3.78%	3.30%	3.59%
Provision for Loan Loss	<u>0.20%</u>	<u>0.71%</u>	<u>0.87%</u>	<u>0.53%</u>	<u>0.69%</u>	<u>0.60%</u>	<u>0.66%</u>
TOTAL OPERATING EXP.	3.89%	4.63%	4.96%	4.55%	4.47%	3.90%	4.25%
<b>COST OF FUNDS</b>							
Interest on Borrowed Funds	0.00%	0.03%	0.02%	0.04%	0.16%	0.14%	0.13%
Dividends on Savings	<u>0.95%</u>	<u>1.23%</u>	<u>1.44%</u>	<u>1.69%</u>	<u>1.68%</u>	<u>1.85%</u>	<u>1.73%</u>
TOTAL COST OF FUNDS	0.95%	1.26%	1.46%	1.72%	1.84%	1.99%	1.86%
<b>NET INCOME</b>							
FROM OPERATIONS	-0.15%	-0.33%	-0.28%	0.30%	0.32%	0.81%	0.49%
NON-OPERATING GAIN/LOSS	<u>0.85%</u>	<u>0.99%</u>	<u>1.00%</u>	<u>0.97%</u>	<u>0.99%</u>	<u>0.67%</u>	<u>0.84%</u>
NET INCOME	0.70%	0.66%	0.72%	1.27%	1.31%	1.49%	1.32%
NCUSIF STABILIZATION EXPENSE	<u>0.91%</u>	<u>1.11%</u>	<u>1.13%</u>	<u>1.08%</u>	<u>1.05%</u>	<u>0.67%</u>	<u>0.88%</u>
ADJUSTED NET INCOME (LOSS)	-0.21%	-0.44%	-0.42%	0.19%	0.26%	0.81%	0.44%

*NOTE: Some small statistical errors may occur due to rounding.*

**LOAN DELINQUENCY  
PERIOD ENDING JUNE 30, 2009**

Peer Groups by Assets	\$ 2,000,001- <\$2,000,000	\$ 10,000,001- \$10,000,000	\$ 50,000,001- \$50,000,000	\$100,000,001- \$100,000,000	\$500,000,001- \$500,000,000	\$100,000,001- >\$500,000,000	TOTAL
<b>Number of Credit Unions</b>	51	45	85	21	34	9	245
<b>Loan Delinquency Ratios</b>							
2 - 6 Months Delinquent	1.87%	0.89%	1.09%	0.96%	0.97%	0.86%	0.93%
6 - 12 Months Delinquent	0.76%	0.46%	0.49%	0.39%	0.61%	0.54%	0.54%
Over 12 Months Delinquent	0.97%	0.23%	0.22%	0.35%	0.29%	0.16%	0.22%
Total Delinquent Loans	3.60%	1.58%	1.79%	1.70%	1.86%	1.57%	1.70%
<b>Loan Loss Ratio</b>	0.51%	0.79%	0.49%	0.52%	0.52%	0.49%	0.50%

**ANALYSIS OF LOANS BY TYPE  
PERIOD ENDING MARCH 31, 2009**

Number of Credit Unions	51	45	85	21	34	9	245
<b>Loan Types</b>							
Credit Card Loans	0.05%	1.21%	2.42%	2.01%	1.71%	4.50%	3.19%
Unsecured Loans	10.71%	6.67%	3.50%	2.02%	1.78%	1.95%	2.11%
New Auto Loans	23.26%	12.75%	8.27%	6.16%	4.53%	5.33%	5.50%
Used Auto Loans	43.55%	31.97%	22.17%	19.86%	16.50%	12.82%	15.60%
First Mortgages	7.07%	24.22%	41.91%	45.72%	52.87%	45.62%	47.37%
Other Real Estate	6.42%	15.92%	13.56%	17.05%	13.65%	18.68%	16.41%
Leases	0.00%	0.00%	0.03%	0.05%	0.00%	0.00%	0.01%
All Other Loans	8.94%	7.26%	8.15%	7.13%	8.96%	11.09%	9.82%
Total Loans	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
<b>Real Estate Loan Detail (as a percent of loans)</b>							
First Mortgage - Fixed > 15 yrs.	0.00%	1.95%	2.98%	4.59%	3.68%	2.77%	3.19%
First Mortgage - Fixed - 15 yrs. Or less	0.09%	5.35%	8.17%	10.03%	10.47%	8.39%	9.11%
First Mortgage - Balloon/ Hybrid - > 5 yrs.	0.10%	3.91%	3.34%	2.41%	7.50%	5.06%	5.50%
First Mortgage - Balloon/ Hybrid - 5 yrs. Or less	5.54%	11.60%	19.99%	18.72%	18.02%	16.76%	17.52%
First Mortgage - Other Fixed Rate	1.34%	1.11%	0.45%	0.06%	0.29%	0.50%	0.41%
First Mortgage - Adjustable - 1 yr. or less	0.00%	0.07%	2.32%	3.56%	3.17%	2.37%	2.68%
First Mortgage - Adjustable - > 1 year	0.00%	0.24%	4.66%	6.34%	9.75%	9.77%	8.96%
Other - Closed End Fixed	6.26%	12.37%	7.72%	9.85%	5.54%	7.40%	7.03%
Other - Closed End Adjustable	0.00%	1.64%	2.75%	1.25%	1.66%	0.82%	1.30%
Other - Open End Adjustable	0.16%	1.90%	3.07%	5.86%	5.94%	10.47%	7.90%
Other - Open-End Fixed	0.00%	0.00%	0.02%	0.09%	0.52%	0.00%	0.18%
Other	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total Real Estate (as a percent of loans)	13.49%	40.14%	55.47%	62.76%	66.52%	64.31%	63.78%
Total Real Estate (as a percent of assets)	7.59%	25.44%	37.35%	46.30%	51.72%	51.27%	49.18%

\*This page does not include loans Held for Sale

**NOTE:** Some small statistical errors may occur due to rounding.

**ANALYSIS OF SAVINGS BY TYPE  
PERIOD ENDING JUNE 30, 2009**

Peer Groups by Assets	\$ 2,000,001- <\$2,000,000	\$ 10,000,001- \$10,000,000	\$ 50,000,001- \$50,000,000	\$ 100,000,001- \$100,000,000	\$ 500,000,001- \$500,000,000	\$100,000,001- >\$500,000,000	TOTAL
<b>Number of Credit Unions</b>	51	45	85	21	34	9	245
Share Drafts	0.95%	7.54%	13.20%	12.81%	13.01%	11.99%	12.42%
Regular Shares	85.77%	61.71%	38.78%	25.47%	24.11%	16.11%	22.41%
Money Market Shares	1.51%	3.12%	12.13%	19.92%	21.27%	28.53%	23.52%
Share Certificates	11.13%	22.11%	26.46%	30.65%	31.05%	34.42%	32.04%
IRA Accounts	0.64%	5.19%	8.11%	8.94%	9.22%	8.16%	8.49%
All Other Shares	<u>0.00%</u>	<u>0.33%</u>	<u>1.31%</u>	<u>2.21%</u>	<u>1.34%</u>	<u>0.80%</u>	<u>1.12%</u>
Total Shares	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

**ANALYSIS OF INVESTMENTS BY TYPE  
PERIOD ENDING JUNE 30, 2009**

Peer Groups by Assets	\$ 2,000,001- <\$2,000,000	\$ 10,000,001- \$10,000,000	\$ 50,000,001- \$50,000,000	\$ 100,000,001- \$100,000,000	\$ 500,000,001- \$500,000,000	\$100,000,001- >\$500,000,000	TOTAL
<b>Number of Credit Unions</b>	51	45	85	21	34	9	245
Trading Securities	0.00%	0.00%	0.00%	0.00%	0.04%	0.00%	0.01%
Available for Sale Securities	0.00%	0.00%	7.49%	18.21%	25.96%	58.34%	30.80%
Held-to-Maturity Securities	0.00%	3.44%	2.48%	3.62%	9.04%	1.22%	4.45%
Commercial Banks, S&L's, and Mutual Savings Banks	66.06%	59.54%	70.76%	48.72%	28.21%	3.86%	32.45%
Credit Unions	16.30%	19.94%	5.29%	4.28%	1.13%	0.37%	2.65%
Corporate Credit Unions	15.78%	16.54%	13.20%	24.47%	31.23%	32.21%	26.61%
Other Investments	<u>1.86%</u>	<u>0.53%</u>	<u>0.77%</u>	<u>0.70%</u>	<u>4.38%</u>	<u>4.00%</u>	<u>3.03%</u>
Total Investments	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

**NOTE:** Some small statistical errors may occur due to rounding.