

2011 THIRD QUARTER CREDIT UNION BULLETIN

This bulletin highlights the 2011 third quarter financial trends for Wisconsin's 211 state-chartered credit unions. The analysis is based on data compiled from the September 2011 call reports. This information is provided to keep you informed of current conditions and trends in the Wisconsin credit union industry.

Total assets increased to \$21.8 billion, up from \$20.7 billion as of yearend 2010. The net worth ratio remained strong at 9.84%. Net income was \$84.0 million resulting in a return on average assets ratio of 0.53%.

Loans outstanding grew by \$539 million since yearend 2010 and savings grew by \$1.0 billion resulting in a loan to savings ratio of 86.2%. The delinquency ratio was 1.83% compared to 1.87% as of December 31, 2010.

The financial indicators for Wisconsin's state-chartered credit unions exhibit sound financial performance through September 30, 2011.

Ginger Larson, Director
Office of Credit Unions



**COMPARISON STATEMENTS OF CONDITION
OF WISCONSIN CREDIT UNIONS
SEPTEMBER 30, 2011 and DECEMBER 31, 2010**

	<u>September 30, 2011</u>		<u>December 31, 2010</u>		<u>Increase or Decrease</u>	<u>% Change</u>
Number of Credit Unions	211		223		-12	-5.4%
	<u>AMOUNT</u>	<u>% OF ASSETS</u>	<u>AMOUNT</u>	<u>% OF ASSETS</u>		
ASSETS						
Personal Loans	5,805,434,764	26.6%	5,629,412,171	27.2%	176,022,593	3.1%
Real Estate Loans	<u>10,495,440,178</u>	48.1%	<u>10,132,251,425</u>	49.0%	<u>363,188,753</u>	3.6%
Total Loans	16,300,874,942	74.7%	15,761,663,596	76.2%	539,211,346	3.4%
Allowance for Loan Losses	<u>190,595,118</u>	0.9%	<u>175,430,497</u>	0.8%	<u>15,164,621</u>	8.6%
Net Loans	16,110,279,824	73.8%	15,586,233,099	75.3%	524,046,725	3.4%
Cash	1,644,015,006	7.5%	1,576,233,567	7.6%	67,781,439	4.3%
Investments	2,763,966,402	12.7%	2,253,009,075	10.9%	510,957,327	22.7%
Fixed Assets	640,323,315	2.9%	642,431,825	3.1%	-2,108,510	-0.3%
Other Assets	<u>660,970,567</u>	3.0%	<u>627,511,480</u>	3.0%	<u>33,459,087</u>	5.3%
TOTAL ASSETS	<u><u>21,819,555,114</u></u>	100.0%	<u><u>20,685,419,046</u></u>	100.0%	<u><u>1,134,136,068</u></u>	5.5%
LIABILITIES						
Regular Shares	4,566,892,216	20.9%	4,144,094,488	20.0%	422,797,728	10.2%
Share Drafts	2,728,732,671	12.5%	2,361,380,510	11.4%	367,352,161	15.6%
Other Shares & Deposits	<u>11,722,724,011</u>	53.7%	<u>11,487,522,254</u>	55.5%	<u>235,201,757</u>	2.0%
Total Savings	19,018,348,898	87.2%	17,992,997,252	87.0%	1,025,351,646	5.7%
Notes and Accounts Pay.	660,424,126	3.0%	643,383,287	3.1%	17,040,839	2.6%
Regular Reserve	830,898,562	3.8%	817,327,298	4.0%	13,571,264	1.7%
Other Reserves	<u>1,309,883,528</u>	6.0%	<u>1,231,711,209</u>	6.0%	<u>78,172,319</u>	6.3%
TOTAL LIABILITIES	<u><u>21,819,555,114</u></u>	100.0%	<u><u>20,685,419,046</u></u>	100.0%	<u><u>1,134,136,068</u></u>	5.5%

Note: Some small statistical errors may occur due to rounding.

**STATEMENT OF INCOME
FOR WISCONSIN CREDIT UNIONS
FOR THE PERIOD ENDING SEPTEMBER 30, 2011**

	<u>AMOUNT</u>	<u>% OF GROSS INCOME</u>	<u>% OF AVERAGE ASSETS</u>
INCOME			
Interest on Loans	638,486,180	72.06%	4.01%
Less: Interest Refunds	<u>110,576</u>	0.01%	0.00%
Net Interest Income	638,375,604	72.05%	4.01%
Income on Investments	37,352,566	4.22%	0.23%
Other Income	<u>210,268,016</u>	23.73%	1.32%
TOTAL OPERATING INCOME	885,996,186	100.00%	5.56%
ADMINISTRATIVE EXPENSES			
Employee Costs	278,611,502	31.45%	1.75%
Travel and Conference	4,483,083	0.51%	0.03%
Office Occupancy	40,445,212	4.56%	0.25%
General Operations	94,163,304	10.63%	0.59%
Education and Promotion	19,491,791	2.20%	0.12%
Loan Servicing	43,355,306	4.89%	0.27%
Professional Services	37,874,343	4.27%	0.24%
Member Insurance	45,360,675	5.12%	0.28%
Operating Fees	2,236,989	0.25%	0.01%
Other Operational Expenses	<u>14,995,419</u>	1.69%	0.09%
TOTAL ADMINISTRATIVE	581,017,624	65.58%	3.65%
Provision for Loan Loss	<u>80,610,303</u>	9.10%	0.51%
TOTAL OPERATING EXPENSES	661,627,927	74.68%	4.15%
COST OF ACQUISITION OF FUNDS			
Dividends Paid on Savings	129,577,346	14.63%	0.81%
Interest on Borrowed Funds	<u>9,990,051</u>	1.13%	0.06%
TOTAL COST OF FUNDS	<u>139,567,397</u>	15.75%	0.88%
TOTAL EXPENSES	801,195,324	90.43%	5.03%
NET OPERATING INCOME	84,800,862	9.57%	0.53%
NON-OPERATING GAIN/LOSS	<u>-790,687</u>	-0.09%	0.00%
NET INCOME	84,010,175	9.48%	0.53%
NCUA PREMIUMS AND ASSESSMENTS	43,756,449	4.94%	0.27%
NET INCOME (LOSS)	127,766,624	14.42%	0.80%

Note: Some small statistical errors may occur due to rounding.

**COMPARISON STATEMENTS OF INCOME
FOR WISCONSIN CREDIT UNIONS
FOR THE PERIODS ENDING SEPTEMBER 30, 2011 AND SEPTEMBER 30, 2010**

	2011	% OF AVERAGE	2010	% OF AVERAGE
	<u>AMOUNT</u>	<u>ASSETS</u>	<u>AMOUNT</u>	<u>ASSETS</u>
INCOME				
Interest on Loans	638,486,180	4.01%	651,360,076	4.32%
Less: Interest Refunds	<u>110,576</u>	<u>0.00%</u>	<u>168,899</u>	<u>0.00%</u>
Net Interest Income	638,375,604	4.01%	651,191,177	4.32%
Income on Investments	37,352,566	0.23%	37,759,127	0.25%
Other Income	<u>210,268,016</u>	<u>1.32%</u>	<u>205,306,819</u>	<u>1.36%</u>
TOTAL OPERATING INCOME	885,996,186	5.56%	894,257,123	5.93%
ADMINISTRATIVE EXPENSES				
Employee Costs	278,611,502	1.75%	267,456,175	1.77%
Travel and Conference	4,483,083	0.03%	5,355,466	0.04%
Office Occupancy	40,445,212	0.25%	37,371,015	0.25%
General Operations	94,163,304	0.59%	92,324,512	0.61%
Education and Promotion	19,491,791	0.12%	18,534,696	0.12%
Loan Servicing	43,355,306	0.27%	39,443,936	0.26%
Professional Services	37,874,343	0.24%	34,301,848	0.23%
Member Insurance*	45,360,675	0.28%	22,073,667	0.15%
Operating Fees	2,236,989	0.01%	2,190,196	0.01%
Other Operational Expenses	<u>14,995,419</u>	<u>0.09%</u>	<u>15,142,704</u>	<u>0.10%</u>
TOTAL ADMINISTRATIVE	581,017,624	3.65%	534,194,215	3.54%
Provision for Loan Loss	<u>80,610,303</u>	<u>0.51%</u>	<u>80,869,626</u>	<u>0.54%</u>
TOTAL OPERATING EXPENSES	661,627,927	4.15%	615,063,841	4.08%
COST OF ACQUISITION OF FUNDS				
Dividends Paid on Savings	129,577,346	0.81%	171,286,188	1.14%
Interest on Borrowed Funds	<u>9,990,051</u>	<u>0.06%</u>	<u>13,385,569</u>	<u>0.09%</u>
TOTAL COST OF FUNDS	<u>139,567,397</u>	<u>0.88%</u>	<u>184,671,757</u>	<u>1.22%</u>
TOTAL EXPENSES	801,195,324	5.03%	799,735,598	5.30%
NET OPERATING INCOME	84,800,862	0.53%	94,521,525	0.63%
NON-OPERATING GAIN/LOSS	<u>-790,687</u>	<u>0.00%</u>	<u>-6,801,068</u>	<u>-0.05%</u>
NET INCOME	84,010,175	0.53%	87,720,457	0.58%
NCUA PREMIUMS & ASSESSMENTS*	43,756,449	0.27%	22,627,521	0.15%
NET INCOME (LOSS)	127,766,624	0.80%	65,092,936	0.43%

*Includes Temporary Corporate CU Stabilization Fund Assessment in 2011

Note: Some small statistical errors may occur due to rounding.

**SIGNIFICANT OPERATIONAL RATIOS
FOR ALL WISCONSIN CREDIT UNIONS
2006-2011**

	2006	2007	2008	2009	2010	2011
Number of Credit Unions	267	260	250	236	223	211
CAPITAL ADEQUACY						
Net Worth/Total Assets	11.17%	11.19%	10.68%	10.08%	9.99%	9.84%
Total Delinquency/Net Worth	7.91%	9.17%	10.96%	15.53%	14.30%	13.91%
Solvency Evaluation	113.20%	113.21%	112.58%	111.55%	111.38%	111.25%
Classified Assets/Net Worth	4.71%	5.11%	5.94%	7.91%	8.49%	8.88%
ASSET QUALITY						
Delinquent Loans/Loans	1.09%	1.27%	1.44%	2.01%	1.87%	1.83%
Net Charge Offs/Avg. Loans	0.31%	0.31%	0.38%	0.66%	0.60%	0.59%
EARNINGS (to Average Assets)						
Return on Average Assets	0.70%	0.70%	0.53%	0.46%	0.47%	0.53%
Net Operating Expense	2.84%	2.85%	2.87%	2.78%	3.00%	2.95%
Fixed Assets+FRA's**/Assets	3.00%	3.08%	2.99%	3.11%	3.11%	2.93%
Gross Income	7.01%	7.44%	7.07%	6.47%	6.02%	5.56%
Cost of Funds	2.45%	2.79%	2.38%	1.71%	1.19%	0.88%
Operating Exp. (less PLL)	3.62%	3.65%	3.66%	3.54%	3.67%	3.65%
Net Interest Margin	3.31%	3.33%	3.35%	3.25%	3.37%	3.36%
PLL	0.28%	0.32%	0.42%	0.73%	0.63%	0.51%
ASSET-LIABILITY MANAGEMENT						
Net Long Term Assets/Assets	26.32%	28.34%	39.03%	31.32%	30.42%	31.58%
Shares/Savings+Borrowings	22.82%	20.63%	20.04%	20.48%	22.80%	23.72%
Loans/Savings	96.66%	95.90%	97.48%	90.69%	88.05%	86.20%
Loans/Assets	81.21%	80.57%	81.08%	78.04%	76.20%	74.71%
Cash + ST Invest./Assets	9.79%	10.12%	9.04%	11.41%	11.86%	11.98%
OTHER RATIOS						
Savings Growth	6.62%	5.57%	8.98%	11.58%	6.92%	7.68%
Net Worth Growth	6.26%	5.92%	4.83%	4.09%	5.76%	5.23%
Loan Growth	5.66%	4.87%	10.61%	4.38%	3.23%	4.61%
Asset Growth	5.75%	5.72%	9.91%	8.63%	5.71%	7.38%
Investments/Assets	7.74%	8.04%	8.67%	10.33%	10.89%	12.67%
Employee Cost/Gross Inc.	27.16%	25.83%	27.14%	28.68%	29.86%	31.45%
Employee Cost/ Avg. Assets	1.90%	1.92%	1.92%	1.86%	1.80%	1.75%
Average Loan Balance	\$11,030	\$11,306	\$11,777	\$11,535	\$11,706	\$11,929
Average Savings Balance	\$3,386	\$3,473	\$3,661	\$4,023	\$4,211	\$4,340

****Foreclosed and Repossessed Assets**

Note: Some small statistical errors may occur due to rounding.

**SIGNIFICANT OPERATIONAL RATIOS
FOR THE PERIOD ENDING SEPTEMBER 30, 2011**

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	\$100,000,001- \$500,000,000	>\$500,000,000	TOTAL
Number of Credit Unions	31	33	83	22	33	9	211
CAPITAL ADEQUACY							
Net Worth/Total Assets	20.92%	15.76%	11.79%	10.93%	10.19%	9.04%	9.84%
Net Worth/PCA Optional Total Assets	20.92%	15.77%	11.79%	10.94%	10.20%	9.05%	9.85%
Total Delinquency/Net Worth	6.69%	7.31%	9.30%	8.57%	13.75%	16.12%	13.91%
Solvency Evaluation	126.55%	118.85%	113.34%	112.47%	111.62%	110.37%	111.25%
Classified Assets/Net Worth	5.21%	3.95%	7.09%	5.53%	9.71%	9.42%	8.88%
ASSET QUALITY							
Delinquent Loans/Loans	2.47%	2.13%	1.76%	1.34%	1.84%	1.89%	1.83%
Net Charge Offs/Avg. Loans	0.57%	0.69%	0.58%	0.39%	0.56%	0.64%	0.59%
Fair Value/Amortized Cost for HTM	N/A	92.39%	100.16%	100.05%	100.52%	100.23%	100.34%
Accumulated Unrealized Gains or Losses on AFS/Amortized Cost AFS	N/A	N/A	0.86%	2.05%	-0.14%	1.25%	1.10%
Delinquent Loans/Assets	1.40%	1.15%	1.10%	0.94%	1.40%	1.46%	1.37%
EARNINGS (to Average Assets)							
Return on Average Assets	-0.13%	-0.38%	-0.15%	0.37%	0.35%	0.79%	0.53%
ROAA Excluding NCUA expenses	0.13%	-0.10%	0.14%	0.65%	0.63%	1.06%	0.80%
Gross Income	4.27%	4.33%	5.02%	5.36%	5.72%	5.61%	5.56%
Yield on Average Loans	6.52%	6.13%	5.89%	5.64%	5.46%	5.09%	5.31%
Yield on Average Investments	0.80%	1.19%	1.28%	1.60%	1.23%	1.23%	1.27%
Fee & Other Op. Income	0.14%	0.41%	0.88%	1.01%	1.33%	1.45%	1.32%
Cost of Funds	0.53%	0.50%	0.59%	0.80%	0.93%	0.91%	0.88%
Net Margin	3.73%	3.83%	4.43%	4.56%	4.79%	4.70%	4.68%
Operating Exp. (less PLL)	3.78%	3.71%	4.05%	3.80%	3.89%	3.41%	3.65%
PLL	0.20%	0.50%	0.46%	0.37%	0.52%	0.53%	0.51%
Net Interest Margin	3.59%	3.42%	3.55%	3.55%	3.46%	3.25%	3.36%
Operating Exp./Gross Income	88.54%	85.64%	80.64%	70.84%	68.03%	60.81%	65.58%
Fixed Assets + FRA's**/Assets	0.08%	1.18%	2.59%	3.15%	3.65%	2.58%	2.93%
Net Operating Expense	3.71%	3.42%	3.45%	3.14%	3.12%	2.72%	2.95%

**SIGNIFICANT OPERATIONAL RATIOS
FOR THE PERIOD ENDING SEPTEMBER 30, 2011**

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	\$100,000,001- \$500,000,000	\$500,000,001- >\$500,000,000	TOTAL
Number of Credit Unions	31	33	83	22	33	9	211
ASSET-LIABILITY MANAGEMENT							
Net Long Term Assets/Assets	1.62%	14.60%	16.38%	23.38%	32.11%	35.29%	31.58%
Shares/Savings + Borrowings	78.69%	68.97%	44.12%	28.02%	25.50%	18.00%	23.72%
Loans/Savings	71.83%	64.64%	71.36%	80.77%	88.00%	88.74%	86.20%
Loans/Assets	56.59%	54.02%	62.26%	70.12%	76.00%	77.02%	74.71%
Cash + ST Invest./Assets	36.13%	29.24%	22.50%	14.35%	11.89%	9.63%	11.98%
Shares, Deposits & Borrowings/Earning Assets	79.22%	86.18%	92.87%	93.99%	95.34%	94.99%	94.75%
Shares + Drafts/Savings + Borrowings	80.78%	74.41%	59.06%	42.13%	39.80%	31.44%	37.53%
Borrowings/Shares & Net Worth	0.04%	0.04%	0.14%	0.55%	2.03%	2.52%	1.99%
OTHER RATIOS							
Net Worth Growth	-0.44%	-2.32%	-1.47%	3.33%	3.23%	8.76%	5.23%
Savings Growth	2.61%	5.89%	5.19%	5.80%	7.21%	8.69%	7.68%
Loan Growth	1.90%	-2.95%	-1.64%	3.17%	3.15%	6.66%	4.61%
Asset Growth	1.85%	4.38%	4.26%	5.27%	6.00%	9.12%	7.38%
Investment Growth	-45.01%	-0.87%	15.59%	20.73%	27.30%	20.73%	20.91%
Investments/Assets	20.15%	30.16%	23.37%	18.10%	10.89%	10.90%	12.67%
Employee Cost/Gross Inc.	41.25%	41.74%	36.64%	34.36%	33.47%	28.90%	31.45%
Employee Cost/ Avg. Assets	1.76%	1.81%	1.84%	1.84%	1.91%	1.62%	1.75%
Average Loan Balance	\$5,487	\$7,811	\$9,770	\$12,171	\$14,591	\$11,145	\$11,929
Average Savings Balance	\$2,058	\$3,020	\$3,295	\$3,835	\$4,218	\$4,808	\$4,340

****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 SEPTEMBER 30, 2011**

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	>\$500,000,000	TOTAL
Number of Credit Unions	31	33	83	22	33	9	211
OPERATING INCOME							
Interest on Loans	86.50%	78.57%	74.62%	74.42%	73.31%	70.51%	72.06%
Less: Interest Refunds	0.00%	0.00%	0.04%	0.05%	0.02%	0.00%	0.01%
Income on Investments	10.12%	12.06%	7.92%	6.75%	3.46%	3.67%	4.22%
Income on Trading Securities	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Fee Income	1.63%	6.76%	12.04%	12.30%	13.46%	12.22%	12.56%
Other Operating Income	<u>1.75%</u>	<u>2.61%</u>	<u>5.47%</u>	<u>6.58%</u>	<u>9.78%</u>	<u>13.61%</u>	<u>11.17%</u>
TOTAL INCOME	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
OPERATING EXPENSES							
Employee Costs	41.25%	41.74%	36.64%	34.36%	33.47%	28.90%	31.45%
Travel and Conference	0.98%	0.65%	0.84%	0.87%	0.60%	0.35%	0.51%
Office Occupancy	2.82%	4.22%	5.97%	4.85%	4.95%	4.08%	4.56%
General Operations	19.50%	16.60%	14.18%	11.96%	11.58%	9.24%	10.63%
Education and Promotion	0.87%	0.42%	1.70%	2.09%	2.15%	2.34%	2.20%
Loan Servicing	1.97%	1.71%	4.85%	2.76%	4.57%	5.41%	4.89%
Professional Services	5.64%	7.61%	7.53%	6.54%	3.71%	3.77%	4.27%
Member Insurance	8.65%	7.67%	6.12%	5.34%	5.05%	4.94%	5.12%
Operating Fees	1.65%	0.99%	0.49%	0.29%	0.27%	0.19%	0.25%
Miscellaneous	<u>5.21%</u>	<u>4.06%</u>	<u>2.32%</u>	<u>1.77%</u>	<u>1.66%</u>	<u>1.57%</u>	<u>1.69%</u>
TOTAL ADMINISTRATIVE	88.54%	85.64%	80.64%	70.84%	68.03%	60.81%	65.58%
Provision for Loan Loss	<u>4.69%</u>	<u>11.64%</u>	<u>9.16%</u>	<u>6.92%</u>	<u>9.05%</u>	<u>9.39%</u>	<u>9.10%</u>
TOTAL OPERATING EXP.	93.23%	97.28%	89.81%	77.76%	77.07%	70.19%	74.68%
COST OF FUNDS							
Interest on Borrowed Funds	0.00%	0.01%	0.05%	0.14%	1.41%	1.27%	1.13%
Dividends on Savings	<u>12.50%</u>	<u>11.57%</u>	<u>11.78%</u>	<u>14.80%</u>	<u>14.79%</u>	<u>14.98%</u>	<u>14.63%</u>
TOTAL COST OF FUNDS	12.50%	11.58%	11.83%	14.95%	16.19%	16.25%	15.75%
NET INCOME FROM OPERATIONS	-5.73%	-8.85%	-1.64%	7.29%	6.73%	13.56%	9.57%
NON-OPERATING GAIN/LOSS	<u>2.79%</u>	<u>0.15%</u>	<u>-1.29%</u>	<u>-0.39%</u>	<u>-0.68%</u>	<u>0.49%</u>	<u>-0.09%</u>
NET INCOME	-2.95%	-8.71%	-2.93%	6.90%	6.05%	14.04%	9.48%
NCUA EXPENSES	6.09%	6.30%	5.72%	5.22%	4.90%	4.79%	4.94%
ADJUSTED NET INCOME (LOSS)	3.14%	-2.40%	2.79%	12.13%	10.95%	18.83%	14.42%

Note: Some small statistical errors may occur due to rounding.

**ANALYSIS OF INCOME AND EXPENSES TO AVERAGE ASSETS
FOR THE PERIOD ENDING SEPTEMBER 30, 2011**

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	>\$500,000,000	TOTAL
Number of Credit Unions	31	33	83	22	33	9	211
OPERATING INCOME							
Interest on Loans	3.69%	3.40%	3.75%	3.99%	4.19%	3.95%	4.01%
Less: Interest Refunds	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Income on Investments	0.43%	0.52%	0.40%	0.36%	0.20%	0.21%	0.23%
Income on Trading Securities	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Fee Income	0.07%	0.29%	0.60%	0.66%	0.77%	0.69%	0.70%
Other Operating Income	<u>0.07%</u>	<u>0.11%</u>	<u>0.27%</u>	<u>0.35%</u>	<u>0.56%</u>	<u>0.76%</u>	<u>0.62%</u>
TOTAL INCOME	4.27%	4.33%	5.02%	5.36%	5.72%	5.61%	5.56%
OPERATING EXPENSES							
Employee Costs	1.76%	1.81%	1.84%	1.84%	1.91%	1.62%	1.75%
Travel and Conference	0.04%	0.03%	0.04%	0.05%	0.03%	0.02%	0.03%
Office Occupancy	0.12%	0.18%	0.30%	0.26%	0.28%	0.23%	0.25%
General Operations	0.83%	0.72%	0.71%	0.64%	0.66%	0.52%	0.59%
Education and Promotion	0.04%	0.02%	0.09%	0.11%	0.12%	0.13%	0.12%
Loan Servicing	0.08%	0.07%	0.24%	0.15%	0.26%	0.30%	0.27%
Professional Services	0.24%	0.33%	0.38%	0.35%	0.21%	0.21%	0.24%
Member Insurance	0.37%	0.33%	0.31%	0.29%	0.29%	0.28%	0.28%
Operating Fees	0.07%	0.04%	0.02%	0.02%	0.02%	0.01%	0.01%
Miscellaneous	<u>0.22%</u>	<u>0.18%</u>	<u>0.12%</u>	<u>0.10%</u>	<u>0.10%</u>	<u>0.09%</u>	<u>0.09%</u>
TOTAL ADMINISTRATIVE	3.78%	3.71%	4.05%	3.80%	3.89%	3.41%	3.65%
Provision for Loan Loss	<u>0.20%</u>	<u>0.50%</u>	<u>0.46%</u>	<u>0.37%</u>	<u>0.52%</u>	<u>0.53%</u>	<u>0.51%</u>
TOTAL OPERATING EXP.	3.98%	4.21%	4.51%	4.17%	4.41%	3.94%	4.15%
COST OF FUNDS							
Interest on Borrowed Funds	0.00%	0.00%	0.00%	0.01%	0.08%	0.07%	0.06%
Dividends on Savings	<u>0.53%</u>	<u>0.50%</u>	<u>0.59%</u>	<u>0.79%</u>	<u>0.85%</u>	<u>0.84%</u>	<u>0.81%</u>
TOTAL COST OF FUNDS	0.53%	0.50%	0.59%	0.80%	0.93%	0.91%	0.88%
NET INCOME FROM OPERATIONS	-0.24%	-0.38%	-0.08%	0.39%	0.39%	0.76%	0.53%
NON-OPERATING GAIN/LOSS	<u>0.12%</u>	<u>0.01%</u>	<u>-0.06%</u>	<u>-0.02%</u>	<u>-0.04%</u>	<u>0.03%</u>	<u>-0.01%</u>
NET INCOME	-0.13%	-0.38%	-0.15%	0.37%	0.35%	0.79%	0.52%
NCUA EXPENSES	<u>0.26%</u>	<u>0.27%</u>	<u>0.29%</u>	<u>0.28%</u>	<u>0.28%</u>	<u>0.27%</u>	<u>0.27%</u>
ADJUSTED NET INCOME (LOSS)	0.13%	-0.10%	0.14%	0.65%	0.63%	1.06%	0.80%

Note: Some small statistical errors may occur due to rounding.

**LOAN DELINQUENCY
PERIOD ENDING SEPTEMBER 30, 2011**

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	>\$500,000,000	TOTAL
Number of Credit Unions	31	33	83	22	33	9	211
Loan Delinquency Ratios							
2 - 6 Months Delinquent	1.09%	1.28%	0.90%	0.85%	0.83%	0.84%	0.84%
6 - 12 Months Delinquent	1.00%	0.53%	0.48%	0.32%	0.67%	0.60%	0.59%
Over 12 Months Delinquent	<u>0.39%</u>	<u>0.32%</u>	<u>0.39%</u>	<u>0.16%</u>	<u>0.35%</u>	<u>0.46%</u>	<u>0.40%</u>
Total Delinquent Loans	2.47%	2.13%	1.76%	1.34%	1.84%	1.89%	1.83%
Loan Loss Ratio	0.57%	0.69%	0.58%	0.39%	0.56%	0.64%	0.59%

**ANALYSIS OF LOANS BY TYPE
PERIOD ENDING SEPTEMBER 30, 2011**

Number of Credit Unions	31	33	83	22	33	9	211
Loan Types							
Credit Card Loans	0.20%	0.79%	3.00%	2.39%	1.78%	4.93%	3.61%
Unsecured Loans	8.65%	9.34%	3.26%	1.85%	1.85%	1.80%	1.97%
New Auto Loans	18.46%	12.70%	7.21%	4.96%	3.03%	3.82%	3.96%
Used Auto Loans	48.87%	33.64%	25.38%	20.26%	17.95%	13.91%	16.59%
First Mortgages	8.79%	23.63%	41.65%	52.47%	55.02%	49.36%	50.58%
Other Real Estate	4.31%	10.94%	11.64%	10.77%	11.89%	15.63%	13.80%
Leases	0.01%	0.00%	0.02%	0.00%	0.00%	0.00%	0.00%
All Other Loans	<u>10.72%</u>	<u>8.97%</u>	<u>7.81%</u>	<u>7.29%</u>	<u>8.44%</u>	<u>9.49%</u>	<u>8.89%</u>
Total Loans	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Real Estate Loan Detail (as a percent of loans)							
First Mortgage - Fixed > 15 yrs.	0.00%	3.16%	2.86%	2.69%	3.11%	2.31%	2.63%
First Mortgage - Fixed - 15 yrs. Or less	0.11%	6.02%	7.83%	9.76%	11.39%	11.09%	10.82%
First Mortgage - Balloon/Hybrid - > 5 yrs.	5.25%	6.34%	3.05%	7.36%	7.20%	7.57%	7.10%
First Mortgage - Balloon/Hybrid - 5 yrs. Or less	3.39%	7.87%	19.91%	23.53%	17.59%	19.54%	19.15%
First Mortgage - Other Fixed Rate	0.04%	0.05%	0.33%	0.11%	0.31%	0.55%	0.43%
First Mortgage - Adjustable - 1 year or less	0.00%	0.00%	2.28%	3.39%	4.54%	1.71%	2.74%
First Mortgage - Adjustable - > 1 year	0.00%	0.18%	5.39%	5.64%	10.87%	6.57%	7.72%
Other - Closed End Fixed	3.96%	8.36%	6.22%	4.42%	3.96%	4.65%	4.56%
Other - Closed End Adjustable	0.35%	0.43%	1.68%	1.43%	1.22%	0.55%	0.90%
Other - Open End Adjustable	0.00%	2.15%	3.71%	4.82%	6.54%	10.38%	8.26%
Other - Open-End Fixed	0.00%	0.00%	0.03%	0.11%	0.17%	0.04%	0.09%
Other	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total Real Estate (as a percent of loans)	13.10%	34.57%	53.28%	63.24%	66.91%	64.98%	64.39%
Total Real Estate (as a percent of assets)	7.41%	18.67%	33.17%	44.34%	50.85%	50.05%	48.10%

**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 SEPTEMBER 30, 2011**

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	>\$500,000,000	TOTAL
Number of Credit Unions	31	33	83	22	33	9	211
Share Drafts	2.10%	5.73%	15.16%	14.52%	14.90%	14.00%	14.35%
Regular Shares	78.72%	68.71%	43.99%	27.87%	25.80%	18.31%	24.01%
Money Market Shares	2.32%	1.78%	12.49%	21.30%	24.11%	31.76%	26.69%
Share Certificates	16.23%	19.94%	20.10%	25.44%	25.30%	27.25%	25.82%
IRA Accounts	0.61%	3.48%	7.52%	9.52%	8.99%	8.02%	8.34%
All Other Shares	<u>0.01%</u>	<u>0.35%</u>	<u>0.73%</u>	<u>1.36%</u>	<u>0.91%</u>	<u>0.66%</u>	<u>0.79%</u>
Total Shares	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

**ANALYSIS OF INVESTMENTS BY TYPE
PERIOD ENDING SEPTEMBER 30, 2011**

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	>\$500,000,000	TOTAL
Number of Credit Unions	31	33	83	22	33	9	211
Trading Securities	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Available for Sale Securities	0.00%	0.00%	4.63%	29.91%	20.85%	63.60%	37.97%
Held-to-Maturity Securities	0.00%	0.85%	4.00%	3.18%	9.65%	2.77%	4.79%
Commercial Banks, S&Ls, and Mutual Savings Banks	72.87%	59.15%	72.91%	39.19%	41.44%	9.28%	32.27%
Credit Unions	19.43%	20.39%	6.13%	6.97%	1.57%	0.21%	2.61%
Corporate Credit Unions	6.93%	17.95%	10.56%	17.51%	20.47%	19.43%	18.00%
Other Investments	<u>0.76%</u>	<u>1.65%</u>	<u>1.77%</u>	<u>3.24%</u>	<u>6.03%</u>	<u>4.70%</u>	<u>4.36%</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.