

2012 THIRD QUARTER CREDIT UNION BULLETIN

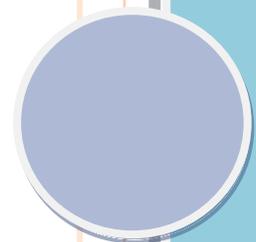
This bulletin highlights the 2012 third quarter financial trends for Wisconsin's 188 state-chartered credit unions. The analysis is based on data compiled from the September 2012 call reports. This information is provided to keep you informed of current conditions and trends in the Wisconsin credit union industry.

Total assets increased to \$23.1 billion, up from \$21.9 billion as of yearend 2011. The net worth ratio remained strong at 10.09%. Net income was \$164.7 million resulting in a return on average assets ratio of 0.98%.

Loans outstanding grew by \$480 million since yearend 2011 and savings grew by \$1.1 billion resulting in a loan to savings ratio of 84.5%. The delinquency ratio was 1.50% compared to 1.83% as of December 31, 2011.

The financial indicators for Wisconsin's state-chartered credit unions exhibit sound financial performance through September 30, 2012.

Ginger Larson, Director
Office of Credit Unions



**COMPARISON STATEMENTS OF CONDITION
OF WISCONSIN CREDIT UNIONS
SEPTEMBER 30, 2012 and DECEMBER 31, 2011**

	<u>September 30, 2012</u>		<u>December 31, 2011</u>		<u>Increase or Decrease</u>	<u>% Change</u>
Number of Credit Unions	188		203		-15	-7.4%
	<u>AMOUNT</u>	<u>% OF ASSETS</u>	<u>AMOUNT</u>	<u>% OF ASSETS</u>		
ASSETS						
Personal Loans	6,134,761,651	26.5%	5,869,625,620	26.8%	265,136,031	4.5%
Real Estate Loans	<u>10,785,208,047</u>	46.6%	<u>10,570,037,055</u>	48.2%	<u>215,170,992</u>	2.0%
Total Loans	16,919,969,698	73.2%	16,439,662,675	75.0%	480,307,023	2.9%
Allowance for Loan Losses	<u>199,298,395</u>	0.9%	<u>200,290,083</u>	0.9%	<u>-991,688</u>	-0.5%
Net Loans	16,720,671,303	72.3%	16,239,372,592	74.1%	481,298,711	3.0%
Cash	1,850,917,427	8.0%	1,500,429,029	6.8%	350,488,398	23.4%
Investments	3,228,993,172	14.0%	2,858,705,183	13.0%	370,287,989	13.0%
Fixed Assets	636,008,494	2.7%	646,196,966	2.9%	-10,188,472	-1.6%
Other Assets	<u>693,344,665</u>	3.0%	<u>670,944,108</u>	3.1%	<u>22,400,557</u>	3.3%
TOTAL ASSETS	<u><u>23,129,935,061</u></u>	100.0%	<u><u>21,915,647,878</u></u>	100.0%	<u><u>1,214,287,183</u></u>	5.5%
LIABILITIES						
Regular Shares	5,219,712,725	22.6%	4,445,525,302	20.3%	774,187,423	17.4%
Share Drafts	2,855,163,992	12.3%	2,840,328,263	13.0%	14,835,729	0.5%
Other Shares & Deposits	<u>12,066,783,347</u>	52.2%	<u>11,794,460,277</u>	53.8%	<u>272,323,070</u>	2.3%
Total Savings	20,141,660,064	87.1%	19,080,313,842	87.1%	1,061,346,222	5.6%
Notes and Accounts Pay.	662,146,698	2.9%	663,150,447	3.0%	-1,003,749	-0.2%
Regular Reserve	841,265,040	3.6%	842,717,990	3.8%	-1,452,950	-0.2%
Other Reserves	<u>1,484,863,259</u>	6.4%	<u>1,329,465,599</u>	6.1%	<u>155,397,660</u>	11.7%
TOTAL LIABILITIES	<u><u>23,129,935,061</u></u>	100.0%	<u><u>21,915,647,878</u></u>	100.0%	<u><u>1,214,287,183</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, 2012**

	<u>AMOUNT</u>	<u>% OF GROSS INCOME</u>	<u>% OF AVERAGE ASSETS</u>
INCOME			
Interest on Loans	621,452,682	67.43%	3.69%
Less: Interest Refunds	<u>108,946</u>	0.01%	0.00%
Net Interest Income	621,343,736	67.42%	3.69%
Income on Investments	34,397,180	3.73%	0.20%
Other Income	<u>265,877,829</u>	28.85%	1.58%
TOTAL OPERATING INCOME	921,618,745	100.00%	5.48%
ADMINISTRATIVE EXPENSES			
Employee Costs	295,603,686	32.07%	1.76%
Travel and Conference	5,392,244	0.59%	0.03%
Office Occupancy	40,075,899	4.35%	0.24%
General Operations	96,618,551	10.48%	0.57%
Education and Promotion	20,766,398	2.25%	0.12%
Loan Servicing	44,846,573	4.87%	0.27%
Professional Services	38,201,460	4.15%	0.23%
Member Insurance	18,702,996	2.03%	0.11%
Operating Fees	2,399,889	0.26%	0.01%
Other Operational Expenses	<u>15,715,488</u>	1.71%	0.09%
TOTAL ADMINISTRATIVE	578,323,184	62.75%	3.44%
Provision for Loan Loss	<u>67,926,421</u>	7.37%	0.40%
TOTAL OPERATING EXPENSES	646,249,605	70.12%	3.84%
Dividends Paid on Savings	99,382,204	10.78%	0.59%
Interest on Borrowed Funds	<u>8,399,016</u>	0.91%	0.05%
TOTAL COST OF FUNDS	107,781,220	11.69%	0.64%
TOTAL EXPENSES	754,030,825	81.82%	4.48%
NET OPERATING INCOME	167,587,920	18.18%	1.00%
NON-OPERATING GAIN/LOSS	<u>-2,826,356</u>	-0.31%	-0.02%
NET INCOME	164,761,564	17.88%	0.98%
NCUA PREMIUMS AND ASSESSMENTS	17,759,126	1.93%	0.11%
NET INCOME (LOSS)	182,520,690	19.80%	1.08%

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

**COMPARISON STATEMENTS OF INCOME
FOR WISCONSIN CREDIT UNIONS
FOR THE PERIODS ENDING SEPTEMBER 30, 2012 AND SEPTEMBER 30, 2011**

	2012	% OF AVERAGE ASSETS	2011	% OF AVERAGE ASSETS
	<u>AMOUNT</u>		<u>AMOUNT</u>	
INCOME				
Interest on Loans	621,452,682	3.69%	638,486,180	4.01%
Less: Interest Refunds	<u>108,946</u>	<u>0.00%</u>	<u>110,576</u>	<u>0.00%</u>
Net Interest Income	621,343,736	3.69%	638,375,604	4.01%
Income on Investments	34,397,180	0.20%	37,352,566	0.23%
Other Income	<u>265,877,829</u>	<u>1.58%</u>	<u>210,268,016</u>	<u>1.32%</u>
TOTAL OPERATING INCOME	921,618,745	5.48%	885,996,186	5.56%
ADMINISTRATIVE EXPENSES				
Employee Costs	295,603,686	1.76%	278,611,502	1.75%
Travel and Conference	5,392,244	0.03%	4,483,083	0.03%
Office Occupancy	40,075,899	0.24%	40,445,212	0.25%
General Operations	96,618,551	0.57%	94,163,304	0.59%
Education and Promotion	20,766,398	0.12%	19,491,791	0.12%
Loan Servicing	44,846,573	0.27%	43,355,306	0.27%
Professional Services	38,201,460	0.23%	37,874,343	0.24%
Member Insurance*	18,702,996	0.11%	45,360,675	0.28%
Operating Fees	2,399,889	0.01%	2,236,989	0.01%
Other Operational Expenses	<u>15,715,488</u>	<u>0.09%</u>	<u>14,995,419</u>	<u>0.09%</u>
TOTAL ADMINISTRATIVE	578,323,184	3.44%	581,017,624	3.65%
Provision for Loan Loss	<u>67,926,421</u>	<u>0.40%</u>	<u>80,610,303</u>	<u>0.51%</u>
TOTAL OPERATING EXPENSES	646,249,605	3.84%	661,627,927	4.15%
COST OF ACQUISITION OF FUNDS				
Dividends Paid on Savings	99,382,204	0.59%	129,577,346	0.81%
Interest on Borrowed Funds	<u>8,399,016</u>	<u>0.05%</u>	<u>9,990,051</u>	<u>0.06%</u>
TOTAL COST OF FUNDS	<u>107,781,220</u>	<u>0.64%</u>	<u>139,567,397</u>	<u>0.88%</u>
TOTAL EXPENSES	754,030,825	4.48%	801,195,324	5.03%
NET OPERATING INCOME	167,587,920	1.00%	84,800,862	0.53%
NON-OPERATING GAIN/LOSS	<u>-2,826,356</u>	<u>-0.02%</u>	<u>-790,687</u>	<u>0.00%</u>
NET INCOME	164,761,564	0.98%	84,010,175	0.53%
NCUA PREMIUMS & ASSESSMENTS	17,759,126	0.11%	43,756,449	0.27%
NET INCOME (LOSS)	182,520,690	1.08%	127,766,624	0.80%

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

**SIGNIFICANT OPERATIONAL RATIOS
FOR ALL WISCONSIN CREDIT UNIONS
2007-2012**

	2007	2008	2009	2010	2011	2012
Number of Credit Unions	260	250	236	223	203	188
CAPITAL ADEQUACY						
Net Worth/ Total Assets	11.19%	10.68%	10.08%	9.99%	9.96%	10.09%
Total Delinquency/ Net Worth	9.17%	10.96%	15.53%	14.30%	13.75%	10.86%
Solvency Evaluation	113.21%	112.58%	111.55%	111.38%	111.39%	111.55%
Classified Assets/ Net Worth	5.11%	5.94%	7.91%	8.49%	9.18%	8.54%
ASSET QUALITY						
Delinquent Loans/ Loans	1.27%	1.44%	2.01%	1.87%	1.83%	1.50%
Net Charge Offs/ Avg. Loans	0.31%	0.38%	0.66%	0.60%	0.59%	0.47%
EARNINGS (to Average Assets)						
Return on Average Assets	0.70%	0.53%	0.46%	0.47%	0.59%	0.98%
Net Operating Expense	2.85%	2.87%	2.78%	3.00%	2.86%	2.69%
Fixed Assets+FRA's**/ Assets	3.08%	2.99%	3.11%	3.11%	2.95%	2.80%
Gross Income	7.44%	7.07%	6.47%	6.02%	5.59%	5.48%
Cost of Funds	2.79%	2.38%	1.71%	1.19%	0.86%	0.64%
Operating Exp. (less PLL)	3.65%	3.66%	3.54%	3.67%	3.58%	3.44%
Net Interest Margin	3.33%	3.35%	3.25%	3.37%	3.35%	3.26%
PLL	0.32%	0.42%	0.73%	0.63%	0.55%	0.40%
ASSET-LIABILITY MANAGEMENT						
Net Long Term Assets/ Assets	28.34%	39.03%	31.32%	30.42%	30.62%	30.68%
Shares/ Savings+Borrowings	20.63%	20.04%	20.48%	22.80%	23.05%	25.69%
Loans/ Savings	95.90%	97.48%	90.69%	88.05%	86.68%	84.54%
Loans/ Assets	80.57%	81.08%	78.04%	76.20%	75.01%	73.15%
Cash + ST Invest./ Assets	10.12%	9.04%	11.41%	11.86%	11.50%	13.30%
OTHER RATIOS						
Savings Growth	5.57%	8.98%	11.58%	6.92%	6.10%	8.66%
Net Worth Growth	5.92%	4.83%	4.09%	5.76%	5.70%	9.81%
Loan Growth	4.87%	10.61%	4.38%	3.23%	4.34%	4.83%
Asset Growth	5.72%	9.91%	8.63%	5.71%	6.00%	8.54%
Investments/ Assets	8.04%	8.67%	10.28%	10.89%	13.04%	13.96%
Employee Cost/ Gross Inc.	25.83%	27.14%	28.68%	29.86%	31.32%	32.07%
Employee Cost/ Avg. Assets	1.92%	1.92%	1.86%	1.80%	1.75%	1.76%
Average Loan Balance	\$11,306	\$11,777	\$11,535	\$11,706	\$11,640	\$12,099
Average Savings Balance	\$3,473	\$3,661	\$4,023	\$4,211	\$4,330	\$4,505

***Foreclosed and Repossessed Assets*

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

**SIGNIFICANT OPERATIONAL RATIOS
FOR THE PERIOD ENDING SEPTEMBER 30, 2012**

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	
Number of Credit Unions	26	29	67	24	32	10	188
CAPITAL ADEQUACY							
Net Worth/Total Assets	20.91%	15.85%	12.20%	10.83%	10.57%	9.43%	10.09%
Net Worth/PCA Optional Total Assets	20.91%	15.85%	12.20%	10.83%	10.59%	9.43%	10.10%
Total Delinquency/Net Worth	6.95%	6.52%	6.61%	10.60%	11.69%	11.19%	10.86%
Solvency Evaluation	126.54%	118.92%	114.00%	112.30%	112.00%	110.84%	111.55%
Classified Assets/Net Worth	5.98%	3.70%	6.17%	6.67%	8.66%	9.21%	8.54%
ASSET QUALITY							
Delinquent Loans/Loans	2.72%	1.92%	1.37%	1.65%	1.67%	1.40%	1.50%
Net Charge Offs/Avg. Loans	0.52%	0.44%	0.44%	0.49%	0.40%	0.51%	0.47%
Fair Value/Amortized Cost for HTM	N/A	100.54%	100.07%	101.49%	99.95%	100.48%	100.37%
Losses on AFS/Amortized Cost AFS	N/A	N/A	1.54%	1.87%	0.43%	1.10%	1.06%
Delinquent Loans/Assets	1.45%	1.03%	0.81%	1.15%	1.24%	1.05%	1.10%
EARNINGS (to Average Assets)							
Return on Average Assets	-0.42%	0.06%	0.29%	0.59%	0.66%	1.29%	0.98%
ROAA Excluding NCUA expenses	-0.33%	0.17%	0.38%	0.69%	0.77%	1.39%	1.08%
Gross Income	3.86%	4.04%	4.56%	5.11%	5.43%	5.68%	5.48%
Yield on Average Loans	6.19%	5.71%	5.51%	5.28%	5.14%	4.81%	4.98%
Yield on Average Investments	0.93%	1.05%	0.93%	1.21%	0.89%	1.07%	1.01%
Fee & Other Op. Income	0.12%	0.43%	0.91%	1.13%	1.43%	1.81%	1.58%
Cost of Funds	0.44%	0.34%	0.41%	0.58%	0.66%	0.67%	0.64%
Net Margin	3.42%	3.70%	4.15%	4.54%	4.77%	5.01%	4.84%
Operating Exp. (less PLL)	3.47%	3.41%	3.60%	3.67%	3.72%	3.24%	3.44%
PLL	0.49%	0.23%	0.25%	0.27%	0.33%	0.48%	0.40%
Net Interest Margin	3.30%	3.27%	3.24%	3.41%	3.34%	3.20%	3.26%
Operating Exp./Gross Income	90.07%	84.35%	78.88%	71.85%	68.58%	57.10%	62.75%
Fixed Assets+FRA's**/Assets	0.22%	1.06%	2.10%	3.23%	3.39%	2.55%	2.80%
Net Operating Expense	3.40%	3.11%	3.00%	3.02%	2.92%	2.49%	2.69%
ASSET-LIABILITY MANAGEMENT							
Net Long Term Assets/Assets	3.88%	14.00%	15.90%	24.92%	31.17%	33.18%	30.68%
Shares/Savings+Borrowings	85.00%	70.62%	46.01%	30.93%	28.18%	20.87%	25.69%
Loans/Savings	67.94%	64.43%	68.12%	80.05%	85.81%	86.68%	84.54%
Loans/Assets	53.53%	53.94%	58.94%	69.67%	73.93%	75.16%	73.15%
Cash + ST Invest./Assets	32.41%	27.45%	24.23%	14.42%	12.95%	11.84%	13.30%
Borrowings/Earning Assets	79.22%	86.22%	91.40%	93.92%	94.94%	94.01%	94.01%
Shares + Drafts/Savings+Borrowings	86.07%	76.53%	60.79%	47.28%	42.79%	33.72%	39.36%
Borrowings/Shares & Net Worth	0.00%	0.06%	0.17%	0.24%	1.48%	2.14%	1.66%

**SIGNIFICANT OPERATIONAL RATIOS
FOR THE PERIOD ENDING SEPTEMBER 30, 2012**

Peer Groups by Assets	\$ 2,000,001-		\$ 10,000,001-		\$ 50,000,001-		\$ 100,000,001-	
	<\$2,000,000	\$10,000,000	\$50,000,000	\$100,000,000	\$500,000,000	>\$500,000,000	TOTAL	
Number of Credit Unions	26	29	67	24	32	10	188	
OTHER RATIOS								
Net Worth Growth	-2.12%	0.40%	2.53%	5.25%	6.22%	14.08%	9.81%	
Savings Growth	2.39%	6.05%	5.48%	6.20%	5.67%	10.96%	8.66%	
Loan Growth	2.06%	1.77%	1.42%	3.91%	2.73%	6.34%	4.83%	
Asset Growth	1.49%	5.19%	5.43%	6.55%	5.15%	10.99%	8.54%	
Investment Growth	2.22%	-13.68%	-6.71%	28.08%	6.54%	44.05%	23.54%	
Investments/Assets	25.82%	31.02%	27.99%	18.52%	12.34%	12.30%	13.96%	
Employee Cost/Gross Inc.	41.63%	43.42%	37.75%	36.26%	36.17%	28.95%	32.07%	
Employee Cost/ Avg. Assets	1.61%	1.75%	1.72%	1.85%	1.96%	1.64%	1.76%	
Average Loan Balance	\$7,036	\$8,079	\$10,078	\$12,098	\$14,917	\$11,327	\$12,099	
Average Savings Balance	\$2,313	\$3,077	\$3,467	\$3,840	\$4,329	\$4,922	\$4,505	

****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, 2012**

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	26	29	67	24	32	10	188
OPERATING INCOME							
Interest on Loans	85.74%	77.19%	72.36%	72.70%	70.53%	64.74%	67.43%
Less: Interest Refunds	0.00%	0.00%	0.05%	0.05%	0.02%	0.00%	0.01%
Income on Investments	11.05%	12.16%	7.79%	5.30%	3.15%	3.35%	3.73%
Income on Trading Securities	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Fee Income	2.00%	7.31%	12.97%	12.87%	14.76%	13.25%	13.60%
Other Operating Income	<u>1.21%</u>	<u>3.34%</u>	<u>6.93%</u>	<u>9.17%</u>	<u>11.57%</u>	<u>18.66%</u>	<u>15.25%</u>
TOTAL INCOME	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
OPERATING EXPENSES							
Employee Costs	41.63%	43.42%	37.75%	36.26%	36.17%	28.95%	32.07%
Travel and Conference	0.68%	0.92%	0.83%	1.00%	0.76%	0.43%	0.59%
Office Occupancy	3.38%	4.66%	5.27%	5.08%	4.99%	3.86%	4.35%
General Operations	19.86%	17.98%	14.67%	13.18%	11.27%	9.31%	10.48%
Education and Promotion	0.98%	0.46%	1.81%	2.00%	2.35%	2.29%	2.25%
Loan Servicing	1.88%	1.51%	4.97%	3.64%	4.38%	5.26%	4.87%
Professional Services	6.66%	6.52%	8.16%	6.63%	3.79%	3.61%	4.15%
Member Insurance	6.07%	3.94%	2.44%	2.13%	2.09%	1.93%	2.03%
Operating Fees	2.59%	1.09%	0.57%	0.33%	0.31%	0.19%	0.26%
Miscellaneous	<u>6.34%</u>	<u>3.84%</u>	<u>2.42%</u>	<u>1.61%</u>	<u>2.47%</u>	<u>1.26%</u>	<u>1.71%</u>
TOTAL ADMINISTRATIVE	90.07%	84.35%	78.88%	71.85%	68.58%	57.10%	62.75%
Provision for Loan Loss	<u>12.59%</u>	<u>5.80%</u>	<u>5.49%</u>	<u>5.27%</u>	<u>6.03%</u>	<u>8.45%</u>	<u>7.37%</u>
TOTAL OPERATING EXP.	102.66%	90.15%	84.37%	77.12%	74.61%	65.55%	70.12%
COST OF FUNDS							
Interest on Borrowed Funds	0.02%	0.01%	0.04%	0.35%	1.06%	1.00%	0.91%
Dividends on Savings	<u>11.28%</u>	<u>8.48%</u>	<u>8.97%</u>	<u>10.93%</u>	<u>11.13%</u>	<u>10.79%</u>	<u>10.78%</u>
TOTAL COST OF FUNDS	11.30%	8.48%	9.01%	11.28%	12.19%	11.79%	11.69%
NET INCOME FROM OPERATIONS							
	-13.96%	1.37%	6.62%	11.60%	13.20%	22.66%	18.18%
NON-OPERATING GAIN/LOSS							
	<u>3.13%</u>	<u>0.15%</u>	<u>-0.33%</u>	<u>-0.06%</u>	<u>-1.02%</u>	<u>0.00%</u>	<u>-0.31%</u>
NET INCOME							
	-10.84%	1.52%	6.29%	11.54%	12.18%	22.66%	17.88%
NCUA EXPENSES							
	2.16%	2.76%	2.10%	2.00%	1.98%	1.87%	1.93%
ADJUSTED NET INCOME (LOSS)							
	-8.67%	4.28%	8.40%	13.54%	14.16%	24.53%	19.80%

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

**ANALYSIS OF INCOME AND EXPENSES TO AVERAGE ASSETS
FOR THE PERIOD ENDING SEPTEMBER 30, 2012**

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
Number of Credit Unions	26	29	67	24	32	10	188
OPERATING INCOME							
Interest on Loans	3.31%	3.12%	3.30%	3.72%	3.83%	3.68%	3.69%
Less: Interest Refunds	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Income on Investments	0.43%	0.49%	0.36%	0.27%	0.17%	0.19%	0.20%
Income on Trading Securities	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Fee Income	0.08%	0.30%	0.59%	0.66%	0.80%	0.75%	0.74%
Other Operating Income	<u>0.05%</u>	<u>0.14%</u>	<u>0.32%</u>	<u>0.47%</u>	<u>0.63%</u>	<u>1.06%</u>	<u>0.84%</u>
TOTAL INCOME	3.86%	4.04%	4.56%	5.11%	5.43%	5.68%	5.48%
OPERATING EXPENSES							
Employee Costs	1.61%	1.75%	1.72%	1.85%	1.96%	1.64%	1.76%
Travel and Conference	0.03%	0.04%	0.04%	0.05%	0.04%	0.02%	0.03%
Office Occupancy	0.13%	0.19%	0.24%	0.26%	0.27%	0.22%	0.24%
General Operations	0.77%	0.73%	0.67%	0.67%	0.61%	0.53%	0.57%
Education and Promotion	0.04%	0.02%	0.08%	0.10%	0.13%	0.13%	0.12%
Loan Servicing	0.07%	0.06%	0.23%	0.19%	0.24%	0.30%	0.27%
Professional Services	0.26%	0.26%	0.37%	0.34%	0.21%	0.20%	0.23%
Member Insurance	0.23%	0.16%	0.11%	0.11%	0.11%	0.11%	0.11%
Operating Fees	0.10%	0.04%	0.03%	0.02%	0.02%	0.01%	0.01%
Miscellaneous	<u>0.24%</u>	<u>0.16%</u>	<u>0.11%</u>	<u>0.08%</u>	<u>0.13%</u>	<u>0.07%</u>	<u>0.09%</u>
TOTAL ADMINISTRATIVE	3.47%	3.41%	3.60%	3.67%	3.72%	3.24%	3.44%
Provision for Loan Loss	<u>0.49%</u>	<u>0.23%</u>	<u>0.25%</u>	<u>0.27%</u>	<u>0.33%</u>	<u>0.48%</u>	<u>0.40%</u>
TOTAL OPERATING EXP.	3.96%	3.64%	3.85%	3.94%	4.05%	3.72%	3.84%
COST OF FUNDS							
Interest on Borrowed Funds	0.00%	0.00%	0.00%	0.02%	0.06%	0.06%	0.05%
Dividends on Savings	<u>0.44%</u>	<u>0.34%</u>	<u>0.41%</u>	<u>0.56%</u>	<u>0.60%</u>	<u>0.61%</u>	<u>0.59%</u>
TOTAL COST OF FUNDS	0.44%	0.34%	0.41%	0.58%	0.66%	0.67%	0.64%
NET INCOME FROM OPERATIONS	-0.54%	0.06%	0.30%	0.59%	0.72%	1.29%	1.00%
NON-OPERATING GAIN/LOSS	<u>0.12%</u>	<u>0.01%</u>	<u>-0.01%</u>	<u>0.00%</u>	<u>-0.06%</u>	<u>0.00%</u>	<u>-0.02%</u>
NET INCOME	-0.42%	0.06%	0.29%	0.59%	0.66%	1.29%	0.98%
NCUA EXPENSES	<u>0.08%</u>	<u>0.11%</u>	<u>0.10%</u>	<u>0.10%</u>	<u>0.11%</u>	<u>0.11%</u>	<u>0.11%</u>
ADJUSTED NET INCOME (LOSS)	-0.33%	0.17%	0.38%	0.69%	0.77%	1.39%	1.08%

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

**LOAN DELINQUENCY
PERIOD ENDING SEPTEMBER 30, 2012**

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	
Number of Credit Unions	26	29	67	24	32	10	188
Loan Delinquency Ratios							
2 - 6 Months Delinquent	1.74%	1.10%	0.75%	0.84%	0.91%	0.67%	0.76%
6 - 12 Months Delinquent	0.75%	0.44%	0.37%	0.53%	0.44%	0.38%	0.41%
Over 12 Months Delinquent	<u>0.23%</u>	<u>0.38%</u>	<u>0.24%</u>	<u>0.27%</u>	<u>0.32%</u>	<u>0.35%</u>	<u>0.33%</u>
Total Delinquent Loans	2.72%	1.92%	1.37%	1.65%	1.67%	1.40%	1.50%
Loan Loss Ratio	0.52%	0.44%	0.44%	0.49%	0.40%	0.51%	0.47%

**ANALYSIS OF LOANS BY TYPE
PERIOD ENDING SEPTEMBER 30, 2012**

Number of Credit Unions	\$ 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	
Number of Credit Unions	26	29	67	24	32	10	188
Loan Types							
Credit Card Loans	0.00%	0.94%	2.90%	2.42%	1.86%	5.00%	3.79%
Unsecured Loans	10.33%	9.46%	3.52%	1.92%	1.71%	2.05%	2.07%
New Auto Loans	22.58%	13.95%	7.91%	5.54%	3.60%	3.95%	4.24%
Used Auto Loans	49.58%	35.90%	23.71%	20.91%	17.89%	15.68%	17.23%
First Mortgages	3.89%	21.03%	44.54%	51.86%	56.02%	50.27%	51.53%
Other Real Estate	2.13%	10.03%	10.16%	9.66%	10.13%	13.75%	12.21%
Leases	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
All Other Loans	<u>11.49%</u>	<u>8.69%</u>	<u>7.25%</u>	<u>7.67%</u>	<u>8.73%</u>	<u>8.03%</u>	<u>8.17%</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%	4.15%	3.19%	3.88%	3.05%	1.77%	2.37%
First Mortgage - Fixed - 15 yrs. Or less	0.46%	10.19%	8.53%	11.32%	11.65%	14.89%	13.34%
First Mortgage - Balloon/Hybrid - > 5 yrs.	0.00%	1.61%	2.06%	1.94%	7.15%	6.83%	6.29%
First Mortgage - Balloon/Hybrid - 5 yrs. Or less	3.43%	4.89%	22.72%	24.98%	18.42%	16.09%	17.67%
First Mortgage - Other Fixed Rate	0.00%	0.04%	0.38%	0.13%	0.24%	0.49%	0.38%
First Mortgage - Adjustable - 1 year or less	0.00%	0.00%	2.68%	2.72%	5.84%	4.00%	4.34%
First Mortgage - Adjustable - > 1 year	0.00%	0.14%	4.98%	6.89%	9.66%	6.20%	7.14%
Other - Closed End Fixed	2.13%	7.66%	5.13%	4.02%	3.12%	3.81%	3.72%
Other - Closed End Adjustable	0.00%	0.05%	1.62%	1.19%	0.98%	0.66%	0.83%
Other - Open End Adjustable	0.00%	2.28%	3.22%	4.36%	5.86%	9.26%	7.58%
Other - Open-End Fixed	0.00%	0.04%	0.19%	0.09%	0.18%	0.02%	0.08%
Other	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total Real Estate (as a percent of loans)	6.03%	31.06%	54.70%	61.52%	66.15%	64.02%	63.74%
Total Real Estate (as a percent of assets)	3.23%	16.75%	32.24%	42.86%	48.90%	48.11%	46.63%

**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, 2012**

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	
Number of Credit Unions	26	29	67	24	32	10	188
Share Drafts	1.06%	6.18%	15.11%	16.61%	15.17%	13.36%	14.18%
Regular Shares	85.00%	70.41%	45.80%	30.80%	28.33%	21.15%	25.92%
Money Market Shares	1.39%	2.68%	13.28%	20.02%	23.68%	32.30%	27.47%
Share Certificates	11.68%	17.64%	17.96%	22.36%	22.54%	24.79%	23.46%
IRA Accounts	0.87%	2.76%	6.89%	9.20%	8.90%	7.78%	8.10%
All Other Shares	<u>0.00%</u>	<u>0.33%</u>	<u>0.96%</u>	<u>1.01%</u>	<u>1.38%</u>	<u>0.61%</u>	<u>0.88%</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, 2012**

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	
Number of Credit Unions	26	29	67	24	32	10	188
Trading Securities	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Available for Sale Securities	0.00%	0.00%	3.29%	24.38%	23.02%	63.63%	40.49%
Held-to-Maturity Securities	0.00%	0.91%	3.31%	2.33%	3.36%	4.46%	3.76%
Commercial Banks, S&Ls, and Mutual Savings Banks	63.76%	61.65%	72.50%	42.67%	46.33%	12.46%	32.78%
Credit Unions	28.99%	18.70%	5.73%	3.16%	2.05%	0.38%	2.10%
Corporate Credit Unions	7.24%	18.75%	12.15%	23.20%	20.36%	14.01%	16.28%
Other Investments	<u>0.00%</u>	<u>0.00%</u>	<u>3.01%</u>	<u>4.27%</u>	<u>4.88%</u>	<u>5.06%</u>	<u>4.58%</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.

2012 Credit Union Consolidations

Consolidation Date	Absorbed Credit Union	Location	Continuing Credit Union	Location
1/1/2012	Kyle Central	South Milwaukee	Educators	Racine
1/1/2012	Marathon Rothschild	Rothschild	CoVantage	Antigo
1/31/2012	NewVISION	Neenah	Community First	Appleton
2/29/2012	Maple Hill	Wausau	Connexus	Wausau
3/31/2012	Tower	Wausau	Connexus	Wausau
5/1/2012	Metro	Superior	Hermantown Federal	Hermantown, Minnesota
5/18/2012	Wausau Postal Employees	Wausau	CoVantage	Antigo
6/30/2012	Cleaver-Brooks	Milwaukee	AppleTree	West Allis
6/30/2012	Sunrise	Green Bay	Fox Communities	Appleton
6/30/2012	Madison V.A. Employees'	Madison	Dane County	Madison
7/31/2012	Truax	Madison	Heritage	Madison
7/31/2012	A M Community	Kenosha	TruStone Financial Federal	Plymouth, Minnesota
8/1/2012	Franciscan Skemp	La Crosse	Mayo Employees Federal	Rochester, Minnesota
8/31/2012	Rainbow	Lake Tomahawk	Ripco	Rhineland

2012 Credit Union Liquidations

Liquidation Date	Liquidated Credit Union	Location
6/27/2012	Destiny	Milwaukee