



# 2013 MID YEAR CREDIT UNION BULLETIN

## **FINANCIAL PERFORMANCE COMMENTS**

This bulletin highlights the 2013 second quarter financial trends for Wisconsin's 179 state-chartered credit unions. The analysis is based on data compiled from the June 2013 5300 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 \$24.3 billion, up from \$23.3 billion as of yearend 2012. The net worth ratio remained strong at 10.28%. Net income was just over \$110.3 million resulting in a return on average assets ratio of 0.93%.

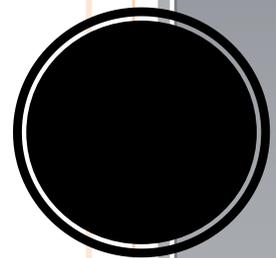
Loans outstanding grew by \$334 million since yearend 2012 and savings grew by \$899 million resulting in a loan to savings ratio of 81.63%. The delinquency ratio was 1.26% compared to 1.36% as of December 31, 2012. The financial indicators for Wisconsin's state-chartered credit unions exhibit sound financial performance through June 30, 2013.

Additional information about consolidations and liquidations for 2013 is included in this bulletin.

## **CORPORATE STABILIZATION EXPENSE**

All federally insured credit unions will be charged 8 basis points of their insured shares, as of June 30, 2013, for their contribution to the Temporary Corporate Credit Union Stabilization Fund. The 2013 assessment was declared by the National Credit Union Administration (NCUA) Board at their July meeting. The payment will be due by October 16, 2013. Credit unions should expense the assessment in August and report the entire expense on the September 30, 2013 5300 call report (account code 311 on page 5, Statement of Income and Expense). Please refer to NCUA Letter to Credit Unions No. 13-CU-06 for additional information.

Kim Santos, Director  
Office of Credit Unions



## 2013 CONSOLIDATIONS

<b>Consolidation Date</b>	<b>Absorbed Credit Union</b>	<b>Location</b>	<b>Continuing Credit Union</b>	<b>Location</b>
3/20/2013	Medical Empls.	Sheboygan	UnitedOne	Manitowoc
3/31/2013	MET	Eau Claire	Marine	Onalaska
3/31/2013	Lakeside	Oak Creek	Educators	Racine
4/1/2013	Ladish Community	Cudahy	TruStone Financial Federal	Plymouth, MN
4/30/2013	Eau Claire Press	Eau Claire	Marine	Onalaska
4/30/2013	Price	Prentice	Heritage	Madison
4/30/2013	Badger Campus	Madison	Landmark	New Berlin

## 2013 LIQUIDATIONS

<b>Liquidation Date</b>	<b>Credit Union</b>	<b>Location</b>
1/7/2013	New Covenant Missionary Bapt. Church	Milwaukee

**COMPARISON STATEMENTS OF CONDITION  
OF WISCONSIN CREDIT UNIONS  
JUNE 30, 2013 and DECEMBER 31, 2012**

	<u>June 30, 2013</u>		<u>December 31, 2012</u>		Increase or Decrease	% Change
<b>Number of Credit Unions</b>	179		187		-8	-4.3%
	<u>AMOUNT</u>	% OF	<u>AMOUNT</u>	% OF		
		ASSETS		ASSETS		
<b>ASSETS</b>						
Personal Loans	6,495,606,561	26.7%	6,227,053,588	26.7%	268,552,973	4.3%
Real Estate Loans	<u>10,832,013,720</u>	44.5%	<u>10,765,751,836</u>	46.1%	<u>66,261,884</u>	0.6%
Total Loans	17,327,620,281	71.2%	16,992,805,424	72.8%	334,814,857	2.0%
Allowance for Loan Losses	<u>197,815,534</u>	0.8%	<u>198,167,854</u>	0.8%	<u>-352,320</u>	-0.2%
Net Loans	17,129,804,747	70.4%	16,794,637,570	71.9%	335,167,177	2.0%
Cash	2,179,385,341	9.0%	1,914,627,051	8.2%	264,758,290	13.8%
Investments	3,666,974,327	15.1%	3,270,424,338	14.0%	396,549,989	12.1%
Fixed Assets	638,259,685	2.6%	639,417,784	2.7%	-1,158,099	-0.2%
Other Assets	<u>712,914,573</u>	2.9%	<u>734,677,198</u>	3.1%	<u>-21,762,625</u>	-3.0%
TOTAL ASSETS	<u><u>24,327,338,673</u></u>	100.0%	<u><u>23,353,783,941</u></u>	100.0%	<u><u>973,554,732</u></u>	4.2%
<b>LIABILITIES</b>						
Regular Shares	5,878,374,623	24.2%	5,212,907,487	22.3%	665,467,136	12.8%
Share Drafts	3,196,987,258	13.1%	3,016,286,871	12.9%	180,700,387	6.0%
Other Shares & Deposits	<u>12,152,907,053</u>	50.0%	<u>12,099,924,737</u>	51.8%	<u>52,982,316</u>	0.4%
Total Savings	21,228,268,934	87.3%	20,329,119,095	87.0%	899,149,839	4.4%
Notes and Accounts Pay.	629,977,948	2.6%	640,576,839	2.7%	-10,598,891	-1.7%
Regular Reserve	879,072,287	3.6%	864,615,233	3.7%	14,457,054	1.7%
Other Reserves	<u>1,590,019,504</u>	6.5%	<u>1,519,472,774</u>	6.5%	<u>70,546,730</u>	4.6%
TOTAL LIABILITIES	<u><u>24,327,338,673</u></u>	100.0%	<u><u>23,353,783,941</u></u>	100.0%	<u><u>973,554,732</u></u>	4.2%

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

**STATEMENT OF INCOME  
FOR WISCONSIN CREDIT UNIONS  
FOR THE PERIOD ENDING JUNE 30, 2013**

	<u>AMOUNT</u>	<u>% OF GROSS INCOME</u>	<u>% OF AVERAGE ASSETS</u>
<b>INCOME</b>			
Interest on Loans	398,059,142	66.49%	3.34%
Less: Interest Refunds	<u>82,373</u>	0.01%	0.00%
Net Interest Income	397,976,769	66.47%	3.34%
Income on Investments	21,579,467	3.60%	0.18%
Other Income	<u>179,142,161</u>	29.92%	1.50%
<b>TOTAL OPERATING INCOME</b>	<b>598,698,397</b>	<b>100.00%</b>	<b>5.02%</b>
<b>ADMINISTRATIVE EXPENSES</b>			
Employee Costs	204,715,620	34.19%	1.72%
Travel and Conference	3,784,610	0.63%	0.03%
Office Occupancy	27,548,696	4.60%	0.23%
General Operations	67,239,041	11.23%	0.56%
Education and Promotion	14,109,971	2.36%	0.12%
Loan Servicing	29,682,842	4.96%	0.25%
Professional Services	26,942,486	4.50%	0.23%
Member Insurance	9,898,744	1.65%	0.08%
Operating Fees	1,628,036	0.27%	0.01%
Other Operational Expenses	<u>10,867,937</u>	1.82%	0.09%
<b>TOTAL ADMINISTRATIVE</b>	<b>396,417,983</b>	<b>66.21%</b>	<b>3.33%</b>
Provision for Loan Loss	<u>34,943,770</u>	5.84%	0.29%
<b>TOTAL OPERATING EXPENSES</b>	<b>431,361,753</b>	<b>72.05%</b>	<b>3.62%</b>
Dividends Paid on Savings	54,086,585	9.03%	0.45%
Interest on Borrowed Funds	<u>4,221,935</u>	0.71%	0.04%
<b>TOTAL COST OF FUNDS</b>	<b>58,308,520</b>	<b>9.74%</b>	<b>0.49%</b>
<b>TOTAL EXPENSES</b>	<b>489,670,273</b>	<b>81.79%</b>	<b>4.11%</b>
<b>NET OPERATING INCOME</b>	<b>109,028,124</b>	<b>18.21%</b>	<b>0.91%</b>
<b>NON-OPERATING GAIN/LOSS</b>	<u><b>1,303,467</b></u>	<b>0.22%</b>	<b>0.01%</b>
<b>NET INCOME</b>	<b>110,331,591</b>	<b>18.43%</b>	<b>0.93%</b>
<b>NCUA PREMIUMS AND ASSESSMENTS</b>	<b>6,431,475</b>	<b>1.07%</b>	<b>0.05%</b>
<b>NET INCOME (LOSS)</b>	<b>116,763,066</b>	<b>19.50%</b>	<b>0.98%</b>

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

**COMPARISON STATEMENTS OF INCOME  
FOR WISCONSIN CREDIT UNIONS  
FOR THE PERIODS ENDING JUNE 30, 2013 AND JUNE 30, 2012**

	2013	% OF AVERAGE	2012	% OF AVERAGE
	<u>AMOUNT</u>	<u>ASSETS</u>	<u>AMOUNT</u>	<u>ASSETS</u>
<b>INCOME</b>				
Interest on Loans	398,059,142	3.34%	415,521,575	3.69%
Less: Interest Refunds	<u>82,373</u>	<u>0.00%</u>	<u>76,532</u>	<u>0.00%</u>
Net Interest Income	397,976,769	3.34%	415,445,043	3.69%
Income on Investments	21,579,467	0.18%	23,591,443	0.21%
Other Income	<u>179,142,161</u>	<u>1.50%</u>	<u>170,201,898</u>	<u>1.51%</u>
<b>TOTAL OPERATING INCOME</b>	598,698,397	5.02%	609,238,384	5.41%
<b>ADMINISTRATIVE EXPENSES</b>				
Employee Costs	204,715,620	1.72%	197,351,947	1.75%
Travel and Conference	3,784,610	0.03%	3,642,590	0.03%
Office Occupancy	27,548,696	0.23%	26,775,275	0.24%
General Operations	67,239,041	0.56%	64,562,325	0.57%
Education and Promotion	14,109,971	0.12%	13,934,660	0.12%
Loan Servicing	29,682,842	0.25%	29,717,682	0.26%
Professional Services	26,942,486	0.23%	25,717,827	0.23%
Member Insurance	9,898,744	0.08%	12,844,551	0.11%
Operating Fees	1,628,036	0.01%	1,557,829	0.01%
Other Operational Expenses	<u>10,867,937</u>	<u>0.09%</u>	<u>10,830,478</u>	<u>0.10%</u>
<b>TOTAL ADMINISTRATIVE</b>	396,417,983	3.33%	386,935,164	3.44%
Provision for Loan Loss	<u>34,943,770</u>	<u>0.29%</u>	<u>47,206,467</u>	<u>0.42%</u>
<b>TOTAL OPERATING EXPENSES</b>	431,361,753	3.62%	434,141,631	3.86%
<b>COST OF ACQUISITION OF FUNDS</b>				
Dividends Paid on Savings	54,086,585	0.45%	68,120,855	0.61%
Interest on Borrowed Funds	<u>4,221,935</u>	<u>0.04%</u>	<u>5,798,918</u>	<u>0.05%</u>
<b>TOTAL COST OF FUNDS</b>	<u>58,308,520</u>	<u>0.49%</u>	<u>73,919,773</u>	<u>0.66%</u>
<b>TOTAL EXPENSES</b>	489,670,273	4.11%	508,061,404	4.51%
<b>NET OPERATING INCOME</b>	109,028,124	0.91%	101,176,980	0.90%
<b>NON-OPERATING GAIN/LOSS</b>	<u>1,303,467</u>	<u>0.01%</u>	<u>575,988</u>	<u>0.01%</u>
<b>NET INCOME</b>	110,331,591	0.93%	101,752,968	0.90%
<b>NCUA PREMIUMS &amp; ASSESSMENTS</b>	6,431,475	0.05%	8,038,495	0.07%
<b>NET INCOME (LOSS)</b>	116,763,066	0.98%	109,791,463	0.98%

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

**SIGNIFICANT OPERATIONAL RATIOS  
FOR ALL WISCONSIN CREDIT UNIONS  
2008-2013**

	2008	2009	2010	2011	2012	2013
Number of Credit Unions	250	236	223	203	187	179
<b>CAPITAL ADEQUACY</b>						
Net Worth/ Total Assets	10.68%	10.08%	9.99%	9.96%	10.25%	10.28%
Total Delinquency/ Net Worth	10.96%	15.53%	14.30%	13.75%	9.66%	8.71%
Solvency Evaluation	112.58%	111.55%	111.38%	111.39%	111.73%	111.63%
Classified Assets/ Net Worth	5.94%	7.91%	8.49%	9.18%	8.28%	7.91%
<b>ASSET QUALITY</b>						
Delinquent Loans/ Loans	1.44%	2.01%	1.87%	1.83%	1.36%	1.26%
Net Charge Offs/ Avg. Loans	0.38%	0.66%	0.60%	0.59%	0.51%	0.41%
<b>EARNINGS (to Average Assets)</b>						
Return on Average Assets	0.53%	0.46%	0.47%	0.59%	1.00%	0.93%
Net Operating Expense	2.87%	2.78%	3.00%	2.86%	2.69%	2.63%
Fixed Assets+FRA's**/ Assets	2.99%	3.11%	3.11%	2.95%	2.78%	2.67%
Gross Income	7.07%	6.47%	6.02%	5.59%	5.48%	5.02%
Cost of Funds	2.38%	1.71%	1.19%	0.86%	0.62%	0.49%
Operating Exp. (less PLL)	3.66%	3.54%	3.67%	3.58%	3.43%	3.33%
Net Interest Margin	3.35%	3.25%	3.37%	3.35%	3.24%	3.03%
PLL	0.42%	0.73%	0.63%	0.55%	0.41%	0.29%
<b>ASSET-LIABILITY MANAGEMENT</b>						
Net Long Term Assets/ Assets	39.03%	31.32%	30.42%	30.62%	30.65%	31.12%
Shares/ Savings+Borrowings	20.04%	20.48%	22.80%	23.05%	25.45%	27.49%
Loans/ Savings	97.48%	90.69%	88.05%	86.68%	83.59%	81.63%
Loans/ Assets	81.08%	78.04%	76.20%	75.01%	72.76%	71.23%
Cash + ST Invest./ Assets	9.04%	11.41%	11.86%	11.50%	13.69%	14.64%
<b>OTHER RATIOS</b>						
Savings Growth	8.98%	11.58%	6.92%	6.10%	7.48%	8.98%
Net Worth Growth	4.83%	4.09%	5.76%	5.70%	10.13%	8.84%
Loan Growth	10.61%	4.38%	3.23%	4.34%	4.07%	4.00%
Asset Growth	9.91%	8.63%	5.71%	6.00%	7.44%	8.46%
Investments/ Assets	8.67%	10.28%	10.89%	13.04%	14.00%	15.07%
Employee Cost/ Gross Inc.	27.14%	28.68%	29.86%	31.32%	32.16%	34.19%
Employee Cost/ Avg. Assets	1.92%	1.86%	1.80%	1.75%	1.76%	1.72%
Average Loan Balance	\$11,777	\$11,535	\$11,706	\$11,640	\$11,882	\$11,691
Average Savings Balance	\$3,661	\$4,023	\$4,211	\$4,330	\$4,511	\$4,624

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

\*\*Foreclosed and Repossessed Assets

**SIGNIFICANT OPERATIONAL RATIOS  
FOR THE PERIOD ENDING JUNE 30, 2013**

Peer Groups by Assets	\$ 2,000,001- \$ 10,000,001-		\$ 50,000,001- \$100,000,001-		\$100,000,001- \$500,000,001-		TOTAL
	<\$2,000,000	\$10,000,000	\$50,000,000	\$100,000,000	\$500,000,000	>\$500,000,000	
Number of Credit Unions	26	25	62	23	33	10	179
<b>CAPITAL ADEQUACY</b>							
Net Worth/Total Assets	20.04%	15.06%	12.00%	10.90%	10.55%	9.82%	10.28%
Net Worth/PCA Optional Total Assets	20.04%	15.07%	12.01%	10.91%	10.57%	9.83%	10.29%
Total Delinquency/Net Worth	6.84%	5.40%	6.50%	8.01%	10.29%	8.30%	8.71%
Solvency Evaluation	125.19%	117.84%	113.70%	112.20%	111.92%	111.12%	111.63%
Classified Assets/Net Worth	4.62%	5.73%	6.20%	5.78%	8.13%	8.34%	7.91%
<b>ASSET QUALITY</b>							
Delinquent Loans/Loans	2.60%	1.53%	1.35%	1.28%	1.51%	1.12%	1.26%
Net Charge Offs/Avg. Loans	2.05%	0.32%	0.28%	0.36%	0.39%	0.43%	0.41%
Fair Value/Amortized Cost for HTM	N/A	N/A	97.38%	100.06%	97.26%	99.01%	98.63%
Accumulated Unrealized Gains or Losses on AFS/Amortized Cost AFS	N/A	N/A	-0.76%	-1.05%	-1.74%	-0.19%	-0.53%
Delinquent Loans/Assets	1.37%	0.81%	0.78%	0.87%	1.09%	0.81%	0.89%
<b>EARNINGS (to Average Assets)</b>							
Return on Average Assets	-1.17%	-0.51%	0.18%	0.57%	0.58%	1.24%	0.93%
ROAA Excluding NCUA expenses	-1.12%	-0.42%	0.26%	0.63%	0.65%	1.28%	0.98%
Gross Income	3.46%	3.71%	4.15%	4.67%	5.06%	5.15%	5.02%
Yield on Average Loans	5.47%	5.32%	5.04%	4.91%	4.83%	4.47%	4.64%
Yield on Average Investments	0.80%	0.99%	0.80%	1.07%	0.82%	0.77%	0.81%
Fee & Other Op. Income	0.12%	0.40%	0.87%	1.02%	1.38%	1.70%	1.50%
Cost of Funds	0.48%	0.28%	0.31%	0.42%	0.50%	0.51%	0.49%
Net Margin	2.97%	3.43%	3.84%	4.25%	4.57%	4.64%	4.53%
Operating Exp. (less PLL)	3.72%	3.51%	3.51%	3.52%	3.70%	3.09%	3.33%
PLL	0.60%	0.44%	0.15%	0.18%	0.28%	0.33%	0.29%
Net Interest Margin	2.85%	3.03%	2.96%	3.22%	3.18%	2.94%	3.03%
Operating Exp./Gross Income	107.54%	94.66%	84.43%	75.46%	73.16%	60.03%	66.21%
Fixed Assets+FRA's**/Assets	0.22%	0.80%	1.86%	3.00%	3.26%	2.45%	2.67%
Net Operating Expense	3.64%	3.26%	2.96%	2.91%	2.93%	2.41%	2.63%
<b>ASSET-LIABILITY MANAGEMENT</b>							
Net Long Term Assets/Assets	4.13%	13.22%	16.43%	24.76%	31.05%	33.67%	31.12%
Shares/Savings+Borrowings	80.39%	72.98%	47.23%	32.42%	30.22%	23.05%	27.49%
Loans/Savings	66.37%	62.82%	66.31%	77.71%	82.73%	83.36%	81.63%
Loans/Assets	52.81%	53.05%	57.97%	68.35%	71.93%	72.82%	71.23%
Cash + ST Invest./Assets	34.74%	28.51%	24.63%	14.56%	13.76%	13.85%	14.64%
Shares, Deposits & Borrowings/Earning Assets	80.18%	86.68%	91.34%	94.00%	94.97%	93.84%	93.95%
Shares + Drafts/Savings+Borrowings	81.61%	78.54%	62.23%	49.00%	45.88%	36.83%	42.02%
Borrowings/Shares & Net Worth	0.00%	0.11%	0.08%	0.25%	1.75%	1.81%	1.57%
<b>OTHER RATIOS</b>							
Net Worth Growth	-7.01%	-3.38%	1.55%	5.29%	4.83%	12.78%	8.84%
Savings Growth	3.89%	8.92%	6.45%	5.74%	7.19%	10.54%	8.98%
Loan Growth	-9.19%	2.58%	-0.97%	3.42%	2.31%	5.37%	4.00%
Asset Growth	1.84%	7.40%	5.60%	5.55%	6.87%	9.94%	8.46%
Investment Growth	8.73%	-1.49%	-1.07%	9.49%	34.35%	33.36%	27.31%
Investments/Assets	24.34%	32.89%	28.87%	19.13%	14.02%	13.48%	15.07%
Employee Cost/Gross Inc.	51.52%	46.25%	40.19%	38.56%	39.44%	30.55%	34.19%
Employee Cost/ Avg. Assets	1.78%	1.71%	1.67%	1.80%	2.00%	1.57%	1.72%
Average Loan Balance	\$7,157	\$8,396	\$10,294	\$12,085	\$13,455	\$11,110	\$11,691
Average Savings Balance	\$2,539	\$3,338	\$3,715	\$3,975	\$4,350	\$5,032	\$4,624

*\*\*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, 2013**

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	25	62	23	33	10	179
<b>OPERATING INCOME</b>							
Interest on Loans	86.05%	76.97%	71.56%	72.37%	69.44%	63.89%	66.49%
Less: Interest Refunds	0.00%	0.00%	0.05%	0.05%	0.02%	0.01%	0.01%
Income on Investments	10.54%	12.15%	7.42%	5.81%	3.27%	3.14%	3.60%
Income on Trading Securities	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Fee Income	2.20%	6.85%	13.26%	13.06%	15.30%	13.22%	13.78%
Other Operating Income	<u>1.22%</u>	<u>4.03%</u>	<u>7.81%</u>	<u>8.81%</u>	<u>12.01%</u>	<u>19.76%</u>	<u>16.14%</u>
TOTAL INCOME	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
<b>OPERATING EXPENSES</b>							
Employee Costs	51.52%	46.25%	40.19%	38.56%	39.44%	30.55%	34.19%
Travel and Conference	1.23%	0.87%	0.85%	1.06%	0.85%	0.46%	0.63%
Office Occupancy	3.61%	5.34%	5.63%	5.31%	5.28%	4.10%	4.60%
General Operations	26.30%	19.23%	14.94%	13.70%	12.06%	10.17%	11.23%
Education and Promotion	0.64%	0.50%	1.89%	2.09%	2.46%	2.39%	2.36%
Loan Servicing	2.03%	1.93%	5.40%	3.77%	4.63%	5.23%	4.96%
Professional Services	9.00%	12.15%	9.70%	7.19%	3.94%	3.98%	4.50%
Member Insurance	3.85%	3.73%	2.19%	1.89%	1.82%	1.48%	1.65%
Operating Fees	2.24%	0.94%	0.62%	0.29%	0.30%	0.22%	0.27%
Miscellaneous	<u>7.13%</u>	<u>3.72%</u>	<u>3.00%</u>	<u>1.59%</u>	<u>2.37%</u>	<u>1.45%</u>	<u>1.82%</u>
TOTAL ADMINISTRATIVE	107.54%	94.66%	84.43%	75.46%	73.16%	60.03%	66.21%
Provision for Loan Loss	<u>17.38%</u>	<u>11.78%</u>	<u>3.72%</u>	<u>3.89%</u>	<u>5.49%</u>	<u>6.34%</u>	<u>5.84%</u>
TOTAL OPERATING EXP.	124.92%	106.43%	88.15%	79.35%	78.64%	66.37%	72.05%
<b>COST OF FUNDS</b>							
Interest on Borrowed Funds	0.00%	0.01%	0.02%	0.23%	0.64%	0.85%	0.71%
Dividends on Savings	<u>14.02%</u>	<u>7.48%</u>	<u>7.52%</u>	<u>8.83%</u>	<u>9.19%</u>	<u>9.11%</u>	<u>9.03%</u>
TOTAL COST OF FUNDS	14.02%	7.48%	7.53%	9.06%	9.83%	9.97%	9.74%
<b>NET INCOME FROM OPERATIONS</b>	-38.95%	-13.92%	4.32%	11.59%	11.52%	23.66%	18.21%
NON-OPERATING GAIN/LOSS	<u>5.10%</u>	<u>0.29%</u>	<u>0.09%</u>	<u>0.55%</u>	<u>-0.13%</u>	<u>0.36%</u>	<u>0.22%</u>
<b>NET INCOME</b>	-33.85%	-13.63%	4.41%	12.14%	11.39%	24.02%	18.43%
NCUA EXPENSES	1.30%	2.36%	1.78%	1.32%	1.51%	0.76%	1.07%
<b>ADJUSTED NET INCOME (LOSS)</b>	-32.55%	-11.26%	6.19%	13.46%	12.91%	24.78%	19.50%

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

**ANALYSIS OF INCOME AND EXPENSES TO AVERAGE ASSETS  
FOR THE PERIOD ENDING JUNE 30, 2013**

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	25	62	23	33	10	179
<b>OPERATING INCOME</b>							
Interest on Loans	2.97%	2.85%	2.97%	3.38%	3.52%	3.29%	3.34%
Less: Interest Refunds	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Income on Investments	0.36%	0.45%	0.31%	0.27%	0.17%	0.16%	0.18%
Income on Trading Securities	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Fee Income	0.08%	0.25%	0.55%	0.61%	0.77%	0.68%	0.69%
Other Operating Income	<u>0.04%</u>	<u>0.15%</u>	<u>0.32%</u>	<u>0.41%</u>	<u>0.61%</u>	<u>1.02%</u>	<u>0.81%</u>
TOTAL INCOME	3.46%	3.71%	4.15%	4.67%	5.06%	5.15%	5.02%
<b>OPERATING EXPENSES</b>							
Employee Costs	1.78%	1.71%	1.67%	1.80%	2.00%	1.57%	1.72%
Travel and Conference	0.04%	0.03%	0.04%	0.05%	0.04%	0.02%	0.03%
Office Occupancy	0.12%	0.20%	0.23%	0.25%	0.27%	0.21%	0.23%
General Operations	0.91%	0.71%	0.62%	0.64%	0.61%	0.52%	0.56%
Education and Promotion	0.02%	0.02%	0.08%	0.10%	0.12%	0.12%	0.12%
Loan Servicing	0.07%	0.07%	0.22%	0.18%	0.23%	0.27%	0.25%
Professional Services	0.31%	0.45%	0.40%	0.34%	0.20%	0.21%	0.23%
Member Insurance	0.13%	0.14%	0.09%	0.09%	0.09%	0.08%	0.08%
Operating Fees	0.08%	0.03%	0.03%	0.01%	0.02%	0.01%	0.01%
Miscellaneous	<u>0.25%</u>	<u>0.14%</u>	<u>0.12%</u>	<u>0.07%</u>	<u>0.12%</u>	<u>0.07%</u>	<u>0.09%</u>
TOTAL ADMINISTRATIVE	3.72%	3.51%	3.51%	3.52%	3.70%	3.09%	3.33%
Provision for Loan Loss	<u>0.60%</u>	<u>0.44%</u>	<u>0.15%</u>	<u>0.18%</u>	<u>0.28%</u>	<u>0.33%</u>	<u>0.29%</u>
TOTAL OPERATING EXP.	4.32%	3.95%	3.66%	3.70%	3.98%	3.42%	3.62%
<b>COST OF FUNDS</b>							
Interest on Borrowed Funds	0.00%	0.00%	0.00%	0.01%	0.03%	0.04%	0.04%
Dividends on Savings	<u>0.48%</u>	<u>0.28%</u>	<u>0.31%</u>	<u>0.41%</u>	<u>0.47%</u>	<u>0.47%</u>	<u>0.45%</u>
TOTAL COST OF FUNDS	0.48%	0.28%	0.31%	0.42%	0.50%	0.51%	0.49%
<b>NET INCOME FROM OPERATIONS</b>	-1.35%	-0.52%	0.18%	0.54%	0.58%	1.22%	0.91%
NON-OPERATING GAIN/LOSS	<u>0.18%</u>	<u>0.01%</u>	<u>0.00%</u>	<u>0.03%</u>	<u>-0.01%</u>	<u>0.02%</u>	<u>0.01%</u>
<b>NET INCOME</b>	-1.17%	-0.51%	0.18%	0.57%	0.58%	1.24%	0.93%
NCUA EXPENSES	<u>0.04%</u>	<u>0.09%</u>	<u>0.07%</u>	<u>0.06%</u>	<u>0.08%</u>	<u>0.04%</u>	<u>0.05%</u>
<b>ADJUSTED NET INCOME (LOSS)</b>	-1.12%	-0.42%	0.26%	0.63%	0.65%	1.28%	0.98%

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

**LOAN DELINQUENCY  
PERIOD ENDING JUNE 30, 2013**

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			
Number of Credit Unions	26	25	62	23	33	10	179
<b>Loan Delinquency Ratios</b>							
2 - 6 Months Delinquent	1.98%	0.59%	0.69%	0.73%	0.85%	0.59%	0.68%
6 - 12 Months Delinquent	0.48%	0.24%	0.42%	0.37%	0.32%	0.25%	0.29%
Over 12 Months Delinquent	<u>0.14%</u>	<u>0.71%</u>	<u>0.24%</u>	<u>0.18%</u>	<u>0.34%</u>	<u>0.28%</u>	<u>0.29%</u>
Total Delinquent Loans	2.60%	1.53%	1.35%	1.28%	1.51%	1.12%	1.26%
<b>Loan Loss Ratio</b>	2.05%	0.32%	0.28%	0.36%	0.39%	0.43%	0.41%

**ANALYSIS OF LOANS BY TYPE  
PERIOD ENDING JUNE 30, 2013**

Number of Credit Unions	26	25	62	23	33	10	179
<b>Loan Types</b>							
Credit Card Loans	0.20%	1.01%	2.93%	2.38%	1.92%	5.13%	3.90%
Unsecured Loans	10.23%	7.94%	3.34%	1.95%	3.19%	2.18%	2.54%
New Auto Loans	22.72%	16.02%	8.57%	5.39%	3.99%	4.11%	4.44%
Used Auto Loans	45.06%	38.24%	24.77%	22.45%	18.05%	16.49%	17.85%
First Mortgages	9.68%	18.82%	44.37%	51.91%	54.80%	49.74%	50.91%
Other Real Estate	2.87%	8.02%	9.16%	8.55%	9.19%	13.34%	11.60%
Leases	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
All Other Loans	<u>9.24%</u>	<u>9.96%</u>	<u>6.84%</u>	<u>7.32%</u>	<u>8.78%</u>	<u>7.60%</u>	<u>7.89%</u>
Total Loans	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
<b>Real Estate Loan Detail</b> (as a percent of loans)							
First Mortgage - Fixed > 15 yrs.	0.00%	2.81%	2.88%	3.26%	3.05%	1.77%	2.29%
First Mortgage - Fixed - 15 yrs. Or less	2.28%	5.87%	9.86%	12.81%	11.48%	15.60%	13.90%
First Mortgage - Balloon/Hybrid - > 5 yrs.	0.02%	2.59%	2.09%	2.82%	7.22%	6.25%	6.08%
First Mortgage - Balloon/Hybrid - 5 yrs. Or less	7.38%	7.38%	20.99%	22.75%	18.10%	15.94%	17.22%
First Mortgage - Other Fixed Rate	0.00%	0.04%	0.41%	0.10%	0.16%	0.32%	0.27%
First Mortgage - Adjustable - 1 year or less	0.00%	0.00%	3.04%	2.58%	5.37%	3.94%	4.20%
First Mortgage - Adjustable - > 1 year	0.00%	0.14%	5.11%	7.59%	9.42%	5.92%	6.97%
Other - Closed End Fixed	2.67%	5.65%	4.60%	2.98%	2.84%	4.15%	3.72%
Other - Closed End Adjustable	0.00%	0.04%	1.20%	1.15%	0.81%	0.68%	0.77%
Other - Open End Adjustable	0.20%	2.32%	3.36%	4.34%	5.37%	8.51%	7.05%
Other - Open-End Fixed	0.00%	0.02%	0.00%	0.08%	0.17%	0.01%	0.06%
Other	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total Real Estate (as a percent of loans)	12.55%	26.84%	53.53%	60.46%	64.00%	63.08%	62.51%
Total Real Estate (as a percent of assets)	6.63%	14.24%	31.03%	41.32%	46.03%	45.94%	44.53%

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

\*This page does not include loans Held for Sale

**ANALYSIS OF SAVINGS BY TYPE  
PERIOD ENDING JUNE 30, 2013**

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	25	62	23	33	10	179
Share Drafts	1.22%	5.86%	15.29%	16.93%	16.32%	14.30%	15.06%
Regular Shares	80.39%	72.78%	47.00%	32.21%	30.46%	23.27%	27.69%
Money Market Shares	1.99%	2.27%	13.82%	20.19%	22.84%	32.01%	27.30%
Share Certificates	16.02%	16.61%	16.45%	20.80%	20.43%	22.53%	21.41%
IRA Accounts	0.37%	2.12%	6.33%	8.85%	8.42%	7.40%	7.69%
All Other Shares	<u>0.00%</u>	<u>0.36%</u>	<u>1.11%</u>	<u>1.02%</u>	<u>1.53%</u>	<u>0.49%</u>	<u>0.86%</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, 2013**

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	25	62	23	33	10	179
Trading Securities	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Available for Sale Securities	0.00%	0.00%	2.96%	28.11%	30.09%	63.87%	43.84%
Held-to-Maturity Securities	0.00%	0.00%	1.78%	2.12%	3.15%	5.85%	4.26%
Commercial Banks, S&L's, and Mutual Savings Banks	60.57%	68.12%	75.16%	48.50%	41.97%	10.41%	30.42%
Credit Unions	31.89%	18.75%	5.83%	2.23%	2.32%	0.39%	1.97%
Corporate Credit Unions	7.54%	13.13%	11.29%	14.63%	17.47%	13.46%	14.35%
Other Investments	<u>0.00%</u>	<u>0.00%</u>	<u>2.98%</u>	<u>4.41%</u>	<u>4.99%</u>	<u>6.01%</u>	<u>5.17%</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.