



2014 FIRST QUARTER CREDIT UNION BULLETIN

This bulletin highlights the 2014 first quarter financial trends for Wisconsin's 170 state-chartered credit unions. The analysis is based on data compiled from the March 2014 5300 call reports. This information is provided to keep you informed of current conditions and trends in the Wisconsin credit union industry.

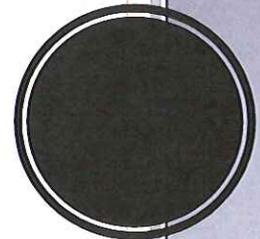
Total assets increased to \$25.4 billion, up from \$24.5 billion as of yearend 2013. The net worth ratio remained strong at 10.51%. Net income was just over \$56 million resulting in a return on average assets ratio of 0.90%.

Loans outstanding grew by \$240 million since yearend 2013 and savings grew by \$974 million resulting in a loan to savings ratio of 83.52%. The delinquency ratio was 0.98% compared to 1.10% as of December 31, 2013.

The financial indicators for Wisconsin's state-chartered credit unions exhibit sound financial performance through March 31, 2014.

Additional information about consolidations and liquidations that occurred in the first quarter of 2014 is included in this bulletin.

Kim Santos, Director
Office of Credit Unions



2014 CONSOLIDATIONS

Consolidation Date	Absorbed Credit Union	Location	Continuing Credit Union	Location
2/28/14	Sacred Heart Hospital Employees	Eau Claire	Royal	Eau Claire

**COMPARISON STATEMENTS OF CONDITION
OF WISCONSIN CREDIT UNIONS
MARCH 31, 2014 and DECEMBER 31, 2013**

	March 31, 2014		December 31, 2013		Increase or Decrease	% Change
<u>Number of Credit Unions</u>	170		171		-1	-0.6%
	<u>AMOUNT</u>	<u>% OF ASSETS</u>	<u>AMOUNT</u>	<u>% OF ASSETS</u>		
<u>ASSETS</u>						
Personal Loans	6,915,428,363	27.2%	6,878,424,788	28.1%	37,003,575	0.5%
Real Estate Loans	11,535,179,702	45.4%	11,332,150,376	46.2%	203,029,326	1.8%
Total Loans	<u>18,450,608,065</u>	72.6%	<u>18,210,575,164</u>	74.3%	240,032,901	1.3%
Allowance for Loan Losses	190,066,757	0.7%	194,286,212	0.8%	-4,219,455	-2.2%
Net Loans	<u>18,260,541,308</u>	71.9%	<u>18,016,288,952</u>	73.5%	244,252,356	1.4%
Cash	2,084,900,157	8.2%	1,524,984,939	6.2%	559,915,218	36.7%
Investments	3,750,773,711	14.8%	3,721,001,539	15.2%	29,772,172	0.8%
Fixed Assets	654,144,123	2.6%	641,155,545	2.6%	12,988,578	2.0%
Other Assets	<u>650,399,969</u>	2.6%	<u>614,459,312</u>	2.5%	35,940,657	5.8%
TOTAL ASSETS	<u><u>25,400,759,268</u></u>	100.0%	<u><u>24,517,890,287</u></u>	100.0%	<u><u>882,868,981</u></u>	3.6%
<u>LIABILITIES</u>						
Regular Shares	6,431,523,073	25.3%	5,886,001,399	24.0%	545,521,674	9.3%
Share Drafts	3,284,917,368	12.9%	3,091,352,659	12.6%	193,564,709	6.3%
Other Shares & Deposits	<u>12,375,586,581</u>	48.7%	<u>12,140,641,349</u>	49.5%	234,945,232	1.9%
Total Savings	22,092,027,022	87.0%	21,117,995,407	86.1%	974,031,615	4.6%
Notes and Accounts Pay.	662,730,539	2.6%	817,636,018	3.3%	-154,905,479	-18.9%
Regular Reserve	931,474,204	3.7%	927,054,729	3.8%	4,419,475	0.5%
Other Reserves	<u>1,714,527,503</u>	6.7%	<u>1,655,204,133</u>	6.8%	59,323,370	3.6%
TOTAL LIABILITIES	<u><u>25,400,759,268</u></u>	100.0%	<u><u>24,517,890,287</u></u>	100.0%	<u><u>882,868,981</u></u>	3.6%

Small statistical errors may exist due to rounding.

**STATEMENT OF INCOME
FOR WISCONSIN CREDIT UNIONS
FOR THE PERIOD ENDING MARCH 31, 2014**

INCOME	AMOUNT	% OF GROSS INCOME	% OF AVERAGE ASSETS
Interest on Loans	202,058,376	69.71%	3.24%
Less: Interest Refunds	<u>261,258</u>	0.09%	0.00%
Net Interest Income	201,797,118	69.62%	3.23%
Income on Investments	12,165,587	4.20%	0.19%
Other Income	<u>75,906,556</u>	26.19%	1.22%
TOTAL OPERATING INCOME	289,869,261	100.00%	4.65%
ADMINISTRATIVE EXPENSES			
Employee Costs	103,674,926	35.77%	1.66%
Travel and Conference	1,995,413	0.69%	0.03%
Office Occupancy	15,721,074	5.42%	0.25%
General Operations	35,476,753	12.24%	0.57%
Education and Promotion	6,774,815	2.34%	0.11%
Loan Servicing	15,448,592	5.33%	0.25%
Professional Services	13,953,059	4.81%	0.22%
Member Insurance	870,431	0.30%	0.01%
Operating Fees	831,828	0.29%	0.01%
Other Operational Expenses	<u>5,561,678</u>	1.92%	0.09%
TOTAL ADMINISTRATIVE	200,308,569	69.10%	3.21%
Provision for Loan Loss	<u>10,503,532</u>	3.62%	0.17%
TOTAL OPERATING EXPENSES	210,812,101	72.73%	3.38%
Dividends Paid on Savings	24,638,809	8.50%	0.39%
Interest on Borrowed Funds	<u>2,041,340</u>	0.70%	0.03%
TOTAL COST OF FUNDS	26,680,149	9.20%	0.43%
TOTAL EXPENSES	237,492,250	81.93%	3.81%
NET OPERATING INCOME	52,377,011	18.07%	0.84%
NON-OPERATING GAIN/LOSS	<u>3,945,814</u>	1.36%	0.06%
NET INCOME	56,322,825	19.43%	0.90%
NCUA PREMIUMS AND ASSESSMENTS	469,844	0.16%	0.01%
NET INCOME (LOSS)	56,792,669	19.59%	0.91%

Small statistical errors may occur to rounding.

**COMPARISON STATEMENTS OF INCOME
FOR WISCONSIN CREDIT UNIONS
FOR THE PERIODS ENDING MARCH 31, 2014 AND MARCH 31, 2013**

	2014	% OF AVERAGE ASSETS	2013	% OF AVERAGE ASSETS
	AMOUNT		AMOUNT	
INCOME				
Interest on Loans	202,058,376	3.24%	199,195,051	3.36%
Less: Interest Refunds	<u>261,258</u>	<u>0.00%</u>	<u>49,478</u>	<u>0.00%</u>
Net Interest Income	201,797,118	3.23%	199,145,573	3.35%
Income on Investments	12,165,587	0.19%	10,623,850	0.18%
Other Income	<u>75,906,556</u>	<u>1.22%</u>	<u>87,474,103</u>	<u>1.47%</u>
TOTAL OPERATING INCOME	289,869,261	4.65%	297,243,526	5.01%
ADMINISTRATIVE EXPENSES				
Employee Costs	103,674,926	1.66%	103,018,095	1.74%
Travel and Conference	1,995,413	0.03%	1,763,291	0.03%
Office Occupancy	15,721,074	0.25%	14,574,026	0.25%
General Operations	35,476,753	0.57%	33,114,031	0.56%
Education and Promotion	6,774,815	0.11%	6,556,962	0.11%
Loan Servicing	15,448,592	0.25%	14,379,567	0.24%
Professional Services	13,953,059	0.22%	13,029,929	0.22%
Member Insurance	870,431	0.01%	4,885,141	0.08%
Operating Fees	831,828	0.01%	831,831	0.01%
Other Operational Expenses	<u>5,561,678</u>	<u>0.09%</u>	<u>5,228,733</u>	<u>0.09%</u>
TOTAL ADMINISTRATIVE	200,308,569	3.21%	197,381,606	3.33%
Provision for Loan Loss	<u>10,503,532</u>	<u>0.17%</u>	<u>18,074,825</u>	<u>0.30%</u>
TOTAL OPERATING EXPENSES	210,812,101	3.38%	215,456,431	3.63%
COST OF ACQUISITION OF FUNDS				
Dividends Paid on Savings	24,638,809	0.39%	27,520,976	0.46%
Interest on Borrowed Funds	<u>2,041,340</u>	<u>0.03%</u>	<u>2,149,441</u>	<u>0.04%</u>
TOTAL COST OF FUNDS	<u>26,680,149</u>	<u>0.43%</u>	<u>29,670,417</u>	<u>0.50%</u>
TOTAL EXPENSES	237,492,250	3.81%	245,126,848	4.13%
NET OPERATING INCOME	52,377,011	0.84%	52,116,678	0.88%
NON-OPERATING GAIN/LOSS	<u>3,945,814</u>	<u>0.06%</u>	<u>1,030,263</u>	<u>0.02%</u>
NET INCOME	56,322,825	0.90%	53,146,941	0.90%
NCUA PREMIUMS & ASSESSMENTS	469,844	0.01%	3,083,240	0.05%
NET INCOME (LOSS)	56,792,669	0.91%	56,230,181	0.95%

Some small statistical errors may occur due to rounding.

**SIGNIFICANT OPERATIONAL RATIOS
FOR ALL WISCONSIN CREDIT UNIONS
2009-2014**

	2009	2010	2011	2012	2013	2014
Number of Credit Unions	236	223	203	187	171	170
CAPITAL ADEQUACY						
Net Worth/Total Assets	10.08%	9.99%	9.96%	10.25%	10.65%	10.51%
Total Delinquency/Net Worth	15.53%	14.30%	13.75%	9.66%	7.70%	6.78%
Solvency Evaluation	111.55%	111.38%	111.39%	111.73%	112.23%	111.98%
Classified Assets/Net Worth	7.91%	8.49%	9.18%	8.28%	7.44%	7.12%
ASSET QUALITY						
Delinquent Loans/Loans	2.01%	1.87%	1.83%	1.36%	1.10%	0.98%
Net Charge Offs/Avg. Loans	0.66%	0.60%	0.59%	0.51%	0.43%	0.32%
EARNINGS (to Average Assets)						
Return on Average Assets	0.46%	0.47%	0.59%	1.00%	0.96%	0.90%
Net Operating Expense	2.78%	3.00%	2.86%	2.69%	2.61%	2.64%
Fixed Assets+FRA's**/Assets	3.11%	3.11%	2.95%	2.78%	2.66%	2.62%
Gross Income	6.47%	6.02%	5.59%	5.48%	5.04%	4.65%
Cost of Funds	1.71%	1.19%	0.86%	0.62%	0.48%	0.43%
Operating Exp. (less PLL)	3.54%	3.67%	3.58%	3.43%	3.32%	3.21%
Net Interest Margin	3.25%	3.37%	3.35%	3.24%	3.07%	3.00%
PLL	0.73%	0.63%	0.55%	0.41%	0.30%	0.17%
ASSET-LIABILITY MANAGEMENT						
Net Long Term Assets/Assets	31.32%	30.42%	30.62%	30.65%	33.07%	33.04%
Shares/Savings+Borrowings	20.48%	22.80%	23.05%	25.45%	27.44%	28.85%
Loans/Savings	90.69%	88.05%	86.68%	83.59%	86.23%	83.52%
Loans/Assets	78.04%	76.20%	75.01%	72.76%	74.27%	72.64%
Cash + ST Invest./Assets	11.41%	11.86%	11.50%	13.69%	12.16%	13.91%
OTHER RATIOS						
Savings Growth	11.58%	6.92%	6.10%	7.48%	3.95%	18.45%
Net Worth Growth	4.09%	5.76%	5.70%	10.13%	9.12%	8.71%
Loan Growth	4.38%	3.23%	4.34%	4.07%	7.20%	5.27%
Asset Growth	8.63%	5.71%	6.00%	7.44%	5.05%	14.40%
Investments/Assets	10.28%	10.89%	13.04%	14.00%	15.18%	14.77%
Employee Cost/Gross Inc.	28.68%	29.86%	31.32%	32.16%	33.98%	35.77%
Employee Cost/ Avg. Assets	1.86%	1.80%	1.75%	1.76%	1.71%	1.66%
Average Loan Balance	\$11,535	\$11,706	\$11,640	\$11,882	\$11,820	\$12,111
Average Savings Balance	\$4,023	\$4,211	\$4,330	\$4,511	\$4,543	\$4,671

***Foreclosed and Repossessed Assets*

Small statistical errors may exist due to rounding.

**SIGNIFICANT OPERATIONAL RATIOS
FOR THE PERIOD ENDING MARCH 31, 2014**

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	24	23	57	24	31	11	170
<u>CAPITAL ADEQUACY</u>							
Net Worth/Total Assets	20.36%	17.40%	12.01%	10.86%	10.95%	10.07%	10.51%
Net Worth/PCA Optional Total Assets	20.36%	17.40%	12.04%	10.87%	11.00%	10.11%	10.55%
Total Delinquency/Net Worth	5.00%	3.37%	5.70%	8.58%	7.64%	6.34%	6.78%
Solvency Evaluation	125.72%	121.13%	113.70%	112.15%	112.48%	111.50%	111.98%
Classified Assets/Net Worth	5.04%	3.64%	5.94%	6.60%	6.82%	7.51%	7.12%
<u>ASSET QUALITY</u>							
Delinquent Loans/Loans	1.86%	1.08%	1.17%	1.36%	1.18%	0.85%	0.98%
Net Charge Offs/Avg. Loans	-0.04%	0.61%	0.30%	0.24%	0.23%	0.37%	0.32%
Fair Value/Amortized Cost for HTM	N/A	N/A	96.84%	100.46%	87.79%	99.18%	96.55%
Accumulated Unrealized Gains or Losses on AFS/Amortized Cost AFS	N/A	N/A	-1.29%	-1.62%	-1.65%	-0.32%	-0.66%
Delinquent Loans/Assets	1.02%	0.59%	0.68%	0.93%	0.84%	0.64%	0.71%
<u>EARNINGS (to Average Assets)</u>							
Return on Average Assets	-0.63%	-0.32%	0.21%	0.46%	0.69%	1.12%	0.90%
ROAA Excluding NCUA expenses	-0.63%	-0.31%	0.21%	0.47%	0.70%	1.13%	0.91%
Gross Income	3.41%	3.48%	4.04%	4.39%	4.72%	4.71%	4.65%
Yield on Average Loans	5.43%	4.95%	4.89%	4.62%	4.64%	4.24%	4.40%
Yield on Average Investments	0.64%	0.94%	0.81%	1.01%	0.87%	0.94%	0.91%
Fee & Other Op. Income	0.13%	0.35%	0.84%	0.93%	1.20%	1.30%	1.22%
Cost of Funds	0.22%	0.26%	0.25%	0.34%	0.40%	0.47%	0.43%
Net Margin	3.20%	3.22%	3.79%	4.05%	4.32%	4.24%	4.22%
Operating Exp. (less PLL)	3.83%	3.49%	3.52%	3.53%	3.56%	2.99%	3.21%
PLL	0.34%	0.07%	0.08%	0.05%	0.09%	0.22%	0.17%
Net Interest Margin	3.07%	2.87%	2.95%	3.13%	3.12%	2.94%	3.00%
Operating Exp./Gross Income	112.04%	100.48%	87.01%	80.34%	75.32%	63.60%	69.10%
Fixed Assets+FRA's**/Assets	0.24%	0.86%	2.00%	3.20%	3.18%	2.39%	2.62%
Net Operating Expense	3.75%	3.27%	3.00%	2.92%	2.86%	2.47%	2.84%
<u>ASSET-LIABILITY MANAGEMENT</u>							
Net Long Term Assets/Assets	6.25%	14.90%	17.77%	26.30%	33.65%	35.14%	33.04%
Shares/Savings+Borrowings	81.48%	72.16%	48.28%	34.31%	30.60%	25.36%	28.85%
Loans/Savings	69.13%	65.68%	66.72%	77.47%	81.89%	86.59%	83.52%
Loans/Assets	54.72%	54.07%	58.30%	68.32%	70.82%	75.38%	72.64%
Cash + ST Invest./Assets	31.02%	26.90%	24.05%	16.36%	14.40%	12.37%	13.91%
Shares, Deposits & Borrowings/Earning Assets	79.98%	84.46%	91.52%	94.07%	94.60%	93.30%	93.53%
Shares + Drafts/Savings+Borrowings	82.75%	78.53%	63.83%	51.24%	47.67%	38.12%	43.13%
Borrowings/Shares & Net Worth	0.20%	0.00%	0.15%	0.28%	2.05%	1.99%	1.77%
<u>OTHER RATIOS</u>							
Net Worth Growth	-3.04%	-1.59%	1.72%	3.85%	6.28%	11.41%	8.71%
Savings Growth	-1.04%	5.32%	11.30%	13.93%	13.60%	21.86%	18.45%
Loan Growth	-7.28%	-8.84%	-5.44%	-2.78%	0.87%	8.80%	5.27%
Asset Growth	-0.76%	3.11%	8.83%	12.34%	12.26%	16.19%	14.40%
Investment Growth	-17.66%	-1.43%	18.12%	54.19%	65.03%	46.51%	48.33%
Investments/Assets	25.93%	28.75%	28.79%	17.40%	14.70%	13.08%	14.77%
Employee Cost/Gross Inc.	56.82%	51.74%	42.18%	41.09%	40.92%	32.38%	35.77%
Employee Cost/ Avg. Assets	1.94%	1.80%	1.70%	1.80%	1.93%	1.52%	1.68%
Average Loan Balance	\$6,703	\$8,760	\$10,302	\$11,946	\$15,073	\$11,414	\$12,111
Average Savings Balance	\$2,272	\$3,309	\$3,700	\$4,016	\$4,427	\$5,026	\$4,671

**Foreclosed and Repossessed Assets

**ANALYSIS OF INCOME AND EXPENSES TO GROSS INCOME
FOR THE PERIOD ENDING MARCH 31, 2014**

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	24	23	57	24	31	11	170
<u>OPERATING INCOME</u>							
Interest on Loans	87.75%	78.20%	71.77%	73.34%	70.62%	68.69%	69.71%
Less: Interest Refunds	0.00%	0.00%	0.01%	0.06%	0.02%	0.13%	0.09%
Income on Investments	8.58%	11.77%	7.44%	5.63%	3.94%	3.85%	4.20%
Income on Trading Securities	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Fee Income	2.33%	6.49%	12.72%	13.78%	14.86%	11.10%	12.33%
Other Operating Income	<u>1.33%</u>	<u>3.54%</u>	<u>8.08%</u>	<u>7.31%</u>	<u>10.60%</u>	<u>16.49%</u>	<u>13.86%</u>
TOTAL INCOME	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
<u>OPERATING EXPENSES</u>							
Employee Costs	56.82%	51.74%	42.18%	41.09%	40.92%	32.38%	35.77%
Travel and Conference	0.81%	0.88%	0.84%	1.06%	0.92%	0.54%	0.69%
Office Occupancy	5.65%	6.78%	6.65%	6.34%	6.29%	4.85%	5.42%
General Operations	24.58%	20.40%	16.05%	15.06%	13.39%	11.08%	12.24%
Education and Promotion	0.48%	0.67%	1.91%	2.05%	2.49%	2.35%	2.34%
Loan Servicing	2.79%	2.15%	5.71%	5.10%	4.28%	5.79%	5.33%
Professional Services	8.56%	11.68%	9.80%	7.84%	4.35%	4.25%	4.81%
Member Insurance	1.81%	0.93%	0.38%	0.32%	0.46%	0.22%	0.30%
Operating Fees	3.39%	1.59%	0.67%	0.37%	0.34%	0.21%	0.29%
Miscellaneous	<u>7.16%</u>	<u>3.66%</u>	<u>2.82%</u>	<u>1.12%</u>	<u>1.88%</u>	<u>1.93%</u>	<u>1.92%</u>
TOTAL ADMINISTRATIVE	112.04%	100.48%	87.01%	80.34%	75.32%	63.60%	69.10%
Provision for Loan Loss	<u>9.94%</u>	<u>1.94%</u>	<u>1.99%</u>	<u>1.24%</u>	<u>1.83%</u>	<u>4.77%</u>	<u>3.62%</u>
TOTAL OPERATING EXP.	121.99%	102.42%	88.99%	81.58%	77.15%	68.37%	72.73%
<u>COST OF FUNDS</u>							
Interest on Borrowed Funds	0.04%	0.09%	0.04%	0.19%	0.62%	0.85%	0.70%
Dividends on Savings	<u>6.33%</u>	<u>7.32%</u>	<u>6.07%</u>	<u>7.51%</u>	<u>7.85%</u>	<u>9.09%</u>	<u>8.50%</u>
TOTAL COST OF FUNDS	6.37%	7.40%	6.11%	7.70%	8.46%	9.94%	9.20%
<u>NET INCOME FROM OPERATIONS</u>	-28.36%	-9.82%	4.90%	10.72%	14.39%	21.69%	18.07%
NON-OPERATING GAIN/LOSS	<u>9.93%</u>	<u>0.65%</u>	<u>0.25%</u>	<u>-0.32%</u>	<u>0.17%</u>	<u>2.13%</u>	<u>1.36%</u>
<u>NET INCOME</u>	-18.43%	-9.17%	5.14%	10.40%	14.55%	23.82%	19.43%
NCUA EXPENSES	0.03%	0.18%	0.16%	0.21%	0.22%	0.13%	0.16%
<u>ADJUSTED NET INCOME (LOSS)</u>	-18.40%	-8.99%	5.30%	10.61%	14.77%	23.95%	19.59%

Small statistical errors may exist due to rounding.

**ANALYSIS OF INCOME AND EXPENSES TO AVERAGE ASSETS
FOR THE PERIOD ENDING MARCH 31, 2014**

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
Number of Credit Unions	24	23	57	24	31	11	170
<u>OPERATING INCOME</u>							
Interest on Loans	3.00%	2.72%	2.90%	3.22%	3.34%	3.23%	3.24%
Less: Interest Refunds	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%
Income on Investments	0.29%	0.41%	0.30%	0.25%	0.19%	0.18%	0.19%
Income on Trading Securities	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Fee Income	0.08%	0.23%	0.51%	0.60%	0.70%	0.52%	0.57%
Other Operating Income	<u>0.05%</u>	<u>0.12%</u>	<u>0.33%</u>	<u>0.32%</u>	<u>0.50%</u>	<u>0.78%</u>	<u>0.64%</u>
TOTAL INCOME	3.41%	3.48%	4.04%	4.39%	4.72%	4.71%	4.65%
<u>OPERATING EXPENSES</u>							
Employee Costs	1.94%	1.80%	1.70%	1.80%	1.93%	1.52%	1.66%
Travel and Conference	0.03%	0.03%	0.03%	0.05%	0.04%	0.03%	0.03%
Office Occupancy	0.19%	0.24%	0.27%	0.28%	0.30%	0.23%	0.25%
General Operations	0.84%	0.71%	0.65%	0.66%	0.63%	0.52%	0.57%
Education and Promotion	0.02%	0.02%	0.08%	0.09%	0.12%	0.11%	0.11%
Loan Servicing	0.10%	0.07%	0.23%	0.22%	0.20%	0.27%	0.25%
Professional Services	0.29%	0.41%	0.40%	0.34%	0.21%	0.20%	0.22%
Member Insurance	0.06%	0.03%	0.02%	0.01%	0.02%	0.01%	0.01%
Operating Fees	0.12%	0.06%	0.03%	0.02%	0.02%	0.01%	0.01%
Miscellaneous	<u>0.24%</u>	<u>0.13%</u>	<u>0.11%</u>	<u>0.05%</u>	<u>0.09%</u>	<u>0.09%</u>	<u>0.09%</u>
TOTAL ADMINISTRATIVE	3.83%	3.49%	3.52%	3.53%	3.56%	2.99%	3.21%
Provision for Loan Loss	<u>0.34%</u>	<u>0.07%</u>	<u>0.08%</u>	<u>0.05%</u>	<u>0.09%</u>	<u>0.22%</u>	<u>0.17%</u>
TOTAL OPERATING EXP.	4.16%	3.56%	3.60%	3.58%	3.64%	3.22%	3.38%
<u>COST OF FUNDS</u>							
Interest on Borrowed Funds	0.00%	0.00%	0.00%	0.01%	0.03%	0.04%	0.03%
Dividends on Savings	<u>0.22%</u>	<u>0.25%</u>	<u>0.25%</u>	<u>0.33%</u>	<u>0.37%</u>	<u>0.43%</u>	<u>0.39%</u>
TOTAL COST OF FUNDS	0.22%	0.26%	0.25%	0.34%	0.40%	0.47%	0.43%
<u>NET INCOME FROM OPERATIONS</u>	-0.97%	-0.34%	0.20%	0.47%	0.68%	1.02%	0.84%
NON-OPERATING GAIN/LOSS	<u>0.34%</u>	<u>0.02%</u>	<u>0.01%</u>	<u>-0.01%</u>	<u>0.01%</u>	<u>0.10%</u>	<u>0.06%</u>
<u>NET INCOME</u>	-0.63%	-0.32%	0.21%	0.46%	0.69%	1.12%	0.90%
NCUA EXPENSES	<u>0.00%</u>	<u>0.01%</u>	<u>0.01%</u>	<u>0.01%</u>	<u>0.01%</u>	<u>0.01%</u>	<u>0.01%</u>
<u>ADJUSTED NET INCOME (LOSS)</u>	-0.63%	-0.31%	0.21%	0.47%	0.70%	1.13%	0.91%

Small statistical errors may exist due to rounding.

**LOAN DELINQUENCY
PERIOD ENDING MARCH 31, 2014**

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
Number of Credit Unions	24	23	57	24	31	11	170
<u>Loan Delinquency Ratios</u>							
2 - 6 Months Delinquent	1.05%	0.53%	0.69%	0.79%	0.62%	0.47%	0.54%
6 - 12 Months Delinquent	0.62%	0.25%	0.28%	0.41%	0.31%	0.22%	0.26%
Over 12 Months Delinquent	<u>0.19%</u>	<u>0.31%</u>	<u>0.20%</u>	<u>0.16%</u>	<u>0.25%</u>	<u>0.16%</u>	<u>0.18%</u>
Total Delinquent Loans	1.86%	1.08%	1.17%	1.36%	1.18%	0.85%	0.98%
<u>Loan Loss Ratio</u>	-0.04%	0.61%	0.30%	0.24%	0.23%	0.37%	0.32%

**ANALYSIS OF LOANS BY TYPE
PERIOD ENDING MARCH 31, 2014**

Number of Credit Unions	24	23	57	24	31	11	170
<u>Loan Types</u>							
Credit Card Loans	0.18%	0.91%	3.07%	2.41%	2.14%	4.80%	3.88%
Unsecured Loans	9.43%	8.00%	3.35%	1.80%	1.61%	2.95%	2.58%
New Auto Loans	23.29%	15.34%	7.90%	5.93%	4.47%	4.45%	4.76%
Used Auto Loans	44.59%	38.18%	24.53%	22.65%	18.32%	16.65%	17.91%
First Mortgages	8.84%	21.13%	46.19%	51.93%	58.90%	51.48%	52.50%
Other Real Estate	2.66%	7.12%	8.34%	8.08%	9.03%	10.76%	10.02%
Leases	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
All Other Loans	<u>11.02%</u>	<u>9.32%</u>	<u>6.61%</u>	<u>7.09%</u>	<u>7.43%</u>	<u>7.40%</u>	<u>7.36%</u>
Total Loans	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
<u>Real Estate Loan Detail</u> (As a percent of loans)							
First Mortgage - Fixed > 15 yrs.	0.00%	2.64%	3.18%	2.73%	3.52%	2.09%	2.54%
First Mortgage - Fixed - 15 yrs. Or less	1.05%	6.61%	10.42%	13.08%	12.48%	16.40%	14.88%
First Mortgage - Balloon/Hybrid - > 5 yrs.	1.95%	3.21%	2.01%	4.60%	6.75%	8.03%	7.19%
First Mortgage - Balloon/Hybrid - 5 yrs. Or less	5.83%	8.56%	22.97%	21.12%	19.09%	14.72%	16.58%
First Mortgage - Other Fixed Rate	0.00%	0.05%	0.43%	0.11%	0.05%	0.21%	0.17%
First Mortgage - Adjustable - 1 year or less	0.00%	0.00%	2.12%	2.28%	6.02%	3.80%	4.17%
First Mortgage - Adjustable - > 1 year	0.00%	0.06%	5.06%	8.03%	9.01%	6.22%	6.96%
Other - Closed End Fixed	2.66%	4.42%	3.79%	2.89%	2.58%	2.60%	2.67%
Other - Closed End Adjustable	0.00%	0.03%	1.10%	1.00%	0.79%	0.60%	0.70%
Other - Open End Adjustable	0.00%	2.67%	3.45%	4.13%	5.53%	7.55%	6.61%
Other - Open-End Fixed	0.00%	0.00%	0.00%	0.06%	0.14%	0.01%	0.04%
Other	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total Real Estate (As a percent of loans)	11.50%	28.25%	54.53%	60.01%	65.93%	62.24%	62.52%
Total Real Estate (As a percent of assets)	6.29%	15.27%	31.79%	41.00%	46.69%	46.92%	45.41%

**This page does not include loans Held for Sale*

Small Statistical Errors may occur due to rounding.

**ANALYSIS OF SAVINGS BY TYPE
PERIOD ENDING MARCH 31, 2014**

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
Number of Credit Unions	24	23	57	24	31	11	170
Share Drafts	1.30%	6.64%	15.73%	17.31%	17.90%	13.32%	14.87%
Regular Shares	81.65%	71.88%	48.21%	34.09%	30.88%	25.65%	29.11%
Money Market Shares	1.99%	2.43%	13.83%	20.01%	22.83%	31.50%	27.31%
Share Certificates	14.73%	17.14%	15.24%	19.21%	19.39%	21.22%	20.25%
IRA Accounts	0.30%	1.56%	5.94%	8.34%	7.88%	7.24%	7.37%
All Other Shares	<u>0.03%</u>	<u>0.34%</u>	<u>1.05%</u>	<u>1.04%</u>	<u>1.12%</u>	<u>1.08%</u>	<u>1.08%</u>
Total Shares	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

**ANALYSIS OF INVESTMENTS BY TYPE
PERIOD ENDING MARCH 31, 2014**

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
Number of Credit Unions	24	23	57	24	31	11	170
Trading Securities	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Available for Sale Securities	0.00%	0.00%	2.64%	26.35%	35.08%	60.32%	44.10%
Held-to-Maturity Securities	0.00%	1.39%	1.91%	3.49%	4.19%	5.79%	4.71%
Commercial Banks, S&L's, and Mutual Savings Banks	60.07%	72.05%	74.04%	50.45%	37.49%	10.49%	28.29%
Credit Unions	30.90%	17.69%	5.26%	3.12%	2.67%	0.63%	2.07%
Corporate Credit Unions	9.03%	8.87%	12.04%	11.26%	15.96%	11.47%	12.64%
Other Investments	<u>0.00%</u>	<u>0.00%</u>	<u>4.10%</u>	<u>5.33%</u>	<u>4.61%</u>	<u>11.31%</u>	<u>8.19%</u>
Total Investments	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Small statistical errors may exist due to rounding.