



# 2016 FIRST QUARTER CREDIT UNION BULLETIN

This bulletin highlights the 2016 first quarter financial trends for Wisconsin's 144 state-chartered credit unions. The analysis is based on data compiled from the March 2016 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 \$29.7 billion, up from \$28.8 billion as of yearend 2015. The net worth ratio remained strong at 10.89%. Net income was over \$72 million resulting in a return on average assets ratio of 0.99%.

Loans outstanding grew by \$314 million since yearend 2015 and savings grew by \$801 million resulting in a loan to savings ratio of 88.26%. The delinquency ratio was 0.68% compared to 0.81% as of December 31, 2015.

The financial indicators for Wisconsin's state-chartered credit unions exhibit sound financial performance through March 31, 2016.

Additional information about consolidations that occurred in the first quarter of 2016 is included in this bulletin.

Kim Santos, Director  
Office of Credit Unions



## 2016 CONSOLIDATIONS

<b>Consolidation Date</b>	<b>Absorbed Credit Union</b>	<b>Location</b>	<b>Continuing Credit Union</b>	<b>Location</b>
12/31/2015	Municipal	Beloit	Parker Community	Janesville
1/1/2016	Two Rivers Community	Two Rivers	Verve, a Credit Union	Oshkosh
1/1/2016	First	Oak Creek	TruStone Financial Federal	Plymouth, MN
1/1/2016	Southshore	Cudahy	TruStone Financial Federal	Plymouth, MN
1/1/2016	University of Wisconsin-Oshkosh	Oshkosh	Prospera	Appleton

## 2016 LIQUIDATIONS

<b>Liquidation Date</b>	<b>Credit Union</b>	<b>City</b>
2/5/2016	CTK	Milwaukee

**COMPARISON STATEMENTS OF CONDITION  
OF WISCONSIN CREDIT UNIONS  
MARCH 31, 2016 and DECEMBER 31, 2015**

	<u>March 31, 2016</u>		<u>December 31, 2015</u>		Increase or Decrease	<u>% Change</u>
<u>Number of Credit Unions</u>	144		150		-6	-4.0%
	<u>AMOUNT</u>	<u>% OF ASSETS</u>	<u>AMOUNT</u>	<u>% OF ASSETS</u>		
<u>ASSETS</u>						
Personal Loans	8,945,876,858	30.1%	8,788,309,563	30.5%	157,567,295	1.8%
Real Estate Loans	<u>13,570,786,963</u>	45.7%	<u>13,414,567,251</u>	46.6%	<u>156,219,712</u>	1.2%
Total Loans	22,516,663,821	75.9%	22,202,876,814	77.1%	313,787,007	1.4%
Allowance for Loan Losses	<u>164,228,820</u>	0.6%	<u>166,270,301</u>	0.6%	<u>-2,041,481</u>	-1.2%
Net Loans	22,352,435,001	75.3%	22,036,606,513	76.5%	315,828,488	1.4%
Cash	2,249,546,322	7.6%	1,906,860,914	6.6%	342,685,408	18.0%
Investments	3,509,444,061	11.8%	3,399,063,259	11.8%	110,380,802	3.2%
Fixed Assets	696,977,521	2.3%	694,907,696	2.4%	2,069,825	0.3%
Other Assets	<u>865,796,602</u>	2.9%	<u>759,647,322</u>	2.6%	<u>106,149,280</u>	14.0%
TOTAL ASSETS	<u><u>29,674,199,507</u></u>	100.0%	<u><u>28,797,085,704</u></u>	100.0%	<u><u>877,113,803</u></u>	3.0%
<u>LIABILITIES</u>						
Regular Shares	8,282,275,794	27.9%	7,675,782,037	26.7%	606,493,757	7.9%
Share Drafts	4,049,585,474	13.6%	4,130,936,343	14.3%	-81,350,869	-2.0%
Other Shares & Deposits	<u>13,181,126,940</u>	44.4%	<u>12,904,875,147</u>	44.8%	<u>276,251,793</u>	2.1%
Total Savings	25,512,988,208	86.0%	24,711,593,527	85.8%	801,394,681	3.2%
Notes and Accounts Pay.	925,331,823	3.1%	928,739,146	3.2%	-3,407,323	-0.4%
Regular Reserve	963,873,441	3.2%	967,324,965	3.4%	-3,451,524	-0.4%
Other Reserves	<u>2,272,006,035</u>	7.7%	<u>2,189,428,066</u>	7.6%	<u>82,577,969</u>	3.8%
TOTAL LIABILITIES	<u><u>29,674,199,507</u></u>	100.0%	<u><u>28,797,085,704</u></u>	100.0%	<u><u>877,113,803</u></u>	3.0%

**STATEMENT OF INCOME  
FOR WISCONSIN CREDIT UNIONS  
FOR THE PERIOD ENDING MARCH 31, 2016**

INCOME	<u>AMOUNT</u>	<u>% OF GROSS INCOME</u>	<u>% OF AVERAGE ASSETS</u>
Interest on Loans	234,891,153	68.35%	3.22%
Less: Interest Refunds	<u>267,417</u>	0.08%	0.00%
Net Interest Income	234,623,736	68.27%	3.21%
Income on Investments	14,095,443	4.10%	0.19%
Other Income	<u>94,954,612</u>	27.63%	1.30%
TOTAL OPERATING INCOME	343,673,791	100.00%	4.71%
<b>ADMINISTRATIVE EXPENSES</b>			
Employee Costs	122,589,089	35.67%	1.68%
Travel and Conference	2,630,702	0.77%	0.04%
Office Occupancy	15,654,203	4.55%	0.21%
General Operations	41,650,734	12.12%	0.57%
Education and Promotion	8,008,714	2.33%	0.11%
Loan Servicing	18,791,714	5.47%	0.26%
Professional Services	14,678,834	4.27%	0.20%
Member Insurance	77,623	0.02%	0.00%
Operating Fees	941,500	0.27%	0.01%
Other Operational Expenses	<u>6,338,723</u>	1.84%	0.09%
TOTAL ADMINISTRATIVE	231,361,836	67.32%	3.17%
Provision for Loan Loss	<u>10,564,346</u>	3.07%	0.14%
TOTAL OPERATING EXPENSES	241,926,182	70.39%	3.31%
Dividends Paid on Savings	29,064,972	8.46%	0.40%
Interest on Borrowed Funds	<u>2,439,234</u>	0.71%	0.03%
TOTAL COST OF FUNDS	31,504,206	9.17%	0.43%
TOTAL EXPENSES	273,430,388	79.56%	3.74%
NET OPERATING INCOME	70,243,403	20.44%	0.96%
NON-OPERATING GAIN/LOSS	<u>2,024,069</u>	0.59%	0.03%
NET INCOME	72,267,472	21.03%	0.99%
NCUA PREMIUMS AND ASSESSMENTS	4,723	0.00%	0.00%
NET INCOME (LOSS)	72,272,195	21.03%	0.99%

*Small statistical errors may exist due to rounding.  
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**COMPARISON STATEMENTS OF INCOME  
FOR WISCONSIN CREDIT UNIONS  
FOR THE PERIODS ENDING MARCH 31, 2016 AND MARCH 31, 2015**

	2016	% OF AVERAGE	2015	% OF AVERAGE
	<u>AMOUNT</u>	<u>ASSETS</u>	<u>AMOUNT</u>	<u>ASSETS</u>
<b>INCOME</b>				
Interest on Loans	234,891,153	3.22%	216,035,566	3.22%
Less: Interest Refunds	<u>267,417</u>	<u>0.00%</u>	<u>239,808</u>	<u>0.00%</u>
Net Interest Income	234,623,736	3.21%	215,795,758	3.22%
Income on Investments	14,095,443	0.19%	11,603,572	0.17%
Other Income	<u>94,954,612</u>	<u>1.30%</u>	<u>87,931,354</u>	<u>1.31%</u>
TOTAL OPERATING INCOME	343,673,791	4.71%	315,330,684	4.70%
<b>ADMINISTRATIVE EXPENSES</b>				
Employee Costs	122,589,089	1.68%	112,033,973	1.67%
Travel and Conference	2,630,702	0.04%	2,211,648	0.03%
Office Occupancy	15,654,203	0.21%	16,181,707	0.24%
General Operations	41,650,734	0.57%	35,903,827	0.54%
Education and Promotion	8,008,714	0.11%	7,425,495	0.11%
Loan Servicing	18,791,714	0.26%	16,039,354	0.24%
Professional Services	14,678,834	0.20%	14,995,736	0.22%
Member Insurance	77,623	0.00%	170,266	0.00%
Operating Fees	941,500	0.01%	892,619	0.01%
Other Operational Expenses	<u>6,338,723</u>	<u>0.09%</u>	<u>6,254,542</u>	<u>0.09%</u>
TOTAL ADMINISTRATIVE	231,361,836	3.17%	212,109,167	3.16%
Provision for Loan Loss	<u>10,564,346</u>	<u>0.14%</u>	<u>10,037,692</u>	<u>0.15%</u>
TOTAL OPERATING EXPENSES	241,926,182	3.31%	222,146,859	3.31%
<b>COST OF ACQUISITION OF FUNDS</b>				
Dividends Paid on Savings	29,064,972	0.40%	24,849,907	0.37%
Interest on Borrowed Funds	<u>2,439,234</u>	<u>0.03%</u>	<u>2,025,905</u>	<u>0.03%</u>
TOTAL COST OF FUNDS	<u>31,504,206</u>	<u>0.43%</u>	<u>26,875,812</u>	<u>0.40%</u>
TOTAL EXPENSES	273,430,388	3.74%	249,022,671	3.72%
<b>NET OPERATING INCOME</b>	70,243,403	0.96%	66,308,013	0.99%
<b>NON-OPERATING GAIN/LOSS</b>	<u>2,024,069</u>	<u>0.03%</u>	<u>1,524,260</u>	<u>0.02%</u>
<b>NET INCOME</b>	72,267,472	0.99%	67,832,273	1.01%
<b>NCUA PREMIUMS &amp; ASSESSMENTS</b>	4,723	0.00%	61,283	0.00%
<b>NET INCOME (LOSS)</b>	72,272,195	0.99%	67,893,556	1.01%

**SIGNIFICANT OPERATIONAL RATIOS  
FOR ALL WISCONSIN CREDIT UNIONS  
2011-2016**

	2011	2012	2013	2014	2015	2016
Number of Credit Unions	203	187	171	160	150	144
<u>CAPITAL ADEQUACY</u>						
Net Worth/Total Assets	9.96%	10.25%	10.65%	10.88%	10.97%	10.89%
Total Delinquency/Net Worth	13.75%	9.66%	7.70%	6.83%	5.71%	4.77%
Solvency Evaluation	111.39%	111.73%	112.23%	112.68%	112.68%	112.58%
Classified Assets/Net Worth	9.18%	8.28%	7.44%	6.25%	5.26%	5.09%
<u>ASSET QUALITY</u>						
Delinquent Loans/Loans	1.83%	1.36%	1.10%	0.97%	0.81%	0.68%
Net Charge Offs/Avg. Loans	0.59%	0.51%	0.43%	0.32%	0.26%	0.22%
<u>EARNINGS (to Average Assets)</u>						
Return on Average Assets	0.59%	1.00%	0.96%	0.82%	1.02%	0.99%
Net Operating Expense	2.86%	2.69%	2.61%	2.57%	2.62%	2.63%
Fixed Assets+FRA's**/Assets	2.95%	2.78%	2.66%	2.62%	2.45%	2.38%
Gross Income	5.59%	5.48%	5.04%	4.71%	4.80%	4.71%
Cost of Funds	0.86%	0.62%	0.48%	0.41%	0.42%	0.43%
Operating Exp. (less PLL)	3.58%	3.43%	3.32%	3.18%	3.22%	3.17%
Net Interest Margin	3.35%	3.24%	3.07%	3.00%	3.00%	2.97%
PLL	0.55%	0.41%	0.30%	0.20%	0.16%	0.14%
<u>ASSET-LIABILITY MANAGEMENT</u>						
Net Long Term Assets/Assets	30.62%	30.65%	33.07%	33.34%	33.89%	33.30%
Shares/Savings+Borrowings	23.05%	25.45%	27.44%	29.34%	30.70%	32.08%
Loans/Savings	86.68%	83.59%	86.23%	89.47%	89.85%	88.26%
Loans/Assets	75.01%	72.76%	74.27%	76.90%	77.10%	75.95%
Cash + ST Invest./Assets	11.50%	13.69%	12.16%	9.84%	10.69%	11.74%
<u>OTHER RATIOS</u>						
Savings Growth	6.10%	7.48%	3.95%	7.15%	9.22%	13.44%
Net Worth Growth	5.70%	10.13%	9.12%	9.84%	10.24%	9.17%
Loan Growth	4.34%	4.07%	7.20%	11.17%	9.68%	5.97%
Asset Growth	6.00%	7.44%	5.05%	7.39%	9.39%	12.25%
Investments/Assets	13.04%	14.00%	15.18%	12.90%	11.80%	11.84%
Employee Cost/Gross Inc.	31.32%	32.16%	33.98%	35.04%	35.04%	35.67%
Employee Cost/ Avg. Assets	1.75%	1.76%	1.71%	1.65%	1.68%	1.68%
Average Loan Balance	\$11,640	\$11,882	\$11,820	\$12,156	\$12,577	\$12,526
Average Savings Balance	\$4,330	\$4,511	\$4,543	\$4,585	\$4,786	\$4,878

\*\*Foreclosed and Repossessed Assets

**SIGNIFICANT OPERATIONAL RATIOS  
FOR THE PERIOD ENDING MARCH 31, 2016**

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	17	16	47	23	28	13	144

CAPITAL ADEQUACY

Net Worth/Total Assets	17.60%	15.69%	12.76%	11.89%	11.10%	10.62%	10.89%
Net Worth/PCA Optional Total Assets	17.60%	15.72%	12.77%	11.90%	11.12%	10.67%	10.93%
Total Delinquency/Net Worth	9.19%	6.28%	5.23%	4.30%	4.97%	4.71%	4.77%
Solvency Evaluation	121.44%	118.69%	114.70%	113.60%	112.47%	112.37%	112.58%
Classified Assets/Net Worth	5.59%	4.27%	4.40%	4.23%	4.23%	5.46%	5.09%

ASSET QUALITY

Delinquent Loans/Loans	2.93%	1.82%	1.11%	0.74%	0.75%	0.64%	0.68%
Net Charge Offs/Avg. Loans	0.32%	0.11%	0.31%	0.23%	0.14%	0.24%	0.22%
Fair Value/Amortized Cost for HTM Accumulated Unrealized Gains or Losses on AFS/Amortized Cost AFS	N/A	0.00%	101.38%	100.60%	100.31%	102.60%	101.26%
Delinquent Loans/Assets	1.62%	0.99%	0.67%	0.51%	0.55%	0.50%	0.52%

EARNINGS (to Average Assets)

Return on Average Assets	-0.14%	0.17%	0.32%	0.38%	0.83%	1.13%	0.99%
Gross Income	3.29%	3.44%	4.07%	4.16%	4.62%	4.82%	4.71%
Yield on Average Loans	5.10%	5.07%	4.68%	4.34%	4.38%	4.12%	4.20%
Yield on Average Investments	0.82%	0.79%	1.00%	1.20%	1.14%	1.04%	1.06%
Fee & Other Op. Income	0.05%	0.27%	0.87%	0.86%	1.18%	1.40%	1.30%
Cost of Funds	0.17%	0.24%	0.22%	0.28%	0.34%	0.48%	0.43%
Net Margin	3.12%	3.20%	3.85%	3.88%	4.28%	4.34%	4.28%
Operating Exp. (less PLL)	3.46%	2.94%	3.44%	3.32%	3.48%	3.05%	3.17%
PLL	0.22%	0.09%	0.09%	0.17%	0.01%	0.18%	0.14%
Net Interest Margin	3.07%	2.93%	2.98%	3.03%	3.10%	2.94%	2.97%
Operating Exp./Gross Income	105.21%	85.63%	84.72%	79.80%	75.38%	63.38%	67.32%
Fixed Assets+FRA's**/Assets	0.13%	0.65%	1.73%	2.84%	2.87%	2.25%	2.38%
Net Operating Expense	3.43%	2.75%	2.95%	2.84%	2.95%	2.50%	2.63%

ASSET-LIABILITY MANAGEMENT

Net Long Term Assets/Assets	6.55%	4.65%	17.84%	25.37%	32.47%	35.18%	33.30%
Shares/Savings+Borrowings	84.84%	75.24%	49.12%	38.80%	38.18%	28.72%	32.08%
Loans/Savings	67.11%	64.49%	69.21%	78.75%	83.62%	91.55%	88.26%
Loans/Assets	55.12%	54.13%	59.96%	68.66%	73.25%	78.29%	75.95%
Cash + ST Invest./Assets	32.47%	27.82%	23.20%	14.92%	12.10%	10.66%	11.74%
Shares, Deposits & Borrowings/Earning Assets	82.45%	85.54%	90.33%	92.92%	94.33%	93.09%	93.18%
Shares + Drafts/Savings+Borrowings	85.11%	79.94%	64.63%	56.21%	56.87%	42.70%	47.20%
Borrowings/Shares & Net Worth	0.00%	0.00%	0.00%	0.18%	0.57%	2.89%	2.14%

OTHER RATIOS

Net Worth Growth	-0.83%	1.05%	1.63%	3.10%	8.36%	10.55%	9.17%
Savings Growth	5.52%	5.73%	6.60%	6.33%	10.53%	15.31%	13.44%
Loan Growth	-14.76%	0.70%	-0.91%	-3.41%	4.46%	7.38%	5.97%
Asset Growth	4.37%	5.16%	5.83%	3.79%	10.12%	13.94%	12.25%
Investment Growth	26.88%	-101.65%	-20.41%	24.30%	49.52%	43.14%	35.97%
Investments/Assets	26.74%	32.20%	28.14%	18.69%	13.78%	9.73%	11.84%
Employee Cost/Gross Inc.	55.06%	46.93%	42.17%	41.23%	40.74%	33.57%	35.67%
Employee Cost/ Avg. Assets	1.81%	1.61%	1.71%	1.72%	1.88%	1.62%	1.68%
Average Loan Balance	\$7,361	\$7,973	\$10,544	\$13,693	\$14,699	\$12,114	\$12,526
Average Savings Balance	\$2,623	\$3,639	\$3,939	\$4,404	\$4,599	\$5,090	\$4,878

\*\*Foreclosed and Repossessed Assets

Small statistical errors may exist due to rounding.  
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**ANALYSIS OF INCOME AND EXPENSES TO GROSS INCOME  
FOR THE PERIOD ENDING MARCH 31, 2016**

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	17	16	47	23	28	13	144
<b>OPERATING INCOME</b>							
Interest on Loans	87.64%	80.29%	69.53%	72.40%	69.82%	67.57%	68.35%
Less: Interest Refunds	0.00%	0.00%	0.00%	0.09%	0.01%	0.10%	0.08%
Income on Investments	10.77%	11.92%	9.14%	7.13%	4.76%	3.44%	4.10%
Income on Trading Securities	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Fee Income	1.01%	5.54%	12.26%	11.69%	11.63%	11.44%	11.50%
Other Operating Income	<u>0.57%</u>	<u>2.25%</u>	<u>9.06%</u>	<u>8.87%</u>	<u>13.80%</u>	<u>17.65%</u>	<u>16.13%</u>
TOTAL INCOME	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
<b>OPERATING EXPENSES</b>							
Employee Costs	55.06%	46.93%	42.17%	41.23%	40.74%	33.57%	35.67%
Travel and Conference	1.18%	0.81%	0.78%	0.87%	1.03%	0.69%	0.77%
Office Occupancy	3.50%	5.44%	6.12%	5.40%	5.43%	4.18%	4.55%
General Operations	25.26%	16.18%	14.81%	16.43%	14.55%	11.02%	12.12%
Education and Promotion	0.31%	0.51%	1.85%	2.01%	2.33%	2.38%	2.33%
Loan Servicing	2.47%	1.59%	4.95%	4.22%	4.57%	5.83%	5.47%
Professional Services	6.90%	7.79%	10.43%	7.16%	4.74%	3.63%	4.27%
Member Insurance	0.05%	0.07%	0.01%	0.05%	0.07%	0.01%	0.02%
Operating Fees	3.16%	1.20%	0.81%	0.42%	0.34%	0.21%	0.27%
Miscellaneous	<u>7.34%</u>	<u>5.10%</u>	<u>2.79%</u>	<u>2.01%</u>	<u>1.56%</u>	<u>1.85%</u>	<u>1.84%</u>
TOTAL ADMINISTRATIVE	105.21%	85.63%	84.72%	79.80%	75.38%	63.38%	67.32%
Provision for Loan Loss	<u>6.69%</u>	<u>2.63%</u>	<u>2.26%</u>	<u>4.06%</u>	<u>0.21%</u>	<u>3.80%</u>	<u>3.07%</u>
TOTAL OPERATING EXP.	111.90%	88.26%	86.98%	83.86%	75.58%	67.19%	70.39%
<b>COST OF FUNDS</b>							
Interest on Borrowed Funds	0.06%	0.01%	0.02%	0.13%	0.09%	0.95%	0.71%
Dividends on Savings	<u>5.14%</u>	<u>7.02%</u>	<u>5.40%</u>	<u>6.62%</u>	<u>7.36%</u>	<u>9.03%</u>	<u>8.46%</u>
TOTAL COST OF FUNDS	5.21%	7.03%	5.42%	6.76%	7.45%	9.98%	9.17%
<b>NET INCOME FROM OPERATIONS</b>	-17.11%	4.72%	7.60%	9.38%	16.97%	22.83%	20.44%
<b>NON-OPERATING GAIN/LOSS</b>	<u>12.91%</u>	<u>0.09%</u>	<u>0.28%</u>	<u>-0.37%</u>	<u>1.05%</u>	<u>0.54%</u>	<u>0.59%</u>
<b>NET INCOME</b>	-4.19%	4.80%	7.88%	9.01%	18.02%	23.37%	21.03%
NCUA EXPENSES	0.00%	0.07%	0.00%	0.02%	0.00%	0.00%	0.00%
<b>ADJUSTED NET INCOME (LOSS)</b>	-4.19%	4.87%	7.88%	9.04%	18.02%	23.37%	21.03%

**ANALYSIS OF INCOME AND EXPENSES TO AVERAGE ASSETS  
FOR THE PERIOD ENDING MARCH 31, 2016**

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	17	16	47	23	28	13	144
<b>OPERATING INCOME</b>							
Interest on Loans	2.88%	2.76%	2.83%	3.01%	3.23%	3.26%	3.22%
Less: Interest Refunds	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Income on Investments	0.35%	0.41%	0.37%	0.30%	0.22%	0.17%	0.19%
Income on Trading Securities	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Fee Income	0.03%	0.19%	0.50%	0.49%	0.54%	0.55%	0.54%
Other Operating Income	<u>0.02%</u>	<u>0.08%</u>	<u>0.37%</u>	<u>0.37%</u>	<u>0.64%</u>	<u>0.85%</u>	<u>0.76%</u>
TOTAL INCOME	3.29%	3.44%	4.07%	4.16%	4.62%	4.82%	4.71%
<b>OPERATING EXPENSES</b>							
Employee Costs	1.81%	1.61%	1.71%	1.72%	1.88%	1.62%	1.68%
Travel and Conference	0.04%	0.03%	0.03%	0.04%	0.05%	0.03%	0.04%
Office Occupancy	0.12%	0.19%	0.25%	0.22%	0.25%	0.20%	0.21%
General Operations	0.83%	0.56%	0.60%	0.68%	0.67%	0.53%	0.57%
Education and Promotion	0.01%	0.02%	0.08%	0.08%	0.11%	0.11%	0.11%
Loan Servicing	0.08%	0.05%	0.20%	0.18%	0.21%	0.28%	0.26%
Professional Services	0.23%	0.27%	0.42%	0.30%	0.22%	0.17%	0.20%
Member Insurance	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Operating Fees	0.10%	0.04%	0.03%	0.02%	0.02%	0.01%	0.01%
Miscellaneous	<u>0.24%</u>	<u>0.18%</u>	<u>0.11%</u>	<u>0.08%</u>	<u>0.07%</u>	<u>0.09%</u>	<u>0.09%</u>
TOTAL ADMINISTRATIVE	3.46%	2.94%	3.44%	3.32%	3.48%	3.05%	3.17%
Provision for Loan Loss	<u>0.22%</u>	<u>0.09%</u>	<u>0.09%</u>	<u>0.17%</u>	<u>0.01%</u>	<u>0.18%</u>	<u>0.14%</u>
TOTAL OPERATING EXP.	3.68%	3.03%	3.54%	3.49%	3.49%	3.24%	3.31%
<b>COST OF FUNDS</b>							
Interest on Borrowed Funds	0.00%	0.00%	0.00%	0.01%	0.00%	0.05%	0.03%
Dividends on Savings	<u>0.17%</u>	<u>0.24%</u>	<u>0.22%</u>	<u>0.28%</u>	<u>0.34%</u>	<u>0.44%</u>	<u>0.40%</u>
TOTAL COST OF FUNDS	0.17%	0.24%	0.22%	0.28%	0.34%	0.48%	0.43%
<b>NET INCOME FROM OPERATIONS</b>	-0.56%	0.16%	0.31%	0.39%	0.78%	1.10%	0.96%
<b>NON-OPERATING GAIN/LOSS</b>	<u>0.42%</u>	<u>0.00%</u>	<u>0.01%</u>	<u>-0.02%</u>	<u>0.05%</u>	<u>0.03%</u>	<u>0.03%</u>
<b>NET INCOME</b>	-0.14%	0.17%	0.32%	0.38%	0.83%	1.13%	0.99%
<b>NCUA EXPENSES</b>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
<b>ADJUSTED NET INCOME (LOSS)</b>	-0.14%	0.17%	0.32%	0.38%	0.83%	1.13%	0.99%

**LOAN DELINQUENCY  
PERIOD ENDING MARCH 31, 2016**

Peer Groups by Assets	\$ 2,000,001- <\$2,000,000	\$ 10,000,001- \$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	17	16	47	23	28	13	144
<u>Loan Delinquency Ratios</u>							
2 - 6 Months Delinquent	2.38%	1.09%	0.63%	0.46%	0.46%	0.39%	0.41%
6 - 12 Months Delinquent	0.42%	0.49%	0.28%	0.14%	0.18%	0.16%	0.17%
Over 12 Months Delinquent	<u>0.14%</u>	<u>0.24%</u>	<u>0.20%</u>	<u>0.14%</u>	<u>0.11%</u>	<u>0.09%</u>	<u>0.10%</u>
Total Delinquent Loans	2.93%	1.82%	1.11%	0.74%	0.75%	0.64%	0.68%
<u>Loan Loss Ratio</u>	0.32%	0.11%	0.31%	0.23%	0.14%	0.24%	0.22%

**ANALYSIS OF LOANS BY TYPE  
PERIOD ENDING MARCH 31, 2016**

Number of Credit Unions	17	16	47	23	28	13	144
<u>Loan Types</u>							
Credit Card Loans	0.29%	1.20%	2.85%	2.08%	2.15%	4.12%	3.60%
Unsecured Loans	10.33%	8.15%	3.34%	1.66%	2.33%	3.31%	3.05%
Non-Federally Guaranteed Student Loans	0.00%	0.00%	0.30%	0.13%	0.11%	1.48%	1.11%
New Auto Loans	27.60%	18.42%	8.87%	5.77%	6.58%	5.09%	5.56%
Used Auto Loans	42.71%	45.69%	28.08%	20.03%	21.20%	18.43%	19.40%
First Mortgages	6.74%	5.76%	42.41%	56.21%	51.86%	51.51%	51.42%
Other Real Estate	1.90%	7.76%	7.75%	7.77%	8.05%	9.19%	8.85%
Leases	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%
All Other Loans	<u>10.43%</u>	<u>13.02%</u>	<u>6.42%</u>	<u>6.35%</u>	<u>7.73%</u>	<u>6.86%</u>	<u>7.00%</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%	0.50%	2.92%	2.66%	4.40%	3.00%	3.24%
First Mortgage - Fixed - 15 yrs. Or less	0.00%	0.94%	11.59%	12.19%	11.32%	14.02%	13.31%
First Mortgage - Balloon/Hybrid - > 5 yrs.	3.25%	0.29%	2.38%	5.67%	8.42%	9.53%	8.88%
First Mortgage - Balloon/Hybrid - 5 yrs. Or less	3.50%	3.98%	16.49%	21.81%	13.42%	15.86%	15.70%
First Mortgage - Other Fixed Rate	0.00%	0.03%	0.23%	0.08%	0.05%	0.19%	0.16%
First Mortgage - Adjustable - 1 year or less	0.00%	0.00%	2.40%	2.85%	3.65%	2.92%	3.03%
First Mortgage - Adjustable - > 1 year	0.00%	0.01%	6.40%	10.95%	10.59%	6.00%	7.11%
Other - Closed End Fixed	1.90%	2.92%	3.44%	2.71%	2.16%	2.20%	2.26%
Other - Closed End Adjustable	0.00%	0.65%	0.76%	0.84%	0.78%	0.57%	0.63%
Other - Open End Adjustable	0.00%	4.20%	3.55%	4.03%	5.03%	6.41%	5.93%
Other - Open-End Fixed	0.00%	0.00%	0.00%	0.19%	0.08%	0.01%	0.03%
Other	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total Real Estate (As a percent of loans)	8.64%	13.52%	50.16%	63.98%	59.91%	60.69%	60.27%
Total Real Estate (As a percent of assets)	4.76%	7.32%	30.07%	43.93%	43.88%	47.52%	45.77%

\*This page does not include loans Held for Sale

**ANALYSIS OF SAVINGS BY TYPE  
PERIOD ENDING MARCH 31, 2016**

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	17	16	47	23	28	13	144
Share Drafts	0.38%	4.79%	15.63%	17.87%	19.40%	14.78%	15.87%
Regular Shares	84.73%	75.15%	49.00%	38.45%	37.84%	29.30%	32.46%
Money Market Shares	1.54%	0.00%	14.76%	18.94%	17.56%	28.71%	25.29%
Share Certificates	13.24%	17.76%	13.50%	15.68%	16.80%	19.31%	18.36%
IRA Accounts	0.00%	2.20%	5.24%	8.21%	6.80%	6.28%	6.44%
All Other Shares	<u>0.11%</u>	<u>0.09%</u>	<u>1.86%</u>	<u>0.85%</u>	<u>1.61%</u>	<u>1.62%</u>	<u>1.58%</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, 2016**

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	17	16	47	23	28	13	144
Trading Securities	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Available for Sale Securities	0.00%	0.00%	2.72%	22.93%	36.52%	61.03%	45.96%
Held-to-Maturity Securities	0.00%	1.19%	7.97%	7.47%	12.92%	4.06%	6.72%
Commercial Banks, S&L's, and Mutual Savings Banks	58.72%	64.42%	62.58%	45.98%	33.50%	12.64%	25.57%
Credit Unions	23.50%	26.04%	11.12%	7.02%	4.21%	1.79%	3.90%
Corporate Credit Unions	17.78%	8.35%	12.31%	9.98%	8.02%	13.71%	11.92%
Other Investments	<u>0.00%</u>	<u>0.00%</u>	<u>3.30%</u>	<u>6.63%</u>	<u>4.83%</u>	<u>6.77%</u>	<u>5.93%</u>
Total Investments	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%