



2016 THIRD QUARTER CREDIT UNION BULLETIN

This bulletin highlights the 2016 third quarter financial trends for Wisconsin's 143 state-chartered credit unions. The analysis is based on data compiled from the September 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 \$31.1 billion, up from \$28.8 billion as of yearend 2015. The net worth ratio remained strong at 10.93%. Net income was over \$242.5 million resulting in a return on average assets ratio of 1.08%.

Loans outstanding grew by \$1.6 billion since yearend 2015 and savings grew by nearly \$1.8 billion resulting in a loan to savings ratio of 89.99%. The delinquency ratio was 0.73% compared to 0.81% as of December 31, 2015.

The financial indicators for Wisconsin's state-chartered credit unions exhibit sound financial performance through September 30, 2016.

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

Kim Santos, Director
Office of Credit Unions



2016 CONSOLIDATIONS

Consolidation Date	Absorbed Credit Union	Location	Continuing Credit Union	Location
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
9/10/2016	Kenosha Postal Employees	Kenosha	TruStone Financial Federal	Plymouth, MN

2016 LIQUIDATIONS

Liquidation Date	Credit Union	City
2/5/2016	CTK	Milwaukee

**COMPARISON STATEMENTS OF CONDITION
OF WISCONSIN CREDIT UNIONS
SEPTEMBER 30, 2016 and DECEMBER 31, 2015**

	<u>September 30, 2016</u>		<u>December 31, 2015</u>		Increase or Decrease	<u>% Change</u>
<u>Number of Credit Unions</u>	143		150		-7	-4.7%
	<u>AMOUNT</u>	<u>% OF ASSETS</u>	<u>AMOUNT</u>	<u>% OF ASSETS</u>		
<u>ASSETS</u>						
Personal Loans	9,636,921,666	31.0%	8,788,309,563	30.5%	848,612,103	9.7%
Real Estate Loans	<u>14,215,926,725</u>	45.7%	<u>13,414,567,251</u>	46.6%	<u>801,359,474</u>	6.0%
Total Loans	23,852,848,391	76.7%	22,202,876,814	77.1%	1,649,971,577	7.4%
Allowance for Loan Losses	<u>161,979,764</u>	0.5%	<u>166,270,301</u>	0.6%	<u>-4,290,537</u>	-2.6%
Net Loans	23,690,868,627	76.2%	22,036,606,513	76.5%	1,654,262,114	7.5%
Cash	2,228,094,473	7.2%	1,906,860,914	6.6%	321,233,559	16.8%
Investments	3,394,106,625	10.9%	3,399,063,259	11.8%	-4,956,634	-0.1%
Fixed Assets	705,093,245	2.3%	694,907,696	2.4%	10,185,549	1.5%
Other Assets	<u>1,085,878,402</u>	3.5%	<u>759,647,322</u>	2.6%	<u>326,231,080</u>	42.9%
TOTAL ASSETS	<u><u>31,104,041,372</u></u>	100.0%	<u><u>28,797,085,704</u></u>	100.0%	<u><u>2,306,955,668</u></u>	8.0%
<u>LIABILITIES</u>						
Regular Shares	8,656,731,121	27.8%	7,675,782,037	26.7%	980,949,084	12.8%
Share Drafts	4,242,191,538	13.6%	4,130,936,343	14.3%	111,255,195	2.7%
Other Shares & Deposits	<u>13,607,871,043</u>	43.7%	<u>12,904,875,147</u>	44.8%	<u>702,995,896</u>	5.4%
Total Savings	26,506,793,702	85.2%	24,711,593,527	85.8%	1,795,200,175	7.3%
Notes and Accounts Pay.	1,188,479,642	3.8%	928,739,146	3.2%	259,740,496	28.0%
Regular Reserve	965,502,413	3.1%	967,324,965	3.4%	-1,822,552	-0.2%
Other Reserves	<u>2,443,265,615</u>	7.9%	<u>2,189,428,066</u>	7.6%	<u>253,837,549</u>	11.6%
TOTAL LIABILITIES	<u><u>31,104,041,372</u></u>	100.0%	<u><u>28,797,085,704</u></u>	100.0%	<u><u>2,306,955,668</u></u>	8.0%

**STATEMENT OF INCOME
FOR WISCONSIN CREDIT UNIONS
FOR THE PERIOD ENDING SEPTEMBER 30, 2016**

INCOME	AMOUNT	% OF GROSS INCOME	% OF AVERAGE ASSETS
Interest on Loans	724,387,501	66.77%	3.23%
Less: Interest Refunds	<u>819,581</u>	0.08%	0.00%
Net Interest Income	723,567,920	66.70%	3.22%
Income on Investments	44,425,696	4.10%	0.20%
Other Income	<u>316,851,335</u>	29.21%	1.41%
TOTAL OPERATING INCOME	1,084,844,951	100.00%	4.83%
ADMINISTRATIVE EXPENSES			
Employee Costs	375,079,923	34.57%	1.67%
Travel and Conference	7,659,467	0.71%	0.03%
Office Occupancy	46,138,634	4.25%	0.21%
General Operations	128,039,250	11.80%	0.57%
Education and Promotion	26,782,134	2.47%	0.12%
Loan Servicing	59,701,646	5.50%	0.27%
Professional Services	45,231,663	4.17%	0.20%
Member Insurance	200,290	0.02%	0.00%
Operating Fees	2,879,351	0.27%	0.01%
Other Operational Expenses	<u>18,321,799</u>	1.69%	0.08%
TOTAL ADMINISTRATIVE	710,034,157	65.45%	3.16%
Provision for Loan Loss	<u>38,629,099</u>	3.56%	0.17%
TOTAL OPERATING EXPENSES	748,663,256	69.01%	3.33%
Dividends Paid on Savings	90,781,636	8.37%	0.40%
Interest on Borrowed Funds	<u>7,925,428</u>	0.73%	0.04%
TOTAL COST OF FUNDS	<u>98,707,064</u>	9.10%	0.44%
TOTAL EXPENSES	847,370,320	78.11%	3.77%
NET OPERATING INCOME	237,474,631	21.89%	1.06%
NON-OPERATING GAIN/LOSS	<u>5,116,171</u>	0.47%	0.02%
NET INCOME	242,590,802	22.36%	1.08%
NCUA PREMIUMS AND ASSESSMENTS	17,128	0.00%	0.00%
NET INCOME (LOSS)	242,607,930	22.36%	1.08%

*Small Statistical errors may exist due to rounding.
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**COMPARISON STATEMENTS OF INCOME
FOR WISCONSIN CREDIT UNIONS
FOR THE PERIODS ENDING SEPTEMBER 30, 2016 AND SEPTEMBER 30, 2015**

	2016	% OF	2015	% OF
	AMOUNT	AVERAGE ASSETS	AMOUNT	AVERAGE ASSETS
INCOME				
Interest on Loans	724,387,501	3.23%	662,268,187	3.25%
Less: Interest Refunds	<u>819,581</u>	<u>0.00%</u>	<u>1,048,484</u>	<u>0.01%</u>
Net Interest Income	723,567,920	3.22%	661,219,703	3.25%
Income on Investments	44,425,696	0.20%	35,072,920	0.17%
Other Income	<u>316,851,335</u>	<u>1.41%</u>	<u>285,296,103</u>	<u>1.40%</u>
TOTAL OPERATING INCOME	1,084,844,951	4.83%	981,588,726	4.82%
ADMINISTRATIVE EXPENSES				
Employee Costs	375,079,923	1.67%	341,493,857	1.68%
Travel and Conference	7,659,467	0.03%	6,903,000	0.03%
Office Occupancy	46,138,634	0.21%	43,859,646	0.22%
General Operations	128,039,250	0.57%	116,538,388	0.57%
Education and Promotion	26,782,134	0.12%	24,936,783	0.12%
Loan Servicing	59,701,646	0.27%	54,194,359	0.27%
Professional Services	45,231,663	0.20%	41,790,881	0.21%
Member Insurance	200,290	0.00%	246,711	0.00%
Operating Fees	2,879,351	0.01%	2,749,923	0.01%
Other Operational Expenses	<u>18,321,799</u>	<u>0.08%</u>	<u>20,589,214</u>	<u>0.10%</u>
TOTAL ADMINISTRATIVE	710,034,157	3.16%	653,302,762	3.21%
Provision for Loan Loss	<u>38,629,099</u>	<u>0.17%</u>	<u>30,967,930</u>	<u>0.15%</u>
TOTAL OPERATING EXPENSES	748,663,256	3.33%	684,270,692	3.36%
COST OF ACQUISITION OF FUNDS				
Dividends Paid on Savings	90,781,636	0.40%	77,045,019	0.38%
Interest on Borrowed Funds	<u>7,925,428</u>	<u>0.04%</u>	<u>6,516,297</u>	<u>0.03%</u>
TOTAL COST OF FUNDS	<u>98,707,064</u>	<u>0.44%</u>	<u>83,561,316</u>	<u>0.41%</u>
TOTAL EXPENSES	847,370,320	3.77%	767,832,008	3.77%
NET OPERATING INCOME	237,474,631	1.06%	213,756,718	1.05%
NON-OPERATING GAIN/LOSS	<u>5,116,171</u>	<u>0.02%</u>	<u>1,525,095</u>	<u>0.01%</u>
NET INCOME	242,590,802	1.08%	215,281,813	1.06%
NCUA PREMIUMS & ASSESSMENTS	17,128	0.00%	59,330	0.00%
NET INCOME (LOSS)	242,607,930	1.08%	215,341,143	1.06%

**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	143
<u>CAPITAL ADEQUACY</u>						
Net Worth/Total Assets	9.96%	10.25%	10.65%	10.88%	10.97%	10.93%
Total Delinquency/Net Worth	13.75%	9.66%	7.70%	6.83%	5.71%	5.12%
Solvency Evaluation	111.39%	111.73%	112.23%	112.68%	112.68%	112.86%
Classified Assets/Net Worth	9.18%	8.28%	7.44%	6.25%	5.26%	4.76%
<u>ASSET QUALITY</u>						
Delinquent Loans/Loans	1.83%	1.36%	1.10%	0.97%	0.81%	0.73%
Net Charge Offs/Avg. Loans	0.59%	0.51%	0.43%	0.32%	0.26%	0.25%
<u>EARNINGS (to Average Assets)</u>						
Return on Average Assets	0.59%	1.00%	0.96%	0.82%	1.02%	1.08%
Net Operating Expense	2.86%	2.69%	2.61%	2.57%	2.62%	2.58%
Fixed Assets+FRA's**/Assets	2.95%	2.78%	2.66%	2.62%	2.45%	2.30%
Gross Income	5.59%	5.48%	5.04%	4.71%	4.80%	4.83%
Cost of Funds	0.86%	0.62%	0.48%	0.41%	0.42%	0.44%
Operating Exp. (less PLL)	3.58%	3.43%	3.32%	3.18%	3.22%	3.16%
Net Interest Margin	3.35%	3.24%	3.07%	3.00%	3.00%	2.98%
PLL	0.55%	0.41%	0.30%	0.20%	0.16%	0.17%
<u>ASSET-LIABILITY MANAGEMENT</u>						
Net Long Term Assets/Assets	30.62%	30.65%	33.07%	33.34%	33.89%	33.01%
Shares/Savings+Borrowings	23.05%	25.45%	27.44%	29.34%	30.70%	32.06%
Loans/Savings	86.68%	83.59%	86.23%	89.47%	89.85%	89.99%
Loans/Assets	75.01%	72.76%	74.27%	76.90%	77.10%	76.69%
Cash + ST Invest./Assets	11.50%	13.69%	12.16%	9.84%	10.69%	11.34%
<u>OTHER RATIOS</u>						
Savings Growth	6.10%	7.48%	3.95%	7.15%	9.22%	9.86%
Net Worth Growth	5.70%	10.13%	9.12%	9.84%	10.24%	10.30%
Loan Growth	4.34%	4.07%	7.20%	11.17%	9.68%	10.03%
Asset Growth	6.00%	7.44%	5.05%	7.39%	9.39%	10.84%
Investments/Assets	13.04%	14.00%	15.18%	12.90%	11.80%	10.91%
Employee Cost/Gross Inc.	31.32%	32.16%	33.98%	35.04%	35.04%	34.57%
Employee Cost/ Avg. Assets	1.75%	1.76%	1.71%	1.65%	1.68%	1.67%
Average Loan Balance	\$11,640	\$11,882	\$11,820	\$12,156	\$12,577	\$13,014
Average Savings Balance	\$4,330	\$4,511	\$4,543	\$4,585	\$4,786	\$4,910

**Foreclosed and Repossessed Assets

**SIGNIFICANT OPERATIONAL RATIOS
FOR THE PERIOD ENDING SEPTEMBER 30, 2016**

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	16	17	46	22	29	13	143
<u>CAPITAL ADEQUACY</u>							
Net Worth/Total Assets	17.67%	15.15%	12.88%	11.67%	11.31%	10.65%	10.93%
Net Worth/PCA Optional Total Assets	17.67%	15.15%	12.88%	11.68%	11.34%	10.71%	10.98%
Total Delinquency/Net Worth	6.32%	7.19%	4.95%	4.95%	5.27%	5.08%	5.12%
Solvency Evaluation	121.64%	117.95%	114.83%	113.32%	112.82%	112.71%	112.86%
Classified Assets/Net Worth	5.33%	3.97%	4.08%	3.99%	3.81%	5.15%	4.76%
<u>ASSET QUALITY</u>							
Delinquent Loans/Loans	2.01%	2.17%	1.04%	0.84%	0.80%	0.69%	0.73%
Net Charge Offs/Avg. Loans	0.22%	0.34%	0.27%	0.19%	0.19%	0.26%	0.25%
Fair Value/Amortized Cost for HTM	N/A	93.91%	103.41%	95.25%	100.40%	96.98%	99.08%
Accumulated Unrealized Gains or Losses on AFS/Amortized Cost AFS	N/A	N/A	0.67%	0.68%	1.29%	0.73%	0.82%
Delinquent Loans/Assets	1.12%	1.09%	0.64%	0.58%	0.60%	0.54%	0.56%
<u>EARNINGS (to Average Assets)</u>							
Return on Average Assets	-0.05%	0.15%	0.36%	0.42%	0.86%	1.24%	1.08%
Gross Income	3.34%	3.31%	4.15%	4.19%	4.74%	4.95%	4.83%
Yield on Average Loans	5.13%	5.04%	4.65%	4.29%	4.36%	4.12%	4.19%
Yield on Average Investments	0.86%	1.00%	1.04%	1.25%	1.19%	1.11%	1.13%
Fee & Other Op. Income	0.07%	0.28%	0.92%	0.90%	1.27%	1.52%	1.41%
Cost of Funds	0.20%	0.23%	0.22%	0.27%	0.35%	0.49%	0.44%
Net Margin	3.14%	3.08%	3.93%	3.92%	4.39%	4.46%	4.39%
Operating Exp. (less PLL)	3.56%	2.88%	3.47%	3.35%	3.46%	3.05%	3.16%
PLL	0.07%	0.07%	0.11%	0.10%	0.07%	0.21%	0.17%
Net Interest Margin	3.06%	2.80%	3.02%	3.02%	3.11%	2.94%	2.98%
Operating Exp./Gross Income	106.67%	87.01%	83.64%	80.00%	73.08%	61.57%	65.45%
Fixed Assets+FRA's**/Assets	0.10%	0.52%	1.75%	2.79%	2.80%	2.17%	2.30%
Net Operating Expense	3.51%	2.68%	2.94%	2.86%	2.88%	2.46%	2.58%
<u>ASSET-LIABILITY MANAGEMENT</u>							
Net Long Term Assets/Assets	9.26%	5.93%	17.52%	25.62%	32.06%	34.77%	33.01%
Shares/Savings+Borrowings	83.01%	68.56%	49.90%	39.56%	38.39%	28.68%	32.06%
Loans/Savings	68.11%	59.39%	70.77%	78.92%	85.76%	93.20%	89.99%
Loans/Assets	55.63%	50.13%	61.25%	68.93%	74.67%	78.75%	76.69%
Cash + ST Invest./Assets	29.35%	28.35%	23.14%	15.47%	10.98%	10.42%	11.34%
Shares, Deposits & Borrowings/Earning Assets	82.51%	86.38%	90.29%	92.73%	93.91%	93.48%	93.37%
Shares + Drafts/Savings+Borrowings	83.42%	73.87%	65.94%	57.63%	57.13%	42.64%	47.21%
Borrowings/Shares & Net Worth	0.42%	0.09%	0.01%	0.17%	0.78%	3.64%	2.73%
<u>OTHER RATIOS</u>							
Net Worth Growth	-0.30%	1.09%	2.84%	3.61%	8.07%	12.12%	10.30%
Savings Growth	-2.53%	3.47%	3.21%	3.84%	6.68%	11.68%	9.86%
Loan Growth	-3.83%	2.96%	2.87%	1.68%	8.02%	11.47%	10.03%
Asset Growth	-1.63%	3.31%	3.06%	3.16%	7.24%	12.95%	10.84%
Investment Growth	-7.17%	-9.78%	-11.48%	2.26%	12.86%	11.78%	8.94%
Investments/Assets	25.32%	37.24%	27.23%	19.22%	13.35%	8.65%	10.91%
Employee Cost/Gross Inc.	56.15%	47.94%	41.75%	41.14%	39.31%	32.52%	34.57%
Employee Cost/ Avg. Assets	1.87%	1.59%	1.73%	1.72%	1.86%	1.61%	1.67%
Average Loan Balance	\$7,153	\$8,230	\$10,700	\$14,021	\$15,176	\$12,632	\$13,014
Average Savings Balance	\$2,528	\$3,886	\$3,971	\$4,448	\$4,633	\$5,111	\$4,910

**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 SEPTEMBER 30, 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	16	17	46	22	29	13	143
OPERATING INCOME							
Interest on Loans	86.29%	76.33%	68.71%	71.00%	68.47%	65.93%	66.77%
Less: Interest Refunds	0.00%	0.00%	0.00%	0.06%	0.01%	0.10%	0.08%
Income on Investments	11.55%	15.09%	9.22%	7.61%	4.65%	3.45%	4.10%
Income on Trading Securities	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Fee Income	1.28%	6.21%	12.95%	11.69%	12.31%	11.89%	11.98%
Other Operating Income	<u>0.89%</u>	<u>2.38%</u>	<u>9.12%</u>	<u>9.77%</u>	<u>14.58%</u>	<u>18.83%</u>	<u>17.23%</u>
TOTAL INCOME	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
OPERATING EXPENSES							
Employee Costs	56.15%	47.94%	41.75%	41.14%	39.31%	32.52%	34.57%
Travel and Conference	0.98%	1.02%	0.78%	0.86%	1.01%	0.61%	0.71%
Office Occupancy	3.76%	4.60%	5.79%	5.27%	5.10%	3.89%	4.25%
General Operations	25.98%	16.56%	14.38%	16.34%	14.01%	10.79%	11.80%
Education and Promotion	1.03%	0.54%	2.02%	2.43%	2.55%	2.48%	2.47%
Loan Servicing	2.76%	2.14%	4.96%	3.87%	4.83%	5.82%	5.50%
Professional Services	5.62%	7.80%	10.47%	7.62%	4.48%	3.56%	4.17%
Member Insurance	0.75%	0.06%	0.02%	0.05%	0.06%	0.01%	0.02%
Operating Fees	3.64%	1.37%	0.79%	0.47%	0.32%	0.21%	0.27%
Miscellaneous	<u>5.98%</u>	<u>4.97%</u>	<u>2.69%</u>	<u>1.95%</u>	<u>1.39%</u>	<u>1.69%</u>	<u>1.69%</u>
TOTAL ADMINISTRATIVE	106.67%	87.01%	83.64%	80.00%	73.08%	61.57%	65.45%
Provision for Loan Loss	<u>1.98%</u>	<u>2.07%</u>	<u>2.54%</u>	<u>2.44%</u>	<u>1.52%</u>	<u>4.23%</u>	<u>3.56%</u>
TOTAL OPERATING EXP.	108.65%	89.07%	86.17%	82.44%	74.59%	65.80%	69.01%
COST OF FUNDS							
Interest on Borrowed Funds	0.02%	0.02%	0.01%	0.10%	0.10%	0.97%	0.73%
Dividends on Savings	<u>5.96%</u>	<u>6.86%</u>	<u>5.31%</u>	<u>6.40%</u>	<u>7.30%</u>	<u>8.92%</u>	<u>8.37%</u>
TOTAL COST OF FUNDS	5.98%	6.88%	5.32%	6.51%	7.40%	9.90%	9.10%
NET INCOME FROM OPERATIONS	-14.63%	4.05%	8.51%	11.05%	18.01%	24.30%	21.89%
NON-OPERATING GAIN/LOSS	<u>13.07%</u>	<u>0.39%</u>	<u>0.18%</u>	<u>-1.04%</u>	<u>0.05%</u>	<u>0.69%</u>	<u>0.47%</u>
NET INCOME	-1.56%	4.45%	8.69%	10.01%	18.06%	24.99%	22.36%
NCUA EXPENSES	0.70%	0.06%	0.00%	0.03%	0.00%	0.00%	0.00%
ADJUSTED NET INCOME (LOSS)	-0.86%	4.51%	8.69%	10.04%	18.06%	24.99%	22.36%

**ANALYSIS OF INCOME AND EXPENSES TO AVERAGE ASSETS
FOR THE PERIOD ENDING SEPTEMBER 30, 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	16	17	46	22	29	13	143
OPERATING INCOME							
Interest on Loans	2.88%	2.53%	2.85%	2.98%	3.24%	3.26%	3.23%
Less: Interest Refunds	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Income on Investments	0.39%	0.50%	0.38%	0.32%	0.22%	0.17%	0.20%
Income on Trading Securities	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Fee Income	0.04%	0.21%	0.54%	0.49%	0.58%	0.59%	0.58%
Other Operating Income	<u>0.03%</u>	<u>0.08%</u>	<u>0.38%</u>	<u>0.41%</u>	<u>0.69%</u>	<u>0.93%</u>	<u>0.83%</u>
TOTAL INCOME	3.34%	3.31%	4.15%	4.19%	4.74%	4.95%	4.83%
OPERATING EXPENSES							
Employee Costs	1.87%	1.59%	1.73%	1.72%	1.86%	1.61%	1.67%
Travel and Conference	0.03%	0.03%	0.03%	0.04%	0.05%	0.03%	0.03%
Office Occupancy	0.13%	0.15%	0.24%	0.22%	0.24%	0.19%	0.21%
General Operations	0.87%	0.55%	0.60%	0.68%	0.66%	0.53%	0.57%
Education and Promotion	0.03%	0.02%	0.08%	0.10%	0.12%	0.12%	0.12%
Loan Servicing	0.09%	0.07%	0.21%	0.16%	0.23%	0.29%	0.27%
Professional Services	0.19%	0.26%	0.43%	0.32%	0.21%	0.18%	0.20%
Member Insurance	0.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Operating Fees	0.12%	0.05%	0.03%	0.02%	0.02%	0.01%	0.01%
Miscellaneous	<u>0.20%</u>	<u>0.16%</u>	<u>0.11%</u>	<u>0.08%</u>	<u>0.07%</u>	<u>0.08%</u>	<u>0.08%</u>
TOTAL ADMINISTRATIVE	3.56%	2.88%	3.47%	3.35%	3.46%	3.05%	3.16%
Provision for Loan Loss	<u>0.07%</u>	<u>0.07%</u>	<u>0.11%</u>	<u>0.10%</u>	<u>0.07%</u>	<u>0.21%</u>	<u>0.17%</u>
TOTAL OPERATING EXP.	3.62%	2.95%	3.58%	3.45%	3.53%	3.26%	3.33%
COST OF FUNDS							
Interest on Borrowed Funds	0.00%	0.00%	0.00%	0.00%	0.00%	0.05%	0.04%
Dividends on Savings	<u>0.20%</u>	<u>0.23%</u>	<u>0.22%</u>	<u>0.27%</u>	<u>0.35%</u>	<u>0.44%</u>	<u>0.40%</u>
TOTAL COST OF FUNDS	0.20%	0.23%	0.22%	0.27%	0.35%	0.49%	0.44%
NET INCOME FROM OPERATIONS	-0.49%	0.13%	0.35%	0.46%	0.85%	1.20%	1.06%
NON-OPERATING GAIN/LOSS	<u>0.44%</u>	<u>0.01%</u>	<u>0.01%</u>	<u>-0.04%</u>	<u>0.00%</u>	<u>0.03%</u>	<u>0.02%</u>
NET INCOME	-0.05%	0.15%	0.36%	0.42%	0.86%	1.24%	1.08%
NCUA EXPENSES	<u>0.02%</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>
ADJUSTED NET INCOME (LOSS)	-0.03%	0.15%	0.36%	0.42%	0.86%	1.24%	1.08%

**LOAN DELINQUENCY
PERIOD ENDING SEPTEMBER 30, 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	16	17	46	22	29	13	143
<u>Loan Delinquency Ratios</u>							
2 - 6 Months Delinquent	1.91%	1.06%	0.67%	0.54%	0.53%	0.49%	0.51%
6 - 12 Months Delinquent	0.06%	0.81%	0.25%	0.14%	0.18%	0.13%	0.14%
Over 12 Months Delinquent	<u>0.03%</u>	<u>0.31%</u>	<u>0.13%</u>	<u>0.16%</u>	<u>0.09%</u>	<u>0.07%</u>	<u>0.08%</u>
Total Delinquent Loans	2.01%	2.17%	1.04%	0.84%	0.80%	0.69%	0.73%
<u>Loan Loss Ratio</u>	0.22%	0.34%	0.27%	0.19%	0.19%	0.26%	0.25%

**ANALYSIS OF LOANS BY TYPE
PERIOD ENDING SEPTEMBER 30, 2016**

Number of Credit Unions	16	17	46	22	29	13	143
<u>Loan Types</u>							
Credit Card Loans	0.35%	1.21%	2.86%	2.13%	2.14%	4.09%	3.58%
Unsecured Loans	11.36%	9.33%	3.31%	1.77%	2.34%	3.31%	3.07%
Non-Federally Guaranteed Student Loans	0.00%	0.00%	0.34%	0.13%	0.11%	1.47%	1.11%
New Auto Loans	23.87%	18.79%	9.18%	5.30%	6.67%	5.29%	5.71%
Used Auto Loans	42.24%	44.60%	28.90%	20.64%	21.81%	18.57%	19.65%
First Mortgages	7.04%	6.57%	41.59%	56.43%	50.87%	51.26%	51.03%
Other Real Estate	1.69%	7.24%	7.34%	7.26%	8.09%	8.83%	8.57%
Leases	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%	0.01%
All Other Loans	<u>13.45%</u>	<u>12.28%</u>	<u>6.48%</u>	<u>6.34%</u>	<u>7.97%</u>	<u>7.16%</u>	<u>7.27%</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%	1.39%	2.94%	2.99%	4.51%	3.01%	3.29%
First Mortgage - Fixed - 15 yrs. Or less	0.00%	1.41%	11.96%	12.51%	11.38%	12.93%	12.56%
First Mortgage - Balloon/Hybrid - > 5 yrs.	3.72%	0.25%	2.29%	6.18%	7.69%	10.06%	9.17%
First Mortgage - Balloon/Hybrid - 5 yrs. Or less	3.32%	3.50%	13.55%	21.91%	12.46%	15.61%	15.22%
First Mortgage - Other Fixed Rate	0.00%	0.02%	0.22%	0.09%	0.04%	0.23%	0.19%
First Mortgage - Adjustable - 1 year or less	0.00%	0.00%	2.17%	2.85%	4.40%	3.18%	3.35%
First Mortgage - Adjustable - > 1 year	0.00%	0.00%	8.45%	9.90%	10.39%	6.24%	7.25%
Other - Closed End Fixed	1.69%	3.23%	3.09%	2.79%	2.14%	1.76%	1.92%
Other - Closed End Adjustable	0.00%	0.05%	0.74%	0.63%	0.80%	0.76%	0.76%
Other - Open End Adjustable	0.00%	3.95%	3.30%	3.58%	5.04%	6.30%	5.84%
Other - Open-End Fixed	0.00%	0.00%	0.21%	0.26%	0.11%	0.01%	0.05%
Other	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total Real Estate (As a percent of loans)	8.73%	13.80%	48.93%	63.69%	58.96%	60.09%	59.60%
Total Real Estate (As a percent of assets)	4.85%	6.92%	29.97%	43.90%	44.03%	47.32%	45.70%

*This page does not include loans Held for Sale

**ANALYSIS OF SAVINGS BY TYPE
PERIOD ENDING SEPTEMBER 30, 2016**

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	16	17	46	22	29	13	143
Share Drafts	0.42%	5.47%	16.17%	18.53%	19.46%	14.89%	16.00%
Regular Shares	83.43%	68.48%	49.77%	39.21%	38.18%	29.50%	32.66%
Money Market Shares	1.91%	7.63%	14.46%	18.73%	17.32%	28.31%	25.01%
Share Certificates	14.24%	16.51%	12.65%	14.77%	16.38%	19.42%	18.30%
IRA Accounts	0.00%	1.76%	5.19%	7.94%	6.80%	6.11%	6.29%
All Other Shares	<u>0.01%</u>	<u>0.15%</u>	<u>1.75%</u>	<u>0.82%</u>	<u>1.86%</u>	<u>1.78%</u>	<u>1.73%</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, 2016**

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	16	17	46	22	29	13	143
Trading Securities	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Available for Sale Securities	0.00%	0.00%	2.91%	23.81%	34.52%	62.34%	45.86%
Held-to-Maturity Securities	0.00%	0.67%	8.19%	6.94%	12.05%	3.96%	6.52%
Commercial Banks, S&L's, and Mutual Savings Banks	48.87%	69.02%	60.39%	46.02%	33.58%	11.28%	25.04%
Credit Unions	27.73%	21.83%	12.30%	6.52%	5.31%	1.45%	4.10%
Corporate Credit Unions	23.40%	8.48%	12.42%	9.92%	8.97%	14.20%	12.36%
Other Investments	<u>0.00%</u>	<u>0.00%</u>	<u>3.79%</u>	<u>6.79%</u>	<u>5.57%</u>	<u>6.76%</u>	<u>6.13%</u>
Total Investments	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%