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Director's Comments

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This bulletin highlights the 1999 financial performance statistics for Wisconsin's 350 state-chartered credit unions. As noted below, key financial indicators are strong in all areas.

Wisconsin credit unions grew \$545 million, at a rate of 6.7% in 1999, resulting in total assets of \$8.7 billion as of year-end 1999. The growth rate on a national level was 5.8%.

Capital continues to be strong at 11.5%. Capital grew at a rate of 7.9% in 1999.

Loans increased \$709 million, an increase of 11.4%. Because loans grew at a faster rate than savings, the loan to savings ratio increased to 91% from the 1998 year-end ratio of 86%.

Savings increased \$369 million, or 5%.

The investments reflect a substantial decrease from year-end 1998. The decrease is due to reporting changes required by the revised Call Reports as well as increased cash levels for Year 2000 needs. The reporting changes included moving highly liquid investments with original maturities of 3 months or less with cash and moving the NCUSIF deposit from investments to other assets.

Earnings declined from the year-end 1998 level of 1.07% return on average assets to 0.9%. While the operating expense and cost of funds ratios reflect a decrease when compared to 1998, the net income ratio also reflects a decrease primarily due to a decline in gross income.

Delinquent loans as a percentage of total loans declined from the year-end 1998 level of 1.02% to

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0.92% and the net charge off ratio remained the same at 0.27%.

Wisconsin credit unions have responded well to changes in the financial environment, marketplace and economy.

This financial information is intended to keep you apprised of current conditions and trends in the Wisconsin credit union industry. It can be used as comparative data with which to evaluate the financial performance of your credit union.

Retention of Year 2000 Documentation

Now that the Year 2000 date rollover period is behind us, questions have arisen as to the appropriate disposition of all of the files and testing documents that you produced as you successfully analyzed, remediated, tested and implemented Y2K compliant systems. Although we recommend that credit unions check with their legal counsel regarding their particular situation, we would encourage credit unions to retain these documents for at least three years.

Once again, we would like to say thank you for your dedication to ensuring the Wisconsin state-chartered credit unions were fully prepared for the Year 2000 rollover date. Your efforts in this regard contributed directly to the public's continued confidence in the credit union system.

Privacy of Consumer Financial Information

In the Mid-Year 1999 Bulletin, you were reminded of the importance of ensuring the confidentiality of member records and the provisions of Chapter 186, Wis. Stats., requiring the confidentiality of records and accounts. In November 1999 a Federal privacy law, the Gramm-Leach-Bliley Act of 1999, was enacted.

At the February 24, 2000 NCUA Board Meeting, the Board approved for comment a proposed new privacy rule applicable to all federally-insured credit unions as required by the recently enacted Gramm-Leach-Bliley Act. The goal is to establish a final rule that protects the interests of consumers, both by assuring that their personal information is safeguarded and by giving credit unions the flexibility to serve the needs of their members.

The proposed regulation requires credit unions to have a privacy policy and provide certain disclosures and notices to individuals about whom credit unions collect nonpublic personal information. It also restricts a credit union's ability to disclose nonpublic personal information, including giving individuals in some cases an opportunity to opt out of the disclosure.

The comment period for the proposed rule ends March 31, 2000. There is a statutory requirement that the final rule be issued by May 12, 2000. This rule will become effective November 13, 2000 and federally-insured, state-chartered credit unions must comply.

Prompt Corrective Action (PCA)

The NCUA Board adopted the final PCA rule on February 3, 2000. The purpose of PCA is to resolve the problems of insured credit unions at the least possible long-term loss to the National Credit Union Share Insurance fund (NCUSIF). The PCA rule becomes effective August 7, 2000 and covers 4th quarter reporting.

The final rule implements the net worth categories, enforcement actions and administrative procedures of PCA. The rule creates five net worth categories by which credit unions are classified. It implements increasingly stringent enforcement actions for credit unions that fall below well capitalized. The rule requires NCUA to consult with State Supervisors before taking action on state-chartered credit unions.

The term “net worth” used in the rule is defined as undivided earnings, regular reserves, and any other appropriations designated by management or regulatory authorities. Net worth does not include the allowance for loan and lease losses account.

The NCUA Board also approved the proposed Complex Credit Union PCA rule on February 3, 2000. The proposed rule is open for public comment until 60 days after publication in the Federal Register.

A credit union is categorized as complex if any one of four assets or contingent liabilities (risk portfolios) exceed threshold percentages of total assets, i.e. long-term real estate loans exceed 25% of total assets. The risk portfolios identified in the proposed rule to define complex credit unions are long-term real estate loans, combined portfolios of member business loans outstanding and unused member business loan commitments, long-term investments and loans sold with recourse. Credit unions must make the determination of whether they are complex when they file the Call Report. A complex credit union must meet Risk Based Net Worth (RBNW) requirements in order to be classified as either well or adequately capitalized.

Call Reports

The September 1999 Call Report form implemented changes mandated by Public Law 105-219, the Credit Union Membership Access Act (CUMAA) as well as other changes deemed necessary. Attached to your December 1999 Call Report was a list of the changes. Based on a review of each December 1999 Call Report, the following observations were noted:

- ◆ The plateau account at Wisconsin Corporate Central Credit Union is considered to be a “Cash Equivalent.” It is to be reported on page 1, line 1 as “Cash.” It should not be considered an “Investment.”
- ◆ The NCUSIF deposit was moved from the investment section to Other Assets (page 1, line 25). The NCUSIF deposit should **not** be included as an investment on Schedule C—Investments.
- ◆ Club accounts (including Christmas club, Vacation club, etc.) should be reported as Regular Shares on page 2, line 32. They should not be reported as “Other Shares” on page 11.

Please contact the Office of Credit Unions if you would like a list of the changes and/or if you have any questions on the Call Report.

**COMPARISON STATEMENTS OF CONDITION
OF WISCONSIN CREDIT UNIONS
DECEMBER 31, 1999 and DECEMBER 31, 1998**

	<u>December 31, 1999</u>		<u>December 31, 1998</u>		<u>Increase or Decrease</u>	<u>% Change</u>
Number of Credit Unions	350		358		-8	-2.2%
	AMOUNT	% OF ASSETS	AMOUNT	% OF ASSETS		
ASSETS						
Personal Loans	3,700,395,993	42.4%	3,418,261,278	41.7%	282,134,715	8.3%
Real Estate Loans	3,211,195,946	36.8%	2,784,416,069	34.0%	426,779,877	15.3%
Total Loans	<u>6,911,591,939</u>	79.1%	<u>6,202,677,347</u>	75.7%	<u>708,914,592</u>	11.4%
Allowance for Loan Losses	40,989,554	0.5%	37,880,379	0.5%	3,109,175	8.2%
Net Loans	<u>6,870,602,385</u>	78.6%	<u>6,164,796,968</u>	75.3%	<u>705,805,417</u>	11.4%
Cash	701,025,938	8.0%	200,412,778	2.4%	500,613,160	249.8%
Investments	768,134,600	8.8%	1,524,613,791	18.6%	-756,479,191	-49.6%
Fixed Assets	232,272,772	2.7%	213,836,083	2.6%	18,436,689	8.6%
Other Assets	<u>165,231,691</u>	1.9%	<u>88,740,724</u>	1.1%	<u>76,490,967</u>	86.2%
TOTAL ASSETS	<u><u>8,737,267,386</u></u>	100.0%	<u><u>8,192,400,344</u></u>	100.0%	<u><u>544,867,042</u></u>	6.7%
LIABILITIES						
Regular Shares	2,486,645,803	28.5%	2,432,243,927	29.7%	54,401,876	2.2%
Share Drafts	1,061,579,671	12.2%	1,006,457,344	12.3%	55,122,327	5.5%
Other Shares & Deposits	4,044,357,200	46.3%	3,784,887,413	46.2%	259,469,787	6.9%
Total Savings	<u>7,592,582,674</u>	86.9%	<u>7,223,588,684</u>	88.2%	<u>368,993,990</u>	5.1%
Notes and Accounts Pay.	185,523,415	2.1%	80,056,511	1.0%	105,466,904	131.7%
Regular Reserve	470,260,563	5.4%	434,067,911	5.3%	36,192,652	8.3%
Other Reserves	<u>488,900,734</u>	5.6%	<u>454,687,238</u>	5.6%	<u>34,213,496</u>	7.5%
TOTAL LIABILITIES	<u><u>8,737,267,386</u></u>	100.0%	<u><u>8,192,400,344</u></u>	100.0%	<u><u>544,867,042</u></u>	6.7%

Small statistical errors may exist due to rounding.

**COMPARISON STATEMENTS OF INCOME
FOR WISCONSIN CREDIT UNIONS
FOR THE PERIODS ENDING DECEMBER 31, 1999 AND DECEMBER 31, 1998**

	1999	% OF AVERAGE	1998	% OF AVERAGE	%
	AMOUNT	ASSETS	AMOUNT	ASSETS	CHANGE
INCOME					
Interest on Loans	534,354,541	6.31%	511,467,772	6.66%	4.47%
Less: Interest Refunds	990,549	0.01%	939,742	0.01%	5.41%
Net Interest Income	533,363,992	6.30%	510,528,030	6.64%	4.47%
Income on Investments	81,789,376	0.97%	71,391,416	0.93%	14.56%
Other Income	82,930,056	0.98%	79,688,036	1.04%	4.07%
TOTAL OPERATING INCOME	698,083,424	8.25%	661,607,482	8.61%	5.51%
ADMINISTRATIVE EXPENSES					
Employee Costs	160,893,532	1.90%	145,530,300	1.89%	10.56%
Travel and Conference	4,661,434	0.06%	4,353,639	0.06%	7.07%
Office Occupancy	20,052,077	0.24%	18,887,741	0.25%	6.16%
General Operations	67,524,671	0.80%	62,738,124	0.82%	7.63%
Education and Promotion	12,010,698	0.14%	11,306,677	0.15%	6.23%
Loan Servicing	16,243,778	0.19%	13,621,993	0.18%	19.25%
Professional Services	18,738,911	0.22%	16,686,729	0.22%	12.30%
Member Insurance	4,641,718	0.05%	4,400,882	0.06%	5.47%
Operating Fees	1,727,060	0.02%	1,641,987	0.02%	5.18%
Other Operational Expenses	7,861,867	0.09%	7,335,743	0.10%	7.17%
TOTAL ADMINISTRATIVE	314,355,746	3.71%	286,503,815	3.73%	9.72%
Provision for Loan Loss	19,676,380	0.23%	17,978,377	0.23%	9.44%
TOTAL OPERATING EXPENSES	334,032,126	3.95%	304,482,192	3.96%	9.70%
COST OF ACQUISITION OF FUNDS					
Dividends Paid on Savings	288,985,175	3.41%	278,691,041	3.63%	3.69%
Interest on Borrowed Funds	2,521,067	0.03%	1,107,789	0.01%	127.58%
TOTAL COST OF FUNDS	291,506,242	3.44%	279,798,830	3.64%	4.18%
TOTAL EXPENSES	625,538,368	7.39%	584,281,022	7.60%	7.06%
NET OPERATING INCOME	72,545,056	0.86%	77,326,460	1.01%	-6.18%
NON-OPERATING INCOME	3,877,991	0.05%	5,243,010	0.07%	-26.04%
NET INCOME	76,423,047	0.90%	82,569,470	1.07%	-7.44%

Small statistical errors may exist due to rounding.

SIGNIFICANT OPERATIONAL RATIOS FOR THE PERIOD ENDING DECEMBER 31, 1999

Peer Groups by Assets	<\$500,000	\$ 500,001- \$2,000,000	\$ 2,000,001- \$10,000,000	\$10,000,001- \$50,000,000	>\$50,000,000	TOTAL
Number of Credit Unions	38	70	101	100	41	350
<u>CAPITAL ADEQUACY</u>						
Net Capital/Total Assets	18.24%	18.06%	13.77%	12.12%	10.15%	10.97%
Capital/Total Assets	20.36%	19.03%	14.27%	12.56%	10.64%	11.45%
Total Delinquency/Capital	10.10%	8.27%	6.94%	5.97%	6.43%	6.38%
Solvency Evaluation	122.42%	122.29%	116.17%	114.02%	111.67%	112.65%
Classified Assets/Capital	10.42%	5.10%	3.45%	3.49%	4.58%	4.21%
<u>ASSET QUALITY</u>						
Delinquent Loans/Loans	3.28%	2.38%	1.37%	1.00%	0.84%	0.92%
Net Charge Offs/Avg. Loans	1.00%	0.38%	0.29%	0.30%	0.25%	0.27%
<u>EARNINGS (to Average Assets)</u>						
Return on Average Assets	0.39%	0.58%	0.72%	0.73%	0.99%	0.90%
Net Operating Expense	4.27%	3.78%	3.75%	3.38%	2.94%	3.11%
Fixed Assets+OREO/Assets	0.18%	0.49%	1.95%	2.58%	2.79%	2.66%
Gross Income	7.70%	7.68%	8.09%	8.10%	8.33%	8.25%
Cost of Funds	2.60%	3.05%	3.08%	3.26%	3.56%	3.44%
Operating Exp. (less PLL)	4.31%	3.84%	4.14%	3.88%	3.61%	3.71%
Net Interest Margin	5.01%	4.45%	4.43%	4.07%	3.68%	3.84%
PLL	0.57%	0.30%	0.22%	0.27%	0.22%	0.23%
<u>LIQUIDITY</u>						
Net Long Term Assets/Assets	1.37%	4.51%	14.43%	21.33%	26.19%	23.99%
Shares/Savings+Borrowings	99.91%	83.75%	58.78%	40.82%	26.27%	32.47%
Loans/Savings	77.09%	81.66%	85.15%	86.69%	93.37%	91.04%
Loans/Assets	62.72%	66.13%	72.26%	74.98%	81.53%	79.10%
Cash + ST Invest./Assets	37.32%	30.30%	21.74%	16.23%	9.33%	12.10%
<u>OTHER RATIOS</u>						
Savings Growth	-2.42%	1.11%	3.31%	3.81%	5.85%	5.11%
Capital Growth	1.07%	2.28%	5.67%	6.08%	9.28%	7.94%
Loan Growth	2.87%	3.36%	8.48%	9.37%	12.55%	11.44%
Asset Growth	-5.08%	2.26%	4.34%	4.71%	7.74%	6.66%
Investments/Assets	11.59%	11.36%	11.23%	11.15%	7.30%	8.79%
Employee Cost/Gross Inc.	22.51%	24.08%	25.45%	24.01%	22.46%	23.05%
Employee Cost/ Avg. Assets	1.73%	1.85%	2.06%	1.95%	1.87%	1.90%
Average Loan Balance	\$3,306	\$5,067	\$6,079	\$7,206	\$7,291	\$7,160
Average Savings Balance	\$1,065	\$1,547	\$1,831	\$2,202	\$2,507	\$2,355

Small statistical errors may exist due to rounding.

**SIGNIFICANT OPERATIONAL RATIOS
FOR ALL WISCONSIN CREDIT UNIONS
1995-1999**

	1995	1996	1997	1998	1999
Number of Credit Unions	384	375	369	358	350
<u>CAPITAL ADEQUACY</u>					
Net Capital/Total Assets	10.79%	11.05%	11.23%	10.85%	10.97%
Capital/Total Assets	11.28%	11.53%	11.74%	11.31%	11.45%
Total Delinquency/Capital	7.09%	7.73%	7.45%	6.84%	6.38%
Solvency Evaluation	112.27%	112.63%	112.79%	112.30%	112.65%
Classified Assets/Capital	4.35%	4.18%	4.11%	4.06%	4.21%
<u>ASSET QUALITY</u>					
Delinquent Loans/Loans	1.04%	1.12%	1.08%	1.02%	0.92%
Net Charge Offs/Avg. Loans	0.20%	0.28%	0.28%	0.27%	0.27%
<u>EARNINGS (to Average Assets)</u>					
Return on Average Assets	1.09%	1.06%	1.05%	1.07%	0.90%
Net Operating Expense	3.21%	3.24%	3.23%	3.10%	3.11%
Fixed Assets+OREO/Assets	2.84%	2.78%	2.77%	2.61%	2.66%
Gross Income	8.42%	8.69%	8.73%	8.61%	8.25%
Cost of Funds	3.50%	3.61%	3.64%	3.64%	3.44%
Operating Exp. (less PLL)	3.75%	3.79%	3.83%	3.73%	3.71%
Net Interest Margin	4.10%	4.21%	4.19%	3.94%	3.84%
PLL	0.16%	0.24%	0.28%	0.23%	0.23%
<u>LIQUIDITY</u>					
Net Long Term Assets/Assets	18.09%	16.15%	21.68%	21.66%	23.99%
Shares/Savings+Borrowings	40.47%	38.23%	36.00%	33.85%	32.47%
Loans/Savings	87.65%	90.72%	92.60%	85.91%	91.04%
Loans/Assets	77.13%	79.36%	81.12%	75.71%	79.10%
Cash + ST Invest./Assets	14.93%	12.68%	11.53%	17.03%	12.10%
<u>OTHER RATIOS</u>					
Savings Growth	9.27%	7.03%	7.91%	14.95%	5.11%
Capital Growth	10.66%	9.72%	9.70%	9.69%	7.94%
Loan Growth	5.80%	10.72%	10.16%	6.57%	11.44%
Asset Growth	7.37%	7.62%	7.73%	14.17%	6.66%
Investments/Assets	15.49%	14.04%	13.21%	17.87%	8.79%
Employee Cost/Gross Inc.	22.49%	21.94%	22.02%	22.00%	23.05%
Employee Cost/ Avg. Assets	1.89%	1.91%	1.92%	1.89%	1.90%
Average Loan Balance	\$5,181	\$5,573	\$6,052	\$6,486	\$7,160
Average Savings Balance	\$1,948	\$1,991	\$2,071	\$2,319	\$2,355

Small statistical errors may exist due to rounding.

**ANALYSIS OF INCOME AND EXPENSES TO AVERAGE ASSETS
FOR THE PERIOD ENDING DECEMBER 31, 1999**

Peer Groups by Assets	<\$500,000	\$ 500,001- \$2,000,000	\$ 2,000,001- \$10,000,000	\$10,000,001- \$50,000,000	>\$50,000,000	TOTAL
Number of Credit Unions	38	70	101	100	41	350
<u>OPERATING INCOME</u>						
Interest on Loans	5.86%	5.88%	6.15%	6.13%	6.40%	6.31%
Less: Interest Refunds	0.01%	0.02%	0.02%	0.01%	0.01%	0.01%
Income on Investments	1.76%	1.62%	1.36%	1.19%	0.83%	0.97%
Income on Trading Securities	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Fee Income	0.04%	0.06%	0.39%	0.50%	0.67%	0.60%
Other Operating Income	<u>0.06%</u>	<u>0.15%</u>	<u>0.20%</u>	<u>0.28%</u>	<u>0.43%</u>	<u>0.38%</u>
TOTAL INCOME	7.70%	7.68%	8.09%	8.10%	8.33%	8.25%
<u>OPERATING EXPENSES</u>						
Employee Compensation	1.73%	1.85%	2.06%	1.95%	1.87%	1.90%
Travel and Conference	0.10%	0.08%	0.07%	0.07%	0.05%	0.06%
Office Occupancy	0.10%	0.10%	0.27%	0.24%	0.23%	0.24%
Office Operations	0.96%	0.73%	0.83%	0.79%	0.80%	0.80%
Education and Promotion	0.07%	0.05%	0.10%	0.14%	0.15%	0.14%
Loan Servicing	0.10%	0.07%	0.11%	0.16%	0.21%	0.19%
Professional and Outside	0.20%	0.19%	0.31%	0.32%	0.17%	0.22%
Member Insurance	0.70%	0.44%	0.16%	0.07%	0.03%	0.05%
Operating Fees	0.10%	0.07%	0.05%	0.02%	0.02%	0.02%
Miscellaneous	<u>0.25%</u>	<u>0.24%</u>	<u>0.17%</u>	<u>0.11%</u>	<u>0.07%</u>	<u>0.09%</u>
TOTAL ADMINISTRATIVE	4.31%	3.84%	4.14%	3.88%	3.61%	3.71%
Provision for Loan Loss	<u>0.57%</u>	<u>0.30%</u>	<u>0.22%</u>	<u>0.27%</u>	<u>0.22%</u>	<u>0.23%</u>
TOTAL OPERATING EXP.	4.88%	4.14%	4.36%	4.15%	3.82%	3.95%
<u>COST OF FUNDS</u>						
Interest on Borrowed Funds	0.01%	0.01%	0.01%	0.01%	0.04%	0.03%
Dividends on Savings	<u>2.59%</u>	<u>3.04%</u>	<u>3.07%</u>	<u>3.24%</u>	<u>3.52%</u>	<u>3.41%</u>
TOTAL COST OF FUNDS	2.60%	3.05%	3.08%	3.26%	3.56%	3.44%
<u>NET INCOME FROM OPERATIONS</u>	0.22%	0.50%	0.64%	0.70%	0.95%	0.86%
NON-OPERATING GAIN/LOSS	<u>0.17%</u>	<u>0.08%</u>	<u>0.08%</u>	<u>0.03%</u>	<u>0.05%</u>	<u>0.05%</u>
<u>ADJUSTED NET INCOME</u>	0.39%	0.58%	0.72%	0.73%	0.99%	0.90%

Small statistical errors may exist due to rounding.

**ANALYSIS OF INCOME AND EXPENSES TO GROSS INCOME
FOR THE PERIOD ENDING DECEMBER 31, 1999**

Peer Groups by Assets	<\$500,000	\$ 500,001- \$2,000,000	\$ 2,000,001- \$10,000,000	\$10,000,001- \$50,000,000	>\$50,000,000	TOTAL
Number of Credit Unions	38	70	101	100	41	350
<u>OPERATING INCOME</u>						
Interest on Loans	76.02%	76.56%	76.10%	75.70%	76.91%	76.55%
Less: Interest Refunds	0.13%	0.27%	0.26%	0.10%	0.15%	0.14%
Income on Investments	22.80%	21.08%	16.80%	14.70%	9.98%	11.72%
Income on Trading Securities	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Fee Income	0.47%	0.73%	4.86%	6.23%	8.05%	7.32%
Other Operating Income	<u>0.83%</u>	<u>1.90%</u>	<u>2.51%</u>	<u>3.47%</u>	<u>5.20%</u>	<u>4.56%</u>
TOTAL INCOME	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
<u>OPERATING EXPENSES</u>						
Employee Compensation	22.51%	24.08%	25.45%	24.01%	22.46%	23.05%
Travel and Conference	1.27%	1.09%	0.88%	0.84%	0.58%	0.67%
Office Occupancy	1.31%	1.34%	3.30%	2.99%	2.81%	2.87%
Office Operations	12.51%	9.55%	10.33%	9.69%	9.60%	9.67%
Education and Promotion	0.85%	0.67%	1.19%	1.76%	1.77%	1.72%
Loan Servicing	1.24%	0.96%	1.41%	2.03%	2.54%	2.33%
Professional and Outside	2.56%	2.45%	3.86%	3.99%	2.08%	2.68%
Member Insurance	9.09%	5.70%	2.03%	0.88%	0.38%	0.66%
Operating Fees	1.35%	0.92%	0.57%	0.28%	0.20%	0.25%
Miscellaneous	<u>3.26%</u>	<u>3.19%</u>	<u>2.16%</u>	<u>1.41%</u>	<u>0.90%</u>	<u>1.13%</u>
TOTAL ADMINISTRATIVE	55.95%	49.94%	51.18%	47.89%	43.31%	45.03%
Provision for Loan Loss	<u>7.43%</u>	<u>3.94%</u>	<u>2.77%</u>	<u>3.32%</u>	<u>2.61%</u>	<u>2.82%</u>
TOTAL OPERATING EXP.	63.38%	53.89%	53.96%	51.21%	45.92%	47.85%
<u>COST OF FUNDS</u>						
Interest on Borrowed Funds	0.09%	0.10%	0.16%	0.15%	0.47%	0.36%
Dividends on Savings	<u>33.65%</u>	<u>39.55%</u>	<u>37.96%</u>	<u>40.03%</u>	<u>42.26%</u>	<u>41.40%</u>
TOTAL COST OF FUNDS	33.73%	39.66%	38.12%	40.18%	42.73%	41.76%
<u>NET INCOME FROM OPERATIONS</u>	2.88%	6.46%	7.92%	8.62%	11.36%	10.39%
NON-OPERATING GAIN/LOSS	<u>2.16%</u>	<u>1.06%</u>	<u>1.04%</u>	<u>0.40%</u>	<u>0.56%</u>	<u>0.56%</u>
<u>ADJUSTED NET INCOME</u>	5.04%	7.52%	8.96%	9.02%	11.92%	10.95%

Small statistical errors may exist due to rounding.

**LOAN DELINQUENCY
PERIOD ENDING DECEMBER 31, 1999**

Peer Groups by Assets	<\$500,000	\$ 500,001- \$2,000,000	\$ 2,000,001- \$10,000,000	\$10,000,001- \$50,000,000	>\$50,000,000	TOTAL
Number of Credit Unions	38	70	101	100	41	350
<u>Loan Delinquency Ratios</u>						
2 - 6 Months Delinquent	1.96%	1.25%	0.83%	0.69%	0.55%	0.61%
6 - 12 Months Delinquent	0.83%	0.73%	0.36%	0.19%	0.20%	0.21%
Over 12 Months Delinquent	<u>0.49%</u>	<u>0.40%</u>	<u>0.18%</u>	<u>0.11%</u>	<u>0.09%</u>	<u>0.10%</u>
Total Delinquent Loans	3.28%	2.38%	1.37%	1.00%	0.84%	0.92%
<u>Loan Loss Ratio</u>	1.00%	0.38%	0.29%	0.30%	0.25%	0.27%

**ANALYSIS OF LOANS BY TYPE
PERIOD ENDING DECEMBER 31, 1999**

Number of Credit Unions	38	70	101	100	41	350
<u>Loan Types</u>						
Credit Card Loans	0.00%	0.06%	1.74%	3.03%	4.69%	4.08%
Unsecured Loans	19.72%	12.50%	7.41%	3.68%	3.50%	3.84%
New Auto Loans	22.39%	27.41%	17.34%	11.03%	9.58%	10.51%
Used Auto Loans	43.64%	43.49%	34.82%	25.60%	22.08%	23.83%
First Mortgages	1.02%	1.68%	15.23%	32.98%	35.84%	33.72%
Other Real Estate	0.00%	6.12%	12.77%	11.86%	13.16%	12.74%
Leases	0.00%	0.00%	0.33%	1.29%	0.46%	0.65%
All Other Loans	<u>13.23%</u>	<u>8.73%</u>	<u>10.35%</u>	<u>10.53%</u>	<u>10.69%</u>	<u>10.62%</u>
Total Loans	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	1.02%	1.32%	11.74%	21.29%	17.94%	18.29%
First Mortgage - Variable	0.00%	0.36%	3.49%	11.69%	17.89%	15.43%
Other - Closed End Fixed	0.00%	4.60%	9.95%	7.44%	7.42%	7.53%
Other - Closed End Adj.	0.00%	1.43%	1.81%	1.12%	1.84%	1.65%
Other - Open End Adj.	0.00%	0.09%	1.01%	3.16%	3.90%	3.52%
Other - Miscellaneous	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.14%</u>	<u>0.00%</u>	<u>0.04%</u>
Total Real Estate (as a percent of loans)	1.02%	7.81%	28.00%	44.84%	48.99%	46.46%
Total Real Estate (as a percent of assets)	0.64%	5.16%	20.23%	33.62%	39.94%	36.75%

Small statistical errors may exist due to rounding.

**ANALYSIS OF SAVINGS BY TYPE
PERIOD ENDING DECEMBER 31, 1999**

Peer Groups by Assets		\$ 500,001- \$2,000,000	\$ 2,000,001- \$10,000,000	\$10,000,001- \$50,000,000	>\$50,000,000
Number of Credit Unions	38	70	101	100	41
Share Drafts	0.00%	1.03%	10.12%	13.88%	14.55%
Regular Shares	99.97%	84.21%	59.27%	41.15%	26.44%
Money Market Shares	0.00%	1.09%	2.43%	10.66%	19.27%
Share Certificates	0.03%	10.18%	22.51%	24.79%	31.21%
IRA Accounts	0.00%	3.45%	5.53%	9.45%	8.16%
All Other Shares	<u>0.00%</u>	<u>0.05%</u>	<u>0.14%</u>	<u>0.07%</u>	<u>0.37%</u>
Total Shares	100.00%	100.00%	100.00%	100.00%	100.00%

**ANALYSIS OF INVESTMENTS BY TYPE
PERIOD ENDING DECEMBER 31, 1999**

Peer Groups by Assets		\$ 500,001- \$2,000,000	\$ 2,000,001- \$10,000,000	\$10,000,001- \$50,000,000	>\$50,000,000
Number of Credit Unions	38	70	101	100	41
U.S. Government Obligations	1.80%	1.52%	0.04%	0.52%	2.15%
Federal Agency Securities	0.00%	0.00%	1.28%	14.35%	60.12%
Mutual Funds & Common Trust	5.80%	1.60%	0.23%	1.21%	0.53%
Corporate Credit Unions	10.00%	30.31%	24.38%	19.67%	21.92%
Commercial Banks, S&L's, and Mutual Savings Banks	82.23%	56.03%	64.05%	57.77%	12.21%
Credit Unions	0.00%	9.14%	4.75%	2.94%	0.43%
Other Investments	0.16%	1.40%	5.27%	3.54%	2.65%
Total Investments	100.00%	100.00%	100.00%	100.00%	100.00%

Small statistical errors may exist due to rounding.