



# 2014 THIRD QUARTER CREDIT UNION BULLETIN

This bulletin highlights the 2014 third quarter financial trends for Wisconsin's 162 state-chartered credit unions. The analysis is based on data compiled from the September 2014 5300 call reports. This information is provided to keep you informed of current conditions and trends in the Wisconsin credit union industry.

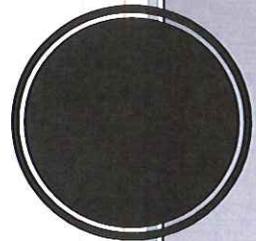
Total assets increased to \$25.8 billion, up from \$24.5 billion as of yearend 2013. The net worth ratio remained strong at 10.79%. Net income was over \$176 million resulting in a return on average assets ratio of 0.93%.

Loans outstanding grew by \$1.360 billion since yearend 2013 and savings grew by \$1.122 billion resulting in a loan to savings ratio of 87.99%. The delinquency ratio was 0.99% compared to 1.10% as of December 31, 2013.

The financial indicators for Wisconsin's state-chartered credit unions exhibit sound financial performance through September 30, 2014.

Additional information about consolidations and liquidations that occurred in 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    |
|--------------------|------------------------------------|-------------|-------------------------|-------------|
| 2/28/2014          | Sacred Heart Hospital Employees    | Eau Claire  | Royal                   | Eau Claire  |
| 4/30/2014          | Best Advantage                     | Brillion    | CitizensFirst           | Oshkosh     |
| 4/30/2014          | Lakeview                           | Neenah      | CitizensFirst           | Oshkosh     |
| 6/30/2014          | Postal Credit Union of Fond du Lac | Fond du Lac | Fond du Lac             | Fond du Lac |
| 7/1/2014           | Pioneer                            | Green Bay   | Capital                 | Kimberly    |
| 9/1/2014           | Oshkosh Central                    | Oshkosh     | Community First         | Appleton    |
| 9/30/2014          | River City Community               | La Crosse   | Marine                  | Fond du Lac |

## 2014 LIQUIDATIONS

| Liquidation Date | Credit Union        | Location   |
|------------------|---------------------|------------|
| 4/30/2014        | Badger Meter        | Milwaukee  |
| 9/27/2014        | La Belle Employees' | Oconomowoc |

*Note on Significant Operational Ratios Page (page 7):*

*Please note that the cost of funds data for the peer group of credit unions less than \$2 million is distorted due to a credit union returning a large amount of equity to their members as a special dividend. Please contact the Office of Credit Unions if you have questions or would like a copy of the Significant Operational Ratios page with this dividend removed.*

**COMPARISON STATEMENTS OF CONDITION  
OF WISCONSIN CREDIT UNIONS  
SEPTEMBER 30, 2014 and DECEMBER 31, 2013**

|                                | <u>September 30, 2014</u> |                        | <u>December 31, 2013</u> |                        | <u>Increase or<br/>Decrease</u> | <u>% Change</u> |
|--------------------------------|---------------------------|------------------------|--------------------------|------------------------|---------------------------------|-----------------|
| <u>Number of Credit Unions</u> | 162                       |                        | 171                      |                        | -9                              | -5.3%           |
|                                | <u>AMOUNT</u>             | <u>% OF<br/>ASSETS</u> | <u>AMOUNT</u>            | <u>% OF<br/>ASSETS</u> |                                 |                 |
| <u>ASSETS</u>                  |                           |                        |                          |                        |                                 |                 |
| Personal Loans                 | 7,502,432,340             | 29.1%                  | 6,878,424,788            | 28.1%                  | 624,007,552                     | 9.1%            |
| Real Estate Loans              | 12,067,857,490            | 46.8%                  | 11,332,150,376           | 46.2%                  | 735,707,114                     | 6.5%            |
| Total Loans                    | 19,570,289,830            | 75.9%                  | 18,210,575,164           | 74.3%                  | 1,359,714,666                   | 7.5%            |
| Allowance for Loan Losses      | 181,652,332               | 0.7%                   | 194,286,212              | 0.8%                   | -12,633,880                     | -6.5%           |
| Net Loans                      | 19,388,637,498            | 75.2%                  | 18,016,288,952           | 73.5%                  | 1,372,348,546                   | 7.6%            |
| Cash                           | 1,388,627,279             | 5.4%                   | 1,524,984,939            | 6.2%                   | -136,357,660                    | -8.9%           |
| Investments                    | 3,648,946,165             | 14.1%                  | 3,721,001,539            | 15.2%                  | -72,055,374                     | -1.9%           |
| Fixed Assets                   | 656,841,034               | 2.5%                   | 641,155,545              | 2.6%                   | 15,685,489                      | 2.4%            |
| Other Assets                   | 707,464,927               | 2.7%                   | 614,459,312              | 2.5%                   | 93,005,615                      | 15.1%           |
| TOTAL ASSETS                   | <u>25,790,516,903</u>     | 100.0%                 | <u>24,517,890,287</u>    | 100.0%                 | <u>1,272,626,616</u>            | 5.2%            |
| <u>LIABILITIES</u>             |                           |                        |                          |                        |                                 |                 |
| Regular Shares                 | 6,735,863,816             | 26.1%                  | 5,886,001,399            | 24.0%                  | 849,862,417                     | 14.4%           |
| Share Drafts                   | 3,246,175,338             | 12.6%                  | 3,091,352,659            | 12.6%                  | 154,822,679                     | 5.0%            |
| Other Shares & Deposits        | 12,258,556,536            | 47.5%                  | 12,140,641,349           | 49.5%                  | 117,915,187                     | 1.0%            |
| Total Savings                  | 22,240,595,690            | 86.2%                  | 21,117,995,407           | 86.1%                  | 1,122,600,283                   | 5.3%            |
| Notes and Accounts Pay.        | 780,410,717               | 3.0%                   | 817,636,018              | 3.3%                   | -37,225,301                     | -4.6%           |
| Regular Reserve                | 924,842,702               | 3.6%                   | 927,054,729              | 3.8%                   | -2,212,027                      | -0.2%           |
| Other Reserves                 | 1,844,667,794             | 7.2%                   | 1,655,204,133            | 6.8%                   | 189,463,661                     | 11.4%           |
| TOTAL LIABILITIES              | <u>25,790,516,903</u>     | 100.0%                 | <u>24,517,890,287</u>    | 100.0%                 | <u>1,272,626,616</u>            | 5.2%            |

**STATEMENT OF INCOME  
FOR WISCONSIN CREDIT UNIONS  
FOR THE PERIOD ENDING SEPTEMBER 30, 2014**

| INCOME                         | AMOUNT             | % OF<br>GROSS<br>INCOME | % OF<br>AVERAGE<br>ASSETS |
|--------------------------------|--------------------|-------------------------|---------------------------|
| Interest on Loans              | 619,328,993        | 68.44%                  | 3.28%                     |
| Less: Interest Refunds         | <u>784,981</u>     | 0.09%                   | 0.00%                     |
| Net Interest Income            | 618,544,012        | 68.35%                  | 3.28%                     |
| Income on Investments          | 37,825,127         | 4.18%                   | 0.20%                     |
| Other Income                   | <u>248,571,123</u> | 27.47%                  | 1.32%                     |
| TOTAL OPERATING INCOME         | 904,940,262        | 100.00%                 | 4.80%                     |
| <b>ADMINISTRATIVE EXPENSES</b> |                    |                         |                           |
| Employee Costs                 | 315,827,248        | 34.90%                  | 1.67%                     |
| Travel and Conference          | 6,512,764          | 0.72%                   | 0.03%                     |
| Office Occupancy               | 43,325,765         | 4.79%                   | 0.23%                     |
| General Operations             | 106,127,211        | 11.73%                  | 0.56%                     |
| Education and Promotion        | 22,569,203         | 2.49%                   | 0.12%                     |
| Loan Servicing                 | 47,861,624         | 5.29%                   | 0.25%                     |
| Professional Services          | 43,496,389         | 4.81%                   | 0.23%                     |
| Member Insurance               | 1,346,451          | 0.15%                   | 0.01%                     |
| Operating Fees                 | 2,550,464          | 0.28%                   | 0.01%                     |
| Other Operational Expenses     | <u>18,098,521</u>  | 2.00%                   | 0.10%                     |
| TOTAL ADMINISTRATIVE           | 607,715,640        | 67.16%                  | 3.22%                     |
| Provision for Loan Loss        | <u>36,878,295</u>  | 4.08%                   | 0.20%                     |
| TOTAL OPERATING EXPENSES       | 644,593,935        | 71.23%                  | 3.42%                     |
| Dividends Paid on Savings      | 74,842,324         | 8.27%                   | 0.40%                     |
| Interest on Borrowed Funds     | <u>6,236,613</u>   | 0.69%                   | 0.03%                     |
| TOTAL COST OF FUNDS            | <u>81,078,937</u>  | 8.96%                   | 0.43%                     |
| TOTAL EXPENSES                 | 725,672,872        | 80.19%                  | 3.85%                     |
| NET OPERATING INCOME           | 179,267,390        | 19.81%                  | 0.95%                     |
| NON-OPERATING GAIN/LOSS        | <u>-3,584,836</u>  | -0.40%                  | -0.02%                    |
| NET INCOME                     | 175,682,554        | 19.41%                  | 0.93%                     |
| NCUA PREMIUMS AND ASSESSMENTS  | 412,836            | 0.05%                   | 0.00%                     |
| NET INCOME (LOSS)              | 176,095,390        | 19.46%                  | 0.93%                     |

*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, 2014 AND SEPTEMBER 30, 2013**

|  | 2014               | % OF<br>AVERAGE<br>ASSETS | 2013               | % OF<br>AVERAGE<br>ASSETS |
|--|--------------------|---------------------------|--------------------|---------------------------|
|  | <u>AMOUNT</u>      |                           | <u>AMOUNT</u>      |                           |
| <b>INCOME</b>                          |                    |                           |                    |                           |
| Interest on Loans                      | 619,328,993        | 3.28%                     | 600,685,669        | 3.35%                     |
| Less: Interest Refunds                 | <u>784,981</u>     | <u>0.00%</u>              | <u>114,738</u>     | <u>0.00%</u>              |
| Net Interest Income                    | 618,544,012        | 3.28%                     | 600,570,931        | 3.35%                     |
| Income on Investments                  | 37,825,127         | 0.20%                     | 32,219,556         | 0.18%                     |
| Other Income                           | <u>248,571,123</u> | <u>1.32%</u>              | <u>265,180,222</u> | <u>1.48%</u>              |
| TOTAL OPERATING INCOME                 | 904,940,262        | 4.80%                     | 897,970,709        | 5.01%                     |
| <b>ADMINISTRATIVE EXPENSES</b>         |                    |                           |                    |                           |
| Employee Costs                         | 315,827,248        | 1.67%                     | 305,236,730        | 1.70%                     |
| Travel and Conference                  | 6,512,764          | 0.03%                     | 5,391,411          | 0.03%                     |
| Office Occupancy                       | 43,325,765         | 0.23%                     | 41,030,261         | 0.23%                     |
| General Operations                     | 106,127,211        | 0.56%                     | 100,551,647        | 0.56%                     |
| Education and Promotion                | 22,569,203         | 0.12%                     | 21,192,774         | 0.12%                     |
| Loan Servicing                         | 47,861,624         | 0.25%                     | 45,384,936         | 0.25%                     |
| Professional Services                  | 43,496,389         | 0.23%                     | 39,826,390         | 0.22%                     |
| Member Insurance                       | 1,346,451          | 0.01%                     | 16,804,164         | 0.09%                     |
| Operating Fees                         | 2,550,464          | 0.01%                     | 2,518,841          | 0.01%                     |
| Other Operational Expenses             | <u>18,098,521</u>  | <u>0.10%</u>              | <u>17,382,381</u>  | <u>0.10%</u>              |
| TOTAL ADMINISTRATIVE                   | 607,715,640        | 3.22%                     | 595,319,535        | 3.32%                     |
| Provision for Loan Loss                | <u>36,878,295</u>  | <u>0.20%</u>              | <u>54,221,748</u>  | <u>0.30%</u>              |
| TOTAL OPERATING EXPENSES               | 644,593,935        | 3.42%                     | 649,541,283        | 3.62%                     |
| <b>COST OF ACQUISITION OF FUNDS</b>    |                    |                           |                    |                           |
| Dividends Paid on Savings              | 74,842,324         | 0.40%                     | 79,795,879         | 0.45%                     |
| Interest on Borrowed Funds             | <u>6,236,613</u>   | <u>0.03%</u>              | <u>6,249,933</u>   | <u>0.03%</u>              |
| TOTAL COST OF FUNDS                    | <u>81,078,937</u>  | <u>0.43%</u>              | <u>86,045,812</u>  | <u>0.48%</u>              |
| TOTAL EXPENSES                         | 725,672,872        | 3.85%                     | 735,587,095        | 4.10%                     |
| <b>NET OPERATING INCOME</b>            | 179,267,390        | 0.95%                     | 162,383,614        | 0.91%                     |
| <b>NON-OPERATING GAIN/LOSS</b>         | <u>-3,584,836</u>  | <u>-0.02%</u>             | <u>2,207,795</u>   | <u>0.01%</u>              |
| <b>NET INCOME</b>                      | 175,682,554        | 0.93%                     | 164,591,409        | 0.92%                     |
| <b>NCUA PREMIUMS &amp; ASSESSMENTS</b> | 412,836            | 0.00%                     | 15,642,606         | 0.09%                     |
| <b>NET INCOME (LOSS)</b>               | 176,095,390        | 0.93%                     | 180,234,015        | 1.01%                     |

**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      | 162      |
| <b><u>CAPITAL ADEQUACY</u></b>             |          |          |          |          |          |          |
| Net Worth/Total Assets                     | 10.08%   | 9.99%    | 9.96%    | 10.25%   | 10.65%   | 10.79%   |
| Total Delinquency/Net Worth                | 15.53%   | 14.30%   | 13.75%   | 9.66%    | 7.70%    | 6.96%    |
| Solvency Evaluation                        | 111.55%  | 111.38%  | 111.39%  | 111.73%  | 112.23%  | 112.45%  |
| Classified Assets/Net Worth                | 7.91%    | 8.49%    | 9.18%    | 8.28%    | 7.44%    | 6.53%    |
| <b><u>ASSET QUALITY</u></b>                |          |          |          |          |          |          |
| Delinquent Loans/Loans                     | 2.01%    | 1.87%    | 1.83%    | 1.36%    | 1.10%    | 0.99%    |
| Net Charge Offs/Avg. Loans                 | 0.66%    | 0.60%    | 0.59%    | 0.51%    | 0.43%    | 0.33%    |
| <b><u>EARNINGS (to Average Assets)</u></b> |          |          |          |          |          |          |
| Return on Average Assets                   | 0.46%    | 0.47%    | 0.59%    | 1.00%    | 0.96%    | 0.93%    |
| Net Operating Expense                      | 2.78%    | 3.00%    | 2.86%    | 2.69%    | 2.61%    | 2.60%    |
| Fixed Assets+FRA's**/Assets                | 3.11%    | 3.11%    | 2.95%    | 2.78%    | 2.66%    | 2.59%    |
| Gross Income                               | 6.47%    | 6.02%    | 5.59%    | 5.48%    | 5.04%    | 4.80%    |
| 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%    | 3.22%    |
| Net Interest Margin                        | 3.25%    | 3.37%    | 3.35%    | 3.24%    | 3.07%    | 3.05%    |
| PLL  | 0.73%    | 0.63%    | 0.55%    | 0.41%    | 0.30%    | 0.20%    |
| <b><u>ASSET-LIABILITY MANAGEMENT</u></b>   |          |          |          |          |          |          |
| Net Long Term Assets/Assets                | 31.32%   | 30.42%   | 30.62%   | 30.65%   | 33.07%   | 33.45%   |
| Shares/Savings+Borrowings                  | 20.48%   | 22.80%   | 23.05%   | 25.45%   | 27.44%   | 29.94%   |
| Loans/Savings                              | 90.69%   | 88.05%   | 86.68%   | 83.59%   | 86.23%   | 87.99%   |
| Loans/Assets                               | 78.04%   | 76.20%   | 75.01%   | 72.76%   | 74.27%   | 75.88%   |
| Cash + ST Invest./Assets                   | 11.41%   | 11.86%   | 11.50%   | 13.69%   | 12.16%   | 10.36%   |
| <b><u>OTHER RATIOS</u></b>                 |          |          |          |          |          |          |
| Savings Growth                             | 11.58%   | 6.92%    | 6.10%    | 7.48%    | 3.95%    | 7.10%    |
| Net Worth Growth                           | 4.09%    | 5.76%    | 5.70%    | 10.13%   | 9.12%    | 8.87%    |
| Loan Growth                                | 4.38%    | 3.23%    | 4.34%    | 4.07%    | 7.20%    | 9.96%    |
| Asset Growth                               | 8.63%    | 5.71%    | 6.00%    | 7.44%    | 5.05%    | 6.94%    |
| Investments/Assets                         | 10.28%   | 10.89%   | 13.04%   | 14.00%   | 15.18%   | 14.15%   |
| Employee Cost/Gross Inc.                   | 28.68%   | 29.86%   | 31.32%   | 32.16%   | 33.98%   | 34.90%   |
| Employee Cost/ Avg. Assets                 | 1.86%    | 1.80%    | 1.75%    | 1.76%    | 1.71%    | 1.67%    |
| Average Loan Balance                       | \$11,535 | \$11,706 | \$11,640 | \$11,882 | \$11,820 | \$12,131 |
| Average Savings Balance                    | \$4,023  | \$4,211  | \$4,330  | \$4,511  | \$4,543  | \$4,600  |

\*\*Foreclosed and Repossessed Assets

**SIGNIFICANT OPERATIONAL RATIOS  
FOR THE PERIOD ENDING SEPTEMBER 30, 2014**

| Peer Groups by Assets  | \$ 2,000,001-<br><\$2,000,000 | \$ 10,000,001-<br>\$10,000,000 | \$ 50,000,001-<br>\$50,000,000 | \$ 50,000,001-<br>\$100,000,000 | \$ 100,000,001-<br>\$500,000,000 | \$ 100,000,001-<br>>\$500,000,000 | TOTAL    |
|--|-------------------------------|--------------------------------|--------------------------------|---------------------------------|----------------------------------|-----------------------------------|----------|
|  | 22                            | 23                             | 54                             | 23                              | 27                               | 13                                | 162      |
| <b>CAPITAL ADEQUACY</b>  |                               |                                |                                |                                 |                                  |                                   |          |
| Net Worth/Total Assets   | 18.42%                        | 15.40%                         | 12.32%                         | 11.28%                          | 11.23%                           | 10.45%                            | 10.79%   |
| Net Worth/PCA Optional Total Assets                              | 18.42%                        | 15.40%                         | 12.32%                         | 11.28%                          | 11.24%                           | 10.47%                            | 10.81%   |
| Total Delinquency/Net Worth                                      | 5.58%                         | 4.46%                          | 4.79%                          | 8.29%                           | 6.78%                            | 7.11%                             | 6.96%    |
| Solvency Evaluation  | 122.77%                       | 118.31%                        | 114.11%                        | 112.75%                         | 112.76%                          | 112.15%                           | 112.45%  |
| Classified Assets/Net Worth                                      | 5.60%                         | 3.95%                          | 5.50%                          | 5.20%                           | 5.90%                            | 6.99%                             | 6.53%    |
| <b>ASSET QUALITY</b>   |                               |                                |                                |                                 |                                  |                                   |          |
| Delinquent Loans/Loans   | 1.75%                         | 1.26%                          | 0.98%                          | 1.36%                           | 1.03%                            | 0.95%                             | 0.99%    |
| Net Charge Offs/Avg. Loans                                       | 0.19%                         | 0.29%                          | 0.28%                          | 0.28%                           | 0.27%                            | 0.36%                             | 0.33%    |
| Fair Value/Amortized Cost for HTM                                | N/A                           | 0.00%                          | 99.29%                         | 100.43%                         | 91.42%                           | 101.23%                           | 98.30%   |
| Accumulated Unrealized Gains or Losses on AFS/Amortized Cost AFS | N/A                           | N/A                            | -1.29%                         | -1.13%                          | -1.05%                           | -0.02%                            | -0.28%   |
| Delinquent Loans/Assets  | 1.03%                         | 0.69%                          | 0.59%                          | 0.93%                           | 0.76%                            | 0.74%                             | 0.75%    |
| <b>EARNINGS (to Average Assets)</b>                              |                               |                                |                                |                                 |                                  |                                   |          |
| Return on Average Assets   | -4.49%                        | 0.07%                          | 0.34%                          | 0.73%                           | 0.82%                            | 1.04%                             | 0.93%    |
| ROAA Excluding NCUA expenses                                     | -4.50%                        | 0.08%                          | 0.34%                          | 0.74%                           | 0.82%                            | 1.05%                             | 0.93%    |
| Gross Income   | 3.45%                         | 3.50%                          | 4.16%                          | 4.42%                           | 4.71%                            | 4.92%                             | 4.80%    |
| Yield on Average Loans   | 5.21%                         | 4.95%                          | 4.86%                          | 4.60%                           | 4.51%                            | 4.27%                             | 4.37%    |
| Yield on Average Investments                                     | 0.71%                         | 1.01%                          | 0.88%                          | 1.06%                           | 0.98%                            | 1.06%                             | 1.02%    |
| Fee & Other Op. Income   | 0.16%                         | 0.39%                          | 0.90%                          | 0.97%                           | 1.19%                            | 1.43%                             | 1.32%    |
| Cost of Funds  | 4.27%                         | 0.24%                          | 0.25%                          | 0.33%                           | 0.40%                            | 0.46%                             | 0.43%    |
| Net Margin   | -0.82%                        | 3.26%                          | 3.92%                          | 4.09%                           | 4.31%                            | 4.46%                             | 4.37%    |
| Operating Exp. (less PLL)  | 3.85%                         | 3.13%                          | 3.54%                          | 3.52%                           | 3.44%                            | 3.10%                             | 3.22%    |
| PLL  | 0.16%                         | 0.07%                          | 0.08%                          | -0.04%                          | 0.08%                            | 0.26%                             | 0.20%    |
| Net Interest Margin  | -0.98%                        | 2.88%                          | 3.02%                          | 3.12%                           | 3.12%                            | 3.03%                             | 3.05%    |
| Operating Exp./Gross Income                                      | 111.68%                       | 89.48%                         | 85.05%                         | 79.66%                          | 72.98%                           | 63.03%                            | 67.16%   |
| Fixed Assets+FRA's**/Assets                                      | 0.22%                         | 0.80%                          | 2.00%                          | 3.15%                           | 3.19%                            | 2.42%                             | 2.59%    |
| Net Operating Expense  | 3.75%                         | 2.89%                          | 2.97%                          | 2.95%                           | 2.82%                            | 2.47%                             | 2.60%    |
| <b>ASSET-LIABILITY MANAGEMENT</b>                                |                               |                                |                                |                                 |                                  |                                   |          |
| Net Long Term Assets/Assets                                      | 6.60%                         | 16.49%                         | 17.94%                         | 27.38%                          | 35.33%                           | 34.85%                            | 33.45%   |
| Shares/Savings+Borrowings  | 80.48%                        | 68.08%                         | 48.96%                         | 36.06%                          | 34.96%                           | 26.09%                            | 29.94%   |
| Loans/Savings  | 72.57%                        | 64.70%                         | 69.55%                         | 78.66%                          | 84.94%                           | 91.46%                            | 87.99%   |
| Loans/Assets   | 58.69%                        | 54.40%                         | 60.51%                         | 68.83%                          | 73.68%                           | 78.59%                            | 75.88%   |
| Cash + ST Invest./Assets   | 29.40%                        | 25.36%                         | 20.94%                         | 13.61%                          | 9.83%                            | 9.25%                             | 10.36%   |
| Shares, Deposits & Borrowings/Earning Assets                     | 81.98%                        | 86.53%                         | 91.14%                         | 93.81%                          | 94.44%                           | 92.98%                            | 93.18%   |
| Shares + Drafts/Savings+Borrowings                               | 82.30%                        | 74.31%                         | 63.94%                         | 53.36%                          | 51.66%                           | 38.92%                            | 43.90%   |
| Borrowings/Shares & Net Worth                                    | 0.36%                         | 0.24%                          | 0.15%                          | 0.53%                           | 1.43%                            | 2.45%                             | 1.98%    |
| <b>OTHER RATIOS</b>  |                               |                                |                                |                                 |                                  |                                   |          |
| Net Worth Growth   | -21.23%                       | 0.36%                          | 2.66%                          | 6.50%                           | 7.88%                            | 10.24%                            | 8.87%    |
| Savings Growth   | -6.59%                        | 1.24%                          | 2.39%                          | 2.72%                           | 5.00%                            | 8.64%                             | 7.10%    |
| Loan Growth  | -2.37%                        | 1.71%                          | 2.12%                          | 1.46%                           | 7.83%                            | 11.90%                            | 9.96%    |
| Asset Growth   | -9.13%                        | 1.14%                          | 2.05%                          | 3.33%                           | 5.92%                            | 8.08%                             | 6.94%    |
| Investment Growth  | -29.44%                       | 5.84%                          | -7.90%                         | 7.42%                           | -28.44%                          | 3.85%                             | -5.33%   |
| Investments/Assets   | 22.74%                        | 34.25%                         | 28.77%                         | 19.64%                          | 15.50%                           | 11.92%                            | 14.15%   |
| Employee Cost/Gross Inc.   | 56.40%                        | 46.51%                         | 41.57%                         | 40.62%                          | 39.15%                           | 32.66%                            | 34.90%   |
| Employee Cost/ Avg. Assets                                       | 1.95%                         | 1.63%                          | 1.73%                          | 1.80%                           | 1.84%                            | 1.61%                             | 1.67%    |
| Average Loan Balance   | \$7,390                       | \$8,963                        | \$10,362                       | \$12,287                        | \$14,627                         | \$11,715                          | \$12,131 |
| Average Savings Balance  | \$2,210                       | \$3,539                        | \$3,665                        | \$4,035                         | \$4,390                          | \$4,850                           | \$4,600  |

\*\*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, 2014**

| Peer Groups by Assets                    | \$ 2,000,001-<br><\$2,000,000 | \$ 10,000,001-<br>\$10,000,000 | \$ 50,000,001-<br>\$100,000,000 | \$ 100,000,001-<br>\$500,000,000 | \$ 500,000,001-<br>>\$500,000,000 | TOTAL   |
|--|-------------------------------|--------------------------------|---------------------------------|----------------------------------|-----------------------------------|---------|
| <b>Number of Credit Unions</b>           | 22                            | 23                             | 54                              | 23                               | 27                                | 162     |
| <b><u>OPERATING INCOME</u></b>           |                               |                                |                                 |                                  |                                   |         |
| Interest on Loans                        | 86.26%                        | 76.73%                         | 70.66%                          | 72.23%                           | 70.08%                            | 68.44%  |
| Less: Interest Refunds                   | 0.00%                         | 0.00%                          | 0.00%                           | 0.10%                            | 0.02%                             | 0.09%   |
| Income on Investments                    | 9.16%                         | 12.23%                         | 7.69%                           | 5.92%                            | 4.74%                             | 4.18%   |
| Income on Trading Securities             | 0.00%                         | 0.00%                          | 0.00%                           | 0.00%                            | 0.00%                             | 0.00%   |
| Fee Income                               | 2.99%                         | 7.07%                          | 13.66%                          | 13.04%                           | 13.17%                            | 12.94%  |
| Other Operating Income                   | 1.59%                         | 3.96%                          | 7.99%                           | 8.92%                            | 12.04%                            | 14.52%  |
| <b>TOTAL INCOME</b>                      | 100.00%                       | 100.00%                        | 100.00%                         | 100.00%                          | 100.00%                           | 100.00% |
| <b><u>OPERATING EXPENSES</u></b>         |                               |                                |                                 |                                  |                                   |         |
| Employee Costs                           | 56.40%                        | 46.51%                         | 41.57%                          | 40.62%                           | 39.15%                            | 34.90%  |
| Travel and Conference                    | 0.73%                         | 0.89%                          | 0.91%                           | 0.94%                            | 0.90%                             | 0.72%   |
| Office Occupancy                         | 4.00%                         | 5.33%                          | 5.91%                           | 5.68%                            | 5.73%                             | 4.79%   |
| General Operations                       | 25.48%                        | 19.69%                         | 15.20%                          | 15.46%                           | 13.94%                            | 11.73%  |
| Education and Promotion                  | 0.40%                         | 0.71%                          | 2.13%                           | 2.21%                            | 2.63%                             | 2.49%   |
| Loan Servicing                           | 2.51%                         | 2.48%                          | 6.13%                           | 5.23%                            | 4.28%                             | 5.29%   |
| Professional Services                    | 11.22%                        | 7.86%                          | 9.65%                           | 7.39%                            | 4.29%                             | 4.81%   |
| Member Insurance                         | 1.13%                         | 0.78%                          | 0.16%                           | 0.22%                            | 0.26%                             | 0.15%   |
| Operating Fees                           | 2.46%                         | 1.39%                          | 0.69%                           | 0.42%                            | 0.33%                             | 0.28%   |
| Miscellaneous                            | 7.36%                         | 3.83%                          | 2.71%                           | 1.50%                            | 1.47%                             | 2.00%   |
| <b>TOTAL ADMINISTRATIVE</b>              | 111.68%                       | 89.48%                         | 85.05%                          | 79.66%                           | 72.98%                            | 67.16%  |
| Provision for Loan Loss                  | 4.54%                         | 2.12%                          | 2.02%                           | -0.80%                           | 1.67%                             | 4.08%   |
| <b>TOTAL OPERATING EXP.</b>              | 116.22%                       | 91.60%                         | 87.07%                          | 78.86%                           | 74.66%                            | 71.23%  |
| <b><u>COST OF FUNDS</u></b>              |                               |                                |                                 |                                  |                                   |         |
| Interest on Borrowed Funds               | 0.09%                         | 0.04%                          | 0.03%                           | 0.18%                            | 0.61%                             | 0.69%   |
| Dividends on Savings                     | 123.70%                       | 6.77%                          | 5.86%                           | 7.31%                            | 7.94%                             | 8.27%   |
| <b>TOTAL COST OF FUNDS</b>               | 123.80%                       | 6.80%                          | 5.89%                           | 7.50%                            | 8.56%                             | 8.96%   |
| <b><u>NET INCOME FROM OPERATIONS</u></b> | -140.01%                      | 1.60%                          | 7.04%                           | 13.64%                           | 16.79%                            | 19.81%  |
| NON-OPERATING GAIN/LOSS                  | 9.98%                         | 0.46%                          | 1.09%                           | 2.94%                            | 0.60%                             | -0.40%  |
| <b><u>NET INCOME</u></b>                 | -130.04%                      | 2.05%                          | 8.13%                           | 16.58%                           | 17.39%                            | 19.41%  |
| NCUA EXPENSES                            | -0.28%                        | 0.18%                          | 0.02%                           | 0.10%                            | 0.10%                             | 0.05%   |
| <b><u>ADJUSTED NET INCOME (LOSS)</u></b> | -130.31%                      | 2.24%                          | 8.15%                           | 16.68%                           | 17.49%                            | 19.46%  |

*Small statistical errors may exist due to rounding.  
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**ANALYSIS OF INCOME AND EXPENSES TO AVERAGE ASSETS  
FOR THE PERIOD ENDING SEPTEMBER 30, 2014**

| Peer Groups by Assets                    | \$ 2,000,001-<br><\$2,000,000 | \$ 10,000,001-<br>\$10,000,000 | \$ 50,000,001-<br>\$50,000,000 | \$100,000,001-<br>\$100,000,000 | \$500,000,001-<br>\$500,000,000 | >\$500,000,000 | TOTAL         |
|--|-------------------------------|--------------------------------|--------------------------------|---------------------------------|---------------------------------|----------------|---------------|
| Number of Credit Unions                  | 22                            | 23                             | 54                             | 23                              | 27                              | 13             | 162           |
| <b><u>OPERATING INCOME</u></b>           |                               |                                |                                |                                 |                                 |                |               |
| Interest on Loans                        | 2.98%                         | 2.69%                          | 2.94%                          | 3.19%                           | 3.30%                           | 3.32%          | 3.28%         |
| Less: Interest Refunds                   | 0.00%                         | 0.00%                          | 0.00%                          | 0.00%                           | 0.00%                           | 0.01%          | 0.00%         |
| Income on Investments                    | 0.32%                         | 0.43%                          | 0.32%                          | 0.26%                           | 0.22%                           | 0.18%          | 0.20%         |
| Income on Trading Securities             | 0.00%                         | 0.00%                          | 0.00%                          | 0.00%                           | 0.00%                           | 0.00%          | 0.00%         |
| Fee Income                               | 0.10%                         | 0.25%                          | 0.57%                          | 0.58%                           | 0.62%                           | 0.63%          | 0.62%         |
| Other Operating Income                   | <u>0.05%</u>                  | <u>0.14%</u>                   | <u>0.33%</u>                   | <u>0.39%</u>                    | <u>0.57%</u>                    | <u>0.80%</u>   | <u>0.70%</u>  |
| <b>TOTAL INCOME</b>                      | <b>3.45%</b>                  | <b>3.50%</b>                   | <b>4.16%</b>                   | <b>4.42%</b>                    | <b>4.71%</b>                    | <b>4.92%</b>   | <b>4.80%</b>  |
| <b><u>OPERATING EXPENSES</u></b>         |                               |                                |                                |                                 |                                 |                |               |
| Employee Costs                           | 1.95%                         | 1.63%                          | 1.73%                          | 1.80%                           | 1.84%                           | 1.61%          | 1.67%         |
| Travel and Conference                    | 0.03%                         | 0.03%                          | 0.04%                          | 0.04%                           | 0.04%                           | 0.03%          | 0.03%         |
| Office Occupancy                         | 0.14%                         | 0.19%                          | 0.25%                          | 0.25%                           | 0.27%                           | 0.21%          | 0.23%         |
| General Operations                       | 0.88%                         | 0.69%                          | 0.63%                          | 0.68%                           | 0.66%                           | 0.52%          | 0.56%         |
| Education and Promotion                  | 0.01%                         | 0.02%                          | 0.09%                          | 0.10%                           | 0.12%                           | 0.12%          | 0.12%         |
| Loan Servicing                           | 0.09%                         | 0.09%                          | 0.26%                          | 0.23%                           | 0.20%                           | 0.27%          | 0.25%         |
| Professional Services                    | 0.39%                         | 0.28%                          | 0.40%                          | 0.33%                           | 0.20%                           | 0.22%          | 0.23%         |
| Member Insurance                         | 0.04%                         | 0.03%                          | 0.01%                          | 0.01%                           | 0.01%                           | 0.01%          | 0.01%         |
| Operating Fees                           | 0.08%                         | 0.05%                          | 0.03%                          | 0.02%                           | 0.02%                           | 0.01%          | 0.01%         |
| Miscellaneous                            | <u>0.25%</u>                  | <u>0.13%</u>                   | <u>0.11%</u>                   | <u>0.07%</u>                    | <u>0.07%</u>                    | <u>0.10%</u>   | <u>0.10%</u>  |
| <b>TOTAL ADMINISTRATIVE</b>              | <b>3.85%</b>                  | <b>3.13%</b>                   | <b>3.54%</b>                   | <b>3.52%</b>                    | <b>3.44%</b>                    | <b>3.10%</b>   | <b>3.22%</b>  |
| Provision for Loan Loss                  | <u>0.16%</u>                  | <u>0.07%</u>                   | <u>0.08%</u>                   | <u>-0.04%</u>                   | <u>0.08%</u>                    | <u>0.26%</u>   | <u>0.20%</u>  |
| <b>TOTAL OPERATING EXP.</b>              | <b>4.01%</b>                  | <b>3.21%</b>                   | <b>3.62%</b>                   | <b>3.49%</b>                    | <b>3.52%</b>                    | <b>3.36%</b>   | <b>3.42%</b>  |
| <b><u>COST OF FUNDS</u></b>              |                               |                                |                                |                                 |                                 |                |               |
| Interest on Borrowed Funds               | 0.00%                         | 0.00%                          | 0.00%                          | 0.01%                           | 0.03%                           | 0.04%          | 0.03%         |
| Dividends on Savings                     | <u>4.27%</u>                  | <u>0.24%</u>                   | <u>0.24%</u>                   | <u>0.32%</u>                    | <u>0.37%</u>                    | <u>0.42%</u>   | <u>0.40%</u>  |
| <b>TOTAL COST OF FUNDS</b>               | <b>4.27%</b>                  | <b>0.24%</b>                   | <b>0.25%</b>                   | <b>0.33%</b>                    | <b>0.40%</b>                    | <b>0.46%</b>   | <b>0.43%</b>  |
| <b><u>NET INCOME FROM OPERATIONS</u></b> | <b>-4.83%</b>                 | <b>0.06%</b>                   | <b>0.29%</b>                   | <b>0.60%</b>                    | <b>0.79%</b>                    | <b>1.10%</b>   | <b>0.95%</b>  |
| <b>NON-OPERATING GAIN/LOSS</b>           | <u>0.34%</u>                  | <u>0.02%</u>                   | <u>0.05%</u>                   | <u>0.13%</u>                    | <u>0.03%</u>                    | <u>-0.05%</u>  | <u>-0.02%</u> |
| <b><u>NET INCOME</u></b>                 | <b>-4.49%</b>                 | <b>0.07%</b>                   | <b>0.34%</b>                   | <b>0.73%</b>                    | <b>0.82%</b>                    | <b>1.05%</b>   | <b>0.93%</b>  |
| <b>NCUA EXPENSES</b>                     | <u>-0.01%</u>                 | <u>0.01%</u>                   | <u>0.00%</u>                   | <u>0.00%</u>                    | <u>0.00%</u>                    | <u>0.00%</u>   | <u>0.00%</u>  |
| <b><u>ADJUSTED NET INCOME (LOSS)</u></b> | <b>-4.50%</b>                 | <b>0.08%</b>                   | <b>0.34%</b>                   | <b>0.74%</b>                    | <b>0.82%</b>                    | <b>1.05%</b>   | <b>0.93%</b>  |

*Small statistical errors may exist due to rounding.  
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**LOAN DELINQUENCY  
PERIOD ENDING SEPTEMBER 30, 2014**

| Peer Groups by Assets          | <\$2,000,000 | \$ 2,000,001-<br>\$10,000,000 | \$ 10,000,001-<br>\$50,000,000 | \$50,000,001-<br>\$100,000,000 | \$100,000,001-<br>\$500,000,000 | >\$500,000,000 | TOTAL        |
|--------------------------------|--------------|-------------------------------|--------------------------------|--------------------------------|---------------------------------|----------------|--------------|
| Number of Credit Unions        | 22           | 23                            | 54                             | 23                             | 27                              | 13             | 162          |
| <u>Loan Delinquency Ratios</u> |              |                               |                                |                                |                                 |                |              |
| 2 - 6 Months Delinquent        | 1.13%        | 0.75%                         | 0.64%                          | 0.76%                          | 0.60%                           | 0.62%          | 0.63%        |
| 6 - 12 Months Delinquent       | 0.43%        | 0.29%                         | 0.20%                          | 0.29%                          | 0.22%                           | 0.19%          | 0.21%        |
| Over 12 Months Delinquent      | <u>0.18%</u> | <u>0.22%</u>                  | <u>0.14%</u>                   | <u>0.31%</u>                   | <u>0.21%</u>                    | <u>0.13%</u>   | <u>0.16%</u> |
| Total Delinquent Loans         | 1.75%        | 1.26%                         | 0.98%                          | 1.36%                          | 1.03%                           | 0.95%          | 0.99%        |
| <u>Loan Loss Ratio</u>         | 0.19%        | 0.29%                         | 0.28%                          | 0.28%                          | 0.27%                           | 0.36%          | 0.33%        |

**ANALYSIS OF LOANS BY TYPE  
PERIOD ENDING SEPTEMBER 30, 2014**

| Number of Credit Unions                                   | 22            | 23           | 54           | 23           | 27           | 13           | 162          |
|---|---------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <u>Loan Types</u>   |               |              |              |              |              |              |              |
| Credit Card Loans   | 0.21%         | 0.83%        | 3.13%        | 2.54%        | 2.33%        | 4.48%        | 3.88%        |
| Unsecured Loans   | 8.28%         | 7.88%        | 3.41%        | 1.99%        | 2.00%        | 2.81%        | 2.65%        |
| New Auto Loans  | 23.35%        | 15.70%       | 7.94%        | 6.33%        | 5.44%        | 4.64%        | 5.08%        |
| Used Auto Loans   | 43.90%        | 38.28%       | 25.10%       | 20.08%       | 19.61%       | 17.50%       | 18.47%       |
| First Mortgages   | 8.22%         | 20.33%       | 45.48%       | 54.55%       | 53.13%       | 51.94%       | 51.91%       |
| Other Real Estate   | 3.59%         | 7.37%        | 8.14%        | 8.02%        | 9.24%        | 10.15%       | 9.75%        |
| Leases  | 0.00%         | 0.00%        | 0.00%        | 0.00%        | 0.00%        | 0.00%        | 0.00%        |
| All Other Loans   | <u>12.45%</u> | <u>9.60%</u> | <u>6.66%</u> | <u>6.39%</u> | <u>8.14%</u> | <u>7.08%</u> | <u>7.24%</u> |
| Total Loans   | 100.00%       | 100.00%      | 100.00%      | 100.00%      | 100.00%      | 100.00%      | 100.00%      |
| <u>Real Estate Loan Detail</u><br>(As a percent of loans) |               |              |              |              |              |              |              |
| First Mortgage - Fixed > 15 yrs.                          | 0.00%         | 3.12%        | 3.17%        | 3.07%        | 4.05%        | 2.25%        | 2.69%        |
| First Mortgage - Fixed - 15 yrs. Or less                  | 1.01%         | 5.76%        | 10.01%       | 13.23%       | 11.68%       | 15.26%       | 14.18%       |
| First Mortgage - Balloon/Hybrid - > 5 yrs.                | 0.60%         | 2.91%        | 2.33%        | 4.90%        | 7.52%        | 7.46%        | 7.09%        |
| First Mortgage - Balloon/Hybrid - 5 yrs. Or less          | 6.61%         | 8.48%        | 22.18%       | 24.06%       | 14.22%       | 16.10%       | 16.44%       |
| First Mortgage - Other Fixed Rate                         | 0.00%         | 0.04%        | 0.22%        | 0.08%        | 0.12%        | 0.22%        | 0.19%        |
| First Mortgage - Adjustable - 1 year or less              | 0.00%         | 0.00%        | 2.34%        | 0.99%        | 5.39%        | 3.99%        | 3.99%        |
| First Mortgage - Adjustable - > 1 year                    | 0.00%         | 0.02%        | 5.23%        | 8.22%        | 10.15%       | 6.65%        | 7.33%        |
| Other - Closed End Fixed                                  | 3.59%         | 4.63%        | 3.59%        | 3.00%        | 2.39%        | 2.32%        | 2.44%        |
| Other - Closed End Adjustable                             | 0.00%         | 0.02%        | 0.97%        | 1.02%        | 0.91%        | 0.55%        | 0.66%        |
| Other - Open End Adjustable                               | 0.00%         | 2.67%        | 3.56%        | 3.93%        | 5.78%        | 7.28%        | 6.62%        |
| Other - Open-End Fixed                                    | 0.00%         | 0.04%        | 0.01%        | 0.07%        | 0.16%        | 0.01%        | 0.04%        |
| Other   | 0.00%         | 0.00%        | 0.00%        | 0.00%        | 0.00%        | 0.00%        | 0.00%        |
| Total Real Estate<br>(As a percent of loans)              | 11.81%        | 27.70%       | 53.62%       | 62.57%       | 62.36%       | 62.09%       | 61.66%       |
| Total Real Estate<br>(As a percent of assets)             | 6.93%         | 15.07%       | 32.45%       | 43.07%       | 45.95%       | 48.80%       | 46.79%       |

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

**ANALYSIS OF SAVINGS BY TYPE  
PERIOD ENDING SEPTEMBER 30, 2014**

| Peer Groups by Assets   | \$ 2,000,001-<br><\$2,000,000 | \$ 10,000,001-<br>\$10,000,000 | \$ 50,000,001-<br>\$50,000,000 | \$ 100,000,001-<br>\$100,000,000 | \$ 500,000,001-<br>\$500,000,000 | >\$500,000,000 | TOTAL        |
|-------------------------|-------------------------------|--------------------------------|--------------------------------|----------------------------------|----------------------------------|----------------|--------------|
| Number of Credit Unions | 22                            | 23                             | 54                             | 23                               | 27                               | 13             | 162          |
| Share Drafts            | 1.84%                         | 6.51%                          | 15.17%                         | 17.77%                           | 17.48%                           | 13.45%         | 14.60%       |
| Regular Shares          | 80.83%                        | 68.01%                         | 48.88%                         | 35.91%                           | 35.01%                           | 26.54%         | 30.29%       |
| Money Market Shares     | 2.16%                         | 7.49%                          | 13.84%                         | 19.27%                           | 19.03%                           | 31.03%         | 26.80%       |
| Share Certificates      | 14.86%                        | 16.09%                         | 15.06%                         | 17.68%                           | 19.18%                           | 20.64%         | 19.83%       |
| IRA Accounts            | 0.30%                         | 1.58%                          | 5.93%                          | 8.37%                            | 8.03%                            | 7.04%          | 7.24%        |
| All Other Shares        | <u>0.01%</u>                  | <u>0.32%</u>                   | <u>1.11%</u>                   | <u>1.00%</u>                     | <u>1.26%</u>                     | <u>1.31%</u>   | <u>1.26%</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, 2014**

| Peer Groups by Assets                                | \$ 2,000,001-<br><\$2,000,000 | \$ 10,000,001-<br>\$10,000,000 | \$ 50,000,001-<br>\$50,000,000 | \$ 100,000,001-<br>\$100,000,000 | \$ 500,000,001-<br>\$500,000,000 | >\$500,000,000 | TOTAL        |
|--|-------------------------------|--------------------------------|--------------------------------|----------------------------------|----------------------------------|----------------|--------------|
| Number of Credit Unions                              | 22                            | 23                             | 54                             | 23                               | 27                               | 13             | 162          |
| Trading Securities                                   | 0.00%                         | 0.00%                          | 0.00%                          | 0.00%                            | 0.00%                            | 0.00%          | 0.00%        |
| Available for Sale Securities                        | 0.00%                         | 0.00%                          | 2.49%                          | 24.66%                           | 39.23%                           | 61.27%         | 46.02%       |
| Held-to-Maturity Securities                          | 0.00%                         | 1.02%                          | 1.99%                          | 3.85%                            | 6.38%                            | 5.14%          | 4.90%        |
| Commercial Banks, S&L's, and<br>Mutual Savings Banks | 63.49%                        | 74.77%                         | 74.47%                         | 48.20%                           | 39.03%                           | 10.24%         | 27.69%       |
| Credit Unions  | 32.36%                        | 17.95%                         | 7.03%                          | 6.40%                            | 3.45%                            | 0.80%          | 2.80%        |
| Corporate Credit Unions                              | 4.15%                         | 5.79%                          | 8.96%                          | 11.45%                           | 7.61%                            | 12.77%         | 11.03%       |
| Other Investments                                    | <u>0.00%</u>                  | <u>0.48%</u>                   | <u>5.06%</u>                   | <u>5.44%</u>                     | <u>4.29%</u>                     | <u>9.79%</u>   | <u>7.56%</u> |
| Total Investments                                    | 100.00%                       | 100.00%                        | 100.00%                        | 100.00%                          | 100.00%                          | 100.00%        | 100.00%      |