

# 2015 FIRST QUARTER CREDIT UNION BULLETIN

This bulletin highlights the 2015 first quarter financial trends for Wisconsin's 156 state-chartered credit unions. The analysis is based on data compiled from the March 2015 5300 call reports. This information is provided to keep you informed of current conditions and trends in the Wisconsin credit union industry.

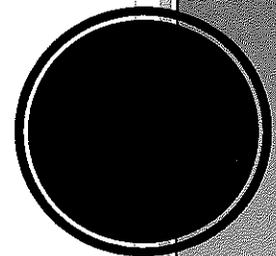
Total assets increased to \$27.3 billion, up from \$26.3 billion as of yearend 2014. The net worth ratio remained strong at 10.74%. Net income was nearly \$68 million resulting in a return on average assets ratio of 1.02%.

Loans outstanding grew by \$183 million since yearend 2014 and savings grew by \$925 million resulting in a loan to savings ratio of 86.74%. The delinquency ratio was 0.79% compared to 0.97% as of December 31, 2014.

The financial indicators for Wisconsin's state-chartered credit unions exhibit sound financial performance through March 31, 2015.

Additional information about consolidations that occurred in the first quarter of 2015 is included in this bulletin.

Kim Santos, Director  
Office of Credit Unions



## 2015 CONSOLIDATIONS

<b>Consolidation Date</b>	<b>Absorbed Credit Union</b>	<b>Location</b>	<b>Continuing Credit Union</b>	<b>Location</b>
3/1/2015	Pluswood Group	Oshkosh	Health Care	Oshkosh

**COMPARISON STATEMENTS OF CONDITION  
OF WISCONSIN CREDIT UNIONS  
MARCH 31, 2015 and DECEMBER 31, 2014**

	March 31, 2015		December 31, 2014		Increase or Decrease	% Change
<u>Number of Credit Unions</u>	156		160		-4	-2.5%
	<u>AMOUNT</u>	<u>% OF ASSETS</u>	<u>AMOUNT</u>	<u>% OF ASSETS</u>		
<u>ASSETS</u>						
Personal Loans	7,860,175,735	28.8%	7,778,464,873	29.5%	81,710,862	1.1%
Real Estate Loans	<u>12,567,133,838</u>	46.0%	<u>12,465,725,575</u>	47.4%	<u>101,408,263</u>	0.8%
Total Loans	20,427,309,573	74.8%	20,244,190,448	76.9%	183,119,125	0.9%
Allowance for Loan Losses	<u>176,742,374</u>	0.6%	<u>178,970,634</u>	0.7%	<u>-2,228,260</u>	-1.2%
Net Loans	20,250,567,199	74.2%	20,065,219,814	76.2%	185,347,385	0.9%
Cash	2,121,695,208	7.8%	1,464,259,250	5.6%	657,435,958	44.9%
Investments	3,407,203,750	12.5%	3,396,313,021	12.9%	10,890,729	0.3%
Fixed Assets	681,911,298	2.5%	680,179,405	2.6%	1,731,893	0.3%
Other Assets	<u>832,691,742</u>	3.1%	<u>718,600,165</u>	2.7%	<u>114,091,577</u>	15.9%
TOTAL ASSETS	<u><u>27,294,069,197</u></u>	100.0%	<u><u>26,324,571,655</u></u>	100.0%	<u><u>969,497,542</u></u>	3.7%
<u>LIABILITIES</u>						
Regular Shares	7,157,388,736	26.2%	6,667,527,576	25.3%	489,861,160	7.3%
Share Drafts	3,720,695,015	13.6%	3,486,393,140	13.2%	234,301,875	6.7%
Other Shares & Deposits	<u>12,672,759,352</u>	46.4%	<u>12,472,222,469</u>	47.4%	<u>200,536,883</u>	1.6%
Total Savings	23,550,843,103	86.3%	22,626,143,185	86.0%	924,699,918	4.1%
Notes and Accounts Pay.	800,055,258	2.9%	830,762,074	3.2%	-30,706,816	-3.7%
Regular Reserve	943,371,534	3.5%	946,292,367	3.6%	-2,920,833	-0.3%
Other Reserves	<u>1,999,799,302</u>	7.3%	<u>1,921,374,029</u>	7.3%	<u>78,425,273</u>	4.1%
TOTAL LIABILITIES	<u><u>27,294,069,197</u></u>	100.0%	<u><u>26,324,571,655</u></u>	100.0%	<u><u>969,497,542</u></u>	3.7%

**STATEMENT OF INCOME  
FOR WISCONSIN CREDIT UNIONS  
FOR THE PERIOD ENDING MARCH 31, 2015**

INCOME	AMOUNT	% OF GROSS INCOME	% OF AVERAGE ASSETS
Interest on Loans	216,035,566	68.51%	3.22%
Less: Interest Refunds	<u>239,808</u>	0.08%	0.00%
Net Interest Income	215,795,758	68.43%	3.22%
Income on Investments	11,603,572	3.68%	0.17%
Other Income	<u>87,931,354</u>	27.89%	1.31%
TOTAL OPERATING INCOME	315,330,684	100.00%	4.70%
<b>ADMINISTRATIVE EXPENSES</b>			
Employee Costs	112,033,973	35.53%	1.67%
Travel and Conference	2,211,648	0.70%	0.03%
Office Occupancy	16,181,707	5.13%	0.24%
General Operations	35,903,827	11.39%	0.54%
Education and Promotion	7,425,495	2.35%	0.11%
Loan Servicing	16,039,354	5.09%	0.24%
Professional Services	14,995,736	4.76%	0.22%
Member Insurance	170,266	0.05%	0.00%
Operating Fees	892,619	0.28%	0.01%
Other Operational Expenses	<u>6,254,542</u>	1.98%	0.09%
TOTAL ADMINISTRATIVE	212,109,167	67.27%	3.16%
Provision for Loan Loss	<u>10,037,692</u>	3.18%	0.15%
TOTAL OPERATING EXPENSES	222,146,859	70.45%	3.31%
Dividends Paid on Savings	24,849,907	7.88%	0.37%
Interest on Borrowed Funds	<u>2,025,905</u>	0.64%	0.03%
TOTAL COST OF FUNDS	26,875,812	8.52%	0.40%
TOTAL EXPENSES	249,022,671	78.97%	3.72%
<b>NET OPERATING INCOME</b>	66,308,013	21.03%	0.99%
<b>NON-OPERATING GAIN/LOSS</b>	<u>1,524,260</u>	0.48%	0.02%
<b>NET INCOME</b>	67,832,273	21.51%	1.01%
<b>NCUA PREMIUMS AND ASSESSMENTS</b>	61,283	0.02%	0.00%
<b>NET INCOME (LOSS)</b>	67,893,556	21.53%	1.01%

*Small statistical errors may exist due to rounding.  
First Quarter 2015 Office of Credit Unions Bulletin, Page 4*

**COMPARISON STATEMENTS OF INCOME  
FOR WISCONSIN CREDIT UNIONS  
FOR THE PERIODS ENDING MARCH 31, 2015 AND MARCH 31, 2014**

	2015		2014	
	AMOUNT	% OF AVERAGE ASSETS	AMOUNT	% OF AVERAGE ASSETS
<b>INCOME</b>				
Interest on Loans	216,035,566	3.22%	202,058,376	3.24%
Less: Interest Refunds	<u>239,808</u>	<u>0.00%</u>	<u>261,258</u>	<u>0.00%</u>
Net Interest Income	215,795,758	3.22%	201,797,118	3.23%
Income on Investments	11,603,572	0.17%	12,165,587	0.19%
Other Income	<u>87,931,354</u>	<u>1.31%</u>	<u>75,906,556</u>	<u>1.22%</u>
TOTAL OPERATING INCOME	315,330,684	4.70%	289,869,261	4.65%
<b>ADMINISTRATIVE EXPENSES</b>				
Employee Costs	112,033,973	1.67%	103,674,926	1.66%
Travel and Conference	2,211,648	0.03%	1,995,413	0.03%
Office Occupancy	16,181,707	0.24%	15,721,074	0.25%
General Operations	35,903,827	0.54%	35,476,753	0.57%
Education and Promotion	7,425,495	0.11%	6,774,815	0.11%
Loan Servicing	16,039,354	0.24%	15,448,592	0.25%
Professional Services	14,995,736	0.22%	13,953,059	0.22%
Member Insurance	170,266	0.00%	870,431	0.01%
Operating Fees	892,619	0.01%	831,828	0.01%
Other Operational Expenses	<u>6,254,542</u>	<u>0.09%</u>	<u>5,561,678</u>	<u>0.09%</u>
TOTAL ADMINISTRATIVE	212,109,167	3.16%	200,308,569	3.21%
Provision for Loan Loss	<u>10,037,692</u>	<u>0.15%</u>	<u>10,503,532</u>	<u>0.17%</u>
TOTAL OPERATING EXPENSES	222,146,859	3.31%	210,812,101	3.38%
<b>COST OF ACQUISITION OF FUNDS</b>				
Dividends Paid on Savings	24,849,907	0.37%	24,638,809	0.39%
Interest on Borrowed Funds	<u>2,025,905</u>	<u>0.03%</u>	<u>2,041,340</u>	<u>0.03%</u>
TOTAL COST OF FUNDS	<u>26,875,812</u>	<u>0.40%</u>	<u>26,680,149</u>	<u>0.43%</u>
TOTAL EXPENSES	249,022,671	3.72%	237,492,250	3.81%
NET OPERATING INCOME	66,308,013	0.99%	52,377,011	0.84%
NON-OPERATING GAIN/LOSS	<u>1,524,260</u>	<u>0.02%</u>	<u>3,945,814</u>	<u>0.06%</u>
NET INCOME	67,832,273	1.01%	56,322,825	0.90%
NCUA PREMIUMS & ASSESSMENTS	61,283	0.00%	469,884	0.01%
NET INCOME (LOSS)	67,893,556	1.01%	56,792,709	0.91%

**SIGNIFICANT OPERATIONAL RATIOS  
FOR ALL WISCONSIN CREDIT UNIONS  
2010-2015**

	2010	2011	2012	2013	2014	2015
Number of Credit Unions	223	203	187	171	160	156
<u>CAPITAL ADEQUACY</u>						
Net Worth/Total Assets	9.99%	9.96%	10.25%	10.65%	10.88%	10.74%
Total Delinquency/Net Worth	14.30%	13.75%	9.66%	7.70%	6.83%	5.53%
Solvency Evaluation	111.38%	111.39%	111.73%	112.23%	112.68%	112.50%
Classified Assets/Net Worth	8.49%	9.18%	8.28%	7.44%	6.25%	6.03%
<u>ASSET QUALITY</u>						
Delinquent Loans/Loans	1.87%	1.83%	1.36%	1.10%	0.97%	0.79%
Net Charge Offs/Avg. Loans	0.60%	0.59%	0.51%	0.43%	0.32%	0.24%
<u>EARNINGS (to Average Assets)</u>						
Return on Average Assets	0.47%	0.59%	1.00%	0.96%	0.82%	1.02%
Net Operating Expense	3.00%	2.86%	2.69%	2.61%	2.57%	2.59%
Fixed Assets+FRA's**/Assets	3.11%	2.95%	2.78%	2.66%	2.62%	2.53%
Gross Income	6.02%	5.59%	5.48%	5.04%	4.71%	4.70%
Cost of Funds	1.19%	0.86%	0.62%	0.48%	0.41%	0.40%
Operating Exp. (less PLL)	3.67%	3.58%	3.43%	3.32%	3.18%	3.16%
Net Interest Margin	3.37%	3.35%	3.24%	3.07%	3.00%	2.99%
PLL	0.63%	0.55%	0.41%	0.30%	0.20%	0.15%
<u>ASSET-LIABILITY MANAGEMENT</u>						
Net Long Term Assets/Assets	30.42%	30.62%	30.65%	33.07%	33.34%	33.35%
Shares/Savings+Borrowings	22.80%	23.05%	25.45%	27.44%	29.34%	30.34%
Loans/Savings	88.05%	86.68%	83.59%	86.23%	89.47%	86.74%
Loans/Assets	76.20%	75.01%	72.76%	74.27%	76.90%	74.84%
Cash + ST Invest./Assets	11.86%	11.50%	13.69%	12.16%	9.84%	12.06%
<u>OTHER RATIOS</u>						
Savings Growth	6.92%	6.10%	7.48%	3.95%	7.15%	16.35%
Net Worth Growth	5.76%	5.70%	10.13%	9.12%	9.84%	9.19%
Loan Growth	3.23%	4.34%	4.07%	7.20%	11.17%	3.62%
Asset Growth	5.71%	6.00%	7.44%	5.05%	7.39%	14.73%
Investments/Assets	10.89%	13.04%	14.00%	15.18%	12.90%	12.48%
Employee Cost/Gross Inc.	29.86%	31.32%	32.16%	33.98%	35.04%	35.53%
Employee Cost/ Avg. Assets	1.80%	1.75%	1.76%	1.71%	1.65%	1.67%
Average Loan Balance	\$11,706	\$11,640	\$11,882	\$11,820	\$12,156	\$12,286
Average Savings Balance	\$4,211	\$4,330	\$4,511	\$4,543	\$4,585	\$4,733

\*\*Foreclosed and Repossessed Assets

**SIGNIFICANT OPERATIONAL RATIOS  
FOR THE PERIOD ENDING MARCH 31, 2015**

Peer Groups by Assets	\$ 2,000,001-	\$ 10,000,001-	\$50,000,001-	\$100,000,001-		TOTAL	
	<\$2,000,000	\$10,000,000	\$50,000,000	\$100,000,000			\$500,000,000
Number of Credit Unions	20	20	53	21	29	13	156

CAPITAL ADEQUACY

Net Worth/Total Assets	17.78%	15.30%	12.23%	11.27%	11.08%	10.45%	10.74%
Net Worth/PCA Optional Total Assets	17.78%	15.30%	12.25%	11.29%	11.11%	10.48%	10.77%
Total Delinquency/Net Worth	6.12%	4.65%	4.63%	6.35%	5.14%	5.66%	5.53%
Solvency Evaluation	121.78%	118.11%	113.98%	112.75%	112.65%	112.28%	112.50%
Classified Assets/Net Worth	6.63%	4.15%	5.29%	4.91%	5.31%	6.43%	6.03%

ASSET QUALITY

Delinquent Loans/Loans	1.82%	1.40%	0.94%	1.05%	0.79%	0.76%	0.79%
Net Charge Offs/Avg. Loans	-0.10%	-0.02%	0.09%	0.17%	0.21%	0.27%	0.24%
Fair Value/Amortized Cost for HTM	N/A	0.00%	100.22%	100.72%	91.49%	100.25%	97.97%
Accumulated Unrealized Gains or Losses on AFS/Amortized Cost AFS	N/A	N/A	-0.41%	0.25%	0.26%	0.85%	0.70%
Delinquent Loans/Assets	1.09%	0.71%	0.57%	0.72%	0.57%	0.59%	0.59%

EARNINGS (to Average Assets)

Return on Average Assets	-0.28%	-0.20%	0.27%	0.41%	0.67%	1.24%	1.02%
ROAA Excluding NCUA expenses	-0.28%	-0.20%	0.27%	0.42%	0.67%	1.24%	1.02%
Gross Income	3.42%	3.38%	4.04%	4.21%	4.60%	4.83%	4.70%
Yield on Average Loans	5.06%	4.97%	4.71%	4.45%	4.38%	4.16%	4.24%
Yield on Average Investments	0.70%	0.94%	0.87%	1.05%	1.05%	0.89%	0.93%
Fee & Other Op. Income	0.08%	0.39%	0.86%	0.88%	1.18%	1.43%	1.31%
Cost of Funds	0.22%	0.21%	0.23%	0.31%	0.37%	0.43%	0.40%
Net Margin	3.20%	3.17%	3.81%	3.90%	4.24%	4.40%	4.30%
Operating Exp. (less PLL)	3.78%	3.18%	3.51%	3.37%	3.45%	3.04%	3.16%
PLL	0.15%	0.20%	0.04%	0.10%	0.11%	0.17%	0.15%
Net Interest Margin	3.12%	2.79%	2.95%	3.02%	3.05%	2.98%	2.99%
Operating Exp./Gross Income	110.63%	93.94%	86.88%	80.00%	74.85%	62.86%	67.27%
Fixed Assets+FRA's**/Assets	0.22%	0.73%	1.89%	2.93%	3.12%	2.38%	2.53%
Net Operating Expense	3.74%	2.96%	2.99%	2.85%	2.89%	2.44%	2.59%

ASSET-LIABILITY MANAGEMENT

Net Long Term Assets/Assets	7.73%	13.23%	17.63%	28.22%	32.89%	35.20%	33.35%
Shares/Savings+Borrowings	82.72%	68.41%	49.92%	36.27%	36.15%	26.47%	30.34%
Loans/Savings	73.21%	59.95%	68.94%	77.48%	83.10%	90.08%	86.74%
Loans/Assets	59.77%	50.62%	60.05%	67.87%	72.29%	77.40%	74.84%
Cash + ST Invest./Assets	27.46%	27.76%	22.07%	14.73%	12.16%	10.98%	12.06%
Shares, Deposits & Borrowings/Earning Assets	82.04%	86.43%	91.00%	93.65%	94.28%	93.41%	93.44%
Shares + Drafts/Savings+Borrowings	83.05%	74.80%	65.04%	53.49%	53.87%	40.35%	45.21%
Borrowings/Shares & Net Worth	0.00%	0.00%	0.07%	0.40%	1.17%	2.43%	1.92%

OTHER RATIOS

Net Worth Growth	-0.92%	-1.32%	1.98%	3.66%	4.94%	11.79%	9.19%
Savings Growth	0.02%	9.53%	11.36%	12.78%	15.11%	17.46%	16.35%
Loan Growth	-9.60%	-5.10%	-1.24%	1.05%	1.94%	4.60%	3.62%
Asset Growth	-0.24%	7.19%	8.83%	9.97%	13.92%	15.87%	14.73%
Investment Growth	-7.73%	9.07%	12.79%	7.83%	81.54%	69.70%	60.32%
Investments/Assets	21.15%	35.48%	27.66%	19.03%	14.58%	10.08%	12.48%
Employee Cost/Gross Inc.	53.44%	49.80%	42.88%	41.62%	39.06%	33.57%	35.53%
Employee Cost/ Avg. Assets	1.83%	1.68%	1.73%	1.75%	1.80%	1.62%	1.67%
Average Loan Balance	\$7,370	\$8,238	\$10,497	\$12,888	\$14,678	\$11,853	\$12,286
Average Savings Balance	\$2,422	\$3,698	\$3,776	\$4,267	\$4,482	\$4,968	\$4,733

\*\*Foreclosed and Repossessed Assets

Small statistical errors may exist due to rounding.  
First Quarter 2015 Office of Credit Unions Bulletin, Page 7

**ANALYSIS OF INCOME AND EXPENSES TO GROSS INCOME  
FOR THE PERIOD ENDING MARCH 31, 2015**

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	20	20	53	21	29	13	156
<b>OPERATING INCOME</b>							
Interest on Loans	89.38%	75.54%	70.94%	72.71%	69.85%	67.63%	68.51%
Less: Interest Refunds	0.00%	0.00%	0.01%	0.11%	0.02%	0.09%	0.08%
Income on Investments	8.22%	13.01%	7.69%	6.51%	4.51%	2.95%	3.68%
Income on Trading Securities	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Fee Income	1.29%	6.32%	12.83%	12.24%	12.16%	12.36%	12.32%
Other Operating Income	<u>1.11%</u>	<u>5.13%</u>	<u>8.54%</u>	<u>8.65%</u>	<u>13.50%</u>	<u>17.14%</u>	<u>15.57%</u>
<b>TOTAL INCOME</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>
<b>OPERATING EXPENSES</b>							
Employee Costs	53.44%	49.80%	42.88%	41.62%	39.06%	33.57%	35.53%
Travel and Conference	1.18%	0.86%	0.88%	0.86%	1.00%	0.59%	0.70%
Office Occupancy	3.84%	5.04%	6.01%	5.60%	5.78%	4.86%	5.13%
General Operations	27.06%	20.59%	15.33%	15.76%	14.48%	9.90%	11.39%
Education and Promotion	0.49%	0.47%	1.99%	2.26%	2.54%	2.34%	2.35%
Loan Servicing	2.60%	1.81%	6.05%	4.43%	4.67%	5.21%	5.09%
Professional Services	7.46%	8.22%	10.01%	7.20%	4.86%	4.21%	4.76%
Member Insurance	0.34%	0.33%	0.10%	0.09%	0.15%	0.02%	0.05%
Operating Fees	3.84%	1.24%	0.78%	0.39%	0.36%	0.22%	0.28%
Miscellaneous	<u>10.38%</u>	<u>5.58%</u>	<u>2.84%</u>	<u>1.78%</u>	<u>1.95%</u>	<u>1.94%</u>	<u>1.98%</u>
<b>TOTAL ADMINISTRATIVE</b>	<b>110.63%</b>	<b>93.94%</b>	<b>86.88%</b>	<b>80.00%</b>	<b>74.85%</b>	<b>62.86%</b>	<b>67.27%</b>
Provision for Loan Loss	<u>4.43%</u>	<u>6.04%</u>	<u>1.00%</u>	<u>2.49%</u>	<u>2.29%</u>	<u>3.61%</u>	<u>3.18%</u>
<b>TOTAL OPERATING EXP.</b>	<b>115.07%</b>	<b>99.98%</b>	<b>87.88%</b>	<b>82.48%</b>	<b>77.14%</b>	<b>66.46%</b>	<b>70.45%</b>
<b>COST OF FUNDS</b>							
Interest on Borrowed Funds	0.40%	0.00%	0.05%	0.13%	0.56%	0.74%	0.64%
Dividends on Savings	<u>6.02%</u>	<u>6.17%</u>	<u>5.54%</u>	<u>7.21%</u>	<u>7.45%</u>	<u>8.20%</u>	<u>7.88%</u>
<b>TOTAL COST OF FUNDS</b>	<b>6.42%</b>	<b>6.17%</b>	<b>5.59%</b>	<b>7.34%</b>	<b>8.01%</b>	<b>8.94%</b>	<b>8.52%</b>
<b>NET INCOME FROM OPERATIONS</b>	<b>-21.49%</b>	<b>-6.16%</b>	<b>6.53%</b>	<b>10.18%</b>	<b>14.85%</b>	<b>24.59%</b>	<b>21.03%</b>
<b>NON-OPERATING GAIN/LOSS</b>	<b><u>13.22%</u></b>	<b><u>0.14%</u></b>	<b><u>0.11%</u></b>	<b><u>-0.31%</u></b>	<b><u>-0.31%</u></b>	<b><u>0.78%</u></b>	<b><u>0.48%</u></b>
<b>NET INCOME</b>	<b>-8.27%</b>	<b>-6.02%</b>	<b>6.64%</b>	<b>9.86%</b>	<b>14.54%</b>	<b>25.37%</b>	<b>21.51%</b>
<b>NCUA EXPENSES</b>	<b>0.00%</b>	<b>0.10%</b>	<b>0.00%</b>	<b>0.03%</b>	<b>0.09%</b>	<b>0.00%</b>	<b>0.02%</b>
<b>ADJUSTED NET INCOME (LOSS)</b>	<b>-8.27%</b>	<b>-5.93%</b>	<b>6.64%</b>	<b>9.90%</b>	<b>14.63%</b>	<b>25.37%</b>	<b>21.53%</b>

**ANALYSIS OF INCOME AND EXPENSES TO AVERAGE ASSETS  
FOR THE PERIOD ENDING MARCH 31, 2015**

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	20	20	53	21	29	13	156
<b>OPERATING INCOME</b>							
Interest on Loans	3.06%	2.55%	2.86%	3.06%	3.22%	3.27%	3.22%
Less: Interest Refunds	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Income on Investments	0.28%	0.44%	0.31%	0.27%	0.21%	0.14%	0.17%
Income on Trading Securities	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Fee Income	0.04%	0.21%	0.52%	0.51%	0.56%	0.60%	0.58%
Other Operating Income	<u>0.04%</u>	<u>0.17%</u>	<u>0.34%</u>	<u>0.36%</u>	<u>0.62%</u>	<u>0.83%</u>	<u>0.73%</u>
TOTAL INCOME	3.42%	3.38%	4.04%	4.21%	4.60%	4.83%	4.70%
<b>OPERATING EXPENSES</b>							
Employee Costs	1.83%	1.68%	1.73%	1.75%	1.80%	1.62%	1.67%
Travel and Conference	0.04%	0.03%	0.04%	0.04%	0.05%	0.03%	0.03%
Office Occupancy	0.13%	0.17%	0.24%	0.24%	0.27%	0.24%	0.24%
General Operations	0.93%	0.70%	0.62%	0.66%	0.67%	0.48%	0.54%
Education and Promotion	0.02%	0.02%	0.08%	0.10%	0.12%	0.11%	0.11%
Loan Servicing	0.09%	0.06%	0.24%	0.19%	0.21%	0.25%	0.24%
Professional Services	0.26%	0.28%	0.40%	0.30%	0.22%	0.20%	0.22%
Member Insurance	0.01%	0.01%	0.00%	0.00%	0.01%	0.00%	0.00%
Operating Fees	0.13%	0.04%	0.03%	0.02%	0.02%	0.01%	0.01%
Miscellaneous	<u>0.36%</u>	<u>0.19%</u>	<u>0.11%</u>	<u>0.07%</u>	<u>0.09%</u>	<u>0.09%</u>	<u>0.09%</u>
TOTAL ADMINISTRATIVE	3.78%	3.18%	3.51%	3.37%	3.45%	3.04%	3.16%
Provision for Loan Loss	<u>0.15%</u>	<u>0.20%</u>	<u>0.04%</u>	<u>0.10%</u>	<u>0.11%</u>	<u>0.17%</u>	<u>0.15%</u>
TOTAL OPERATING EXP.	3.94%	3.38%	3.55%	3.47%	3.55%	3.21%	3.31%
<b>COST OF FUNDS</b>							
Interest on Borrowed Funds	0.01%	0.00%	0.00%	0.01%	0.03%	0.04%	0.03%
Dividends on Savings	<u>0.21%</u>	<u>0.21%</u>	<u>0.22%</u>	<u>0.30%</u>	<u>0.34%</u>	<u>0.40%</u>	<u>0.37%</u>
TOTAL COST OF FUNDS	0.22%	0.21%	0.23%	0.31%	0.37%	0.43%	0.40%
<b>NET INCOME FROM OPERATIONS</b>	-0.74%	-0.21%	0.26%	0.43%	0.68%	1.19%	0.99%
<b>NON-OPERATING GAIN/LOSS</b>	<u>0.45%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>-0.01%</u>	<u>-0.01%</u>	<u>0.04%</u>	<u>0.02%</u>
<b>NET INCOME</b>	-0.28%	-0.20%	0.27%	0.41%	0.67%	1.23%	1.01%
<b>NCUA EXPENSES</b>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
<b>ADJUSTED NET INCOME (LOSS)</b>	-0.28%	-0.20%	0.27%	0.42%	0.67%	1.23%	1.01%

**LOAN DELINQUENCY  
PERIOD ENDING MARCH 31, 2015**

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	20	20	53	21	29	13	156
<u>Loan Delinquency Ratios</u>							
2 - 6 Months Delinquent	0.86%	0.87%	0.53%	0.44%	0.43%	0.43%	0.44%
6 - 12 Months Delinquent	0.86%	0.31%	0.27%	0.34%	0.17%	0.23%	0.22%
Over 12 Months Delinquent	<u>0.11%</u>	<u>0.22%</u>	<u>0.15%</u>	<u>0.28%</u>	<u>0.18%</u>	<u>0.11%</u>	<u>0.13%</u>
Total Delinquent Loans	1.82%	1.40%	0.94%	1.05%	0.79%	0.76%	0.79%
<u>Loan Loss Ratio</u>	-0.10%	-0.02%	0.09%	0.17%	0.21%	0.27%	0.24%

**ANALYSIS OF LOANS BY TYPE  
PERIOD ENDING MARCH 31, 2015**

Number of Credit Unions	20	20	53	21	29	13	156
<u>Loan Types</u>							
Credit Card Loans	0.23%	0.89%	3.04%	2.09%	2.35%	4.38%	3.80%
Unsecured Loans	10.34%	8.56%	3.13%	1.90%	2.16%	3.15%	2.91%
New Auto Loans	24.48%	17.51%	8.12%	6.61%	5.93%	4.46%	5.05%
Used Auto Loans	44.36%	38.82%	25.52%	20.77%	20.09%	17.61%	18.64%
First Mortgages	6.94%	14.24%	45.90%	55.08%	52.77%	51.81%	51.80%
Other Real Estate	3.05%	8.85%	7.93%	7.81%	8.67%	10.26%	9.72%
Leases	0.28%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
All Other Loans	<u>10.32%</u>	<u>11.12%</u>	<u>6.15%</u>	<u>5.60%</u>	<u>7.93%</u>	<u>6.88%</u>	<u>7.00%</u>
Total Loans	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
<u>Real Estate Loan Detail</u> (As a percent of loans)							
First Mortgage - Fixed > 15 yrs.	0.00%	1.26%	3.56%	3.06%	3.95%	2.57%	2.90%
First Mortgage - Fixed - 15 yrs. Or less	1.01%	4.93%	10.04%	13.40%	11.35%	15.03%	13.99%
First Mortgage - Balloon/Hybrid - > 5 yrs.	2.38%	2.41%	2.44%	5.40%	7.42%	7.74%	7.33%
First Mortgage - Balloon/Hybrid - 5 yrs. Or less	3.55%	5.59%	21.89%	22.27%	14.49%	16.29%	16.43%
First Mortgage - Other Fixed Rate	0.00%	0.03%	0.22%	0.08%	0.08%	0.24%	0.20%
First Mortgage - Adjustable - 1 year or less	0.00%	0.00%	2.23%	1.24%	5.19%	2.79%	3.15%
First Mortgage - Adjustable - > 1 year	0.00%	0.02%	5.52%	9.64%	10.29%	7.15%	7.81%
Other - Closed End Fixed	3.05%	5.40%	3.48%	2.95%	2.25%	2.22%	2.32%
Other - Closed End Adjustable	0.00%	0.02%	0.88%	0.82%	0.83%	0.80%	0.81%
Other - Open End Adjustable	0.00%	3.43%	3.53%	3.92%	4.20%	7.23%	6.30%
Other - Open-End Fixed	0.00%	0.00%	0.03%	0.12%	1.39%	0.01%	0.29%
Other	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total Real Estate (As a percent of loans)	10.00%	23.10%	53.82%	62.89%	61.44%	62.06%	61.52%
Total Real Estate (As a percent of assets)	5.97%	11.69%	32.32%	42.69%	44.42%	48.04%	46.04%

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

**ANALYSIS OF SAVINGS BY TYPE  
PERIOD ENDING MARCH 31, 2015**

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
<b>Number of Credit Unions</b>	20	20	53	21	29	13	156
Share Drafts	0.35%	6.46%	15.23%	17.73%	18.68%	14.88%	15.80%
Regular Shares	82.70%	68.33%	49.87%	36.00%	35.90%	26.57%	30.39%
Money Market Shares	1.26%	8.00%	13.91%	19.12%	18.46%	30.28%	26.28%
Share Certificates	15.41%	15.53%	14.11%	17.71%	18.01%	19.95%	19.11%
IRA Accounts	0.26%	1.59%	5.64%	8.32%	7.47%	6.61%	6.81%
All Other Shares	<u>0.02%</u>	<u>0.08%</u>	<u>1.23%</u>	<u>1.13%</u>	<u>1.48%</u>	<u>1.72%</u>	<u>1.61%</u>
<b>Total Shares</b>	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

**ANALYSIS OF INVESTMENTS BY TYPE  
PERIOD ENDING MARCH 31, 2015**

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
<b>Number of Credit Unions</b>	20	20	53	21	29	13	156
Trading Securities	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Available for Sale Securities	0.00%	0.00%	2.46%	27.96%	35.87%	62.28%	45.68%
Held-to-Maturity Securities	0.00%	1.08%	9.71%	3.70%	5.98%	4.66%	5.40%
Commercial Banks, S&L's, and Mutual Savings Banks	66.04%	75.34%	64.90%	45.24%	39.60%	11.48%	27.74%
Credit Unions	24.90%	18.02%	9.55%	7.10%	4.75%	1.29%	3.74%
Corporate Credit Unions	9.06%	5.56%	10.19%	10.08%	9.03%	14.10%	12.02%
Other Investments	<u>0.00%</u>	<u>0.00%</u>	<u>3.19%</u>	<u>5.92%</u>	<u>4.78%</u>	<u>5.63%</u>	<u>5.11%</u>
<b>Total Investments</b>	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%