



2016 MID-YEAR CREDIT UNION BULLETIN

This bulletin highlights the 2016 mid-year financial trends for Wisconsin's 144 state-chartered credit unions. The analysis is based on data compiled from the June 2016 5300 call reports. This information is provided to keep you informed of current conditions and trends in the Wisconsin credit union industry.

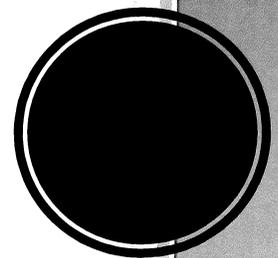
Total assets increased to \$30.3 billion, up from \$28.8 billion as of yearend 2015. The net worth ratio remained strong at 10.91%. Net income was over \$154 million resulting in a return on average assets ratio of 1.04%.

Loans outstanding grew by \$945 million since yearend 2015 and savings grew by \$1.2 billion resulting in a loan to savings ratio of 89.28%. The delinquency ratio was 0.69% compared to 0.81% as of December 31, 2015.

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

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

Kim Santos, Director
Office of Credit Unions



2016 CONSOLIDATIONS

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

2016 LIQUIDATIONS

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

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

	June 30, 2016		December 31, 2015		Increase or Decrease	% Change
<u>Number of Credit Unions</u>	144		150		-6	-4.0%
	<u>AMOUNT</u>	<u>% OF ASSETS</u>	<u>AMOUNT</u>	<u>% OF ASSETS</u>		
<u>ASSETS</u>						
Personal Loans	9,296,747,084	30.6%	8,788,309,563	30.5%	508,437,521	5.8%
Real Estate Loans	13,851,642,496	45.7%	13,414,567,251	46.6%	437,075,245	3.3%
Total Loans	23,148,389,580	76.3%	22,202,876,814	77.1%	945,512,766	4.3%
Allowance for Loan Losses	161,247,142	0.5%	166,270,301	0.6%	-5,023,159	-3.0%
Net Loans	22,987,142,438	75.8%	22,036,606,513	76.5%	950,535,925	4.3%
Cash	2,152,651,412	7.1%	1,906,860,914	6.6%	245,790,498	12.9%
Investments	3,490,736,580	11.5%	3,399,063,259	11.8%	91,673,321	2.7%
Fixed Assets	699,992,500	2.3%	694,907,696	2.4%	5,084,804	0.7%
Other Assets	1,005,407,456	3.3%	759,647,322	2.6%	245,760,134	32.4%
TOTAL ASSETS	<u>30,335,930,386</u>	100.0%	<u>28,797,085,704</u>	100.0%	<u>1,538,844,682</u>	5.3%
<u>LIABILITIES</u>						
Regular Shares	8,464,566,582	27.9%	7,675,782,037	26.7%	788,784,545	10.3%
Share Drafts	4,039,729,647	13.3%	4,130,936,343	14.3%	-91,206,696	-2.2%
Other Shares & Deposits	13,422,993,378	44.2%	12,904,875,147	44.8%	518,118,231	4.0%
Total Savings	25,927,289,607	85.5%	24,711,593,527	85.8%	1,215,696,080	4.9%
Notes and Accounts Pay.	1,084,690,526	3.6%	928,739,146	3.2%	155,951,380	16.8%
Regular Reserve	963,967,943	3.2%	967,324,965	3.4%	-3,357,022	-0.3%
Other Reserves	2,359,982,310	7.8%	2,189,428,066	7.6%	170,554,244	7.8%
TOTAL LIABILITIES	<u>30,335,930,386</u>	100.0%	<u>28,797,085,704</u>	100.0%	<u>1,538,844,682</u>	5.3%

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

INCOME	<u>AMOUNT</u>	<u>% OF GROSS INCOME</u>	<u>% OF AVERAGE ASSETS</u>
Interest on Loans	474,180,459	67.10%	3.21%
Less: Interest Refunds	<u>507,969</u>	0.07%	0.00%
Net Interest Income	473,672,490	67.03%	3.21%
Income on Investments	29,830,661	4.22%	0.20%
Other Income	<u>203,163,852</u>	28.75%	1.37%
TOTAL OPERATING INCOME	706,667,003	100.00%	4.78%
ADMINISTRATIVE EXPENSES			
Employee Costs	247,215,950	34.98%	1.67%
Travel and Conference	5,334,006	0.75%	0.04%
Office Occupancy	30,807,336	4.36%	0.21%
General Operations	84,229,815	11.92%	0.57%
Education and Promotion	17,587,436	2.49%	0.12%
Loan Servicing	38,547,949	5.45%	0.26%
Professional Services	29,640,756	4.19%	0.20%
Member Insurance	130,209	0.02%	0.00%
Operating Fees	1,877,263	0.27%	0.01%
Other Operational Expenses	<u>12,305,139</u>	1.74%	0.08%
TOTAL ADMINISTRATIVE	467,675,859	66.18%	3.17%
Provision for Loan Loss	<u>23,857,098</u>	3.38%	0.16%
TOTAL OPERATING EXPENSES	491,532,957	69.56%	3.33%
Dividends Paid on Savings	59,394,210	8.40%	0.40%
Interest on Borrowed Funds	<u>5,016,099</u>	0.71%	0.03%
TOTAL COST OF FUNDS	<u>64,410,309</u>	9.11%	0.44%
TOTAL EXPENSES	555,943,266	78.67%	3.76%
NET OPERATING INCOME	150,723,737	21.33%	1.02%
NON-OPERATING GAIN/LOSS	<u>3,561,769</u>	0.50%	0.02%
NET INCOME	154,285,506	21.83%	1.04%
NCUA PREMIUMS AND ASSESSMENTS	9,447	0.00%	0.00%
NET INCOME (LOSS)	154,294,953	21.83%	1.04%

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

	2016	% OF AVERAGE	2015	% OF AVERAGE
	<u>AMOUNT</u>	<u>ASSETS</u>	<u>AMOUNT</u>	<u>ASSETS</u>
INCOME				
Interest on Loans	474,180,459	3.21%	436,550,338	3.23%
Less: Interest Refunds	<u>507,969</u>	<u>0.00%</u>	<u>790,660</u>	<u>0.01%</u>
Net Interest Income	473,672,490	3.21%	435,759,678	3.23%
Income on Investments	29,830,661	0.20%	23,624,126	0.17%
Other Income	<u>203,163,852</u>	<u>1.37%</u>	<u>185,691,764</u>	<u>1.37%</u>
TOTAL OPERATING INCOME	706,667,003	4.78%	645,075,568	4.77%
ADMINISTRATIVE EXPENSES				
Employee Costs	247,215,950	1.67%	227,794,770	1.69%
Travel and Conference	5,334,006	0.04%	4,816,720	0.04%
Office Occupancy	30,807,336	0.21%	29,414,460	0.22%
General Operations	84,229,815	0.57%	74,663,324	0.55%
Education and Promotion	17,587,436	0.12%	16,574,430	0.12%
Loan Servicing	38,547,949	0.26%	33,146,518	0.25%
Professional Services	29,640,756	0.20%	30,358,681	0.22%
Member Insurance	130,209	0.00%	224,699	0.00%
Operating Fees	1,877,263	0.01%	1,761,853	0.01%
Other Operational Expenses	<u>12,305,139</u>	<u>0.08%</u>	<u>13,457,046</u>	<u>0.10%</u>
TOTAL ADMINISTRATIVE	467,675,859	3.17%	432,212,501	3.20%
Provision for Loan Loss	<u>23,857,098</u>	<u>0.16%</u>	<u>19,960,833</u>	<u>0.15%</u>
TOTAL OPERATING EXPENSES	491,532,957	3.33%	452,173,334	3.35%
COST OF ACQUISITION OF FUNDS				
Dividends Paid on Savings	59,394,210	0.40%	51,023,235	0.38%
Interest on Borrowed Funds	<u>5,016,099</u>	<u>0.03%</u>	<u>4,162,518</u>	<u>0.03%</u>
TOTAL COST OF FUNDS	<u>64,410,309</u>	<u>0.44%</u>	<u>55,185,753</u>	<u>0.41%</u>
TOTAL EXPENSES	555,943,266	3.76%	507,359,087	3.76%
NET OPERATING INCOME	150,723,737	1.02%	137,716,481	1.02%
NON-OPERATING GAIN/LOSS	<u>3,561,769</u>	<u>0.02%</u>	<u>1,978,743</u>	<u>0.01%</u>
NET INCOME	154,285,506	1.04%	139,695,224	1.03%
NCUA PREMIUMS & ASSESSMENTS	9,447	0.00%	40,095	0.00%
NET INCOME (LOSS)	154,294,953	1.04%	139,735,319	1.03%

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

	2011	2012	2013	2014	2015	2016
Number of Credit Unions	203	187	171	160	150	144
<u>CAPITAL ADEQUACY</u>						
Net Worth/Total Assets	9.96%	10.25%	10.65%	10.88%	10.97%	10.91%
Total Delinquency/Net Worth	13.75%	9.66%	7.70%	6.83%	5.71%	4.85%
Solvency Evaluation	111.39%	111.73%	112.23%	112.68%	112.68%	112.83%
Classified Assets/Net Worth	9.18%	8.28%	7.44%	6.25%	5.26%	4.87%
<u>ASSET QUALITY</u>						
Delinquent Loans/Loans	1.83%	1.36%	1.10%	0.97%	0.81%	0.69%
Net Charge Offs/Avg. Loans	0.59%	0.51%	0.43%	0.32%	0.26%	0.25%
<u>EARNINGS (to Average Assets)</u>						
Return on Average Assets	0.59%	1.00%	0.96%	0.82%	1.02%	1.04%
Net Operating Expense	2.86%	2.69%	2.61%	2.57%	2.62%	2.60%
Fixed Assets+FRA's**/Assets	2.95%	2.78%	2.66%	2.62%	2.45%	2.34%
Gross Income	5.59%	5.48%	5.04%	4.71%	4.80%	4.78%
Cost of Funds	0.86%	0.62%	0.48%	0.41%	0.42%	0.44%
Operating Exp. (less PLL)	3.58%	3.43%	3.32%	3.18%	3.22%	3.17%
Net Interest Margin	3.35%	3.24%	3.07%	3.00%	3.00%	2.97%
PLL	0.55%	0.41%	0.30%	0.20%	0.16%	0.16%
<u>ASSET-LIABILITY MANAGEMENT</u>						
Net Long Term Assets/Assets	30.62%	30.65%	33.07%	33.34%	33.89%	33.03%
Shares/Savings+Borrowings	23.05%	25.45%	27.44%	29.34%	30.70%	32.13%
Loans/Savings	86.68%	83.59%	86.23%	89.47%	89.85%	89.28%
Loans/Assets	75.01%	72.76%	74.27%	76.90%	77.10%	76.31%
Cash + ST Invest./Assets	11.50%	13.69%	12.16%	9.84%	10.69%	11.42%
<u>OTHER RATIOS</u>						
Savings Growth	6.10%	7.48%	3.95%	7.15%	9.22%	10.08%
Net Worth Growth	5.70%	10.13%	9.12%	9.84%	10.24%	9.80%
Loan Growth	4.34%	4.07%	7.20%	11.17%	9.68%	8.68%
Asset Growth	6.00%	7.44%	5.05%	7.39%	9.39%	10.91%
Investments/Assets	13.04%	14.00%	15.18%	12.90%	11.80%	11.51%
Employee Cost/Gross Inc.	31.32%	32.16%	33.98%	35.04%	35.04%	34.98%
Employee Cost/ Avg. Assets	1.75%	1.76%	1.71%	1.65%	1.68%	1.67%
Average Loan Balance	\$11,640	\$11,882	\$11,820	\$12,156	\$12,577	\$12,970
Average Savings Balance	\$4,330	\$4,511	\$4,543	\$4,585	\$4,786	\$4,887

**Foreclosed and Repossessed Assets

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

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	>\$500,000,000	
Number of Credit Unions	17	17	47	21	29	13	144
<u>CAPITAL ADEQUACY</u>							
Net Worth/Total Assets	18.18%	15.10%	12.85%	11.64%	11.28%	10.63%	10.91%
Net Worth/PCA Optional Total Assets	18.18%	15.11%	12.86%	11.66%	11.29%	10.68%	10.96%
Total Delinquency/Net Worth	7.35%	6.69%	3.65%	5.40%	5.26%	4.76%	4.85%
Solvency Evaluation	122.27%	117.90%	114.78%	113.29%	112.79%	112.66%	112.83%
Classified Assets/Net Worth	5.48%	4.02%	4.09%	4.18%	3.98%	5.24%	4.87%
<u>ASSET QUALITY</u>							
Delinquent Loans/Loans	2.34%	2.03%	0.75%	0.92%	0.80%	0.65%	0.69%
Net Charge Offs/Avg. Loans	0.31%	0.45%	0.31%	0.22%	0.17%	0.27%	0.25%
Fair Value/Amortized Cost for HTM Accumulated Unrealized Gains or Losses on AFS/Amortized Cost AFS	N/A	0.00%	100.53%	101.04%	100.41%	100.62%	100.55%
Delinquent Loans/Assets	1.34%	1.01%	0.47%	0.63%	0.59%	0.51%	0.53%
<u>EARNINGS (to Average Assets)</u>							
Return on Average Assets	-0.07%	0.14%	0.37%	0.37%	0.85%	1.19%	1.04%
Gross Income	3.29%	3.27%	4.15%	4.13%	4.70%	4.90%	4.78%
Yield on Average Loans	5.00%	4.99%	4.60%	4.30%	4.35%	4.10%	4.18%
Yield on Average Investments	0.85%	0.97%	1.04%	1.25%	1.19%	1.13%	1.14%
Fee & Other Op. Income	0.06%	0.28%	0.91%	0.85%	1.25%	1.48%	1.37%
Cost of Funds	0.19%	0.23%	0.23%	0.27%	0.35%	0.49%	0.44%
Net Margin	3.10%	3.04%	3.93%	3.85%	4.35%	4.41%	4.35%
Operating Exp. (less PLL)	3.44%	2.83%	3.46%	3.34%	3.47%	3.05%	3.17%
PLL	0.16%	0.08%	0.11%	0.13%	0.04%	0.20%	0.16%
Net Interest Margin	3.04%	2.76%	3.02%	3.00%	3.10%	2.93%	2.97%
Operating Exp./Gross Income	104.39%	86.69%	83.32%	80.92%	73.90%	62.27%	66.18%
Fixed Assets+FRA's**/Assets	0.12%	0.56%	1.78%	2.85%	2.82%	2.21%	2.34%
Net Operating Expense	3.40%	2.64%	2.93%	2.87%	2.91%	2.48%	2.60%
<u>ASSET-LIABILITY MANAGEMENT</u>							
Net Long Term Assets/Assets	8.35%	5.91%	16.86%	26.13%	32.12%	34.83%	33.03%
Shares/Savings+Borrowings	84.71%	69.11%	51.40%	38.16%	38.58%	28.66%	32.13%
Loans/Savings	69.87%	59.00%	72.09%	78.09%	85.34%	92.37%	89.28%
Loans/Assets	57.04%	49.77%	62.42%	68.19%	74.32%	78.36%	76.31%
Cash + ST Invest./Assets	29.60%	28.75%	22.07%	15.63%	11.41%	10.43%	11.42%
Shares, Deposits & Borrowings/Earning Assets	81.97%	86.21%	90.62%	92.93%	94.11%	93.41%	93.38%
Shares + Drafts/Savings+Borrowings	85.10%	73.86%	66.58%	55.72%	56.72%	42.34%	46.91%
Borrowings/Shares & Net Worth	0.00%	0.23%	0.01%	0.22%	0.80%	3.31%	2.50%
<u>OTHER RATIOS</u>							
Net Worth Growth	-0.40%	0.91%	2.92%	3.17%	8.06%	11.43%	9.80%
Savings Growth	-4.84%	4.96%	2.86%	4.20%	6.51%	12.04%	10.08%
Loan Growth	-6.97%	2.85%	1.92%	1.05%	7.47%	9.85%	8.68%
Asset Growth	-4.18%	4.84%	2.70%	3.12%	7.32%	13.05%	10.91%
Investment Growth	-2.32%	-12.19%	-19.32%	-0.18%	17.95%	18.25%	13.06%
Investments/Assets	25.32%	37.84%	27.10%	20.15%	13.43%	9.35%	11.51%
Employee Cost/Gross Inc.	55.25%	48.04%	41.62%	41.79%	39.77%	32.90%	34.98%
Employee Cost/ Avg. Assets	1.82%	1.57%	1.73%	1.72%	1.87%	1.61%	1.67%
Average Loan Balance	\$7,489	\$8,149	\$11,064	\$13,514	\$14,857	\$12,644	\$12,970
Average Savings Balance	\$2,540	\$3,847	\$3,907	\$4,448	\$4,589	\$5,102	\$4,887

**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 JUNE 30, 2016**

Peer Groups by Assets	<\$2,000,000	\$ 2,000,001- \$10,000,000	\$ 10,000,001- \$50,000,000	\$50,000,001- \$100,000,000	\$100,000,001- \$500,000,000	>\$500,000,000	TOTAL
Number of Credit Unions	17	17	47	21	29	13	144
<u>OPERATING INCOME</u>							
Interest on Loans	87.25%	76.38%	69.31%	71.50%	68.79%	66.23%	67.10%
Less: Interest Refunds	0.00%	0.00%	0.00%	0.06%	0.01%	0.09%	0.07%
Income on Investments	10.92%	15.06%	8.79%	7.93%	4.72%	3.60%	4.22%
Income on Trading Securities	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Fee Income	1.17%	5.97%	12.76%	11.36%	12.04%	11.69%	11.76%
Other Operating Income	<u>0.67%</u>	<u>2.59%</u>	<u>9.13%</u>	<u>9.28%</u>	<u>14.46%</u>	<u>18.58%</u>	<u>16.99%</u>
TOTAL INCOME	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
<u>OPERATING EXPENSES</u>							
Employee Costs	55.25%	48.04%	41.62%	41.79%	39.77%	32.90%	34.98%
Travel and Conference	0.77%	1.00%	0.88%	0.93%	1.01%	0.67%	0.75%
Office Occupancy	4.72%	4.63%	5.77%	5.50%	5.21%	3.99%	4.36%
General Operations	23.30%	16.76%	14.42%	16.45%	14.29%	10.86%	11.92%
Education and Promotion	0.28%	0.52%	2.01%	2.25%	2.52%	2.53%	2.49%
Loan Servicing	2.38%	2.08%	4.78%	3.92%	4.77%	5.78%	5.45%
Professional Services	7.33%	7.97%	10.47%	7.59%	4.51%	3.57%	4.19%
Member Insurance	0.05%	0.06%	0.01%	0.05%	0.05%	0.01%	0.02%
Operating Fees	3.50%	1.06%	0.72%	0.45%	0.33%	0.21%	0.27%
Miscellaneous	<u>6.81%</u>	<u>4.58%</u>	<u>2.64%</u>	<u>2.00%</u>	<u>1.44%</u>	<u>1.75%</u>	<u>1.74%</u>
TOTAL ADMINISTRATIVE	104.39%	86.69%	83.32%	80.92%	73.90%	62.27%	66.18%
Provision for Loan Loss	<u>4.91%</u>	<u>2.51%</u>	<u>2.61%</u>	<u>3.14%</u>	<u>0.92%</u>	<u>4.09%</u>	<u>3.38%</u>
TOTAL OPERATING EXP.	109.30%	89.20%	85.93%	84.06%	74.82%	66.36%	69.56%
<u>COST OF FUNDS</u>							
Interest on Borrowed Funds	0.03%	0.01%	0.01%	0.11%	0.09%	0.95%	0.71%
Dividends on Savings	<u>5.75%</u>	<u>6.92%</u>	<u>5.43%</u>	<u>6.46%</u>	<u>7.34%</u>	<u>8.96%</u>	<u>8.40%</u>
TOTAL COST OF FUNDS	5.79%	6.93%	5.45%	6.57%	7.43%	9.91%	9.11%
<u>NET INCOME FROM OPERATIONS</u>	-15.09%	3.87%	8.62%	9.36%	17.75%	23.73%	21.33%
<u>NON-OPERATING GAIN/LOSS</u>	<u>12.91%</u>	<u>0.38%</u>	<u>0.31%</u>	<u>-0.30%</u>	<u>0.26%</u>	<u>0.62%</u>	<u>0.50%</u>
<u>NET INCOME</u>	-2.18%	4.25%	8.94%	9.06%	18.01%	24.35%	21.83%
NCUA EXPENSES	0.00%	0.06%	0.00%	0.03%	0.00%	0.00%	0.00%
<u>ADJUSTED NET INCOME (LOSS)</u>	-2.18%	4.31%	8.94%	9.09%	18.01%	24.35%	21.83%

**ANALYSIS OF INCOME AND EXPENSES TO AVERAGE ASSETS
FOR THE PERIOD ENDING JUNE 30, 2016**

Peer Groups by Assets	<\$2,000,000	\$ 2,000,001- \$10,000,000	\$ 10,000,001- \$50,000,000	\$50,000,001- \$100,000,000	\$100,000,001- \$500,000,000	>\$500,000,000	TOTAL
Number of Credit Unions	17	17	47	21	29	13	144
<u>OPERATING INCOME</u>							
Interest on Loans	2.87%	2.50%	2.88%	2.95%	3.23%	3.24%	3.21%
Less: Interest Refunds	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Income on Investments	0.36%	0.49%	0.37%	0.33%	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	0.04%	0.20%	0.53%	0.47%	0.57%	0.57%	0.56%
Other Operating Income	<u>0.02%</u>	<u>0.08%</u>	<u>0.38%</u>	<u>0.38%</u>	<u>0.68%</u>	<u>0.91%</u>	<u>0.81%</u>
TOTAL INCOME	3.29%	3.27%	4.15%	4.13%	4.70%	4.90%	4.78%
<u>OPERATING EXPENSES</u>							
Employee Costs	1.82%	1.57%	1.73%	1.72%	1.87%	1.61%	1.67%
Travel and Conference	0.03%	0.03%	0.04%	0.04%	0.05%	0.03%	0.04%
Office Occupancy	0.16%	0.15%	0.24%	0.23%	0.24%	0.20%	0.21%
General Operations	0.77%	0.55%	0.60%	0.68%	0.67%	0.53%	0.57%
Education and Promotion	0.01%	0.02%	0.08%	0.09%	0.12%	0.12%	0.12%
Loan Servicing	0.08%	0.07%	0.20%	0.16%	0.22%	0.28%	0.26%
Professional Services	0.24%	0.26%	0.43%	0.31%	0.21%	0.18%	0.20%
Member Insurance	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Operating Fees	0.12%	0.03%	0.03%	0.02%	0.02%	0.01%	0.01%
Miscellaneous	<u>0.22%</u>	<u>0.15%</u>	<u>0.11%</u>	<u>0.08%</u>	<u>0.07%</u>	<u>0.09%</u>	<u>0.08%</u>
TOTAL ADMINISTRATIVE	3.44%	2.83%	3.46%	3.34%	3.47%	3.05%	3.17%
Provision for Loan Loss	<u>0.16%</u>	<u>0.08%</u>	<u>0.11%</u>	<u>0.13%</u>	<u>0.04%</u>	<u>0.20%</u>	<u>0.16%</u>
TOTAL OPERATING EXP.	3.60%	2.92%	3.57%	3.47%	3.52%	3.25%	3.33%
<u>COST OF FUNDS</u>							
Interest on Borrowed Funds	0.00%	0.00%	0.00%	0.00%	0.00%	0.05%	0.03%
Dividends on Savings	<u>0.19%</u>	<u>0.23%</u>	<u>0.23%</u>	<u>0.27%</u>	<u>0.34%</u>	<u>0.44%</u>	<u>0.40%</u>
TOTAL COST OF FUNDS	0.19%	0.23%	0.23%	0.27%	0.35%	0.49%	0.44%
<u>NET INCOME FROM OPERATIONS</u>	-0.50%	0.13%	0.36%	0.39%	0.83%	1.16%	1.02%
NON-OPERATING GAIN/LOSS	<u>0.43%</u>	<u>0.01%</u>	<u>0.01%</u>	<u>-0.01%</u>	<u>0.01%</u>	<u>0.03%</u>	<u>0.02%</u>
<u>NET INCOME</u>	-0.07%	0.14%	0.37%	0.37%	0.85%	1.19%	1.04%
NCUA EXPENSES	<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>
<u>ADJUSTED NET INCOME (LOSS)</u>	-0.07%	0.14%	0.37%	0.37%	0.85%	1.19%	1.04%

**LOAN DELINQUENCY
PERIOD ENDING JUNE 30, 2016**

Peer Groups by Assets	<\$2,000,000	\$ 2,000,001- \$10,000,000	\$ 10,000,001- \$50,000,000	\$50,000,001- \$100,000,000	\$100,000,001- \$500,000,000	>\$500,000,000	TOTAL
Number of Credit Unions	17	17	47	21	29	13	144
<u>Loan Delinquency Ratios</u>							
2 - 6 Months Delinquent	2.17%	1.30%	0.39%	0.59%	0.50%	0.43%	0.45%
6 - 12 Months Delinquent	0.15%	0.54%	0.21%	0.18%	0.20%	0.13%	0.15%
Over 12 Months Delinquent	<u>0.01%</u>	<u>0.19%</u>	<u>0.15%</u>	<u>0.15%</u>	<u>0.10%</u>	<u>0.08%</u>	<u>0.09%</u>
Total Delinquent Loans	2.34%	2.03%	0.75%	0.92%	0.80%	0.65%	0.69%
<u>Loan Loss Ratio</u>	0.31%	0.45%	0.31%	0.22%	0.17%	0.27%	0.25%

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

Number of Credit Unions	17	17	47	21	29	13	144
<u>Loan Types</u>							
Credit Card Loans	0.31%	1.16%	2.84%	2.06%	2.14%	4.10%	3.59%
Unsecured Loans	10.57%	9.16%	3.15%	1.77%	2.39%	3.14%	2.95%
Non-Federally Guaranteed Student Loans	0.00%	0.00%	0.28%	0.14%	0.10%	1.44%	1.09%
New Auto Loans	26.60%	18.77%	8.52%	5.47%	6.44%	5.18%	5.58%
Used Auto Loans	42.99%	44.27%	27.05%	21.37%	21.56%	18.65%	19.66%
First Mortgages	6.54%	6.53%	44.68%	55.10%	51.23%	51.32%	51.15%
Other Real Estate	1.62%	7.96%	7.25%	7.48%	8.07%	8.99%	8.69%
Leases	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.01%
All Other Loans	<u>11.37%</u>	<u>12.16%</u>	<u>6.22%</u>	<u>6.61%</u>	<u>8.06%</u>	<u>7.16%</u>	<u>7.29%</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%	1.55%	2.66%	2.99%	4.38%	3.15%	3.35%
First Mortgage - Fixed - 15 yrs. Or less	0.00%	1.06%	11.08%	13.04%	11.27%	13.68%	13.08%
First Mortgage - Balloon/Hybrid - > 5 yrs.	3.47%	0.27%	2.36%	6.29%	7.92%	9.84%	9.04%
First Mortgage - Balloon/Hybrid - 5 yrs. Or less	3.07%	3.63%	18.48%	19.65%	12.91%	15.67%	15.39%
First Mortgage - Other Fixed Rate	0.00%	0.02%	0.20%	0.10%	0.05%	0.20%	0.17%
First Mortgage - Adjustable - 1 year or less	0.00%	0.00%	2.16%	2.91%	3.59%	2.92%	3.02%
First Mortgage - Adjustable - > 1 year	0.00%	0.00%	7.74%	10.12%	11.11%	5.86%	7.10%
Other - Closed End Fixed	1.62%	3.60%	3.00%	2.93%	2.12%	2.01%	2.11%
Other - Closed End Adjustable	0.00%	0.06%	0.77%	0.64%	0.81%	0.60%	0.65%
Other - Open End Adjustable	0.00%	4.30%	3.48%	3.71%	5.05%	6.37%	5.90%
Other - Open-End Fixed	0.00%	0.00%	0.00%	0.20%	0.09%	0.01%	0.03%
Other	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total Real Estate (As a percent of loans)	8.16%	14.49%	51.93%	62.58%	59.30%	60.31%	59.84%
Total Real Estate (As a percent of assets)	4.65%	7.21%	32.42%	42.67%	44.07%	47.26%	45.66%

*This page does not include loans Held for Sale

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

Peer Groups by Assets	\$ 2,000,001- <\$2,000,000	\$ 10,000,001- \$10,000,000	\$ 50,000,001- \$50,000,000	\$100,000,001- \$100,000,000	\$500,000,001- \$500,000,000	>\$500,000,000	TOTAL
Number of Credit Unions	17	17	47	21	29	13	144
Share Drafts	0.41%	4.88%	15.30%	18.05%	18.85%	14.55%	15.58%
Regular Shares	84.69%	69.18%	51.28%	37.80%	38.38%	29.37%	32.65%
Money Market Shares	1.60%	7.81%	13.74%	19.69%	17.48%	28.63%	25.26%
Share Certificates	13.27%	16.08%	12.68%	15.45%	16.39%	19.55%	18.41%
IRA Accounts	0.00%	1.93%	5.23%	8.12%	6.85%	6.22%	6.39%
All Other Shares	<u>0.02%</u>	<u>0.13%</u>	<u>1.76%</u>	<u>0.89%</u>	<u>2.05%</u>	<u>1.68%</u>	<u>1.71%</u>
Total Shares	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

**ANALYSIS OF INVESTMENTS BY TYPE
PERIOD ENDING JUNE 30, 2016**

Peer Groups by Assets	\$ 2,000,001- <\$2,000,000	\$ 10,000,001- \$10,000,000	\$ 50,000,001- \$50,000,000	\$100,000,001- \$100,000,000	\$500,000,001- \$500,000,000	>\$500,000,000	TOTAL
Number of Credit Unions	17	17	47	21	29	13	144
Trading Securities	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Available for Sale Securities	0.00%	0.00%	2.29%	23.31%	32.33%	61.37%	45.03%
Held-to-Maturity Securities	0.00%	0.82%	8.47%	6.97%	13.01%	4.17%	6.81%
Commercial Banks, S&L's, and Mutual Savings Banks	55.06%	70.10%	61.64%	45.09%	35.10%	11.97%	25.56%
Credit Unions	27.86%	21.26%	11.15%	6.68%	5.50%	1.65%	4.10%
Corporate Credit Unions	17.08%	7.82%	13.05%	11.38%	8.50%	14.16%	12.46%
Other Investments	<u>0.00%</u>	<u>0.00%</u>	<u>3.41%</u>	<u>6.58%</u>	<u>5.56%</u>	<u>6.69%</u>	<u>6.03%</u>
Total Investments	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%