



# 2017 THIRD QUARTER CREDIT UNION BULLETIN

This bulletin highlights the 2017 third quarter financial trends for Wisconsin's 134 state-chartered credit unions. The analysis is based on data compiled from the September 2017 5300 call reports. This information is provided to keep you informed of current conditions and trends in the Wisconsin credit union industry.

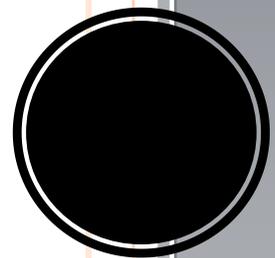
Total assets increased to \$34.0 billion, up from \$31.5 billion as of yearend 2016. The net worth ratio remained strong at 11.01%. Net income was over \$270 million resulting in a return on average assets ratio of 1.10%.

Loans outstanding grew by \$2.4 billion since yearend 2016 and savings grew by \$2.0 billion resulting in a loan to savings ratio of 93.31%. The delinquency ratio was 0.67% compared to 0.75% as of December 31, 2016.

The financial indicators for Wisconsin's state-chartered credit unions exhibit sound financial performance through September 30, 2017.

Additional information about consolidations that occurred in the third quarter of 2017 is included in this bulletin.

Kim Santos, Director  
Office of Credit Unions



## 2017 CONSOLIDATIONS

<b>Consolidation Date</b>	<b>Absorbed Credit Union</b>	<b>Location</b>	<b>Continuing Credit Union</b>	<b>Location</b>
12/31/2016	Catholic	Superior	Indianhead	Spooner
12/31/2016	Douglas County	Superior	Indianhead	Spooner
12/31/2016	Lake Superior Refinery	Superior	Indianhead	Spooner
12/31/2016	Water-Light	Superior	Indianhead	Spooner
1/14/2017	Horizon Community	Green Bay	Fox Communities	Appleton
1/31/2017	Kenosha City Employees	Kenosha	Blackhawk Community	Janesville
3/31/2017	Hanna Employees Federal	Pleasant Prairie	Educators	Mount Pleasant
4/1/2017	Police	Green Bay	Capital	Green Bay
5/31/2017	Fire Department	Superior	Indianhead	Spooner
7/1/2017	Harbor	Green Bay	Fox Communities	Appleton
9/30/2017	Badger	Peshtigo	N.E.W.	Oconto Falls
9/30/2017	Menominee Area	Menominee, MI	CoVantage	Antigo

**COMPARISON STATEMENTS OF CONDITION  
OF WISCONSIN CREDIT UNIONS  
SEPTEMBER 30, 2017 and DECEMBER 31, 2016**

	<u>September 30, 2017</u>		<u>December 31, 2016</u>		Increase or Decrease	<u>% Change</u>
<u>Number of Credit Unions</u>	134		143		-9	-6.3%
	<u>AMOUNT</u>	<u>% OF ASSETS</u>	<u>AMOUNT</u>	<u>% OF ASSETS</u>		
<u>ASSETS</u>						
Personal Loans	11,182,222,097	32.9%	9,930,799,447	31.6%	1,251,422,650	12.6%
Real Estate Loans	<u>15,662,417,100</u>	46.1%	<u>14,473,386,024</u>	46.0%	<u>1,189,031,076</u>	8.2%
Total Loans	26,844,639,197	79.0%	24,404,185,471	77.6%	2,440,453,726	10.0%
Allowance for Loan Losses	<u>160,474,548</u>	0.5%	<u>159,248,517</u>	0.5%	<u>1,226,031</u>	0.8%
Net Loans	26,684,164,649	78.5%	24,244,936,954	77.1%	2,439,227,695	10.1%
Cash	2,003,936,421	5.9%	2,119,307,205	6.7%	-115,370,784	-5.4%
Investments	3,384,017,396	10.0%	3,315,714,283	10.5%	68,303,113	2.1%
Fixed Assets	732,129,000	2.2%	716,567,191	2.3%	15,561,809	2.2%
Other Assets	<u>1,175,257,526</u>	3.5%	<u>1,056,763,743</u>	3.4%	<u>118,493,783</u>	11.2%
TOTAL ASSETS	<u><u>33,979,504,992</u></u>	100.0%	<u><u>31,453,289,376</u></u>	100.0%	<u><u>2,526,215,616</u></u>	8.0%
<u>LIABILITIES</u>						
Regular Shares	9,575,650,148	28.2%	8,602,136,935	27.3%	973,513,213	11.3%
Share Drafts	4,660,845,146	13.7%	4,398,966,122	14.0%	261,879,024	6.0%
Other Shares & Deposits	<u>14,531,857,055</u>	42.8%	<u>13,755,428,217</u>	43.7%	<u>776,428,838</u>	5.6%
Total Savings	28,768,352,349	84.7%	26,756,531,274	85.1%	2,011,821,075	7.5%
Notes and Accounts Pay.	1,456,634,184	4.3%	1,224,088,974	3.9%	232,545,210	19.0%
Regular Reserve	1,007,621,926	3.0%	1,017,650,137	3.2%	-10,028,211	-1.0%
Other Reserves	<u>2,746,896,533</u>	8.1%	<u>2,455,018,991</u>	7.8%	<u>291,877,542</u>	11.9%
TOTAL LIABILITIES	<u><u>33,979,504,992</u></u>	100.0%	<u><u>31,453,289,376</u></u>	100.0%	<u><u>2,526,215,616</u></u>	8.0%

**STATEMENT OF INCOME  
FOR WISCONSIN CREDIT UNIONS  
FOR THE PERIOD ENDING SEPTEMBER 30, 2017**

<b>INCOME</b>	<u>AMOUNT</u>	<u>% OF GROSS INCOME</u>	<u>% OF AVERAGE ASSETS</u>
Interest on Loans	809,337,534	67.89%	3.30%
Less: Interest Refunds	<u>853,681</u>	0.07%	0.00%
Net Interest Income	808,483,853	67.82%	3.29%
Income on Investments	54,405,038	4.56%	0.22%
Other Income	<u>329,166,344</u>	27.61%	1.34%
<b>TOTAL OPERATING INCOME</b>	<b>1,192,055,235</b>	<b>100.00%</b>	<b>4.86%</b>
<b>ADMINISTRATIVE EXPENSES</b>			
Employee Costs	398,562,542	33.43%	1.62%
Travel and Conference	7,950,260	0.67%	0.03%
Office Occupancy	47,982,708	4.03%	0.20%
General Operations	134,862,882	11.31%	0.55%
Education and Promotion	30,295,889	2.54%	0.12%
Loan Servicing	68,974,035	5.79%	0.28%
Professional Services	47,291,483	3.97%	0.19%
Member Insurance	269,927	0.02%	0.00%
Operating Fees	2,840,874	0.24%	0.01%
Other Operational Expenses	<u>20,392,038</u>	1.71%	0.08%
<b>TOTAL ADMINISTRATIVE</b>	<b>759,422,638</b>	<b>63.71%</b>	<b>3.09%</b>
Provision for Loan Loss	<u>51,863,349</u>	4.35%	0.21%
<b>TOTAL OPERATING EXPENSES</b>	<b>811,285,987</b>	<b>68.06%</b>	<b>3.31%</b>
Dividends Paid on Savings	105,834,379	8.88%	0.43%
Interest on Borrowed Funds	<u>10,890,099</u>	0.91%	0.04%
<b>TOTAL COST OF FUNDS</b>	<b>116,724,478</b>	<b>9.79%</b>	<b>0.48%</b>
<b>TOTAL EXPENSES</b>	<b>928,010,465</b>	<b>77.85%</b>	<b>3.78%</b>
<b>NET OPERATING INCOME</b>	<b>264,044,770</b>	<b>22.15%</b>	<b>1.08%</b>
<b>NON-OPERATING GAIN/LOSS</b>	<u><b>6,367,706</b></u>	<b>0.53%</b>	<b>0.03%</b>
<b>NET INCOME</b>	<b>270,412,476</b>	<b>22.68%</b>	<b>1.10%</b>
<b>NCUA PREMIUMS AND ASSESSMENTS</b>	<b>63,853</b>	<b>0.01%</b>	<b>0.00%</b>
<b>NET INCOME (LOSS)</b>	<b>270,476,329</b>	<b>22.69%</b>	<b>1.10%</b>

*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, 2017 AND SEPTEMBER 30, 2016**

	2017		2016	
	AMOUNT	% OF AVERAGE ASSETS	AMOUNT	% OF AVERAGE ASSETS
<b>INCOME</b>				
Interest on Loans	809,337,534	3.30%	724,387,501	3.23%
Less: Interest Refunds	<u>853,681</u>	<u>0.00%</u>	<u>819,581</u>	<u>0.00%</u>
Net Interest Income	808,483,853	3.29%	723,567,920	3.22%
Income on Investments	54,405,038	0.22%	44,425,696	0.20%
Other Income	<u>329,166,344</u>	<u>1.34%</u>	<u>316,851,335</u>	<u>1.41%</u>
TOTAL OPERATING INCOME	1,192,055,235	4.86%	1,084,844,951	4.83%
<b>ADMINISTRATIVE EXPENSES</b>				
Employee Costs	398,562,542	1.62%	375,079,923	1.67%
Travel and Conference	7,950,260	0.03%	7,659,467	0.03%
Office Occupancy	47,982,708	0.20%	46,138,634	0.21%
General Operations	134,862,882	0.55%	128,039,250	0.57%
Education and Promotion	30,295,889	0.12%	26,782,134	0.12%
Loan Servicing	68,974,035	0.28%	59,701,646	0.27%
Professional Services	47,291,483	0.19%	45,231,663	0.20%
Member Insurance	269,927	0.00%	200,290	0.00%
Operating Fees	2,840,874	0.01%	2,879,351	0.01%
Other Operational Expenses	<u>20,392,038</u>	<u>0.08%</u>	<u>18,321,799</u>	<u>0.08%</u>
TOTAL ADMINISTRATIVE	759,422,638	3.09%	710,034,157	3.16%
Provision for Loan Loss	<u>51,863,349</u>	<u>0.21%</u>	<u>38,629,099</u>	<u>0.17%</u>
TOTAL OPERATING EXPENSES	811,285,987	3.31%	748,663,256	3.33%
<b>COST OF ACQUISITION OF FUNDS</b>				
Dividends Paid on Savings	105,834,379	0.43%	90,781,636	0.40%
Interest on Borrowed Funds	<u>10,890,099</u>	<u>0.04%</u>	<u>7,925,428</u>	<u>0.04%</u>
TOTAL COST OF FUNDS	<u>116,724,478</u>	<u>0.48%</u>	<u>98,707,064</u>	<u>0.44%</u>
TOTAL EXPENSES	928,010,465	3.78%	847,370,320	3.77%
<b>NET OPERATING INCOME</b>	264,044,770	1.08%	237,474,631	1.06%
<b>NON-OPERATING GAIN/LOSS</b>	<u>6,367,706</u>	<u>0.03%</u>	<u>5,116,171</u>	<u>0.02%</u>
<b>NET INCOME</b>	270,412,476	1.10%	242,590,802	1.08%
<b>NCUA PREMIUMS &amp; ASSESSMENTS</b>	63,853	0.00%	17,128	0.00%
<b>NET INCOME (LOSS)</b>	270,476,329	1.10%	242,607,930	1.08%

**SIGNIFICANT OPERATIONAL RATIOS  
FOR ALL WISCONSIN CREDIT UNIONS  
2012-2017**

	2012	2013	2014	2015	2016	2017
<b>Number of Credit Unions</b>	<b>187</b>	<b>171</b>	<b>160</b>	<b>150</b>	<b>143</b>	<b>134</b>
<u>CAPITAL ADEQUACY</u>						
Net Worth/Total Assets	10.25%	10.65%	10.88%	10.97%	11.08%	11.01%
Total Delinquency/Net Worth	9.66%	7.70%	6.83%	5.71%	5.25%	4.80%
Solvency Evaluation	111.73%	112.23%	112.68%	112.68%	112.98%	113.05%
Classified Assets/Net Worth	8.28%	7.44%	6.25%	5.26%	4.57%	4.29%
<u>ASSET QUALITY</u>						
Delinquent Loans/Loans	1.36%	1.10%	0.97%	0.81%	0.75%	0.67%
Net Charge Offs/Avg. Loans	0.51%	0.43%	0.32%	0.26%	0.25%	0.27%
<u>EARNINGS (to Average Assets)</u>						
Return on Average Assets	1.00%	0.96%	0.82%	1.02%	1.09%	1.10%
Net Operating Expense	2.69%	2.61%	2.57%	2.62%	2.60%	2.54%
Fixed Assets+FRA's**/Assets	2.78%	2.66%	2.62%	2.45%	2.31%	2.20%
Gross Income	5.48%	5.04%	4.71%	4.80%	4.89%	4.86%
Cost of Funds	0.62%	0.48%	0.41%	0.42%	0.45%	0.48%
Operating Exp. (less PLL)	3.43%	3.32%	3.18%	3.22%	3.19%	3.09%
Net Interest Margin	3.24%	3.07%	3.00%	3.00%	3.00%	3.04%
PLL	0.41%	0.30%	0.20%	0.16%	0.17%	0.21%
<u>ASSET-LIABILITY MANAGEMENT</u>						
Net Long Term Assets/Assets	30.65%	33.07%	33.34%	33.89%	33.41%	34.04%
Shares/Savings+Borrowings	25.45%	27.44%	29.34%	30.70%	31.63%	32.66%
Loans/Savings	83.59%	86.23%	89.47%	89.85%	91.21%	93.31%
Loans/Assets	72.76%	74.27%	76.90%	77.10%	77.59%	79.00%
Cash + ST Invest./Assets	13.69%	12.16%	9.84%	10.69%	10.85%	10.01%
<u>OTHER RATIOS</u>						
Savings Growth	7.48%	3.95%	7.15%	9.22%	8.40%	10.03%
Net Worth Growth	10.13%	9.12%	9.84%	10.24%	10.47%	9.82%
Loan Growth	4.07%	7.20%	11.17%	9.68%	10.01%	13.33%
Asset Growth	7.44%	5.05%	7.39%	9.39%	9.35%	10.71%
Investments/Assets	14.00%	15.18%	12.90%	11.80%	10.54%	9.96%
Employee Cost/Gross Inc.	32.16%	33.98%	35.04%	35.04%	34.34%	33.43%
Employee Cost/ Avg. Assets	1.76%	1.71%	1.65%	1.68%	1.68%	1.62%
Average Loan Balance	\$11,882	\$11,820	\$12,156	\$12,577	\$13,079	\$13,573
Average Savings Balance	\$4,511	\$4,543	\$4,585	\$4,786	\$4,900	\$5,051

*\*\*Foreclosed and Repossessed Assets*

**SIGNIFICANT OPERATIONAL RATIOS  
FOR THE PERIOD ENDING SEPTEMBER 30, 2017**

Peer Groups by Assets	\$ 2,000,001- <\$2,000,000	\$ 10,000,001- \$10,000,000	\$ 50,000,001- \$50,000,000	\$ 100,000,001- \$100,000,000	\$ 500,000,001- \$500,000,000	\$100,000,001- >\$500,000,000	TOTAL
Number of Credit Unions	11	14	44	24	27	14	134

**CAPITAL ADEQUACY**

Net Worth/Total Assets	18.57%	13.01%	13.17%	11.70%	11.58%	10.73%	11.01%
Net Worth/PCA Optional Total Assets	18.57%	13.01%	13.18%	11.71%	11.60%	10.77%	11.05%
Total Delinquency/Net Worth	3.23%	9.89%	3.87%	4.53%	4.84%	4.85%	4.80%
Solvency Evaluation	122.90%	115.07%	115.29%	113.35%	113.32%	112.86%	113.05%
Classified Assets/Net Worth	5.33%	5.84%	3.86%	3.63%	3.68%	4.51%	4.29%

**ASSET QUALITY**

Delinquent Loans/Loans	1.00%	2.15%	0.81%	0.77%	0.73%	0.64%	0.67%
Net Charge Offs/Avg. Loans	0.63%	0.25%	0.27%	0.14%	0.24%	0.28%	0.27%
Fair Value/Amortized Cost for HTM	N/A	N/A	99.82%	87.18%	100.04%	99.40%	98.86%
Accumulated Unrealized Gains or Losses on AFS/Amortized Cost AFS	N/A	N/A	-0.74%	-0.56%	0.56%	0.07%	0.09%
Delinquent Loans/Assets	0.60%	1.29%	0.51%	0.53%	0.56%	0.52%	0.53%

**EARNINGS (to Average Assets)**

Return on Average Assets	-1.08%	0.17%	0.34%	0.51%	0.78%	1.26%	1.10%
Gross Income	3.47%	3.74%	4.23%	4.25%	4.78%	4.95%	4.86%
Yield on Average Loans	5.14%	5.00%	4.52%	4.26%	4.31%	4.17%	4.21%
Yield on Average Investments	0.70%	0.76%	1.34%	1.60%	1.34%	1.41%	1.40%
Fee & Other Op. Income	0.14%	0.35%	0.91%	0.93%	1.25%	1.42%	1.34%
Cost of Funds	1.20%	0.26%	0.22%	0.26%	0.37%	0.53%	0.48%
Net Margin	2.26%	3.48%	4.01%	3.99%	4.41%	4.42%	4.38%
Operating Exp. (less PLL)	3.67%	3.09%	3.48%	3.38%	3.45%	2.97%	3.09%
PLL	0.30%	0.24%	0.19%	0.11%	0.17%	0.23%	0.21%
Net Interest Margin	2.12%	3.13%	3.09%	3.06%	3.16%	3.01%	3.04%
Operating Exp./Gross Income	106.01%	82.42%	82.34%	79.51%	72.18%	60.04%	63.71%
Fixed Assets+FRA's**/Assets	0.11%	0.76%	1.72%	2.57%	2.85%	2.05%	2.20%
Net Operating Expense	3.61%	2.83%	2.95%	2.87%	2.87%	2.42%	2.54%

**ASSET-LIABILITY MANAGEMENT**

Net Long Term Assets/Assets	7.09%	2.39%	18.71%	26.79%	33.70%	35.38%	34.04%
Shares/Savings+Borrowings	87.18%	75.95%	50.91%	41.73%	36.98%	30.12%	32.66%
Loans/Savings	73.54%	69.30%	73.68%	79.28%	89.57%	96.16%	93.31%
Loans/Assets	59.71%	59.85%	63.30%	69.06%	76.89%	80.93%	79.00%
Cash + ST Invest./Assets	30.11%	32.32%	21.04%	15.14%	10.07%	9.09%	10.01%
Shares, Deposits & Borrowings/Earning Assets	81.57%	88.56%	89.51%	92.60%	93.47%	93.11%	93.02%
Shares + Drafts/Savings+Borrowings	88.13%	81.97%	67.14%	60.27%	55.41%	44.26%	47.81%
Borrowings/Shares & Net Worth	0.00%	0.00%	0.18%	0.38%	1.53%	3.83%	3.11%

**OTHER RATIOS**

Net Worth Growth	-5.69%	-0.32%	2.52%	4.12%	6.78%	11.52%	9.82%
Savings Growth	-4.02%	2.29%	4.46%	4.01%	6.22%	11.71%	10.03%
Loan Growth	5.92%	1.12%	6.92%	5.69%	9.59%	14.93%	13.33%
Asset Growth	-4.41%	2.25%	4.51%	4.35%	7.42%	12.28%	10.71%
Investment Growth	-55.61%	-55.28%	-14.52%	15.02%	-19.18%	6.08%	-0.85%
Investments/Assets	18.63%	24.07%	26.76%	20.39%	11.70%	8.05%	9.96%
Employee Cost/Gross Inc.	60.88%	45.08%	40.36%	40.58%	38.56%	31.53%	33.43%
Employee Cost/ Avg. Assets	2.11%	1.69%	1.71%	1.73%	1.84%	1.56%	1.62%
Average Loan Balance	\$7,286	\$8,504	\$11,041	\$14,614	\$16,318	\$13,152	\$13,573
Average Savings Balance	\$2,257	\$3,641	\$4,054	\$4,439	\$4,840	\$5,222	\$5,051

**\*\*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, 2017**

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	11	14	44	24	27	14	134
<b><u>OPERATING INCOME</u></b>							
Interest on Loans	85.24%	80.25%	67.14%	68.98%	68.77%	67.63%	67.89%
Less: Interest Refunds	0.00%	0.00%	0.00%	0.06%	0.01%	0.09%	0.07%
Income on Investments	10.77%	10.40%	11.25%	9.22%	5.15%	3.87%	4.56%
Income on Trading Securities	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Fee Income	1.99%	6.73%	12.57%	11.96%	12.22%	11.18%	11.43%
Other Operating Income	<u>2.00%</u>	<u>2.62%</u>	<u>9.04%</u>	<u>9.91%</u>	<u>13.87%</u>	<u>17.40%</u>	<u>16.19%</u>
TOTAL INCOME	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
<b><u>OPERATING EXPENSES</u></b>							
Employee Costs	60.88%	45.08%	40.36%	40.58%	38.56%	31.53%	33.43%
Travel and Conference	0.71%	0.60%	0.83%	0.87%	0.96%	0.58%	0.67%
Office Occupancy	3.22%	4.36%	5.67%	5.27%	4.93%	3.68%	4.03%
General Operations	21.91%	15.13%	14.97%	16.18%	13.61%	10.34%	11.31%
Education and Promotion	0.94%	0.80%	2.08%	2.47%	2.51%	2.57%	2.54%
Loan Servicing	3.12%	2.73%	4.82%	3.95%	4.86%	6.15%	5.79%
Professional Services	7.97%	8.39%	10.25%	7.90%	4.88%	3.27%	3.97%
Member Insurance	0.07%	0.00%	0.02%	0.02%	0.11%	0.00%	0.02%
Operating Fees	2.89%	1.46%	0.73%	0.40%	0.31%	0.19%	0.24%
Miscellaneous	<u>4.29%</u>	<u>3.85%</u>	<u>2.61%</u>	<u>1.89%</u>	<u>1.44%</u>	<u>1.72%</u>	<u>1.71%</u>
TOTAL ADMINISTRATIVE	106.01%	82.42%	82.34%	79.51%	72.18%	60.04%	63.71%
Provision for Loan Loss	<u>8.57%</u>	<u>6.48%</u>	<u>4.54%</u>	<u>2.53%</u>	<u>3.63%</u>	<u>4.61%</u>	<u>4.35%</u>
TOTAL OPERATING EXP.	114.57%	88.90%	86.88%	82.04%	75.81%	64.66%	68.06%
<b><u>COST OF FUNDS</u></b>							
Interest on Borrowed Funds	0.00%	0.02%	0.03%	0.09%	0.25%	1.15%	0.91%
Dividends on Savings	<u>34.71%</u>	<u>6.92%</u>	<u>5.23%</u>	<u>6.11%</u>	<u>7.47%</u>	<u>9.50%</u>	<u>8.88%</u>
TOTAL COST OF FUNDS	34.71%	6.95%	5.26%	6.20%	7.73%	10.65%	9.79%
<b><u>NET INCOME FROM OPERATIONS</u></b>	-49.29%	4.15%	7.86%	11.76%	16.46%	24.69%	22.15%
NON-OPERATING GAIN/LOSS	<u>18.00%</u>	<u>0.50%</u>	<u>0.18%</u>	<u>0.19%</u>	<u>-0.22%</u>	<u>0.74%</u>	<u>0.53%</u>
<b><u>NET INCOME</u></b>	-31.28%	4.65%	8.04%	11.95%	16.24%	25.42%	22.68%
NCUA EXPENSES	0.00%	0.00%	0.01%	0.00%	0.03%	0.00%	0.01%
<b><u>ADJUSTED NET INCOME (LOSS)</u></b>	-31.28%	4.65%	8.05%	11.95%	16.27%	25.42%	22.69%

**ANALYSIS OF INCOME AND EXPENSES TO AVERAGE ASSETS  
FOR THE PERIOD ENDING SEPTEMBER 30, 2017**

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	11	14	44	24	27	14	134
<b><u>OPERATING INCOME</u></b>							
Interest on Loans	2.95%	3.00%	2.84%	2.93%	3.29%	3.35%	3.30%
Less: Interest Refunds	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Income on Investments	0.37%	0.39%	0.48%	0.39%	0.25%	0.19%	0.22%
Income on Trading Securities	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Fee Income	0.07%	0.25%	0.53%	0.51%	0.58%	0.55%	0.56%
Other Operating Income	<u>0.07%</u>	<u>0.10%</u>	<u>0.38%</u>	<u>0.42%</u>	<u>0.66%</u>	<u>0.86%</u>	<u>0.79%</u>
TOTAL INCOME	3.47%	3.74%	4.23%	4.25%	4.78%	4.95%	4.86%
<b><u>OPERATING EXPENSES</u></b>							
Employee Costs	2.11%	1.69%	1.71%	1.73%	1.84%	1.56%	1.62%
Travel and Conference	0.02%	0.02%	0.03%	0.04%	0.05%	0.03%	0.03%
Office Occupancy	0.11%	0.16%	0.24%	0.22%	0.24%	0.18%	0.20%
General Operations	0.76%	0.57%	0.63%	0.69%	0.65%	0.51%	0.55%
Education and Promotion	0.03%	0.03%	0.09%	0.11%	0.12%	0.13%	0.12%
Loan Servicing	0.11%	0.10%	0.20%	0.17%	0.23%	0.30%	0.28%
Professional Services	0.28%	0.31%	0.43%	0.34%	0.23%	0.16%	0.19%
Member Insurance	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%
Operating Fees	0.10%	0.05%	0.03%	0.02%	0.01%	0.01%	0.01%
Miscellaneous	<u>0.15%</u>	<u>0.14%</u>	<u>0.11%</u>	<u>0.08%</u>	<u>0.07%</u>	<u>0.09%</u>	<u>0.08%</u>
TOTAL ADMINISTRATIVE	3.67%	3.09%	3.48%	3.38%	3.45%	2.97%	3.09%
Provision for Loan Loss	<u>0.30%</u>	<u>0.24%</u>	<u>0.19%</u>	<u>0.11%</u>	<u>0.17%</u>	<u>0.23%</u>	<u>0.21%</u>
TOTAL OPERATING EXP.	3.97%	3.33%	3.67%	3.49%	3.62%	3.20%	3.31%
<b><u>COST OF FUNDS</u></b>							
Interest on Borrowed Funds	0.00%	0.00%	0.00%	0.00%	0.01%	0.06%	0.04%
Dividends on Savings	<u>1.20%</u>	<u>0.26%</u>	<u>0.22%</u>	<u>0.26%</u>	<u>0.36%</u>	<u>0.47%</u>	<u>0.43%</u>
TOTAL COST OF FUNDS	1.20%	0.26%	0.22%	0.26%	0.37%	0.53%	0.48%
<b><u>NET INCOME FROM OPERATIONS</u></b>	-1.71%	0.16%	0.33%	0.50%	0.79%	1.22%	1.08%
NON-OPERATING GAIN/LOSS	<u>0.62%</u>	<u>0.02%</u>	<u>0.01%</u>	<u>0.01%</u>	<u>-0.01%</u>	<u>0.04%</u>	<u>0.03%</u>
<b><u>NET INCOME</u></b>	-1.08%	0.17%	0.34%	0.51%	0.78%	1.26%	1.10%
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>
<b><u>ADJUSTED NET INCOME (LOSS)</u></b>	-1.08%	0.17%	0.34%	0.51%	0.78%	1.26%	1.10%

**LOAN DELINQUENCY  
PERIOD ENDING SEPTEMBER 30, 2017**

Peer Groups by Assets	\$ 2,000,001- <\$2,000,000	\$ 10,000,001- \$ 10,000,000	\$ 50,000,001- \$ 100,000,000	\$ 100,000,001- \$ 500,000,000	\$ 500,000,001- >\$500,000,000	TOTAL	
Number of Credit Unions	11	14	44	24	27	14	134
<u>Loan Delinquency Ratios</u>							
2 - 6 Months Delinquent	0.80%	1.33%	0.54%	0.46%	0.47%	0.48%	0.48%
6 - 12 Months Delinquent	0.12%	0.39%	0.17%	0.23%	0.14%	0.12%	0.13%
Over 12 Months Delinquent	<u>0.09%</u>	<u>0.43%</u>	<u>0.10%</u>	<u>0.07%</u>	<u>0.11%</u>	<u>0.04%</u>	<u>0.06%</u>
Total Delinquent Loans	1.00%	2.15%	0.81%	0.77%	0.73%	0.64%	0.67%
<u>Loan Loss Ratio</u>	0.63%	0.25%	0.27%	0.14%	0.24%	0.28%	0.27%

**ANALYSIS OF LOANS BY TYPE  
PERIOD ENDING SEPTEMBER 30, 2017**

Number of Credit Unions	11	14	44	24	27	14	134
<u>Loan Types</u>							
Unsecured Credit Card Loans	0.57%	1.33%	2.73%	2.09%	1.83%	3.87%	3.41%
Non-Federally Guaranteed Student Loans	0.00%	0.00%	0.46%	0.14%	0.15%	1.51%	1.19%
All Other Unsecured Loans/Lines of Credit	10.31%	10.63%	3.50%	2.06%	1.88%	3.08%	2.86%
New Vehicle Loans	26.64%	17.65%	10.14%	5.35%	6.69%	5.80%	6.06%
Used Vehicle Loans	43.50%	46.10%	30.79%	21.13%	22.36%	19.72%	20.56%
Leases Receivable	0.00%	0.00%	0.00%	0.00%	0.00%	0.18%	0.14%
All Other Secured Non-Real Estate Loans/LOC	7.50%	11.52%	6.14%	5.94%	7.09%	6.22%	6.35%
Secured by 1st Lien 1-4 Family Residential Properties	9.89%	4.90%	37.79%	53.33%	43.24%	38.68%	40.03%
Secured by Junior Lien 1-4 Family Residential	1.59%	1.67%	5.42%	4.88%	4.71%	7.02%	6.49%
All Other Real Estate/Lines of Credit	0.02%	6.02%	1.67%	0.45%	1.97%	1.14%	1.26%
Commercial Loans/LOC Real Estate Secured	0.00%	0.00%	1.16%	4.26%	7.96%	11.85%	10.56%
Commercial Loans/LOC Not Real Estate Secured	<u>0.00%</u>	<u>0.18%</u>	<u>0.19%</u>	<u>0.38%</u>	<u>2.12%</u>	<u>0.92%</u>	<u>1.08%</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%	0.00%	2.07%	3.76%	5.12%	3.48%	3.72%
First Mortgage - Fixed - 15 yrs. Or less	0.00%	1.15%	13.41%	12.82%	11.41%	11.99%	11.95%
First Mortgage - Balloon/Hybrid - > 5 yrs.	5.39%	0.58%	2.36%	6.37%	8.21%	11.57%	10.52%
First Mortgage - Balloon/Hybrid - 5 yrs. Or less	4.49%	3.17%	11.04%	19.06%	11.32%	14.87%	14.35%
First Mortgage - Other Fixed Rate	0.00%	0.00%	0.33%	0.09%	0.09%	0.17%	0.16%
First Mortgage - Adjustable - 1 year or less	0.00%	0.00%	0.66%	2.16%	3.19%	2.27%	2.37%
First Mortgage - Adjustable - > 1 year	0.00%	0.00%	9.03%	12.10%	11.24%	5.95%	7.19%
Other - Closed End Fixed	1.60%	2.12%	3.13%	2.49%	2.05%	1.60%	1.76%
Other - Closed End Adjustable	0.00%	0.32%	0.51%	0.53%	0.87%	0.73%	0.74%
Other - Open End Adjustable	0.00%	5.25%	3.49%	3.29%	4.24%	6.05%	5.55%
Other - Open-End Fixed	0.00%	0.00%	0.00%	0.24%	0.15%	0.01%	0.04%
Other	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total Real Estate (As a percent of loans)	11.49%	12.59%	46.04%	62.92%	57.87%	58.69%	58.34%
Total Real Estate (As a percent of assets)	6.86%	7.54%	29.14%	43.45%	44.50%	47.50%	46.09%

\*This page does not include loans Held for Sale

**ANALYSIS OF SAVINGS BY TYPE  
PERIOD ENDING SEPTEMBER 30, 2017**

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>	11	14	44	24	27	14	134
Share Drafts	0.97%	6.11%	16.51%	19.04%	19.38%	15.26%	16.20%
Regular Shares	87.17%	75.86%	50.77%	41.49%	36.99%	30.91%	33.29%
Money Market Shares	3.21%	0.00%	13.86%	17.83%	18.66%	26.15%	23.95%
Share Certificates	8.65%	16.35%	12.16%	13.49%	16.16%	19.78%	18.55%
IRA Accounts	0.00%	1.60%	4.79%	7.23%	6.57%	5.82%	5.98%
All Other Shares	<u>0.01%</u>	<u>0.09%</u>	<u>1.91%</u>	<u>0.92%</u>	<u>2.24%</u>	<u>2.08%</u>	<u>2.04%</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 SEPTEMBER 30, 2017**

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>	11	14	44	24	27	14	134
Trading Securities	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Available for Sale Securities	0.00%	0.00%	4.18%	25.64%	30.54%	66.24%	48.98%
Held-to-Maturity Securities	0.00%	0.00%	11.31%	4.65%	15.44%	3.75%	6.85%
Commercial Banks, S&L's, and Mutual Savings Banks	54.71%	45.33%	52.91%	41.33%	31.34%	7.67%	20.16%
Credit Unions	23.46%	27.87%	11.51%	6.33%	5.29%	1.35%	3.69%
Corporate Credit Unions	21.83%	26.80%	15.98%	16.15%	11.23%	14.76%	14.36%
Other Investments	<u>0.00%</u>	<u>0.00%</u>	<u>4.10%</u>	<u>5.91%</u>	<u>6.15%</u>	<u>6.23%</u>	<u>5.96%</u>
<b>Total Investments</b>	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%