



2018 THIRD QUARTER CREDIT UNION BULLETIN

This bulletin highlights the 2018 third quarter financial trends for Wisconsin's 126 state-chartered credit unions. The analysis is based on data compiled from the September 2018 5300 call reports. This information is provided to keep you informed of current conditions and trends in the Wisconsin credit union industry.

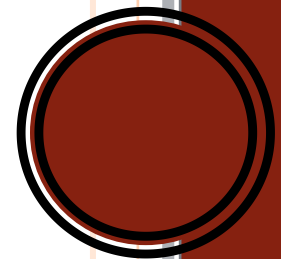
Total assets increased to \$36.4 billion, up from \$34.2 billion as of yearend 2017. The net worth ratio remained strong at 11.44%. Net income was over \$313.8 million resulting in a return on average assets ratio of 1.19%.

Loans outstanding grew by nearly \$2.5 billion since yearend 2017 and savings grew by \$1.9 billion resulting in a loan to savings ratio of 97.16%. The delinquency ratio was 0.66% compared to 0.70% as of December 31, 2017.

The financial indicators for Wisconsin's state-chartered credit unions exhibit sound financial performance through September 30, 2018.

Additional information about consolidations that occurred in the third quarter of 2018 is included in this bulletin.

Kim Santos, Director
Office of Credit Unions



2018 CONSOLIDATIONS

Consolidation Date	Absorbed Credit Union	Location	Continuing Credit Union	Location
1/1/2018	County	Kenosha	Blackhawk Community	Janesville
1/31/2018	Bent River Community	Davenport, Iowa	Marine	La Crosse
4/1/2018	Worzalla Publishing Employees	Stevens Point	Valley Communities	Mosinee
7/1/2018	W.S.P.	Waupun	Summit	Madison

**COMPARISON STATEMENTS OF CONDITION
OF WISCONSIN CREDIT UNIONS
SEPTEMBER 30, 2018 and DECEMBER 31, 2017**

	<u>September 30, 2018</u>		<u>December 31, 2017</u>		Increase or Decrease	% Change
<u>Number of Credit Unions</u>	126		129		-3	-2.3%
	<u>AMOUNT</u>	% OF <u>ASSETS</u>	<u>AMOUNT</u>	% OF <u>ASSETS</u>		
<u>ASSETS</u>						
Personal Loans	12,584,918,944	34.5%	11,144,514,065	32.6%	1,440,404,879	12.9%
Real Estate Loans	<u>17,075,245,706</u>	46.9%	<u>16,063,889,566</u>	47.0%	<u>1,011,356,140</u>	6.3%
Total Loans	29,660,164,650	81.4%	27,208,403,631	79.7%	2,451,761,019	9.0%
Allowance for Loan Losses	<u>176,537,685</u>	0.5%	<u>163,586,899</u>	0.5%	<u>12,950,786</u>	7.9%
Net Loans	29,483,626,965	80.9%	27,044,816,732	79.2%	2,438,810,233	9.0%
Cash	2,107,954,008	5.8%	1,793,626,352	5.3%	314,327,656	17.5%
Investments	3,005,936,770	8.2%	3,216,644,338	9.4%	-210,707,568	-6.6%
Fixed Assets	806,113,880	2.2%	745,733,020	2.2%	60,380,860	8.1%
Other Assets	<u>1,040,842,702</u>	2.9%	<u>1,356,420,595</u>	4.0%	<u>-315,577,893</u>	-23.3%
TOTAL ASSETS	<u><u>36,444,474,325</u></u>	100.0%	<u><u>34,157,241,037</u></u>	100.0%	<u><u>2,287,233,288</u></u>	6.7%
<u>LIABILITIES</u>						
Regular Shares	10,212,312,697	28.0%	9,375,740,569	27.4%	836,572,128	8.9%
Share Drafts	4,996,524,978	13.7%	4,765,925,322	14.0%	230,599,656	4.8%
Other Shares & Deposits	<u>15,318,482,538</u>	42.0%	<u>14,516,206,819</u>	42.5%	<u>802,275,719</u>	5.5%
Total Savings	30,527,320,213	83.8%	28,657,872,710	83.9%	1,869,447,503	6.5%
Notes and Accounts Pay.	1,778,548,613	4.9%	1,654,772,851	4.8%	123,775,762	7.5%
Regular Reserve	1,045,114,864	2.9%	1,046,068,065	3.1%	-953,201	-0.1%
Other Reserves	<u>3,093,490,635</u>	8.5%	<u>2,798,527,411</u>	8.2%	<u>294,963,224</u>	10.5%
TOTAL LIABILITIES	<u><u>36,444,474,325</u></u>	100.0%	<u><u>34,157,241,037</u></u>	100.0%	<u><u>2,287,233,288</u></u>	6.7%

**STATEMENT OF INCOME
FOR WISCONSIN CREDIT UNIONS
FOR THE PERIOD ENDING SEPTEMBER 30, 2018**

INCOME	<u>AMOUNT</u>	<u>% OF GROSS INCOME</u>	<u>% OF AVERAGE ASSETS</u>
Interest on Loans	942,551,082	68.31%	3.56%
Less: Interest Refunds	<u>1,354,192</u>	0.10%	0.01%
Net Interest Income	941,196,890	68.21%	3.55%
Income on Investments	66,289,843	4.80%	0.25%
Other Income	<u>372,325,775</u>	26.98%	1.41%
TOTAL OPERATING INCOME	1,379,812,508	100.00%	5.21%
ADMINISTRATIVE EXPENSES			
Employee Costs	431,409,883	31.27%	1.63%
Travel and Conference	8,787,547	0.64%	0.03%
Office Occupancy	52,835,358	3.83%	0.20%
General Operations	144,874,048	10.50%	0.55%
Education and Promotion	35,760,037	2.59%	0.14%
Loan Servicing	86,030,513	6.23%	0.32%
Professional Services	52,837,225	3.83%	0.20%
Member Insurance	-73,788	-0.01%	0.00%
Operating Fees	2,767,945	0.20%	0.01%
Other Operational Expenses	<u>21,037,457</u>	1.52%	0.08%
TOTAL ADMINISTRATIVE	836,266,225	60.61%	3.16%
Provision for Loan Loss	<u>67,745,922</u>	4.91%	0.26%
TOTAL OPERATING EXPENSES	904,012,147	65.52%	3.41%
Dividends Paid on Savings	147,247,242	10.67%	0.56%
Interest on Borrowed Funds	<u>19,481,684</u>	1.41%	0.07%
TOTAL COST OF FUNDS	166,728,926	12.08%	0.63%
TOTAL EXPENSES	1,070,741,073	77.60%	4.04%
NET OPERATING INCOME	309,071,435	22.40%	1.17%
NON-OPERATING GAIN/LOSS	<u>4,750,034</u>	0.34%	0.02%
NET INCOME	313,821,469	22.74%	1.19%

*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, 2018 AND SEPTEMBER 30, 2017**

	2018	% OF AVERAGE ASSETS	2017	% OF AVERAGE ASSETS
	<u>AMOUNT</u>		<u>AMOUNT</u>	
INCOME				
Interest on Loans	942,551,082	3.56%	809,337,534	3.30%
Less: Interest Refunds	<u>1,354,192</u>	<u>0.01%</u>	<u>853,681</u>	<u>0.00%</u>
Net Interest Income	941,196,890	3.55%	808,483,853	3.29%
Income on Investments	66,289,843	0.25%	54,405,038	0.22%
Other Income	<u>372,325,775</u>	<u>1.41%</u>	<u>329,166,344</u>	<u>1.34%</u>
TOTAL OPERATING INCOME	1,379,812,508	5.21%	1,192,055,235	4.86%
ADMINISTRATIVE EXPENSES				
Employee Costs	431,409,883	1.63%	398,562,542	1.62%
Travel and Conference	8,787,547	0.03%	7,950,260	0.03%
Office Occupancy	52,835,358	0.20%	47,982,708	0.20%
General Operations	144,874,048	0.55%	134,862,882	0.55%
Education and Promotion	35,760,037	0.14%	30,295,889	0.12%
Loan Servicing	86,030,513	0.32%	68,974,035	0.28%
Professional Services	52,837,225	0.20%	47,291,483	0.19%
Member Insurance	-73,788	0.00%	269,927	0.00%
Operating Fees	2,767,945	0.01%	2,840,874	0.01%
Other Operational Expenses	<u>21,037,457</u>	<u>0.08%</u>	<u>20,392,038</u>	<u>0.08%</u>
TOTAL ADMINISTRATIVE	836,266,225	3.16%	759,422,638	3.09%
Provision for Loan Loss	<u>67,745,922</u>	<u>0.26%</u>	<u>51,863,349</u>	<u>0.21%</u>
TOTAL OPERATING EXPENSES	904,012,147	3.41%	811,285,987	3.31%
COST OF ACQUISITION OF FUNDS				
Dividends Paid on Savings	147,247,242	0.56%	105,834,379	0.43%
Interest on Borrowed Funds	<u>19,481,684</u>	<u>0.07%</u>	<u>10,890,099</u>	<u>0.04%</u>
TOTAL COST OF FUNDS	<u>166,728,926</u>	<u>0.63%</u>	<u>116,724,478</u>	<u>0.48%</u>
TOTAL EXPENSES	1,070,741,073	4.04%	928,010,465	3.78%
NET OPERATING INCOME	309,071,435	1.17%	264,044,770	1.08%
NON-OPERATING GAIN/LOSS	<u>4,750,034</u>	<u>0.02%</u>	<u>6,367,706</u>	<u>0.03%</u>
NET INCOME	313,821,469	1.19%	270,412,476	1.10%

**SIGNIFICANT OPERATIONAL RATIOS
FOR ALL WISCONSIN CREDIT UNIONS
2013-2018**

	2013	2014	2015	2016	2017	2018
Number of Credit Unions	171	160	150	143	129	126
<u>CAPITAL ADEQUACY</u>						
Net Worth/Total Assets	10.65%	10.88%	10.97%	11.08%	11.28%	11.44%
Total Delinquency/Net Worth	7.70%	6.83%	5.71%	5.25%	4.91%	4.70%
Solvency Evaluation	112.23%	112.68%	112.68%	112.98%	113.42%	113.56%
Classified Assets/Net Worth	7.44%	6.25%	5.26%	4.57%	4.25%	4.23%
<u>ASSET QUALITY</u>						
Delinquent Loans/Loans	1.10%	0.97%	0.81%	0.75%	0.70%	0.66%
Net Charge Offs/Avg. Loans	0.43%	0.32%	0.26%	0.25%	0.25%	0.27%
<u>EARNINGS (to Average Assets)</u>						
Return on Average Assets	0.96%	0.82%	1.02%	1.09%	1.14%	1.19%
Net Operating Expense	2.61%	2.57%	2.62%	2.60%	2.58%	2.61%
Fixed Assets+FRA's**/Assets	2.66%	2.62%	2.45%	2.31%	2.23%	2.26%
Gross Income	5.04%	4.71%	4.80%	4.89%	4.96%	5.21%
Cost of Funds	0.48%	0.41%	0.42%	0.45%	0.50%	0.63%
Operating Exp. (less PLL)	3.32%	3.18%	3.22%	3.19%	3.14%	3.16%
Net Interest Margin	3.07%	3.00%	3.00%	3.00%	3.10%	3.18%
PLL	0.30%	0.20%	0.16%	0.17%	0.22%	0.26%
<u>ASSET-LIABILITY MANAGEMENT</u>						
Net Long Term Assets/Assets	33.07%	33.34%	33.89%	33.41%	34.51%	34.27%
Shares/Savings+Borrowings	27.44%	29.34%	30.70%	31.63%	31.98%	32.68%
Loans/Savings	86.23%	89.47%	89.85%	91.21%	94.94%	97.16%
Loans/Assets	74.27%	76.90%	77.10%	77.59%	79.66%	81.38%
Cash + ST Invest./Assets	12.16%	9.84%	10.69%	10.85%	9.16%	9.34%
<u>OTHER RATIOS</u>						
Savings Growth	3.95%	7.15%	9.22%	8.40%	7.11%	8.70%
Net Worth Growth	9.12%	9.84%	10.24%	10.47%	10.53%	10.94%
Loan Growth	7.20%	11.17%	9.68%	10.01%	11.49%	12.01%
Asset Growth	5.05%	7.39%	9.39%	9.35%	8.60%	8.93%
Investments/Assets	15.18%	12.90%	11.80%	10.54%	9.42%	8.25%
Employee Cost/Gross Inc.	33.98%	35.04%	35.04%	34.34%	32.76%	31.27%
Employee Cost/ Avg. Assets	1.71%	1.65%	1.68%	1.68%	1.63%	1.63%
Average Loan Balance	\$11,820	\$12,156	\$12,577	\$13,079	\$14,104	\$14,814
Average Savings Balance	\$4,543	\$4,585	\$4,786	\$4,900	\$4,997	\$5,108

**Foreclosed and Repossessed Assets

**SIGNIFICANT OPERATIONAL RATIOS
FOR THE PERIOD ENDING SEPTEMBER 30, 2018**

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	9	12	41	21	29	14	126
<u>CAPITAL ADEQUACY</u>							
Net Worth/Total Assets	19.81%	13.63%	13.49%	12.11%	11.34%	11.34%	11.44%
Net Worth/PCA Optional Total Assets	19.81%	13.63%	13.49%	12.11%	11.36%	11.37%	11.47%
Total Delinquency/Net Worth	7.37%	8.61%	3.82%	3.47%	4.41%	4.86%	4.70%
Solvency Evaluation	124.77%	116.38%	116.12%	114.21%	114.06%	116.35%	113.56%
Classified Assets/Net Worth	4.01%	5.41%	3.90%	3.48%	3.72%	4.40%	4.23%
<u>ASSET QUALITY</u>							
Delinquent Loans/Loans	2.27%	1.64%	0.78%	0.62%	0.64%	0.66%	0.66%
Net Charge Offs/Avg. Loans	0.40%	0.17%	0.22%	0.20%	0.19%	0.29%	0.27%
Fair Value/Amortized Cost for HTM	N/A	N/A	98.83%	99.51%	98.51%	98.77%	98.72%
Accumulated Unrealized Gains or Losses on AFS/Amortized Cost AFS	N/A	N/A	-2.98%	-2.69%	-1.31%	-1.97%	-1.94%
Delinquent Loans/Assets	1.46%	1.17%	0.52%	0.42%	0.50%	0.55%	0.54%
<u>EARNINGS (to Average Assets)</u>							
Return on Average Assets	0.39%	0.68%	0.66%	0.65%	0.84%	1.31%	1.19%
Gross Income	3.93%	4.22%	4.59%	4.45%	4.94%	5.34%	5.21%
Yield on Average Loans	5.27%	4.91%	4.58%	4.33%	4.31%	4.43%	4.41%
Yield on Average Investments	0.93%	1.27%	1.87%	1.95%	1.79%	1.83%	1.83%
Fee & Other Op. Income	0.15%	0.40%	1.01%	0.99%	1.30%	1.47%	1.41%
Cost of Funds	0.26%	0.30%	0.26%	0.30%	0.47%	0.70%	0.63%
Net Margin	3.66%	3.92%	4.33%	4.15%	4.47%	4.64%	4.58%
Operating Exp. (less PLL)	4.00%	3.03%	3.53%	3.40%	3.45%	3.07%	3.16%
PLL	0.16%	0.23%	0.17%	0.12%	0.19%	0.28%	0.26%
Net Interest Margin	3.51%	3.51%	3.32%	3.16%	3.17%	3.17%	3.18%
Operating Exp./Gross Income	101.89%	71.69%	76.82%	76.30%	69.75%	57.49%	60.61%
Fixed Assets+FRA's**/Assets	0.15%	0.75%	1.71%	2.50%	2.95%	2.13%	2.26%
Net Operating Expense	3.97%	2.80%	2.97%	2.87%	2.89%	2.52%	2.61%
<u>ASSET-LIABILITY MANAGEMENT</u>							
Net Long Term Assets/Assets	7.06%	3.00%	19.35%	27.54%	32.45%	35.68%	34.27%
Shares/Savings+Borrowings	79.54%	68.74%	51.57%	43.43%	38.14%	31.06%	32.68%
Loans/Savings	80.27%	83.81%	77.00%	78.78%	91.03%	100.41%	97.16%
Loans/Assets	64.17%	71.67%	65.69%	68.21%	78.18%	83.44%	81.38%
Cash + ST Invest./Assets	27.69%	22.12%	18.83%	16.18%	9.98%	8.42%	9.34%
Shares, Deposits & Borrowings/Earning Assets	80.56%	87.24%	88.96%	91.99%	92.66%	89.31%	91.99%
Shares + Drafts/Savings+Borrowings	79.53%	68.61%	51.27%	42.95%	37.95%	30.52%	47.85%
Borrowings/Shares & Net Worth	0.00%	0.00%	0.00%	0.04%	0.73%	1.92%	1.58%
<u>OTHER RATIOS</u>							
Net Worth Growth	1.36%	4.25%	5.04%	5.40%	7.63%	12.32%	10.94%
Savings Growth	-2.80%	0.55%	2.62%	3.21%	8.11%	9.44%	8.70%
Loan Growth	-3.08%	15.95%	4.45%	1.97%	8.75%	13.43%	12.01%
Asset Growth	-1.95%	1.39%	3.10%	3.33%	7.91%	9.73%	8.93%
Investment Growth	-34.16%	-59.47%	-7.00%	9.84%	-3.87%	6.00%	3.13%
Investments/Assets	12.90%	17.40%	24.63%	19.32%	10.10%	6.57%	8.25%
Employee Cost/Gross Inc.	60.01%	35.70%	37.73%	38.61%	37.38%	29.49%	31.27%
Employee Cost/ Avg. Assets	2.36%	1.51%	1.73%	1.72%	1.85%	1.57%	1.63%
Average Loan Balance	\$7,651	\$9,544	\$11,436	\$15,024	\$17,446	\$14,523	\$14,814
Average Savings Balance	\$2,006	\$3,736	\$4,019	\$4,579	\$4,971	\$5,238	\$5,108

***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, 2018**

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	9	12	41	21	29	14	126
<u>OPERATING INCOME</u>							
Interest on Loans	86.47%	79.30%	65.14%	66.73%	68.00%	68.54%	68.31%
Less: Interest Refunds	0.00%	0.00%	0.00%	0.05%	0.01%	0.12%	0.10%
Income on Investments	9.64%	11.13%	12.78%	11.11%	5.79%	4.02%	4.80%
Income on Trading Securities	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Fee Income	0.92%	5.35%	12.15%	11.77%	11.23%	10.25%	10.50%
Other Operating Income	<u>2.98%</u>	<u>4.21%</u>	<u>9.93%</u>	<u>10.45%</u>	<u>14.99%</u>	<u>17.31%</u>	<u>16.48%</u>
TOTAL INCOME	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
<u>OPERATING EXPENSES</u>							
Employee Costs	60.01%	35.70%	37.73%	38.61%	37.38%	29.49%	31.27%
Travel and Conference	1.88%	0.85%	0.87%	0.84%	0.92%	0.56%	0.64%
Office Occupancy	3.24%	3.72%	5.45%	5.28%	4.84%	3.51%	3.83%
General Operations	19.23%	15.22%	13.04%	14.71%	13.42%	9.63%	10.50%
Education and Promotion	3.05%	0.94%	2.14%	2.27%	2.56%	2.63%	2.59%
Loan Servicing	3.49%	2.92%	4.71%	3.67%	4.64%	6.73%	6.23%
Professional Services	3.77%	7.27%	9.72%	8.85%	4.48%	3.25%	3.83%
Member Insurance	0.08%	0.00%	0.01%	0.02%	-0.05%	0.00%	-0.01%
Operating Fees	3.33%	1.30%	0.67%	0.36%	0.24%	0.17%	0.20%
Miscellaneous	<u>3.82%</u>	<u>3.77%</u>	<u>2.49%</u>	<u>1.68%</u>	<u>1.32%</u>	<u>1.52%</u>	<u>1.52%</u>
TOTAL ADMINISTRATIVE	101.89%	71.69%	76.82%	76.30%	69.75%	57.49%	60.61%
Provision for Loan Loss	<u>4.01%</u>	<u>5.47%</u>	<u>3.62%</u>	<u>2.60%</u>	<u>3.82%</u>	<u>5.28%</u>	<u>4.91%</u>
TOTAL OPERATING EXP.	105.89%	77.16%	80.45%	78.89%	73.58%	62.76%	65.52%
<u>COST OF FUNDS</u>							
Interest on Borrowed Funds	0.00%	0.17%	0.12%	0.15%	0.53%	1.69%	1.41%
Dividends on Savings	<u>6.70%</u>	<u>7.01%</u>	<u>5.57%</u>	<u>6.63%</u>	<u>9.01%</u>	<u>11.37%</u>	<u>10.67%</u>
TOTAL COST OF FUNDS	6.70%	7.18%	5.69%	6.78%	9.54%	13.06%	12.08%
<u>NET INCOME FROM OPERATIONS</u>	-12.59%	15.66%	13.86%	14.33%	16.88%	24.17%	22.40%
<u>NON-OPERATING GAIN/LOSS</u>	<u>22.46%</u>	<u>0.56%</u>	<u>0.57%</u>	<u>0.31%</u>	<u>0.15%</u>	<u>0.37%</u>	<u>0.34%</u>
<u>NET INCOME</u>	9.86%	16.22%	14.43%	14.64%	17.03%	24.54%	22.74%

**ANALYSIS OF INCOME AND EXPENSES TO AVERAGE ASSETS
FOR THE PERIOD ENDING SEPTEMBER 30, 2018**

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	9	12	41	21	29	14	126
<u>OPERATING INCOME</u>							
Interest on Loans	3.40%	3.35%	2.99%	2.97%	3.36%	3.66%	3.56%
Less: Interest Refunds	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.01%
Income on Investments	0.38%	0.47%	0.59%	0.49%	0.29%	0.21%	0.25%
Income on Trading Securities	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Fee Income	0.04%	0.23%	0.56%	0.52%	0.55%	0.55%	0.55%
Other Operating Income	<u>0.12%</u>	<u>0.18%</u>	<u>0.46%</u>	<u>0.47%</u>	<u>0.74%</u>	<u>0.92%</u>	<u>0.86%</u>
TOTAL INCOME	3.93%	4.22%	4.59%	4.45%	4.94%	5.34%	5.21%
<u>OPERATING EXPENSES</u>							
Employee Costs	2.36%	1.51%	1.73%	1.72%	1.85%	1.57%	1.63%
Travel and Conference	0.07%	0.04%	0.04%	0.04%	0.05%	0.03%	0.03%
Office Occupancy	0.13%	0.16%	0.25%	0.24%	0.24%	0.19%	0.20%
General Operations	0.76%	0.64%	0.60%	0.65%	0.66%	0.51%	0.55%
Education and Promotion	0.12%	0.04%	0.10%	0.10%	0.13%	0.14%	0.14%
Loan Servicing	0.14%	0.12%	0.22%	0.16%	0.23%	0.36%	0.32%
Professional Services	0.15%	0.31%	0.45%	0.39%	0.22%	0.17%	0.20%
Member Insurance	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Operating Fees	0.13%	0.05%	0.03%	0.02%	0.01%	0.01%	0.01%
Miscellaneous	<u>0.15%</u>	<u>0.16%</u>	<u>0.11%</u>	<u>0.07%</u>	<u>0.07%</u>	<u>0.08%</u>	<u>0.08%</u>
TOTAL ADMINISTRATIVE	4.00%	3.03%	3.53%	3.40%	3.45%	3.07%	3.16%
Provision for Loan Loss	<u>0.16%</u>	<u>0.23%</u>	<u>0.17%</u>	<u>0.12%</u>	<u>0.19%</u>	<u>0.28%</u>	<u>0.26%</u>
TOTAL OPERATING EXP.	4.16%	3.26%	3.70%	3.51%	3.63%	3.35%	3.41%
<u>COST OF FUNDS</u>							
Interest on Borrowed Funds	0.00%	0.01%	0.01%	0.01%	0.03%	0.09%	0.07%
Dividends on Savings	<u>0.26%</u>	<u>0.30%</u>	<u>0.26%</u>	<u>0.30%</u>	<u>0.45%</u>	<u>0.61%</u>	<u>0.56%</u>
TOTAL COST OF FUNDS	0.26%	0.30%	0.26%	0.30%	0.47%	0.70%	0.63%
<u>NET INCOME FROM OPERATIONS</u>	-0.49%	0.66%	0.64%	0.64%	0.83%	1.29%	1.17%
<u>NON-OPERATING GAIN/LOSS</u>	<u>0.88%</u>	<u>0.02%</u>	<u>0.03%</u>	<u>0.01%</u>	<u>0.01%</u>	<u>0.02%</u>	<u>0.02%</u>
<u>NET INCOME</u>	0.39%	0.68%	0.66%	0.65%	0.84%	1.31%	1.19%

**LOAN DELINQUENCY
PERIOD ENDING SEPTEMBER 30, 2018**

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	9	12	41	21	29	14	126
<u>Loan Delinquency Ratios</u>							
2 - 6 Months Delinquent	1.84%	0.83%	0.55%	0.37%	0.42%	0.45%	0.45%
6 - 12 Months Delinquent	0.22%	0.28%	0.14%	0.14%	0.15%	0.16%	0.15%
Over 12 Months Delinquent	<u>0.21%</u>	<u>0.52%</u>	<u>0.10%</u>	<u>0.10%</u>	<u>0.07%</u>	<u>0.05%</u>	<u>0.06%</u>
Total Delinquent Loans	2.27%	1.64%	0.78%	0.62%	0.64%	0.66%	0.66%
<u>Loan Loss Ratio</u>	0.40%	0.17%	0.22%	0.20%	0.19%	0.29%	0.27%

**ANALYSIS OF LOANS BY TYPE
PERIOD ENDING SEPTEMBER 30, 2018**

Number of Credit Unions	9	12	41	21	29	14	126
<u>Loan Types</u>							
Unsecured Credit Card Loans	0.51%	0.77%	2.70%	2.02%	1.62%	3.68%	3.28%
Non-Federally Guaranteed Student Loans	0.00%	0.00%	0.52%	0.16%	0.15%	1.50%	1.22%
All Other Unsecured Loans/Lines of Credit	8.75%	9.92%	3.49%	2.08%	1.86%	2.74%	2.61%
New Vehicle Loans	23.44%	17.70%	10.51%	6.15%	7.24%	6.20%	6.47%
Used Vehicle Loans	45.90%	48.89%	32.02%	22.53%	23.32%	20.22%	21.10%
Leases Receivable	0.00%	0.00%	0.00%	0.00%	0.00%	0.19%	0.15%
All Other Secured Non-Real Estate Loans/LOC	8.85%	10.59%	5.66%	5.97%	6.78%	6.62%	6.61%
Secured by 1st Lien 1-4 Family Residential Properties	10.69%	7.57%	36.90%	51.26%	45.58%	37.31%	39.04%
Secured by Junior Lien 1-4 Family Residential	1.86%	4.09%	5.27%	4.76%	5.47%	7.46%	6.99%
All Other Real Estate/Lines of Credit	0.00%	0.33%	1.26%	0.31%	1.19%	0.39%	0.53%
Commercial Loans/LOC Real Estate Secured	0.00%	0.00%	1.55%	4.36%	5.51%	12.70%	11.01%
Commercial Loans/LOC Not Real Estate Secured	<u>0.00%</u>	<u>0.14%</u>	<u>0.13%</u>	<u>0.41%</u>	<u>1.28%</u>	<u>1.00%</u>	<u>1.00%</u>
Total Loans	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Real Estate Loan Detail

(As a percent of loans)

First Mortgage - Fixed > 15 yrs.	0.00%	0.00%	1.98%	4.57%	5.29%	3.56%	3.82%
First Mortgage - Fixed - 15 yrs. Or less	0.00%	1.90%	14.12%	13.31%	11.33%	10.46%	10.78%
First Mortgage - Balloon/Hybrid - > 5 yrs.	7.54%	1.79%	2.19%	6.29%	6.95%	12.75%	11.36%
First Mortgage - Balloon/Hybrid - 5 yrs. Or less	3.16%	2.05%	9.54%	17.71%	11.39%	15.43%	14.74%
First Mortgage - Other Fixed Rate	0.00%	0.00%	0.46%	0.22%	0.62%	0.23%	0.30%
First Mortgage - Adjustable - 1 year or less	0.00%	0.00%	0.66%	2.45%	3.08%	1.97%	2.12%
First Mortgage - Adjustable - > 1 year	0.00%	0.00%	9.49%	10.33%	12.10%	5.29%	6.61%
Other - Closed End Fixed	1.86%	1.41%	2.79%	2.66%	1.88%	1.65%	1.75%
Other - Closed End Adjustable	0.00%	0.18%	0.74%	0.60%	0.68%	0.68%	0.68%
Other - Open End Adjustable	0.00%	4.67%	3.01%	2.31%	4.24%	5.81%	5.37%
Other - Open-End Fixed	0.00%	0.00%	0.00%	0.25%	0.19%	0.01%	0.05%
Other	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total Real Estate (As a percent of loans)	12.55%	11.99%	44.98%	60.68%	57.75%	57.85%	57.57%
Total Real Estate (As a percent of assets)	8.05%	8.59%	29.55%	41.39%	45.15%	48.27%	46.85%

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

Small statistical errors may exist due to rounding.

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**ANALYSIS OF SAVINGS BY TYPE
PERIOD ENDING SEPTEMBER 30, 2018**

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	9	12	41	21	29	14	126
Share Drafts	1.75%	11.16%	17.00%	19.79%	19.12%	15.56%	16.37%
Regular Shares	79.53%	68.61%	51.14%	42.97%	38.00%	31.12%	33.45%
Money Market Shares	4.53%	0.00%	13.54%	16.70%	17.51%	24.52%	22.65%
Share Certificates	14.18%	17.90%	11.46%	13.07%	16.75%	20.86%	19.55%
IRA Accounts	0.00%	1.66%	4.58%	6.77%	6.10%	5.77%	5.83%
All Other Shares	<u>0.01%</u>	<u>0.68%</u>	<u>2.28%</u>	<u>0.70%</u>	<u>2.52%</u>	<u>2.17%</u>	<u>2.16%</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, 2018**

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	9	12	41	21	29	14	126
Trading Securities	0.00%	0.00%	0.00%	0.00%	0.00%	0.07%	0.04%
Available for Sale Securities	0.00%	0.00%	4.45%	28.50%	30.01%	66.87%	49.99%
Held-to-Maturity Securities	0.00%	0.00%	17.76%	4.02%	15.59%	3.45%	7.12%
Commercial Banks, S&L's, and Mutual Savings Banks	36.37%	33.41%	47.13%	37.84%	27.36%	6.30%	17.36%
Credit Unions	58.08%	22.13%	10.38%	8.57%	4.47%	1.25%	3.52%
Corporate Credit Unions	5.55%	44.46%	16.16%	15.05%	14.87%	15.27%	15.33%
Other Investments	<u>0.00%</u>	<u>0.00%</u>	<u>4.12%</u>	<u>6.02%</u>	<u>7.71%</u>	<u>6.80%</u>	<u>6.64%</u>
Total Investments	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%