



## 2018 YEAR END CREDIT UNION BULLETIN

This bulletin highlights the 2018 financial performance for Wisconsin state-chartered credit unions. At yearend 2018, there were 125 state chartered credit unions, three federal credit unions, and a corporate credit union serving Wisconsin citizens. The key financial indicators for state chartered credit unions are noted below:

Total assets as of December 31, 2018 were \$37.0 billion. Assets increased by \$2.9 billion, a growth rate of 8.4%. Net worth increased by \$378 million, an increase of 10.36%. Total net worth at yearend was \$4.2 billion, a capital adequacy ratio of 11.49%.

Credit unions reported earnings of over \$401 million. The return on average assets ratio was 1.13% compared to 1.14% in 2017. The 2018 operating expense ratio was 3.18% compared to 3.14% in 2017.

Loans increased over \$3.1 billion in 2018 to a total of \$30.3 billion. Savings grew with an increase of \$2.4 billion, and the loan to savings ratio increased to 97.65% from 94.94% in 2017. Delinquent loans as a percentage of loans decreased from 0.70% in 2017 to 0.69% in 2018. Credit unions increased their allowance for loan losses to \$180.8 million from \$163.6 million at yearend 2017.

Overall, Wisconsin credit unions continue to perform well based on the information reported at yearend 2018.

Additional information regarding credit union consolidations and liquidations, historical data on Wisconsin state chartered credit unions, the December 31, 2018 Statement of Financial Condition and Statement of Income for Corporate Central Credit Union, and a listing of all Wisconsin credit unions at yearend 2018 and are included in this bulletin.

Kim Santos, Director  
Office of Credit Unions

## ***Supervisory Priorities for 2019***

In January 2019, the National Credit Union Administration (NCUA) published Letter to Credit Unions No. 19-CU-01 regarding specific areas of supervisory focus for 2019. All credit unions are encouraged to review this letter. Specific areas of supervisory focus in 2019 include Bank Secrecy Act compliance, Concentrations of Credit, Consumer Compliance, Current Expected Credit Losses (CECL), Information Systems and Assurance, and Liquidity and Interest Rate Risks.

## ***Liquidity***

As of December 31, 2018, the Wisconsin loan to share ratio was 97.65%. The high level of loans has stressed liquidity. Credit unions must have adequate policies and practices in place to monitor liquidity. General Letter CU 5-18, Liquidity Management was issued on December 14, 2018. Credit unions should read this letter. It can be obtained at [www.wdfi.org](http://www.wdfi.org) under the credit union section.

## ***Member Business Lending***

The Office of Credit Unions continues to work on the rule making process to update Wisconsin Administrative Code, DFI-CU 72. However, until a new rule is finalized, the existing rule remains in effect. Updates on the rule can be found on the DFI website: [www.wdfi.org](http://www.wdfi.org)

## ***2017 Model Bylaws***

The Office of Credit Unions updated the model bylaws in 2017. All credit unions are encouraged to review and update the bylaws to the 2017 model bylaws. The bylaws are an important document that address the organization and governance of a credit union. Bylaws must remain relevant and up to date with statutory changes as well as changes to credit union operations and procedures. The 2017 model bylaws and related documents can be accessed at the Credit Union section of the Department of Financial Institutions website.

## ***Office of Credit Union Employee Changes***

The Office of Credit Unions (OCU) hired Alex Bruins and Ben Guertin as financial examiners in 2018.

Long time supervisory examiner Karen Mack retired on August 31, 2018.

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

	<u>December 31, 2018</u>		<u>December 31, 2017</u>		Increase or Decrease	% Change
<u>Number of Credit Unions</u>	125		129		-4	-3.1%
	<u>AMOUNT</u>	<u>% OF ASSETS</u>	<u>AMOUNT</u>	<u>% OF ASSETS</u>		
<u>ASSETS</u>						
Personal Loans	12,923,978,178	34.9%	11,144,514,065	32.6%	1,779,464,113	16.0%
Real Estate Loans	<u>17,406,737,675</u>	47.0%	<u>16,063,889,566</u>	47.0%	<u>1,342,848,109</u>	8.4%
Total Loans	30,330,715,853	81.9%	27,208,403,631	79.7%	3,122,312,222	11.5%
Allowance for Loan Losses	<u>180,772,430</u>	0.5%	<u>163,586,899</u>	0.5%	<u>17,185,531</u>	10.5%
Net Loans	30,149,943,423	81.5%	27,044,816,732	79.2%	3,105,126,691	11.5%
Cash	2,099,579,478	5.7%	1,793,626,352	5.3%	305,953,126	17.1%
Investments	2,914,215,516	7.9%	3,216,644,338	9.4%	-302,428,822	-9.4%
Fixed Assets	836,872,840	2.3%	745,733,020	2.2%	91,139,820	12.2%
Other Assets	<u>1,011,381,398</u>	2.7%	<u>1,356,420,595</u>	4.0%	<u>-345,039,197</u>	-25.4%
TOTAL ASSETS	<u><u>37,011,992,655</u></u>	100.0%	<u><u>34,157,241,037</u></u>	100.0%	<u><u>2,854,751,618</u></u>	8.4%
<u>LIABILITIES</u>						
Regular Shares	9,786,719,395	26.4%	9,375,740,569	27.4%	410,978,826	4.4%
Share Drafts	5,356,012,217	14.5%	4,765,925,322	14.0%	590,086,895	12.4%
Other Shares & Deposits	<u>15,916,855,617</u>	43.0%	<u>14,516,206,819</u>	42.5%	<u>1,400,648,798</u>	9.6%
Total Savings	31,059,587,229	83.9%	28,657,872,710	83.9%	2,401,714,519	8.4%
Notes and Accounts Pay.	1,729,683,314	4.7%	1,654,772,851	4.8%	74,910,463	4.5%
Regular Reserve	1,083,158,471	2.9%	1,046,068,065	3.1%	37,090,406	3.5%
Other Reserves	<u>3,139,563,641</u>	8.5%	<u>2,798,527,411</u>	8.2%	<u>341,036,230</u>	12.2%
TOTAL LIABILITIES	<u><u>37,011,992,655</u></u>	100.0%	<u><u>34,157,241,037</u></u>	100.0%	<u><u>2,854,751,618</u></u>	8.4%

**STATEMENT OF INCOME  
FOR WISCONSIN CREDIT UNIONS  
FOR THE PERIOD ENDING DECEMBER 31, 2018**

<b>INCOME</b>	<u>AMOUNT</u>	<u>% OF GROSS INCOME</u>	<u>% OF AVERAGE ASSETS</u>
Interest on Loans	1,286,386,623	68.89%	3.62%
Less: Interest Refunds	<u>4,889,680</u>	0.26%	0.01%
Net Interest Income	1,281,496,943	68.63%	3.60%
Income on Investments	92,498,817	4.95%	0.26%
Other Income	<u>493,200,558</u>	26.41%	1.39%
<b>TOTAL OPERATING INCOME</b>	1,867,196,318	100.00%	5.25%
<b>ADMINISTRATIVE EXPENSES</b>			
Employee Costs	582,252,821	31.18%	1.64%
Travel and Conference	12,329,597	0.66%	0.03%
Office Occupancy	70,634,509	3.78%	0.20%
General Operations	195,269,099	10.46%	0.55%
Education and Promotion	51,668,812	2.77%	0.15%
Loan Servicing	115,038,718	6.16%	0.32%
Professional Services	70,750,586	3.79%	0.20%
Member Insurance	-9,188	0.00%	0.00%
Operating Fees	3,606,037	0.19%	0.01%
Other Operational Expenses	<u>31,667,621</u>	1.70%	0.09%
<b>TOTAL ADMINISTRATIVE</b>	1,133,208,612	60.69%	3.18%
Provision for Loan Loss	<u>94,064,467</u>	5.04%	0.26%
<b>TOTAL OPERATING EXPENSES</b>	1,227,273,079	65.73%	3.45%
Dividends Paid on Savings	212,254,784	11.37%	0.60%
Interest on Borrowed Funds	<u>29,118,845</u>	1.56%	0.08%
<b>TOTAL COST OF FUNDS</b>	241,373,629	12.93%	0.68%
<b>TOTAL EXPENSES</b>	1,468,646,708	78.66%	4.13%
<b>NET OPERATING INCOME</b>	398,549,610	21.34%	1.12%
<b>NON-OPERATING GAIN/LOSS</b>	<u>2,779,872</u>	0.15%	0.01%
<b>NET INCOME</b>	401,329,482	21.49%	1.13%

*Small statistical errors may exist due to rounding.  
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**COMPARISON STATEMENTS OF INCOME  
FOR WISCONSIN CREDIT UNIONS  
FOR THE PERIODS ENDING DECEMBER 31, 2018 AND DECEMBER 31, 2017**

	2018	% OF AVERAGE	2017	% OF AVERAGE
	<u>AMOUNT</u>	<u>ASSETS</u>	<u>AMOUNT</u>	<u>ASSETS</u>
<b>INCOME</b>				
Interest on Loans	1,286,386,623	3.62%	1,109,128,876	3.38%
Less: Interest Refunds	<u>4,889,680</u>	<u>0.01%</u>	<u>3,832,761</u>	<u>0.01%</u>
Net Interest Income	1,281,496,943	3.60%	1,105,296,115	3.37%
Income on Investments	92,498,817	0.26%	75,372,243	0.23%
Other Income	<u>493,200,558</u>	<u>1.39%</u>	<u>447,054,445</u>	<u>1.36%</u>
TOTAL OPERATING INCOME	1,867,196,318	5.25%	1,627,722,803	4.96%
<b>ADMINISTRATIVE EXPENSES</b>				
Employee Costs	582,252,821	1.64%	533,242,579	1.63%
Travel and Conference	12,329,597	0.03%	10,922,963	0.03%
Office Occupancy	70,634,509	0.20%	64,135,266	0.20%
General Operations	195,269,099	0.55%	180,572,100	0.55%
Education and Promotion	51,668,812	0.15%	43,051,232	0.13%
Loan Servicing	115,038,718	0.32%	97,980,183	0.30%
Professional Services	70,750,586	0.20%	64,365,654	0.20%
Member Insurance	-9,188	0.00%	282,903	0.00%
Operating Fees	3,606,037	0.01%	3,767,005	0.01%
Other Operational Expenses	<u>31,667,621</u>	<u>0.09%</u>	<u>30,922,061</u>	<u>0.09%</u>
TOTAL ADMINISTRATIVE	1,133,208,612	3.18%	1,029,241,946	3.14%
Provision for Loan Loss	<u>94,064,467</u>	<u>0.26%</u>	<u>73,777,790</u>	<u>0.22%</u>
TOTAL OPERATING EXPENSES	1,227,273,079	3.45%	1,103,019,736	3.36%
<b>COST OF ACQUISITION OF FUNDS</b>				
Dividends Paid on Savings	212,254,784	0.60%	147,045,923	0.45%
Interest on Borrowed Funds	<u>29,118,845</u>	<u>0.08%</u>	<u>15,726,496</u>	<u>0.05%</u>
TOTAL COST OF FUNDS	<u>241,373,629</u>	<u>0.68%</u>	<u>162,772,419</u>	<u>0.50%</u>
TOTAL EXPENSES	1,468,646,708	4.13%	1,265,792,155	3.86%
NET OPERATING INCOME	398,549,610	1.12%	361,930,648	1.10%
NON-OPERATING GAIN/LOSS	<u>2,779,872</u>	<u>0.01%</u>	<u>10,505,544</u>	<u>0.03%</u>
NET INCOME	401,329,482	1.13%	372,436,192	1.14%

**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	125
<u>CAPITAL ADEQUACY</u>						
Net Worth/Total Assets	10.65%	10.88%	10.97%	11.08%	11.28%	11.49%
Total Delinquency/Net Worth	7.70%	6.83%	5.71%	5.25%	4.91%	4.89%
Solvency Evaluation	112.23%	112.68%	112.68%	112.98%	113.42%	113.60%
Classified Assets/Net Worth	7.44%	6.25%	5.26%	4.57%	4.25%	4.25%
<u>ASSET QUALITY</u>						
Delinquent Loans/Loans	1.10%	0.97%	0.81%	0.75%	0.70%	0.69%
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%	1.13%
Net Operating Expense	2.61%	2.57%	2.62%	2.60%	2.58%	2.63%
Fixed Assets+FRA's**/Assets	2.66%	2.62%	2.45%	2.31%	2.23%	2.31%
Gross Income	5.04%	4.71%	4.80%	4.89%	4.96%	5.25%
Cost of Funds	0.48%	0.41%	0.42%	0.45%	0.50%	0.68%
Operating Exp. (less PLL)	3.32%	3.18%	3.22%	3.19%	3.14%	3.18%
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%	34.38%
Shares/Savings+Borrowings	27.44%	29.34%	30.70%	31.63%	31.98%	30.86%
Loans/Savings	86.23%	89.47%	89.85%	91.21%	94.94%	97.65%
Loans/Assets	74.27%	76.90%	77.10%	77.59%	79.66%	81.95%
Cash + ST Invest./Assets	12.16%	9.84%	10.69%	10.85%	9.16%	9.01%
<u>OTHER RATIOS</u>						
Savings Growth	3.95%	7.15%	9.22%	8.40%	7.11%	8.38%
Net Worth Growth	9.12%	9.84%	10.24%	10.47%	10.53%	10.36%
Loan Growth	7.20%	11.17%	9.68%	10.01%	11.49%	11.48%
Asset Growth	5.05%	7.39%	9.39%	9.35%	8.60%	8.36%
Investments/Assets	15.18%	12.90%	11.80%	10.54%	9.42%	7.87%
Employee Cost/Gross Inc.	33.98%	35.04%	35.04%	34.34%	32.76%	31.18%
Employee Cost/ Avg. Assets	1.71%	1.65%	1.68%	1.68%	1.63%	1.64%
Average Loan Balance	\$11,820	\$12,156	\$12,577	\$13,079	\$14,104	\$14,829
Average Savings Balance	\$4,543	\$4,585	\$4,786	\$4,900	\$4,997	\$5,138

\*\*Foreclosed and Repossessed Assets

**SIGNIFICANT OPERATIONAL RATIOS  
FOR THE PERIOD ENDING DECEMBER 31, 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	13	40	22	26	15	125

CAPITAL ADEQUACY

Net Worth/Total Assets	20.18%	17.09%	13.54%	11.97%	11.52%	11.37%	11.49%
Net Worth/PCA Optional Total Assets	20.18%	17.09%	13.54%	11.97%	11.53%	11.39%	11.51%
Total Delinquency/Net Worth	4.95%	5.73%	3.87%	3.02%	4.59%	5.10%	4.89%
Solvency Evaluation	125.57%	120.97%	116.31%	113.92%	114.77%	115.85%	113.60%
Classified Assets/Net Worth	4.05%	3.89%	3.93%	3.61%	3.53%	4.45%	4.25%

ASSET QUALITY

Delinquent Loans/Loans	1.50%	1.43%	0.78%	0.52%	0.67%	0.69%	0.69%
Net Charge Offs/Avg. Loans	0.34%	0.24%	0.27%	0.19%	0.21%	0.29%	0.27%
Fair Value/Amortized Cost for HTM	N/A	N/A	98.62%	101.76%	98.55%	99.01%	98.88%
Accumulated Unrealized Gains or Losses on AFS/Amortized Cost AFS	N/A	N/A	-1.97%	-1.98%	-2.09%	-1.35%	-1.47%
Delinquent Loans/Assets	1.00%	0.98%	0.52%	0.36%	0.53%	0.58%	0.56%

EARNINGS (to Average Assets)

Return on Average Assets	0.21%	0.41%	0.61%	0.60%	0.82%	1.24%	1.13%
Gross Income	3.98%	4.02%	4.68%	4.55%	5.00%	5.36%	5.25%
Yield on Average Loans	5.23%	4.82%	4.62%	4.38%	4.35%	4.47%	4.45%
Yield on Average Investments	1.02%	1.73%	1.94%	2.13%	1.89%	1.93%	1.94%
Fee & Other Op. Income	0.14%	0.33%	1.02%	0.99%	1.29%	1.45%	1.39%
Cost of Funds	0.31%	0.33%	0.28%	0.32%	0.53%	0.74%	0.68%
Net Margin	3.67%	3.69%	4.39%	4.22%	4.47%	4.62%	4.57%
Operating Exp. (less PLL)	4.10%	3.06%	3.64%	3.50%	3.48%	3.09%	3.18%
PLL	0.16%	0.23%	0.19%	0.12%	0.19%	0.29%	0.26%
Net Interest Margin	3.53%	3.36%	3.37%	3.24%	3.18%	3.17%	3.18%
Operating Exp./Gross Income	103.03%	76.20%	77.89%	77.07%	69.52%	57.63%	60.69%
Fixed Assets+FRA's**/Assets	0.15%	0.68%	1.80%	2.56%	2.99%	2.18%	2.31%
Net Operating Expense	4.06%	2.87%	3.07%	2.97%	2.92%	2.54%	2.63%

ASSET-LIABILITY MANAGEMENT

Net Long Term Assets/Assets	7.08%	3.52%	19.80%	27.60%	33.39%	35.56%	34.38%
Shares/Savings+Borrowings	77.90%	73.14%	49.83%	42.26%	34.80%	27.92%	30.28%
Loans/Savings	83.94%	82.95%	78.66%	80.31%	93.02%	100.34%	97.65%
Loans/Assets	66.67%	68.32%	67.17%	69.95%	79.37%	83.70%	81.95%
Cash + ST Invest./Assets	25.78%	20.83%	17.61%	14.40%	9.02%	8.37%	9.01%
Shares, Deposits & Borrowings/Earning Assets	80.15%	84.07%	89.81%	93.15%	94.02%	91.76%	92.09%
Shares + Drafts/Savings+Borrowings	79.77%	78.37%	67.49%	62.31%	53.97%	43.77%	46.85%
Borrowings/Shares & Net Worth	0.11%	0.17%	0.45%	0.34%	2.31%	4.14%	3.57%

OTHER RATIOS

Net Worth Growth	1.05%	2.42%	4.68%	1.14%	7.41%	11.87%	10.36%
Savings Growth	-4.51%	-2.16%	0.96%	1.26%	5.66%	9.73%	8.38%
Loan Growth	-0.36%	13.20%	4.24%	2.30%	8.08%	12.84%	11.48%
Asset Growth	-3.26%	-1.38%	1.43%	0.76%	6.17%	9.56%	8.36%
Investment Growth	-32.18%	-27.09%	-12.52%	-2.75%	-14.74%	5.97%	-0.22%
Investments/Assets	16.95%	22.29%	23.07%	18.48%	9.24%	6.43%	7.87%
Employee Cost/Gross Inc.	59.28%	39.72%	37.84%	38.53%	37.14%	29.47%	31.18%
Employee Cost/ Avg. Assets	2.36%	1.60%	1.77%	1.75%	1.86%	1.58%	1.64%
Average Loan Balance	\$7,804	\$9,506	\$11,444	\$14,809	\$17,434	\$14,567	\$14,829
Average Savings Balance	\$1,957	\$3,835	\$4,009	\$4,548	\$4,982	\$5,273	\$5,138

\*\*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 DECEMBER 31, 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	13	40	22	26	15	125
<b><u>OPERATING INCOME</u></b>							
Interest on Loans	86.35%	77.03%	65.67%	66.88%	68.58%	69.14%	68.89%
Less: Interest Refunds	0.00%	0.39%	0.20%	0.00%	0.14%	0.30%	0.26%
Income on Investments	10.12%	15.12%	12.69%	11.43%	5.82%	4.20%	4.95%
Income on Trading Securities	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Fee Income	0.99%	4.73%	12.30%	11.71%	11.14%	10.28%	10.51%
Other Operating Income	<u>2.54%</u>	<u>3.51%</u>	<u>9.54%</u>	<u>9.98%</u>	<u>14.60%</u>	<u>16.68%</u>	<u>15.91%</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	59.28%	39.72%	37.84%	38.53%	37.14%	29.47%	31.18%
Travel and Conference	1.45%	1.10%	0.88%	0.86%	0.98%	0.58%	0.66%
Office Occupancy	3.20%	3.83%	6.20%	6.05%	4.81%	3.40%	3.78%
General Operations	20.70%	16.04%	13.23%	14.84%	13.37%	9.59%	10.46%
Education and Promotion	2.44%	0.98%	2.28%	2.33%	2.77%	2.81%	2.77%
Loan Servicing	3.27%	2.77%	4.64%	3.68%	4.27%	6.69%	6.16%
Professional Services	3.81%	6.46%	9.67%	8.85%	4.55%	3.20%	3.79%
Member Insurance	0.08%	0.00%	0.01%	0.02%	-0.03%	0.00%	0.00%
Operating Fees	5.09%	1.32%	0.62%	0.34%	0.23%	0.16%	0.19%
Miscellaneous	<u>3.70%</u>	<u>3.98%</u>	<u>2.51%</u>	<u>1.56%</u>	<u>1.39%</u>	<u>1.73%</u>	<u>1.70%</u>
TOTAL ADMINISTRATIVE	103.03%	76.20%	77.89%	77.07%	69.52%	57.63%	60.69%
Provision for Loan Loss	<u>3.93%</u>	<u>5.84%</u>	<u>4.03%</u>	<u>2.64%</u>	<u>3.78%</u>	<u>5.42%</u>	<u>5.04%</u>
TOTAL OPERATING EXP.	106.96%	82.04%	81.91%	79.70%	73.30%	63.05%	65.73%
<b><u>COST OF FUNDS</u></b>							
Interest on Borrowed Funds	0.00%	0.16%	0.16%	0.16%	0.68%	1.84%	1.56%
Dividends on Savings	<u>7.79%</u>	<u>8.14%</u>	<u>5.92%</u>	<u>6.92%</u>	<u>9.94%</u>	<u>12.04%</u>	<u>11.37%</u>
TOTAL COST OF FUNDS	7.79%	8.30%	6.09%	7.08%	10.62%	13.88%	12.93%
<b><u>NET INCOME FROM OPERATIONS</u></b>	-14.74%	9.66%	12.00%	13.22%	16.08%	23.06%	21.34%
<b><u>NON-OPERATING GAIN/LOSS</u></b>	<u>19.94%</u>	<u>0.42%</u>	<u>1.01%</u>	<u>0.02%</u>	<u>0.28%</u>	<u>0.10%</u>	<u>0.15%</u>
<b><u>NET INCOME</u></b>	5.19%	10.09%	13.01%	13.23%	16.36%	23.16%	21.49%



**ANALYSIS OF INCOME AND EXPENSES TO AVERAGE ASSETS  
FOR THE PERIOD ENDING DECEMBER 31, 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	13	40	22	26	15	125
<u>OPERATING INCOME</u>							
Interest on Loans	3.43%	3.10%	3.07%	3.04%	3.43%	3.71%	3.62%
Less: Interest Refunds	0.00%	0.02%	0.01%	0.00%	0.01%	0.02%	0.01%
Income on Investments	0.40%	0.61%	0.59%	0.52%	0.29%	0.23%	0.26%
Income on Trading Securities	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Fee Income	0.04%	0.19%	0.58%	0.53%	0.56%	0.55%	0.55%
Other Operating Income	<u>0.10%</u>	<u>0.14%</u>	<u>0.45%</u>	<u>0.45%</u>	<u>0.73%</u>	<u>0.89%</u>	<u>0.83%</u>
TOTAL INCOME	3.98%	4.02%	4.68%	4.55%	5.00%	5.36%	5.25%
<u>OPERATING EXPENSES</u>							
Employee Costs	2.36%	1.60%	1.77%	1.75%	1.86%	1.58%	1.64%
Travel and Conference	0.06%	0.04%	0.04%	0.04%	0.05%	0.03%	0.03%
Office Occupancy	0.13%	0.15%	0.29%	0.28%	0.24%	0.18%	0.20%
General Operations	0.82%	0.64%	0.62%	0.67%	0.67%	0.51%	0.55%
Education and Promotion	0.10%	0.04%	0.11%	0.11%	0.14%	0.15%	0.15%
Loan Servicing	0.13%	0.11%	0.22%	0.17%	0.21%	0.36%	0.32%
Professional Services	0.15%	0.26%	0.45%	0.40%	0.23%	0.17%	0.20%
Member Insurance	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Operating Fees	0.20%	0.05%	0.03%	0.02%	0.01%	0.01%	0.01%
Miscellaneous	<u>0.15%</u>	<u>0.16%</u>	<u>0.12%</u>	<u>0.07%</u>	<u>0.07%</u>	<u>0.09%</u>	<u>0.09%</u>
TOTAL ADMINISTRATIVE	4.10%	3.06%	3.64%	3.50%	3.48%	3.09%	3.18%
Provision for Loan Loss	<u>0.16%</u>	<u>0.23%</u>	<u>0.19%</u>	<u>0.12%</u>	<u>0.19%</u>	<u>0.29%</u>	<u>0.26%</u>
TOTAL OPERATING EXP.	4.25%	3.30%	3.83%	3.62%	3.66%	3.38%	3.45%
<u>COST OF FUNDS</u>							
Interest on Borrowed Funds	0.00%	0.01%	0.01%	0.01%	0.03%	0.10%	0.08%
Dividends on Savings	<u>0.31%</u>	<u>0.33%</u>	<u>0.28%</u>	<u>0.31%</u>	<u>0.50%</u>	<u>0.65%</u>	<u>0.60%</u>
TOTAL COST OF FUNDS	0.31%	0.33%	0.28%	0.32%	0.53%	0.74%	0.68%
<u>NET INCOME FROM OPERATIONS</u>	-0.59%	0.39%	0.56%	0.60%	0.80%	1.24%	1.12%
NON-OPERATING GAIN/LOSS	<u>0.79%</u>	<u>0.02%</u>	<u>0.05%</u>	<u>0.00%</u>	<u>0.01%</u>	<u>0.01%</u>	<u>0.01%</u>
<u>NET INCOME</u>	0.21%	0.41%	0.61%	0.60%	0.82%	1.24%	1.13%

**LOAN DELINQUENCY  
PERIOD ENDING DECEMBER 31, 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	13	40	22	26	15	125
<u>Loan Delinquency Ratios</u>							
2 - 6 Months Delinquent	1.23%	0.80%	0.53%	0.34%	0.46%	0.49%	0.48%
6 - 12 Months Delinquent	0.06%	0.29%	0.18%	0.11%	0.15%	0.12%	0.13%
Over 12 Months Delinquent	<u>0.21%</u>	<u>0.35%</u>	<u>0.07%</u>	<u>0.07%</u>	<u>0.06%</u>	<u>0.08%</u>	<u>0.08%</u>
Total Delinquent Loans	1.50%	1.43%	0.78%	0.52%	0.67%	0.69%	0.69%
<u>Loan Loss Ratio</u>	0.34%	0.24%	0.27%	0.19%	0.21%	0.29%	0.27%

**ANALYSIS OF LOANS BY TYPE  
PERIOD ENDING DECEMBER 31, 2018**

Number of Credit Unions	9	13	40	22	26	15	125
<u>Loan Types</u>							
Unsecured Credit Card Loans	0.59%	0.70%	2.77%	2.13%	1.70%	3.73%	3.34%
Non-Federally Guaranteed Student Loans	0.00%	0.00%	0.53%	0.16%	0.15%	1.47%	1.21%
All Other Unsecured Loans/Lines of Credit	8.28%	9.24%	3.57%	2.08%	1.83%	2.96%	2.78%
New Vehicle Loans	22.59%	19.52%	10.60%	6.31%	7.34%	6.29%	6.57%
Used Vehicle Loans	46.10%	49.62%	31.93%	22.59%	23.00%	19.99%	20.85%
Leases Receivable	0.00%	0.00%	0.00%	0.00%	0.00%	0.19%	0.15%
All Other Secured Non-Real Estate Loans/LOC	10.17%	9.81%	5.35%	5.75%	6.78%	6.75%	6.69%
Secured by 1st Lien 1-4 Family Residential Properties	10.51%	7.27%	37.01%	51.25%	45.43%	36.94%	38.67%
Secured by Junior Lien 1-4 Family Residential	1.77%	3.69%	5.26%	4.81%	5.58%	7.46%	7.03%
All Other Real Estate/Lines of Credit	0.00%	0.04%	1.22%	0.29%	1.12%	0.36%	0.49%
Commercial Loans/LOC Real Estate Secured	0.00%	0.00%	1.54%	4.18%	5.77%	12.85%	11.20%
Commercial Loans/LOC Not Real Estate Secured	<u>0.00%</u>	<u>0.12%</u>	<u>0.22%</u>	<u>0.44%</u>	<u>1.29%</u>	<u>1.02%</u>	<u>1.02%</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%	2.13%	4.66%	5.63%	3.55%	3.86%
First Mortgage - Fixed - 15 yrs. Or less	0.00%	2.15%	13.97%	13.20%	11.11%	10.23%	10.54%
First Mortgage - Balloon/Hybrid - > 5 yrs.	7.23%	1.83%	3.90%	6.02%	7.10%	12.61%	11.34%
First Mortgage - Balloon/Hybrid - 5 yrs. Or less	3.27%	1.80%	9.32%	17.41%	11.46%	15.57%	14.86%
First Mortgage - Other Fixed Rate	0.00%	0.00%	0.41%	0.25%	0.62%	0.25%	0.31%
First Mortgage - Adjustable - 1 year or less	0.00%	0.00%	0.57%	2.34%	2.99%	1.94%	2.08%
First Mortgage - Adjustable - > 1 year	0.00%	0.00%	8.24%	10.77%	12.14%	5.20%	6.50%
Other - Closed End Fixed	1.77%	1.19%	2.77%	2.63%	1.99%	1.66%	1.77%
Other - Closed End Adjustable	0.00%	0.15%	0.73%	0.72%	0.71%	0.69%	0.70%
Other - Open End Adjustable	0.00%	3.87%	2.97%	2.27%	4.01%	5.86%	5.38%
Other - Open-End Fixed	0.00%	0.00%	0.00%	0.27%	0.14%	0.02%	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)	12.27%	10.99%	45.03%	60.52%	57.91%	57.60%	57.39%
Total Real Estate (As a percent of assets)	8.18%	7.51%	30.25%	42.33%	45.96%	48.21%	47.03%

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

**ANALYSIS OF SAVINGS BY TYPE  
PERIOD ENDING DECEMBER 31, 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	13	40	22	26	15	125
Share Drafts	1.87%	5.25%	17.75%	20.13%	19.67%	16.60%	17.24%
Regular Shares	78.01%	73.29%	50.10%	42.42%	35.71%	29.23%	31.51%
Money Market Shares	4.45%	0.00%	13.50%	16.63%	18.41%	23.45%	22.03%
Share Certificates	15.67%	19.71%	11.53%	13.13%	17.55%	22.64%	21.10%
IRA Accounts	0.00%	1.13%	4.76%	6.83%	6.22%	5.89%	5.94%
All Other Shares	<u>0.01%</u>	<u>0.62%</u>	<u>2.37%</u>	<u>0.86%</u>	<u>2.43%</u>	<u>2.19%</u>	<u>2.17%</u>
Total Shares	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

**ANALYSIS OF INVESTMENTS BY TYPE  
PERIOD ENDING DECEMBER 31, 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	13	40	22	26	15	125
Trading Securities	0.00%	0.00%	0.00%	0.00%	0.00%	0.06%	0.04%
Available for Sale Securities	0.00%	0.00%	4.80%	30.36%	30.77%	66.69%	51.10%
Held-to-Maturity Securities	0.00%	0.38%	19.22%	3.66%	15.75%	3.44%	6.97%
Commercial Banks, S&L's, and Mutual Savings Banks	28.19%	50.36%	45.01%	38.15%	26.90%	5.78%	16.31%
Credit Unions	51.17%	21.77%	11.60%	9.14%	5.73%	1.07%	3.71%
Corporate Credit Unions	20.64%	27.49%	16.49%	14.98%	14.53%	16.42%	16.00%
Other Investments	<u>0.00%</u>	<u>0.00%</u>	<u>2.88%</u>	<u>3.71%</u>	<u>6.31%</u>	<u>6.54%</u>	<u>5.87%</u>
Total Investments	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

## 2018 Credit Union Consolidations

Consolidation Date	Absorbed Credit Union	Location	Continuing Credit Union	Location
12/31/17	County	Kenosha	Blackhawk Community	Janesville
4/1/2018	Worzalla Publishing Employees	Stevens Point	Valley Communities	Mosinee
7/1/2018	W.S.P.	Waupun	Summit	Madison
10/1/2018	Bull's Eye	Wisconsin Rapids	Connexus	Wausau

## 2018 Credit Union Consolidations – Out of State Credit Unions

Consolidation Date	Absorbed Credit Union	Location	Continuing Credit Union	Location
1/31/2018	Bent River Community	Davenport, Iowa	Marine	La Crosse

**Historical Data of Wisconsin State Chartered Credit Unions  
Number of Charters, Members and Assets**

Year	Charters Issued	Charters Cancelled	Total Credit Unions	Total Members	Total Assets
1923 – 1930	22	0	22	4,659	481,960
1931 – 1935	383	22	383	57,847	2,914,467
1936 – 1940	281	72	592	153,849	11,238,687
1941 – 1945	73	129	536	144,524	19,064,115
1946 – 1950	76	70	542	193,296	42,875,076
1951 – 1955	204	50	696	292,552	120,562,491
1956 – 1960	112	75	733	363,444	206,392,419
1961 – 1965	118	70	781	493,399	346,631,527
1966 – 1970	69	84	766	628,543	480,420,243
1971 – 1975	22	115	673	805,123	875,542,286
1976 – 1980	17	72	618	1,060,292	1,403,823,697
1981 – 1985	8	76	550	1,261,407	2,831,410,266
1986 – 1990	2	112	440	1,485,109	4,148,749,629
1991 – 1995	1	57	384	1,744,696	6,179,239,916
1996 – 2000	2	46	340	1,918,729	9,425,906,926
2001 – 2005	2	62	280	2,047,031	14,805,292,195
2006	0	13	267	2,086,700	15,656,231,843
2007	0	7	260	2,083,319	16,543,325,591
2008	1	11	250	2,118,505	18,182,343,608
2009	0	14	236	2,164,648	19,719,567,979
2010	0	13	223	2,186,471	20,685,419,046
2011	0	20	203	2,225,892	21,915,647,878
2012	0	16	187	2,264,788	23,353,783,941
2013	0	16	171	2,335,239	24,517,890,287
2014	0	11	160	2,460,025	26,324,571,655
2015	0	10	150	2,613,667	28,797,085,704
2016	0	7	143	2,790,644	31,453,289,376
2017	0	14	129	2,938,267	34,157,241,037
2018	0	4	125	3,081,193	37,011,992,655

**CORPORATE CENTRAL CREDIT UNION  
STATEMENT OF FINANCIAL CONDITION  
DECEMBER 31, 2018**

**ASSETS**

Cash .....	\$493,824,453
Investments:	
Available for Sale.....	\$1,432,420,490
Held to Maturity.....	\$0
Other Investments .....	<u>\$7,879,620</u>
Total Investments .....	\$1,440,300,110
Loans .....	\$169,558,900
Land and Building .....	\$2,322,049
Other Fixed Assets .....	\$132,693
Receivables and Other Assets .....	<u>\$4,233,286</u>
Total Assets .....	\$2,110,371,491

**LIABILITIES AND EQUITY**

Accounts Payable and Other Liabilities .....	\$11,748,008
Notes Payable .....	\$139,500,000
Commercial Paper .....	\$0
Accrued Dividends and Interest Payable.....	\$1,320,274
Member Shares and Certificates of Deposit.....	\$1,814,024,000
Regulatory Capital .....	\$157,779,649
Other Reserves .....	<u>\$-4,000,440</u>
Total Liabilities and Equity .....	\$2,110,371,491

**STATEMENT OF INCOME  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**INCOME**

Income from Investments.....	\$40,373,145
Income from Loans .....	\$2,185,152
Other Income .....	<u>\$6,174,974</u>
Total Income .....	\$48,733,271

**EXPENSES**

Administrative Expenses.....	\$10,032,843
Cost of Funds .....	<u>\$31,544,099</u>
Total Expenses .....	\$41,576,942
Net Income.....	\$7,156,329
Gain on Investments .....	\$286,519
PIC Dividends .....	\$2,913,613
Net Income.....	\$4,529,235



Rhineland	RIPCO	129,944,445	83,254,727	440,496	35,201,129	11,929,085	115,264,841	13,539,660	1,139,944
Eau Claire	ROYAL	2,390,524,196	2,155,169,350	17,283,139	62,221,609	190,416,376	2,084,850,595	260,587,373	45,086,228
Green Bay	SCHNEIDER COMMUNITY	20,561,797	15,967,136	161,056	1,859,320	2,896,397	17,250,595	3,258,294	52,908
Superior	SCHOOL EMPLOYEES	2,223,720	1,921,000	9,528	167,241	145,007	1,875,795	342,816	5,109
Stevens Point	SENTRY	97,616,542	70,997,604	169,189	19,775,890	7,012,237	80,970,576	15,329,825	1,316,141
Green Bay	SERVICE	11,725,089	7,981,232	15,637	3,055,563	703,931	9,217,936	2,497,311	9,842
Sheboygan	SHEBOYGAN AREA	51,447,527	28,517,193	378,328	18,049,434	5,259,228	45,237,195	5,913,613	296,719
Manitowoc	SHIPBUILDERS	80,972,099	65,466,593	527,414	4,488,796	11,544,124	67,684,203	12,566,461	721,435
Manitowoc	SHORELINE	92,099,372	60,610,113	269,488	21,304,887	10,453,860	82,557,243	9,283,107	259,022
Marshfield	SIMPLICITY	249,831,138	184,435,404	800,000	40,030,291	26,165,443	216,096,127	28,868,432	4,866,579
Kenosha	SOUTHERN LAKES	87,148,482	61,261,190	225,143	21,734,482	4,377,953	78,398,745	7,038,179	1,711,558
Madison	ST. MARY'S & AFFILIATES	32,327,824	25,156,292	165,782	4,901,345	2,435,969	28,582,428	3,655,816	89,580
Madison	STAR	31,070	0	0	16,700	14,370	12,996	18,019	55
Jefferson	STOPPENBACH	1,378,074	1,154,121	11,651	10,230	225,374	972,308	402,548	3,218
Stoughton	STOUGHTON U.S. RUBBER EMPLOYEES	942,155	310,595	14,024	555,545	90,039	723,924	214,991	3,240
Madison	SUMMIT	3,224,170,223	2,782,598,969	19,844,629	208,931,309	252,484,574	2,347,858,308	378,295,623	498,016,292
Superior	SUPERIOR CHOICE	476,111,242	380,282,050	1,756,613	7,112,865	90,472,940	381,406,936	48,010,671	46,693,635
Superior	SUPERIOR MUNICIPAL EMPLOYEES	3,562,123	3,055,398	24,997	100,361	431,361	2,928,458	551,150	82,515
Medford	TAYLOR	56,330,082	38,622,396	198,097	7,496,745	10,409,038	49,661,521	6,550,029	118,532
Beloit	TEACHERS	23,928,622	8,885,834	43,664	14,316,328	770,124	20,631,938	3,259,919	36,765
Neenah	THE LABOR	1,640,428	1,203,719	1,213	289,640	148,282	1,487,444	148,584	4,400
Tomah	TOMAH AREA	62,540,147	45,378,380	66,879	11,063,689	6,164,957	55,465,120	6,328,730	746,297
Marinette	TRI-COUNTY	28,720,162	17,102,455	107,526	7,105,585	4,619,648	24,512,677	4,082,389	125,096
Kaukauna	UNISON	211,981,483	145,642,958	384,648	47,846,306	18,876,867	187,500,227	22,085,742	2,395,514
Manitowoc	UNITEDONE	214,445,959	190,731,855	784,251	7,770,934	16,727,421	180,803,065	27,748,879	5,894,015
Madison	UNIVERSITY OF WISCONSIN	2,819,644,183	2,188,409,885	15,398,587	270,148,875	376,484,010	2,459,205,773	284,532,597	75,905,813
Eau Claire	UTILITIES	6,594,770	4,023,488	60,000	2,215,024	416,258	5,666,044	914,166	14,560
Mosinee	VALLEY COMMUNITIES	164,627,901	122,929,443	437,194	25,400,163	16,735,489	140,357,743	23,006,570	1,263,588
Oshkosh	VERVE, A CREDIT UNION	924,370,890	806,715,631	4,431,752	27,457,791	94,629,220	755,961,376	115,881,679	52,527,835
Madison	WEA	27,179,391	17,010,811	90,917	9,014,396	1,245,101	23,640,978	3,413,110	125,303
Westby	WESTBY CO-OP	511,150,752	415,524,234	3,702,544	42,420,982	56,908,080	420,942,973	85,685,793	4,521,986
Menomonie	WESTCONSIN	1,253,389,051	995,653,516	6,023,449	110,941,546	152,817,438	1,071,089,161	152,094,477	30,205,413
Oshkosh	WINNEBAGO COMMUNITY	108,254,719	92,889,703	198,637	737,513	14,826,140	94,868,370	12,207,412	1,178,937
Milwaukee	WISCONSIN LATVIAN, INC.	2,763,333	1,980,694	25,980	644,318	164,301	2,355,914	293,986	113,433
Green Bay	WISCONSIN MEDICAL	10,582,440	6,588,913	23,561	2,070,620	1,946,468	9,394,655	1,161,098	26,687
Wisconsin Rapids	WOOD COUNTY EMPLOYEES	1,134,794	1,122,383	2,401	0	14,812	936,891	187,770	10,133