

# 2018 MID-YEAR CREDIT UNION BULLETIN

This bulletin highlights the 2018 second quarter financial trends for Wisconsin's 127 state-chartered credit unions. The analysis is based on data compiled from the June 2018 5300 call reports. This information is provided to keep you informed of current conditions and trends in the Wisconsin credit union industry.

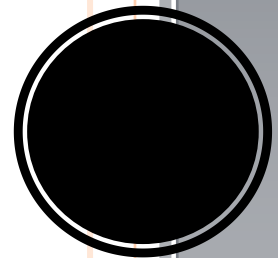
Total assets increased to \$36.0 billion, up from \$34.2 billion as of yearend 2017. The net worth ratio remained strong at 11.29%. Net income was over \$204 million resulting in a return on average assets ratio of 1.17%.

Loans outstanding grew by \$1.6 billion since yearend 2017 and savings grew by \$1.6 billion resulting in a loan to savings ratio of 95.14%. The delinquency ratio was 0.62% compared to 0.70% as of December 31, 2017.

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

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

Kim Santos, Director  
Office of Credit Unions



## 2018 CONSOLIDATIONS

<b>Consolidation Date</b>	<b>Absorbed Credit Union</b>	<b>Location</b>	<b>Continuing Credit Union</b>	<b>Location</b>
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

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

	<u>June 30, 2018</u>		<u>December 31, 2017</u>		Increase or Decrease	% Change
<u>Number of Credit Unions</u>	127		129		-2	-1.6%
	<u>AMOUNT</u>	% OF <u>ASSETS</u>	<u>AMOUNT</u>	% OF <u>ASSETS</u>		
<u>ASSETS</u>						
Personal Loans	12,121,528,553	33.7%	11,144,514,065	32.6%	977,014,488	8.8%
Real Estate Loans	<u>16,684,735,426</u>	46.4%	<u>16,063,889,566</u>	47.0%	<u>620,845,860</u>	3.9%
Total Loans	28,806,263,979	80.1%	27,208,403,631	79.7%	1,597,860,348	5.9%
Allowance for Loan Losses	<u>169,525,630</u>	0.5%	<u>163,586,899</u>	0.5%	<u>5,938,731</u>	3.6%
Net Loans	28,636,738,349	79.7%	27,044,816,732	79.2%	1,591,921,617	5.9%
Cash	2,441,548,409	6.8%	1,793,626,352	5.3%	647,922,057	36.1%
Investments	3,084,677,517	8.6%	3,216,644,338	9.4%	-131,966,821	-4.1%
Fixed Assets	765,874,068	2.1%	745,733,020	2.2%	20,141,048	2.7%
Other Assets	<u>1,023,683,853</u>	2.8%	<u>1,356,420,595</u>	4.0%	<u>-332,736,742</u>	-24.5%
TOTAL ASSETS	<u><u>35,952,522,196</u></u>	100.0%	<u><u>34,157,241,037</u></u>	100.0%	<u><u>1,795,281,159</u></u>	5.3%
<u>LIABILITIES</u>						
Regular Shares	10,213,616,120	28.4%	9,375,740,569	27.4%	837,875,551	8.9%
Share Drafts	5,069,313,375	14.1%	4,765,925,322	14.0%	303,388,053	6.4%
Other Shares & Deposits	<u>14,995,410,854</u>	41.7%	<u>14,516,206,819</u>	42.5%	<u>479,204,035</u>	3.3%
Total Savings	30,278,340,349	84.2%	28,657,872,710	83.9%	1,620,467,639	5.7%
Notes and Accounts Pay.	1,640,047,198	4.6%	1,654,772,851	4.8%	-14,725,653	-0.9%
Regular Reserve	1,033,294,689	2.9%	1,046,068,065	3.1%	-12,773,376	-1.2%
Other Reserves	<u>3,000,839,960</u>	8.3%	<u>2,798,527,411</u>	8.2%	<u>202,312,549</u>	7.2%
TOTAL LIABILITIES	<u><u>35,952,522,196</u></u>	100.0%	<u><u>34,157,241,037</u></u>	100.0%	<u><u>1,795,281,159</u></u>	5.3%

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

<b>INCOME</b>	<u>AMOUNT</u>	<u>% OF GROSS INCOME</u>	<u>% OF AVERAGE ASSETS</u>
Interest on Loans	610,755,087	68.19%	3.48%
Less: Interest Refunds	<u>756,303</u>	0.08%	0.00%
Net Interest Income	609,998,784	68.11%	3.48%
Income on Investments	42,381,365	4.73%	0.24%
Other Income	<u>243,232,804</u>	27.16%	1.39%
<b>TOTAL OPERATING INCOME</b>	<b>895,612,953</b>	<b>100.00%</b>	<b>5.11%</b>
<b>ADMINISTRATIVE EXPENSES</b>			
Employee Costs	283,584,082	31.66%	1.62%
Travel and Conference	6,097,005	0.68%	0.03%
Office Occupancy	35,341,202	3.95%	0.20%
General Operations	94,905,457	10.60%	0.54%
Education and Promotion	22,849,982	2.55%	0.13%
Loan Servicing	55,150,614	6.16%	0.31%
Professional Services	35,101,717	3.92%	0.20%
Member Insurance	-98,752	-0.01%	0.00%
Operating Fees	1,911,644	0.21%	0.01%
Other Operational Expenses	<u>13,498,786</u>	1.51%	0.08%
<b>TOTAL ADMINISTRATIVE</b>	<b>548,341,737</b>	<b>61.23%</b>	<b>3.13%</b>
Provision for Loan Loss	<u>41,862,481</u>	4.67%	0.24%
<b>TOTAL OPERATING EXPENSES</b>	<b>590,204,218</b>	<b>65.90%</b>	<b>3.37%</b>
Dividends Paid on Savings	91,577,558	10.23%	0.52%
Interest on Borrowed Funds	<u>11,434,720</u>	1.28%	0.07%
<b>TOTAL COST OF FUNDS</b>	<b>103,012,278</b>	<b>11.50%</b>	<b>0.59%</b>
<b>TOTAL EXPENSES</b>	<b>693,216,496</b>	<b>77.40%</b>	<b>3.96%</b>
<b>NET OPERATING INCOME</b>	<b>202,396,457</b>	<b>22.60%</b>	<b>1.15%</b>
<b>NON-OPERATING GAIN/LOSS</b>	<u><b>2,016,035</b></u>	<b>0.23%</b>	<b>0.01%</b>
<b>NET INCOME</b>	<b>204,412,492</b>	<b>22.82%</b>	<b>1.17%</b>

*Small statistical errors may exist due to rounding.  
Mid-year 2018 Office of Credit Unions Bulletin, Page 4*

**COMPARISON STATEMENTS OF INCOME  
FOR WISCONSIN CREDIT UNIONS  
FOR THE PERIODS ENDING JUNE 30, 2018 AND JUNE 30, 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	610,755,087	3.48%	525,128,955	3.24%
Less: Interest Refunds	<u>756,303</u>	<u>0.00%</u>	<u>569,979</u>	<u>0.00%</u>
Net Interest Income	609,998,784	3.48%	524,558,976	3.24%
Income on Investments	42,381,365	0.24%	35,593,647	0.22%
Other Income	<u>243,232,804</u>	<u>1.39%</u>	<u>214,920,154</u>	<u>1.33%</u>
TOTAL OPERATING INCOME	895,612,953	5.11%	775,072,777	4.78%
<b>ADMINISTRATIVE EXPENSES</b>				
Employee Costs	283,584,082	1.62%	263,398,177	1.63%
Travel and Conference	6,097,005	0.03%	5,436,460	0.03%
Office Occupancy	35,341,202	0.20%	32,328,098	0.20%
General Operations	94,905,457	0.54%	88,082,500	0.54%
Education and Promotion	22,849,982	0.13%	19,076,278	0.12%
Loan Servicing	55,150,614	0.31%	43,863,273	0.27%
Professional Services	35,101,717	0.20%	31,041,257	0.19%
Member Insurance	-98,752	0.00%	1,105,042	0.01%
Operating Fees	1,911,644	0.01%	1,937,955	0.01%
Other Operational Expenses	<u>13,498,786</u>	<u>0.08%</u>	<u>13,461,840</u>	<u>0.08%</u>
TOTAL ADMINISTRATIVE	548,341,737	3.13%	499,730,880	3.08%
Provision for Loan Loss	<u>41,862,481</u>	<u>0.24%</u>	<u>30,197,108</u>	<u>0.19%</u>
TOTAL OPERATING EXPENSES	590,204,218	3.37%	529,927,988	3.27%
<b>COST OF ACQUISITION OF FUNDS</b>				
Dividends Paid on Savings	91,577,558	0.52%	68,144,412	0.42%
Interest on Borrowed Funds	<u>11,434,720</u>	<u>0.07%</u>	<u>6,690,282</u>	<u>0.04%</u>
TOTAL COST OF FUNDS	<u>103,012,278</u>	<u>0.59%</u>	<u>74,834,694</u>	<u>0.46%</u>
TOTAL EXPENSES	693,216,496	3.96%	604,762,682	3.73%
<b>NET OPERATING INCOME</b>	202,396,457	1.15%	170,310,095	1.05%
<b>NON-OPERATING GAIN/LOSS</b>	<u>2,016,035</u>	<u>0.01%</u>	<u>1,379,844</u>	<u>0.01%</u>
<b>NET INCOME</b>	204,412,492	1.17%	171,689,939	1.06%

**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	127
<u>CAPITAL ADEQUACY</u>						
Net Worth/Total Assets	10.65%	10.88%	10.97%	11.08%	11.28%	11.29%
Total Delinquency/Net Worth	7.70%	6.83%	5.71%	5.25%	4.91%	4.37%
Solvency Evaluation	112.23%	112.68%	112.68%	112.98%	113.42%	113.32%
Classified Assets/Net Worth	7.44%	6.25%	5.26%	4.57%	4.25%	4.18%
<u>ASSET QUALITY</u>						
Delinquent Loans/Loans	1.10%	0.97%	0.81%	0.75%	0.70%	0.62%
Net Charge Offs/Avg. Loans	0.43%	0.32%	0.26%	0.25%	0.25%	0.26%
<u>EARNINGS (to Average Assets)</u>						
Return on Average Assets	0.96%	0.82%	1.02%	1.09%	1.14%	1.17%
Net Operating Expense	2.61%	2.57%	2.62%	2.60%	2.58%	2.59%
Fixed Assets+FRA's**/Assets	2.66%	2.62%	2.45%	2.31%	2.23%	2.17%
Gross Income	5.04%	4.71%	4.80%	4.89%	4.96%	5.11%
Cost of Funds	0.48%	0.41%	0.42%	0.45%	0.50%	0.59%
Operating Exp. (less PLL)	3.32%	3.18%	3.22%	3.19%	3.14%	3.13%
Net Interest Margin	3.07%	3.00%	3.00%	3.00%	3.10%	3.13%
PLL	0.30%	0.20%	0.16%	0.17%	0.22%	0.24%
<u>ASSET-LIABILITY MANAGEMENT</u>						
Net Long Term Assets/Assets	33.07%	33.34%	33.89%	33.41%	34.51%	34.32%
Shares/Savings+Borrowings	27.44%	29.34%	30.70%	31.63%	31.98%	33.02%
Loans/Savings	86.23%	89.47%	89.85%	91.21%	94.94%	95.14%
Loans/Assets	74.27%	76.90%	77.10%	77.59%	79.66%	80.12%
Cash + ST Invest./Assets	12.16%	9.84%	10.69%	10.85%	9.16%	10.50%
<u>OTHER RATIOS</u>						
Savings Growth	3.95%	7.15%	9.22%	8.40%	7.11%	11.31%
Net Worth Growth	9.12%	9.84%	10.24%	10.47%	10.53%	10.72%
Loan Growth	7.20%	11.17%	9.68%	10.01%	11.49%	11.75%
Asset Growth	5.05%	7.39%	9.39%	9.35%	8.60%	10.51%
Investments/Assets	15.18%	12.90%	11.80%	10.54%	9.42%	8.58%
Employee Cost/Gross Inc.	33.98%	35.04%	35.04%	34.34%	32.76%	31.66%
Employee Cost/ Avg. Assets	1.71%	1.65%	1.68%	1.68%	1.63%	1.62%
Average Loan Balance	\$11,820	\$12,156	\$12,577	\$13,079	\$14,104	\$14,694
Average Savings Balance	\$4,543	\$4,585	\$4,786	\$4,900	\$4,997	\$5,151

\*\*Foreclosed and Repossessed Assets

**SIGNIFICANT OPERATIONAL RATIOS  
FOR THE PERIOD ENDING JUNE 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	10	12	41	21	29	14	127
<u>CAPITAL ADEQUACY</u>							
Net Worth/Total Assets	20.94%	13.36%	13.22%	11.67%	11.81%	11.07%	11.29%
Net Worth/PCA Optional Total Assets	20.94%	13.36%	13.23%	11.68%	11.85%	11.10%	11.33%
Total Delinquency/Net Worth	6.32%	8.52%	3.49%	3.65%	3.96%	4.54%	4.37%
Solvency Evaluation	126.55%	115.63%	115.31%	113.11%	113.54%	113.19%	113.32%
Classified Assets/Net Worth	4.87%	5.46%	3.91%	3.67%	3.52%	4.38%	4.18%
<u>ASSET QUALITY</u>							
Delinquent Loans/Loans	2.20%	1.64%	0.72%	0.63%	0.60%	0.61%	0.62%
Net Charge Offs/Avg. Loans	0.97%	0.17%	0.21%	0.23%	0.20%	0.27%	0.26%
Fair Value/Amortized Cost for HTM	N/A	N/A	98.62%	99.53%	98.53%	99.19%	98.80%
Accumulated Unrealized Gains or Losses on AFS/Amortized Cost AFS	N/A	N/A	-2.44%	-2.39%	-1.15%	-1.61%	-1.61%
Delinquent Loans/Assets	1.32%	1.14%	0.46%	0.43%	0.47%	0.50%	0.49%
<u>EARNINGS (to Average Assets)</u>							
Return on Average Assets	0.19%	0.38%	0.56%	0.60%	0.90%	1.29%	1.17%
Gross Income	3.63%	4.03%	4.46%	4.42%	4.92%	5.22%	5.11%
Yield on Average Loans	5.17%	4.85%	4.56%	4.35%	4.33%	4.35%	4.36%
Yield on Average Investments	1.38%	1.17%	1.71%	1.79%	1.78%	1.64%	1.68%
Fee & Other Op. Income	0.07%	0.33%	0.97%	0.98%	1.28%	1.46%	1.39%
Cost of Funds	0.28%	0.29%	0.25%	0.29%	0.45%	0.65%	0.59%
Net Margin	3.35%	3.74%	4.21%	4.13%	4.46%	4.57%	4.52%
Operating Exp. (less PLL)	3.65%	3.11%	3.51%	3.45%	3.41%	3.03%	3.13%
PLL	0.22%	0.26%	0.16%	0.09%	0.18%	0.27%	0.24%
Net Interest Margin	3.29%	3.41%	3.24%	3.15%	3.19%	3.12%	3.13%
Operating Exp./Gross Income	100.60%	77.20%	78.67%	78.05%	69.29%	57.99%	61.23%
Fixed Assets+FRA's**/Assets	0.13%	0.75%	1.70%	2.63%	2.85%	2.01%	2.17%
Net Operating Expense	3.62%	2.90%	2.97%	2.93%	2.87%	2.50%	2.59%
<u>ASSET-LIABILITY MANAGEMENT</u>							
Net Long Term Assets/Assets	6.12%	3.21%	19.44%	27.38%	34.39%	35.36%	34.32%
Shares/Savings+Borrowings	83.29%	73.87%	51.12%	43.98%	36.99%	30.68%	33.02%
Loans/Savings	76.20%	81.05%	74.33%	76.93%	90.14%	98.30%	95.14%
Loans/Assets	60.08%	69.28%	63.91%	67.30%	77.41%	82.15%	80.12%
Cash + ST Invest./Assets	33.31%	23.85%	21.02%	16.29%	10.46%	9.73%	10.50%
Shares, Deposits & Borrowings/Earning Assets	79.21%	88.22%	89.61%	93.35%	93.05%	92.02%	92.17%
Shares + Drafts/Savings+Borrowings	84.79%	79.65%	68.22%	63.93%	55.91%	45.21%	48.61%
Borrowings/Shares & Net Worth	0.00%	0.82%	0.16%	0.18%	1.25%	4.24%	3.39%
<u>OTHER RATIOS</u>							
Net Worth Growth	0.92%	2.83%	4.29%	5.00%	7.77%	12.17%	10.72%
Savings Growth	-19.28%	1.26%	6.51%	7.17%	8.99%	12.36%	11.31%
Loan Growth	-9.22%	17.02%	2.04%	0.53%	7.00%	13.69%	11.75%
Asset Growth	-15.34%	2.62%	5.63%	5.76%	7.96%	11.62%	10.51%
Investment Growth	11.38%	-79.72%	3.06%	7.55%	22.95%	26.71%	22.16%
Investments/Assets	19.56%	19.81%	25.20%	19.25%	10.87%	6.76%	8.58%
Employee Cost/Gross Inc.	54.37%	40.28%	38.63%	39.30%	37.45%	29.75%	31.66%
Employee Cost/ Avg. Assets	1.97%	1.62%	1.72%	1.74%	1.84%	1.55%	1.62%
Average Loan Balance	\$7,580	\$9,250	\$11,320	\$14,865	\$17,085	\$14,395	\$14,694
Average Savings Balance	\$2,235	\$3,738	\$4,107	\$4,586	\$4,998	\$5,289	\$5,151

\*\*Foreclosed and Repossessed Assets

Small statistical errors may exist due to rounding.

Mid-year 2018 Office of Credit Unions Bulletin, Page 7

**ANALYSIS OF INCOME AND EXPENSES TO GROSS INCOME  
FOR THE PERIOD ENDING JUNE 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	10	12	41	21	29	14	127
<b><u>OPERATING INCOME</u></b>							
Interest on Loans	84.18%	80.65%	65.84%	67.18%	68.35%	68.27%	68.19%
Less: Interest Refunds	0.00%	0.00%	0.00%	0.06%	0.01%	0.10%	0.08%
Income on Investments	13.99%	11.10%	12.39%	10.75%	5.67%	3.96%	4.73%
Income on Trading Securities	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Fee Income	0.95%	5.23%	12.10%	11.86%	10.95%	10.21%	10.44%
Other Operating Income	<u>0.87%</u>	<u>3.02%</u>	<u>9.66%</u>	<u>10.27%</u>	<u>15.05%</u>	<u>17.67%</u>	<u>16.72%</u>
<b>TOTAL INCOME</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>
<b><u>OPERATING EXPENSES</u></b>							
Employee Costs	54.37%	40.28%	38.63%	39.30%	37.45%	29.75%	31.66%
Travel and Conference	2.34%	0.83%	0.95%	0.91%	0.95%	0.60%	0.68%
Office Occupancy	2.69%	4.09%	5.62%	5.75%	4.76%	3.62%	3.95%
General Operations	22.77%	15.95%	13.38%	14.80%	12.94%	9.77%	10.60%
Education and Promotion	3.05%	0.67%	2.02%	2.30%	2.38%	2.62%	2.55%
Loan Servicing	3.73%	2.44%	4.66%	4.00%	4.34%	6.72%	6.16%
Professional Services	2.98%	7.81%	10.24%	8.94%	5.07%	3.20%	3.92%
Member Insurance	0.07%	0.00%	0.03%	0.02%	-0.10%	0.01%	-0.01%
Operating Fees	3.12%	1.39%	0.72%	0.41%	0.26%	0.17%	0.21%
Miscellaneous	<u>5.49%</u>	<u>3.73%</u>	<u>2.42%</u>	<u>1.62%</u>	<u>1.25%</u>	<u>1.52%</u>	<u>1.51%</u>
<b>TOTAL ADMINISTRATIVE</b>	<b>100.60%</b>	<b>77.20%</b>	<b>78.67%</b>	<b>78.05%</b>	<b>69.29%</b>	<b>57.99%</b>	<b>61.23%</b>
Provision for Loan Loss	<u>5.92%</u>	<u>6.55%</u>	<u>3.50%</u>	<u>2.07%</u>	<u>3.56%</u>	<u>5.08%</u>	<u>4.67%</u>
<b>TOTAL OPERATING EXP.</b>	<b>106.52%</b>	<b>83.75%</b>	<b>82.17%</b>	<b>80.11%</b>	<b>72.86%</b>	<b>63.07%</b>	<b>65.90%</b>
<b><u>COST OF FUNDS</u></b>							
Interest on Borrowed Funds	0.00%	0.10%	0.13%	0.12%	0.42%	1.56%	1.28%
Dividends on Savings	<u>7.65%</u>	<u>7.02%</u>	<u>5.46%</u>	<u>6.45%</u>	<u>8.76%</u>	<u>10.90%</u>	<u>10.23%</u>
<b>TOTAL COST OF FUNDS</b>	<b>7.65%</b>	<b>7.13%</b>	<b>5.59%</b>	<b>6.57%</b>	<b>9.19%</b>	<b>12.46%</b>	<b>11.50%</b>
<b><u>NET INCOME FROM OPERATIONS</u></b>	<b>-14.17%</b>	<b>9.13%</b>	<b>12.24%</b>	<b>13.31%</b>	<b>17.96%</b>	<b>24.46%</b>	<b>22.60%</b>
<b>NON-OPERATING GAIN/LOSS</b>	<u>19.27%</u>	<u>0.19%</u>	<u>0.37%</u>	<u>0.30%</u>	<u>0.36%</u>	<u>0.18%</u>	<u>0.23%</u>
<b><u>NET INCOME</u></b>	<b>5.09%</b>	<b>9.32%</b>	<b>12.61%</b>	<b>13.62%</b>	<b>18.31%</b>	<b>24.64%</b>	<b>22.82%</b>

*Small statistical errors may exist due to rounding.  
Mid-year 2018 Office of Credit Unions Bulletin, Page 8*



**ANALYSIS OF INCOME AND EXPENSES TO AVERAGE ASSETS  
FOR THE PERIOD ENDING JUNE 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	10	12	41	21	29	14	127
<b><u>OPERATING INCOME</u></b>							
Interest on Loans	3.06%	3.25%	2.94%	2.97%	3.36%	3.57%	3.48%
Less: Interest Refunds	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%
Income on Investments	0.51%	0.45%	0.55%	0.47%	0.28%	0.21%	0.24%
Income on Trading Securities	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Fee Income	0.03%	0.21%	0.54%	0.52%	0.54%	0.53%	0.53%
Other Operating Income	<u>0.03%</u>	<u>0.12%</u>	<u>0.43%</u>	<u>0.45%</u>	<u>0.74%</u>	<u>0.92%</u>	<u>0.85%</u>
<b>TOTAL INCOME</b>	<b>3.63%</b>	<b>4.03%</b>	<b>4.46%</b>	<b>4.42%</b>	<b>4.92%</b>	<b>5.22%</b>	<b>5.11%</b>
<b><u>OPERATING EXPENSES</u></b>							
Employee Costs	1.97%	1.62%	1.72%	1.74%	1.84%	1.55%	1.62%
Travel and Conference	0.08%	0.03%	0.04%	0.04%	0.05%	0.03%	0.03%
Office Occupancy	0.10%	0.16%	0.25%	0.25%	0.23%	0.19%	0.20%
General Operations	0.83%	0.64%	0.60%	0.65%	0.64%	0.51%	0.54%
Education and Promotion	0.11%	0.03%	0.09%	0.10%	0.12%	0.14%	0.13%
Loan Servicing	0.14%	0.10%	0.21%	0.18%	0.21%	0.35%	0.31%
Professional Services	0.11%	0.31%	0.46%	0.40%	0.25%	0.17%	0.20%
Member Insurance	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Operating Fees	0.11%	0.06%	0.03%	0.02%	0.01%	0.01%	0.01%
Miscellaneous	<u>0.20%</u>	<u>0.15%</u>	<u>0.11%</u>	<u>0.07%</u>	<u>0.06%</u>	<u>0.08%</u>	<u>0.08%</u>
<b>TOTAL ADMINISTRATIVE</b>	<b>3.65%</b>	<b>3.11%</b>	<b>3.51%</b>	<b>3.45%</b>	<b>3.41%</b>	<b>3.03%</b>	<b>3.13%</b>
Provision for Loan Loss	<u>0.22%</u>	<u>0.26%</u>	<u>0.16%</u>	<u>0.09%</u>	<u>0.18%</u>	<u>0.27%</u>	<u>0.24%</u>
<b>TOTAL OPERATING EXP.</b>	<b>3.87%</b>	<b>3.37%</b>	<b>3.67%</b>	<b>3.54%</b>	<b>3.58%</b>	<b>3.29%</b>	<b>3.37%</b>
<b><u>COST OF FUNDS</u></b>							
Interest on Borrowed Funds	0.00%	0.00%	0.01%	0.01%	0.02%	0.08%	0.07%
Dividends on Savings	<u>0.28%</u>	<u>0.28%</u>	<u>0.24%</u>	<u>0.29%</u>	<u>0.43%</u>	<u>0.57%</u>	<u>0.52%</u>
<b>TOTAL COST OF FUNDS</b>	<b>0.28%</b>	<b>0.29%</b>	<b>0.25%</b>	<b>0.29%</b>	<b>0.45%</b>	<b>0.65%</b>	<b>0.59%</b>
<b><u>NET INCOME FROM OPERATIONS</u></b>	<b>-0.51%</b>	<b>0.37%</b>	<b>0.55%</b>	<b>0.59%</b>	<b>0.88%</b>	<b>1.28%</b>	<b>1.15%</b>
<b>NON-OPERATING GAIN/LOSS</b>	<u>0.70%</u>	<u>0.01%</u>	<u>0.02%</u>	<u>0.01%</u>	<u>0.02%</u>	<u>0.01%</u>	<u>0.01%</u>
<b><u>NET INCOME</u></b>	<b>0.19%</b>	<b>0.38%</b>	<b>0.56%</b>	<b>0.60%</b>	<b>0.90%</b>	<b>1.29%</b>	<b>1.17%</b>

*Small statistical errors may exist due to rounding.  
Mid-year 2018 Office of Credit Unions Bulletin, Page 9*

**LOAN DELINQUENCY  
PERIOD ENDING JUNE 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	10	12	41	21	29	14	127
<u>Loan Delinquency Ratios</u>							
2 - 6 Months Delinquent	1.35%	0.72%	0.51%	0.36%	0.41%	0.42%	0.42%
6 - 12 Months Delinquent	0.61%	0.43%	0.13%	0.13%	0.13%	0.15%	0.14%
Over 12 Months Delinquent	<u>0.24%</u>	<u>0.49%</u>	<u>0.08%</u>	<u>0.14%</u>	<u>0.07%</u>	<u>0.05%</u>	<u>0.06%</u>
Total Delinquent Loans	2.20%	1.64%	0.72%	0.63%	0.60%	0.61%	0.62%
<u>Loan Loss Ratio</u>	0.97%	0.17%	0.21%	0.23%	0.20%	0.27%	0.26%

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

Number of Credit Unions	10	12	41	21	29	14	127
<u>Loan Types</u>							
Unsecured Credit Card Loans	0.51%	1.28%	2.73%	1.86%	1.81%	3.72%	3.30%
Non-Federally Guaranteed Student Loans	0.00%	0.00%	0.49%	0.16%	0.15%	1.54%	1.23%
All Other Unsecured Loans/Lines of Credit	10.66%	10.03%	3.37%	2.23%	1.80%	2.69%	2.55%
New Vehicle Loans	22.18%	17.14%	10.41%	5.95%	7.03%	6.14%	6.40%
Used Vehicle Loans	44.11%	47.14%	31.89%	22.70%	22.70%	20.35%	21.15%
Leases Receivable	0.00%	0.00%	0.00%	0.00%	0.00%	0.19%	0.14%
All Other Secured Non-Real Estate Loans/LOC	11.57%	11.08%	5.76%	5.75%	6.81%	6.23%	6.30%
Secured by 1st Lien 1-4 Family Residential Properties	9.36%	8.32%	37.25%	51.07%	44.17%	37.95%	39.41%
Secured by Junior Lien 1-4 Family Residential	1.61%	4.41%	5.37%	4.95%	5.24%	7.47%	6.94%
All Other Real Estate/Lines of Credit	0.00%	0.44%	1.25%	0.20%	1.08%	0.49%	0.60%
Commercial Loans/LOC Real Estate Secured	0.00%	0.00%	1.40%	4.69%	7.30%	12.39%	10.97%
Commercial Loans/LOC Not Real Estate Secured	<u>0.00%</u>	<u>0.15%</u>	<u>0.10%</u>	<u>0.45%</u>	<u>1.91%</u>	<u>0.86%</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%	1.97%	2.73%	5.77%	3.53%	3.84%
First Mortgage - Fixed - 15 yrs. Or less	0.00%	2.04%	14.03%	12.65%	11.34%	11.07%	11.23%
First Mortgage - Balloon/Hybrid - > 5 yrs.	6.50%	1.95%	2.25%	6.87%	7.18%	12.41%	11.08%
First Mortgage - Balloon/Hybrid - 5 yrs. Or less	2.86%	2.14%	10.11%	19.73%	12.10%	15.50%	14.93%
First Mortgage - Other Fixed Rate	0.00%	0.00%	0.34%	0.21%	0.55%	0.18%	0.25%
First Mortgage - Adjustable - 1 year or less	0.00%	0.00%	0.62%	2.50%	2.95%	2.00%	2.14%
First Mortgage - Adjustable - > 1 year	0.00%	0.00%	9.34%	10.85%	11.22%	5.44%	6.69%
Other - Closed End Fixed	1.61%	1.60%	2.79%	2.46%	1.82%	1.62%	1.71%
Other - Closed End Adjustable	0.00%	0.26%	0.76%	0.52%	0.65%	0.67%	0.66%
Other - Open End Adjustable	0.00%	5.19%	3.06%	2.15%	4.03%	5.85%	5.34%
Other - Open-End Fixed	0.00%	0.00%	0.00%	0.24%	0.17%	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)	10.97%	13.18%	45.26%	60.90%	57.79%	58.29%	57.92%
Total Real Estate (As a percent of assets)	6.59%	9.13%	28.93%	40.99%	44.74%	47.89%	46.41%

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

*Small statistical errors may exist due to rounding.*

*Mid-year 2018 Office of Credit Unions Bulletin, Page 10*

**ANALYSIS OF SAVINGS BY TYPE  
PERIOD ENDING JUNE 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	10	12	41	21	29	14	127
Share Drafts	1.54%	5.96%	17.45%	20.52%	19.76%	15.79%	16.74%
Regular Shares	83.25%	74.45%	50.90%	43.53%	36.94%	31.58%	33.73%
Money Market Shares	3.62%	0.00%	13.62%	14.86%	18.20%	24.85%	22.84%
Share Certificates	11.55%	17.77%	11.40%	13.25%	16.36%	20.04%	18.82%
IRA Accounts	0.00%	1.70%	4.64%	6.89%	6.21%	5.62%	5.74%
All Other Shares	<u>0.04%</u>	<u>0.12%</u>	<u>1.98%</u>	<u>0.95%</u>	<u>2.54%</u>	<u>2.11%</u>	<u>2.13%</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, 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	10	12	41	21	29	14	127
Trading Securities	0.00%	0.00%	0.00%	0.00%	0.00%	0.06%	0.04%
Available for Sale Securities	0.00%	0.00%	4.54%	30.76%	29.17%	67.09%	49.47%
Held-to-Maturity Securities	0.00%	0.00%	14.26%	4.52%	14.66%	3.48%	6.99%
Commercial Banks, S&L's, and Mutual Savings Banks	27.26%	36.63%	50.29%	38.05%	27.83%	6.24%	18.04%
Credit Unions	22.88%	17.24%	9.40%	8.63%	5.72%	1.32%	3.77%
Corporate Credit Unions	49.87%	46.13%	16.97%	11.72%	15.65%	15.08%	15.18%
Other Investments	<u>0.00%</u>	<u>0.00%</u>	<u>4.54%</u>	<u>6.32%</u>	<u>6.96%</u>	<u>6.72%</u>	<u>6.52%</u>
Total Investments	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%