

# Cooperative Federal

## Summary Financial Information

|   | Count of CU in Peer Group : 1774 |               |               |               | % Chg        | Dec-2016<br>Amount | % Chg        | Dec-2017<br>Amount          | % Chg       |
|---|----------------------------------|---------------|---------------|---------------|--------------|--------------------|--------------|-----------------------------|-------------|
|   | Dec-2013                         | Dec-2014      | Dec-2015      | Dec-2016      |              |                    |              |                             |             |
|   | Amount                           | Amount        | Amount        | Amount        |              |                    |              |                             |             |
| <b>ASSETS:</b>  |                                  |               |               |               |              |                    |              |                             |             |
| Cash & Equivalents  | 2,060,114                        | 2,467,958     | 1,306,537     | 1,689,396     | -47.1        | 2,686,723          | 29.3         | 2,686,723                   | 59.0        |
| <b>TOTAL INVESTMENTS</b>  | 294,997                          | 290,007       | 292,415       | 294,782       | 0.8          | 293,843            | 0.8          | 293,843                     | -0.3        |
| Loans Held for Sale   | 0                                | 0             | 62,500        | 0             | N/A          | 217,730            | -100         | 217,730                     | N/A         |
| Real Estate Loans   | 13,046,253                       | 14,273,999    | 15,461,535    | 16,270,206    | 8.3          | 16,692,935         | 5.2          | 16,692,935                  | 2.6         |
| Unsecured Loans   | 1,504,445                        | 1,544,709     | 1,569,789     | 1,574,857     | 1.6          | 1,737,986          | 0.3          | 1,737,986                   | 10.4        |
| Other Loans   | 1,707,799                        | 1,887,430     | 1,968,889     | 2,856,913     | 4.3          | 3,337,422          | 45.1         | 3,337,422                   | 16.8        |
| <b>TOTAL LOANS</b>  | 16,258,497                       | 17,706,138    | 19,000,213    | 20,701,976    | 7.3          | 21,768,343         | 9.0          | 21,768,343                  | 5.2         |
| (Allowance for Loan & Lease Losses)   | (185,708)                        | (171,858)     | (134,497)     | (103,299)     | -21.7        | (146,631)          | -23.2        | (146,631)                   | 41.9        |
| Land And Building   | 182,611                          | 158,034       | 223,692       | 270,244       | 41.5         | 251,903            | 20.8         | 251,903                     | -6.8        |
| Other Fixed Assets  | 117,984                          | 132,988       | 103,016       | 141,994       | -22.5        | 182,098            | 37.8         | 182,098                     | 28.2        |
| NCUSIF Deposit  | 176,427                          | 176,241       | 194,766       | 197,471       | 10.5         | 215,115            | 1.4          | 215,115                     | 8.9         |
| All Other Assets  | 1,726,014                        | 1,474,014     | 1,609,430     | 1,217,005     | 9.2          | 1,029,706          | -24.4        | 1,029,706                   | -15.4       |
| <b>TOTAL ASSETS</b>   | 20,630,936                       | 22,233,522    | 22,658,072    | 24,409,569    | 1.9          | 26,498,830         | 7.7          | 26,498,830                  | 8.6         |
| <b>LIABILITIES &amp; CAPITAL:</b>   |                                  |               |               |               |              |                    |              |                             |             |
| Dividends Payable   | 0                                | 0             | 0             | 0             | N/A          | 0                  | N/A          | 0                           | N/A         |
| Notes & Interest Payable  | 454,983                          | 489,536       | 403,706       | 526,549       | -17.5        | 542,412            | 30.4         | 542,412                     | 3.0         |
| Accounts Payable & Other Liabilities <sup>3</sup>   | 750,203                          | 243,878       | 450,296       | 486,130       | 84.6         | 432,293            | 8.0          | 432,293                     | -11.1       |
| Uninsured Secondary Capital and Subordinated Debt Included in Net Worth <sup>4</sup>  | 571,284                          | 577,577       | 643,889       | 570,222       | 11.5         | 976,575            | -11.4        | 976,575                     | 71.3        |
| <b>TOTAL LIABILITIES</b>  | 1,776,470                        | 1,310,991     | 1,497,891     | 1,582,901     | 14.3         | 1,951,280          | 5.7          | 1,951,280                   | 23.3        |
| Share Drafts  | 4,050,261                        | 4,386,493     | 4,532,659     | 5,075,591     | 3.3          | 6,140,133          | 12.0         | 6,140,133                   | 21.0        |
| Regular shares  | 3,362,861                        | 3,963,397     | 4,140,221     | 4,096,968     | 4.5          | 4,922,589          | -1.0         | 4,922,589                   | 20.2        |
| All Other Shares & Deposits   | 10,521,294                       | 11,565,543    | 11,466,835    | 12,600,125    | -0.9         | 12,521,737         | 9.9          | 12,521,737                  | -0.6        |
| <b>TOTAL SHARES &amp; DEPOSITS</b>  | 17,934,416                       | 19,915,433    | 20,139,715    | 21,772,684    | 1.1          | 23,584,459         | 8.1          | 23,584,459                  | 8.3         |
| Regular Reserve   | 224,150                          | 224,150       | 224,150       | 224,150       | 0.0          | 224,150            | 0.0          | 224,150                     | 0.0         |
| Other Reserves  | 0                                | 0             | 0             | 0             | N/A          | 0                  | N/A          | 0                           | N/A         |
| Undivided Earnings  | 695,900                          | 782,948       | 796,316       | 829,834       | 1.7          | 738,941            | 4.2          | 738,941                     | -11.0       |
| <b>TOTAL EQUITY</b>   | 920,050                          | 1,007,098     | 1,020,466     | 1,053,984     | 1.3          | 963,091            | 3.3          | 963,091                     | -8.6        |
| <b>TOTAL LIABILITIES, SHARES, &amp; EQUITY</b>  | 20,630,936                       | 22,233,522    | 22,658,072    | 24,409,569    | 1.9          | 26,498,830         | 7.7          | 26,498,830                  | 8.6         |
| <b>INCOME &amp; EXPENSE</b>   |                                  |               |               |               |              |                    |              |                             |             |
| Loan Income*  | 895,946                          | 896,584       | 984,113       | 1,108,144     | 9.8          | 1,187,187          | 12.6         | 1,187,187                   | 7.1         |
| Investment Income*  | 3,876                            | 2,215         | 2,842         | 3,018         | 28.3         | 10,307,241.5       | 6.2          | 10,307,241.5                | 241.5       |
| Other Income*   | 419,233                          | 453,835       | 476,371       | 504,372       | 5.0          | 500,455            | 5.9          | 500,455                     | -0.8        |
| Total Employee Compensation & Benefits*   | 752,061                          | 782,417       | 786,639       | 760,473       | 0.5          | 780,024            | -3.3         | 780,024                     | 2.6         |
| Temporary Corporate CU Stabilization Expense & NCUSIF Premiums <sup>*2</sup>  | 9,154                            | 0             | 0             | 0             | N/A          | 0                  | N/A          | 0                           | N/A         |
| Total Other Operating Expenses*   | 761,483                          | 856,052       | 843,635       | 904,183       | -1.5         | 1,008,821          | 7.2          | 1,008,821                   | 11.6        |
| Non-operating Income & (Expense)*   | 452,052                          | 533,535       | 272,050       | 172,455       | -49.0        | 254,709            | -36.6        | 254,709                     | 47.7        |
| NCUSIF Stabilization Income*  | N/A                              | N/A           | N/A           | N/A           | N/A          | N/A                | N/A          | N/A                         | N/A         |
| Provision for Loan/Lease Losses*  | 168,633                          | 113,089       | 24,871        | 16,611        | -78.0        | 161,269            | -33.2        | 161,269                     | 870.9       |
| Cost of Funds*  | 53,284                           | 47,562        | 66,864        | 73,203        | 40.6         | 93,492             | 9.5          | 93,492                      | 27.7        |
| NET INCOME (LOSS) EXCL. STABILIZATION EXP & NCUSIF PREMIUM <sup>*1</sup>  | 35,646                           | 87,049        | 13,367        | 33,519        | -84.6        | -90,948            | 150.8        | -90,948                     | -371        |
| <b>Net Income (Loss)*</b>   | <b>26,492</b>                    | <b>87,049</b> | <b>13,367</b> | <b>33,519</b> | <b>-84.6</b> | <b>-90,948</b>     | <b>150.8</b> | <b>-90,948</b>              | <b>-371</b> |
| * Income/Expense items are year-to-date while the related %change ratios are annualized.  |                                  |               |               |               |              |                    |              |                             |             |
| # Means the number is too large to display in the cell  |                                  |               |               |               |              |                    |              |                             |             |
| <sup>1</sup> Prior to September 2010, this account was named Net Income (Loss) Before NCUSIF Stabilization Expense. From December 2010 forward, NCUSIF Stabilization Income, if any, is excluded.                 |                                  |               |               |               |              |                    |              |                             |             |
| <sup>2</sup> Prior to September 2010, this account was named NCUSIF Stabilization Expense. For December 2010 and forward, this account includes Temporary Corporate CU Stabilization Expense and NCUSIF Premiums. |                                  |               |               |               |              |                    |              |                             |             |
| <sup>3</sup> March 2014 and forward includes "Non-Trading Derivative Liabilities, net."   |                                  |               |               |               |              |                    |              |                             |             |
| <sup>4</sup> December 2011 and forward includes "Subordinated Debt Included in Net Worth."  |                                  |               |               |               |              |                    |              |                             |             |
|   |                                  |               |               |               |              |                    |              | <b>1. Summary Financial</b> |             |

| Cooperative Federal   | Ratio Analysis                   |          |          |          |          | Dec-2017<br>PEER Avg | Percentile** |
|---|----------------------------------|----------|----------|----------|----------|----------------------|--------------|
|   | Count of CU in Peer Group : 1774 |          |          |          |          |                      |              |
|   | Dec-2013                         | Dec-2014 | Dec-2015 | Dec-2016 | Dec-2017 |                      |              |
| <b>CAPITAL ADEQUACY</b>   |                                  |          |          |          |          |                      |              |
| Net Worth/Total Assets  | 7.22                             | 7.12     | 7.34     | 6.65     | 7.31     | 12.72                | 7            |
| Net Worth/Total Assets--Including Optional<br>Total Assets Election (if used)   | 7.30                             | 7.42     | 7.48     | 6.93     | 7.70     | 12.72                | 9            |
| Total Delinquent Loans / Net Worth <sup>3</sup>   | 116.75                           | 101.70   | 87.54    | 117.65   | 74.78    | 5.62                 | 99           |
| Solvency Evaluation (Estimated)   | 108.32                           | 107.96   | 108.26   | 107.46   | 108.22   | 115.00               | 8            |
| Classified Assets (Estimated) / Net Worth   | 12.45                            | 10.84    | 8.08     | 6.36     | 7.56     | 4.19                 | 87           |
| <b>ASSET QUALITY</b>  |                                  |          |          |          |          |                      |              |
| Delinquent Loans / Total Loans <sup>3</sup>   | 10.71                            | 9.10     | 7.67     | 9.23     | 6.66     | 1.23                 | 98           |
| * Net Charge-Offs / Average Loans   | 0.63                             | 0.66     | 0.40     | 0.24     | 0.55     | 0.51                 | 66           |
| Fair (Market) HTM Invest Value/Book Value HTM Invest.   | 0.00                             | 0.00     | 0.00     | 0.00     | 0.00     | 99.25                | N/A          |
| Accum Unreal G/L On AFS/Cost Of AFS   | 0.00                             | 0.00     | 0.00     | 0.00     | 0.00     | 0.62                 | N/A          |
| Delinquent Loans / Assets <sup>3</sup>  | 8.44                             | 7.25     | 6.43     | 7.83     | 5.47     | 0.63                 | 99           |
| <b>EARNINGS</b>   |                                  |          |          |          |          |                      |              |
| * Return On Average Assets  | 0.13                             | 0.41     | 0.06     | 0.14     | -0.36    | 0.30                 | 8            |
| * Return On Average Assets Excluding Stabilization<br>Income/Expense & NCUSIF Premium <sup>2</sup>  | 0.18                             | 0.41     | 0.06     | 0.14     | -0.36    | 0.30                 | 8            |
| * Gross Income/Average Assets   | 6.48                             | 6.31     | 6.52     | 6.86     | 6.67     | 4.38                 | 92           |
| * Yield on Average Loans  | 5.60                             | 5.28     | 5.36     | 5.58     | 5.59     | 5.59                 | 58           |
| * Yield on Average Investments  | 0.17                             | 0.10     | 0.15     | 0.21     | 0.51     | 1.31                 | 2            |
| * Fee & Other Op.Income / Avg. Assets   | 2.06                             | 2.12     | 2.12     | 2.14     | 1.97     | 0.97                 | 90           |
| * Cost of Funds / Avg. Assets   | 0.26                             | 0.22     | 0.30     | 0.31     | 0.37     | 0.30                 | 70           |
| * Net Margin / Avg. Assets  | 6.22                             | 6.09     | 6.22     | 6.55     | 6.30     | 4.08                 | 92           |
| * Operating Exp./ Avg. Assets   | 7.48                             | 7.64     | 7.26     | 7.07     | 7.03     | 3.54                 | 98           |
| * Provision For Loan & Lease Losses / Average Assets  | 0.83                             | 0.53     | 0.11     | 0.07     | 0.63     | 0.27                 | 86           |
| * Net Interest Margin/Avg. Assets   | 4.16                             | 3.97     | 4.10     | 4.41     | 4.34     | 3.11                 | 90           |
| Operating Exp./Gross Income   | 115.44                           | 121.13   | 111.41   | 103.04   | 105.35   | 80.71                | 96           |
| Fixed Assets & Foreclosed & Repossessed Assets<br>/ Total Assets <sup>1</sup>   | 4.62                             | 5.55     | 6.42     | 4.61     | 2.82     | 1.83                 | 73           |
| * Net Operating Exp. /Avg. Assets   | 5.47                             | 5.56     | 5.18     | 4.98     | 5.10     | 2.86                 | 98           |
| <b>ASSET / LIABILITY MANAGEMENT</b>   |                                  |          |          |          |          |                      |              |
| Net Long-Term Assets / Total Assets   | 23.45                            | 22.79    | 24.32    | 16.60    | 16.15    | 18.99                | 47           |
| Reg. Shares / Total Shares & Borrowings   | 17.74                            | 18.89    | 19.54    | 17.91    | 19.61    | 59.29                | 2            |
| Total Loans / Total Shares  | 90.66                            | 88.91    | 94.34    | 95.08    | 92.30    | 58.85                | 94           |
| Total Loans / Total Assets  | 78.81                            | 79.64    | 83.86    | 84.81    | 82.15    | 50.92                | 95           |
| Cash + Short-Term Investments / Assets  | 10.84                            | 12.12    | 6.77     | 7.85     | 11.00    | 24.17                | 12           |
| Total Shares, Dep. & Borrs / Earning Assets   | 103.97                           | 104.38   | 104.34   | 102.83   | 103.51   | 90.89                | 98           |
| Reg Shares + Share Drafts / Total Shares & Borrs  | 39.10                            | 39.79    | 40.93    | 40.11    | 44.07    | 72.56                | 9            |
| Borrowings / Total Shares & Net Worth   | 5.28                             | 4.96     | 4.80     | 4.69     | 5.95     | 0.16                 | 91           |
| <b>PRODUCTIVITY</b>   |                                  |          |          |          |          |                      |              |
| Members / Potential Members   | 2.79                             | 3.01     | 3.30     | 3.30     | 3.13     | 33.23                | 18           |
| Borrowers / Members   | 45.11                            | 45.27    | 40.82    | 42.04    | 47.68    | 47.14                | 57           |
| Members / Full-Time Employees   | 180.31                           | 198.82   | 222.56   | 212.80   | 206.59   | 449.18               | 2            |
| Avg. Shares Per Member  | \$4,421                          | \$4,553  | \$4,209  | \$4,547  | \$5,189  | \$7,865              | 18           |
| Avg. Loan Balance   | \$8,884                          | \$8,942  | \$9,729  | \$10,284 | \$10,045 | \$10,258             | 62           |
| * Salary And Benefits / Full-Time Empl.   | \$33,425                         | \$35,564 | \$36,588 | \$33,799 | \$35,456 | \$57,827             | 3            |
| <b>OTHER RATIOS</b>   |                                  |          |          |          |          |                      |              |
| * Net Worth Growth  | 2.22                             | 6.26     | 5.03     | -2.41    | 19.42    | 2.94                 | 98           |
| * Market (Share) Growth   | 0.66                             | 11.05    | 1.13     | 8.11     | 8.32     | 2.33                 | 88           |
| * Loan Growth   | 3.42                             | 8.90     | 7.31     | 8.96     | 5.15     | 4.95                 | 58           |
| * Asset Growth  | 2.70                             | 7.77     | 1.91     | 7.73     | 8.56     | 2.47                 | 89           |
| * Investment Growth   | -20.76                           | 21.12    | -45.53   | 17.93    | 61.43    | 0.28                 | 98           |
| * Membership Growth   | 7.78                             | 7.81     | 9.40     | 0.06     | -5.08    | -0.45                | 13           |
| * Annualization factor: March = 4; June = 2; September =4/3; December = 1 (or no annualizing)   |                                  |          |          |          |          |                      |              |
| **Percentile Rankings and Peer Average Ratios are produced once a quarter after the data collection is complete. Subsequent corrections to data after this date are not reflected in the Percentile Rank or the Peer Average Ratios until the next cycle.   |                                  |          |          |          |          |                      |              |
| Percentile Rankings show where the credit union stands in relation to its peers in key areas of performance. To arrive at the percentile ranking, all data for all credit unions in a peer group are arranged in order from highest (100) to lowest (0) value. The percentile ranking assigned to the credit union is a measure of the relative standing of that ratio in the entire range of ratios. A high or low ranking does not imply good or bad performance. However, when reviewed in relation to other available data, users may draw conclusions as to the importance of the percentile rank to the credit union's financial performance. |                                  |          |          |          |          |                      |              |
| <sup>1</sup> For periods before 2004, the Fixed Assets & Foreclosed and Repossessed assets did not include repossessed vehicles.  |                                  |          |          |          |          |                      |              |
| <sup>2</sup> Prior to September 2010, this ratio was named Return on Assets Prior to NCUSIF Stabilization Income/Expense. From December 2010 forward, NCUSIF Premium Expense is also excluded from ROA.   |                                  |          |          |          |          |                      |              |
| <sup>3</sup> The NCUA Board approved a regulatory/policy change in May 2012 revising the delinquency reporting requirements for troubled debt restructured (TDR) loans. This policy change may result in a decline in delinquent loans reported as of June 2012.  |                                  |          |          |          |          |                      |              |