

# CPR CUSTOM PERFORMANCE REPORT

*Taking the pulse of your credit union's health.*



## Montana Total

Financial Information as of: 12/31/22

# MSIC<sup>®</sup>

Date of printing: 03/20/23

*Peer to Peer Analysis*

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## National Industry Highlights - December 2022

According to the latest financial performance data released by the National Credit Union Administration (NCUA), total assets in federally insured credit unions increased by \$108 billion, or 5.2 percent, to \$2.17 trillion over the year ending in the fourth quarter of 2022. Insured shares and deposits grew \$50 billion, or 3.1 percent, to \$1.68 trillion.

While the industry posted solid metrics over 2022, interest rate risk, economic volatility, and a slowing business climate which may lead to a U.S. recession, will pose significant challenges in the coming years. As Silicon Valley Bank's collapse indicates, credit unions should be careful about their interest rate risk exposure and beef-up their liquidity sources. Executive leadership should also stay close to their membership base, keeping close tabs on consumer sentiment. The nation's credit unions can use their solid financial position at December 31, 2022, including their high capital, to their advantage as they prepare for a bumpy economic ride ahead.

Highlights from the NCUA's Quarterly Data Summary for the fourth quarter of 2022 include:

- The credit union system's net worth increased by \$21.4 billion, or 10.1 percent, over the year to \$232.9 billion. The aggregate net worth ratio — net worth as a percentage of assets — stood at 10.74 percent in the fourth quarter of 2022, up from 10.26 percent one year earlier.
- Total shares and deposits rose by \$61.3 billion, or 3.4 percent, over the year to \$1.85 trillion in the fourth quarter of 2022.
- The return on average assets for federally insured credit unions was 89 basis points in 2022, down from 107 basis points in 2021. The median return on average assets across all federally insured credit unions was 51 basis points, up 1 basis point from 2021.
- Total loans outstanding increased \$251 billion, or 20.0 percent, over the year to \$1.51 trillion. The average outstanding loan balance in the fourth quarter of 2022 was \$17,141, up \$1,022, or 6.3 percent, from one year earlier.
- The delinquency rate at federally insured credit unions was 61 basis points in the fourth quarter of 2022, up 12 basis points from one year earlier. The net charge-off ratio was 34 basis points, up 8 basis points compared with the fourth quarter of 2021.
- The number of federally insured credit unions declined to 4,760 in the fourth quarter of 2022, from 4,942 in the fourth quarter of 2021. In the fourth quarter of 2022, there were 2,980 federal credit unions and 1,780 federally insured, state-chartered credit unions. The year-over-year decline is consistent with long-running industry consolidation trends.
- Federally insured credit unions added 5.8 million members over the year, and credit union membership in these institutions reached 135.3 million in the fourth quarter of 2022.

\*\*\* The contents of this summary is compiled using NCUA press release data and does not include non-federally insured credit unions. \*\*\*

# Peer Group Descriptions

Please note that throughout this report where historical peer ratios and statistical data are presented, the information shown is the history for the peer group as constituted at the report date.

MSIC CPR Reports are compiled using NCUA 5300 call report data which includes all credit unions nationally, including both federally insured and privately insured institutions.

- Montana Total** All Montana credit unions regardless of asset size or charter type.
- Region 4 Total** All Credit Unions located in Region 4, regardless of asset size.
- National Total** All credit unions nationwide, regardless of asset size.

Peer Group Descriptions	Montana Total	Region 4 Total	National Total
Total Assets for Peer Group as of Dec 2022 (in \$ Billions)	\$ 7.6	\$ 432.2	\$ 2,190.2
Average Assets Per Peer Group for Quarter (in \$ Millions)	\$ 164.2	\$ 325.2	\$ 450.4
Total Number of members in Peer Group as of Dec 2022	422,126	27,098,655	136,585,248
Total number of credit unions in Peer Group	46	1,329	4,863

## Analytical Regions:



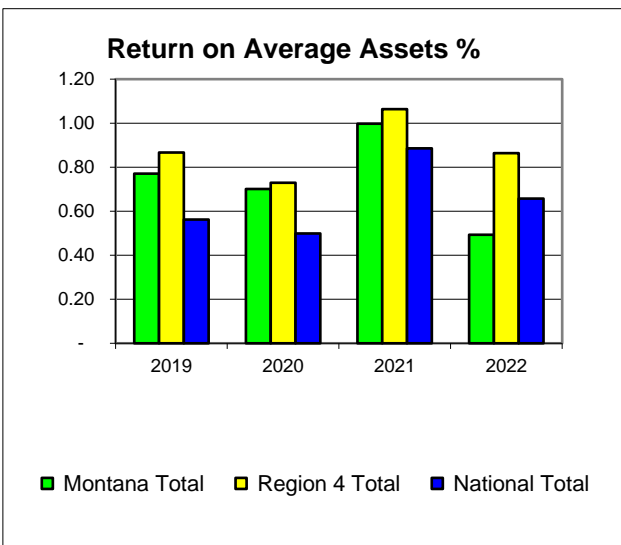
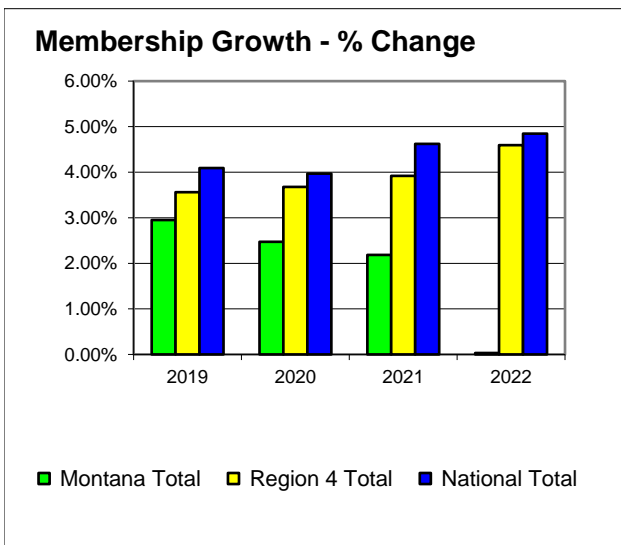
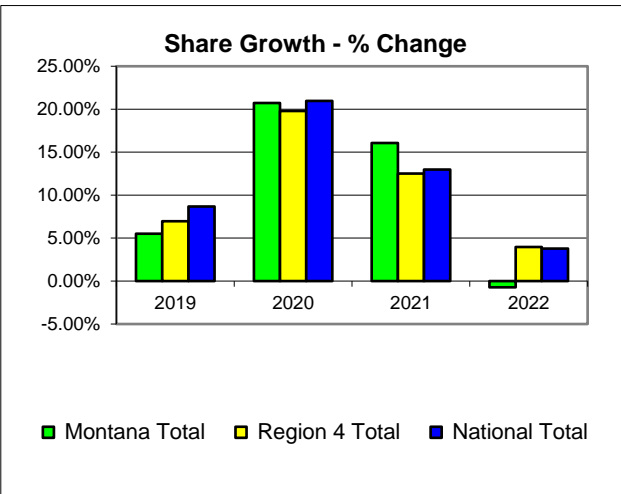
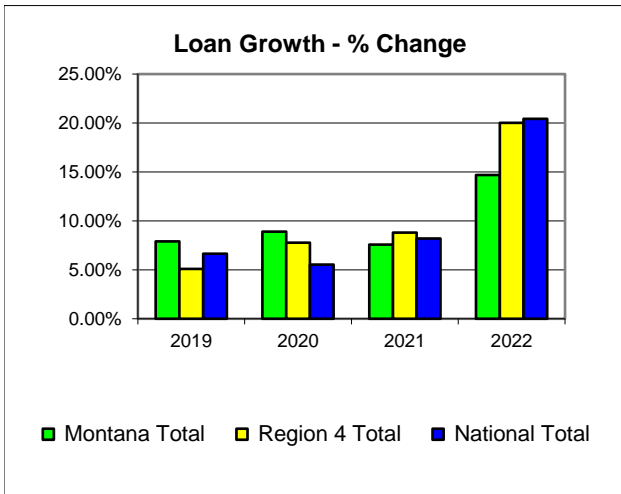
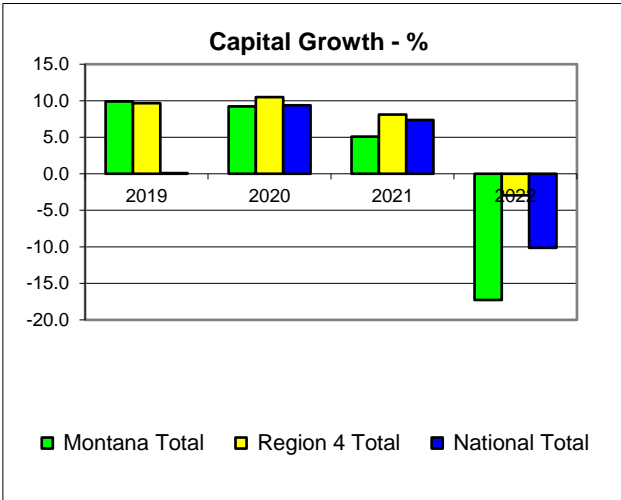
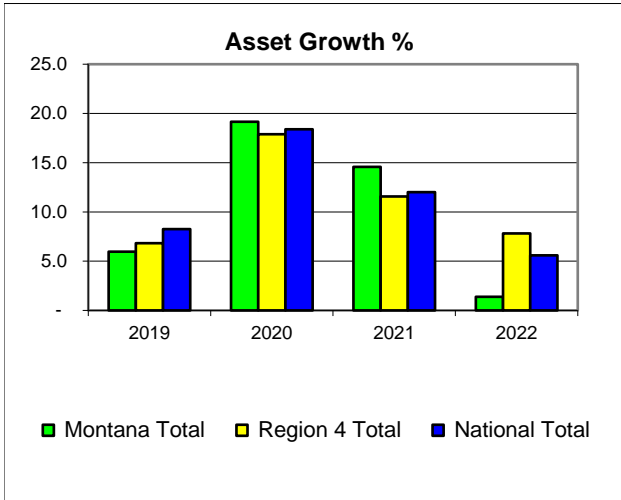
	#	From	To	#	From	To
<b><u>"Asset" Peer Group Ranges</u></b>	1	0	< \$2 Mill.	4	\$50 Mill.	< \$100 Mill
	2	\$ 2 Mill.	< \$10 Mill.	5	\$100 Mill	< \$500 Mill
	3	\$10 Mill.	< \$50 Mill.	6	Over \$ 500 Million	

# Peer Group Ratio Summary

(* NCUA Key Ratio)	Montana Total	Region 4 Total	National Total
<b>Safety &amp; Soundness</b>			
Net Worth to Assets*	10.83%	10.50%	9.22%
Delinquent Loans to Loans*	0.32%	0.55%	0.61%
Net Charge-Offs to Avg Loans*	0.07%	0.29%	0.34%
ROAA Before NCUSIF Stabilization Expense	0.49%	0.86%	0.66%
Return on Avg Assets*	0.49%	0.86%	0.66%
Operating Expenses to Gross Income	69.38%	63.99%	65.51%
Net Long Term Assets to Assets	39.21%	36.86%	38.90%
Supervisory Interest Rate Risk to Net Worth (SIRRT)	292.57%	281.94%	346.90%
<b>Competitive Ratios</b>			
Share Growth (since prior 12/31)	-0.72%	3.97%	3.78%
Member Growth (since prior 12/31)	0.03%	4.60%	4.85%
Loan Growth (since prior 12/31)	14.70%	20.02%	20.42%
Net Worth Growth (since prior 12/31)	5.44%	9.81%	10.55%
Asset Growth (since prior 12/31)	1.38%	7.82%	5.58%
Loan to Share Ratio	71.23%	85.79%	81.36%
Cost of Funds / Avg Assets	0.54%	0.60%	0.52%
Yield on Average Loans	4.22%	4.37%	3.97%
<b>Productivity</b>			
Members to Employees	308	373	398
Assets to Employees	5,504,811	5,950,358	6,374,435
# Loan & Share Accts per Employee	706	1,029	1,032
# Loan & Share Accts per Member	2.30	2.76	2.60
Average Share Balance per Member	15,594	13,367	13,687
Average Loan Balance	22,991	13,070	17,037
<b>Member Service Ratios</b>			
Members to Potential Members	6.35%	3.74%	2.96%
Credit Card Accounts to Members	11.04%	14.46%	18.01%
IRA Accounts to Members	3.12%	2.78%	3.21%
Real Estate Accounts to Members	4.70%	4.27%	4.45%
Auto Loan Accounts to Members	19.65%	52.40%	27.61%
Share Draft Accounts / Members	54.66%	56.80%	61.52%
<b>Average Assets Per Peer Group for the Quarter</b>	164,246,804	325,192,201	450,377,475

# Growth Trends and Earnings

Any organization competing in the marketplace uses various methods to measure the effectiveness of market penetration. Comparative growth rates in Loans, Shares and even Membership are one method. Growth in Loans and Shares can have a significant impact on earnings. The table and graphs below summarize the trends in these indicators.





# Earnings - Net Income / ROAA

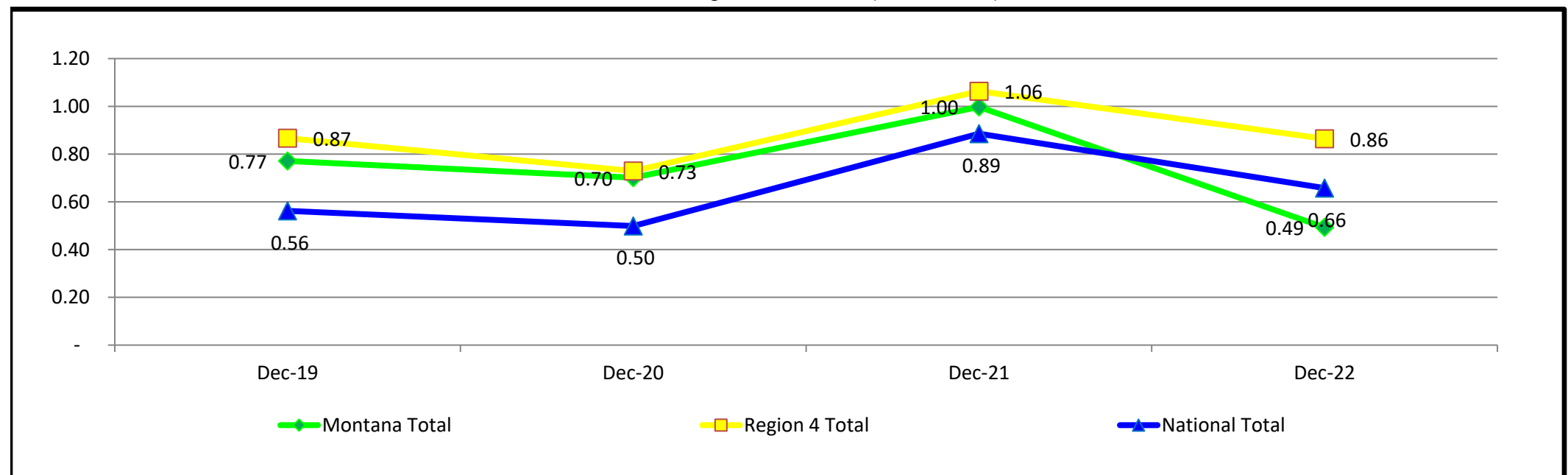
The charts below show the components of ROA for the peer groups.

December 31, 2022	ROAA Breakdown (% of Average Assets)		
	Montana Total	Region 4 Total	National Total
Loan Income	2.47	2.99	2.59
Investment Income	0.55	0.43	0.47
Cost of Funds	(0.54)	(0.60)	(0.52)
Net Interest Margin	2.48	2.82	2.55
Prov for Loan Loss	(0.08)	(0.21)	(0.25)
NIM after Provisions	2.40	2.61	2.30
Fee & Other Income	0.88	1.26	1.11
Operating Expense	(2.70)	(3.00)	(2.74)
ROAA before Non Op	0.58	0.87	0.68
Non-Op Gain (Loss)	(0.08)	(0.01)	(0.02)
<b>Return on Avg Assets</b>	<b>0.49</b>	<b>0.86</b>	<b>0.66</b>
NCUSIF Stabilization Inc. & Exp. & Insurance Premium	-	-	-
ROAA Before NCUSIF Stabilization Inc. & Exp. & Insurance Premium	0.49	0.86	0.66

\*\* Ratios on this page may not foot precisely due to rounding.

December 31, 2022	How ROAA Changes Over Time											
	Montana Total % of Average Assets				Region 4 Total % of Average Assets				National Total % of Average Assets			
	Dec-19	Dec-20	Dec-21	Dec-22	Dec-19	Dec-20	Dec-21	Dec-22	Dec-19	Dec-20	Dec-21	Dec-22
Loan Income	3.05	2.82	2.46	2.47	3.49	3.23	2.85	2.99	3.13	2.82	2.44	2.59
+ Investment Income	0.73	0.51	0.36	0.55	0.52	0.34	0.25	0.43	0.56	0.38	0.29	0.47
- Cost of Funds	(0.72)	(0.53)	(0.33)	(0.54)	(0.94)	(0.72)	(0.45)	(0.60)	(0.90)	(0.71)	(0.43)	(0.52)
= Net Interest Margin	3.07	2.81	2.50	2.48	3.07	2.84	2.64	2.82	2.79	2.49	2.30	2.55
- Prov for Loan Loss	(0.15)	(0.15)	(0.01)	(0.08)	(0.39)	(0.45)	(0.10)	(0.21)	(0.43)	(0.37)	(0.06)	(0.25)
= NIM after Provisions	2.92	2.66	2.49	2.40	2.68	2.39	2.54	2.61	2.36	2.12	2.24	2.30
+ Fee & Other Income	1.01	0.97	1.03	0.88	1.45	1.43	1.42	1.26	1.36	1.32	1.29	1.11
- Operating Expense	(3.20)	(2.99)	(2.71)	(2.70)	(3.32)	(3.14)	(2.98)	(3.00)	(3.20)	(3.01)	(2.72)	(2.74)
= ROAA before Non Op	0.74	0.65	0.81	0.58	0.81	0.68	0.99	0.87	0.51	0.43	0.81	0.68
+ Non-Op Gain (Loss)	0.04	0.06	0.19	(0.08)	0.05	0.05	0.08	(0.01)	0.05	0.06	0.07	(0.02)
<b>= Return on Avg Assets</b>	<b>0.77</b>	<b>0.70</b>	<b>1.00</b>	<b>0.49</b>	<b>0.87</b>	<b>0.73</b>	<b>1.06</b>	<b>0.86</b>	<b>0.56</b>	<b>0.50</b>	<b>0.89</b>	<b>0.66</b>
+ NCUSIF Stabilization Inc. & Exp. & Insurance Premium	-	-	-	-	-	-	-	-	-	-	-	-
= ROAA Before NCUSIF Stabilization Inc. & Exp. & Insurance Premium	0.77	0.70	1.00	0.49	0.87	0.73	1.06	0.86	0.56	0.50	0.89	0.66

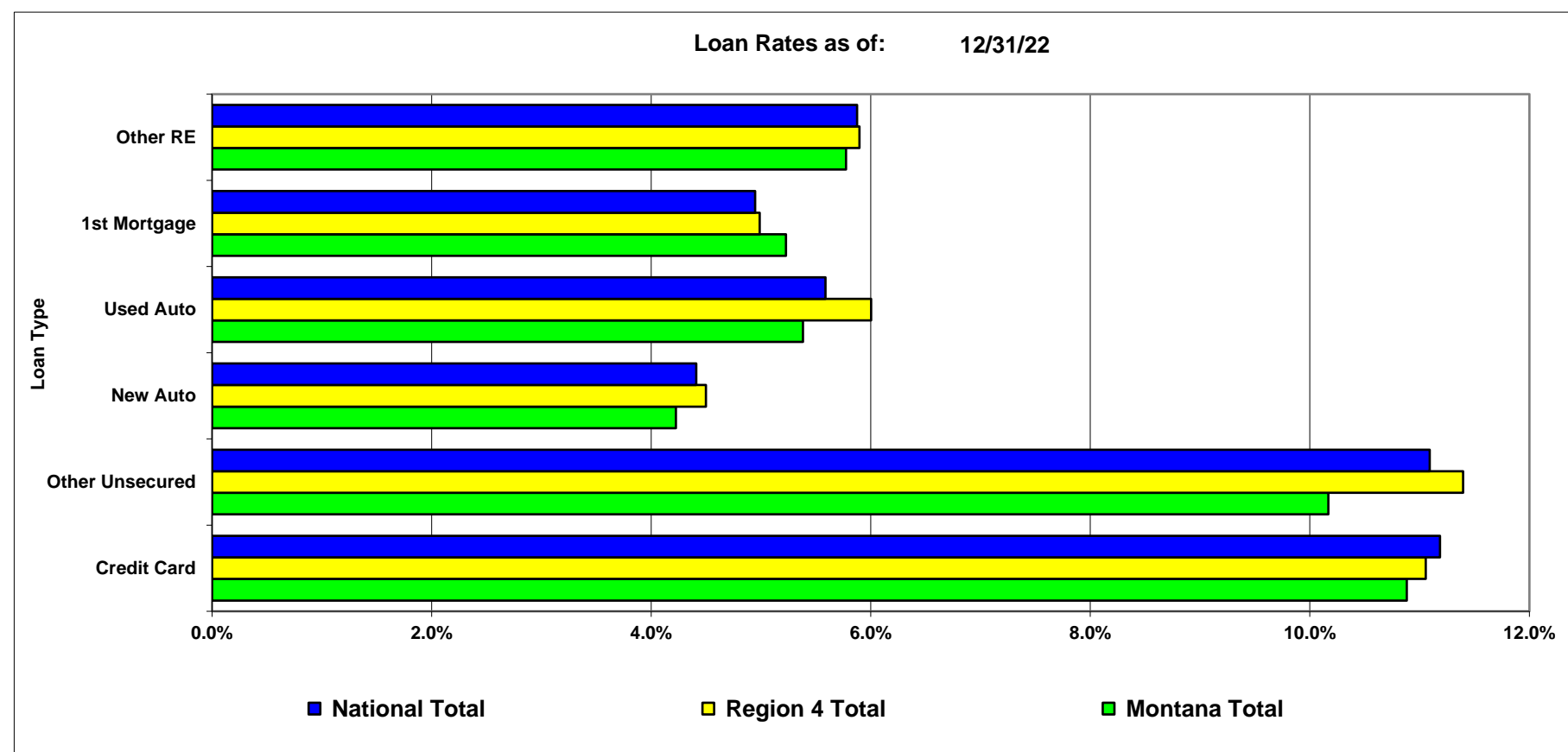
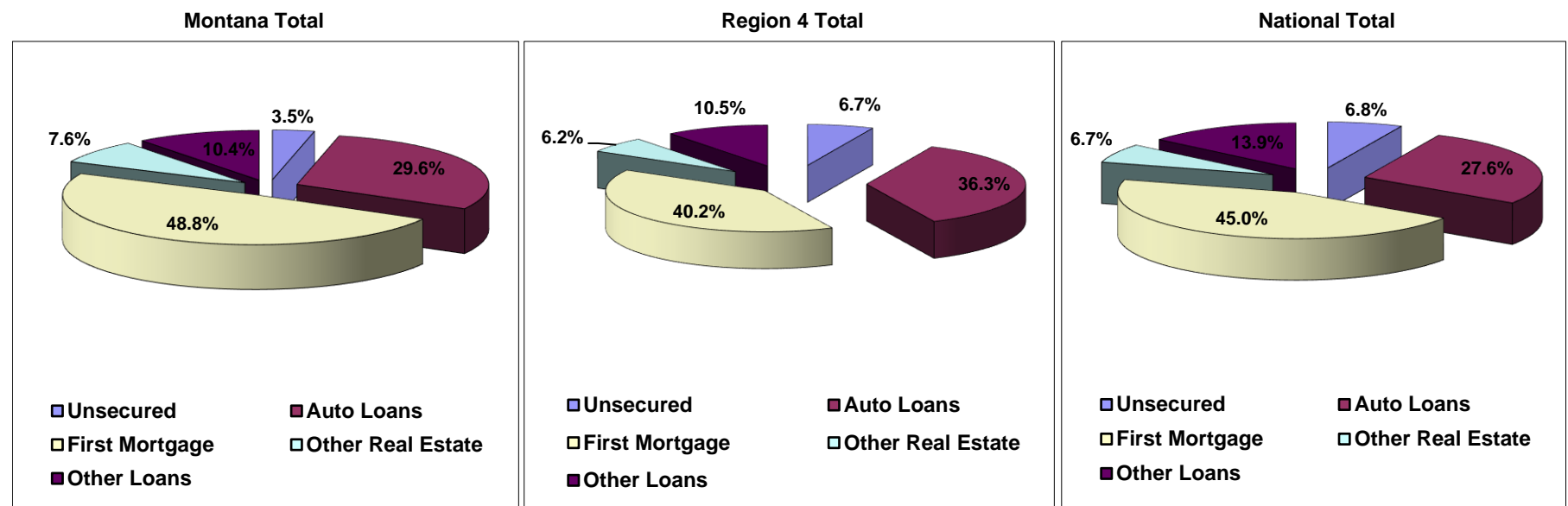
ROAA Changes Over Time (Annualized)



# Loans

	Montana Total			Region 4 Total			National Total		
	Dec-20	Dec-21	Dec-22	Dec-20	Dec-21	Dec-22	Dec-20	Dec-21	Dec-22
\$ Loans (Avg)	82,609,497	88,871,509	101,931,659	179,069,301	194,834,582	233,838,142	240,034,140	259,719,670	312,766,408
Yield on Avg. Loans	4.63%	4.36%	4.22%	4.67%	4.36%	4.37%	4.24%	3.94%	3.97%
Loans to Assets	58.4%	54.9%	62.1%	66.2%	64.6%	71.9%	63.0%	60.9%	69.4%
<b>Composition:</b>									
Unsecured	4.6%	3.8%	3.5%	7.3%	6.7%	6.7%	7.7%	6.9%	6.8%
Auto Loans	28.8%	28.1%	29.6%	39.0%	38.3%	36.3%	29.3%	28.5%	27.6%
First Mortgage	49.9%	51.6%	48.8%	27.0%	27.5%	40.2%	29.0%	29.2%	45.0%
Other Real Estate	5.5%	5.5%	7.6%	6.0%	5.8%	6.2%	6.8%	6.5%	6.7%
Other Loans	11.3%	11.0%	10.4%	20.7%	21.6%	10.5%	27.2%	28.9%	13.9%
Total %	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<b>Real Estate Loan Data</b>									
RE Loans to Loans	55.4%	57.1%	56.4%	33.0%	33.3%	46.5%	35.9%	35.7%	51.6%
RE Loans to Assets	32.4%	31.3%	35.0%	21.9%	21.5%	33.4%	22.6%	21.7%	35.9%
1st Mtg Lns to Assets	29.1%	28.3%	30.3%	17.9%	17.8%	28.9%	18.3%	17.8%	31.2%
1st Mtg Lns Sold to									
RE Loans Granted	28.0%	22.5%	11.2%	45.1%	41.2%	15.4%	42.7%	35.0%	12.0%

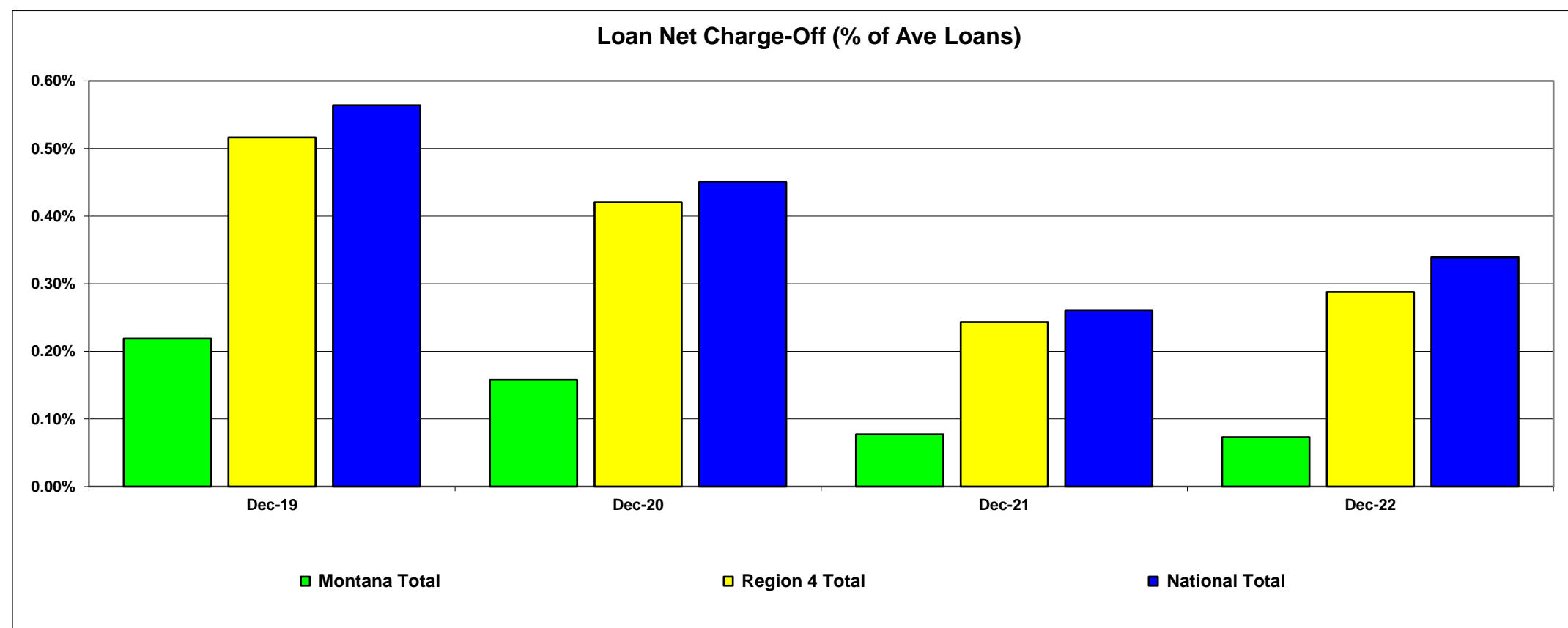
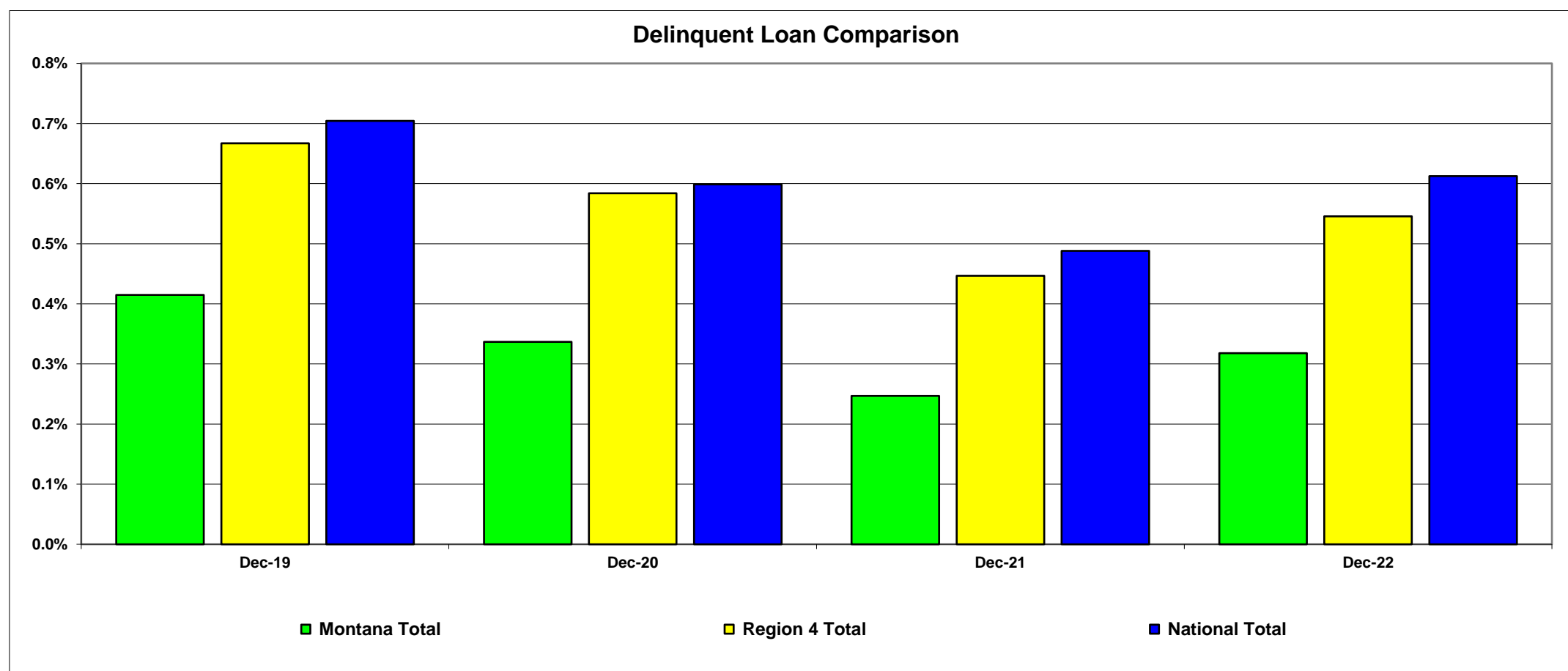
## LOAN PORTFOLIO





# Loans

	Montana Total			Region 4 Total			National Total		
	Dec-20	Dec-21	Dec-22	Dec-20	Dec-21	Dec-22	Dec-20	Dec-21	Dec-22
Loan Income to Ave. Assets	2.82	2.46	2.47	3.23	2.85	2.99	2.82	2.44	2.59
Less: Prov. Loan Losses	(0.15)	(0.01)	(0.08)	(0.45)	(0.10)	(0.21)	(0.37)	(0.06)	(0.25)
Net Loan Yield to Assets	2.68	2.45	2.39	2.77	2.75	2.78	2.45	2.38	2.34
\$ Provision for Loan Losses	189,325	15,717	124,327	1,131,721	290,693	661,147	1,294,651	248,309	1,096,474
\$ Net Loan Charge-offs	(124,836)	(66,024)	(69,813)	(720,881)	(452,279)	(615,540)	(1,044,885)	(646,674)	(968,540)
Difference - increase(decrease) in Allowance for Loan Losses	64,489	(50,308)	54,514	410,840	(161,585)	45,606	249,766	(398,365)	127,934
Allowance for Loan Loss Balance	555,567	504,338	542,874	1,611,161	1,455,414	1,515,524	2,127,579	2,264,745	2,393,336
Allow for Loan Loss to Loans	0.67	0.57	0.53	0.90	0.75	0.65	0.89	0.87	0.77
Allow Loan Loss to Delinquent Lns	199.77	229.80	167.47	154.10	167.24	118.80	148.05	178.67	124.93
Delinquent Loans to Loans	0.34	0.25	0.32	0.58	0.45	0.55	0.60	0.49	0.61
Net Loan Charge-offs to Ave. Loans	0.16	0.08	0.07	0.42	0.24	0.29	0.45	0.26	0.34

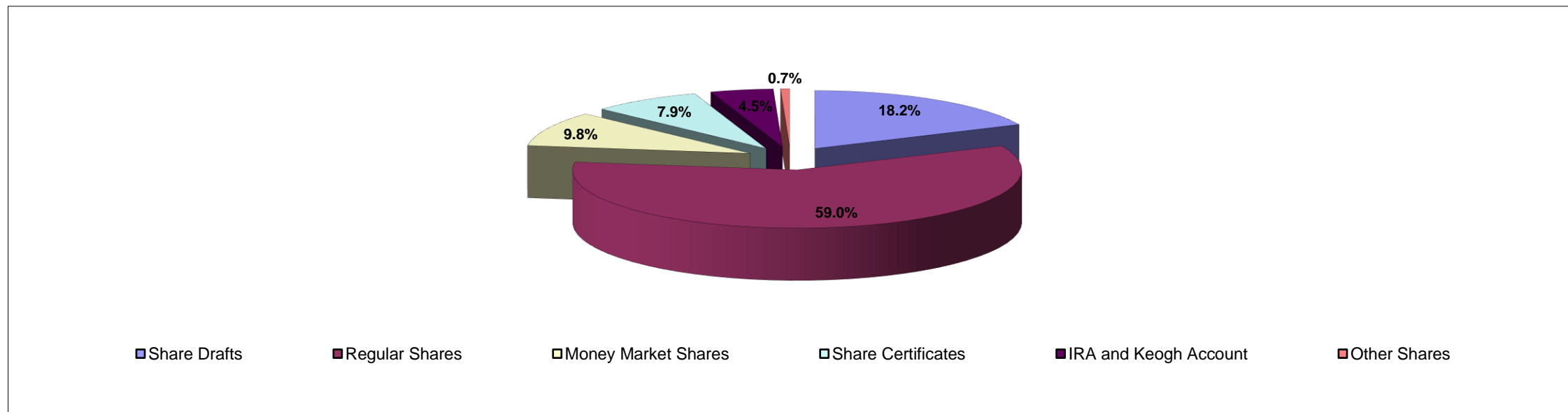


# Shares

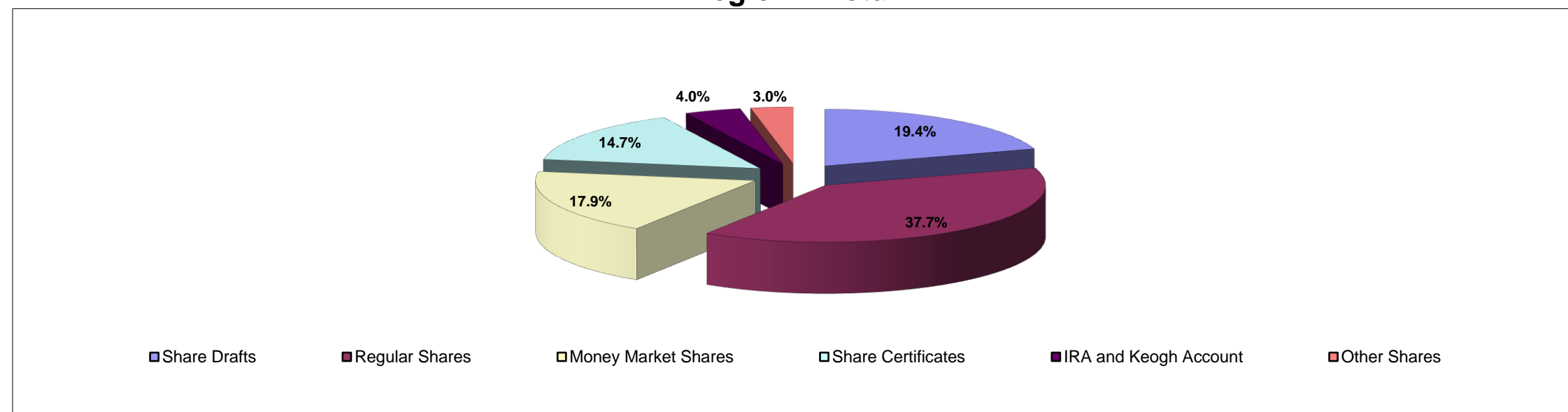
	Montana Total			Region 4 Total			National Total		
	Dec-20	Dec-21	Dec-22	Dec-20	Dec-21	Dec-22	Dec-20	Dec-21	Dec-22
Total Shares	124,191,698	144,142,405	143,098,654	232,986,363	262,155,617	272,554,745	327,830,645	370,398,795	384,414,510
Ave. Shares per Acct	7,728	8,686	8,596	6,630	7,175	7,104	6,607	7,134	7,048
Ave Cost of Funds	0.53%	0.33%	0.54%	0.72%	0.45%	0.60%	0.71%	0.43%	0.52%
<b>Composition:</b>									
Share Drafts	18.0%	17.9%	18.2%	18.5%	18.9%	19.4%	15.8%	16.2%	16.5%
Regular Shares	56.9%	59.5%	59.0%	30.4%	30.5%	37.7%	26.6%	26.9%	35.6%
Money Markets	9.4%	9.9%	9.8%	16.4%	19.4%	17.9%	14.4%	22.8%	21.3%
Share Certificates	9.5%	7.2%	7.9%	16.7%	13.7%	14.7%	14.1%	11.5%	12.5%
IRA/Retirement	5.5%	4.7%	4.5%	4.8%	4.2%	4.0%	4.5%	3.9%	3.8%
Other Shares	0.8%	0.8%	0.7%	13.3%	13.4%	6.3%	24.7%	18.7%	10.4%
Total %	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

## Share Portfolio

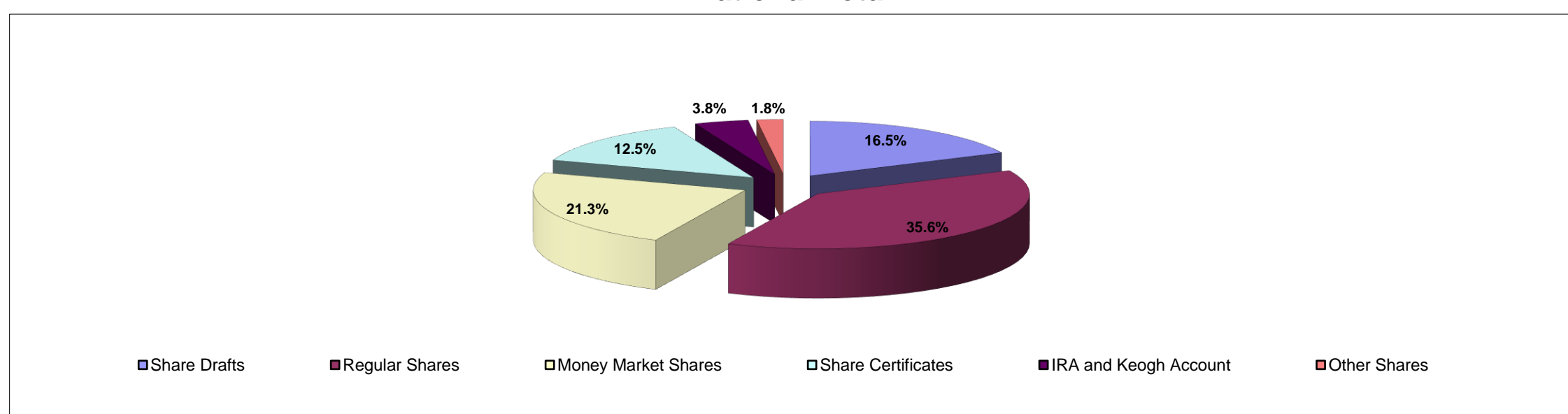
Montana Total



Region 4 Total

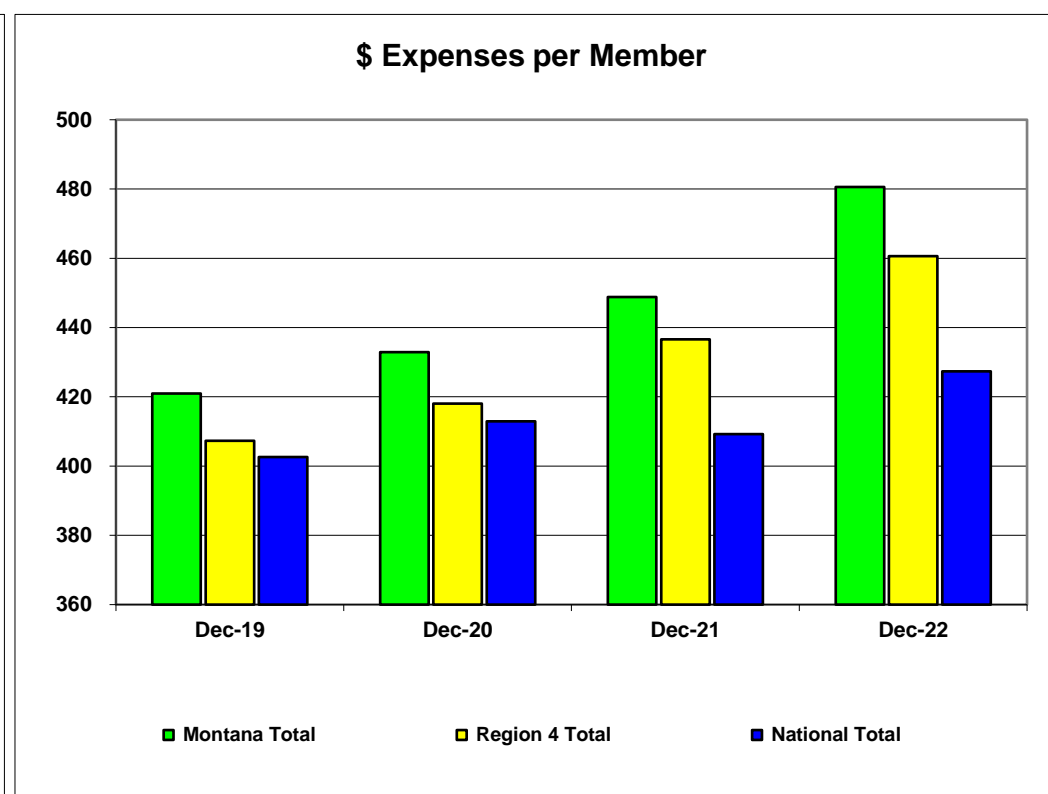
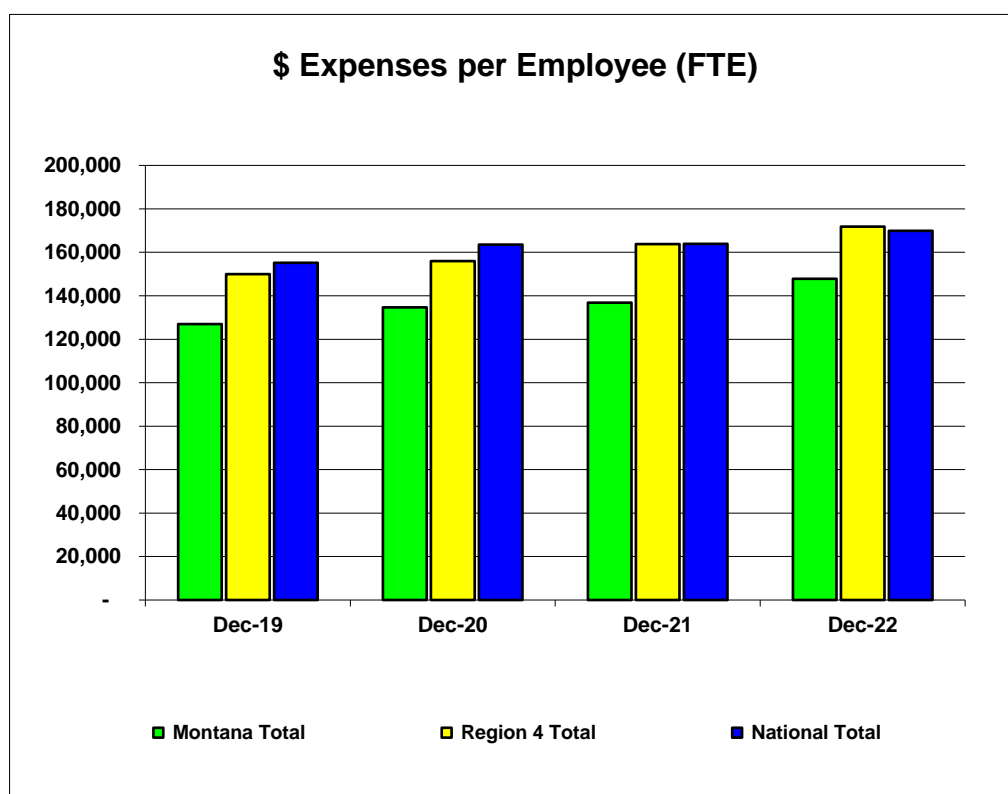
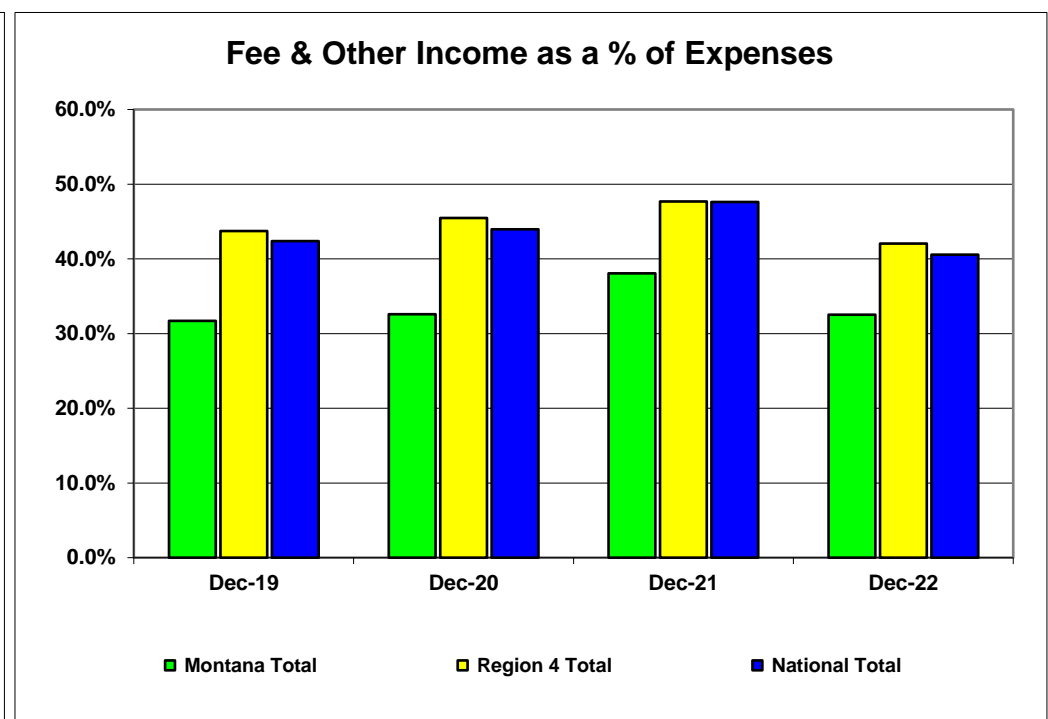
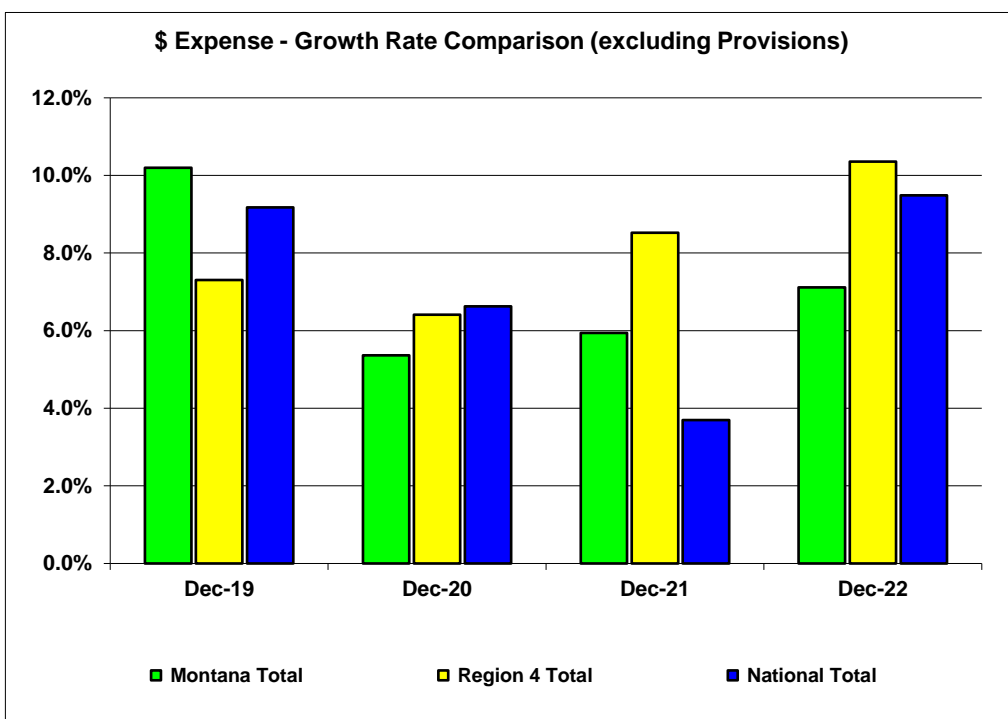


National Total



# Operating Expenses

	Op. Expense Comparison - % of Avg Assets								
	Montana Total			Region 4 Total			National Total		
	Dec-20	Dec-21	Dec-22	Dec-20	Dec-21	Dec-22	Dec-20	Dec-21	Dec-22
Salary & Benefit	1.64	1.47	1.44	1.63	1.53	1.53	1.58	1.36	1.36
Office Occupancy	0.20	0.18	0.18	0.21	0.20	0.19	0.19	0.18	0.17
Office Operations	0.44	0.39	0.40	0.58	0.55	0.55	0.55	0.52	0.52
Travel & Conference	0.02	0.02	0.02	0.02	0.02	0.02	0.01	0.01	0.02
Education & Promotion	0.12	0.11	0.11	0.12	0.12	0.12	0.10	0.11	0.11
Loan Servicing	0.13	0.11	0.11	0.21	0.20	0.21	0.20	0.19	0.20
Professional Services	0.34	0.31	0.32	0.28	0.27	0.27	0.25	0.25	0.26
Member Insurance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Operating Fees	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
Miscellaneous	0.10	0.10	0.11	0.09	0.07	0.09	0.10	0.09	0.09
<b>Total Expenses</b>	<b>2.99</b>	<b>2.71</b>	<b>2.70</b>	<b>3.14</b>	<b>2.98</b>	<b>3.00</b>	<b>3.01</b>	<b>2.72</b>	<b>2.74</b>
Less: Fee & Other Income	(0.97)	(1.03)	(0.88)	(1.43)	(1.42)	(1.26)	(1.32)	(1.29)	(1.11)
<b>Net Expenses</b>	<b>2.01</b>	<b>1.68</b>	<b>1.82</b>	<b>1.71</b>	<b>1.56</b>	<b>1.74</b>	<b>1.69</b>	<b>1.42</b>	<b>1.63</b>



**MSIC SPR**  
**December of 2022**



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