

# CPR CUSTOM PERFORMANCE REPORT

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



## Montana Total

Financial Information as of: 03/31/23

# MSIC<sup>®</sup>

Date of printing: 06/20/23

*Peer to Peer Analysis*

# Table of Contents

<b>Industry Trends</b> .....	<b>3</b>
<b>Peer Group Descriptions</b> .....	<b>4</b>
<b>Ratio Summary</b> .....	<b>5</b>
<b>Growth Trends</b> .....	<b>6</b>
<b>Earnings</b> .....	<b>7</b>
<b>Loans</b> .....	<b>8-9</b>
<b>Shares</b> .....	<b>10</b>
<b>Expenses</b> .....	<b>11</b>

## National Industry Highlights - March 2023

According to the latest financial performance data released by the National Credit Union Administration (NCUA), total assets in federally insured credit unions increased by \$93 billion, or 4.4 percent, to \$2.21 trillion over the year ending in the first quarter of 2023. Insured shares and deposits grew \$39 billion, or 2.3 percent, to \$1.73 trillion.

While the industry posted solid metrics over the year, 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 March 31, 2023, 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 first quarter of 2023 include:

- The credit union system's net worth increased by \$15.5 billion, or 7.2 percent, over the year to \$231.9 billion. The aggregate net worth ratio — net worth as a percentage of assets — stood at 10.49 percent in the first quarter of 2023, up from 10.21 percent one year earlier. (Note that beginning in the first quarter of 2023, this ratio excludes the CECL transition provision.)
- Total shares and deposits rose by \$37.6 billion, or 2.0 percent, over the year to \$1.89 trillion in the first quarter of 2023.
- The annualized return on average assets for federally insured credit unions was 81 basis points in the first quarter of 2023, down from 87 basis points in the first quarter of 2022. The median annualized return on average assets across all federally insured credit unions was 61 basis points, up 20 basis point from a year earlier.
- Total loans outstanding increased \$229 billion, or 17.6 percent, over the year to \$1.53 trillion. The average outstanding loan balance in the first quarter of 2023 was \$17,310, up \$963, or 5.9 percent, from one year earlier.
- The delinquency rate at federally insured credit unions was 53 basis points in the first quarter of 2023, up 10 basis points from one year earlier. The net charge-off ratio was 52 basis points, up 24 basis points compared with the first quarter of 2022.
- The number of federally insured credit unions declined to 4,712 in the first quarter of 2023, from 4,903 in the first quarter of 2022. In the first quarter of 2023, there were 2,950 federal credit unions and 1,762 federally insured, state-chartered credit unions. The year-over-year decline is consistent with long-running industry consolidation trends.
- Federally insured credit unions added 5.7 million members over the year, and credit union membership in these institutions reached 136.6 million in the first quarter of 2023.

\*\*\* 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 Mar 2023 (in \$ Billions)	\$ 7.7	\$ 437.9	\$ 2,234.0
Average Assets Per Peer Group for Quarter (in \$ Millions)	\$ 171.7	\$ 333.2	\$ 464.1
Total Number of members in Peer Group as of Mar 2023	423,892	27,355,878	137,989,162
Total number of credit unions in Peer Group	45	1,314	4,814

## Analytical Regions:



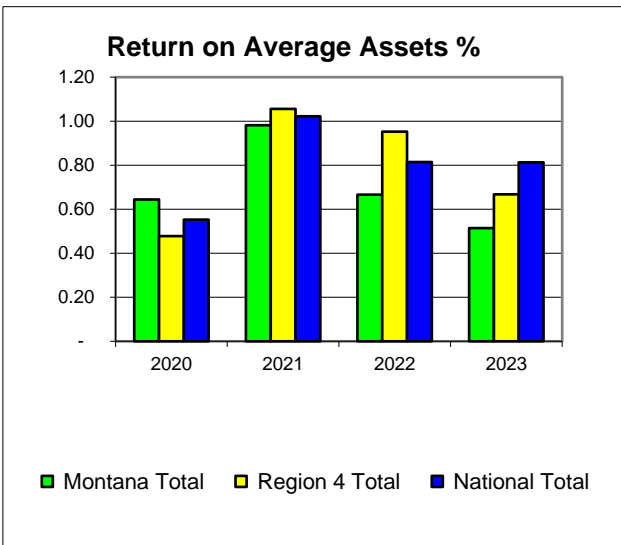
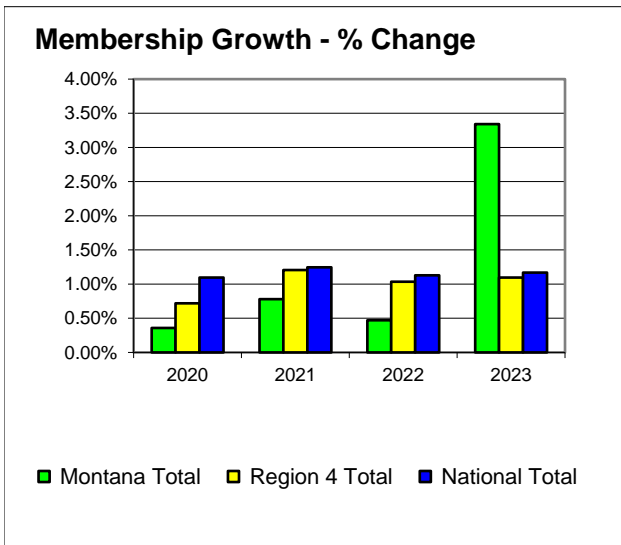
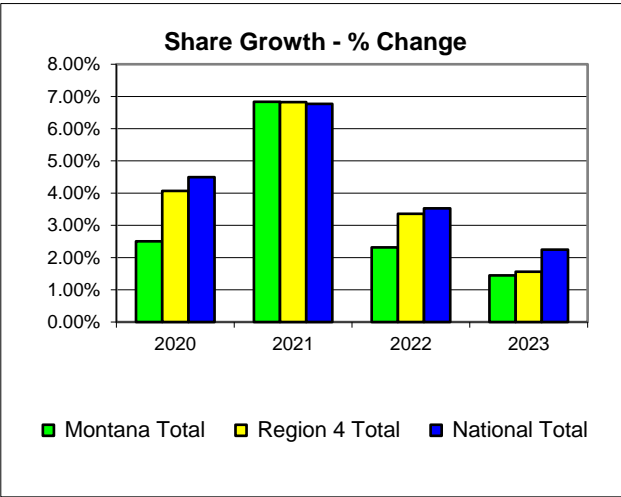
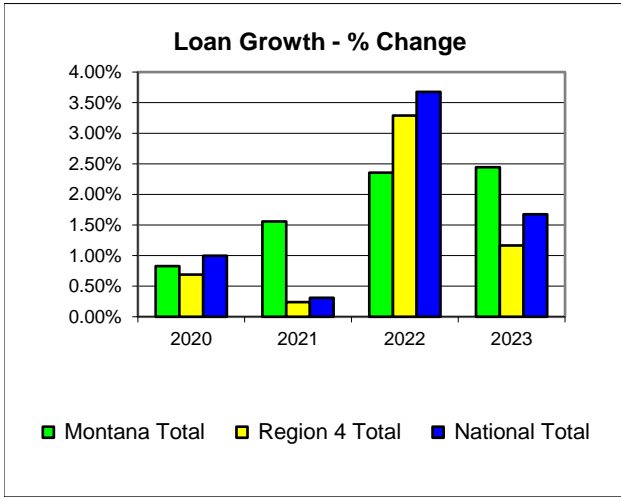
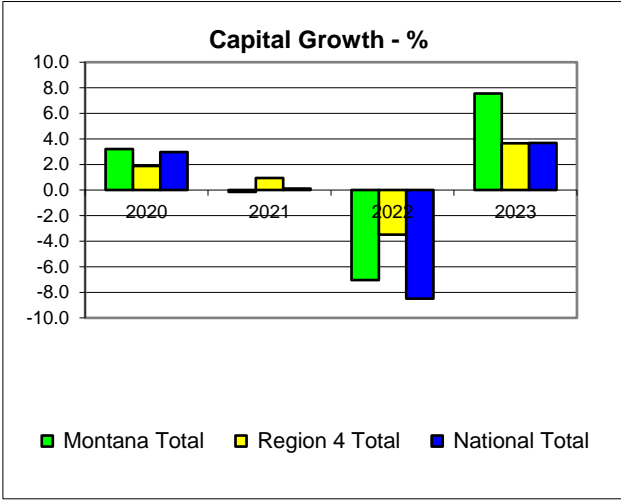
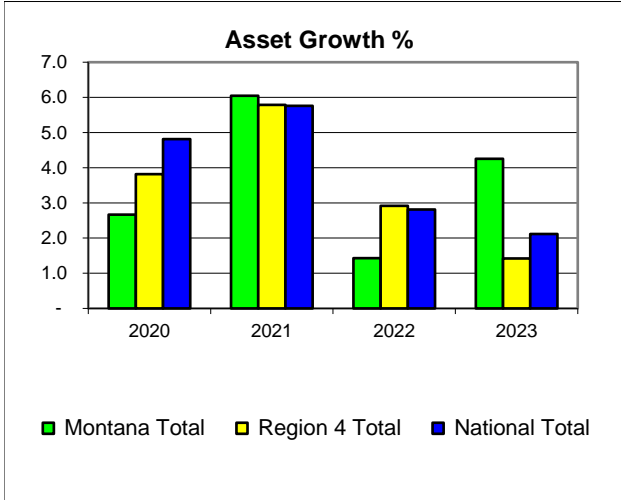
	#	From	To	#	From	To
<b><u>"Asset" Peer Group Ranges</u></b>	1	0	< \$2 Mill.	4	\$50 Mill.	< \$100 Mill
	2	\$ 2 Mill.	< \$10 Mill.	5	\$100 Mill	< \$500 Mill
	3	\$10 Mill.	< \$50 Mill.	6	Over \$ 500 Million	

# Peer Group Ratio Summary

(* NCUA Key Ratio)	Montana Total	Region 4 Total	National Total
<b>Safety &amp; Soundness</b>			
Net Worth to Assets*	10.75%	10.52%	9.18%
Delinquent Loans to Loans*	0.28%	0.47%	0.52%
Net Charge-Offs to Avg Loans*	0.14%	0.43%	0.52%
ROAA Before NCUSIF Stabilization Expense	0.51%	0.67%	0.81%
Return on Avg Assets*	0.51%	0.67%	0.81%
Operating Expenses to Gross Income	63.37%	58.23%	56.95%
Net Long Term Assets to Assets	38.66%	36.94%	38.79%
Supervisory Interest Rate Risk to Net Worth (SIRRT)	290.86%	281.04%	346.47%
<b>Competitive Ratios</b>			
Share Growth (since prior 12/31)	1.45%	1.56%	2.25%
Member Growth (since prior 12/31)	3.34%	1.09%	1.17%
Loan Growth (since prior 12/31)	2.44%	1.16%	1.67%
Net Worth Growth (since prior 12/31)	2.71%	1.79%	1.99%
Asset Growth (since prior 12/31)	4.25%	1.42%	2.12%
Loan to Share Ratio	72.58%	85.50%	80.92%
Cost of Funds / Avg Assets	0.99%	1.21%	1.05%
Yield on Average Loans	4.54%	4.73%	4.88%
<b>Productivity</b>			
Members to Employees	309	373	396
Assets to Employees	5,622,633	5,977,373	6,415,108
# Loan & Share Accts per Employee	712	1,037	1,033
# Loan & Share Accts per Member	2.31	2.78	2.61
Average Share Balance per Member	15,432	13,433	13,836
Average Loan Balance	23,074	13,075	17,201
<b>Member Service Ratios</b>			
Members to Potential Members	6.51%	3.67%	2.94%
Credit Card Accounts to Members	11.02%	14.54%	18.05%
IRA Accounts to Members	3.06%	2.76%	3.18%
Real Estate Accounts to Members	4.73%	4.26%	4.45%
Auto Loan Accounts to Members	20.07%	52.89%	27.72%
Share Draft Accounts / Members	54.77%	56.66%	61.66%
<b>Average Assets Per Peer Group for the Quarter</b>	171,677,738	333,224,909	464,066,545

# 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

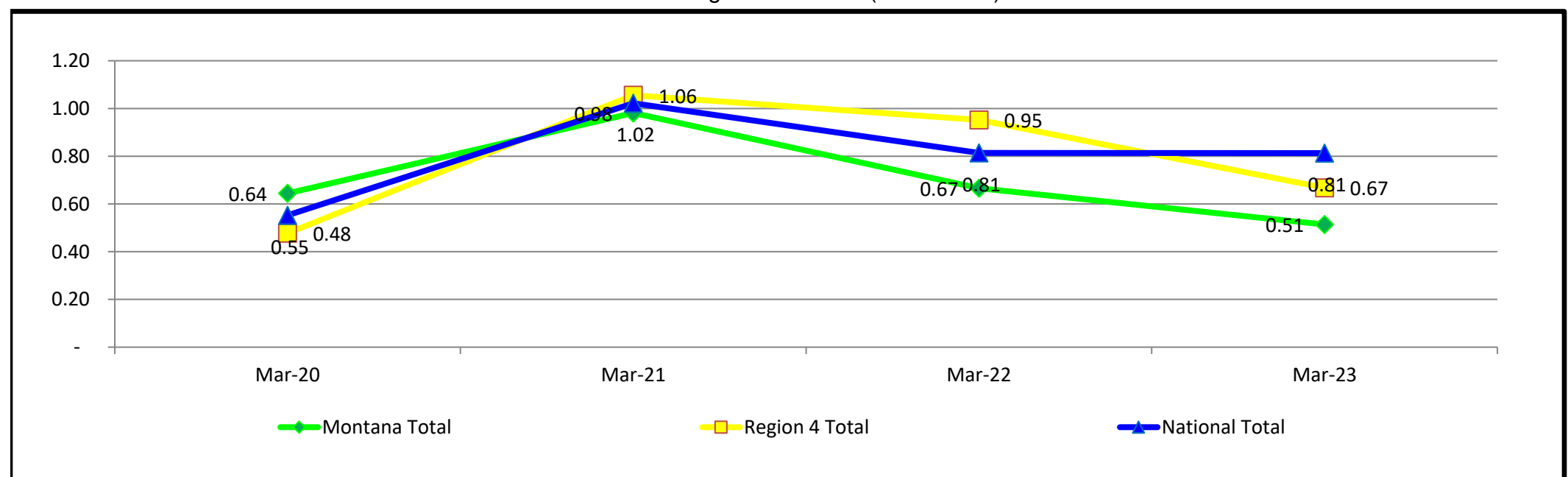
The charts below show the components of ROA for the peer groups.

March 31, 2023	ROAA Breakdown (% of Average Assets)		
	Montana Total	Region 4 Total	National Total
Loan Income	2.82	3.40	3.39
Investment Income	0.78	0.69	0.68
Cost of Funds	(0.99)	(1.21)	(1.05)
Net Interest Margin	2.60	2.87	3.01
Prov for Loan Loss	(0.13)	(0.33)	(0.40)
NIM after Provisions	2.48	2.54	2.61
Fee & Other Income	0.80	1.06	1.04
Operating Expense	(2.79)	(3.00)	(2.91)
ROAA before Non Op	0.49	0.61	0.75
Non-Op Gain (Loss)	0.02	0.06	0.07
<b>Return on Avg Assets</b>	<b>0.51</b>	<b>0.67</b>	<b>0.81</b>
NCUSIF Stabilization Inc. & Exp. & Insurance Premium	-	-	-
ROAA Before NCUSIF Stabilization Inc. & Exp. & Insurance Premium	0.51	0.67	0.81

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

March 31, 2023	How ROAA Changes Over Time (Annualized)											
	Montana Total % of Average Assets				Region 4 Total % of Average Assets				National Total % of Average Assets			
	Mar-20	Mar-21	Mar-22	Mar-23	Mar-20	Mar-21	Mar-22	Mar-23	Mar-20	Mar-21	Mar-22	Mar-23
Loan Income	3.03	2.51	2.31	2.82	3.45	2.87	2.72	3.40	3.43	2.77	2.62	3.39
+ Investment Income	0.52	0.35	0.40	0.78	0.33	0.24	0.25	0.69	0.38	0.27	0.30	0.68
- Cost of Funds	(0.60)	(0.41)	(0.27)	(0.99)	(0.88)	(0.49)	(0.37)	(1.21)	(0.86)	(0.48)	(0.35)	(1.05)
= Net Interest Margin	2.95	2.45	2.43	2.60	2.89	2.61	2.60	2.87	2.95	2.57	2.57	3.01
- Prov for Loan Loss	(0.17)	(0.02)	(0.00)	(0.13)	(0.49)	(0.14)	(0.08)	(0.33)	(0.53)	(0.15)	(0.14)	(0.40)
= NIM after Provisions	2.78	2.42	2.43	2.48	2.40	2.47	2.51	2.54	2.42	2.41	2.43	2.61
+ Fee & Other Income	0.93	0.95	0.85	0.80	1.33	1.38	1.33	1.06	1.28	1.28	1.10	1.04
- Operating Expense	(3.11)	(2.69)	(2.65)	(2.79)	(3.25)	(2.90)	(2.89)	(3.00)	(3.15)	(2.75)	(2.73)	(2.91)
= ROAA before Non Op	0.60	0.69	0.63	0.49	0.48	0.96	0.95	0.61	0.54	0.94	0.81	0.75
+ Non-Op Gain (Loss)	0.05	0.29	0.04	0.02	0.00	0.10	0.00	0.06	0.01	0.08	0.00	0.07
<b>= Return on Avg Assets</b>	<b>0.64</b>	<b>0.98</b>	<b>0.67</b>	<b>0.51</b>	<b>0.48</b>	<b>1.06</b>	<b>0.95</b>	<b>0.67</b>	<b>0.55</b>	<b>1.02</b>	<b>0.81</b>	<b>0.81</b>
+ NCUSIF Stabilization Inc. & Exp. & Insurance Premium	-	-	-	-	-	-	-	-	-	-	-	-
= ROAA Before NCUSIF Stabilization Inc. & Exp. & Insurance Premium	0.64	0.98	0.67	0.51	0.48	1.06	0.95	0.67	0.55	1.02	0.81	0.81

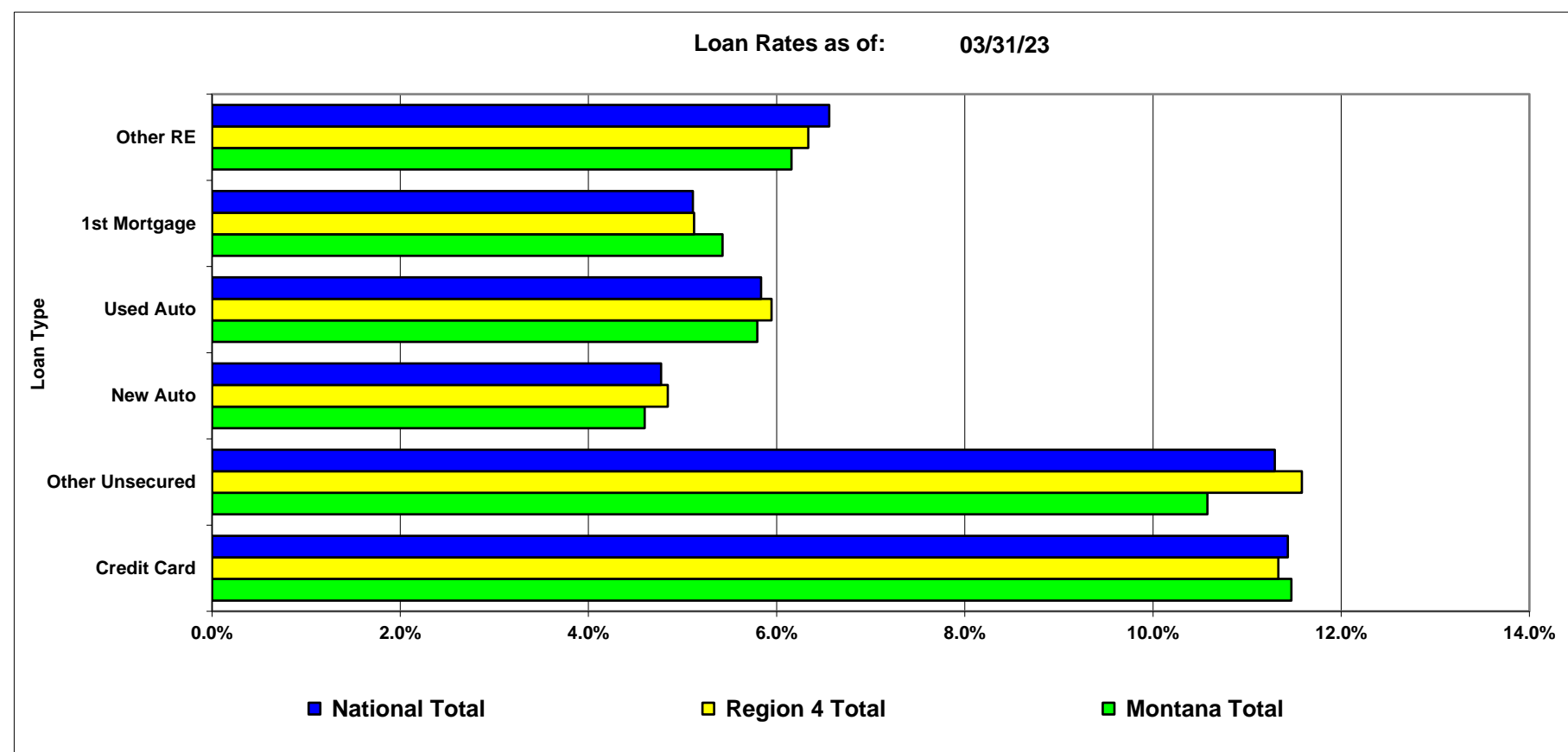
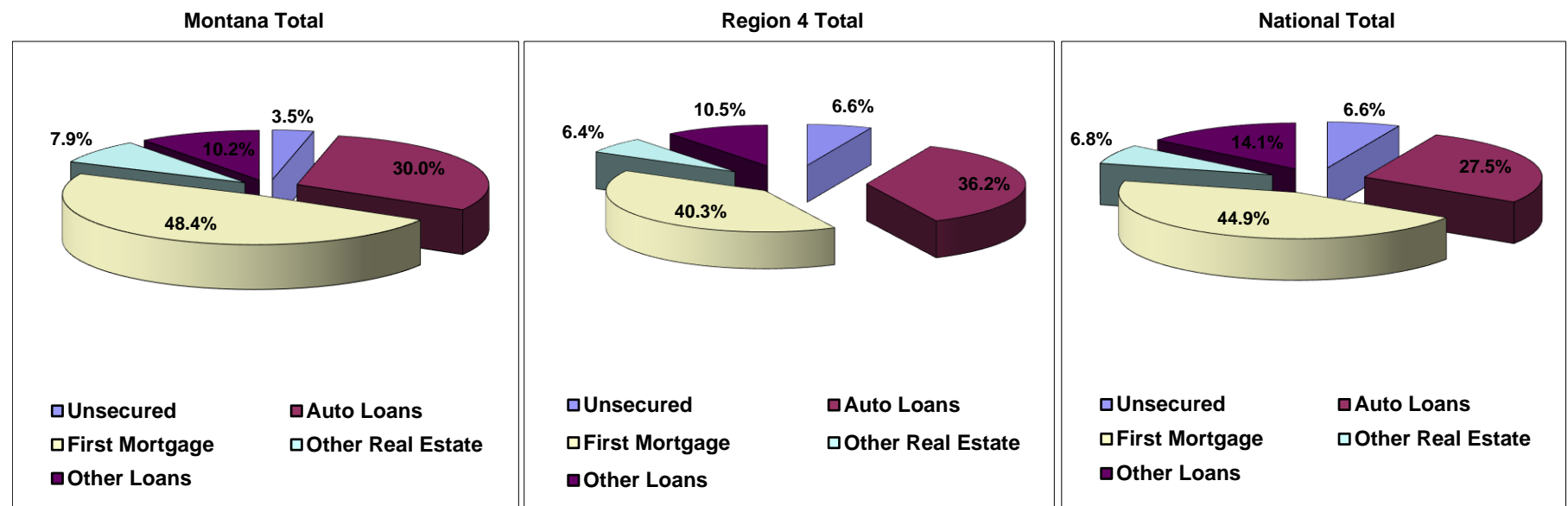
ROAA Changes Over Time (Annualized)



# Loans

	Montana Total			Region 4 Total			National Total		
	Mar-21	Mar-22	Mar-23	Mar-21	Mar-22	Mar-23	Mar-21	Mar-22	Mar-23
\$ Loans (Avg)	84,635,610	91,851,035	105,511,412	181,410,460	203,393,971	239,107,239	242,942,425	271,708,332	320,919,908
Yield on Avg. Loans	4.37%	4.16%	4.54%	4.45%	4.20%	4.73%	4.52%	4.28%	4.88%
Loans to Assets	56.3%	55.8%	61.5%	62.8%	64.9%	71.8%	59.8%	61.4%	69.2%
<b>Composition:</b>									
Unsecured	4.3%	3.5%	3.5%	7.1%	6.6%	6.6%	7.5%	6.7%	6.6%
Auto Loans	28.2%	28.2%	30.0%	39.7%	37.4%	36.2%	29.6%	28.1%	27.5%
First Mortgage	51.0%	51.0%	48.4%	27.6%	30.7%	40.3%	29.4%	31.9%	44.9%
Other Real Estate	5.3%	6.3%	7.9%	5.9%	5.3%	6.4%	6.8%	6.0%	6.8%
Other Loans	11.2%	11.0%	10.2%	19.8%	20.0%	10.5%	26.7%	27.3%	14.1%
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	56.3%	57.3%	56.3%	33.4%	36.0%	46.7%	36.2%	37.9%	51.7%
RE Loans to Assets	31.7%	32.0%	34.6%	21.0%	23.3%	33.5%	21.6%	23.3%	35.8%
1st Mtg Lns to Assets	28.7%	28.4%	29.8%	17.3%	19.9%	28.9%	17.6%	19.6%	31.0%
1st Mtg Lns Sold to RE Loans Granted	27.7%	14.2%	11.6%	42.4%	21.9%	15.8%	34.1%	19.0%	11.3%

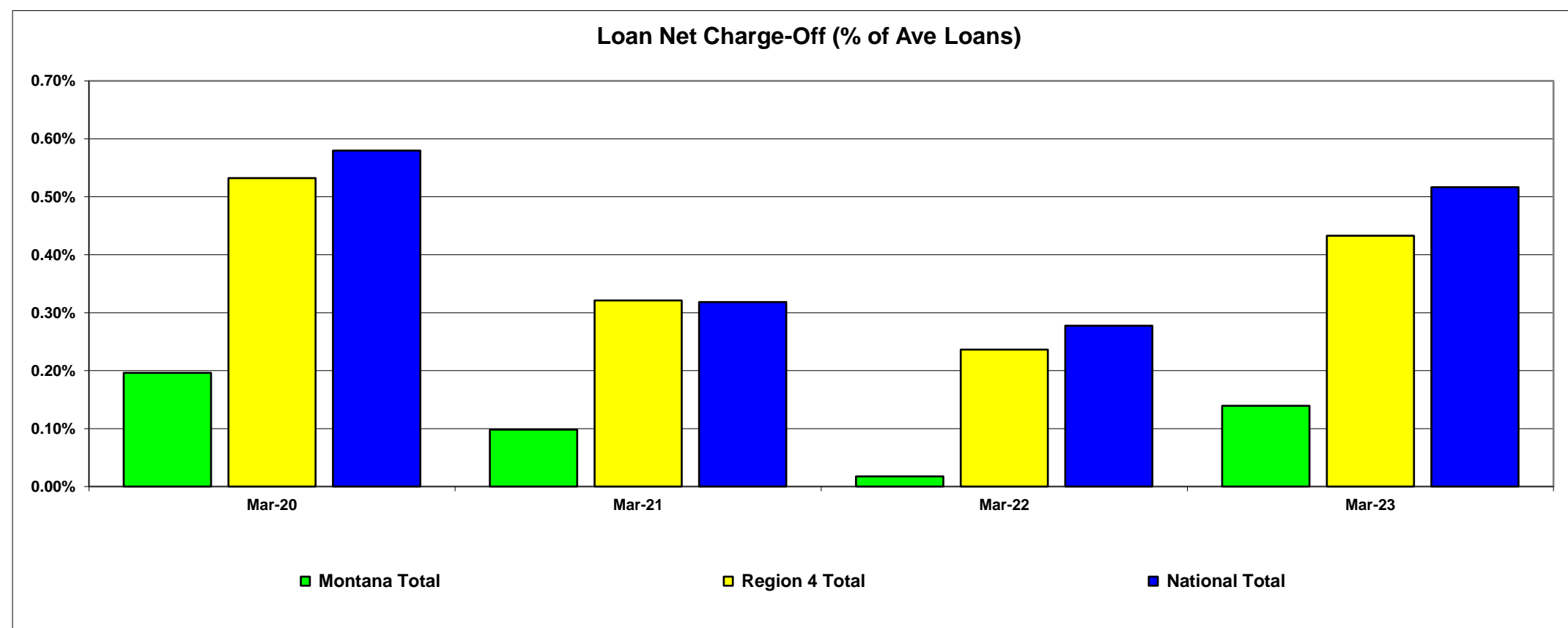
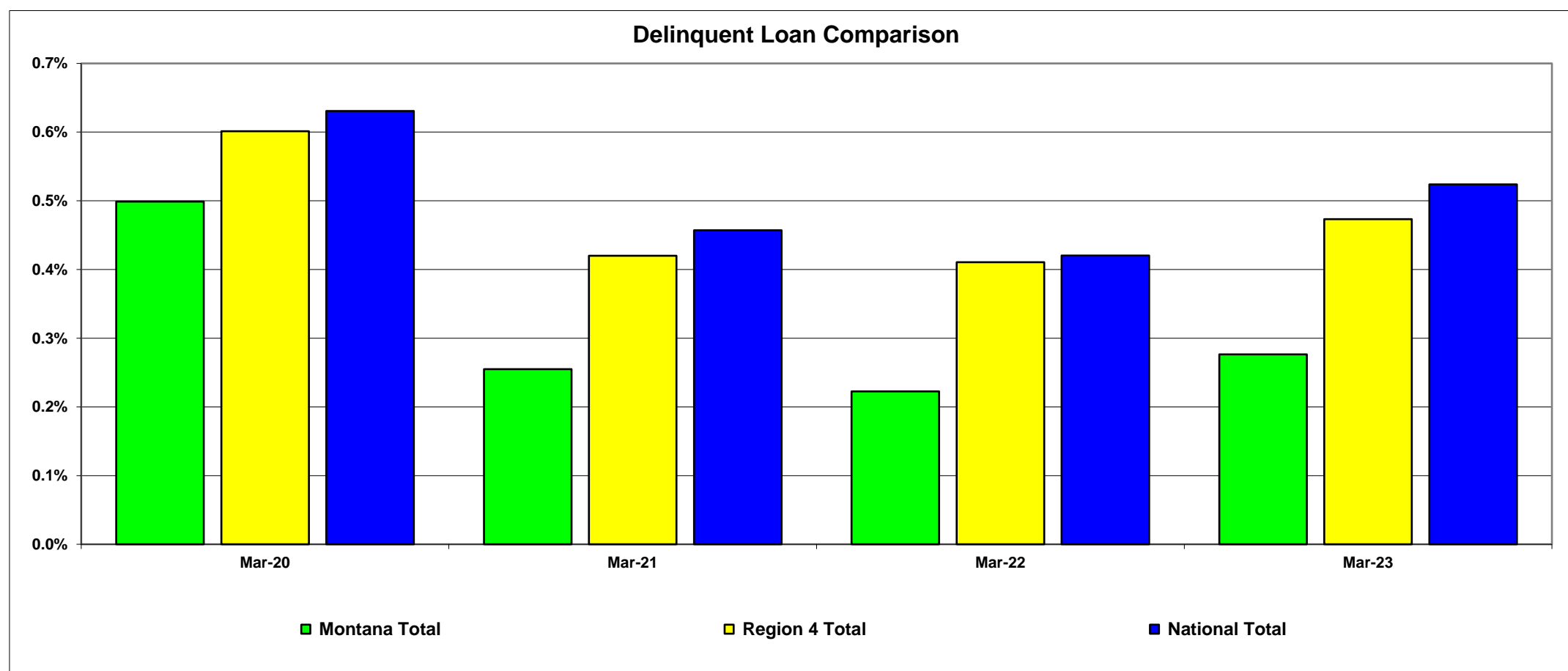
## LOAN PORTFOLIO





# Loans

	Montana Total			Region 4 Total			National Total		
	Mar-21	Mar-22	Mar-23	Mar-21	Mar-22	Mar-23	Mar-21	Mar-22	Mar-23
Loan Income to Ave. Assets	2.51	2.31	2.82	2.87	2.72	3.40	2.77	2.62	3.39
Less: Prov. Loan Losses	(0.02)	(0.00)	(0.13)	(0.14)	(0.08)	(0.33)	(0.15)	(0.14)	(0.40)
Net Loan Yield to Assets	2.49	2.31	2.69	2.73	2.64	3.07	2.62	2.48	2.99
\$ Provision for Loan Losses	8,640	597	53,475	98,363	63,352	273,657	149,655	150,642	455,215
\$ Net Loan Charge-offs	(20,591)	(3,936)	(36,252)	(144,387)	(117,729)	(256,766)	(191,674)	(184,414)	(410,356)
Difference - increase(decrease) in Allowance for Loan Losses	(11,952)	(3,339)	17,222	(46,024)	(54,376)	16,892	(42,019)	(33,772)	44,860
Allowance for Loan Loss Balance	528,562	484,354	625,200	1,581,879	1,418,509	2,145,905	2,104,216	2,250,080	2,784,738
Allow for Loan Loss to Loans	0.62	0.53	0.59	0.87	0.70	0.90	0.87	0.83	0.87
Allow Loan Loss to Delinquent Lns	245.04	236.77	214.28	207.57	169.85	189.60	189.46	197.02	165.62
Delinquent Loans to Loans	0.25	0.22	0.28	0.42	0.41	0.47	0.46	0.42	0.52
Net Loan Charge-offs to Ave. Loans	0.10	0.02	0.14	0.32	0.24	0.43	0.32	0.28	0.52

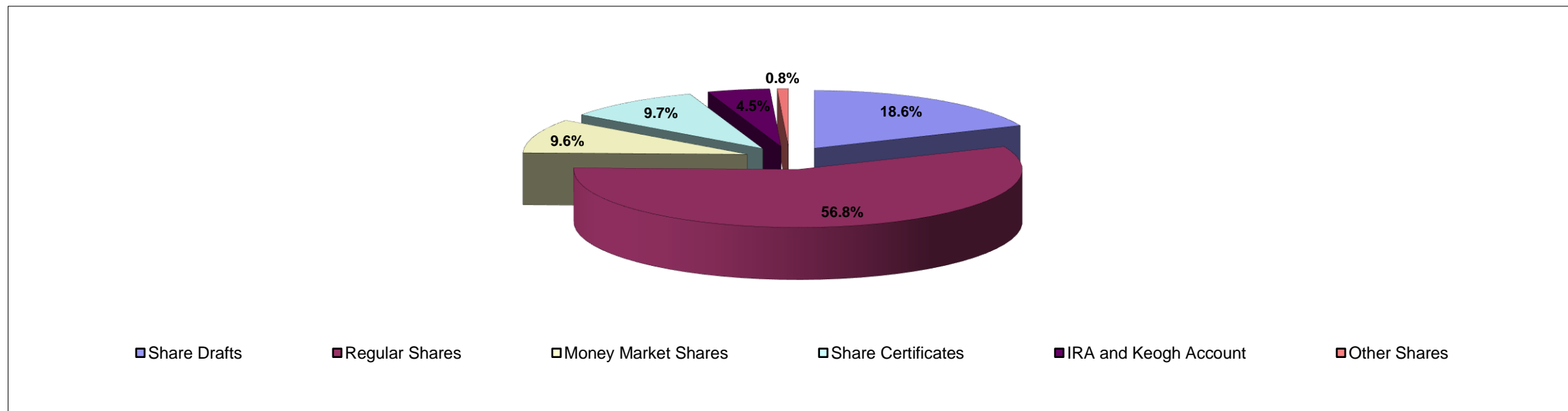


# Shares

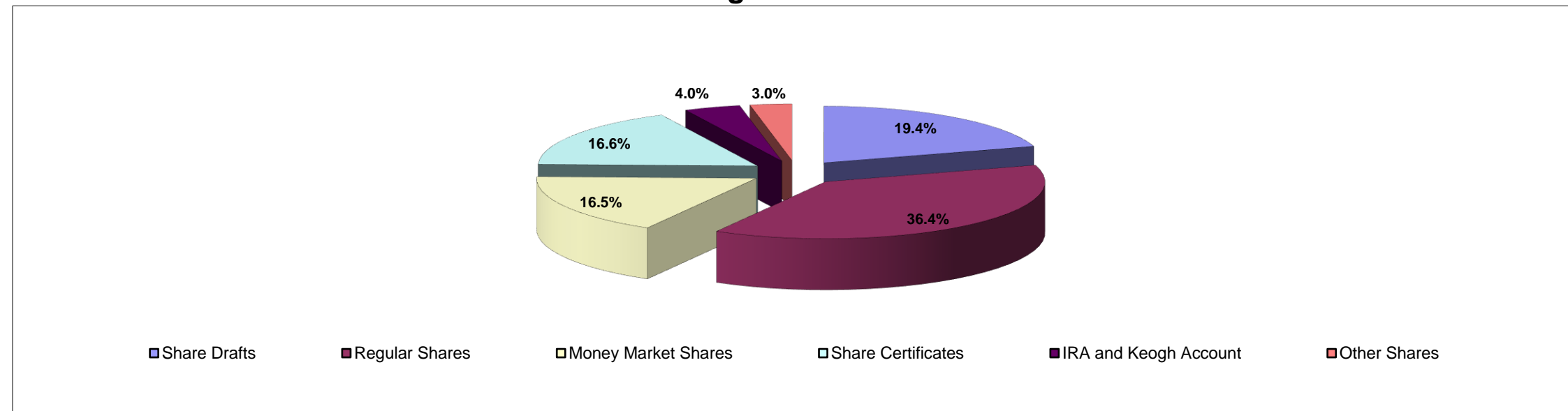
	Montana Total			Region 4 Total			National Total		
	Mar-21	Mar-22	Mar-23	Mar-21	Mar-22	Mar-23	Mar-21	Mar-22	Mar-23
Total Shares	132,813,470	147,719,873	145,371,137	251,436,892	273,735,781	279,648,555	353,136,875	386,901,831	396,595,784
Ave. Shares per Acct	8,276	8,970	8,466	7,001	7,327	7,072	6,960	7,304	7,069
Ave Cost of Funds	0.41%	0.27%	0.99%	0.49%	0.37%	1.21%	0.48%	0.35%	1.05%
<b>Composition:</b>									
Share Drafts	18.0%	17.5%	18.6%	18.1%	19.4%	19.4%	16.0%	16.3%	16.5%
Regular Shares	57.9%	60.3%	56.8%	31.5%	30.4%	36.4%	26.9%	27.0%	34.0%
Money Markets	9.6%	10.4%	9.6%	15.9%	19.6%	16.5%	14.2%	22.9%	19.5%
Share Certificates	8.6%	6.5%	9.7%	15.3%	12.8%	16.6%	12.9%	10.7%	13.7%
IRA/Retirement	5.1%	4.6%	4.5%	4.5%	4.1%	4.0%	4.2%	3.8%	3.7%
Other Shares	0.7%	0.7%	0.8%	14.6%	13.6%	7.1%	25.8%	19.3%	12.6%
Total %	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

## Share Portfolio

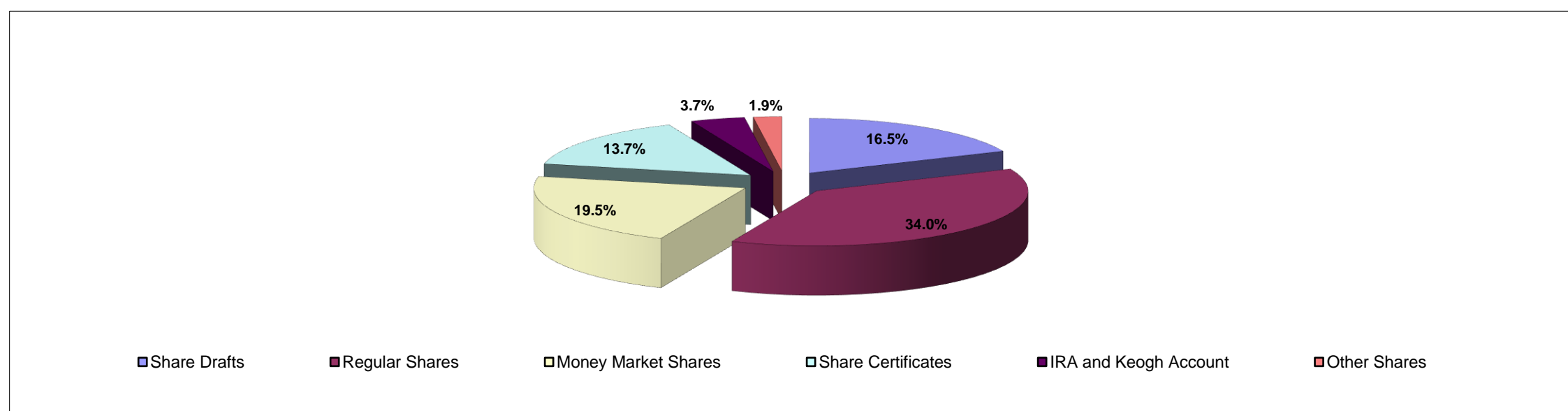
Montana Total



Region 4 Total

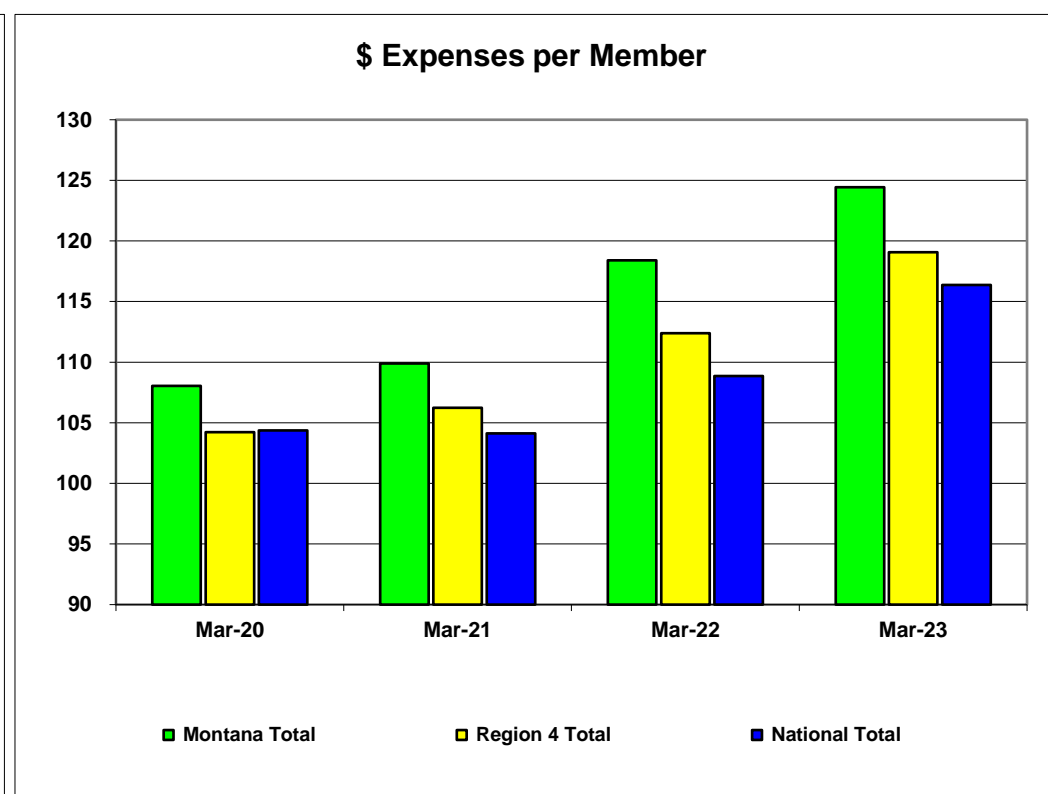
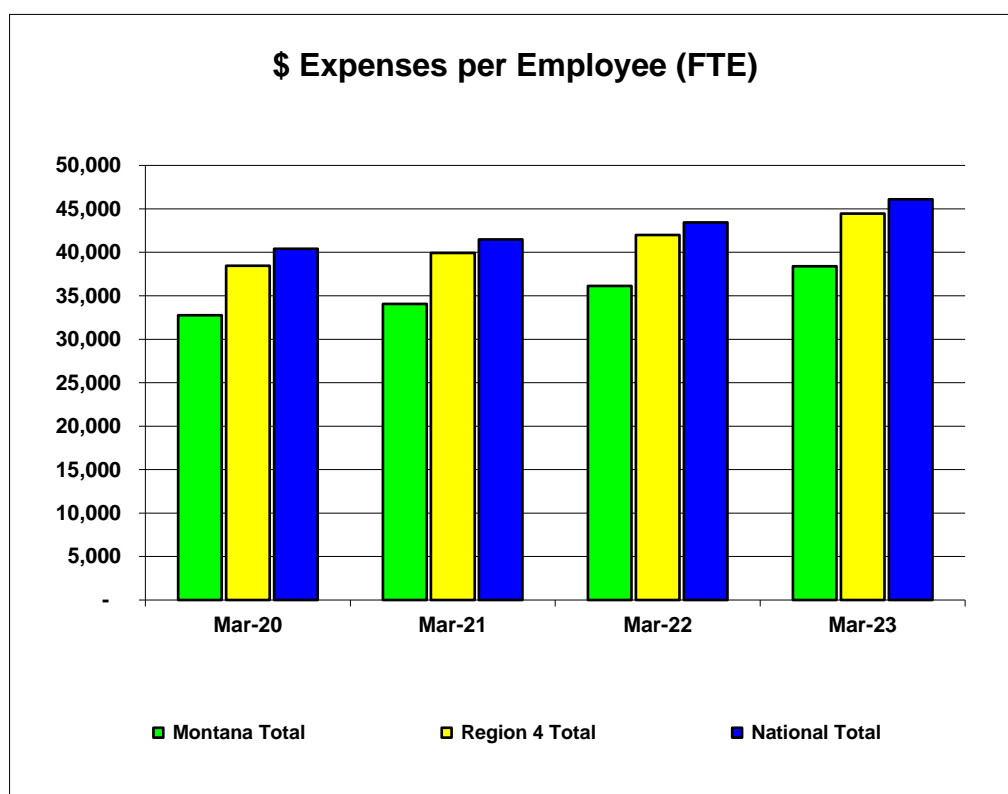
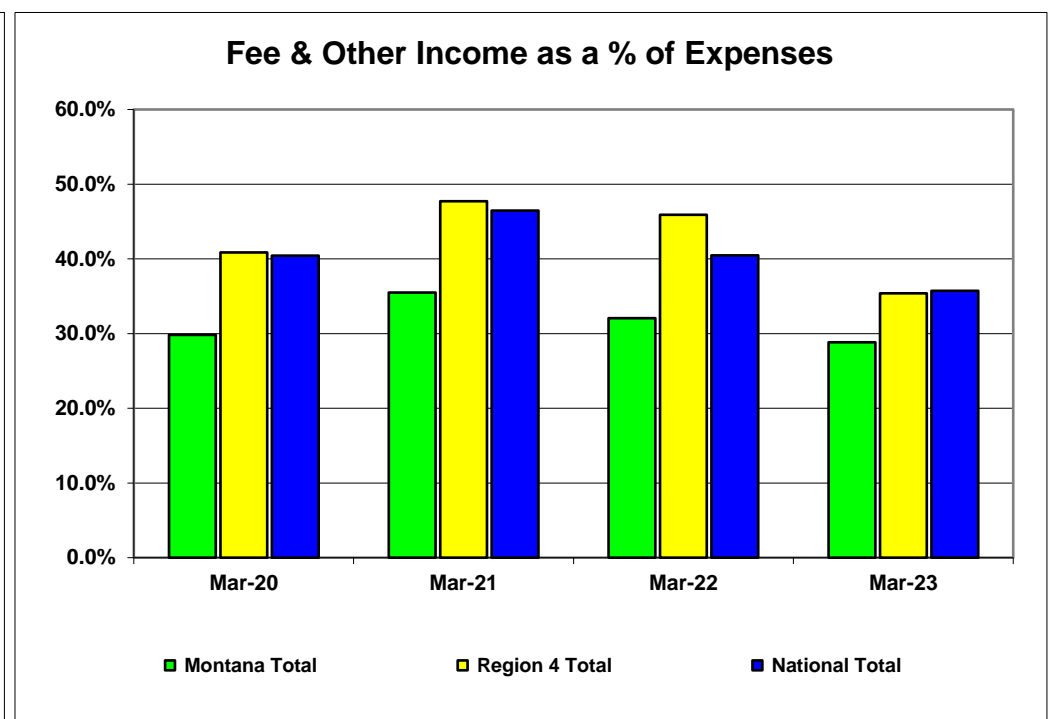
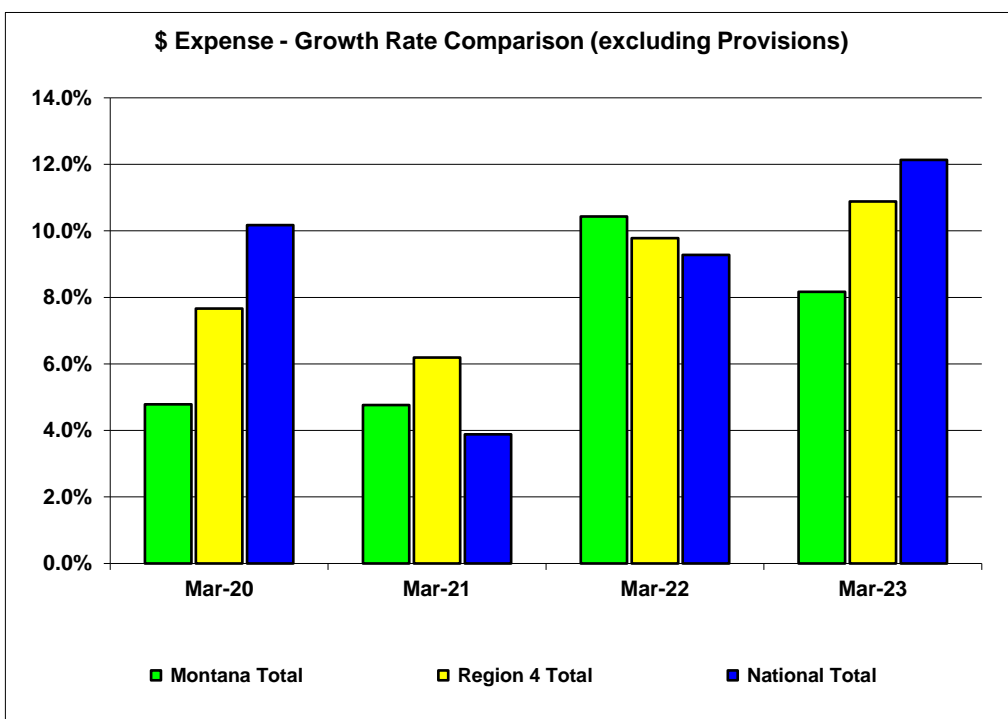


National Total



# Operating Expenses

	Op. Expense Comparison - % of Avg Assets								
	Montana Total			Region 4 Total			National Total		
	Mar-21	Mar-22	Mar-23	Mar-21	Mar-22	Mar-23	Mar-21	Mar-22	Mar-23
Salary & Benefit	1.46	1.43	1.51	1.51	1.50	1.55	1.46	1.43	1.53
Office Occupancy	0.19	0.18	0.19	0.20	0.19	0.19	0.18	0.17	0.17
Office Operations	0.39	0.39	0.43	0.54	0.54	0.56	0.51	0.50	0.52
Travel & Conference	0.02	0.02	0.02	0.01	0.02	0.02	0.01	0.02	0.02
Education & Promotion	0.11	0.11	0.10	0.10	0.12	0.12	0.09	0.10	0.11
Loan Servicing	0.12	0.10	0.10	0.19	0.19	0.20	0.19	0.18	0.19
Professional Services	0.30	0.30	0.31	0.26	0.25	0.27	0.23	0.24	0.25
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	0.09	0.10	0.11	0.08	0.07	0.08	0.07	0.07	0.09
<b>Total Expenses</b>	<b>2.69</b>	<b>2.65</b>	<b>2.79</b>	<b>2.90</b>	<b>2.89</b>	<b>3.00</b>	<b>2.75</b>	<b>2.73</b>	<b>2.91</b>
Less: Fee & Other Income	(0.95)	(0.85)	(0.80)	(1.38)	(1.33)	(1.06)	(1.28)	(1.10)	(1.04)
<b>Net Expenses</b>	<b>1.73</b>	<b>1.80</b>	<b>1.98</b>	<b>1.52</b>	<b>1.57</b>	<b>1.94</b>	<b>1.47</b>	<b>1.62</b>	<b>1.87</b>



**MSIC SPR**  
**March of 2023**



30 Rowes Wharf, Suite 520  
Boston, MA 02110  
Tel: 800-622-4015  
Fax: 617-758-0539