

CPR CUSTOM PERFORMANCE REPORT

Taking the pulse of your credit union's health.



Montana Total

Financial Information as of: 09/30/23

MSIC[®]

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Peer to Peer Analysis

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National Industry Highlights - September 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 \$79 billion, or 3.7 percent, to \$2.23 trillion over the year ending in the third quarter of 2023. Insured shares and deposits grew \$23 billion, or 1.4 percent, to \$1.72 trillion.

While the industry continues to post solid metrics, interest rate risk, political and economic volatility, and a slowing business climate which may lead to a U.S. recession, will all pose significant challenges in the next year. Credit unions should be careful about their interest rate risk exposure and should continue to increase 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, including their high capital, to their advantage as they prepare for a bumpy economic ride ahead. If Bank failures occur, credit unions should be well positioned to allay consumer fears and avoid issues relating to consumer contagion. But executive leadership attention is required in this uncertain time.

Highlights from the NCUA's Quarterly Data Summary for the third quarter of 2023 include:

- The credit union system's net worth increased by \$11.4 billion, or 5.0 percent, over the year to \$239.2 billion. The aggregate net worth ratio — net worth as a percentage of assets — stood at 10.73 percent in the third quarter of 2023, up from 10.60 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 \$16.1 billion, or 0.9 percent, over the year to \$1.88 trillion in the third quarter of 2023.
- The annualized return on average assets for federally insured credit unions was 76 basis points in the first three quarters of 2023, down from 88 basis points in the first three quarters of 2022. The median annualized return on average assets across all federally insured credit unions was 67 basis points, up 17 basis point from a year earlier.
- Total loans outstanding increased \$132 billion, or 9.1 percent, over the year to \$1.59 trillion. The average outstanding loan balance in the third quarter of 2023 was \$17,824, up \$839, or 4.9 percent, from one year earlier.
- The delinquency rate at federally insured credit unions was 72 basis points in the third quarter of 2023, up 19 basis points from one year earlier. The net charge-off ratio was 56 basis points, up 25 basis points compared with the third quarter of 2022.
- The number of federally insured credit unions declined to 4,645 in the third quarter of 2023, from 4,813 in the third quarter of 2022. In the third quarter of 2023, there were 2,908 federal credit unions and 1,737 federally insured, state-chartered credit unions. The year-over-year decline is consistent with long-running industry consolidation trends.
- Federally insured credit unions added 4.5 million members over the year, and credit union membership in these institutions reached 138.8 million in the third 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

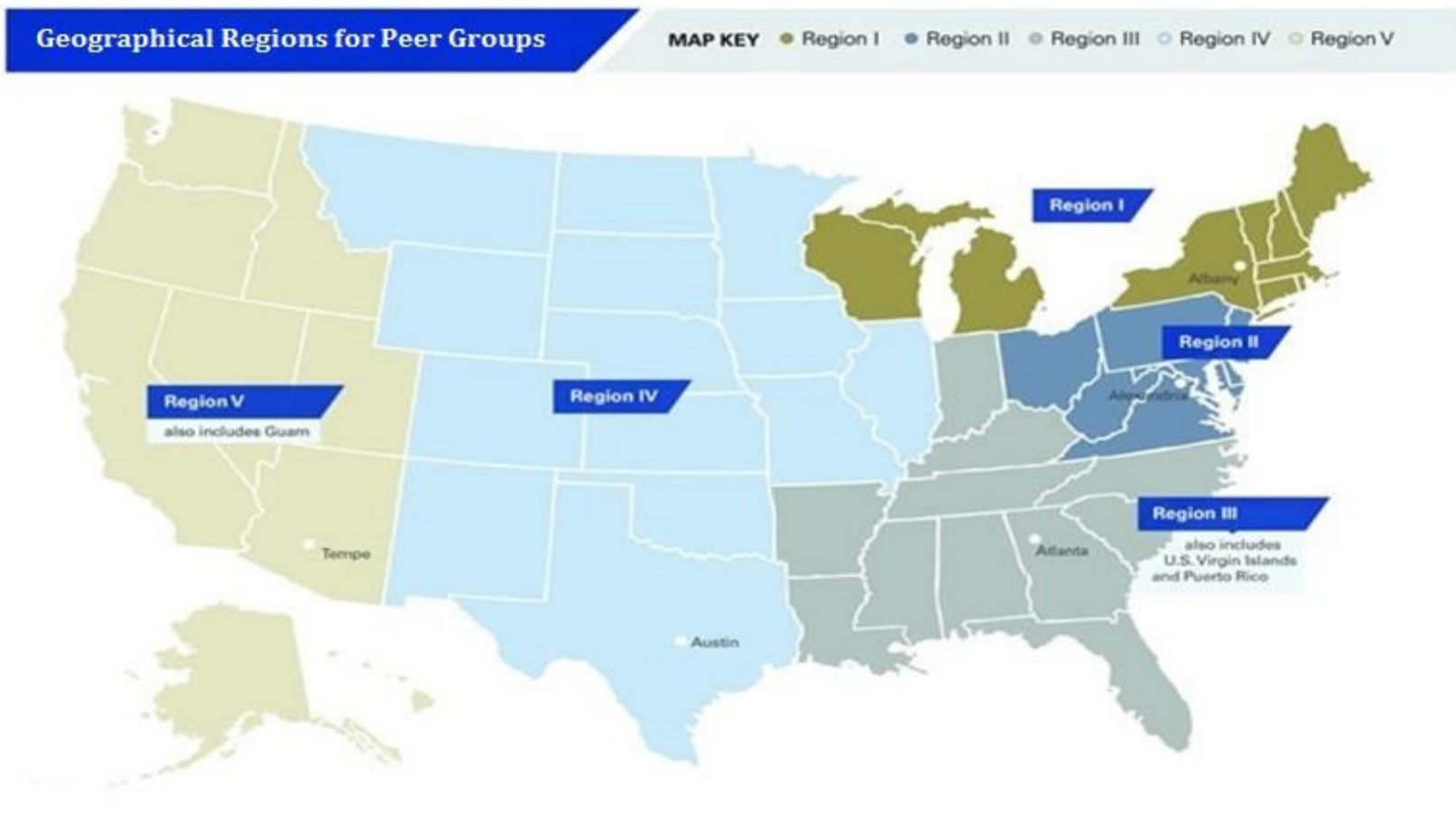
Please note that throughout this report where historical peer ratios and statistical data are presented, the information shown is the history for the peer group as constituted at the report date.

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 Sep 2023 (in \$ Billions)	\$ 7.5	\$ 437.9	\$ 2,251.8
Average Assets Per Peer Group for Quarter (in \$ Millions)	\$ 171.3	\$ 338.4	\$ 474.6
Total Number of members in Peer Group as of Sep 2023	428,889	27,292,223	140,167,219
Total number of credit unions in Peer Group	44	1,294	4,745

Analytical Regions:



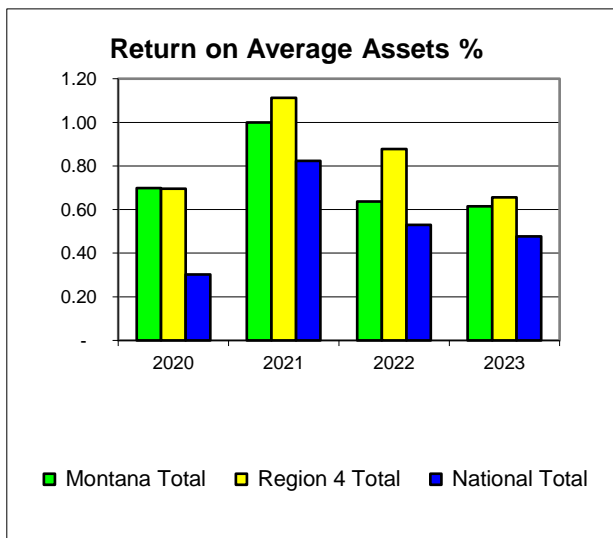
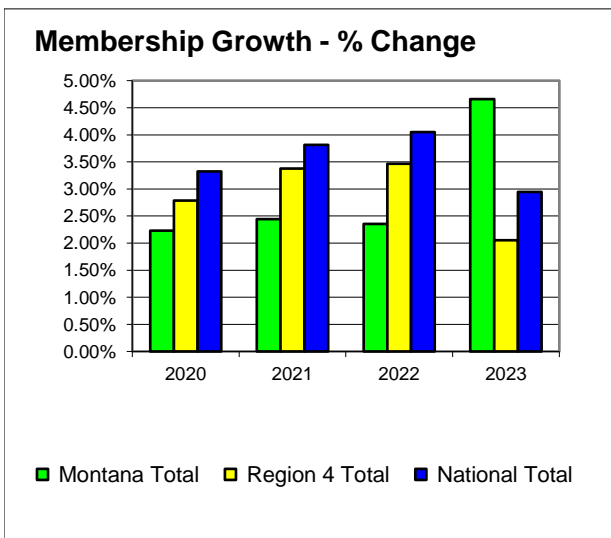
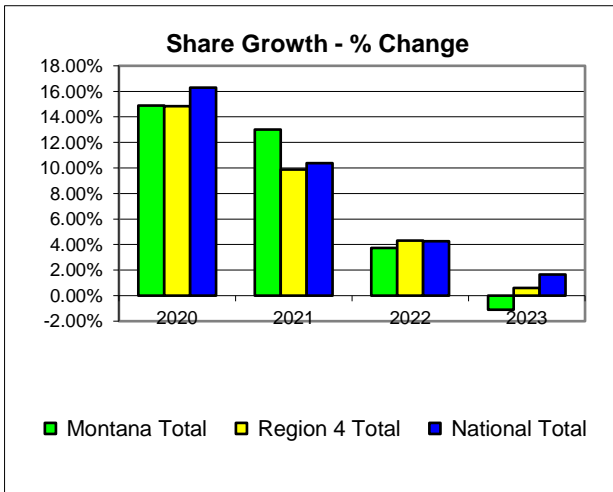
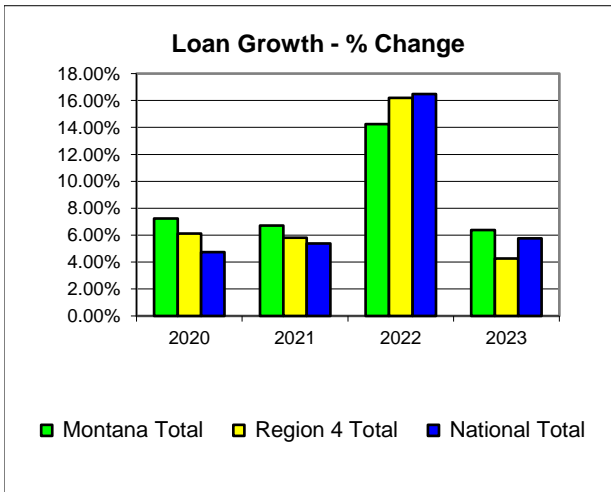
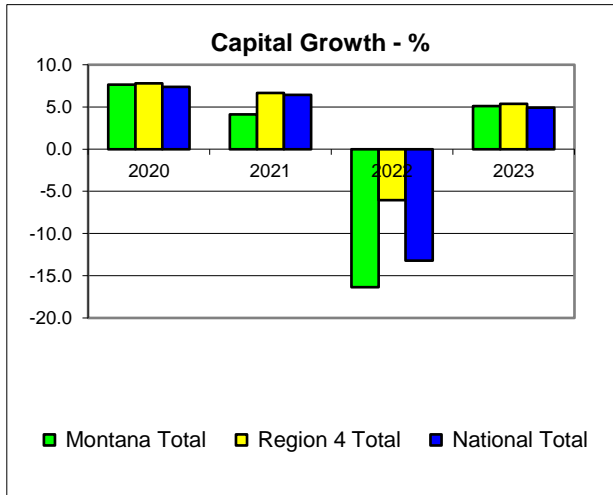
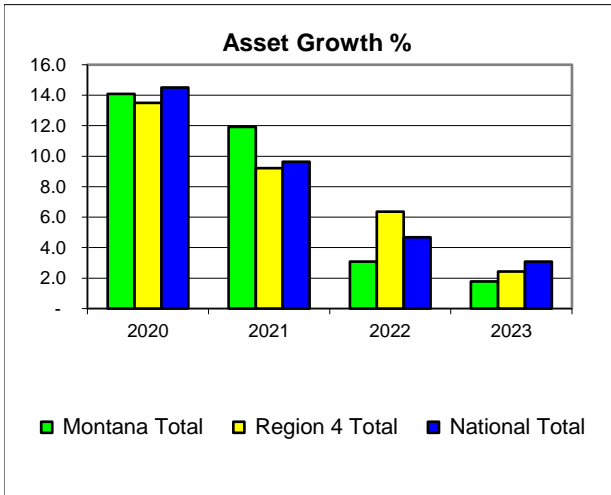
<u>"Asset" Peer Group Ranges</u>	#	From	To	#	From	To
	1	0	< \$2 Mill.	4	\$50 Mill.	< \$100 Mill
	2	\$ 2 Mill.	< \$10 Mill.	5	\$100 Mill	< \$500 Mill
	3	\$10 Mill.	< \$50 Mill.	6	Over \$ 500 Million	

Peer Group Ratio Summary

(* NCUA Key Ratio)	Montana Total	Region 4 Total	National Total
Safety & Soundness			
Net Worth to Assets*	11.31%	10.78%	9.42%
Delinquent Loans to Loans*	0.36%	0.67%	0.72%
Net Charge-Offs to Avg Loans*	0.13%	0.46%	0.55%
ROAA Before NCUSIF Stabilization Expense	0.61%	0.66%	0.48%
Return on Avg Assets*	0.61%	0.66%	0.48%
Operating Expenses to Gross Income	60.51%	55.29%	55.99%
Net Long Term Assets to Assets	41.24%	37.60%	40.10%
Supervisory Interest Rate Risk to Net Worth (SIRRT)	284.99%	273.98%	343.43%
Competitive Ratios			
Share Growth (since prior 12/31)	-1.10%	0.60%	1.65%
Member Growth (since prior 12/31)	4.66%	2.06%	2.95%
Loan Growth (since prior 12/31)	6.37%	4.27%	5.76%
Net Worth Growth (since prior 12/31)	5.52%	5.21%	5.76%
Asset Growth (since prior 12/31)	1.77%	2.43%	3.09%
Loan to Share Ratio	77.32%	88.79%	84.69%
Cost of Funds / Avg Assets	1.22%	1.48%	1.31%
Yield on Average Loans	4.79%	4.97%	4.58%
Productivity			
Members to Employees	311	372	400
Assets to Employees	5,471,616	5,970,523	6,418,780
# Loan & Share Accts per Employee	729	1,038	1,048
# Loan & Share Accts per Member	2.34	2.79	2.62
Average Share Balance per Member	14,861	13,217	13,519
Average Loan Balance	23,310	13,458	17,711
Member Service Ratios			
Members to Potential Members	6.50%	3.61%	2.96%
Credit Card Accounts to Members	11.00%	14.51%	17.89%
IRA Accounts to Members	3.04%	2.77%	3.15%
Real Estate Accounts to Members	4.82%	4.41%	4.52%
Auto Loan Accounts to Members	20.22%	51.98%	27.23%
Share Draft Accounts / Members	55.27%	56.98%	61.75%
Average Assets Per Peer Group for the Quarter	171,298,879	338,404,986	474,571,017

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

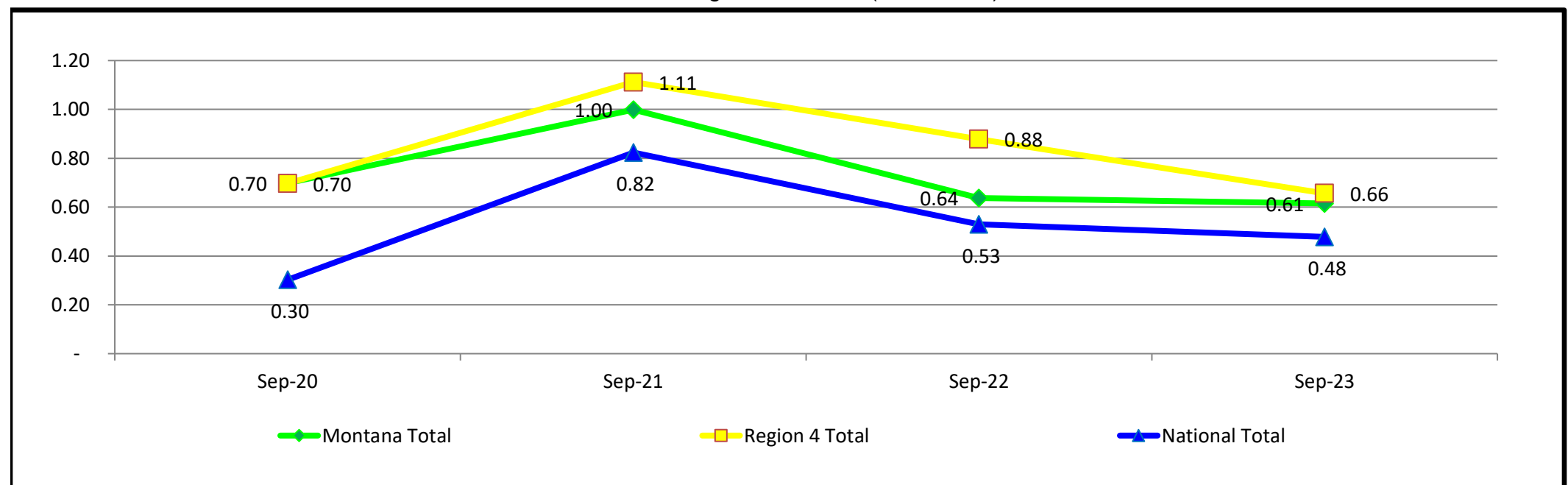
The charts below show the components of ROA for the peer groups.

September 30, 2023	ROAA Breakdown (% of Average Assets)		
	Montana Total	Region 4 Total	National Total
Loan Income	3.07	3.60	3.22
Investment Income	0.84	0.76	0.73
Cost of Funds	(1.22)	(1.48)	(1.31)
Net Interest Margin	2.68	2.89	2.64
Prov for Loan Loss	(0.09)	(0.35)	(0.45)
NIM after Provisions	2.59	2.53	2.19
Fee & Other Income	0.86	1.12	1.06
Operating Expense	(2.88)	(3.03)	(2.81)
ROAA before Non Op	0.57	0.62	0.45
Non-Op Gain (Loss)	0.04	0.04	0.03
Return on Avg Assets	0.61	0.66	0.48
NCUSIF Stabilization Inc. & Exp. & Insurance Premium	-	-	-
ROAA Before NCUSIF Stabilization Inc. & Exp. & Insurance Premium	0.61	0.66	0.48

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

September 30, 2023	How ROAA Changes Over Time (Annualized)											
	Montana Total % of Average Assets				Region 4 Total % of Average Assets				National Total % of Average Assets			
	Sep-20	Sep-21	Sep-22	Sep-23	Sep-20	Sep-21	Sep-22	Sep-23	Sep-20	Sep-21	Sep-22	Sep-23
Loan Income	2.88	2.49	2.42	3.07	3.28	2.86	2.87	3.60	2.87	2.45	2.48	3.22
+ Investment Income	0.53	0.36	0.50	0.84	0.35	0.25	0.37	0.76	0.39	0.28	0.42	0.73
- Cost of Funds	(0.55)	(0.34)	(0.34)	(1.22)	(0.76)	(0.46)	(0.47)	(1.48)	(0.74)	(0.44)	(0.42)	(1.31)
= Net Interest Margin	2.86	2.51	2.58	2.68	2.86	2.64	2.76	2.89	2.52	2.29	2.49	2.64
- Prov for Loan Loss	(0.17)	(0.00)	(0.06)	(0.09)	(0.48)	(0.11)	(0.17)	(0.35)	(0.56)	(0.06)	(0.21)	(0.45)
= NIM after Provisions	2.69	2.51	2.52	2.59	2.38	2.53	2.59	2.53	1.96	2.23	2.28	2.19
+ Fee & Other Income	0.97	0.97	0.90	0.86	1.42	1.45	1.28	1.12	1.30	1.31	1.11	1.06
- Operating Expense	(3.01)	(2.68)	(2.69)	(2.88)	(3.15)	(2.95)	(2.96)	(3.03)	(3.02)	(2.80)	(2.81)	(2.81)
= ROAA before Non Op	0.65	0.80	0.73	0.57	0.65	1.03	0.91	0.62	0.24	0.74	0.57	0.45
+ Non-Op Gain (Loss)	0.05	0.20	(0.09)	0.04	0.05	0.08	(0.03)	0.04	0.07	0.08	(0.04)	0.03
= Return on Avg Assets	0.70	1.00	0.64	0.61	0.70	1.11	0.88	0.66	0.30	0.82	0.53	0.48
+ NCUSIF Stabilization Inc. & Exp. & Insurance Premium	-	-	-	-	-	-	-	-	-	-	-	-
= ROAA Before NCUSIF Stabilization Inc. & Exp. & Insurance Premium	0.70	1.00	0.64	0.61	0.70	1.11	0.88	0.66	0.30	0.82	0.53	0.48

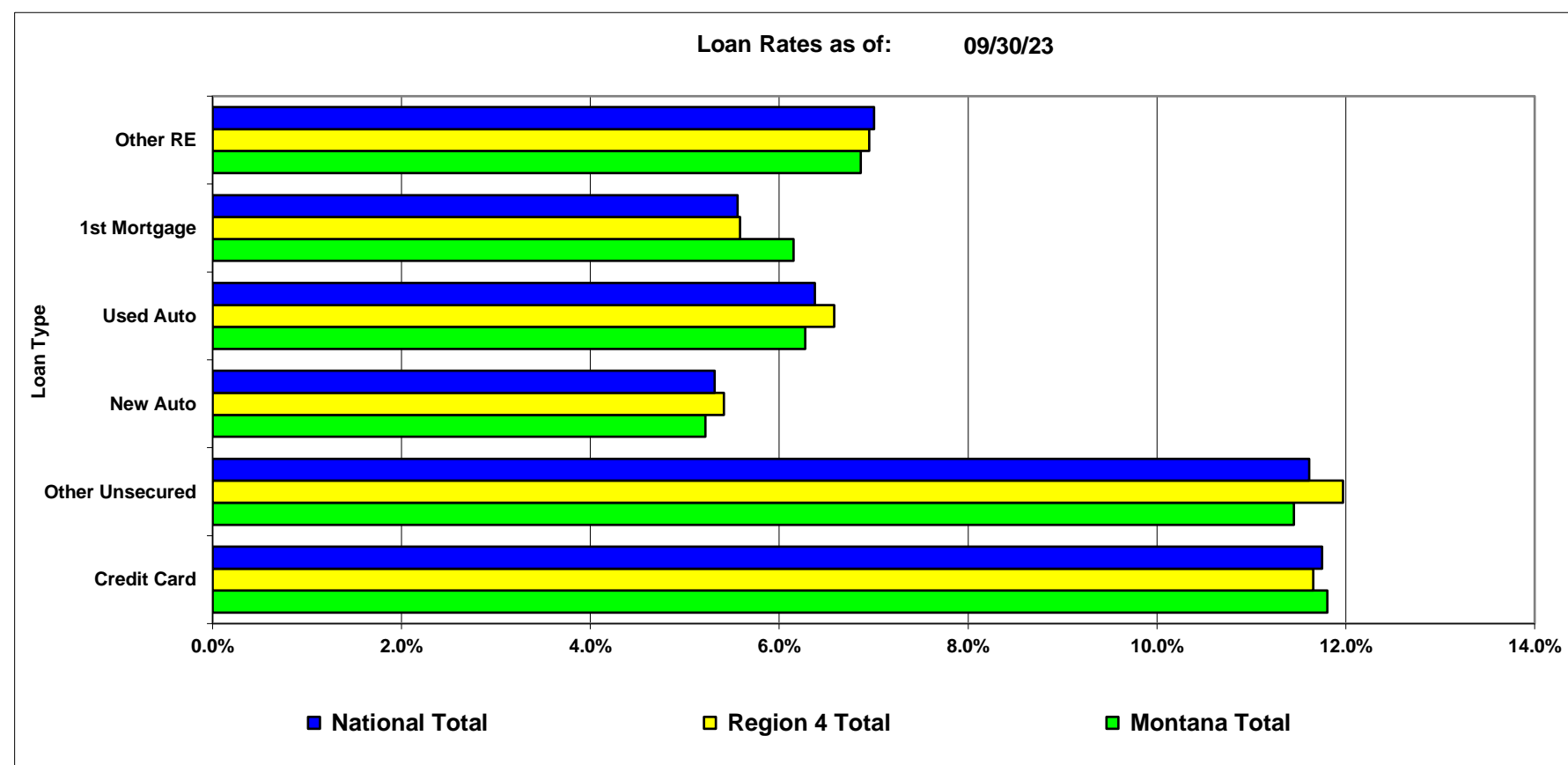
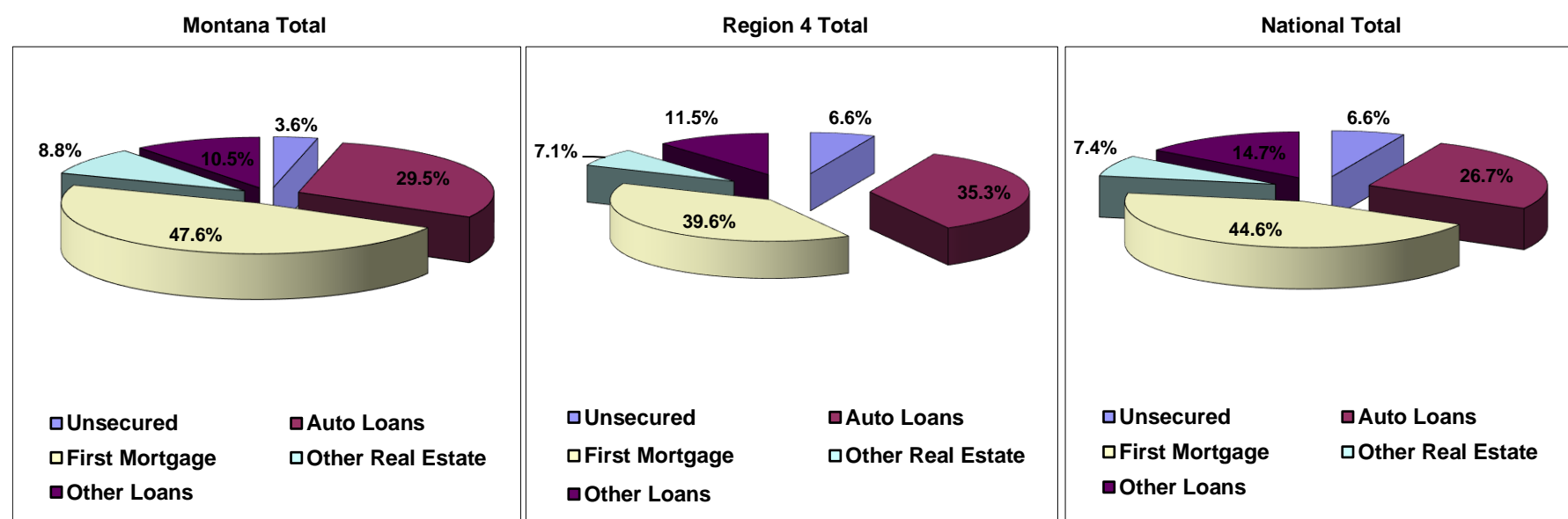
ROAA Changes Over Time (Annualized)



Loans

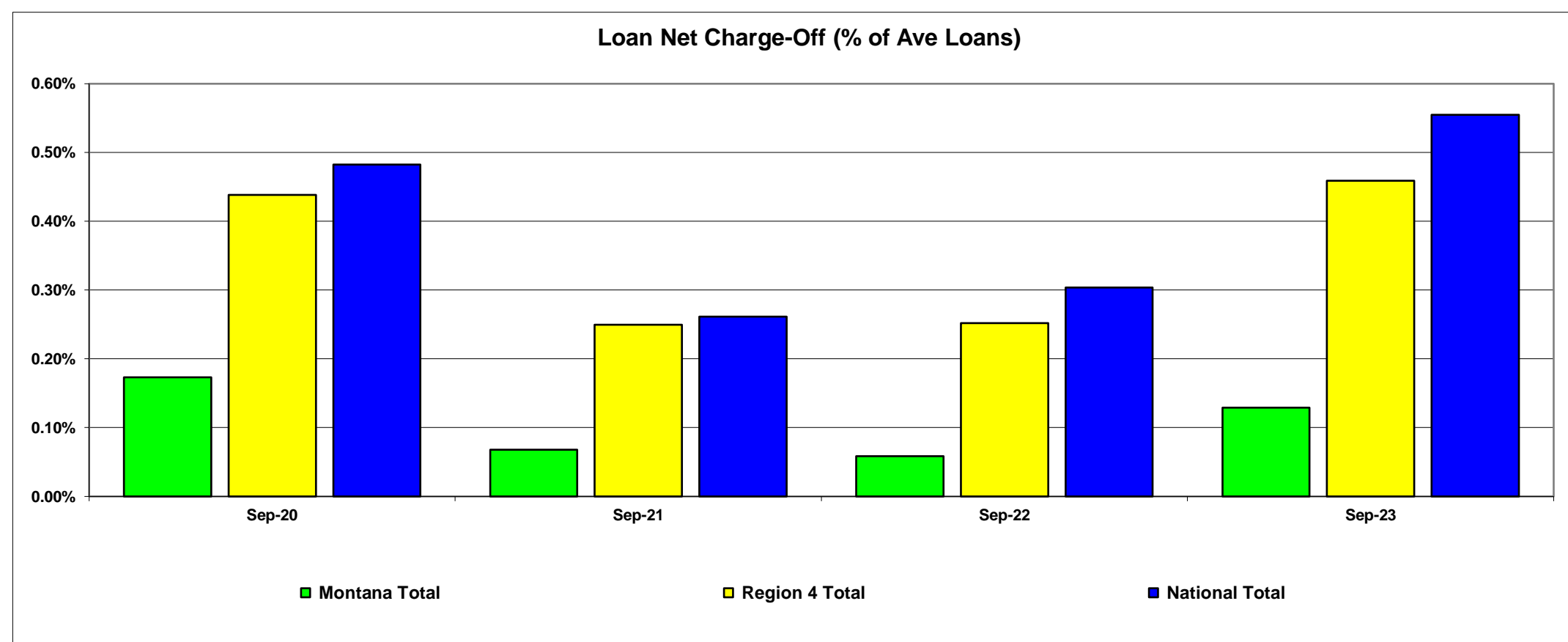
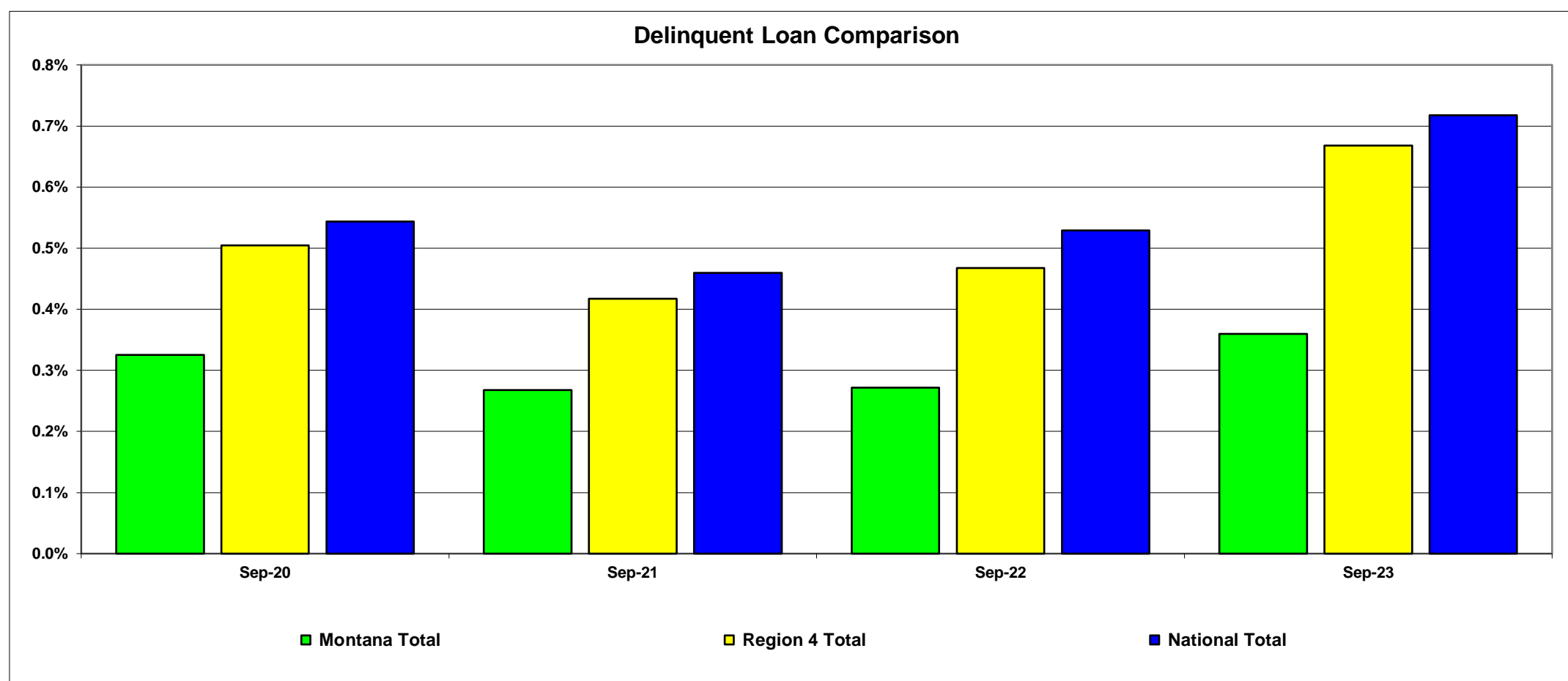
	Montana Total			Region 4 Total			National Total		
	Sep-21	Sep-22	Sep-23	Sep-21	Sep-22	Sep-23	Sep-21	Sep-22	Sep-23
\$ Loans (Avg)	90,949,800	104,859,826	112,002,957	192,400,745	229,819,361	247,511,726	258,530,837	309,216,173	338,199,542
Yield on Avg. Loans	4.35%	4.16%	4.79%	4.39%	4.24%	4.97%	3.97%	3.86%	4.58%
Loans to Assets	56.1%	61.2%	65.4%	64.1%	70.5%	73.1%	60.6%	67.8%	71.3%
Composition:									
Unsecured	3.8%	3.4%	3.6%	6.7%	6.6%	6.6%	6.9%	6.7%	6.6%
Auto Loans	27.8%	28.9%	29.5%	39.0%	36.5%	35.3%	28.8%	27.8%	26.7%
First Mortgage	51.5%	49.6%	47.6%	27.1%	40.3%	39.6%	29.0%	45.2%	44.6%
Other Real Estate	5.1%	7.1%	8.8%	5.8%	6.0%	7.1%	6.6%	6.7%	7.4%
Other Loans	11.7%	11.0%	10.5%	21.4%	10.7%	11.5%	28.6%	13.6%	14.7%
Total %	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Real Estate Loan Data									
RE Loans to Loans	56.7%	56.7%	56.4%	32.9%	46.3%	46.6%	35.6%	51.9%	52.0%
RE Loans to Assets	31.8%	34.7%	36.9%	21.1%	32.6%	34.1%	21.6%	35.2%	37.0%
1st Mtg Lns to Assets	28.9%	30.4%	31.1%	17.4%	28.4%	29.0%	17.6%	30.6%	31.8%
1st Mtg Lns Sold to									
RE Loans Granted	23.3%	11.9%	11.4%	37.4%	15.8%	19.7%	34.6%	12.3%	13.2%

LOAN PORTFOLIO



Loans

	Montana Total			Region 4 Total			National Total		
	Sep-21	Sep-22	Sep-23	Sep-21	Sep-22	Sep-23	Sep-21	Sep-22	Sep-23
Loan Income to Ave. Assets	2.49	2.42	3.07	2.86	2.87	3.60	2.45	2.48	3.22
Less: Prov. Loan Losses	(0.00)	(0.06)	(0.09)	(0.11)	(0.17)	(0.35)	(0.06)	(0.21)	(0.45)
Net Loan Yield to Assets	2.49	2.36	2.98	2.75	2.69	3.25	2.39	2.27	2.77
\$ Provision for Loan Losses	43	81,817	115,413	235,180	406,228	888,436	195,197	698,485	1,572,966
\$ Net Loan Charge-offs	(44,760)	(43,320)	(105,169)	(348,256)	(403,362)	(832,502)	(490,712)	(653,100)	(1,366,221)
Difference - increase(decrease) in Allowance for Loan Losses	(44,717)	38,497	10,244	(113,076)	2,866	55,934	(295,514)	45,385	206,745
Allowance for Loan Loss Balance	505,924	533,819	643,962	1,507,823	1,479,842	2,428,977	2,426,333	2,361,789	3,081,091
Allow for Loan Loss to Loans	0.56	0.51	0.57	0.78	0.64	0.98	0.94	0.76	0.91
Allow Loan Loss to Delinquent Lns	207.91	187.30	159.74	187.92	137.68	146.97	204.08	144.30	126.98
Delinquent Loans to Loans	0.27	0.27	0.36	0.42	0.47	0.67	0.46	0.53	0.72
Net Loan Charge-offs to Ave. Loans	0.07	0.06	0.13	0.25	0.25	0.46	0.26	0.30	0.55

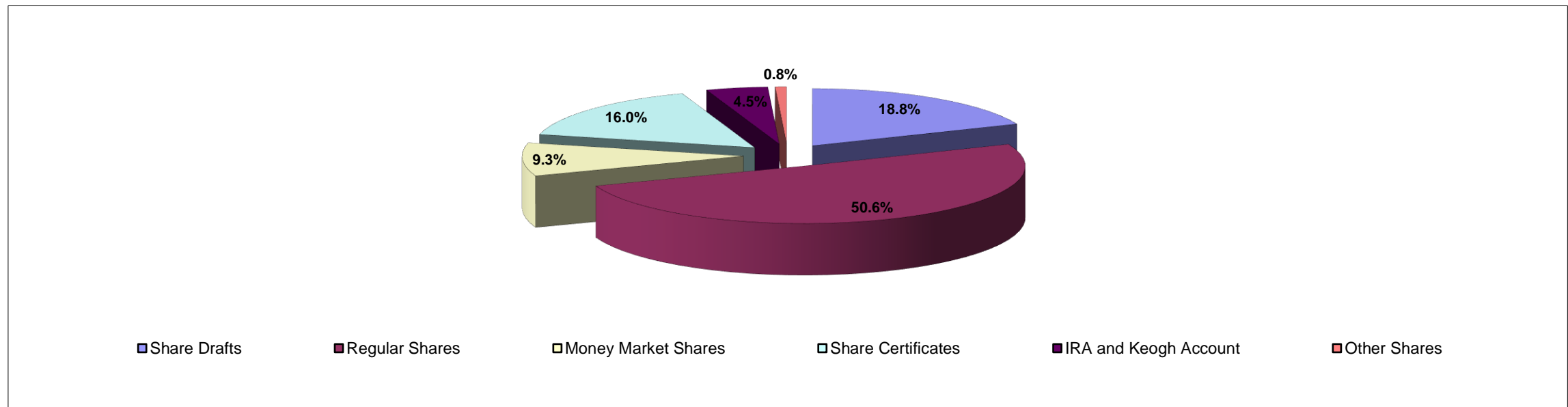


Shares

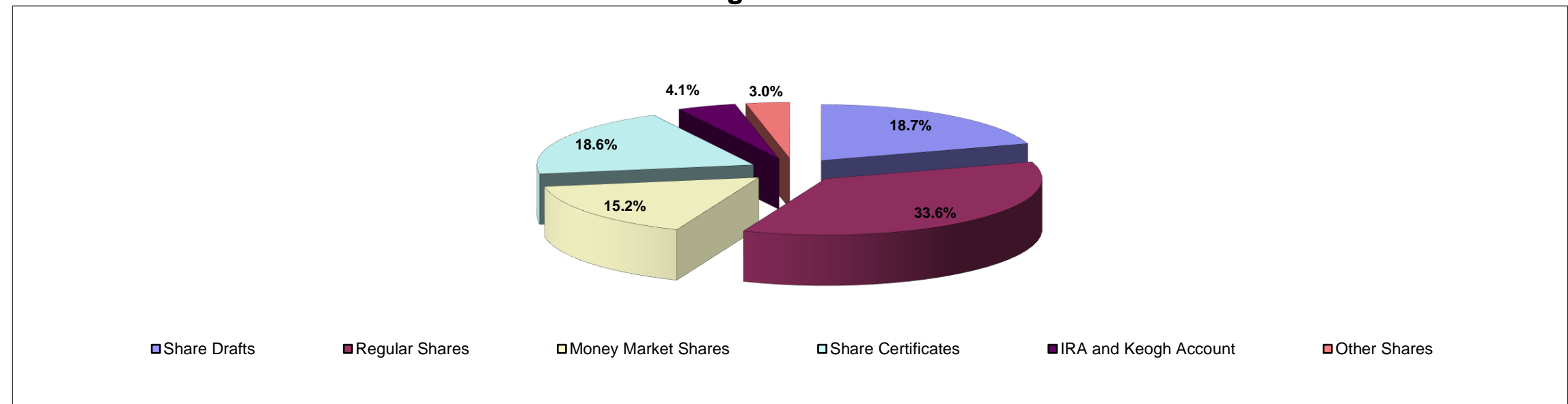
	Montana Total			Region 4 Total			National Total		
	Sep-21	Sep-22	Sep-23	Sep-21	Sep-22	Sep-23	Sep-21	Sep-22	Sep-23
Total Shares	143,662,749	153,160,498	144,861,818	260,056,092	277,996,096	278,767,016	369,748,248	394,649,307	399,360,228
Ave. Shares per Acct	8,607	8,927	8,045	7,041	7,245	6,890	7,022	7,144	6,842
Ave Cost of Funds	0.34%	0.34%	1.22%	0.46%	0.47%	1.48%	0.44%	0.42%	1.31%
Composition:									
Share Drafts	17.5%	18.2%	18.8%	18.4%	19.6%	18.7%	15.9%	16.4%	15.8%
Regular Shares	59.5%	59.7%	50.6%	31.2%	38.6%	33.6%	27.0%	36.5%	31.4%
Money Markets	10.0%	10.3%	9.3%	16.1%	18.8%	15.2%	14.3%	22.3%	18.1%
Share Certificates	7.4%	6.6%	16.0%	14.2%	13.5%	18.6%	12.0%	11.3%	15.8%
IRA/Retirement	4.8%	4.5%	4.5%	4.4%	4.1%	4.1%	4.1%	3.8%	3.8%
Other Shares	0.8%	0.6%	0.8%	15.7%	5.4%	9.8%	26.8%	9.8%	15.0%
Total %	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Share Portfolio

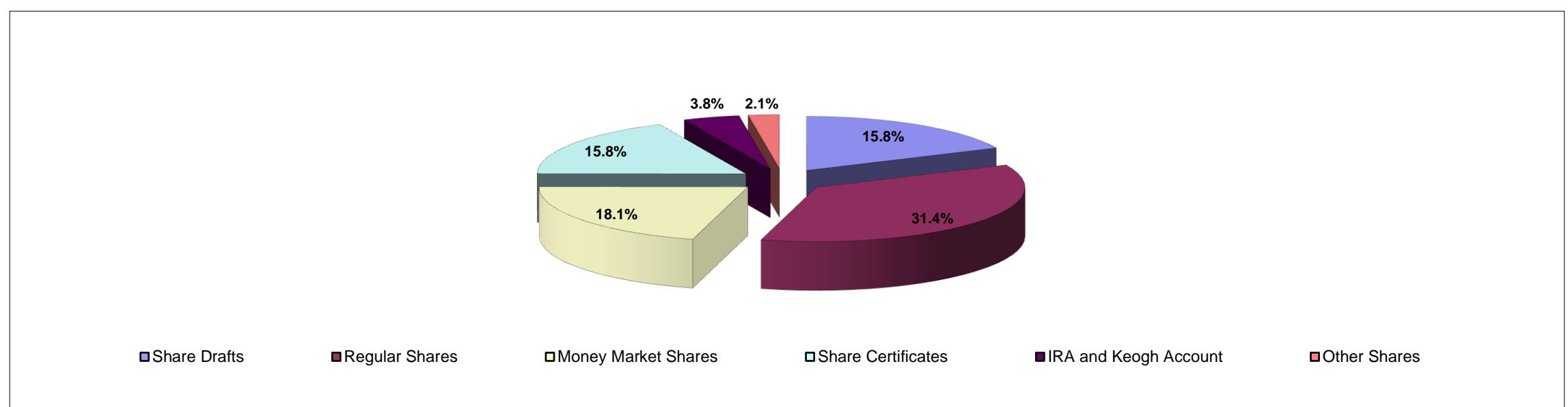
Montana Total



Region 4 Total

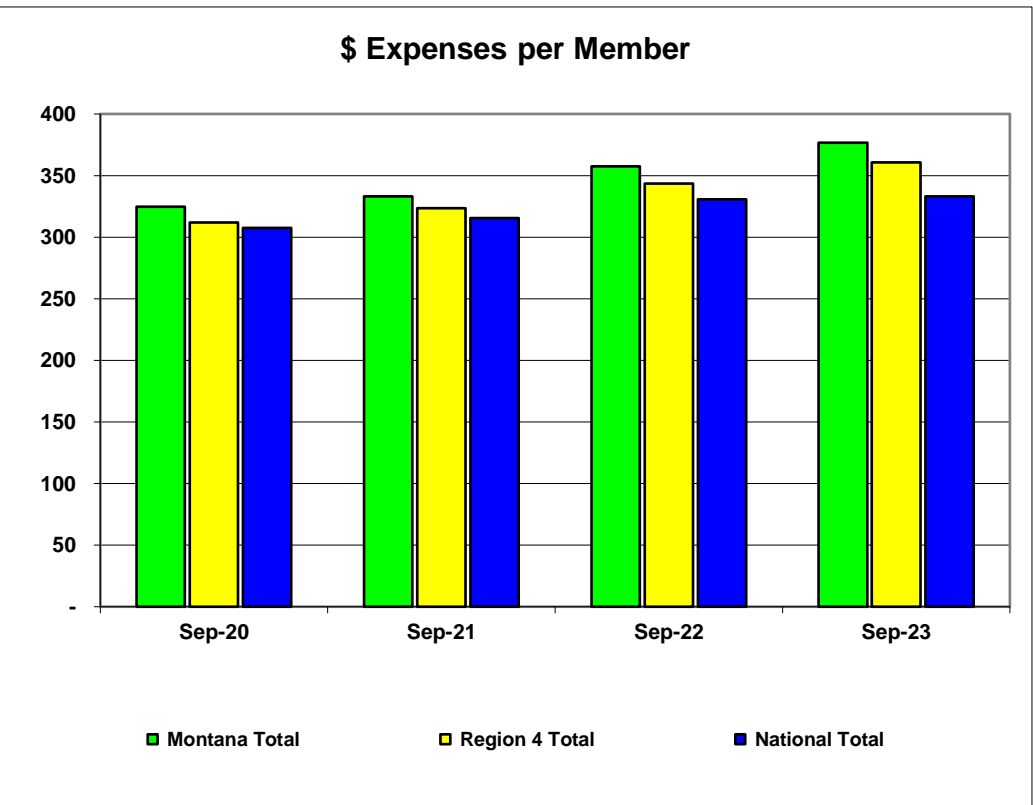
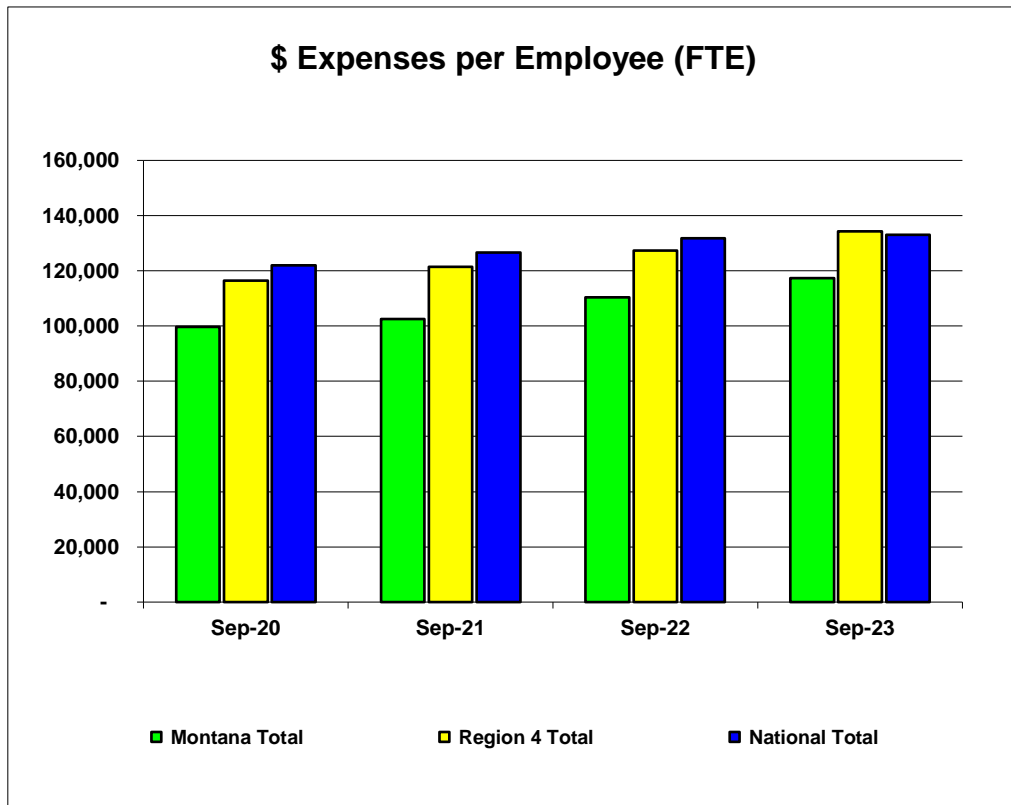
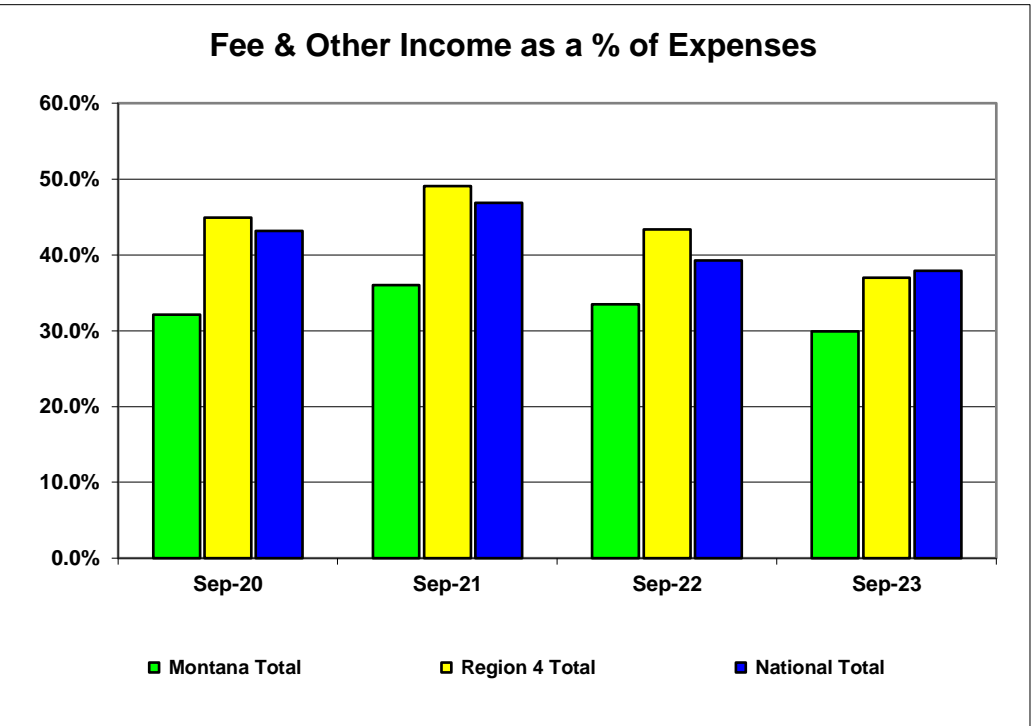
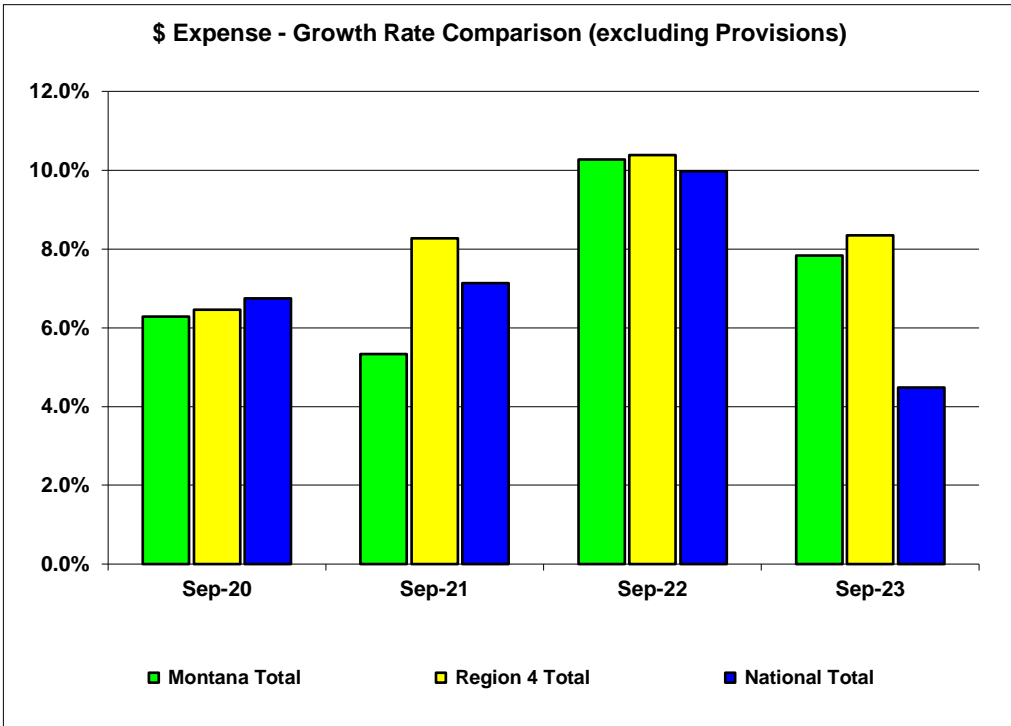


National Total



Operating Expenses

	Op. Expense Comparison - % of Avg Assets								
	Montana Total			Region 4 Total			National Total		
	Sep-21	Sep-22	Sep-23	Sep-21	Sep-22	Sep-23	Sep-21	Sep-22	Sep-23
Salary & Benefit	1.44	1.44	1.53	1.52	1.51	1.55	1.46	1.46	1.40
Office Occupancy	0.18	0.18	0.19	0.20	0.19	0.19	0.18	0.17	0.17
Office Operations	0.39	0.40	0.45	0.55	0.55	0.57	0.52	0.51	0.53
Travel & Conference	0.02	0.02	0.03	0.02	0.02	0.03	0.01	0.02	0.02
Education & Promotion	0.11	0.11	0.12	0.12	0.12	0.12	0.10	0.11	0.11
Loan Servicing	0.11	0.11	0.11	0.21	0.21	0.20	0.19	0.20	0.20
Professional Services	0.30	0.31	0.33	0.27	0.27	0.28	0.24	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	0.12	0.07	0.08	0.08	0.08	0.09	0.10
Total Expenses	2.68	2.69	2.88	2.95	2.96	3.03	2.80	2.81	2.81
Less: Fee & Other Income	(0.97)	(0.90)	(0.86)	(1.45)	(1.28)	(1.12)	(1.31)	(1.11)	(1.06)
Net Expenses	1.72	1.79	2.02	1.50	1.68	1.91	1.49	1.71	1.74



MSIC SPR
September of 2023

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