

FHLBank Tenth District Credit Union Trends

Quarterly Analysis / Q1 2023

Prepared by: Leslie Mondesir
AVP, Member Solutions Manager

The purpose of this analysis is to provide financial and performance trend data for member institutions headquartered in FHLBank's Tenth District comprised of Colorado, Kansas, Nebraska and Oklahoma.



Banking Themes

Shift in liquidity trends. Margin compression. Market volatility. Uncertainty. These were the issues in focus across the banking industry as the first quarter of 2023 came to a close. Large bank failures shocked the system as sudden liquidity needs could not be met and demonstrated that stressed liquidity positions could cause failure nearly overnight compared to the slower pace of an asset-quality related failure. Liquidity risk management and contingency funding plans were cast into the spotlight and are now undoubtedly top of mind with regulators as well.

Across the District, assets moved higher with growth in cash and loans while security balances fell. Did we reach an inflection point for on-balance sheet liquidity? While share/deposit flows were mixed among members, there was migration of shares/deposits in pursuit of higher rates. The use of wholesale funding continued to fill the liquidity gap for many institutions. Wholesale sources

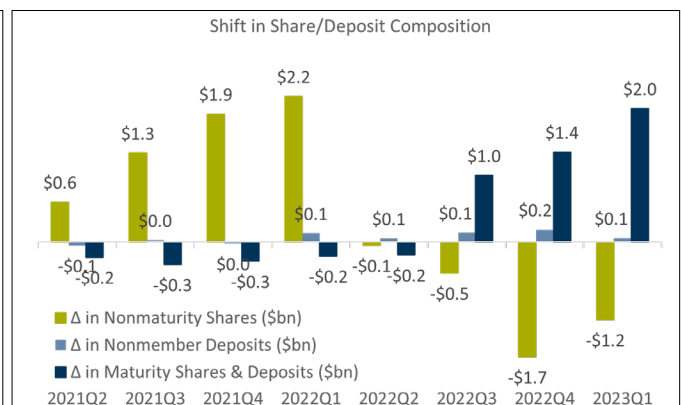
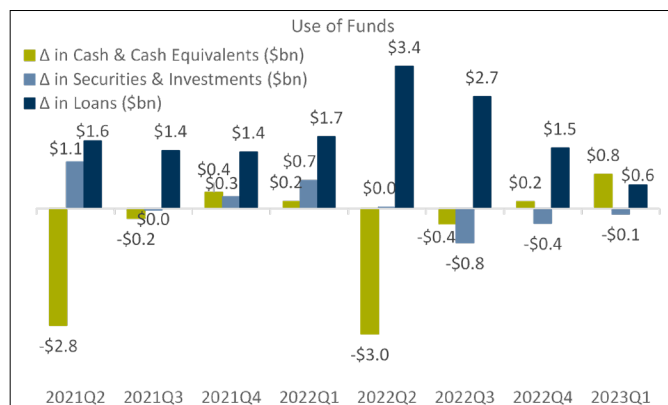
were also utilized to bolster liquidity positions following the bank failures late in the first quarter 2023. Margins are under considerable pressure as financial institutions are feeling the squeeze of rising funding costs. Reserve positions increased even as strong asset quality positions remain intact. Capital positions rose again as unrealized loss positions in security portfolios saw some improvement.

In the Details

The pace of loan growth subsided during the first quarter of 2023, following seasonal patterns, but has trended down over the past three quarters. The sentiment towards continued loan growth has dampened as financial institutions have noted slower loan activity on the horizon amid uncertainty and a blurry economic outlook. On a quarter-over-quarter basis, loan balances were flat to slightly up across all major loan categories except for contraction in the new vehicle loan portfolio. The primary drivers of lending activity

were again commercial lending and home equity lines of credit/other real estate. The increase in commercial lending was concentrated in non-owner occupied and multifamily loans. First lien residential balances moved up slightly even as loan rates remain elevated.

The increase in aggregate cash balances during the three months ended March 31, 2023, represented the largest quarterly build since the last round of fiscal stimulus was absorbed by the banking system two years ago. On a median basis, cash positions as a percent of assets rebounded off decade low levels. The recovery in cash positions was attributed, in part, to the fear and panic that radiated through the banking industry following the bank failures late in the first quarter 2023 as wholesale funding was utilized to help build a “buffer” against the potential for sudden share/deposit outflows.



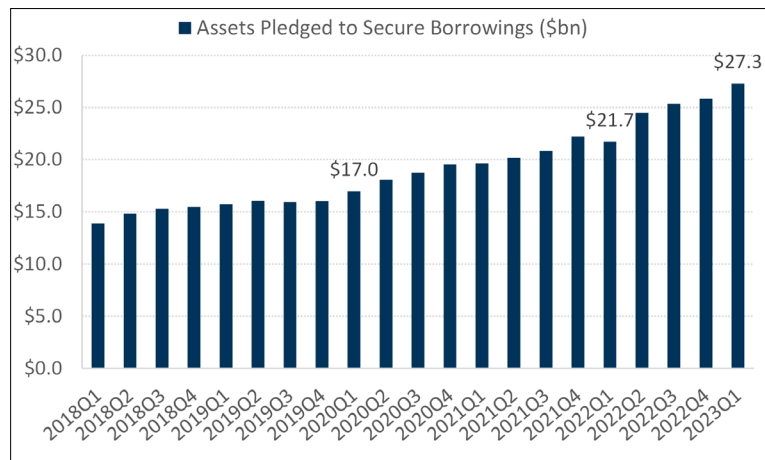
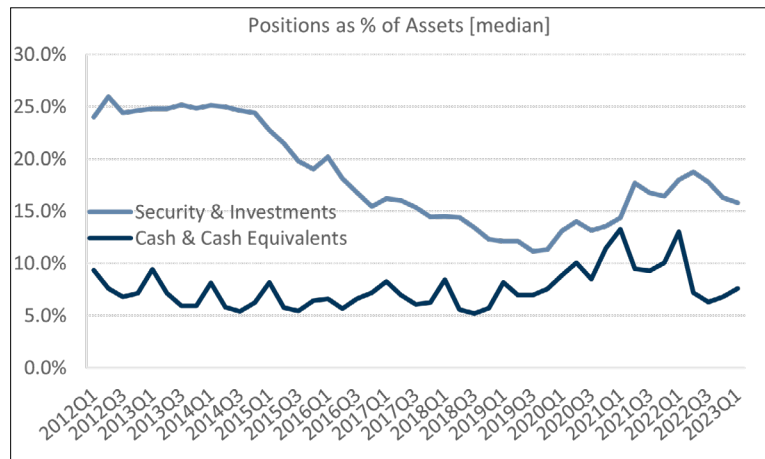
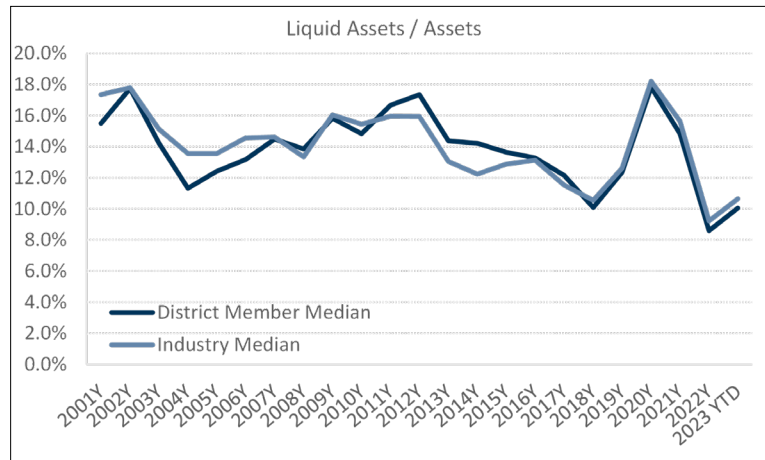
Although investment portfolios in the aggregate were down for the third consecutive quarter, institutions were split between a decline and growth in security positions on a quarter-over-quarter basis with most members decreasing the size of their securities portfolio – both held-to-maturity (HTM) and available-for-sale (AFS).

The increase in pledged assets to secure borrowings over the past year is likely attributed to increasing access to funding as liquidity pressures mounted. The uptick in pledged loans and securities during the first quarter 2023 is likely due to establishing lines at the Fed's new Bank Term Funding Program (BTFP) and in part to increasing collateral pledged to the Federal Home Loan Bank. Given the underwater nature of most security portfolios, pledging these assets to increase access to funding is a practical alternative to selling securities to generate liquidity. Pledging additional collateral – both securities and loans – allows an institution to build ready access to additional liquidity in a time of need and prevents idle non-productive cash from sitting on balance sheet by converting non-saleable loans to liquidity. An improved total liquidity position will help reduce examiner concern regarding liquidity through improved operating flexibility and strengthened contingency plans.

Unrealized loss positions in bond portfolios improved during the quarter-ended March 31, 2023, as rate volatility was slightly favorable to institutions. During the first quarter of 2023, there were more members

realizing a gain on investments and there were fewer members who realized a loss on the sale of securities compared to prior quarters. Capital

positions gained back some lost ground during the first three months of 2023 but remain under pressure with persistent elevated interest rates.



Net worth and risk-based capital positions remain intact and well-capitalized through March 31, 2023.

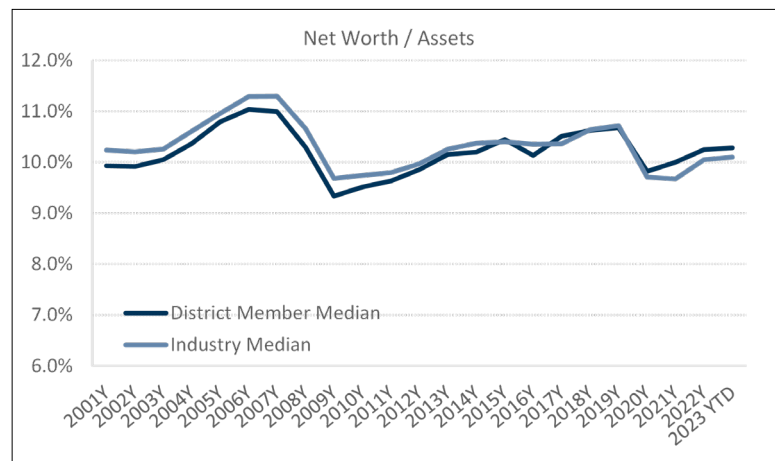
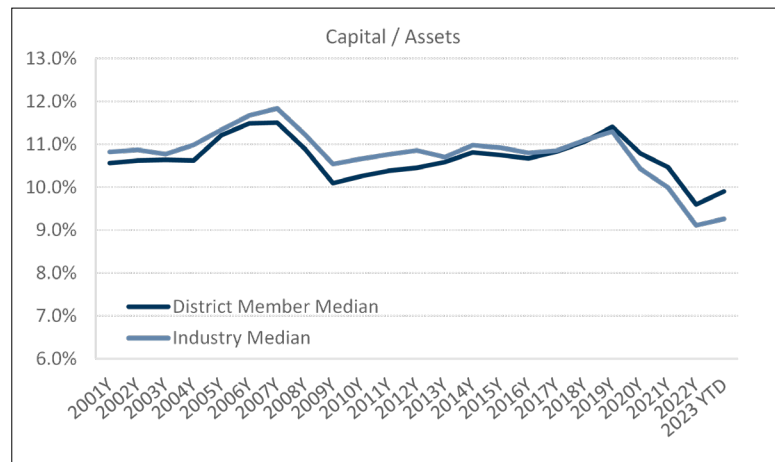
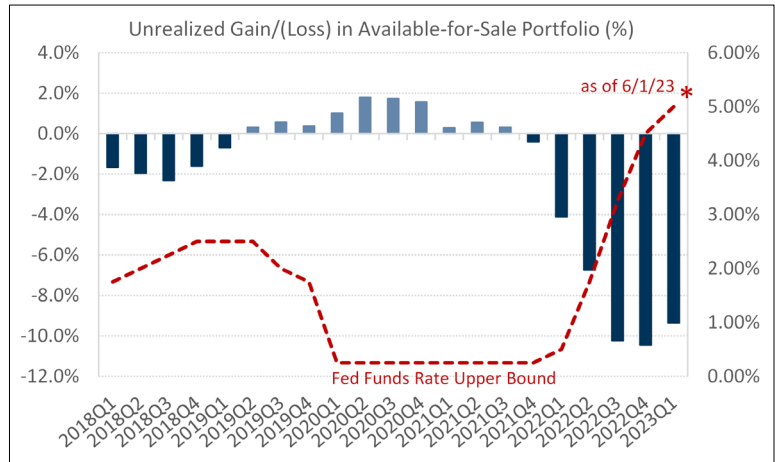
While aggregate share/deposit balances increased during the three months ended March 31, 2023, deposit flows among financial institutions were again mixed across the banking sector. The median share/deposit growth rate for District credit unions reached a four quarter high after negative median growth over two of the past three quarters. On a median basis, share/deposit growth outpaced loan growth for the first time in four quarters.

As stated previously, there was a shift of shares/deposits from non-maturity accounts into share certificate as consumers pursued higher rates and institutions have remained focused on retaining their share/deposit base. Higher rate offerings on both standard accounts and special promotions leads to cannibalization of shares/deposits, or higher funding costs. Money market accounts saw the greatest runoff, followed by regular shares. There is expected to be some continued share/deposit disintermediation resulting from attractive yields in money market funds and other investment alternatives, such as the Treasury market.

Estimated uninsured deposits held by financial institutions became center stage, along with diversity of an institution's deposit base, in March 2023 as the bank failures unfolded. The amount of estimated uninsured deposits stated on both Silicon Valley Bank and Signature Bank call reports represented over 80

percent of total deposits at year-end 2022, a substantial amount more than the total estimated for Tenth District members. Regulators will be

focused on liquidity stress testing, cash flow monitoring and liquidity risk management for the foreseeable future.



The use of non-core funding to supplement and fill the funding gap continued through the quarter-ended March 31, 2023, in addition to helping build some additional on-balance sheet liquidity. The slight uptick in wholesale funding was attributed to growth in other borrowings, or the newly created BTFP. Although the BTFP emerged as a new, temporary funding source, the number of members utilizing FHLBank advance funding increased during the first quarter 2023. Looking forward, the need for liquidity from alternative sources is likely to remain heightened due to the current loss position seen in most security portfolios and persistent funding pressures.

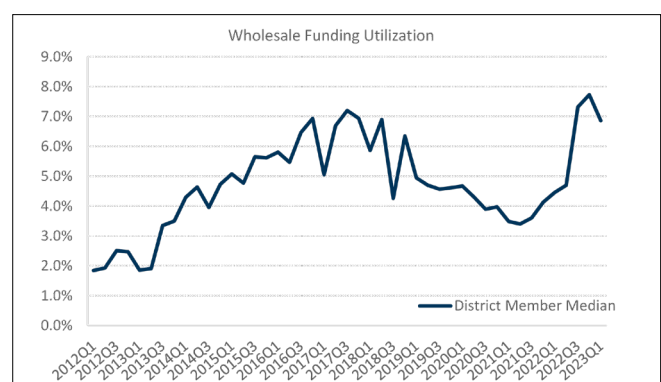
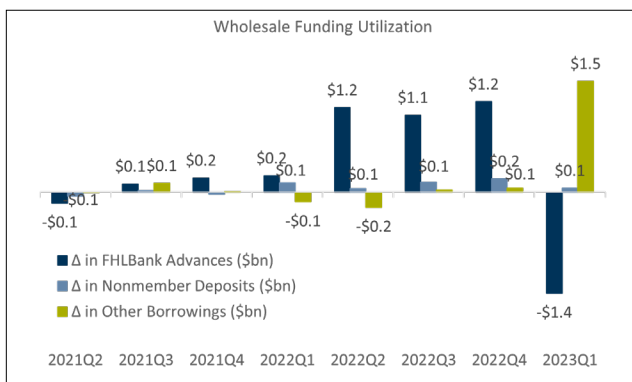
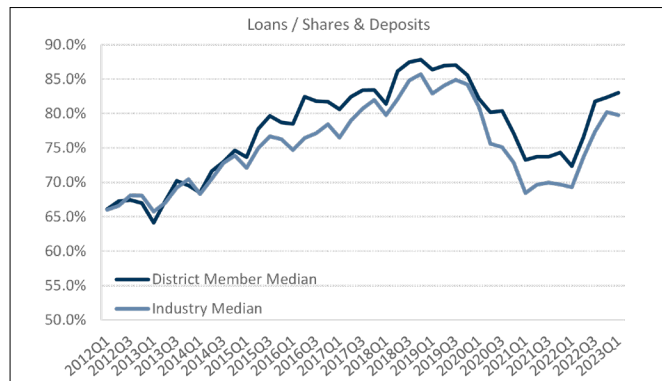
After three quarters of impressive net interest margin expansion, the lagging effect of cost of funds in a rising rate environment was reflected in margin compression

with significant headwinds on the horizon. The impact of rising rates on the liability side of the balance sheet was realized during the fourth quarter 2022 as margin expansion slowed but the continued growth in wholesale funding and acceleration in deposit pricing pressures intensified during the three months ended March 31, 2023. The elevated level of noninterest-bearing shares/deposits represents yet another downside risk to a negative margin outlook should these shares/deposits migrate into interest-bearing accounts.

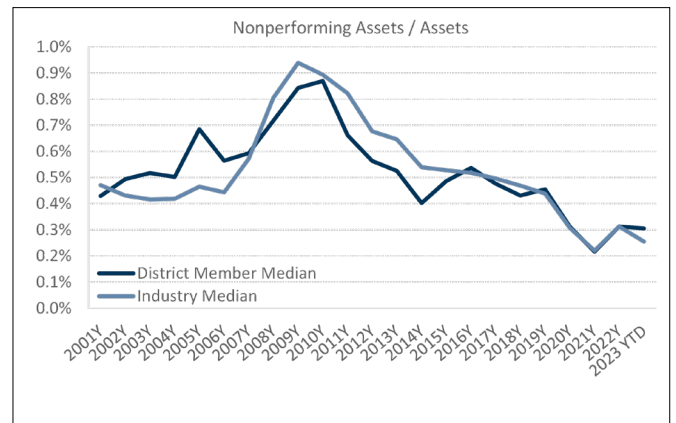
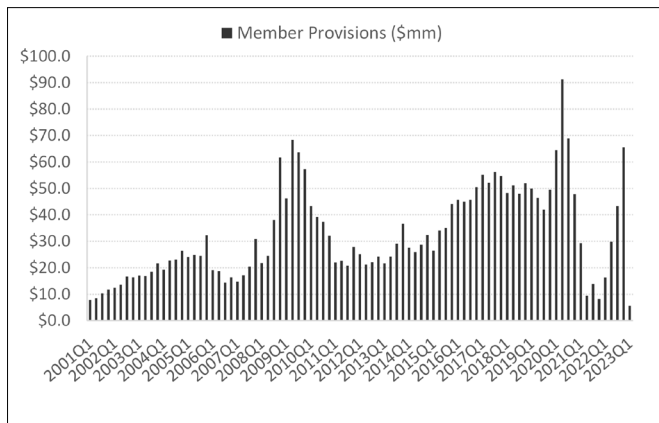
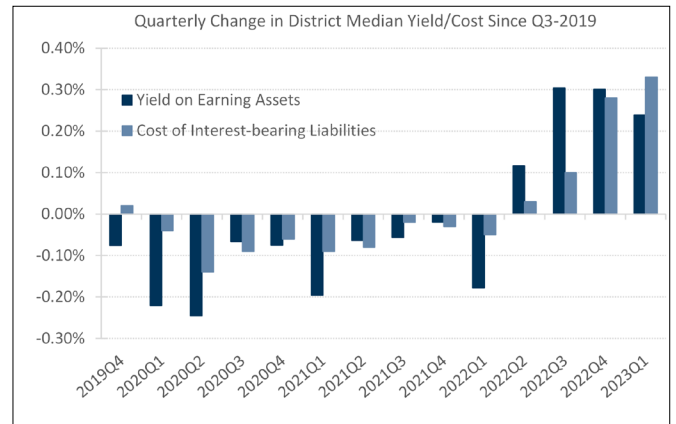
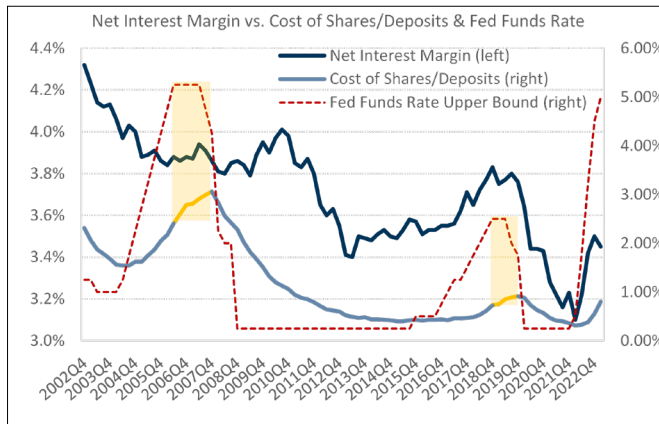
Profitability and efficiency ratios improved slightly on a year-over-year basis but were less favorable on a quarter-over-quarter basis for the three months ended March 31, 2023. After posting record annual net interest income during the fourth quarter 2022, net interest income across the District fell in the first

quarter 2023 as the growth in interest expense exceeded gains in interest income. Aggregate provision expense for District credit union members reached a multi-decade low during the first quarter 2023, after spiking to a nine-quarter high during the quarter-ended December 31, 2022. The vast majority of member credit unions did not record a provision during the first three months of 2023, a reversal of activity from the prior quarter.

Credit containment concerns linger despite resilient asset quality positions among member financial institutions. Reserve positions moved higher in the first quarter and nonperforming assets stayed the course during the three months ended March 31, 2023. Although asset quality positions remain healthy, institutions will continue to monitor for tangible signs of deterioration amid the unclear economic outlook.



Source: S&P Global Market Intelligence.



Looking Ahead

Caution for a downturn in economic activity and impending recession continues. The quest to rein in stubbornly high inflation and balance a strong labor market remain defining themes and complicates the Fed's monetary policy decision making. Economists have noted that the risk is not that the Fed raises rates too much, but that it doesn't raise rates enough. Market volatility is likely to remain heightened with both domestic and global uncertainties.

Share/deposit price pressures will persist as rates remain elevated and competition further toughens as alternative investments remain attractive. A continued slowdown

or pullback in lending could accompany today's murky economic outlook. With room to run for share/deposit betas and other profitability pressures, margin protection will be a top priority over the near term.

The ability for consumers to move money quickly also increases funding pressures. Share/deposit base stability and liquidity will remain top of mind due to the recent bank failures. Access to liquidity and collateral capacity will undoubtedly be a focus among regulators going forward. Additional fallout from the failures for institutions may result in the expectation to hold more cash on hand to serve as a buffer against unexpected outflows of shares/

deposits or to "secure" a greater portion of uninsured shares/deposits. Understanding and knowing your share/deposit base will be critical.

In FHLBank Topeka's April Financial Intelligence article in response to recent bank failures, [Liquidity Risk Management | More Than Checking a Box](#), Dale Sheller with the Baker Group says, "In today's environment, liquidity risk and liability management can no longer be overlooked or ignored. Now is the time to dust off your contingency funding plan, liquidity monitoring tools and stress-testing procedures to ensure you have the best risk management practices in place."

Source: S&P Global Market Intelligence.

New Trends Report Addition

Member Performance Fact Sheets

Following this report, you will find credit union member performance fact sheets for institutions of various asset sizes (< \$250 million, \$250 million - \$1 billion and > \$1 billion), as well as fact sheets based on institutions' geographic location (Colorado, Kansas, Nebraska, Oklahoma). The profile for each sector provides a two year and year-to-date comparison for an array of ratios related to balance sheet composition, liquidity, profitability, and asset quality – along with aggregate balance sheet and income statement data. Additionally, a quartile distribution for the most recent

quarter is also included. The addition of the new data sets will provide you with the ability to compare your institution's performance with peers.

Request a Custom Analysis

If you'd like to see additional customized comparisons, check out the [Member Solutions page](#) on our website for a full list of our offerings.

The Member Solutions team and our Regional Account Managers work hand-in-hand to offer analysis and guidance to assist in understanding the value of FHLBank products and services. Use the form on the page to submit a request. We'll be in touch with more information.

CREDIT UNION MEMBER PERFORMANCE COMPARISON FACT SHEET

Financials as of 3/31/2023

Credit Unions with Assets < \$250mm								
	At or For the Year Ended		YTD 2023	Δ Since 2021	Quartile Distribution at 3/31/2023		< \$250mm Average	
	2021	2022			Top Quartile	Bottom Quartile		
Number	41	40	40	(1)				
Aggregate Balance Sheet (\$bn)								
Assets	\$ 5.4	\$ 5.4	\$ 5.4	\$ 0.0				
Securities & Investments	1.3	1.3	1.2	(0.1)				
Gross Loans & Leases	3.2	7.2	7.2	4.0				
Shares & Deposits	4.8	10.3	10.4	5.6				
FHLBank Advances	0.0	0.1	0.1	0.1				
Nonmember Deposits ⁽¹⁾	0.1	0.1	0.2	0.1				
Other Borrowings	0.0	0.0	0.1	0.0				
Balance Sheet Ratios (median)								
Loans / Shares & Deposits	71.68%	78.03%	77.48%	580 bps	86.94%	66.72%	75.38%	
Securities & Investments / Assets	22.73%	22.35%	23.35%	62 bps	31.49%	10.94%	22.64%	
FHLBank Advances / Assets*	3.73%	4.36%	3.33%	(40 bps)	5.05%	1.53%	3.78%	
Capital / Assets	10.41%	9.64%	9.92%	(50 bps)	11.83%	8.32%	10.16%	
Net Worth Ratio	9.75%	10.35%	10.30%	55 bps	12.25%	8.42%	10.69%	
Liquidity Ratios (median)								
Liquid Assets / Assets	15.85%	10.26%	11.07%	(479 bps)	16.47%	8.15%	12.42%	
Wholesale Funding Utilization* ⁽²⁾	4.37%	5.31%	4.98%	61 bps	11.07%	2.09%	7.44%	
Pledged Assets / Loans + Securities	0.00%	0.00%	0.00%	0 bps	45.27%	0.00%	24.92%	
FHLBank Collateral Utilization*	44.87%	23.53%	26.67%	(1,819 bps)	47.85%	10.07%	31.89%	
Pledged Lending Value / Assets	13.92%	14.86%	15.25%	133 bps	20.44%	7.27%	14.97%	
Aggregate Income Statement (\$mm)								
Interest Income	\$ 165.2	\$ 169.3	\$ 50.3					
Interest Expense	19.0	19.3	10.2					
Provision	7.6	5.9	0.3					
Noninterest Income	64.6	56.3	13.9					
Profitability Ratios (median)								
ROAA	0.61%	0.55%	0.52%	(9 bps)	1.00%	0.10%	0.52%	
ROAE	5.12%	5.51%	5.53%	41 bps	10.02%	1.12%	5.42%	
Net Interest Margin	3.32%	3.25%	3.45%	13 bps	3.85%	2.72%	3.40%	
Oper. Expense / Oper. Revenue	81.62%	83.75%	82.28%	66 bps	73.70%	82.28%	82.86%	
Yield on Earning Assets	3.76%	3.59%	4.14%	38 bps	4.60%	3.65%	4.22%	
Yield on Loans	4.47%	4.33%	4.65%	18 bps	5.12%	4.32%	4.68%	
Cost of Interest-bearing Liabilities	0.38%	0.34%	0.75%	37 bps	1.05%	0.56%	0.82%	
Cost of Shares & Deposits	0.36%	0.33%	0.67%	31 bps	0.89%	0.47%	0.75%	
Asset Quality Ratios (median)								
NPA's / Assets	0.20%	0.28%	0.26%	7 bps	0.05%	0.52%	0.38%	
Reserves / Loans	0.56%	0.59%	0.62%	5 bps	1.09%	0.33%	0.74%	
Net Charge-Offs / Average Loans	0.11%	0.13%	0.15%	4 bps	0.34%	0.01%	0.19%	

Source: S&P Global Market Intelligence.

* For those utilizing advance funding.

(1) Includes brokered deposits.

(2) Defined as [Borrowings from FHLB, FRB, & Other Sources + Nonmember Deposits] / [Total Borrowings + Shares and Deposits].

CREDIT UNION MEMBER PERFORMANCE COMPARISON FACT SHEET

Financials as of 3/31/2023

Credit Unions with Assets \$250mm - \$1bn								
	At or For the Year Ended		YTD	Δ Since	Quartile Distribution at 3/31/2023			\$250mm - \$1bn
	2021	2022			Top Quartile	Bottom Quartile		
Number	27	28	28	1				
Aggregate Balance Sheet (\$bn)								
Assets	\$ 13.5	\$ 14.6	\$ 14.8	\$ 1.3				
Securities & Investments	2.7	2.5	2.5	(0.2)				
Gross Loans & Leases	9.7	11.6	11.7	2.0				
Shares & Deposits	12.9	13.6	13.9	1.0				
FHLBank Advances	0.3	0.7	0.5	0.2				
Nonmember Deposits ⁽¹⁾	0.1	0.3	0.4	0.2				
Other Borrowings	0.0	0.0	0.1	0.1				
Balance Sheet Ratios (median)								
Loans / Shares & Deposits	74.53%	87.81%	86.95%	1,242 bps	92.50%	71.75%		84.24%
Securities & Investments / Assets	14.35%	14.60%	12.86%	(149 bps)	20.04%	5.19%		14.89%
FHLBank Advances / Assets*	2.17%	5.35%	3.93%	177 bps	5.89%	2.70%		4.30%
Capital / Assets	10.86%	9.84%	10.04%	(82 bps)	11.15%	7.34%		9.78%
Net Worth Ratio	10.24%	10.43%	10.54%	29 bps	12.34%	9.19%		10.86%
Liquidity Ratios (median)								
Liquid Assets / Assets	16.40%	7.00%	9.21%	(720 bps)	15.23%	5.16%		10.93%
Wholesale Funding Utilization* ⁽²⁾	3.14%	8.57%	6.70%	355 bps	12.27%	4.68%		9.09%
Pledged Assets / Loans + Securities	24.52%	27.91%	25.81%	129 bps	53.81%	9.04%		36.75%
FHLBank Collateral Utilization*	13.41%	33.74%	28.05%	1,464 bps	61.85%	10.73%		35.30%
Pledged Lending Value / Assets	11.67%	15.42%	15.24%	357 bps	23.96%	9.16%		17.01%
Aggregate Income Statement (\$mm)								
Interest Income	\$ 408.9	\$ 494.6	\$ 150.0					
Interest Expense	59.4	68.5	35.1					
Provision	8.4	32.4	3.3					
Noninterest Income	210.6	275.0	2.5					
Profitability Ratios (median)								
ROAA	0.85%	0.74%	0.38%	(47 bps)	0.98%	0.17%		(0.30%)
ROAE	8.20%	7.63%	5.25%	(295 bps)	9.86%	2.49%		0.57%
Net Interest Margin	3.26%	3.42%	3.52%	26 bps	3.87%	3.18%		3.62%
Oper. Expense / Oper. Revenue	81.12%	80.08%	79.52%	(160 bps)	72.06%	90.08%		79.91%
Yield on Earning Assets	3.75%	4.02%	4.62%	87 bps	5.07%	4.24%		4.70%
Yield on Loans	4.42%	4.49%	4.82%	40 bps	5.20%	4.55%		4.87%
Cost of Interest-bearing Liabilities	0.46%	0.54%	1.10%	64 bps	1.26%	0.87%		1.06%
Cost of Shares & Deposits	0.46%	0.50%	1.00%	54 bps	1.13%	0.75%		0.93%
Asset Quality Ratios (median)								
NPAs / Assets	0.21%	0.36%	0.35%	14 bps	0.15%	0.48%		0.41%
Reserves / Loans	0.53%	0.46%	0.66%	13 bps	0.90%	0.42%		0.87%
Net Charge-Offs / Average Loans	0.18%	0.24%	0.37%	19 bps	0.55%	0.21%		0.38%

Source: S&P Global Market Intelligence.

* For those utilizing advance funding.

(1) Includes brokered deposits.

(2) Defined as [Borrowings from FHLB, FRB, & Other Sources + Nonmember Deposits] / [Total Borrowings + Shares and Deposits].

CREDIT UNION MEMBER PERFORMANCE COMPARISON FACT SHEET

Financials as of 3/31/2023

Credit Unions with Assets > \$1bn							
	At or For the Year Ended		YTD 2023	Δ Since 2021	Quartile Distribution at 3/31/2023		> \$1bn Average
	2021	2022			Top Quartile	Bottom Quartile	
Number	19	19	19	-			
Aggregate Balance Sheet (\$bn)							
Assets	\$ 49.9	\$ 54.1	\$ 54.9	\$ 5.0			
Securities & Investments	8.5	8.7	8.3	(0.2)			
Gross Loans & Leases	35.9	43.6	44.1	8.3			
Shares & Deposits	46.8	47.9	48.7	1.9			
FHLBank Advances	1.2	4.5	3.4	2.2			
Nonmember Deposits ⁽¹⁾	0.2	0.5	0.5	0.3			
Other Borrowings	0.1	0.0	1.3	1.1			
Balance Sheet Ratios (median)							
Loans / Shares & Deposits	88.41%	98.39%	95.82%	741 bps	103.30%	79.86%	88.26%
Securities & Investments / Assets	10.80%	8.90%	9.12%	(168 bps)	25.69%	4.94%	14.29%
FHLBank Advances / Assets*	3.80%	8.99%	5.75%	195 bps	9.74%	3.82%	7.09%
Capital / Assets	10.28%	9.01%	9.19%	(109 bps)	10.43%	8.79%	9.55%
Net Worth Ratio	9.92%	9.57%	9.66%	(26 bps)	12.01%	9.10%	10.32%
Liquidity Ratios (median)							
Liquid Assets / Assets	11.49%	5.91%	7.69%	(380 bps)	13.43%	5.28%	8.51%
Wholesale Funding Utilization* ⁽²⁾	5.03%	11.45%	11.57%	655 bps	14.43%	6.75%	10.86%
Pledged Assets / Loans + Securities	36.60%	35.51%	39.54%	294 bps	69.08%	27.78%	46.37%
FHLBank Collateral Utilization*	21.70%	58.54%	36.55%	1,485 bps	49.03%	20.22%	36.65%
Pledged Lending Value / Assets	19.31%	20.00%	19.80%	50 bps	26.28%	15.51%	21.60%
Aggregate Income Statement (\$mm)							
Interest Income	\$ 1,435.2	\$ 1,771.7	\$ 576.7				
Interest Expense	216.7	280.8	163.7				
Provision	44.7	116.6	1.9				
Noninterest Income	621.7	583.9	128.6				
Profitability Ratios (median)							
ROAA	1.11%	0.85%	0.68%	(43 bps)	1.06%	0.53%	0.83%
ROAE	10.35%	9.15%	8.48%	(187 bps)	11.39%	6.08%	9.23%
Net Interest Margin	2.98%	3.12%	3.31%	33 bps	3.77%	2.95%	3.37%
Oper. Expense / Oper. Revenue	72.54%	73.24%	74.29%	175 bps	65.21%	82.80%	70.66%
Yield on Earning Assets	3.84%	3.82%	4.73%	89 bps	5.14%	4.39%	4.88%
Yield on Loans	4.47%	4.33%	4.92%	45 bps	5.20%	4.52%	5.00%
Cost of Interest-bearing Liabilities	0.53%	0.71%	1.39%	86 bps	1.64%	1.20%	1.45%
Cost of Shares & Deposits	0.49%	0.56%	1.09%	60 bps	1.24%	0.70%	1.10%
Asset Quality Ratios (median)							
NPAs / Assets	0.25%	0.30%	0.28%	3 bps	0.16%	0.63%	0.36%
Reserves / Loans	0.62%	0.51%	0.81%	19 bps	1.26%	0.61%	0.92%
Net Charge-Offs / Average Loans	0.23%	0.22%	0.36%	13 bps	0.74%	0.27%	0.47%

Source: S&P Global Market Intelligence.

* For those utilizing advance funding.

(1) Includes brokered deposits.

(2) Defined as [Borrowings from FHLB, FRB, & Other Sources + Nonmember Deposits] / [Total Borrowings + Shares and Deposits].

CREDIT UNION MEMBER PERFORMANCE COMPARISON FACT SHEET

Financials as of 3/31/2023

Credit Unions Headquartered in Colorado								
	At or For the Year Ended		YTD	Δ Since	Quartile Distribution at 3/31/2023		Colorado	
	2021	2022			Top Quartile	Bottom Quartile		
Number			34					
Aggregate Balance Sheet (\$bn)								
Assets	\$ 36.8	\$ 40.7	\$ 41.3	\$ 4.5				
Securities & Investments	5.0	5.2	5.1	0.1				
Gross Loans & Leases	25.3	31.6	32.1	6.8				
Shares & Deposits	32.1	33.4	33.9	1.8				
FHLBank Advances	0.5	3.0	2.0	1.5				
Nonmember Deposits ⁽¹⁾	0.1	0.3	0.3	0.2				
Other Borrowings	0.1	0.0	1.2	1.1				
Balance Sheet Ratios (median)								
Loans / Shares & Deposits	69.36%	81.79%	81.98%	1,262 bps	94.80%	69.25%		80.47%
Securities & Investments / Assets	16.06%	16.34%	15.69%	(37 bps)	27.30%	7.17%		20.06%
FHLBank Advances / Assets*	2.22%	5.40%	3.57%	136 bps	4.82%	1.76%		4.16%
Capital / Assets	9.98%	8.88%	9.04%	(94 bps)	10.55%	8.17%		9.80%
Net Worth Ratio	9.54%	9.57%	9.66%	12 bps	11.63%	8.22%		10.38%
Liquidity Ratios (median)								
Liquid Assets / Assets	18.17%	9.81%	10.14%	(803 bps)	15.28%	6.29%		11.75%
Wholesale Funding Utilization* ⁽²⁾	2.60%	6.96%	6.40%	381 bps	12.13%	4.61%		7.65%
Pledged Assets / Loans + Securities	26.16%	34.75%	41.80%	1,564 bps	57.94%	14.56%		41.44%
FHLBank Collateral Utilization*	15.49%	27.02%	19.05%	356 bps	40.72%	9.55%		25.57%
Pledged Lending Value / Assets	15.48%	17.78%	18.53%	305 bps	20.41%	7.38%		15.22%
Aggregate Income Statement (\$mm)								
Interest Income	\$ 1,041.4	\$ 1,303.5	\$ 435.9					
Interest Expense	126.3	177.2	116.9					
Provision	28.4	81.9	1.6					
Noninterest Income	441.9	494.9	45.9					
Profitability Ratios (median)								
ROAA	0.55%	0.48%	0.47%	(9 bps)	0.89%	0.12%		(0.17%)
ROAE	4.58%	4.44%	5.78%	120 bps	9.45%	1.65%		0.88%
Net Interest Margin	3.14%	3.24%	3.51%	37 bps	3.80%	2.96%		3.41%
Oper. Expense / Oper. Revenue	84.65%	85.40%	79.87%	(478 bps)	71.13%	92.37%		80.48%
Yield on Earning Assets	3.54%	3.57%	4.24%	70 bps	4.75%	3.82%		4.38%
Yield on Loans	4.64%	4.60%	4.92%	28 bps	5.00%	4.36%		4.72%
Cost of Interest-bearing Liabilities	0.34%	0.33%	0.68%	35 bps	1.20%	0.73%		0.97%
Cost of Shares & Deposits	0.31%	0.32%	0.58%	27 bps	1.06%	0.50%		0.78%
Asset Quality Ratios (median)								
NPAs / Assets	0.19%	0.29%	0.22%	3 bps	0.07%	0.66%		0.45%
Reserves / Loans	0.62%	0.62%	0.68%	6 bps	1.17%	0.42%		0.96%
Net Charge-Offs / Average Loans	0.11%	0.13%	0.16%	5 bps	0.36%	0.00%		0.40%

Source: S&P Global Market Intelligence.

* For those utilizing advance funding.

(1) Includes brokered deposits.

(2) Defined as [Borrowings from FHLB, FRB, & Other Sources + Nonmember Deposits] / [Total Borrowings + Shares and Deposits].

CREDIT UNION MEMBER PERFORMANCE COMPARISON FACT SHEET

Financials as of 3/31/2023

Credit Unions Headquartered in Kansas							
	At or For the Year Ended		YTD	Δ Since	Quartile Distribution at 3/31/2023		Kansas
	2021	2022			Top Quartile	Bottom Quartile	
Number			16				
Aggregate Balance Sheet (\$bn)							
Assets	\$ 9.2	\$ 9.4	\$ 9.6	\$ 0.4			
Securities & Investments	1.1	1.0	1.0	(0.1)			
Gross Loans & Leases	5.5	6.5	6.6	1.2			
Shares & Deposits	8.0	7.7	8.1	0.1			
FHLBank Advances	0.3	0.4	0.3	0.1			
Nonmember Deposits ⁽¹⁾	0.1	0.2	0.2	0.1			
Other Borrowings	0.0	0.1	0.1	0.1			
Balance Sheet Ratios (median)							
Loans / Shares & Deposits	76.68%	85.19%	83.68%	700 bps	101.73%	66.96%	79.72%
Securities & Investments / Assets	17.81%	16.50%	15.91%	(190 bps)	29.14%	4.37%	18.70%
FHLBank Advances / Assets*	3.20%	4.34%	4.86%	166 bps	6.07%	3.47%	4.55%
Capital / Assets	10.88%	9.91%	9.96%	(92 bps)	11.11%	9.28%	10.33%
Net Worth Ratio	10.59%	10.63%	10.42%	(17 bps)	12.93%	9.23%	11.24%
Liquidity Ratios (median)							
Liquid Assets / Assets	10.09%	6.53%	6.82%	(327 bps)	11.04%	4.26%	8.20%
Wholesale Funding Utilization* ⁽²⁾	6.09%	7.01%	6.70%	61 bps	14.30%	4.38%	8.34%
Pledged Assets / Loans + Securities	0.00%	6.21%	8.15%	815 bps	25.67%	0.00%	15.86%
FHLBank Collateral Utilization*	27.95%	61.08%	40.42%	1,247 bps	75.19%	28.97%	49.52%
Pledged Lending Value / Assets	10.37%	11.80%	12.01%	165 bps	18.11%	7.35%	14.29%
Aggregate Income Statement (\$mm)							
Interest Income	\$ 248.6	\$ 295.2	\$ 85.3				
Interest Expense	41.1	47.3	22.5				
Provision	0.4	15.0	0.8				
Noninterest Income	140.6	130.4	28.3				
Profitability Ratios (median)							
ROAA	0.99%	0.69%	0.50%	(49 bps)	0.77%	0.17%	0.57%
ROAE	4.43%	3.89%	3.82%	(61 bps)	7.48%	2.27%	5.90%
Net Interest Margin	3.53%	3.45%	3.57%	4 bps	3.54%	2.65%	3.11%
Oper. Expense / Oper. Revenue	84.17%	85.92%	84.70%	53 bps	72.15%	85.90%	77.84%
Yield on Earning Assets	4.00%	3.83%	4.44%	44 bps	4.94%	3.63%	4.33%
Yield on Loans	5.13%	5.03%	5.27%	15 bps	5.02%	4.55%	4.78%
Cost of Interest-bearing Liabilities	0.42%	0.41%	0.63%	21 bps	1.44%	0.90%	1.17%
Cost of Shares & Deposits	0.40%	0.39%	0.61%	21 bps	1.24%	0.81%	1.07%
Asset Quality Ratios (median)							
NPAs / Assets	0.29%	0.31%	0.30%	0 bps	0.10%	0.70%	0.51%
Reserves / Loans	0.68%	0.59%	0.75%	7 bps	1.38%	0.43%	1.48%
Net Charge-Offs / Average Loans	0.07%	0.10%	0.07%	(1 bps)	0.45%	0.00%	0.31%

Source: S&P Global Market Intelligence.

* For those utilizing advance funding.

(1) Includes brokered deposits.

(2) Defined as [Borrowings from FHLB, FRB, & Other Sources + Nonmember Deposits] / [Total Borrowings + Shares and Deposits].

CREDIT UNION MEMBER PERFORMANCE COMPARISON FACT SHEET

Financials as of 3/31/2023

Credit Unions Headquartered in Nebraska							
	At or For the Year Ended		YTD	Δ Since	Quartile Distribution at 3/31/2023		Nebraska
	2021	2022	2023	2021	Top Quartile	Bottom Quartile	Average
Number	17						
<u>Aggregate Balance Sheet (\$bn)</u>							
Assets	\$ 4.8	\$ 5.2	\$ 5.3	\$ 0.5			
Securities & Investments	0.5	0.5	0.5	0.0			
Gross Loans & Leases	3.4	3.9	3.9	0.5			
Shares & Deposits	4.1	4.3	4.4	0.3			
FHLBank Advances	0.1	0.3	0.2	0.0			
Nonmember Deposits ⁽¹⁾	0.0	0.1	0.1	0.1			
Other Borrowings	0.0	0.0	0.1	0.1			
<u>Balance Sheet Ratios (median)</u>							
Loans / Shares & Deposits	77.33%	82.34%	84.88%	755 bps	94.53%	67.01%	80.68%
Securities & Investments / Assets	11.48%	11.33%	10.83%	(65 bps)	32.87%	4.38%	17.22%
FHLBank Advances / Assets*	4.41%	4.80%	3.57%	(83 bps)	7.01%	1.78%	4.19%
Capital / Assets	11.25%	10.37%	11.05%	(20 bps)	12.59%	8.44%	10.45%
Net Worth Ratio	10.65%	10.55%	10.56%	(9 bps)	12.55%	9.02%	10.81%
<u>Liquidity Ratios (median)</u>							
Liquid Assets / Assets	15.85%	12.51%	12.57%	(328 bps)	18.06%	7.02%	13.66%
Wholesale Funding Utilization* ⁽²⁾	4.13%	9.88%	9.03%	489 bps	11.57%	2.16%	8.50%
Pledged Assets / Loans + Securities	16.08%	25.22%	25.01%	893 bps	62.36%	2.18%	33.38%
FHLBank Collateral Utilization*	21.70%	55.93%	25.58%	388 bps	41.45%	16.26%	29.98%
Pledged Lending Value / Assets	14.56%	15.38%	16.68%	211 bps	20.57%	8.32%	14.45%
<u>Aggregate Income Statement (\$mm)</u>							
Interest Income	\$ 162.1	\$ 185.7	\$ 56.8				
Interest Expense	22.6	27.9	15.1				
Provision	9.7	4.7	2.5				
Noninterest Income	83.9	79.0	19.5				
<u>Profitability Ratios (median)</u>							
ROAA	0.52%	0.57%	0.89%	37 bps	1.16%	0.25%	0.66%
ROAE	1.92%	3.15%	5.88%	397 bps	11.33%	3.05%	7.51%
Net Interest Margin	3.33%	3.30%	3.52%	19 bps	4.46%	3.41%	3.83%
Oper. Expense / Oper. Revenue	91.40%	88.59%	83.30%	(810 bps)	73.64%	88.65%	80.98%
Yield on Earning Assets	3.70%	3.54%	3.95%	25 bps	5.89%	3.95%	4.79%
Yield on Loans	4.92%	4.57%	4.89%	(4 bps)	5.35%	4.16%	4.88%
Cost of Interest-bearing Liabilities	0.28%	0.26%	0.45%	18 bps	1.34%	0.48%	0.91%
Cost of Shares & Deposits	0.28%	0.26%	0.41%	13 bps	1.17%	0.44%	0.78%
<u>Asset Quality Ratios (median)</u>							
NPAs / Assets	0.20%	0.24%	0.27%	7 bps	0.02%	0.64%	0.47%
Reserves / Loans	0.64%	0.60%	0.60%	(5 bps)	1.18%	0.40%	0.95%
Net Charge-Offs / Average Loans	0.11%	0.13%	0.02%	(9 bps)	0.19%	0.00%	0.10%

Source: S&P Global Market Intelligence.

* For those utilizing advance funding.

(1) Includes brokered deposits.

(2) Defined as [Borrowings from FHLB, FRB, & Other Sources + Nonmember Deposits] / [Total Borrowings + Shares and Deposits].

CREDIT UNION MEMBER PERFORMANCE COMPARISON FACT SHEET

Financials as of 3/31/2023

Credit Unions Headquartered in Oklahoma							
	At or For the Year Ended		YTD 2023	Δ Since 2021	Quartile Distribution at 3/31/2023		Oklahoma Average
	2021	2022			Top Quartile	Bottom Quartile	
Number			20				
Aggregate Balance Sheet (\$bn)							
Assets	\$ 18.0	\$ 18.9	\$ 18.9	\$ 0.9			
Securities & Investments	4.7	4.1	4.1	(0.6)			
Gross Loans & Leases	11.3	12.9	12.9	1.5			
Shares & Deposits	15.3	15.7	15.8	0.5			
FHLBank Advances	0.6	1.5	1.2	0.6			
Nonmember Deposits ⁽¹⁾	0.2	0.3	0.3	0.2			
Other Borrowings	0.0	0.0	0.0	(0.0)			
Balance Sheet Ratios (median)							
Loans / Shares & Deposits	76.17%	85.13%	83.76%	759 bps	92.54%	75.68%	83.38%
Securities & Investments / Assets	22.24%	18.65%	18.08%	(416 bps)	21.82%	9.86%	17.87%
FHLBank Advances / Assets*	3.30%	6.48%	5.03%	172 bps	12.01%	3.44%	7.48%
Capital / Assets	10.63%	9.52%	10.02%	(61 bps)	10.59%	7.16%	9.33%
Net Worth Ratio	10.13%	10.41%	10.61%	48 bps	12.25%	8.82%	10.61%
Liquidity Ratios (median)							
Liquid Assets / Assets	11.46%	7.87%	9.28%	(219 bps)	12.90%	5.96%	10.08%
Wholesale Funding Utilization* ⁽²⁾	4.61%	11.46%	11.14%	653 bps	17.61%	4.80%	12.08%
Pledged Assets / Loans + Securities	23.48%	27.97%	28.51%	502 bps	54.52%	13.60%	32.32%
FHLBank Collateral Utilization*	28.21%	59.82%	47.75%	1,954 bps	63.25%	22.87%	43.28%
Pledged Lending Value / Assets	12.26%	15.23%	15.58%	332 bps	19.65%	5.81%	13.30%
Aggregate Income Statement (\$mm)							
Interest Income	\$ 557.2	\$ 651.2	\$ 198.9				
Interest Expense	105.0	117.7	55.1				
Provision	22.2	53.3	0.7				
Noninterest Income	230.5	211.0	51.3				
Profitability Ratios (median)							
ROAA	1.07%	0.89%	0.59%	(49 bps)	1.10%	0.28%	0.70%
ROAE	6.66%	6.91%	6.08%	(58 bps)	11.09%	5.04%	7.80%
Net Interest Margin	3.27%	3.29%	3.52%	25 bps	3.61%	3.16%	3.52%
Oper. Expense / Oper. Revenue	81.08%	78.04%	78.13%	(295 bps)	66.34%	89.04%	76.83%
Yield on Earning Assets	3.77%	3.87%	4.43%	66 bps	4.84%	4.28%	4.67%
Yield on Loans	4.88%	4.81%	5.06%	18 bps	5.19%	4.41%	4.95%
Cost of Interest-bearing Liabilities	0.37%	0.39%	0.73%	36 bps	1.49%	0.81%	1.14%
Cost of Shares & Deposits	0.37%	0.38%	0.67%	30 bps	1.14%	0.76%	1.00%
Asset Quality Ratios (median)							
NPAs / Assets	0.26%	0.40%	0.34%	8 bps	0.05%	0.58%	0.39%
Reserves / Loans	0.58%	0.52%	0.68%	11 bps	1.08%	0.35%	0.87%
Net Charge-Offs / Average Loans	0.22%	0.21%	0.26%	4 bps	0.57%	0.05%	0.47%

Source: S&P Global Market Intelligence.

* For those utilizing advance funding.

(1) Includes brokered deposits.

(2) Defined as [Borrowings from FHLB, FRB, & Other Sources + Nonmember Deposits] / [Total Borrowings + Shares and Deposits].