



**ncuma.com**

**CUSTOMIZED CREDIT UNION  
PERFORMANCE REPORT:  
DEEP DIVE INTO YOUR  
INSTITUTION AND PEER GROUP**

*Presented By*

*Jamie Sumner, Partner*

*Velligan-Blaxall Consultants LLC*





**ncuma.com**

# Jamie Sumner, Partner

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Jamie Sumner is a Partner of Velligan-Blaxall Consultants LLC. Since 1997 Jamie has worked in and consulted for community and regional financial institutions in the areas of Performance Profiling, Portfolio Management, Asset-Liability Management (ALM), and Economics.

Over the last 25 years Jamie has attended and presented to hundreds of Boards and ALCO committees across the nation.



# SESSION TOPICS



- Self Assessment
- The Art of Benchmarks and Peer Groups
- Credit Union Performance Report Overview
- What about Risk?
- Risk / Reward Profile



# RISK AND REWARD SELF ASSESSMENT



## ASSESSING YOUR INSTITUTION'S RISK AND REWARD RELATIONSHIP



The Composite Score reflects your institution's overall balance between risk and reward.

Indicate ABOVE where do you believe your institution's Composite Score would fall on this scale.

Indicate BELOW where you believe your institution's component scores would fall.

### TOTAL RISK SCORE



### EARNINGS AT RISK



### CREDIT RISK



### LIQUIDITY RISK



### CAPITAL RISK



### REWARD SCORE



### RETURN ON ASSETS



### RETURN ON EQUITY



### STATE ECONOMIC RISK



### NATIONAL ECONOMIC RISK



## RETURN ON ASSETS



UNDERPERFORMING

AVERAGE

OPTIMAL

## EARNINGS AT RISK



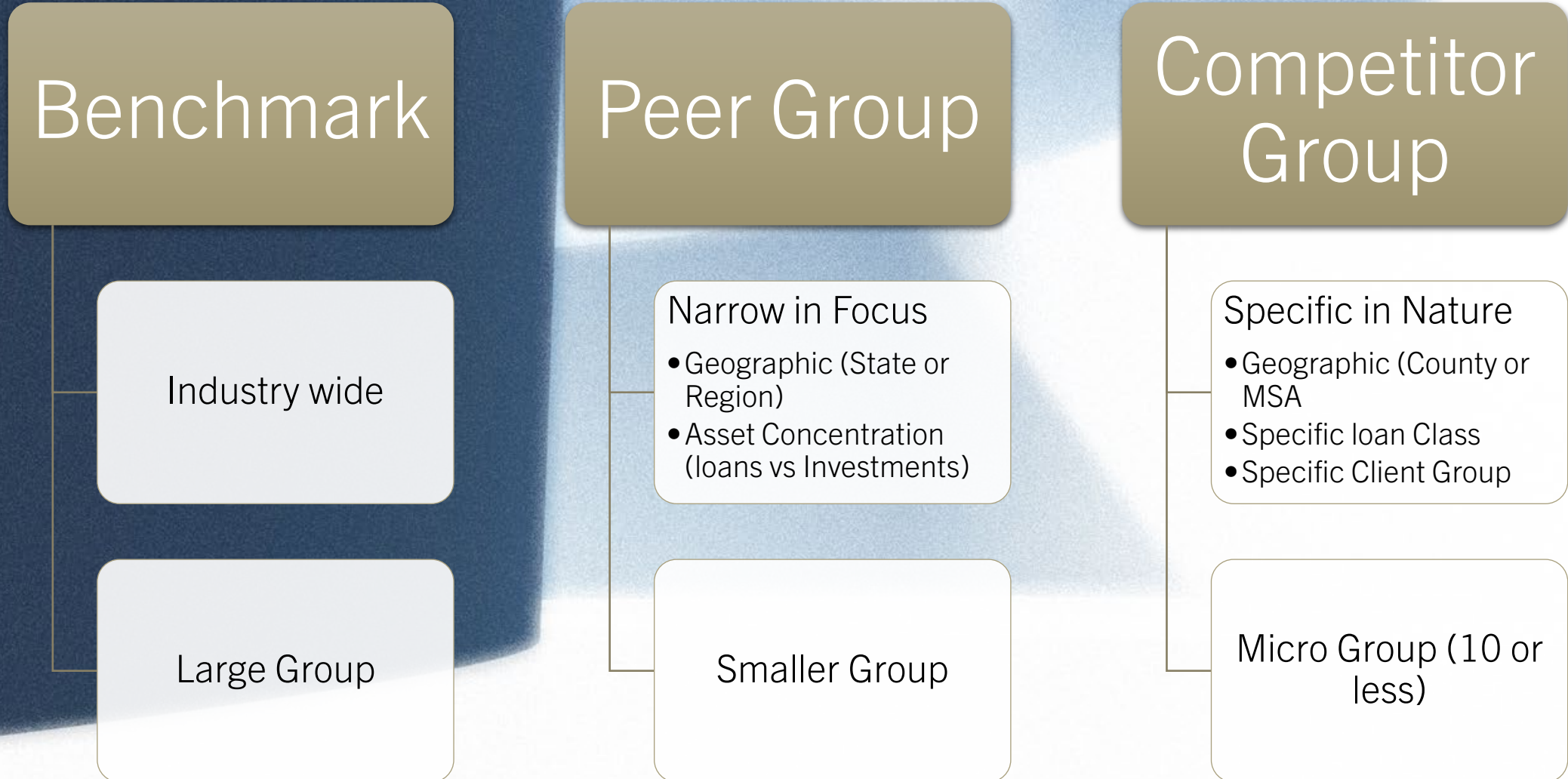
LOW RISK

MODERATE RISK

HIGH RISK



# BENCHMARK & PEER GROUPS





# BENCHMARK & PEER GROUPS

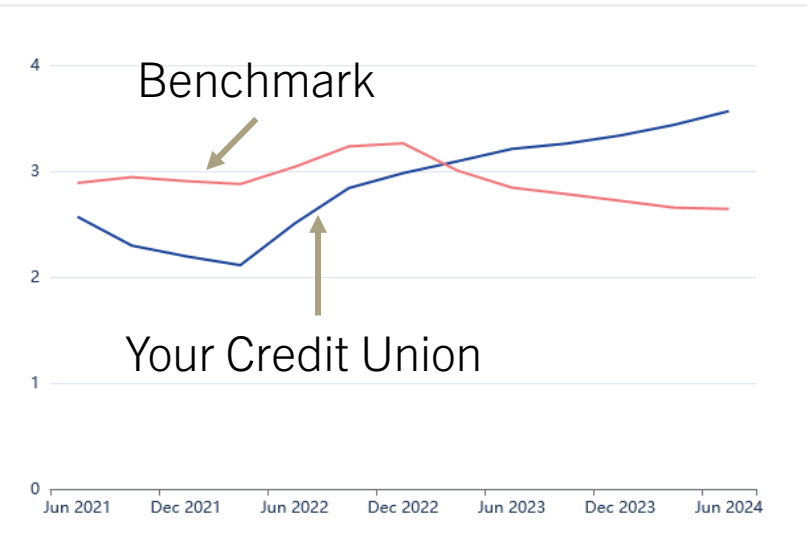


Benchmark

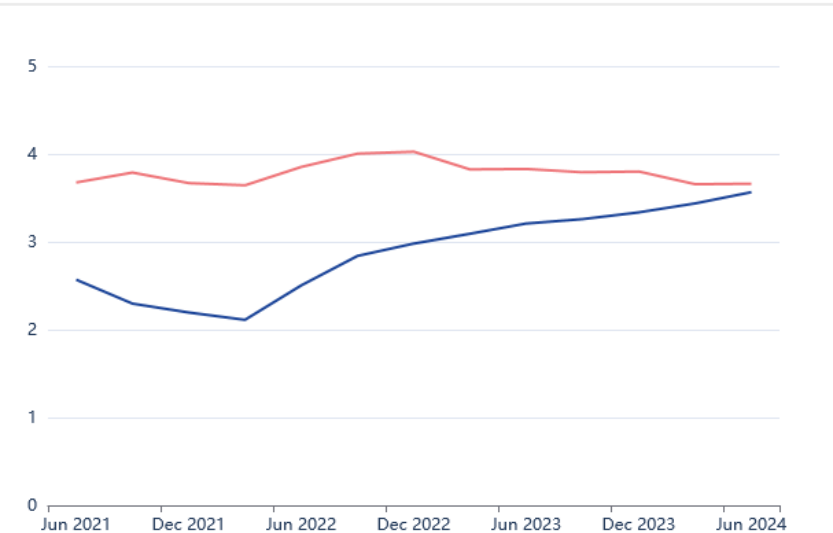
Peer Group

Competitor Group

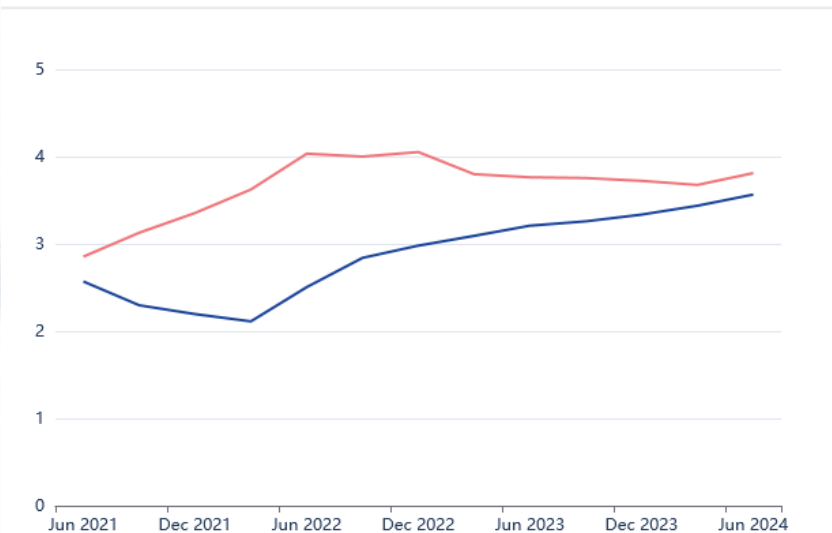
Net Interest Margin (%) (Quarterly)



Net Interest Margin (%) (Quarterly)



Net Interest Margin (%) (Quarterly)





# Performance Risk Report



Sample Credit Union

Quarter Analyzed  
2025Q2

Velligan-Blaxall Consultants, LLC | Haverford, PA | 610.526.1869  
www.VelliganBlaxall.com

## Report Summary

Credit Union Analyzed: Sample Credit Union  
Location: Anytown, USA  
Website: www.SampleCU.com  
Number of Branches: 5

**Benchmark Used:**  
Credit Unions in the U.S. with assets between \$100 million and \$5 billion  
**Peer Group Used:**  
Credit Unions attending the NCUMA Conference

2025Q2 Summary Data		
	Value	YoY Δ
Assets	556,766	7.0%
Loans	138,052	3.1%
Deposits	474,413	5.2%
Net Income	1,406	10.5%
Return on Average Assets	1.01%	+3 bps
Return on Average Equity	7.12%	-62 bps
Net Interest Margin	3.15%	+33 bps
Yield on Earning Assets	4.71%	+53 bps
Cost of Funds	2.11%	+13 bps
Provisioning Expense/AA	0.03%	-6 bps
Net Overhead	1.48%	+28 bps
Noninterest Income/AA	0.63%	-15 bps
Noninterest Expense/AA	2.11%	+13 bps
Noncurrent Loans/Loans	0.32%	+10 bps
90+ Days Past Due/Loans	0.56%	+12 bps
Nonaccrual Loans/Loans	0.87%	+17 bps
Leverage Ratio (%)	14.72%	+137 bps
Tier 1 Com. Capital RB Ratio	14.51%	+134 bps
Tier 1 Risk-based Ratio	116.85%	+202 bps
Total RB Capital Ratio	1.47%	+12 bps

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*This Performance Risk Report was developed to focus on information about a credit union's performance relative to the benchmark group and a peer group as presented above. The report provides ratios that are not unlike those used by credit union regulators in determining the CAMELS Rating.*

*This report was developed to be a concise and easy-to-use tool of performance measurement and peer comparison for the board of directors and management. It includes comparisons to a national benchmark and a more specific peer group as defined above.*

*This report is prepared on a quarterly basis and is based on data from the Call Report, SNL Financial database, Bloomberg, and may include supplemental information provided by the credit union's management.*



# YOUR CREDIT UNION'S HISTORY



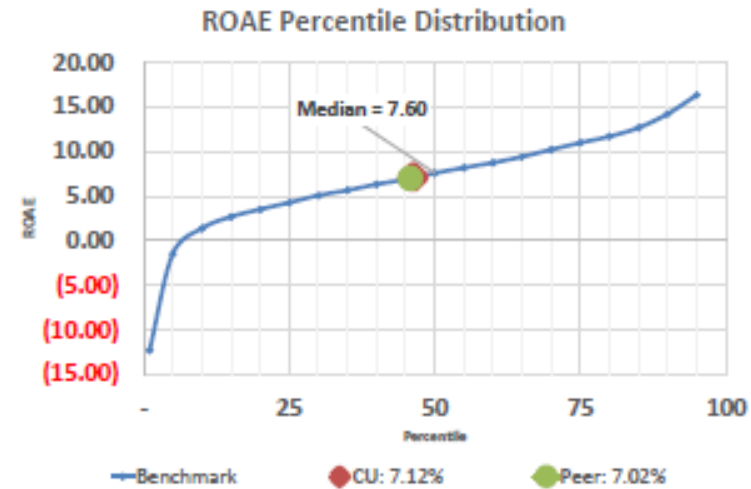
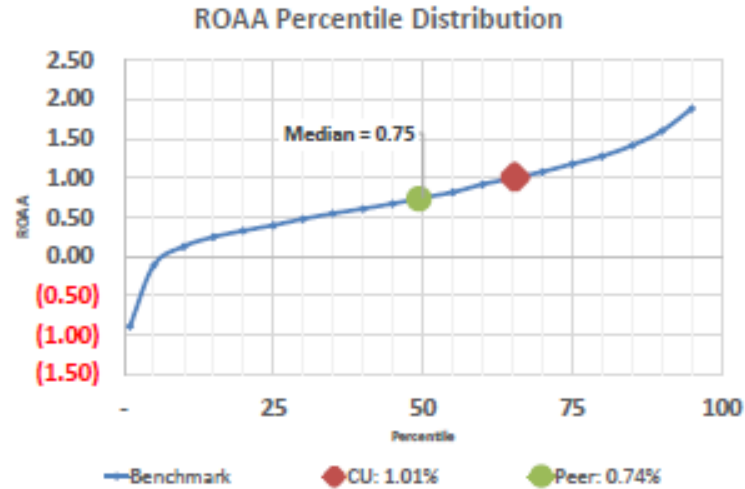
Summary Credit Union and Interest Rate Chart

	2019	2020	2021	2022	2023	2024	2024Q2	2024Q3	2024Q4	2025Q1	2025Q2
<b>Sample Credit Union's Profitability</b>											
Return on Average Assets (%)	0.75	0.41	0.28	0.66	1.07	0.88	0.98	0.98	0.70	0.68	1.01
Return on Average Equity (%)	4.90	2.65	2.08	6.32	9.72	6.69	7.74	7.22	4.99	4.83	7.12
Net Interest Margin (%)	2.53	2.06	1.66	2.12	2.75	2.83	2.82	2.85	2.89	2.97	3.15
Net Overhead (%)	1.36	1.21	1.04	1.08	1.13	1.32	1.20	1.31	1.45	1.61	1.48
<b>Sample Credit Union Summary Income Statement (\$000)</b>											
Net Interest Income	9,517	7,879	7,035	9,254	11,496	11,906	2,935	3,029	3,063	3,185	3,491
Provisioning	456	232	-14	4	145	420	114	44	226	91	36
Noninterest Income	3,326	3,217	3,633	3,822	3,847	3,897	1,015	967	989	891	879
Noninterest Expense	9,166	8,921	9,174	9,548	9,697	10,787	2,565	2,676	2,901	3,069	2,929
Net Income	3,221	1,943	1,507	3,524	5,501	4,594	1,272	1,275	924	916	1,406
<b>Sample Credit Union's Balance Sheet</b>											
Total Loans (\$000)	102,757	96,907	104,707	119,376	130,285	137,980	133,944	135,041	137,980	137,425	138,052
Loan Growth (%)	-3.06	-5.69	8.05	14.01	9.14	5.91	1.67	3.28	8.71	-1.61	1.82
Total Assets (\$000)	436,243	504,295	540,567	521,201	508,744	529,720	520,143	525,787	529,720	551,891	556,766
Asset Growth (%)	6.56	15.60	7.19	-3.58	-2.39	4.12	3.64	4.34	2.99	16.74	3.53
Total Deposits (\$000)	366,310	428,575	467,960	467,540	442,732	453,626	450,878	448,280	453,626	471,108	474,413
Deposit Growth (%)	5.40	17.00	9.19	-0.09	-5.31	2.46	2.07	-2.30	4.77	15.42	2.81
Level of Cash-Type Deposits/TD	80.57	82.67	85.73	86.95	85.69	81.71	84.08	82.79	81.71	81.40	80.96
Equity/Assets	15.66	14.71	13.11	9.97	12.51	13.91	12.84	14.16	13.91	14.14	14.35
Securities/Assets	64.19	58.78	60.52	59.33	56.05	52.88	55.06	55.84	52.88	54.73	55.37
<b>Sample Credit Union's Credit Risk</b>											
Total Delinquent Loans/ Total Loans	0.65	0.95	0.40	0.30	0.27	0.34	0.22	0.22	0.34	0.32	0.32
Net Charge-offs/TL	0.35	0.28	0.08	0.06	0.07	0.14	0.21	0.12	0.18	0.10	0.03
Loan Loss Reserve to/TL	0.79	0.79	0.64	0.51	0.68	0.81	0.70	0.75	0.81	0.86	0.87
<b>Market Interest Rates</b>											
3-month Treasury	1.55	0.09	0.06	4.42	5.40	4.37	5.48	4.73	4.37	4.32	4.41
2-year Treasury	1.58	0.13	0.73	4.41	4.23	4.25	4.71	3.66	4.25	3.89	3.72
10-year Treasury	1.92	0.93	1.52	3.88	3.88	4.58	4.36	3.81	4.58	4.23	4.24
Spread (10y-2y)	0.34	0.80	0.79	-0.53	-0.35	0.33	-0.35	0.15	0.33	0.34	0.52
Federal Funds	1.75	0.25	0.25	4.50	5.50	4.50	5.50	5.00	4.50	4.50	4.50
Prime	4.75	3.25	3.25	7.50	8.50	7.50	8.50	8.00	7.50	7.50	7.50

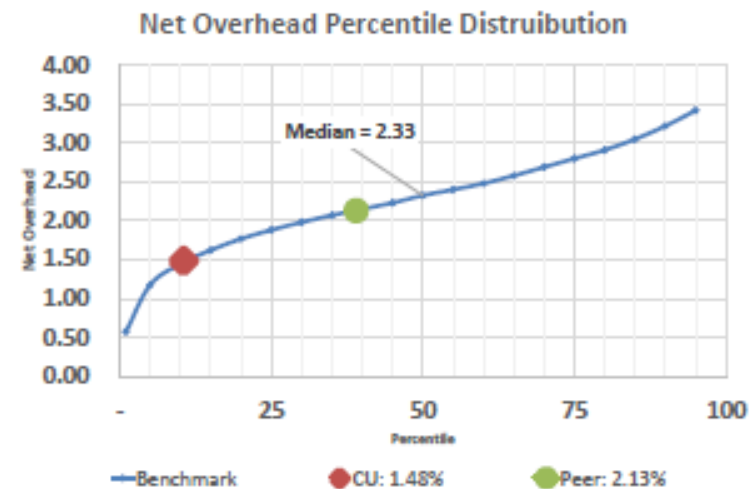
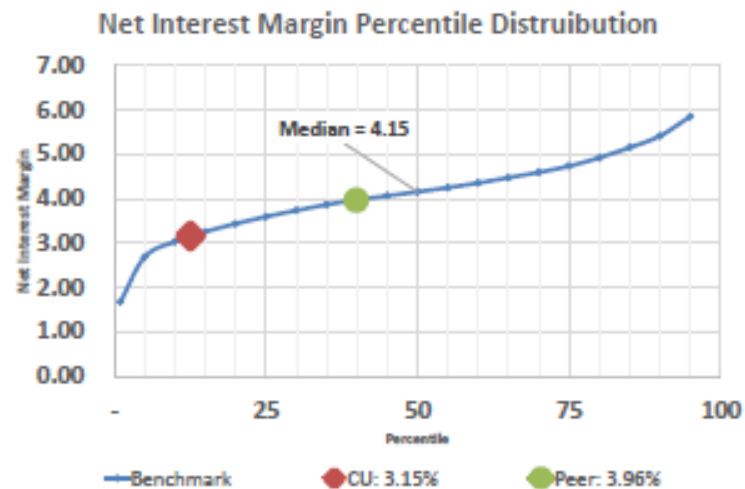


# PERFORMANCE DASHBOARD

## Overall Performance



## Drivers of Performance





# SIMPLE PERFORMANCE DASHBOARD



Overall Performance		Peer Group		National Benchmark Stats	
Credit Union		Average	Median	Average	Median
ROAA	1.01	0.74	0.66	0.80	0.75
ROAE	7.12	7.02	7.10	7.49	7.60
Drivers of Performance (%)		Average	Median	Average	Median
Net Interest Margin	3.15	3.96	3.87	4.18	4.15
Level of Earning Assets	80.05	85.72	86.39	84.55	85.44
Provisioning	0.03	0.51	0.47	0.39	0.29
Net Overhead	1.48	2.13	2.09	2.33	2.33
Equity/Assets	14.72	10.94	10.29	11.22	10.85
Net Interest Income (%)		Average	Median	Average	Median
Net Interest Margin	3.15	3.96	3.87	4.18	4.15
Yield on Earning Assets	4.71	5.86	5.77	5.91	5.83
Yield on Loans	5.58	5.90	5.91	6.05	6.00
Yield on Investments	3.48	3.61	3.51	3.60	3.52
Cost of Funds	1.47	1.83	1.79	1.64	1.59
Cost of Shares and Deposits	1.47	1.68	1.68	1.56	1.53
Cost of Borrowings	0.00	8.17	4.25	6.07	4.21
Overhead (%)		Average	Median	Average	Median
Net Overhead	1.48	2.13	2.09	2.33	2.33
Efficiency Ratio	67.03	73.32	72.97	80.59	75.84
Noninterest Income	0.63	1.24	1.17	1.26	1.14
Noninterest Expense	2.11	3.37	3.37	3.60	3.52
Capital (%)		Average	Median	Average	Median
Capital/ Assets	14.72	10.94	10.29	11.22	10.85
Classified Assets/ Capital	1.47	7.11	6.67	5.87	5.02
Solvency Evaluation	116.85	112.28	111.33	112.61	111.79
Net Worth/ Assets	15.95	11.30	10.68	11.63	11.01
Net Capital/ Assets	14.51	10.17	9.66	10.61	10.17
Asset Quality (%)		Average	Median	Average	Median
Nonperforming Assets/ Capital	0.55	6.15	4.75	5.88	4.27
Total Delinquent Loans/ Total Loans	0.32	0.79	0.66	0.81	0.64
Net Charge Offs/ Average Loans	0.11	0.58	0.51	0.52	0.52
Loan Loss Reserves/ Gross Loans	0.87	1.11	0.98	0.93	0.82
Level of Earning Assets (%)		Average	Median	Average	Median
Level of Earning Assets	80.05	85.72	86.39	84.55	85.44
Loans to Assets	24.85	70.33	72.61	64.96	67.71
Investments to Assets	55.76	15.32	13.60	19.51	16.17
Productivity (\$000)		Average	Median	Average	Median
Assets Per Employee	9,053	6,798	6,198	6,123	5,312
Loans Per Employee	2,245	4,767	4,302	3,779	3,444
Deposits Per Employee	7,714	5,763	5,204	5,249	4,585
Branch Productivity	111,353	145,528	124,797	89,629	69,829
Revenue Per Employee	71.1	72.9	71.4	64.9	62.3

## 2Q 2025 Summary Statistics

Loan Composition (% of Loans)	Credit Union
Residential Real Estate	26.26
Commercial Real Estate	35.68
Commercial Loans	0.09
New Auto Loans	9.02
Used Auto Loans	20.23
Consumer Loans	3.56
Student Loans	0.00
Leases	0.00
Other Loans	5.15

Security Composition (% of Securities)	Credit Union
U.S. Treasury	53.39
U.S. Agency (GSE)	46.61
Municipal	0.00
Mortgage-Backed (Private Label)	0.00
CMBS	0.00
Other Asset-Backed	0.00
FI Debts	0.00
Other FI-Notes	0.00
Equity	0.00
Trading	0.00

Deposit Composition (% of Deposits)	Credit Union
Cash-Type Dep to Total Dep	80.88
Shares	17.76
Regular Shares	28.62
MM Shares	34.50
Total CDs	19.04
CD	17.03
IRA	2.01
Other	0.07
Member Shares	99.99
Nonmember Shares	0.00

Funding Methods (% of Assets)	Credit Union
Non-brokered Deposits	85.16
Brokered Deposits	0.04
Other borrowings	0.00

LTM Growth Rates	Credit Union
Assets	7.14
Loans	2.03
Deposits	6.21

Peer Group		National Benchmark Stats	
Average	Median	Average	Median
44.25	43.92	42.13	41.68
10.74	8.45	8.21	4.42
0.86	0.23	1.19	0.10
9.77	8.51	10.72	8.64
22.56	20.91	23.99	22.21
3.23	2.65	2.94	2.51
0.16	0.00	0.31	0.00
0.23	0.00	0.18	0.00
8.21	7.29	10.32	7.95

Average	Median	Average	Median
15.76	2.22	13.50	1.13
77.86	83.17	68.75	78.56
3.68	0.00	2.68	0.00
0.59	0.00	0.42	0.00
0.41	0.00	0.25	0.00
0.00	0.00	0.19	0.00
0.60	0.00	7.45	0.00
0.35	0.00	5.05	0.00
0.55	0.00	1.47	0.00
0.20	0.00	0.24	0.00

Average	Median	Average	Median
66.90	66.67	68.75	69.06
20.76	20.57	20.35	19.89
29.87	27.63	35.32	34.37
16.26	15.15	13.08	11.84
30.95	31.71	29.08	28.68
27.29	28.24	24.93	24.86
3.66	3.47	4.15	3.82
0.76	0.02	0.73	0.03
98.61	98.40	98.55	97.77
1.39	0.00	1.45	0.00

Average	Median	Average	Median
83.80	84.98	83.39	85.27
1.21	0.00	2.99	0.08
3.73	2.72	2.07	0.00

Average	Median	Average	Median
3.49	3.51	4.53	3.97
3.94	3.35	3.49	2.69
5.03	4.45	4.84	4.16



# OVERALL PERFORMANCE TREND

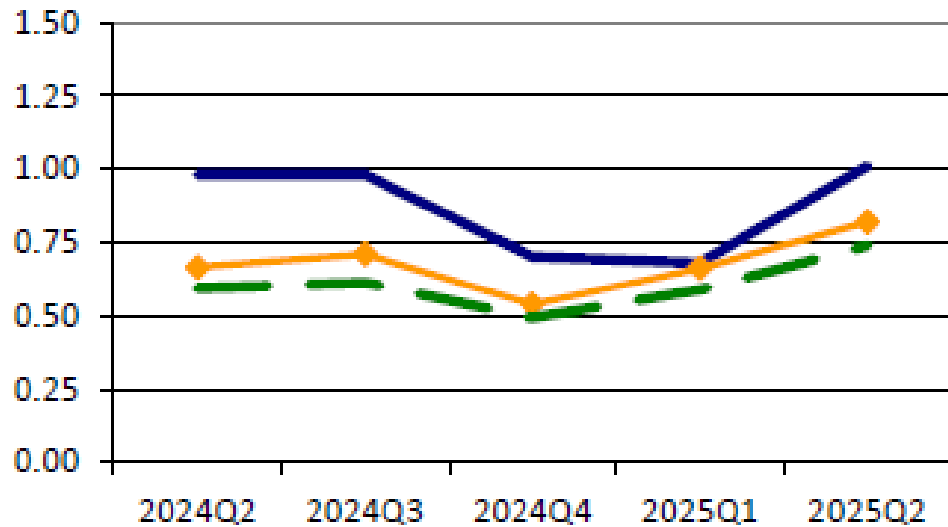


## Return of Average Assets

Return on average assets represents the quarter's net income annualized and divided by the average assets for the quarter.

	2024Q2	2024Q3	2024Q4	2025Q1	2025Q2	Basis point change	
						Q-Q	Y-Y
Sample CU	0.98	0.98	0.70	0.68	1.01	33	3
National Benchmark	0.67	0.71	0.54	0.66	0.82	16	15
Peer Group	0.59	0.61	0.49	0.59	0.74	15	14
<b>Bank's variance to...</b>							
National Benchmark	47.3%	38.2%	30.1%	2.9%	23.3%		
Peer Group	65.0%	60.2%	42.2%	15.5%	36.8%		
<b>Bank's Percentile Rank</b>							
Peer Group Percentile Rank	47.0	45.7	44.2	49.3	48.9		
	70.4	67.9	57.0	55.1	64.0		

Return of Average Assets

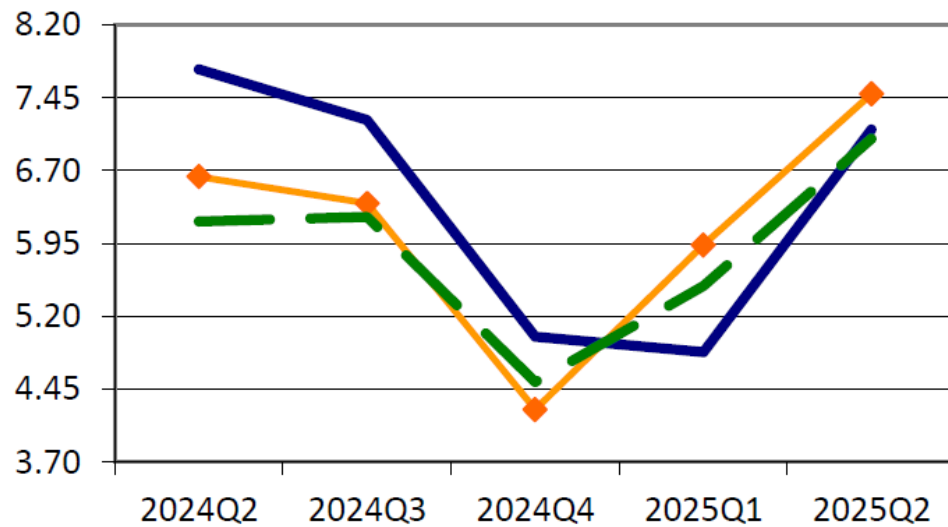


## Return on Average Equity

Return on average equity represents the quarter's net income annualized and divided by the average equity for the quarter.

	2024Q2	2024Q3	2024Q4	2025Q1	2025Q2	basis point change	
						Q-Q	Y-Y
Sample CU	7.74	7.22	4.99	4.83	7.12	229	(62)
National Benchmark	6.44	6.43	4.56	5.94	7.46	151	101
Peer Group	6.18	6.22	4.52	5.51	7.02	152	85
<b>Bank's variance to...</b>							
National Benchmark	20.1%	12.4%	9.5%	-18.7%	-4.5%		
Peer Group	25.3%	16.1%	10.3%	-12.3%	1.4%		
<b>Bank's Percentile Rank</b>							
Peer Group Percentile Rank	46.0	45.2	40.9	46.7	46.2		
	58.0	52.1	44.3	41.9	46.8		

Return on Average Equity

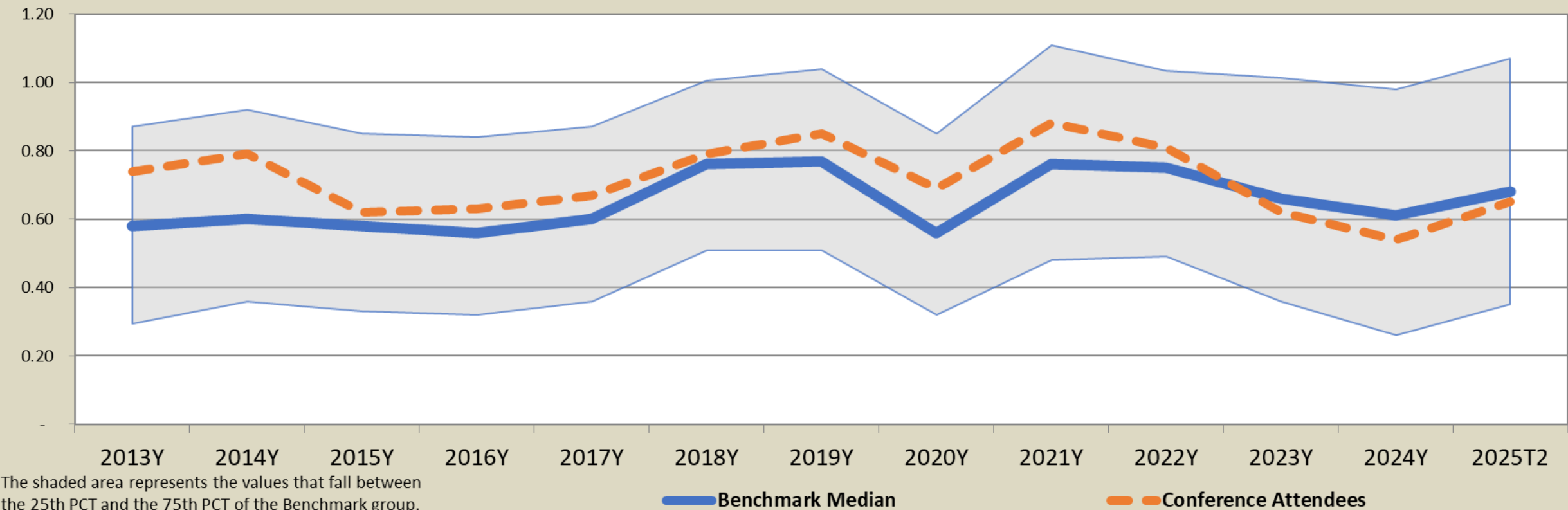




# OVERALL PERFORMANCE TREND



## ROAA (%)



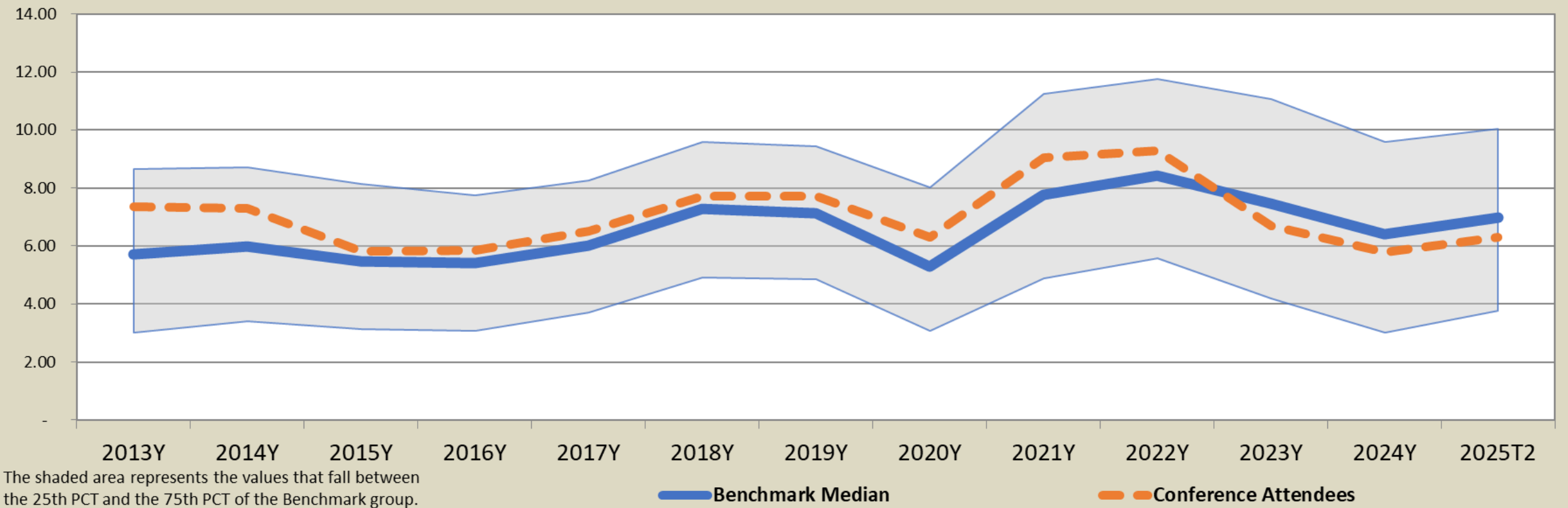
The shaded area represents the values that fall between the 25th PCT and the 75th PCT of the Benchmark group.



# OVERALL PERFORMANCE TREND



## ROAE (%)





# NET INTEREST MARGIN TREND



## Net Interest Margin

Net interest margin is defined as net interest income divided by average earning assets. For most credit unions, the net interest margin is the biggest portion of its revenue stream. On average, the net interest margin represents 70% to 80% of a credit union's revenue.

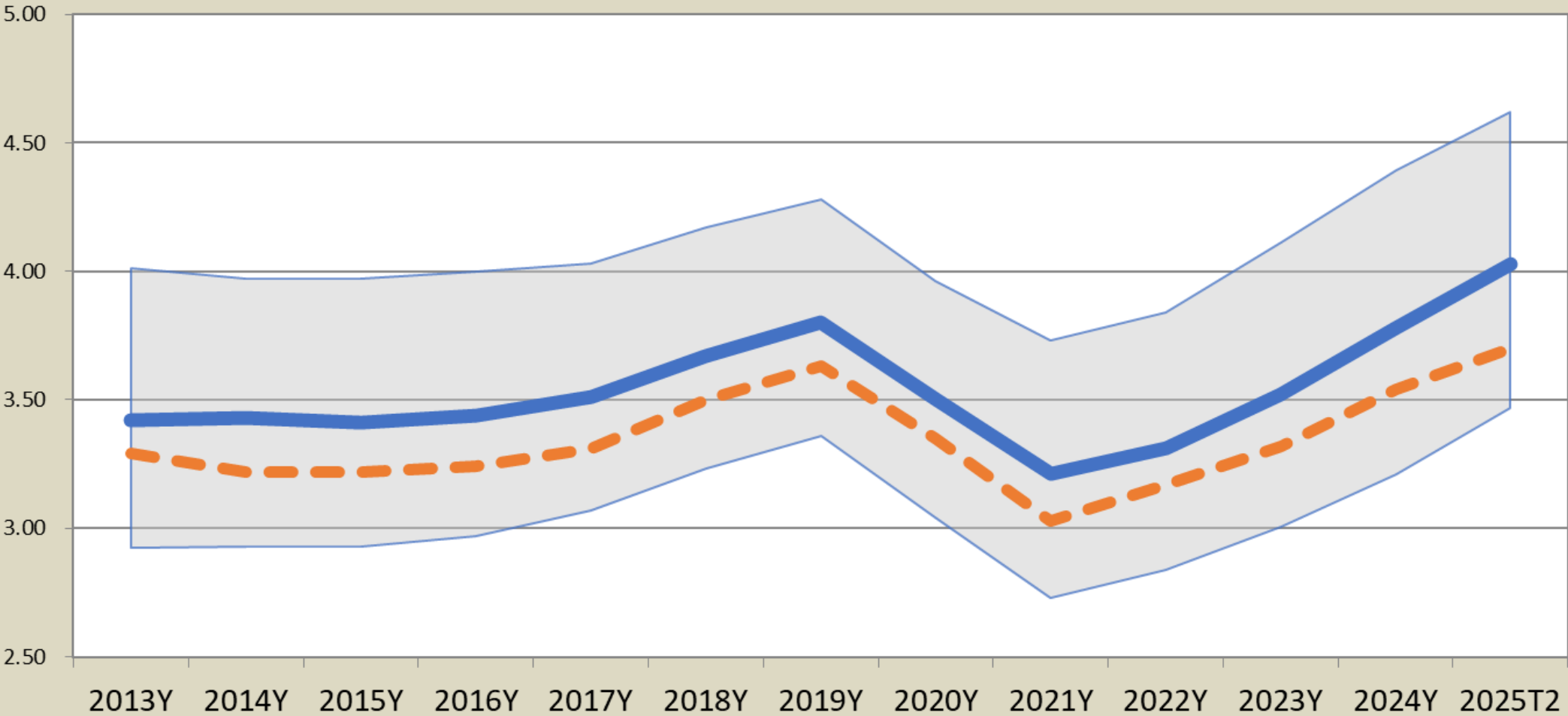
	2024Q2	2024Q3	2024Q4	2025Q1	2025Q2	Basis point change	
						Q-Q	Y-Y
Sample CU	2.82	2.85	2.89	2.97	3.15	18	33
National Benchmark	3.92	4.01	4.04	4.09	4.28	19	36
Peer Group	3.56	3.67	3.75	3.79	3.96	17	40
<i>Bank's variance to...</i>							
National Benchmark	-28.1%	-28.9%	-28.5%	-27.4%	-26.5%		
Peer Group	-20.8%	-22.4%	-22.9%	-21.7%	-20.6%		
Bank's Percentile Rank	35.2	36.5	37.9	37.3	35.9		
Peer Group Percentile Rank	11.8	11.0	11.5	10.3	10.8		



# ANNUAL TREND IN NET INTEREST MARGIN



## Net Interest Margin (%)



The shaded area represents the values that fall between the 25th PCT and the 75th PCT of the Benchmark group.

**Benchmark Median**

**Conference Attendees**



# NET INTEREST INCOME TO REVENUE



## Net Interest Income to Revenue

The Net Interest Income to Revenue Ratio measures the proportion of a credit union's total revenue that is derived from net interest income. It reflects the degree to which the institution's earnings are dependent on its core lending and investment activities versus non-interest sources such as fees, commissions, or other operating income.

	2024Q2	2024Q3	2024Q4	2025Q1	2025Q2	Basis point change	
						Q-Q	Y-Y
Sample CU	74.30	75.80	75.59	78.14	79.89	175	558
National Benchmark	74.87	74.68	73.63	76.18	75.58	(60)	71
Peer Group	72.21	73.19	74.01	74.70	74.05	(65)	185
<b><i>Bank's variance to...</i></b>							
National Benchmark	-0.8%	1.5%	2.7%	2.6%	5.7%		
Peer Group	2.9%	3.6%	2.1%	4.6%	7.9%		
Bank's Percentile Rank	36.7	41.2	43.1	41.3	41.1		
Peer Group Percentile Rank	45.8	54.5	50.7	58.5	67.7		



# NET INTEREST MARGIN COMPONENTS TREND

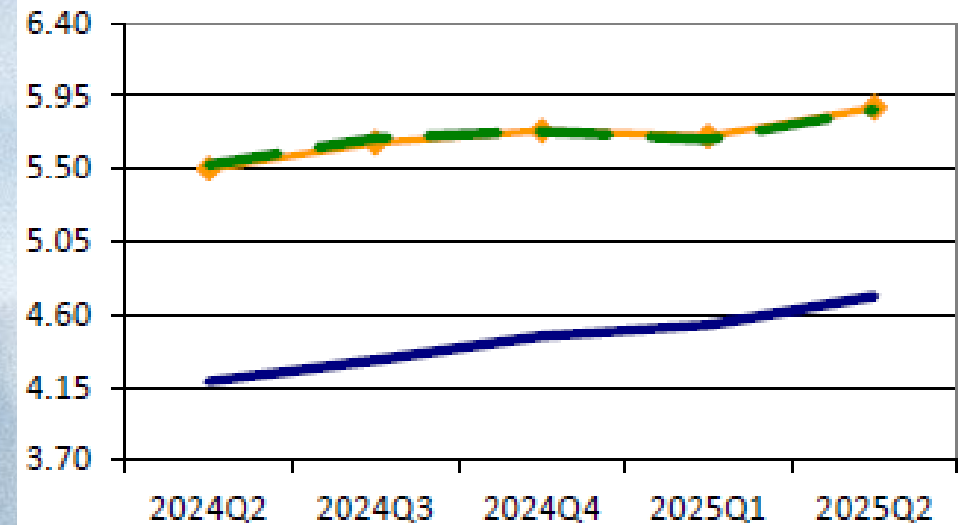


## Yield on Earning Assets

The yield on earning assets is defined as the yield earned on all assets a credit union holds that generate interest income. The yield on earning assets is an indication of the level of risk at the institution. The higher the yield, the higher the risk the institution is likely holding in its balance sheet.

	2024Q2	2024Q3	2024Q4	2025Q1	2025Q2	Basis point change	
						Q-Q	Y-Y
Sample CU	4.18	4.32	4.46	4.53	4.71	18	53
National Benchmark	5.50	5.66	5.73	5.70	5.88	18	38
Peer Group	5.52	5.69	5.73	5.68	5.86	19	34
<b>Bank's variance to...</b>							
National Benchmark	-23.9%	-23.7%	-22.2%	-20.5%	-19.9%		
Peer Group	-24.2%	-24.1%	-22.1%	-20.2%	-19.7%		
Bank's Percentile Rank	53.6	53.7	51.9	51.2	52.4		
Peer Group Percentile Rank	7.2	7.5	8.8	9.0	9.8		

## Yield on Earning Assets

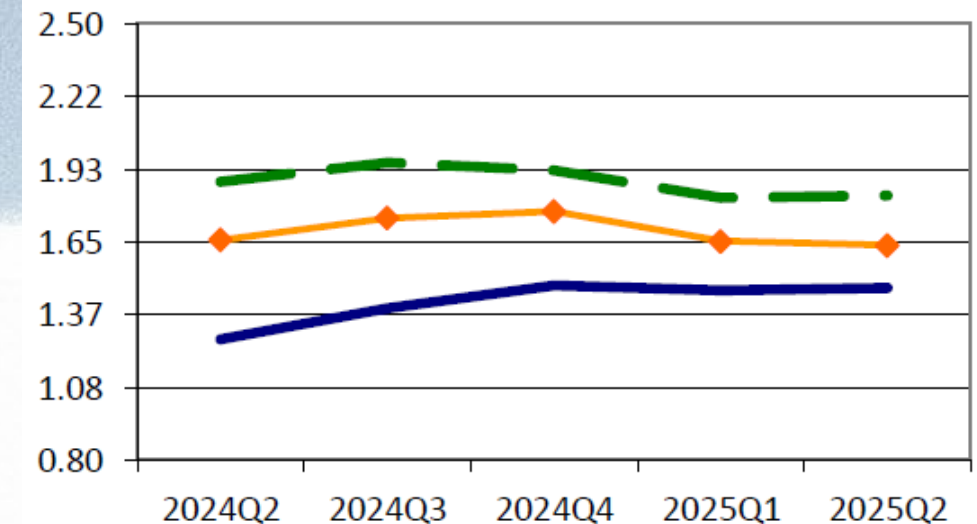


## Cost of Funds

The cost of funds is defined as the cost of all funding methods including noninterest-bearing deposits. The cost of funds is sensitive to the mix of funding products. For example, a higher level of DDA deposits will result in a lower cost of funds, while a higher level of borrowings and/or brokered CDs would result in a higher cost of funds.

	2024Q2	2024Q3	2024Q4	2025Q1	2025Q2	Basis point change	
						Q-Q	Y-Y
Sample CU	1.27	1.39	1.48	1.46	1.47	1	20
National Benchmark	1.52	1.60	1.64	1.53	1.52	(2)	(0)
Peer Group	1.89	1.96	1.93	1.82	1.83	1	(5)
<b>Bank's variance to...</b>							
National Benchmark	-16.4%	-13.1%	-9.7%	-4.7%	-3.0%		
Peer Group	-32.6%	-29.0%	-23.3%	-19.9%	-19.7%		
Bank's Percentile Rank	72.6	71.7	68.3	69.3	72.1		
Peer Group Percentile Rank	37.4	39.1	41.8	46.6	48.9		

## Cost of Funds

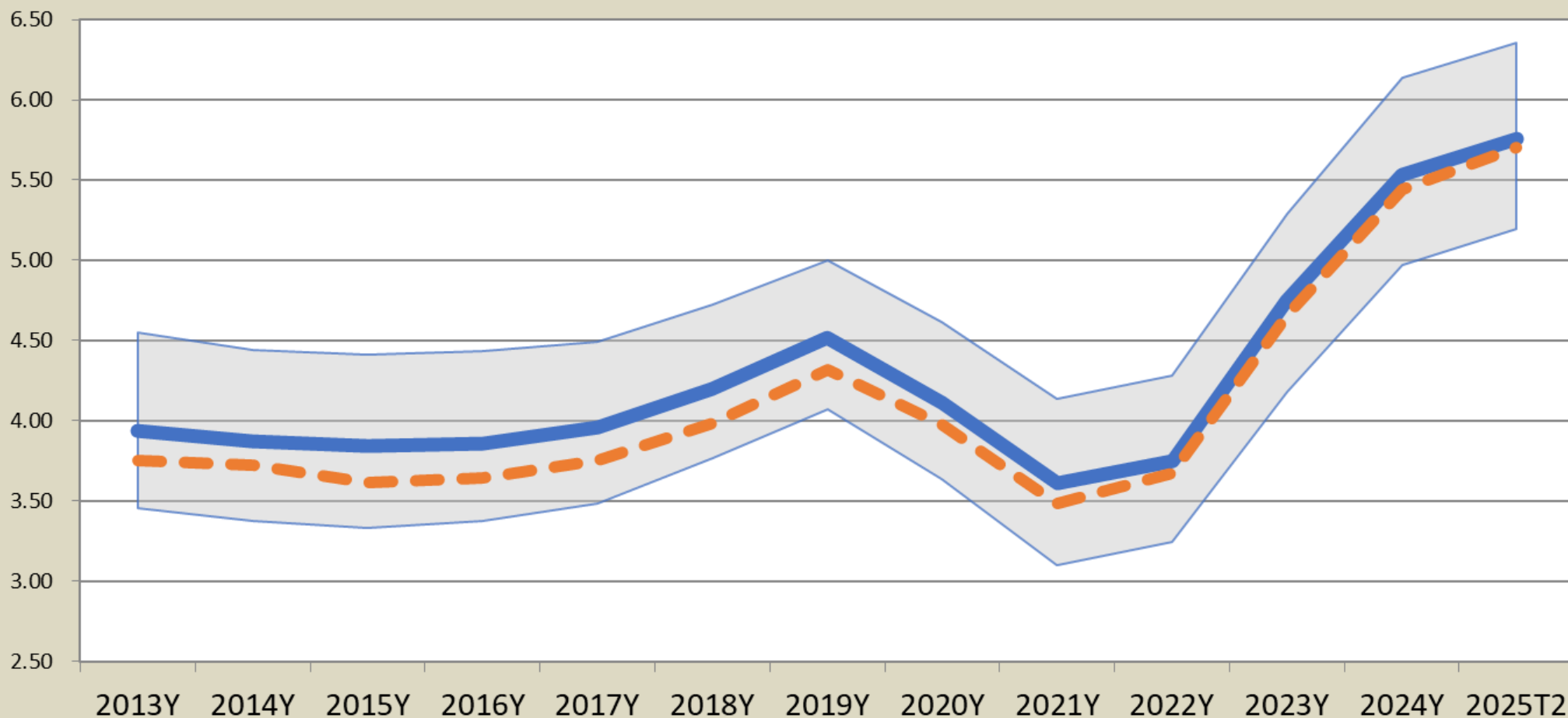




# ANNUAL TREND IN YIELD ON EARNING ASSETS



## Yield on Earning Assets (%)



The shaded area represents the values that fall between the 25th PCT and the 75th PCT of the Benchmark group.

— Benchmark Median

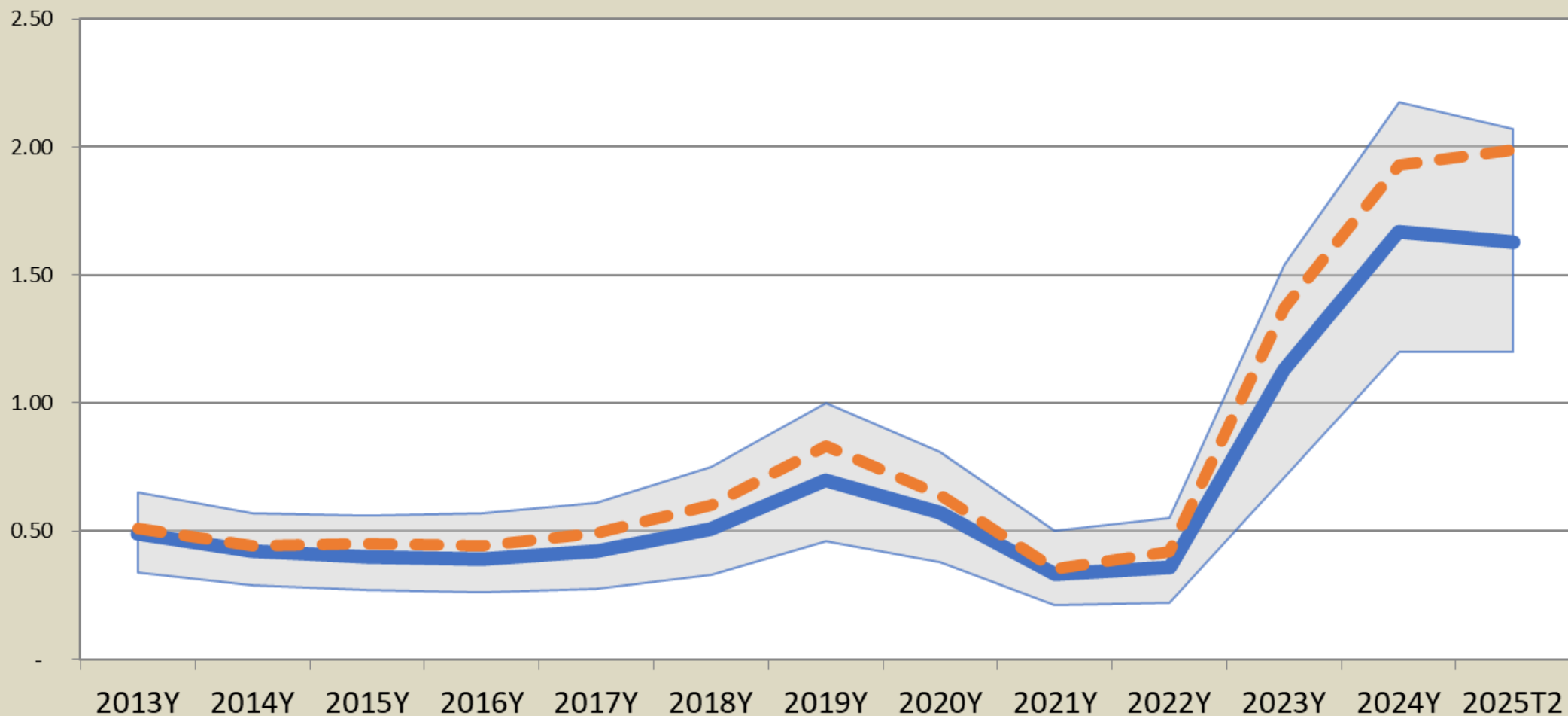
- - - Conference Attendees




# ANNUAL TREND IN COST OF FUNDS




## Cost of Funds (%)



The shaded area represents the values that fall between the 25th PCT and the 75th PCT of the Benchmark group.

 **Benchmark Median**

 **Conference Attendees**



# COST OF FUNDS COMPONENTS TREND

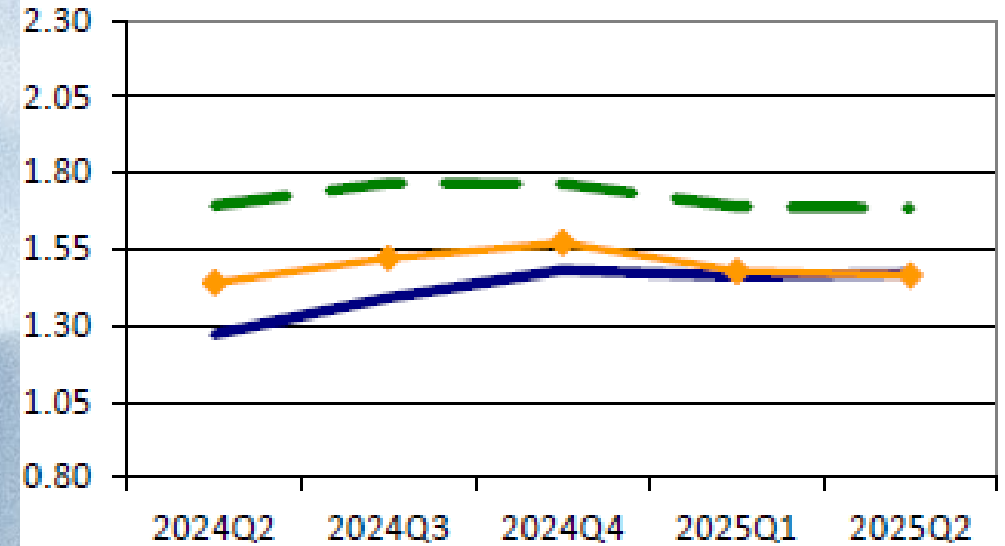


## Cost of Interest-Bearing Deposits

The cost of interest-bearing shares and drafts represents the cost to a credit union on all deposits bearing interest.

	2024Q2	2024Q3	2024Q4	2025Q1	2025Q2	Basis point change	
						Q-Q	Y-Y
Sample CU	1.27	1.39	1.48	1.46	1.47	1	20
National Benchmark	1.44	1.52	1.57	1.48	1.46	(1)	2
Peer Group	1.69	1.77	1.76	1.69	1.68	(0)	(1)
<b>Bank's variance to...</b>							
National Benchmark	-11.7%	-8.6%	-5.7%	-1.2%	0.5%		
Peer Group	-25.0%	-21.3%	-16.0%	-13.6%	-12.7%		
<b>Bank's Percentile Rank</b>	69.1	67.7	65.0	66.3	67.2		
<b>Peer Group Percentile Rank</b>	41.7	43.9	46.0	50.3	51.8		

## Cost of Interest-Bearing Deposits

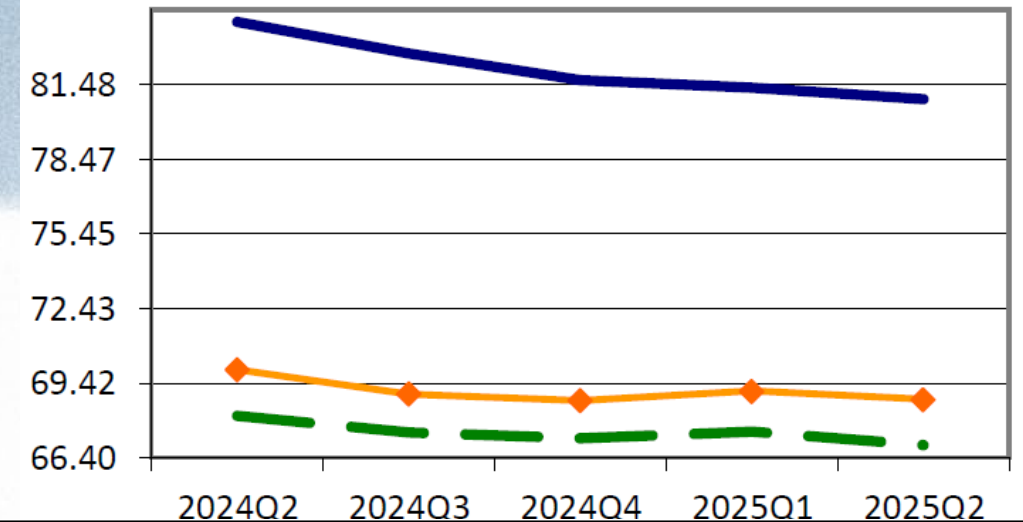


## Level of Cash-Type Deposits

The level of cash-type deposits is measured against total deposits (Shares, Drafts and Certificates) to determine the level of deposits coming from low-cost deposit accounts. It is important to track this ratio as it can be linked to the overall value of a credit union. Therefore, an increase in the level of cash-type deposits will often times result in an increase in the value of a credit union.

	2024Q2	2024Q3	2024Q4	2025Q1	2025Q2	Basis point change	
						Q-Q	Y-Y
Sample CU	84.00	82.72	81.64	81.33	80.88	(45)	(312)
National Benchmark	71.17	70.18	69.86	70.16	69.81	(36)	(136)
Peer Group	68.09	67.42	67.19	67.46	66.90	(55)	(118)
<b>Bank's variance to...</b>							
National Benchmark	18.0%	17.9%	16.9%	15.9%	15.9%		
Peer Group	23.4%	22.7%	21.5%	20.6%	20.9%		
<b>Bank's Percentile Rank</b>	36.7	38.6	40.4	40.2	38.7		
<b>Peer Group Percentile Rank</b>	85.9	85.4	83.6	83.1	82.6		

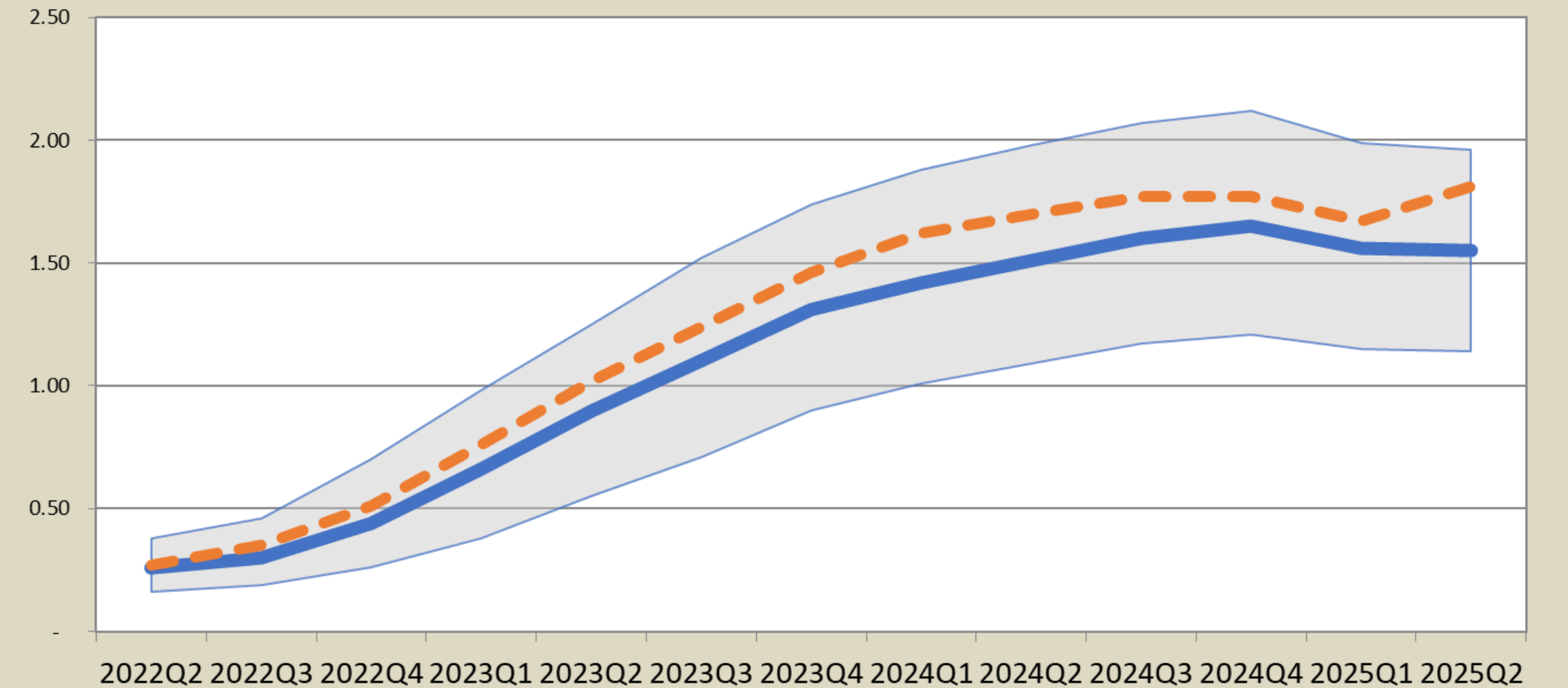
## Level of Cash-Type Deposits



Sample CU      National Benchmark      Peer Group



# Cost of Interest-bearing Deposits (%)



The shaded area represents the values that fall between the 25th PCT and the 75th PCT of the Benchmark group.

— Benchmark Median

- - - Conference Attendees



# NET OVERHEAD & EFFICIENCY TREND



## Net Overhead

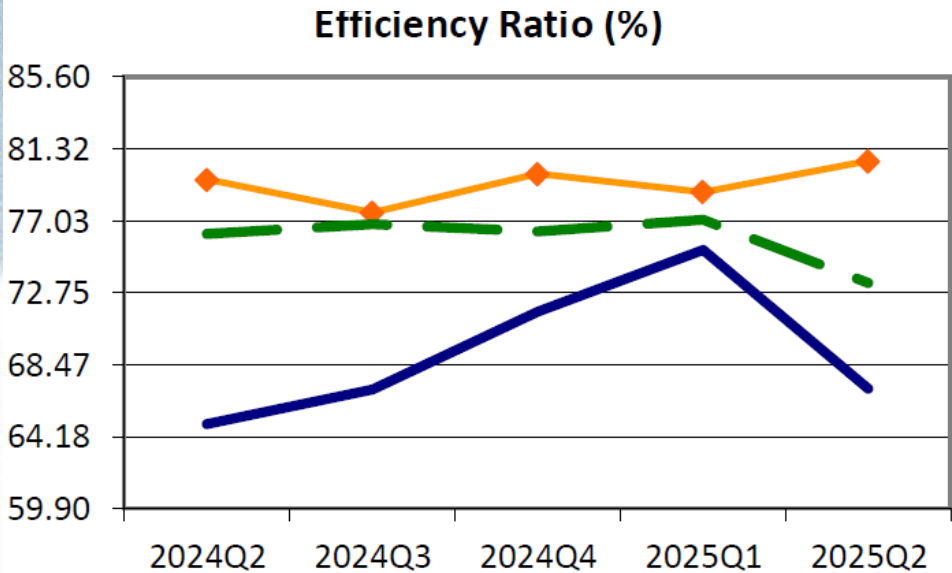
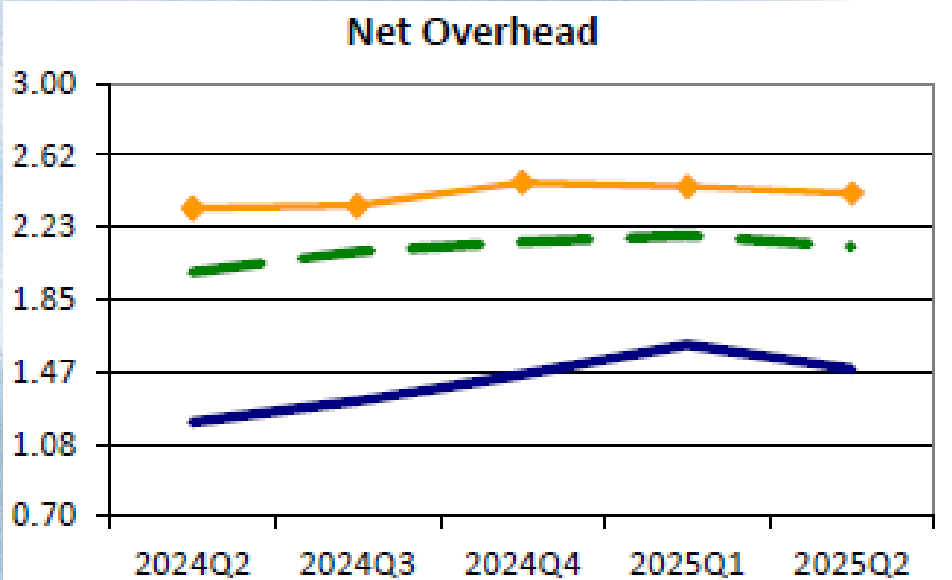
Net overhead is defined as noninterest expense less noninterest income divided by average assets. A ratio below 2% is said to be indicative of an operationally efficient credit union.

	2024Q2	2024Q3	2024Q4	2025Q1	2025Q2	Basis point change	
						Q-Q	Y-Y
Sample CU	1.20	1.31	1.45	1.61	1.48	(13)	28
National Benchmark	2.34	2.35	2.47	2.45	2.41	(4)	8
Peer Group	1.99	2.11	2.15	2.19	2.13	(6)	14
Bank's variance to...							
National Benchmark	-48.6%	-44.2%	-41.3%	-34.3%	-38.7%		
Peer Group	-39.8%	-37.8%	-32.7%	-26.4%	-30.6%		
Bank's Percentile Rank	28.1	35.0	33.1	34.0	33.9		
Peer Group Percentile Rank	4.1	5.7	7.7	10.0	9.3		

## Efficiency Ratio (%)

The efficiency ratio is defined as noninterest expense less amortization of intangible assets divided by net interest income plus noninterest income. The lower the ratio, the more efficient the credit union. Institutions should target a ratio in the mid to low 70s.

	2024Q2	2024Q3	2024Q4	2025Q1	2025Q2	Basis point change	
						Q-Q	Y-Y
Sample CU	64.92	66.98	71.59	75.29	67.03	(826)	211
National Benchmark	80.22	78.01	80.36	79.44	82.80	336	258
Peer Group	76.24	76.82	76.40	77.09	73.32	(376)	(292)
Bank's variance to...							
National Benchmark	-19.1%	-14.1%	-10.9%	-5.2%	-19.0%		
Peer Group	-14.8%	-12.8%	-6.3%	-2.3%	-8.6%		
Bank's Percentile Rank	40.2	46.6	41.2	39.5	39.0		
Peer Group Percentile Rank	12.9	18.9	25.6	33.5	20.8		

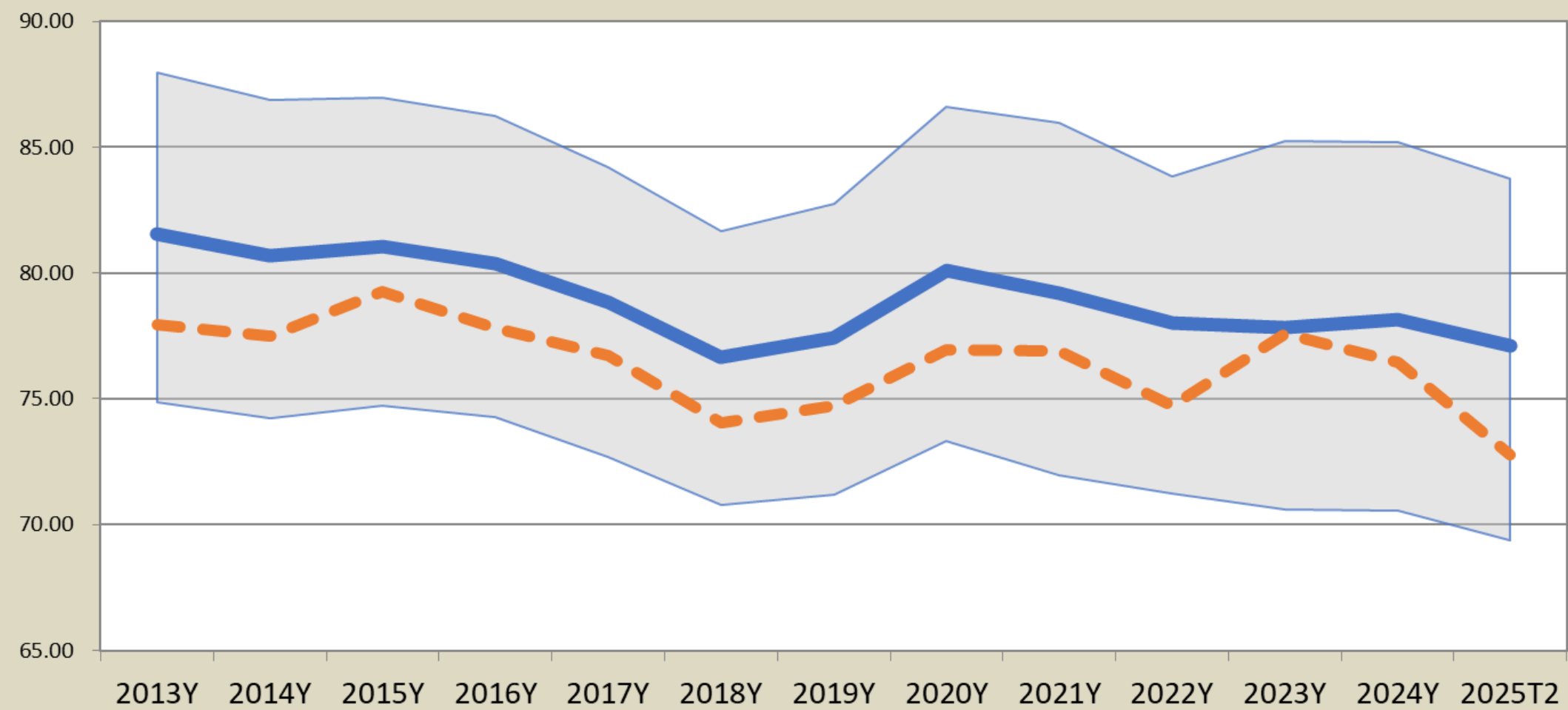




# NET OVERHEAD & EFFICIENCY TREND



## Efficiency Ratio (%)



The shaded area represents the values that fall between the 25th PCT and the 75th PCT of the Benchmark group.

**Benchmark Median**      **Conference Attendees**

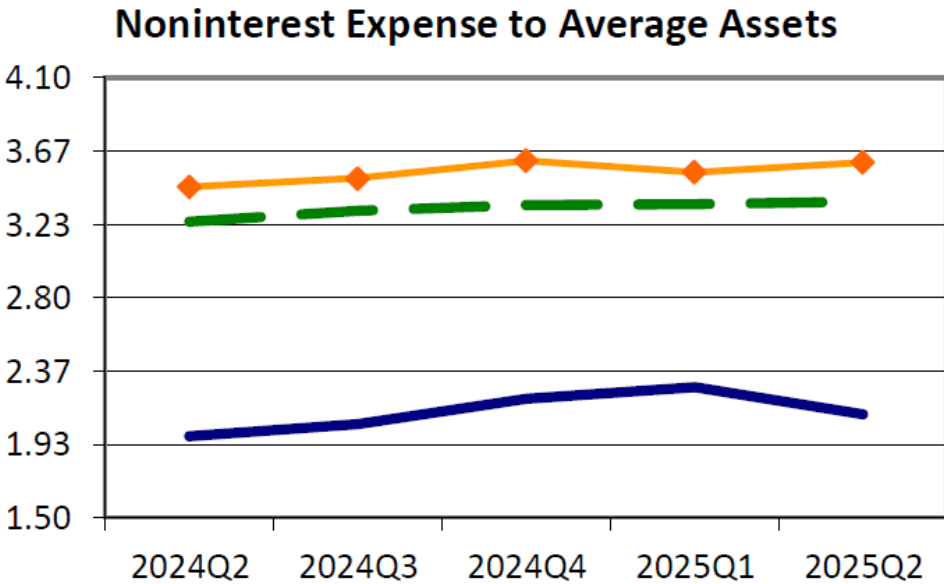
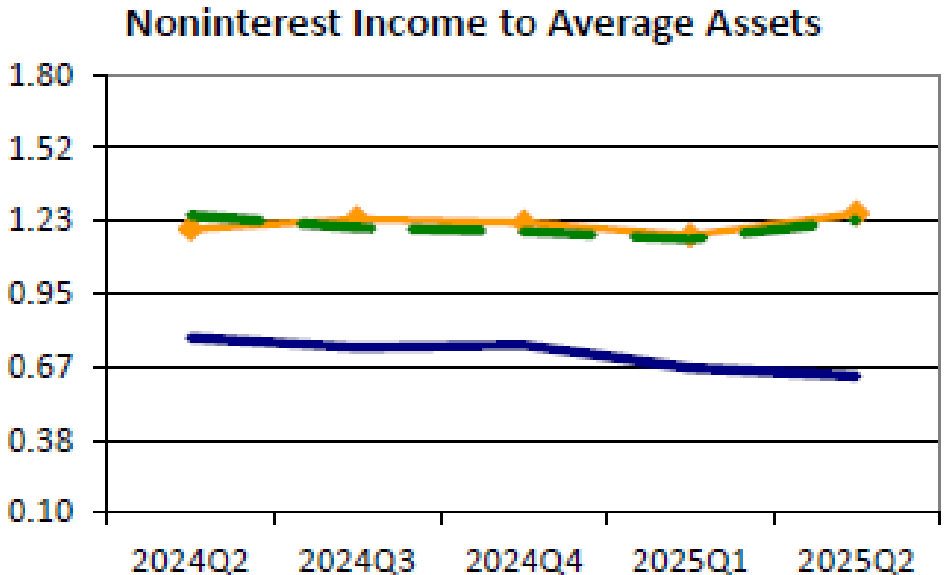


# COMPONENTS OF NET OVERHEAD



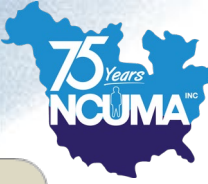
Noninterest Income to Average Assets							
Noninterest income includes items such as deposit fees, overdraft fees, ATM fees, gains or losses from loan sales, service fees, insurance income, fiduciary income and other types of fee income that is not related to an interest-bearing asset. It is important to track and analyze not only the overall level of noninterest income but also the distribution among its components. Banks should work							
	2024Q2	2024Q3	2024Q4	2025Q1	2025Q2	Basis point change	
						Q-Q	Y-Y
Sample CU	0.78	0.74	0.75	0.66	0.63	(3)	(15)
National Benchmark	1.20	1.24	1.23	1.18	1.26	8	6
Peer Group	1.25	1.21	1.19	1.16	1.24	7	(2)
<b>Bank's variance to...</b>							
National Benchmark	-35.1%	-40.4%	-38.9%	-43.9%	-50.1%		
Peer Group	-37.8%	-38.7%	-37.1%	-43.1%	-49.0%		
<b>Bank's Percentile Rank</b>							
Peer Group Percentile Rank	61.9	55.2	54.6	58.1	57.4		
	27.4	23.5	25.2	20.5	16.1		

Noninterest Expense to Average Assets							
Noninterest expense includes items such as salaries and benefits, fixed assets expense, and all other expenses not related to interest-bearing liabilities.							
	2024Q2	2024Q3	2024Q4	2025Q1	2025Q2	basis point change	
						Q-Q	Y-Y
Sample CU	1.98	2.05	2.20	2.27	2.11	(16)	13
National Benchmark	3.54	3.59	3.70	3.63	3.68	5	14
Peer Group	3.25	3.31	3.35	3.35	3.37	2	12
<b>Bank's variance to...</b>							
National Benchmark	-44.0%	-42.9%	-40.5%	-37.4%	-42.6%		
Peer Group	-39.0%	-38.1%	-34.3%	-32.2%	-37.3%		
<b>Bank's Percentile Rank</b>							
Peer Group Percentile Rank	38.6	39.5	38.2	39.7	39.2		
	4.4	5.1	6.8	7.8	5.4		

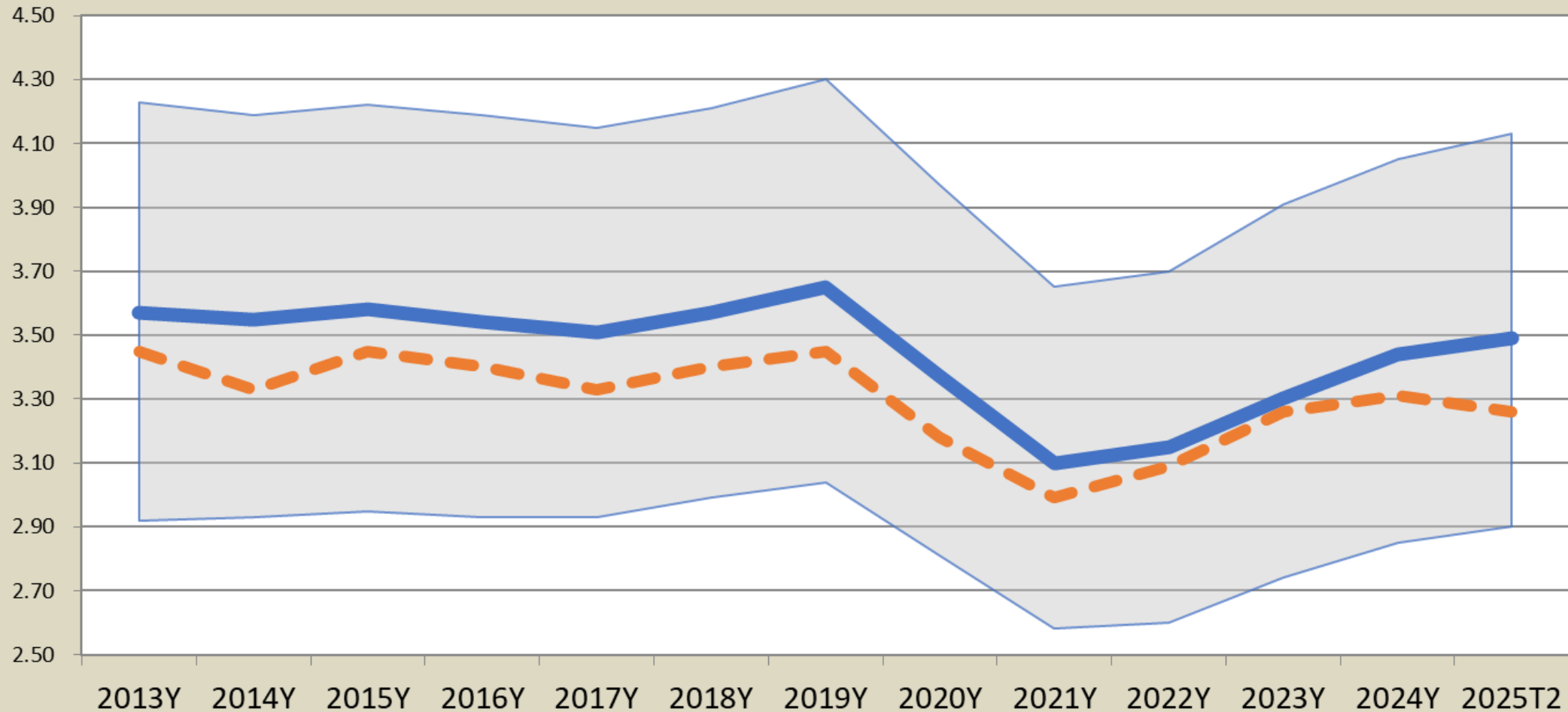




# TREND IN NONINTEREST EXPENSES



## Noninterest Expense/ Average Assets (%)



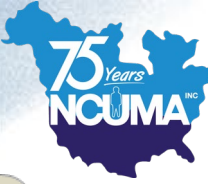
The shaded area represents the values that fall between the 25th PCT and the 75th PCT of the Benchmark group.

— Benchmark Median

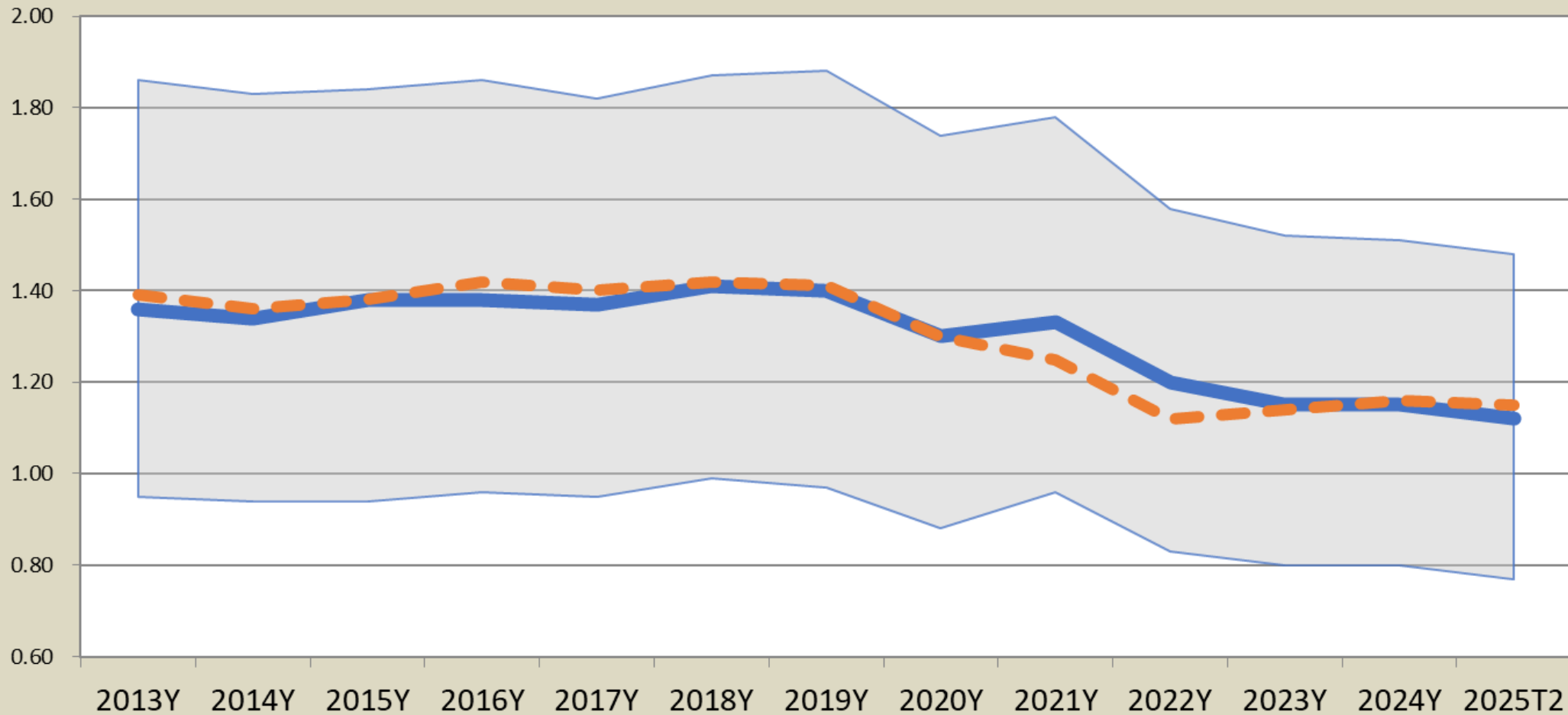
- - - Conference Attendees



# TREND IN NONINTEREST INCOME



## Noninterest Income/ Average Assets (%)



The shaded area represents the values that fall between the 25th PCT and the 75th PCT of the Benchmark group.

— Benchmark Median

- - - Conference Attendees



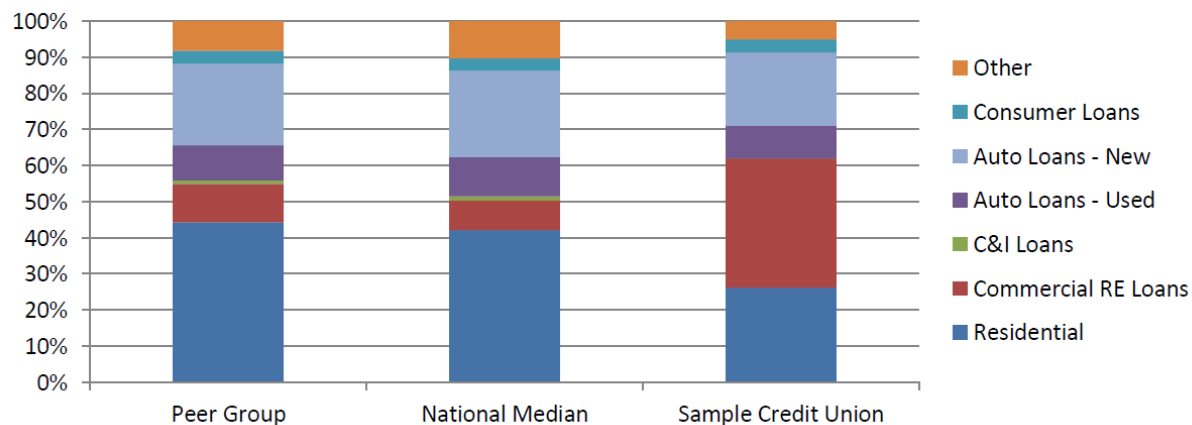
# What About Risk?



# CREDIT RISK INDEX



## 2025Q2 Loan Mix

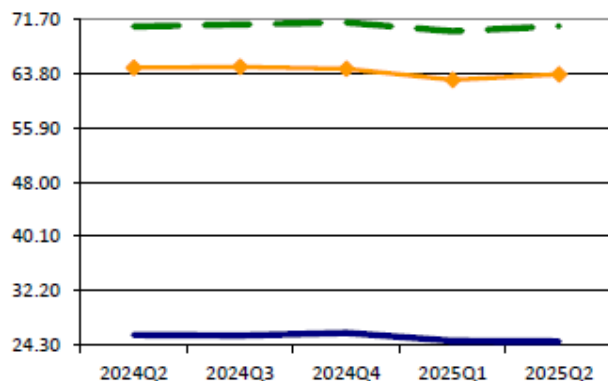


## Noncurrent Loans to Total Loans

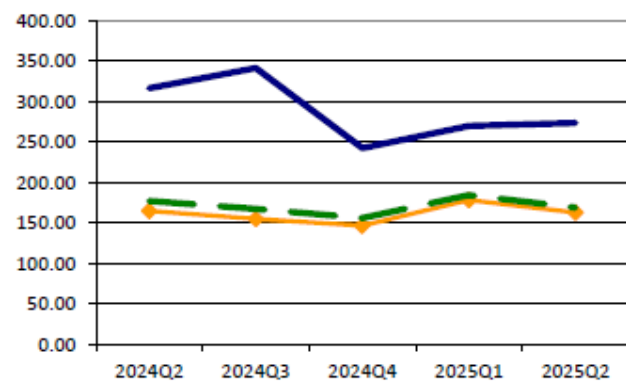
Noncurrent loans are defined as loans past due 90+ days while still accruing interest plus nonaccrual loans as a percentage of total loans. The higher the ratio, the higher the potential for actual charge-offs. This ratio is also related to the level of provisioning expense; as the level of noncurrent loans increase, an institution will need to set aside a cushion of potential write-downs or charge-offs.

	2024Q2	2024Q3	2024Q4	2025Q1	2025Q2	Basis point change	
						Q-Q	Y-Y
Sample CU	0.22	0.22	0.34	0.32	0.32	0	10
National Benchmark	0.74	0.80	0.85	0.72	0.82	10	7
Peers	0.72	0.73	0.86	0.74	0.79	5	7
<b>Bank's variance to...</b>							
National Benchmark	-70.5%	-72.6%	-60.1%	-55.4%	-60.9%		
Peers	-69.4%	-70.0%	-60.4%	-56.8%	-59.5%		
Bank's Percentile Rank	60.2	58.0	62.5	65.7	62.0		
Peers Percentile Rank	13.8	11.4	19.7	25.4	21.0		

## Loans to Assets



## Trend in ACL to Nonperforming Loans



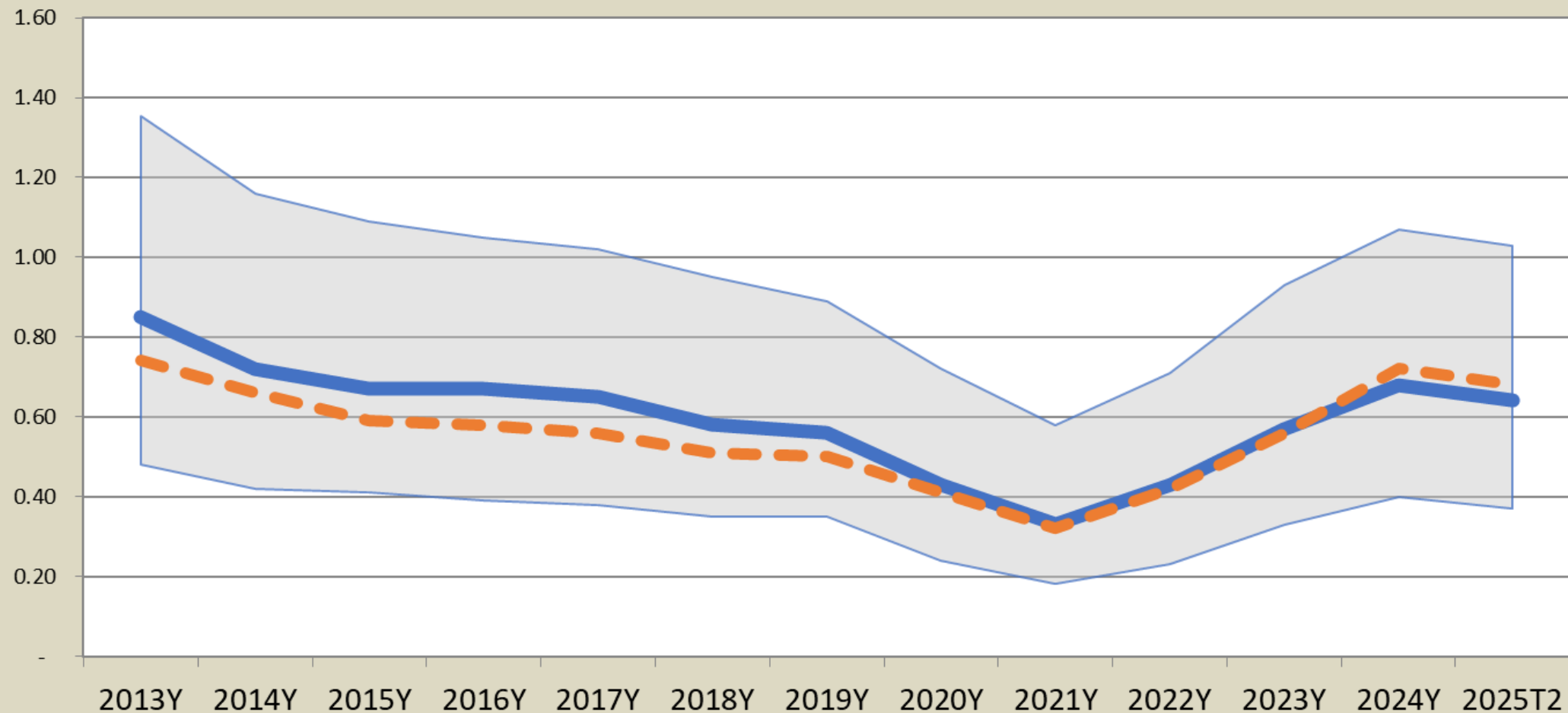
## Net Charge-Offs to Average Loans

Net charge-offs to average loans can be used as an indication of a institution's historical level of risk inherent in its loan portfolio. The higher the ratio, the higher the risk.

	2021Y	2022Y	2023Y	2024Y	YTD	Basis point change	
						Q-Q	Y-Y
Sample CU	0.08	0.06	0.07	0.14	0.11	(3)	3
National Benchmark	0.19	0.23	0.36	0.49	0.50	1	32
Peers	0.22	0.26	0.41	0.57	0.58	1	35
<b>Bank's variance to...</b>							
National Benchmark	-56.8%	-74.1%	-80.8%	-71.6%	-78.1%		
Peers	-64.1%	-76.6%	-83.0%	-75.2%	-80.9%		
Bank's Percentile Rank	71.3	68.4	68.0	69.1	68.6		
Peers Percentile Rank	32.2	18.1	12.2	18.2	13.5		



Total Delinquent Loans/ Total Loans (%)



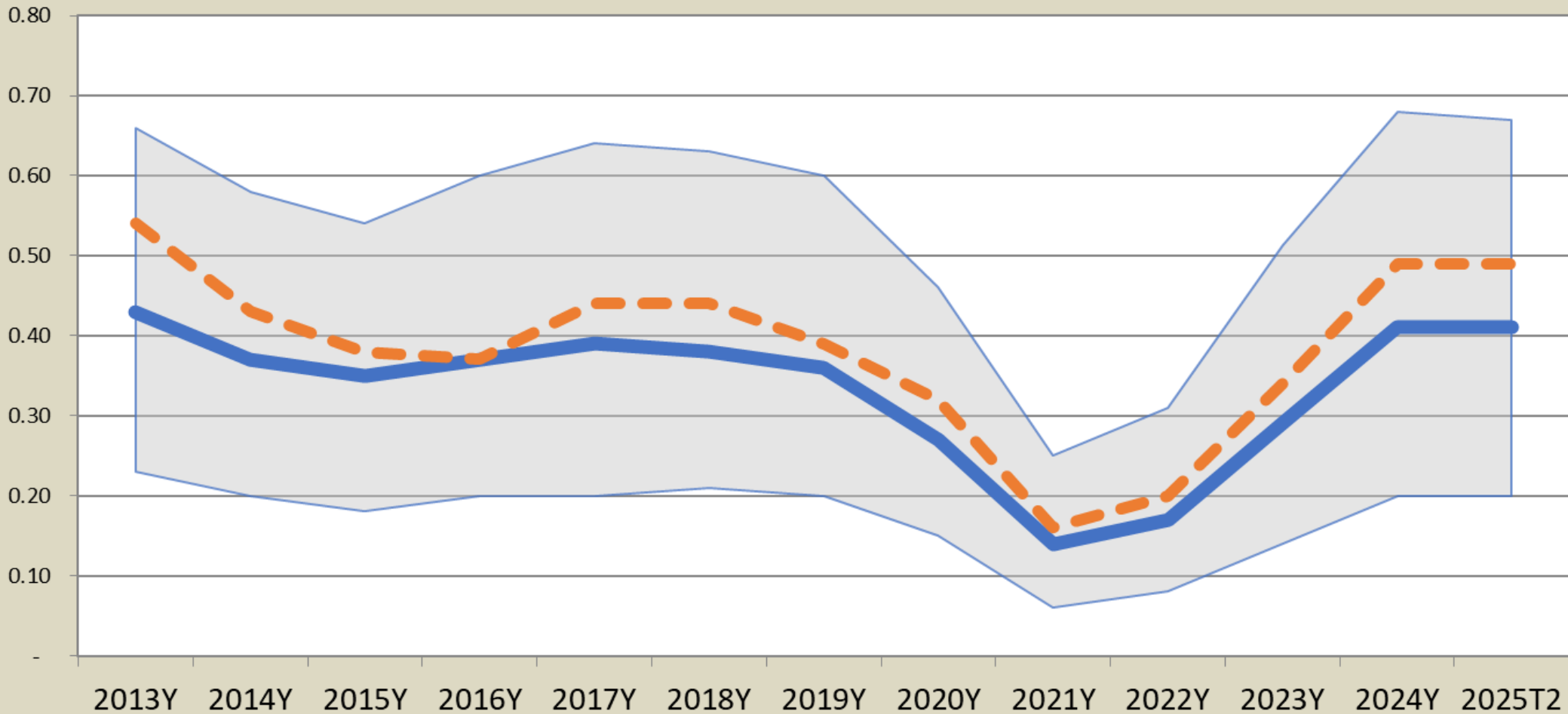
The shaded area represents the values that fall between the 25th PCT and the 75th PCT of the Benchmark group.

— Benchmark Median

- - - Conference Attendees



Net Charge Offs/ Average Loans (%)



The shaded area represents the values that fall between the 25th PCT and the 75th PCT of the Benchmark group.

Benchmark Median

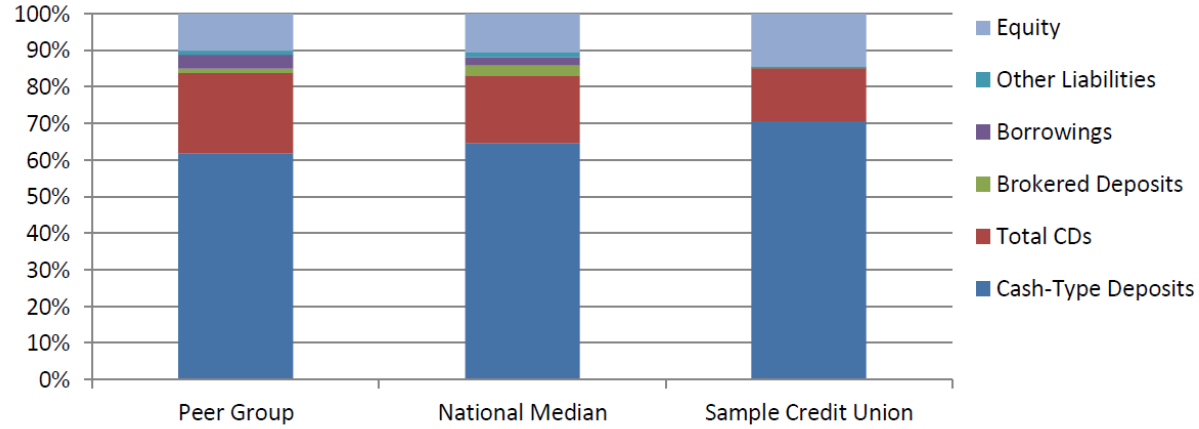
Conference Attendees



# LIQUIDITY RISK INDEX



## 2025Q2 Funding Mix



### Liquidity Ratio

The liquidity ratio measures a credit union's level of liquid assets compared to total liabilities. Higher liquidity ratios indicate a lower level of liquidity risk. The Risk Index uses a 20% liquidity ratio as a base for moderate risk. Credit unions with ratios above 20% are viewed with less risk, and credit unions with ratios lower than 20% are considered to have a higher level of liquidity risk.

	2024Q2	2024Q3	2024Q4	2025Q1	2025Q2	Basis point change	
						Q-Q	Y-Y
Sample CU	26.35	24.90	26.20	27.12	28.32	120	197
National Benchmark	15.49	15.36	15.82	17.56	16.44	(112)	95
Peers	12.97	12.86	12.63	13.84	12.87	(96)	(9)
<b>Bank's variance to...</b>							
National Benchmark	70.2%	62.1%	65.7%	54.5%	72.3%		
Peers	103.2%	93.7%	107.5%	96.0%	120.0%		
Bank's Percentile Rank	43.4	41.9	38.0	36.4	37.4		
Peers Percentile Rank	91.7	88.6	90.6	88.5	91.8		

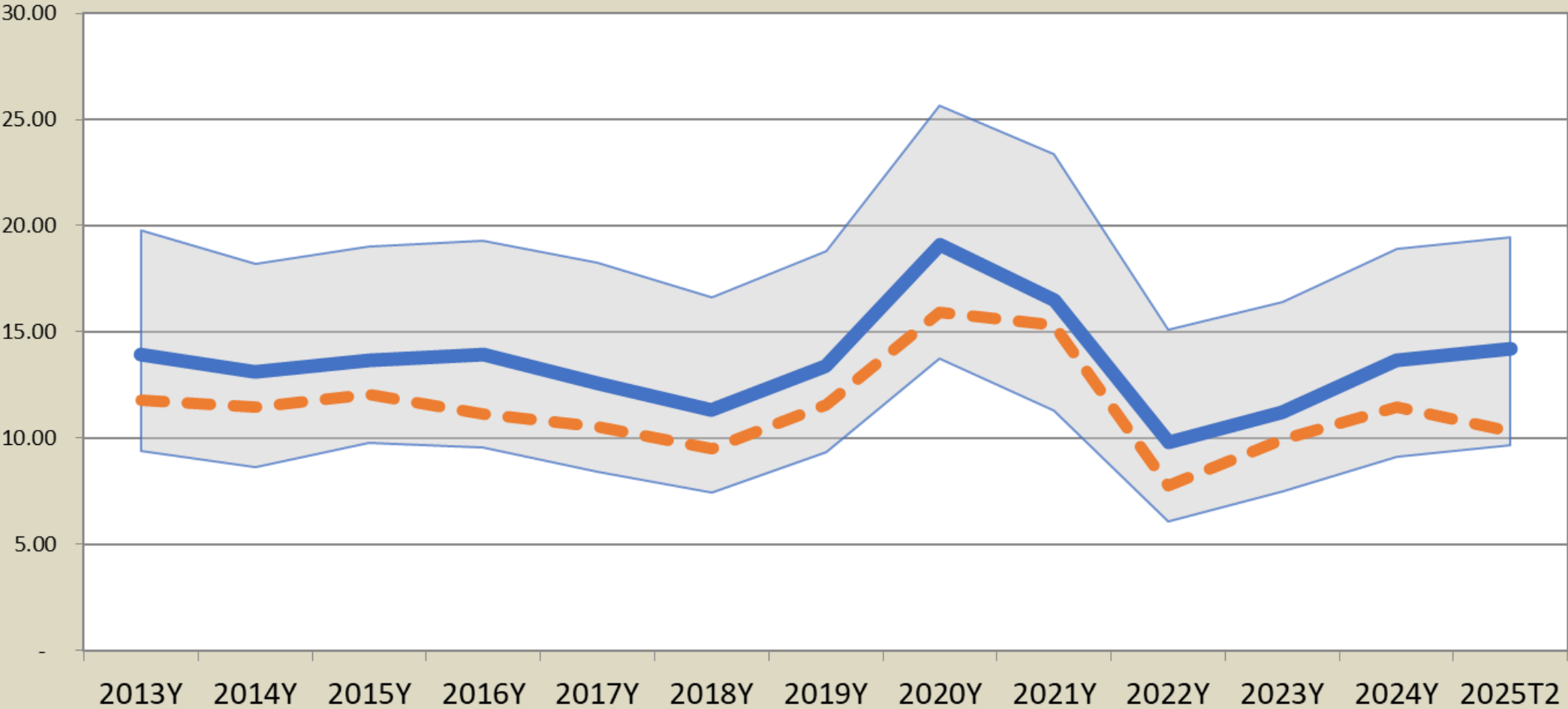
### Loans/Deposits

The loans-to-deposits ratio is a measure of a credit union's loans as a percent of total deposits. The higher the ratio, the more the credit union is relying on wholesale funds to fund its loans. The Risk Index uses a ratio of 85% as a base for moderate risk. Ratios above 85% are indexed with having higher risk, and credit unions with ratios lower than 85% are indexed with lower risk.

	2024Q2	2024Q3	2024Q4	2025Q1	2025Q2	Basis point change	
						Q-Q	Y-Y
Sample CU	29.71	30.12	30.42	29.17	29.10	(7)	(61)
National Benchmark	75.01	75.31	74.66	72.51	73.63	112	(138)
Peers	84.61	85.17	84.43	82.22	83.31	109	(130)
<b>Bank's variance to...</b>							
National Benchmark	-60.4%	-60.0%	-59.3%	-59.8%	-60.5%		
Peers	-64.9%	-64.6%	-64.0%	-64.5%	-65.1%		
Bank's Percentile Rank	67.6	68.7	68.5	69.0	68.0		
Peers Percentile Rank	1.2	1.3	1.4	1.4	1.4		



Liquid Assets/ Assets (%)



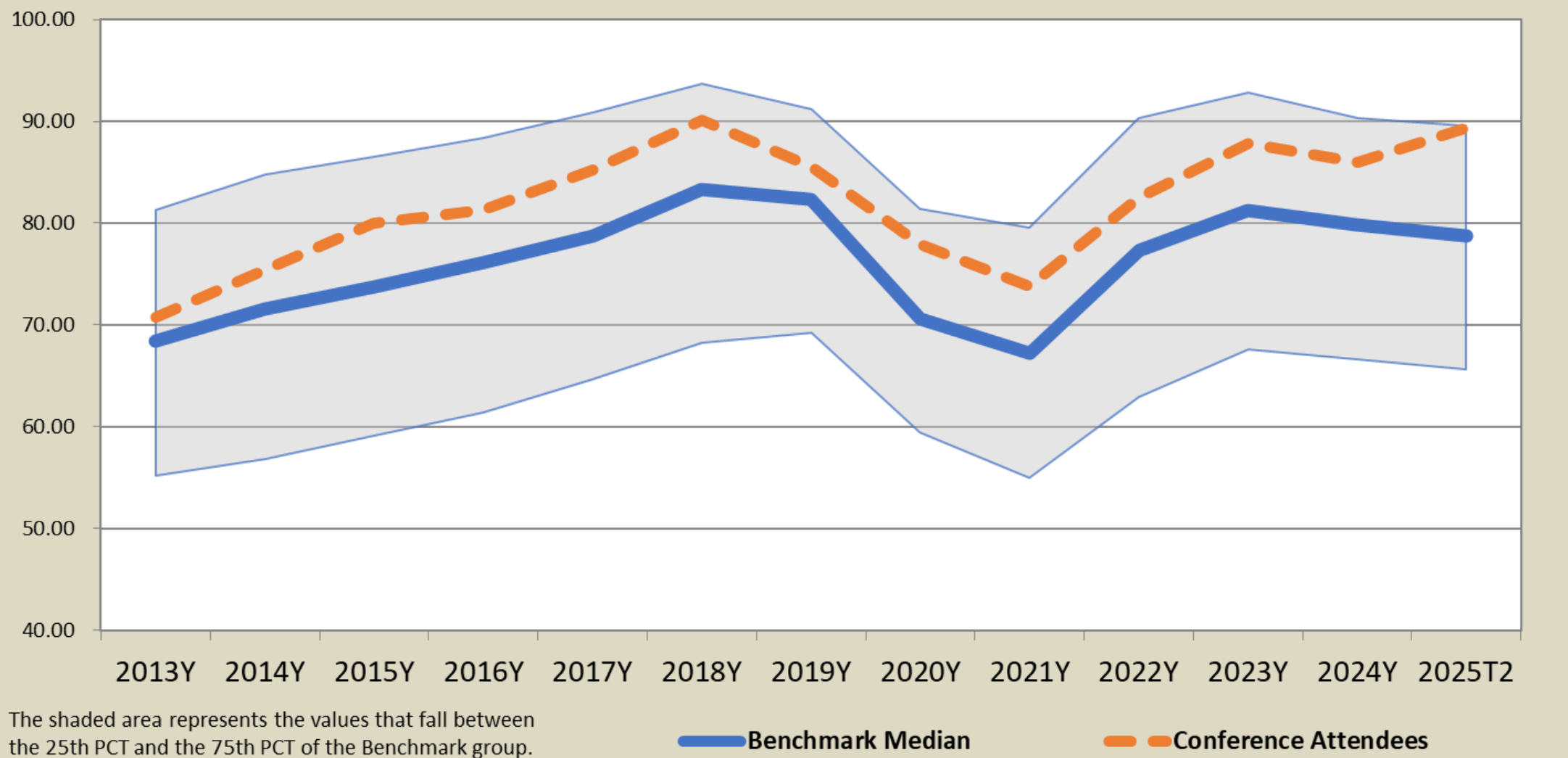
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Benchmark Median

Conference Attendees

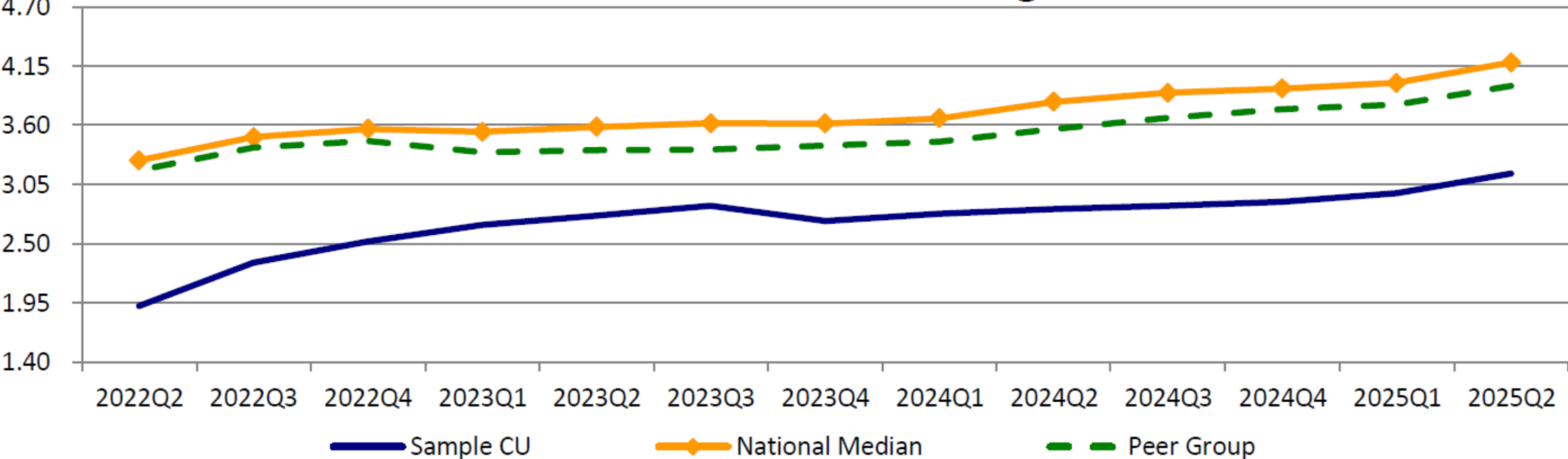


Loans/ Deposits (%)





### Trend in Net Interest Margin



### Volatility Statistics:

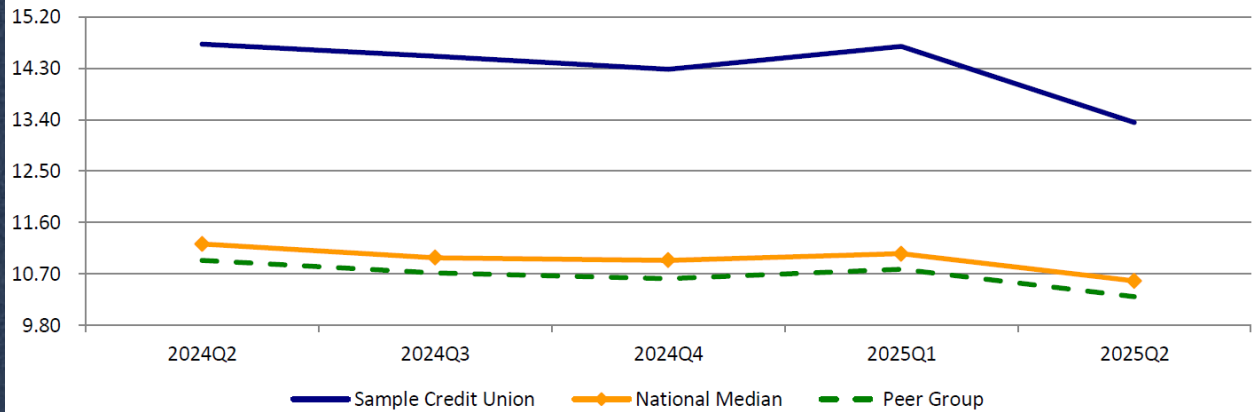
	9Q Avg NIM	Standard Deviation	Range	Sharpe Ratio	PCT	S&B Ratio	PCT
Sample CU	2.86	0.12	0.44	23.16	83.90	6.51	77.90
National Median	2.77	0.19	0.55	18.49		6.21	
Peer Group	2.67	0.16	0.49	19.54	62.90	6.50	62.80



# CAPITAL RISK INDEX



Trend in Capital to Assets

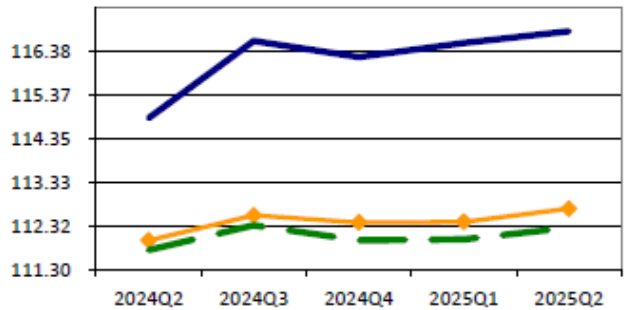


## Net Capital/ Assets (%)

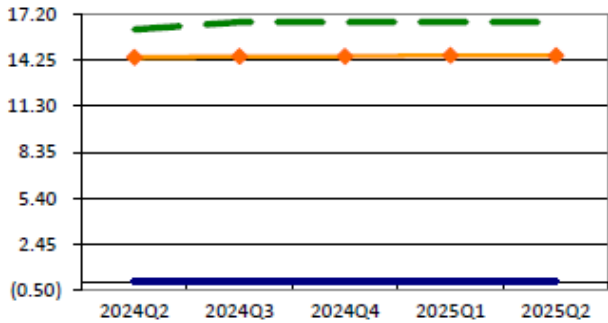
The Net Capital to Assets ratio measures the credit union's core strength and ability to absorb losses. Maintaining a target of 9–11% provides a stronger buffer for growth, risk, and economic fluctuations. A declining ratio may indicate rapid asset expansion or weak earnings, while a rising trend reflects improved retention and balance sheet stability.

	2024Q2	2024Q3	2024Q4	2025Q1	2025Q2	Basis point change	
						Q-Q	Y-Y
Sample CU	13.17	14.49	14.07	14.30	14.51	21	134
National Benchmark	10.19	10.66	10.53	10.57	10.80	23	61
Peers	9.60	10.06	9.87	9.98	10.17	20	58
<b>Bank's variance to...</b>							
National Benchmark	29.2%	35.9%	33.6%	35.2%	34.3%		
Peers	37.2%	44.0%	42.6%	43.3%	42.6%		
Bank's Percentile Rank	47.5	47.4	45.3	47.0	46.9		
Peers Percentile Rank	85.8	89.2	87.9	89.0	88.3		

Solvency Evaluation (%)



Risk Based Capital Ratio (%)



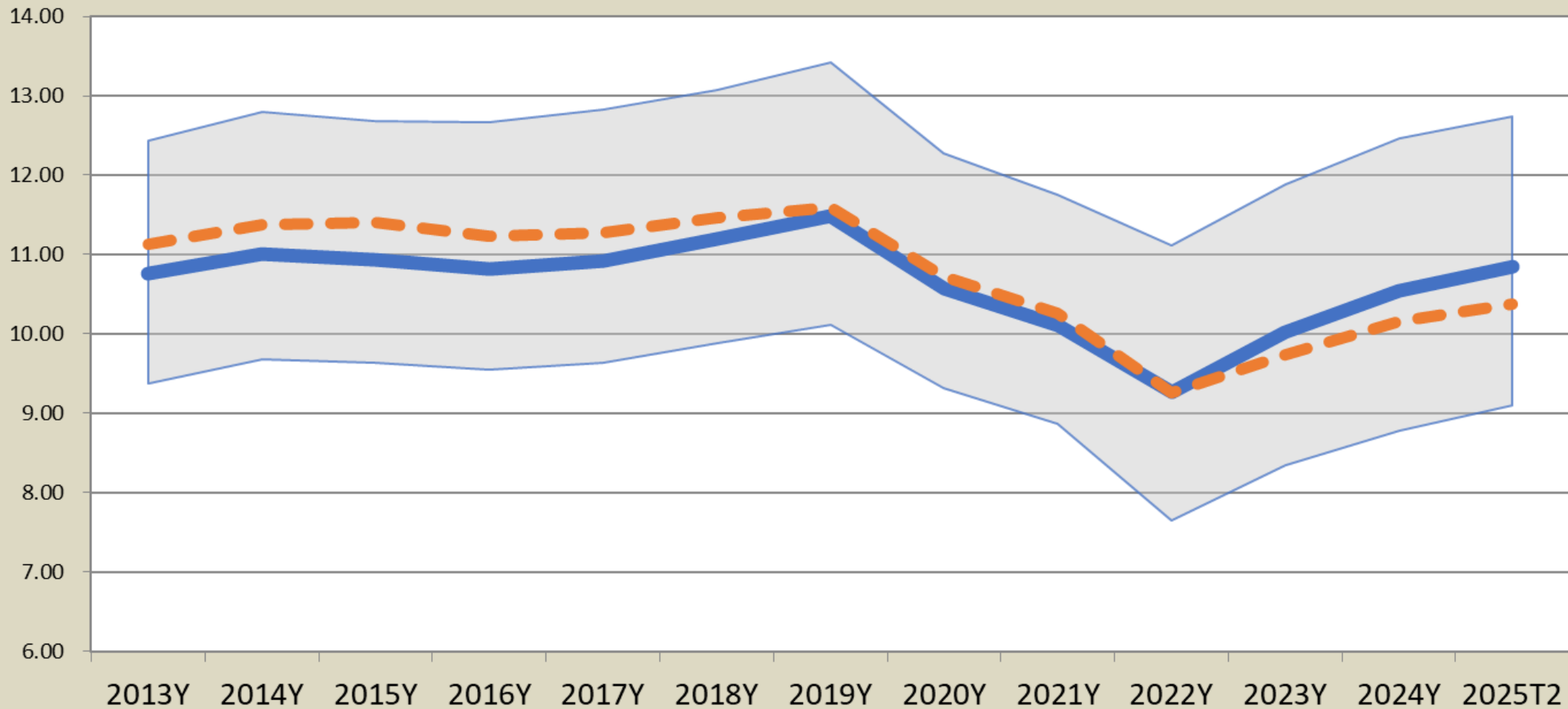
## Net Worth/ Assets (%)

The Net Worth to Assets (%) ratio shows the credit union's overall financial strength and ability to absorb unexpected losses. Boards should aim for a 9–11% range to ensure a strong capital cushion that supports growth, protects against economic shifts, and maintains member and regulatory confidence

	2024Q2	2024Q3	2024Q4	2025Q1	2025Q2	Basis point change	
						Q-Q	Y-Y
Sample CU	16.22	16.27	16.33	15.84	15.95	11	(27)
National Benchmark	11.54	11.69	11.72	11.58	11.75	17	21
Peers	11.10	11.25	11.27	11.17	11.30	12	20
<b>Bank's variance to...</b>							
National Benchmark	40.6%	39.2%	39.3%	36.8%	35.7%		
Peers	46.1%	44.6%	44.9%	41.8%	41.2%		
Bank's Percentile Rank	53.8	52.4	51.6	53.1	52.4		
Peers Percentile Rank	93.3	92.4	92.4	91.9	90.9		



Capital/ Assets (%)



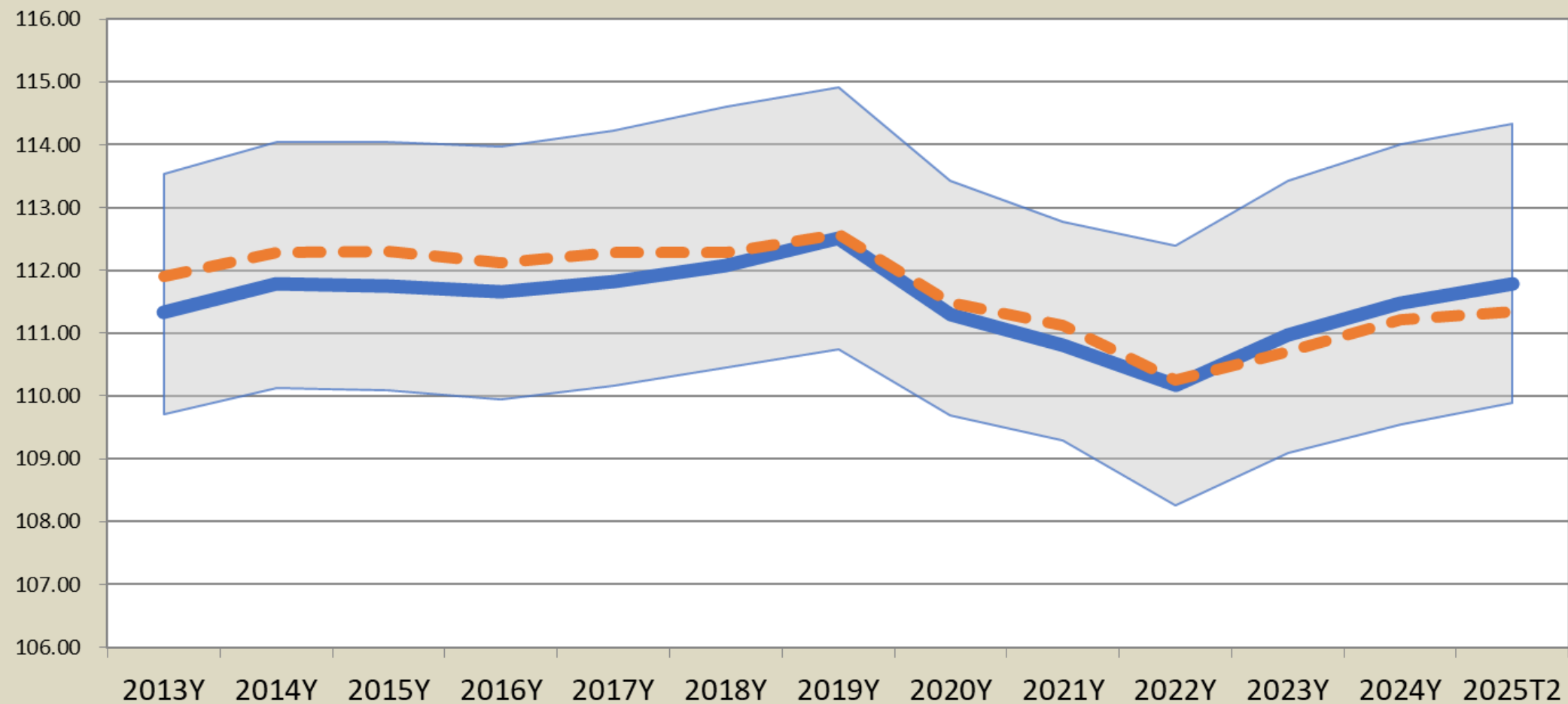
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— Benchmark Median

- - - Conference Attendees



Solvency Evaluation (%)



The shaded area represents the values that fall between the 25th PCT and the 75th PCT of the Benchmark group.

— Benchmark Median

- - - Conference Attendees



# BANK'S RISK AND REWARD SELF ASSESSMENT



## ASSESSING YOUR BANK'S RISK AND REWARD RELATIONSHIP



The Composite Score reflects your bank's overall balance between risk and reward.

Indicate **ABOVE** where do you believe your Bank's Composite Score would fall on this scale.

Indicate **BELOW** where you believe your Bank's component scores would fall.

### TOTAL RISK SCORE



### EARNINGS AT RISK



### CREDIT RISK



### LIQUIDITY RISK



### CAPITAL RISK



### REWARD SCORE



### RETURN ON ASSETS



### RETURN ON EQUITY



### STATE ECONOMIC RISK



### NATIONAL ECONOMIC RISK





# RISK VS REWARD PROFILE



## MEASURING A CREDIT UNION'S RISK AND REWARD RELATIONSHIP

### Sample Credit Union

Benchmark: Credit Unions in the U.S. with assets between \$100 million and \$5 billion  
Peer group: Credit Unions attending the NCUMA Conference  
(4Q Period ending 2023Q2)

### COMPOSITE SCORE



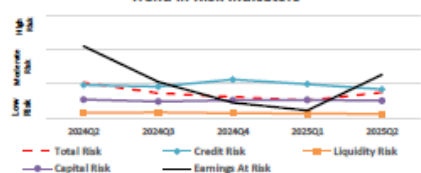
The VBC Composite Score represents a credit union's overall risk vs. reward relationship. The higher the score, the better the credit union is balancing risk and reward. The image above represents the credit union's score compared to the benchmark median and the range of scores within the peer group. Over the past four quarters, the credit union's score has averaged 61.96, while the peer group averaged 45.05 and the benchmark median was 49.6. Overall, the credit union's score points to a well balanced risk and reward profile. As such, the credit union's Composite Score ranks in the 83.0 percentile within the benchmark group. Below we break down the Composite Score into its two components: risk and reward.

### TOTAL RISK SCORE



The Total Risk Score represents a credit union's overall risk measured by the VBC Risk Index. The Risk Index combines the credit union's earnings at risk, credit risk, liquidity risk and capital risk and factors in an economic risk based on both a state index and a national index. The image above represents the credit union's Total Risk Score compared to the benchmark median and the range of scores within the peer group. Over the past four quarters, the credit union's Total Risk Score has averaged 21.58. The credit union's risk score is below the peer group average of 45.61 and the benchmark median of 43.72. The credit union's Total Risk Score is suggesting that the credit union is operating at a low/moderate level of overall risk.

Trend in Risk Indicators

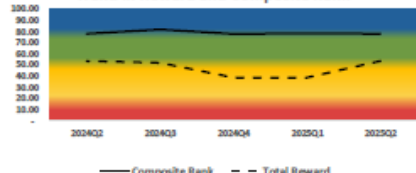


### REWARD SCORE



The Reward Score represents a credit union's overall reward measured by the return on average assets and the return on average equity. The image above represents the credit union's reward score compared to the benchmark median and the range of scores within the peer group. Over the past four quarters, the credit union's score has averaged 45.49. The credit union's Reward Score is above the peer group average of 39.26 and the benchmark median of 42.38. As such, the credit union's Reward Score ranks in the 54.7 percentile within the benchmark group.

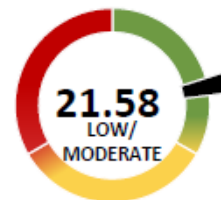
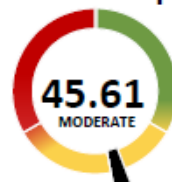
Trend in Reward and Composite Rank



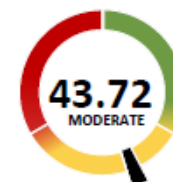
## TOTAL RISK INDEX

### Sample Credit Union

#### Peer Group



#### Benchmark



### Earnings At Risk



The Earnings At Risk Score represents the volatility in its net interest margin. The image to the left represents the credit union's earnings at risk score compared to the benchmark median and the range of scores within the peer group. Over the past 4 quarters the credit union's risk score has averaged 24.77. The Earnings at Risk score is suggesting that the credit union is operating at a low/ moderate level of risk.

### Credit Risk



The Credit Risk Score represents the average Credit Risk over the past four quarters. The image to the left represents the credit union's credit risk score compared to the benchmark median and the range of scores within the peer group. Over the past 4 quarters the credit union's risk score has averaged 32.09. The Credit Risk score is suggesting that the credit union is operating at a low/ moderate level of risk.

### Liquidity Risk



The Liquidity Risk Score represents the average Liquidity Risk over the past four quarters. The image to the left represents the credit union's liquidity risk score compared to the benchmark median and the range of scores within the peer group. Over the past 4 quarters the credit union's risk score has averaged 4.39. The liquidity risk score is suggesting that the credit union is operating at a low level of risk.

### Capital Risk



The Capital Risk Score represents the average Capital Risk over the past four quarters. The image to the left represents the credit union's capital risk score compared to the benchmark median and the range of scores within the peer group. Over the past 4 quarters the credit union's risk score has averaged 16.81. The Capital Risk score is suggesting that the credit union is operating at a low level of risk.

### National Economic Risk [60.0]



### MI State Economic Risk [40.5]







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**CUSTOMIZED CREDIT UNION  
PERFORMANCE REPORT:  
DEEP DIVE INTO YOUR  
INSTITUTION AND PEER GROUP**

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