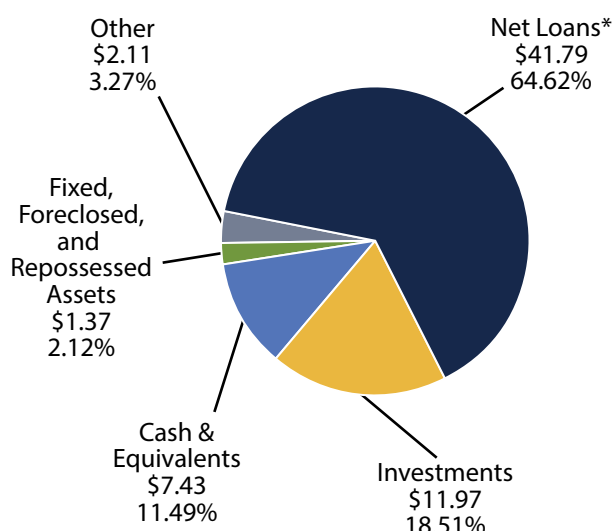


Appendix 1: NCUA Financial Trends in Minority Depository Institutions – December 31, 2022

In general, MDI credit unions' performance has followed the performance of the credit union industry overall.

Overall Trends

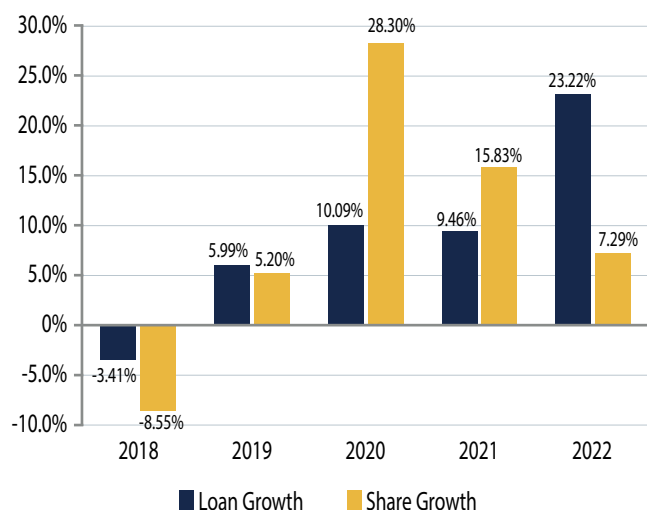
Asset Distribution
(in Billions)



*Net Loans equals Total Loans (\$42.2 Billion) minus Allowance for Loan and Lease Losses (\$0.4 Billion). Numbers may not add up due to rounding.

In 2022, loans made up a greater share of asset distribution than in 2021.

Loan Growth vs. Share Growth



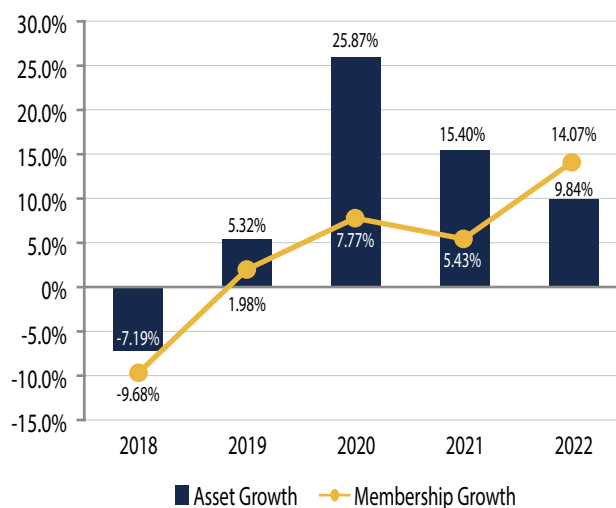
Reversing the trend of the last two years, loan growth exceeded share growth in MDI credit unions. Share growth continued at about half the rate of 2021.

Number of Insured Credit Unions Reporting

	Minority Depository Institutions	Low-Income-Designated	Small	Federally Insured
2018	530	2,554	3,804	5,375
2019	514	2,605	3,641	5,236
2020	518	2,642	3,387	5,099
2021	509	2,627	3,169	4,942
2022	503	2,612	2,981	4,760

Over the past five years, the number of MDI credit unions has consistently been about 10 percent of all federally insured credit unions.

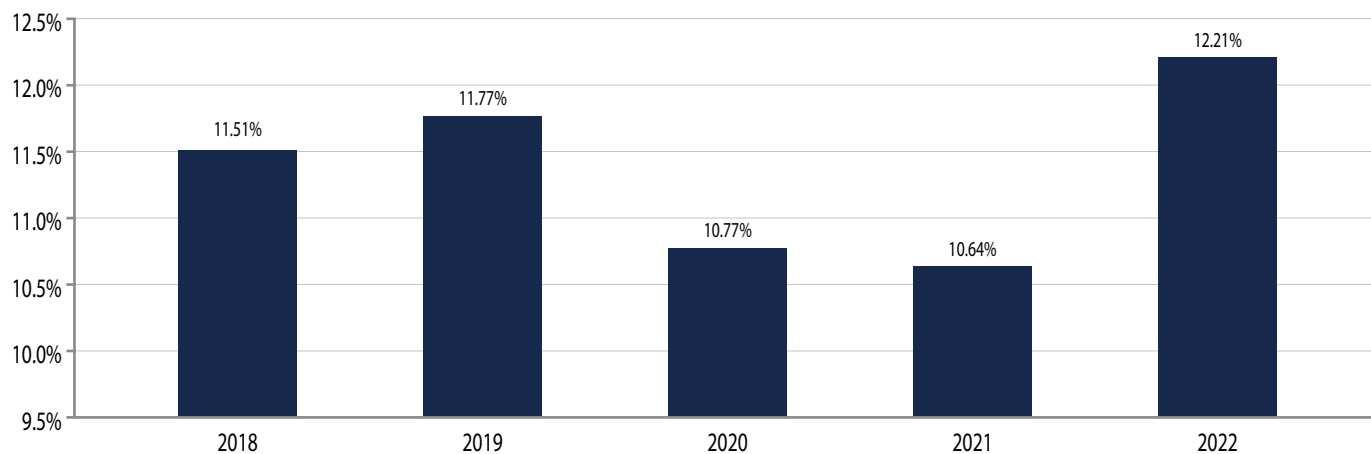
Asset Growth vs. Membership Growth



Also reversing a recent trend, the rate of membership growth out-paced the rate of asset growth.

Net Worth

Aggregate Net Worth Ratio



This metric at year-end 2022 increased to above pre-pandemic levels.

Net Worth Change

	December 2021 in Billions	December 2022 in Billions	% Change
Total Net Worth	\$6.27	\$7.90	26.02%
Secondary Capital*	\$0.30	\$1.09	2.64%

*For low-income-designated credit unions, net worth includes secondary capital. Numbers may not add up due to rounding.

The rate of increase in total net worth in MDI credit unions nearly doubled from that in 2021.

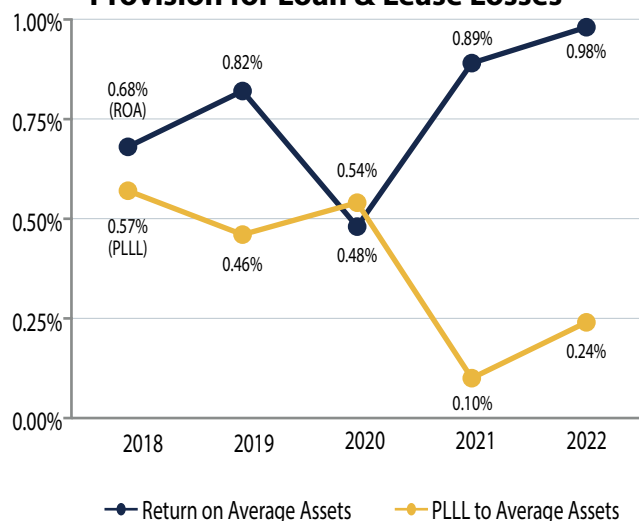
Net Worth Ratios

Number of Credit Unions	December 2021	% of Total	December 2022	% of Total
7% or above	478	93.91%	480	95.43%
6% to 6.99%	17	3.34%	17	3.38%
4% to 5.99%	9	1.77%	5	0.99%
2% to 3.99%	3	0.59%	0	0.00%
0% to < 2.00%	2	0.39%	1	0.20%
Less than 0%	0	0.00%	0	0.00%

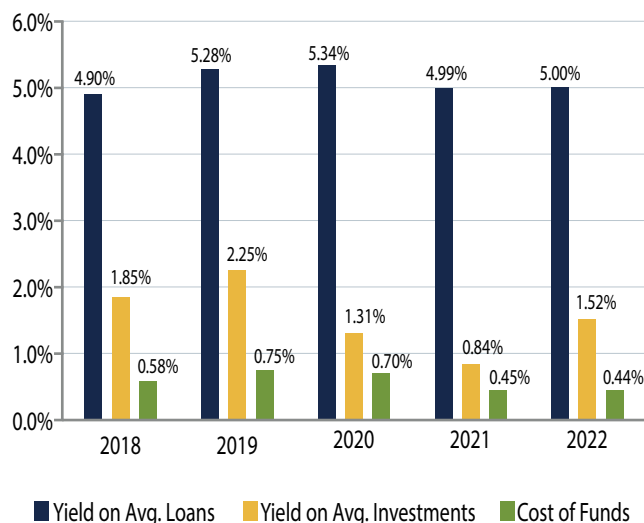
The number and the percentage of MDI credit unions that were well-capitalized—meaning they reported a net worth ratio of at least 7 percent—grew in 2022.

Earnings

Return on Average Assets vs. Provision for Loan & Lease Losses



Yields vs. Costs of Funds



Provision for Loan and Lease Losses: After a downturn in 2020, ROAA rebounded the last two years. PLLL grew from 2021 to 2022.

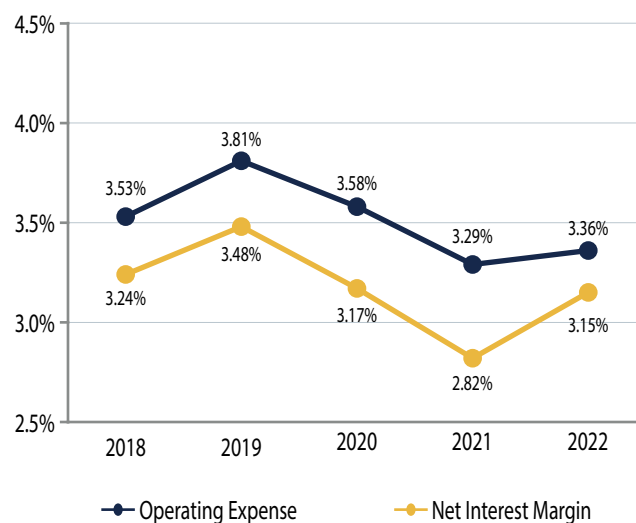
Costs of investments and yields on average loans remained steady from 2021 to 2022 while the yield on average investments increased significantly.

Ratio of Average Assets

Ratio (% of Average Assets)	December 2021	December 2022	Effect on ROAA
Net Interest Margin	2.82%	3.15%	33 bp
+ Fee & Other Inc.	1.34%	1.34%	0 bp
- Non-Interest Expense	3.29%	3.36%	-7 bp
- PLLL	0.10%	0.24%	-14 bp
+ Non-Operating Income	0.12%	0.10%	-2 bp
= ROAA	0.89%	0.98%	9 bp

Net interest margins increased ROAA, while increased PLLL lowered it. Overall, ROAA grew.

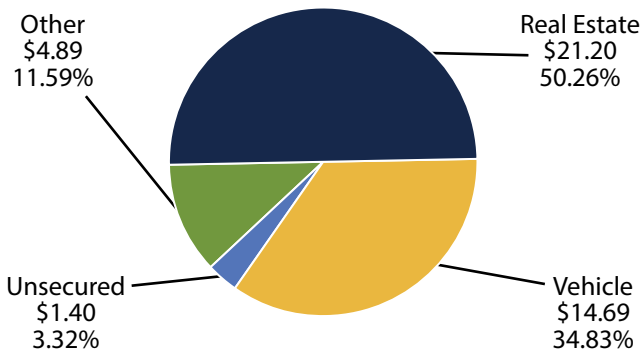
Operating Expenses vs. Net Interest Margin



After two years of declines, both metrics increased in 2022.

Loan Distribution

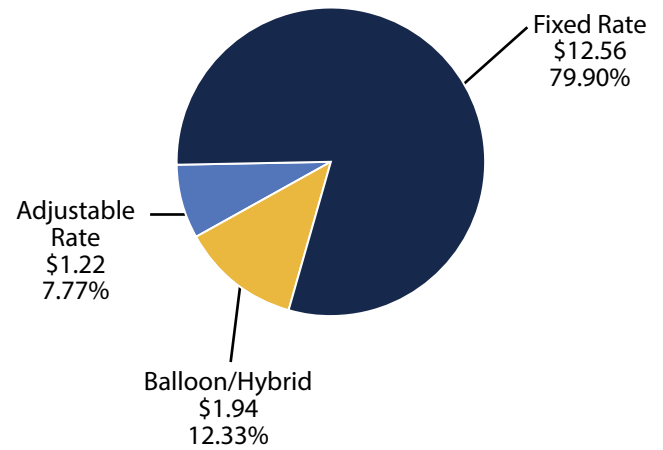
Loan Distribution
(in Billions)



*Numbers may not add up due to rounding.

MDI credit unions reported in 2022 loan distribution in real estate and vehicle lending similar to that of federally insured credit unions generally. Unsecured lending was lower.

First Mortgage Real Estate Loans
(in Billions)



*Numbers may not add up due to rounding.

MDI credit unions had a slightly higher percentage of fixed-rate first mortgage loans than federally insured credit unions generally.

Loan Distribution (continued)

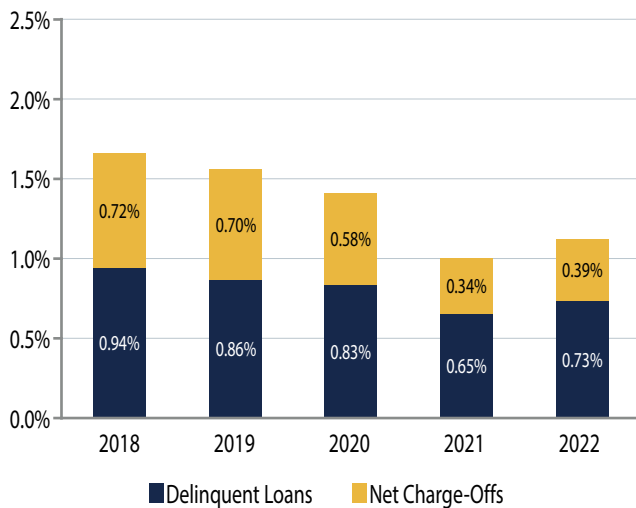
Loan Growth						
Loan Category	December 2021 in Billions	% of Total Loans December 2021	December 2022 in Billions	% of Total Loans December 2022	Growth in Billions	Growth Rate
Unsecured Credit Card	\$1.02	2.97%	\$1.30	3.08%	\$0.28	27.78%
Payday Alternative Loans	\$0.01	0.02%	\$0.01	0.02%	\$0.00	21.43%
Non-Federally Guaranteed Student Loans	\$0.09	0.26%	\$0.09	0.22%	\$0.01	8.06%
All Other Unsecured	\$2.54	7.41%	\$3.20	7.58%	\$0.66	26.11%
New Vehicle	\$5.11	14.93%	\$5.83	13.82%	\$0.72	14.05%
Used Vehicle	\$7.27	21.23%	\$8.86	21.01%	\$1.59	21.93%
Leases	\$0.05	0.15%	\$0.11	0.26%	\$0.06	113.79%
All Other Secured Non-Real Estate	\$0.93	2.73%	\$1.22	2.90%	\$0.29	31.13%
1- to 4-Family Residential Property Loans/Lines of Credit Secured by 1st Lien	\$12.13	35.44%	\$15.72	37.27%	\$3.59	29.57%
1- to 4-Family Residential Property Loans/Lines of Credit Secured by Junior Lien	\$1.74	5.08%	\$2.24	5.32%	\$0.50	29.02%
All Other (Non-Commercial) Real Estate	\$0.15	0.43%	\$0.11	0.27%	-\$0.03	-22.94%
Commercial Loans/Lines of Credit Real Estate Secured	\$2.83	8.28%	\$3.12	7.40%	\$0.29	10.09%
Commercial Loans/Lines of Credit Not Real Estate Secured	\$0.37	1.07%	\$0.36	0.84%	-\$0.01	-3.33%
Total Loans	\$34.23		\$42.17		\$7.95	23.22%

*Numbers may not add up due to rounding.

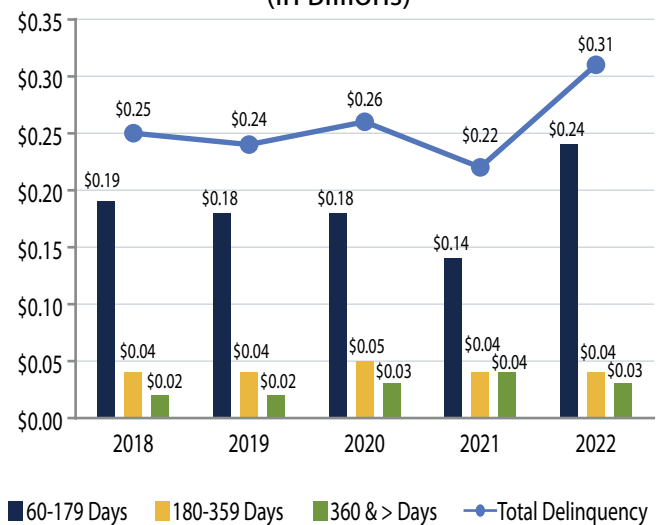
MDI credit unions saw growth in all but two loan categories. First mortgage 1- to 4-family residential property loans made up the largest portion of total lending, followed by used and new vehicle loans.

Loan and Delinquency Trends

Delinquency & Charge-Offs



Delinquency (in Billions)



Both delinquencies and charge offs rose slightly in 2022, similar to the trend in federally insured credit unions generally. MDIs had slightly higher levels in both.

Delinquencies grew among MDI credit unions similar to an uptick in both categories in federally insured credit unions generally. The great majority of delinquencies were under 180 days.

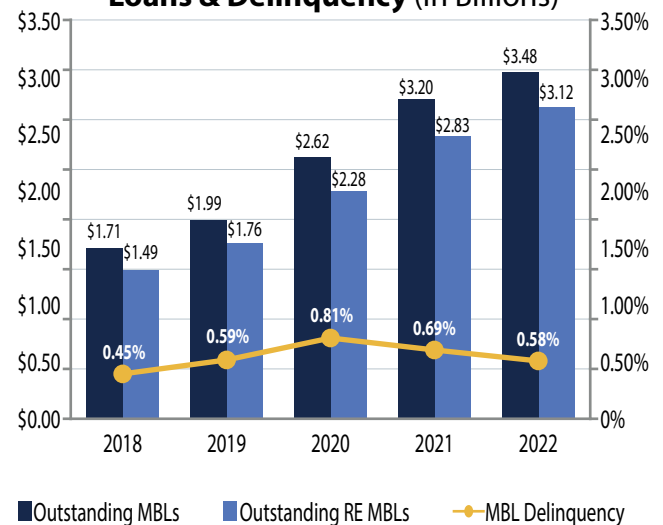
Charge-Offs and Recoveries

Total Loan Charge-Offs and Recoveries	December 2021 in Billions	December 2022 in Billions	% Change
Total Loans Charged Off	\$0.17	\$0.21	24.31%
Total Loan Recoveries	\$0.06	\$0.06	1.00%
Total Net Charge-Offs	\$0.11	\$0.15	35.89%

*Numbers may not add up due to rounding.

Charge-offs increased and recoveries remained at the same level as 2021.

Commercial/Member Business Loans & Delinquency (in Billions)

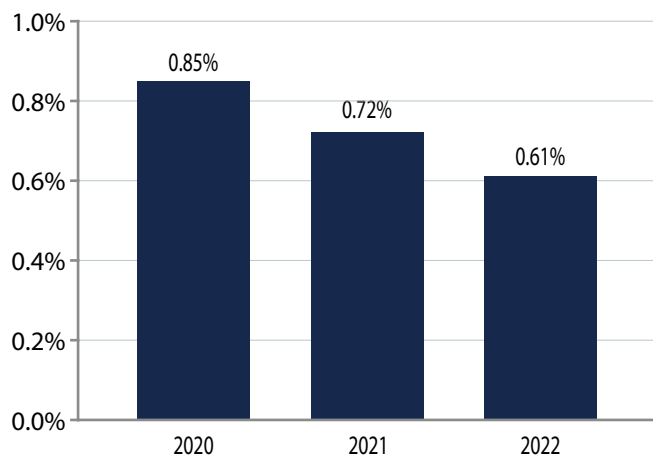


*Reporting requirements for loans were changed with September 2017 cycle to accommodate the regulatory definition of commercial loans.

Loans continued their growth trend in 2022, while delinquencies continued to decline from their 2020 peak to pre-pandemic levels.

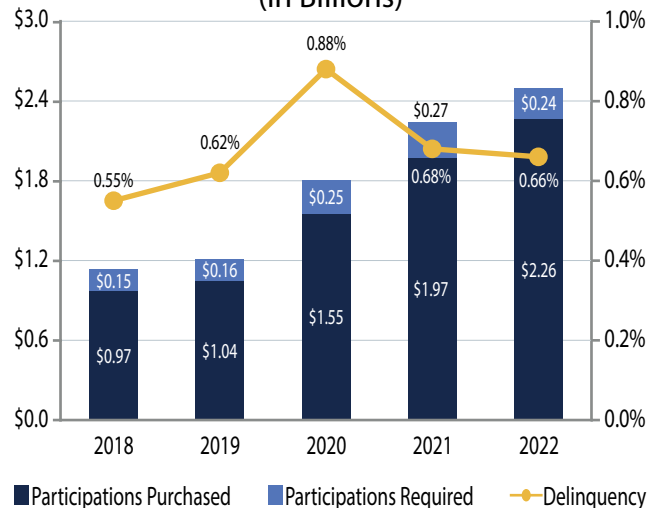
Loan and Delinquency Trends (continued)

Real Estate Delinquency



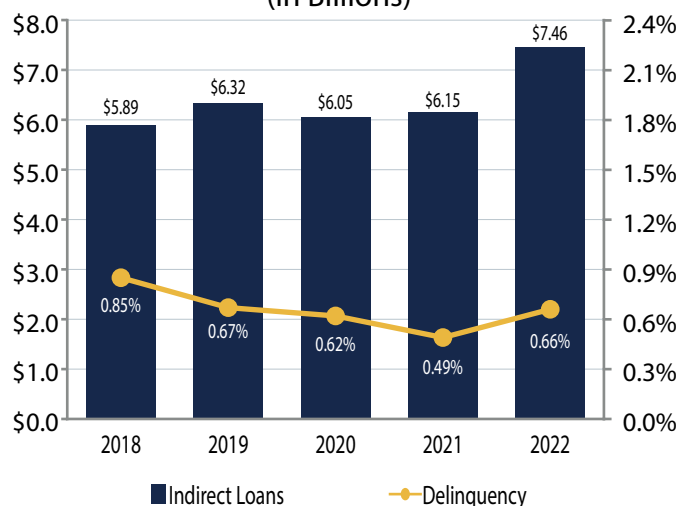
Total real estate delinquencies continued their downward trend in 2022.

Participation Loans & Delinquency (in Billions)



Total participation loans have increased, while delinquency has been steady at MDI credit unions.

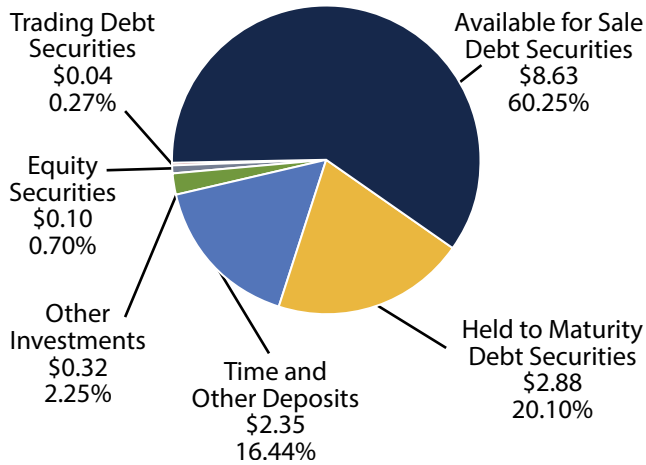
Indirect Loans & Delinquency (in Billions)



Total indirect loans by MDI credit unions grew in 2022, and delinquencies increased, mirroring the trend in federally insured credit unions generally.

Investment Trends – Accounting Standards Codification

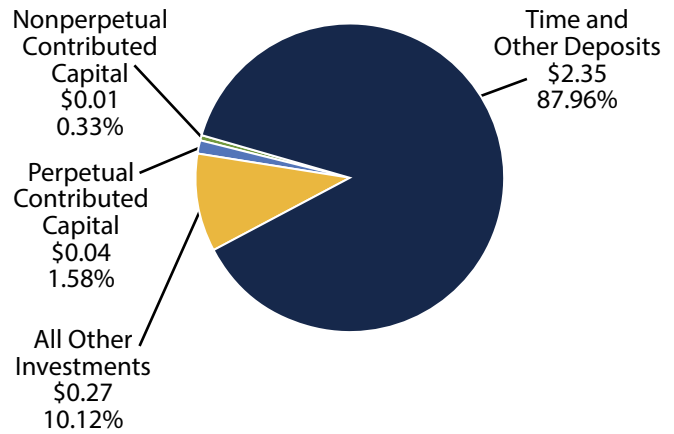
Investment Classification
(in Billions)



*Numbers may not add up due to rounding.

Most investments by MDI credit unions in 2022 were AFS debt securities or HTM securities, similar to federally insured credit unions overall, though the mix was different.

Other Investment Distribution
(in Billions)



*Numbers may not add up due to rounding.

The majority of other investments held by MDI credit unions were cash on deposit, bank deposits, and credit union deposits.

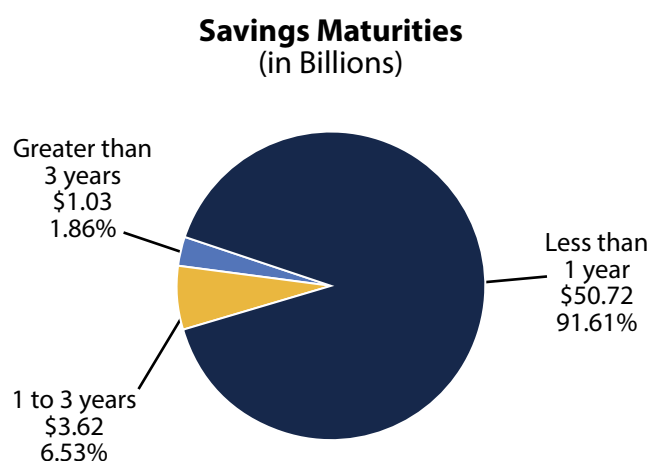
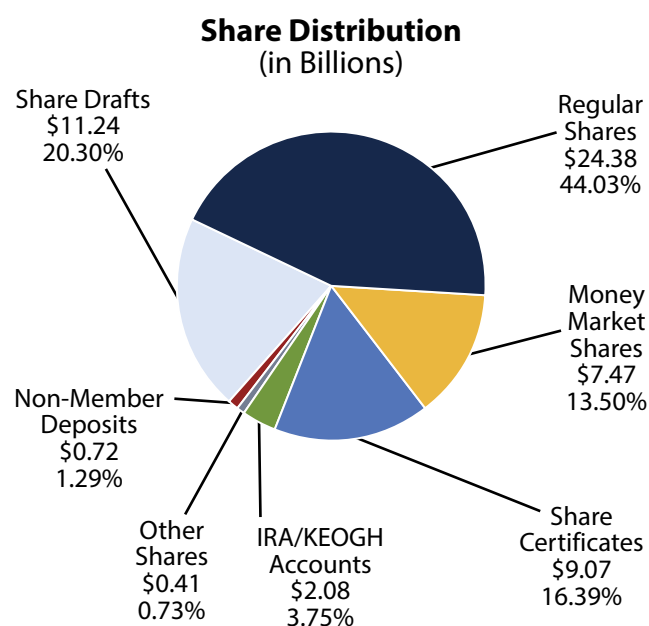
Maturity

Maturity or Repricing Intervals for Investments and Cash on Deposit & Equivalents	December 2021 in Billions	% of Total Investments December 2021	December 2022 in Billions	% of Total Investments December 2022	Growth in Billions	Growth Rate
Less than 1 year	\$4.88	31.52%	\$2.77	19.36%	-\$2.11	-43.28%
1 to 3 years	\$3.44	22.23%	\$3.88	27.11%	\$0.44	12.65%
3 to 5 years	\$3.95	25.51%	\$3.71	25.91%	-\$0.24	-6.18%
5 to 10 years	\$2.82	18.18%	\$3.53	24.64%	\$0.71	25.19%
Greater than 10 years	\$0.40	2.56%	\$0.43	2.98%	\$0.03	7.62%
Total Investments*	\$15.49		\$14.31		-\$1.18	-7.63%

*Includes borrowing repurchase agreements placed in investments for positive arbitrage. Numbers may not add up due to rounding.

The mix of investment maturities at MDI credit unions was generally spread evenly, similar to federally insured credit unions as a whole, with only a small fraction having maturities greater than 10 years. Investments with 5 to 10 year maturities showed the highest growth rate.

Share Trends



*Numbers may not add up due to rounding.

*Numbers may not add up due to rounding.

Regular shares made up a plurality of shares at MDI credit unions in 2022, followed by share drafts, share certificates, and money market shares. This was a similar distribution to federally insured credit unions overall, though MDIs had a larger percentage of regular shares.

The mix of maturities remained the same as in 2021, with the overwhelming majority being less than one year.

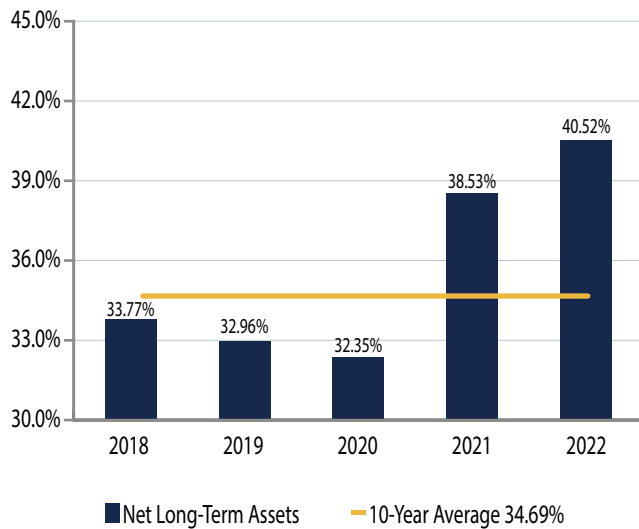
Shares

Share Category	December 2021 Balance in Billions	% of Total Shares December 2021	December 2022 Balance in Billions	% of Total Shares December 2022	Growth in Billions	Growth Rate
Share Drafts	\$10.37	20.10%	\$11.24	20.30%	\$0.87	8.35%
Regular Shares	\$21.85	42.34%	\$24.38	44.03%	\$2.53	11.57%
Money Market Shares	\$7.97	15.44%	\$7.47	13.50%	-\$0.50	-6.21%
Share Certificates	\$8.49	16.46%	\$9.07	16.39%	\$0.58	6.87%
IRA / KEOGH Accounts	\$2.14	4.15%	\$2.08	3.75%	-\$0.06	-2.94%
All Other Shares	\$0.35	0.68%	\$0.41	0.73%	\$0.06	15.71%
Non-Member Deposits	\$0.43	0.83%	\$0.72	1.29%	\$0.29	66.22%
Total Shares and Deposits	\$51.61		\$55.37		\$3.76	7.29%

Regular shares had the strongest growth among the major share categories. Share drafts and certificates grew, while money market shares declined.

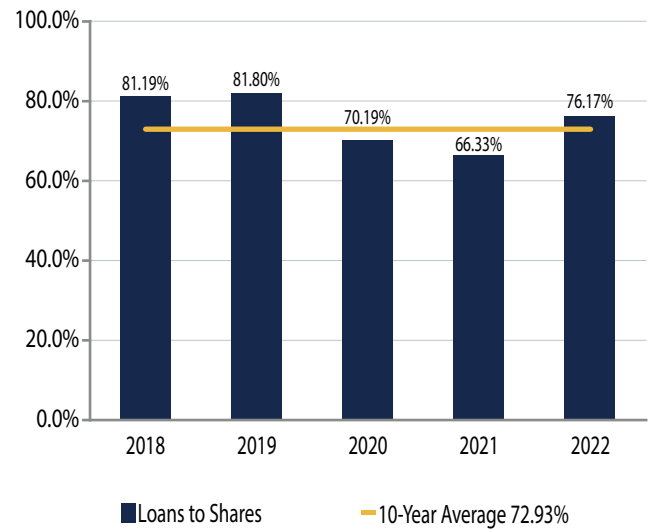
Asset-Liability Management Trends

Net Long-Term Assets / Total Assets



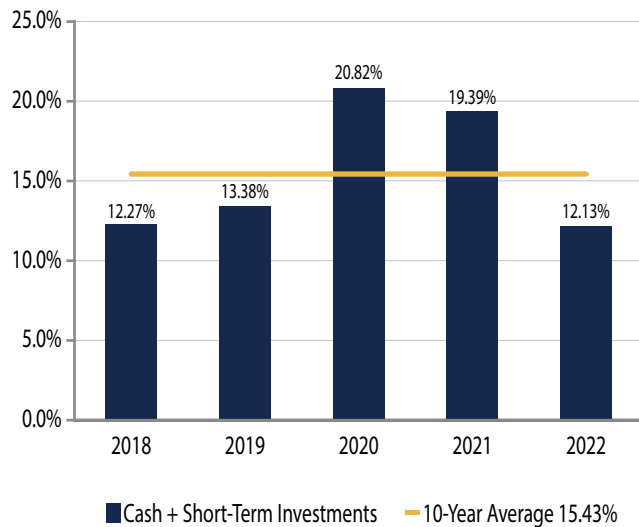
Long-term assets rose again in 2022, but at a slower rate than the year before.

Total Loans / Total Shares



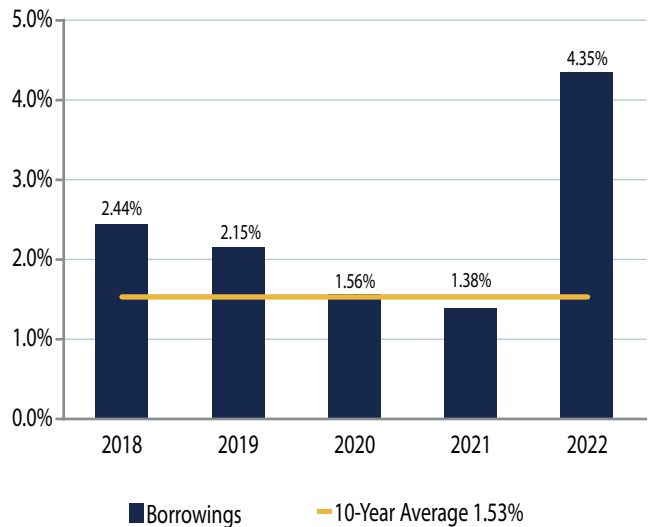
Loans to shares rebounded from the 2021 decline.

Cash + Short-Term Investments / Assets



Cash and short-term investments fell significantly in 2022, dropping below the 10-year average, following the trend in federally insured credit unions generally.

Borrowings / Total Shares & Net Worth



Following two years of declines, borrowings more than tripled in 2022, similar to federally insured credit unions overall.

Summary of Trends by Asset Group

	Small Credit Union	Low-Income-Designated	Minority Depository Institution	Federally Insured Credit Union
# of Credit Unions	2,981	2,612	503	4,760
Total Assets	\$87.76 billion	\$1,071.61 billion	\$64.67 billion	\$2,167.87 billion
Average Assets/CU	\$29.44 million	\$410.27 million	\$128.57 million	\$455.43 million
Net Worth / Total Assets	12.02%	10.60%	12.21%	10.74%
Net Worth Growth*	-0.19%	16.76%	26.02%	10.10%
Return on Average Assets (ROA)*	0.51%	0.94%	0.98%	0.89%
Net Interest Margin/Average Assets	2.66%	2.96%	3.15%	2.86%
Fee & Other Income/Average Assets	0.98%	1.32%	1.34%	1.11%
Non-Interest Expense/Average Assets	3.10%	3.16%	3.36%	2.85%
Members / Full-Time Employees	401.21	372.79	399.51	398.37
Provision for Loan Loss/Average Assets	0.13%	0.21%	0.24%	0.25%
Loans / Shares	58.82%	84.00%	76.17%	81.44%
Delinquent Loans / Total Loans	0.81%	0.57%	0.73%	0.61%
% of Real Estate Loans Delinquent > 59 Days	0.61%	0.40%	0.65%	0.43%
% of Commercial Loans Delinquent > 59 Days	1.65%	0.28%	0.58%	0.33%
Net Charge-Offs/Average Loans	0.25%	0.28%	0.39%	0.34%
Share Growth*	-4.35%	8.35%	7.29%	3.42%
Loan Growth*	6.00%	25.87%	23.22%	20.03%
Asset Growth*	-4.07%	11.06%	9.84%	5.22%
Membership Growth*	-5.67%	8.29%	14.07%	4.44%
Net Long-Term Assets / Total Assets	25.58%	37.30%	40.52%	39.47%
Cash + Short-Term Investments / Assets	20.62%	9.57%	12.13%	10.13%
Borrowings / Shares & Net Worth	0.42%	4.84%	4.35%	4.75%

*Note: These items are based on the same federally insured credit unions reporting in 12/31/2021 and 12/31/2022, based on 12/31/2022 assets.