

Sample Credit Union

ALMPro® DASHBOARD***

As of March 31, 2011

ANALYSIS (FORECAST) OF INTEREST RATE RISK (IRR)		ANALYSIS OF HISTORICAL ALM DATA																																																																																																																												
PANEL 1	PANEL 2	PANEL 3	PANEL 4	PANEL 5																																																																																																																										
INCOME SIMULATION ANALYSIS	NET ECONOMIC VALUE (NEV) ANALYSIS	NET WORTH (CAPITAL) ANALYSIS (Stated at Book Value)	LIQUIDITY RISK ANALYSIS	INTEREST MARGIN AND NET INCOME ANALYSIS																																																																																																																										
<p>Three Year Cumulative Analysis</p> <p>This analysis simulates interest income and interest expense (dividends) in benchmark and shock scenarios. It is designed as a stress test to evaluate sensitivity to up and down rate changes. The results are presented in a 3-year cumulative format. On page 1.1 this analysis is expanded and includes the estimated impact on Net Income.</p> <p>In order to keep the impact of variables under control, many elements of the simulation remain static. Growth, asset and share mix, operating expenses, and fee income fall in this category. For this reason the benchmark simulation should not be considered a likely scenario; nor should it be used to forecast likely results for the coming year.</p> <p style="text-align: center;">UP-RATE SHOCK @ 300 BP</p> <p style="text-align: center;">Forecasted</p> <p style="text-align: center;">3-Year Cumulative (\$000)</p> <table style="width: 100%; border-collapse: collapse;"> <tr><td>Benchmark Net Interest Income (NII)</td><td style="text-align: right;">\$6,836</td></tr> <tr><td>Shocked Net Interest Income</td><td style="text-align: right;">\$5,625</td></tr> <tr><td>Net Interest Income at risk</td><td style="text-align: right;">(\$1,211)</td></tr> <tr><td>% of Benchmark NII at risk</td><td style="text-align: right;">-17.7%</td></tr> <tr><td>Operational Guideline**</td><td style="text-align: right;">-15.0%</td></tr> <tr><td>Variance</td><td style="text-align: right;">-2.7%</td></tr> </table> <p style="text-align: center;">DOWN-RATE SHOCK @ 100 BP</p> <p style="text-align: center;">Forecasted</p> <p style="text-align: center;">3-Year Cumulative (\$000)</p> <table style="width: 100%; border-collapse: collapse;"> <tr><td>Benchmark Net Interest Income (NII)</td><td style="text-align: right;">6,836</td></tr> <tr><td>Shocked Net Interest Income</td><td style="text-align: right;">6,661</td></tr> <tr><td>Net Interest Income at risk</td><td style="text-align: right;">(\$175)</td></tr> <tr><td>% of Benchmark NII at risk</td><td style="text-align: right;">-2.6%</td></tr> <tr><td>Operational Guideline**</td><td style="text-align: right;">-15.0%</td></tr> <tr><td>Variance</td><td style="text-align: right;">12.4%</td></tr> </table> <p style="text-align: center;">Expanded Analysis Begins at 1.1</p>	Benchmark Net Interest Income (NII)	\$6,836	Shocked Net Interest Income	\$5,625	Net Interest Income at risk	(\$1,211)	% of Benchmark NII at risk	-17.7%	Operational Guideline**	-15.0%	Variance	-2.7%	Benchmark Net Interest Income (NII)	6,836	Shocked Net Interest Income	6,661	Net Interest Income at risk	(\$175)	% of Benchmark NII at risk	-2.6%	Operational Guideline**	-15.0%	Variance	12.4%	<p>This analysis estimates the impact of Market Risk on the CU's Net Worth (Capital)* as of the above date. The Net Worth remaining after the impact of Market Risk is applied is referred to as the CU's Net Economic Value (NEV).</p> <p style="text-align: center;">UP-RATE SHOCK @ 300 BP</p> <p style="text-align: center;">Net Worth (Capital) at Risk</p> <table style="width: 100%; border-collapse: collapse;"> <tr><td>Current Net Worth (\$000)</td><td style="text-align: right;">6,036</td></tr> <tr><td>Net Worth at risk (\$000)</td><td style="text-align: right;">(740)</td></tr> <tr><td>% Net Worth at risk</td><td style="text-align: right;">-12.3%</td></tr> <tr><td>Operational Guideline**</td><td style="text-align: right;">-20.0%</td></tr> <tr><td>Variance</td><td style="text-align: right;">7.7%</td></tr> </table> <p style="text-align: center;">Analysis of Net Worth (Capital) Ratio</p> <table style="width: 100%; border-collapse: collapse;"> <tr><td>Book value of Net Worth Ratio</td><td style="text-align: right;">11.3%</td></tr> <tr><td>Market Risk adjusted</td><td></td></tr> <tr><td>Net Worth Ratio</td><td style="text-align: right;">10.1%</td></tr> <tr><td>Operational Guideline**</td><td style="text-align: right;">7.0%</td></tr> <tr><td>Variance</td><td style="text-align: right;">3.1%</td></tr> </table> <p style="text-align: center;">DOWN-RATE SHOCK @ 100 BP</p> <p style="text-align: center;">Net Worth (Capital) at Risk</p> <table style="width: 100%; border-collapse: collapse;"> <tr><td>Current Net Worth (\$000)</td><td style="text-align: right;">6,036</td></tr> <tr><td>Net Worth at risk (\$000)</td><td style="text-align: right;">7,209</td></tr> <tr><td>% Net Worth at risk</td><td style="text-align: right;">19.4%</td></tr> <tr><td>Operational Guideline**</td><td style="text-align: right;">-20.0%</td></tr> <tr><td>Variance</td><td style="text-align: right;">39.4%</td></tr> </table> <p style="text-align: center;">Analysis of Net Worth (Capital) Ratio</p> <table style="width: 100%; border-collapse: collapse;"> <tr><td>Book value of Net Worth Ratio</td><td style="text-align: right;">11.3%</td></tr> <tr><td>Market Risk adjusted</td><td></td></tr> <tr><td>Net Worth Ratio</td><td style="text-align: right;">13.2%</td></tr> <tr><td>Operational Guideline**</td><td style="text-align: right;">7.0%</td></tr> <tr><td>Variance</td><td style="text-align: right;">6.2%</td></tr> </table> <p style="text-align: center;">Expanded Analysis Begins at 2.1</p>	Current Net Worth (\$000)	6,036	Net Worth at risk (\$000)	(740)	% Net Worth at risk	-12.3%	Operational Guideline**	-20.0%	Variance	7.7%	Book value of Net Worth Ratio	11.3%	Market Risk adjusted		Net Worth Ratio	10.1%	Operational Guideline**	7.0%	Variance	3.1%	Current Net Worth (\$000)	6,036	Net Worth at risk (\$000)	7,209	% Net Worth at risk	19.4%	Operational Guideline**	-20.0%	Variance	39.4%	Book value of Net Worth Ratio	11.3%	Market Risk adjusted		Net Worth Ratio	13.2%	Operational Guideline**	7.0%	Variance	6.2%	<p>The Net Worth (Capital) Ratio* is an excellent measure of solvency and leverage. It is also an excellent indicator of the CU's ability to absorb credit and operating losses and continue in business. In general the higher the Net Worth Ratio, the more safe and sound the CU is. Some important things to note:</p> <ul style="list-style-type: none"> • Asset quality is a major factor in the Ratio. If the quality of assets is in question the Ratio may need to be adjusted. • Corporate credit union stabilization efforts are having a major impact on Net Worth. You should know clearly which write-downs have been booked as of the above date and which remain to be booked the future. • If applicable, this ratio may exclude pension gain or loss which is stated as a part of the reserve structure. <table style="width: 100%; border-collapse: collapse;"> <tr><td>Net Worth (Capital) Ratio</td><td style="text-align: right;">11.3%</td></tr> <tr><td>Operational Guideline**</td><td style="text-align: right;">10.0%</td></tr> <tr><td>Variance</td><td style="text-align: right;">1.3%</td></tr> </table> <p style="text-align: center;">Net Worth (Capital) Standards</p> <p>NCUA has adopted standards to measure Net Worth (Capital) adequacy. If a CU's Net Worth is not considered adequate, then prompt corrective action is mandated. Our experience is that most state regulators also use these same or similar guidelines. A net worth ratio over 7% meets the regulatory capital requirements. Under the current NCUA guidelines, the Credit Union is classified as:</p> <p style="text-align: center;">Well Capitalized</p> <p style="text-align: center;">Expanded Analysis Begins at 3.1</p>	Net Worth (Capital) Ratio	11.3%	Operational Guideline**	10.0%	Variance	1.3%	<p style="text-align: center;">One Year Liquidity Ratio</p> <p>The 1-Year Liquidity Ratio is a common measurement of the CU's liquidity. It is calculated by adding the total of all cash and cash equivalent accounts and investments that will mature in 1 year or less and dividing that total by the total assets at the end of the period.</p> <p>It is important to note that this is the Liquidity Ratio at the close of business for the day; however, the nature of liquidity is that it often varies throughout the month or quarter.</p> <table style="width: 100%; border-collapse: collapse;"> <tr><td>One Year Liquidity Ratio</td><td style="text-align: right;">22.3%</td></tr> <tr><td>Operational Guideline**</td><td style="text-align: right;">10.0%</td></tr> <tr><td>Variance</td><td style="text-align: right;">12.3%</td></tr> </table> <p style="text-align: center;">Overnight Cash Liquidity Ratio</p> <p>The Overnight Cash Liquidity Ratio is the total of all cash and Overnight Cash equivalents divided by the CU's total assets. Again, note that liquidity often varies significantly during a month or quarter depending on pay-rolls and seasonal share withdrawals.</p> <table style="width: 100%; border-collapse: collapse;"> <tr><td>Overnight/Cash Liquidity Ratio</td><td style="text-align: right;">17.5%</td></tr> <tr><td>Operational Guideline**</td><td style="text-align: right;">5.0%</td></tr> <tr><td>Variance</td><td style="text-align: right;">12.5%</td></tr> </table> <p style="text-align: center;">Expanded Analysis Begins at 4.1</p>	One Year Liquidity Ratio	22.3%	Operational Guideline**	10.0%	Variance	12.3%	Overnight/Cash Liquidity Ratio	17.5%	Operational Guideline**	5.0%	Variance	12.5%	<p style="text-align: center;">Last 12 Months Spread Analysis</p> <p>The earnings measured by a spread analysis over the last 12 months follows.</p> <p>Note that due to the corporate stabilization mandated by NCUA, we have broken out below the impact of the stabilization expenses.</p> <p style="text-align: center;">Results From Ongoing Operations</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr><th></th><th style="text-align: right;">Basis Points</th></tr> </thead> <tbody> <tr><td>Interest income</td><td style="text-align: right;">522</td></tr> <tr><td>Cost of funds</td><td style="text-align: right;">128</td></tr> <tr><td>Net interest margin</td><td style="text-align: right;">394</td></tr> <tr><td>Operational Guideline**</td><td style="text-align: right;">375</td></tr> <tr><td>Variance</td><td style="text-align: right;">19</td></tr> <tr><td>Fees & misc income</td><td style="text-align: right;">64</td></tr> <tr><td>Total margin</td><td style="text-align: right;">458</td></tr> <tr><td>Operating Expenses</td><td style="text-align: right;">404</td></tr> <tr><td>Provision for Loan Loss</td><td style="text-align: right;">0</td></tr> <tr><td>Total Operating Expenses</td><td style="text-align: right;">404</td></tr> <tr><td>Other gains(loss)</td><td style="text-align: right;">0</td></tr> <tr><td>Net Income --ROA from ongoing operations</td><td style="text-align: right;">54</td></tr> <tr><td>Operational Guideline**</td><td style="text-align: right;">75</td></tr> <tr><td>Variance</td><td style="text-align: right;">-21</td></tr> </tbody> </table> <p style="text-align: center;">Impact from Corp. 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* The terms Net Worth and Capital are synonymous.

** The Operational Guidelines have not been established by management and the numbers reflected are benchmarks for the purpose of this report.

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