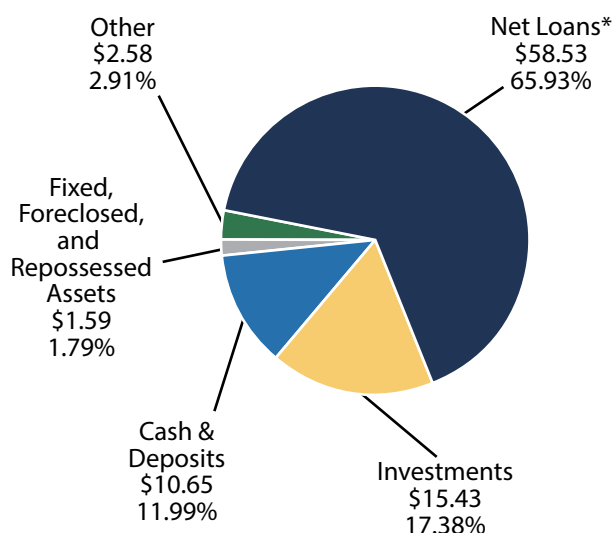


Appendix 1: NCUA Financial Trends in Minority Depository Institutions – December 31, 2023

During 2023, MDI credit unions reported strong financial performance in a number of categories, frequently surpassing the performance of credit unions overall.

Overall Trends

Asset Distribution
(in Billions)



*Net Loans equals Total Loans (\$59.3 Billion) minus Allowance for Loan and Lease Losses (\$0.8 Billion). Numbers may not add up due to rounding.

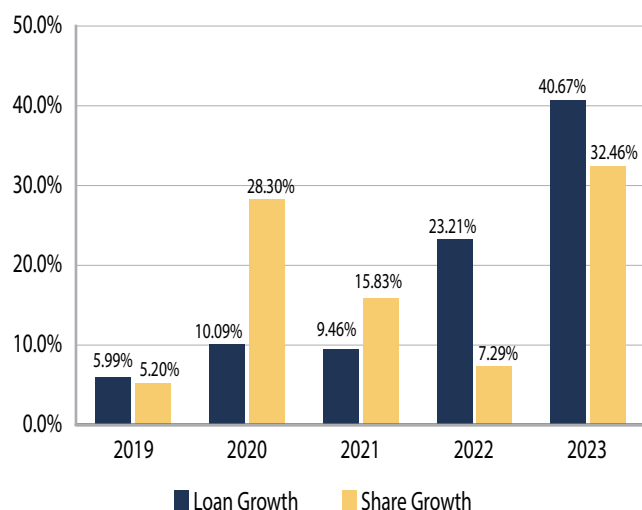
Net loans grew by 40 percent and made up the largest share of assets.

Number of Insured Credit Unions Reporting

	Minority Depository Institutions	Low-Income-Designated	Small	Federally Insured
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
2023	492	2,483	2,831	4,604

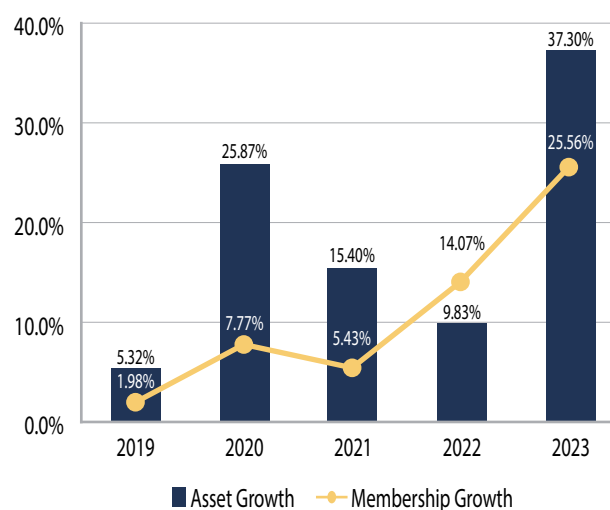
Over the past five years, the number of MDI credit unions has consistently been about 10 percent of all federally insured credit unions.

Loan Growth vs. Share Growth



Both loans and shares saw significant increases in 2023.

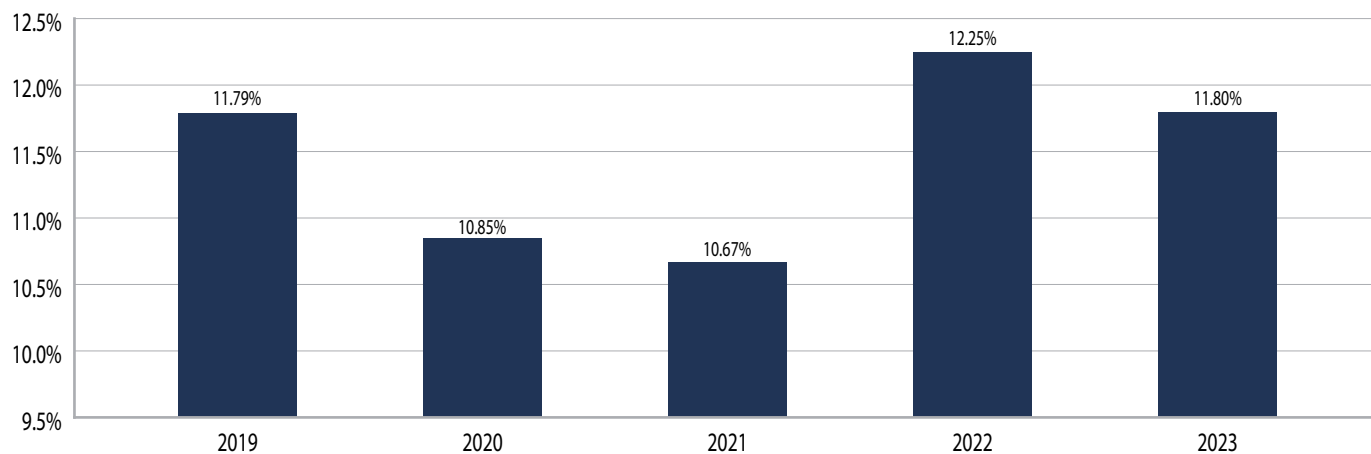
Asset Growth vs. Membership Growth



In 2023, MDI assets and membership showed robust growth.

Net Worth

Aggregate Net Worth Ratio



MDIs' net worth ratio declined from 2022 but remained higher than credit unions overall.

Net Worth Change

	December 2022 in Billions	December 2023 in Billions	% Change
Total Net Worth	\$7.89	\$10.47	32.71%
Subordinated Debt included in Net Worth	\$1.09	\$1.10	0.01%

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

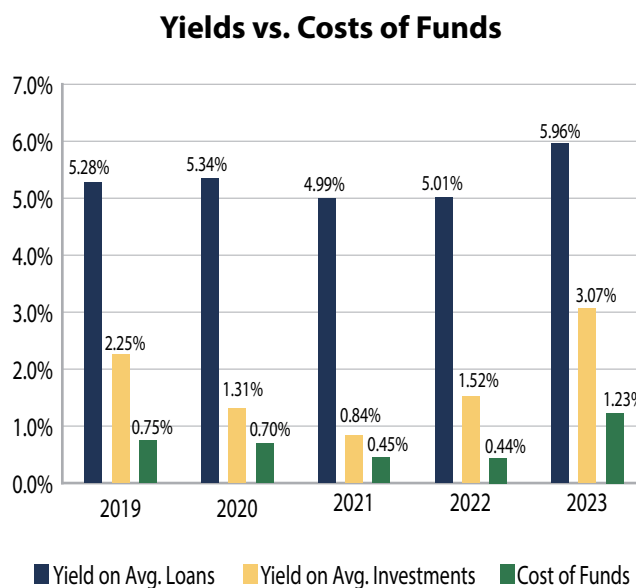
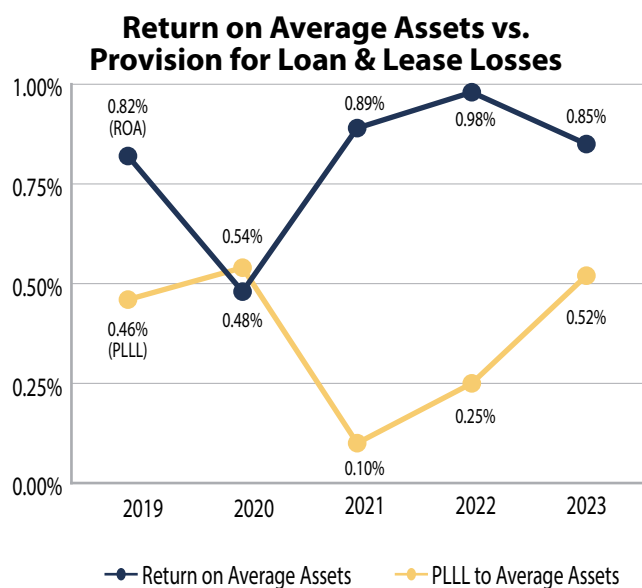
MDIs' total net worth grew strongly in 2023, out-pacing credit unions overall.

Net Worth Ratios

Number of Credit Unions	December 2022	% of Total	December 2023	% of Total
7% or above	480	95.43%	474	96.34%
6% to 6.99%	17	3.38%	9	1.83%
4% to 5.99%	5	0.99%	6	1.22%
2% to 3.99%	0	0.00%	3	0.61%
0% to < 2.00%	1	0.20%	0	0.00%
Less than 0%	0	0.00%	0	0.00%

The percentage of well-capitalized MDIs, meaning they reported net worth of at least 7 percent, increased in 2023.

Earnings



While ROAA declined from 2022, PLLL doubled.

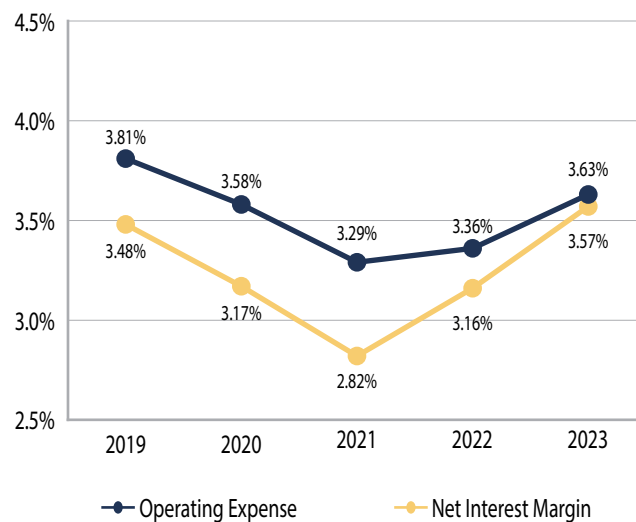
Yields on assets and investments grew strongly in 2023, while the cost of funds increased.

Ratio of Average Assets

Ratio (% of Average Assets)	December 2022	December 2023	Effect on ROAA
Net Interest Margin	3.16%	3.57%	41 bp
+ Fee & Other Inc.	1.34%	1.27%	-7 bp
- Non-Interest Expense	3.36%	3.63%	-27 bp
- PLLL	0.25%	0.52%	-27 bp
+ Non-Operating Income	0.10%	0.16%	6 bp
= ROAA	0.98%	0.85%	-13 bp

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

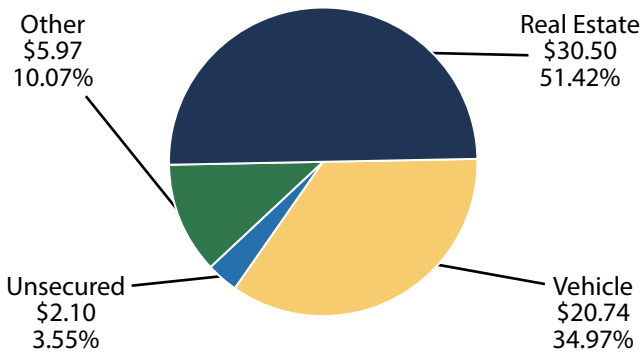
Non Expenses vs. Net Interest Margin



Both metrics continued to rise in 2023.

Loan Distribution

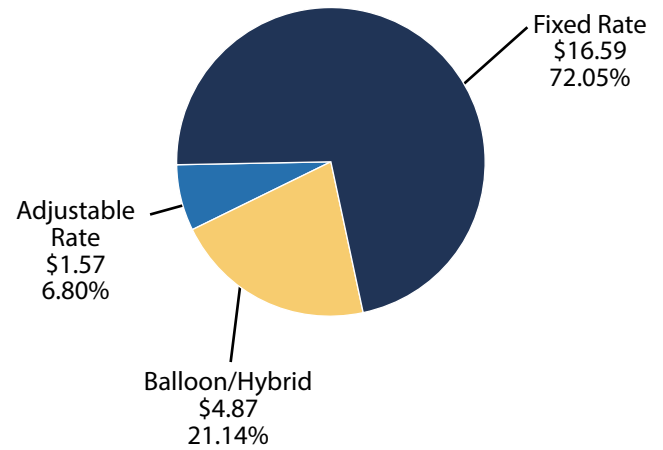
Loan Distribution
(in Billions)



*Numbers may not add up due to rounding.

MDI credit unions reported in 2023 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)

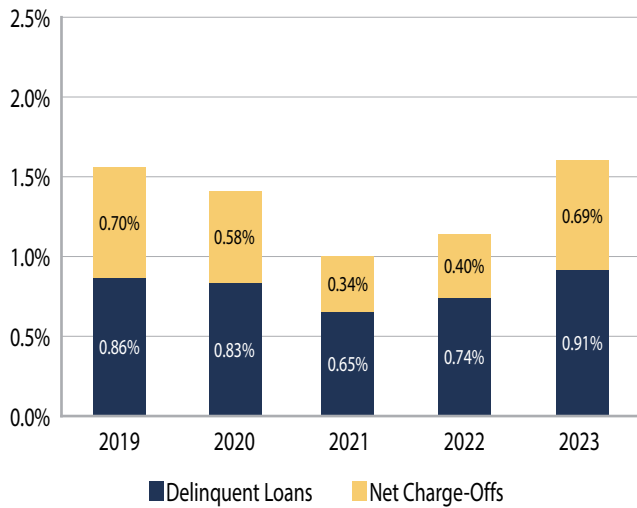
Loan Growth						
Loan Category	December 2022 in Billions	% of Total Loans December 2022	December 2023 in Billions	% of Total Loans December 2023	Growth in Billions	Growth Rate
Unsecured Credit Card	\$1.30	3.08%	\$2.00	3.37%	\$0.70	54.15%
Payday Alternative Loans	\$0.01	0.02%	\$0.01	0.02%	\$0.00	18.96%
Non-Federally Guaranteed Student Loans	\$0.09	0.22%	\$0.09	0.16%	\$0.00	-2.34%
All Other Unsecured	\$3.20	7.58%	\$4.06	6.85%	\$0.86	27.04%
New Vehicle	\$5.83	13.82%	\$8.67	14.62%	\$2.84	48.79%
Used Vehicle	\$8.86	21.00%	\$12.07	20.35%	\$3.21	36.29%
Leases	\$0.11	0.26%	\$0.07	0.11%	-\$0.05	-41.59%
All Other Secured Non-Real Estate	\$1.22	2.90%	\$1.50	2.53%	\$0.27	22.33%
1- to 4-Family Residential Property Loans/Lines of Credit Secured by 1st Lien	\$15.72	37.28%	\$23.03	38.82%	\$7.31	46.49%
1- to 4-Family Residential Property Loans/Lines of Credit Secured by Junior Lien	\$2.24	5.31%	\$3.42	5.77%	\$1.18	52.68%
All Other (Non-Commercial) Real Estate	\$0.11	0.27%	\$0.11	0.19%	\$0.00	-3.97%
Commercial Loans/Lines of Credit Real Estate Secured	\$3.12	7.40%	\$3.94	6.64%	\$0.82	26.31%
Commercial Loans/Lines of Credit Not Real Estate Secured	\$0.36	0.84%	\$0.35	0.59%	-\$0.01	-1.64%
Total Loans	\$42.17		\$59.32		\$17.15	40.67%

*Numbers may not add up due to rounding.

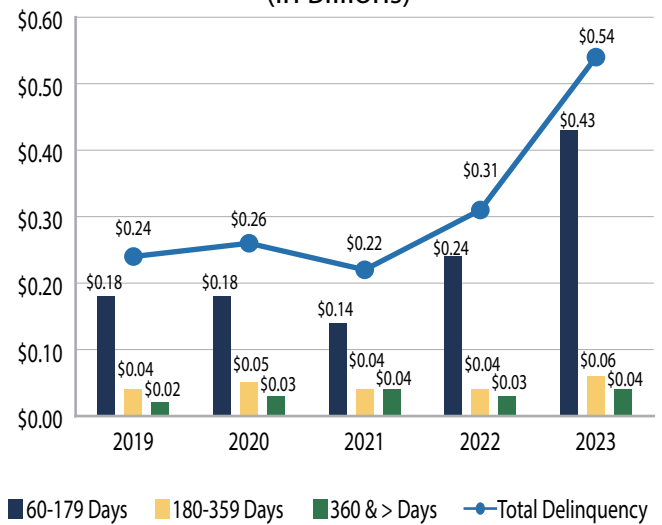
MDIs saw growth in most loan categories. First mortgage 1- to 4-family residential property loans made up the largest portion of total lending, followed by used and new vehicle loans.

Loan and Delinquency Trends

Delinquency & Charge-Offs



Delinquency (in Billions)



Both delinquencies and charge offs rose in 2023, similar to the trend in federally insured credit unions generally. MDIs had slightly higher levels in both.

Delinquencies among MDI credit unions increased in 2023, mirroring a trend in credit unions generally. The great majority of delinquencies were under 180 days.

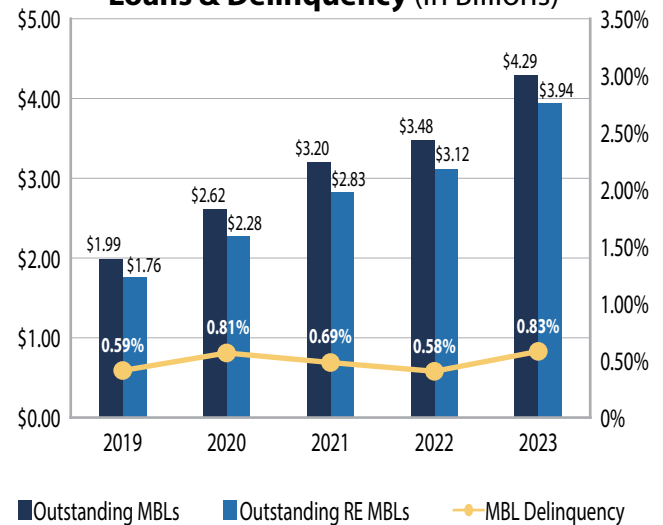
Charge-Offs and Recoveries

Total Loan Charge-Offs and Recoveries	December 2022 in Billions	December 2023 in Billions	% Change
Total Loans Charged Off	\$0.21	\$0.43	106.01%
Total Loan Recoveries	\$0.06	\$0.08	48.24%
Total Net Charge-Offs	\$0.15	\$0.35	126.99%

*Numbers may not add up due to rounding.

Delinquencies and charge-offs saw large increases in 2023. Recoveries grew at a slower pace.

Commercial/Member Business Loans & Delinquency (in Billions)

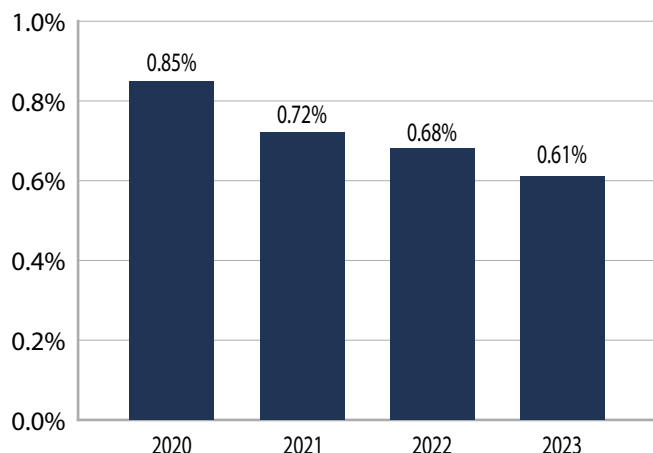


*Reporting requirements for loans were changed with September 2017 cycle to accommodate the regulatory definition of commercial loans.

As commercial and member business lending grew in 2023, delinquencies returned to 2020 levels.

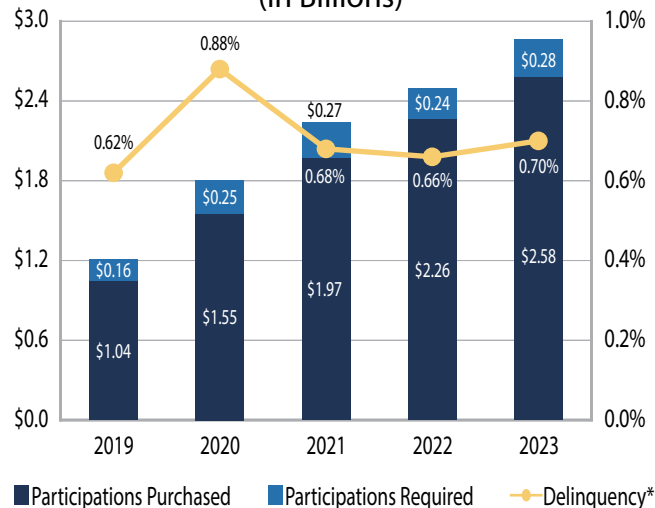
Loan and Delinquency Trends (continued)

Real Estate Delinquency



Total real estate delinquencies continued their downward trend in 2023.

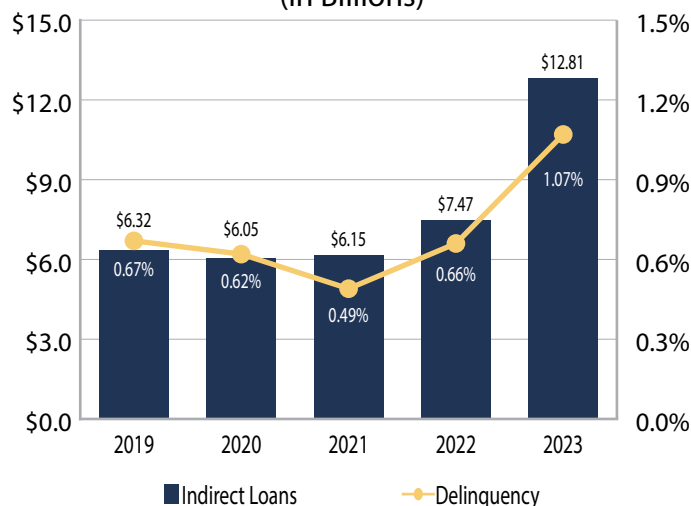
Participation Loans & Delinquency (in Billions)



*As of 2022 Participation delinquency only includes purchased loans.

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

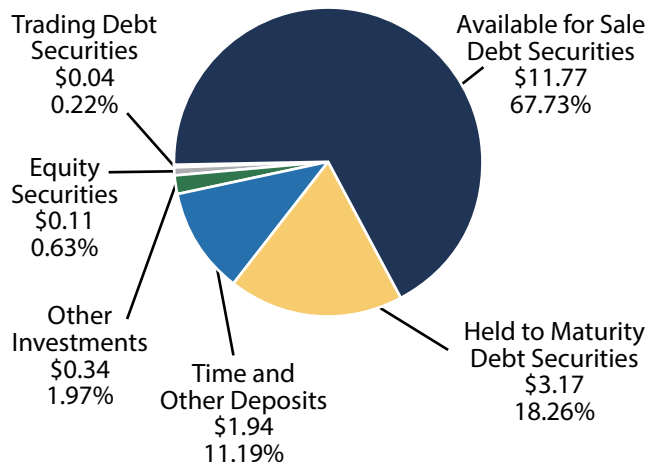
Indirect Loans & Delinquency (in Billions)



Total indirect loans by MDI credit unions grew in 2023, and delinquencies increased, mirroring the trend in federally insured credit unions generally.

Investment Trends – Accounting Standards Codification

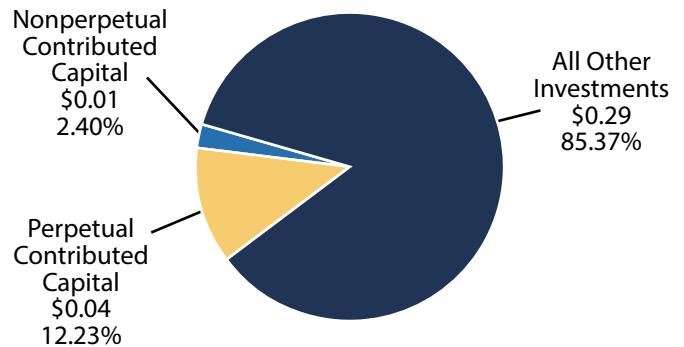
Investment Classification
(in Billions)



*Numbers may not add up due to rounding.

Most investments by MDI credit unions in 2023 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.

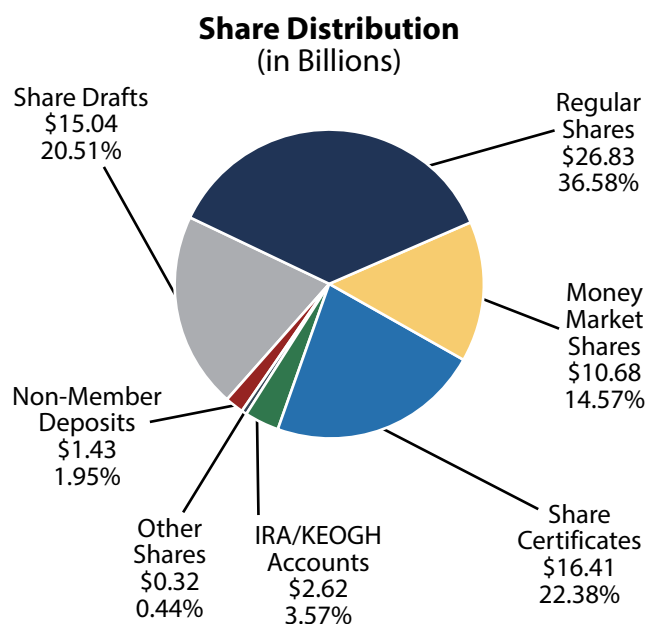
Maturity

Maturity or Repricing Intervals for Investments and Cash on Deposit & Equivalents	December 2022 in Billions	% of Total Investments December 2022	December 2023 in Billions	% of Total Investments December 2023	Growth in Billions	Growth Rate
Less than 1 year	\$2.74	19.15%	\$3.78	21.77%	\$1.04	38.03%
1 to 3 years	\$3.92	27.39%	\$4.47	25.75%	\$0.55	14.11%
3 to 5 years	\$3.70	25.86%	\$4.43	25.51%	\$0.73	19.77%
5 to 10 years	\$3.51	24.52%	\$4.19	24.12%	\$0.68	19.41%
Greater than 10 years	\$0.44	3.08%	\$0.50	2.85%	\$0.05	12.40%
Total Investments*	\$14.31		\$17.37		\$3.06	21.40%

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

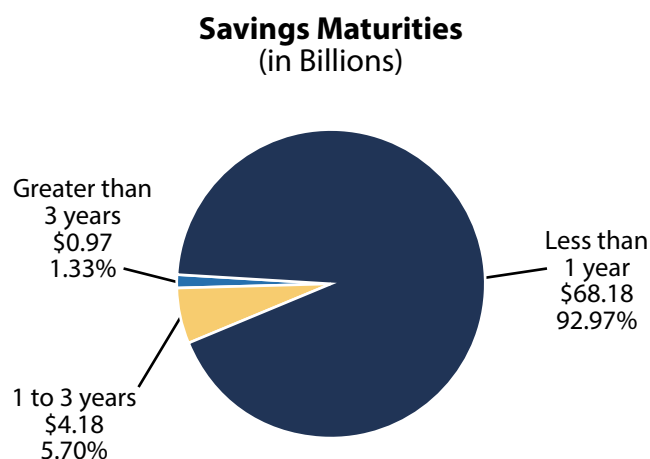
The mix of investment maturities at MDI credit unions was generally spread evenly, similar to federally insured credit unions as a whole, with only a small fraction having maturities greater than 10 years. Investments with maturities of less than one year saw the highest growth rate.

Share Trends



*Numbers may not add up due to rounding.

Regular shares made up a plurality of shares at MDI credit unions in 2023, 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.



*Numbers may not add up due to rounding.

This mix of maturities in 2023 was similar to 2022, with the overwhelming majority being less than one year.

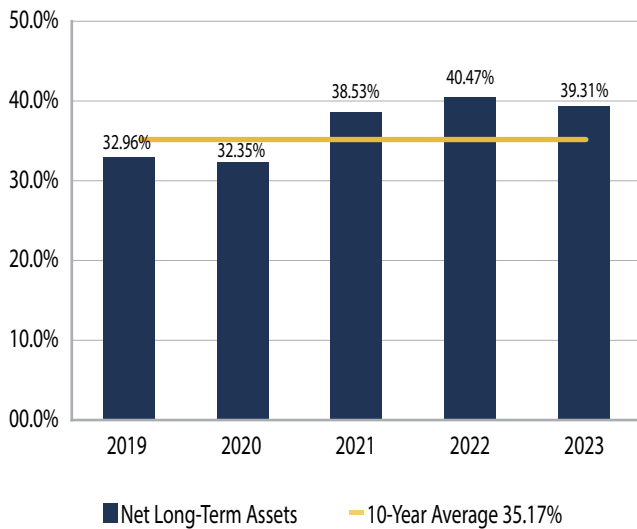
Shares

Share Category	December 2022 Balance in Billions	% of Total Shares December 2022	December 2023 Balance in Billions	% of Total Shares December 2023	Growth in Billions	Growth Rate
Share Drafts	\$11.26	20.33%	\$15.04	20.51%	\$3.78	33.61%
Regular Shares	\$24.41	44.09%	\$26.83	36.58%	\$2.41	9.89%
Money Market Shares	\$7.48	13.50%	\$10.68	14.57%	\$3.21	42.88%
Share Certificates	\$9.08	16.40%	\$16.41	22.38%	\$7.33	80.72%
IRA / KEOGH Accounts	\$2.08	3.75%	\$2.62	3.57%	\$0.54	26.11%
All Other Shares	\$0.34	0.62%	\$0.32	0.44%	-\$0.02	-6.49%
Non-Member Deposits	\$0.72	1.29%	\$1.43	1.95%	\$0.72	100.05%
Total Shares and Deposits	\$55.36		\$73.34		\$17.97	32.46%

Share Certificates had strong growth in 2023, followed by Money Market Shares and Share Drafts.

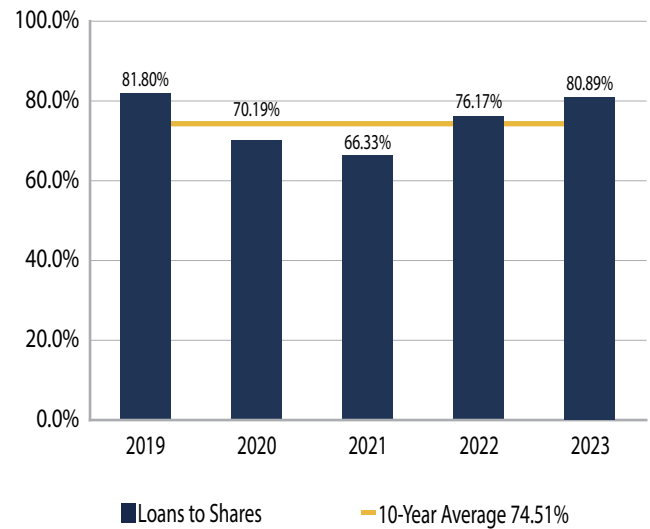
Asset-Liability Management Trends

Net Long-Term Assets / Total Assets



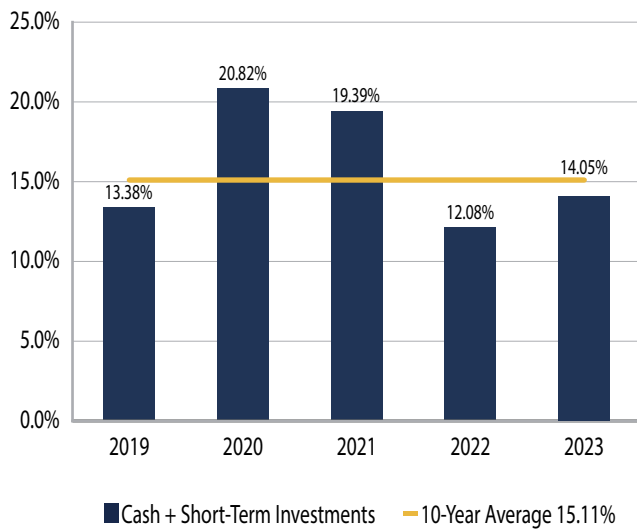
Long-term assets declined slightly in 2023.

Total Loans / Total Shares



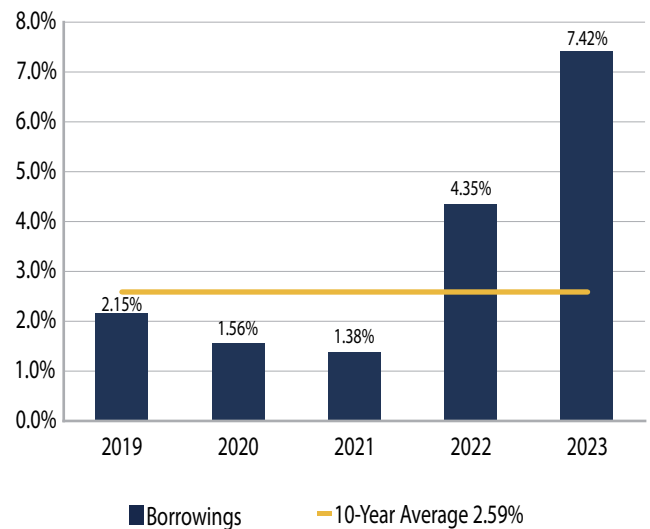
Loans to shares grew in 2023.

Cash + Short-Term Investments / Assets



Cash and short-term investments rose in 2023, though remained below the 10-year average.

Borrowings / Total Shares & Net Worth



Borrowings rose strongly again in 2023, though at a slower rate than the previous year, similar to 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	2,831	2,483	492	4,604
Total Assets	\$83.01 billion	\$1,135.29 billion	\$88.78 billion	\$2,255.82 billion
Average Assets/CU	\$29.32 million	\$457.23 million	\$180.44 million	\$489.97 million
Net Worth / Total Assets	13.05%	10.82%	11.80%	10.95%
Net Worth Growth*	2.66%	8.07%	32.71%	5.91%
Return on Average Assets (ROA)*	0.67%	0.73%	0.85%	0.69%
Net Interest Margin/Average Assets	3.23%	3.06%	3.57%	3.01%
Fee & Other Income/Average Assets	0.93%	1.22%	1.27%	1.07%
Non-Interest Expense/Average Assets	3.38%	3.20%	3.63%	2.95%
Members / Full-Time Employees	2.56	3.18	3.94	2.94
Provision for Loan Loss/Average Assets	0.21%	0.41%	0.52%	0.51%
Loans / Shares	64.13%	87.33%	80.89%	85.20%
Delinquent Loans / Total Loans	0.95%	0.78%	0.91%	0.83%
% of Real Estate Loans Delinquent > 59 Days	0.69%	0.52%	0.61%	0.56%
% of Commercial Loans Delinquent > 59 Days	1.99%	0.53%	0.83%	0.61%
Net Charge-Offs/Average Loans	0.38%	0.50%	0.69%	0.61%
Share Growth*	-6.76%	3.76%	32.46%	1.69%
Loan Growth*	1.65%	7.88%	40.67%	6.38%
Asset Growth*	-5.41%	5.96%	37.30%	4.07%
Membership Growth*	-4.07%	3.79%	25.56%	2.98%
Net Long-Term Assets / Total Assets	23.60%	35.43%	39.31%	37.16%
Cash + Short-Term Investments / Assets	20.87%	11.06%	14.05%	11.47%
Borrowings / Shares & Net Worth	0.50%	6.30%	7.42%	6.40%

*Note: These items are based on the same federally insured credit unions reporting in 12/31/2022 and 12/31/2023, based on 12/31/2023 assets.