

MONEY TIPS



Tom Kane
President/CEO

Keeping Score & Learning More

How am I doin'?

Back in the 1980's, New York City Mayor Ed Koch asked that question to anyone who would listen. Voters...city workers...reporters...it didn't really matter. And, New Yorkers being New Yorkers, he often got an earful. Not a

bad thing if you're running a city or a business.

So, how are *we* doin'?

As CEO, I always want to know. Besides the input we get from our members – which we appreciate, by the way – we judge Fort Campbell Federal's success on the financial and service reports we generate every month. Let me share a few of the key areas we examine to ensure we're doing our best for you.

First, we want to know how well we're managing the assets (deposits) entrusted to us by our members – and if we're earning a fair rate of return for them. Return on Assets (ROA) is the measurement we use. This year, our goal is to maintain an ROA of between 0.50% and 1.0%. Through May, we have a ROA of 0.75%.

Then, there's the Net Capital Ratio, which is a measure of the Credit Union's safety and stability. At the end of May, Fort Campbell Federal's Net Capital Ratio was 14.19. That's more than twice what our governing body, the National Credit Union Association (NCUA), defines as a well capitalized credit union. In simple terms, your Credit Union is one of the safest, most secure Credit Unions in the country.

Want to know how efficiently we're using our resources? We do, too. That's why we monitor our Operating Expense Ratio, which shows how much we're spending to generate income. In our case, we spend \$0.69 to earn \$1.00, which

is a very good Operating Expense Ratio for a Credit Union with as many branches (10) as we have.

The final two key metrics we examine every month are the Delinquency Ratio and the Charge-off Ratio, which help us gauge the quality of our \$350 million loan portfolio. The Delinquency Ratio tells us the percentage of loans in our portfolio that are more than 60 days delinquent. For us, it's typically between 0.60% and 0.90%, which is very good for a loan portfolio of our size. The Charge-off Ratio is a measure of how much is written-off as bad loans versus the total loan portfolio. Our Charge-off Ratio is typically between 0.70% and 1.00%. Again, that's a very good ratio of loan losses for a portfolio of our size.

All these metrics are all well and good for measuring the financial success of the Credit Union, but how are we doing in delivering financial success to our member-owners? While we don't have that exact score, we gain about 150 to 200 new members a month. And, the top reason most new members come to us is through referrals from other members. That's the best marketing metric ever – satisfied members telling their friends and family that they need to join Fort Campbell Federal!

While we're always trying to learn "how we're doin'," we're very certain about "what we're doin'." At Fort Campbell Federal, we want to help everyone save money and realize their financial dreams.

We are not the largest financial institution in town, and we don't need to be. We're building this Credit Union on the belief that we offer the best value in town, the best service in town, and have the best staff in town. You can see that promise in our Mission Statement: "Creating the right financial solution for you – every time."

Be sure to share the news with your friends and family. As always, thank you for your membership and support.

