

TUCSON OLD PUEBLO CREDIT UNION - FINANCIAL STATEMENTS
AS OF SEPTEMBER 30, 2012

Assets	Current Month		Prior Month		Difference		Prior Year		Difference	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Loans										
Credit Cards	278	\$ 399,856.94	232	\$ 238,967.22	46	\$ 160,889.72	0	\$ 0	278	399,856.94
Unsecured	1,471	3,057,066.29	1,467	3,061,123.65	4	(4,057.36)	1,467	2,841,288.15	4	215,778.14
Direct Auto	1,313	13,113,153.58	1,320	13,320,312.26	(7)	(207,158.68)	1,351	12,883,669.32	(38)	229,484.26
Indirect Auto	1,131	8,674,851.08	1,184	8,921,857.08	(53)	(247,006.00)	1,787	14,499,642.00	(656)	(5,824,790.92)
Home Equity	411	10,166,416.11	416	10,215,980.20	(5)	(49,564.09)	438	11,046,812.51	(27)	(880,396.40)
Fixed Real Estate	373	26,042,291.56	376	26,514,653.60	(3)	(472,362.04)	401	29,781,729.07	(28)	(3,739,437.51)
Variable Real Estate	81	5,328,007.04	81	5,333,496.64	0	(5,489.60)	92	6,609,093.10	(11)	(1,081,086.06)
Savings and Certificate Secured	132	748,121.22	136	754,734.00	(4)	(6,612.78)	142	878,948.84	(10)	(130,827.62)
Other	83	940,293.01	86	970,256.56	(3)	(29,963.55)	93	1,191,020.16	(10)	(250,727.15)
Gross Loans	5,273	\$ 68,670,056.83	5,298	\$ 69,531,381.21	(25)	\$ (861,324.38)	5,771	\$ 79,732,203.15	(498)	\$ (11,062,146.32)
Prepaid Loan Fees	0	0.00	0	46,291.22	0	0.00	0	39,298.41	0	8,021.39
Loan Participation	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Allowance for Loan Losses	5,273	\$ 68,717,376.63	5,298	\$ 69,577,672.43	(25)	\$ (860,295.80)	5,771	\$ 79,771,501.56	(498)	\$ (11,054,124.93)
Net Loans		\$ 66,962,596.87		\$ 67,812,274.67		\$ (849,677.80)		\$ 78,199,480.02		\$ 182,758.22
Cash		10,167,319.61		14,093,093.99		(3,925,774.38)		12,218,619.93		(2,051,300.32)
Investments		50,401,315.13		47,871,425.65		2,529,889.48		36,508,515.84		13,892,799.29
Other Assets		4,253,106.31		4,265,273.08		(12,166.77)		4,228,775.59		24,330.72
Land and Building		348,091.81		344,711.38		3,380.43		312,282.68		35,809.13
Furniture and Equipment		2,750,143.35		2,691,458.85		58,684.50		2,377,248.62		372,894.73
Other Assets		7,351,341.47		7,301,443.31		49,898.16		6,918,306.89		433,034.58
Total Other Assets		\$ 134,882,573.08		\$ 137,078,237.62		\$ (2,195,664.54)		\$ 133,844,922.68		\$ 1,037,650.40
Total Assets		\$ 880,950.82		\$ 858,265.41		\$ 22,685.41		\$ 2,756,012.59		\$ (1,875,061.77)
Liabilities and Equity										
Accounts Payable/Liabilities										
Total Borrowings										
Member Deposits	14,820	47,777,849.90	14,871	48,929,836.99	(51)	(1,151,987.09)	15,242	43,088,210.09	(422)	4,689,639.81
Savings and Clubs	860	25,386,668.10	859	25,551,014.90	1	(164,346.80)	871	24,778,657.43	(11)	608,010.67
Money Market accounts	7,562	21,884,019.54	7,552	22,694,162.09	10	(810,142.55)	7,193	20,335,937.61	369	1,548,081.93
Checking	1,261	17,776,559.58	1,269	17,797,076.41	(8)	(20,516.83)	1,435	20,507,845.44	(174)	(2,731,285.86)
Certificates	510	5,915,126.46	566	5,796,317.36	(56)	118,809.10	567	5,583,858.14	(57)	331,268.32
Demand IRAs	505	6,056,478.96	510	6,146,133.50	(5)	(89,654.54)	560	6,797,188.29	(55)	(740,709.33)
IRA Certificates	25,518	\$ 124,796,702.54	25,627	\$ 126,914,541.25	(109)	\$ (2,117,838.71)	25,868	\$ 121,091,697.00	(350)	\$ 3,705,005.54
Total Member Deposits										
Capital										
Regular Reserves		5,594,713.74		5,459,831.13		134,882.61		5,459,831.13		134,882.61
Undivided Earnings		3,610,205.98		3,845,399.83		(235,393.85)		4,441,446.26		(831,240.28)
Other Capital		0.00		0.00		0.00		0.00		0.00
Total Capital		\$ 9,204,919.72		\$ 9,305,430.96		\$ (100,511.24)		\$ 9,901,277.39		\$ (696,357.67)
Total Liabilities and Equity		\$ 134,882,573.08		\$ 137,078,237.62		\$ (2,195,664.54)		\$ 133,844,922.68		\$ 1,037,650.40

TUCSON OLD PUEBLO CREDIT UNION - FINANCIAL STATEMENTS
AS OF SEPTEMBER 30, 2012

	Current Month Amount	Year to Date Amount	Prior Year to Date Amount	Difference	Budget Ytd	Budget Difference	%
Income							
Interest on Loans	\$ 317,376.95	\$ 3,090,441.39	\$ 3,866,943.85	\$ -776,502.46	\$ 3,402,000	\$ (311,555)	-9%
Income from Investments	49,533.61	529,031.47	495,136.15	33,895.32	495,000	34,031	7%
Investment Services Income	10,591.23	142,162.70	106,962.92	35,199.78	126,000	16,163	13%
Fee Income	90,842.47	962,636.74	448,005.62	514,631.12	446,850	515,787	115%
Other Operating Income	8,219.57	51,470.89	609,095.72	\$ -557,624.83	567,000	(515,529)	-91%
Total Income	\$ 476,563.83	\$ 4,775,743.19	\$ 5,526,144.26	\$ -750,401.07	\$ 5,036,850	\$ (261,107)	-5%
Operating Expenses							
Employee Compensation	185,853.62	\$ 1,919,976.31	\$ 1,888,789.11	31,187.20	1,867,500	52,476	3%
Employee Incentives	10.00	435.00	460.00	-25.00	1,800	(1,365)	-76%
Employee Benefits	39,737.13	383,153.73	338,676.96	44,476.77	351,000	32,154	9%
Meetings	14,990.87	28,750.03	28,531.02	219.01	31,260	(2,510)	-8%
Loan Servicing	15,891.62	118,869.80	86,262.68	32,607.12	83,700	35,170	42%
State Banking Dept. Fee	1,324.59	11,588.59	11,399.00	189.59	12,600	(1,011)	-8%
Office Occupancy	37,323.27	331,026.49	317,467.78	13,558.71	335,250	(4,224)	-1%
Office Operations	48,043.94	457,307.58	514,621.99	\$ -57,314.61	565,200	(107,893)	-19%
Miscellaneous Expenses	1,441.94	17,640.48	11,633.41	6,007.07	11,700	5,940	51%
Member Insurance	200.00	5,550.00	304,548.39	\$ -298,998.39	11,250	(5,700)	-51%
NCUSIF Corp Stabilization	(0.69)	117,217.31	117,217.31	0	117,100	117	0%
Association Dues	2,094.01	19,663.09	18,928.50	734.59	20,925	(1,262)	-6%
Educational & Training	1,703.91	14,490.72	27,260.95	\$ -12,770.23	33,750	(19,259)	-57%
Professional & Outside Services	66,290.30	663,204.82	591,662.41	71,542.41	637,900	5,305	1%
Travel and Conference	299.07	8,641.40	9,194.11	\$ -552.71	13,500	(4,859)	-36%
Promotional Expenses	6,735.86	78,663.32	123,838.28	\$ -45,174.76	139,050	(60,386)	-43%
Cash Short/Over	(96.18)	673.65	1,319.85	\$ -646.20	1,800	(1,126)	-63%
Deposit Account Adjustments	342.51	21,382.60	33,602.66	\$ -12,220.06	27,000	(5,617)	-21%
Total Operating Expenses	\$ 422,185.77	\$ 4,198,234.92	\$ 4,308,197.10	\$ -109,962.18	\$ 4,282,285	\$ (84,050)	-2%
Net Operating Income	\$ 54,378.06	\$ 577,508.27	\$ 1,217,947.16	\$ -640,438.89	\$ 754,565	\$ (177,057)	-23%
Provision for Losses	138,642.53	\$ 923,762.12	\$ (544,342.10)	1,468,104.22	270,000	653,762	242%
Provision OREO	1,090.00	8,800.00	8,800.00	0	8,800	0	BUDGET IS ZERO
Dividends	23,958.67	306,102.33	475,060.39	\$ -166,958.06	405,000	(96,898)	-24%
Interest on Borrowed Money	7.38	1,301.42	2,839.76	\$ -1,538.34	2,700	(1,399)	-52%
Non-Operating (Income) Expense	18.03	1,642.82	990.10	652.72	0	1,643	BUDGET IS ZERO
(Gain)/Loss Foreclosed Assets	(8,737.31)	101,058.85	101,058.85	0	0	0	BUDGET IS ZERO
Net Income (Loss)	\$ (100,511.24)	\$ (765,159.27)	\$ 1,285,395.01	\$ -2,050,558.28	\$ 76,865	\$ (842,024)	-1,095%

We certify, to the best of our knowledge and belief, that these financial statements are true and correct and present fairly the financial position and the results of operations for the periods covered.

John Brady
 John Brady, Treasurer
 James Khoury, President/CEO

10-09-2012
 Date
 10/9/12
 Date
 10-9-12
 Date

**TUCSON OLD PUEBLO CREDIT UNION - ADDENDUM TO THE FINANCIAL STATEMENTS
AS OF SEPTEMBER 30, 2012**

	Current Month		Prior Month		Difference		Prior Year		Difference	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Loan Delinquency										
Two to Six Months	23	547,679	26	549,177	(3)	(1,498)	71	1,441,560	-48	(893,881)
Six to Twelve Months	6	110,146	8	327,801	(2)	(217,655)	17	235,828	-11	(125,682)
Over Twelve Months	12	113,346	12	126,076	-	(12,730)	22	556,412	-10	(443,066)
Total Delinquency	41	\$ 771,171	46	\$ 1,003,054	(5)	\$ (231,883)	110	\$ 2,233,800	-69	\$ (1,462,629)
Ratios	Percent		Percent		Percent		Percent		Percent	
Loans/Deposits	55.06%		54.82%		0.24%		65.88%		-10.81%	
Efficiency Ratio (YTD expenses/income)	87.91%		87.83%		0.08%		77.96%		9.95%	
Delinquent Loans/Loans	1.12%		1.44%		-0.32%		2.80%		-1.68%	
Net Interest Margin	3.07%		3.06%		0.01%		3.61%		-0.54%	
Capital Ratio	6.82%		6.79%		0.04%		7.40%		-0.57%	
Return on Average Assets (YTD)	-0.76%		-0.60%		-0.16%		1.33%		-2.09%	
Other Information	Number		Number		Number		Number		Number	
Primary Accounts	13,888		13,943		(55)		14,368		(480)	
New Primary Accounts	81		104		(23)		112		(31)	

TUCSON OLD PUEBLO CREDIT UNION - INVESTMENT ANALYSIS

Investment Description	Market Value	Weighted Avg Rate	Book Value	weighting factors to calculate overall weighted interest rate	Non SFAS 115 Inv.
Short Term Investments (1 year or less)					
Firstcorp Certificates	\$ 1,941,000	1.62%	1,941,000	31,349	1,941,000
QwickRateCDs	\$ 3,921,000	2.14%	3,921,000	83,831	3,921,000
Long Term Certificates (greater than 1 year)					
QwickRate CDs 3 yrs or less	\$ 4,872,000	1.74%	4,872,000	84,680	4,872,000
QwickRate CDs over 3 years					
Federal Agency Securities (greater than 1 year)					
FHLE, FNMA, FHLMC, FFCB	\$ 26,040,059	0.90%	26,000,000	233,575	26,000,000
Mortgage Backed Securities (MBS)	\$ 12,734,287	3.93%	11,855,391	466,256	11,855,391
FirstCorp Perm. Inv. Capital	\$ 709,026	0.25%	\$ 709,026	1,773	\$ 709,026
Catalyst FCU Capital	\$ 333,813	0.74%	\$ 333,813	2,470	\$ 71,168
AGENCY PREM/DISC			7,168		
MBS PREM/DISC			761,918		
Total Earning Investments	\$ 50,551,185	1.79%	\$ 50,401,315	903,934	49,305,585
Securities committed that settle next month					
Total Investments	\$ 50,551,185		\$ 50,401,315		