



## ARIZONA

POPULATION:	<b>7.2 MILLION</b>
UNEMPLOYMENT RATE:	<b>4.9%</b>
NUMBER OF CREDIT UNIONS:	<b>42</b>
NUMBER OF BANKS:	<b>15</b>

### STATE CU QUICK FACTS

DATA AS OF 09.30.19

<b>\$18,650,553,066</b> TOTAL ASSETS	<b>\$12,148,383,333</b> TOTAL LOANS	<b>\$813,597,053</b> TOTAL YTD REVENUE
<b>\$16,058,524,411</b> TOTAL SHARES	<b>0.40%</b> AVERAGE DELINQUENCY	<b>3.98%</b> AVERAGE OPERATING EXPENSE RATIO
<b>1,610,446</b> TOTAL MEMBERS	<b>\$2,350,043,746</b> TOTAL CAPITAL	

### Loans

**\$3.6B**

TOTALING \$3.6 BILLION, **FIRST MORTGAGE BALANCES** COMPRISED 29.2% OF THE LOAN PORTFOLIO AT ARIZONA CREDIT UNIONS, THE LARGEST OF ANY LOAN PRODUCT IN THE STATE AND THE HIGHEST FIRST MORTGAGE PORTFOLIO PERCENTAGE OF THE PAST DECADE.

**4.9%**

**LOAN YIELDS** INCREASED TO 4.9% AT CREDIT UNIONS ACROSS ARIZONA. THAT'S UP 28 BASIS POINTS FROM ONE YEAR AGO AND THE HIGHEST RATE IN THE STATE SINCE DECEMBER 2014.

**0.40%**

**DELINQUENCY** AT ARIZONA CREDIT UNIONS IMPROVED 6 BASIS POINTS YEAR-OVER-YEAR TO 0.40%. NET CHARGE-OFFS ROSE 1 BASIS POINT ANNUALLY TO 0.57%.

### The Bottom Line

Arizona credit unions reported annual deposit and loan growth rates of 5.7% and 3.3%, respectively. The state's annual share draft growth of 7.2% outpaced the national rate of 5.8% and drove share draft penetration to 62.4%. Annual growth rates of 8.9% and 7.8% in first mortgage and other real estate categories, respectively, drove loan growth at the state's credit unions.

### Shares

**62.4%**

ARIZONA CREDIT UNIONS REPORTED AN AVERAGE **SHARE DRAFT PENETRATION** OF 62.4% AS OF SEPT. 30, 2019. THAT'S AN ALL-TIME HIGH FOR THE STATE AND AN INCREASE OF 1.4 PERCENTAGE POINTS OVER LAST YEAR.

**17.1%**

SHARE CERTIFICATE BALANCES EXPANDED 17.1% AT ARIZONA CREDIT UNIONS, THE HIGHEST OF ANY SHARE TYPE AND THE FOURTH CONSECUTIVE QUARTER OF DOUBLE-DIGIT **GROWTH**.

**0.66%**

**COST OF FUNDS** AT ARIZONA CREDIT UNIONS GREW 12 BASIS POINTS YEAR-OVER-YEAR, REACHING 0.66% IN SEPTEMBER 2019. THE INCREASE REFLECTS THE DESIRE TO ATTRACT SHARE GROWTH; STILL, IT TRAILS THE NATIONAL RATE OF 0.99%.

### Members

**3.4%**

YEAR-OVER-YEAR **MEMBERSHIP GROWTH** AT ARIZONA CREDIT UNIONS WAS 3.4% AS OF SEPT. 30. ARIZONA CREDIT UNIONS HAVE ADDED MORE THAN 44,500 MEMBERS TO THEIR ROSTERS IN 2019.

**\$17,018**

THE **AVERAGE MEMBER RELATIONSHIP** AT ARIZONA CREDIT UNIONS INCREASED \$201 YEAR-OVER-YEAR, TO \$17,018 AS OF SEPT. 30, 2019. MOST NOTABLE: A \$221 EXPANSION IN AVERAGE SHARE BALANCE PER MEMBER.

**\$76.1M**

ARIZONA CREDIT UNIONS HAVE RETURNED \$76.1 MILLION TO THEIR MEMBERS IN THE FORM OF **DIVIDENDS** THROUGH THE FIRST NINE MONTHS OF 2019, A 52.2% INCREASE FROM THIS TIME LAST YEAR.

### Earnings

**9.1%**

ARIZONA CREDIT UNIONS REPORTED **INCOME GROWTH** OF 9.1% YEAR-OVER-YEAR AS OF SEPT. 30, 2019. THAT'S UP 3.8 PERCENTAGE POINTS FROM ONE YEAR AGO. CREDIT UNIONS IN THE STATE GENERATED \$813.6 MILLION IN REVENUE THROUGH THE FIRST NINE MONTHS OF THE YEAR.

**\$438.6M**

**LOAN INCOME** OF \$438.6 MILLION ACCOUNTED FOR 53.9% OF TOTAL REVENUE AT ARIZONA CREDIT UNIONS YEAR-TO-DATE. INVESTMENT AND FEE INCOME MADE UP 14.3% AND 13.4%, RESPECTIVELY.

**1.11%**

CREDIT UNIONS IN ARIZONA REPORTED A THIRD QUARTER **ROA** OF 1.11%, A YEAR-OVER-YEAR INCREASE OF 6 BASIS POINTS.

SOURCE: CALLAHAN & ASSOCIATES DATA AS OF 09.30.19