

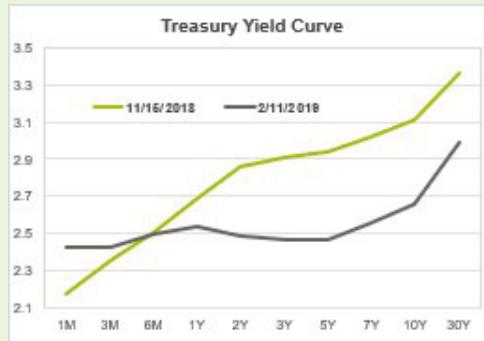
# MARKET SNAPSHOT: 4Q 2018

WITH LOANS IN THE LEAD, CREDIT UNIONS HAVE GROWN AT A FASTER RATE THAN BANKS IN THE PAST 10 YEARS.

	Credit Union Growth 2008-2018	Bank Growth 2008-2018	Multiplier
Assets	78.6%	29.6%	2.7x
Loans	83.7%	28.9%	2.9x
Shares	78.6%	53.5%	1.5x

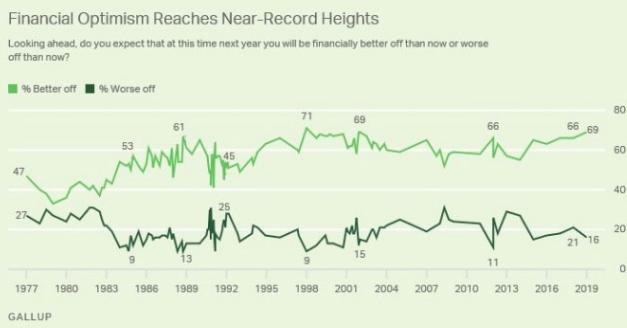
SOURCE: CALLAHAN & ASSOCIATES

TREASURY YIELDS HAVE FALLEN SHARPLY SINCE MID-NOVEMBER, FLATTENING THE CURVE SLOPE.



SOURCE: ALM FIRST

AMERICANS' OPTIMISM ABOUT FINANCES FOR THE NEXT YEAR IS ALMOST AT A RECORD-HIGH LEVEL – 69% EXPECT THEIR SITUATION TO IMPROVE.



SOURCE: GALLUP

"Credit unions generated more than \$500 billion in loans in 2018, an all-time high, as lending portfolios collectively topped \$1 trillion. Annual loan growth reached into the 10% range from 2014 to 2017 before sliding down to 9.2% in 2018. Expect similar but slowing annual growth in 2019."

– Sam Taft, AVP, Analytics & Business Development, Callahan & Associates

## DEPOSITS AT U.S. CREDIT UNIONS

<\$100M IN ASSETS	\$100M-\$1B IN ASSETS	>\$1B IN ASSETS
Average: \$22.3M	Average: \$268.7M	Average: \$2.6B
Median: \$14.3M	Median: \$203.0M	Median: \$1.5B

## CREDIT UNION FOURTH QUARTER TRENDS

- The loan-to-share ratio hit a record high of 85.5%.
- At 0.71%, delinquency was the lowest since 2006.
- ROA increased 14 basis points year-over-year to 0.92%

## 2018 CREDIT UNION MERGER ANALYSIS

In 2018, there were 194 mergers. On average, the merged credit unions' assets were 3.0% of the acquiring credit unions' assets. That's up 96 basis points from last year-end.

**THE U.S. NATIONAL DEBT HIT A RECORD \$22 TRILLION IN 2018.**

SOURCE: U.S. TREASURY

**HOUSEHOLD DEBT CLOSED 2018 AT \$13.54 TRILLION.**

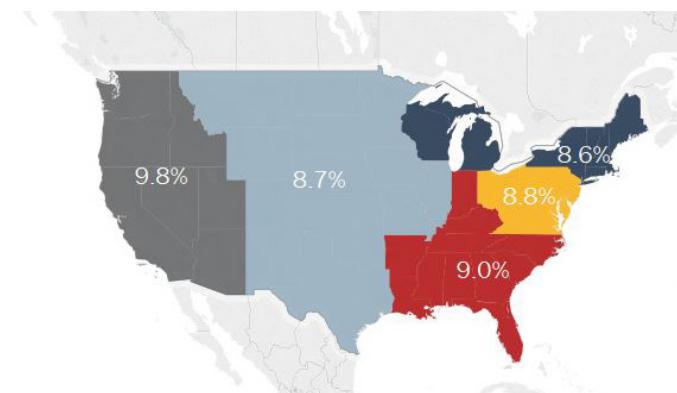
SOURCE: FEDERAL RESERVE BANK OF NY

"More consumers are choosing credit unions than ever before, and higher product usage and loan and savings balances indicate deeper and more meaningful relationships."

– Jay Johnson, Partner, Callahan & Associates

## REGIONAL LOAN GROWTH

FOR U.S. CREDIT UNIONS | DATA AS OF 12.31.18



Loan growth for Western credit unions slightly outpaced total loan growth at U.S. credit unions, which was 9.5% in the fourth quarter of 2018.