

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.

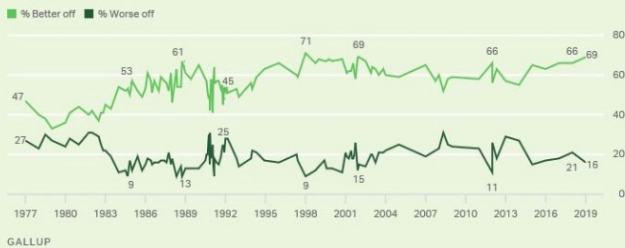


SOURCE: ALM FIRST

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

Financial Optimism Reaches Near-Record Heights

Looking ahead, do you expect that at this time next year you will be financially better off than now or worse off than now?



SOURCE: GALLUP

2018 CREDIT UNION MERGER ANALYSIS

In 2018, there were 194 mergers. On average, the merged credit unions' assets were 3.0x 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

“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

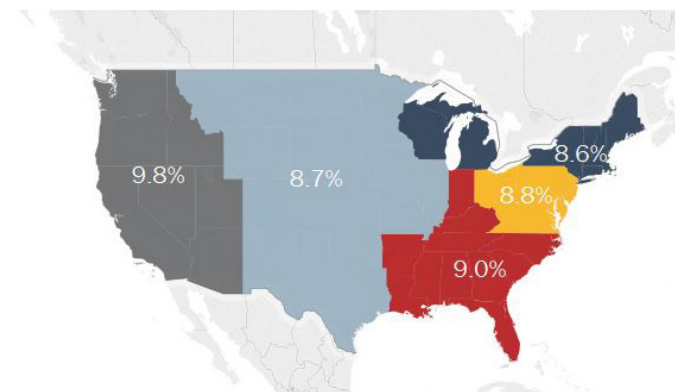
<\$100M IN ASSETS	\$100M-\$1B IN ASSETS	>\$1B IN ASSETS
Average: \$22.3M	Average: \$268.7M	Average: \$2.6B
Median: \$14.3M	Median: \$203.0M	Median: \$1.5B

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%

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.