

2017 Credit Union Annual Report

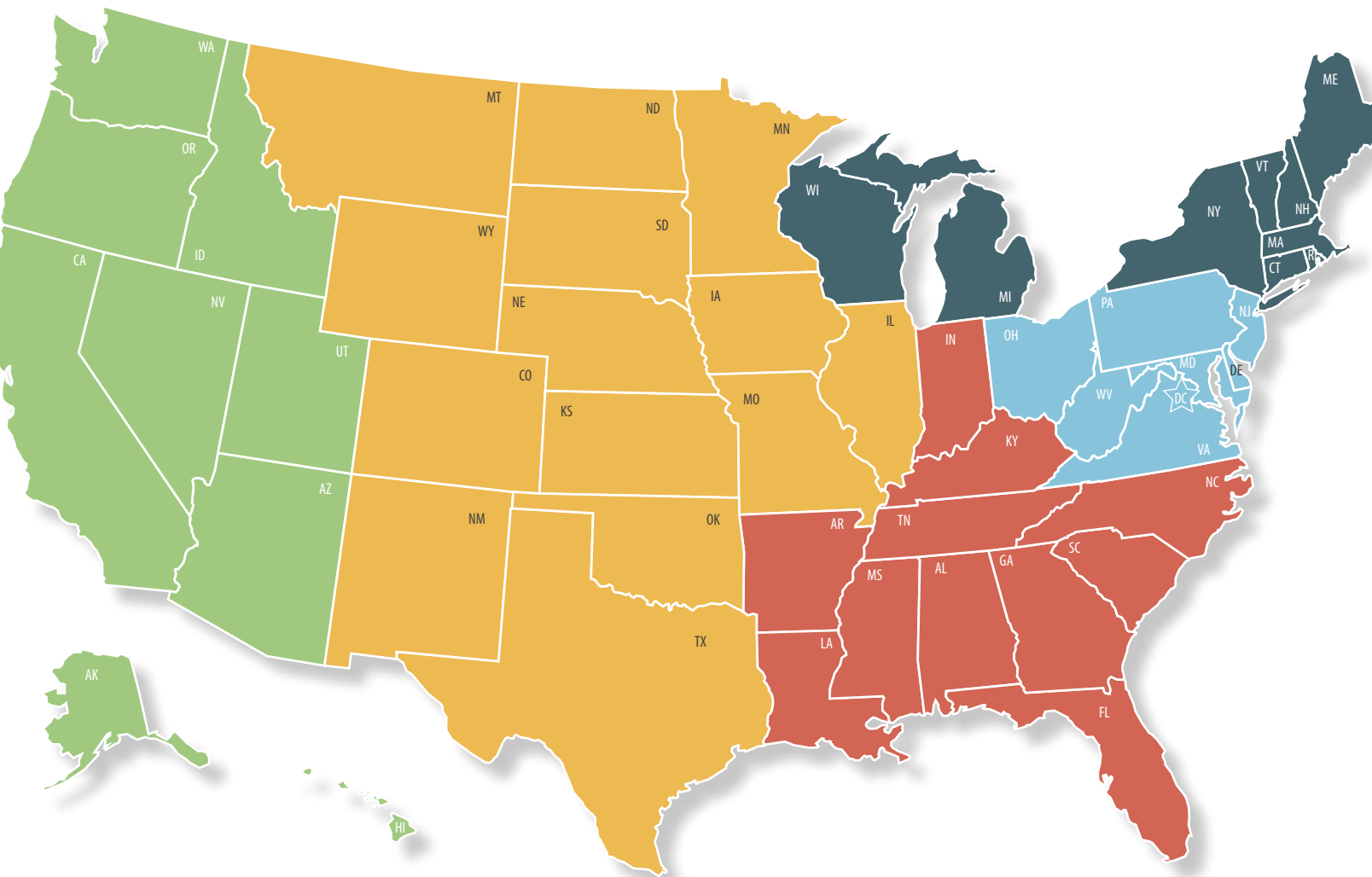


TABLE OF CONTENTS

- 3 What Would Musk Measure? / by Jon Jeffreys**
Re-usable booster rockets deliver a powerful lesson about sustainability and strategic thought in the credit union space.
- 4 2017 Credit Union Impact Report**
Lending, savings, community support, and more. Credit unions had a busy year.
- Leader Tables**
- 6 Return Of The Member
- 7 Dividend Payout Ratio
- 8 CUSO investments and Loans
- 9 12-Month Average Member Relationship Growth
- 10 Share Draft Penetration
- 11 Small Business Administration Loans Outstanding
- 12 2018 Economic Outlook / by Marc Rapport**
Callahan's annual Executive Outlook Survey gathers insight on what's top of mind for credit union leaders across the country.
- 16 2018 Priorities At-A-Glance / by Marc Rapport**
Feedback from Callahan's 2018 Executive Outlook Survey identifies industry challenges and opportunities for the months ahead.

PUBLISHED BY

CALLAHAN
ASSOCIATES
the credit union company

CALLAHAN
Analytics

CALLAHAN
Media

CALLAHAN
Ventures

CALLAHAN
Connect

CALLAHAN
Consulting

FOR MORE THAN 30 YEARS, CALLAHAN & ASSOCIATES has helped credit union leaders identify strategic growth opportunities that increase member value. We create meaningful dialogue, connect people, provide counsel, and help organizations thrive through our competitive analytics, best-practice media, leadership consulting, and collaborative ventures. Our clients grow assets, members, shares, and loans faster than industry averages. Learn more at Callahan.com.

1001 Connecticut Ave, NW Suite 1001, Washington, DC 20036
Ph: (800) 446-7453 | F: (800) 878-4712 | editor@creditunions.com
Callahan.com | CreditUnions.com

© COPYRIGHT 2018. ALL RIGHTS RESERVED.

Copyright is not claimed in any works of the United States Government. Copyright is claimed in all other materials and data of the United States Government, such as lists, data arrangements, comparisons, analyses, charts, and illustrations. Material protected by copyright may not be reproduced in whole or in part, in any form whatsoever, without the express permission of Callahan & Associates.

EXECUTIVE EDITOR

Alix Patterson

EDITOR-IN-CHIEF

Rebecca Wessler

Editor@CreditUnions.com

SENIOR WRITER

Marc Rapport

ASSOCIATE EDITOR

Erik Payne

DESIGNER

Paige Lock, Paige's Pages

CONTRIBUTORS

Jon Jeffreys

WHAT WOULD MUSK MEASURE?

Re-usable booster rockets deliver a powerful lesson about sustainability and strategic thought in the credit union space.

BY JON JEFFREYS



JON JEFFREYS,
MANAGING PARTNER,
CALLAHAN & ASSOCIATES

On Feb. 6, the Falcon Heavy launch rocket sent a Tesla sports car into space. I was fortunate enough to be in Orlando, FL — about 50 miles away from Cape Canaveral — and it was thrilling to see, even from that distance.

But the launch was followed by an even more astonishing sight: The twin landing of the side booster rockets. What an audacious fete of physics and engineering and a spectacular lesson in sustainability.

Now I wonder, what would Elon Musk measure?

Musk is the South African entrepreneur who disrupted financial services with PayPal before turning his attention to electric cars and commercial space travel.

This man's thinking is big, hairy, and audacious. He can make the bottom line work, but he's also a visionary. So, if he were creating a new credit union movement, would he envision it stuck with the same incremental gains, year-after-year?

Because that's where we are. This fourth quarter 2017 issue of *Credit Union Strategy & Performance* again serves as an annual report for the financial cooperative movement, and this year we can again demonstrate growing market share in core metrics such as member rolls, mortgages and auto loans, and deposits.

That's a good thing. We know we're providing the basic products and services that many millions of members need for a stable, secure financial life. That's nothing to sniff at in today's uncertain economic and employment environment.

But is that enough? Is it even sustainable? Are credit unions happy with 8% to 10% CAGR, or should they be shooting for 20%? Or 30%? That's a big, hairy, audacious goal, indeed, but such goals are what people like Elon Musk — people who reinvent or launch entire industries — routinely set for themselves.

So, again, what would Musk measure? What would a visionary perspective on the board or in the C-suite look like? If that was you, what would you measure?

Would you measure the credit union's impact, how well it's acted on its mission, or how well it's used its charter? For example, how much it has supported decent, affordable housing, reliable transportation for work, and education for those reaching for a college degree. These are pivotal tools for a sustainable, dignified life in a stable, safe, and productive community.

The credit union industry should not stop measuring loan growth, share growth, ROA, or net worth. The regulators wouldn't be impressed, and these are core elements that enable the system to survive, thrive, and serve.

But what about measuring the movement? It's time to start looking for equally cogent — and when possible, concrete — measures of how credit unions improve members' lives.

“If Elon Musk were creating a new credit union movement, would he envision it stuck with the same incremental gains, year-after-year?”

A good starting point might be the eight indicators of financial health from the Center for Financial Services Innovation. They include “spending less than income,” “paying bills on time and in full,” “having a sustainable debt load,” and “planning ahead for expenses.”

Credit unions need to figure out how to embrace new measures individually as well as collectively. The cooperative model is made to support that kind of thinking and action.

Ultimately, this is not a zero-sum game. Traditional metrics and mission measures both have their place. They sustain and build on each other — like booster rockets used over and over again.

To uncover your mission metric, begin with a single tough question: What would Musk measure? 📌

2017 CREDIT UNION IMPACT REPORT

Lending, savings, community support, and more. Credit unions had a busy year.

LENDING	SAVINGS	MEMBER IMPACT
		
<p>CREDIT UNIONS LENT \$967.9 BILLION TO MEMBERS ACROSS THE COUNTRY</p>	<p>CREDIT UNION MEMBERS OPENED 3.7 MILLION NEW SHARE DRAFT ACCOUNTS</p>	<p>CREDIT UNIONS RETURNED \$6.4 BILLION IN DIVIDENDS; 12.4% MORE THAN IN 2016</p>
<p>CREDIT UNION MARKET SHARE OF TOTAL AUTO SALES REACHED 19.2%</p>	<p>SHARE ACCOUNT BALANCES AVERAGED \$10,327 FOR CREDIT UNION MEMBERS ACROSS THE UNITED STATES</p>	<p>58.2% OF CREDIT UNIONS OFFERED MOBILE BANKING</p>
<p>CREDIT UNIONS ORIGINATED \$485.5 BILLION IN LOANS</p>	<p>83.4% OF CREDIT UNIONS OFFERED LONG-TERM SAVINGS VEHICLES VIA IRAs AND CERTIFICATES</p>	<p>47.1% OF CREDIT UNIONS OFFERED FINANCIAL EDUCATION AND/OR FINANCIAL COUNSELING PROGRAMS</p>
<p>CREDIT UNION STUDENT LENDING INCREASED TO \$4.4 BILLION AS THE MOVEMENT HELPED MORE STUDENTS FUND THEIR COLLEGE EDUCATION</p>	<p>5.9% OF THE MOVEMENT CHARGED \$0 PER MEMBER IN FEES; 20.3% CHARGED \$10 OR LESS</p>	<p>THE CREDIT UNION TAX EXEMPTION UNDERPINNED A \$16 BILLION BOOST FOR THE NATIONAL ECONOMY, ACCORDING TO NAFCU</p>

COMMUNITY IMPACT



CREDIT UNIONS AIDED SMALL
BUSINESSES THROUGH

5,872

SMALL BUSINESS
ADMINISTRATION LOANS

CREDIT UNIONS RESTRUCTURED

123,539

TROUBLED LOANS AS THE
MOVEMENT HELPED BORROWERS
ACROSS THE COUNTRY
STAY IN THEIR HOMES

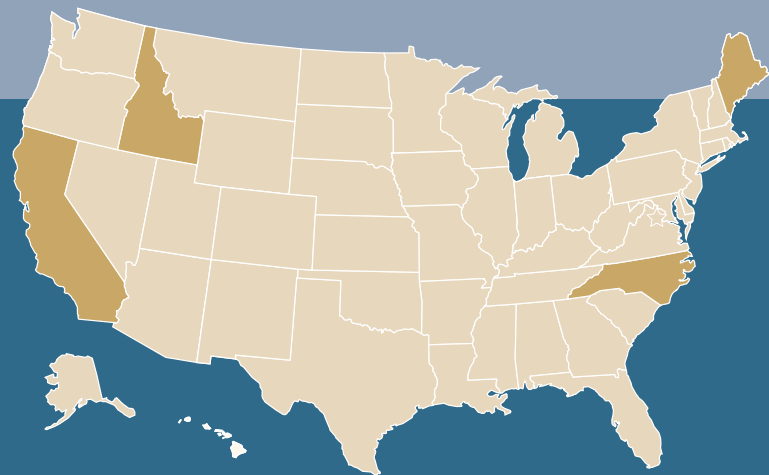
THE MOVEMENT ADDED 11,449
EMPLOYEES TO ITS ROSTER IN
2017; THIS BROUGHT THE TOTAL
NUMBER OF EMPLOYEES TO

306,888

36.9%

OF CREDIT UNIONS HAD CDFI
CERTIFICATION AND/OR LOW
INCOME DESIGNATION

REGIONAL HIGHLIGHTS



NORTH CAROLINA CREDIT UNIONS INCREASED
THEIR EMPLOYEE SALARY AND BENEFITS

4.9%

MAINE CREDIT UNIONS PARTNERED
WITH A CUSO TO FUND MORE THAN

\$990.0 MILLION

IN FIRST MORTGAGE LOANS

IDAHO CREDIT UNIONS NETTED

4 NEW BRANCHES

IN THE STATE'S RURAL AREAS; THE NUMBER OF
RURAL BANK BRANCHES DECREASED BY 11

CALIFORNIA CONSUMERS HAVE BENEFITTED TO THE TUNE OF

\$18.8 BILLION

IN THE PAST 10 YEARS THANKS TO THE STATE'S
CREDIT UNION SYSTEM, ACCORDING TO NAFCU

SOURCE: CALLAHAN & ASSOCIATES, NAFCU

LEADERS IN RETURN OF THE MEMBER

FOR U.S. CREDIT UNIONS > \$20M IN ASSETS | DATA AS OF 12.31.17

Rk.	Credit Union	State	Total ROM Score (%)	Return To Savers (%)	Return To Borrowers (%)	Member Service Usage (%)	Total Assets
1	Deere Employees	IL	100.00	99.32	99.59	99.97	\$940,832,088
2	Veridian	IA	99.97	99.23	99.50	99.76	\$3,558,094,305
3	PCM	WI	99.94	99.79	98.85	99.53	\$243,731,974
4	Citadel	PA	99.91	99.53	98.99	98.88	\$3,038,784,663
5	Altra	WI	99.88	97.25	98.97	99.41	\$1,386,493,373
6	Eastman	TN	99.85	97.84	97.75	99.91	\$4,032,781,119
7	Firefighters First	CA	99.82	96.81	98.49	99.82	\$1,258,677,447
8	Idaho Central	ID	99.79	96.04	99.67	98.79	\$3,538,145,826
9	CoVantage	WI	99.76	97.96	96.92	99.29	\$1,508,908,894
10	Premier America	CA	99.73	96.69	98.94	98.20	\$2,467,124,256
11	Lake Michigan	MI	99.70	98.67	99.82	95.30	\$5,221,803,653
12	Campus USA	FL	99.67	98.73	97.87	96.87	\$1,654,986,507
13	Service	NH	99.65	99.14	99.11	95.24	\$3,248,026,208
14	Consumers	MI	99.62	97.87	97.81	96.92	\$934,275,391
15	Community First	WI	99.59	98.55	95.18	98.91	\$2,827,350,799
16	Vermont	VT	99.56	96.60	99.29	96.42	\$513,281,667
17	Patelco	CA	99.53	99.67	96.60	96.04	\$6,056,501,472
18	Linn Area	IA	99.50	93.94	98.52	98.99	\$444,978,292
19	Royal	WI	99.47	97.22	97.84	96.10	\$2,211,060,527
20	Ent	CO	99.44	96.95	98.08	95.98	\$5,053,221,797
21	University Of Iowa Community	IA	99.41	94.74	98.29	97.63	\$4,672,408,714
22	Suncoast	FL	99.38	98.17	93.20	99.70	\$8,742,335,897
23	Peninsula	MI	99.35	96.45	96.45	97.60	\$156,938,803
24	Logix	CA	99.32	90.01	99.70	99.65	\$5,383,862,290
25	BCU	IL	99.29	92.99	99.35	97.19	\$2,948,023,394
26	Infinity	ME	99.26	93.67	97.25	98.26	\$337,262,760
27	Wright-Patt	OH	99.23	98.88	94.38	96.51	\$4,036,110,343
28	First Tech	CA	99.20	88.97	99.85	99.32	\$11,392,700,229
29	Westmark	ID	99.17	93.11	98.61	96.36	\$737,824,864
30	Bellco	CO	99.14	97.69	94.56	96.45	\$4,023,046,464
31	Credit Union Of America	KS	99.11	97.16	93.44	97.96	\$805,441,682
32	State Employees CU Of Maryland	MD	99.08	94.35	97.46	96.33	\$3,373,559,290
33	Boston Firefighters	MA	99.05	94.97	94.50	98.70	\$264,848,823
34	Mountain America	UT	99.02	93.23	96.36	98.11	\$7,093,314,170
35	Northeast	NH	98.99	94.23	98.40	95.06	\$1,312,930,927
36	Sharonview	SC	98.97	90.95	97.72	97.84	\$1,489,427,257
37	Firefly	MN	98.94	96.10	90.42	99.56	\$1,190,459,295
38	Fox Communities	WI	98.91	91.13	96.07	97.55	\$1,523,413,002
39	Shell	TX	98.88	90.39	96.19	98.05	\$988,804,874
40	KEMBA Financial	OH	98.85	99.76	86.61	99.35	\$1,202,018,028
41	SchoolsFirst	CA	98.82	96.36	89.56	99.20	\$14,118,974,703
42	Houston Police	TX	98.79	98.70	87.05	99.17	\$716,618,677
43	Spokane Firefighters	WA	98.76	83.38	99.76	99.59	\$49,474,965
44	Service 1st	PA	98.73	94.20	93.17	96.69	\$337,196,634
45	Adventure	MI	98.70	98.85	97.99	87.79	\$385,710,902
46	Digital	MA	98.67	90.57	93.08	99.73	\$8,273,308,785
47	Utica Gas & Electric Employees	NY	98.64	95.71	89.77	98.61	\$65,878,910
48	Bank-Fund Staff	DC	98.61	93.05	91.99	98.64	\$4,790,966,777
49	Nassau Educators	NY	98.58	98.49	95.62	89.74	\$2,847,881,474
50	Cedar Falls Community	IA	98.55	99.70	85.36	98.82	\$119,132,718
U.S. AVERAGE							\$245,266,897

SOURCE: CALLAHAN & ASSOCIATES

LEADERS IN DIVIDEND PAYOUT RATIO

FOR U.S. CREDIT UNIONS > \$20M IN ASSETS | DATA AS OF 12.31.17

Rk.	Credit Union	State	Dividends / Operating Income	Dividends	Operating Income	Total Assets
1	Bucks County Employees	PA	68.27%	\$602,202	\$882,123	\$39,059,208
2	Merck Employees	NJ	61.07%	\$20,671,773	\$33,848,714	\$1,943,224,897
3	Lufthansa Employees	NY	60.89%	\$1,124,094	\$1,846,077	\$95,127,315
4	Butler Co. Teachers	PA	60.23%	\$375,735	\$623,884	\$28,265,116
5	Holy Ghost Parish	IA	56.77%	\$242,488	\$427,136	\$27,288,998
6	Self Reliance New York	NY	53.43%	\$22,248,247	\$41,641,841	\$1,327,858,169
7	San Joaquin Power Employees	CA	52.96%	\$2,134,776	\$4,030,997	\$138,847,540
8	State Farm	IL	51.53%	\$37,346,011	\$72,474,390	\$4,055,969,151
9	Pittsburgh City Hall Employees	PA	50.66%	\$795,921	\$1,571,128	\$54,007,818
10	Melrose	NY	48.37%	\$26,210,963	\$54,188,973	\$1,361,768,479
11	Dakota Telco	ND	47.58%	\$132,981	\$279,463	\$21,506,557
12	Public Service Plaza	NJ	46.27%	\$181,494	\$392,268	\$20,124,287
13	Connecticut State Employees	CT	45.33%	\$14,168,332	\$31,258,593	\$1,792,951,445
14	Mead Coated Board	AL	45.03%	\$564,248	\$1,253,049	\$53,485,523
15	EQT	PA	43.57%	\$336,411	\$772,078	\$38,624,531
16	Penlanco	PA	42.92%	\$160,408	\$373,755	\$24,788,884
17	SM	KS	42.80%	\$683,978	\$1,598,057	\$67,351,468
18	Firestone	OH	41.48%	\$1,554,196	\$3,747,029	\$207,430,620
19	OMC Employees	TN	41.35%	\$304,323	\$735,994	\$27,254,240
20	APCO Employees	AL	40.72%	\$29,790,650	\$73,159,652	\$2,814,712,537
21	Vah Lyons Employees	NJ	40.13%	\$624,078	\$1,555,056	\$46,651,736
22	Triboro Postal	NY	39.73%	\$1,296,020	\$3,262,288	\$129,408,210
23	Yonkers Teachers	NY	39.56%	\$502,148	\$1,269,428	\$59,189,564
24	Railroad	AL	37.86%	\$804,289	\$2,124,501	\$107,185,088
25	Howard County School Employees	IN	37.74%	\$258,699	\$685,444	\$31,694,167
26	AFLAC	GA	37.10%	\$1,902,402	\$5,127,660	\$193,995,813
27	American Airlines	TX	36.67%	\$80,359,080	\$219,154,491	\$6,681,525,902
28	Lomto	NY	36.10%	\$2,808,845	\$7,781,492	\$185,518,301
29	California Lithuanian	CA	35.54%	\$1,302,990	\$3,666,494	\$117,415,614
30	Caltech Employees	CA	35.10%	\$15,685,496	\$44,688,681	\$1,608,911,972
31	McBryde	HI	34.81%	\$716,942	\$2,059,756	\$91,313,887
32	NCPD	NY	34.56%	\$6,420,391	\$18,577,370	\$737,710,344
33	Beauregard School Employees	LA	34.55%	\$226,543	\$655,615	\$22,414,140
34	Suma Yonkers	NY	34.32%	\$3,444,992	\$10,037,812	\$333,950,306
35	General Electric	OH	33.65%	\$34,890,310	\$103,683,148	\$2,795,857,313
36	Ukrainian Selfreliance	PA	33.52%	\$3,374,052	\$10,065,941	\$329,775,921
37	Peoples Energy	IL	32.57%	\$326,407	\$1,002,052	\$34,622,288
38	Ed-Med	NY	32.47%	\$224,890	\$692,692	\$25,459,104
39	DOY	OH	32.31%	\$416,276	\$1,288,524	\$49,026,545
40	Mobile Government Employees	AL	31.49%	\$167,151	\$530,806	\$22,130,278
41	Utilities Employees	PA	30.83%	\$9,947,739	\$32,270,010	\$1,179,245,595
42	Lanai	HI	30.39%	\$182,367	\$600,147	\$27,789,346
43	Star One	CA	30.13%	\$65,435,373	\$217,200,929	\$8,978,930,416
44	CEFCU	IL	29.99%	\$70,433,343	\$234,843,927	\$5,811,214,630
45	Indianapolis Post Office	IN	29.93%	\$394,658	\$1,318,401	\$57,225,807
46	Utah Power	UT	29.81%	\$5,915,720	\$19,846,751	\$640,767,528
47	PRR South Fork	PA	29.68%	\$268,773	\$905,694	\$47,137,393
48	Italo-American	NY	29.64%	\$197,980	\$668,018	\$20,465,379
49	Latvian Cleveland	OH	29.55%	\$277,710	\$939,869	\$31,138,264
50	Greenwood	RI	29.44%	\$4,984,274	\$16,928,572	\$496,850,289
	U.S. AVERAGE		9.78%	\$1,133,487	\$11,589,681	\$245,266,897

SOURCE: CALLAHAN & ASSOCIATES

LEADERS IN CUSO INVESTMENTS AND LOANS

FOR U.S. CREDIT UNIONS > \$20M IN ASSETS | DATA AS OF 12.31.17

Rk.	Credit Union	State	Investments & Loans In CUSOs	Investments In CUSOs	Loans To CUSOs	Total Assets
1	State Employees'	NC	\$282,169,433	\$282,169,433	\$0	\$37,318,930,375
2	Bethpage	NY	\$223,521,347	\$170,721,347	\$52,800,000	\$7,947,930,078
3	University Of Iowa Community	IA	\$133,589,988	\$3,589,988	\$130,000,000	\$4,672,408,714
4	Navy	VA	\$95,295,337	\$95,295,337	\$0	\$90,565,764,127
5	Service	NH	\$83,962,778	\$706,372	\$83,256,406	\$3,248,026,208
6	Credit Union of Texas	TX	\$75,377,439	\$70,377,439	\$5,000,000	\$1,415,473,633
7	State Employees	NY	\$52,473,579	\$28,473,579	\$24,000,000	\$3,555,096,713
8	Wright-Patt	OH	\$51,837,496	\$48,343,662	\$3,493,834	\$4,036,110,343
9	Meriwest	CA	\$49,195,470	\$30,005,596	\$19,189,874	\$1,486,442,082
10	Pentagon	VA	\$46,724,973	\$46,724,973	\$0	\$22,858,875,932
11	First Tech	CA	\$41,565,496	\$41,565,496	\$0	\$11,392,700,229
12	Security Service	TX	\$40,630,874	\$40,630,874	\$0	\$9,526,054,404
13	Suncoast	FL	\$40,474,665	\$40,474,665	\$0	\$8,742,335,897
14	Dupaco Community	IA	\$39,217,972	\$39,217,972	\$0	\$1,609,367,932
15	Wescom	CA	\$39,198,378	\$39,198,378	\$0	\$3,364,551,804
16	ESL	NY	\$37,533,968	\$35,533,968	\$2,000,000	\$6,242,800,511
17	Educators	WI	\$34,167,592	\$512,133	\$33,655,459	\$1,972,452,061
18	Alaska USA	AK	\$34,162,631	\$34,162,631	\$0	\$7,230,897,692
19	CAP COM	NY	\$30,396,749	\$28,730,880	\$1,665,869	\$1,596,589,258
20	Collins Community	IA	\$30,069,686	\$69,686	\$30,000,000	\$1,086,498,605
21	Bellco	CO	\$28,824,588	\$11,799,088	\$17,025,500	\$4,023,046,464
22	Kinecta	CA	\$27,989,800	\$17,489,800	\$10,500,000	\$4,250,081,518
23	Veridian	IA	\$26,788,166	\$7,023,805	\$19,764,361	\$3,558,094,305
24	UNIFY Financial	CA	\$26,299,642	\$16,299,642	\$10,000,000	\$2,835,749,439
25	Members 1st	PA	\$24,240,796	\$165,796	\$24,075,000	\$3,784,143,828
26	Public Service	CO	\$23,686,036	\$10,686,036	\$13,000,000	\$2,288,997,413
27	Allegacy	NC	\$23,603,497	\$23,603,497	\$0	\$1,391,298,673
28	Northwest	VA	\$22,804,909	\$22,804,909	\$0	\$3,395,305,417
29	Randolph-Brooks	TX	\$22,199,778	\$20,525,560	\$1,674,218	\$8,646,000,207
30	MAX	AL	\$21,856,298	\$784,034	\$21,072,264	\$1,315,416,754
31	Salal	WA	\$21,831,590	\$21,831,590	\$0	\$536,665,062
32	Greater Iowa	IA	\$20,332,041	\$182,041	\$20,150,000	\$422,355,953
33	CommunityAmerica	KS	\$20,281,415	\$19,981,415	\$300,000	\$2,571,441,418
34	Silver State Schools	NV	\$20,095,828	\$10,095,828	\$10,000,000	\$752,828,630
35	Oregon Community	OR	\$19,082,551	\$1,630,336	\$17,452,215	\$1,686,990,555
36	American Heritage	PA	\$18,481,880	\$4,728,880	\$13,753,000	\$2,097,705,863
37	Teachers	IN	\$18,327,114	\$18,150,875	\$176,239	\$3,127,992,273
38	United Nations	NY	\$17,042,254	\$17,042,254	\$0	\$5,110,112,108
39	Desert Financial	AZ	\$16,746,867	\$16,746,867	\$0	\$4,327,612,258
40	Liberty First	NE	\$16,602,250	\$8,304,125	\$8,298,125	\$253,472,552
41	Affinity	NJ	\$16,187,077	\$16,187,077	\$0	\$2,994,367,070
42	Michigan First	MI	\$15,316,583	\$6,847,711	\$8,468,872	\$863,463,767
43	Kern Schools	CA	\$15,010,210	\$10,010,210	\$5,000,000	\$1,511,860,522
44	Arizona	AZ	\$14,949,773	\$11,456,461	\$3,493,312	\$1,537,437,178
45	Ascentra	IA	\$14,584,263	\$1,445,177	\$13,139,086	\$409,300,804
46	Nusenda	NM	\$14,293,270	\$14,293,270	\$0	\$2,053,261,935
47	Blue	WY	\$14,223,214	\$12,223,214	\$2,000,000	\$964,109,139
48	VyStar	FL	\$14,118,789	\$14,118,789	\$0	\$7,299,457,527
49	Wings Financial	MN	\$13,940,190	\$4,787,007	\$9,153,183	\$4,542,484,424
50	Harborstone	WA	\$13,423,513	\$1,320,981	\$12,102,532	\$1,245,867,315
	U.S. AVERAGE		\$628,189	\$465,041	\$163,147	\$245,266,897

LEADERS IN 12-MONTH AVERAGE MEMBER RELATIONSHIP GROWTH

FOR U.S. CREDIT UNIONS > \$20M IN ASSETS | DATA AS OF 12.31.17

Rk.	Credit Union	State	12-Month Growth*	Average Member Relationship**	Average Loan/Member**	Average Share Balance	Total Assets
1	First NRV	VA	35.32%	\$11,749	\$7,640	\$4,109	\$21,001,018
2	New England Teamsters	MA	30.13%	\$17,358	\$10,016	\$7,343	\$75,762,349
3	Self-Help	NC	28.20%	\$20,930	\$10,314	\$11,048	\$1,097,589,707
4	WCLA	WA	27.06%	\$41,960	\$33,850	\$8,236	\$61,112,922
5	Freedom Northwest	ID	24.18%	\$26,678	\$12,333	\$14,345	\$115,360,363
6	Diversified	MN	22.51%	\$23,146	\$11,538	\$11,608	\$42,190,064
7	Port Arthur Community	TX	21.60%	\$13,733	\$7,717	\$6,016	\$22,616,122
8	Great Meadow	NY	21.24%	\$13,641	\$6,977	\$6,664	\$31,546,595
9	Golden Triangle	TX	20.14%	\$16,397	\$11,000	\$5,397	\$34,551,107
10	Sonoma	CA	19.79%	\$27,438	\$14,526	\$12,912	\$31,362,960
11	Wellspring	TX	19.40%	\$14,132	\$8,297	\$5,835	\$57,291,166
12	Credit Union One Of Oklahoma	OK	19.13%	\$11,763	\$6,291	\$5,472	\$42,836,181
13	Sabine	TX	18.02%	\$22,107	\$13,560	\$8,547	\$223,665,975
14	San Patricio County Teachers	TX	17.96%	\$14,564	\$7,608	\$6,956	\$37,973,337
15	Gulf	TX	17.93%	\$15,799	\$10,726	\$5,107	\$309,437,485
16	Safe Harbor	MI	17.79%	\$17,604	\$9,065	\$8,626	\$55,500,246
17	Ohio Valley Community	OH	17.59%	\$17,586	\$10,562	\$7,033	\$141,837,927
18	Vanderbilt University	TN	17.30%	\$9,021	\$5,677	\$3,344	\$41,198,479
19	United States Senate	VA	17.01%	\$31,658	\$16,925	\$14,736	\$673,796,934
20	First Class American	TX	16.26%	\$16,645	\$8,508	\$8,138	\$54,757,088
21	Members Trust Of The Southwest	TX	16.10%	\$25,060	\$15,172	\$9,889	\$131,662,742
22	Flagship Community	MI	16.09%	\$10,949	\$6,035	\$4,914	\$22,643,167
23	Western Rockies	CO	15.97%	\$14,344	\$8,613	\$5,732	\$126,339,736
24	Olympia	WA	15.93%	\$17,878	\$9,653	\$8,225	\$39,180,149
25	Prospectors	CA	15.68%	\$19,962	\$11,286	\$8,677	\$71,781,523
26	Horizon	TN	15.39%	\$14,426	\$7,387	\$7,038	\$51,327,402
27	Fellowship	CO	15.25%	\$7,321	\$4,216	\$3,122	\$26,079,351
28	Hope	MS	15.04%	\$7,902	\$4,947	\$3,107	\$278,677,689
29	Allegan Community	MI	14.78%	\$8,654	\$5,166	\$3,488	\$38,919,909
30	Montana Health	MT	14.64%	\$15,069	\$7,257	\$7,812	\$29,593,977
31	Self-Help	NC	14.56%	\$18,688	\$10,969	\$7,749	\$894,630,122
32	Spokane City	WA	14.46%	\$12,298	\$6,917	\$5,413	\$40,363,726
33	Peach State	GA	14.15%	\$10,887	\$6,761	\$4,367	\$424,590,455
34	SJP Buffalo	NY	14.12%	\$19,601	\$9,499	\$10,102	\$63,275,079
35	DuGood	TX	14.01%	\$15,201	\$9,589	\$5,657	\$333,825,107
36	Coloramo	CO	13.75%	\$14,011	\$9,200	\$4,811	\$98,242,273
36	Interstate Unlimited	GA	13.65%	\$11,176	\$5,517	\$5,659	\$149,613,429
38	WESLA	LA	13.46%	\$11,578	\$7,967	\$3,611	\$82,206,281
39	Champion	NC	12.86%	\$17,595	\$8,647	\$9,137	\$269,827,034
39	South Central	MI	12.86%	\$12,731	\$8,474	\$4,257	\$75,127,655
41	First United	MI	12.71%	\$11,498	\$5,800	\$5,698	\$37,131,025
42	Southwest Heritage	TX	12.23%	\$19,212	\$11,374	\$7,917	\$147,311,128
43	Pacific Northwest Ironworkers	OR	12.10%	\$8,326	\$3,760	\$4,566	\$26,970,436
44	ECU	FL	12.02%	\$14,177	\$8,231	\$5,946	\$36,405,371
44	First Service	TX	11.76%	\$19,738	\$10,348	\$9,391	\$696,939,493
46	The Archer Cooperative	NE	11.69%	\$18,402	\$13,746	\$4,873	\$61,700,623
47	AMOCO	TX	11.65%	\$16,899	\$9,571	\$7,329	\$910,956,866
48	Lowland	TN	11.60%	\$11,612	\$6,877	\$4,762	\$95,765,061
49	Union Yes	CA	11.48%	\$4,002	\$2,734	\$1,268	\$59,215,908
50	Wexford Community	MI	11.46%	\$7,835	\$5,168	\$2,667	\$54,979,109
	U.S. AVERAGE		3.35%	\$18,309	\$10,327	\$8,099	\$245,266,897

* MEMBER GROWTH GREATER THAN OR EQUAL TO ZERO; EXCLUDES SIGNIFICANT MERGERS. **EXCLUDING MEMBER BUSINESS LOANS

SOURCE: CALLAHAN & ASSOCIATES 

LEADERS IN SHARE DRAFT PENETRATION

FOR U.S. CREDIT UNIONS > \$20M IN ASSETS | DATA AS OF 12.31.17

Rk.	Credit Union	State	Members/Share Draft Account	Total Share Draft Accounts	Average Share Draft Balance	Total Assets
1	Community	CA	192.26%	10,759	\$5,218	\$97,107,540
2	Mid Minnesota	MN	156.78%	65,311	\$609	\$343,771,238
3	ARC	PA	143.74%	18,261	\$3,075	\$81,582,199
4	Numerica	WA	133.73%	180,764	\$813	\$2,055,620,846
5	Turbine	SC	118.73%	3,866	\$1,101	\$28,004,890
6	Power Financial	FL	113.67%	37,469	\$3,619	\$645,339,054
7	Community South	FL	113.03%	11,796	\$1,288	\$114,375,296
8	Alabama Central	AL	111.53%	20,091	\$872	\$135,829,786
9	IBM Southeast Employees	FL	106.83%	84,932	\$2,373	\$1,079,137,224
10	Pacific Marine	CA	100.95%	84,347	\$2,341	\$806,163,271
11	Entrust Financial	VA	100.42%	10,596	\$2,454	\$74,359,736
12	America's Christian	CA	97.75%	149,592	\$799	\$372,613,073
13	Florida Central	FL	93.77%	50,747	\$3,421	\$451,237,364
14	Alternatives	NY	93.40%	9,442	\$3,250	\$103,748,011
15	Arizona	AZ	93.11%	111,239	\$3,436	\$1,537,437,178
16	BEUCU	WA	91.89%	993,429	\$1,500	\$17,853,551,539
17	PAHO-WHO	DC	90.47%	4,773	\$5,966	\$219,739,974
18	Southwest Airlines	TX	88.24%	46,203	\$2,139	\$515,915,656
19	Fairwinds	FL	87.87%	159,028	\$1,249	\$2,169,373,208
20	Police And Fire	PA	86.90%	242,127	\$1,035	\$4,924,859,929
21	Santa Clara County	CA	86.35%	43,479	\$2,572	\$725,734,888
22	Arrowhead Central	CA	86.34%	122,926	\$2,658	\$1,189,879,078
23	Winston-Salem	NC	85.51%	11,351	\$599	\$62,604,279
24	OnPoint Community	OR	85.12%	287,488	\$1,247	\$5,129,362,102
25	Twin Rivers	NY	84.47%	2,383	\$2,577	\$28,565,320
26	Edwards	CA	84.35%	12,480	\$3,075	\$191,233,039
27	1st Advantage	VA	84.13%	50,647	\$2,338	\$671,888,711
28	IDB-IIC	DC	83.68%	9,389	\$8,422	\$569,003,538
29	Utah Community	UT	82.95%	132,688	\$2,078	\$1,270,666,559
30	Olympia	WA	82.75%	3,051	\$3,166	\$39,180,149
31	WestStar	NV	82.64%	17,924	\$2,026	\$166,569,836
32	Solano First	CA	82.43%	8,517	\$3,290	\$142,467,850
33	CGR	GA	82.40%	10,490	\$1,115	\$85,851,300
34	Bank-Fund Staff	DC	82.38%	71,718	\$15,103	\$4,790,966,777
34	My Personal	MI	82.38%	11,061	\$1,678	\$132,970,674
36	JM Associates	FL	81.89%	6,506	\$2,915	\$125,453,409
37	Clark County	NV	81.88%	36,682	\$2,778	\$717,805,467
38	Veridian	IA	81.68%	176,089	\$2,775	\$3,558,094,305
39	Pacific NW	OR	81.67%	13,928	\$3,668	\$179,858,133
40	Point Loma	CA	81.62%	25,040	\$5,624	\$495,469,346
41	Cabrillo	CA	81.41%	18,116	\$3,651	\$275,446,717
42	Northwoods Community	WI	81.28%	6,935	\$3,511	\$70,634,674
43	Waterfront	WA	81.25%	5,093	\$2,236	\$65,189,235
44	Firefighters First	CA	81.16%	33,671	\$4,532	\$1,258,677,447
45	Evergreen	ME	80.90%	17,490	\$2,725	\$269,592,696
46	People's Community	WA	80.85%	9,693	\$4,926	\$209,087,632
47	San Diego Firefighters	CA	80.82%	2,962	\$6,483	\$97,468,555
47	University	TX	80.82%	189,231	\$3,724	\$2,236,859,484
49	ArrowPointe	SC	80.41%	14,611	\$1,360	\$154,973,907
50	Smart Financial	TX	80.40%	62,394	\$2,288	\$700,090,870
	U.S. AVERAGE		57.16%	11,319	\$2,847	\$245,266,897

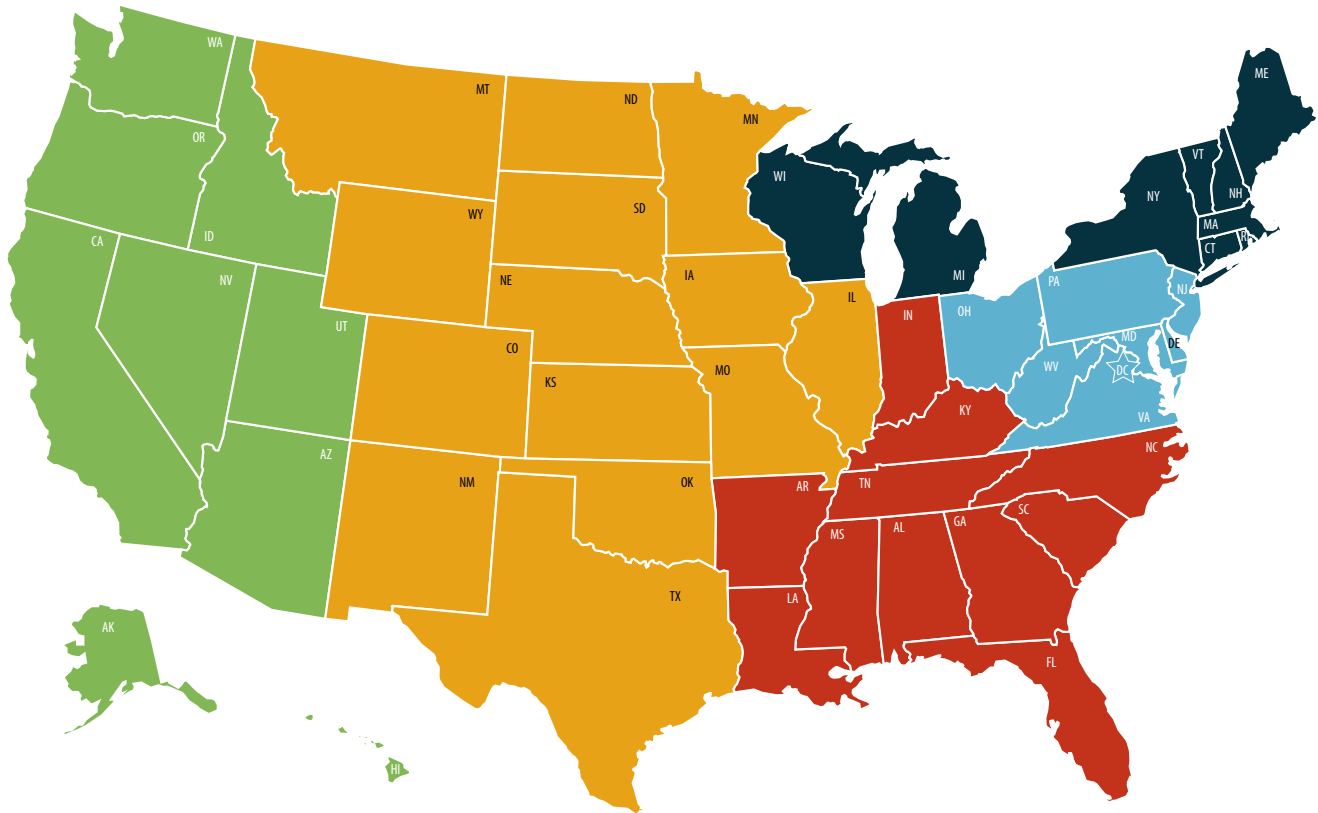
SOURCE: CALLAHAN & ASSOCIATES 

LEADERS IN SMALL BUSINESS ADMINISTRATION LOANS

FOR U.S. CREDIT UNIONS > \$20M IN ASSETS | DATA AS OF 12.31.17

Rk.	Credit Union	State	SBA Loans	SBA Loans/ Commercial Loans	Average SBA Loan Balance	Total Assets
1	Nassau Educators	NY	\$155,930,630	46.41%	\$9,172,390	\$2,847,881,474
2	Redwood	CA	\$128,653,308	40.95%	\$531,625	\$4,046,986,809
3	Mountain America	UT	\$111,470,286	16.02%	\$402,420	\$7,093,314,170
4	Apple	VA	\$69,679,538	17.83%	\$1,201,371	\$2,506,072,312
5	Members Choice	TX	\$66,489,417	98.40%	\$764,246	\$583,625,571
6	Patelco	CA	\$50,033,563	9.95%	\$393,965	\$6,056,501,472
7	Seattle	WA	\$39,498,019	25.68%	\$1,039,422	\$861,701,869
8	Kinecta	CA	\$34,461,859	4.15%	\$547,014	\$4,250,081,518
9	Royal	WI	\$29,753,089	4.97%	\$743,827	\$2,211,060,527
10	Achieva	FL	\$28,129,546	31.80%	\$611,512	\$1,534,542,513
11	SAFE	CA	\$27,030,481	15.85%	\$275,821	\$2,711,056,427
12	121 Financial	FL	\$26,856,747	36.19%	\$389,228	\$551,333,815
13	Northwest	VA	\$26,323,690	21.74%	\$560,079	\$3,395,305,417
14	Security Service	TX	\$26,160,003	4.72%	\$315,181	\$9,526,054,404
15	Summit	WI	\$25,160,519	14.89%	\$145,437	\$2,900,501,513
16	Utah Community	UT	\$25,060,310	12.77%	\$358,004	\$1,270,666,559
17	Randolph-Brooks	TX	\$23,465,851	7.24%	\$111,742	\$8,646,000,207
18	California	CA	\$22,543,671	8.15%	\$250,485	\$3,040,064,436
19	Idaho Central	ID	\$21,650,078	6.46%	\$318,384	\$3,538,145,826
20	Alliant	IL	\$21,580,497	4.22%	\$1,798,375	\$9,696,343,968
21	Greater Nevada	NV	\$21,399,906	21.46%	\$1,019,043	\$875,395,807
22	Central Minnesota	MN	\$20,905,809	3.68%	\$522,645	\$1,027,920,817
23	Black Hills	SD	\$19,258,047	16.19%	\$458,525	\$1,223,008,718
24	Harborstone	WA	\$19,011,484	8.26%	\$633,716	\$1,245,867,315
25	University	UT	\$17,844,306	13.50%	\$152,515	\$955,700,146
26	Truiliant	NC	\$17,437,270	9.83%	\$311,380	\$2,242,511,668
27	Altra	WI	\$17,224,021	12.49%	\$260,970	\$1,386,493,373
28	Pawtucket	RI	\$16,592,106	16.81%	\$553,070	\$2,134,446,716
29	ESL	NY	\$14,460,789	3.29%	\$120,507	\$6,242,800,511
30	Vision One	CA	\$13,340,876	29.03%	\$283,848	\$68,354,486
31	Kellogg Community	MI	\$12,008,708	34.25%	\$375,272	\$508,237,530
32	Advia	MI	\$11,305,983	4.78%	\$314,055	\$1,683,958,871
33	McCoy	FL	\$11,242,642	29.99%	\$749,509	\$568,816,322
34	Liberty Bay	MA	\$11,196,276	22.83%	\$447,851	\$683,756,393
35	Lake Trust	MI	\$10,910,145	6.01%	\$351,940	\$1,817,258,796
36	Credit Union Of Colorado	CO	\$10,285,259	28.76%	\$685,684	\$1,479,580,687
37	Meriwest	CA	\$9,578,346	5.45%	\$598,647	\$1,486,442,082
38	First Basin	TX	\$9,114,475	37.37%	\$1,302,068	\$251,152,118
39	Affinity	NJ	\$9,103,248	3.49%	\$1,517,208	\$2,994,367,070
40	Members 1st	PA	\$8,727,974	2.95%	\$1,745,595	\$3,784,143,828
41	Numerica	WA	\$8,669,304	1.92%	\$254,980	\$2,055,620,846
42	Whitefish	MT	\$8,648,080	5.15%	\$221,746	\$1,427,057,398
43	Michigan State University	MI	\$8,609,175	6.15%	\$239,144	\$3,846,079,654
44	Financial Resources	NJ	\$8,525,194	20.95%	\$152,236	\$461,814,364
45	CoastHills	CA	\$8,232,789	6.83%	\$249,478	\$1,083,597,348
46	Corning	NY	\$8,097,766	6.64%	\$165,261	\$1,343,220,054
47	Verve	WI	\$7,861,504	3.52%	\$231,221	\$914,721,503
48	United	MI	\$7,734,924	2.44%	\$234,392	\$2,602,669,917
49	Redstone	AL	\$7,670,431	7.45%	\$451,202	\$5,032,136,128
50	Navigant	RI	\$7,668,432	4.41%	\$112,771	\$1,934,033,628
	U.S. AVERAGE		\$317,194	2.77%	\$307,308	\$245,266,897

SOURCE: CALLAHAN & ASSOCIATES



2018

ECONOMIC OUTLOOK

Callahan's annual Executive Outlook Survey gathers insight on what's top of mind for credit union leaders across the country.

BY MARC RAPPORT

Survey senior executives from credit unions of all sizes across the country, and you'll get a lot of different perspectives and insight. Callahan's 2018 Executive Outlook Survey is no exception.

Some things remain the same in this seventh installment of the annual year-end survey. Growing loans, deposits, and talent are imperatives, as is confronting competition from old foes and new. Credit unions' place in the local and national economies also continues to provide a backdrop for much strategic contemplation.

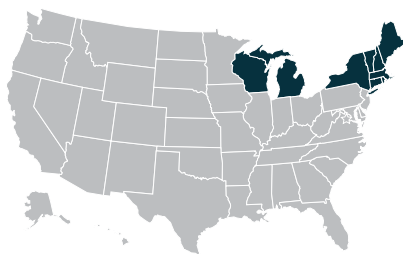
Callahan's 2018 Executive Survey asked respondents to consider questions about their local market, their 2018 goals, their 2018 challenges, and what they think about the most. The following pages contain a selection of excerpted answers filtered by the NCUA region in which the credit union is headquartered. The state and asset size of the respondent's credit union follow the responses.

These replies, excerpted and edited for readability, are representative of the larger survey. To review the entire survey, visit CreditUnions.com and type "economic outlook" into the search bar.

- Region 1
- Region 2
- Region 3
- Region 4
- Region 5

“Increased competition might prevent us from making our ROA and membership targets.”

— MAINE, \$250M-\$500M



REGION 1

Connecticut, Maine, Massachusetts, Michigan, New Hampshire, New York, Rhode Island, Vermont, and Wisconsin

“Our 2018 goals include deposit growth and more diversified lending with more direct and less indirect loans.”

Wisconsin, \$100M- \$250M

“Our challenges include keeping ahead of staffing needs due to limited skilled labor, cost of compliance, and having to add staff to meet compliance demands.”

Michigan, \$250M-\$100M

“Increased competition might prevent us from making our ROA and membership targets.”

Maine, \$250M-\$500M.

“Our market is seeing strong demand for credit cards, auto loans, and purchase mortgages. Refinances will go down as rates continue to rise. Delinquency will continue to decline as the job market continues to improve.”

Rhode Island, \$250M-\$500M

“Keeping employees engaged to work on growth when they are in the midst of working on a core conversion.”

Michigan, \$100M-\$250M

“Our biggest challenges are competition and a rising rate environment.”

New York, \$500M-\$1B

“Our goal for member service is very aggressive. Interest rates on loans will reduce volume. Competition in credit cards is fierce.”

Michigan, \$500M-\$1B

“Loan growth. Member growth. FOM expansion.”

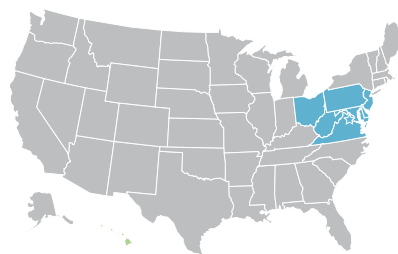
Michigan, \$100M-\$250M

“Top of mind for us in 2018 are compliance issues, technology expectations, and improving the member experience.”

Connecticut, \$20M-\$50M

“We have a strong housing market with sustained auto sales. Jobs have continued to grow and new businesses are launching. Employees are needed.”

Michigan, \$100M-\$200M



REGION 2

Delaware, Maryland, New Jersey, Ohio, Pennsylvania, Virginia and West Virginia, and the District of Columbia

“The recovery is picking up steam and the tax cuts should help put more money into people’s pockets and improve consumer confidence.”

Maryland, \$50M-\$100M

“In 2018, we’re focusing on increasing non-real estate loans, increasing membership, and increasing penetration in our existing membership.”

New Jersey, \$10M-\$20M

“Our challenges: Operating expenses rising faster than revenue. Lack of growth in members, loans, and deposits. Resource constraint, primarily in the people area. Do we try to do too much and not get enough done?”

Ohio, \$1B-\$10B

“Competition, market conditions, and board reluctance on initiatives will make it tougher to meet our goals for 2018.”

Virginia, \$1B-\$10B

“Regulations, litigation, and merger opportunities will be top of mind for us this year.”

Maryland, \$50M-\$100M >>

“ Regulations, litigation, and merger opportunities ”
will be top of mind for us this year.

— MARYLAND, \$50M-\$100M

“We are working to increase share of wallet, increase our loan portfolio, and decrease expenses.”

Maryland, \$1B-\$10B

“Increase share deposits. Big staff turnover requires in-depth staff training.”

Ohio, \$20M-\$50M

“Increasing membership is always tough due to being a SEG credit union. As to loans, we are too heavy in real estate, but the need for unsecured loans has decreased. As to car loans and credit cards, competition makes it difficult to increase the numbers without bringing down yield.”

New Jersey, \$10M-\$20M

“Our market is heating up and new entrants — including credit unions — are moving in.”

Florida, \$1B-\$10B

“Interest rate sensitivity is big for us in 2018. So are low-balance consumer accounts and how to best manage the serving underserved versus the profitability of those members.”

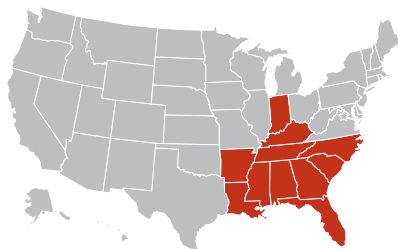
Indiana, \$1B-\$10B

“Top of mind for us in 2018 will be data analytics. And the five generations in the workforce. It’s crazy to think we will be hiring staff who were born after 9/11. Plus, finding membership that will join because they are ‘choosing’ the credit union versus simply ‘unchoosing’ their bank. I see a difference in their level of engagement.”

Indiana, \$250M-\$500M

“For us in 2018, it’s compliance, always regulatory expansion.”

Mississippi, \$10M-\$20M



REGION 3

Alabama, Arkansas, Florida, Georgia, Indiana, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina and Tennessee

“Cybersecurity and fraud prevention, and industry best practices, will be top of mind for us in 2018.”

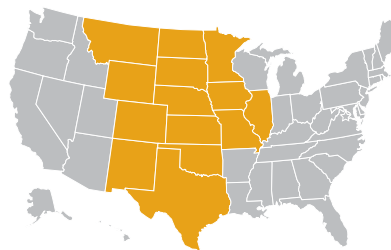
Georgia, \$1B-\$10B

“Our main goal is to move from providing great member service reactively to providing it proactively. We are hiring a full-time marketing person to help accomplish this.”

Louisiana, \$150M-\$250M

“We’re facing CD rate wars, unprecedented loan/mortgage payoffs, and finding out core deposits weren’t core but artificially inflated deposits during the low point in the interest rate cycle. Demand pent-up for many years could be combustible.”

Indiana, \$250M-\$500M



REGION 4

Colorado, Illinois, Iowa, Kansas, Minnesota, Missouri, Montana, Nebraska, New Mexico, North Dakota, Oklahoma, South Dakota, Texas, and Wyoming

“We’re building infrastructure to support increased dependence on technology in retail banking as an expectation by our members.”

Illinois, \$100M-\$250M

“Our primary focus is restoring our net worth above 7%. To do this, we have to manage our expenses by staying within our 2018 budget.”

Kansas, \$20M-\$50M

“ Our main goal is to move from providing great member service reactively to providing it proactively. ”

— LOUISIANA, \$150M-\$250M

“Increase deposits to accommodate loan growth. Increase member and employee engagement. Continue to attract younger members and prepare for a core conversion.”

Iowa, \$1B-\$10B

“Rising interest rates could discourage some borrowers from borrowing. We also experience delayed product enhancements due to regulatory and core system limitations.”

Montana, \$100M-\$250M

“Industry and tax changes will have their impact; however, we’re looking at ways to overcome them ahead of time, such as mortgages and HELOCs. We’re going to find new ways to make a negative into a positive and continue our growth.”

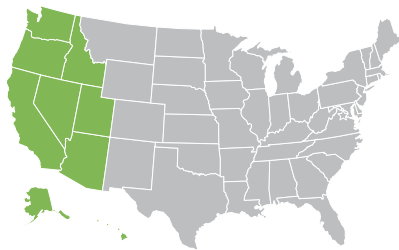
Kansas, \$100M-\$250M

“ADA accessibility lawsuits, reduction in compliance issues, and small credit union survival. Those are top of mind for our credit union this year.”

Texas, \$50M-\$100M

“Top of mind for us in 2018 are fintech-based delivery channels, regulation reform, tax exemption challenges, lawsuit challenges (ambulance chasers), cybersecurity and attacks.”

Colorado, \$50M-\$100M.



REGION 5

Alaska, Arizona, California, Guam, Hawaii, Idaho, Nevada, Oregon, Utah, and Washington

“Stop membership decline and grow consumer loans.”

California, \$50M-\$100M

“Our 2018 goals are to serve more low/moderate income members, maintain capital ratio, and grow income.”

Arizona, \$100M-\$250M

“Top of mind in 2018: Membership retention. Digital-first best practices. Proactive organizational agility in preparation for inevitable disruptions in the financial marketplace.”

Arizona, \$1B-\$10B

“Our ERM initiatives have identified most reasonable risks within our tolerance. We’ve also positioned ourselves to be nimble and able to minimize the impact of the unknown.”

Arizona, \$1B-\$10B

“We face loss of key management in a market where it’s too expensive for most to buy a home. Those coming into the organization must rent, and this leads to instability. We also face unexpected losses in lending.”

California, \$100M-\$250M

“We face fierce competition and a failure to differentiate credit unions from other financial institution options.”

Washington, \$500M-\$1B.

“Top of mind to us in 2018 are the NCUA’s chokehold that still remains in many areas of the country (subjective examining), cannabis banking, and income generation opportunities versus risk.”

California, \$100M-\$250M

“For us in 2018, it’s regulation, new products and services, and credit union successes. I would like to see a DIY column for small credit unions that do things themselves and not through a third party ... (regulation, technology, marketing, personnel, development, etc.)

California, \$10M-\$20M ▲

