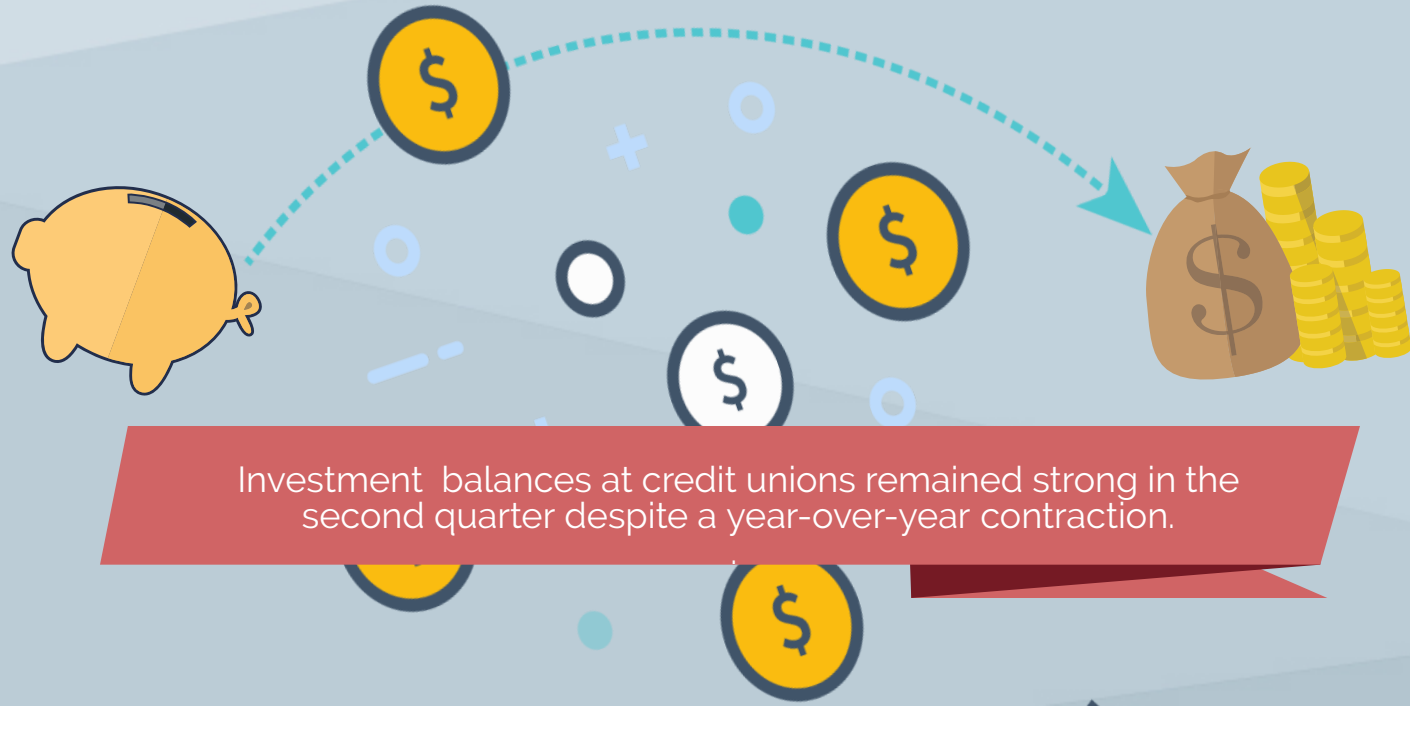


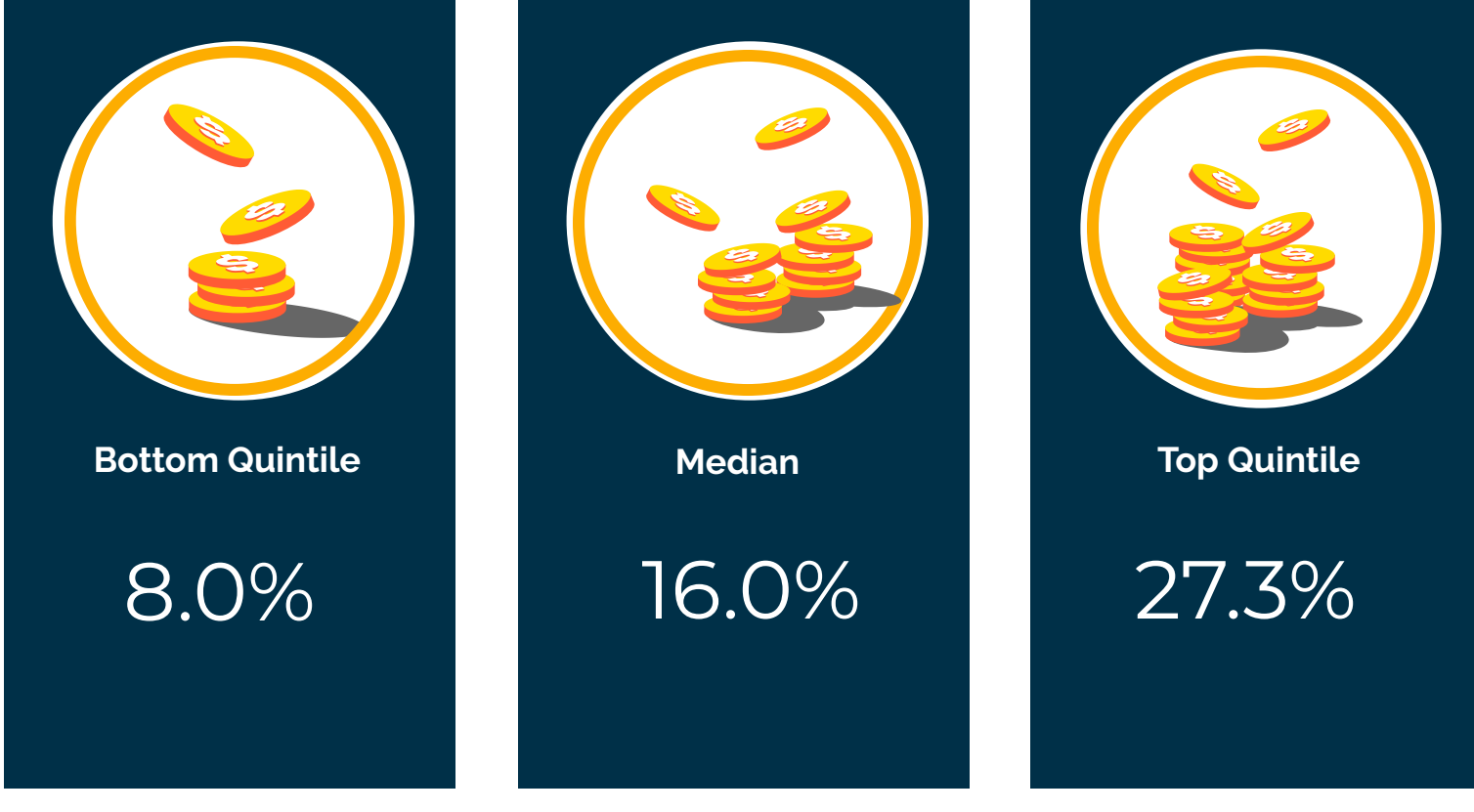
Investments By The Numbers



Investment balances at credit unions remained strong in the second quarter despite a year-over-year contraction.

Income from investments at credit unions hit \$3.4 billion in the first six months of 2018. That's the highest mid-year value since 2008 and is a 21.4% increase over June 30, 2017.

Interest Income: Investments



Investment income as percentage of total interest income has increased 88 basis points in the past year to 13.1%. Interest on loans has traditionally made up the lion's share of interest income; however, credit unions have increasingly turned to investments in today's rising rate economy.



23.0%

Trading securities were the fastest-growing component of investments at U.S. credit unions. Up 23.0% year-over-year, balances reached \$739.0 million as of June 30, 2018.

YOY Increase In Trading Securities

Total cash on hand increased 1.6% year-over-year to \$10.1 billion as of June 30, 2018. This is an increase of \$15.5 million annually.

\$10.1 billion

Total Cash On Hand

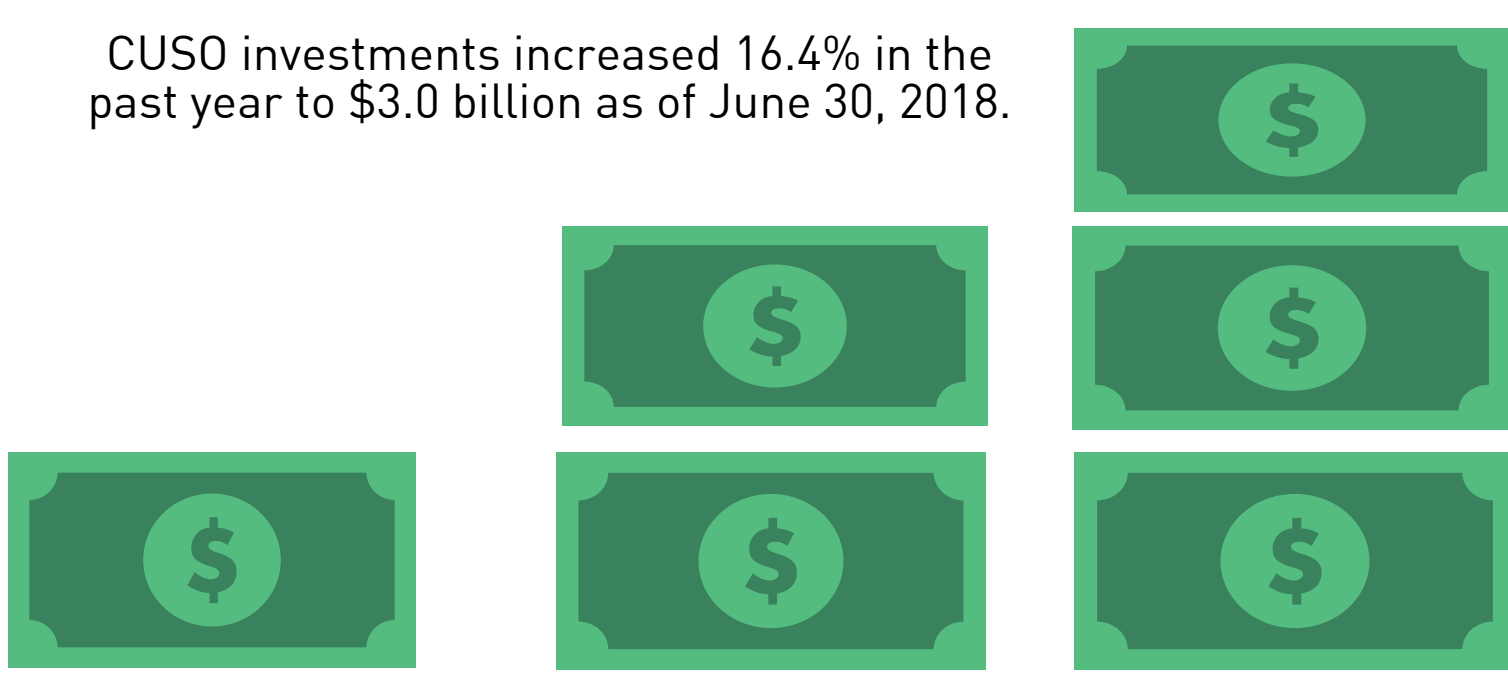
64.5%

Total available for sale securities made up nearly two-thirds of total investments. Balances decreased 3.5% annually to \$172.0 billion.

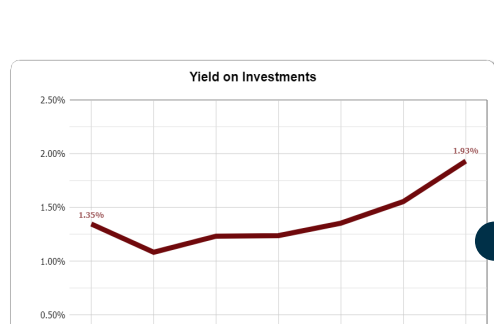
Percentage Of Total Investments

16.4%

CUSO investments increased 16.4% in the past year to \$3.0 billion as of June 30, 2018.



Yield, Composition, And Deposits In Banks



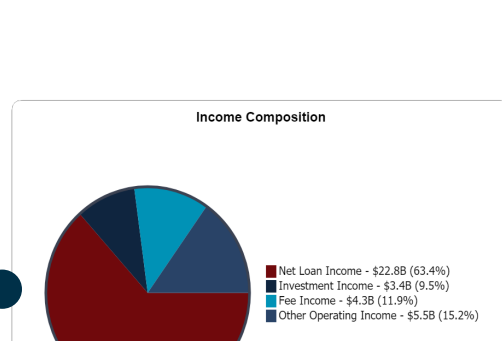
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1.93%

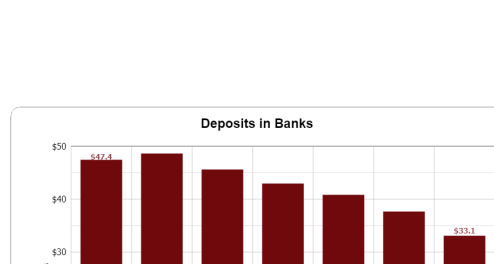
Yield on investments increased 38 basis points in the past year to 1.93% as of June 30, 2018. This is the highest rate since year-end 2010.

Income generated from investments accounted for 9.5% of total revenue at credit unions in the second quarter of 2018. One year earlier, investments comprised 8.9% of total credit union income.

9.5%



Click here to view larger image



Click here to view larger image

-12.1%

Credit union deposits in commercial banks, S&Ls, and savings banks decreased 12.1% annually to \$33.1 billion as of June 30, 2018.

Regional And Peer Group Analysis



At 2.01%, the yield on investments at credit unions in the Central Region was 10 basis points higher than the industry's national average. The second quarter average for Mid-Atlantic and Western credit unions was 1.97% and 1.96%, respectively.

Investments at credit unions with less than \$100 million in assets made up 14.4% of total revenue. That's 4.9 percentage points higher than the industry average of 9.5%. Conversely, investments at credit unions of \$1 billion in assets accounted for 8.7% of the revenue stream.

