

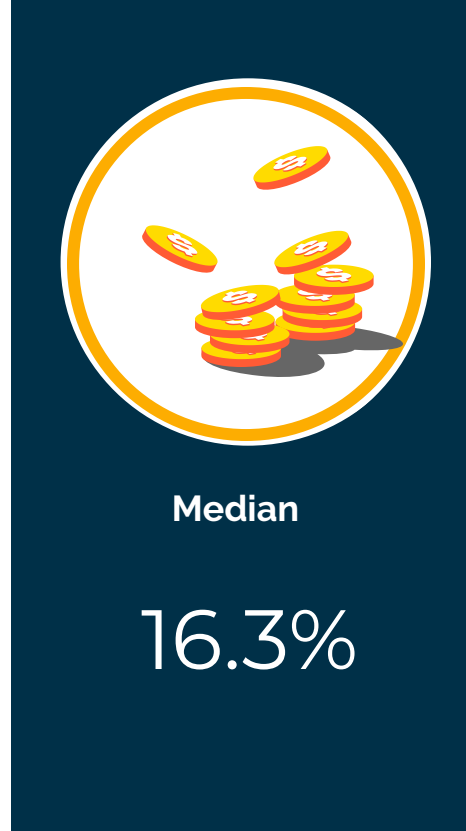
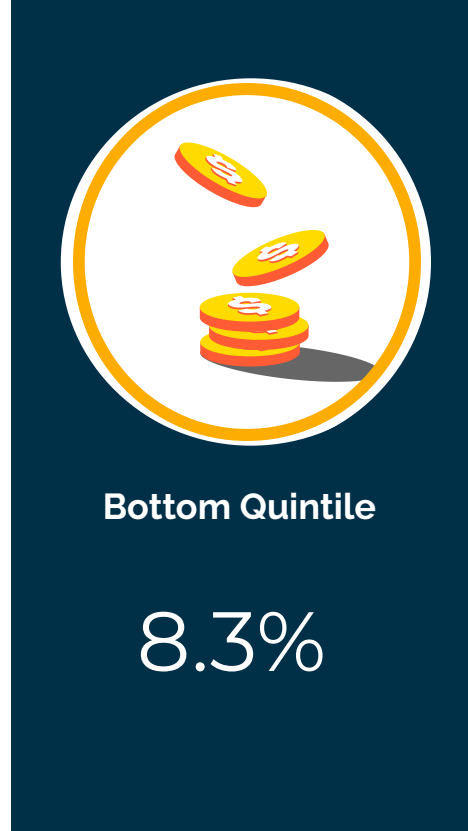
# Investments By The Numbers

3Q  
18



Income from investments at credit unions hit \$5.2 billion in the first nine months of 2018, a 19.9% increase from third quarter 2017.

## Interest Income: Investment Income/Total Income



Interest on loans has traditionally made up the majority of interest income; however, investment income as a percentage of total interest income has increased 69 basis points in the past year to 13.0%.



2.00%

**Yield on Investments**

Increases to the federal funds rate helped drive investment yields in the third quarter of 2018 39 basis points higher than one year ago.

Agencies and cash at financial institutions (federal funds) made up 78.1% of the industry's \$352.6 billion investment portfolio.

**\$275.3 billion**

**Agencies & Cash At FIs**

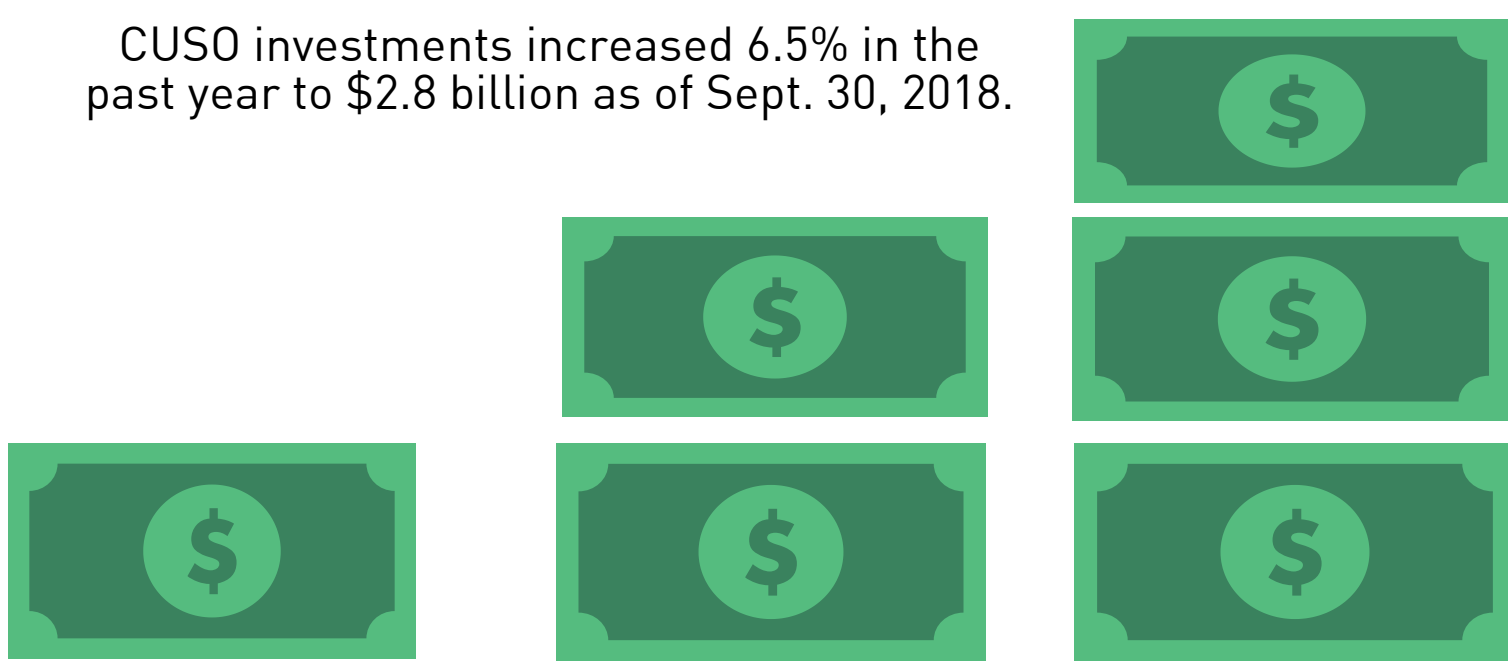
72.0%

**Percentage Of Total Investments**

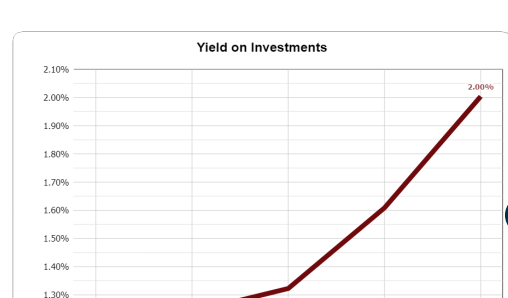
Investments with maturities of 3 years or fewer comprised 72.0% — or \$254.0 billion — of the total investment portfolio. Shorter average maturities allow credit unions to better manage risk in a changing rate environment.

16.4%

CUSO investments increased 6.5% in the past year to \$2.8 billion as of Sept. 30, 2018.



## Yield, Composition, And Deposits In Banks

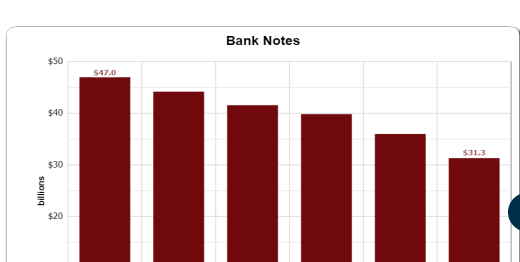
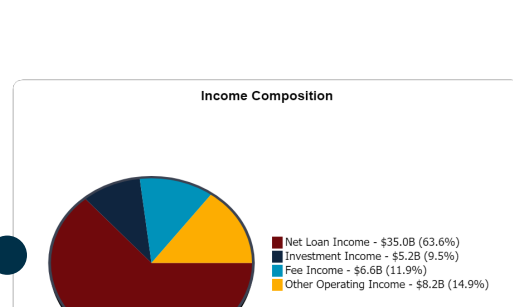


1.93%

Yield on investments increased 39 basis points in the past year to 2.00% as of Sept. 30, 2018. This is the highest rate since Sept. 30, 2010.

Income generated from investments accounted for 9.5% of total revenue at credit unions in the third quarter of 2018. Investments comprised 9.0% of total credit union income one year ago.

9.5%



-12.1%

Credit union investments in commercial banks, S&Ls, and savings banks decreased 13.0% annually to \$31.3 billion as of Sept. 30, 2018.

## Regional And Peer Group Analysis



At 2.08%, the yield on investments at credit unions in the Central Region was 8 basis points higher than the industry average. The third quarter average for Mid-Atlantic and Western credit unions was 2.06% and 2.05%, respectively.

Investment income at credit unions with less than \$100 million in assets made up 14.6% of total revenue. That's 5.1 percentage points higher than the industry average of 9.5%. Conversely, investment income at credit unions with \$500 million to \$1 billion in assets accounted for 8.7% of revenue.

