

MARKET SNAPSHOT: 4Q 2019

INDUSTRY OVERVIEW

FOR U.S. CREDIT UNIONS | DATA AS OF 12.31.19

SOURCE: CALLAHAN & ASSOCIATES

	As of 12.31.2019	12 mo. Growth 2019	12 mo. Growth 2018
Assets	\$1,584.7B	7.7%	5.4%
Loans	\$1,120.2B	6.1%	9.0%
Shares	\$1,335.4B	8.2%	5.2%
Investments	\$389.3B	11.1%	-4.1%
Capital	\$188.1B	10.5%	7.7%
Members	121.7M	3.6%	4.4%

Share growth increased 3.0 percentage points year-over-year to 8.2%. Certificates, up 20.5%, grew at the fastest pace of any deposit product.

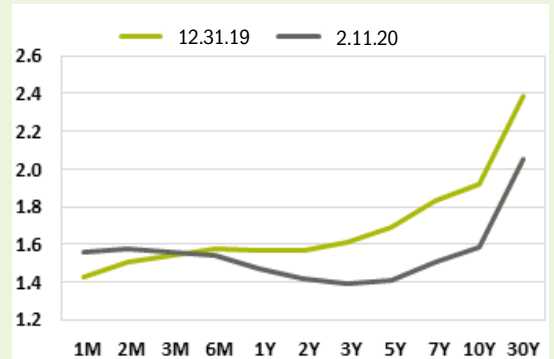
CREDIT CARD DEBT ECLIPSES \$920 BILLION

Some 60% of Americans hold at least one credit card, more than any other form of credit. The percentage of members holding a credit union credit card increased 14 basis points in 2019 to 17.7% at year-end. Total credit card balances in the United States climbed \$57.0 billion year-over-year to \$927.0 billion as of Dec. 31. At the same time, delinquency surpassing 90 days increased 33 basis points to 5.32%. In contrast, credit card delinquency for U.S. credit unions was 1.40%, despite the fact credit unions report delinquency at 60 days past due.

SOURCE: FEDERAL RESERVE BANK OF NEW YORK CENTER FOR MICROECONOMIC DATA

TREASURY YIELD CURVE

SOURCE: ALM FIRST



Treasury rates fell sharply and the yield curve flattened in January as markets responded to the coronavirus outbreak. The macroeconomic climate continues to remain a point of concern.

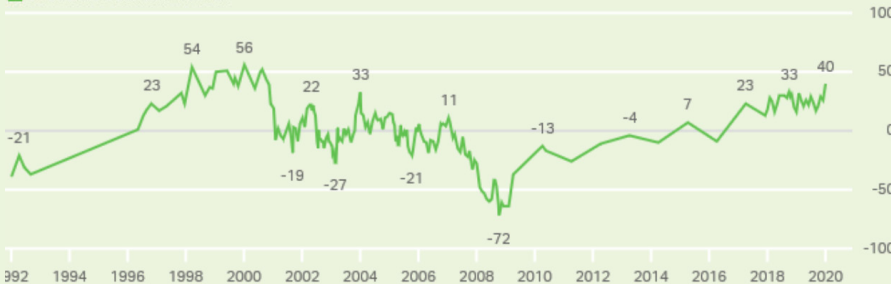
CREDIT UNION PERFORMANCE TRENDS

- Credit union loan originations reached \$136.8 billion in the second quarter of 2019, \$151.0 billion in the third quarter, and \$151.8 billion in the fourth quarter – three consecutive record-level quarters.
- The average member relationship grew from \$18,853 at year-end 2018 to \$19,474 at year-end 2019.
- The net interest margin inched up 3 basis points year-over-year to 3.16% in the fourth quarter.

U.S. ECONOMIC CONFIDENCE INDEX

SOURCE: GALLUP

Economic Confidence Index



At the end of 2019, the strength of U.S. financial markets resulted in economic confidence rebounding in the fourth quarter. In January 2020, the index reached its highest level since 2000.

U.S. ECONOMY HITS 23 CONSECUTIVE QUARTERS OF GROWTH

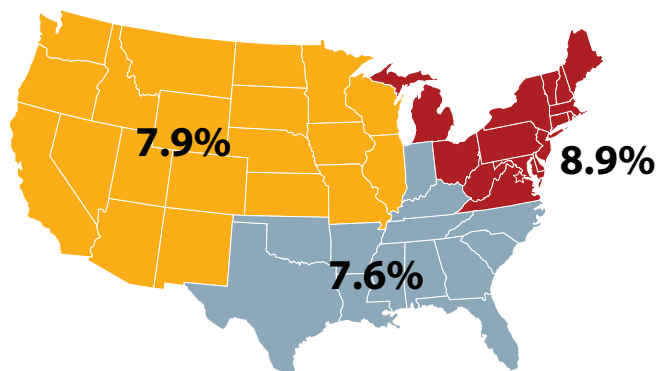
Annual GDP growth was 2.1% in the fourth quarter as the U.S. economy reported its 23rd consecutive quarter of growth. Financial markets also are soaring. The S&P 500 grew 28.9% year-over-year, the best annual gain since the 29.6% reported in 2013. Similarly, the Dow Jones Industrial Average increased 22.3%, surpassing 28,500 for the first time ever. However, uncertainty in the economy has pervaded financial markets in 2020.

SOURCE: CNBC

REGIONAL SHARE GROWTH

FOR U.S. CREDIT UNIONS | DATA AS OF 12.31.19

SOURCE: CALLAHAN & ASSOCIATES



With 8.9% share growth, only Eastern credit unions outpaced the national share growth rate of 8.2%.

“The average member relationship at U.S. credit unions has increased more than \$600 in the past 12 months and was \$19,500 at year-end. As consumers find value in the credit union value proposition, they bring more of their financial relationship to the movement.”

— Jay Johnson, Chief Collaboration Officer, Callahan & Associates

LOANS AT U.S. CREDIT UNIONS

<\$100M IN ASSETS	Average: \$14.8M	Median: \$8.2M
\$100M-\$1B IN ASSETS	Average: \$219.5M	Median: \$155.4M
<\$1B IN ASSETS	Average: \$2.3B	Median: \$1.3B