CREDIT UNION TRENDS REPORT

CUNA Mutual Group – Economics ● December 2019 (October 2019 Data)

Highlights

- During October, credit unions picked-up 158,000 in new memberships and loan balances grew at a 6.3% seasonally-adjusted annualized pace while savings balances rose at a 9.7% annualized pace. Firms hired 156,000 workers, nominal consumer spending increased 0.2%, and long-term interest rates increased 1 basis point. Third quarter economic growth came in at 2.1% and grew 2.1% from the third quarter of 2018.

- At the end of October, CUNA's monthly estimates reported 5,442 credit unions in operation, down 34 credit unions from one month earlier. Year-over-year, the number of credit unions declined by 183, less than the 223 lost in the 12 months ending in October 2018.

- Total credit union assets increased 0.7% in October, faster than the 0.1% drop reported in October of 2018. Assets rose 7.7% during the past year due to an 8.2% increase in deposits, a 12.7% decrease in borrowings and a 12.2% increase in capital.

- The nation's credit unions increased their loan portfolios by 0.7% in October, the same 0.6% pace reported in October 2018. Loan balances are up 6.5% over the last 12 months. Credit unions now make up 11.7% of the overall consumer credit market, up from 11.5% one year ago.

- Credit union memberships rose 0.13% in October, down from a 0.19% gain reported in October 2018. October is historically the slowest month for membership growth. Memberships are up 3.2% during the past year due to modest demand for credit, solid job growth and comparatively lower fees and loan interest rates versus banks.

- Credit union capital-to-asset ratios rose to 11.2% in October, up from 10.8% over the last year. Credit union loan delinquency rates fell to 0.65% in October, down from 0.67% one year earlier due to a stronger economy and tax cuts.

ECONOMIC, COMPETITIVE AND INTEREST RATE ENVIRONMENT

During October, the economy added 156,000 jobs, the unemployment rate rose to 3.6%, personal income was unchanged, personal spending rose 0.2%, consumer prices rose 0.4%, consumer confidence fell, new home sales fell 0.7%, existing home sales rose 1.9%, auto sales fell 3.4%, home prices rose 0.5% and the 10-year Treasury interest rate increased 1 basis points to average at 1.71%.

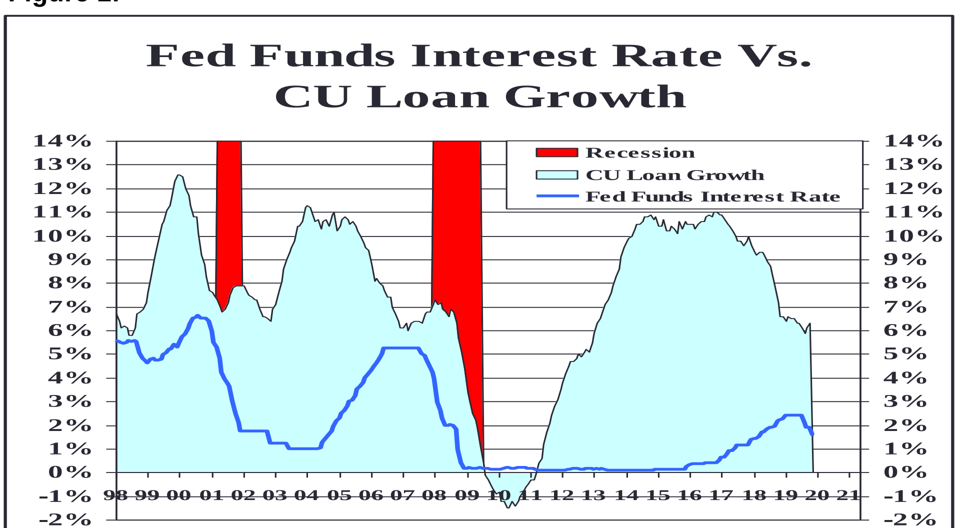
On December 11, the Federal Open Market Committee left the Federal Funds interest rate target range unchanged at 1.5% to 1.75%, after lowering the Fed Funds rate 3 times over the last 4 months. We believe the current stance of monetary policy is appropriate to support economic growth of 2%, a strong labor market and inflation near the symmetric 2% objective. But 2020 is not without its risks. Trade war uncertainty will continue to weigh on corporate capital spending. Slow growth in China, Japan and Europe could lead dollar appreciation which will in turn slow manufacturing and farm exports. The upcoming election uncertainty regarding taxes and regulation will further reduce business investment spending.

Total Credit Union Lending

Credit union loan balances rose 0.6% in October, the same as the 0.6% pace reported in October 2018. Driving overall loan growth was strong growth in adjustable rate first mortgages (1.3%), fixed rate first mortgages (1.2%) and unsecured personal loans (1.3%).

How do rising short-term interest rates affect credit union loan growth? **Figure 1** shows the relationship between credit union annualized loan growth numbers and the Fed Funds interest rate for the past 22 years. Periods of rising Fed Funds interest rates, (1999-2000, 2004-2006 and 2016-2018) have a downward pull on overall credit union loan growth. This is, of course, the goal of tighter monetary policy, which is to slow the rate of credit creation from above trend growth to something closer to normal. Credit union loan balances grow on average 7.2% per year over the long run, and credit union loan balances are rising slightly more than 6% today. The recent decline in the Fed Funds rate will help to buoy loan growth in 2020, which will help offset other factors pushing loan growth lower.

Figure 1:

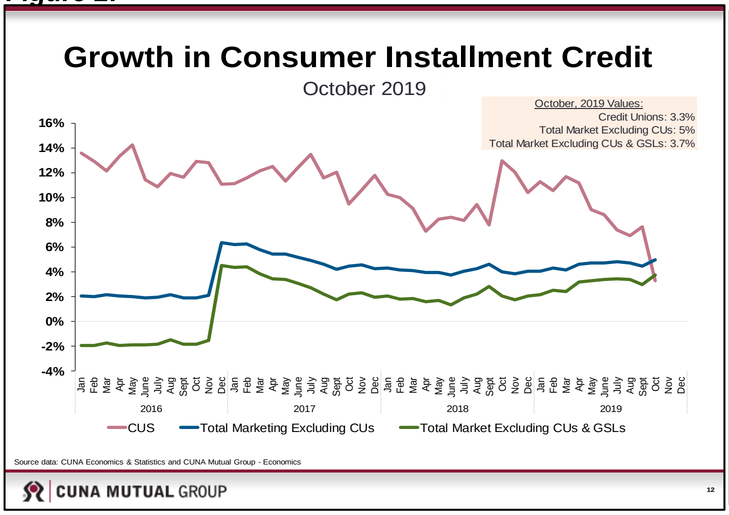


CUNA MUTUAL GROUP

Credit Union Consumer Installment Credit (CUCIC)

Credit union consumer installment credit balances (auto, credit card and other unsecured loans) reported no growth in October, less than the 4.2% increase set in October 2018, due to a deceleration in new and used auto lending. During the last 12 months, credit union consumer installment credit grew only 3.3% **(Figure 2)**, which is below the rest of the market excluding credit unions, which increased 5%. This is the first time in seven years that credit union consumer loans grew at a slower pace than other lenders. For all lenders, outstanding consumer credit rose a strong $18.9 billion in October, according to the Federal Reserve **(Figure 3)**, and above the $16 billion average monthly growth reported during the last 12 months. The decrease in the Fed Funds interest rate will decrease credit card interest rates in the near term and, to a lesser extent, auto loan rates. This will lower credit union yield on assets and net income in 2020.

Figure 2:



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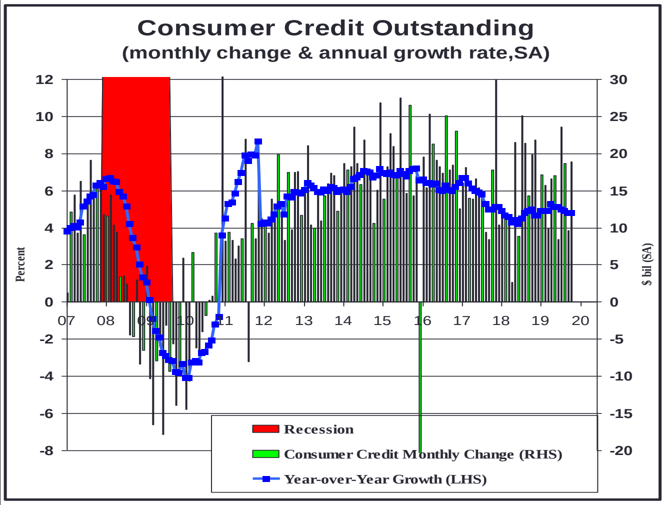


Vehicle Loans

Credit union new auto loan balances fell 0.7% in October, slower than the 0.7% gain set in October 2018, and increased only 0.9% during the last year. On a seasonally-adjusted annualized basis, new auto loan balances fell -3.5% in October **(Figure 4)**, down from the 7.2% pace reported in October 2018. Multiple factors are driving the slowdown in new auto loan growth: slowing new auto sales, slowing job growth, higher interest rates, more aggressive marketing by banks, and a 40-year high credit union loan-to-deposit ratios. The number of new auto loans as a percent of members in offering credit unions – the penetration rate – rose to 6.2%, up from 6.1% last year and 4.2% in 2012.

Figure 4:

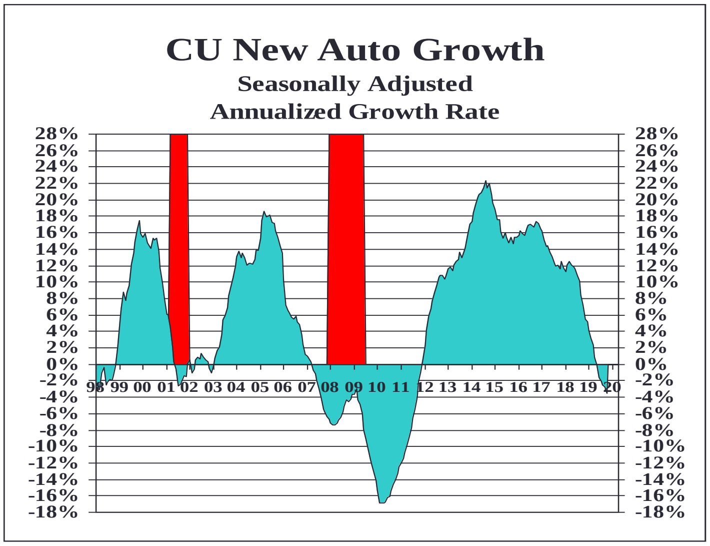
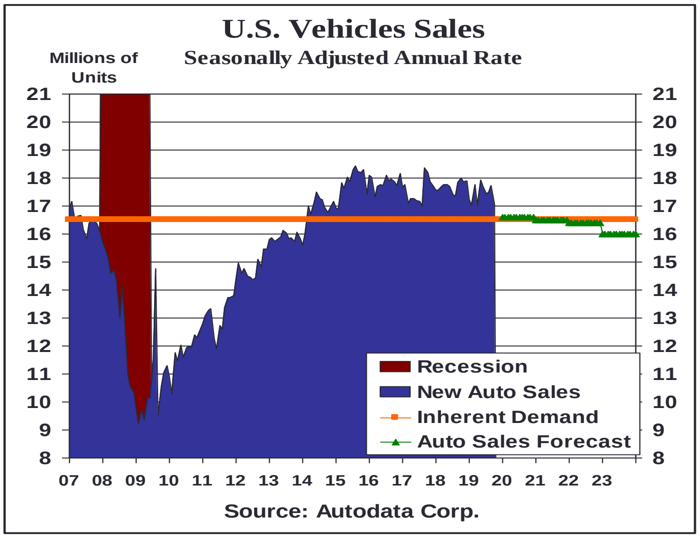


Figure 5:



Vehicle sales fell to 16.6 million units in October on a seasonally-adjusted annualized sales rate, down from the 17.2 million reported in September **(Figure 5)**. October sales were 4.3% below the October 2018 rate and well below the 17 million average reported so far this year. Expect new auto sales to decline 3-4% in 2020 due to slowing U.S. economic growth, car prices rising faster than wages and the elimination of pent up demand for new vehicles. This will weigh on credit union new-auto lending growth in 2020, which is already in negative territory (**Figure 4)**.

Real Estate Secured Lending – First Mortgages and Other Real Estate

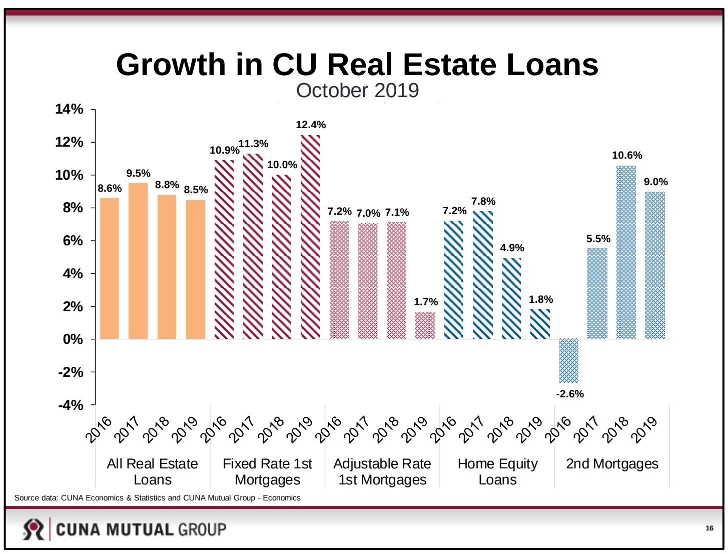
Credit union real estate lending was firing on all four cylinders during the first 10 months of 2019 due to the 114 basis point drop in mortgage interest rates and the improving economy. **(Figure 6)**. Adjustable-rate first mortgage loan balances grew a strong 1.3% in October, but below the rapid 3.4% pace set in October 2018. Second mortgage loan balances rose 1.3% in October, above the 0.1% increase recorded in October 2018. Expect purchase mortgage lending to increase only 1-2% in 2020 due to rising incomes, falling consumer confidence and modest job growth. However, expect refinance mortgage lending to drop 20-25% as long-term interest rates rise from around 3.7% today for a 30-year mortgage to over 4% in 2020. Thus, total mortgage lending is expected to decline by 10% in 2020.

Home equity lending balances rose a modest 0.3% in October, down from the 2.5% reported in October 2018. During the last 12 months, home equity balances rose only 1.8% due to the mortgage refinance boom leading some members to cash out some equity from their homes to pay off higher rate home equity loan balances. Seasonal factors typically add 0.6 percentage points to the underlying monthly trend growth rate in October, making it the second-fastest growing month for home equity loans. Home equity loan balance growth will recover in 2020 as the mortgage refinance boom comes to an end and home prices continue to rise.

The contract interest rate on a 30-year fixed-rate conventional home mortgage rose to 3.69% in October, from 3.61% in September, but below the 4.83% reported in October 2018. The 114 basis point drop in mortgage interest rates during the last year was due to a 144 basis point drop in the 10-year Treasury interest rate. Of the 144 basis point decrease in long-term interest rates, 89 basis points were due to a loosening in the capital markets, which lowered the long term real interest rate to 0.15% from 1.04% last year. The other 55 basis point decline was due to a decrease in inflation expectations from 2.11% to 1.56%.

Home prices rose 0.5% in October from September, according to the Core Logic Home Price Index, and 3.5% year-over-year. The housing market is tight, with the inventory-to-sales ratio still at a cyclical low, which spurs house price gains. Demand for homes is rising steadily, but it is the limited supply of inventories that is boosting prices.

Figure 6:



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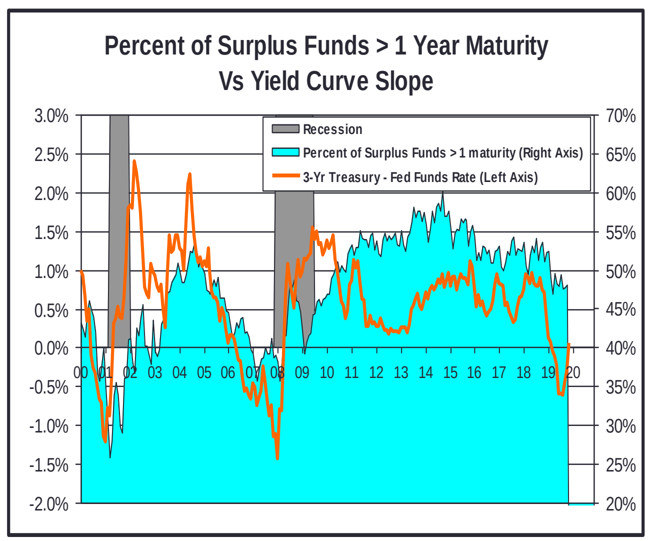


Surplus Funds (Cash + Investments)

Credit union surplus funds rose in October by $3 billion due to a $9.6 billion surge in deposit growth outpacing a $7 billion increase in loans. Borrowing rose $1.1 billion as some credit unions took advantage of a risk-free riskless arbitrage opportunity between the FHLBs and the Federal Reserve. Credit union surplus funds as a percent of assets rose to 24.3% in October, up from 23.5% in October 2018, to reach $383.4 billion. We expect the credit union liquidity position to increase in 2020 as deposit growth outpaces loan growth.

As the Federal Reserve lowered the Fed Funds interest rate 0.75% over the last four months, the yield curve has pivoted from being inverted to flat or even sloping slightly upward. We can measure the slope of the yield curve by the difference between the 3-year Treasury interest rate and the Fed Funds interest rate **(Figure 8)**. Inverted to flat yield curves historically induce credit unions to reduce the percent of surplus funds invested with maturities greater than one year. With the Federal Reserve now paying 1.55% on required and excess reserve balances held at the Fed, and the 3-year Treasury rate trading at only 1.61%, many credit unions will park excess funds in their Fed reserve account to maintain liquidity.

Savings and Assets

Credit union savings balances rose in October by 0.7%, greater than the -0.2% decline in October 2018. Savings balances grew at an 9.7% seasonally-adjusted annualized growth rate in October, above the 5.8% reported one year earlier **(Figure 8)**. Credit unions are experiencing a pickup in deposit growth as gas prices fall and disposable income increases due to tax cuts. The national savings rate (personal savings as a percent of disposable personal income) has risen above 8% due to aging demographics, widening income inequality, rising income, disinflation in the goods sector, fears of recession and tax cuts. This has boosted household balance sheets and new worth **(Figure 9)**. We expect credit union deposit growth to remain strong in 2020, possibly climbing over 9%, if the economy enters a “growth recession” with GDP increasing only 1%.

Figure 8:

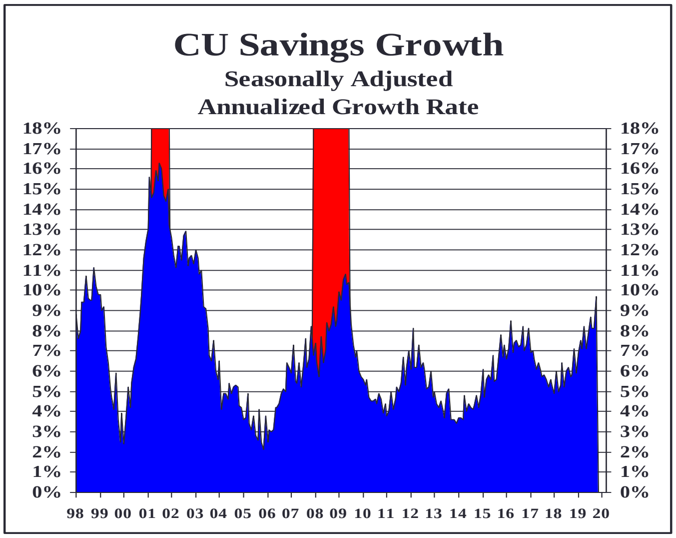
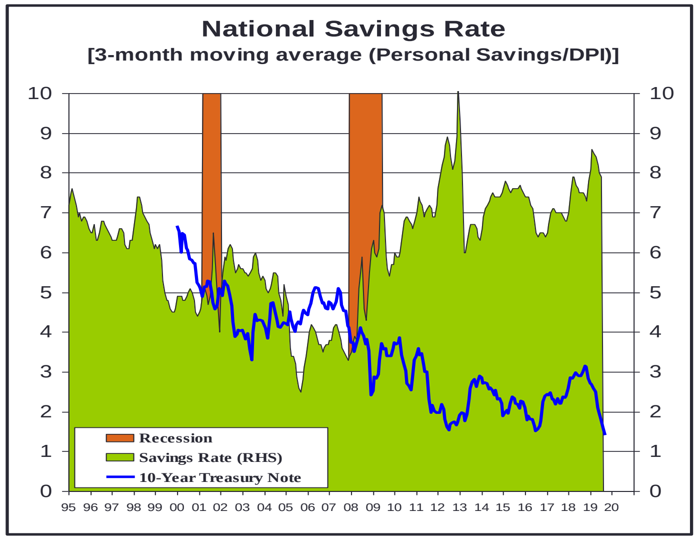


Figure 9:



Capital and Other Key Measures

The credit union system has become significantly more productive over the last 19 years. Back in the year 2000, it took on average 0.38 full time credit union employees to manage every $1 million in assets. Today that ratio stands at 0.2, a 47% improvement in productivity overall or 2.5% increase in productivity per year. Today there are 305,000 full time employees working at credit unions managing $1,578,000 million in assets. The number of employees working at credit unions today would have been 599,640 (0.38 x 1,578,000) if credit union employees had the same level of productivity that they did back in 2000. The net result is that 294,298 (599,640 – 305,341) jobs were not filled due to improvements in human and physical capital. Smaller asset size credit unions reported bigger improvements in productivity ratios over the last 18 years; however, larger credit unions are still more productive due to their economies of scale **(Figure 10)**.

Figure 10:

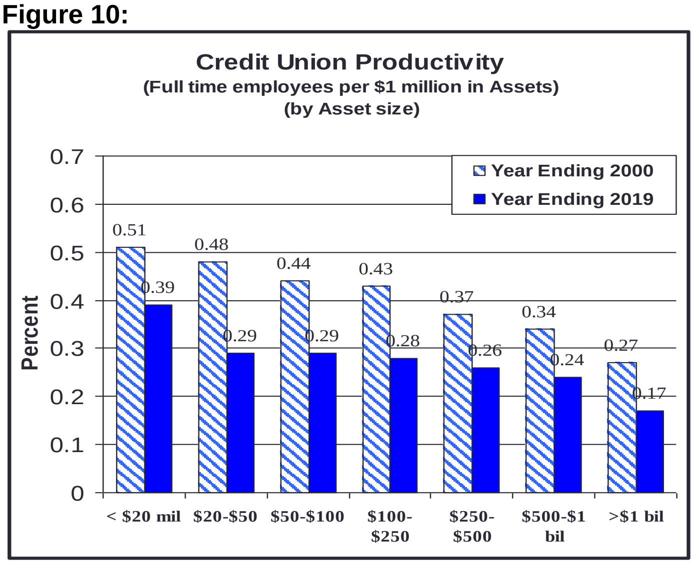
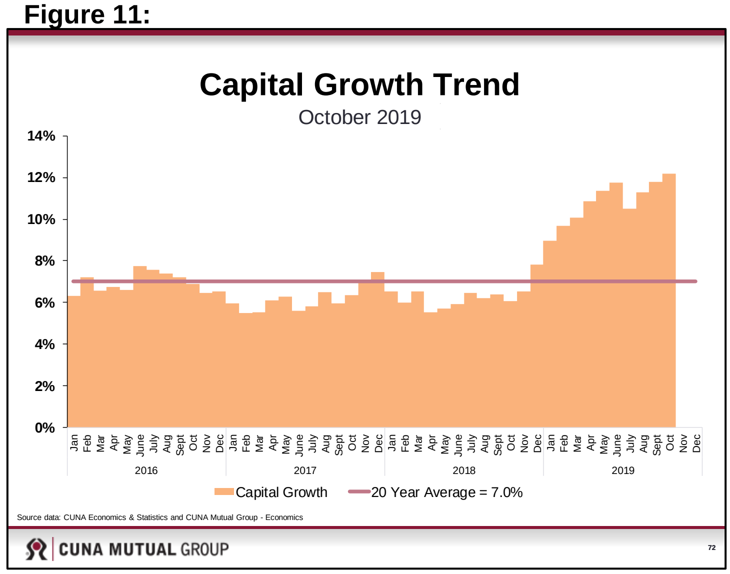


Figure 11:



Credit union capital balances grew 12.2% in the year ending in October, significantly above the 7% average set over the last 20 years **(Figure 11)**. The growth rate of capital is also known as the return on equity ratio, an important measure of credit union financial performance.

Credit Unions and Members

As of October 2019, CUNA estimates 5,442 credit unions were in operation, down 183 from October 2018 **(Figure 12)**. Year-to-date the number of credit unions fell by 161, slightly less than the 175 reported in the first ten months of 2018.

Credit union consolidation and concentration is expected to continue at its long run pace in 2020. Since 1980, the number of credit unions has declined by roughly 3.5% each year **(Figure 12)**. If we apply this exponential "decay" rate to the current number of credit unions, 5,442, we should expect another 190 credit unions to exit the financial system in 2020. If we forecast out a little further, according to the laws of exponential decay, there will only be 2,669 credit unions in 20 years, half as many as there are today. Fortunately, credit union assets follow an average annual exponential growth of 7%. This means the time that it takes for credit union assets to double (currently $1.578 trillion) is only 10 years.

Figure 12:

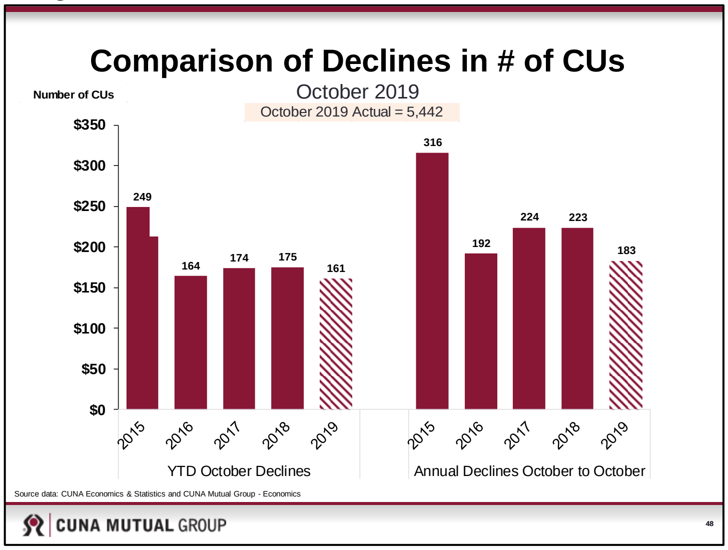
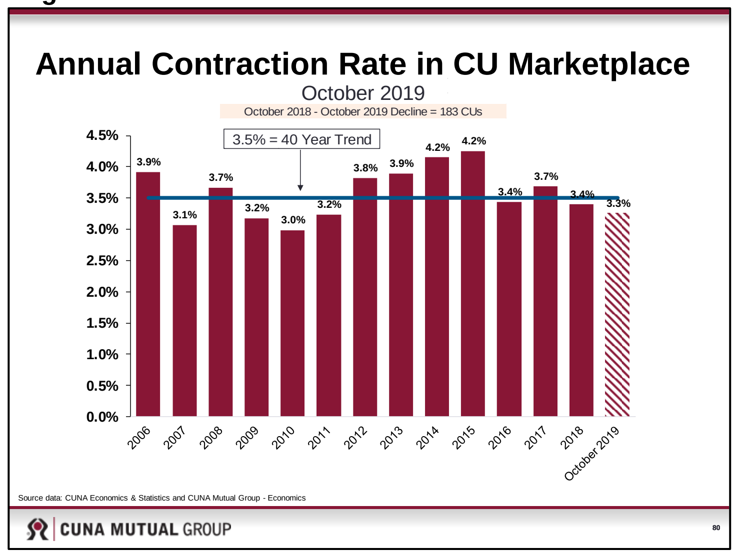


Figure 13:



Credit union memberships grew by a modest 158,000 in October, or 0.13%, slower than the 227,000 new members, or 0.19%, added in October 2018. Year-to-date credit unions added 3.2 million new members **(Figure 14)**, slower than the 4.3 million members added during the similar period in 2018. October's seasonal factors typically shave off 0.23 percentage points from the underlying trend membership growth rate **(Figure 15)**.

Total credit union memberships reached 121.7 million in October, 3.2% more than October 2018 and the slowest pace since the summer of 2015. Expect membership growth to slow to 2.5% in 2020 as loan growth slows to 5.5%.

Figure 14:

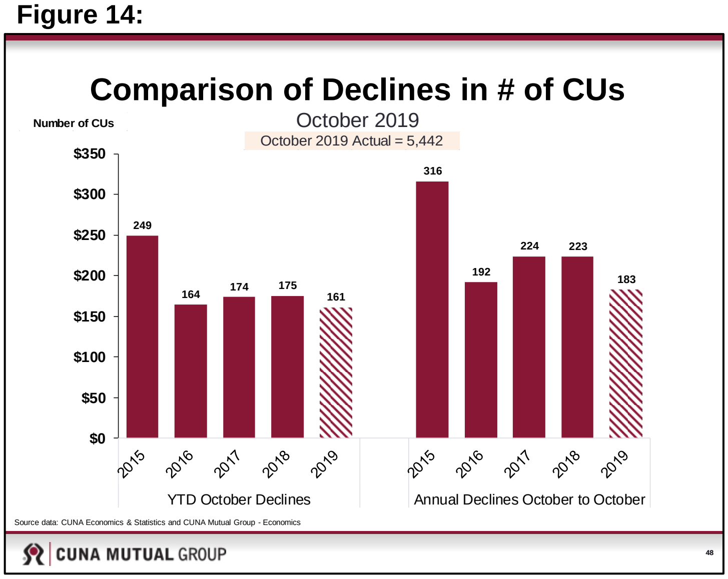
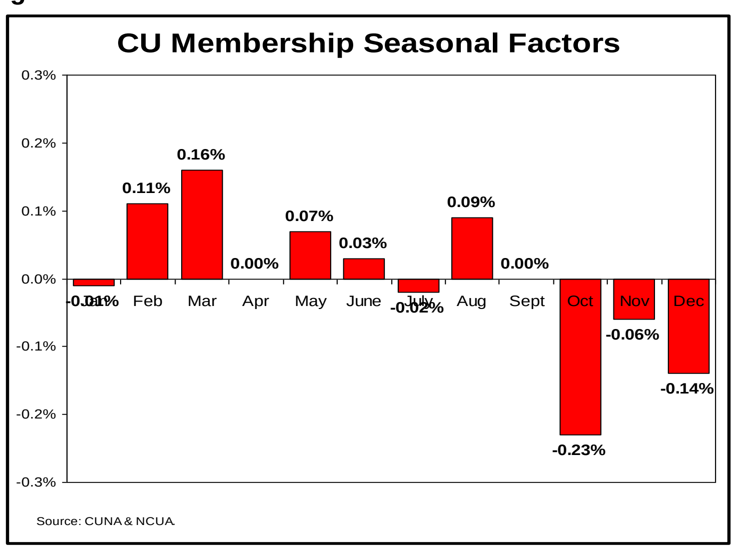


Figure 15:



National Monthly Credit Union Aggregates

YR/MO	LOANS ($ Billions)	ASSETS ($ Billions)	SAVINGS ($ Billions)	CAPITAL ($ Billions)	(Millions) MEMBERS	CREDIT UNIONS	LOAN / SAVINGS	CAPITAL/ ASSET RATIO
17 10	964.6	1,390.2	1,165.7	149.1	112.9	5,848	82.7	10.7
17 11	970.8	1,398.2	1,170.3	149.5	113.3	5,839	83.0	10.7
17 12	978.4	1,404.0	1,181.0	149.9	113.6	5,800	82.8	10.7
18 01	982.6	1,401.7	1,170.9	149.7	114.1	5,790	83.9	10.7
18 02	984.6	1,418.1	1,197.8	149.8	114.6	5,789	82.2	10.6
18 03	992.4	1,442.0	1,225.7	151.3	115.0	5,759	81.0	10.5
18 04	1,003.0	1,439.0	1,217.5	151.7	115.4	5,724	82.4	10.5
18 05	1,016.3	1,443.0	1,218.7	152.8	115.9	5,722	83.4	10.6
18 06	1,023.8	1,455.2	1,229.8	154.1	116.4	5,708	83.2	10.6
18 07	1,032.1	1,445.0	1,215.8	156.0	116.8	5,706	84.9	10.8
18 08	1,039.9	1,462.6	1,229.2	157.0	117.3	5,695	84.6	10.7
18 09	1,047.9	1,465.8	1,230.4	157.7	117.8	5,662	85.2	10.8
18 10	1,054.5	1,465.0	1,227.6	158.2	118.0	5,625	85.9	10.8
18 11	1,060.2	1,483.7	1,244.8	159.3	118.2	5,615	85.2	10.7
18 12	1,065.2	1,479.6	1,242.1	161.5	118.6	5,603	85.8	10.9
19 01	1,067.7	1,480.2	1,240.9	163.2	118.8	5,576	86.0	11.0
19 02	1,067.4	1,508.7	1,272.2	164.3	119.2	5,572	83.9	10.9
19 03	1,069.7	1,532.6	1,295.7	166.6	119.7	5,561	82.6	10.9
19 04	1,075.2	1,522.7	1,288.2	167.9	119.9	5,556	83.5	11.0
19 05	1,082.8	1,543.1	1,304.7	170.1	120.3	5,548	82.0	11.0
19 06	1,090.9	1,547.0	1,302.7	172.2	120.7	5,534	83.7	11.1
19 07	1,098.4	1,543.2	1,299.8	172.4	120.0	5,500	84.5	11.2
19 08	1,108.8	1,568.9	1,321.6	174.8	121.4	5,488	83.9	11.1
19 09	1,116.2	1,567.5	1,318.1	176.3	121.6	5,476	84.7	11.2
19 10	1,123.2	1,578.1	1,327.7	177.5	121.7	5,442	84.6	11.2

Credit Union Growth Rates

Percent Change Previous Year

YR/MO	LOANS	ASSETS	SAVINGS	CAPITAL	MEMBERS	# OF CUs	# OF CUs DECLINE	Delinquency Ratio*
17 10	10.4	6.3	6.1	6.4	4.0	(4.2)	(257)	0.811%
17 11	10.2	6.6	6.4	7.0	4.0	(4.1)	(248)	0.854%
17 12	10.0	6.6	6.0	7.5	4.1	(3.7)	(222)	0.881%
18 01	9.8	5.9	5.7	6.5	4.3	(3.6)	(216)	0.810%
18 02	9.8	5.4	5.8	6.0	4.3	(3.5)	(208)	0.721%
18 03	9.6	5.8	5.6	6.5	4.2	(3.6)	(214)	0.655%
18 04	9.8	5.0	5.2	5.5	4.2	(3.9)	(233)	0.655%
18 05	9.9	5.4	5.7	5.7	4.2	(3.9)	(231)	0.642%
18 06	9.5	5.7	5.3	5.9	4.2	(3.9)	(234)	0.669%
18 07	9.3	5.3	4.8	6.5	4.2	(3.6)	(211)	0.666%
18 08	9.2	6.4	5.9	6.2	4.4	(3.4)	(199)	0.672%
18 09	9.3	5.6	5.0	6.4	4.4	(3.6)	(211)	0.671%
18 10	9.3	5.4	5.3	6.1	4.5	(3.8)	(223)	0.674%
18 11	9.2	6.1	6.4	6.5	4.4	(3.8)	(224)	0.698%
18 12	8.9	5.4	5.2	7.8	4.3	(3.4)	(197)	0.709%
19 01	8.7	5.6	6.0	9.0	4.2	(3.7)	(214)	0.660%
19 02	8.4	6.4	6.2	9.7	4.1	(3.8)	(217)	0.622%
19 03	7.8	6.3	5.7	10.1	4.0	(3.4)	(198)	0.576%
19 04	7.2	5.8	5.8	10.7	3.9	(2.9)	(168)	0.557%
19 05	6.5	6.9	7.1	11.4	3.8	(3.0)	(174)	0.599%
19 06	6.6	6.3	5.9	11.8	3.7	(3.0)	(174)	0.631%
19 07	6.4	6.8	6.9	10.5	3.6	(3.6)	(206)	0.635%
19 08	6.6	7.3	7.5	11.3	3.5	(3.6)	(207)	0.640%
19 09	6.5	6.9	7.1	11.8	3.2	(3.3)	(186)	0.635%
19 10	6.5	7.7	8.2	12.2	3.2	(3.3)	(183)	0.648%

* Loans two or more months delinquent as a percent of total loans.

Distribution of Credit Union Loans

Estimated $ (Billions) Outstanding

YR/MO	TOTAL LOANS	NEW VEHICLE LOANS	USED VEHICLE LOANS	TOTAL VEHICLE LOANS	UNSEC Ex. CC'S	CREDIT CARDS	CUCIC	1ST MORT TOTAL	TOT. OTHR MORT 2ND +HE	TOTAL REAL ESTATE	MBLs*
17 10	964.6	132.0	201.9	333.4	40.4	56.1	414.6	391.1	83.9	475.0	77.3
17 11	970.8	132.5	202.7	335.2	41.0	57.0	420.7	393.4	84.6	478.0	77.0
17 12	978.4	134.2	203.9	338.0	41.3	58.4	425.0	397.7	84.0	481.7	71.8
18 01	982.6	135.0	205.6	340.6	41.1	58.3	423.7	398.3	84.7	483.0	75.9
18 02	984.6	135.0	206.6	341.6	40.4	57.7	426.4	400.8	84.2	485.0	73.2
18 03	992.4	136.6	209.1	345.7	40.4	57.6	422.2	407.3	83.6	490.9	79.3
18 04	1,003.0	138.3	212.2	350.4	40.3	57.7	427.2	411.1	84.6	495.6	80.2
18 05	1,016.3	140.9	215.7	356.6	41.1	58.3	434.5	415.0	85.5	500.5	81.3
18 06	1,023.8	141.4	216.3	357.7	41.6	58.8	438.3	418.1	85.5	503.5	81.9
18 07	1,032.1	142.8	218.1	361.0	42.0	59.6	445.2	418.5	87.4	505.9	81.1
18 08	1,039.9	144.8	220.0	364.8	42.5	60.0	451.3	420.5	88.1	508.6	79.9
18 09	1,047.9	146.4	221.1	367.5	42.8	60.2	449.4	427.1	87.6	514.7	83.7
18 10	1,054.5	147.5	221.5	369.0	43.2	60.6	468.3	426.2	89.8	516.0	70.3
18 11	1,060.2	148.2	222.7	370.3	43.7	61.4	471.4	428.8	90.5	519.3	69.5
18 12	1,065.2	149.8	222.3	372.0	44.2	62.7	469.2	434.2	89.8	524.0	72.0
19 01	1,067.7	149.6	223.1	372.7	44.2	62.4	471.5	433.7	91.2	524.9	71.3
19 02	1,067.4	148.8	223.5	372.3	43.7	61.8	471.3	435.0	90.9	525.9	70.2
19 03	1,069.7	148.2	224.2	372.4	43.8	61.9	471.6	438.2	90.3	528.5	69.6
19 04	1,075.2	148.1	225.2	373.3	44.4	62.5	475.0	438.3	92.4	530.6	69.6
19 05	1,082.8	148.6	226.3	374.9	44.1	62.9	473.7	442.0	91.8	533.9	75.3
19 06	1,090.9	148.8	227.8	376.6	45.0	63.3	476.1	446.1	92.0	538.1	76.6
19 07	1,098.4	148.9	229.4	378.3	45.7	63.9	478.1	449.3	92.8	542.1	78.2
19 08	1,108.8	149.4	231.1	380.5	46.4	64.3	482.5	455.1	92.8	547.9	78.5
19 09	1,116.2	149.9	232.9	382.8	46.6	64.4	483.6	460.4	93.0	553.4	79.2
19 10	1,123.2	148.8	233.6	382.4	47.2	64.7	483.7	466.0	93.7	559.7	79.8

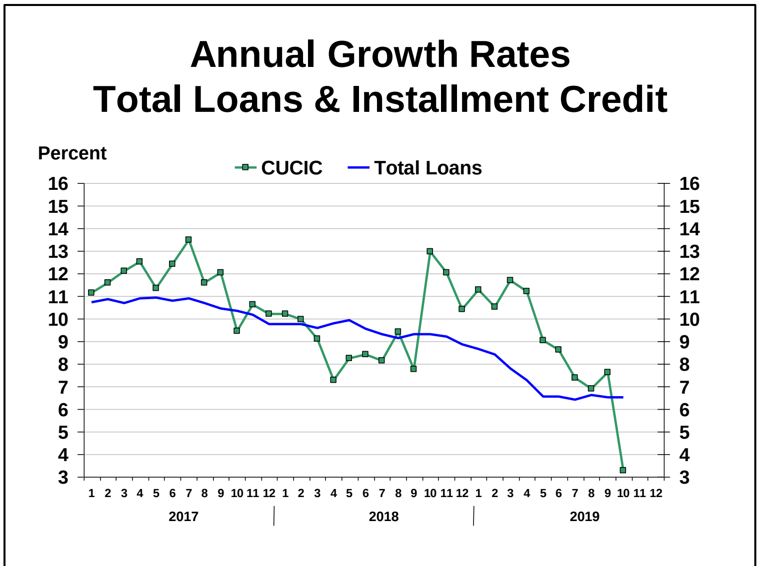
* Member Business Loans

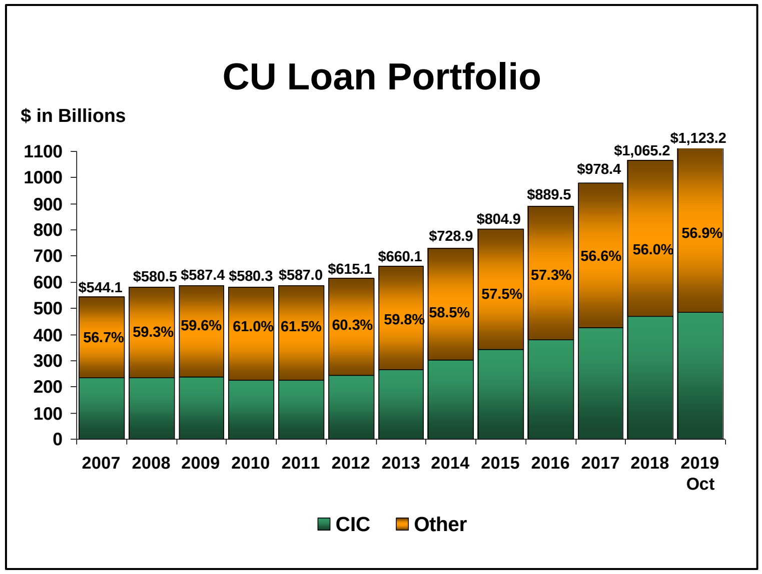
CUCIC = Total Loans – Total Real Estate - MBLs   CUCIC = Total Vehicle Loans + Unsecured Loans + Credit Card – 17% of MBLs

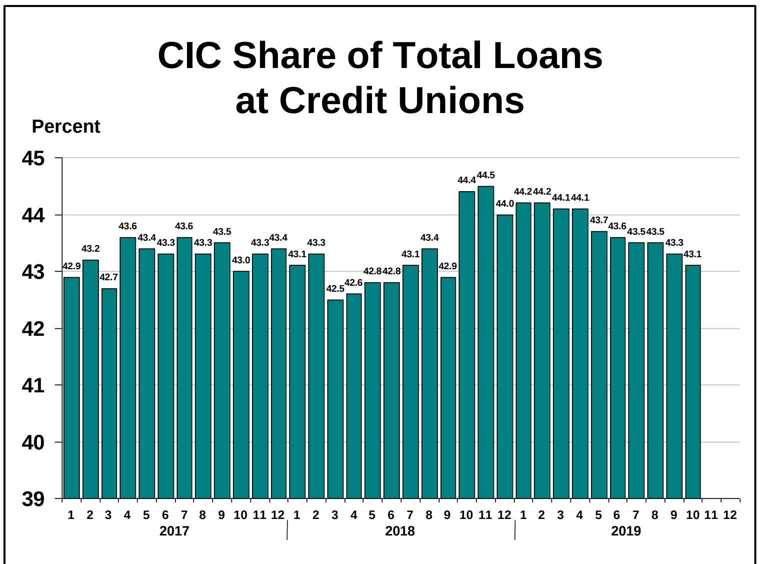
Distribution of Credit Union Loans

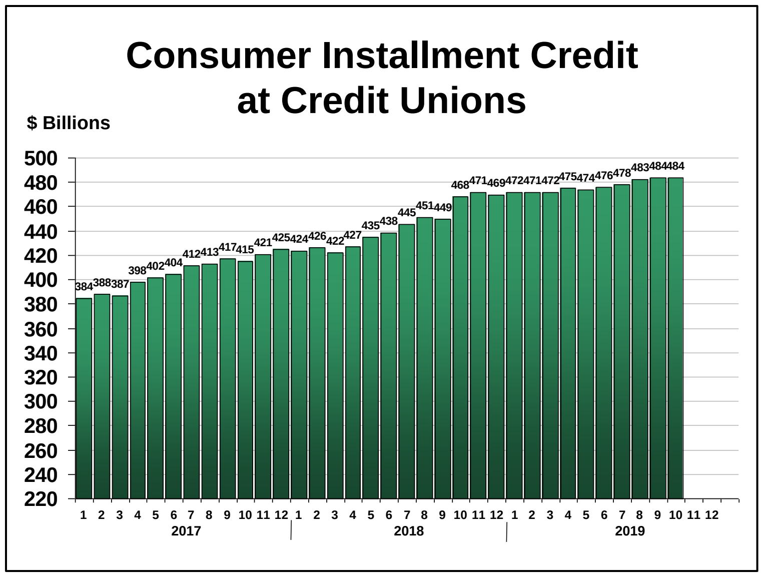
Percent Change From Prior Year

YR/MO	TOTAL LOANS	NEW VEHICLE LOANS	USED VEHICLE LOANS	TOTAL VEHICLE LOANS	UNSEC Ex. CC'S	CREDIT CARDS	CUCIC	1ST MORT TOTAL	TOT. OTHR MORT 2ND +HE	TOTAL REAL ESTATE	MBLs*
17 10	10.4	14.3	10.7	12.1	7.5	8.8	9.5	11.0	5.8	10.0	17.8
17 11	10.2	13.6	10.4	11.6	7.9	9.1	10.6	10.8	6.7	10.1	8.1
17 12	10.0	13.0	10.1	11.3	8.4	9.1	11.8	10.0	6.9	9.5	3.5
18 01	9.8	12.3	10.1	11.0	7.8	9.8	10.2	9.5	7.5	9.1	11.0
18 02	9.8	11.9	10.0	10.8	6.3	9.9	10.0	10.1	7.2	9.6	9.8
18 03	9.6	12.1	10.0	10.8	7.5	9.8	9.1	10.5	5.7	9.6	12.2
18 04	9.8	11.6	10.3	10.8	5.9	9.1	7.3	11.4	4.9	10.2	22.0
18 05	9.9	12.5	10.6	11.3	7.0	9.0	8.2	11.5	5.4	10.4	16.5
18 06	9.5	11.6	9.8	10.5	7.2	9.0	8.4	10.5	5.0	9.5	16.2
18 07	9.3	11.3	9.7	10.3	7.1	8.9	8.1	10.0	5.8	9.2	17.2
18 08	9.2	12.1	9.6	10.6	7.2	8.3	9.4	9.4	6.2	8.8	9.7
18 09	9.3	12.5	9.7	10.8	5.9	8.4	7.8	9.8	6.4	9.2	19.1
18 10	9.3	12.2	9.7	10.7	7.1	8.1	13.0	8.9	7.0	8.6	-6.1
18 11	9.2	11.9	9.6	10.5	6.7	7.8	12.1	9.0	6.9	8.6	-3.6
18 12	8.9	11.6	9.0	10.1	6.9	7.4	10.4	9.2	6.9	8.8	0.3
19 01	8.7	10.8	8.5	9.4	7.3	7.0	11.3	8.9	7.7	8.7	-6.1
19 02	8.4	10.2	8.2	9.0	8.1	7.2	10.5	8.5	8.0	8.4	-4.2
19 03	7.8	8.5	7.2	7.7	8.4	7.6	11.7	7.6	8.0	7.7	-12.2
19 04	7.2	7.2	6.0	6.0	9.4	8.3	11.2	6.6	8.8	7.1	-12.6
19 05	6.5	5.5	4.9	4.9	7.3	7.9	9.0	6.5	7.4	6.7	-7.5
19 06	6.6	5.2	5.3	5.3	8.2	7.6	8.6	6.7	7.7	6.9	-6.5
19 07	6.4	4.2	5.2	4.8	8.7	7.2	7.4	7.4	6.2	7.2	-3.5
19 08	6.6	3.1	5.1	4.3	9.2	7.1	6.9	8.2	5.3	7.7	-1.9
19 09	6.5	2.4	5.3	4.2	8.9	6.9	7.6	7.8	6.2	7.5	-5.4
19 10	6.5	0.9	5.5	3.6	9.2	6.7	3.3	9.3	4.4	8.5	13.6









This report on key CU indicators is based on data from CUNA E&S's *Monthly Credit Union Estimates*, the Federal Reserve Board and CUNA Mutual Group – Economics.

To access this report on the Internet, go to www.cunamutual.com/CUTrends.

If you have any questions, comments, or need additional information, please call. Thank you.

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