Economics Section

• Gross Domestic Product
• Labor Market
• Inflation
• Interest Rates
• Auto and Home Sales
• Exchange Rate and Oil Prices
• Stock and Home Prices
Above Trend Economic Growth and 2.2% GDP Output Gap

The economy expanded at a 3.1% annualized rate in the 1st quarter of 2019, above the long-run natural rate of 2%, due to inventory accumulation and net exports. Real Final Sales of Private Domestic Purchases rose only 1.3 percentage points, this is a better measure of the underlying growth rate of the U.S. economy. The change in inventories added 0.6 percentage points. The economy grew 3.2% year-over-year ending in the First quarter and is expected to grow 2.1% in 2019. The 1st quarter output gap was 2.2%. The economy is operating above its potential rate of output, putting pressure on the Federal Reserve to raise interest rates.
The labor market added 75,000 jobs in May, below the 100,000 needed to keep pace with the growth in the working age population. Average hourly earnings rose 0.2% and 3.1% during the last year as the labor market is now beyond full employment. The unemployment rate remained 3.6%, which corresponds to 6.3 million unemployed workers. The underemployment rate fell to 7.1% (unemployed, involuntarily part time, marginally attached). Continued employment gains will increase household incomes, wage growth, household formations, confidence and desire to borrow and spend. Expect credit union loan growth of 7.5% in 2019.
Headline inflation rose 0.1% in May and 1.8% during the last 12 months while core inflation rose 0.1% for the month and 2.0% during the last year. Core CPI inflation is deviating from the Federal Reserve’s Core CPI target of 2.5%. The Fed’s preferred measure of inflation, the core PCE deflator is running at 1.6% year over year, below the Fed’s Core PCE target of 2.0%. There are 4 factors pushing inflation higher in 2019: production running above normal capacity, rising wages, and rising oil prices. The 10-year Treasury interest rate fell to 2.53 in April 2019 from 2.87% in April 2018, due to falling inflation expectations (20 basis points) and an decrease in real interest rates (14 basis points).
The Fed believes the new **neutral fed funds rate** is 3.0%, the rate which is neither accommodative or restrictive. Interest rates will “normalize” in 2019 at levels below previous plateaus due to lower real interest rates and lower expected inflation. The reduction of the current size of the Fed’s balance sheet will lessen the depressing effect on the term premium on long-term bonds. Expect the yield curve to flatten over the next two years as short-term interest rates rise faster than longer term interest rates, which typically leads to downward pressure on credit union net interest margins.
U.S. vehicle sales fell to 17.3 million unit seasonally-adjusted annualized pace in May, down from 17.7 million units one year earlier. Low gasoline prices are driving light truck sales. Consumer fundamentals (strong job growth, rising incomes and rising wealth) remain favorable to drive auto sales into the future. The trend pace of auto sales – inherent demand - that is consistent with the growth in the driving age population, income growth and household wealth is approximately 16.5 million units.

Existing home sales fell 4.8% in April from a year earlier, falling to a 5.19 million annual rate. Home inventories remain tight (1.88 million) leading to median home prices rising 4.2% year over year.
The U.S. dollar rose 2.0% over the last year. Market expectations are for the Fed to hold interest rates constant in 2019 which will have little impact on the value of the dollar. The past rise in the value of the dollar will reduce the cost of imports to U.S. residents but raise the cost of exports from the point of view of foreign buyers. This will worsen the trade deficit and slow economic growth.

A country’s exchange rate partly represents international investors’ confidence in its government policies.

The price of a barrel of oil averaged $60.83 in May 2019, down from $69.98 one year earlier, a 13% decrease. This will decelerate energy investment but increase consumer spending.

Oil Economics: \[ P_{\text{oil}} = 10 \Rightarrow P_{\text{Gas}} = 0.25 \Rightarrow \text{growth} 0.3\% - 0.5\% \text{ over next two years.} \]
Household balance sheets have improved over the last year due to rising stock & home prices. **Stock prices** were 4% higher in March 2019 than one year earlier, creating a positive wealth effect. The S&P 500 **Price-Earnings ratio** reached 30.80 in March 2019, slightly above the past 22-year average price-earnings ratio of 26.8 and significantly above the average since 1950 of 19.1. This price-earnings ratio is the Shiller **Cyclically Adjusted Price-Earnings ratio** (CAPE) which is based on the average inflation-adjusted earnings from the previous 10 years.

**Home prices** rose 5% over the last year, due to rising home demand colliding with a lack of housing inventory for sale.
Household Financial Condition

- Income Statement
- Balance Sheet
Nominal Personal Income rose 0.1% in April and 3.8% year over year, due to rising rental and proprietors’ income. Wage income growth rose 0.4%. Nominal Spending was rose 1% in April (nominal durable good spending rose 0.6%) and 4.8% year over year. Household balance sheets improved over the last year as home prices rose 5% and debt burdens fell. This will boost spending from the “wealth effect” and from additional access to credit. The lowest debt burdens & payments in 35 years is freeing up income for additional spending. A surge in household formations will lift spending in 2019.
Consumer credit rose $17.5 billion in April, an acceleration from $1.2 billion in April 2018. Consumer credit rose 5.2% over the last year (revolving rose 4.0% and nonrevolving rose 5.5%). Big ticket items (auto and student loans) continue to be the major driver of consumer credit. Rising consumer confidence is a sign consumers are more willing to take on debt via credit cards.

The household debt service ratio (mortgage and consumer debt payments - interest and principal - required to remain current on that debt as a percent of disposable personal income) fell to 9.88% in the fourth quarter, down from 9.95% one year earlier and below the record high of 13.22% in Q4 2007. Low debt payments freed up disposable income for consumption or savings.
The saving rate (savings / disposable personal income) fell to 6.2% in April from 6.7% in April 2017. Savings should remain low as higher consumer confidence leads consumers to spend rather than save. In this environment of modest savings, spending gains will be highly dependent on income growth and consumers’ preferences for additional savings.

Consumer Confidence Index rose to 134.1 in May from 128.0 one year earlier due to strong labor market.

Consumer Sentiment Index rose to 100 in May from 98.8 one year earlier due to higher stock prices.

Above trend GDP growth will boost consumer confidence and also the demand for credit.
Financial assets as a percent of disposable income rose to $5.60 in the third quarter of 2018. This is a measure of the real annual purchasing power of financial assets (i.e., financial assets equal 5.60 years worth of disposable income). The ratio is up 36% from the cyclical low of 4.22 set back in the first quarter 2009. Rising stock prices were the major contributing factor. The real annual purchasing power of non-financial assets rose to $2.27 per dollar of disposable income (2.25 years worth of disposable income), up 15% since the cyclical low of 1.96 set in the third quarter of 2011, due mainly to rising home prices. Non-financial assets as a percent of disposable income is down 24% from the record high of 2.96 set back in the fourth quarter of 2005.
During the third quarter of 2018, households’ debt burden ratio (debt-to-disposable-income) remained at 0.97, as disposable income grew in line with debt. The debt burden ratio is down 25% from the record high of 1.29 set in the fourth quarter of 2007. Financial institutions writing off and households paying off mortgage debt were the major contributing factors for the decline. The deleveraging phase of the business cycle has come to an end. If the growth rate in debt equals the growth rate of disposable income over the next few years, the debt burden ratio will remain around the 100% which is what economists believe is sustainable in the long run. The real annual purchasing power of household net worth rose to $6.99 per dollar of disposable income (or 6.99 years worth of disposable income).
Credit Union Loans Section

- Total Loans
- Loan Quality
- New Auto
- Used Auto
- Credit Card
- Home Equity
- Fixed-Rate First Mortgage
- Adjustable-Rate First Mortgage
Expect loan balances to grow only 7.8% in 2019 as the credit boom comes to an end. The loan growth disparity between small and large credit unions has narrowed over the last year as loan growth slows for larger credit unions.

In the last 12 months ending in Q1 2019, credit unions with assets greater than $1 billion reported an 8.8% increase in loan balances versus credit unions with assets less than $20 million reported loan growth of only 5.2%.
The credit union loan delinquency rate (loans two or more months delinquent as a percent of total loans outstanding) rose to 0.68% in April, from 0.66% in April 2018.

Today’s delinquency rate is close to the 0.75% average reported for the years 2003-2007. A delinquency rate around 0.75% is considered the “natural delinquency rate”, or the rate due to idiosyncratic life events (divorce, large medical expense, job loss,) which are “independent” life events and not due to the business cycle.

Net charge-off rates fell to 0.57% in Q1 2019, below the 0.60% in Q1 2018. The 4th quarter of a year historically reports the highest charge-off rate.
Credit union loan balances grew at a 7.6% **seasonally-adjusted annualized growth rate** in April, slower than the last few years.

April’s **seasonal factors** usually add 0.18 percentage points to overall loan growth.

The strong lending season of April through August is now beginning.
Credit union new-auto loan balances grew at a 7.1% *seasonally-adjusted annualized growth rate* in April, a deceleration compared to the last few years. April’s *seasonal factors* usually subtract 0.09 percentage points from the underlying trend growth rate. The economic factors that are currently supporting vehicle lending are an improving job market, greater access to credit, low interest rates, improving household balance sheets, and rising incomes. Expect car sales to slow in 2019 to reach a 16.75 million units sold.
Credit union used-auto loan balances grew at a 8.1% seasonally-adjusted annualized growth rate in April. CU used auto lending is positively correlated with the number of new cars returning off lease. Expect more than 3.5 million leased cars coming to market in 2019 and 2020, according to Manheim Used car Market Report, up from the cyclical low of 1.6 million units in 2012. Used car prices fell 3.1% over the last year, according to the Consumer Price Index.

April’s seasonal factors usually add 0.33 percentage points to the underlying trend growth rate. The used auto buying and lending season begins in March and runs through August.
Credit card loan balances grew at a 7.8% seasonally-adjusted annualized growth rate in April, due to rising consumer confidence and spending on durable goods. April’s seasonal factors usually add 0.02 percentage points to the underlying trend growth rate. The outlook for credit unions’ credit card lending is positive because of strong consumer fundamentals like the improving labor market, rising home and stock values, faster wage growth, and greater access to credit.
Credit union home equity loan balances grew at a 10.4% seasonally-adjusted annualized growth rate in April, due to rising home prices and improving consumer confidence. April’s seasonal factors usually add 0.59 percentage points to the underlying trend growth rate. Home equity loan balances will remain strong due to rising home prices, the improving job market, rising consumer confidence, consumers releasing pent up demand for durable goods, and low interest rates.
Credit union fixed-rate first mortgage loan balances grew at a 10.2% seasonally-adjusted annualized growth rate in April as members took advantage of falling interest rates. April's seasonal factors usually subtract 0.48 percentage points from the underlying trend growth rate. Credit union purchase mortgage originations should increase 5% in 2019 as housing demand strengthens but refinance activity increases. A stronger labor market and rising wages will give more potential homebuyers the wherewithal to purchase a home. Moreover, fading memories of the housing bust will give homebuyers the confidence and willingness to purchase a home.
Credit union adjustable-rate first mortgage loan balances grew at a 2.4% *seasonally-adjusted annualized growth rate* in April. April's *seasonal factors* usually add 0.84 percentage points to the underlying trend growth rate.
Credit Union Investments Section

- Surplus Funds
- Yield on Surplus Funds
- Investment Maturities
- Liquidity flows
- Surplus Funds Distribution
Surplus funds fell to 24.5% of assets in April, below the 26.2% in April 2018. Investments as a percent of assets fell over the last few years as loans growth accelerated. Loans now make up 70.7% of assets, up from the cyclical low point of 57% set in March 2013. The yield on surplus funds rose to 2.28% in Q1 2019, up from 1.74 in Q1 2018. Loan yields rose to 4.76% in Q1 2019, from 4.57% in Q1 2018. With loan balances expected to grow another 7.5% in 2019, expect surplus funds as a percent of assets to fall below 23% by year end, the lowest level of liquidity since May 1980.
Surplus funds with a maturity less than 1 year rose to 53.0% in Q1 2019, up from 50.5% in Q1 2018.

The yield curve inverted recently (as measured by the difference between the 3-year Treasury interest rate and the fed funds interest rate) Inverted yield curves are reliable predictors of recessions in 9-12 months.

Longer term investments as a percent of surplus funds fell to 48% in April 2019 from 52% in April 2018.
Credit union loan balances are up $76.7 during the last 12 months. Loans were funded with $71 billion in deposits, $16.1 billion in new capital, and $4 billion in liquidated investments.

The Great Recession caused a shift in the composition of surplus funds. In 2008, credit unions held 33% of their surplus funds in shares/deposits at corporate credit unions. Today, only 6.0% of cash and investments are held at corporate CUs.
Credit Union Savings Section

- Total Savings
- Savings Distribution
- Savings Interest Rates
- Regular Share
- Share Draft
- Money Market Account
- Share Certificate
- Borrowings
Savings balances are expected to rise 5.8% in 2019 due to savings at the gas pump, rising household income, strong job growth, and fast membership growth. Savings balances are driven by the following 9 factors: 1) ↑ Wealth/Income => ↓ Savings, 2) ↑ Interest Rates => ↑ Savings, 3) ↑ Price Oil => ↓ Savings, 4) ↑ Income Growth Expectations => ↓ Savings Incentives, 5) ↑ Balance Sheet Repair => ↑ Savings, 6) ↑ Retirement Catchup (underfunded HHs near retirement) => ↑ Savings, 7) ↑ Risk/Uncertainty => ↑ Precautionary Savings, 8) ↑ Demographic Changes (fewer households in working age group) => ↓ Aggregate Savings, 9) ↑ Income Inequality => ↑ Savings of High Income Households.
Regular shares made up 36.4% of total savings in Q1 2019 as members prefer short-term liquid deposits. This is the highest percentage since 2005. Members anticipate the Federal Reserve has stopped raising interest rates and will therefore lock up funds term CDs before the Fed lowers interest rates in the second half of the year. Credit union CD interest rates have increased quickly during the last 2 years as liquidity tightens at many credit unions reporting strong loan growth.

- **Regular share** deposit interest rates typically increase by an average of 10% of any change in the fed funds interest rate.
- **Money market** deposit interest rates typically increase by an average of 35% of any change in the fed funds interest rate.
- **One-Year CD** interest rates typically increase by an average of 70% of any change in the fed funds interest rate.
Credit union savings balances grew at a 6.7% **seasonally-adjusted annualized growth rate** in April.

April’s **seasonal factors** typically subtract 0.49 percentage points from the underlying savings trend growth as members pay taxes.
Credit union regular share balances fell at a -0.7% *seasonally-adjusted annualized growth rate* in April, due mainly to rising interest rates on alternative savings products.

April's *seasonal factors* typically subtract 0.57 percentage point from the underlying regular shares trend growth.
Credit union share draft balances grew at an 14.5% **seasonally-adjusted annualized growth rate** in April.

April’s **seasonal factors** typically subtract 0.64 percentage points from the underlying share draft balance trend growth.
Credit union money-market account balances grew at a 1.5% seasonally-adjusted annualized growth rate in April, due mainly to interest-rate sensitive members moving funds to higher-rate money market mutual funds.

April’s seasonal factors typically subtract 0.91 percentage points from the underlying money-market account balance trend growth.
Credit union share certificate balances rose a 24.4% **seasonally-adjusted annualized growth rate** in April.

April’s **seasonal factors** typically subtract 0.16 percentage points from the underlying share certificate trend growth. Members will continue shifting funds from regular shares to CDs and money-market mutual funds, especially if members think the Federal Reserve may lower interest rates later this year.
Credit union IRA balances rose at a 1.5% seasonally-adjusted annualized growth rate in April.

April’s seasonal factors typically add 0.05 percentage points to the underlying IRA balance trend growth.
Credit union borrowings fell at a **-22.9% seasonally-adjusted annualized growth rate** in April.

April’s **seasonal factors** typically add 3.78 percentage points to the underlying borrowing balance trend growth.
Credit Union Earnings Section

- Return on Equity
- Yield on Assets
- Cost of Funds
- Net Interest Margin
- Operating Expenses
- Fee Income
- Other Income
- Provision for Loan Loss
- Net Income
- Capital Ratio
- Asset Growth
Credit union return-on-equity ratios are expected to rise to 8.7% in 2019 as return-on-asset ratios are expected to be 0.87%. A higher ROE ratio allows for faster asset growth, which then leads to lower operating expense ratios, higher profit margins, and ultimately greater earnings. The disparity between large and small credit unions' return-on-equity ratios remained large in 2019. Credit unions with assets exceeding $1 billion reported ROE ratios of 10.1%, more than twice that reported by credit unions with assets less than $100 million.
Credit union loan growth of 7.5% in 2019 will shift assets away from low yielding investments and into higher yielding auto and mortgage loans. This will push credit union assets yields to over 4.00% in 2020. Slower economic growth in 2020 will put downward pressure on interest rates with the 10-year Treasury staying below 3%. This will keep mortgage rates low and lending volumes. The Fed may lower the fed funds interest rate in 2019 lowering the yields on short-term credit union investments. Aggressive loan pricing by banks returning to the consumer lending arena will lower net returns on some loans.
Rising short-term interest rates in 2018 will increase credit union cost of funds from the record low mark of 0.52% set in 2016. Tight credit union liquidity has caused deposit interest rates to rise quickly as market interest rates rose. With almost all member certificate of deposits repriced to today’s low interest rates, the funding cost increase will come sooner than it did during the last rising interest rate cycle of 2004. Higher interest rates will encourage members to shift funds out of core deposits and into higher yielding money-market and certificate accounts, creating a liability mix effect which will push up cost of funds ratios.
Net interest margins will increase in 2019 as asset yields rise faster than cost of funds. Credit union net interest margins reached the lowest in history in 2013 due to historically low interest rates and excess liquidity. Deregulation over the last 30 years has increased competition in the financial services arena, resulting in lower net interest margins. For an individual CU, margins will also be determined by local market demographics: population growth, median household income, local industry, age trends. Tight margin are forcing CUs to increase the array of financial products and services offered while at the same time boosting efficiency and productivity.
Operating expense ratios will increase slightly over the next 2 years as the growth rate in operating expenses exceed that of assets. Credit unions will experience rising compliance costs for new Dodd-Frank Act regulations and new Consumer Financial Protection Bureau rules.
Fee income as a percent of average assets will continue its 9 year decline as the economic expansion lowers penalty fees. Moreover, web and mobile banking is providing members easier access to account balance information which reduces penalty fees. Fees from checking accounts serves as the single largest source of credit unions’ fee income. The average percentage of fee income derived from nonsufficient funds (NSF), overdraft, and courtesy pay fell to 34% recently. The CFPB’s expected focus on checking/ODP puts a big income stream at risk, and continuing issues with overdraft revenue could prove challenging.
Falling mortgage interest rates will create a mini mortgage refinance boom and increase loan origination fees and “gains on sale” of mortgages over the next year, therefore increasing “other income”. Interchange income may decline in 2019 if interchange rates fall more than the increase in card transactions. Merchants have incentives to move customers to new alternate low-cost payment systems, reducing the market power of the card networks. The interchange fee cap rule (October 1, 2011) capped the maximum fee charged per debit card transaction to 21 cents (plus an additional 2-3 cents for fraud prevention) for institutions greater than $10 billion.
Provision for loan loss ratios will decrease slightly in 2019 due to low unemployment and low loan charge off rates. Stable loan net charge-offs ratios (0.57%), strong underwriting standards, an improving labor market, and rising home prices will keep loan loss provisions around the historical average of 0.35%-0.45% of assets. Credit unions have stabilized their allowance for loan loss account at around 0.9% of loans, down from 1.6% in 2010, but above the 0.7% average reported before the Great Recession.
Credit union return-on-asset ratio will rise to 0.95% in 2019. Rising asset yields – due to faster loan growth and modestly higher market interest rates - will outpace higher funding costs. This will increase net interest margins.

The disparity between large and small credit unions return-on-asset ratios remained large in Q1 2019. Credit unions with assets exceeding $1 billion reported ROA ratios of 1.08%, more than twice that reported by credit unions with assets less than $100 million.
Credit union net capital-to-asset ratios increased in 2018 to 11.1% as capital accumulation outpaced asset growth. Credit unions will maintain their capital buffers at 11% in 2019, above the 7% target considered to be “well capitalized” under NCUA’s Prompt Corrective Action rule. By the end of 2020, capital ratios will be approaching the record high set back in 2006 of 11.5%.

**Net Capital (Equity)** = Regular Reserves + Other Reserves + Undivided Earnings + Accumulated Gain/Loss on AFS Securities
With loans growing faster than savings deposits during the last 5 years, expect the loan-to-savings ratio to hit 86% by year-end 2019, the highest level since May 1980.
Asset growth is expected to rise 6.3% in 2019 as deposit growth decelerates. Asset growth will outpace savings growth by 0.5 percentage points, due to fast rising capital.

The average credit union asset growth of 5.4% in 2018 masked a wide growth rate disparity between large and small credit unions. During the last 12 months ending in Q1 2019, credit unions with assets greater than $1 billion reported asset growth of 8.2% while credit unions with assets less than $20 million reported asset growth of -0.2%.
Credit Unions & Members Section

- Number of Credit Union
- Credit Union Members
As of March 2018, CUNA estimates 5,448 credit unions were in operation. During the first 4 months of 2019, the number of credit unions fell by 41, below the 76 decline reported for the first 4 months of 2018. The consolidation in the credit union system is due to the following factors: retiring baby-boomer CEOs, rising regulatory/compliance burden, low net interest margins, rising concerns over scale and operating efficiency, rising competitive pressures and members’ demand for ever more products, services and access channels.
Credit unions should expect membership growth to be 4.0% in 2019 due to above trend loan growth and job growth. This will push the total number of credit union memberships to 124 million by year end 2019, which is equal to 33% of the total U.S. population. In the last 12 months ending in Q1 2019, credit union with assets over $1 billion reported 6.5% membership growth, compared with less than 1% for credit unions with assets less than $100 million. The 2,088 credit unions with assets less than $20 million reported a 1.0% decline in memberships.
Credit union memberships grew at a 2.5% seasonally-adjusted annualized growth rate in April. April’s seasonal factors typically subtract 0.00 percentage points from the underlying membership trend growth. The rapid membership gain began with Bank Transfer Day on November 5, 2011 and is being maintained by the recent rapid pace of new job creation and the tremendous growth in credit union indirect and direct auto lending.
The U.S. economy grew at a strong pace of 2.9% in 2018 but we expect growth to slow to 2.1% in 2019.

Sound economic fundamentals are obvious but the declining impact of tax cuts, slower global growth, continued trade tensions, and rising corporate debt could each serve as drag. Accordingly, we lowered our GDP growth forecast for 2019 from 2.25% to 2.10% and we’re now forecasting slightly lower GDP growth of 1.90% in 2020.

Inflation, measured by the headline Consumer Price Index (CPI), is controlled near the Fed’s 2.0% target rate. We therefore adjusted the 2019 inflation forecast down from 2.25% to 1.95%. Expect energy prices to continue rising over the near term, putting upward pressure on near-term inflation. Our baseline forecast now calls for an increase in inflation for the second quarter of 2019 to 2.60% from 1.60% in the first quarter. However, we expect inflation to taper off and return below 2.00% toward the end of the year as the economy slows.

The Fed is unlikely to increase its target Federal Funds interest rate over the forecast horizon. Low inflation, low inflation expectations, and public pledges of more patience by Fed policymakers suggest no further rate increases in the foreseeable future.
# Economic Forecast

**June 2019**

<table>
<thead>
<tr>
<th>Growth rates:</th>
<th>Actual Results</th>
<th>Quarterly Results/Forecasts</th>
<th>Annual Forecasts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic Growth (% chg GDP)*</td>
<td>2.42%</td>
<td>2.90%</td>
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<tr>
<td>Inflation (% chg CPI)*</td>
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<td>Unemployment Rate</td>
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<td>10-Year-Fed Funds Spread</td>
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*% change, annual rate. All other numbers are end-of-period values.*
Credit Union Forecast

Credit union loan growth will slow to 7.55% in 2019 and decline further - to 7.00% - in 2020. Modestly lower automobile sales will translate into fewer automobile loans and marginally higher long-term market interest rates will reduce mortgage originations. Nevertheless, the expected 7.75% overall increase in loans is a healthy gain and higher than the average annual loan growth rate since 1990 (7.50%). By 2020, we see loan growth decreasing further - to around 7.00%.

Credit union savings growth is now expected to come in at 6.00% in 2019 and increase to 6.50% in 2020. Against the backdrop of tight liquidity credit unions face an increasingly competitive market for deposit dollars – and many will be reluctant to pay up for retail funding. A growing economy with continued relatively high consumer confidence also is expected to negatively affect savings growth.

Credit union ROA for 2019 will be 0.80 basis points and will decrease to 0.75 basis points in 2020. Slower loan growth, more obvious interest margin pressures, fewer gains on mortgage sales and a significantly smaller share insurance fund dividend will each negatively impact ROA in 2019. Further, though more modest declines in bottom-line results should be obvious next year as well.
# Credit Union Forecast
## June 2019

<table>
<thead>
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<td><strong>Growth rates:</strong></td>
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<td>Savings growth</td>
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<td>Loan-to-share ratio**</td>
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<td>Delinquency rate**</td>
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<td>Net charge-off rate*</td>
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<td><strong>Earnings:</strong></td>
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<td>Net worth ratio**</td>
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*Quarterly data, annualized.  **End of period ratio. Additional information and updates available on our MCUE website.