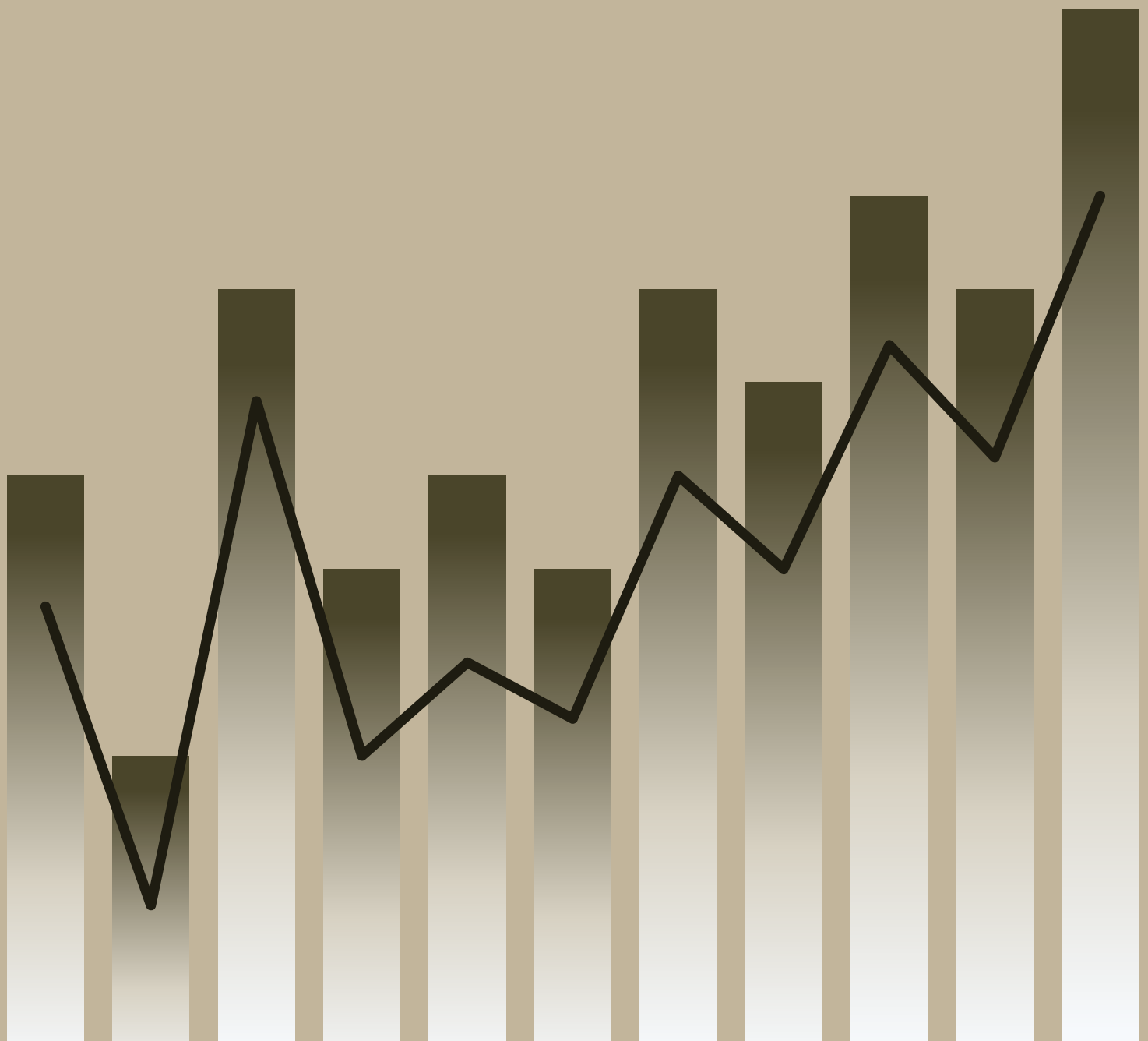


# U.S. Credit Union Profile

Mid Year 2016

CUNA Economics & Statistics



### Executive Summary

The U.S. economy is expanding, but growth has been anemic. The second quarter's decrease in business investment spending (due partly to inventory adjustment) and falling corporate profits are immediate concerns. Fixed residential investment fell in the second quarter - the first decline after eight consecutive quarters of increases. However, the surge in new homes sales in July should reflect positive residential fixed investment in the third quarter, and should support relatively strong mortgage originations moving forward.

As is typically the case, the household sector is doing the heavy lifting, keeping overall economic growth in positive territory. And stronger durable goods consumption is a good omen for loan growth.

The job creation capacity of the U.S. economy continues to improve and the labor market is firming despite softer job gains in August compared to June and July. Jobs lost in the goods-producing sector in August represent a reversal from the gains in July. However, this was due in part to weak overseas demand for commodities in the mining and logging sector. Economic conditions overseas remain unchanged or lack considerable improvement and continue to exert some negative effects on the U.S. economy.

At the same time, it's important to keep in mind that the U.S. is largely a service-providing economy as opposed to a manufacturing economy: The job gains in August came from the services sector and also from the government sector.

Year-to-date the economy added 200,000 jobs on average per month while the unemployment rate has declined by only one-tenth of a percentage point since the start of the year. Going forward, a slowly declining unemployment rate can be expected as the slack in the labor market continues to diminish. The economy is now within the Federal Open Market Committee estimates of the long-run normal rate of unemployment.

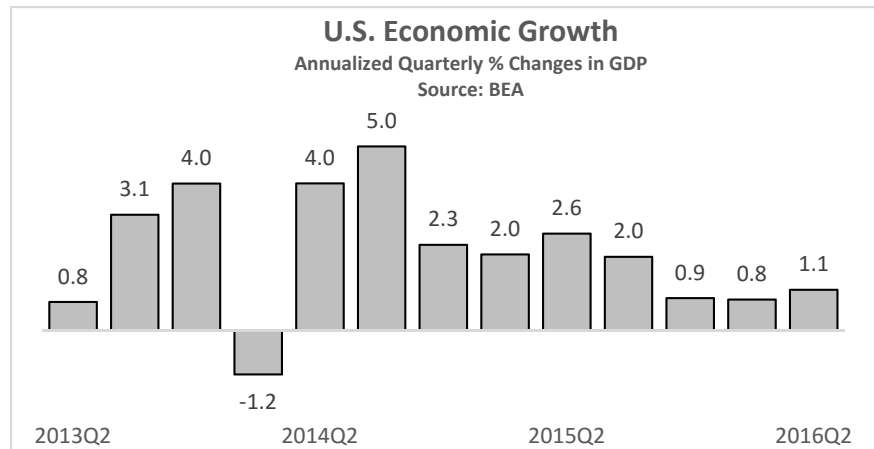
Modestly improving labor markets will help to buoy consumer spending and ensure credit union lending stays strong for the rest of year and into 2017.

### Recent Economic Developments

- The Bureau of Economic Analysis (BEA) second estimate for real Gross Domestic Product (GDP) shows that the U.S. economy expanded at a weak 1.1% annualized pace in the second quarter of 2016. That's marginally lower than the 1.2% advance estimate and represents the seventh consecutive quarter of growth below the 2.64% average rate of growth since 1980. Year-over-year growth now is only 1.2%.
- Still, the BEA's most recent report also shows an upward revision in second quarter growth in personal consumption expenditures (from 4.2% to 4.4%). That's important because personal consumption expenditures account for 70% of U.S. GDP. Moreover, durable goods and nondurable goods consumption rose 9.9% and 5.7%, respectively. Of course, increases in durable goods consumption typically signal healthy growth in credit union lending.
- Private investment spending fell 9.7% – the third consecutive quarterly decline. The fixed residential investment (housing) component decreased 7.7%. Current housing market activity, measured as fixed residential investment spending as a percentage of real gross domestic product (GDP), is still below the 5.5% pre-recession average. However, inventories are tight which suggests more home building on the horizon.

With historically low 10-year Treasury yields and favorable mortgage rates, healthy credit union mortgage loan growth seems likely.

- Second quarter data reveals U.S. exports and imports increased 1.2% and 0.3%, respectively. Government spending decreased 1.5%. Corporate profits fell 1.2% in the second quarter (a \$24.1 billion decrease).

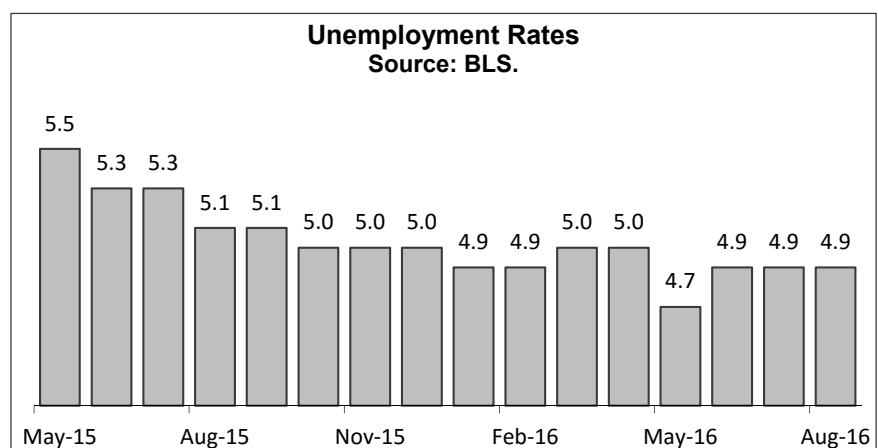


- Despite tepid July retail sales, autos and other motor vehicle sales continue to increase and will sustain auto lending at credit unions this year. Strong sales at nonstore retailers and weak sales at department stores reflect the trend of consumer preference for online rather than in-store shopping. Furniture and home furnishing sales numbers are in positive territory, reflecting the uptick in home sales in recent months.

- Looking forward, expect a pick-up in retail sales on the strength of healthy labor markets and stronger household balance sheets. With the back-to-school shopping season and fall/winter merchandise inventory buildup on the way, innovation at retail stores could keep consumers engaged.

- The labor market continues to reflect strength despite softer job gains recently. The economy added 439,000 jobs in the second quarter down from a total of 587,000 in the first quarter. The latest employment report from the Bureau of Labor Statistics (BLS) shows that 151,000 nonfarm jobs were added in the month of August - down from a gain of 275,000 in July. Still, the economy added 1.45 million private nonfarm jobs since the start of the year and 2.45 million over the year ending August.

- The unemployment rate in August was 4.9%, unchanged from the previous month but 0.2% lower than the August 2015 level. Importantly, the nation's U-6 unemployment rate (accounting for those who dropped out of the labor force as well as those who are working part-time but who desire full-time employment) fell faster than the headline rate in the 12-month period. It finished August at 9.7%, down over one-half of a percentage point from the 10.3% reading in August, 2015.

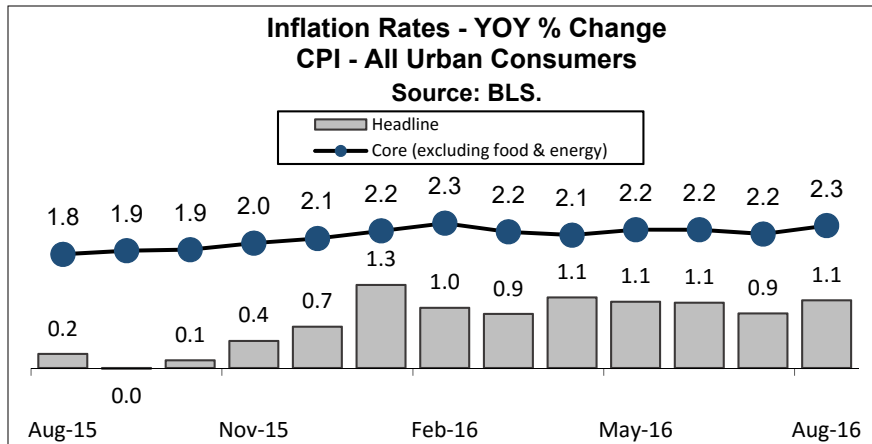


- Going forward, a slower decline in the unemployment rate can be expected as the slack in the labor market continues to diminish. The economy is now within the Federal Open Market Committee estimates of long-run

normal rate of unemployment of 4.6% to 5.0%. CUNA economists expect further – though very modest - improvement in the unemployment rate over the next eighteen months.

- The Bureau of Labor Statistics Consumer Price Index report shows that headline inflation was up 0.2% and core inflation (all items less food and energy) increased 0.3% in August. Over the past year, headline and core inflation rose 1.1% and 2.3%, respectively.

- The increase in the headline index was caused by a rise in the index for all items less food and energy which increased 0.3% in August, as the indices for shelter and medical care advanced. The energy and food indices were both unchanged in August. Major energy component indices were mixed, with increases in the index for natural gas and electricity offsetting declines in gasoline and fuel oil prices. The



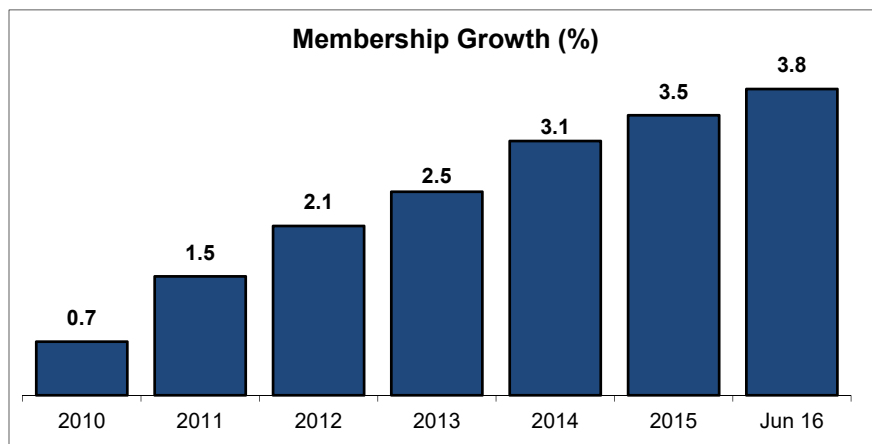
food at home index declined for the fourth month in a row, offsetting an increase in the index for food away from home. The 0.3% increase in the index for all items less food and energy was the largest rise since February 2016.

- On a year-over-year basis core inflation has been above 2% for nine consecutive months while headline inflation has been rising faster than year-ago readings. The conditions for higher – though slowly rising - inflation ahead now are in place. For example, energy prices will be under pressure due to supply chain issues. In addition, the U.S. dollar remains weak and hourly wages increased 2.6% in the year ending July which will likely increase consumer spending in the coming months.
- The housing market continues to impress. Although the latest report from the National Association of Realtors shows existing home sales decreased by 3.2% in July and by 1.6% over the past year, the slowdown was largely due to low inventories – rather than soft demand. July new home sales data reflect strong housing market activity with increasing momentum – which should keep mortgage lending activity at credit unions healthy. The latest joint report from the U.S. Census Bureau and the U.S. Department of Housing and Urban Development shows that new single-family home sales in July increased 12.4% on a seasonally adjusted basis. Year-on-year, new single-family home sales rose 31.3%. On an annualized basis, a total of 654,000 new homes were sold in July – the highest level since October 2007.
- Not surprisingly, builders remain confident: The National Association of Home Builders Housing Market Index stood at 60 in August – remaining close to the October 2015 cyclical high of 65. The NAHB/First American Leading Markets Index score ticked up to 0.97 at the end of the second quarter from 0.95 at the end of the first quarter. A reading of 0.97 means that based on current permit, price and employment data, the nation is running at 97% of normal economic and housing activity.

- Home prices are increasing – with healthy, but sustainable gains in the aggregate. The Federal Housing Finance Agency All Transaction Price Index reflects a 3.2% annualized gain in the second quarter – its 16<sup>th</sup> consecutive quarterly increase. The index is up 5.4% over the past year and is now 1.4% above pre-recession levels.
- Federal Reserve rate increases are unlikely to resemble those in previous rate cycles given challenges obvious on the international front. We believe economic fundamentals are consistent with a quarter-point increase in the Federal Reserve’s short-term interest rate target in December. And we expect four additional quarter-point increases (at every-other FOMC meeting) in 2017. Long rates are apt to drift higher as well, though we expect the increases will be smaller than those on the short end of the yield curve. As noted in our previous Profile report, only modest market rate increases, combined with further (though less pronounced) labor market improvement suggest homes should remain affordable – and purchase money mortgage originations should remain strong - throughout the coming year.

U.S. Credit unions continue to post impressive results despite a slow-growth economic environment. As a group, the nation’s not-for-profit financial cooperatives reported lofty and increasing membership growth, strong and increasing loan growth, improved asset quality, and markedly stronger earnings in the second quarter. Overall, credit unions also maintained an aggregate capital ratio that remained near record highs throughout the period.

- Consumers increasingly see credit unions as their best financial partner – reflected in a strong 1.3% overall increase in memberships in the second quarter of 2016. That’s substantially faster than the 1.7% gain seen in the first quarter and in line with the 3.4% increase in the year-ago quarter. The recent result is very strong overall especially in the context of the nation’s

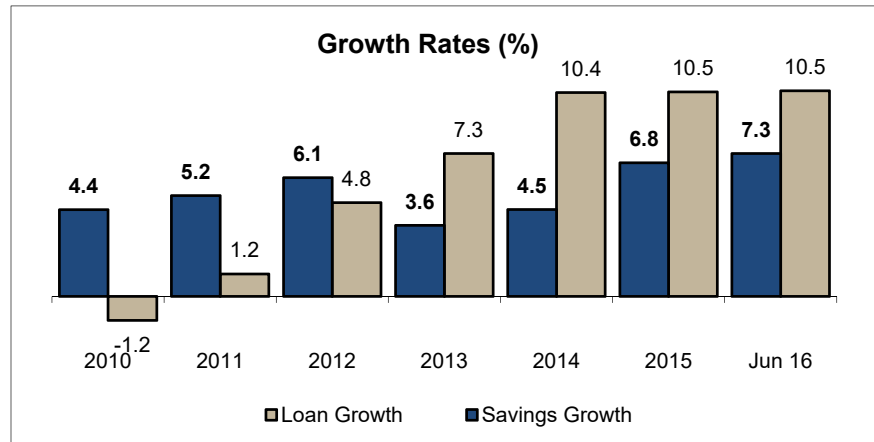


recent population growth rate: The annualized 5.2% second-quarter increase in memberships far surpassed the 0.9% full-year 2015 population growth reported by the U.S. Census Bureau. The recent Wells-Fargo “bogus account scandal” will undoubtedly help to sustain these trends and the effects may be long-lasting.

- More broadly, memberships in U.S. credit unions increased by 3.8% in the year ending June, 2016. When compared to previous calendar-year results, this increase is the fastest seen since 1988 (when memberships grew by 3.9%). Collectively, credit unions now report 104 million memberships – a total which is equal to 33% of the nation’s population.
- Credit union loan portfolios grew by 3.1% (12.4.0% annualized) in the three months ending June 2016. That rate of growth is well above the 1.7% first quarter advance and nearly equaled the 3.4% year-ago result. In the aggregate, credit union loans increased 10.5% in the year ending June, 2016 – matching the

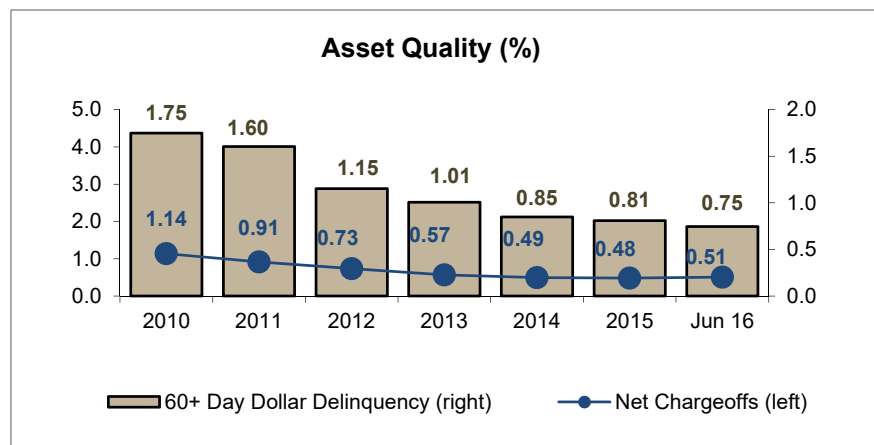
full-year 2015 expansion. The last time calendar-year loan growth exceeded this pace was 2005 when credit unions reported a 10.6% jump in loan balances.

- All seven broad loan portfolio segments tracked by credit union regulators reflect strong increases in the second quarter. New auto loans led the way with a 4.3% increase, though used autos followed closely, growing 3.9% in the three-month period. Unsecured personal loans were up 3.6%, while member business loans increased 3.4%. Credit card balances



expanded at a 2.7% pace and first mortgages grew by 2.5%. Looking forward, first mortgage growth will likely gain steam as lower long-term market interest rates in the wake of the Brexit vote pushed refinancing activity higher. Even HEL/2<sup>nd</sup> mortgages expanded (by 1.6%) against a backdrop of strong home price appreciation.

- Loan quality metrics generally improved. While overall delinquency rates edged up marginally (from 0.71% at the end of March to 0.75% at mid-year) the net chargeoff rate declined in the quarter. The annualized net chargeoff rate inched down to an annualized 0.50% in the second quarter, from 0.52% in the first quarter.



- Strong loan growth pushed the movement's loan-to-savings ratio up to 78.1% - roughly two percentage points above the prior-quarter reading. That helped to buoy earnings results. Credit unions reported annualized ROA (net income as a percentage of average assets) totaling 0.79% in the period. That result is marginally higher than the 0.75% earnings rate in the first quarter but was a bit lower than the 0.82% rate in the year-ago quarter. Over the past decade the earnings rate among U.S. credit unions averaged 0.63%.
- Stronger earnings helped to nudge credit union capital ratios up during the second quarter. That's important because the national aggregate 10.9% quarter-end reading remains near an all-time high and is well above the 7.0% threshold level at which regulators deem credit unions "well capitalized".

### Overview: National Trends

	U.S.	U.S. Credit Unions					
Demographic Information	Jun 16	2015	2014	2013	2012	2011	2010
Number of CUs	6,009	6,143	6,398	6,680	6,956	7,236	7,486
Assets per CU (\$ mil)	211.4	198.5	177.6	161.0	148.8	134.6	123.8
Median assets (\$ mil)	28.2	26.8	24.5	22.7	21.1	19.2	17.6
Total assets (\$ bil)	1,270	1,219	1,136	1,075	1,035	974	927
Total loans (\$ bil)	838	799	723	655	610	582	576
Total surplus funds (\$ bil)	378	372	366	378	386	357	317
Total savings (\$ bil)	1,073	1,029	963	922	890	839	797
Total memberships (thousands)	106,150	103,992	100,512	97,449	95,058	93,108	91,760
<b>Growth Rates (%)</b>							
Total assets	7.4	7.3	5.7	3.9	6.2	5.1	3.3
Total loans	10.5	10.5	10.4	7.3	4.8	1.2	-1.2
Total surplus funds	0.6	1.6	-3.1	-2.1	8.3	12.3	12.5
Total savings	7.3	6.8	4.5	3.6	6.1	5.2	4.4
Total memberships	3.8	3.5	3.1	2.5	2.1	1.5	0.7
% CUs with increasing assets	73.6	73.9	65.6	63.7	75.5	71.3	67.5
<b>Earnings - Basis Pts.</b>							
Yield on total assets	338	336	336	336	362	405	446
Dividend/interest cost of assets	51	52	54	59	72	92	121
Net interest margin	287	285	283	278	290	312	325
Fee & other income *	134	136	134	140	145	131	133
Operating expense	308	311	310	314	316	344	330
Loss Provisions	36	34	28	26	35	50	78
Net Income (ROA) with Stab Exp	77	75	80	77	84	50	50
Net Income (ROA) without Stab Exp	77	75	80	83	91	68	61
% CUs with positive ROA	79.0	79.2	77.7	75.7	77.4	69.4	64.1
<b>Capital Adequacy (%)</b>							
Net worth/assets	10.9	10.9	11.0	10.8	10.4	10.2	10.1
% CUs with NW > 7% of assets	97.4	97.6	97.7	97.1	96.3	95.2	95.0
<b>Asset Quality</b>							
Delinquencies (60+ day \$)/loans (%)	0.75	0.81	0.85	1.01	1.15	1.60	1.75
Net chargeoffs/average loans (%)	0.51	0.48	0.49	0.57	0.73	0.91	1.14
Total borrower-bankruptcies	176,484	166,474	169,396	185,432	225,987	278,429	337,957
Bankruptcies per CU	29.4	27.1	26.5	27.8	32.5	38.5	45.1
Bankruptcies per 1000 members	1.7	1.6	1.7	1.9	2.4	3.0	3.7
<b>Asset/Liability Management</b>							
Loans/savings	78.1	77.7	75.1	71.0	68.6	69.4	72.2
Loans/assets	66.0	65.6	63.7	60.9	59.0	59.8	62.1
Net Long-term assets/assets	32.3	32.8	33.7	36.0	33.0	32.5	33.1
Liquid assets/assets	14.0	13.5	13.7	14.9	17.5	17.3	16.2
Core deposits/shares & borrowings	49.2	48.7	46.9	45.2	43.6	41.3	38.9
<b>Productivity</b>							
Members/potential members (%)	4	5	5	5	6	6	6
Borrowers/members (%)	56	56	54	52	51	50	50
Members/FTE	383	384	385	384	385	388	386
Average shares/member (\$)	10,106	9,896	9,582	9,462	9,358	9,006	8,689
Average loan balance (\$)	14,024	13,770	13,261	12,870	12,690	12,576	12,562
Employees per million in assets	0.22	0.22	0.23	0.24	0.24	0.25	0.26
<b>Structure (%)</b>							
Fed CUs w/ single-sponsor	12.2	12.4	12.5	12.9	13.1	13.4	13.6
Fed CUs w/ community charter	17.6	17.5	17.4	16.9	16.5	16.1	15.5
Other Fed CUs	31.4	31.4	31.5	31.6	31.8	32.0	32.2
CUs state chartered	38.8	38.8	38.7	38.6	38.6	38.6	38.8

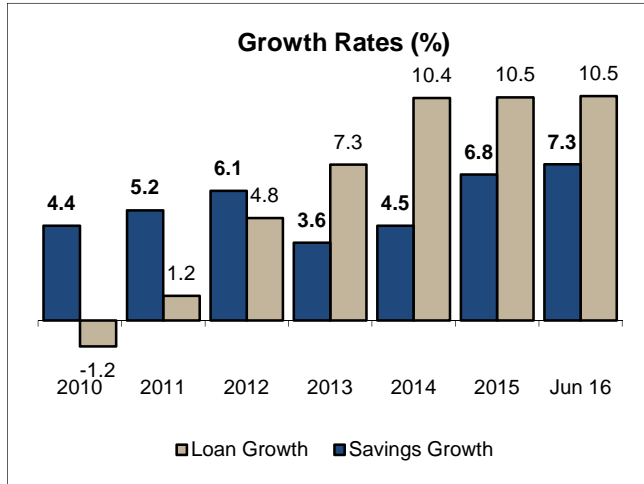
Earnings, net chargeoffs, and bankruptcies are year-to-date numbers annualized. Due to significant seasonal variation, balance sheet growth rates are for the trailing 12 months. US Totals include only credit unions that are released on the NCUA 5300 Call Report file.

Source: NCUA and CUNA E&S.

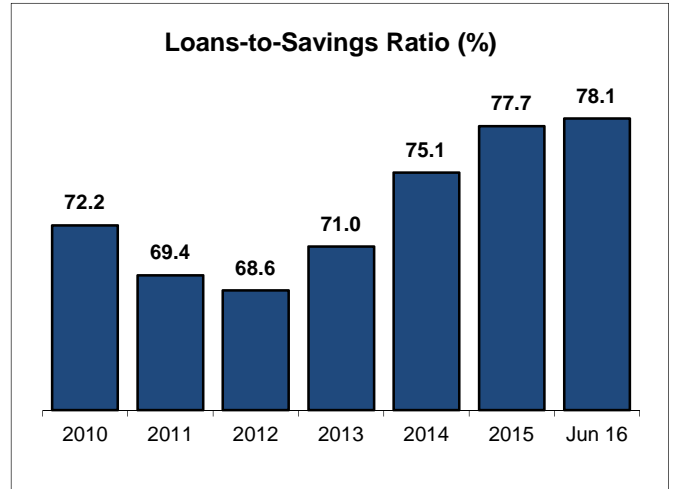
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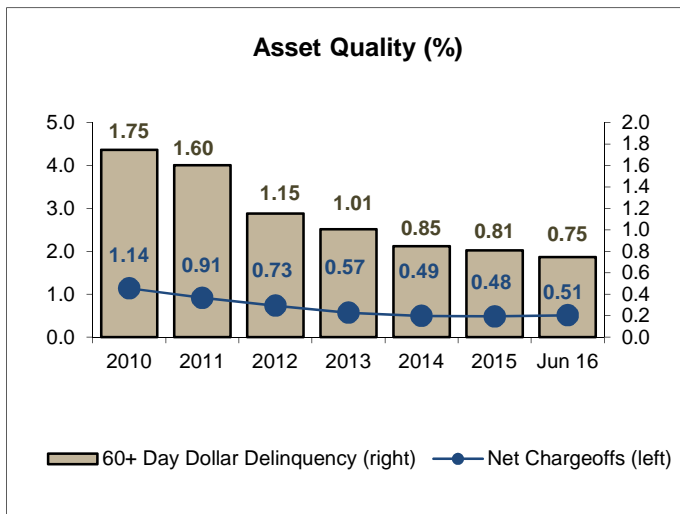
## Loan and Savings Growth Trends



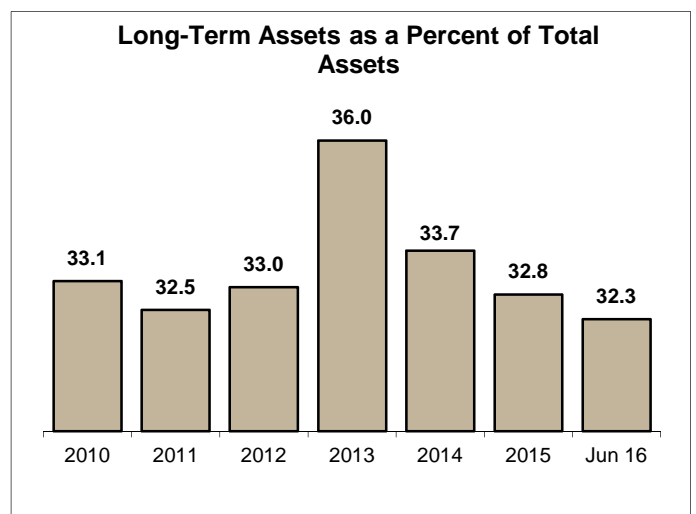
## Liquidity Trends



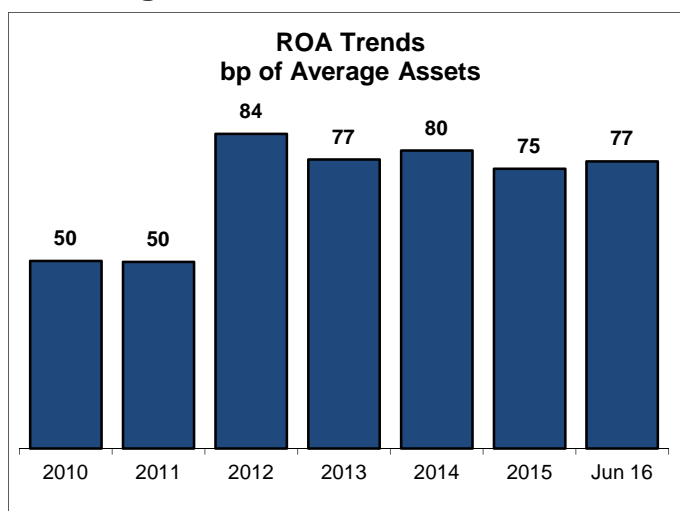
## Credit Risk Trends



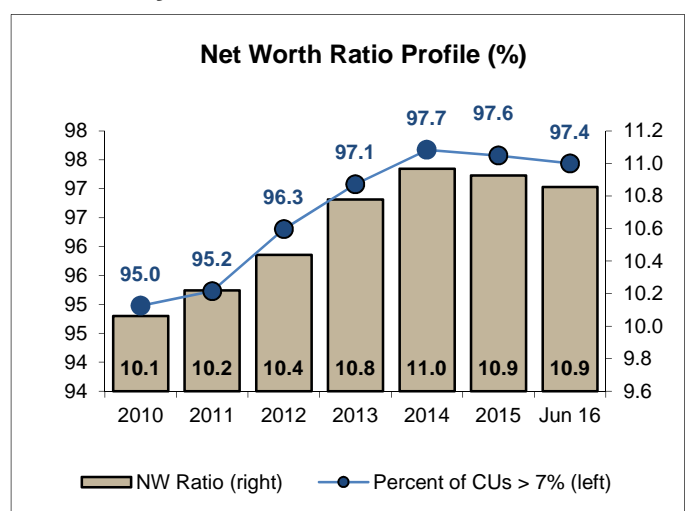
## Interest Rate Risk Trends



## Earnings Trends



## Solvency Trends

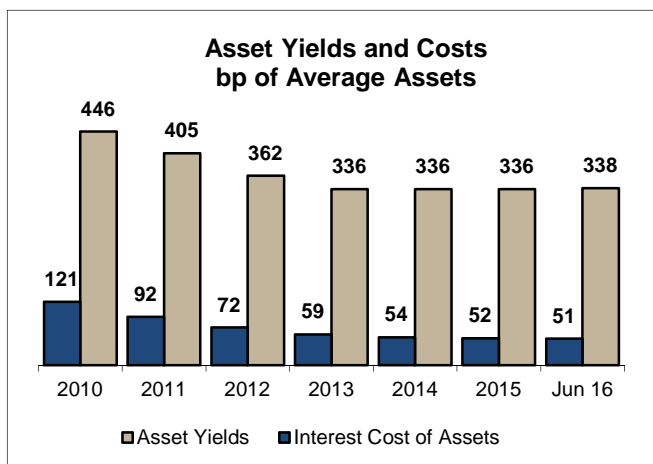




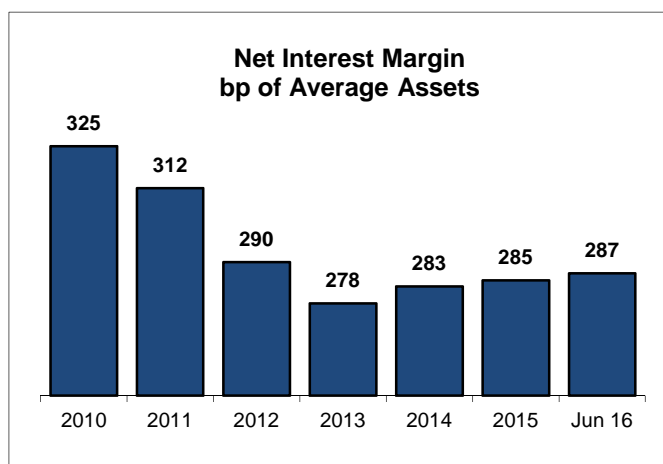
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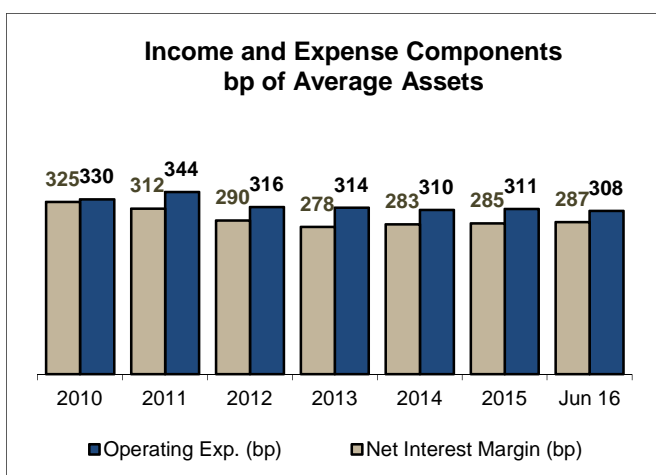
## Asset Yields and Funding Costs



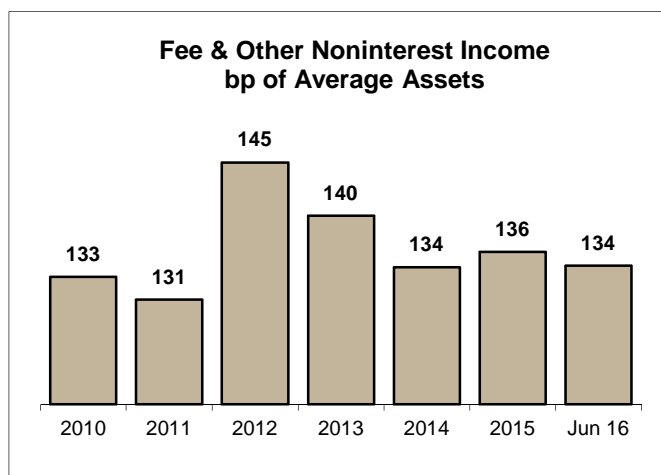
## Interest Margins



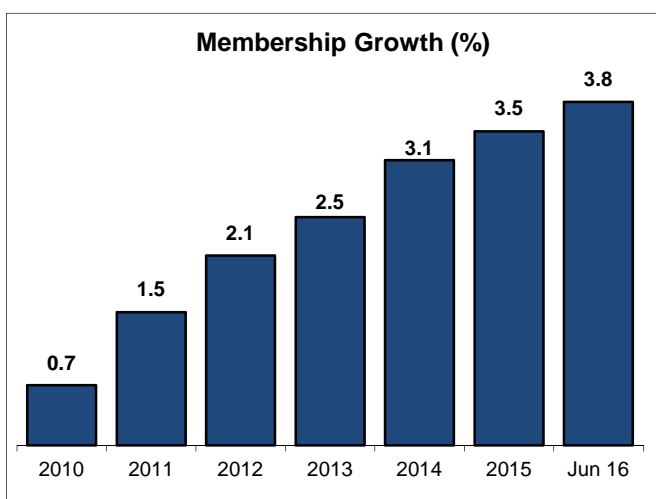
## Interest Margins & Overhead



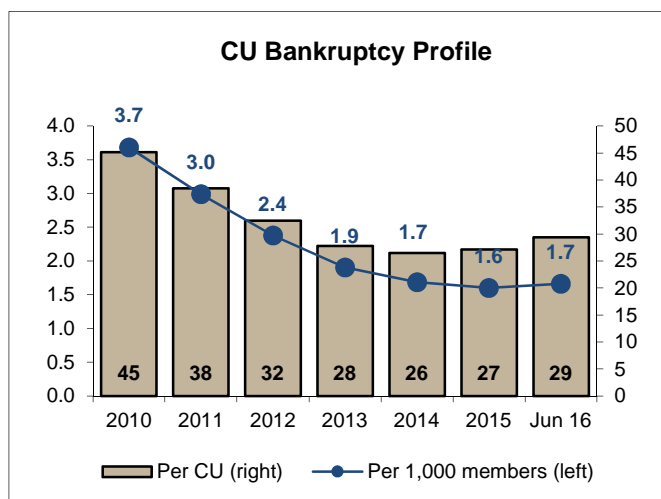
## Noninterest Income



## Membership Growth Trends



## Borrower Bankruptcies



### Overview: National Results by Asset Size

	U.S.	All U.S. Credit Unions Asset Groups - 2016						
Demographic Information	Jun 16	< \$20Mil	\$20-\$50	\$50-\$100	\$100-\$250	\$250-\$500	\$500-\$1B	> \$1 Bil
Number of CUs	6,009	2,569	1,124	741	733	338	236	268
Assets per CU (\$ mil)	211.4	7.4	32.3	71.3	158.3	357.0	700.7	2,835.9
Median assets (\$ mil)	28.2	6.2	30.9	69.8	149.5	346.5	678.7	1,690.9
Total assets (\$ bil)	1,270	19	36	53	116	121	165	760
Total loans (\$ bil)	838	9	18	29	71	78	112	520
Total surplus funds (\$ bil)	378	10	17	21	39	36	45	210
Total savings (\$ bil)	1,073	163	32	46	102	104	142	631
Total memberships (thousands)	106,150	3,144	4,425	5,938	11,824	11,395	14,123	55,302
<b>Growth Rates (%)</b>								
Total assets	7.4	1.7	3.3	4.2	5.5	6.4	7.7	9.4
Total loans	10.5	2.8	4.3	6.2	7.4	9.8	11.4	12.3
Total surplus funds	0.6	0.7	2.1	1.2	1.7	-0.3	-0.9	2.2
Total savings	7.3	1.8	3.4	4.2	5.5	6.2	7.4	9.5
Total memberships	3.8	-1.2	-0.4	1.0	2.1	2.7	4.6	6.6
% CUs with increasing assets	73.6	56.7	77.6	82.9	90.7	95.3	96.6	98.9
<b>Earnings - Basis Pts.</b>								
Yield on total assets	338	342	325	337	340	342	340	337
Dividend/interest cost of assets	51	30	28	31	35	40	41	60
Net interest margin	287	312	297	306	306	302	298	277
Fee & other income *	134	82	106	128	139	148	146	132
Operating expense	308	353	348	367	366	360	347	275
Loss Provisions	36	20	24	24	28	33	35	40
Net Income (ROA) with Stab Exp	77	20	31	43	51	57	63	93
Net Income (ROA) without Stab Exp	77	20	31	43	51	57	63	93
% CUs with positive ROA	79.0	66.5	80.6	86.6	92.2	94.7	97.0	99.6
<b>Capital Adequacy (%)</b>								
Net worth/assets	10.9	13.9	12.1	11.4	10.8	11.0	10.9	10.7
% CUs with NW > 7% of assets	97.4	96.8	96.0	98.7	98.6	99.4	98.7	99.6
<b>Asset Quality</b>								
Delinquencies (60+ day \$)/loans (%)	0.75	1.43	1.14	0.97	0.86	0.79	0.70	0.70
Net chargeoffs/average loans (%)	0.51	0.48	0.48	0.48	0.44	0.48	0.44	0.54
Total borrower-bankruptcies	176,484	4,284	6,152	9,376	21,086	20,384	25,666	89,536
Bankruptcies per CU	29.4	1.7	5.5	12.7	28.8	60.3	108.8	334.1
Bankruptcies per 1000 members	1.7	1.4	1.4	1.6	1.8	1.8	1.8	1.6
<b>Asset/Liability Management (%)</b>								
Loans/savings	78.1	55.7	57.6	63.1	70.0	74.8	79.2	82.4
Loans/assets	66.0	47.7	50.4	55.2	61.4	64.6	67.9	68.4
Net Long-term assets/assets	32.3	14.3	21.9	26.3	29.8	33.0	34.4	33.5
Liquid assets/assets	14.0	27.7	22.9	19.3	16.6	13.7	12.5	12.9
Core deposits/shares & borrowings	49.2	77.6	67.3	61.7	57.0	54.2	51.2	44.1
<b>Productivity</b>								
Members/potential members (%)	4	6	4	4	4	4	4	5
Borrowers/members (%)	56	41	46	51	51	54	56	60
Members/FTE	383	424	407	371	347	345	340	412
Average shares/member (\$)	10,106	5,193	7,175	7,793	8,607	9,155	10,040	11,401
Average loan balance (\$)	14,024	7,097	9,069	9,603	11,825	12,782	14,274	15,554
Employees per million in assets	0.22	0.39	0.30	0.30	0.29	0.27	0.25	0.18
<b>Structure (%)</b>								
Fed CUs w/ single-sponsor	12.2	22.5	7.9	3.8	2.7	1.8	3.0	2.2
Fed CUs w/ community charter	17.6	9.0	21.0	27.4	30.6	26.6	18.6	10.4
Other Fed CUs	31.4	35.9	33.0	27.4	23.6	24.0	22.9	31.0
CUs state chartered	38.8	32.6	38.1	41.4	43.1	47.6	55.5	56.3

Earnings, net chargeoffs, and bankruptcies are year-to-date numbers annualized. Due to significant seasonal variation, balance sheet growth rates are for the trailing 12 months. US Totals include only credit unions that are released on the NCUA 5300 Call Report file.

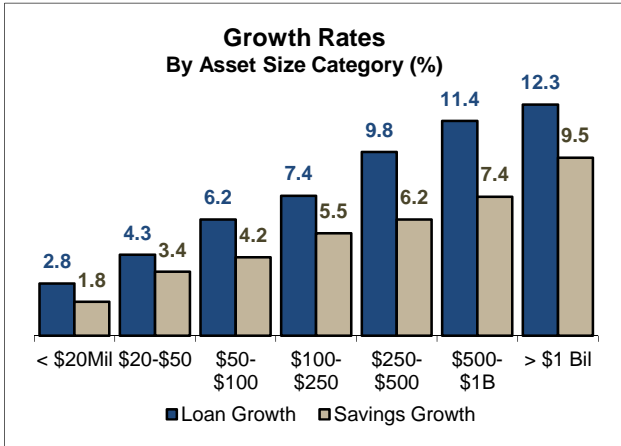
Source: NCUA and CUNA E&S.

# U.S. Credit Union Profile

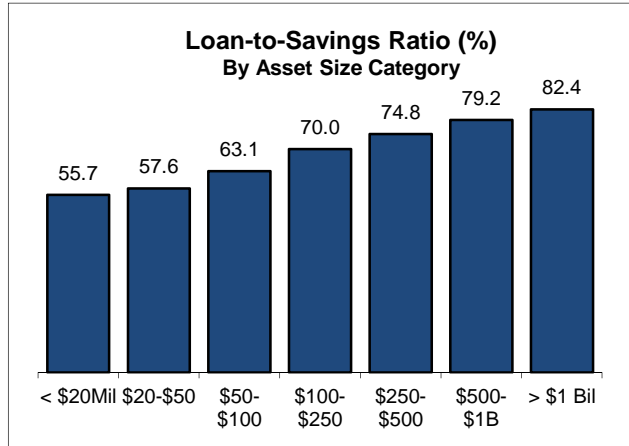
Mid Year 2016

## Results By Asset Size

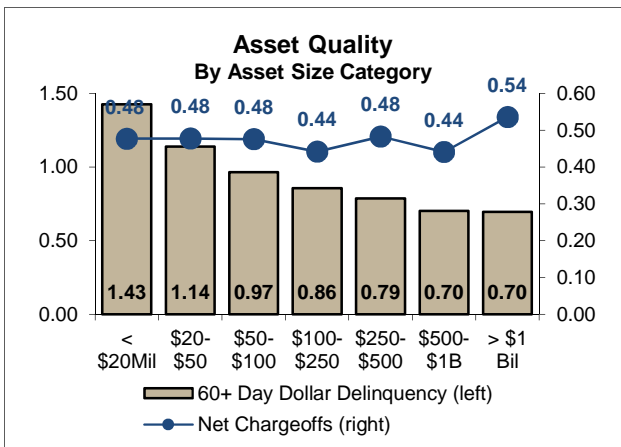
### Loan and Savings growth



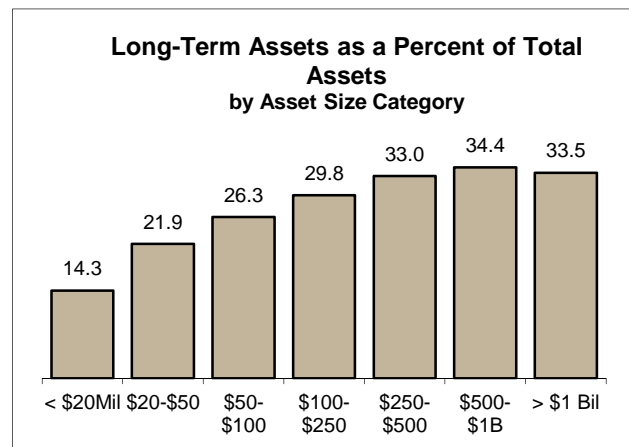
### Liquidity Risk Exposure



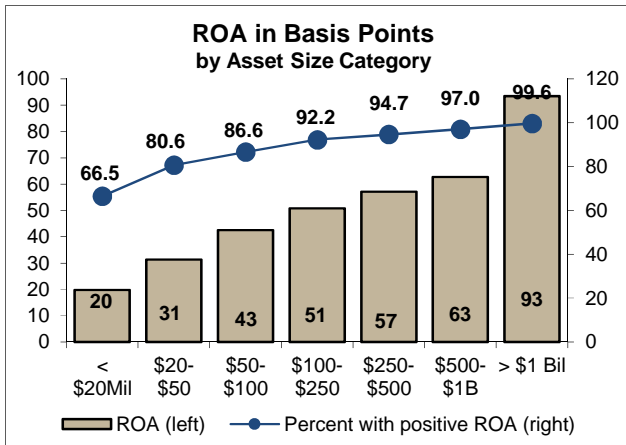
### Credit Risk Exposure



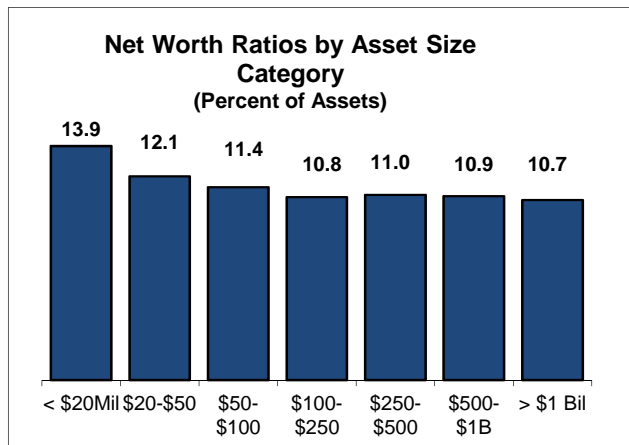
### Interest Rate Risk Exposure



### Earnings



### Solvency



### Portfolio: National Trends

	U.S.	U.S. Credit Unions					
	Jun 16	2015	2014	2013	2012	2011	2010
<b>Growth Rates</b>							
Credit cards	7.1%	6.1%	7.9%	7.7%	5.7%	3.9%	3.1%
Other unsecured loans	8.6%	8.5%	10.0%	9.1%	4.8%	0.4%	-0.3%
New automobile	15.5%	16.0%	20.9%	12.7%	8.6%	-7.4%	-16.5%
Used automobile	13.2%	12.7%	12.9%	10.5%	7.9%	5.1%	3.4%
First mortgage	9.6%	10.3%	9.1%	8.7%	5.9%	4.2%	2.7%
HEL & 2nd Mtg	4.4%	3.5%	1.3%	-4.0%	-8.1%	-7.1%	-6.4%
Member business loans	13.7%	12.4%	12.4%	10.0%	6.5%	5.1%	6.2%
Share drafts	12.7%	14.5%	10.3%	6.6%	10.6%	11.9%	5.9%
Certificates	3.8%	0.4%	-1.3%	-3.2%	-3.1%	-4.5%	-5.6%
IRAs	1.4%	-0.3%	-2.0%	-0.8%	1.8%	1.6%	4.0%
Money market shares	6.6%	5.7%	3.1%	4.5%	7.5%	7.6%	10.7%
Regular shares	8.5%	9.6%	8.0%	8.1%	12.4%	11.0%	10.3%
<b>Portfolio \$ Distribution</b>							
Credit cards/total loans	5.9%	6.2%	6.4%	6.6%	6.5%	6.5%	6.3%
Other unsecured loans/total loans	4.3%	4.4%	4.5%	4.5%	4.4%	4.4%	4.5%
New automobile/total loans	12.9%	12.6%	12.0%	11.0%	10.5%	10.1%	11.0%
Used automobile/total loans	20.9%	20.5%	20.1%	19.6%	19.1%	18.5%	17.8%
First mortgage/total loans	40.6%	40.9%	41.0%	41.5%	41.0%	40.5%	39.4%
HEL & 2nd Mtg/total loans	9.1%	9.4%	10.1%	11.0%	12.3%	14.0%	15.3%
Member business loans/total loans	7.6%	7.5%	7.4%	7.2%	7.1%	7.0%	6.7%
Share drafts/total savings	14.6%	14.8%	13.8%	13.1%	12.7%	12.2%	11.5%
Certificates/total savings	18.5%	18.7%	19.9%	21.0%	22.5%	24.6%	27.1%
IRAs/total savings	7.3%	7.5%	8.1%	8.6%	9.0%	9.4%	9.7%
Money market shares/total savings	22.7%	22.8%	23.0%	23.3%	23.1%	22.8%	22.3%
Regular shares/total savings	35.3%	34.7%	33.8%	32.7%	31.4%	29.6%	28.1%
<b>Percent of CUs Offering</b>							
Credit cards	59.6%	58.8%	57.6%	56.3%	54.9%	53.4%	52.2%
Other unsecured loans	98.5%	98.3%	98.2%	98.2%	98.1%	98.0%	98.0%
New automobile	95.5%	95.3%	95.1%	94.9%	94.7%	94.7%	94.7%
Used automobile	96.6%	96.5%	96.4%	96.2%	96.0%	95.8%	95.7%
First mortgage	66.5%	65.8%	64.9%	63.5%	62.3%	61.1%	60.0%
HEL & 2nd Mtg	69.6%	69.6%	69.4%	68.5%	68.2%	67.7%	67.1%
Member business loans	37.0%	36.8%	35.8%	34.0%	32.6%	31.0%	30.2%
Share drafts	79.0%	78.6%	78.0%	77.1%	76.4%	75.6%	74.9%
Certificates	79.9%	79.6%	79.1%	78.6%	78.3%	77.9%	77.6%
IRAs	67.5%	67.1%	66.7%	66.2%	66.0%	65.5%	65.3%
Money market shares	49.4%	48.8%	48.0%	47.1%	46.1%	45.1%	44.5%
<b>Number of Loans as a Percent of Members in Offering CUs</b>							
Credit cards	18.9%	18.7%	18.4%	17.9%	17.4%	17.1%	17.1%
Other unsecured loans	12.0%	12.2%	12.1%	11.8%	11.3%	10.9%	11.0%
New automobile	5.2%	5.0%	4.6%	4.2%	4.2%	4.4%	5.0%
Used automobile	13.8%	13.5%	13.0%	12.5%	11.9%	11.6%	11.4%
First mortgage	2.4%	2.4%	2.3%	2.2%	2.2%	2.1%	2.0%
HEL & 2nd Mtg	2.1%	2.2%	2.2%	2.3%	2.4%	2.6%	2.8%
Member business loans	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
Share drafts	56.1%	55.7%	54.8%	53.4%	52.2%	50.3%	49.0%
Certificates	8.0%	8.1%	8.8%	9.4%	10.3%	11.2%	12.3%
IRAs	4.7%	4.8%	5.2%	5.4%	5.7%	6.2%	6.1%
Money market shares	7.3%	7.4%	7.6%	7.8%	8.1%	8.7%	8.8%

\* Current period flow statistics are trailing four quarters.

Source: NCUA and CUNA E&S.

### Portfolio Detail: National Results by Asset Size

	U.S.	All U.S. Credit Unions Asset Groups - 2016						
	Jun 16	< \$20 Mil	\$20-\$50	\$50-\$100	\$100-\$250	\$250-\$500	\$500-\$1Bil	> \$1Bil
<b>Growth Rates</b>								
Credit cards	7.1%	0.8%	-0.1%	1.3%	2.5%	4.6%	5.6%	8.9%
Other unsecured loans	8.6%	1.7%	3.1%	5.5%	5.9%	8.7%	11.2%	11.3%
New automobile	15.5%	3.2%	5.5%	10.1%	10.4%	15.6%	17.3%	17.6%
Used automobile	13.2%	4.3%	6.6%	8.5%	10.7%	13.5%	14.4%	15.5%
First mortgage	9.6%	1.5%	2.8%	4.4%	6.2%	7.8%	9.6%	11.2%
HEL & 2nd Mtg	4.4%	-3.1%	0.6%	1.4%	0.2%	4.7%	5.0%	6.3%
Member business loans	13.7%	6.2%	10.9%	10.7%	11.2%	12.4%	12.6%	15.8%
Share drafts	12.7%	7.3%	8.8%	8.4%	9.8%	10.4%	12.1%	16.1%
Certificates	3.8%	-3.4%	-4.9%	-3.0%	-1.0%	1.1%	2.0%	7.0%
IRAs	1.4%	-1.5%	-0.8%	-0.9%	-0.2%	0.7%	1.6%	2.8%
Money market shares	6.6%	0.2%	1.9%	2.4%	3.6%	4.0%	6.5%	8.1%
Regular shares	8.5%	2.2%	5.1%	6.6%	8.1%	8.5%	9.5%	10.7%
<b>Portfolio \$ Distribution</b>								
Credit cards/total loans	5.9%	3.1%	4.4%	4.4%	4.1%	4.9%	4.6%	6.8%
Other unsecured loans/total loans	4.3%	15.7%	8.7%	6.8%	5.2%	4.8%	3.7%	3.7%
New automobile/total loans	12.9%	18.6%	13.3%	11.9%	11.0%	11.7%	12.7%	13.3%
Used automobile/total loans	20.9%	33.9%	29.0%	27.8%	26.0%	24.4%	24.4%	17.9%
First mortgage/total loans	40.6%	12.8%	26.0%	30.2%	34.9%	36.7%	38.0%	44.2%
HEL & 2nd Mtg/total loans	9.1%	6.5%	10.2%	10.2%	10.3%	10.2%	8.9%	8.8%
Member business loans/total loans	7.6%	1.2%	2.6%	4.5%	7.0%	8.4%	10.0%	7.5%
Share drafts/total savings	14.6%	9.3%	13.7%	15.9%	17.2%	18.2%	17.6%	13.1%
Certificates/total savings	18.5%	11.9%	14.2%	15.6%	17.0%	17.3%	18.3%	19.5%
IRAs/total savings	7.3%	3.8%	6.3%	7.0%	7.0%	6.8%	6.8%	7.7%
Money market shares/total savings	22.7%	4.5%	10.2%	13.8%	16.9%	19.1%	21.9%	26.1%
Regular shares/total savings	35.3%	68.3%	53.6%	45.9%	40.1%	36.5%	34.2%	32.0%
<b>Percent of CUs Offering</b>								
Credit cards	59.6%	26.8%	75.9%	85.0%	86.5%	93.5%	90.7%	92.5%
Other unsecured loans	98.5%	96.7%	99.6%	100.0%	100.0%	100.0%	100.0%	100.0%
New automobile	95.5%	89.6%	99.9%	99.9%	99.9%	100.0%	100.0%	99.6%
Used automobile	96.6%	92.3%	99.7%	99.9%	99.7%	100.0%	99.6%	99.6%
First mortgage	66.5%	30.1%	83.8%	95.8%	99.3%	100.0%	100.0%	99.6%
HEL & 2nd Mtg	69.6%	36.4%	87.2%	95.5%	98.4%	99.4%	100.0%	100.0%
Member business loans	37.0%	6.7%	31.8%	52.5%	75.2%	82.8%	91.5%	95.9%
Share drafts	79.0%	52.7%	96.6%	99.2%	99.5%	100.0%	100.0%	99.3%
Certificates	79.9%	57.5%	92.9%	97.3%	98.8%	99.4%	99.2%	98.5%
IRAs	67.5%	33.6%	83.8%	94.2%	98.0%	98.5%	99.6%	99.3%
Money market shares	49.4%	13.9%	55.7%	75.7%	87.2%	91.1%	93.6%	94.4%
<b>Number of Loans as a Percent of Members in Offering CUs</b>								
Credit cards	18.9%	13.2%	13.3%	14.2%	15.0%	16.4%	17.4%	21.5%
Other unsecured loans	12.0%	16.7%	13.2%	12.3%	11.4%	11.5%	11.4%	12.1%
New automobile	5.2%	3.2%	3.1%	3.4%	3.6%	3.9%	4.8%	6.3%
Used automobile	13.8%	10.7%	12.0%	13.0%	14.2%	14.3%	15.3%	13.6%
First mortgage	2.4%	1.4%	1.8%	2.2%	2.4%	2.3%	2.3%	2.5%
HEL & 2nd Mtg	2.1%	1.4%	1.5%	1.6%	2.0%	2.1%	2.1%	2.3%
Member business loans	0.3%	0.6%	0.5%	0.4%	0.4%	0.4%	0.4%	0.2%
Share drafts	56.1%	32.0%	41.3%	46.6%	51.0%	54.5%	57.5%	60.5%
Certificates	8.0%	5.2%	5.7%	6.1%	6.9%	7.1%	7.4%	9.0%
IRAs	4.7%	2.7%	3.2%	3.6%	3.9%	4.1%	4.3%	5.4%
Money market shares	7.3%	4.1%	3.8%	4.3%	4.8%	6.0%	6.5%	8.7%

\* Current period flow statistics are trailing four quarters.

Source: NCUA and CUNA E&S.

# U.S. Credit Union Profile

Mid Year 2016

## U.S. CU Profile - Quarterly Trends

	U.S.	U.S. Credit Unions			
Demographic Information	Jun 16	Mar 16	Dec 15	Sep 15	Jun 15
Number CUs	6,009	6,077	6,142	6,212	6,281
<b>Growth Rates (Quarterly % Change)</b>					
Total loans	3.1	1.7	2.3	3.4	3.4
Credit cards	2.7	-1.9	4.0	2.6	2.6
Other unsecured loans	3.6	-1.1	2.7	3.9	4.0
New automobile	4.3	3.0	3.4	4.4	4.1
Used automobile	3.9	3.1	2.1	3.9	4.0
First mortgage	2.5	1.8	2.2	3.2	3.2
HEL & 2nd Mtg	1.6	0.0	1.4	1.8	1.2
Member business loans	3.4	3.1	3.7	3.4	3.0
Total savings	0.9	3.6	2.5	0.7	0.4
Share drafts	-0.2	3.5	8.9	0.8	-1.5
Certificates	1.3	1.9	0.6	0.3	0.2
IRAs	1.0	0.7	0.0	0.2	0.0
Money market shares	1.2	2.7	1.8	1.1	0.5
Regular shares	0.9	5.5	2.1	0.6	1.2
Total memberships	1.3	1.1	0.7	1.3	1.2
<b>Earnings (Basis Points)</b>					
Yield on total assets	337	338	340	339	333
Dividend/interest cost of assets	51	51	55	51	51
Fee & other income *	138	131	134	138	141
Operating expense	309	308	315	313	310
Loss Provisions	37	35	42	35	30
Net Income (ROA) *	79	75	62	77	82
% CUs with positive ROA *	79	78	79	78	77
<b>Capital Adequacy (%)</b>					
Net worth/assets	10.8	10.8	10.9	11.0	10.9
% CUs with NW > 7% of assets	97.4	97.2	97.6	97.8	97.2
<b>Asset Quality (%)</b>					
Loan delinquency rate - Total loans	0.75	0.71	0.81	0.78	0.74
Total Consumer	0.85	0.81	0.88	0.79	0.70
Credit Cards	0.93	0.94	1.00	0.96	0.85
All Other Consumer	0.84	0.80	0.86	0.77	0.67
Total Mortgages	0.65	0.60	0.75	0.77	0.79
First Mortgages	0.65	0.59	0.75	0.78	0.80
All Other Mortgages	0.66	0.65	0.73	0.73	0.75
Total MBLs	1.45	1.41	1.11	1.15	0.09
Ag MBLs	1.05	1.05	0.74	0.88	0.90
All Other MBLs	1.47	1.43	1.13	1.16	0.05
Net chargeoffs/average loans	0.50	0.52	0.54	0.46	0.46
Total Consumer	0.94	0.99	1.00	0.85	0.85
Credit Cards	2.19	2.20	2.25	1.88	1.99
All Other Consumer	0.77	0.82	0.83	0.71	0.68
Total Mortgages	0.06	0.06	0.09	0.08	0.09
First Mortgages	0.05	0.05	0.08	0.07	0.07
All Other Mortgages	0.08	0.11	0.14	0.14	0.17
Total MBLs	0.47	0.19	0.55	0.37	0.00
Ag MBLs	0.03	0.00	0.03	0.01	0.00
All Other MBLs	0.60	0.24	0.67	0.45	0.00
<b>Asset/Liability Management</b>					
Loans/savings	77.7	76.0	77.4	77.5	75.4

Earnings & net chargeoffs are annualized quarterly results not seasonally adjusted. Growth rates are not annualized. Delinquency rates are 60+ day dollar delinquencies. Net chargeoffs are dollar chargeoffs net of recoveries. Totals include only credit unions that are released on the NCUA 5300 Call Report file.

Source: NCUA and CUNA E&S.