

## Press Release *about Credit Unions*

For Immediate Release: Wednesday, November 18, 2009

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# First Look at 3Q Data: Trends Show Credit Unions Continue to Assist in the Economic Recovery

**WASHINGTON, D.C.** (Nov. 18, 2009) – Providing the industry’s first glance at third-quarter credit union data, Callahan and Associates has released its FirstLook Report, an analysis of aggregated 5300 call reports representing 99 percent of credit unions. And although declining credit availability at the largest lenders continues to make headlines in 2009, the credit union system is originating near-record loan volumes in the face of this contraction.

Through September, the 7,631 FirstLook credit unions saw their year-to-date loan originations increase 4.3 percent annually. This growth comes as credit unions remain a viable source of credit during a three-month period in which the Federal Reserve Board’s Senior Loan Officer Opinion Survey shows 24.1 percent of banks tightening their mortgage lending standards and more than 15 percent of banks tightening their credit card lending and consumer lending.

“Credit unions are supporting the communities they serve by providing credit for homes, cars, and education,” said Jay Johnson, executive vice president at Callahan & Associates. “These local efforts are translating to industry market share numbers that are at all-time highs.”

Third quarter trends noted in the FirstLook program also include:

- As of September, the 7,631 credit unions that make up the FirstLook group reported outstanding loan balances of \$576.0 billion. This represents an increase of 1.2 percent from the balances these same credit unions reported in June. This balance-sheet growth comes even as credit unions continue to expand their presence in the secondary market.
- This increased availability of credit has driven an increase in membership at the nation’s credit unions over the past year. As of September, these FirstLook credit unions now serve over 90 million members.
- As membership totals have increased, credit unions have also seen an increase in their deposit volume as these new members develop relationships with their credit unions on both sides of the balance sheet. Share balances were up an impressive 8.8 percent through September, a record high for this group of credit unions, and up three percentage points from the growth rate the industry reported in the previous September.
- Even as credit unions continue to originate loans to a growing membership base, they have maintained solid levels of asset quality. Through September, credit unions reported a delinquency rate of 1.69 percent. While this does represent a 10 bp increase from June, it also marks a slowdown from the

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average increase in delinquency over the past four quarters. Additionally, credit unions have also seen their charge-off levels remain practically unchanged over the past quarter, increasing only 2 bp from industry trends reported in June.

The FirstLook program invites credit unions to submit their 5300 call reports in advance of the official data release. The program currently has data for credit unions representing more than 99% of the industry's June asset totals, allowing for the most complete pre-release data analysis available.

"Credit unions remain the best capitalized financial institutions," said Johnson. "With stabilizing asset quality, and over \$250 billion of funds to lend, the industry can continue to play an important role in the economic recovery."

Over the past decade, hundreds of leading credit unions have relied on Callahan & Associates' FirstLook program to get a jump on their quarterly performance analysis. FirstLook data is available each quarter, weeks in advance of the official release from the NCUA. Industry trend data is available as a complimentary service to all credit unions by visiting the FirstLook page on CreditUnions.com (<http://www.creditunions.com/Data/firstlook/firstlook.aspx>). Credit unions with access to Callahan's Peer to Peer and CUAnalyzer.com software solutions can use the data to get a jump start on their 3Q performance analysis, including the ability to conduct performance comparisons using fully customizable peer groups.

	<b>September 2009 FirstLook Trends</b>
12-mo Loan Origination Growth	4.3%
Net Worth/Assets	10.1%
Delinquency Ratio	1.69%
Net Interest Margin	3.21%
Annualized YTD ROA	0.27%
Annualized YTD ROA prior to NCUSIF Expense	0.72%

For questions about the FirstLook program, or to receive access to the data, please contact Nick Connors at (202) 223-3920 x747 or email [nconnors@creditunions.com](mailto:nconnors@creditunions.com).

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*Callahan & Associates is a Washington, DC-based credit union firm specializing in financial publications, software development, strategic planning, and investment management for credit unions.*