CREDIT UNION TRENDS REPORT

CUNA Mutual Group – Economics ● April 2017 (February 2017 Data)

Highlights

- During February, credit unions picked-up 538,000 in new memberships, loan and savings balances grew at a 12.8% and 8.4% seasonally-adjusted annualized pace, respectively. Firms hired 235,000 workers, nominal consumer spending increased 0.1%, and long-term interest rates decreased 1 basis point. Real GDP growth is expected to accelerate to 2.3% in 2017, faster than the 1.6% pace reported in 2016.

- At the end of February, CUNA's monthly estimates reported 5,977 CUs in operation, 9 fewer than one month earlier. Year-over-year, the number of credit unions declined by 242, more than the 241 lost in the 12 months ending in February 2016.

- Total credit union assets rose 1.9% in February, above the 1.4% gain reported in February of 2016. Assets rose 7.9% during the past year due to a 7.5% increase in deposits, a 28% increase in borrowings, and a 5.7% increase in capital.

- The nation's credit unions increased their loan portfolios by 0.5% in February, faster than the 0.1% pace reported in February 2016. Loan balances are up 11.5% during the last 12 months. With loan balances growing faster than savings, credit union liquidity is tightening up as the credit union average loan-to-savings ratio reached 79.5%, up from 76.7% in February 2016.

- Credit union memberships rose 0.49% in February, up from the 0.33% gain reported in February 2016. Memberships are up 4.3% during the past year due to robust demand for credit, solid job growth and comparatively lower fees and loan interest rates.

- Credit union loan delinquency rates rose to 0.84% in February, above the long-run "natural rate" average of 0.75%. Expect the rate to fall in March due to tax refunds and bonuses allowing some members to catch-up on late loan payments.

ECONOMIC, COMPETITIVE AND INTEREST RATE ENVIRONMENT

During February, the economy added 235,000 jobs, the unemployment rate fell to 4.7%, personal income rose 0.4%, personal spending rose 0.1%, consumer prices rose 0.1%, consumer confidence rose, new home sales rose 6.1%, existing home sales fell 3.7%, auto sales were unchanged, home prices rose 0.8%, and the 10-year Treasury rate decreased 1 basis points to average 2.42%.

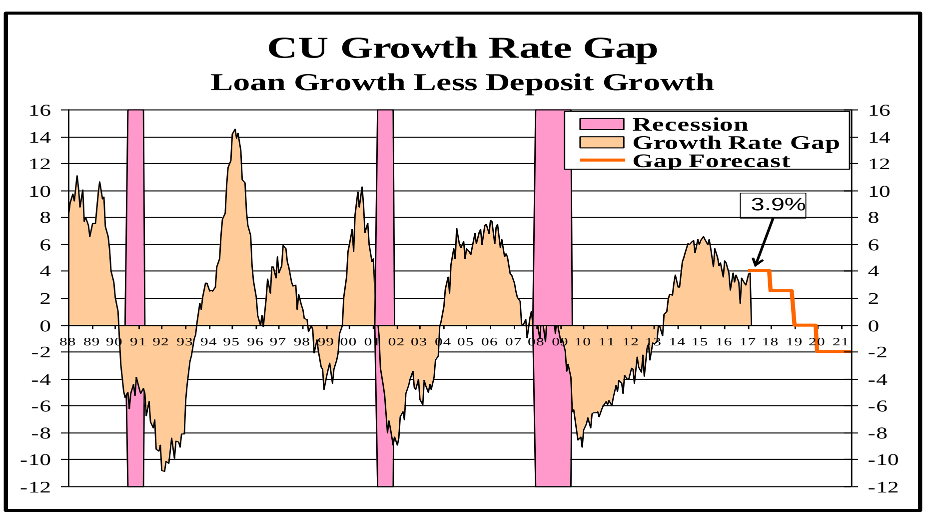
Our latest economic forecasts have 2017 economic growth at 2.3% and 2018 at 2.5%. Inflation in 2017-2018 will rise above the Fed's official target of 2% due to rising oil prices and rising wages. The unemployment rate will decline to 4.3% by year-end 2018. Interest rate normalization will continue as the Fed Funds interest rate and the 10-year Treasury rate approach 3% and 4%, respectively, by 2020.

Total Credit Union Lending

Credit union loan balances rose 0.5% in February, faster than the 0.1% pace reported in February 2016, and 11.5% during the last 12 months. This was the fastest year-over-year pace since October 2000. February is historically the weakest loan growth month of the year, with seasonal factors typically shaving-off -0.59 percentage points from the underlying trend growth rate. Loan growth is expected to be 10% in 2017, slightly less than the 10.5% reported in 2016.

Credit unions are still riding high on the boom portion of the short run credit cycle, as measured by the difference between the annual growth rates of loans (11.5%) and deposits (7.6%), **(Figure 1)**. Credit growth drives short run economic activity as borrowing pulls income from the future to allow increased spending in the present. But when the future comes, consumption spending will have to fall below income to facilitate the paying down of the debt accumulated in the past. Lower spending leads to slower economic growth if not an outright recession as illustrated by the bars in Figure 1. Deposit growth will then exceed loan growth and the growth rate gap turns negative. Historically, a growth rate gap of 0% or less is correlated with a recession. The loan-less-deposit growth rate gap is expected to remain positive through 2018 and then turn negative in 2019 and 2010, marking the onset of the next recession in 2019.

Figure 1:

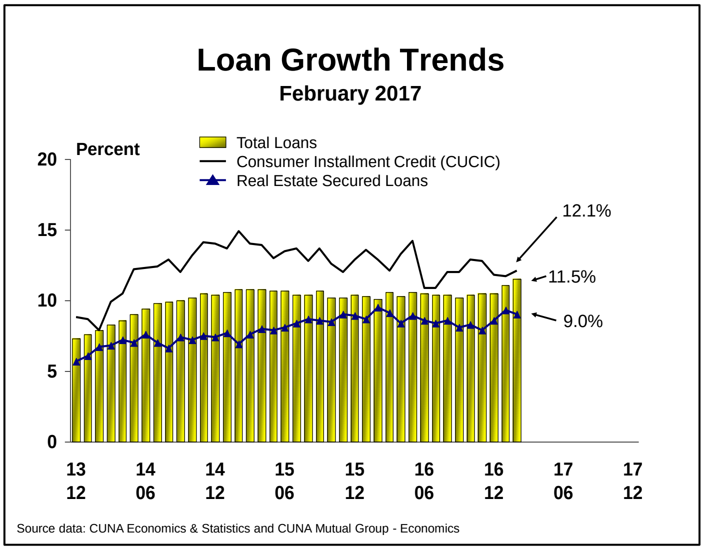


CUNA MUTUAL GROUP

Credit Union Consumer Installment Credit (CUCIC)

Credit union consumer installment credit balances (auto, credit card and other unsecured loans) rose 0.9% in February, better than the 0.5% pace set in February 2016, due to strong auto lending off-setting falling credit card balances. February's credit card loan seasonal factors typically shave-off 1.95 percentage points from the underlying trend growth as members use tax refunds and bonuses to pay down outstanding credit card balances. Credit union consumer installment credit grew 12.1% during the last year, better than the total market excluding credit unions **(Figure 2 & 3)**.

Figure 2:



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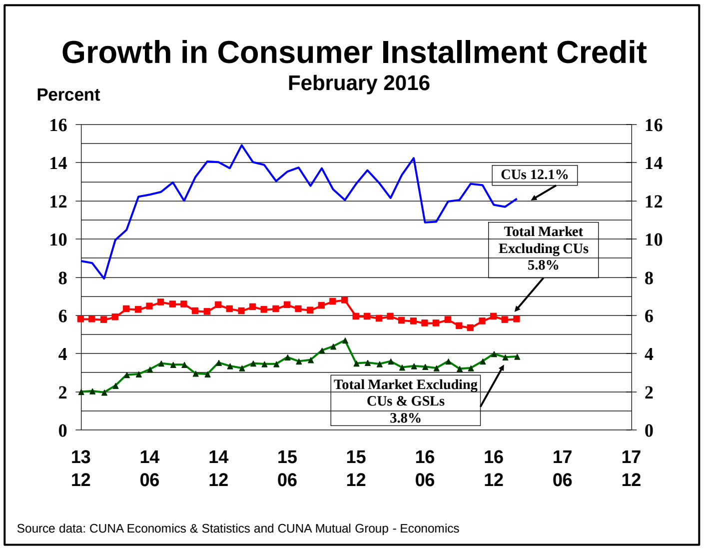
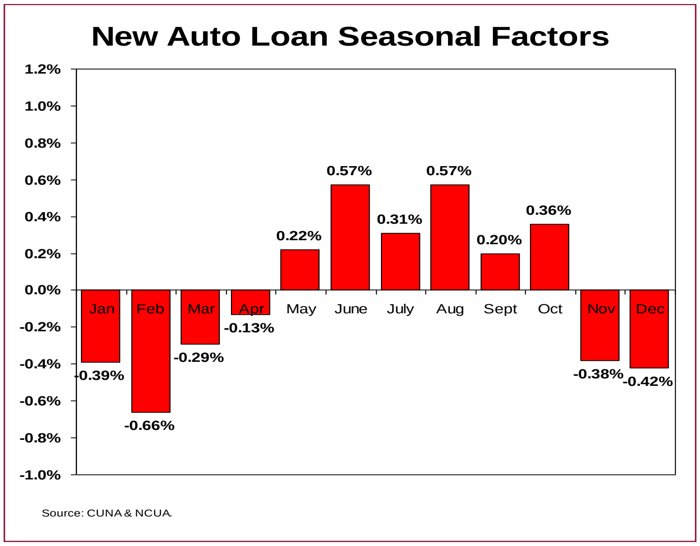


Vehicle Loans

Credit union new auto loan balances rose 1% in February despite the fact that February is historically the weakest new-auto loan growth month of the year, with seasonal factors typically shaving -0.66 percentage points from the underlying trend growth rate **(Figure 4)**. On a seasonally-adjusted annualized growth rate basis, new auto loan balances rose 21.6% in February – a reversal of the recent growth slowdown **(Figure 5)**. Strong consumer fundamentals are driving auto loan growth: an improving labor market, low oil prices, faster wage growth, low interest rates, expanding driving-age population, improving construction activity, and better household balance sheets.

Figure 4:



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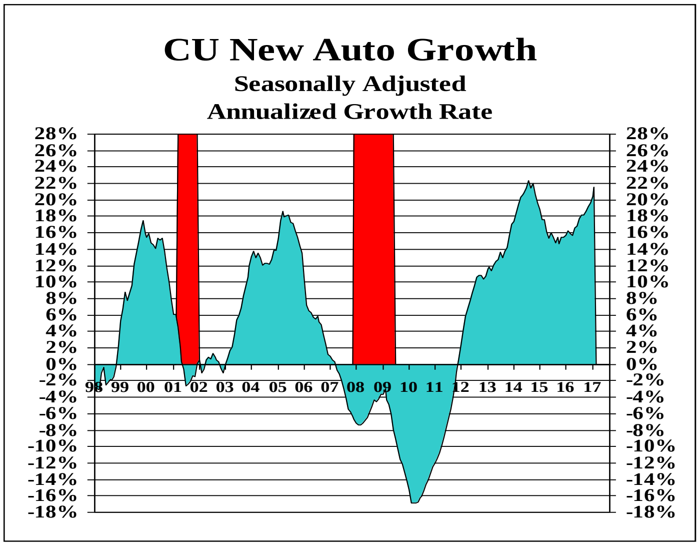


Vehicle sales in February were 17.6 million, at a seasonally-adjusted annualized sales rate, the exact same pace set one year earlier**.** Expect auto sales to exceed 17.75 million in 2017, 1.2% more than the 17.5 million sales pace set in 2016 due to improving household financial health. Factors supporting vehicle sales include: increasing household formations, the suburbanization of millennials, low gas prices, ample access to credit, low debt burdens, strong job growth, the release of pent-up demand, and growing hourly earnings. The aging of the baby boomer generation will create a vehicle sales headwind over the next 10 years as older drivers reduce their vehicle needs.

Real Estate Secured Lending – 1st Mortgages and Other Real Estate

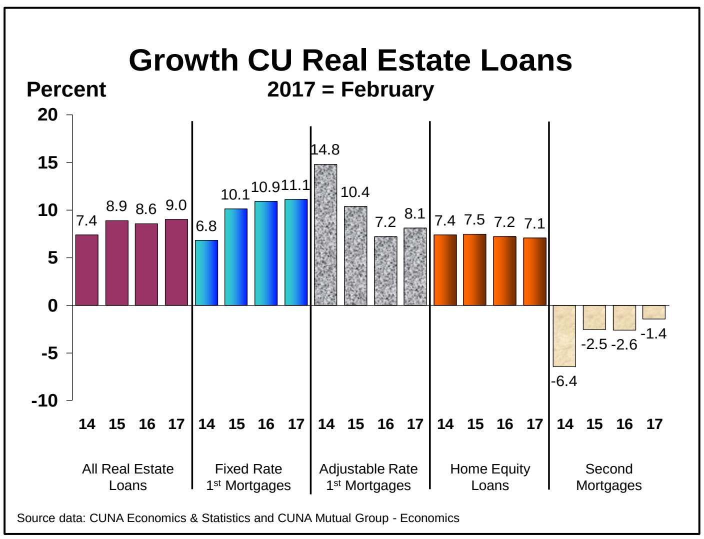
Credit union fixed-rate first mortgage loan balances fell 0.1% in February, below the 0.6% gain reported in February 2016, due to rising mortgage interest rates reducing demand for the most interest-rate sensitive loan product. Fixed-rate first mortgage balances are up 11.1% **(Figure 6)** over the last year while adjustable-rate mortgages grew even slower at 8.1%. Home equity loan balances are also growing as members tap into rising home equity due to rising home prices to release some of their pent-up demand for cars, appliances and furniture that built-up over the last few years.

The contract interest rate on a 30-year fixed-rate conventional home mortgage rose to 4.17% in February, from 4.15% in January, and greater than the 3.66% reported in February 2016. This will reduce refinance mortgage lending in 2017.The increase in mortgage rates is due to the 10-year Treasury interest rate rising from 1.78% in February 2016 to 2.42% in February 2017. Interest rates are moving higher because of the Federal Reserve accelerating their interest rate hikes, the Fed signaling that they will be shrinking their balance sheet, and the economy moving closer and closer to full capacity. Forces keeping interest rates below their long run equilibrium level of 4% are the European Central Bank and Bank of Japan printing money, significant buying of U.S. Treasuries among U.S. corporations, and uncertainty about North Korea.

Home prices rose 0.8% in February from January, according to the Core Logic Home Price Index, and 6.9% year-over-year. Home prices are at their highest level since August 2007, the date economists use to mark the beginning of the mortgage and housing market crisis, which led to the Great Recession. Home prices are reaching new highs in states from every region of the country as rising home demand is colliding with limited homes for sale.

Expect home prices to rise 5-6% in 2017 as the economy adds another 2.1 million jobs and young adults release some of their pent-up demand for housing. Low gas prices are also allowing potential homeowners the ability to increase their pace of savings accumulation for a home down payment. Furthermore, rising rents are tilting the rent-versus-buy calculation more and more in favor of purchasing.

Figure 6:



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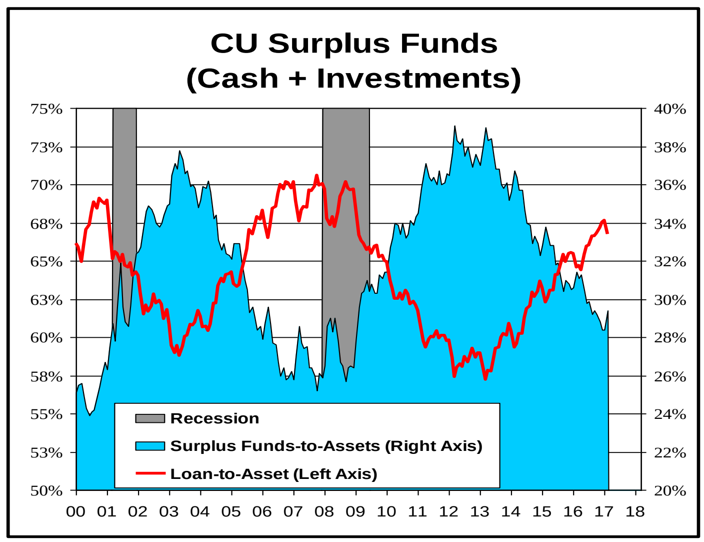


Surplus Funds (Cash + Investments)

Surplus funds rose to 29.4% of assets in February from 28.4% in January due to a surge in savings deposits. However, the ratio is down two percentage points from the 31.4% reported in February 2016 due to loan growth exceeding deposit growth over the last year (11.5% versus 7.5%) **(Figure 7)**. Credit unions added $3.3 billion to their liquidity position during the last 12 months as well as fund a record $92.8 billion jump in loan balances. The funding for the investment and loan increase came from a $79.3 billion increase in deposits, a $14.3 billion increase in borrowings and a $7.6 billion jump in capital. With loan balances expected to grow another 10% this year ($89 billion), expect surplus funds as a percent of assets to fall below 26% by year end, the lowest relative liquidity position since September 2008, the month the investment bank Lehman Brothers failed on Wall Street.

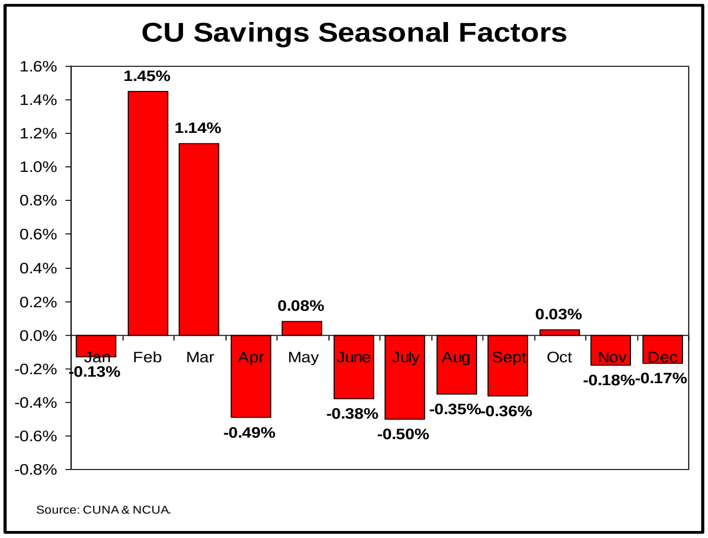
With the Federal Reserve expected to raise short-term interest rates to 1.5% by the end of 2017, and expectations of strong loan demand, credit unions are holding more short-term investments and less long-term. Currently 50.2% of surplus funds have a maturity of less than 1 year, up from 48.7% from last year. Moreover, the yield curve flattened in February (the difference between the 3-year Treasury and the Fed Funds interest rate) to 81 basis points due to the Fed raising short-term interest rates in December and capital inflows from the rest of world. A flatter yield curve encourages credit unions to buy short-term investments rather than longer term.

Savings and Assets

Credit union savings balances surged 2.3% in February, slightly above the 2.1% gain reported in February 2016, due to the seasonal factors of tax refunds and bonuses being deposited in credit union members' share draft and regular share accounts, which increased 5.9% and 2.9%, respectively. February's seasonal factors typically add 1.45 percentage points to the underlying savings trend growth, the biggest of the year **(Figure 8)**.

Credit union savings balances grew at an 8.4% seasonally-adjusted annualized growth rate in February, due mainly to low gas prices putting more money in members' pockets **(Figure 9)**. Recent increases in gas prices and members increasing their spending will slow the savings growth rate trend for the remainder of the year. We forecast credit union savings balances to grow 5.5% in 2017, below the 7.6% reported in 2016.

Figure 8:



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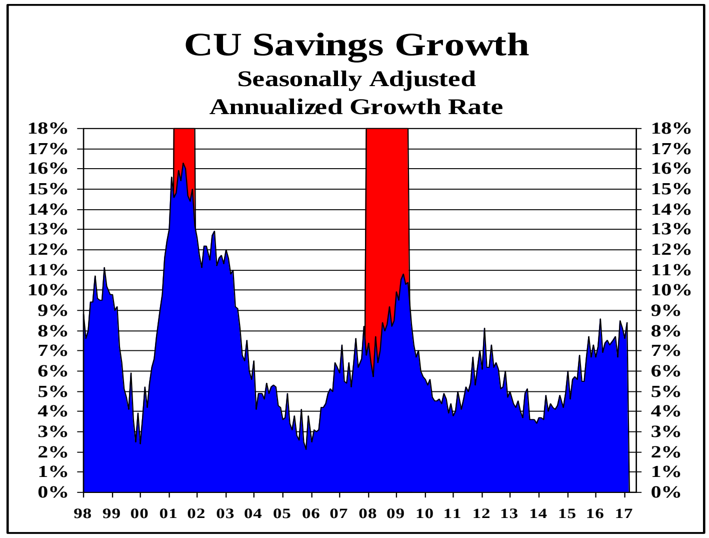


Capital and Other Key Measures

The credit union industry's average loan net charge-off rate rose to 0.60% in the fourth quarter, up from the 0.54% reported in the fourth quarter of 2015, and is above its "natural" long-run rate of 0.5%. In other words, 50 cents of every $100 dollars of credit union loans are normally charged-off each year. Rapid loan growth over the last 3 years has allowed enough time for these new loans to "season," which is now increasing loan delinquency and charge-off rates as some consumers experience credit deterioration. The charge-off rate typically exhibits a quarterly seasonal pattern whereby the loan charge-off rate rises 0.05% in the fourth quarter and then declines during the next three quarters **(Figure 10)**.

The credit union loan delinquency rate (loans two or more months delinquent as a percent of total loans outstanding) rose to 0.84% in February from 0.76% reported one year earlier. 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), not due to the business cycle. The loan delinquency rate exhibits an annual seasonal pattern whereby the rate drops on average 0.04-0.06 percentage points in February and again in March as members use tax refunds and bonuses to catch-up on late loan payments. Delinquency rates therefore typically reach their nadir in the first quarter, and then slowly rise as the year progresses, reaching their apex late in the fourth quarter **(Figure 11)**.

Figure 10:

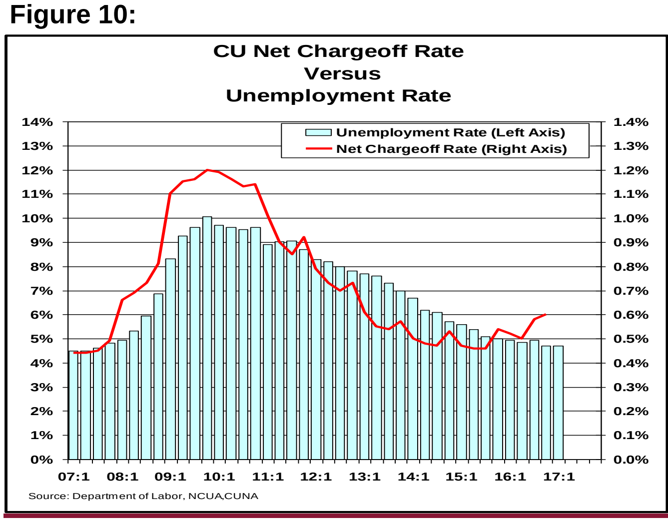
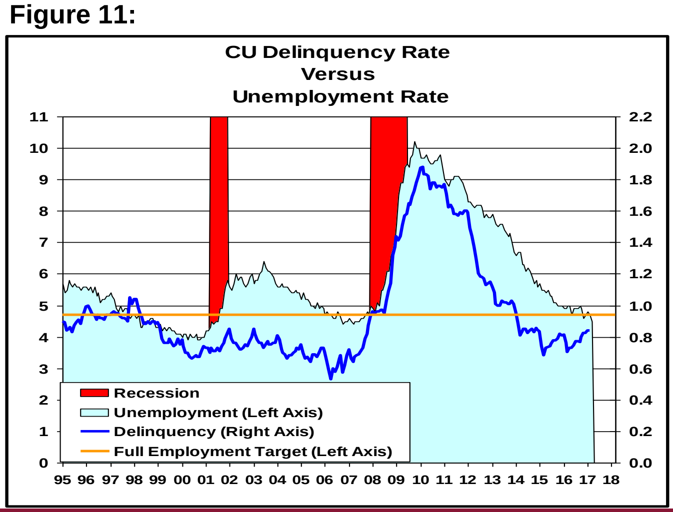


Figure 11:



Credit Unions and Members

As of February 2017, CUNA estimates 5,977 credit unions are in operation, down 242 from February 2016 **(Figure 12)**. The pace of consolidation in the credit union system is accelerating due to the following factors: retiring baby boomer CEOs, rising regulatory/compliance burdens, 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.

NCUA's Insurance Report of Activity showed 15 mergers – 10 mergers were due to "expanded services," 2 for "poor financial conditions," 2 due to "declining field of membership," and one for "inability to find officials" – were approved in February with a merging credit union average asset size of $10 million. This is the same number mergers reported in February 2015 with a merging credit union average asset size of $37 million. We are forecasting the number of credit unions will decline 250 in 2017 **(Figure 13)**.

Figure 12:

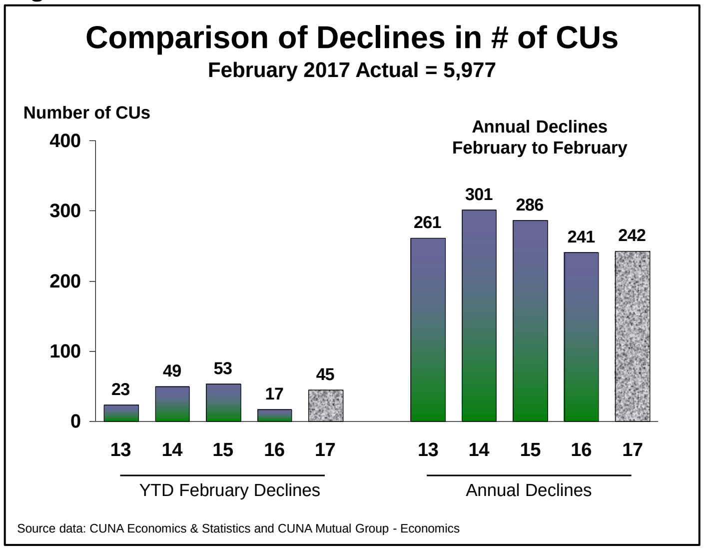
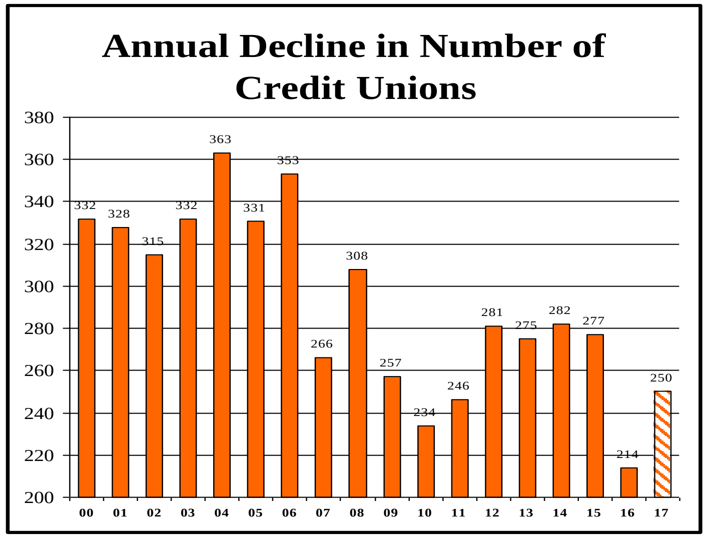


Figure 13:



Credit union membership growth was on a tear during the first two months of 2017, adding 870,000 new memberships versus the 550,000 reported in the first two months of 2016 **(left-most bars in Figure 14)**. In percentage terms, credit union memberships rose 0.49% in February, 0.80% year-to-date, and 4.3% during the last 12 months. Credit unions should expect membership growth to exceed 3.5% in 2017. This will push the total number of credit union memberships to 113.5 million by year end, which is equal to 33% of the total U.S. population.

The membership gain was partly driven by the 473,000 new jobs created during January and February, according to the Bureau of Labor Statistics, and by the tremendous growth in credit union auto lending. During the last few years credit union membership growth has been highly correlated with job creation **(Figure 15)**. With job growth expected to slow slightly in 2017 to 2.1 million, we forecast credit unions to pick-up an additional 3.80 million members.

Figure 14:

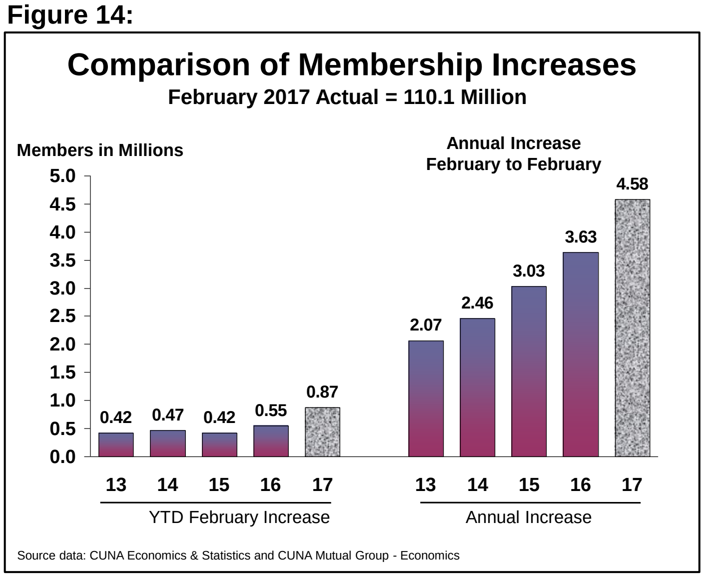
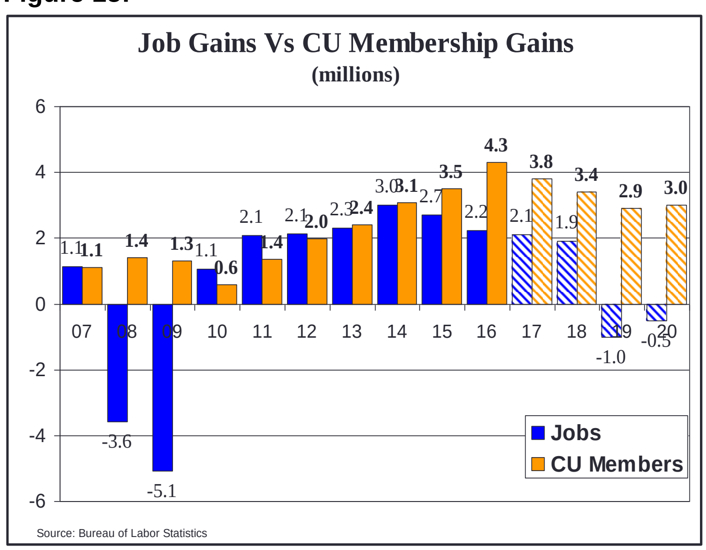


Figure 15:



National Monthly Credit Union Aggregates

	|----------------- ($ Billions) --------------------|				(Millions)	CREDIT	LOAN /	CAPITAL/ ASSET
YR/MO	LOANS	ASSETS	SAVINGS	CAPITAL	MEMBERS	UNIONS	SAVINGS	RATIO
15 02	734.6	1,179.7	999.5	124.9	101.9	6,460	73.5	10.6
15 03	739.4	1,181.6	1,004.5	126.3	102.2	6,447	73.6	10.7
15 04	746.7	1,184.3	1,003.3	126.9	102.5	6,432	74.4	10.7
15 05	753.7	1,195.2	1,007.8	127.5	102.9	6,417	74.8	10.7
15 06	763.5	1,191.2	1,006.8	127.8	103.3	6,397	75.8	10.7
15 07	771.0	1,203.3	1,016.7	128.7	103.5	6,359	75.8	10.7
15 08	779.5	1,201.2	1,010.7	129.3	103.9	6,358	77.1	10.8
15 09	787.5	1,203.4	1,012.3	130.5	104.4	6,329	77.8	10.8
15 10	791.7	1,218.7	1,027.1	131.2	104.6	6,264	77.1	10.8
15 11	797.4	1,217.8	1,024.0	131.2	104.8	6,275	77.9	10.8
15 12	804.9	1,227.8	1,036.3	130.9	105.0	6,236	77.7	10.7
16 01	808.5	1,234.8	1,033.3	132.7	105.2	6,230	78.2	10.7
16 02	809.2	1,252.6	1,054.8	133.9	105.5	6,219	76.7	10.7
16 03	817.9	1,264.6	1,071.8	134.6	106.0	6,195	76.3	10.6
16 04	823.9	1,278.8	1,080.9	135.5	106.4	6,135	76.2	10.6
16 05	833.3	1,273.3	1,074.6	136.0	106.8	6,133	77.5	10.7
16 06	843.5	1,278.8	1,079.9	137.7	107.1	6,126	78.1	10.8
16 07	851.4	1,289.3	1,084.9	138.5	107.6	6,124	78.5	10.7
16 08	860.7	1,291.5	1,083.6	138.8	108.1	6,101	79.4	10.8
16 09	867.7	1,301.8	1,099.1	139.9	108.5	6,082	78.9	10.7
16 10	874.1	1,307.9	1,098.4	140.2	108.6	6,072	79.6	10.7
16 11	881.2	1,311.8	1,100.1	139.6	108.9	6,054	80.1	10.6
16 12	889.5	1,317.7	1,114.4	139.4	109.2	6,022	79.8	10.6
17 01	897.9	1,327.0	1,108.8	140.7	109.6	5,986	81.0	10.6
17 02	901.9	1,351.7	1,134.1	141.5	110.1	5,977	79.5	10.5

Credit Union Growth Rates

Percent Change Previous Year

YR/MO	LOANS	ASSETS	SAVINGS	CAPITAL	MEMBERS	# OF CUs	# OF CUs DECLINE	Delinquency Ratio*
15 02	10.8	5.6	4.2	7.9	3.1	(4.2)	(286)	0.738%
15 03	10.8	5.5	4.3	8.7	3.0	(4.3)	(288)	0.683%
15 04	10.8	5.9	4.8	8.2	3.0	(4.0)	(267)	0.728%
15 05	10.7	5.7	4.3	7.2	3.1	(3.9)	(260)	0.737%
15 06	10.7	5.8	4.9	6.9	3.2	(4.1)	(274)	0.740%
15 07	10.4	6.6	6.1	7.3	3.2	(4.5)	(299)	0.757%
15 08	10.4	5.5	4.7	6.5	3.2	(4.5)	(296)	0.779%
15 09	10.7	6.5	5.6	7.4	3.5	(4.0)	(263)	0.776%
15 10	10.2	6.3	5.8	6.8	3.7	(4.8)	(316)	0.790%
15 11	10.2	6.1	5.6	6.1	3.6	(3.9)	(256)	0.820%
15 12	10.4	7.3	6.8	6.0	3.5	(4.2)	(277)	0.809%
16 01	10.3	6.6	5.5	6.3	3.5	(4.1)	(267)	0.816%
16 02	10.1	6.2	5.5	7.2	3.6	(3.7)	(241)	0.764%
16 03	10.6	7.0	6.7	6.6	3.8	(3.9)	(252)	0.706%
16 04	10.3	8.0	7.7	6.8	3.7	(4.6)	(297)	0.728%
16 05	10.6	6.5	6.7	6.6	3.8	(4.4)	(284)	0.728%
16 06	10.5	7.4	7.3	7.8	3.7	(4.2)	(271)	0.745%
16 07	10.4	7.1	6.7	7.6	3.9	(3.7)	(235)	0.774%
16 08	10.4	7.5	7.2	7.4	4.0	(4.0)	(257)	0.774%
16 09	10.2	8.2	8.6	7.2	3.9	(3.9)	(247)	0.769%
16 10	10.4	7.3	6.9	6.9	3.8	(3.1)	(192)	0.797%
16 11	10.5	7.7	7.4	6.4	3.9	(3.5)	(221)	0.822%
16 12	10.5	7.3	7.5	6.5	4.1	(3.4)	(214)	0.827%
17 01	11.1	7.5	7.3	6.1	4.2	(3.9)	(244)	0.842%
17 02	11.5	7.9	7.5	5.7	4.3	(3.9)	(242)	0.842%

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

Distribution of Credit Union Loans

Estimated $ (Billions) Outstanding

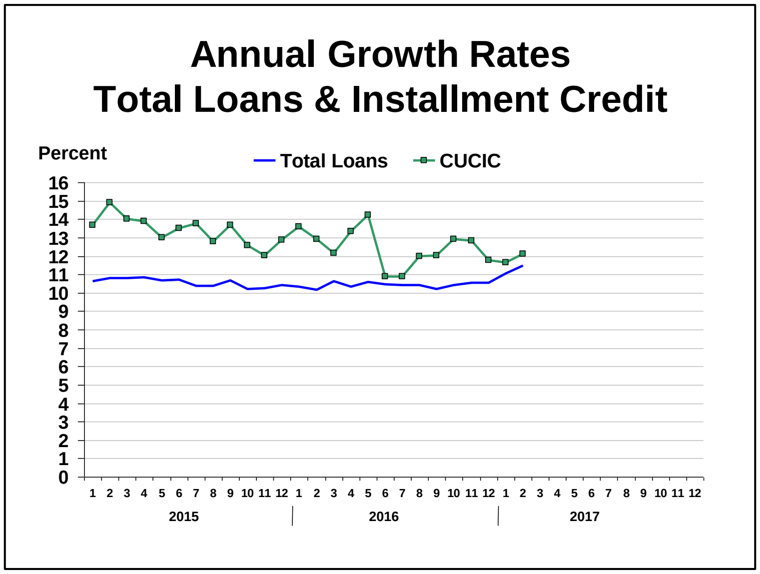
YR/MO	TOTAL LOANS	NEW	USED	TOTAL	UNSEC Ex. CC'S	CREDIT CARDS	CUCIC	1ST MORT TOTAL	TOT. OTHR MORT 2ND +HE	TOTAL REAL ESTATE	MBLs*
		VEHICLE LOANS									
15 02	734.6	90.2	148.2	238.3	32.5	45.5	307.8	297.6	74.1	371.7	55.1
15 03	739.4	90.7	149.8	240.5	32.1	45.5	307.7	303.5	73.0	376.5	55.2
15 04	746.7	92.1	151.4	243.5	32.7	45.8	312.3	305.4	74.5	379.8	54.6
15 05	753.7	92.7	153.3	246.0	32.9	46.3	315.7	307.2	74.4	381.7	56.3
15 06	763.5	94.3	155.6	249.9	33.4	46.6	322.7	312.8	73.7	386.5	54.3
15 07	771.0	95.5	158.0	253.5	34.1	47.0	327.2	315.0	74.4	389.4	54.4
15 08	779.5	96.6	159.8	256.5	34.6	47.7	330.2	317.2	75.1	392.3	56.9
15 09	787.5	98.3	161.4	259.8	34.6	47.8	333.4	322.4	74.9	397.3	56.8
15 10	791.7	99.5	162.8	262.3	34.8	47.8	335.5	322.7	75.9	398.6	57.5
15 11	797.4	100.1	163.5	263.6	35.2	48.5	337.1	326.3	76.2	402.4	57.8
15 12	804.9	101.6	164.8	266.4	35.5	49.6	341.7	329.2	75.9	405.1	58.0
16 01	808.5	102.9	165.9	268.8	35.7	49.2	345.9	329.3	76.6	405.9	56.7
16 02	809.2	103.4	166.9	270.4	35.1	48.6	347.5	330.6	76.4	407.0	54.6
16 03	817.9	104.6	169.7	274.3	35.1	48.7	350.6	334.8	75.8	410.6	62.2
16 04	823.9	105.6	171.9	277.5	35.4	48.8	353.9	334.9	76.8	411.7	58.2
16 05	833.3	106.9	173.8	280.7	35.7	49.4	360.6	338.6	77.2	415.8	57.0
16 06	843.5	108.9	176.0	284.9	36.2	49.9	357.8	342.8	76.9	419.7	65.9
16 07	851.4	110.4	177.7	288.1	36.5	50.5	362.8	343.7	78.2	421.9	66.7
16 08	860.7	112.2	179.7	291.9	37.0	51.0	369.6	347.4	78.6	426.0	65.1
16 09	867.7	113.9	181.2	295.1	37.2	51.1	373.5	351.8	77.9	429.6	64.6
16 10	874.1	115.0	182.3	297.4	37.5	51.5	378.8	352.5	79.3	431.8	63.6
16 11	881.2	116.7	183.6	300.3	38.0	52.3	380.3	354.9	79.3	434.2	66.7
16 12	889.5	118.7	185.1	303.8	38.1	53.5	382.0	361.4	78.5	439.9	67.7
17 01	897.9	121.0	187.4	308.4	38.3	53.0	386.2	364.3	79.2	443.5	68.2
17 02	901.9	122.2	189.0	311.2	38.2	52.3	389.5	364.3	79.4	443.7	68.7

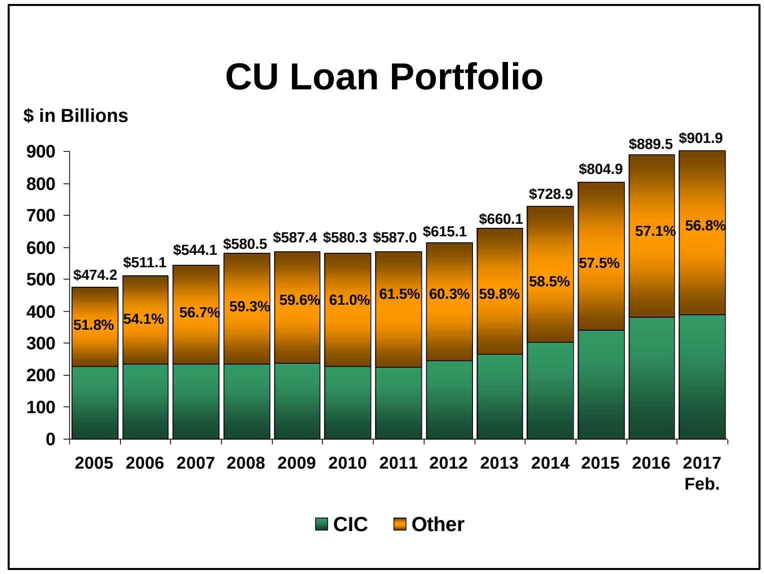
* Member Business Loans

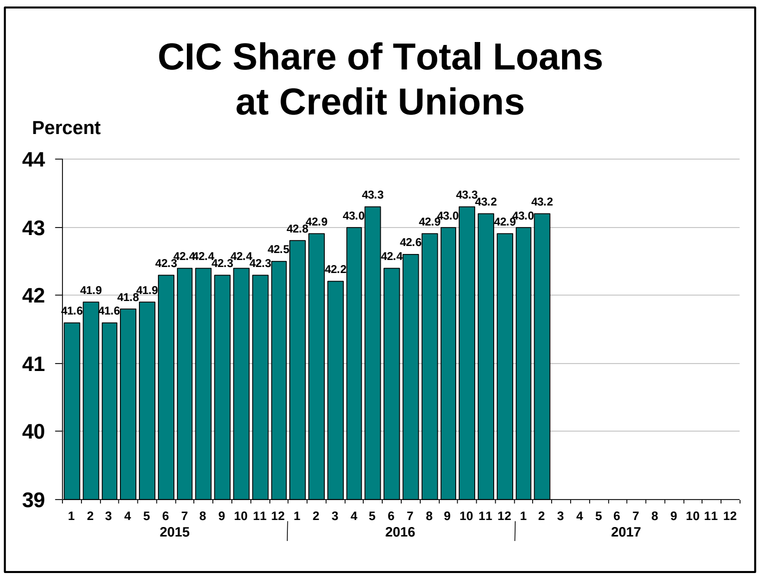
Distribution of Credit Union Loans

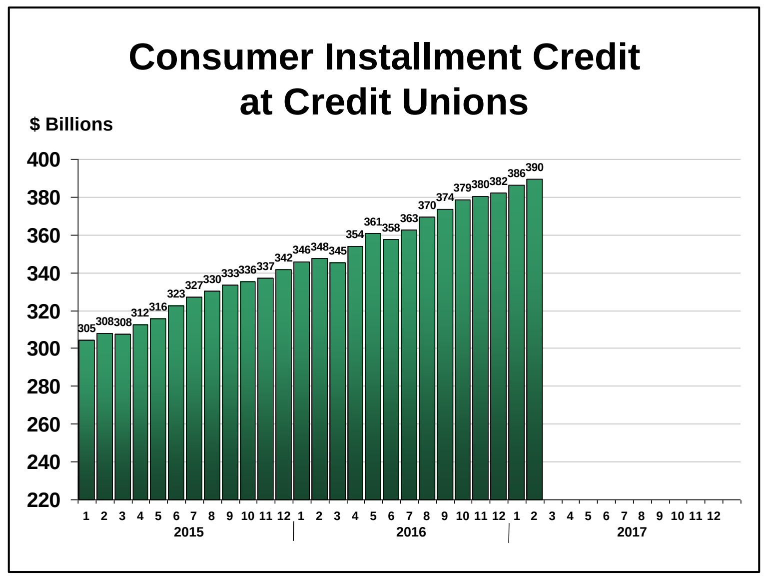
Percent Change From Prior Year

YR/MO	TOTAL LOANS	NEW	USED	TOTAL	UNSEC Ex. CC'S	CREDIT CARDS	CUCIC	1ST MORT TOTAL	TOT. OTHR MORT 2ND +HE	TOTAL REAL ESTATE	MBLs*
		VEHICLE LOANS									
15 02	10.8	22.4	13.1	16.4	9.9	8.0	14.9	7.8	3.3	6.9	15.8
15 03	10.8	21.4	13.2	16.1	10.2	7.6	14.0	8.9	2.5	7.6	16.2
15 04	10.8	21.9	13.0	16.2	9.7	7.4	13.9	9.0	4.2	8.0	14.3
15 05	10.7	20.5	13.2	15.8	9.4	7.3	13.0	8.9	3.9	7.9	17.4
15 06	10.7	19.5	13.0	15.4	9.7	6.8	13.5	9.6	2.3	8.1	13.6
15 07	10.4	18.7	13.3	15.3	9.4	6.3	13.7	9.9	2.6	8.4	4.9
15 08	10.4	17.5	13.3	14.9	10.0	6.6	12.8	10.1	3.1	8.7	8.5
15 09	10.7	17.5	13.1	14.7	9.5	6.5	13.7	10.1	2.8	8.6	8.0
15 10	10.2	16.0	12.6	13.9	9.2	6.3	12.6	9.9	2.8	8.5	8.8
15 11	10.2	15.3	12.3	13.4	9.4	6.3	12.0	10.5	3.0	9.0	8.6
15 12	10.4	15.9	12.7	13.9	8.4	6.1	12.9	10.2	3.4	8.9	7.5
16 01	10.3	15.3	12.5	13.6	8.3	6.3	13.6	10.2	2.9	8.7	3.3
16 02	10.1	14.7	12.7	13.4	8.1	6.8	12.9	11.1	3.1	9.5	-1.0
16 03	10.6	15.3	13.3	14.0	9.1	6.9	13.9	10.3	3.9	9.1	2.6
16 04	10.3	14.7	13.5	14.0	8.5	6.6	13.3	9.7	3.1	8.4	6.7
16 05	10.6	15.4	13.3	14.1	8.4	6.8	14.2	10.2	3.7	8.9	1.2
16 06	10.5	15.5	13.1	14.0	8.5	7.0	10.9	9.6	4.4	8.6	21.5
16 07	10.4	15.6	12.5	13.7	6.9	7.6	10.9	9.1	5.2	8.4	22.6
16 08	10.4	16.1	12.4	13.8	7.2	7.0	12.0	9.5	4.7	8.6	14.2
16 09	10.2	15.8	12.3	13.6	7.5	6.8	12.0	9.1	3.9	8.1	13.6
16 10	10.4	15.6	12.0	13.4	7.9	7.7	12.9	9.2	4.5	8.3	10.5
16 11	10.5	16.5	12.3	13.9	7.8	7.8	12.8	8.8	4.1	7.9	15.4
16 12	10.5	16.8	12.4	14.0	7.3	7.8	11.8	9.8	3.4	8.6	16.6
17 01	11.1	17.6	12.9	14.7	7.5	7.6	11.7	10.6	3.4	9.3	20.3
17 02	11.5	18.2	13.2	15.1	8.8	7.6	12.1	10.2	3.9	9.0	25.8









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.

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

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