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Media Release

FOR IMMEDIATE RELEASE

Credit Unions Post Asset, Savings, Loan and Member Growth

Alexandria, Va., November 21, 2008 – While federally insured credit unions remain financially sound, the industry's financial results reflect some repercussions of the current economic turmoil. Confidence in the credit union system has resulted in asset, loan and share growth, as well as a membership increase to 88.5 million according to September 30, 2008, Call Report data submitted by the nation's 7,904 federally insured credit unions.

While many major balance sheet categories showed positive growth in the first nine months of 2008, the return on average assets declined. Net income decreased 15.7 percent, based primary on a 71.9 percent increase in the provision for loan & lease losses account as credit unions reserve for possible losses. Reflecting the current stress in the financial industry, delinquency ratios increased in all loan types.

"Credit unions' continued high level of net worth will help them weather today's turbulent economy; however, credit unions are not immune to financial stress, as noted in the delinquency increase in categories such as credit cards and mortgage loans," said NCUA Chairman Michael E. Fryzel. "NCUA is keeping a watchful eye on these adverse trends as part of a broader commitment to maintaining a safe and sound credit union industry."

Details of major balance sheet categories and membership growth in federally insured credit unions from December 31, 2007, to September 30, 2008, follows:

- Assets increased 6.4 percent to $801.7 billion from $753.4 billion;
- Loans increased 6.3 percent to $560.0 billion from $526.9 billion;
- Investments increased 15.5 percent to $164.5 billion from $142.5 billion;
- Shares increased 5.8 percent to $668.9 billion from $632.4 billion;
- Net worth increased 5.21 percent to $89.5 billion from $86.2 billion; and
- Membership increased 2.0 percent to 88.5 million members.

The loan to share ratio increased to 83.73 percent. First mortgage real estate loans and lines of credit expanded 13.6 percent, used automobile loans grew 5.6 percent, and unsecured credit card debt increased 4.5 percent. New automobile loans continued to fall marking a 5.4 percent decline thus far in 2008.

Regular shares increased 6.3 percent while money market shares increased 14.4 percent, share certificates increased 1.4 percent and IRA/KEOGH accounts increased 8.4 percent during the first nine months of 2008.

With loan growth slightly outpacing savings in 2008, the loan-to-share ratio has increased to 83.7 percent from 83.3 percent at year-end 2007. The loan delinquency ratio increased 20 basis points, up from .93 to 1.13 percent, and the net charge-off ratio increased from 0.51 to 0.75 percent during the first nine months of 2008. The return on average assets ratio declined from 0.64 percent to 0.51 percent primarily due to increased funds set aside for loan and lease losses.

Details of third quarter 2008 data are available in a Consolidated Balance Sheet and a September 2008 Facts Summary posted online at: click here.

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