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NCUA Media Release

Mid Year Sees Credit Union Member, Assets and Savings Growth

Alexandria, Va., August 25, 2009 – Membership and member share accounts grew across the board during the first six months of 2009 as people continued to seek the financial security and services of credit unions according to call report data submitted by the nation's 7,691 federally insured credit unions.

Reflecting a recessionary climate, many categories of federally insured credit union loans slowed or retracted while share growth was strong at an annualized rate of 15.97 percent through June 30, 2009. Additionally, net worth remains strong for the credit union industry at 10.03 percent.

NCUA continues to caution credit unions that adverse economic conditions and unstable financial markets are necessary factors to incorporate in financial planning.

Details of major balance sheet items and membership growth in federally insured credit unions from December 31, 2008, to June 30, 2009, follows:

- Assets increased 7.3 percent to $870.1 billion from $811.2 billion;
- Loans grew 0.7 percent to $570.0 billion from $566.0 billion;
- Investments increased 22.9 percent to $203.6 billion from $165.7 billion;
- Shares increased 8.0 percent to $735.5 billion from $681.1 billion;
- Net worth grew 1.3 percent to $87.3 billion from $86.4 billion; and
- Membership increased 1.3 percent to 89.7 million from 88.6 million members.

Reviewing the June 30, 2009 financial trends, investment activity grew exponentially as member share deposits increased significantly and lending fluctuated. Share drafts increased 6.6 percent, regular shares grew 10.8 percent, money market shares grew 13.7 percent, share certificates grew 2.4 percent, and IRA/KEOGH accounts grew 10.1 percent.

Used automobile loans grew 2.8 percent and first mortgage real estate loans and lines of credit grew 3.2 percent, while new automobile loans declined 2.8 percent, other mortgage loans declined 3.2 percent, and unsecured loans also declined -- credit card lending declined 0.7 percent and other unsecured debt declined 2.6 percent.

Reflecting the faltering economy and stress in the job market, delinquent loans as a percentage of total loans increased from 1.37 percent at year-end 2008 to 1.58 percent at June 30, 2009. Real estate loans over 2 months delinquent, as a percentage of total real estate loans, increased from 1.20 percent at year-end 2008 to 1.62 percent at June 30, 2009. The percentage of total delinquent loans to all loans increased 16.8 percent in the first six months of 2009, while net charge-offs to average loans grew from 0.85 percent to 1.15 percent.

Because share growth significantly outpaced loan growth, the loan-to-share ratio declined to 77.50 percent from 83.10 percent. And primarily due to credit unions having to record entries for the NCUSIF corporate stabilization and for an upcoming September 2009 NCUSIF premium, the return on average assets ratio is only 0.28 percent at June 30, 2009.

Details of 2009 mid-year data are available in the aggregate Financial Performance Report and a June 2009 Facts Summary posted online at click here.

The National Credit Union Administration is the independent federal agency that regulates charters and supervises federal credit unions. NCUA, with the backing of the full faith and credit of the U.S. government, operates and manages the National Credit Union Share Insurance Fund, insuring the deposits of nearly 90 million account holders in all federal credit unions and the majority of state-chartered credit unions. NCUA is funded by credit unions, not tax dollars.

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