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DATA DISPATCH

Loan growth ramping up at US credit unions

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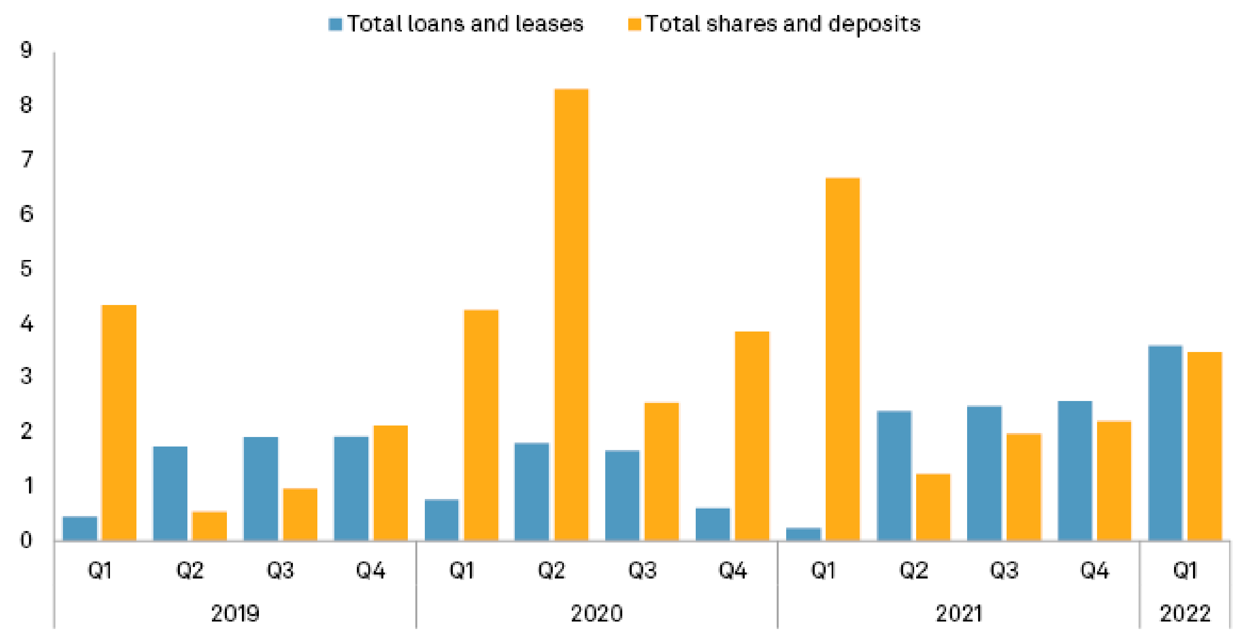
By Robert Clark
Market Intelligence

U.S. credit unions booked their highest quarterly loan growth in more than a decade in the first quarter.

Total loans and leases for the industry reached $1.313 trillion at March 31, up $45.50 billion from the end of 2021. The 3.6% quarter-over-quarter growth rate represented a 15-year high and was the fourth consecutive quarterly increase, according to data from S&P Global Market Intelligence.

While several categories contributed to the loan growth, first-lien one- to four-family loans and lines of credit led the way, with an increase of $20.75 billion to $500.18 billion. Additionally, used vehicle loans were up $9.83 billion and new vehicle loans increased $3.03 billion.

QOQ balance sheet growth at US credit unions (%)



Data compiled May 22, 2022.
Analysis includes all U.S. credit unions except corporate credit unions.
Data based on regulatory filings.
Source: S&P Global Market Intelligence

Biggest credit unions get bigger

All 20 of the largest credit unions by total assets at March 31 expanded their loan portfolios in the first quarter. Standouts were Tysons, Va.-based Pentagon FCU and San Diego-based San Diego County CU, with loan growth of 17.3% and 10.5%, respectively. Growth primarily came from first lien one- to four-family for both Pentagon FCU and San Diego County CU.

Only two of the top 20 credit unions — Sunnyvale, Calif.-based Star One CU and Riverdale, Utah-based America First FCU — reported loan growth below 2.5%. Both institutions prioritized growth in total shares and deposits.

Balance sheet change at largest US credit unions, Q1'22

Ranked by total assets

Company	City, state	Total assets ($B)	QOQ change (%) Liquid assets	QOQ change (%) Total loans and leases	QOQ change (%) Total shares and deposits
Navy FCU	Vienna, VA	160.44	-1.6	3.0	6.0
State Employees CU	Raleigh, NC	53.14	1.6	2.5	3.9
Pentagon FCU	Tysons, VA	35.38	-13.4	17.3	8.2
Boeing Employees CU	Tukwila, WA	30.44	-5.6	7.4	2.6
SchoolsFirst FCU	Santa Ana, CA	27.89	-3.1	5.8	3.9
Golden 1 CU	Sacramento, CA	18.64	2.5	3.3	2.8
America First FCU	Riverdale, UT	17.57	2.1	1.9	3.7
Alliant CU	Chicago, IL	15.44	-13.8	6.6	3.0
Randolph-Brooks FCU	Live Oak, TX	15.36	6.3	5.4	4.5
Suncoast CU	Tampa, FL	15.33	-4.8	4.5	5.2
First Technology FCU	San Jose, CA	15.01	-10.1	3.9	1.9
Mountain America FCU	Sandy, UT	14.59	-5.4	6.9	4.1
VyStar CU	Jacksonville, FL	12.39	5.4	3.8	6.0
Lake Michigan CU	Grand Rapids, MI	12.11	11.3	2.8	4.2
Bethpage FCU	Bethpage, NY	11.54	-2.5	3.6	2.7
San Diego County CU	San Diego, CA	11.23	-19.5	10.5	3.5
Star One CU	Sunnyvale, CA	11.06	-3.1	0.5	2.0
Alaska USA FCU	Anchorage, AK	10.86	-54.2	3.1	1.8
Security Service FCU	San Antonio, TX	10.81	-26.8	4.8	3.0
Digital FCU	Marlborough, MA	9.86	-44.6	3.6	0.1
Industry aggregate			**-2.4**	**3.6**	**3.5**

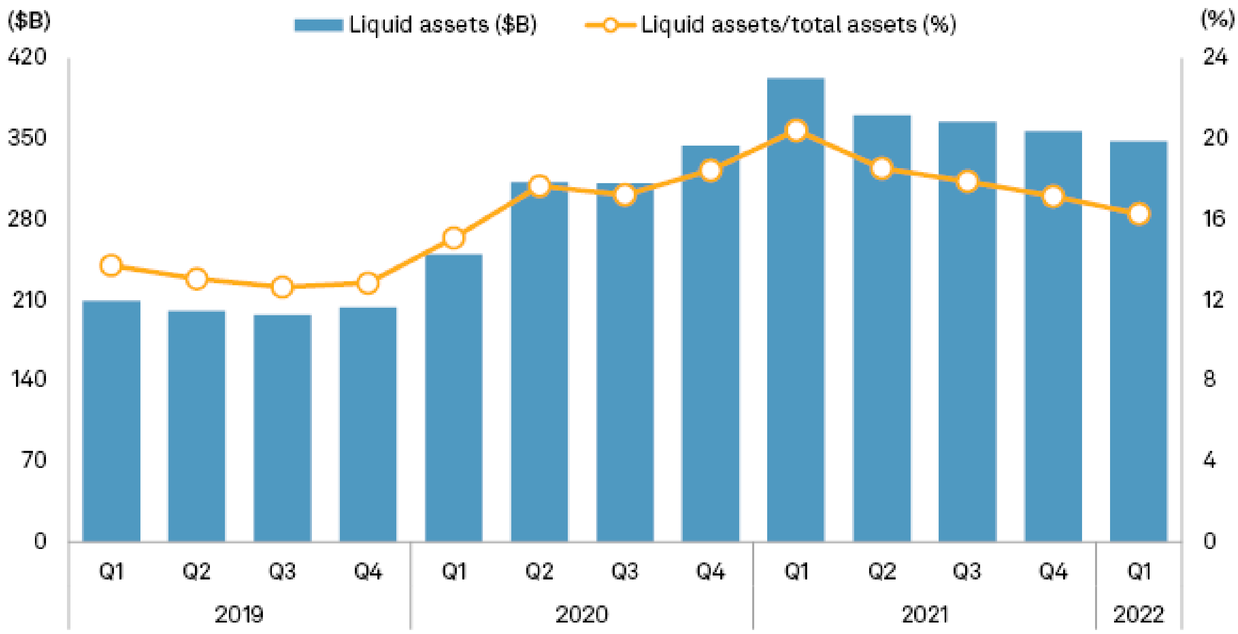
Data compiled May 22, 2022.
Liquid assets = cash and cash equivalents + investments maturing in less than or equal to one year
Analysis includes all U.S. credit unions except corporate credit unions.
Data based on regulatory filings as of March 31, 2022.
Source: S&P Global Market Intelligence

Liquidity shrinking

Liquid assets, which are cash and cash equivalents plus investments maturing within one year, declined across the industry for the fourth consecutive quarter and were down 13.5% from the peak a year earlier. The liquidity ratio — liquid assets as a percentage of total assets — fell to 16.28%, the lowest level since March 31, 2020.

Several of the largest credit unions reduced their liquid assets by a double-digit percentage. Liquid assets at Anchorage, Alaska-based Alaska USA FCU were down by more than half. The credit union's liquidity ratio of 4.0% at March 31 was the second-lowest among the top 20 credit unions.

Liquid assets at US credit unions



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