

PRESS RELEASE

For Immediate Release: Thursday, January 26, 2012

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Record Loan Volume and Uptick in Member Growth Equals Banner Year for Credit Unions

WASHINGTON, D.C. – As performance data continues to come in from the industry, early reports calculated from 40 percent of credit unions indicate solid results. Credit unions posted the highest level of loans ever originated in the fourth quarter, and the second-highest level of loans originated in any quarter, according to preliminary data analyzed by Callahan & Associates. Additionally, annual member growth reached 2.3%.

CreditUnions.com is currently highlighting fourth-quarter trends and exemplary performers in the credit union industry, and Callahan & Associates' quarterly Trendwatch, set for February 21 and 22, will address this performance, as well.

According to initial data, credit union originations totaled \$120.5 billion in 2011; up 5.1% over 2010 levels and only slightly less than 2009's \$122.1 billion record, which was fueled by a wave of refinancings in the second quarter. FirstLook credit unions report funding \$33.7 billion in loans in the fourth quarter, up from \$31.2 billion in the third quarter. That partially reflects the continuing improvement in consumer lending. In 2011, 58.5% of originations were consumer-based, up from 55.3% in 2010.

Credit unions posted a year-over-year 1.59% positive change in outstanding loan balances. This rate is a significant acceleration from September figures, when the same credit unions posted loan growth of only 63 basis points. The last time credit unions increased loan growth by nearly a full percentage point in a single quarter was mid-year 2005.

The combined media attention of Bank Transfer Day (Nov. 5, 2011) and broader societal awareness of local financial institutions helped credit unions welcome an influx of new members. Annual growth in the number of members reached 2.3%, up from 1.5% in the third quarter of 2011. But credit unions aren't just adding members: They are building relationships. Credit unions grew the number of checking accounts at an annual rate of 6.1%, more than twice the rate of net new member growth.

[Read more about preliminary trends](#) on CreditUnions.com. To register for Trendwatch, visit www.creditunions.com/cutv.

Callahan & Associates is a Washington, DC-based firm that delivers in-depth analysis of credit union quarterly performance through its proprietary software and financial publications. As a financial consultant, it also offers strategic planning and investment management for credit unions. Visit www.callahan.com to learn more.

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