



CREDIT UNION DEPARTMENT

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Industry Update:

Key financial indicators for state-chartered credit unions have largely improved during the first half of 2012. Currently, **94%** of the credit unions are considered well-capitalized. Earnings performance also improved: the number of credit unions with an operating loss declined **12.5%** from the prior period. Overall, while the operating environment for credit unions remains difficult, the trends continue to improve during this protracted economic recovery.

Industry Statistics as of June 30, 2012:

- Assets under the Department's jurisdiction increased by **13.6%** to **\$27.65** billion over the prior period.
- Ratio of delinquent loans to total loans is **0.92%**, down from **1.24%** the prior period.
- Average net charge-off ratio is **1.16%**, **up** from **1.13%** in the prior period.
- Loan growth increased **13.3 %** from the prior period.
- Return on average assets is **0.93%**.
- Net worth remained **\$2.4 Billion** or **8.7%** of total assets.

Other Issues Affecting the Agency or its Jurisdiction:

There have been no Dodd-Frank Act developments that affect the agency or its jurisdiction. The Department and the Finance Commission are still waiting for the Supreme Court to rule on the home equity interpretation case.

Next Session:

The Department hopes to introduce legislation in the next session to clean up and update applicable portions of the Finance Code.