FOR IMMEDIATE RELEASE
August 9, 2012
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Net income rises 83%
at Wisconsin credit unions

MADISON – Wisconsin credit unions grew net income by 83% in the first six months of 2012 compared to same period last year, according to data compiled by the Wisconsin Department of Financial Institutions (DFI). Net income totaled $101.8 million, up from $55.6 million in 2011. The increase was fueled in large part by a 28% increase in “other income” and an 11% decrease in provisions for loan loss expense.

“Wisconsin credit unions continue to perform well in terms of revenue growth and improved loan quality,” DFI Secretary Peter Bildsten said. “Those trends are having a positive impact on ROA and net worth. The industry’s solid performance should mean good things for the state’s economy.”

Through June 30, Wisconsin’s 194 state-chartered credit unions posted a return on investment (ROA) of 0.90%, up from 0.59% as of December 31, 2011. Credit unions’ ROA has not topped 0.90% since calendar year 2005. Net worth remained solid at 9.83%.

Total assets increased to $23.1 billion, up $1.2 billion compared to year-end 2011. Total savings also grew over the same period, increasing by $1.1 billion to $20.2 billion.

“Key indicators of credit unions’ financial performance are definitely headed in the right direction,” said Ginger Larson, director of the Office of Credit Unions – the DFI division that oversees state-chartered credit unions. “Especially noteworthy is the fact that the loan delinquency ratio has been showing consistent improvement and is nearing pre-recession levels.”

A full report on the 2Q performance of Wisconsin credit unions will be available on the DFI website, www.wdfi.org, by late August.

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