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Wisconsin’s Credit Unions Report Solid Third-Quarter Financial Performance

MADISON, Wis. – Wisconsin’s 118 state-chartered credit unions continue to have strong financial performance as of September 30, 2020, according to data released today by the Wisconsin Department of Financial Institutions (DFI).

Strong asset and share growth continue through the third quarter of 2020. This growth is attributed to a combination of consumer restraint, government stimulus payments, and expanded unemployment benefits due to the COVID-19 pandemic. Total assets of Wisconsin credit unions were over $48 billion. The annualized asset growth ratio was 22.51% and the annualized share growth ratio was 24.89%. For comparison, these ratios were 11.47% and 11.55% at the end of September 2019.

Loan growth was over $1.7 billion and the annualized loan growth ratio was 6.97% as compared to 7.42% in September 2019. As a result, the loan to share ratio declined in 2020 to 84.30% as compared to 94.87% in September 2019. Credit unions are working with their members to provide loans and loan relief during the pandemic. Real estate lending has especially been strong in 2020.

Other financial indicators are strong and are not showing distress due to the pandemic. In the nine months ending on September 30, 2020:

- Net worth to assets were at 10.49%, which is a strong ratio despite a decrease due to significant asset growth. This ratio was 11.40% in September 2019;
- Delinquent loan to total loan ratio was 0.53%, down from the September 2019 ratio of 0.64%, and still at a historically low level; and
- Net income was strong at over $362 million, 1.08% of average assets as compared to $327 million or 1.13% of average assets in September 2019.

“Wisconsin’s state-chartered credit unions have continued to find ways to stay flexible and serve their members and communities while addressing the COVID-19 pandemic,” said DFI Secretary Kathy Blumenfeld. “Contending effectively with uncertainty is becoming a hallmark of Wisconsin's well-managed, state-chartered credit unions.”

To learn more, read DFI’s 2020 Third Quarter Credit Union Bulletin.

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