

The background of the top half of the page is a dark blue grid with a glowing line chart and a bar chart. The line chart, in yellow and blue, trends upwards from left to right, with several white circular markers at data points. The bar chart, in light blue, is positioned below the line chart and also shows an overall upward trend. The NASCUS logo is in the top left corner.

NASCUS[®]

The National Association of State Credit Union Supervisors

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2025 Q2 SCU Industry Report

Industry Status Based on June 2025
5300 Data

NASCUS.org

NASCUS 2025 2Q SCU INDUSTRY REPORT – INDUSTRY STATUS BASED ON JUNE 2025 5300 DATA

Background and Introduction

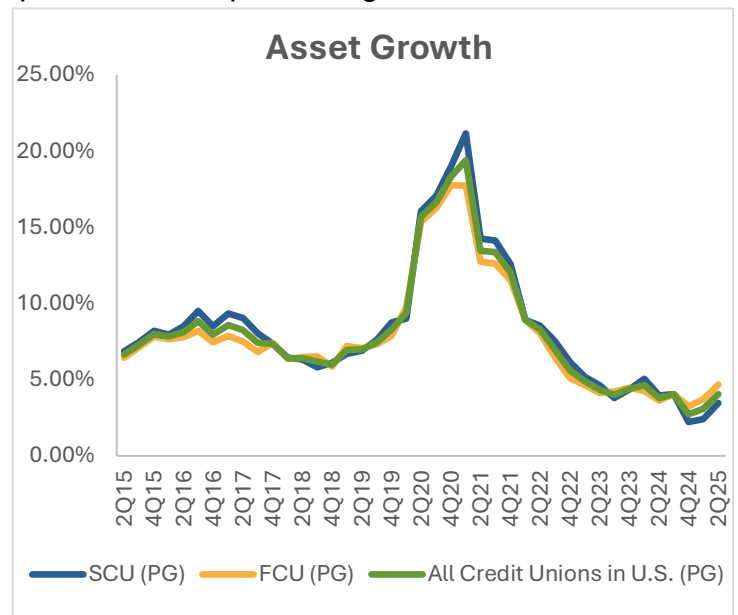
The information presented in this report represents analysis of the publicly released June 30, 2025, 5300 data. References to state chartered credit unions (SCU) includes credit unions chartered by a state regardless of deposit insurance, but generally excludes Puerto Rico Cooperativas. References to federally insured state credit unions (FISCU) includes only those state charters that are federally insured by the National Credit Union Administration.

5300 FILING CU SUMMARY REPORT AS OF 6 2025				NASCUS
Current Quarter Total				
CU #'S	SCU	FCU	% SCU	
	1,720	2,740	38.57	
MEMBERS	67,384,047	77,660,167	46.46	
ASSETS	1,180,412,882,350	1,221,088,739,175	49.15	
Previous Quarter Total				
CU #'S	SCU	FCU	% SCU	
	1,739	2,766	38.60	
MEMBERS	67,215,459	77,315,105	46.51	
ASSETS	1,176,113,781,670	1,214,118,730,241	49.20	
CHANGE				
CU #'S	SCU	FCU		
	-19	-26		
MEMBERS	168,588	345,062		
ASSETS	4,299,100,680	6,970,008,934		

On June 30, 2025, SCUs totaled 1,720 charters with total assets of \$1.2 trillion including 90 privately insured state credit unions (PISCUs) with \$22.5 billion in assets insured through American Share Insurance. The number of SCU charters declined by 19 from the previous quarter while representing a \$4.3 billion increase in total SCU assets. Comparatively, federally chartered credit unions (FCUs) declined by 26 charters as FCU assets increased \$7 billion. On June 30, 2025, SCUs represented 38.57% of active charters, 49.15% of total assets and 46.4% of reported members.

Puerto Rico chartered Cooperativas remained unchanged over the last quarter at 91. Total Puerto Rico chartered credit union assets grew approximately \$100 million from the previous quarter to \$12.4 billion at the end of the second quarter.

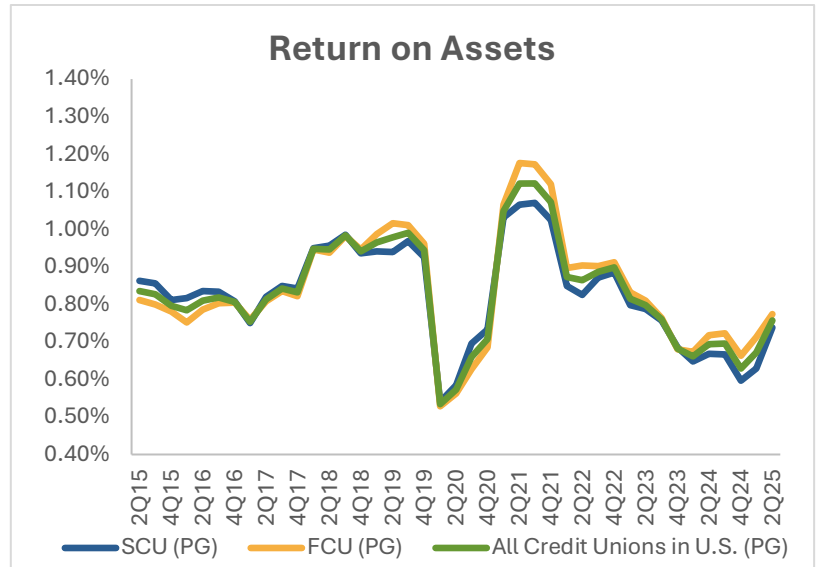
Overall, 12-month asset growth remained positive for SCUs, improving slightly from 1Q25 and moderately better than the very low growth experienced at the end of 2024. At 2Q25, SCU aggregate asset growth of 3.45% was outpaced by the aggregate growth rate for FCUs of 4.68%.



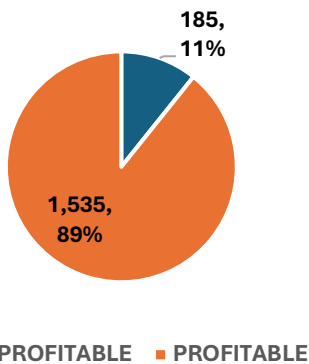
Earnings and Net Worth

SCUs reported aggregate earnings of \$4.3 billion over the first two quarters of 2025 with average and median YTD institutional earnings of \$2.4 million and \$300 thousand, respectively. Aggregate annualized ROAA for SCUs equated to .74, an increase of 9-basis points from the previous quarter and 13-basis points from the prior year end. Comparatively, FCUs aggregate annualized ROAA of .77 is 3-basis points higher than the SSA return.

The percentage of profitable SCUs improved slightly from 86% at 1Q25 to 89% on June 30. Considering only the 1,535 profitable SCUs, annualized spot ROA averaged .95 with a median of .79.

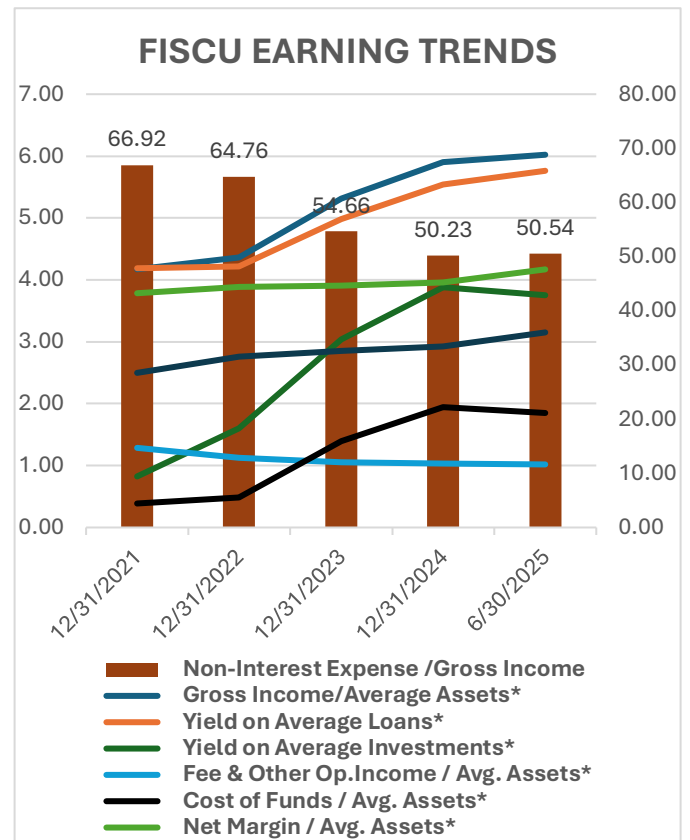


SCU PROFITABILITY

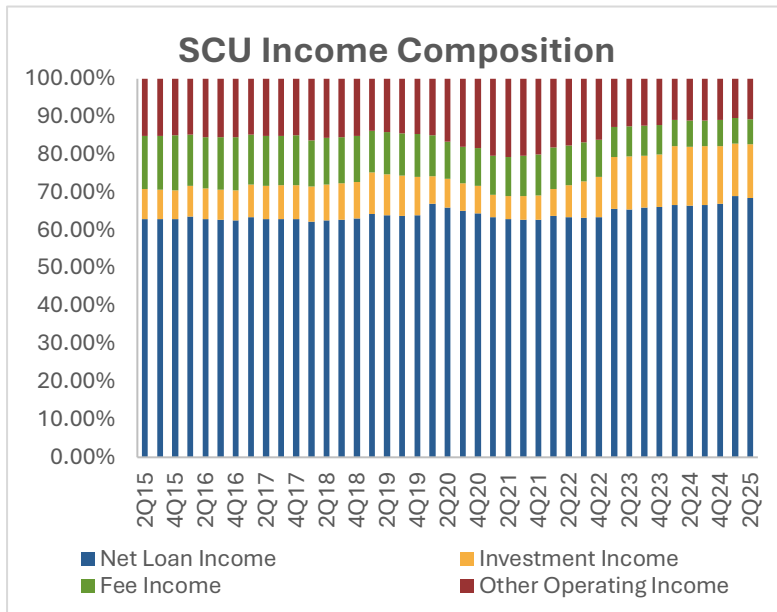


While the aggregate SCU ROAA remained low but stable over the four quarters of 2024, relatively modest improvement is noted YTD 2025, the current ROAA levels represent levels last noted in 3Q23 and well below the peaks reported in 2021.

A thorough review of FISCO earnings trends indicates the improved 2Q25 ROAA was facilitated by an improving NIM due to continued improvement in loan yields. FISCO loan yields improved from a YE 2021 average of 4.19% to 5.76% at 2Q25. FISCO cost of funds remained stable at 1.85%, but well above the .39% reported at YE 2021. These factors and in increasing the loan-to-share ratio helped improve the quarterly net margin 12-basis points to 4.17%, and the net interest margin 9-basis points to 3.15% of average



assets. Improved investment yields to 3.75% from 1Q25 yields of 3.51% also assisted the improved earnings performance.



Earnings performance improved despite aggregate increases in operating costs and continued declines in fee income. Material asset growth, primarily in cash accounts from the previous quarter and not yet fully invested, had a nominal impact on the net interest margin numerator but did represent a moderating factor due to the impact on the averaged assets denominator.

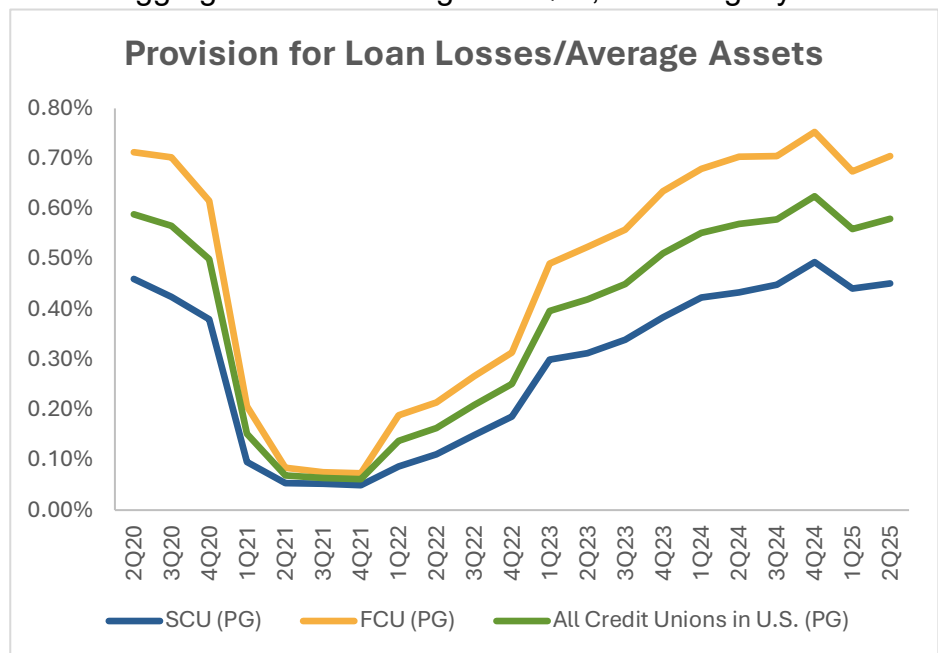
As noted in the graph to the left, the aggregate SCU fee income at 2Q25 represented 6.6% of aggregate SCU earnings, down from 10.9% reported at 1Q20 and 6.9% from 1Q25. For

comparison, FCU fee income represented 6.7% of aggregate FCU earnings at 2Q25, down from 10.4% at 1Q20.

Improved margins and transition of 1Q25 deposit growth into the loan portfolio helped loan income contribute just under 69% of aggregate SCU earnings in 2Q25, down slightly from 1Q25 but remaining at levels higher than any other quarter since 2015.

Aggregate SCU loan growth rates improved 70 points in 2Q25 with a 12-month average of 5.19% at 2Q25. SCUs loan growth rates outpaced FCU growth of 3.65% (see graphs on page 8).

Aggregate SCU provision expenses have remained relatively stable over the last four quarters but continue at levels well



above the low provisions experienced in 2021. SCUs provisions expenses in the 2Q25 declined to .45% of average assets, down 4-basis points from YE 2024 ratio of .49% and up 1-basis point from the previous quarter.

FCU provisions remained significantly elevated compared to SCUs with aggregate provision/average assets of .70%, or 25-basis points higher than the comparable SCU ratio.



The aggregate net worth ratio for SCUs improved from 10.99% at 1Q25 to 11.14% at 2Q25, close to the levels reported of 11.11 at YE 2024.

Earnings retention began to outpace the asset growth of \$23.3 and \$28 billion from 1Q25 and 2Q25 respectively and was the primary cause behind the improving NW ratio. While growth in most asset categories was modest during 2Q25, loan growth was the most significant with \$18.7 billion over the quarter.

The FCU aggregate NW ratio also improved 14-basis points to 11.29% at 2Q25, remaining 15-basis points above the 2Q25 SCU aggregate net worth.

Ten state charters failed to meet the PCA¹ definition of “well capitalized”, a decline of five credit unions from the previous quarter end. Of those, nine charters met the definition of “adequately capitalized” with

only one remaining credit union falling into the undercapitalized category. Comparatively, 18 FCUs failed to meet the PCA definition of “well capitalized”, with 16 FCUs defined as adequately capitalized and two fell into the undercapitalized category.

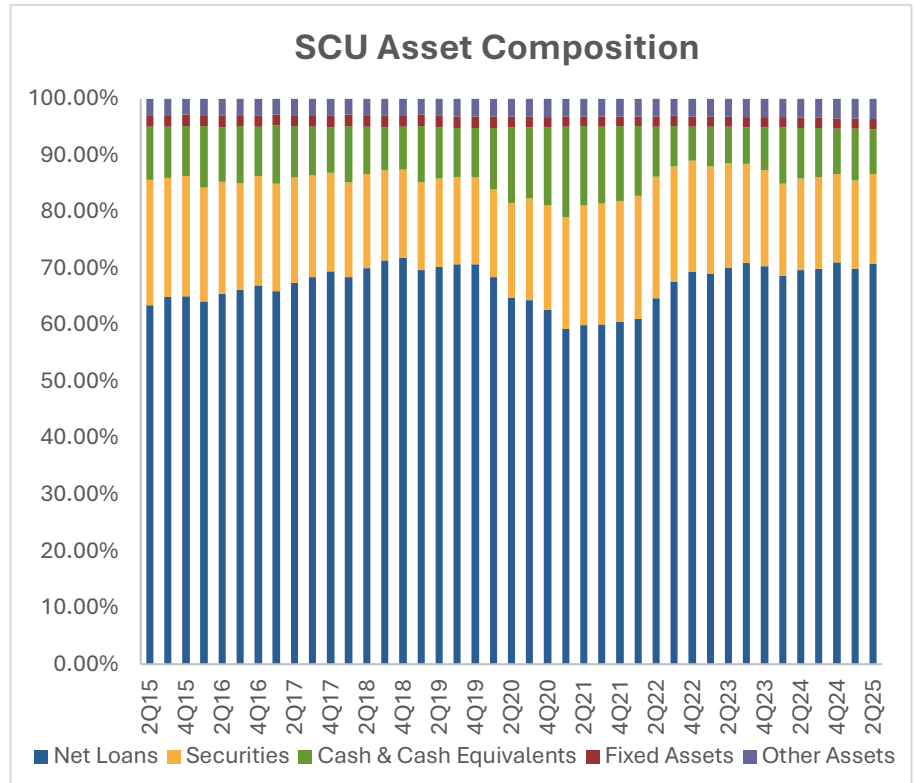
These numbers reflect substantial improvements in PCA categorized credit unions from the previous quarter where 15 state charters failed to meet the PCA definition of “well capitalized” at 1Q25. Of those, 12 charters met the definition of “adequately capitalized” with the remaining three credit unions falling into the undercapitalized category. Comparatively, 53 FCUs failed to meet the PCA definition of “well capitalized”, with 29 FCUs falling into the definition of adequately capitalized and 24 into the undercapitalized category.

¹ See NCUA R&R Part 702.102 Table 1.

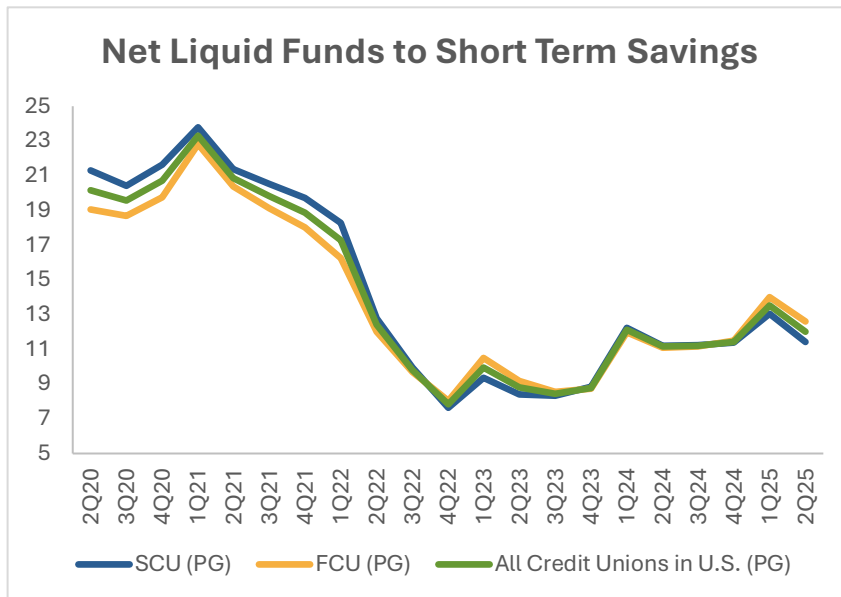
Balance Sheet Composition

While the annual comparison of YE 2023 and 2024 showed very nominal asset growth of \$5.3 billion, the \$1.18 trillion SCU 2Q25 aggregate balance sheet grew \$27.6 billion from YE 2024 due to the material inflow of deposits reported in 1Q25. During 2Q25, much of those funds transitioned into the loan portfolio increasing the loans to 70.9% of the balance sheet.

The SCU industry aggregate balance sheet was funded primarily with \$1 trillion in total shares and deposits and backed by aggregate SCU net worth of \$131 billion, an increase of \$2 billion from the previous quarter.



In aggregate, SCUs reported \$271 billion available lines to address short-term liquidity concerns, a decrease of approximately \$1 billion from 1Q25.



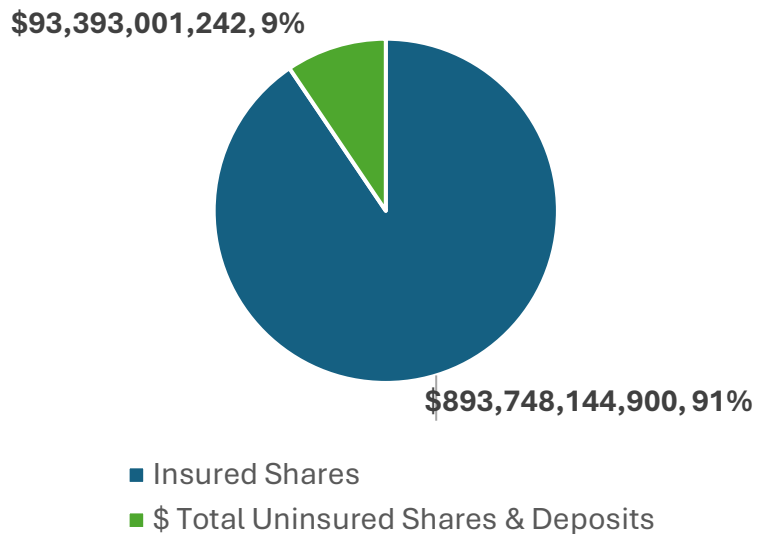
The consolidated SCU liquidity position did decline due to the transition of 1Q25 deposits, initially held in liquid assets into the loan portfolio during 2Q25. Liquidity remains relatively stable, and while improved from the lows experienced in 2022, the aggregate SCU position is well below the liquidity availability of 2020. At 2Q25, SCU net liquid funds to short term savings decreased 159-

basis points to 11.44. FCUs showed a similar decline from the previous quarter but remained 116 basis points above the SCU ratio at 12.60.

SCU uninsured shares at 2Q25 represented approximately \$93.4 billion, an increase of \$2.8 billion from 1Q25 and representing 9% of total shares. At YE 2024, uninsured shares represented 9% of total shares at approximately \$87.6 billion.

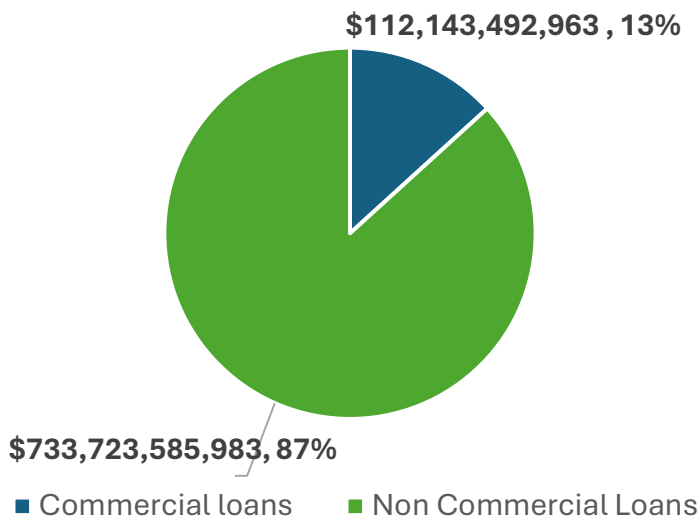
Total loans held by SCUs approximated \$845.9 billion at 2Q25, up \$15.3 billion from 1Q25. SCU total loans represented approximately 71% of assets on June 30, 2025, consistent with the composition reported at YE 2024.

SCU INSURED VS UNINSURED SHARES



Commercial loans represent approximately 13% of the aggregate SCU loan portfolio at \$112 billion, an increase of \$3.1 billion from the previous quarter and \$6 billion from YE 2024 when commercial loans also represented 13% of the aggregate SCU loan portfolio. A shift toward an increased mix of commercial loans in the aggregate SCU loan portfolio has been exhibited by consistent commercial loan growth since 2020.

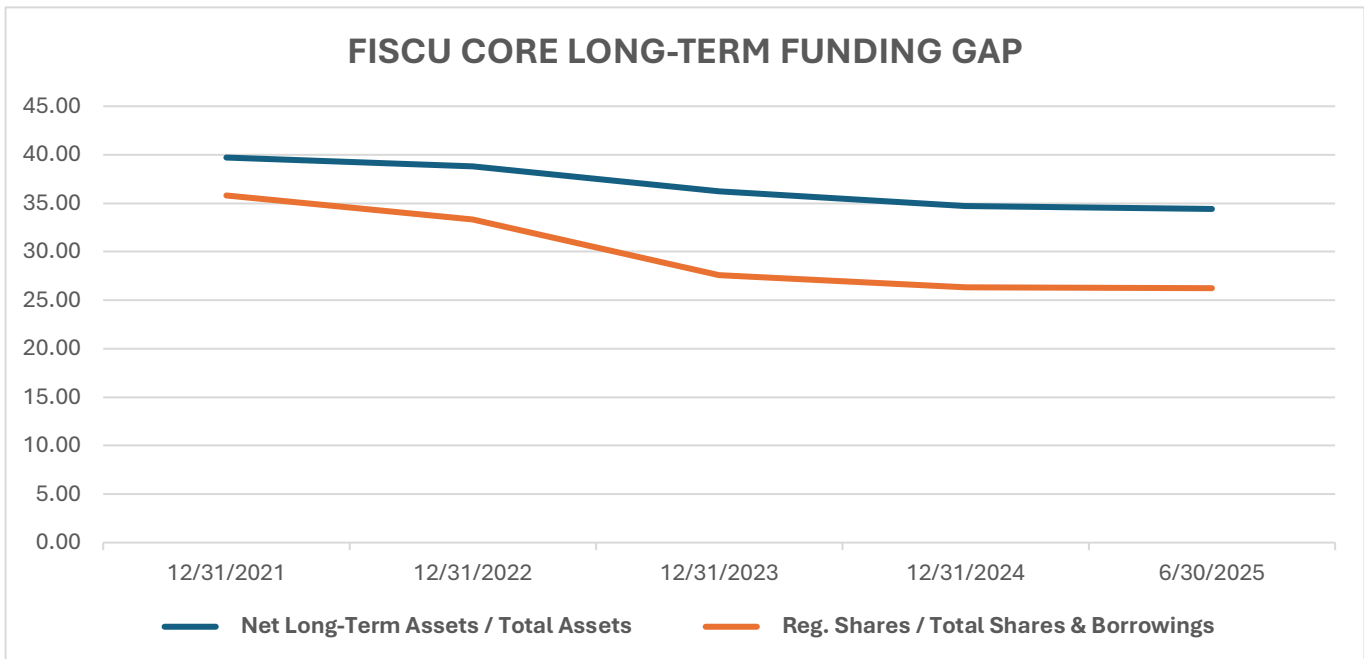
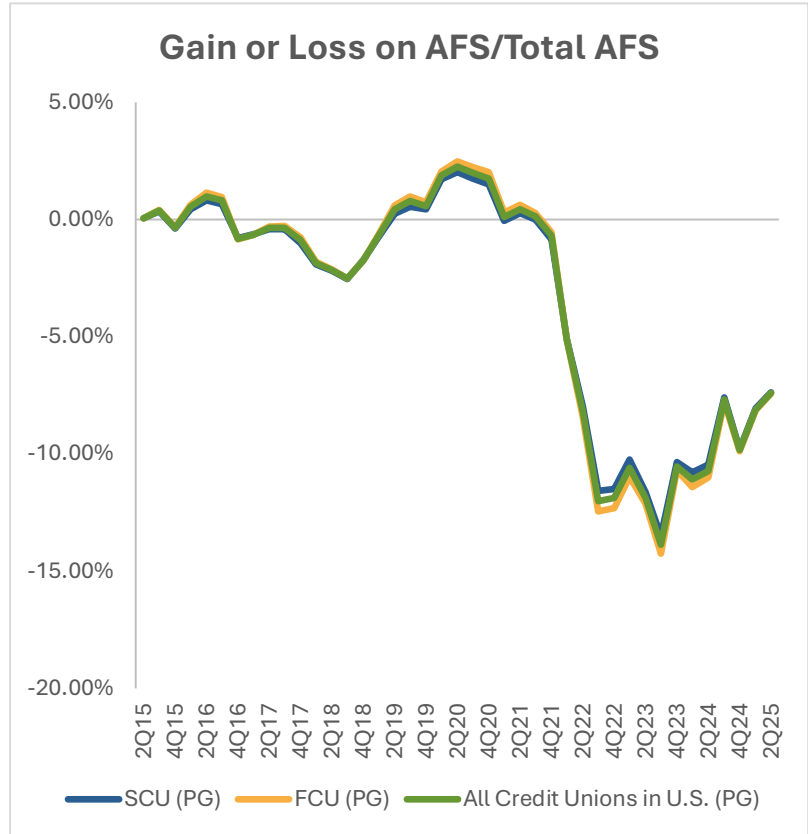
SCU COMMERCIAL LOANS VS NON COMMERCIAL LOANS



Investments held by SCUs represented \$269 billion, decreasing \$11 billion during 2Q25. The YE 2024 investment portfolio was at the lowest levels noted since YE 2020.

Continued improvement in AFS unrealized losses is also noted in 2Q25. AFS mark-to-market losses improved to representing a -7.36% potential principal impact on total AFS securities for SCUs. This is slightly less than the -7.42% potential principal impact on FCU AFS investment portfolios.

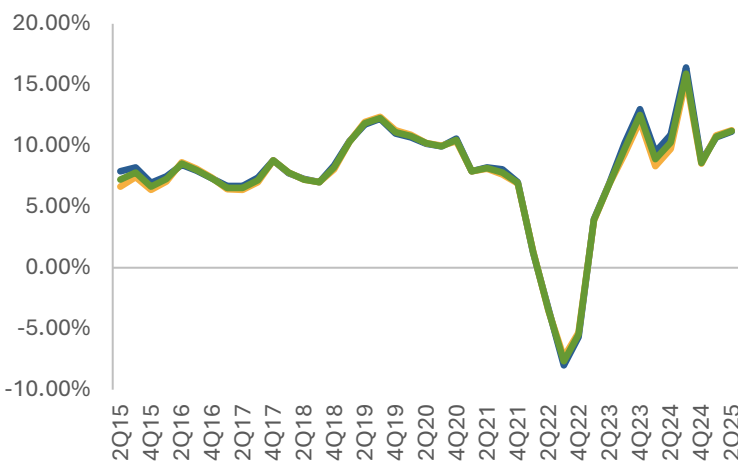
As evident in the Core Long-Term Funding Gap graphic, maintaining the regular shares to total shares ratio and continued declines of net long-term assets to total assets slightly narrowed the aggregate SCU liquidity gap position. While the gap remains at elevated levels, the leveling of the regular shares' ratio is a hopeful sign that further improvements in aggregate liquidity positions could be managed by executive staff as balance sheets continue to adjust.



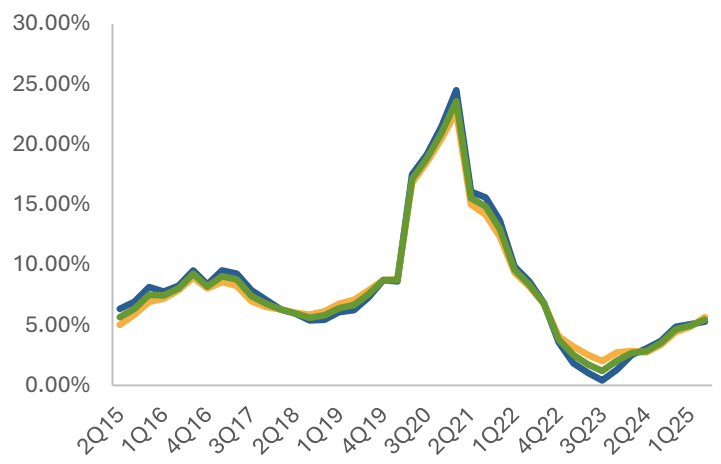
The 12-month SCU growth rates remain very modest but successfully maintained a positive performance for 2Q25. Share growth improved over 2023 growth rates but 2024 represented the second worst annual growth rates over the five-year period. Investment growth was positive in 2Q25 despite a trend of annual declines the preceeding four years. Membership, asset and loan growth rates remained at historically low levels, with SCU aggregate membership growth approaching its lowest levels over the last five years. The most notable year-over-year growth rates at 2Q25, was capital and share growth.

The graphics below show the 12-month, relative growth rates of SCUs, FCUs and all CUs over the last five years.

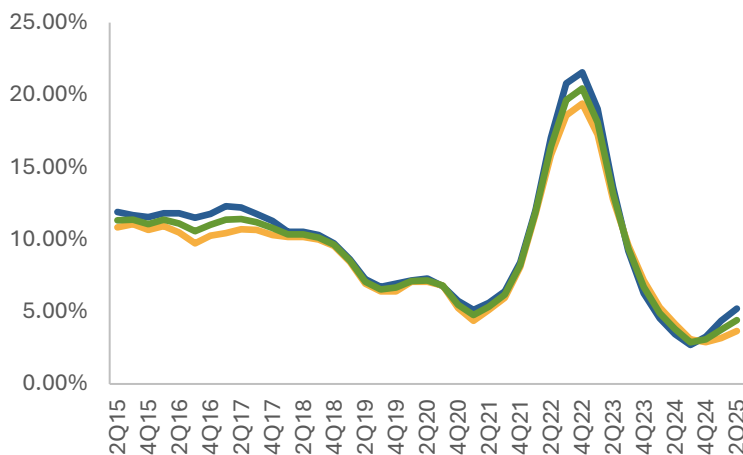
Capital Growth



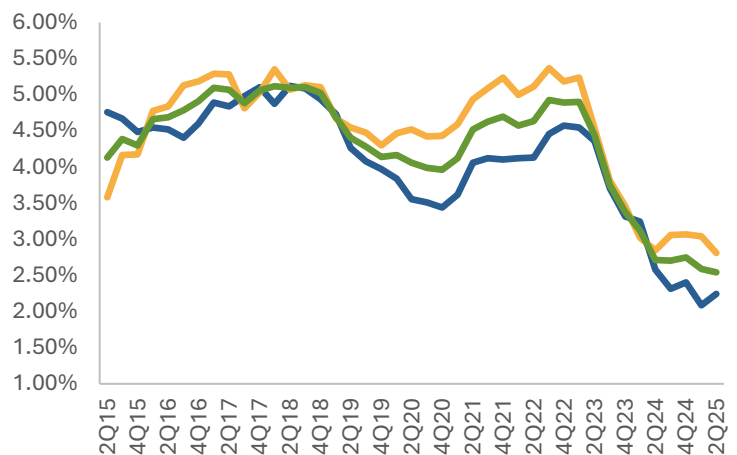
Share Growth



Loan Growth



Member Growth



— SCU (PG) — FCU (PG) — All Credit Unions in U.S. (PG)

Delinquency and Charge Offs

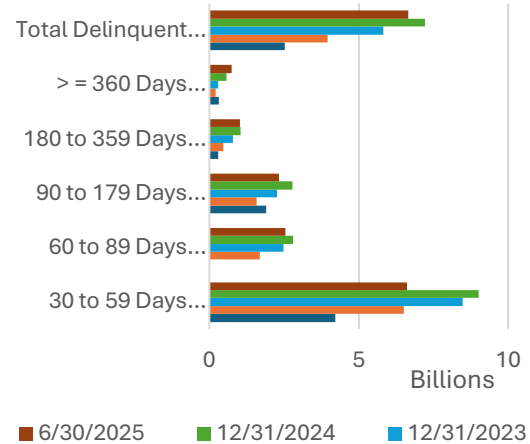
2Q25 FISCO delinquency greater than 60 days decreased from \$7.2 billion YE 2024 to \$6.6 billion, representing a 900 million decrease from 1Q25 and a \$600 million decrease from YE 2024.

Delinquencies less than 60 days also decreased \$600 million from 1Q25 to \$6.6 billion, substantially below the \$9 billion reported at YE 2024

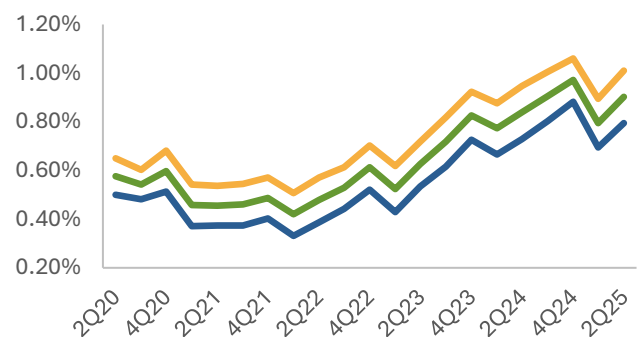
FISCO delinquency fell in each of the reporting periods except for the aggregate \$175 million increase in delinquency over 360 days since YE 2024.

Delinquent loans to total loans increased to .80% for SCUs at 2Q25 but remained well below the 1.38% ratio experienced during the recession at YE 2008. The graph below illustrates these trends and highlights that SCUs continue to report total delinquencies at rates less than those of their federally chartered peers. Delinquencies in real estate and auto loans increased while credit card delinquencies showed signs of improvement. New and Used auto delinquencies remained stable from 1Q25 and declined significantly since YE 2024.

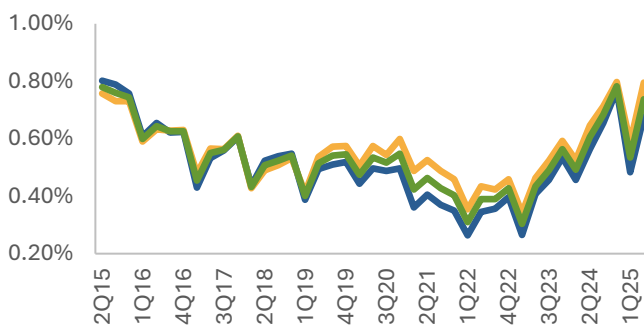
FISCO DELINQUENCY



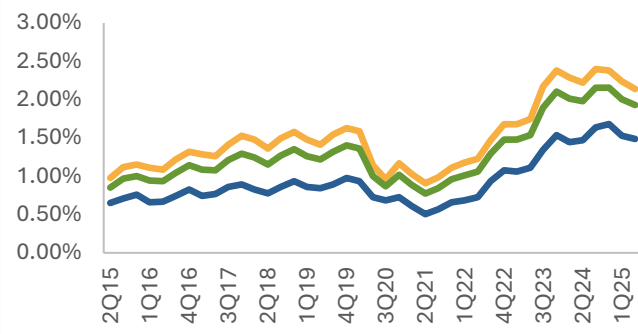
Loan Delinquency



Real Estate Delinquency



Credit Card Loan Delinquency

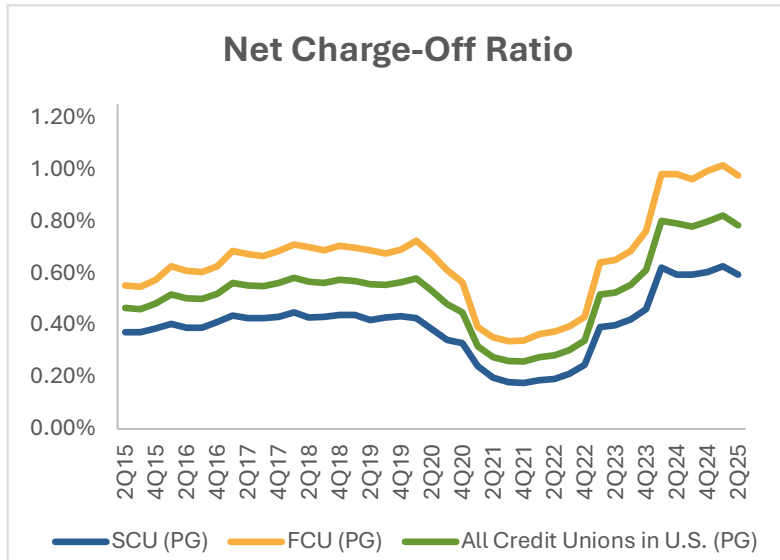


— SCU (PG)

— FCU (PG)

— All Credit Unions in U.S. (PG)

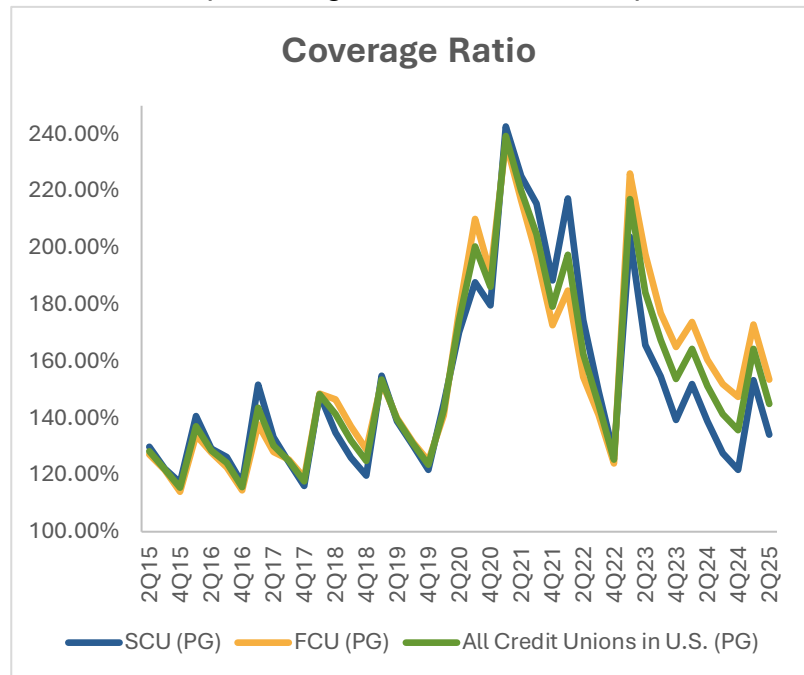
It should also be noted that the ratio of net charge-offs to loans, a measurement of the credit union's past management of credit risk, has also decreased slightly from 2024 levels but still remain elevated, driven by increased net losses in almost all collateral reporting categories.



Given the extended timeframes to possess and dispose of the residential backed loans and the relatively higher loan-to-collateral requirements, it is implied the residential real estate extreme delinquencies are appropriately written down to current collateral market values. However, material legal expenses to finalize collections and the impact of lost earnings on the related assets are likely to continue impacting earnings performance and capital retention in the future as these loan collections are processed.

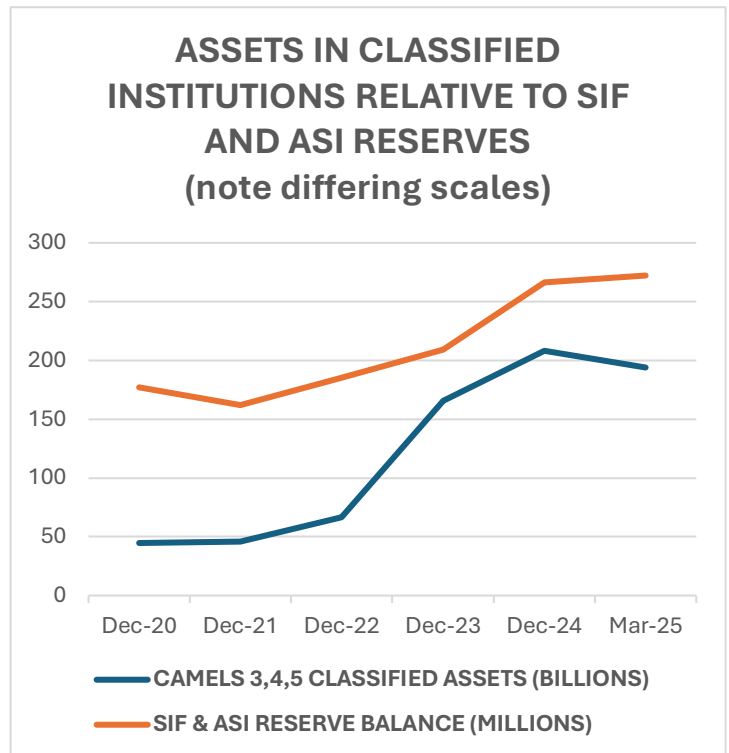
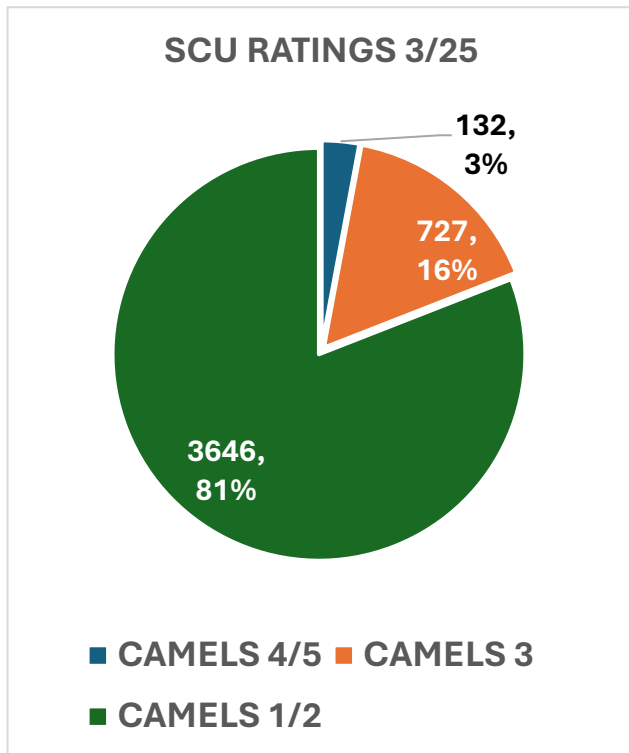
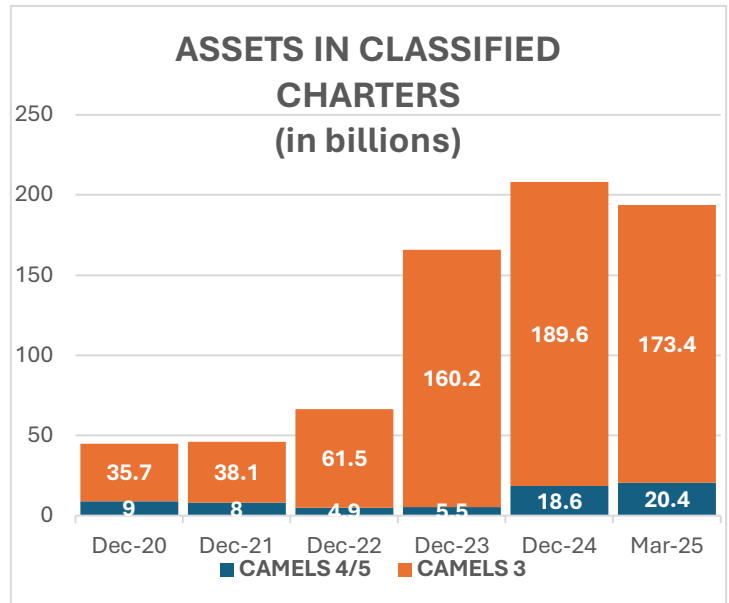
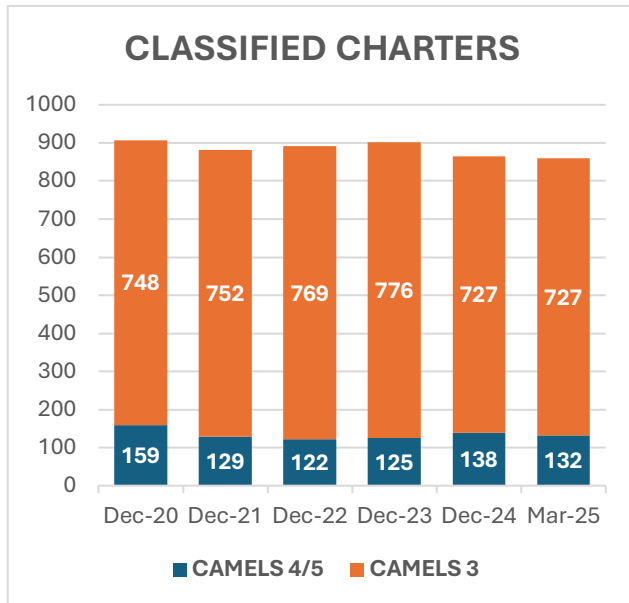
A review of the 10-year history indicates the net charge-off ratio has become more elevated than pre-pandemic levels. At 2Q25, SCUs experienced a net loss ratio of .59%, 16-basis points higher than that of 1Q20 but 4-basis points down from 1Q25. SCUs continue to outperform FCUs reported charge-off ratio of .97%, which is 38-points higher than the SCU experience.

Fortunately, the coverage ratio (ALLL/Delinquent Loans), for SCU remains relatively stable, impacted primarily by increased (but still modest) SCU loan growth. SCUs have maintained levels of provisions during the quarter to approximate those of 2024 when reportable delinquencies were more elevated. Provision expenses have generally not paced net charge-offs during 2024, but appear reasonable given reported delinquencies. At 2Q25, SCUs reported ALLL reserves of 134% of reportable delinquencies, down from 153% at 1Q24. While the coverage ratio declined from the previous quarter it is up from the 121% experienced at YE 2024.

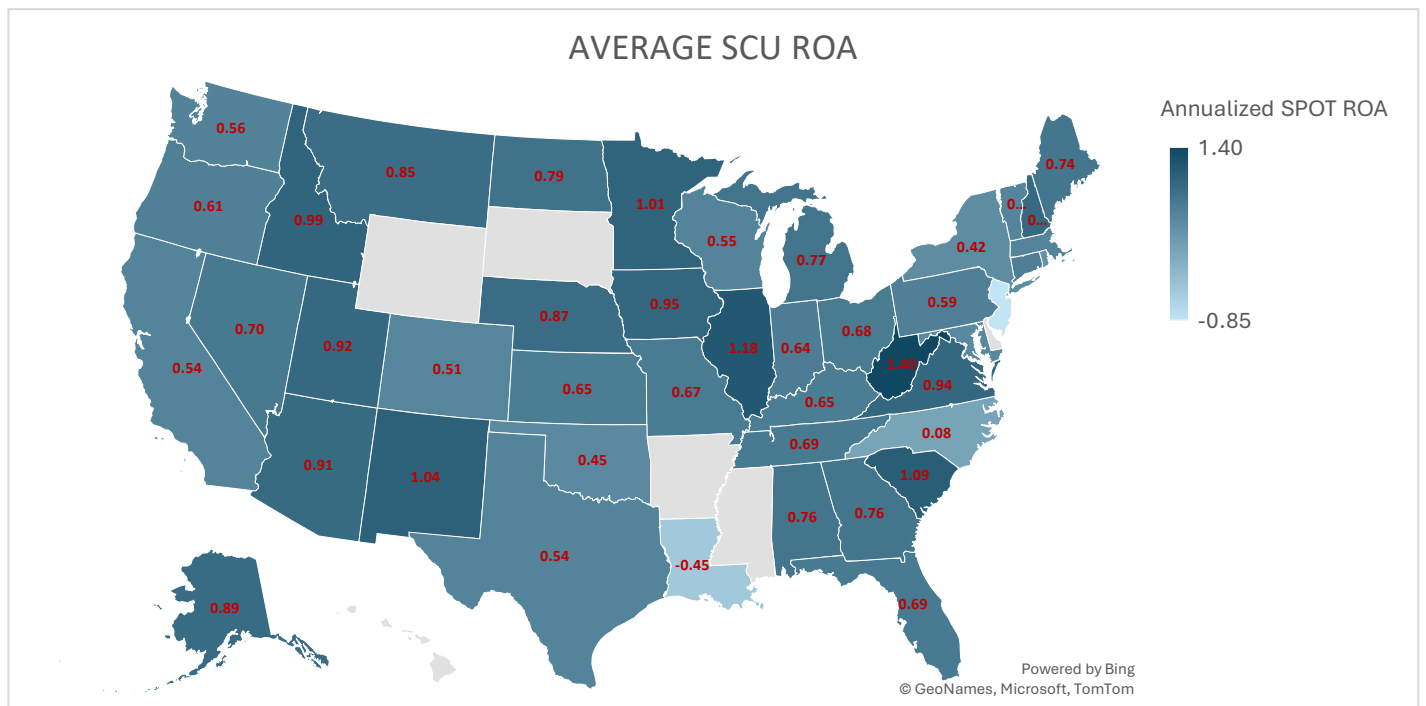
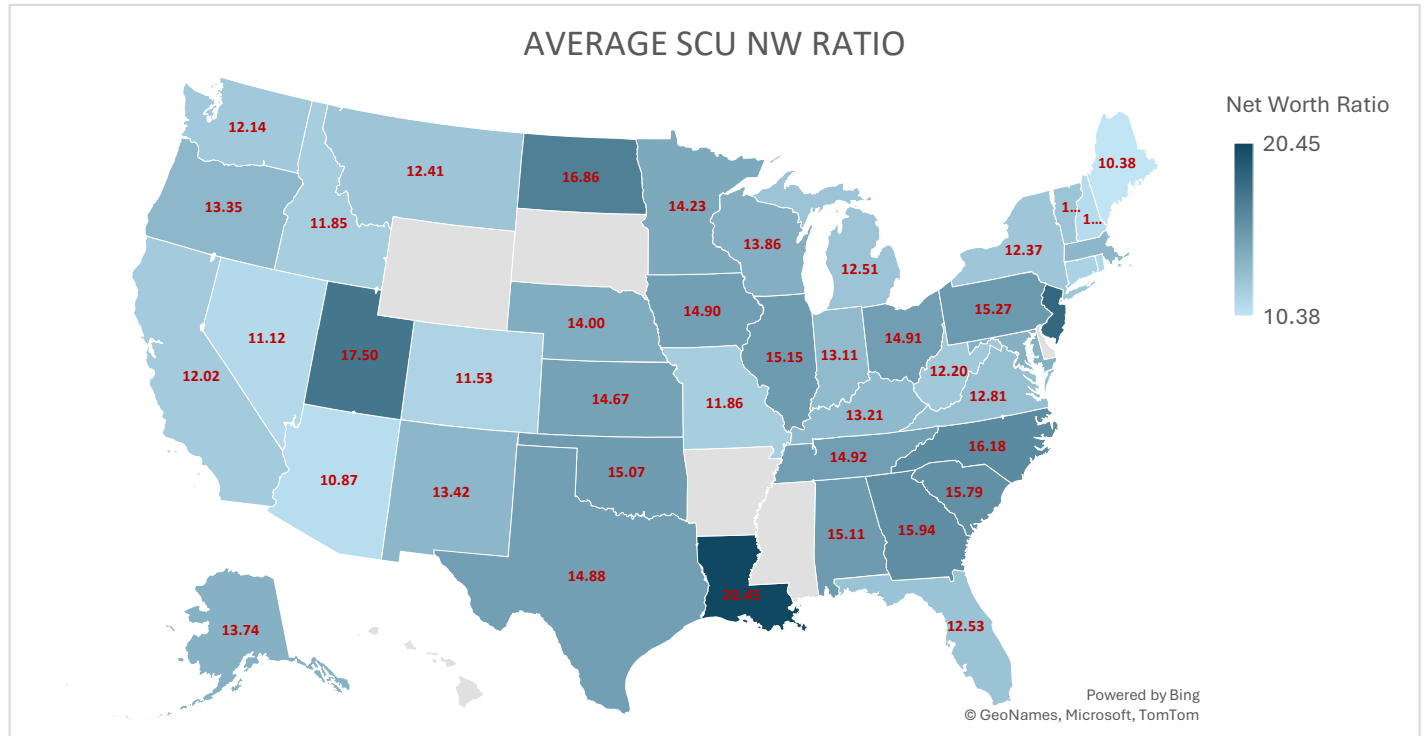


Watch CU Assets/Institutions and NCUA SIF and ASI Reserve Analysis

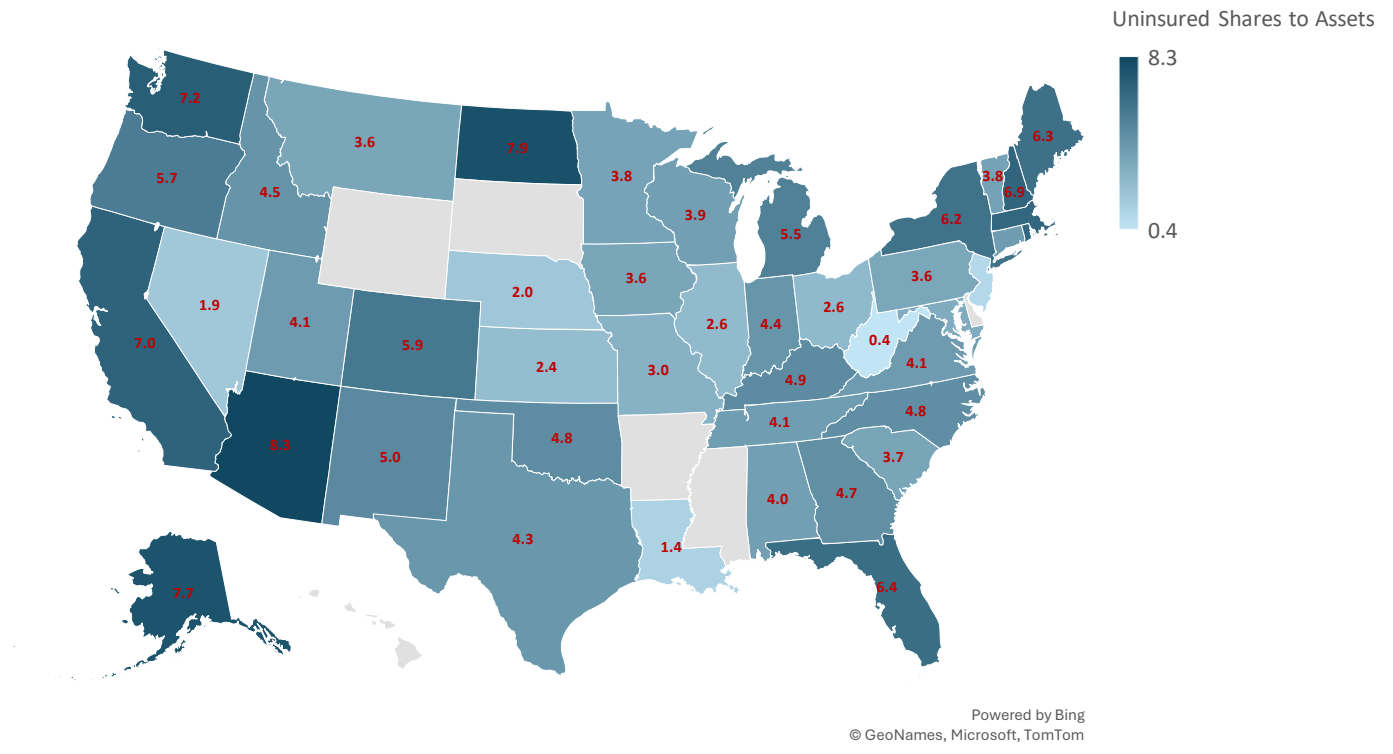
The following graphs represent the level of Watch institutions, those with a composite rating three or worse, based on information provided in the NCUA's quarterly review of the SIF and American Share Insurance. **This information has not been updated for June 30, 2025, as NCUA has not provided a June 30, 2025, SIF evaluation.**



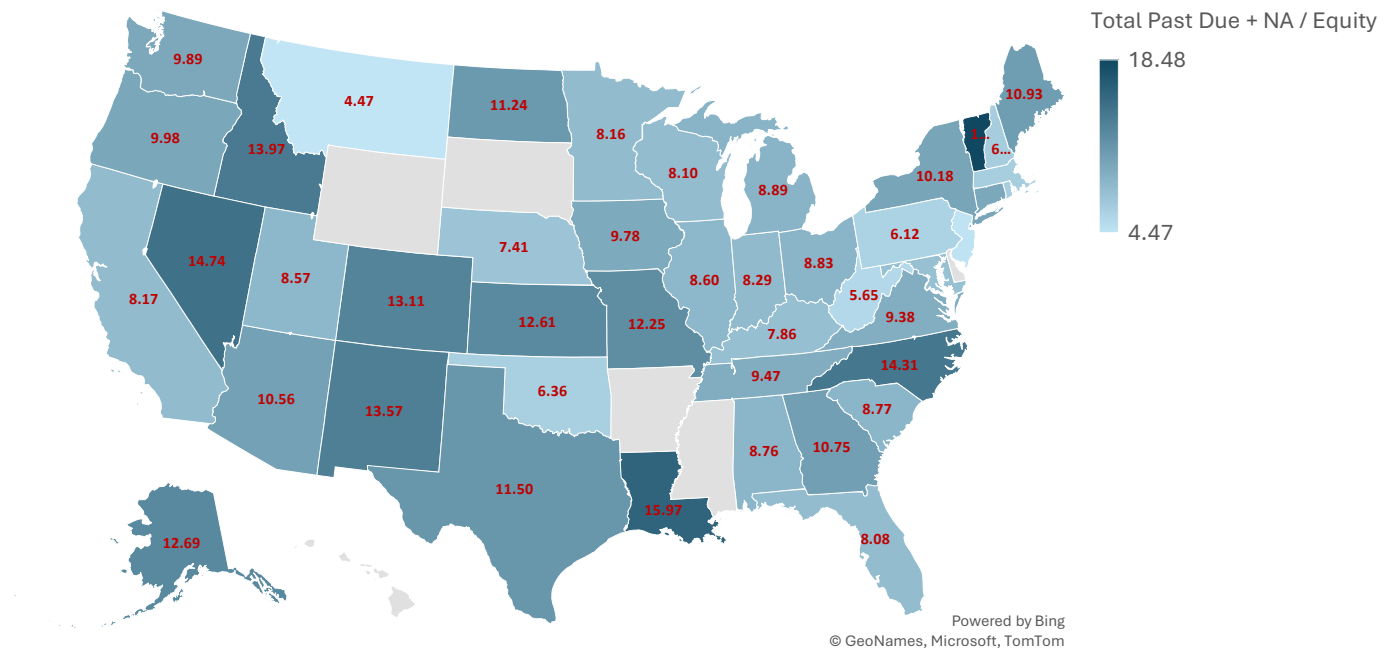
State by State Averages



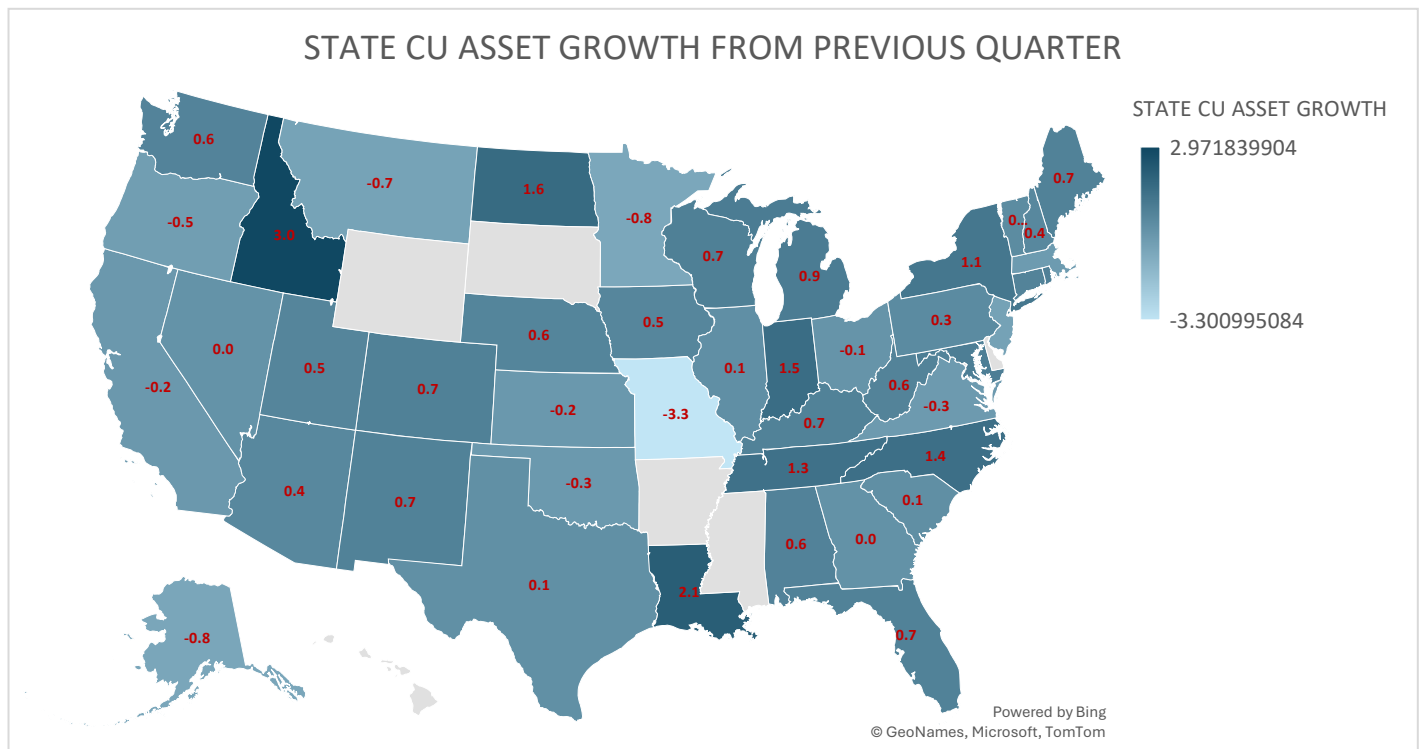
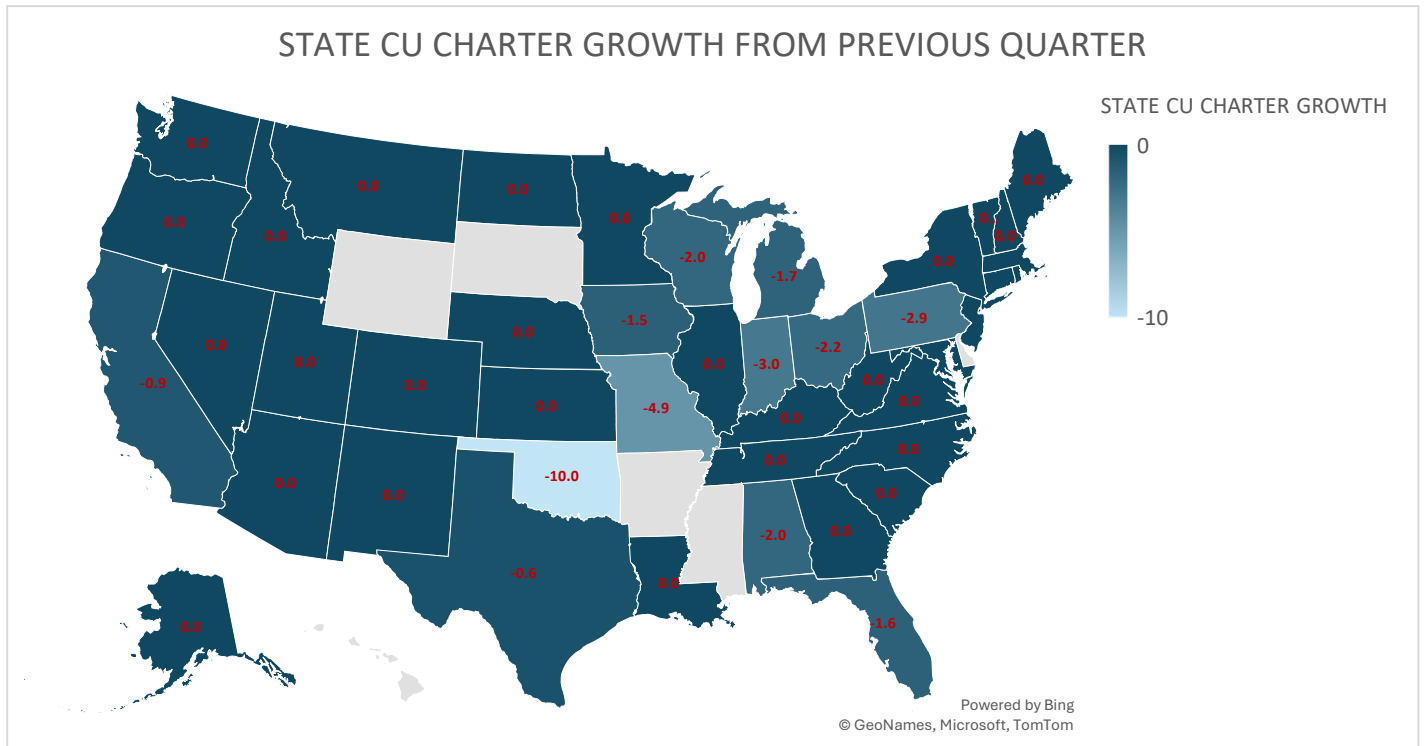
AVG SCU UNINSURED SHARES TO ASSETS



AVG TOTAL PD+NA/EQUITY

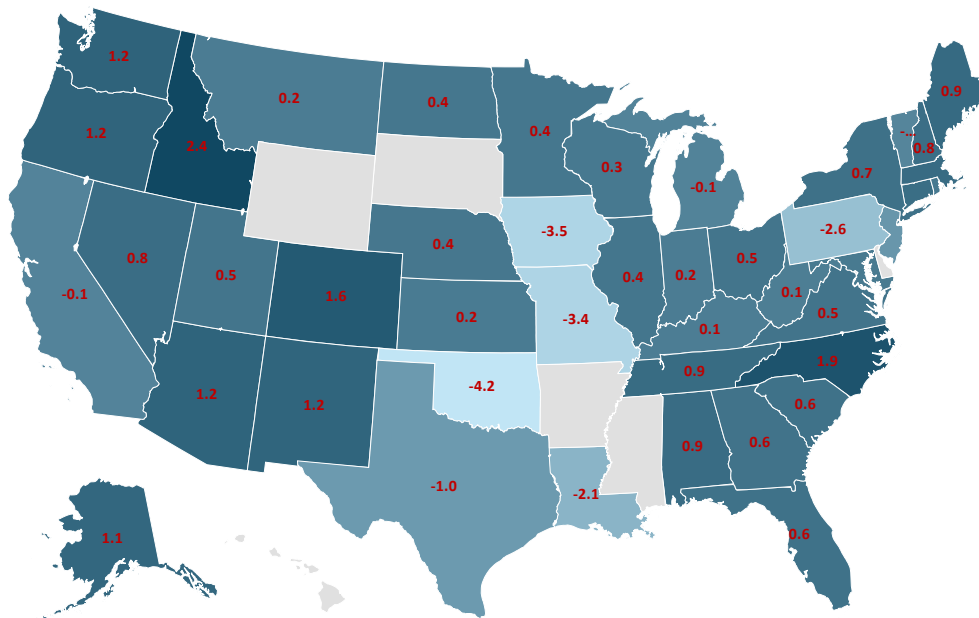
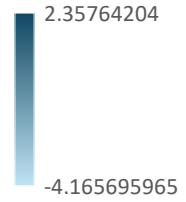


State Growth Rates



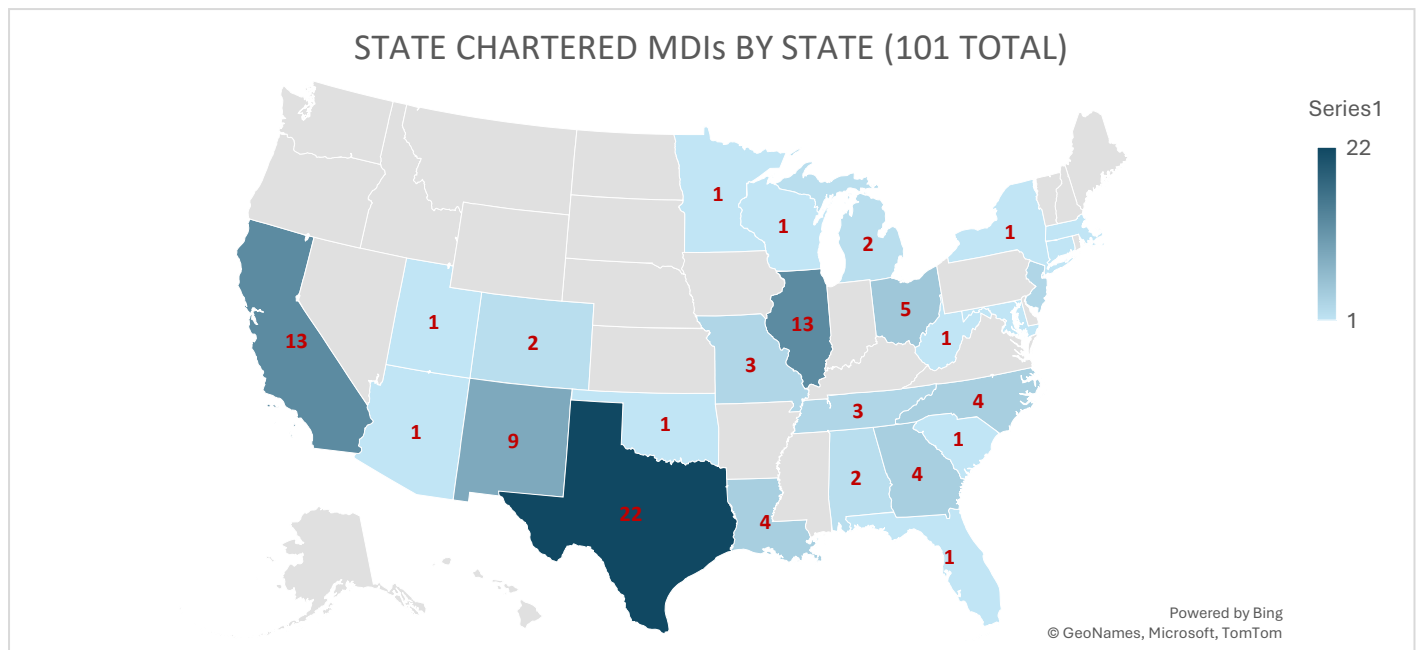
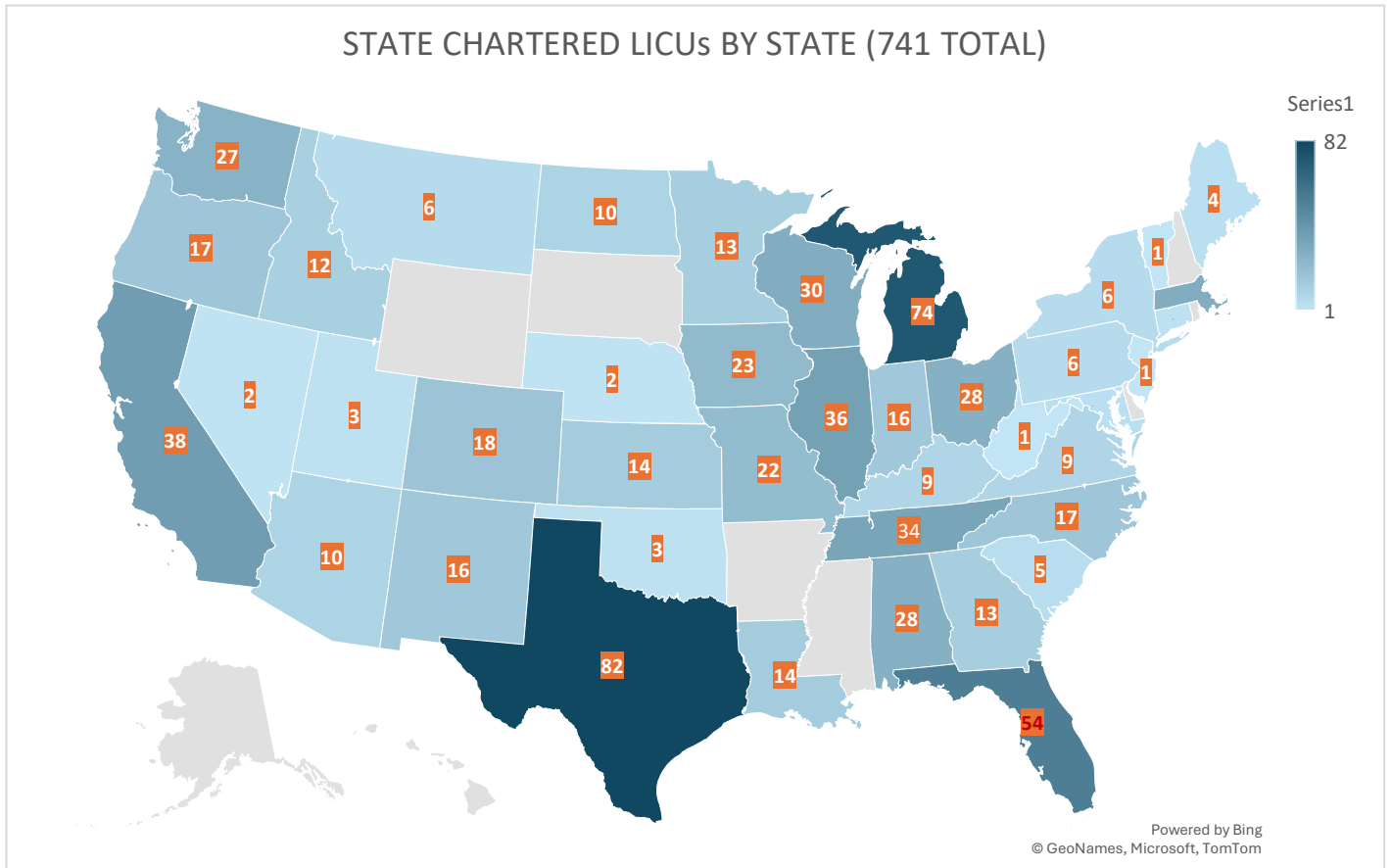
STATE CU MEMBER GROWTH FROM PREVIOUS QUARTER

STATE CU MEMBER GROWTH



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State Credit Union LICU AND MDI Designations



State Rankings

Information provided regarding the rankings of states based on size of largest SCU, size of largest FCU, total CUs, highest percentage of SCU charters, assets and members to respective totals for those states.

STATE RANKINGS						
RANKING	LARGEST SCU	LARGEST FCU	TOTAL CUS	% SCU CHARTERS	% SCU ASSETS	% SCU MEMBERS
1	NC	VA	TX	WI	IA	RI
2	WA	CA	PA	IA	RI	IA
3	CA	NY	NY	MO	WI	WI
4	IL	TX	CA	IL	WA	WA
5	FL	UT	OH	KS	ND	IL
6	MI	PA	IL	MN	IL	ND
7	ID	MA	MI	VT	NV	MO
8	IA	MD	LA	MI	MO	NV
9	CO	NC	NJ	WA	GA	CO
10	OR	FL	TN	NV	CO	OR
11	TN	TN	MA	ID	OR	GA
12	MN	IN	IN	RI	MI	MI
13	OH	SC	FL	FL	ID	ID
14	AZ	OK	WI	AL	FL	FL
15	PA	MI	VA	ND	MN	AZ
16	GA	AL	MO	TN	AZ	OH
17	NY	HI	AL	NH	OH	MN
18	WI	LA	MN	CO	NC	NC
19	MD	AK	WA	NC	CT	KS
20	IN	NJ	GA	NM	KS	CT
21	MO	NM	WV	GA	AL	CA
22	TX	KY	CT	AZ	CA	AL
23	RI	OH	IA	OH	IN	IN
24	AL	DC	CO	CA	MT	TN
25	MA	MN	KS	TX	TN	MT
26	VA	ME	MD	OR	MA	TX
27	CT	MS	NC	UT	TX	NH
28	MT	NH	KY	MA	NH	ME
29	NV	IL	UT	CT	ME	MA
30	KS	AZ	OK	KY	NM	NM

RANKING	LARGEST SCU	LARGEST FCU	TOTAL CUS	% SCU CHARTERS	% SCU ASSETS	% SCU MEMBERS
31	NH	VT	NE	IN	PA	KY
32	AK	CO	OR	ME	MD	PA
33	ND	WY	ME	MT	KY	NY
34	NM	SD	SC	NE	NE	MD
35	UT	OR	MT	VA	NY	VT
36	LA	NE	NM	LA	VT	LA
37	ME	CT	AZ	SC	LA	NE
38	OK	AR	ND	OK	AK	AK
39	KY	WV	ID	PA	OK	OK
40	NE	WA	VT	MD	UT	SC
41	VT	GA	RI	AK	SC	UT
42	SC	KS	NV	NJ	VA	VA
43	WV	ID	NH	NY	WV	WV
44	NJ	MT	AK	WV	NJ	NJ
45	DE	MO	AR	AR	AR	MS



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