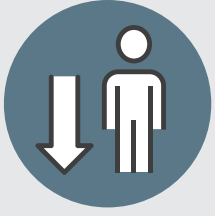


How Do Membership Growth Leaders* Strategic Choices Differ?



1 in 5

Credit Unions Lost Members

More than 1 out of 5 credit unions with total assets less than \$1 Billion **lost membership between 2017 and 2020.**

Membership Growth Leaders Are Showing the Way



4 in 10

Membership Growth Leaders Already Had a Digital Mortgage Capability

prior to the pandemic vs just 21% for credit unions in the bottom 1/3 of 2020 membership growth performance.

Top Performers Choices for 2022

- 1** Membership growth leaders are significantly **more likely to say they are planning to merge by the end of 2022.**

MERGERS	2020 Membership Growth	
	Bottom 1/3 of CUs	Top 1/3 of CUs
Plan to merge by 2022	10%	25%

- 2** They are much more likely to expect branches, but much less likely to expect online banking, to be a Top 3 distribution channel in 2022. Are membership growth leaders expecting a return to higher utilization of more traditional channels in the wake of the pandemic?

ONLINE BANKING	2020 Membership Growth	
	Bottom 1/3 of CUs	Top 1/3 of CUs
Branches	36%	64%
Online via a computer (online banking)	51%	31%

- 3** Membership growth leaders are **more likely to expect used vehicle loans, but less likely to expect investment income and home equity loans/HELOCs, to be Top 3 revenue drivers in 2022.**

TOP 3 REVENUE DRIVERS	2020 Membership Growth	
	Bottom 1/3 of CUs	Top 1/3 of CUs
Used vehicle loans	34%	53%
Investment Incomes	18%	7%
Home equity loans / HELOCs	21%	8%

- 4** In terms of digital capabilities, **membership growth leaders differ little from other credit unions in terms of planned adoption of new capabilities.** One notable exception is digital personal loans. Do these borrowers represent an untapped pool of potential new members?

DIGITAL CAPABILITIES	2020 Membership Growth	
	Bottom 1/3 of CUs	Top 1/3 of CUs
Digital personal loans	21%	39%

Additional Factors That Set Leaders Apart

Membership growth leaders are more likely to say their positive organizational culture helps set them apart. They are also more likely to say they have a well-established digital transformation roadmap. Finally, they are more likely to say their leadership has the discipline to say “no” to opportunities that don’t fit their strategy.

ADDITIONAL FACTORS	2020 Membership Growth	
	Bottom 1/3 of CUs	Top 1/3 of CUs
Our leadership team fosters a positive culture that helps differentiate us in the marketplace	66%	82%
My credit union has a well-established digital transformation roadmap	33%	54%
Leadership always says ‘no’ to opportunities that don’t clearly support our strategy	12%	26%

*Membership growth leaders are defined falling in the top 1/3 of credit unions with total assets > \$250M in terms of their membership growth rate.

Note: Significant differences at a 90% level of confidence identified with blue / red font.



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