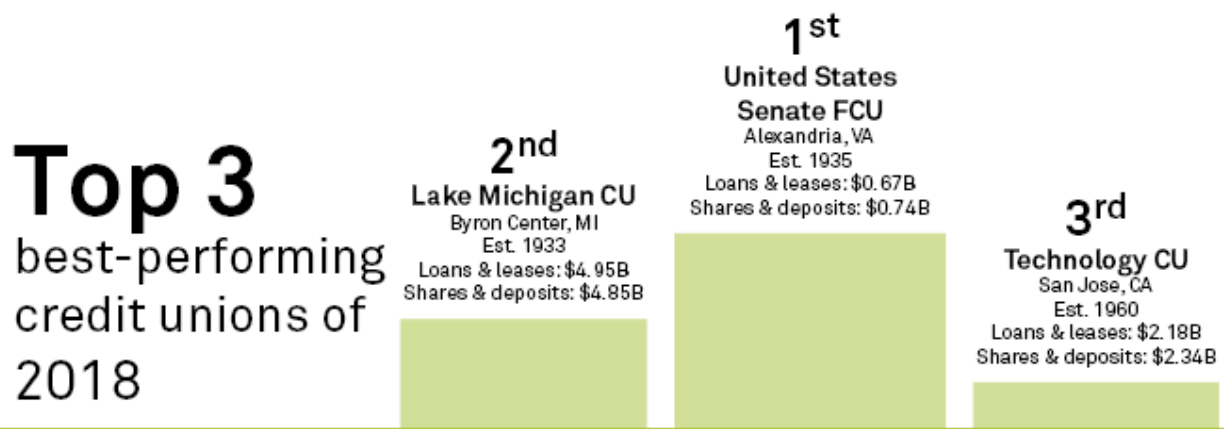


RESEARCH & ANALYSIS

United States Senate FCU jumps 43 spots to lead 2018 credit union rankings

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By Armughan Khawaja *Market Intelligence* and Usman Pirzada *Market Intelligence*



Credit: Arleigh Andes
Source: S&P Global Market Intelligence

Government worker-focused United States Senate FCU rode a surge of deposits to the No. 1 position in S&P Global Market Intelligence's 2018 ranking of the 50 top-performing U.S. credit unions.

The Alexandria, Va.-based institution, which formed in 1935 to serve employees of the U.S. Senate, posted the strongest market growth rate in the 2018 ranking, at 26.3%. Share certificates with a maturity greater than three years were a major driver of the growth in shares and deposits: they more than quadrupled to represent 18.5% of total shares and deposits. The credit union's operating expense ratio was also among the best in the group, at 53.83%.

All told, U.S. Senate FCU met or beat the top-50 median in four of the five ranking metrics; the lone exception was its net charge-off ratio, which at 0.38% was 17 basis points higher than the top-50 median.

The credit union, which ranked No. 44 in 2017, made some notable changes to its loan composition during 2018. U.S. Senate FCU saw its other unsecured loans rise to 33.30% of total loans from 8.70% a year earlier; concentration in U.S. real estate loans, meanwhile, declined to 51.8% from 70.3%.

Byron Center, Mich.-based Lake Michigan CU took the No. 2 spot on the list after ranking No. 12 in 2017. The credit union posted better results than the median in all but one ranking category, with its operating expense ratio coming in 6 basis points worse than the group. San Jose, Calif.-based Technology CU maintained its No. 3 position in the ranking.

About this analysis

S&P Global Market Intelligence ranked the nation's credit unions using five core financial performance metrics: member growth, market growth, operating expense as a percentage of operating revenue, net charge-offs as a percentage of average loans and delinquent loans as a percentage of total loans. Each company's standard deviation from the industry mean was calculated for every ranking metric, equally weighted, then added together to calculate a performance score.

To help normalize the data and mitigate the impact of outliers, caps and floors were applied for each metric. To be eligible for the ranking, a credit union had to report more than \$500 million in total assets and a net worth ratio of at least 7.0% as of Dec. 31, 2018. Based on these criteria, 552 credit unions qualified for the ranking.

[Click here to see the top-performing community banks with less than \\$3 billion in assets for 2018.](#)

[Click here to see the top-performing](#)

Idaho Central CU, which came in at No. 2 last year and was a five-time top-performer prior to that, slipped to the No. 5 spot. Last year's No. 1 credit union, Fox Communities CU, fell to the No. 34 spot.

Twenty-eight of the top-performing credit unions from 2017 retained a place in 2018's top 50 list.

community banks with \$3 billion to \$10 billion in assets for 2018.

To see the 2017 credit union rankings, [click here](#).

Ranking metrics

Among the 50 best-performing credit unions of 2018

Highest member growth

Company name	Member growth (%)	Overall rank
University of Kentucky FCU	34.8	38
Whatcom Educational CU	32.8	43
Island FCU	26.1	8
Directions CU	21.2	37
Florida CU	16.2	3
Median (top 50 CUs)	8.7	

Highest market growth

Company name	Market growth (%) ¹	Overall rank
United States Senate FCU	26.3	1
Teachers FCU	26.3	6
Island FCU	24.1	8
USAlliance FCU	21.1	12
Idaho Central CU	18.3	5
Median (top 50 CUs)	10.3	

Lowest operating expense/operating revenue

Company name	Operating expense/operating revenue (%)	Overall rank
University of Iowa Community CU	46.61	17
Star One CU	49.60	15
F&A FCU	50.21	36
Redwood CU	52.90	18
United States Senate FCU	53.83	1
Median (top 50 CUs)	64.97	

Lowest delinquent loans/total loans

Company name	Delinq. loans/total loans (%) ²	Overall rank
Star One CU	0.06	15
Mayo Employees FCU	0.08	10
Lake Michigan CU	0.10	2
Eastman CU	0.11	4
Firefighters First FCU	0.11	45
Median (top 50 CUs)	0.30	

Lowest NCOs/avg. loans

Company name	NCOs/avg. loans (%)	Overall rank
Star One CU	0.02	15
Firefighters First FCU	0.02	45
Lake Michigan CU	0.03	2
Stanford FCU	0.05	24
Mayo Employees FCU	0.06	10
Median (top 50 CUs)	0.21	

Data compiled March 7, 2019.

NCOs = net charge-offs

Analysis based on the 50 best-performing credit unions of 2018.

Excludes credit unions with less than \$500 million in total assets and a net worth ratio less than 7%.

Data based on 2018 regulatory filings.

¹ Market growth represents growth in member shares and nonmember deposits.

² Delinquent loans include loans that are greater than or equal to 60 days delinquent.

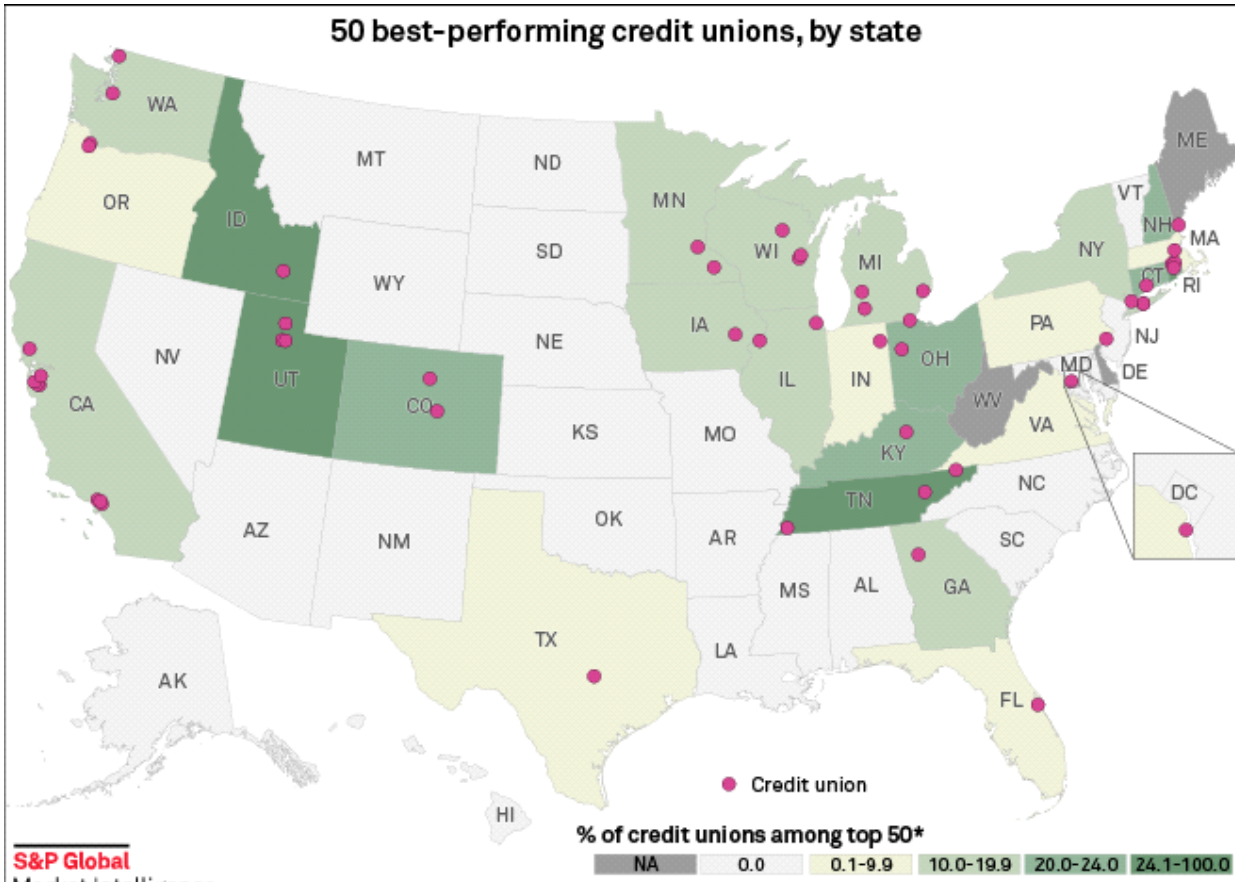
Source: S&P Global Market Intelligence

The nation's largest credit union by assets, Vienna, Va.-based Navy FCU, fell to No. 236 from No. 199 in 2017, while the second-largest credit union, Raleigh, N.C.-based State Employees' CU, rebounded to No. 142 from No. 396.

Navy Federal grew its member base by 9.1% in 2018, and its 11.8% market growth was above the top-50 median of 10.3%. The credit union's operating expense ratio also improved to 49.3% in 2018 from 50.3% a year earlier.

California continued to lead the nation with eight credit unions in the top 50, although that was down from 13 in 2017. Seven states had three credit unions on the list.

50 best-performing credit unions, by state



S&P Global
Market Intelligence

Data compiled March 7, 2019.

NA = not applicable

* Number of credit unions in the state among top 50 as a percent of total credit unions in the state eligible for ranking analysis.

Map credit: Ciaralou Agpalo Palicpic

Source: S&P Global Market Intelligence

Best-performing credit unions of 2018

Based on financials for the year ended Dec. 31, 2018

Rank	Company	City, state	Ranking metrics					
			Total assets (\$M)	Member growth (%)	Market growth (%) ¹	Operating expense/operating revenue (%)	NCOs/avg loans (%)	Total delinquent loans/total loans (%) ²
1	United States Senate FCU	Alexandria, VA	840.1	13.7	26.3	53.83	0.38	0.30
2	Lake Michigan CU	Byron Center, MI	6,064.1	9.5	17.0	65.03	0.03	0.10
3	Technology CU	San Jose, CA	2,735.0	16.2	10.2	58.89	0.08	0.29
4	Eastman CU	Kingsport, TN	4,530.2	10.1	12.4	58.79	0.17	0.11
5	Idaho Central CU	Chubbuck, ID	4,315.1	14.2	18.3	56.00	0.41	0.48
6	Teachers FCU	Hauppauge, NY	7,247.5	14.3	26.3	72.38	0.17	0.30
7	Wings Financial CU	Apple Valley, MN	5,065.2	11.7	6.8	56.61	0.21	0.19
8	Island FCU	Hauppauge, NY	1,562.0	26.1	24.1	54.86	0.50	0.69
9	Knoxville TVA Employees CU	Knoxville, TN	2,126.1	10.0	14.1	66.40	0.30	0.20
10	Mayo Employees FCU	Rochester, MN	955.7	4.8	7.6	57.71	0.06	0.08
11	Ent CU	Colorado Springs, CO	5,567.9	11.4	9.9	67.34	0.13	0.23
12	USAlliance FCU	Rye, NY	1,701.3	14.9	21.1	67.67	0.31	0.61
13	Navigant CU	Smithfield, RI	2,188.2	12.1	16.1	70.74	0.10	0.61
14	Orion FCU	Memphis, TN	807.7	14.1	12.1	69.01	0.25	0.44
15	Star One CU	Sunnyvale, CA	8,568.2	4.2	4.2	49.60	0.02	0.06
16	Pawtucket CU	Pawtucket, RI	2,317.3	7.9	9.3	64.44	0.09	0.23
17	University of Iowa Community CU	North Liberty, IA	5,377.4	9.4	16.2	46.61	0.34	0.82
18	Redwood CU	Santa Rosa, CA	4,455.9	9.1	9.3	52.90	0.21	0.56
19	Alliant CU	Chicago, IL	11,226.5	13.9	8.1	61.27	0.33	0.45
20	Superior CU Inc.	Lima, OH	917.6	12.3	11.5	69.24	0.07	0.56
21	Greenwood CU	Warwick, RI	552.0	9.7	18.2	73.74	0.10	0.42
22	Columbia CU	Vancouver, WA	1,512.9	7.9	17.4	67.43	0.35	0.30
23	Direct FCU	Needham, MA	686.6	11.7	16.7	76.86	0.06	0.54
24	Stanford FCU	Palo Alto, CA	2,616.2	4.0	4.5	55.17	0.05	0.19
25	Community First CU	Neenah, WI	3,116.9	3.0	8.5	58.23	0.08	0.27
26	Three Rivers FCU	Fort Wayne, IN	1,057.4	7.7	17.1	66.98	0.30	0.47
27	Austin Telco FCU	Austin, TX	1,555.3	2.3	6.0	56.23	0.07	0.17
28	Cyprus FCU	West Jordan, UT	976.0	5.2	12.6	64.91	0.33	0.15
29	Logix FCU	Burbank, CA	6,019.1	7.3	7.5	55.78	0.32	0.37
30	Service CU	Portsmouth, NH	3,502.3	15.9	8.3	72.05	0.33	0.23
31	Utah Power CU	Salt Lake City, UT	675.0	1.5	6.1	57.18	0.06	0.13
32	OnPoint Community CU	Portland, OR	5,392.9	7.0	5.2	61.74	0.11	0.24
33	Police and Fire FCU	Philadelphia, PA	5,234.5	9.2	6.2	54.14	0.39	0.39
34	Fox Communities CU	Appleton, WI	1,673.8	3.2	9.4	65.59	0.06	0.17
35	Community CU of Florida	Rockledge, FL	726.5	5.4	10.1	56.01	0.55	0.24
36	F&A FCU	Monterey Park, CA	1,661.5	1.6	4.3	50.21	0.08	0.15
37	Directions CU	Sylvania, OH	857.7	21.2	15.2	80.48	0.36	0.41
38	University of Kentucky FCU	Lexington, KY	864.6	34.8	12.9	64.80	0.71	0.49
39	Connex CU Inc.	North Haven, CT	632.2	11.1	16.7	73.54	0.21	0.70
40	Consumers CU	Kalamazoo, MI	1,092.8	7.5	15.6	73.09	0.35	0.29
41	CoVantage CU	Antigo, WI	1,645.1	7.5	7.6	65.34	0.16	0.32
42	Premier Members CU	Boulder, CO	1,134.1	7.7	12.2	67.52	0.38	0.30
43	Whatcom Educational CU	Bellingham, WA	1,606.5	32.8	9.2	73.98	0.28	0.41
44	Patelco CU	Pleasanton, CA	6,592.9	6.2	9.6	65.11	0.20	0.35
45	Firefighters First FCU	Los Angeles, CA	1,380.5	8.3	10.5	81.51	0.02	0.11
46	Boeing Employees CU	Tukwila, WA	19,601.5	7.5	5.9	61.55	0.30	0.25
47	Deere Employees CU	Moline, IL	1,039.3	6.9	10.6	72.49	0.18	0.21
48	LGE Community CU	Marietta, GA	1,391.3	6.4	11.5	70.12	0.28	0.23
49	Michigan Schools and Government CU	Clinton Township, MI	2,035.7	7.2	9.0	59.75	0.43	0.38

50	Goldenwest FCU	Ogden, UT	1,553.6	7.6	8.8	68.15	0.25	0.26
Group median				8.7	10.3	64.97	0.21	0.30

Data compiled March 7, 2019.

NCOs = net charge-offs

S&P Global Market Intelligence used five metrics to identify top-performing credit unions by applying equal weights to each metric. The mean for each metric was identified across the data set, and standard deviations from these means were calculated for each metric for each institution and aggregated to determine a relative performance score. Scores for each metric also were capped to help normalize the data.

Excludes credit unions with less than \$500 million in total assets and a net worth ratio less than 7%.

Data based on 2018 regulatory filings.

¹ Market growth represents growth in member shares and nonmember deposits.

² Delinquent loans include loans that are greater than or equal to 60 days delinquent.

Source: S&P Global Market Intelligence

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