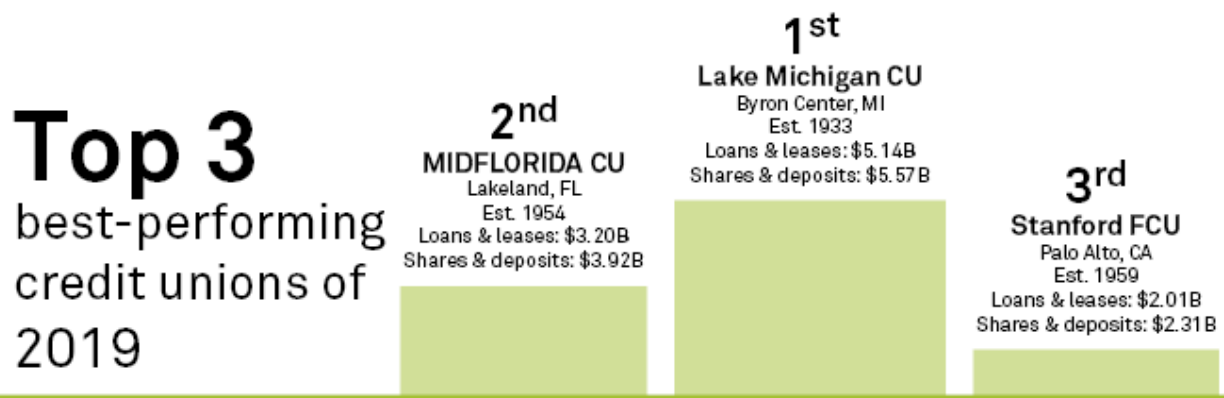


RESEARCH & ANALYSIS

Lake Michigan CU reaches the top in 2019 credit union rankings

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Market Intelligence



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

Byron Center, Mich.-based Lake Michigan CU took the crown in S&P Global Market Intelligence's ranking of the top-performing U.S. credit unions in 2019.

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 expenses as a percentage of operating revenue, net charge-offs as a percentage of average loans and delinquent loans as a percentage of total loans. S&P Global Market Intelligence measured each company's standard deviation from the industry mean value for each of the five financial metrics. Ceilings and floors were implemented for those standard deviations so significant outliers would not skew the analysis. The capped standard deviations were weighted equally and aggregated to determine a relative performance score.

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% as of Dec. 31, 2019. Based on these criteria, 584 credit unions qualified for the ranking.

The credit union has been a strong performer for years, ranking No. 2 in 2018 and No. 12 in 2017. Lake Michigan CU outperformed the industry median in all five ranking metrics even as its net charge-off ratio increased 2 basis points to 0.05% in 2019 and its delinquency ratio rose 4 basis points to 0.14%. In addition, the credit union's strong member growth and market growth of 7.2% and 14.9%, respectively, were slower than its 2018 pace.

Lakeland, Fla.-based MIDFLORIDA CU jumped 63 places to land at the No. 2 spot in 2019, aided by M&A activity. In November 2019, the credit union completed the acquisition of Fort Dodge, Iowa-based First American Bank's Florida assets, which included two branches in Naples and one in Cape Coral, and Community Bank and Trust of Florida, which added 11 branches in Sumter, Alachua and Marion counties.

These acquisitions helped MIDFLORIDA CU post 21.5% member growth and 40.5% market growth in 2019. The credit union's 0.25% loan delinquency ratio and 63.40% operating expense ratio were both lower than the industry median, while its net charge-off ratio was equal to the industry median at 0.39%.

[Click here to see the top-performing community banks with less than \\$3 billion in assets for 2019.](#)

Click here to see the top-performing community banks with \$3 billion to \$10 billion in assets for 2019.

To see the 2018 credit union rankings, click here.

Palo Alto, Calif.-based Stanford FCU jumped 21 spots to the No. 3 position in 2019 even as its efficiency ratio and net charge-off ratio climbed year over year.

Ranking metrics

Among the 50 best-performing credit unions of 2019

Highest member growth

Company name	Member growth (%)	Overall rank
Atlantic Regional FCU	120.3	24
Vibe CU	109.4	14
City & County CU	56.1	31
Gesa CU	53.8	42
MIDFLORIDA CU	21.5	2
Industry median ³	3.7	

Highest market growth

Company name	Market growth (%) ¹	Overall rank
Vibe CU	145.7	14
Atlantic Regional FCU	106.3	24
Gesa CU	81.6	42
City & County CU	64.0	31
MIDFLORIDA CU	40.5	2
Industry median ³	7.9	

Lowest operating expense/operating revenue

Company name	Operating expense/operating revenue (%)	Overall rank
Police and Fire FCU	53.84	30
Wings Financial CU	54.31	20
Redwood CU	54.32	16
Mayo Employees FCU	56.14	11
Austin Telco FCU	56.47	8
Industry median ³	73.40	

Lowest delinquent loans/total loans

Company name	Delinquent loans/total loans (%) ²	Overall rank
Mayo Employees FCU	0.02	11
Stanford FCU	0.05	3
Salal CU	0.06	45
Star One CU	0.07	10
Mission FCU	0.11	35
Industry median ³	0.50	

Lowest NCOs/avg. loans

Company name	NCOs/ avg. loans (%)	Overall rank
Star One CU	0.03	10
Mayo Employees FCU	0.04	11
Lake Michigan CU	0.05	1
Central Minnesota CU	0.06	23
Superior CU Inc.	0.06	25
Industry median ³	0.39	

Data compiled March 6, 2020.

NCOs = net charge-offs

Analysis based on the 50 best-performing credit unions of 2019.

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

Data based on regulatory filings as of Dec. 31, 2019.

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

² Delinquent loans include loans that are at least 60 days delinquent.

³ Represents the median of 584 credit unions eligible for this analysis.

Source: S&P Global Market Intelligence

Twenty-four of the 50 top-performing credit unions from 2018 retained a place in 2019's top 50 list. Among those companies, Clinton Township, Mich.-based Michigan Schools and Government CU and Antigo, Wis.-based CoVantage CU improved the most, both rising 34 ranks to No. 15 and No. 7, respectively. On the other end of the spectrum, Apple Valley, Minn.-based Wings Financial CU fell the most, dropping 13 spots to No. 20, followed by Salt Lake City-based Utah Power CU, which slid 10 spots to No. 41.

In February, Wings Financial agreed to acquire Peoples Bankshares Inc.'s Mora, Minn.-based unit Neighborhood National Bank. The deal, which is expected to close during the third quarter, will provide the credit union an opportunity to gain scale in Minnesota.

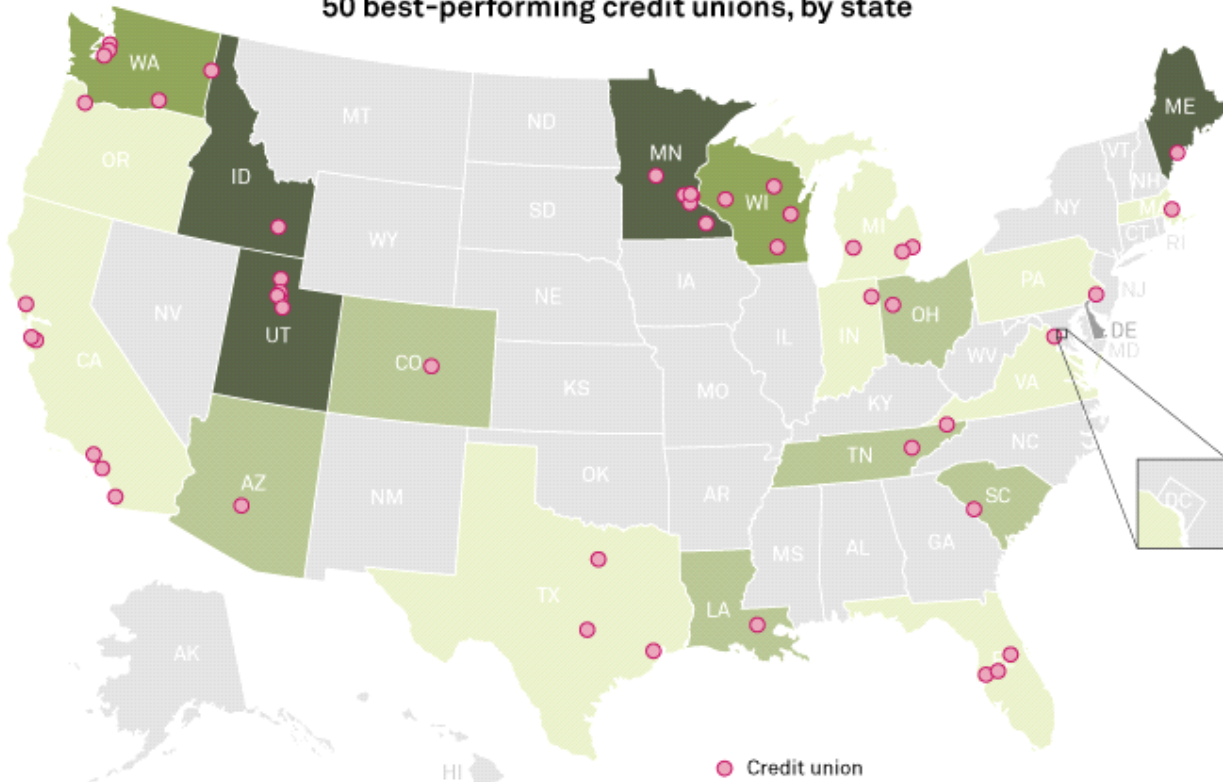
Last year's gold medalist, Alexandria, Va.-based United States Senate FCU, fell all the way to No. 114 after all of its metrics deteriorated year over year. San Jose, Calif.-based Technology CU, which was No. 3 in 2018, slid to No. 6.

The nation's largest credit union by assets, Vienna, Va.-based Navy FCU, rose through the ranks from No. 236 in 2018 to No. 206. Navy FCU's 22.2% market growth in 2019, which was above the industry median of 7.9%, contributed to its improved ranking.

Meanwhile, Raleigh, N.C.-based State Employees' CU, the U.S.'s second-largest credit union by assets, slumped to No. 442 from No. 401 in 2018 and No. 396 in 2017.

Among all states, California accounted for the most institutions in the top 50 at seven, followed by Minnesota at six.

50 best-performing credit unions, by state



Data compiled March 6, 2020.
 * Number of credit unions in the state among top 50 as a percentage of total credit unions in the state eligible for ranking analysis.
 Map credit: Ciaralou Agpalo Palicpic
 Source: S&P Global Market Intelligence

Best-performing US credit unions of 2019

Based on financials for the year ended Dec. 31, 2019

Rank	Company	City, state	Ranking metrics					
			Total assets (\$M)	Member growth (%)	Market growth (%) ¹	Operating expense/operating revenue (%)	NCOs/average loans (%)	Total delinquent loans/total loans (%) ²
1	Lake Michigan CU	Byron Center, MI	6,863.4	7.2	14.9	58.11	0.05	0.14
2	MIDFLORIDA CU	Lakeland, FL	4,422.0	21.5	40.5	63.40	0.39	0.25
3	Stanford FCU	Palo Alto, CA	2,942.2	6.2	13.8	57.47	0.09	0.05
4	Idaho Central CU	Chubbuck, ID	5,070.7	13.6	22.5	60.25	0.45	0.39
5	Eastman CU	Kingsport, TN	5,099.6	8.3	12.9	56.51	0.21	0.15
6	Technology CU	San Jose, CA	3,045.6	12.4	15.8	59.22	0.35	0.34
7	CoVantage CU	Antigo, WI	1,905.4	11.8	16.5	65.51	0.15	0.46
8	Austin Telco FCU	Austin, TX	1,819.4	1.8	17.6	56.47	0.09	0.30
9	OnPoint Community CU	Portland, OR	6,130.7	7.9	8.9	57.91	0.13	0.22
10	Star One CU	Sunnyvale, CA	9,073.7	4.0	9.2	58.57	0.03	0.07
11	Mayo Employees FCU	Rochester, MN	1,026.1	4.7	6.1	56.14	0.04	0.02
12	Utah Community FCU	Provo, UT	1,679.5	14.8	22.5	65.89	0.42	0.55
13	Knoxville TVA Employees CU	Knoxville, TN	2,430.8	8.5	16.8	65.39	0.33	0.20
14	Vibe CU	Novi, MI	913.8	109.4	145.7	68.70	0.39	0.49
15	Michigan Schools and Government CU	Clinton Township, MI	2,370.7	5.7	16.3	58.30	0.34	0.28
16	Redwood CU	Santa Rosa, CA	4,989.1	8.8	11.3	54.32	0.25	0.38
17	SPIRE CU	Falcon Heights, MN	1,242.9	14.8	15.2	80.18	0.11	0.17
18	Ent CU	Colorado Springs, CO	6,685.9	10.5	11.4	68.81	0.12	0.25
19	Cyprus FCU	West Jordan, UT	1,149.9	5.9	20.3	65.56	0.36	0.27
20	Wings Financial CU	Apple Valley, MN	5,633.1	9.7	8.0	54.31	0.26	0.35
21	EFCU Financial FCU	Baton Rouge, LA	540.8	8.3	24.3	68.93	0.28	0.43
22	Arizona FCU	Phoenix, AZ	1,937.9	5.6	22.0	67.97	0.25	0.35
23	Central Minnesota CU	Melrose, MN	1,201.9	10.8	11.8	72.89	0.06	0.31
24	Atlantic Regional FCU	Brunswick, ME	748.8	120.3	106.3	84.90	0.10	0.41
25	Superior CU Inc.	Lima, OH	1,034.7	6.7	12.9	65.70	0.06	0.39
26	Sound CU	Tacoma, WA	1,839.7	6.5	21.8	73.61	0.33	0.11
27	Suncoast CU	Tampa, FL	10,534.6	7.7	17.7	57.51	0.61	0.48
28	Utah First FCU	Salt Lake City, UT	501.7	6.7	27.5	66.56	0.29	0.56
29	Community First CU	Neenah, WI	3,412.0	2.6	11.8	61.07	0.09	0.30
30	Police and Fire FCU	Philadelphia, PA	5,628.6	8.8	7.2	53.84	0.36	0.31
31	City & County CU	Saint Paul, MN	893.6	56.1	64.0	82.87	0.30	0.36
32	Three Rivers FCU	Fort Wayne, IN	1,208.2	6.0	18.8	66.17	0.26	0.56
33	Rockland FCU	Rockland, MA	1,944.2	0.5	14.5	59.83	0.08	0.41
34	Logix FCU	Burbank, CA	6,294.8	3.8	14.8	58.99	0.27	0.46
35	Mission FCU	San Diego, CA	3,856.2	5.7	7.5	59.83	0.29	0.11
36	FAIRWINDS CU	Orlando, FL	2,670.4	4.0	19.0	70.29	0.17	0.41
37	SRP FCU	North Augusta, SC	1,067.1	15.9	13.4	66.47	0.50	0.46
38	Summit CU	Cottage Grove, WI	3,689.6	7.0	16.8	65.30	0.25	0.59
39	TruStone Financial FCU	Plymouth, MN	1,553.6	4.1	14.9	71.59	0.13	0.21
40	Royal CU	Eau Claire, WI	2,837.9	6.7	19.9	68.08	0.39	0.48
41	Utah Power CU	Salt Lake City, UT	726.2	2.9	6.2	59.33	0.07	0.21
42	Gesa CU	Richland, WA	3,684.6	53.8	81.6	65.60	0.80	0.56
43	Gulf Coast Educators FCU	Pasadena, TX	860.1	5.0	21.6	68.42	0.48	0.28
44	Boeing Employees CU	Tukwila, WA	22,178.7	6.4	8.6	59.71	0.36	0.26
45	Salal CU	Seattle, WA	737.2	7.5	11.9	75.80	0.22	0.06
46	NextMark FCU	Fairfax, VA	502.5	1.1	9.2	57.38	0.10	0.36
47	EFCU	Fort Worth, TX	2,504.8	8.2	10.3	62.89	0.40	0.34
48	Spokane Teachers CU	Liberty Lake, WA	3,290.0	6.9	11.2	69.04	0.27	0.22
49	SchoolsFirst FCU	Santa Ana, CA	16,761.7	8.5	11.0	58.85	0.49	0.47

50	Goldenwest FCU	Ogden, UT	1,742.0	4.5	12.1	64.36	0.36	0.20
Group median				7.1	14.9	64.83	0.27	0.33
Industry median³				3.7	7.9	73.40	0.39	0.50

Data compiled March 6, 2020.
 NCOs = net charge-offs
 S&P Global Market Intelligence used five metrics to identify top-performing U.S. 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 were also capped to help normalize the data.
 Excludes credit unions with less than \$500 million in total assets or a net worth ratio of less than 7%.
 Data based on regulatory filings as of Dec. 31, 2019.
¹ Market growth represents growth in member shares and nonmember deposits.
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 Source: S&P Global Market Intelligence

Click here to access a template containing the data used to compile the 2019 Credit Union Ranking.

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