




## Arizona Summit Conference

*Alan Althouse*  
 TruWest Credit Union  
 9/18/09

---

---

---


---

---

---

---

---



### 14 largest credit unions operating in the Phoenix Valley\*

*Data for 7/1/08 to 6/30/09 unless noted otherwise*

Total Assets as of 6/30/09	\$10.6B
Number of Credit Unions with Positive Earnings	0
Dollar Loss – Total	\$286M
Excluding Largest Credit Union Loss	\$176M
Return on Assets – Average	-2.63%
Return on Assets – Median	-2.76%

\* Desert Schools, Arizona Federal, Arizona State, Vantage West, TruWest, First, Arizona Central, Credit Union West, Sun West, Deer Valley, Continental, Altier, Canyon State, Tempe Schools.

---

---

---


---

---

---

---

---



### 14 largest credit unions operating in the Phoenix Valley

	06/08	06/09	Change
Net Worth Average	10.6%	7.6%	-3.0%
Net Worth Median	11.1%	8.0%	-3.1%
Delinquent Loans <small>** 3.38% (Median)</small>	1.47%	3.22%**	+1.75%

---

---

---


---

---




---

---

---



## 14 largest credit unions operating in the Phoenix Valley

Charge Off Rate	3.35%
Provision Expense	3.70%
Year-Over-Year Increase to Provision Expense	1.53%
Loan Growth 1 <sup>st</sup> Half 2009 Annualized	(13.0%)
Deposit Growth 1 <sup>st</sup> Half 2009 Annualized	+14.9%

---

---

---

---

---

---

---

---

---


---

---


---



## 14 largest credit unions operating in the Phoenix Valley



- Last time interest rates this low? Early 1940's...
  - Government command of economy
  - Fed purchases in trillions – Agencies, ABS
- Three key drivers of success:
  - Mortgage product type
  - Jumbo vs. conforming
  - Broker vs. internal
  - Year originated – understand credit risk


---

---

---

---

---

---

---


---

---


---

---



---



## 14 largest credit unions operating in the Phoenix Valley



- Net income drivers moving forward:
  - Dividends expense
  - FAS 5 – getting past catch-up
  - Operating Costs/Fees
    - Incoming wires vs. ACH originations on Home Banking


---

---

---

---

---

---

---

---

---

---

---

---