



TRENDWATCH 2Q25



August 12th, 2025

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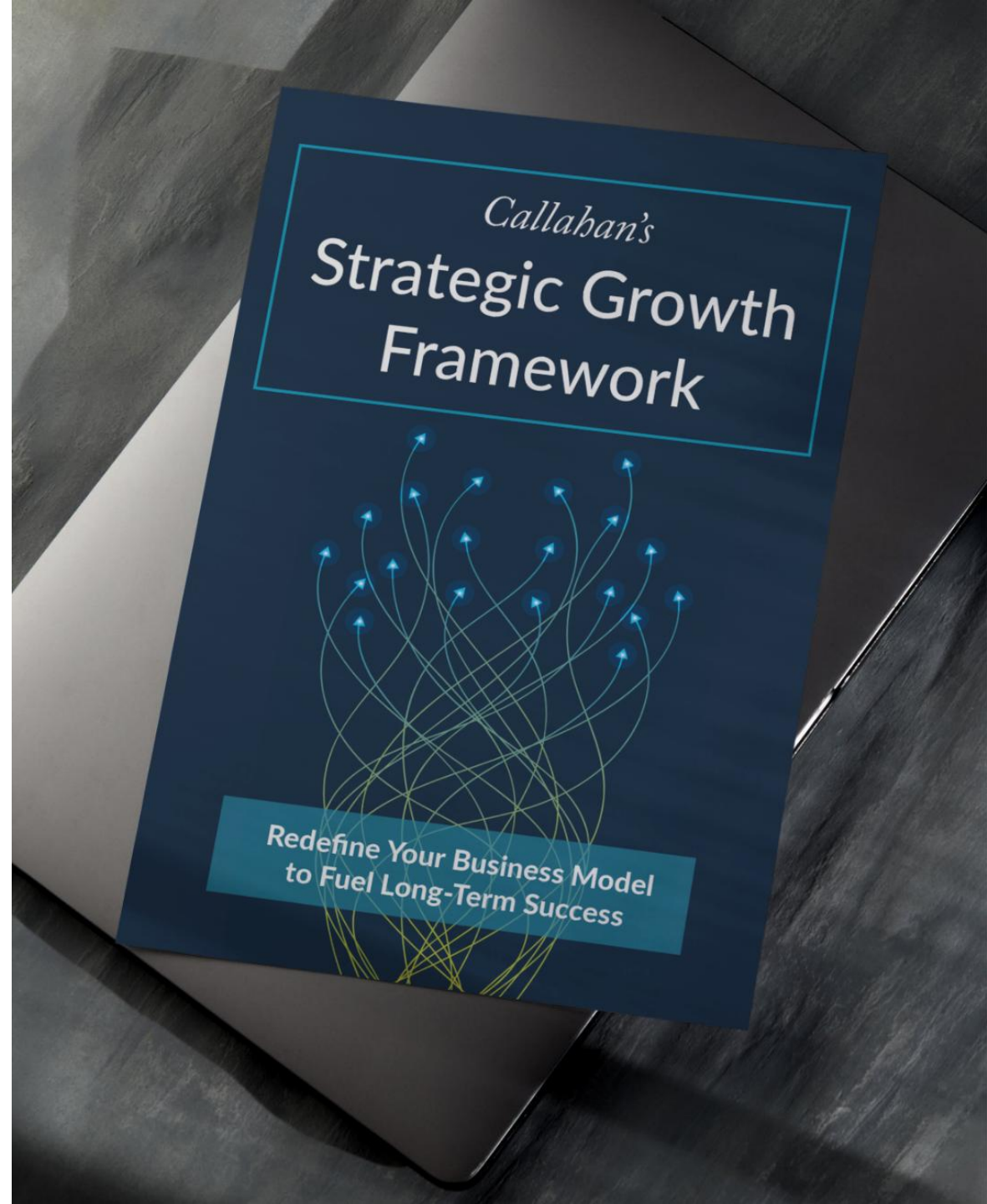
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A Roadmap To Credit Union Growth

Placing Member Financial Wellbeing At The Center Of Your Strategy

OCTOBER 1ST | 2PM ET

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FEATURING:



ANDREW ROBERTSON
Principal at Gallup



ANDREA PRUNA
*Strategic Consulting Principal
at Callahan & Associates*

Today's Lineup

Market Update

Todd Adams, Chief Executive Officer, Alloya Corporate FCU

Andrew Kohl, Chief Investment Officer, Alloya Corporate FCU

Mid-Year 2025 Credit Union Results

Alexandra Gekas, Vice President, Callahan & Associates

Jay Johnson, Chief Collaboration Officer, Callahan & Associates

Deepening Member Relationships the PEFCU Way

Shannon Patten, Chief Experience Officer, Publix Employees FCU



The Alloya Story

WE ARE A CREDIT UNION

A GREAT EXAMPLE OF THE POWER OF COOPERATION

1,400 MEMBERS WORKING TOGETHER

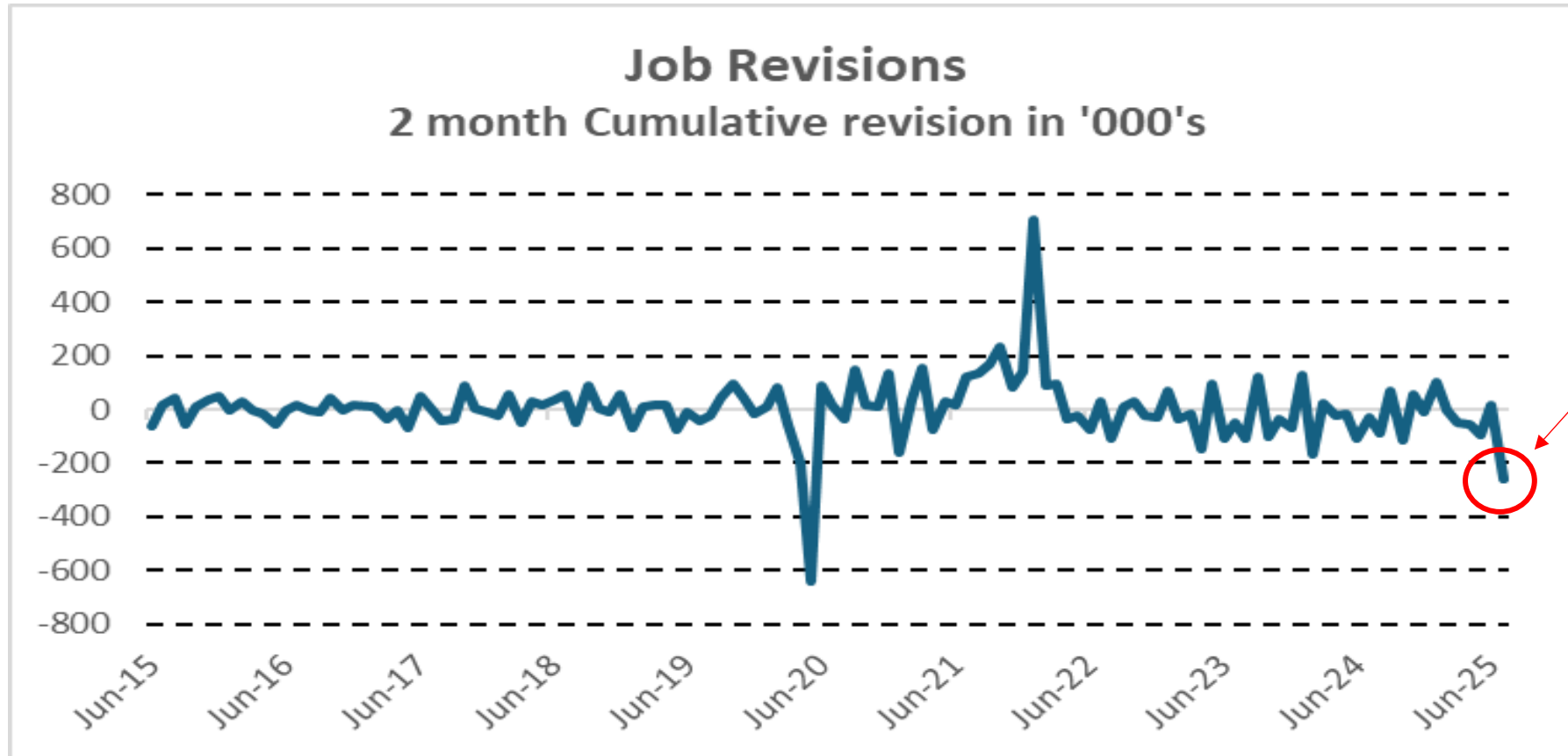
Economic Update

Andrew Kohl, Chief Investment Officer

Todd Adams, Chief Executive Officer



Massive Downward Payroll Growth Revision

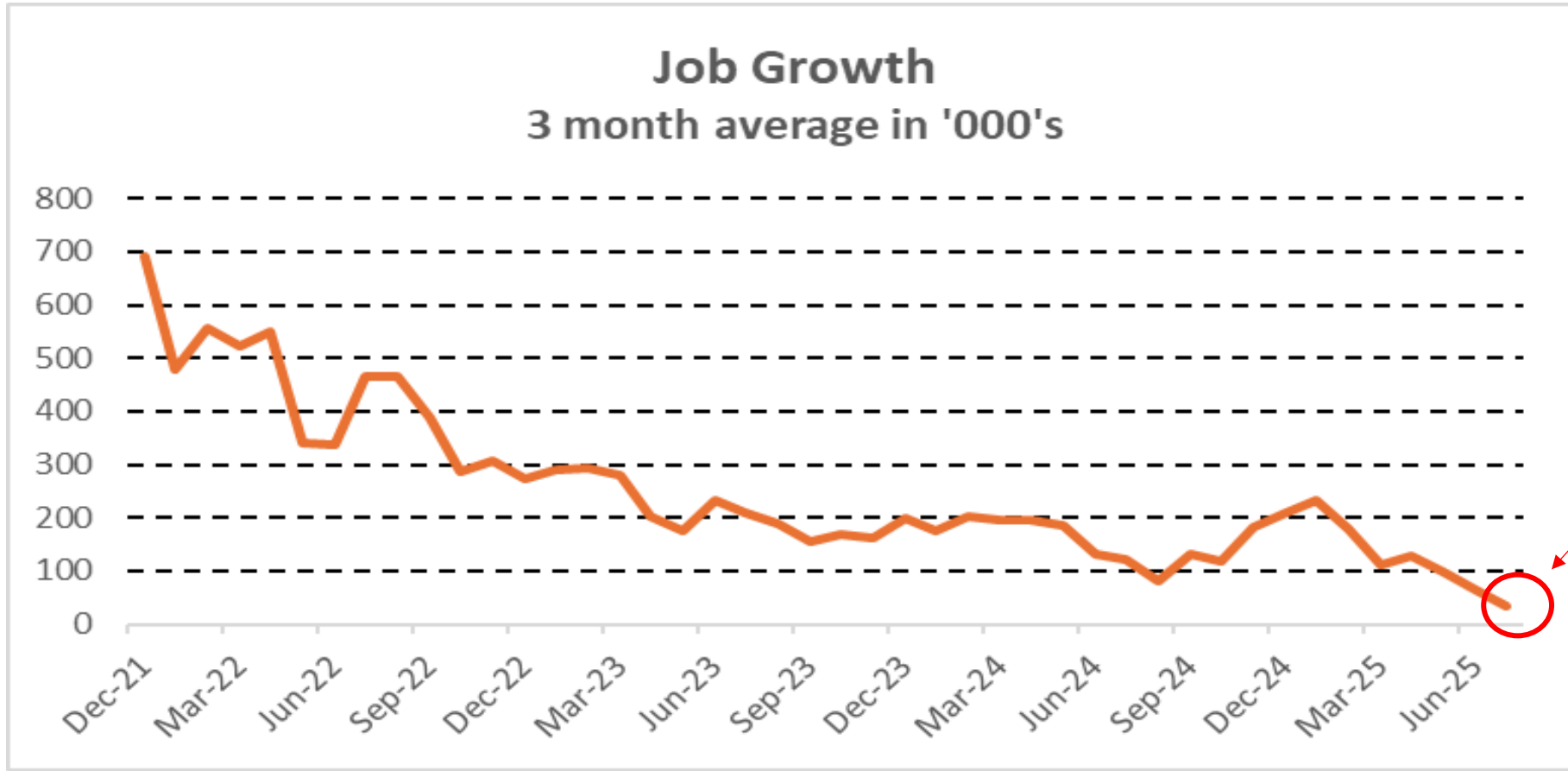


Not including COVID
timeframe, the
largest negative
revision in history
(data back to 1979)

Source: Bureau of Labor Statistics



Payroll Growth Near Stall Speed

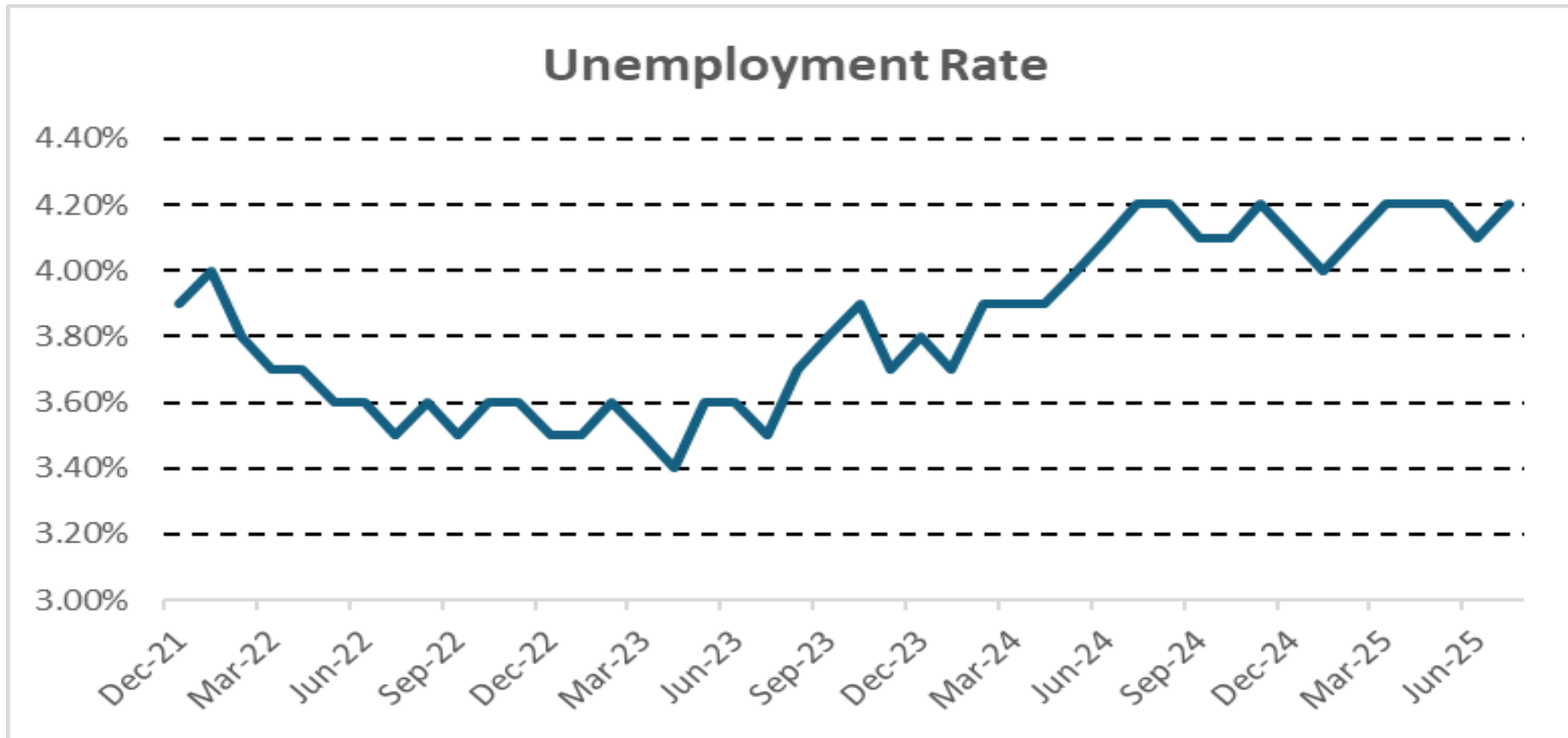


Slowest job growth
(ex. COVID) in 15
years!

Source: Bureau of Labor Statistics



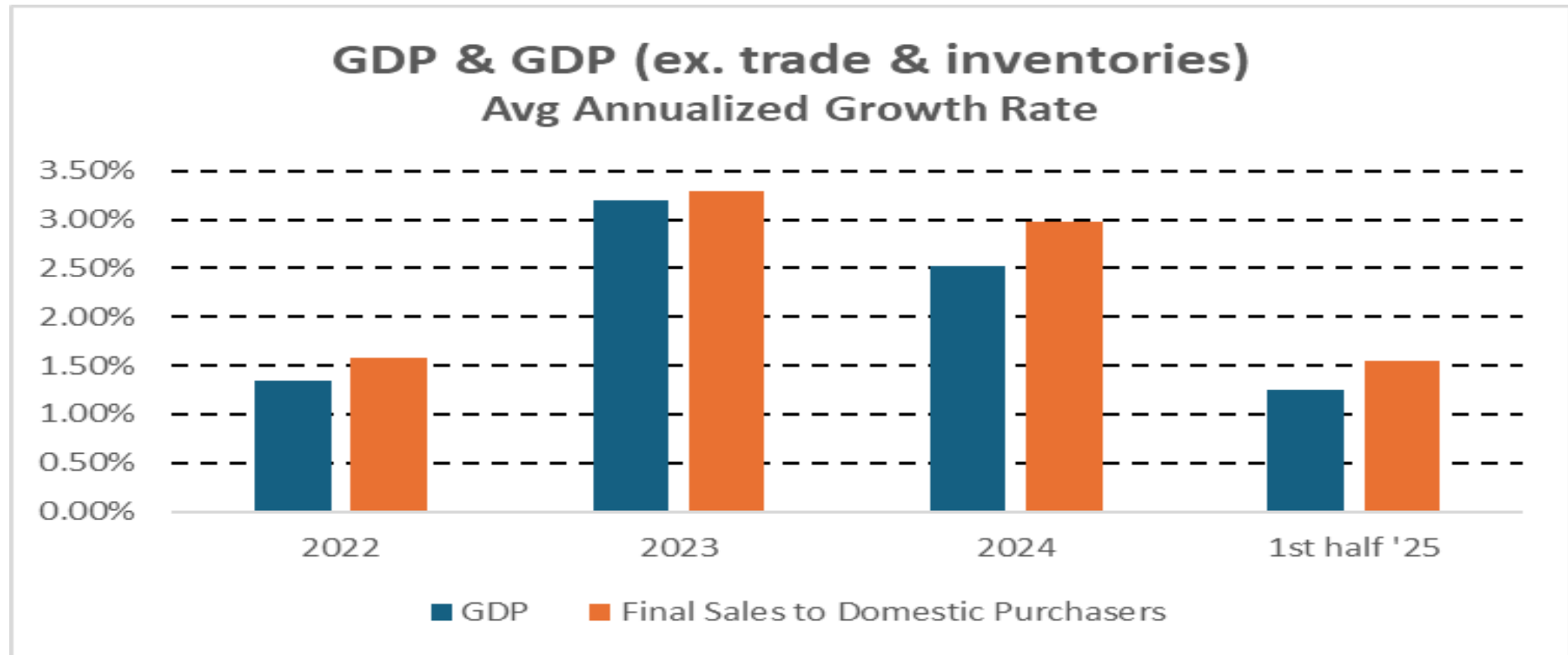
Unemployment Rate: Little Change Over Past Year



Source: Bureau of Labor Statistics



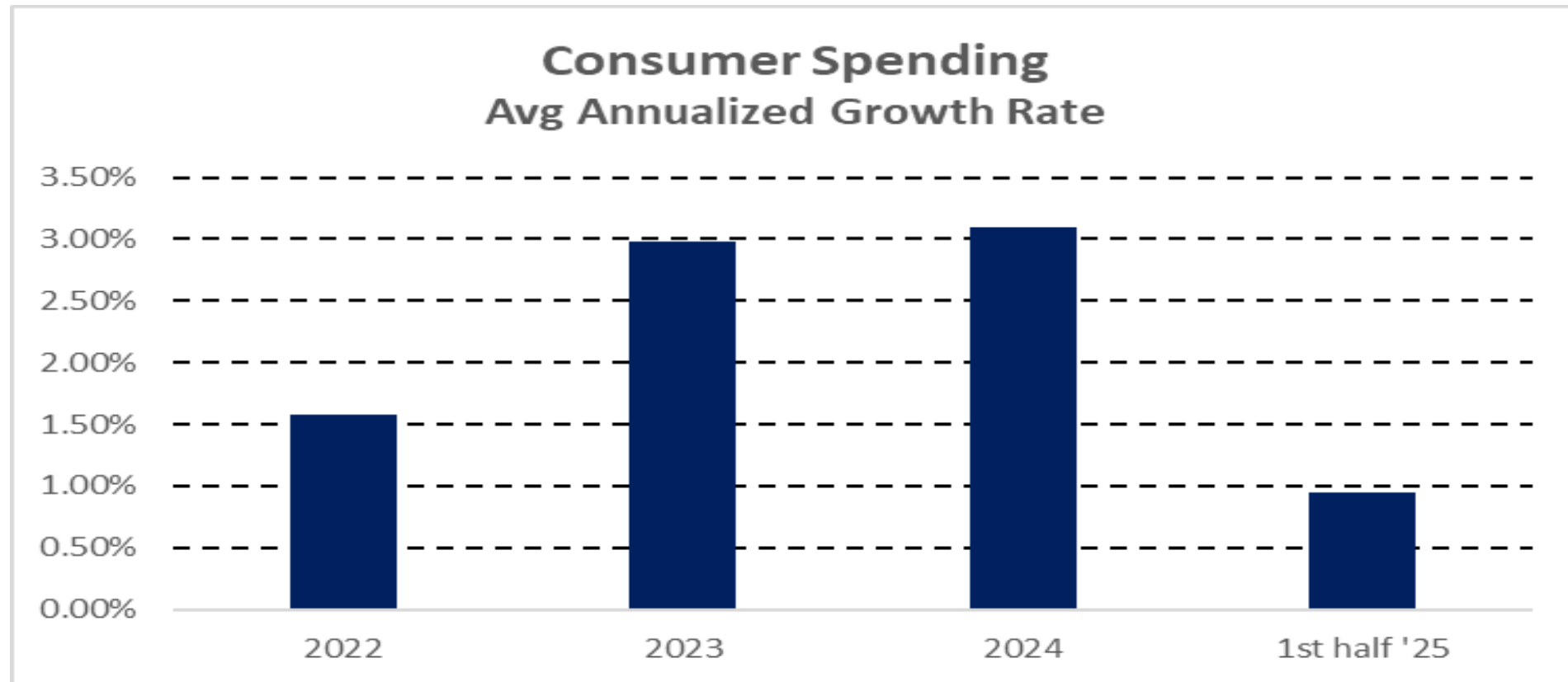
Economic Growth Slowing



Source: Bureau of Economic Analysis



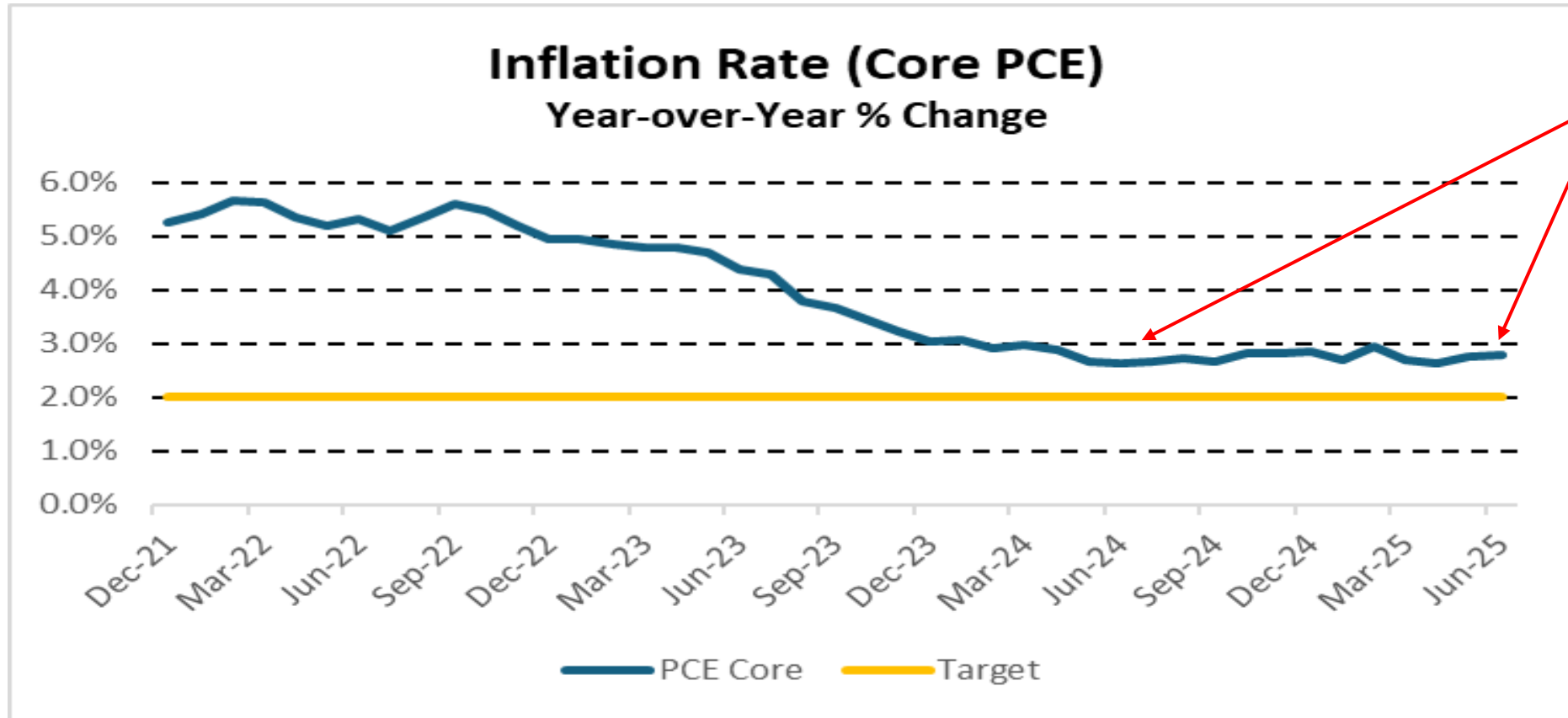
Consumers Becoming More Cautious



Source: Bureau of Economic Analysis



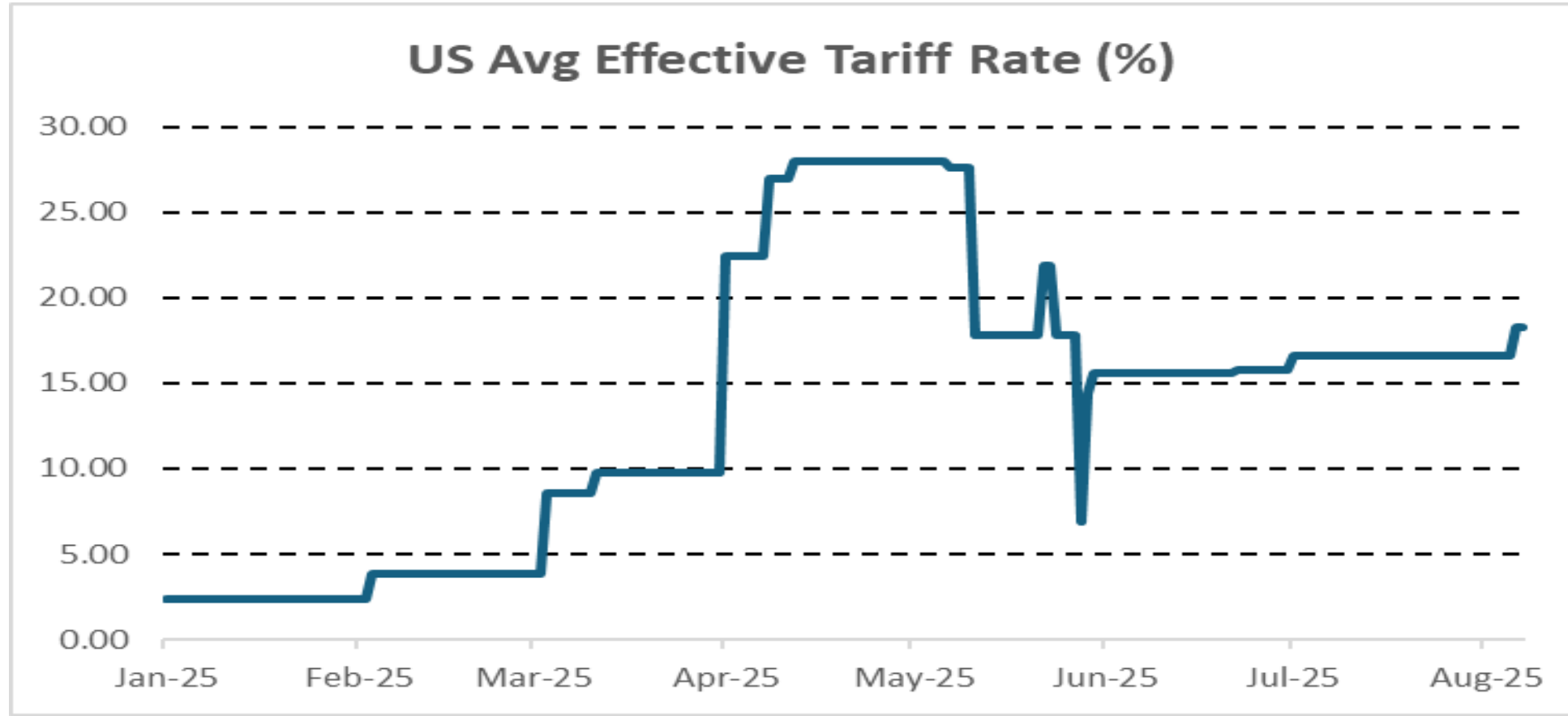
Inflation Problem Still not Fixed



Source: Bureau of Economic Analysis



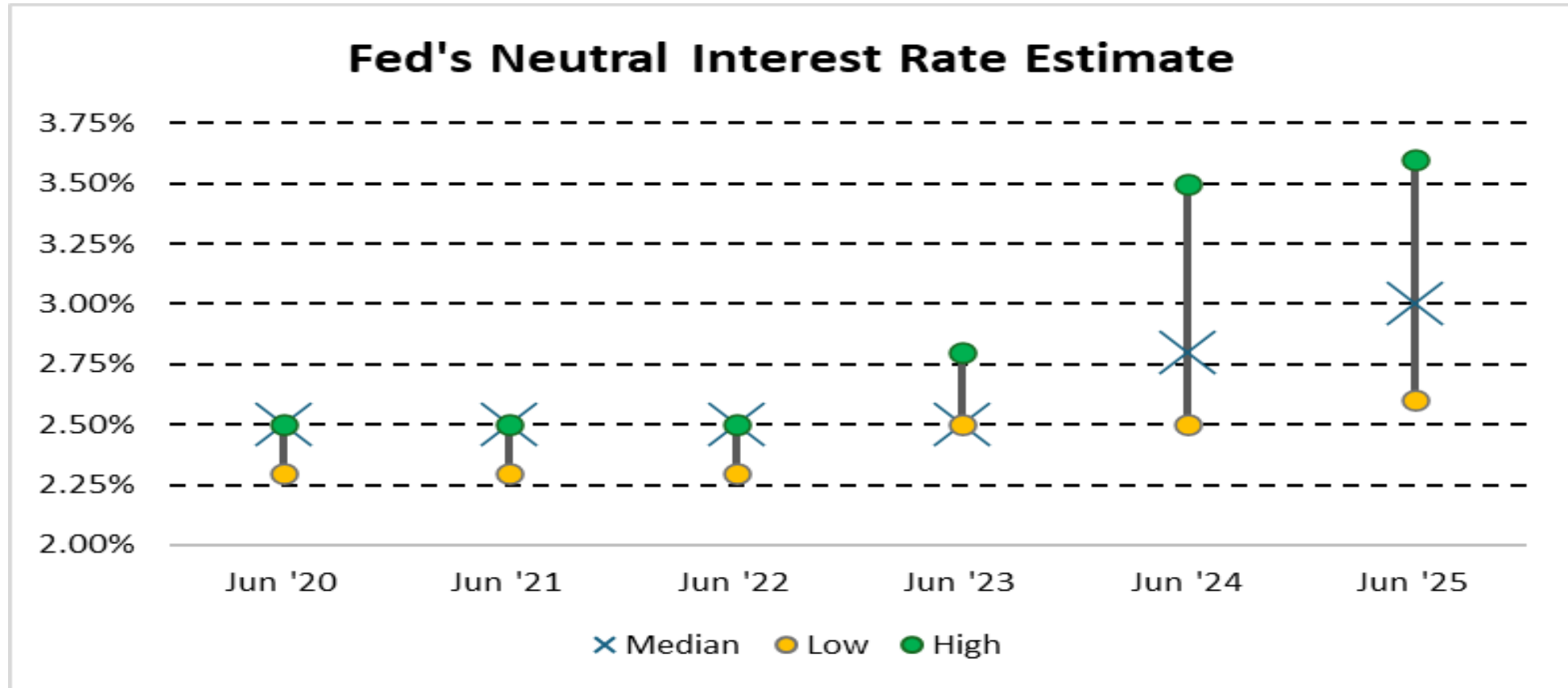
Tariffs: More Inflation in the Pipeline?



Source: Bloomberg



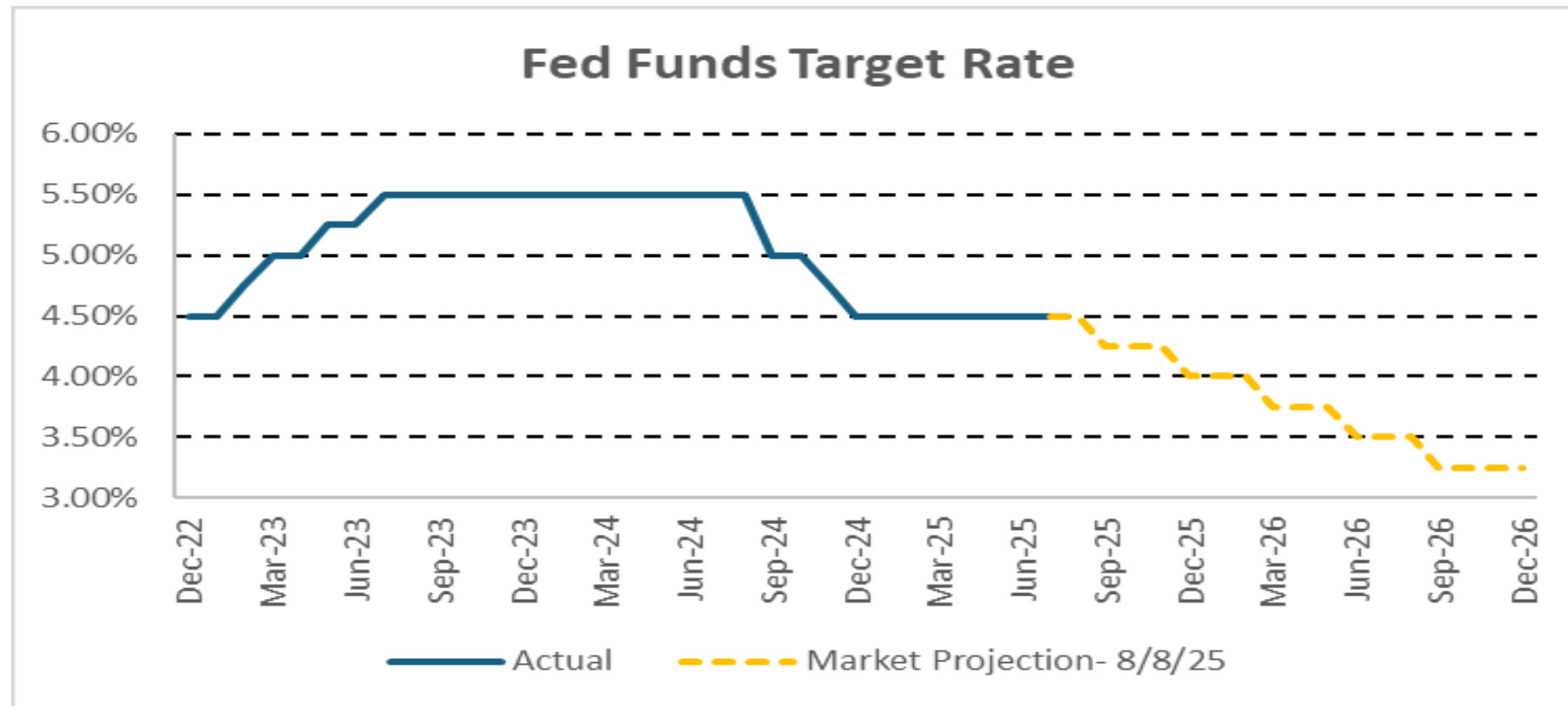
Neutral Rate Estimate: Higher Level & Range



Source: Federal Reserve



Market Expects the Fed to Restart Easing

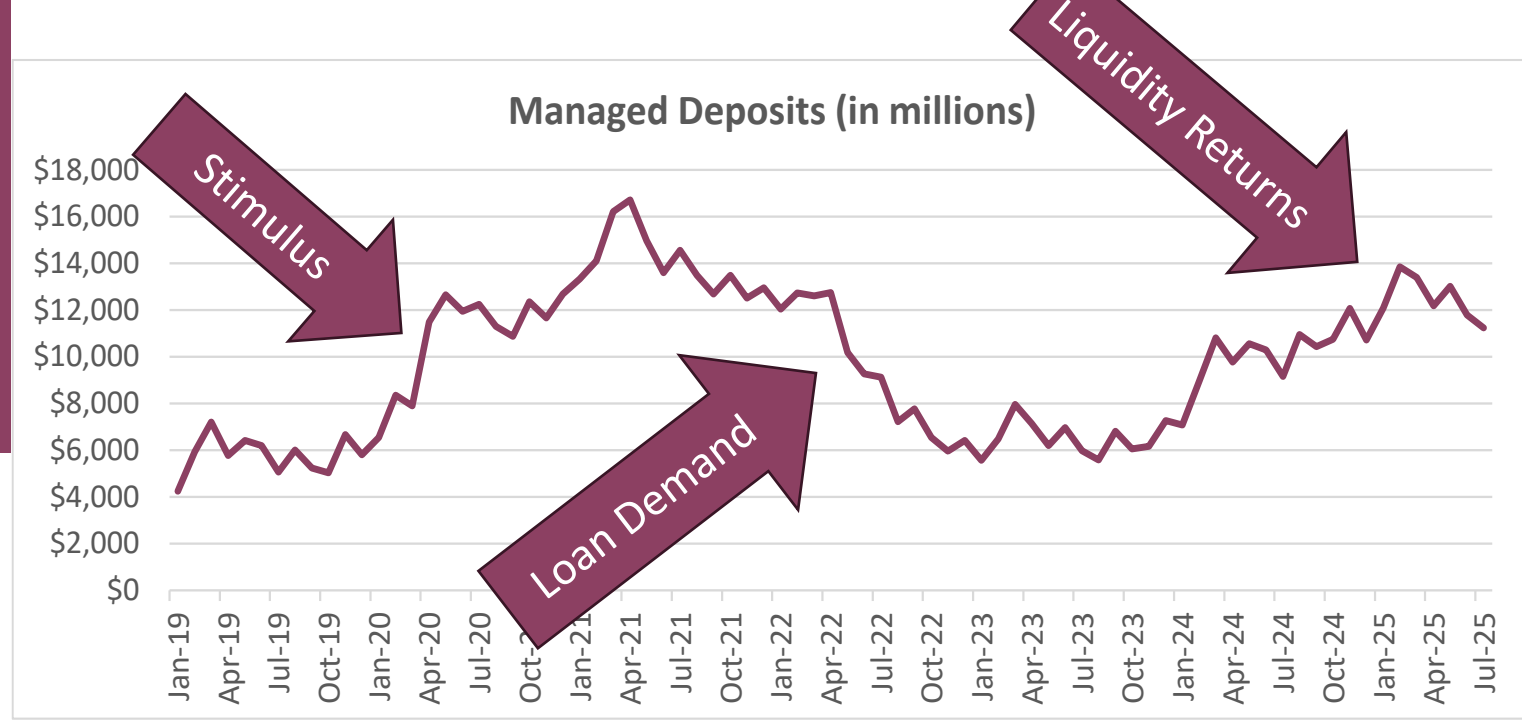


Source: Bloomberg



Alloya Balance Sheet Trends - Managed Deposits

- Pandemic stimulus funds flooded into credit unions in 2020-2021
- Credit unions used excess funds to support 3-years worth of loan growth in 2022-2023.
- Liquidity returns in 2024-2025. Why? Recession indicator?



Liquidity in 2025 continues to be stronger than 2021-2024. Balances at Alloya are up \$2 billion in 2025 compared to July 2024 (or 22%).





Historic First Ever Multi-Issuer Credit Union Asset Backed Securitization Completed!

Blazing a Trail for the Credit Union System

Alloya Auto Receivables Trust 2025-1



Thank you for your continued support!



Credit Union Performance through June 30, 2025

Loan and share growth pick up even as membership growth slows

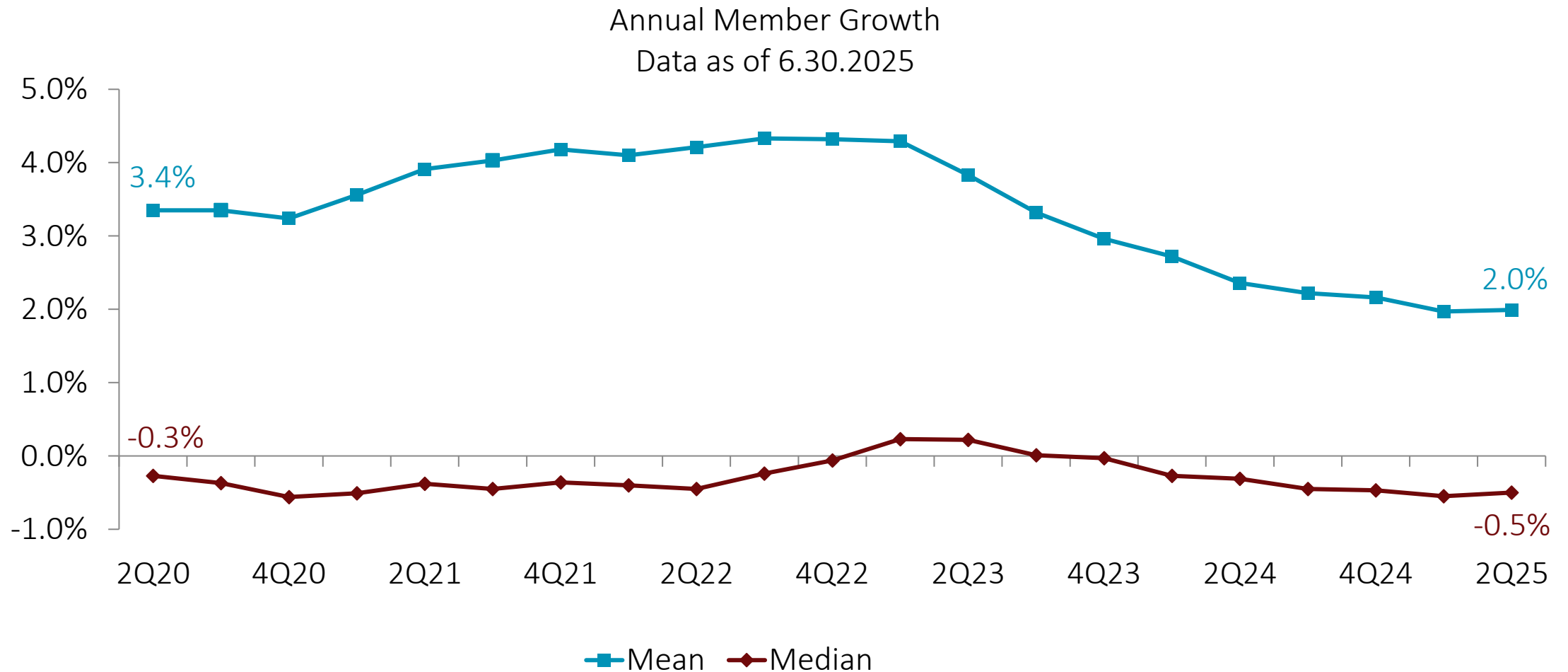
	6/30/2025	12-Mo. Growth	06/30/2024	12-Mo. Growth
Assets	\$2,404.4B	3.7%	\$2,320.0B	3.5%
Loans	\$1,697.7B	4.0%	\$1,632.9B	3.6%
Shares	\$2,044.0B	5.0%	\$1,946.5B	2.6%
Investments (incl. Cash)	\$596.8B	2.1%	\$584.4B	2.0%
Capital	\$266.3B	10.7%	\$240.4B	10.0%
Members	145.2M	2.0%	142.4M	2.4%

Deepening Member Relationships in a Slow Growth Environment

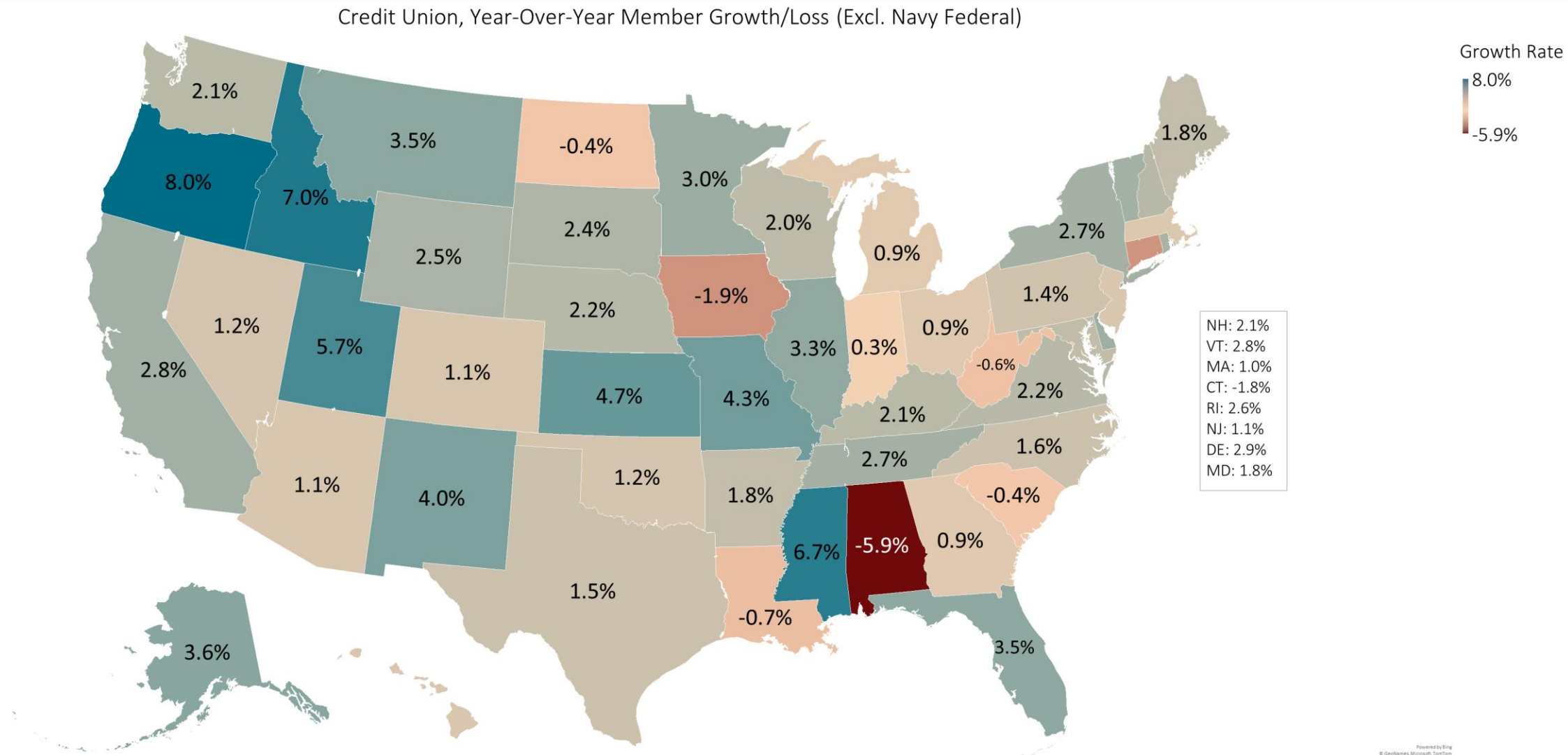
Mean vs. Median Explained

- Mean = “average” credit union (\$ amount/# of credit unions)
- Industry averages are dominated by larger credit unions’ performance
 - 22 largest CUs (over \$10B in assets) hold **>25% of industry assets**
 - The mean credit union in the country has **~\$548M** in assets
- Median = “middle” credit union performance for each metric
- This is not always an accurate picture of performance for many CUs
 - There are **4,341 active charters** today
 - The median credit union in the country has **~\$64M** in assets

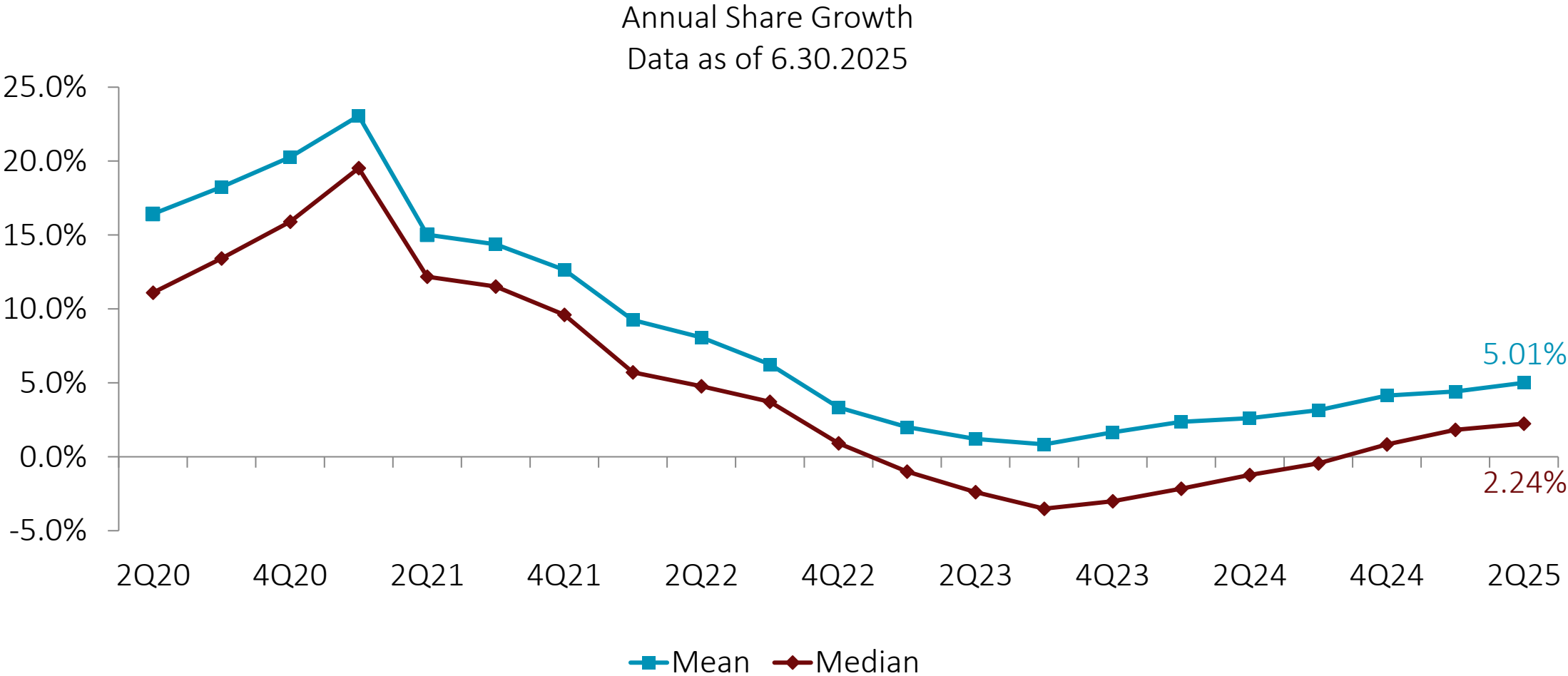
Membership growth rate in 2025 is slowest in 14 years



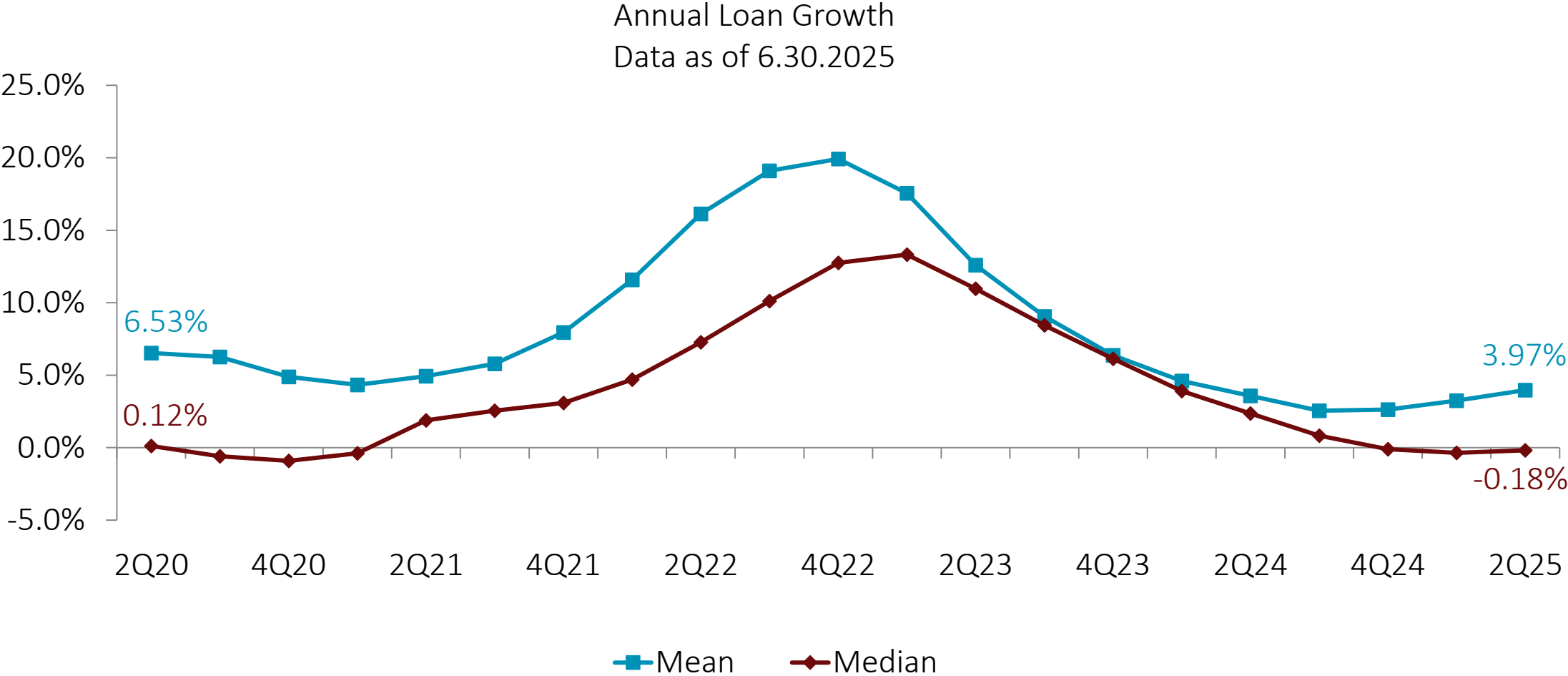
Membership growth is below 3% in most states



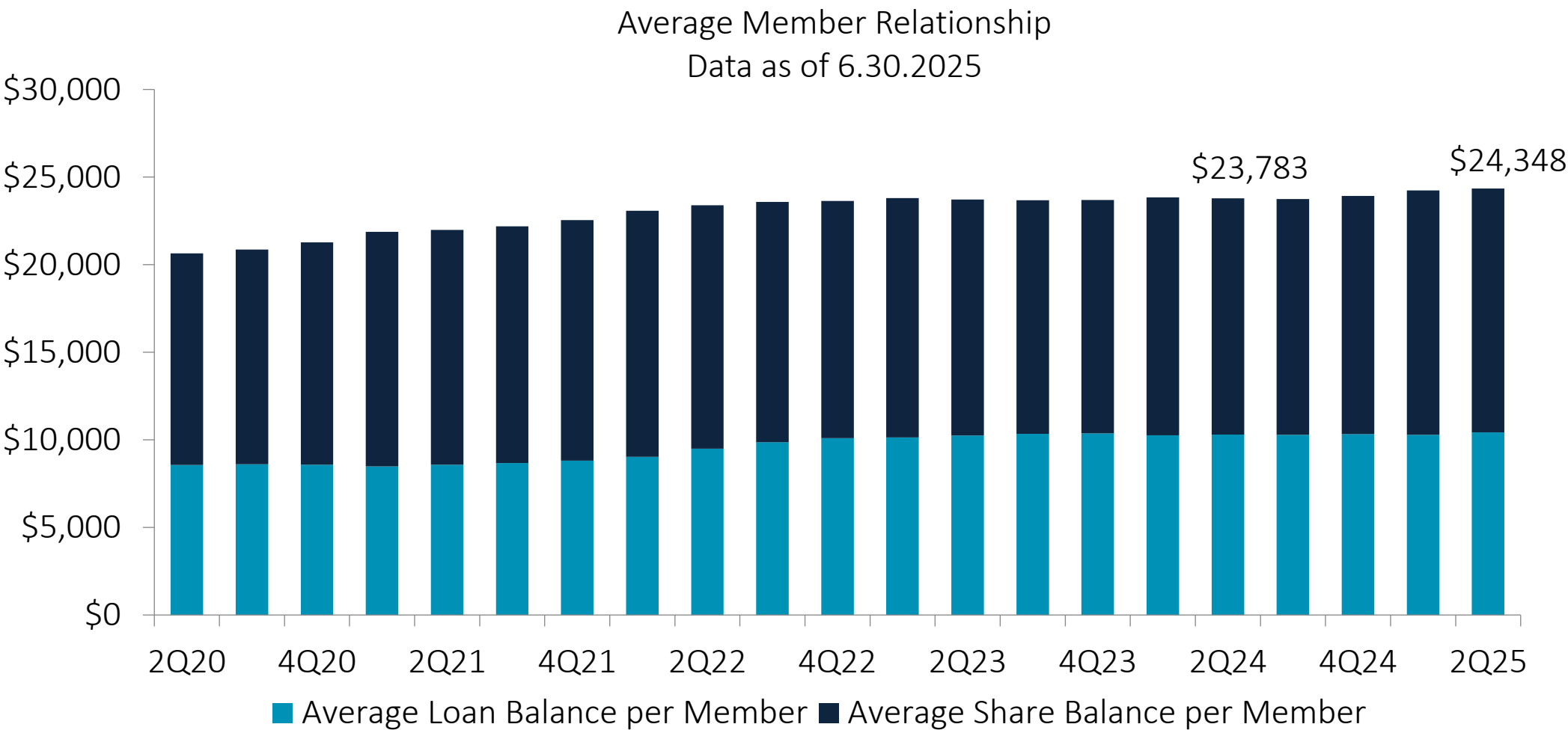
Share growth is trending higher...



As is loan growth



The average member relationship is at the highest level ever



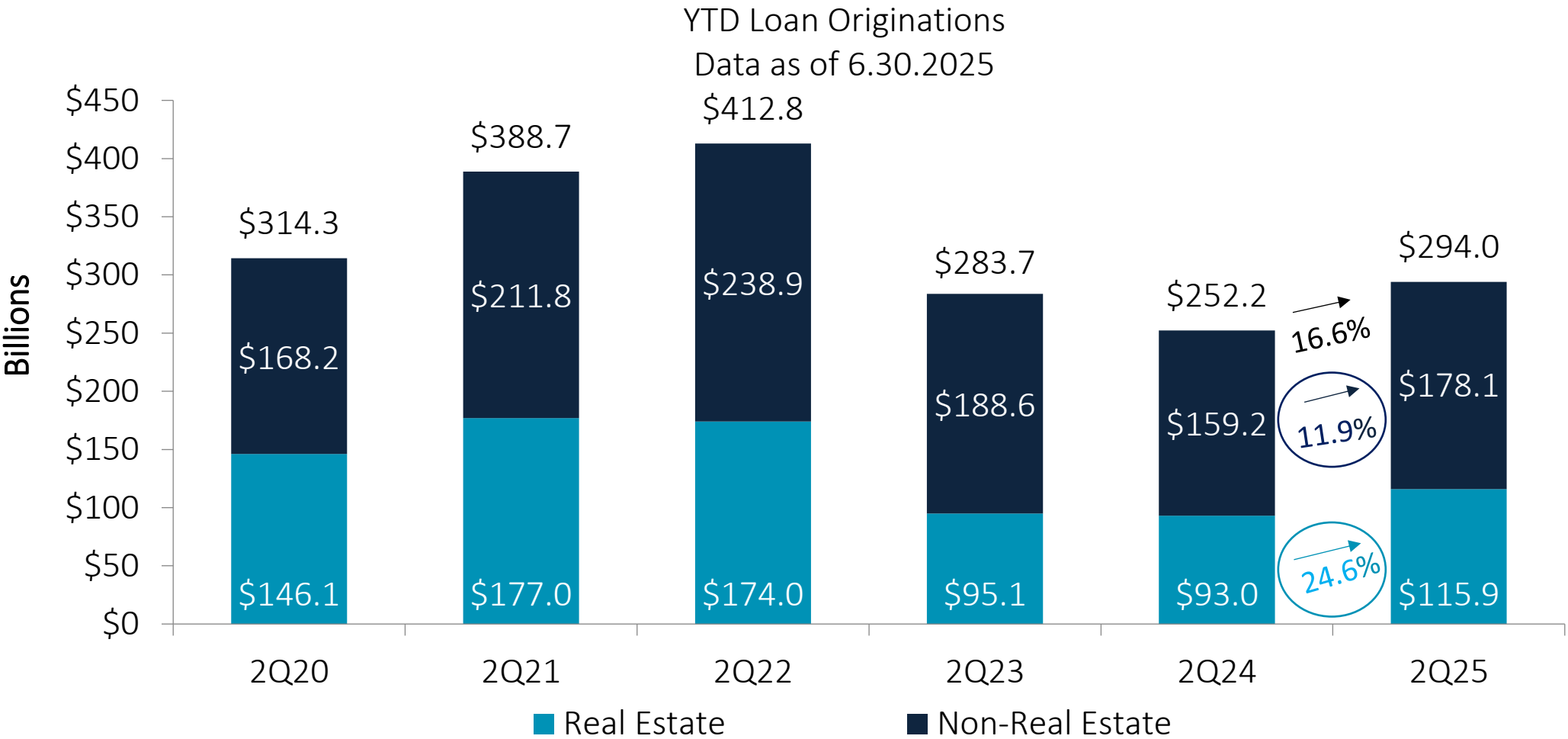


Better Member Experience? There's A Class For That.

First Financial of Maryland is cultivating cross-functional leadership and breaking down silos through a hands-on experience designed to spark inspiration and unify culture around the member experience.

Member Borrowing Rebounds in 2025

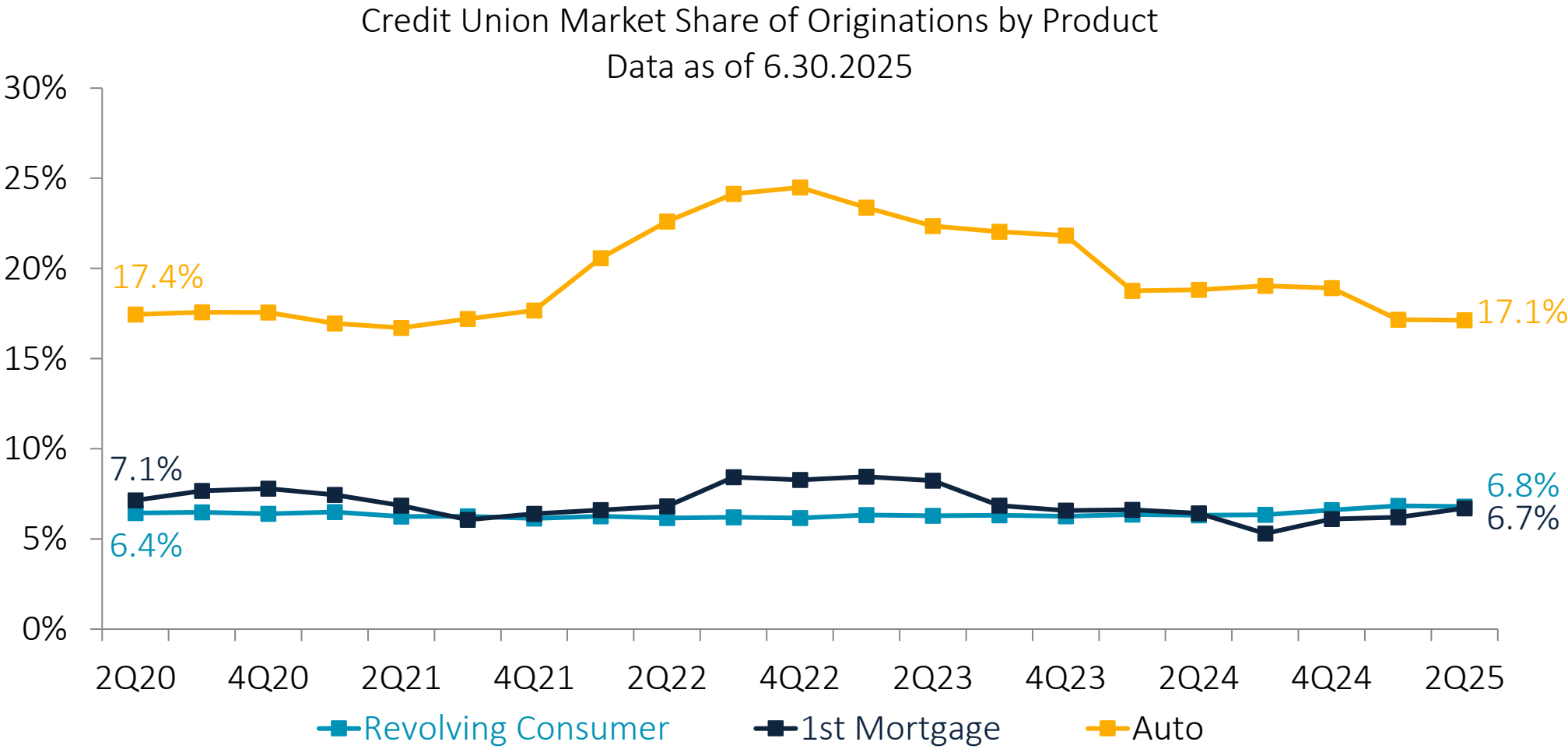
Loan originations rebound from a slow 2024



Loan originations hit the highest level in over two years in 2Q25



Credit union market share holding steady in 2025





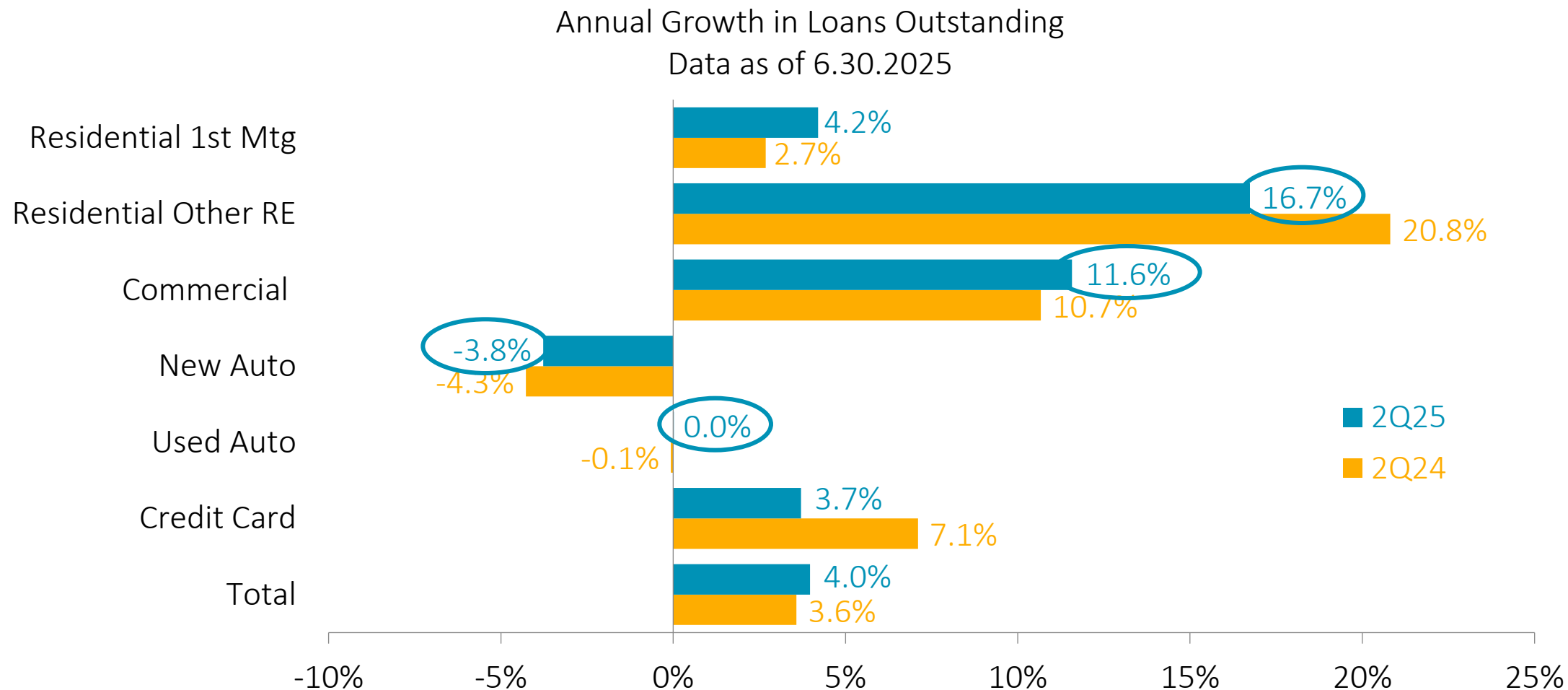
WSECU



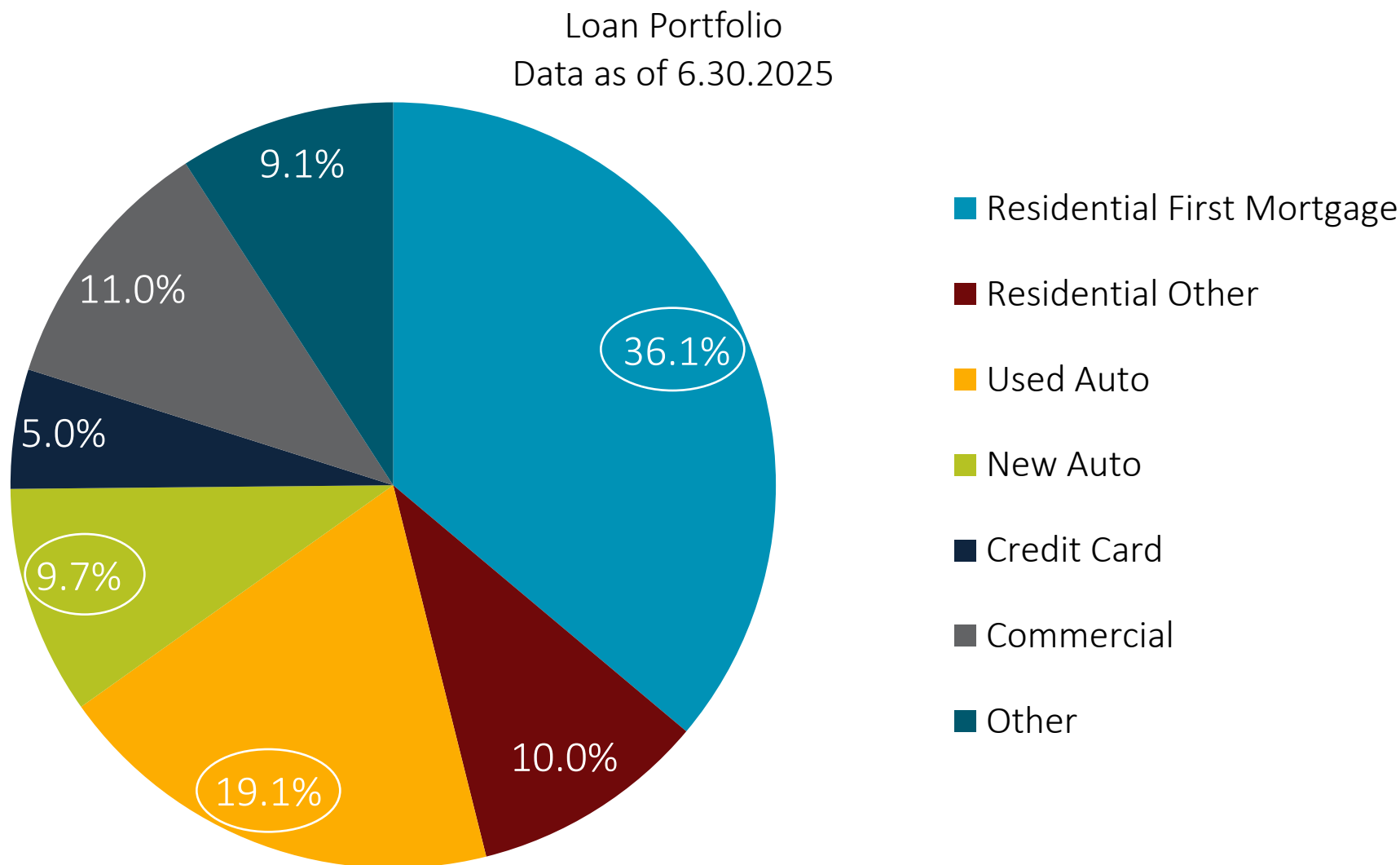
A New Mortgage Option At WSECU Spices Up The Market

A blended breakthrough at the Washington credit union is a smart solution for stuck borrowers.

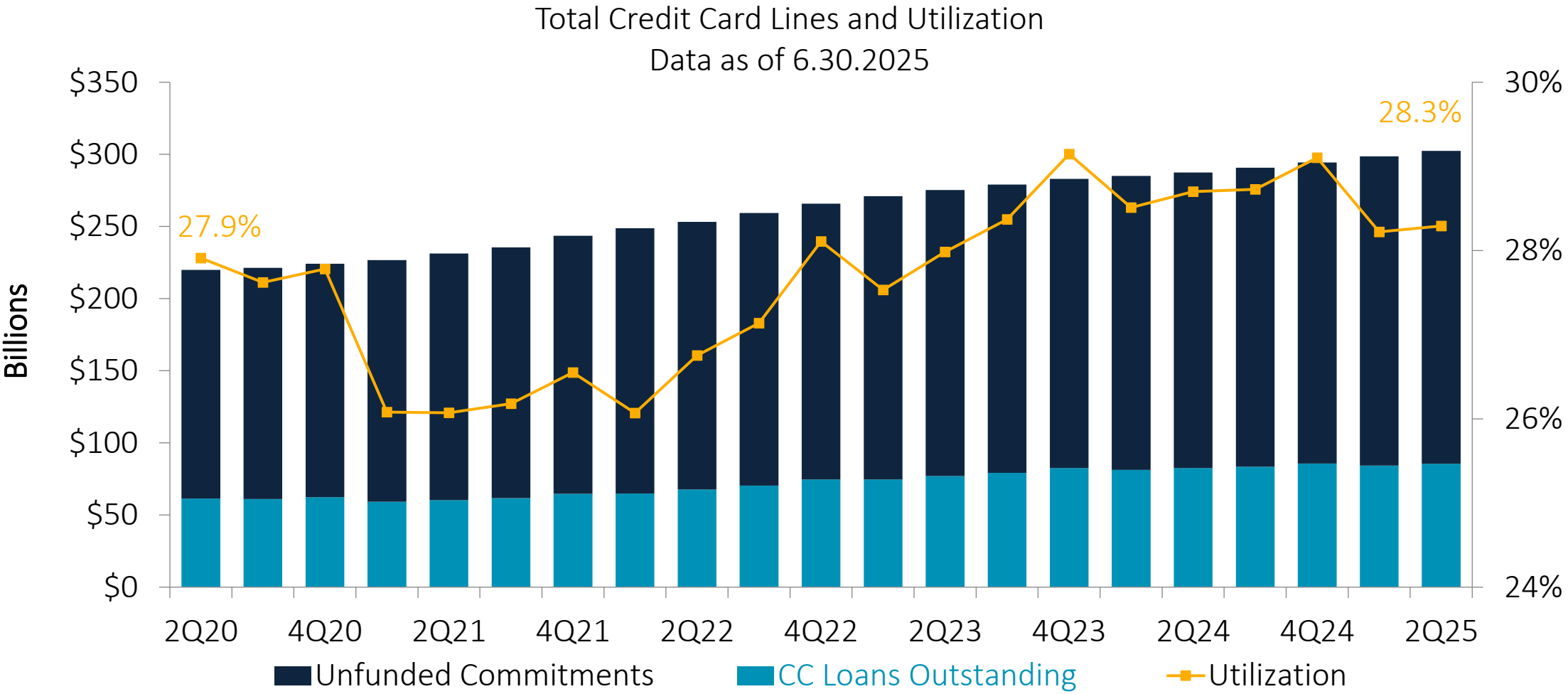
Home equity and commercial loan balances rising at double-digit pace



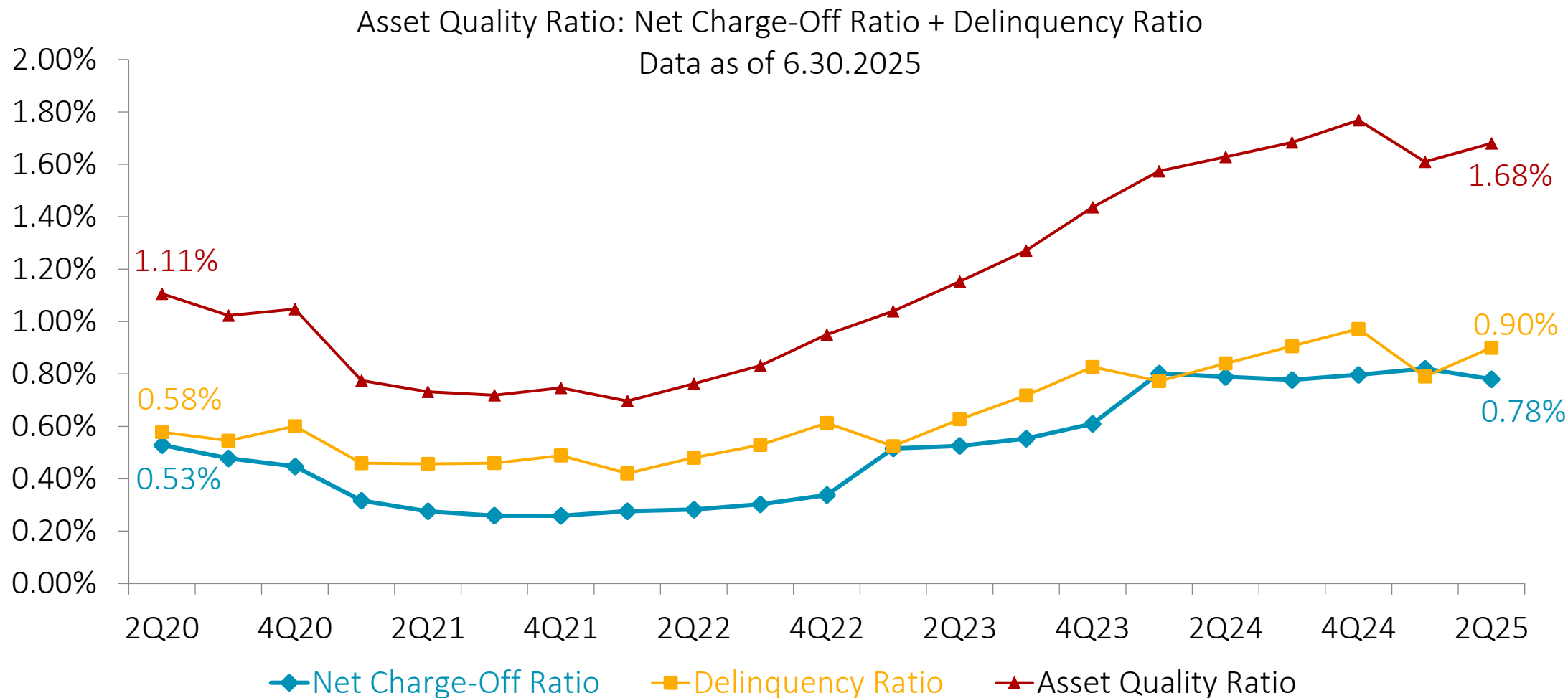
First mortgage and used auto comprise over half of loan portfolio




Credit card balances grow, but members are using a lower percentage of available credit in 2025



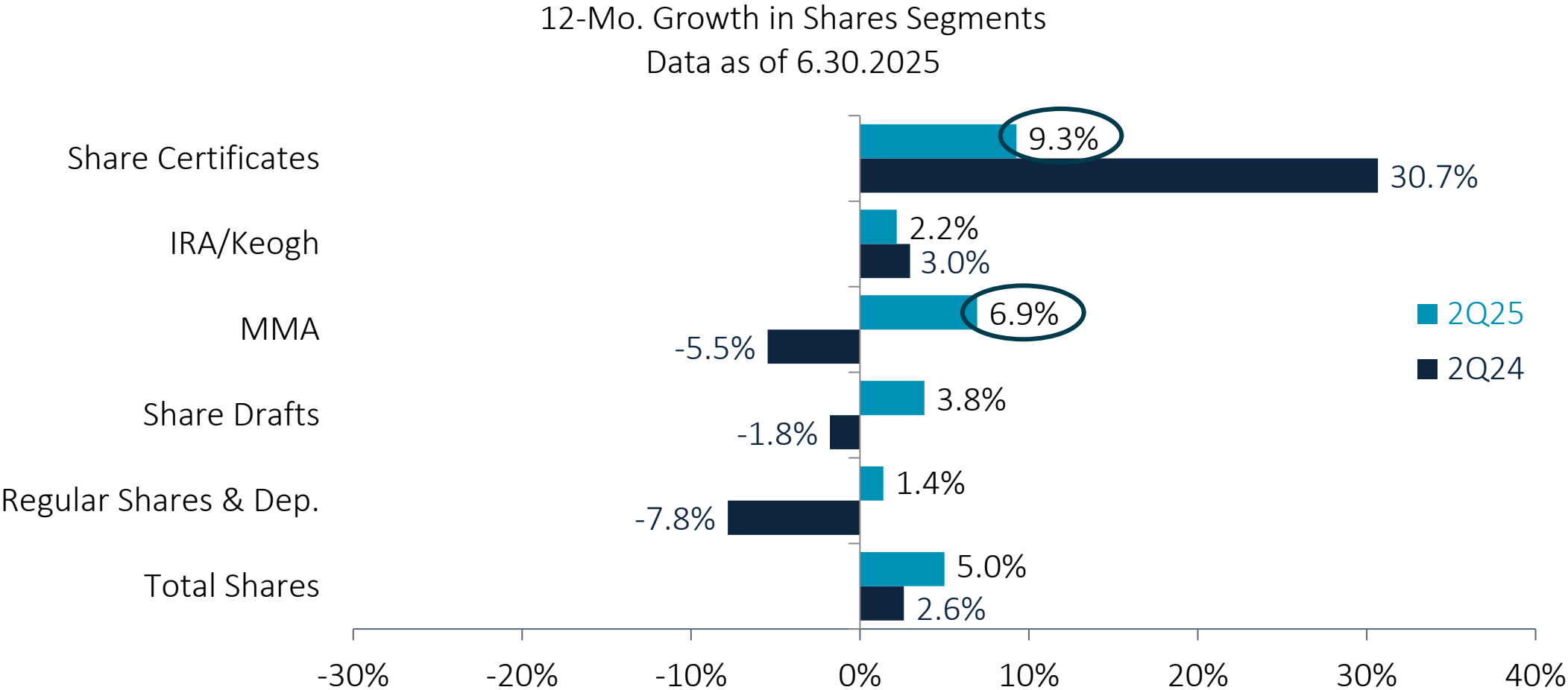
Delinquency moves higher while net charge-offs have flattened





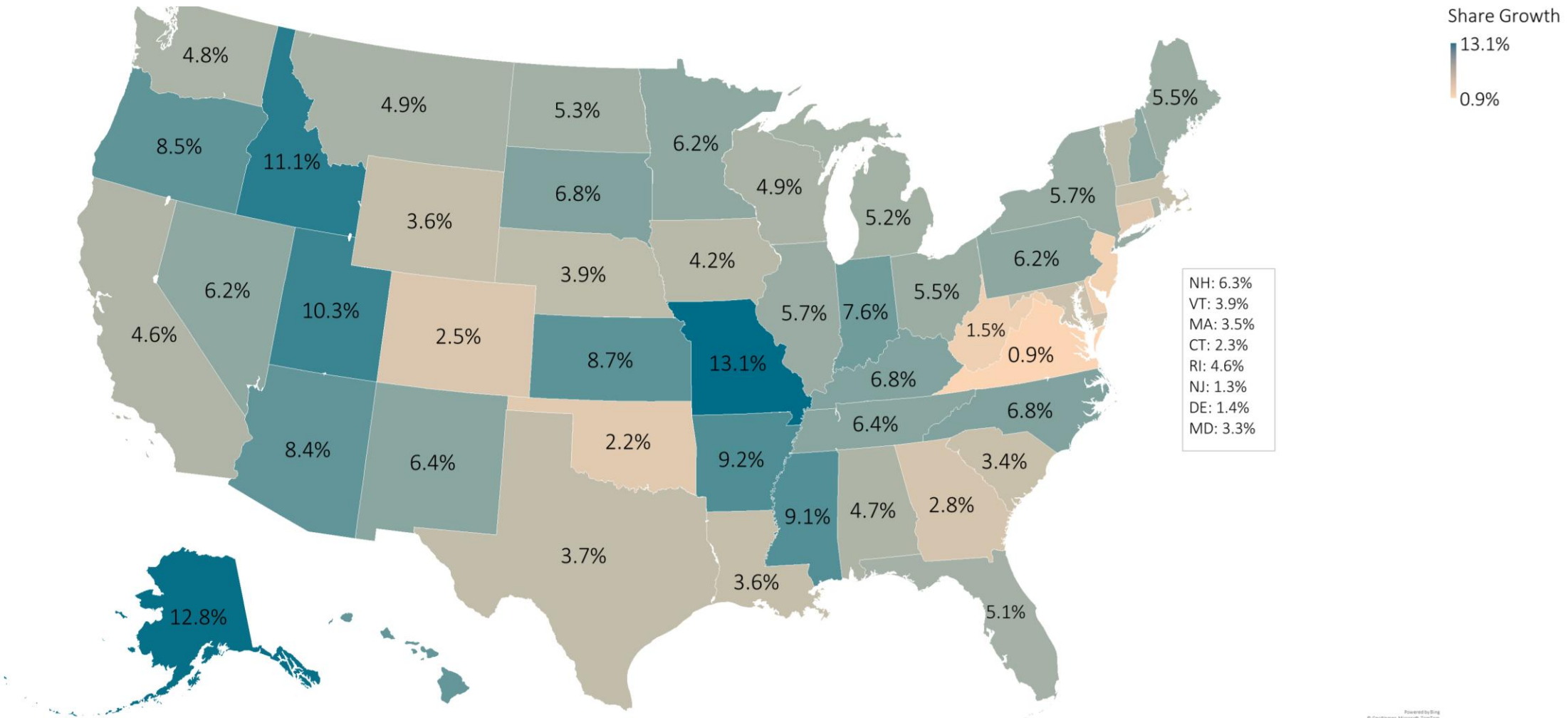
Members Look for High Yield Savings Options

Certificates and money market lead annual share growth

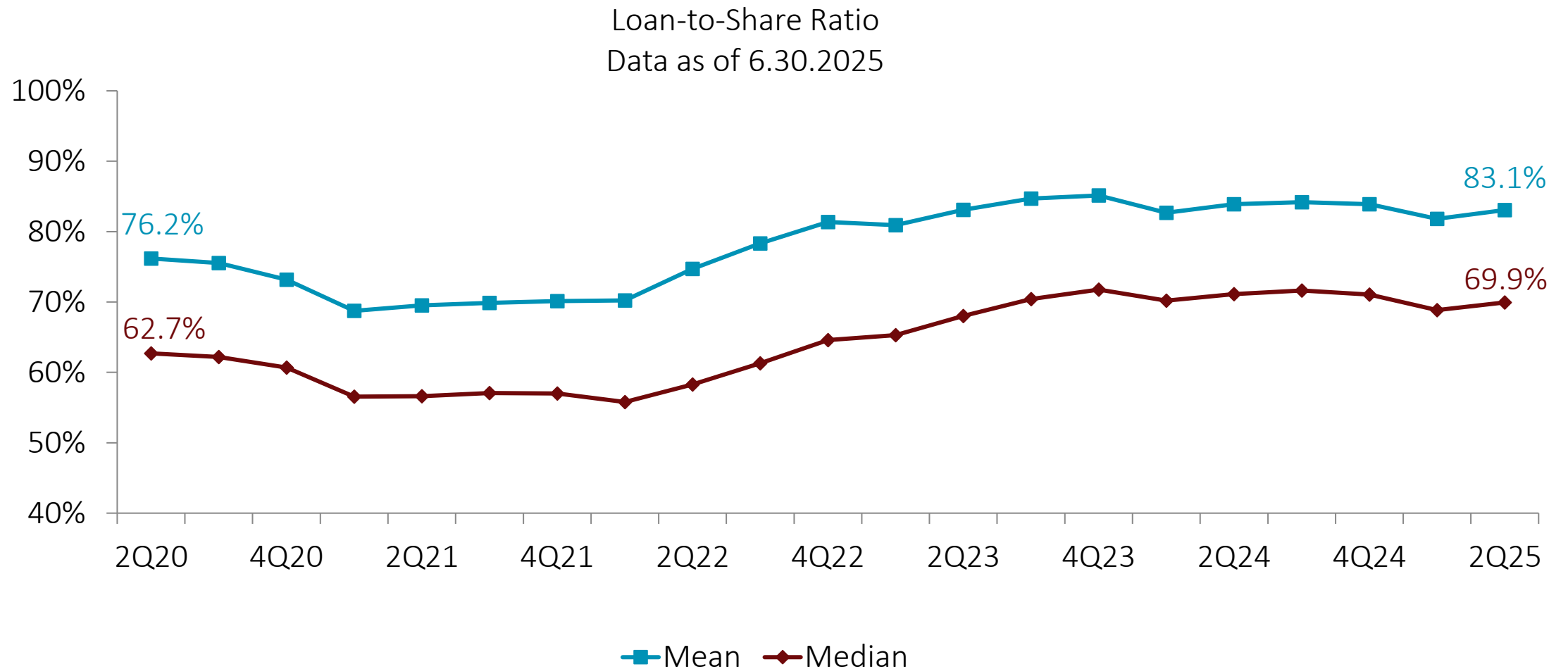


Solid share growth seen across the country

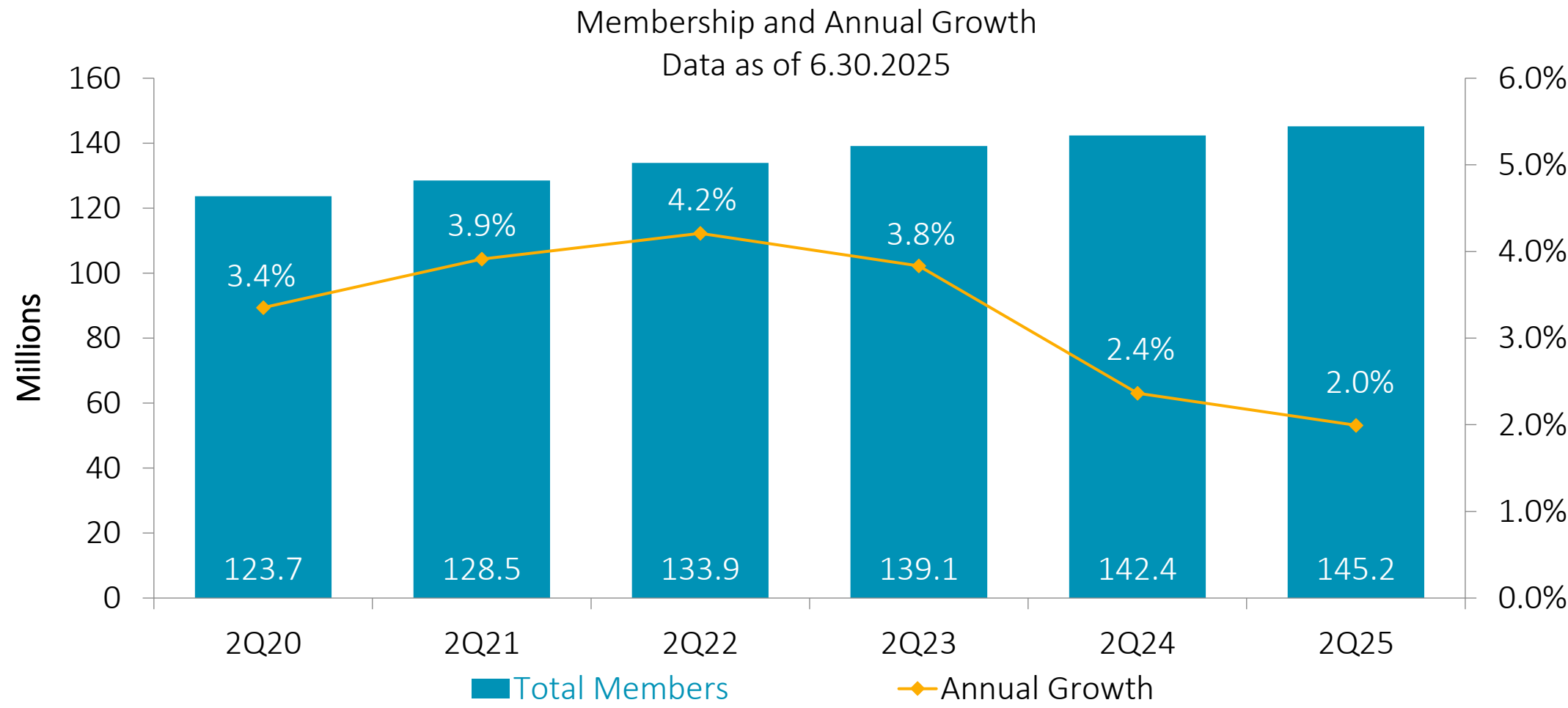
Credit Union, Year-Over-Year Share Growth/Loss (excl. Navy Federal)



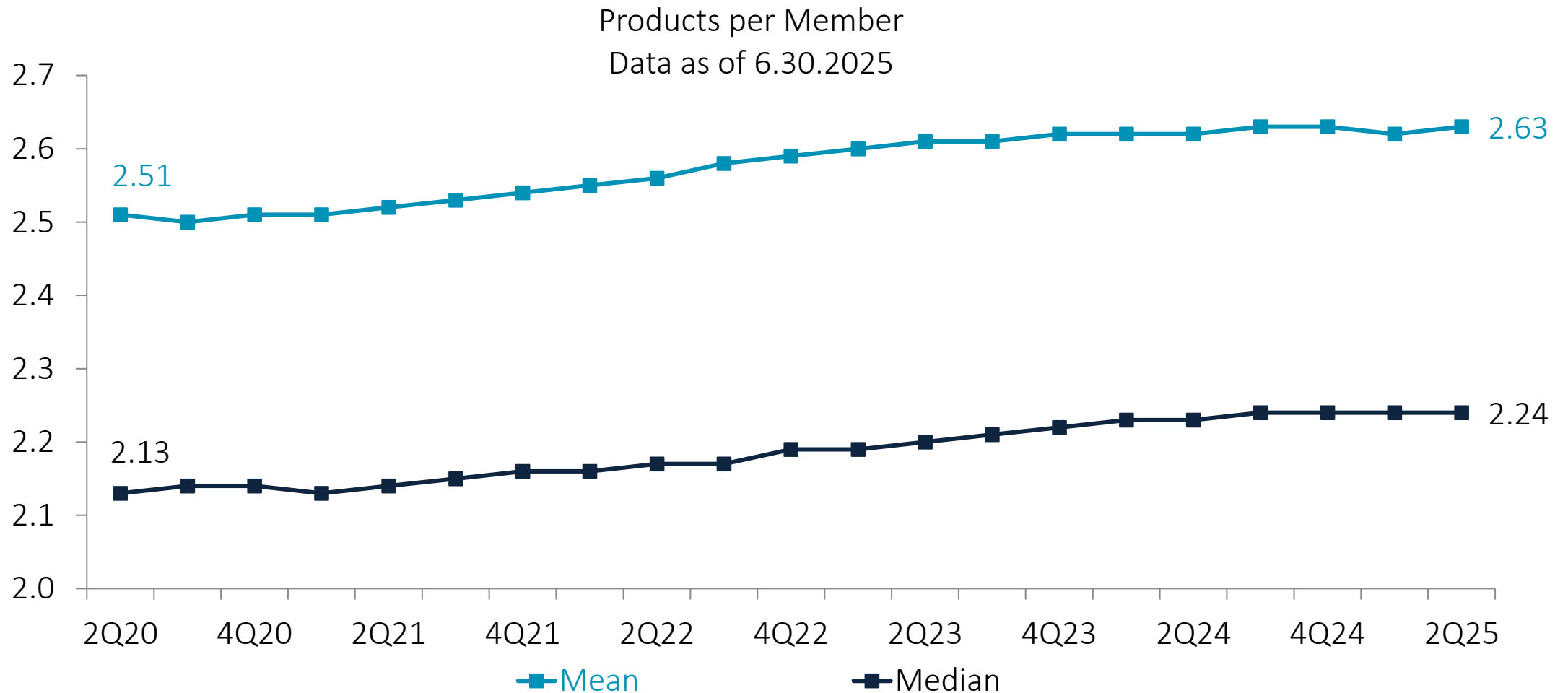
Loan-to-share is down slightly versus 2Q24



Credit unions add 2.8 million members over the past year, slowest since 2014



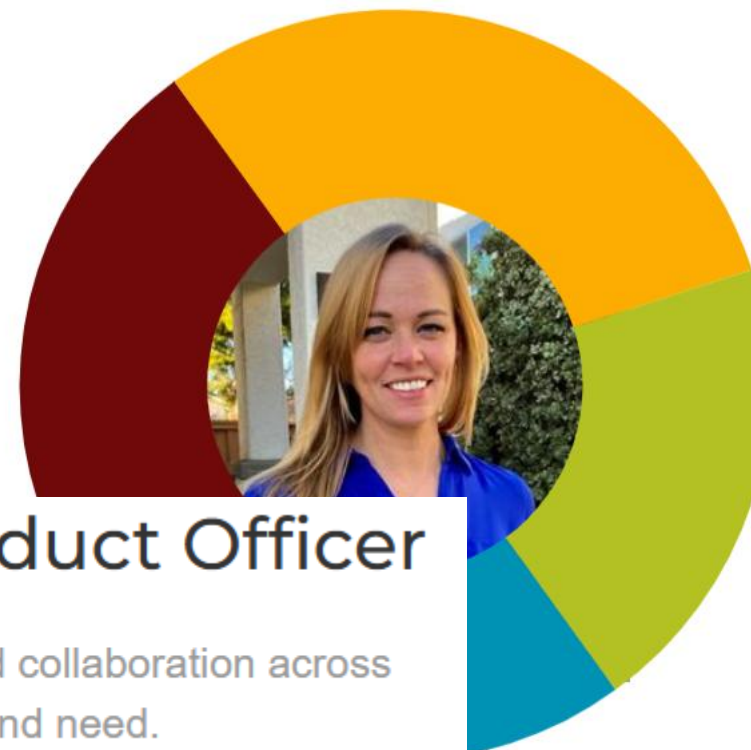
Members are using more credit union products than ever





BROOKE MORLEY

CHIEF PRODUCT OFFICER
BAY FEDERAL CREDIT UNION



What's In A Name: Chief Product Officer

Bay FCU's Brooke Morley improves communication and collaboration across departments to offer members the products they want and need.





Public Employees Federal Credit Union

SHANNON PATTEN
CHIEF EXPERIENCE OFFICER (CXO)



George Jenkins



Publix - 1930



PEFCU - 1957

Business Relationship Team

PEFCU's Business Relationship Team is our boots-on-the-ground resource, bringing the credit union directly to Publix associates wherever they are. From assisting current members to welcoming new ones, their #1 priority is building strong, lasting relationships!



Strong relationships are the foundation of lasting business success, turning transactions into trust and connections into opportunities.



Financially Fresh is PEFCU's Financial Wellness Program, designed to bring practical tools, expert guidance, and empowering resources to our members, our community, and Publix associates. The program features three powerful components:

01

Interactive Online Platform

On-demand learning

02

In-Person Workshops

Engaging, real-world financial
education directly to
Publix facilities

03

Live Webinars

Connect participants with financial
experts for interactive, timely
learning from anywhere.



Financially Fresh: Mapping Out Your Financial Journey provides individuals with a clear, visual “map” to guide them along specific paths toward their unique financial goals. These paths include Budgeting, Homeownership, Credit, Auto Buying, and Savings.



Unique Incentives

- Monthly drawings for "active" participants.
- Quarterly drawings for "active" participants.
- Special incentives for participants completing a specific path.
- Bonus incentives for current Publix associates only.



In Person Workshops

PEFCU's in-person workshops bring engaging financial education directly to Publix associates at warehouses and distribution centers. Associates pre-register to attend their choice of 45-minute sessions covering a variety of financial topics.





23,000

**Registered
Financially Fresh
Users**



955

**Average Number of
New Registrations
Per Month**



Top Courses

- 1. Buying or Leasing a Car**
- 2. Saving for Goals**
- 3. Creating a Financial Plan for Your Priorities and Goals**

Top Videos

- 1. How to Assign a Savings Goal and Timeline**
- 2. Investing Beyond Retirement Accounts**
- 3. Why Do I Need a Budget?**



6,000

**Active sessions
per month**



35%

**Users Say They Are
Frequently
Overwhelmed
By Their Finances**



79%

**Users Who Are
Current
Publix Associates**



85%

**Users Who Are
Current
PEFCU Members**

Branch Support and Celebrations



financially fresh

Unique Products



HELPING YOU MAKE MOVES PUBLIX RELOCATION LOAN

If you're relocating with Publix, PEFCU can help you on your way! With our Publix Relocation Loan, we can help cover those additional moving costs, like organizing your new space.

Contact a PEFCU representative today to learn more about PEFCU's Publix Relocation Loan. Scan to begin the application process.



Federally insured by NCUA.

*Must have 1-month Publix direct deposit into PEFCU account to qualify. *APR based on a simple interest rate of 1.00% for a \$6,000.00 loan, this loan would have 60 monthly payments of \$102.56 each at an annual percentage rate (APR) of 1.00%. Approval for the loan is based on credit union membership eligibility, credit approval, and ability to repay loan. This offer may be canceled at any time.

CALL US AT 800-226-6673 | PEFCU.com



HELPING YOU MAKE MOVES PUBLIX RELOCATION LOAN



If you're relocating with Publix, PEFCU can help you on your way! With our Publix Relocation Loan, we can help cover those moving costs. From organizing your new space and all the things in between.

Contact a PEFCU representative today to learn more about PEFCU's Publix Relocation Loan.

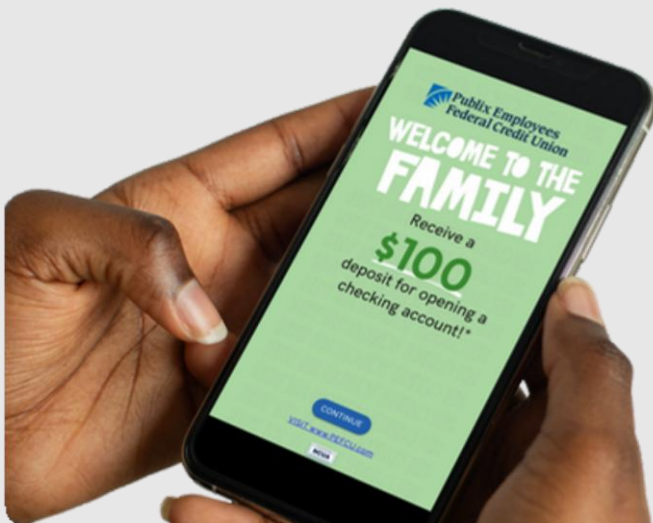
Scan to begin the application process



Federally insured by NCUA.
Must have 1-month Publix direct deposit into PEFCU account to qualify.
*APR based on a simple interest rate of 1.00% for a \$6,000.00 loan, this loan would have 60 monthly payments of \$102.56 each at an annual percentage rate (APR) of 1.00%. Approval for the loan is based on credit union membership eligibility, credit approval, and ability to repay loan. This offer may be canceled at any time.

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New Hire Orientation



WELCOME TO THE FAMILY

A FRESH OUTLOOK ON YOUR FINANCIAL GOALS

PEFCU offers a variety of financial products and services to help you achieve your financial goals. From personal loans to investment services, we have everything you need to succeed. Visit www.pefcu.com for more information.

OUR HISTORY

Publix Employees Federal Credit Union has a rich history of serving our members. We have grown from a small local credit union to a national institution. Our commitment to our members has always been at the heart of everything we do.

PEFCU MEMBER BENEFITS AND PERKS

- Free and easy online bill payment
- Competitive rates and excellent service
- Member-exclusive discounts and offers
- Free checking and savings accounts
- Free ATM access
- Free and easy online loan requests
- Free and easy online investment services
- Free and easy online bill payment
- Free and easy online bill payment

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WE'RE OFFERING EXCITING INCENTIVES FOR ALL NEW PUBLIC ASSOCIATES!

JOINING PEFCU IS EASY!

SCAN HERE TO APPLY FOR MEMBERSHIP AND GET YOUR SPECIAL OFFER.

FIND THE MORTGAGE THAT'S JUST RIGHT FOR YOU

Our loan officers are here to help you find the mortgage that's just right for you. We offer a variety of mortgage options to suit your needs. Visit www.pefcu.com for more information.

SPEND SMART

Use your PEFCU credit card to spend smart. We offer a variety of credit cards to suit your needs. Visit www.pefcu.com for more information.

SECURE 24/7 SELF-SERVICE VIA ONLINE & MOBILE BANKING

Use our secure online and mobile banking services to manage your account. Visit www.pefcu.com for more information.

Publix Employees Federal Credit Union

Member Since 1958

Visit www.pefcu.com for more information.



publix

PEFCU





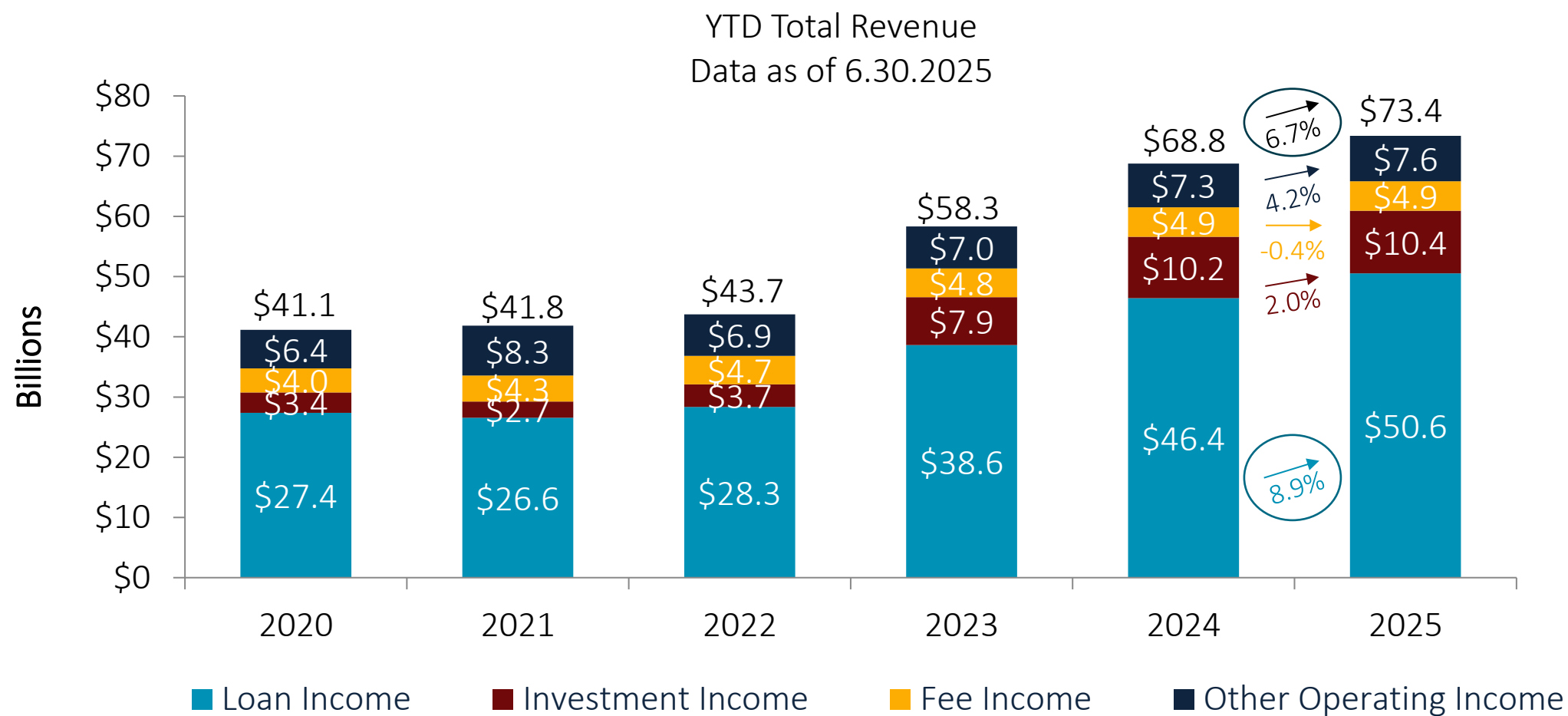
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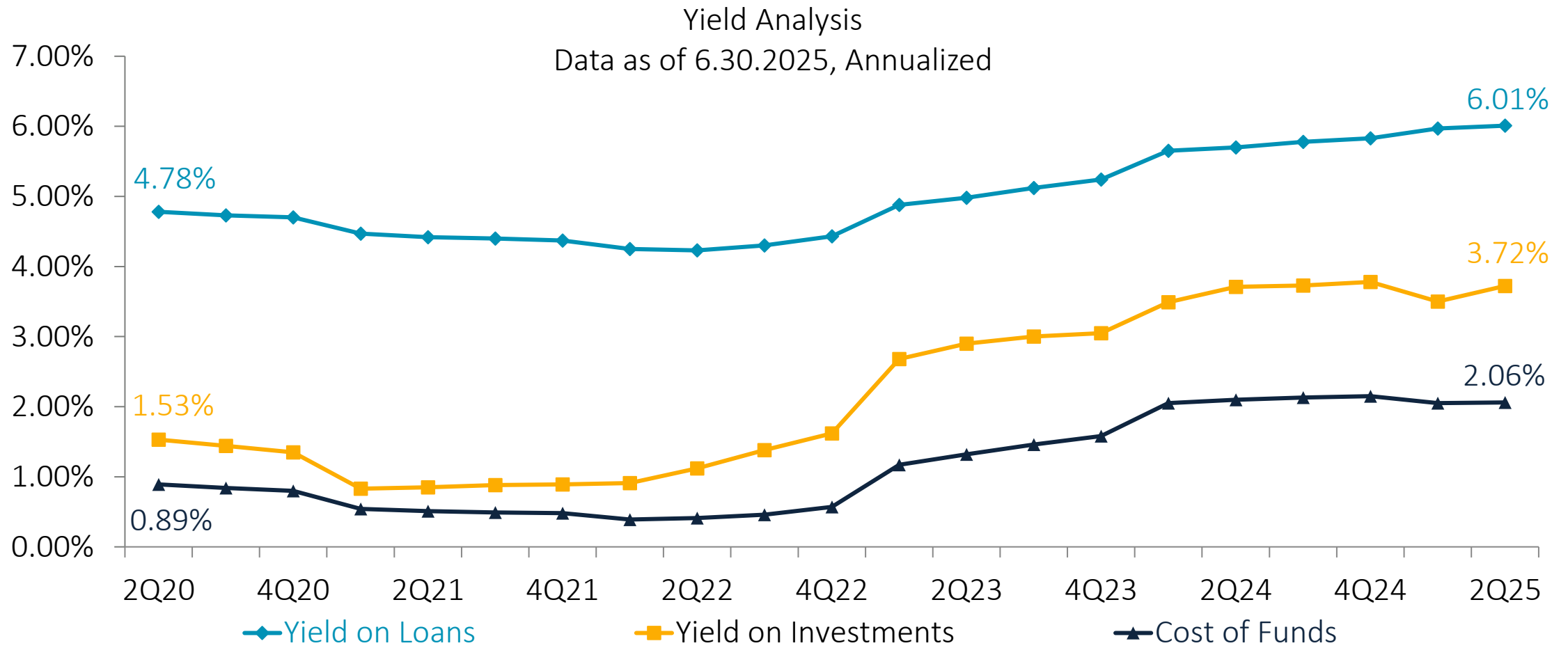


Interest Income Lifts Earnings and Capital

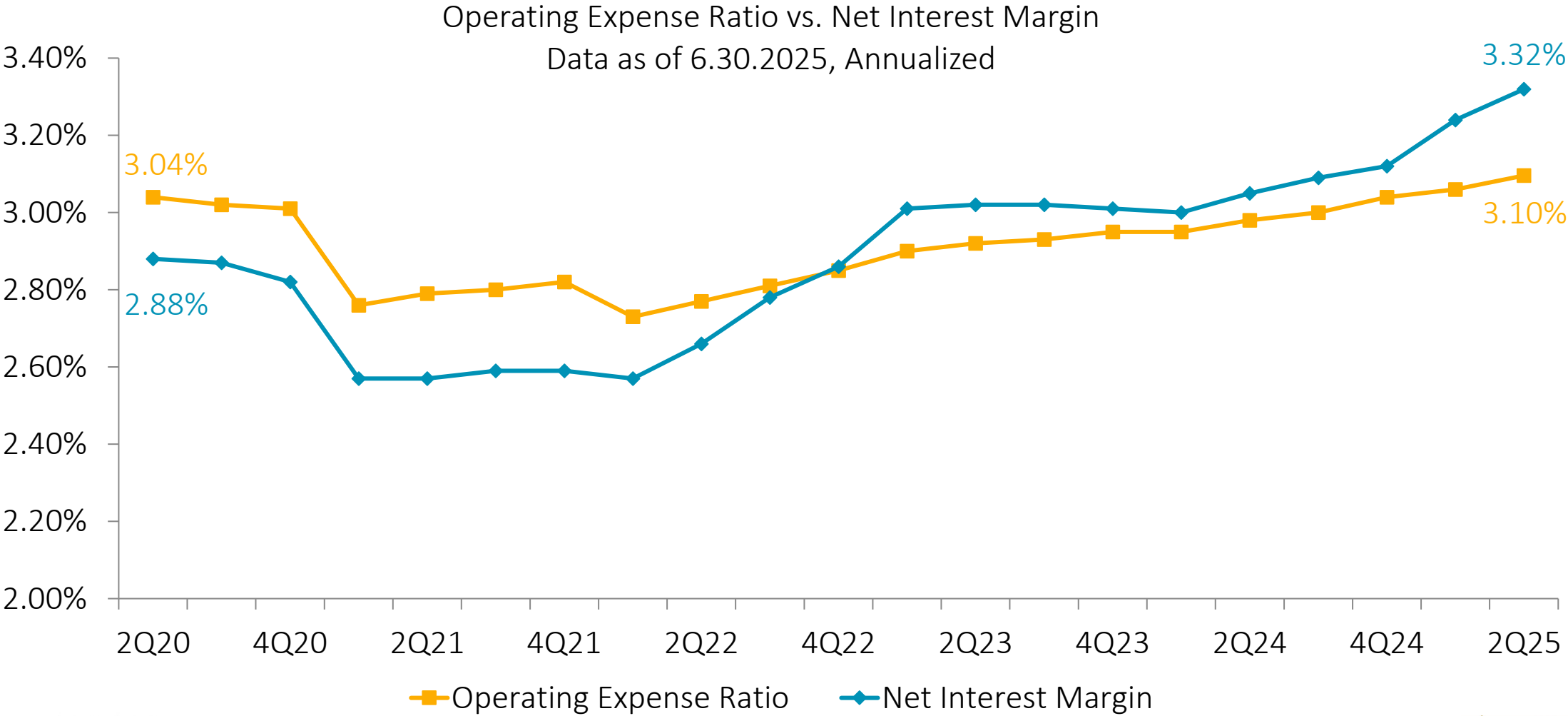
Higher loan interest income drives revenue growth



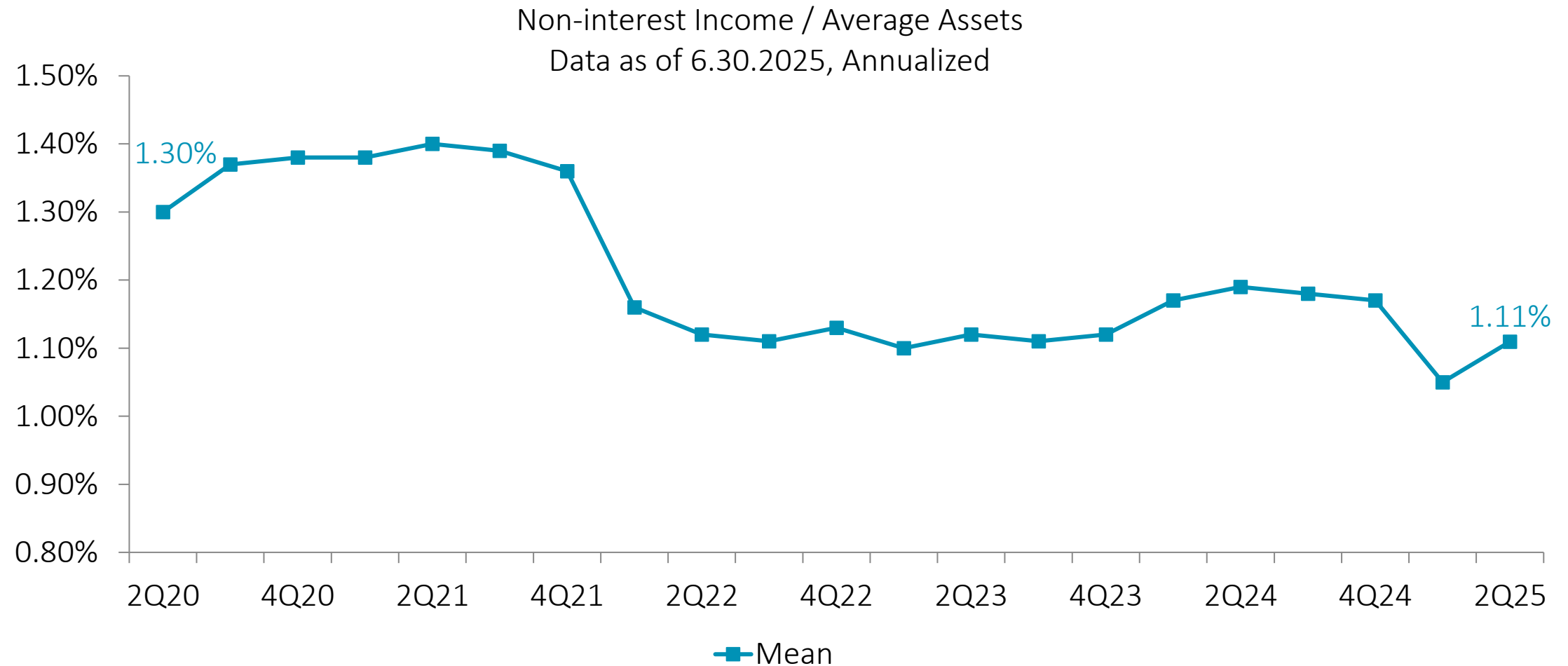
Loan and investment yield increases outpace cost of funds uptick



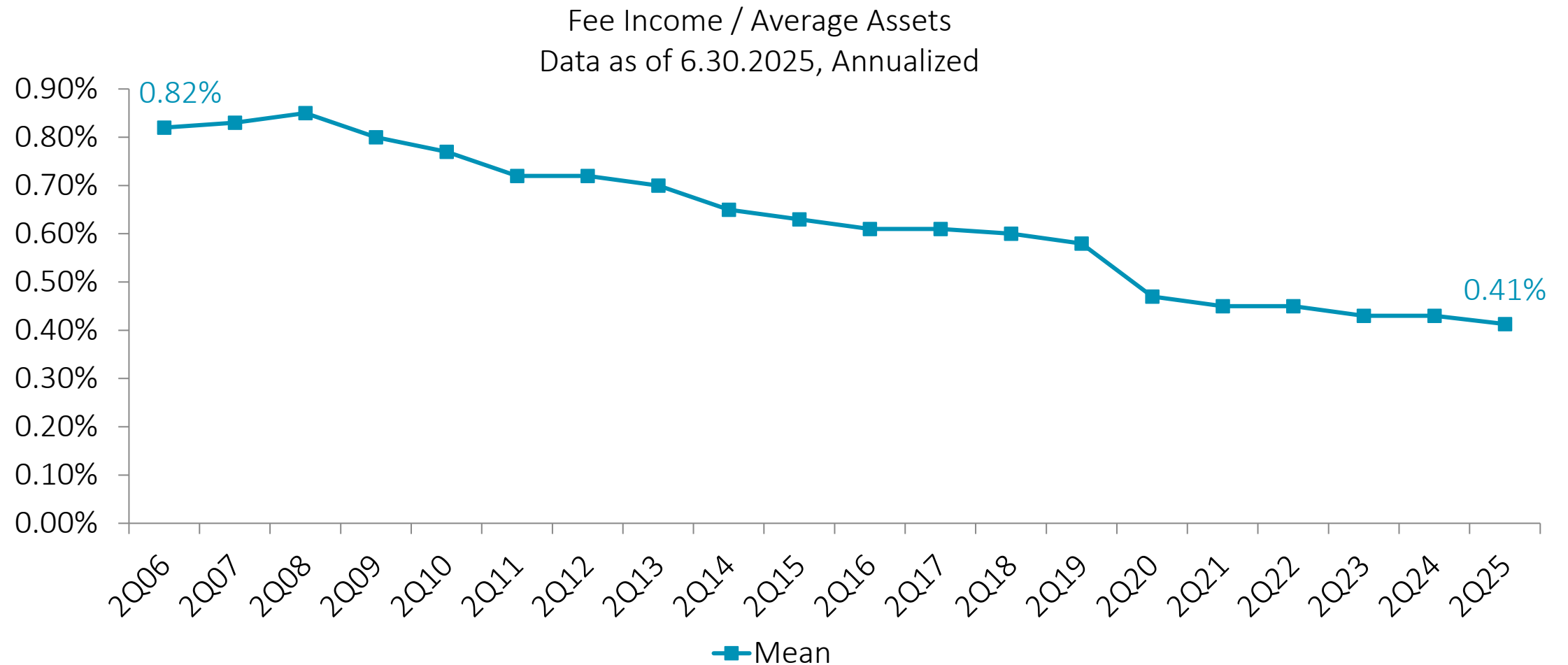
Net interest margin increasing faster than operating expense growth



Non-interest income sees uptick after first quarter drop...

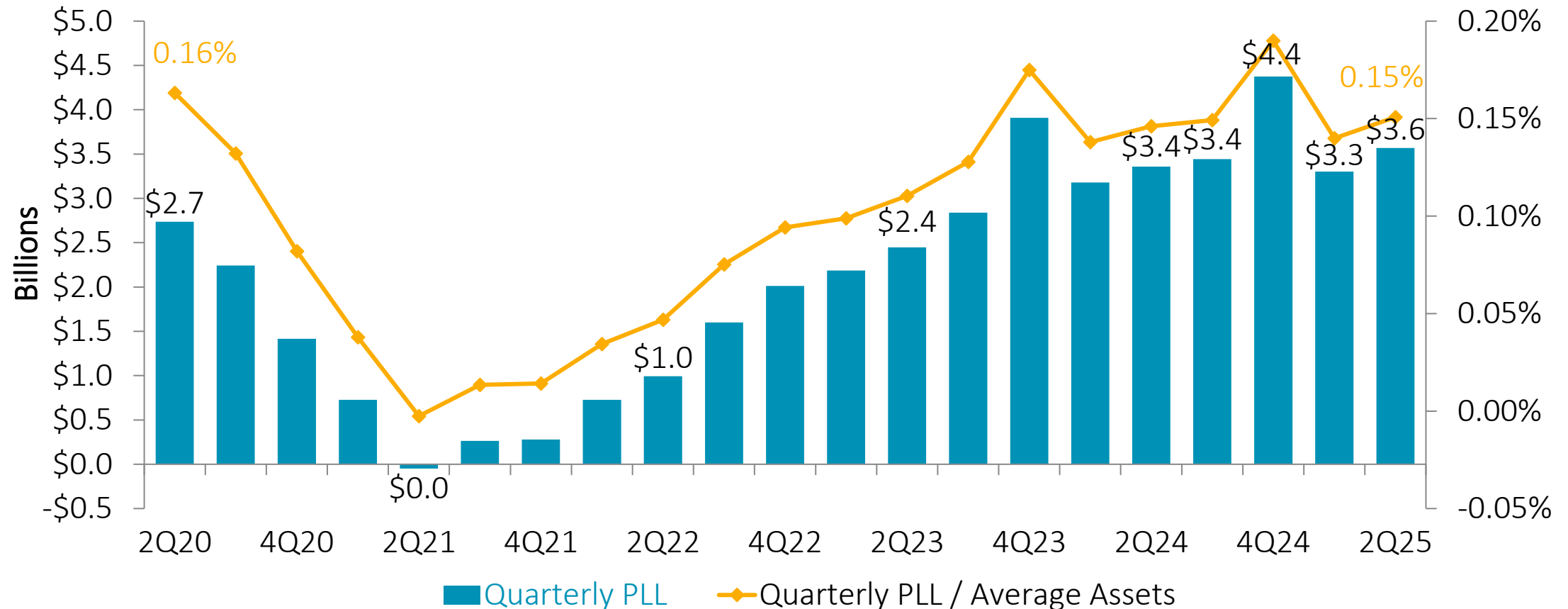


Even as fee income continues to trend lower

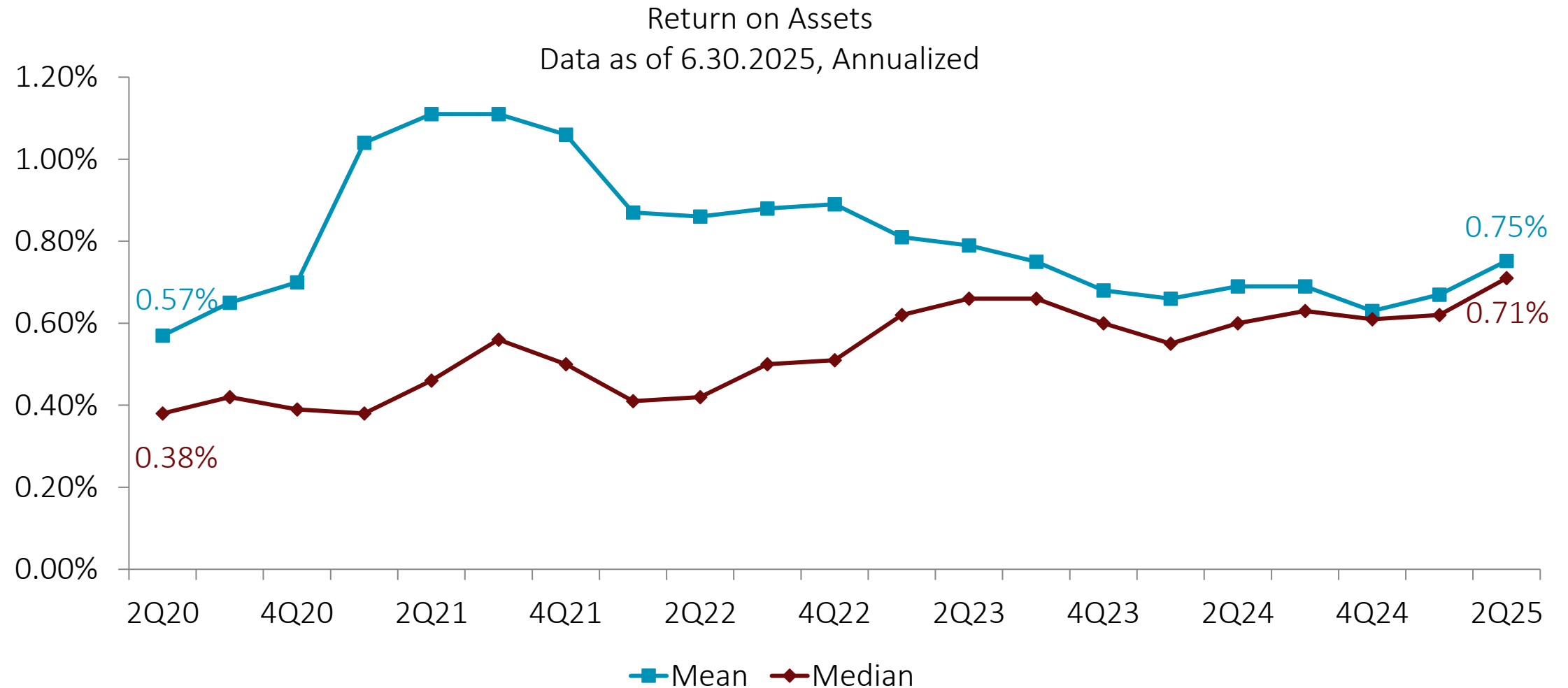


Provision expense moves higher in second quarter

Quarterly Provision for Loan & Lease Losses and % of Avg Assets
Data as of 6.30.2025



Margin growth pushes ROA higher

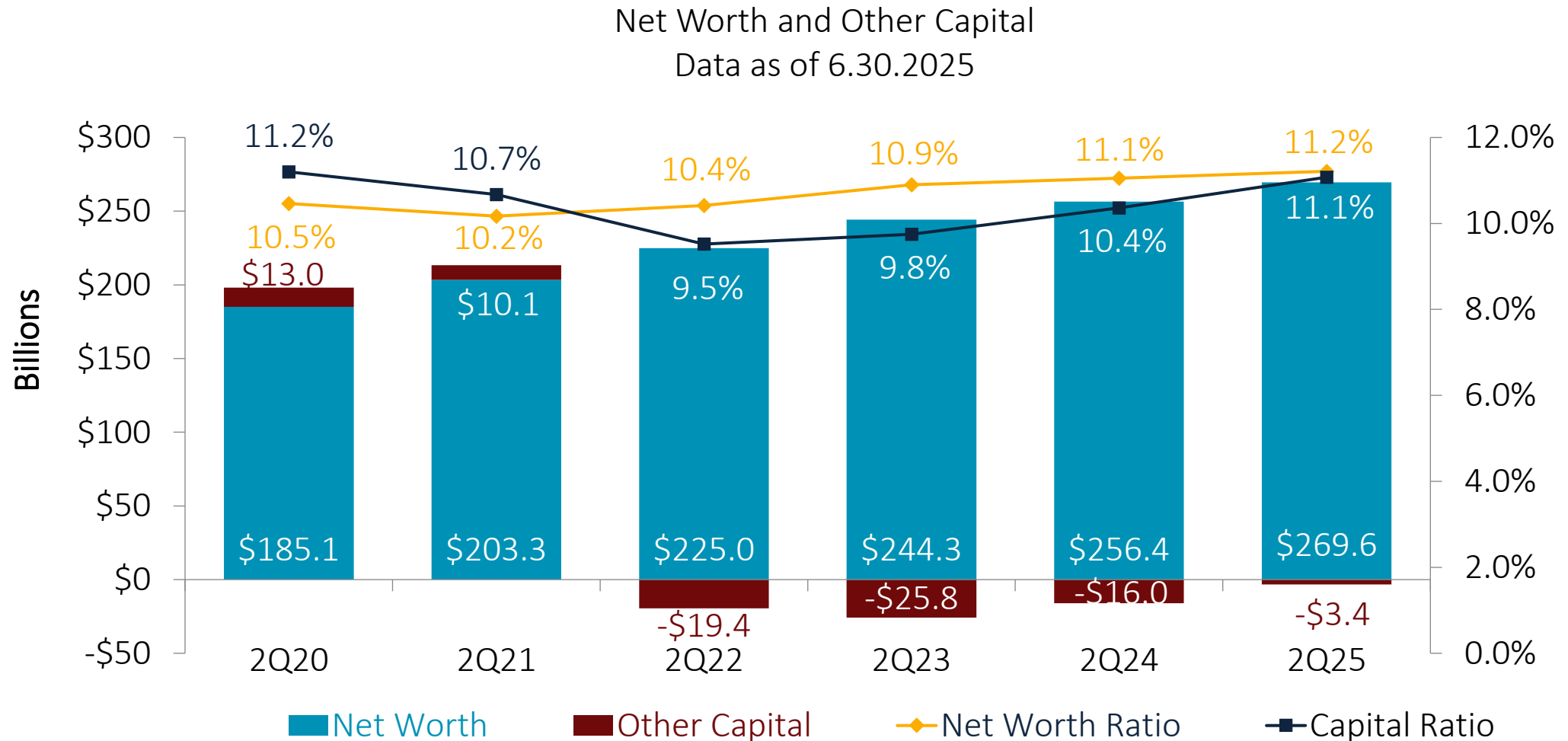


Wider margin drives the increase in ROA versus a year ago

	6/30/2025	6/30/2024	ROA Impact
Interest Income	5.15%	4.93%	+0.22%
Interest Expense	1.83%	1.87%	+0.04%
Net Interest Margin	3.32%	3.05%	+0.27%
Non-interest Income	1.11%	1.19%	-0.08%
Operating Expenses	3.10%	2.98%	-0.12%
Provision for Loan Losses	0.58%	0.57%	-0.01%
ROA	0.75%	0.69%	+0.06%

Expressed as a % of Avg. Assets
May not sum due to rounding

Net worth and capital ratios move higher



Takeaways and Closing Thoughts

- Loan and savings growth is picking up in 2025 as credit unions focus on deepening member relationships in the midst of slower membership growth
- Liquidity and capital positions allow credit unions to continue to support member needs in 2025...and many are looking for support!
- Engaging with and listening to members will reveal opportunities to deliver solutions that meet the unique needs of credit union members



Strategic Planning in 2025

- How are we engaging with members to better understand their needs?
- Where are our greatest growth opportunities?
- Where are we investing to deliver greater value to members?
- Is our credit union positioned to adapt to evolving member needs and preferences?
- How are we ensuring that our team has the skills to deliver an outstanding member experience?

THANK YOU FOR WATCHING



1001 Connecticut Ave NW
Ste. 1001
Washington, DC 20036



support@callahan.com
www.callahan.com



800-446-7453