

# How Do Loan Growth Leaders\* Strategic Choices Differ?

Credit union share of  
**TOTAL VEHICLE FINANCING HAS SLIPPED**



**23%**

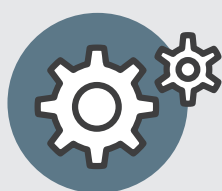
in Q2 2018



**18%**

in Q2 2021

Source: "State of the Automotive Finance Market - Q2 2021", Experian



**1 in 4**

2020 loan growth leaders  
**EXPECT NEW PRODUCT DEVELOPMENT to be a top priority in 2022**

## Top Performers Choices for 2022

- 1** Top performers in loan growth were **more likely to expand into new counties or states** prior to the pandemic and were more likely to expect to merge in 2022.

EXPANSION INTO NEW GEOGRAPHIES	2020 Loan Growth	
	Bottom 1/3 of CUs	Top 1/3 of CUs
Expanded into new counties / states in pre-pandemic period	<b>21%</b>	<b>39%</b>
Plan to expand into new counties / states by 2022	20%	33%

- 2** Loan growth leaders were **significantly more likely** to have plans to merge by 2022.

MERGERS AND AQUISITIONS	2020 Loan Growth	
	Bottom 1/3 of CUs	Top 1/3 of CUs
Merged pre-pandemic or during pandemic	<b>11%</b>	<b>46%</b>
Have plans to merge by 2022	<b>7%</b>	<b>23%</b>

- 3** In the pre-pandemic era, loan growth leaders were **more likely to consider mobile apps and fintech lending platforms, but less likely to consider online via a computer, to be Top 3 distribution channels** compared to other credit unions. However, in the wake of the pandemic, many other credit unions have adjusted their strategies to look more like the loan growth leaders.

TOP 3 DISTRIBUTION CHANNELS DURING PRE-PANDEMIC PERIOD (Pct. of respondents assigning 1,2,3 rank)	2020 Loan Growth	
	Bottom 1/3 of CUs	Top 1/3 of CUs
Mobile app	<b>38%</b>	<b>54%</b>
Online via a computer	<b>49%</b>	<b>33%</b>
Via a fintech lending platform	<b>0%</b>	<b>7%</b>

- 4** Top performers in terms of their 2020 loan growth were also **significantly more likely to expect their strategic planning process and new product development to be Top 3 non-digital capabilities** in 2022.

EXPECTED TOP 3 NON-DIGITAL CAPABILITES IN 2022 (Pct. of respondents assigning 1,2,3 rank)	2020 Loan Growth	
	Bottom 1/3 of CUs	Top 1/3 of CUs
Strategic planning process	<b>26%</b>	<b>46%</b>
New product development	<b>10%</b>	<b>23%</b>
User (member) experience design	<b>56%</b>	<b>38%</b>
Talent acquisition / development	<b>44%</b>	<b>28%</b>

\*Loan growth leaders are defined falling in the top 1/3 of credit unions with total assets > \$250M in terms of their 2020 loan growth rate.

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



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Report Sources: 2021 CUNA Mutual Group internal data and Experian, "Auto Finance Insights: State of the Automotive Finance Market Q1 2021," Q1, 2021