



CFO Call Series

The Great Resignation and Banking

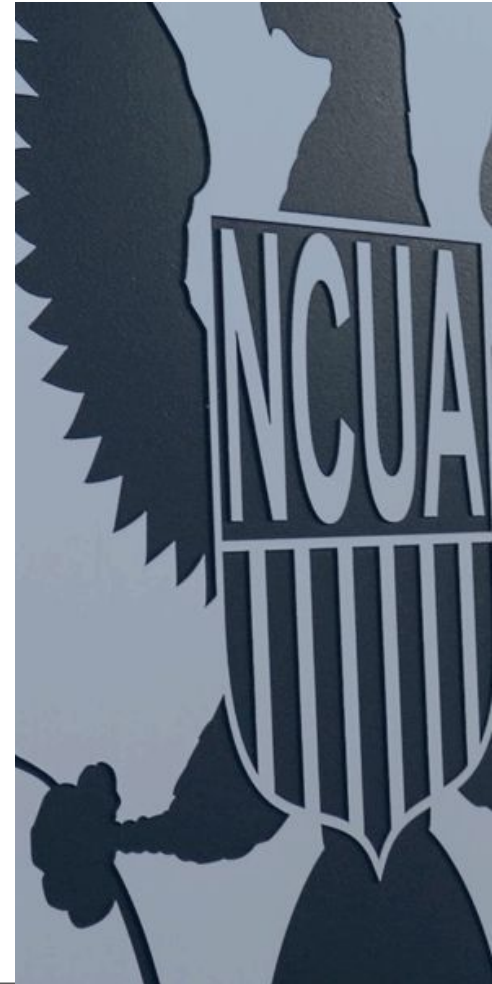
February 25, 2022

“The Great Resignation”

- “Coronavirus Pandemic Compels Historic Labor Shift”
- Fastest reallocation of labor since World War II
- 3 of 4 FT employees will quit their job this year
- 79% of employees believe they can make more \$
- > 50% of exits were over 55
- Shift in workplace likely multi-year

FINANCIAL TRENDS IN CREDIT UNIONS

- \$4T into U.S. economy
- What does it mean for your institution?
- The real “tell” of the stress
- Talented employees are hot
- Impacts on smaller and larger CU



FINANCIAL TRENDS IN CREDIT UNIONS

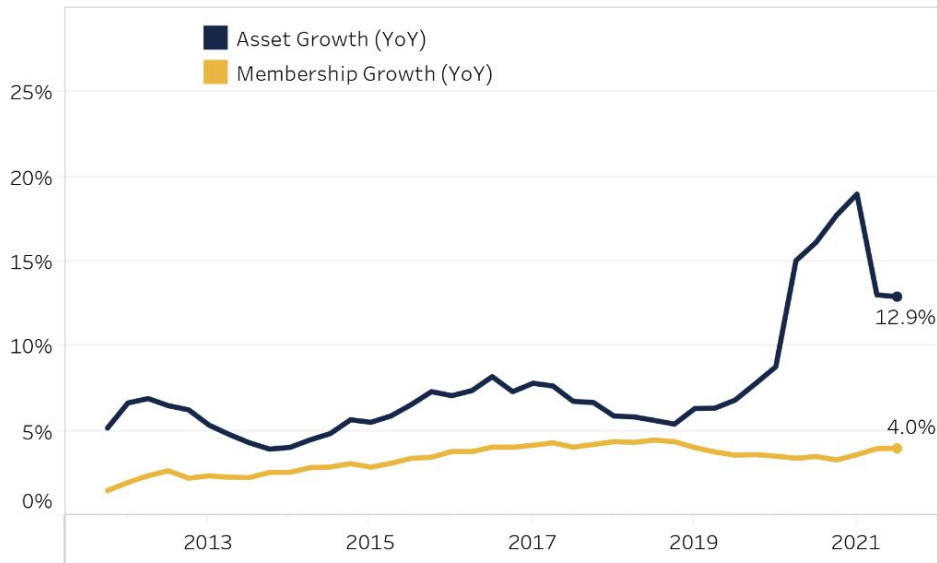


FINANCIAL TRENDS IN FEDERALLY INSURED CREDIT UNIONS

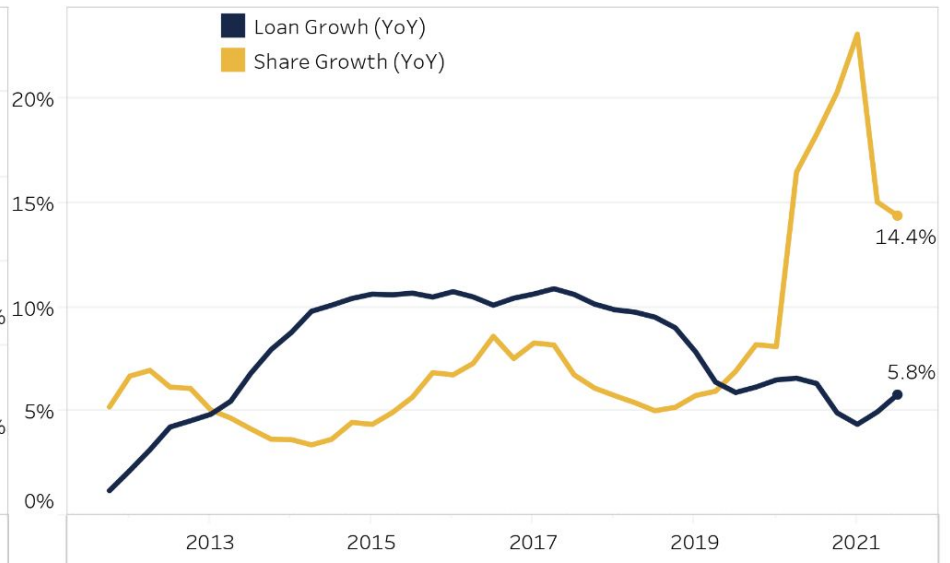
2021 Q3

Overall Trends

Asset Growth vs. Membership Growth



Loan Growth vs. Share Growth



SOURCE: All data in this report is extracted from live database containing Call Report data. Ratios in this report are consistent with Financial Performance Reports (FPRs).

FINANCIAL TRENDS IN CREDIT UNIONS



FINANCIAL TRENDS IN FEDERALLY INSURED CREDIT UNIONS

Net Worth

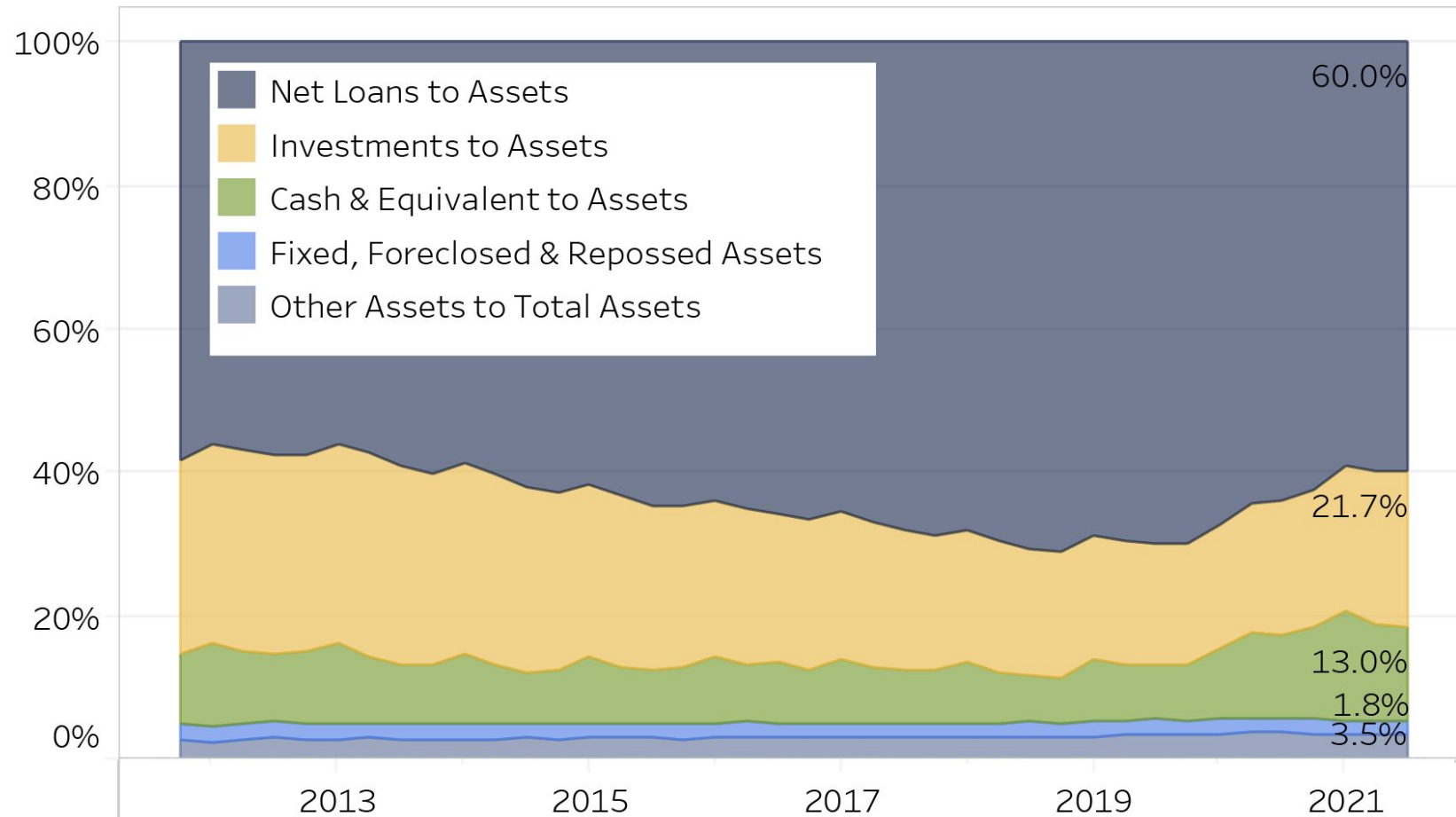
Distribution of Net Worth Ratio

	2015 Q4	2016 Q4	2017 Q4	2018 Q4	2019 Q4	2020 Q4	2021 Q3
>7%	5,892 97.9%	5,660 97.8%	5,449 97.8%	5,294 98.5%	5,160 98.5%	4,946 97.0%	4,769 95.6%
6% to 7%	91 1.5%	88 1.5%	81 1.5%	51 0.9%	38 0.7%	105 2.1%	168 3.4%
4% to 6%	27 0.4%	23 0.4%	34 0.6%	24 0.4%	31 0.6%	37 0.7%	44 0.9%
2% to 4%	5 0.1%	13 0.2%	4 0.1%	3 0.1%	4 0.1%	7 0.1%	5 0.1%
0% to 2%	5 0.1%	1 0.0%	2 0.0%	2 0.0%	2 0.0%	2 0.0%	3 0.1%
<0%	1 0.0%		3 0.1%	1 0.0%	1 0.0%	2 0.0%	1 0.0%

FINANCIAL TRENDS IN CREDIT UNIONS

Asset Distribution

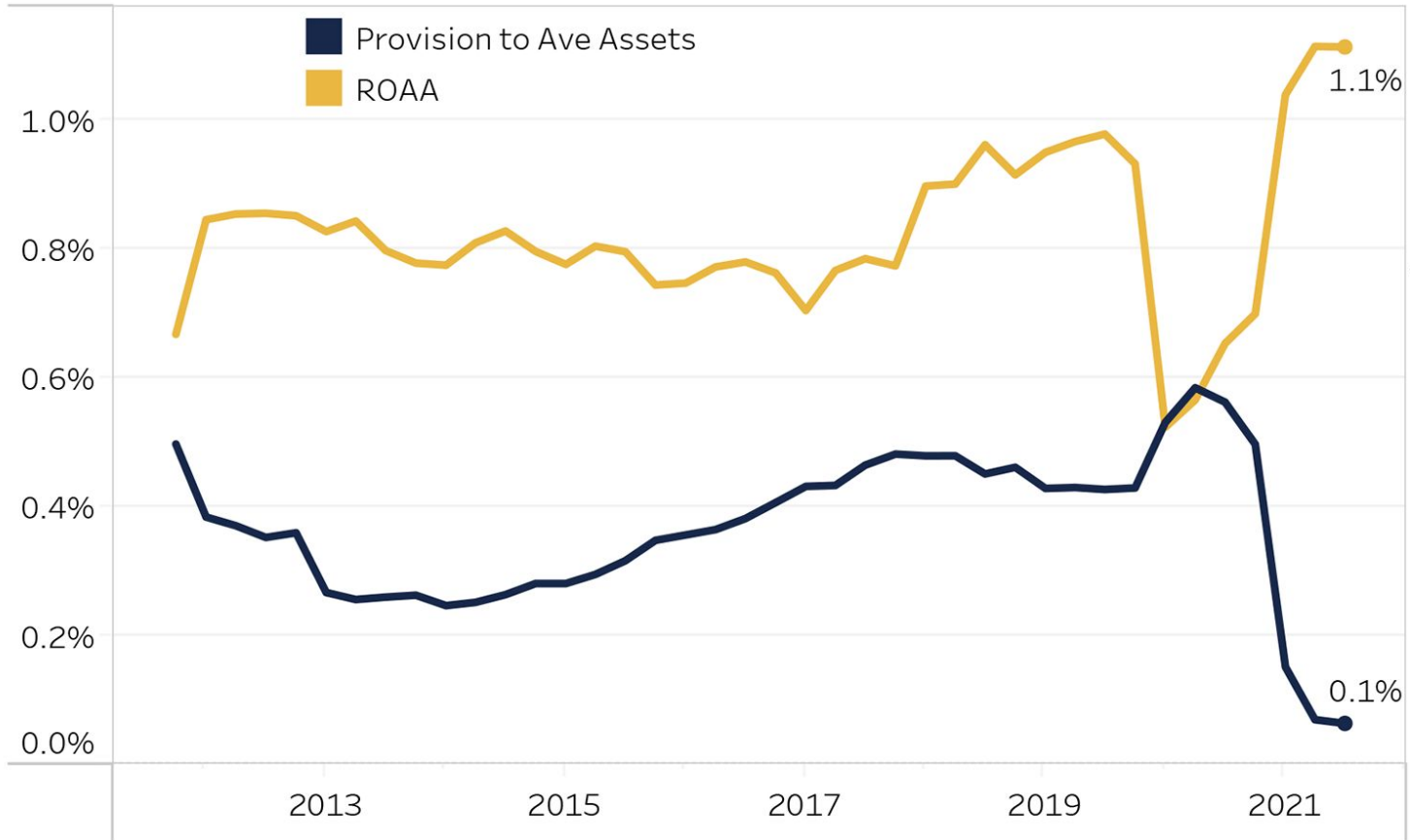
(% of Total Assets)



FINANCIAL TRENDS IN CREDIT UNIONS

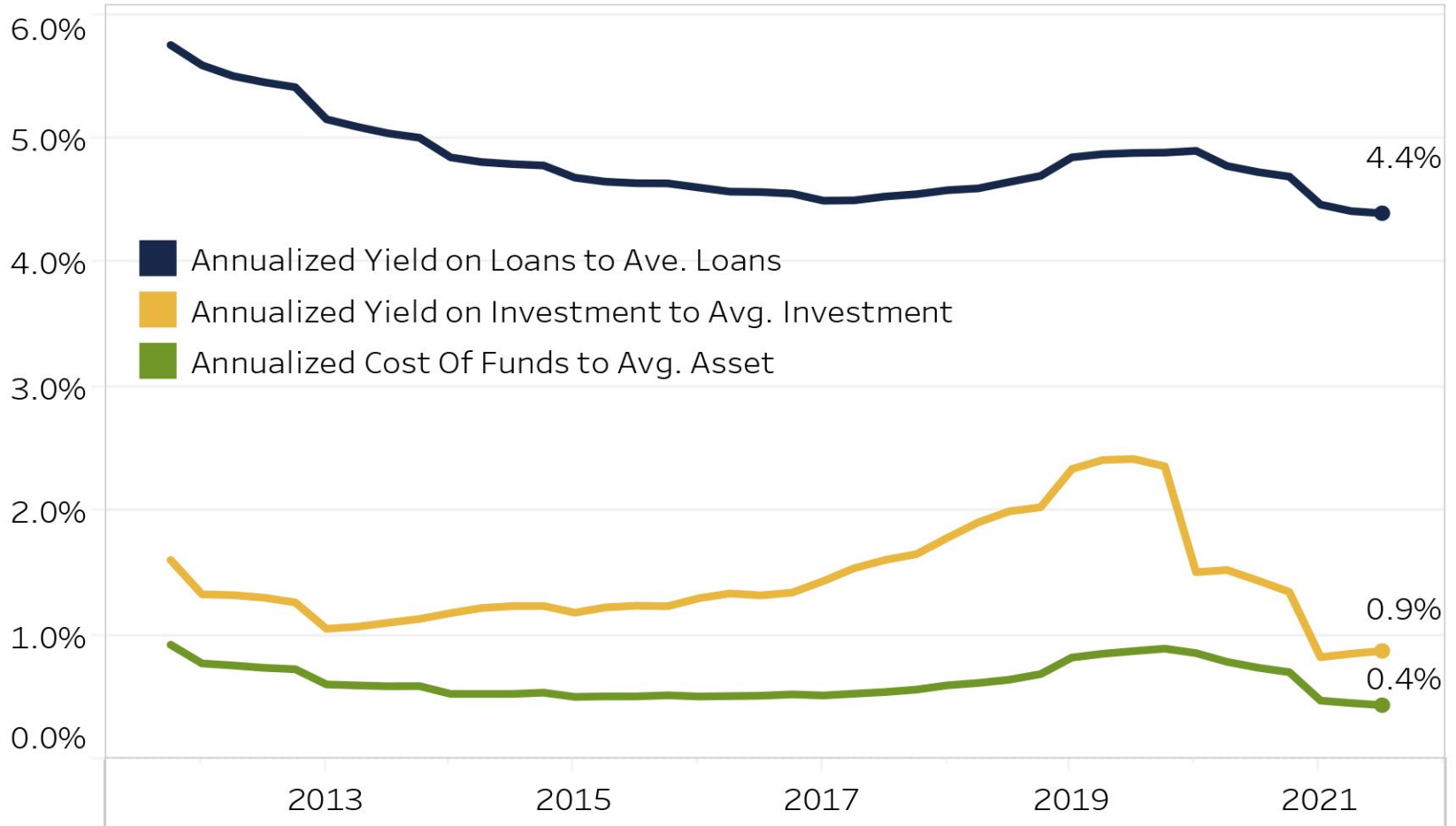
Earnings

Return on Average Assets vs. Provision for Loan & Lease Losses



FINANCIAL TRENDS IN CREDIT UNIONS

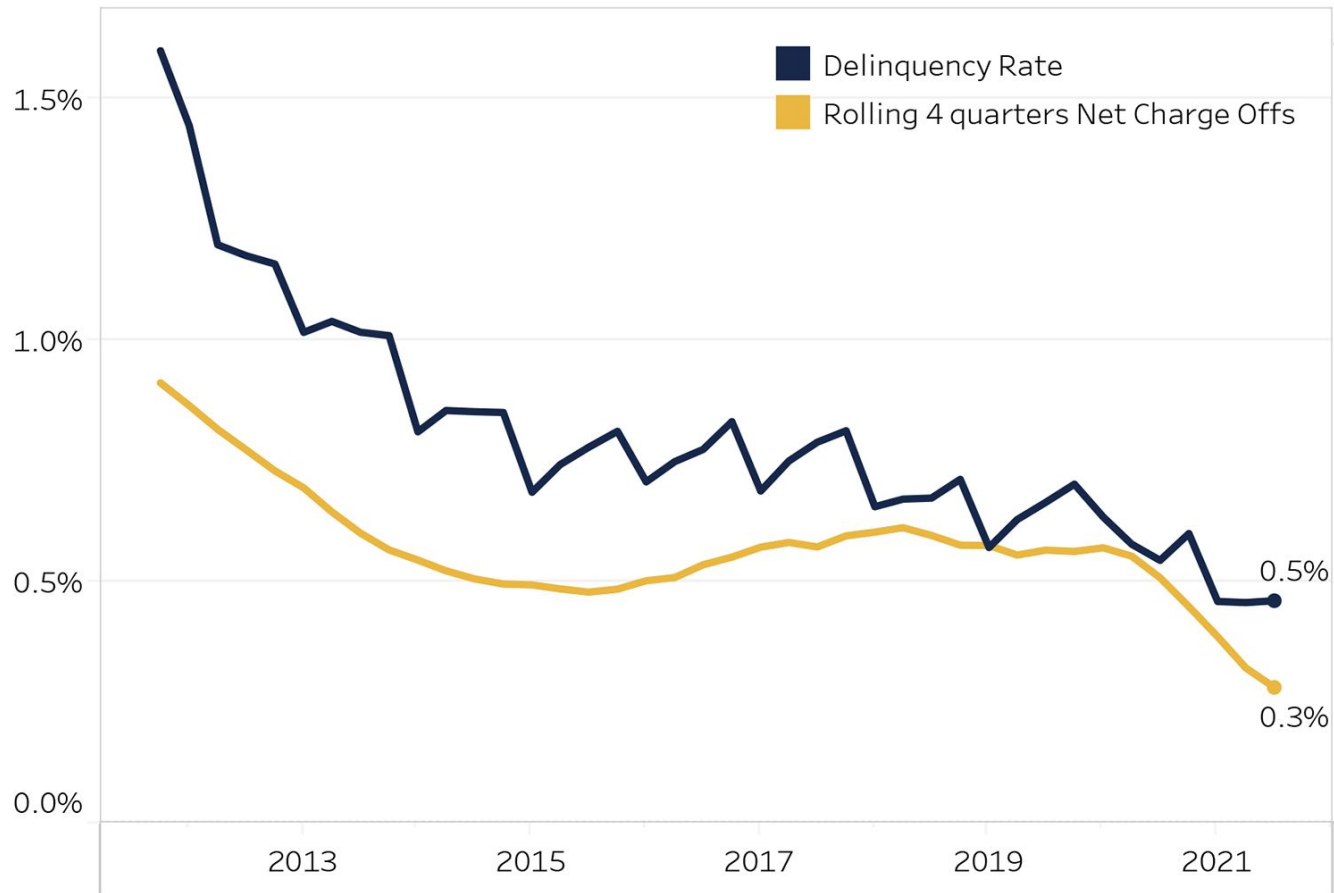
Yield vs. Cost of Funds



FINANCIAL TRENDS IN CREDIT UNIONS

Loan & Delinquency Trends

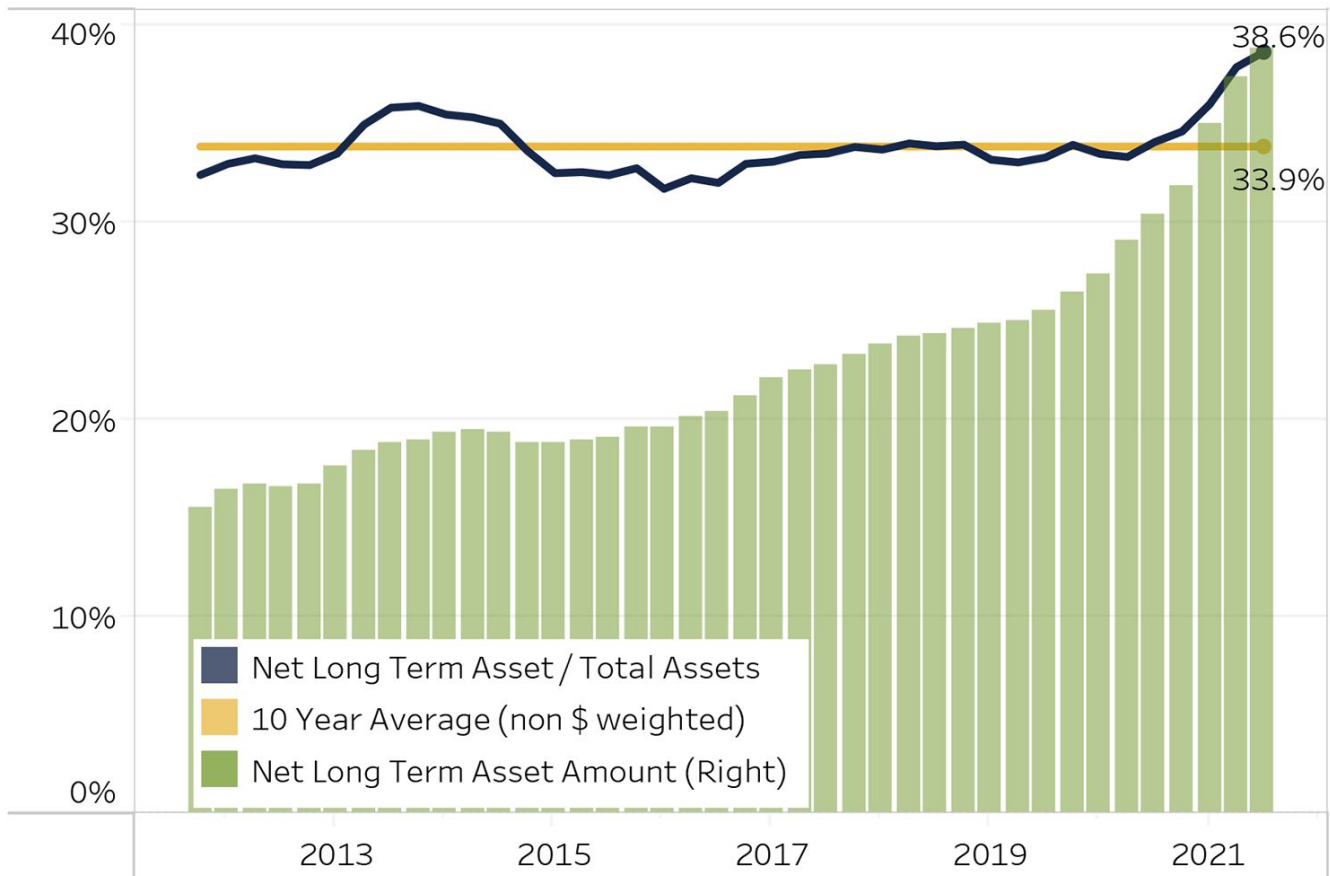
Delinquency & Annualized Net Charge-Offs



FINANCIAL TRENDS IN CREDIT UNIONS

Asset-Liability Management Trends

Net Long Term Assets / Total Assets



LABOR SHIFTS

- Competition with firms in greater geographic area
- Higher than expected pay rates
- LA Times reported labor force participation dropped 2%
- Hybrid / remote work model here to stay
- There may not be the qualified people you need





CASE STUDY

1. Key employee **resigned**
2. **Lean operation** due to years of NIM compression
3. Organizational **knowledge concentrated** in few key people
4. Taking time to **document** processes felt wasteful
5. **Quarter closed** a few weeks after departure

Fortunately, CEO is on trend. Reached out to CRCFO for a swift response that closed books, filed the Call Report and documented the process.



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CHARLES RIVER CFO

- Flexible staffing model
- Banking expertise
- Project, interim, part-time
- Scalable contract



DISCUSSION



Charles River CFO welcomes the opportunity to work with your institution to provide part-time and interim CFO, accounting, tax, and human resource services.

We are smart, nimble, and flexible.

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Charles River CFO

CFO, Accounting Services,
Tax Services, and HR
Services

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