

Deposit Data

July 16th, 2009

Host: Dane Coalson
Callahan & Associates, Inc.

CALLAHAN
ASSOCIATES

Agenda

- External Comparisons:
 - Econometric Data
 - Savings Trends
 - Current Rate Data
- Credit Union Analysis
 - Industry Trends
 - Market Share & Branch Analysis
 - Cost of Funds
 - Share Portfolio
 - Member Relationship Metrics
- Creating Comparisons
 - Regional Variations
 - “Traditional” Asset or FOM-based
 - Averages v. Best Performance



RESEARCH & BENCHMARKING RESOURCES



FDIC State Profiles

FDIC State Profiles

Virginia at a Glance

ECONOMIC INDICATORS (Change from year ago, unless noted)					
Employment Growth Rates	Q1-09	Q4-08	Q1-08	2008	2007
Total Nonfarm (share of trailing four quarter employment in parentheses)	-2.2%	-1.2%	0.5%	-0.1%	0.9%
Manufacturing (7%)	-6.5%	-5.5%	-4.5%	-4.7%	-3.6%
Other (non-manufacturing) Goods-Producing (6%)	-12.2%	-9.2%	-5.3%	-7.0%	-3.6%
Private Service-Producing (68%)	-1.7%	-0.8%	1.4%	0.6%	1.8%
Government (19%)	1.2%	2.1%	1.4%	1.7%	1.2%
Unemployment Rate (% of labor force)	6.5%	4.6%	3.5%	4.0%	3.0%
Other Indicators					
	Q1-09	Q4-08	Q1-08	2008	2007
Single-Family Home Permits	-40.4%	-29.8%	-27.7%	-32.1%	-23.5%
Multifamily Building Permits	-50.7%	-41.6%	50.4%	0.6%	-12.2%
Home Price Index	-4.4%	-4.2%	-0.4%	-2.9%	2.5%
Nonbusiness Bankruptcy Filings per 1000	4.30	3.84	3.17	3.55	2.45

<http://www.fdic.gov/bank/analytical/stateprofile/index.html>



FDIC Deposit Market Share Report

Offices and Deposits of all FDIC-Insured Institutions
Deposit Market Share Report
 Deposits as of: June 30, 2008
 Sorted by: Market Share
[Run Report](#)

Selected Market				June 30, 2008					
Metropolitan Statistical Area(s): GREENVILLE, SC				Outside of Market		Inside of Market			
Institution Name	CERT	State (Hqtr)	Bank Class	State/Federal Charter	No. of Offices	Deposits (\$000)	No. of Offices	Deposits (\$000)	Market Share
CAROLINA FIRST BANK	26849	SC	NM	State	102	6,957,754	20	3,050,265	24.84%
WACHOVIA BANK NATIONAL ASSN	33808	NC	N	Federal	3,314	395,970,817	24	1,788,083	14.56%
BRANCH BANKING&TRUST CO	8846	NC	NM	State	1,469	84,347,532	22	1,303,995	10.62%
BANK OF AMERICA NA	3510	NC	N	Federal	5,718	641,140,371	20	1,111,844	9.06%
SUNTRUST BANK	887	GA	SM	State	1,705	113,588,989	25	687,128	5.60%
PALMETTO BANK	8997	SC	NM	State	16	491,312	16	595,175	4.85%
SOUTHERN FIRST BANK NA	35286	SC	N	Federal	1	17,152	3	467,858	3.81%
FIRST CITIZENS BAT CO INC	15504	SC	NM	State	153	4,758,950	18	499,701	3.55%
BANK OF TRAVELERS REST	16389	SC	NM	State	0	0	3	392,853	3.20%
GREER STATE BANK	27413	SC	NM	State	0	0	4	275,463	2.24%
COMMUNITYSOUTH BANK&TRUST	57868	SC	NM	State	2	60,926	4	247,240	2.01%
FIRST SAVERS BANK	34140	SC	SA	Federal	2	14,574	4	233,478	1.90%
GRANDSOUTH BANK	34812	SC	NM	State	1	85,991	2	217,754	1.77%

<http://www2.fdic.gov/sod/sodMarketBank.asp?baritem=2>



Regional Economic Analysis

BEA Bureau of Economic Analysis
 U.S. DEPARTMENT OF COMMERCE
Regional Economic Accounts

Home | About BEA | National | International | Regional | Industry | Glossary | FAQs
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Regional Economic Accounts

Newly Available

- Programmatic Impacts of BEA's FY2008 Appropriations on the Regional Economic Accounts Directorate (PDF +54 KB)
- Quick links— One-click access to regional estimates and documents

Gross Domestic Product (GDP) by State and Metropolitan Area

State annual estimates

- News release: [Gross Domestic Product by State](#)
 includes highlights and associated tables
- Interactive tables: [Gross Domestic Product by State](#)
- Interactive maps: [Gross Domestic Product by State Interactive Map](#)
- Interactive charts and graphs: [GDP by State and Metropolitan Area Interactive Chart](#)

Metropolitan area annual estimates

- News release: [Gross Domestic Product by Metropolitan Area](#)
 includes highlights and associated tables
- Interactive tables: [Gross Domestic Product by Metropolitan Area](#)
- Interactive charts and graphs: [GDP by State and Metropolitan Area Interactive Chart](#)

[Back to top](#)

State Personal Income and Employment

Search:
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On This Page:

- Gross Domestic Product (GDP) by State and Metropolitan Area
- State and Local Area Personal Income
- Regional Input-Output Modeling System (RIMS II)
- BEA's Regional FACT sheets (BEARFACTS)
- BEA Economic Areas
- Previously Published Estimates

Additional information:

- Quick Links
- Outreach

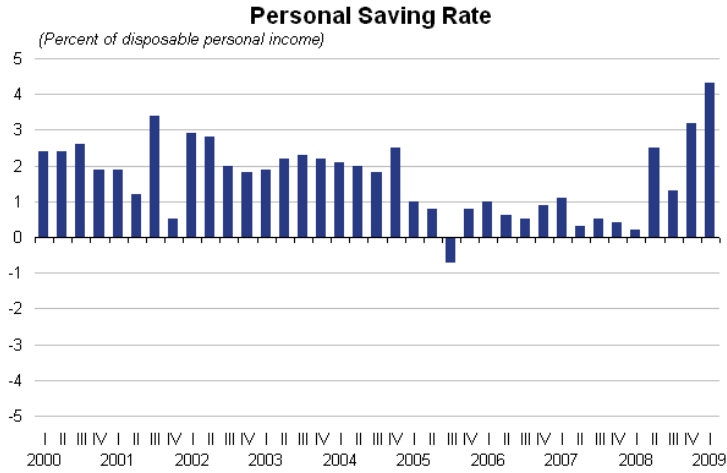
Contacts:

- Regional Product Division
 202.606.5340
GDPbyState@bea.gov
- Regional Income Division
 202.606.5360

<http://www.bea.gov/regional/index.htm>



BEA: Personal Savings Rate



U.S. Bureau of Economic Analysis

<http://www.bea.gov/briefm/saving.htm>



Google

unemployment rate

Search the web

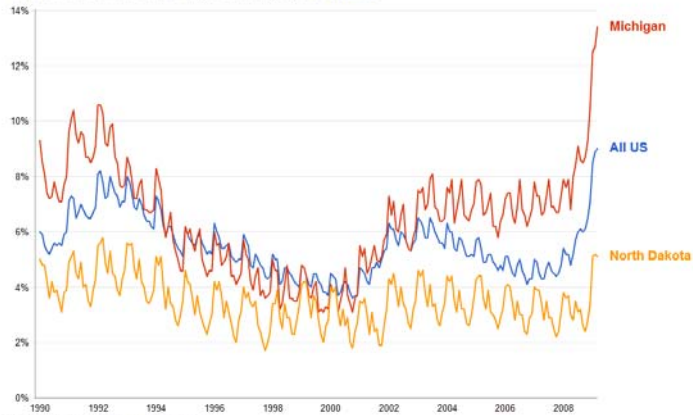
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- North Dakota
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- South Dakota

Unemployment rate

The percent of the labor force that is unemployed, not seasonally adjusted. [More info](#)



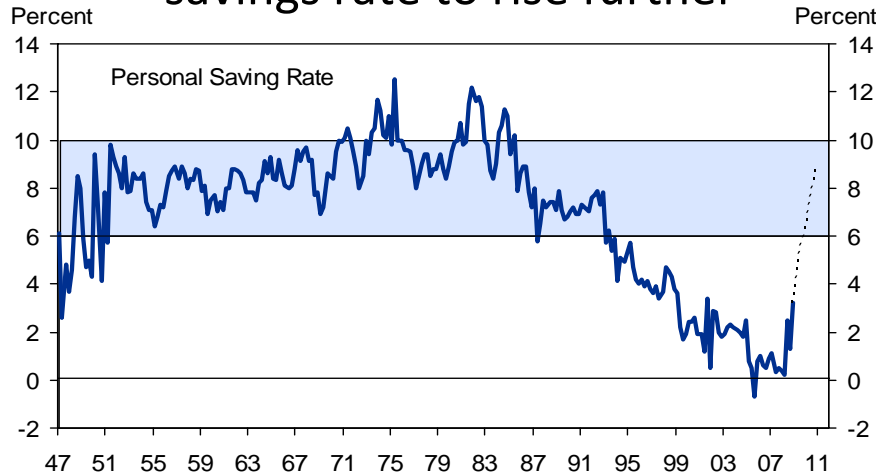
Data source: U.S. Bureau of Labor Statistics

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Search for “unemployment rate” on Google



A return to thrift: Goldman predicts the savings rate to rise further



Note: Dotted line denotes GS & Co. forecast
Source: Department of Commerce, Goldman, Sachs & Co.



Rate Tracking

DATATRAC ratedex		CUNA & Affiliates	
PRODUCT	CREDIT UNION AVG %	BANK AVG %	BEST AVERAGE RATE
SAVINGS			
Regular Savings	0.46	0.32	CUs by 14 bp
Interest Checking	0.33	0.25	CUs by 8 bp
Money Market	0.9	0.57	CUs by 33 bp
1 Year CD	1.72	1.41	CUs by 31 bp
CONSUMER LOANS			
Reg Credit Card	11.66	12.64	CUs by 98 bp
48 Mo New Car	5.25	6.61	CUs by 136 bp
48 Mo Used Car	5.52	7.14	CUs by 162 bp
36 Mo Unsecured	10.57	12.48	CUs by 191 bp
MORTGAGE LOANS			
Home EQ LOC	4.42	4.92	CUs by 50 bp
1 Yr ARM	4.7	4.78	CUs by 8 bp
30 Yr Fixed	5.58	5.53	Bks by 5 bp

All Data Current as of 07/07/2009.
Based on 15271 institutions. Note:
Average rates are listed; individual
rates will vary. (See [Datatrac
Research Standards](#))

bp=Basis points
(100 bp=1%)

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RATES ?**
[Click here !](#)

NATIONAL RATE INDEX

More detailed rate resource:

- <http://www.bai.org/>
- Resources tab
- *Informa* daily rates

<http://www.creditunion.coop/ratedex.php>



ICI Data

[Latest News](#) | [Fund FAQs](#) | [Data Highlights](#) | [Investor Education](#) | [Directors Issues](#)



[Weekly Flows of Long-Term Funds](#)

July 8, 2009

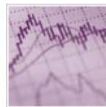
Total estimated inflows to long-term mutual funds were \$8.34 billion for the week ended Wednesday, July 1.



[Weekly Money Market Fund Assets](#)

July 9, 2009

Total money market mutual fund assets increased by \$4.36 billion to \$3.668 trillion for the week ended Wednesday, July 8.



[Monthly Trends In Mutual Fund Investing](#)

June 29, 2009

The combined assets of the nation's mutual funds increased by \$373.8 billion, or 3.9 percent, to \$10.074 trillion in May.



[Monthly Exchange-Traded Fund Assets](#)

June 30, 2009

The combined assets of the nation's exchange-traded funds (ETFs) were \$581.93 billion in May.

http://www.ici.org/#data_highlights



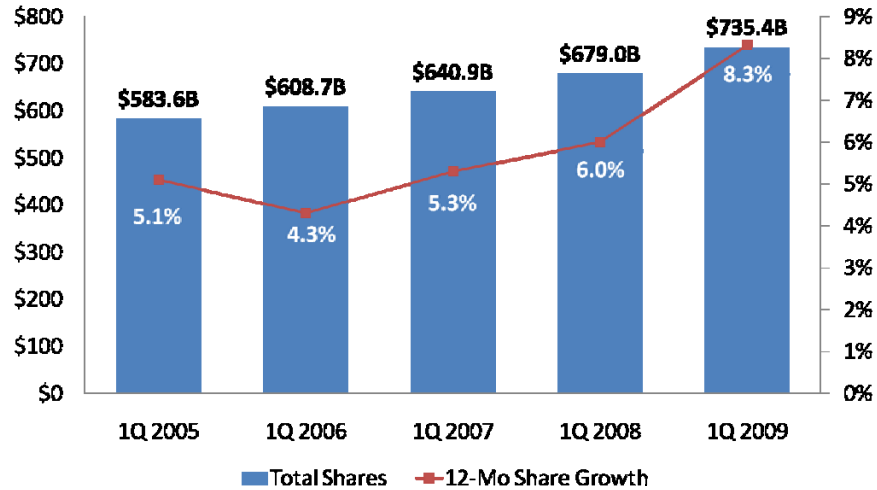
Sources: CreditUnions.com; CUAnalyzer; Peer to Peer

INDUSTRY DEPOSIT TRENDS



Annual Share Growth Increased Sharply

12-mo. Growth as of March 31, 2009 for all U.S. credit unions

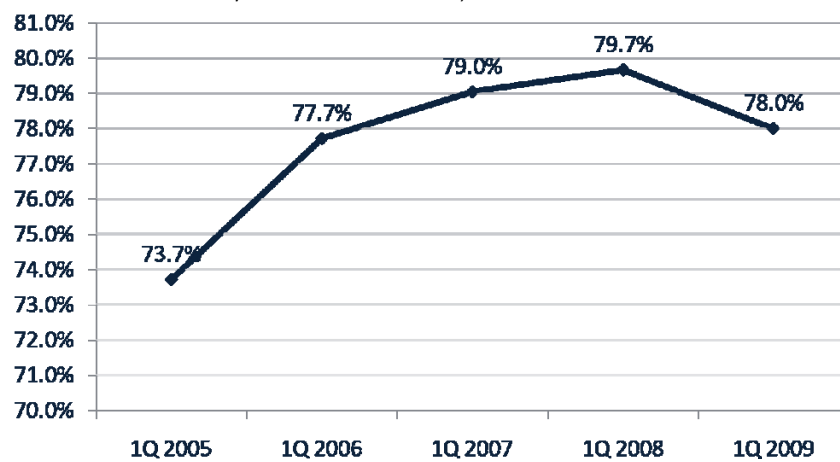


Source: Callahan's Peer to Peer Software



Credit union liquidity is increasing

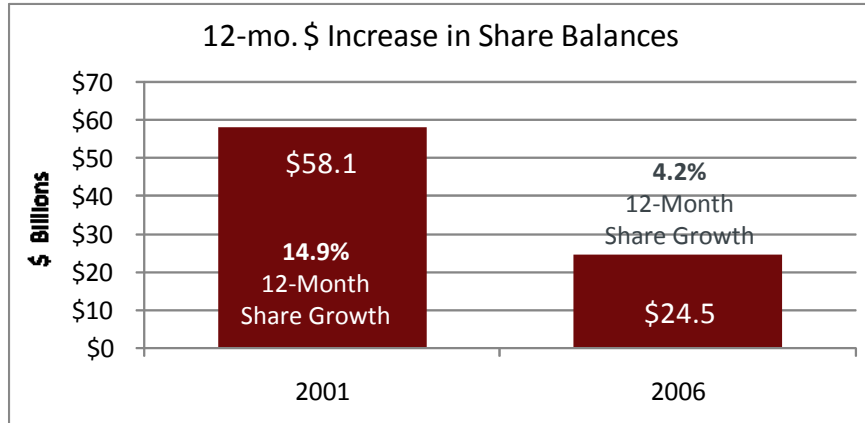
Loans /Shares as of March 31, 2009 for all U.S. credit unions



Source: Callahan's Peer to Peer Software



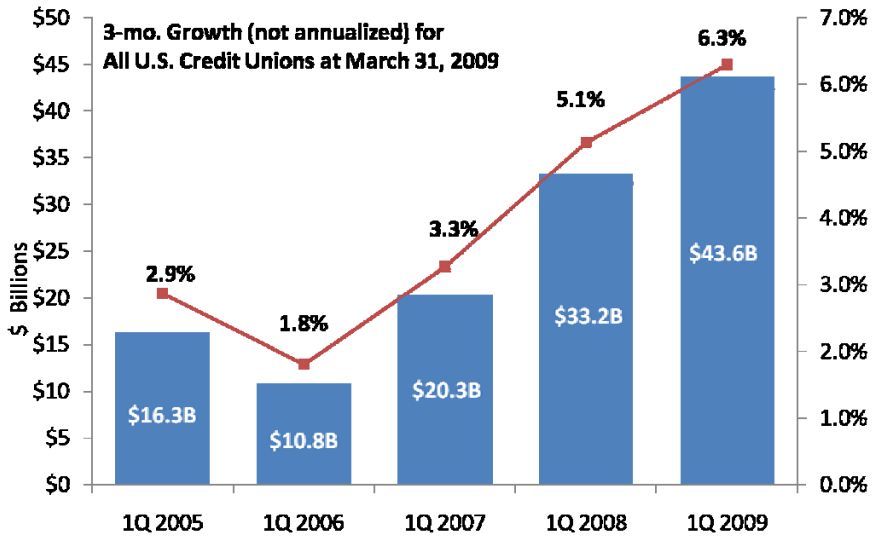
Economic Downturn vs. Economic Boom



Source: Callahan's Peer to Peer Software



Record First Quarter Share Growth

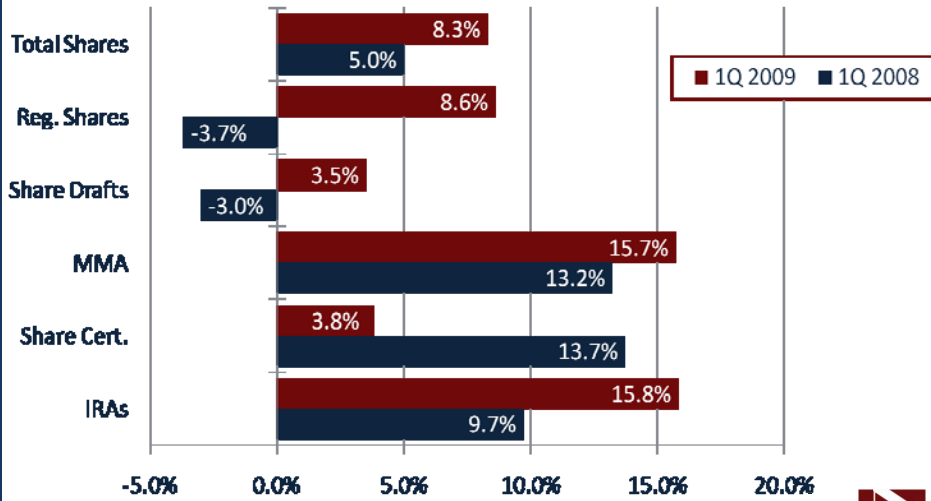


Source: Callahan's Peer to Peer Software



12-Month Share Growth Breakdown

Data as of March 31, 2009 for all U.S. credit unions

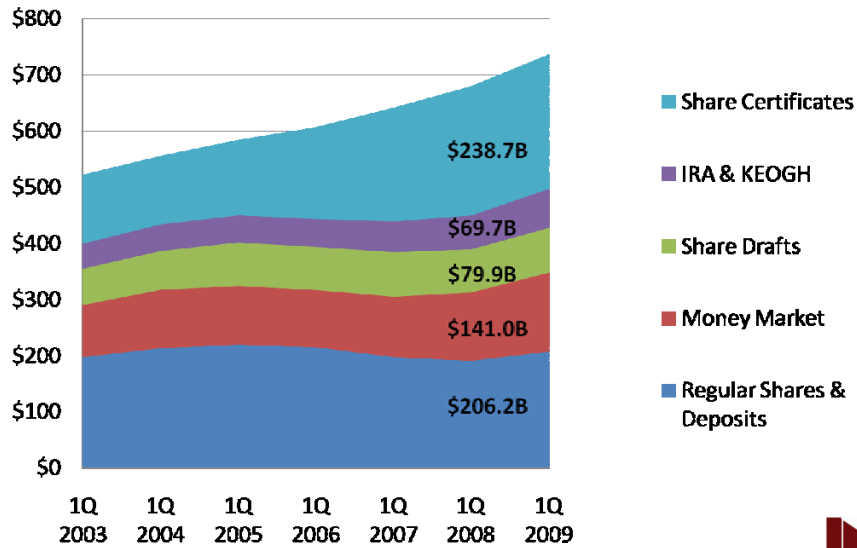


Source: Callahan's Peer to Peer Software



Historic Comparison: Share Balances By Type

Data as of March 31, 2009 for all U.S. credit unions



Source: Callahan's Peer to Peer Software

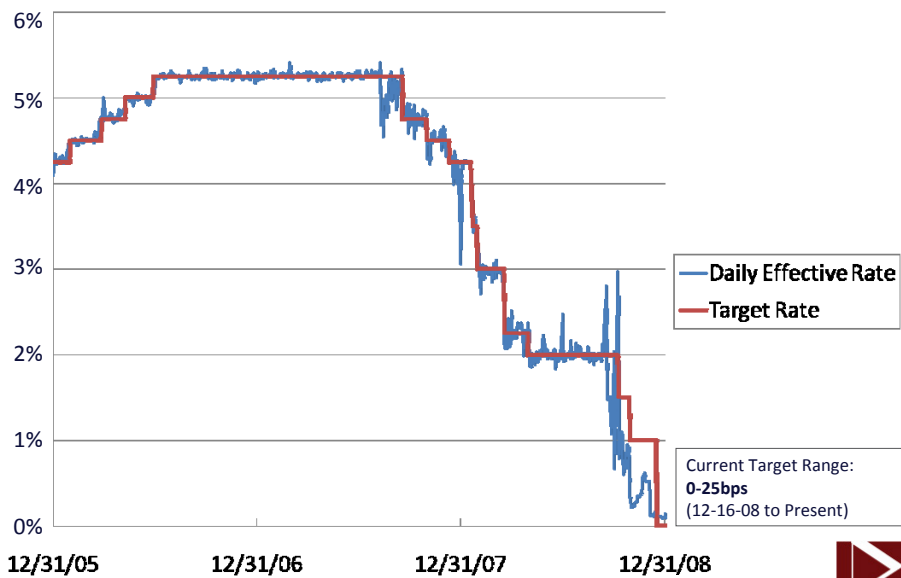


Sources: CreditUnions.com; CUAnalyzer; Peer to Peer

COST OF FUNDS



Federal Funds Rate

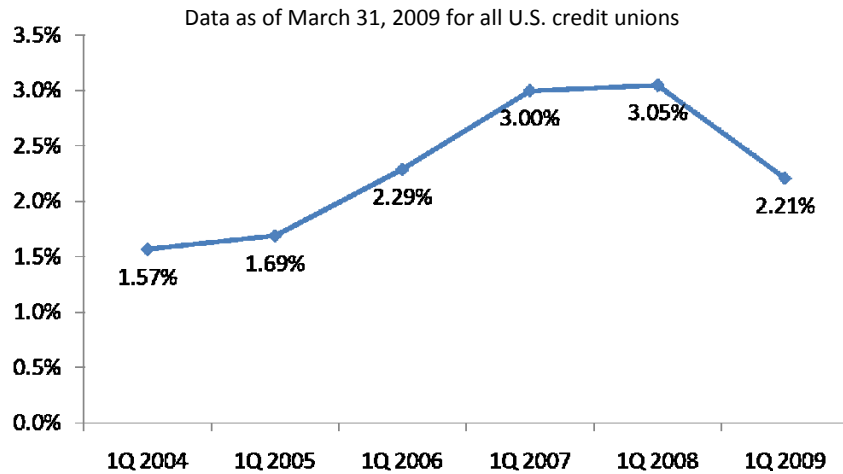


Current Target Range:
0-25bps
(12-16-08 to Present)

Source: Federal Reserve



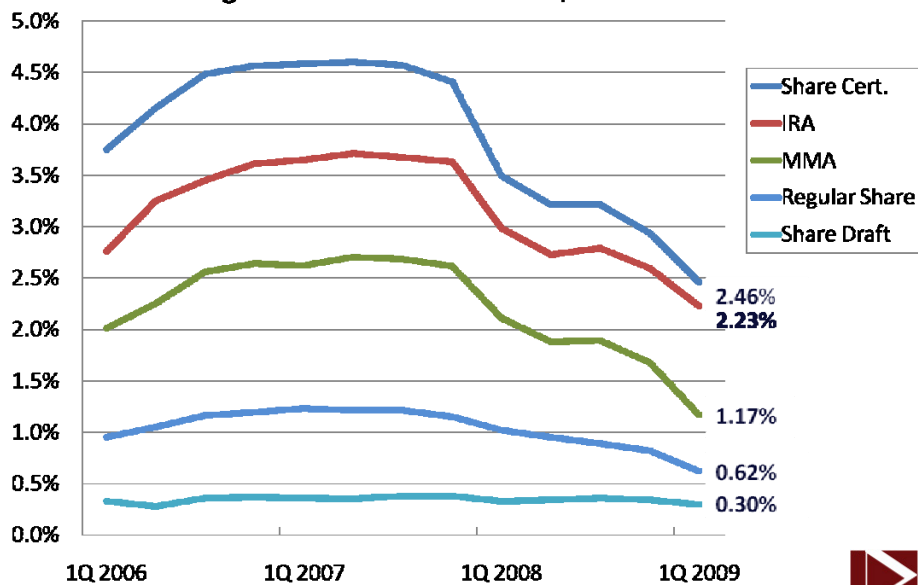
Cost of funds decreasing over the past 12 months



Source: Callahan's Peer to Peer Software



Avg. Rate for all U.S. CUs Over \$50M in Assets

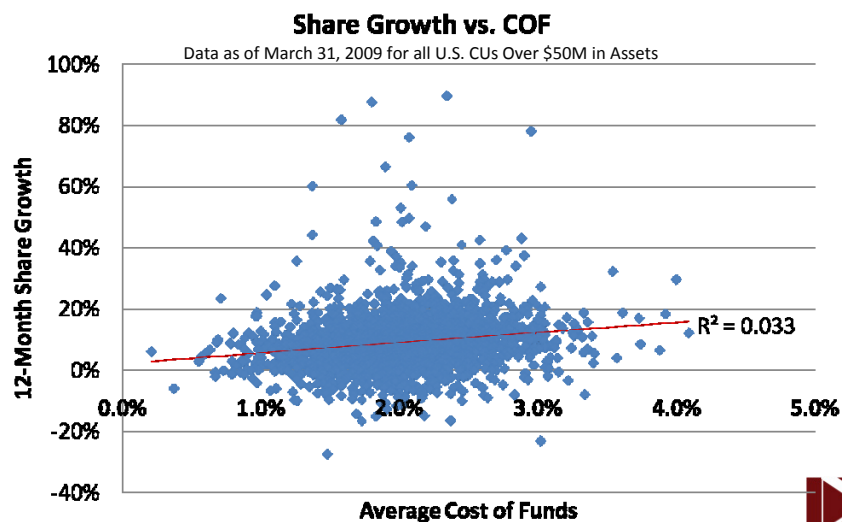


One Point on 5300 Rate Data

- Directions for reporting rates on the 5300 Call Report:
- Report the rate paid on these credit union share accounts as of the last day of the reporting period. Input the actual rate (i.e. 6.5% = 6.5) except in situations where more than one rate applies. In this instance, use the most common rate according to the dollar volume of business. Report the rate even if the share program is no longer offered as long as the share program has outstanding member deposits as of the reporting date.



Pricing is only one factor contributing to share growth...



Source: Callahan's Peer to Peer Software

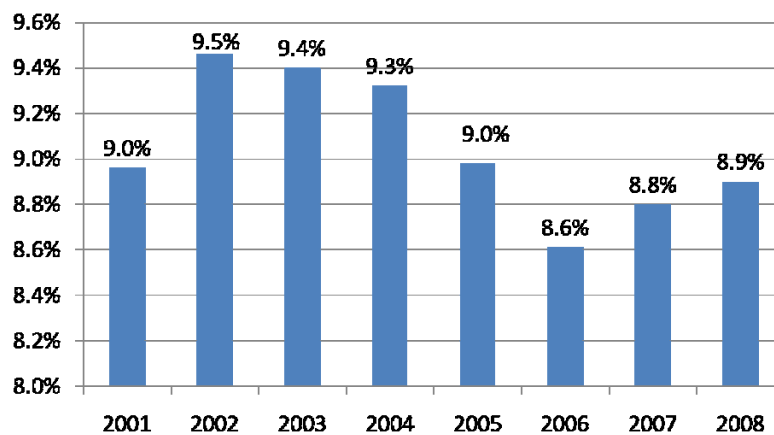


Sources: CreditUnions.com; CUAnalyzer; Peer to Peer

DEPOSIT MARKET SHARE



CU Deposit Market Share: Increasing Since 2006



Source: Callahan's Peer to Peer Software



Define a Market to Analyze

Step 1: Select State

Step 2: Select Type

Step 2: Select Market

Select by using the Add and Remove button or by double clicking on the comparable of your choice.

- Germantown
- Glen Arm
- Glen Burnie
- Glenelg
- Glyndon
- Grantsville
- Grasonville

Quick Find:

(Type Name)

Add

Remove

Your Defined Market

Germantown (MD)

UP

DOWN

Does **Mid-Atlantic Federal Credit Union** have branches in defined market?

YES NO

Exclude Credit Unions in Results

Continue



Branch Deposit Analysis

Note: Data for individual credit union branches is not currently reported. Therefore, credit union data presented in this report only includes those that are headquartered within the defined market.

Defined market includes the following:

Counties	
Cities	Germantown (MD),
Zip Codes	
Institutions	Banks/Thrifs and Credit Unions
As of	June 2008

Defined Market-Deposit Report

	# of Institutions	# of Branches	Avg. Deposit Size per Branch	Total Deposits Size June 2008	12 mo. Dep. Growth	Share of Market
Mid-Atlantic Federal Credit Union †	1*	5	\$35,024,410	\$175,122,050	0.84%	17.07%
All other CUs in Market	1 CU*	1	\$62,376,134	\$62,376,134	0.4%	6.08%
Banks in Market	15 Banks	22	\$35,831,409	\$788,291,000	5.84%	76.85%
Market Total	17	28	\$36,635,328	\$1,025,789,184	27.12%	100%

† Important: Credit unions do not currently report individual branch locations or deposits. So that credit unions may be included in this market report, as proxy, Branch Analyzer uses the average deposit \$ per branch. This is calculated by dividing the credit union's total deposits by the total reported number of branches. Market share for 2009 is calculated based on this approximation as well. Reminder: In defining your market you can exclude credit unions from this report.

Market Share in Perspective

Credit Union U.S. Avg.	8.9% (Banks & Thrifts: 91.1%)
CU Share in Market (all CUs, including selected)	23.15% (Banks: 76.85%)
Mid-Atlantic Federal Credit Union Share in Defined Market	17.07%



Tip: Click on branch # to see branch detail. (Banks/Thriffs only)
 Tip: Click on any column header to sort.

Credit unions represented in Green have verified their exact branch locations and June 07/08 deposits for each. Verified credit unions only display branches and information relevant within the defined market. For report data is used as a proxy and the information displayed is for the organization's entire # of branches and reported total deposits. Since specific branch locations have not been verified, a credit union must be in market in order to appear in this report.

Rank	Institution Name	Number of Branches 08	Number of Branches 07	Branch change from previous year	Total \$ Deposits 6/08	Total \$ Deposits 6/07	Deposit change from previous year	12 mo. Dep. Growth	Market Share 6/08
1	CHEVY CHASE BANK FSB	8	6	0	\$235,321,000	\$232,124,000	\$3,197,000	1.38%	22.94%
2	Mid-Atlantic Federal Credit Union	5	5	0	\$175,122,050	\$173,658,545	\$1,463,505	0.84%	17.07%
3	BANK OF AMERICA N/A	1	1	0	\$92,454,000	\$86,433,000	\$6,021,000	6.97%	9.01%
4	OBA FEDERAL SAVINGS BANK	1	1	0	\$78,863,000	\$91,293,000	(\$12,430,000)	-13.62%	7.59%
5	Montgomery County Employees Federal Credit Union	1	1	0	\$62,376,134	\$62,126,167	\$249,967	0.40%	6.08%
6	SUNTRUST BANK	1	1	0	\$52,953,000	\$56,809,000	(\$3,856,000)	-6.79%	5.16%
7	MANUFACTURERS&TRADERS TR CO	2	2	0	\$52,018,000	\$54,056,000	(\$2,038,000)	-3.77%	5.07%
8	WACHOVIA BANK NATIONAL ASSN	1	1	0	\$48,668,000	\$47,687,000	\$981,000	2.06%	4.74%
9	BRANCH BANKING&TRUST CO	1	1	0	\$44,141,000	\$33,060,000	\$11,081,000	33.52%	4.30%
10	PNC BANK NATIONAL ASSN	1	0	1	\$39,747,000	\$0	\$39,747,000		3.87%
11	SANDY SPRING BANK	1	1	0	\$33,846,000	\$31,132,000	\$2,714,000	8.72%	3.30%
12	PROVIDENT BANK OF MARYLAND	2	2	0	\$31,446,000	\$33,629,000	(\$2,183,000)	-6.49%	3.07%
13	TD BANK NATIONAL ASSN	1	0	1	\$22,778,000	\$0	\$22,778,000	2.22%	
14	CITIBANK NATIONAL ASSN	1	1	0	\$18,985,000	\$19,490,000	(\$505,000)	-2.59%	1.85%
15	UNITED BANK	1	1	0	\$14,190,000	\$15,209,000	(\$1,019,000)	-6.70%	1.38%
16	WATERFIELD BANK	1	1	0	\$12,772,000	\$2,761,000	\$10,021,000	364.27%	1.29%
17	HARVEST BANK OF MARYLAND	1	1	0	\$10,109,000	\$4,584,000	\$5,525,000	120.53%	0.99%
	Total	28	26	2	\$1,025,769,184	\$944,041,712	\$81,747,472	8.66%	100%

Note: Any reporting branch with \$0 in deposits is not included in number of branch totals.

Institutions Reporting in 2007 but gone in 2008

No.	Institution Name	# of Branch	Total 2007 Deposits \$	2007 Market Share
1	MERCANTILE-SAFE DEPOSIT&TR	1	\$36,552,000	4.91%



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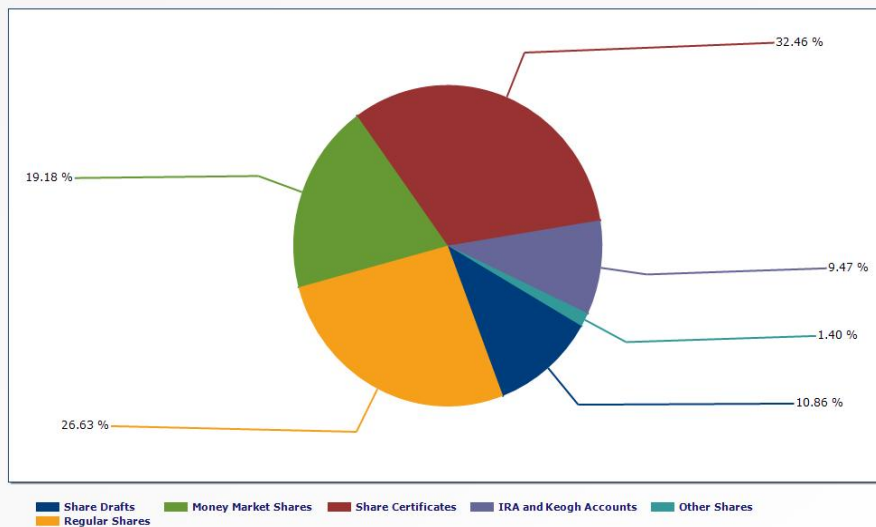


Sources: CreditUnions.com; CUAnalyzer; Peer to Peer

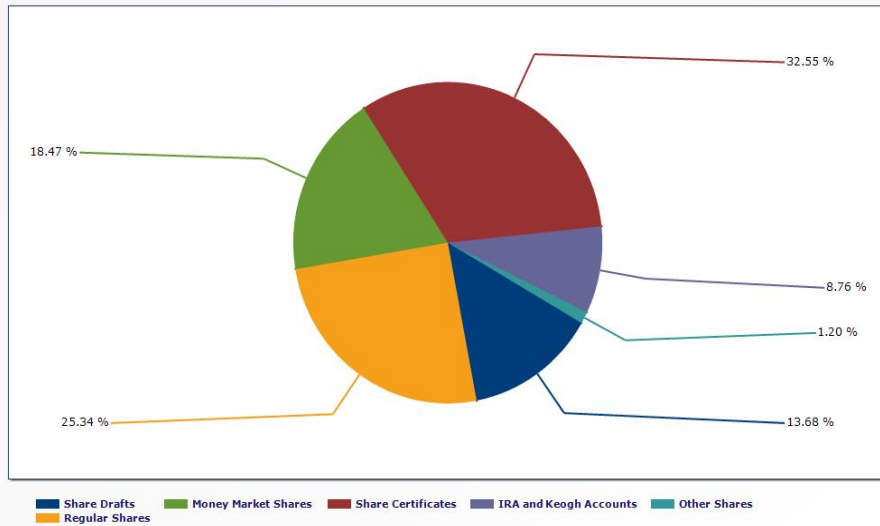
SHARE PORTFOLIO ANALYSIS USING CU 5300 DATA



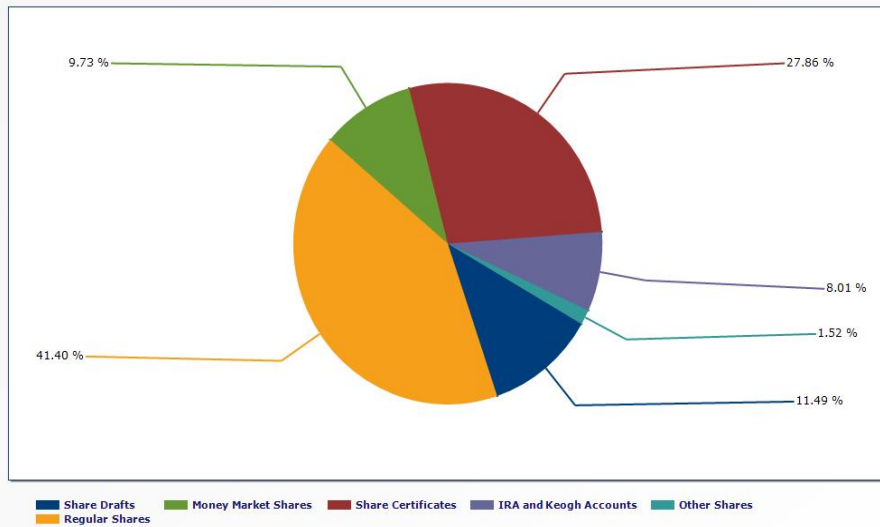
Share Composition-All in U.S.



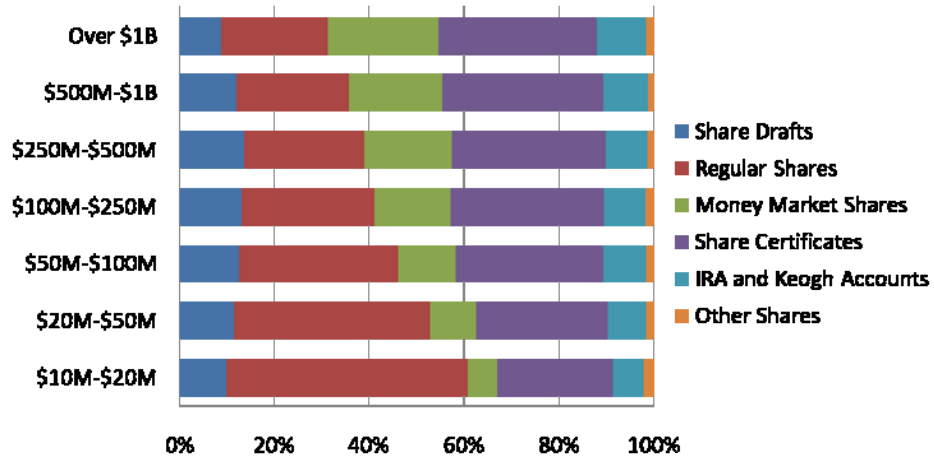
Share Composition-Credit Unions \$250M-\$500M



Share Composition-Credit Unions \$20M-\$50M



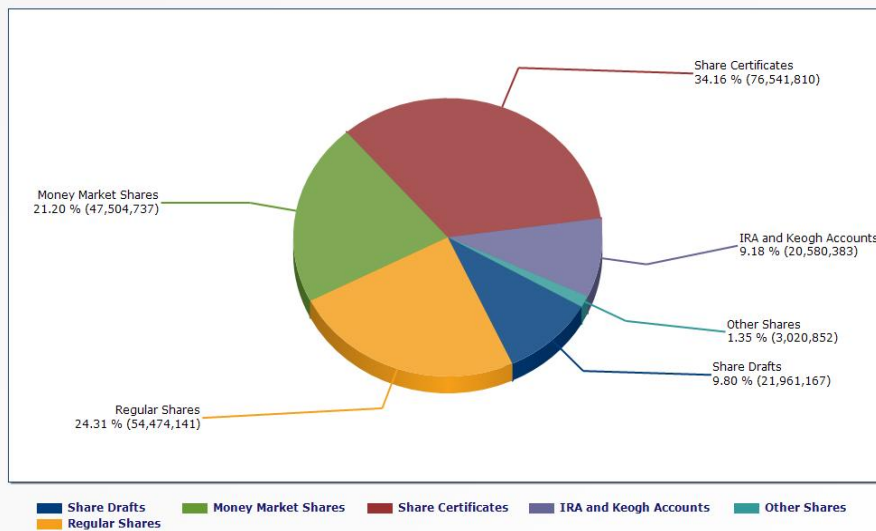
State Level Comparison of the Share Portfolio Data as of March 31, 2009 for all U.S. credit unions



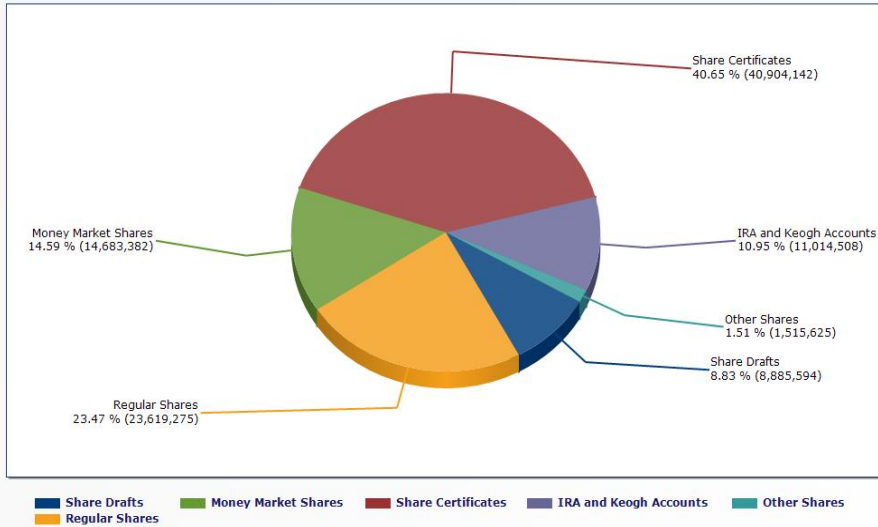
Source: Callahan's Peer to Peer Software



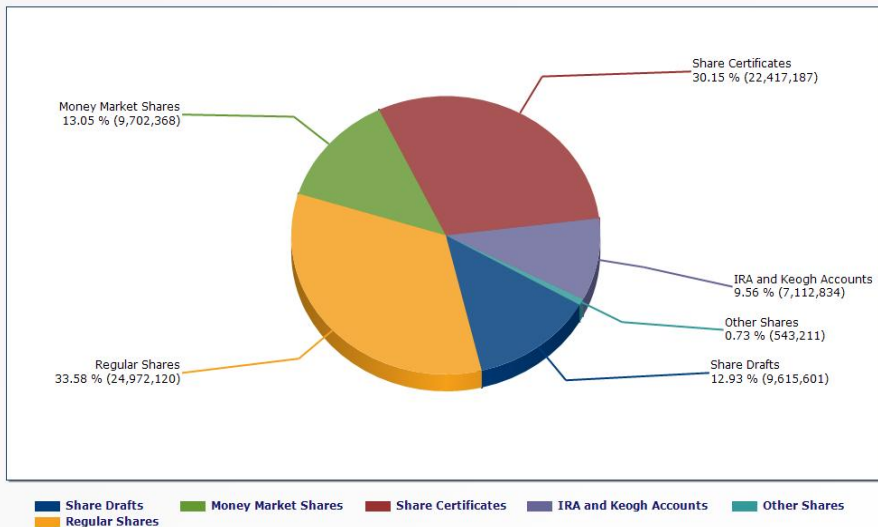
Share Composition-Mar. 31, 2009-California



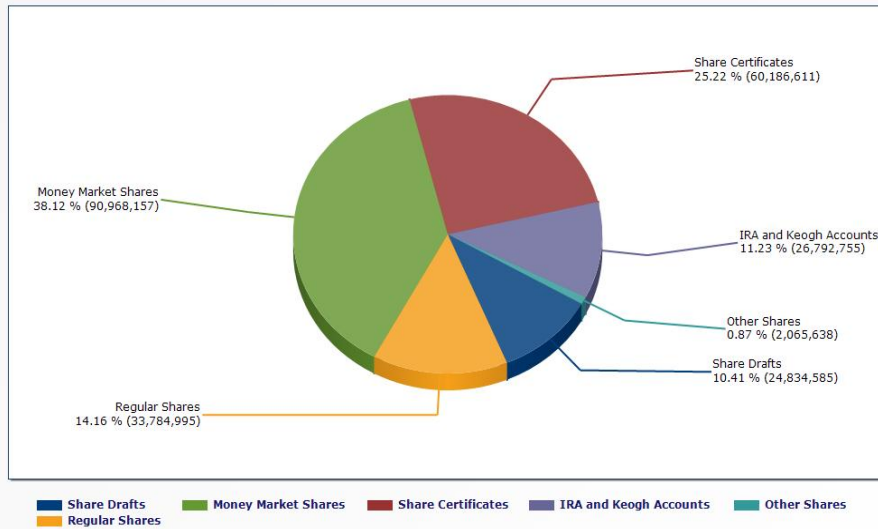
Share Composition-Mar. 31, 2009-MA



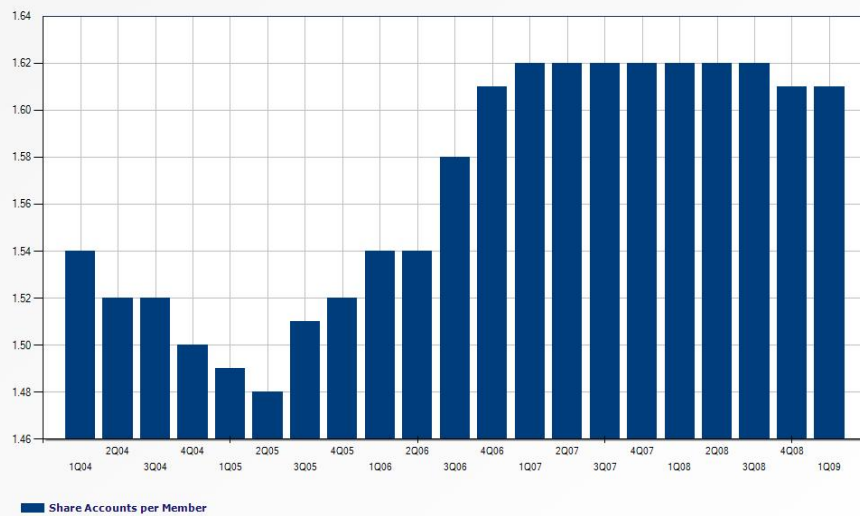
Share Composition-Mar. 31, 2009-GA

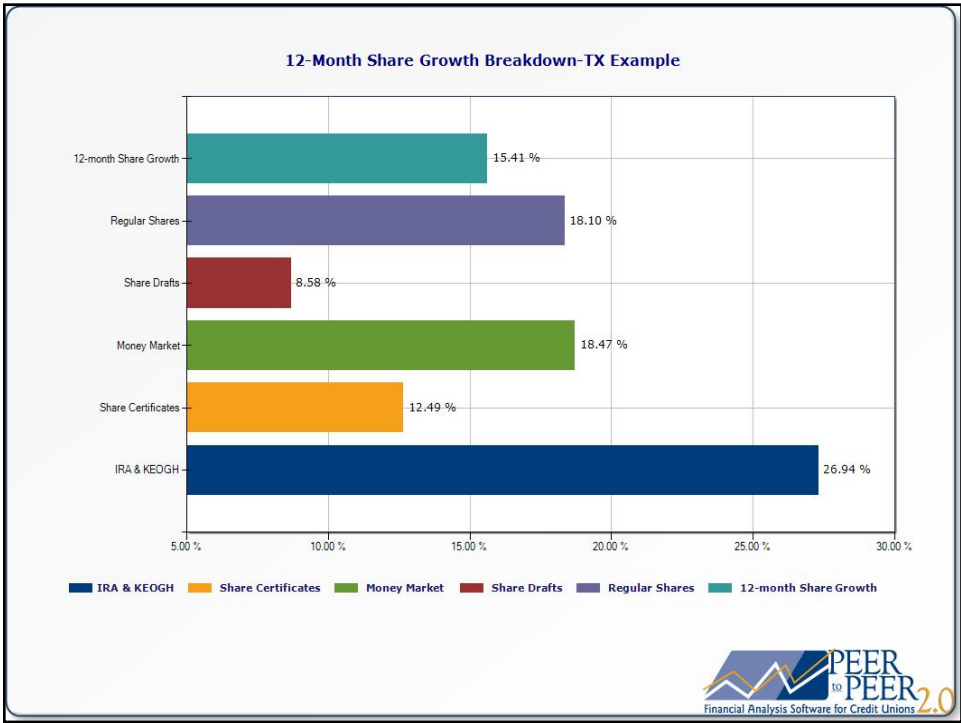
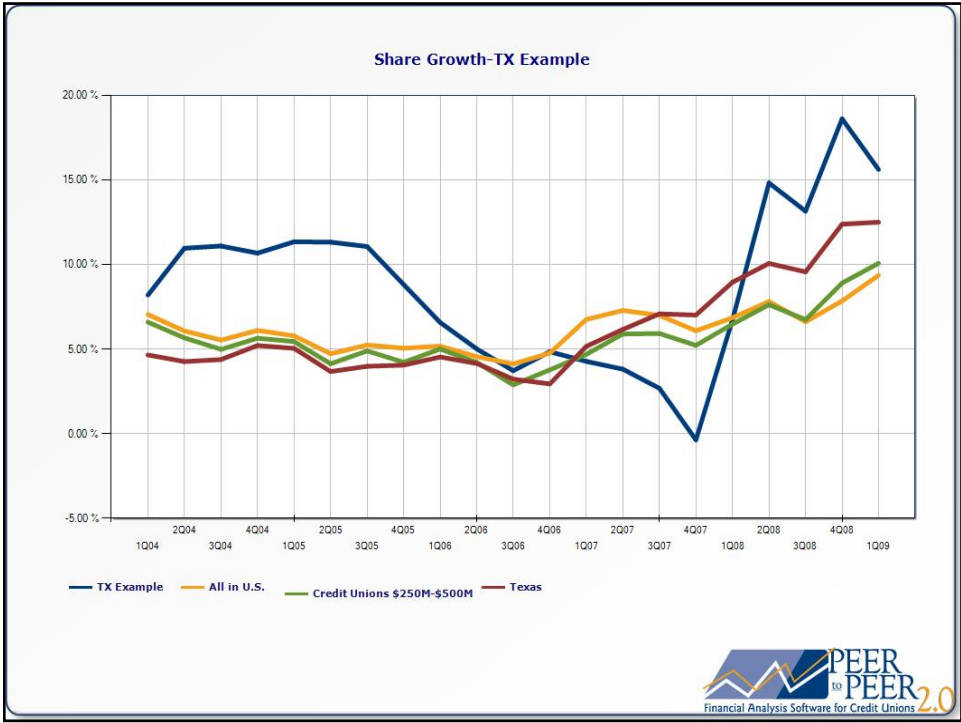


Share Composition-Mar. 31, 2009-NC

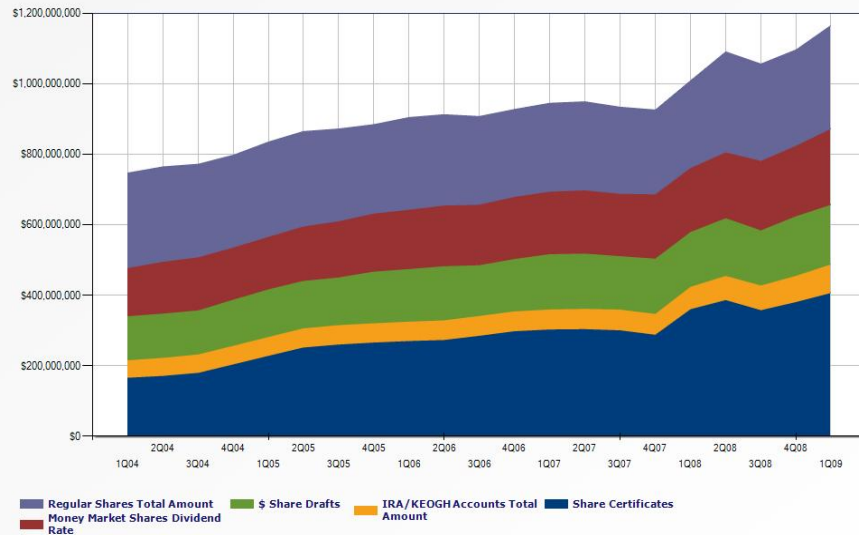


Share Accounts per Member-TX Example

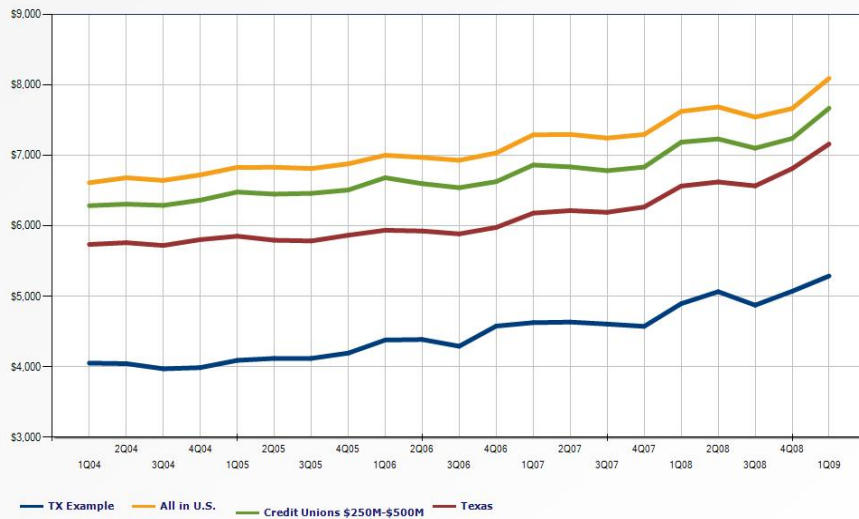


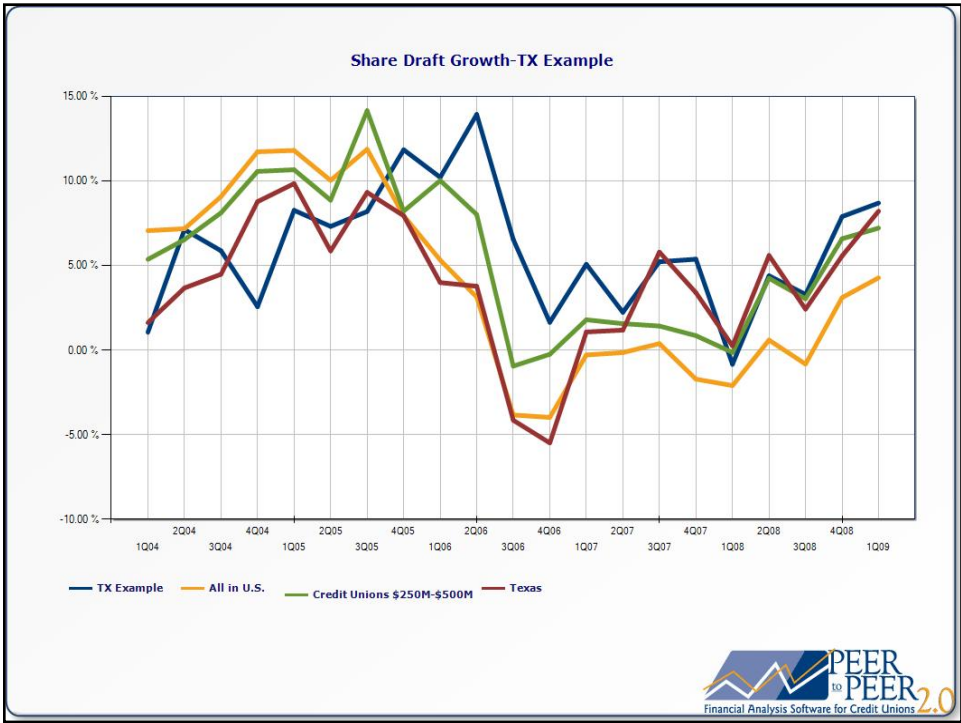
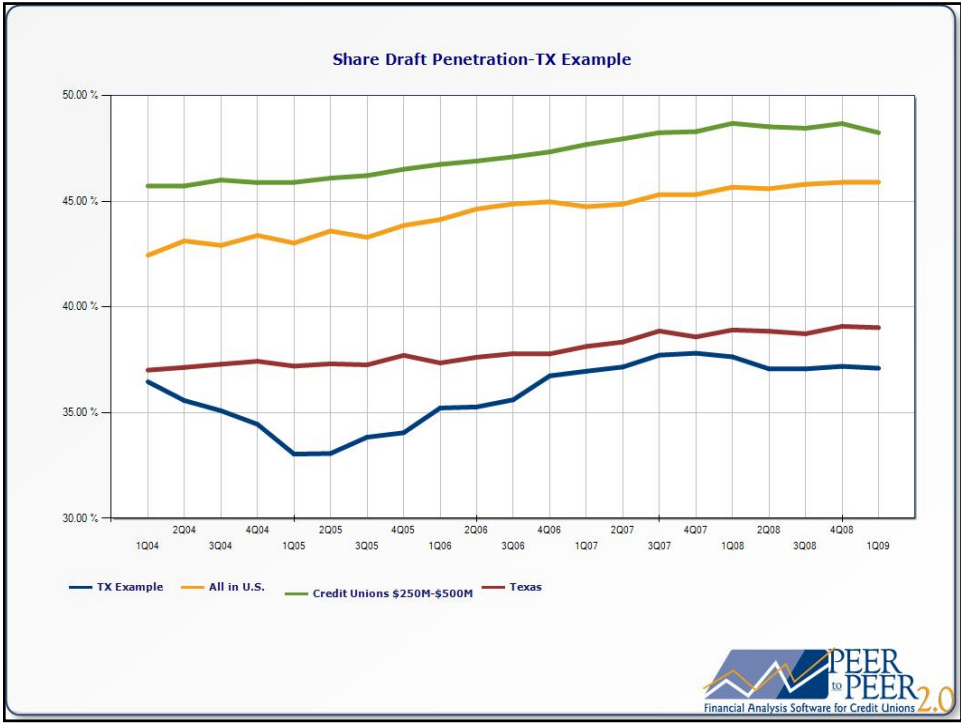


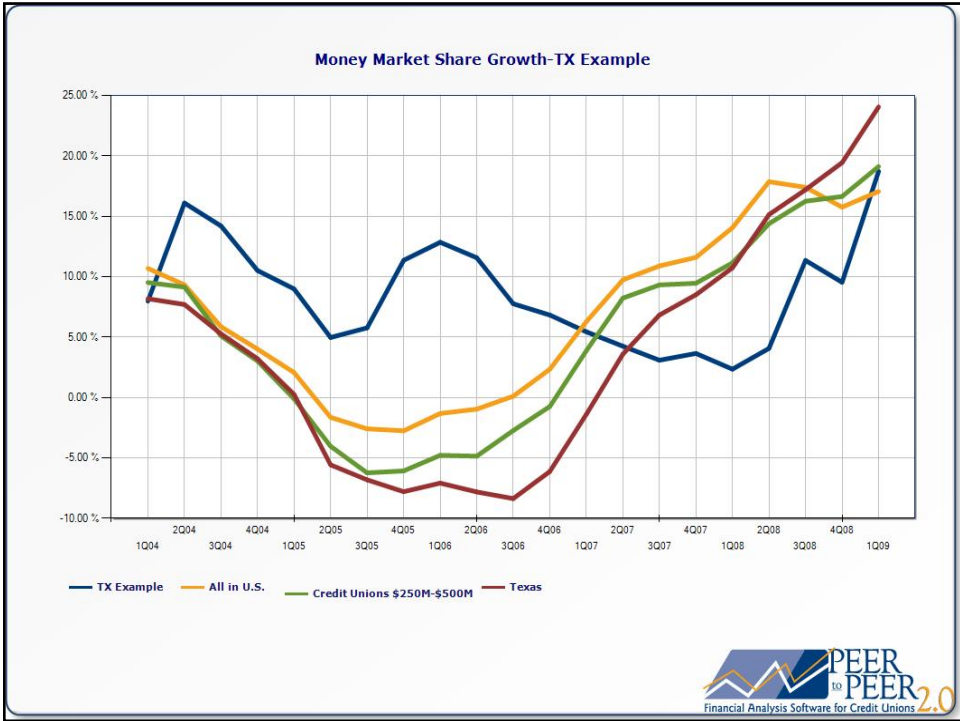
Historic Comparison: Share Balances By Type-TX Example



Average Share Balance-TX Example







New 5300 Deposit Acct Codes

Depository Programs:

- a. Business Share Accounts
- b. Health Savings Accounts
- c. Individual Development Accounts
- d. No Cost Share Drafts
- e. Share Certificates with low minimum
balance requirements

	879A1
	879A2
	879A3
	879A4
	879A5



Sources: CreditUnions.com; CUAnalyzer; Peer to Peer

RETURN OF THE MEMBER



Return to the Member Calculation

Total Return of the Member Calculation (Example CU)

Components	Percentile Rank	Weight	Final Score
Return to Savers	98.23 x	40% =	39.29
Return to Borrowers	66.50 x	35% =	23.28
Member Service Usage	77.24 x	25% =	19.31
			75.58

Return to Savers Components Weight

Dividend to income ratio	30%
Average dividend paid	30%
Growth in average share balance	15%
# of share accounts per member	10%
3-year compound share growth	15%



Credit Union Name : University Of Iowa Community EXPORT PRINT

Return Of The Member Scoring Summary

Fact	FactValue	Rank	Out Of	Percentile	Average
Total Return To Members	96.33%	1	199	100.00	49.77%
Return To Savers	81.21%	10	199	95.48	50.41%
Dividends/Income	31.88%	66	199	67.34	28.69%
Average Dividend Paid	2.77%	7	199	96.98	2.11%
Change In Average Share Balance	11.69%	49	199	75.88	6.84%
3 Year Share Growth	19.14%	7	199	96.98	7.87%
Share Account/Members	1.98	81	199	59.80	1.9
Return To Borrowers	77.04%	8	199	96.48	50.42%
Loans And Secondary Sales/Shares	110.62%	33	199	83.92	88.67%
Yield Average Loans	-6.39%	130	199	35.18	-6.23%
Loans/Member	0.76	21	199	89.95	0.52
3 Year Loan Growth	23.91%	4	199	98.49	7.61%
YTD Loans/Members	\$1,343	38	199	81.41	\$833
Change Average Consumer & RE Ln Bal	14.82%	24	199	88.44	-4.50%
Member Service Usage	75.70%	2	199	99.50	49.45%
Share Drafts/Member	53.90%	66	199	67.34	50.94%
Auto Loans/Member	22.47%	50	199	75.38	18.08%
Credit Cards/Members	28.63%	23	175	87.43	14.95%
Ln & Sv Acc/Members	2.74	40	199	80.40	2.42
3 year Member Growth	13.98%	5	199	97.99	3.11%
Free Income/Member	-\$28.65	161	199	19.60	-\$3.70

An example of how University of Iowa Community CU (\$818M Iowa City, IA) highlights their positive ROM performance for members.

Credit Unions \$500M - \$1B in Assets | # of CUs in Peer Group = 199

Rk	Credit Union	St	Percentile Ranking	Total Raw Score	Return to Savers Score	Return to Borrowers Score	Member Service Usage Score
1	University Of Iowa Community	IA	100.00	96.83	95.48	96.48	99.50
2	Advantis	OR	99.50	96.01	97.99	94.47	94.97
3	Hanscom	MA	98.99	95.98	94.47	96.98	96.98
4	First Federal Bank	CA	98.49	95.93	98.49	93.00	95.00

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QUESTIONS?

