

The Benefits of Membership

Customized Analysis of Member Benefits For:

Georgia

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Georgia

The Benefits of Membership

Credit unions generally provide financial benefits to members through lower loan rates, high saving rates, and fewer fees than banking institutions.

The Credit Union National Association (CUNA) estimates that Georgia credit unions provided \$116,194,635 in direct financial benefits to the state's 1,803,062 members during the twelve months ending December 2010.

These benefits are equivalent to \$64 per member or \$122 per member household ⁽¹⁾.

Estimated total benefits of credit union membership are calculated by accounting for differences in credit union and bank pricing. Specifically, average credit union savings account yields, loan interest rates and fees are compared to average bank savings account yields, loan interest rates and fees. The interest rate differences are then applied to respective average credit union loan and savings balances. Fee differences are weighted and applied to credit union non-interest income to obtain the total estimated benefits arising from fees.

The per-member and per-household benefits delivered by Georgia credit unions are substantial. But, these benefits are *averages*. Mathematically, that means the total benefits provided are divided across all members (or all member households) - even those who conduct very little financial business with Georgia credit unions.

Consider this:

Financing a \$25,000 new automobile for 60 months at a Georgia credit union will save members an average \$180 per year in interest expense compared to what they would pay at a banking institution in the state.

Further, loyal members - those who use the credit union extensively - often receive total financial benefits that are much greater than the average.

Georgia credit unions excel in providing member benefits on many loan and saving products. In particular, Georgia credit unions offer lower average loan rates on the following accounts: new car loans, used car loans, personal unsecured loans, home equity loans, credit cards loans.

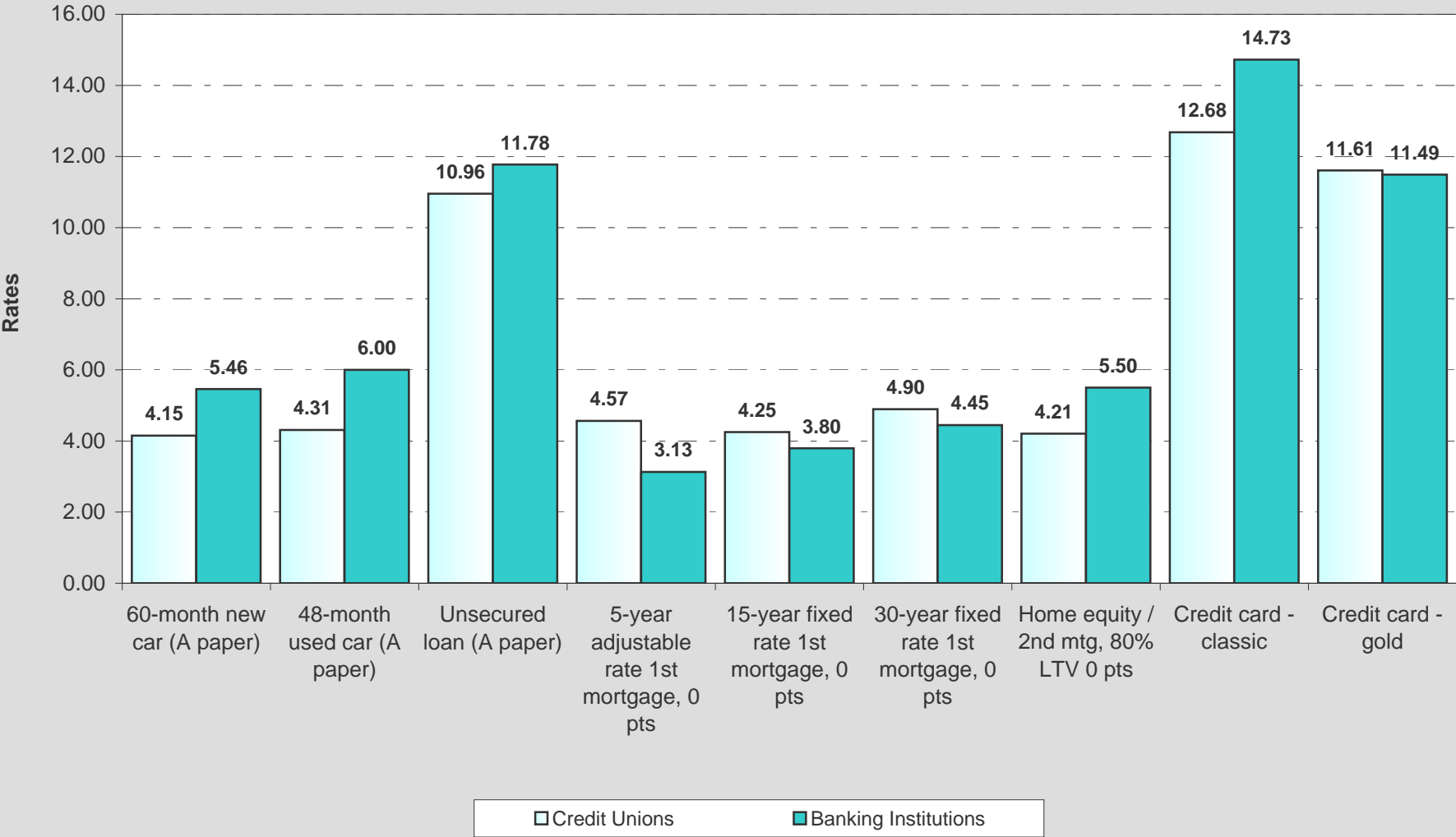
Georgia credit unions also pay members higher average dividends on the following accounts: regular savings, share draft checking, money market accounts, certificate accounts, IRAs.



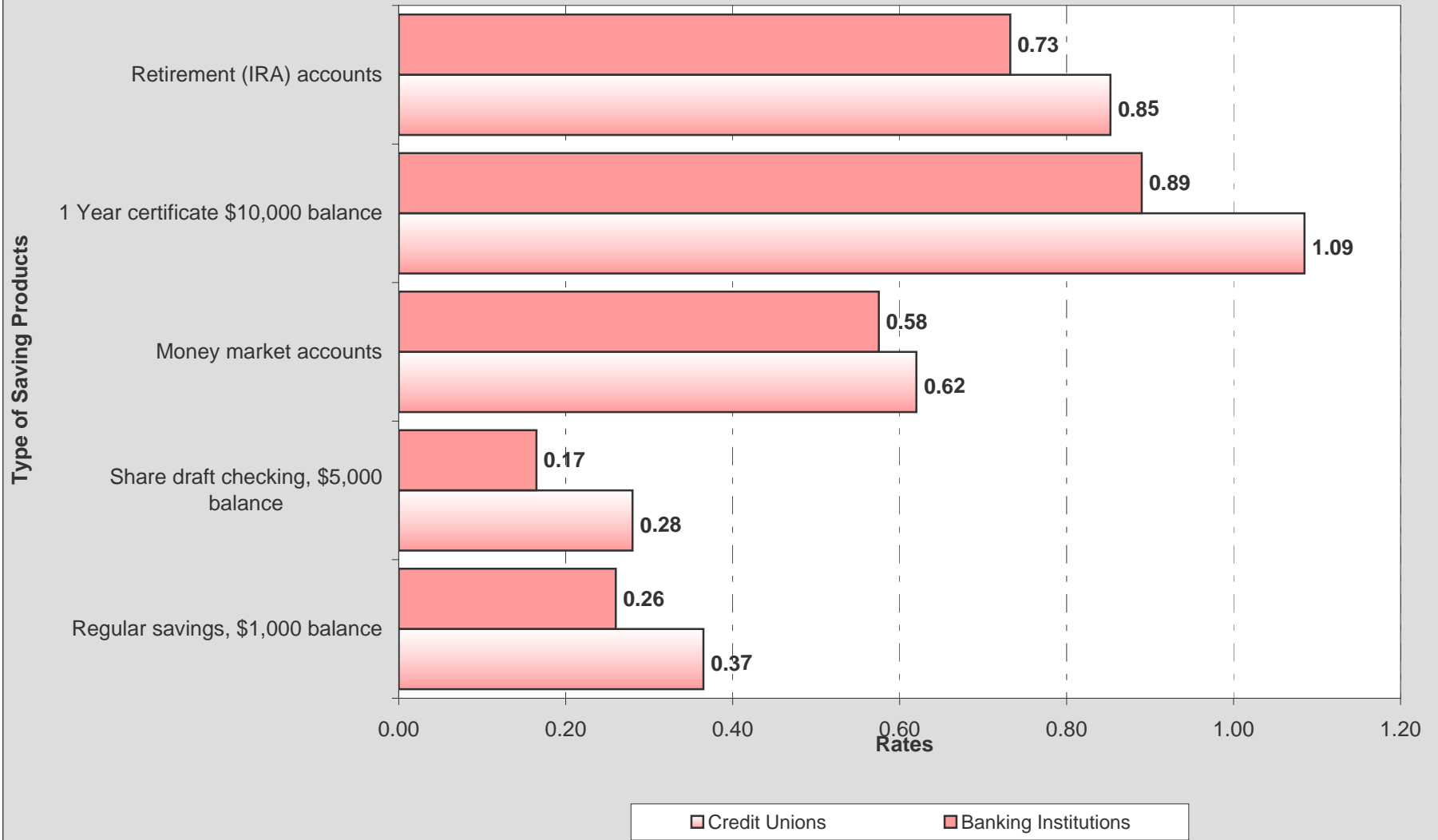
Source: Datatrac, NCUA, and CUNA.

(1)Assumes 1.9 credit union members per household.

Recent Comparative Interest Rates for Loan Products Credit Unions vs. Banking Institutions



Recent Comparative Interest Rates for Credit Unions Saving Products Credit Unions vs. Banking Institutions

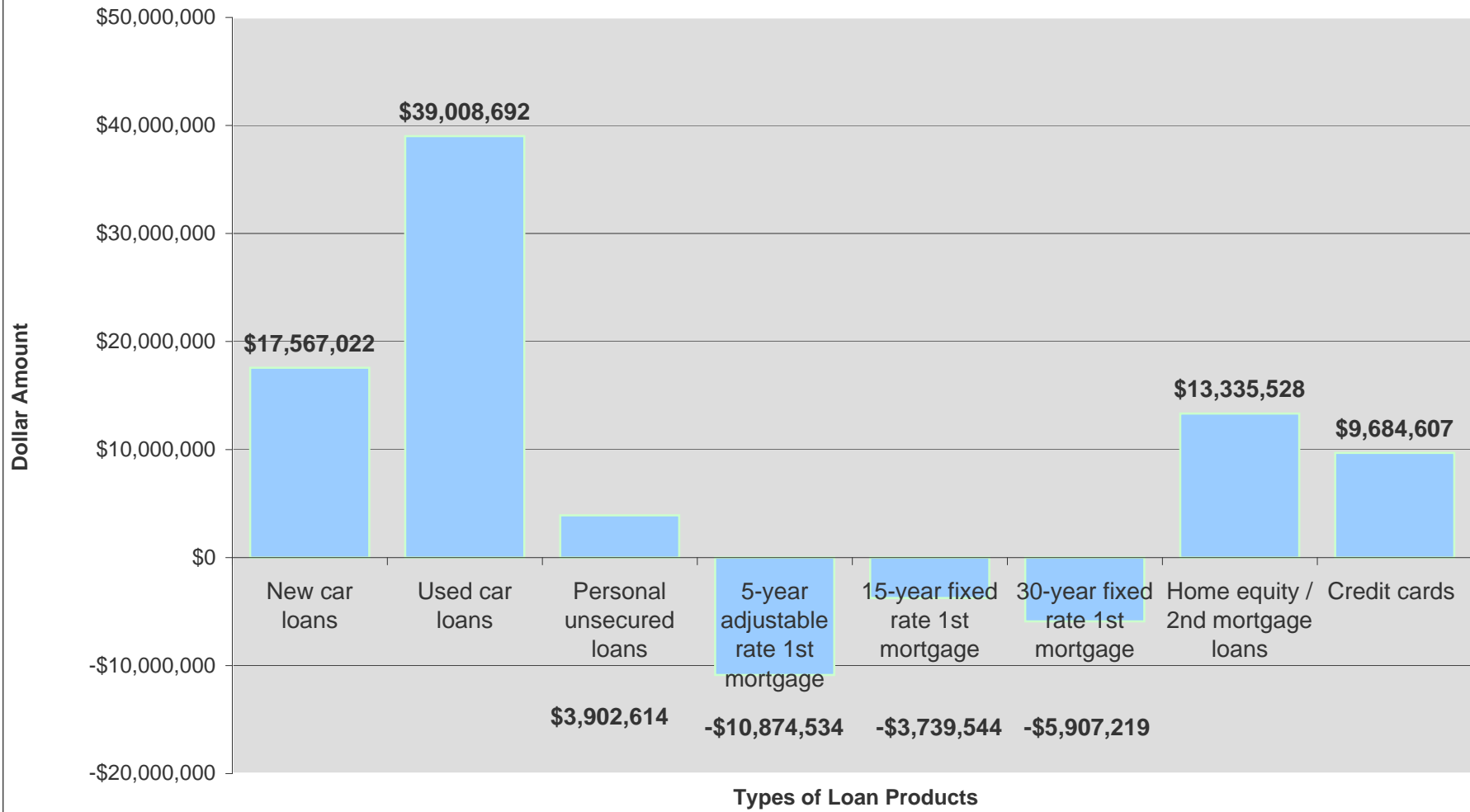


Georgia
Credit Union and Banking Institution
Year-End 2010 Average Interest Rates and Fees

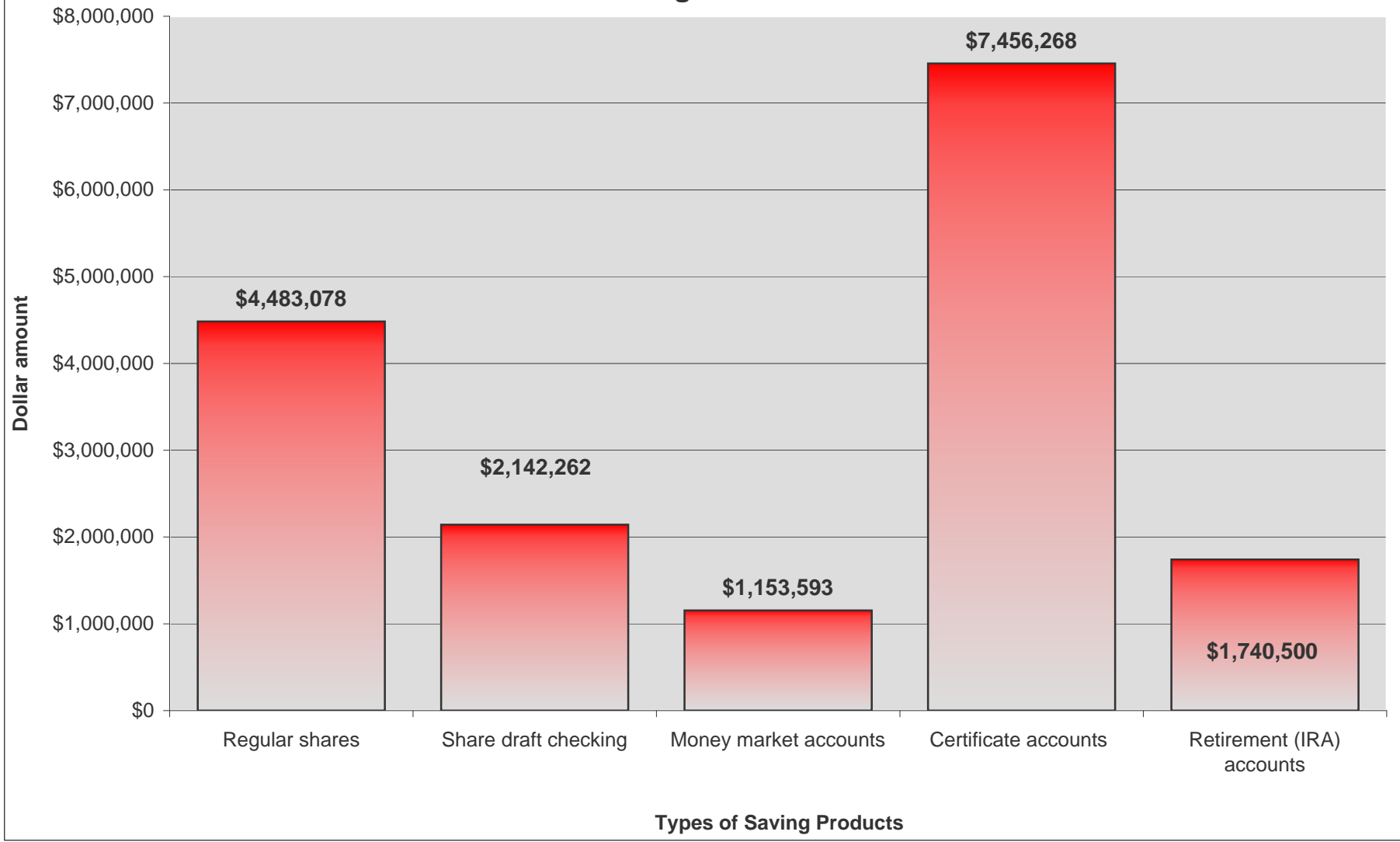
Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	4.15	5.46	-1.31
48-month used car (A paper)	4.31	6.00	-1.69
Unsecured loan (A paper)	10.96	11.78	-0.82
5-year adjustable rate 1st mortgage, 0 pts	4.57	3.13	1.44
15-year fixed rate 1st mortgage, 0 pts	4.25	3.80	0.46
30-year fixed rate 1st mortgage, 0 pts	4.90	4.45	0.45
Home equity / 2nd mtg, 80% LTV 0 pts	4.21	5.50	-1.30
Credit card - classic	12.68	14.73	-2.05
Credit card - gold	11.61	11.49	0.12
Savings Products			
Regular savings, \$1,000 balance	0.37	0.26	0.11
Share draft checking, \$5,000 balance	0.28	0.17	0.12
Money market accounts	0.62	0.58	0.05
1 Year certificate \$10,000 balance	1.09	0.89	0.20
Retirement (IRA) accounts	0.85	0.73	0.12
Fee Income			
Share draft checking, NSF fee	\$25.00	\$30.00	-\$5.00
Credit cards, late fee	\$20.00	\$35.00	-\$15.00
Mortgages, closing costs	\$2,280.00	\$2,309.00	-\$29.00

Source: Datatrac

Estimated Credit Union Loan Rate Benefits vs. Banking Institutions



Estimated Credit Union Savings Dividend Benefits vs. Banking Institutions



Estimated Georgia Credit Unions Financial Benefits Year-End 2010

<u>Loans</u>	Avg. Balance at Credit Unions (1)	Rate Difference vs. Georgia Banks (%) (2)	Total Financial Benefit to Your Members
New car loans	1,340,994,028	-1.31	\$17,567,022
Used car loans	2,308,206,618	-1.69	\$39,008,692
Personal unsecured loans	475,928,511	-0.82	\$3,902,614
5-year adjustable rate 1st mortgage	757,807,265	1.44	-\$10,874,534
15-year fixed rate 1st mortgage	821,877,837	0.46	-\$3,739,544
30-year fixed rate 1st mortgage	1,312,715,301	0.45	-\$5,907,219
Home equity / 2nd mortgage loans	1,029,770,481	-1.30	\$13,335,528
Credit cards	644,030,365	-2.05	\$9,684,607
Interest rebates in period			\$54,978
Total CU member benefits arising from lower interest rates on loan products:			\$63,032,142
 <u>Savings</u>			
Regular shares	4,269,598,128	0.11	\$4,483,078
Share draft checking	1,862,836,306	0.12	\$2,142,262
Money market accounts	2,563,539,458	0.05	\$1,153,593
Certificate accounts	3,823,727,277	0.20	\$7,456,268
Retirement (IRA) accounts	1,450,416,736	0.12	\$1,740,500
Bonus dividends in period			\$0
Total CU member benefit arising from higher interest rates on saving products:			\$16,975,701
 <u>Fee Income</u>			
Total CU member benefit arising from fewer/lower fees:			\$36,186,792
 Total CU member benefit arising from interest rates on loan and savings products and lower fees:			\$116,194,635
 Total CU member benefit / member:			\$64
Total CU member benefit / member household:			\$122

Source: Datatrac, NCUA, and CUNA

(1) Average balance as of June 2010 and June 2009, according to the NCUA call report.; (2) Source for rates and fees: Datatrac;

Georgia
Performance Profile

Demographic Information	Dec-10	Dec-09
Number of branches	423	422
Total assets (\$ mil)	16,636	16,243
Total loans (\$ mil)	9,303	8,977
Total surplus funds (\$ mil)	6,750	6,679
Total savings (\$ mil)	14,556	13,570
Total members (thousands)	1,829	1,788
Growth Rates (Year-to-date)		
Total assets	2.7 %	20.0 %
Total loans	3.9 %	8.6 %
Total surplus funds	1.3 %	43.5 %
Total savings	7.6 %	18.5 %
Total members	2.9 %	4.1 %
Earnings - Basis Pts.		
Yield on total assets	411	460
Dividend/interest cost of assets	115	171
Fee & other income *	135	165
Operating expense	318	324
Loss Provisions	60	71
Net Income (ROA) after stabilization exp *	41	59
Capital adequacy		
Net worth / assets	11.5	11.4
Asset quality		
Delinquencies / loans	1.4	1.4
Net chargeoffs / average loans	0.9	0.9
Total borrower-bankruptcies	51	46
Bankruptcies per 1000 members	4.3	4.2
Asset/Liability Management		
Loans / savings	63.9	66.2
Loans / assets	55.9	55.3
Long-term assets / assets	27.8	25.5
Core deposits/shares & borrowings	43.7	42.1
Productivity		
Members/potential members	9.6	9.5
Borrowers/members	51.2	51.4
Members/FTE	426	423
Average shares/members (\$)	7,958	7,589
Average loan balances (\$)	9,934	9,767
Salary & Benefits/FTE	59,307	57,879