

The Benefits of Membership

Customized Analysis of Member Benefits For:

Georgia

December 2011

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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 \$114,160,656 in direct financial benefits to the state's 1,844,592 members during the twelve months ending December 2011.

These benefits are equivalent to \$62 per member or \$118 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 \$175 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.

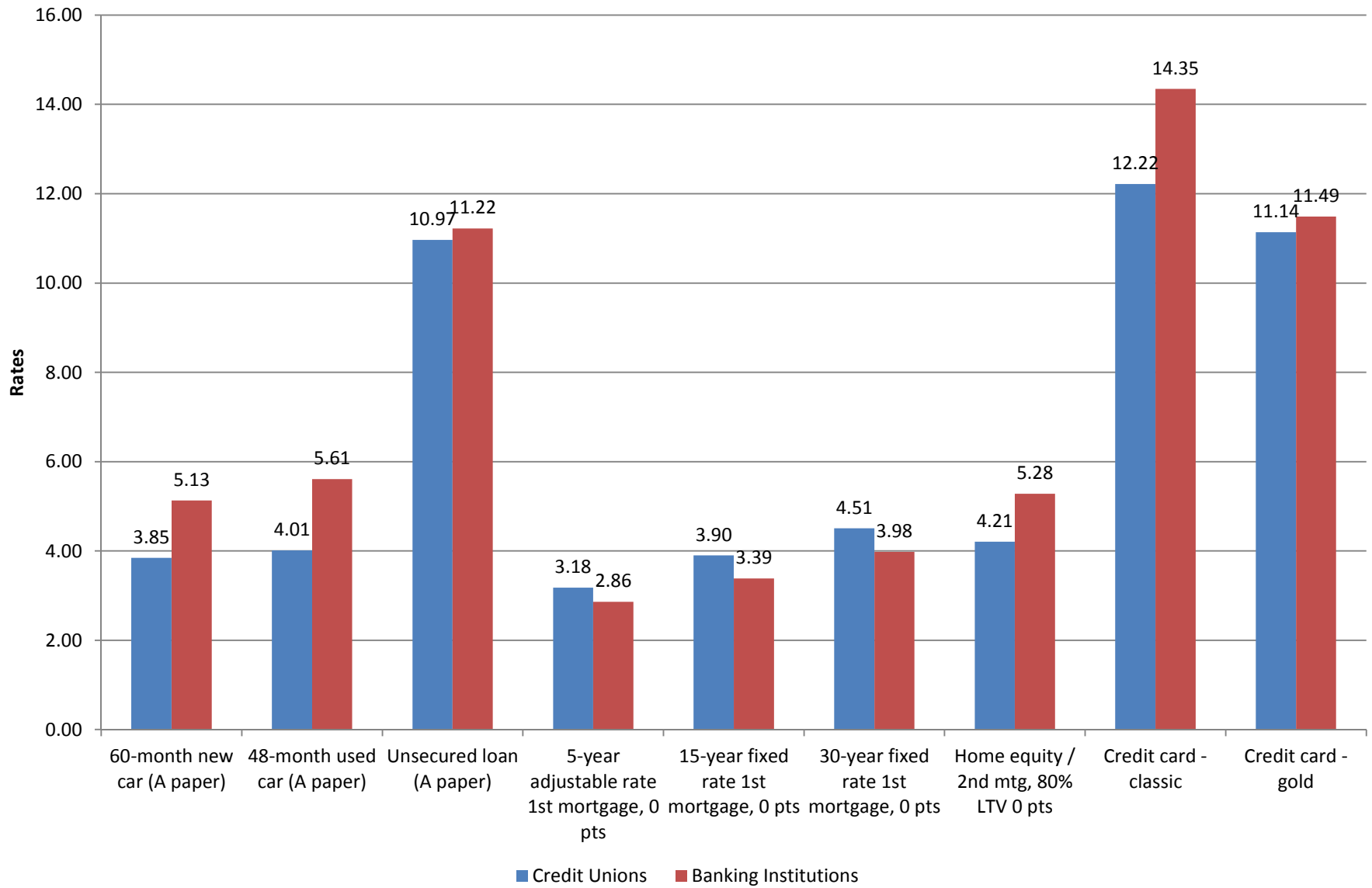
Georgia credit unions excel in providing member benefits on many loan and saving products. In particular, Georgia credit unions offer lower average loan rates on the following accounts: new car loans, used car loans, personal unsecured loans, home equity loans, credit cards loans.

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

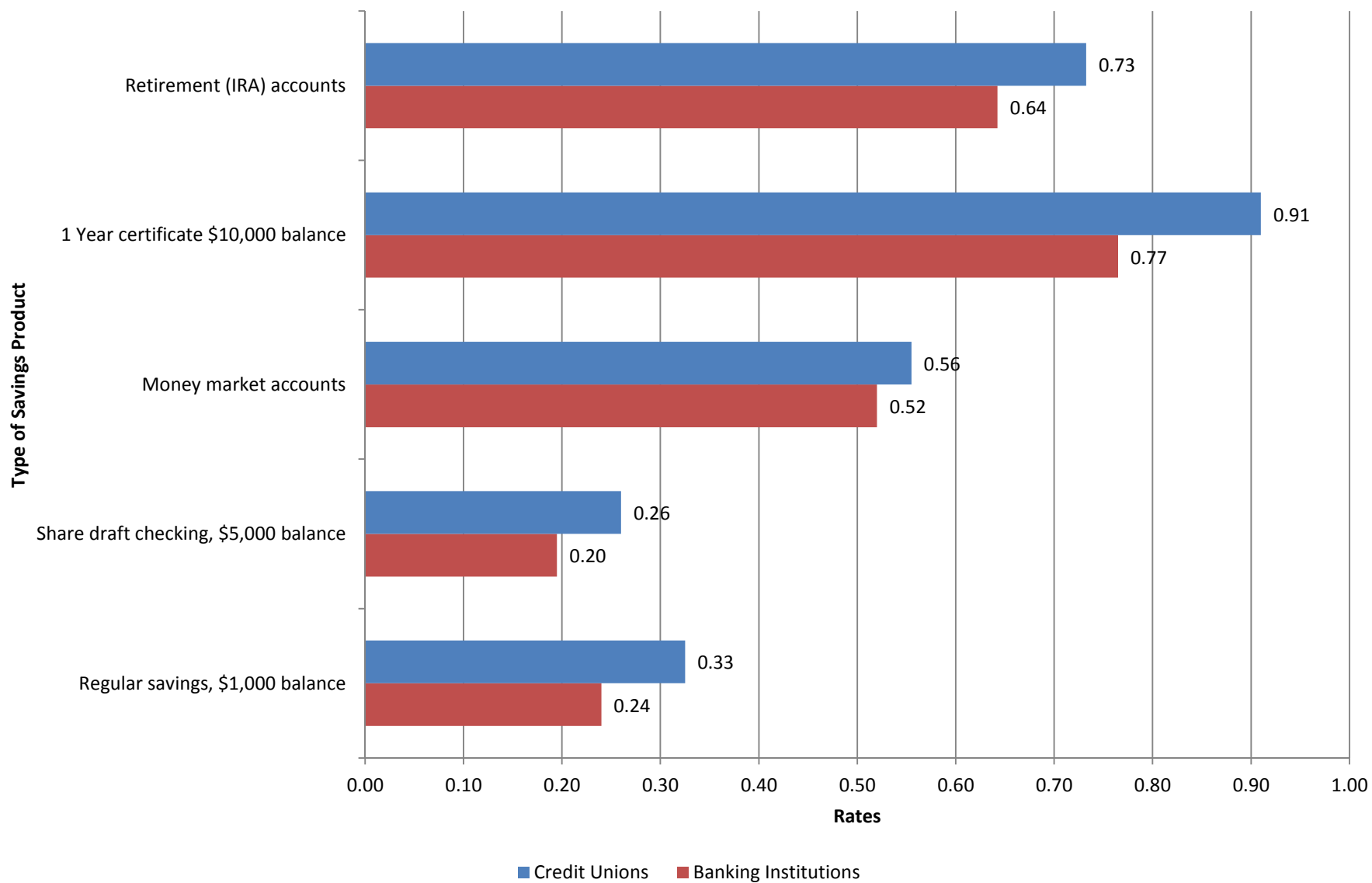


Source: Datatrac, NCUA, and CUNA.
(1) Assumes 1.9 credit union members per household.

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



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



Selected December 2011 Fees Credit Unions vs Banking Institutions

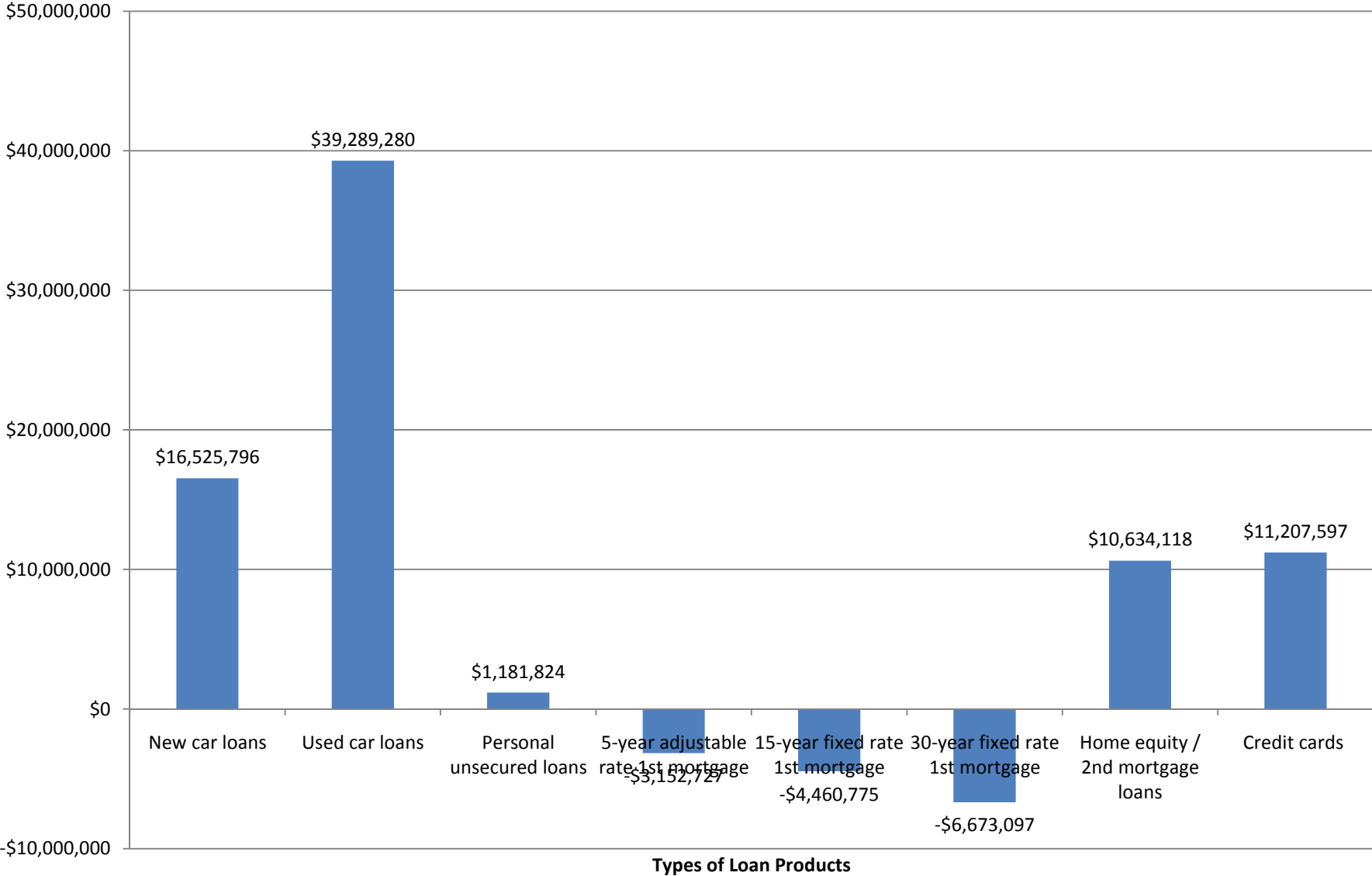


Georgia
Credit Union and Banking Institution
Year-end 2011 Average Interest Rates and Fees

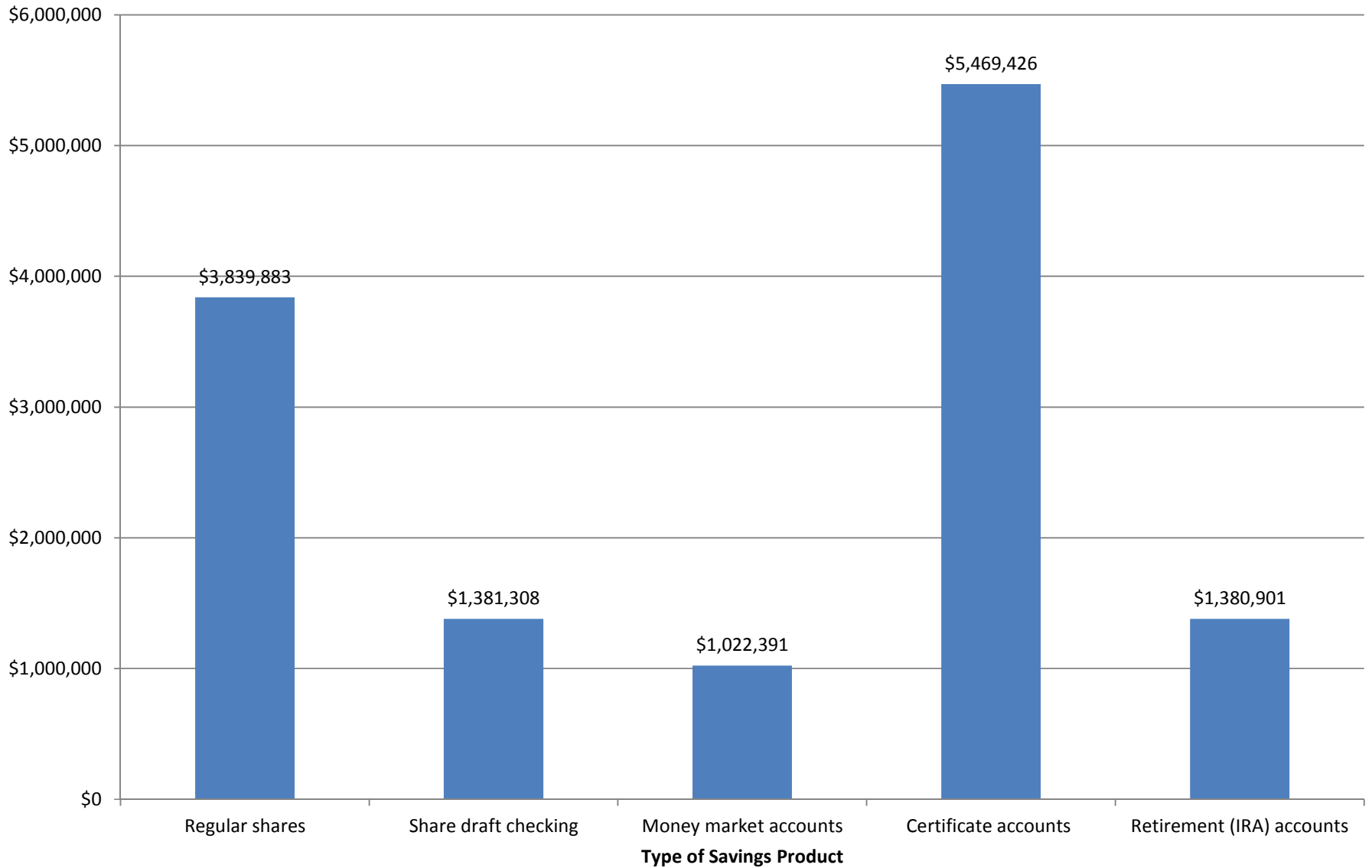
Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	3.85	5.13	-1.29
48-month used car (A paper)	4.01	5.61	-1.60
Unsecured loan (A paper)	10.97	11.22	-0.25
5-year adjustable rate 1st mortgage, 0 pts	3.18	2.86	0.32
15-year fixed rate 1st mortgage, 0 pts	3.90	3.39	0.52
30-year fixed rate 1st mortgage, 0 pts	4.51	3.98	0.53
Home equity / 2nd mtg, 80% LTV 0 pts	4.21	5.28	-1.07
Credit card - classic	12.22	14.35	-2.13
Credit card - gold	11.14	11.49	-0.35
Savings Products			
Regular savings, \$1,000 balance	0.33	0.24	0.09
Share draft checking, \$5,000 balance	0.26	0.20	0.07
Money market accounts	0.56	0.52	0.03
1 Year certificate \$10,000 balance	0.91	0.77	0.15
Retirement (IRA) accounts	0.73	0.64	0.09
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 Total Loan Rate Benefit Credit Unions vs Banking Institutions



Estimated Total Savings Dividend Benefit Credit Unions vs. Banking Institutions



Estimated Georgia Credit Unions Financial Benefits Year-end 2011

<u>Loans</u>	Avg. Balance at Credit Unions (1)	Rate Difference vs. Georgia Banks (%) (2)	Total Financial Benefit to Your Members
New car loans	1,286,054,154	-1.29	\$16,525,796
Used car loans	2,455,579,977	-1.60	\$39,289,280
Personal unsecured loans	463,460,588	-0.25	\$1,181,824
5-year adjustable rate 1st mortgage	985,227,178	0.32	-\$3,152,727
15-year fixed rate 1st mortgage	866,169,903	0.52	-\$4,460,775
30-year fixed rate 1st mortgage	1,271,066,034	0.53	-\$6,673,097
Home equity / 2nd mortgage loans	993,842,784	-1.07	\$10,634,118
Credit cards	665,139,314	-2.13	\$11,207,597
Interest rebates in period			\$43,900
Total CU member benefits arising from lower interest rates on loan products:			\$64,595,917
 <u>Savings</u>			
Regular shares	4,517,509,175	0.09	\$3,839,883
Share draft checking	2,125,089,984	0.07	\$1,381,308
Money market accounts	2,921,117,123	0.03	\$1,022,391
Certificate accounts	3,772,018,086	0.15	\$5,469,426
Retirement (IRA) accounts	1,534,333,920	0.09	\$1,380,901
Bonus dividends in period			\$0
Total CU member benefit arising from higher interest rates on saving products:			\$13,093,909
 <u>Fee Income</u>			
Total CU member benefit arising from fewer/lower fees:			\$36,470,830
 Total CU member benefit arising from interest rates on loan and savings products and lower fees:			\$114,160,656
Total CU member benefit / member:			\$62
Total CU member benefit / member household:			\$118

Source: Datatrac, NCUA, and CUNA

(1) Average balance as of September 2011 and September 2010, according to the NCUA call report.; (2) Source for rates and fees: Datatrac;

Georgia
Performance Profile

Demographic Information	Dec 11	Dec 10
Number of branches	434	423
Total assets (\$ mil)	17,710	16,636
Total loans (\$ mil)	9,763	9,303
Total surplus funds (\$ mil)	7,269	6,750
Total savings (\$ mil)	15,485	14,556
Total members (thousands)	1,890	1,829
Growth Rates (Trailing 12 months) *		
Total assets	6.5 %	2.4 %
Total loans	5.0 %	3.6 %
Total surplus funds	7.7 %	1.1 %
Total savings	6.4 %	7.3 %
Total members	3.3 %	2.3 %
Earnings - Basis Pts. *		
Yield on total assets	381	411
Dividend/interest cost of assets	85	115
Fee & other income	139	135
Operating expense	332	329
Loss Provisions	46	60
Net Income (ROA) after stabilization exp	57	41
Capital adequacy		
Net worth / assets	11.3	11.5
Asset quality *		
Delinquencies / loans	1.2	1.4
Net chargeoffs / average loans	0.8	0.9
Total borrower-bankruptcies	45	51
Bankruptcies per 1000 members	3.5	4.3
Asset/Liability Management		
Loans / savings	63.1	63.9
Loans / assets	55.1	55.9
Long-term assets / assets	32.5	27.8
Core deposits/shares & borrowings	45.9	43.7
Productivity		
Members/potential members	8.8	9.6
Borrowers/members	52.5	51.2
Members/FTE	436	426
Average shares/members (\$)	8,192	7,958
Average loan balances (\$)	9,832	9,934
Salary & Benefits/FTE	60,957	59,307

* Earnings, net chargeoffs, and bankruptcies are year-to-date numbers annualized. Due to significant seasonal variation, balance sheet growth rates are for the trailing 12 months.