

# Georgia Credit Union Profile

Third Quarter 2011

## Executive Summary

The economic landscape – both nationally and in the state of Georgia - continues to be characterized by uncertainty and volatility. Developments in the European Union and political gridlock here in the U.S. had consumers in a gloomy mood and spending very cautiously. However, with a few notable exceptions, economic developments over the past several months have generally been very positive. Economic growth is accelerating and labor markets are improving in obvious ways. The housing sector is showing signs of life. And while headline inflation remains relatively high, commodity price increases are moderating and core inflation remains within the Federal Reserve's comfort zone.

Georgia credit union results continue to mirror these broad macroeconomic developments. In the third quarter both loan growth and savings growth marginally exceeded national credit union norms, but the 1.1% annualized quarterly increase in loan balances remains an extremely weak reading compared to previous recoveries. Many consumers are continuing to pay down debt. Aggregate quarterly earnings results posted by Georgia credit unions were nearly identical to movement-wide averages. Of course, third-quarter bottom-line results reflect substantial corporate stabilization expenses but core earnings held steady compared to year-ago readings as both operating expenses (net of stabilization) and loss provisions declined. Both delinquency and net chargeoff rates in the state eased compared to 2<sup>nd</sup> quarter results and the aggregate rates were both lower than national credit union norms.

Growth in Georgia credit union assets and in loan portfolios outpaced the results reported by the state's banks over the past 12 months. Furthermore, the aggregate delinquency rate at Georgia credit unions now is roughly one-fourth the state's banking industry average and the 12-month aggregate net charge-off rate now is less than one-half the rate reported by banking institutions in the state.

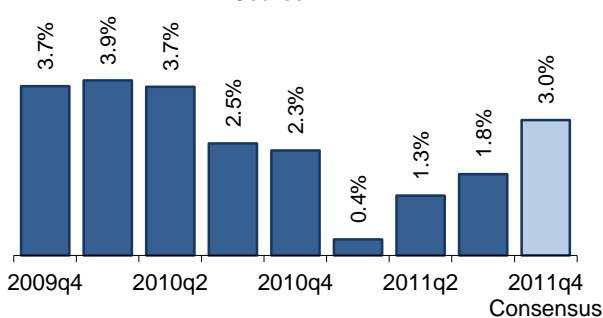
Looking ahead, expect a continuation of the modest economic recovery. Consumers have been spending merrily during the holidays, and confidence readings, while still low, are on the increase. Not surprisingly the +3% consensus outlook for fourth-quarter economic growth represents a significant turnaround from recent talk of a double-dip. In this environment credit union operating results should generally show slow but obvious improvement.

## Recent Economic Developments

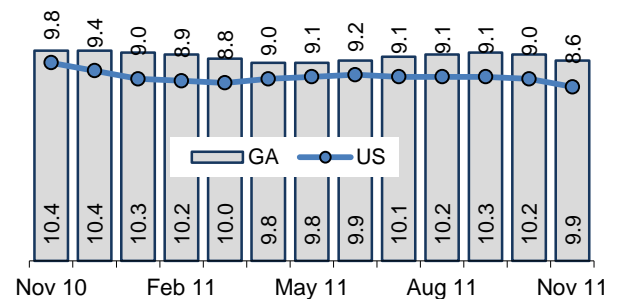
- Fears of a double-dip recession have largely abated. Economic growth virtually ground to a halt in the first quarter (+0.4%) due to the double-whammy of the Arab spring (and subsequent spike in oil prices) and the shocking tragedy in Japan. But growth has subsequently bounced back with an upward revision in second quarter data and acceleration in third quarter growth that makes it more likely that the economy will remain firmly in recovery mode.

- The increase in real GDP in the third quarter was broadly based, reflecting positive contributions from nonresidential fixed investment, personal consumption expenditures, exports, and federal government spending that were partly offset by negative contributions from private inventory investment and state and local government spending. Imports, which are a subtraction in the calculation of GDP, increased.

**U.S. Economic Growth**  
Annualized Quarterly Changes in GDP  
Source: BEA



**Unemployment Rates - %**  
Source: BLS



# Georgia Profile

Third Quarter 2011

- The Bureau of Labor Statistics reports that the U.S. unemployment rate declined from 9.0% in October to 8.6% in November – the largest one-month decline since January 2011. The jobless rate in Georgia also declined in November and the decrease – from 10.2% to 9.9% - was in line with that experienced nationally. In Georgia the unemployment rate now stands 1.3 percentage points higher than the U.S. norm and this difference has widened in four of the past five months. Nine of the state's fourteen MSAs have shown increases in unemployment rates over the past year and only Athens-Clarke County, Gainesville, and Warner Robbins report rates that are below the U.S. average.

## Georgia Unemployment Trends – By MSA

Source: BLS

MSA	October 2010 (%)	October 2011 (%)	One-Year Change (%)
Albany	10.8	10.4	-0.4
Athens-Clarke	7.6	7.5	-0.1
Atlanta*	10.2	9.9	-0.3
Augusta**	8.9	9.3	+0.4
Brunswick	9.9	10.2	+0.3
Columbus	9.2	9.5	+0.3
Dalton	11.9	12.7	+0.8
Gainesville	9.1	8.4	+0.7
Hinesville***	8.9	9.5	+0.6
Macon	10.2	10.1	-0.1
Rome	10.5	11.1	+0.6
Savannah	8.9	9.0	+0.1
Valdosta	8.6	9.0	+0.4
Warner Robbins	7.7	7.7	0.0

\* Atlanta-Sandy Springs-Marietta. \*\* Augusta-Richmond County

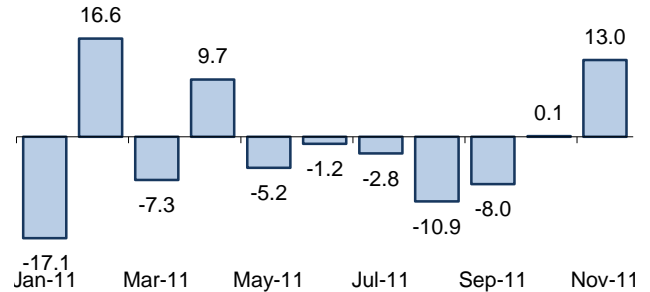
\*\*\* Hinesville-Fort Stewart. MSA data is current as of October.

- The U.S. economy added more than 100,000 jobs in each of the past five months, though November's increase of 120,000 is about 30,000 shy of the level commonly viewed as the threshold level required to simply maintain the unemployment rate in the face of population growth. Overall, nonfarm employment has expanded by 1.5 million nationally since the beginning of the year – which compares favorably to the approximate 830,000 increase in January-November period in 2010.
- In contrast to national trends, Georgia employment increased strongly in November (+13,000) but declined (or just barely increased) in each of the previous six months. Overall, Georgia has suffered a net loss of jobs in 2011. The 13,000 eleven-month decrease in jobs compares to a 16,000 increase

over the same period in 2010. The recent weakness suggests that future labor market improvements may be uneven and inconsistent with robust economic recovery. This suggests that that credit union asset quality will improve only slowly in the months ahead.

## Monthly Changes in GA Employment - Thousands

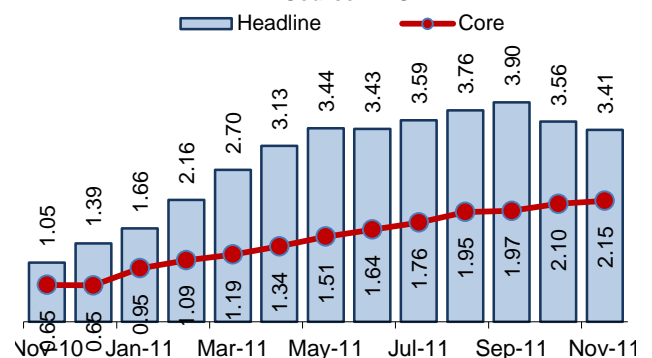
Source: BLS



- Nationally, layoffs are steadily declining. Weekly new claims for unemployment insurance have been bumping along near the critical 400,000 level for awhile now – readings below that threshold are generally associated with improving labor markets and declining unemployment. The four-week average initial claims series has now declined for four consecutive weeks and in eight of the past nine weeks. The current 375,000 four-week average is the lowest level of the recovery. This bodes well for the early January release of the December jobs report – fewer layoffs will translate to more job gains.

## Inflation Rates - YOY % Change

Source: BLS



- Inflation pressures which were increasing through the third quarter have eased somewhat in October and November as commodity price increases moderated. Headline inflation eased from an



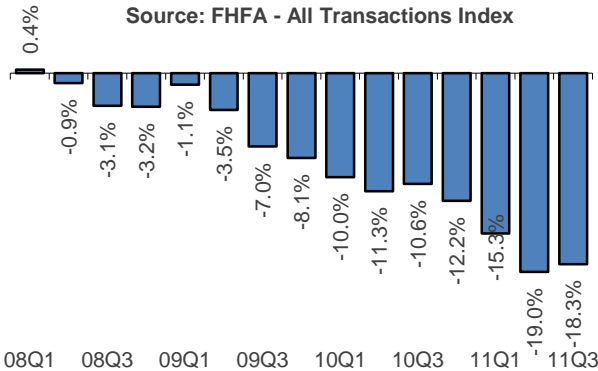
# Georgia Profile

Third Quarter 2011

annualized rate of nearly 4.0% to less than 3.5% by November. Further, core inflation, while increasing modestly, remains firmly in the Federal Reserve's comfort range. Expect the Fed to continue to allow modest price increases in the face labor market weakness.

## GA Home Price Changes Since Start of Recession

Source: FHFA - All Transactions Index



- While the top-line, state-wide declines in home prices are large, the most pronounced corrections are obvious in the Gainesville, Brunswick, Dalton and Atlanta metropolitan areas – each has experienced declines of more than 20% since the start of the recession. Augusta, Valdosta and Warner Robins have experienced only single-digit price declines over the nearly-four-year period.

Georgia Home Price Changes Since Start of Recession - By MSA	
Source: FHFA – All Transactions Index	
MSA	Change (%)
Albany	-10.0
Athens-Clarke	-13.1
Atlanta-Sandy Springs-Marietta	-20.2
Augusta-Richmond County	-8.3
Brunswick	-23.3
Columbus	-12.2
Dalton	-20.7
Gainesville	-25.4
Hinesville-Fort Stewart	-13.9
Macon	-13.0
Rome	14.5
Savannah	18.3
Valdosta	-9.6
Warner Robins	-8.4

- The Federal Housing Finance Agency reported an approximate one percent increase in U.S. home prices in the third quarter of 2011 – which comes on

the heels of three consecutive quarterly price declines. Georgia home prices also increased in the quarter but overall they remain about 18% lower than pre-recession levels. The magnitude of this decline is in line with the national norms over the cycle.

- Notes from the December 13<sup>th</sup> Federal Open Market Committee policy meeting detail the Federal Reserve's view that the economy has been "expanding moderately, notwithstanding some apparent slowing in global growth." However, the Fed justified its continuation of very loose policy by stating that the unemployment rate remains elevated despite some improvement in labor markets. Economic growth is too slow, downside risks remain from Europe, and inflation is expected to settle at acceptable levels. As a consequence, the FOMC (with one dissenter) agreed to keep the target range for the federal funds rate at 0 to 1/4 percent and again stated that economic conditions are "likely to warrant exceptionally low levels for the federal funds rate at least through mid-2013". It is interesting to note that futures markets reflect investor expectations for near-zero federal funds rates well into 2014.

## Credit Union Results

Savings balance growth continues to outpace anemic loan growth in Georgia credit unions as members continue to worry about the economy and concentrate on mending personal balance sheets. Paying down existing loan balances continues to be a focus. Of course earnings pressure from this behavior was magnified by the hefty third-quarter corporate stabilization payment which drove quarterly earnings rates down substantially. The net worth ratio remained unchanged at the end of the third quarter – no change from the level reported in the second quarter. The percentage of Georgia credit unions considered "well capitalized" (with PCA net worth above 7%) decreased but only slightly.

## Growth

- Georgia credit union operating results broadly improved compared to 2010 results but the third quarter results were generally little-changed compared to second-quarter readings. Aggregate savings balances increased by 1.2% (after increasing by an identical rate in the second quarter) and loan balances increased by 1.1% (following a 3.0% advance in the second quarter). Membership growth rates remained strong with a 0.5% increase



# Georgia Profile

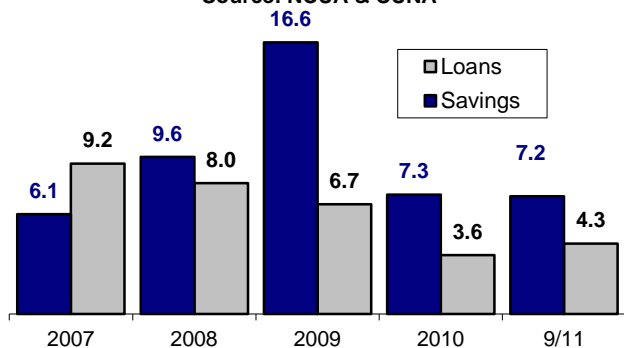
Third Quarter 2011

in the third quarter – but lagged the second quarter’s 2.1% advance.

- In the year ending September 2011 Georgia credit unions experienced a 7.2% increase in savings balances – an increase that is consistent with previous economic recoveries and substantially faster than the 1.7% increase reported by the state’s banking institutions. Loan balances, in contrast, reflect a 4.3% rise from third-quarter 2010 levels (though that small increase outpaced the Georgia banking sector’s 1.4% contraction in loans over the same period). Total memberships were up 2.6% over the past year.

## GA CU 12-Month Growth (%)

Source: NCUA & CUNA



- Savings portfolio growth continues to be concentrated in short-term, liquid accounts. Share draft balances increased by 20% in the past year, with regular shares and money market accounts logging 10% and 9% increases. IRA balances reflect a small increase over the past year, but certificate accounts declined (-2%). Third quarter results closely track these annual trends.
- In the loan portfolio, member business loans (+30%), and first mortgages (+9%) and used autos (+6%) reflected healthy year-over-year increases, while credit cards (+2%) grew but only slowly. HEL/2<sup>nd</sup> mortgages (-5%), personal unsecured loans (-4%) and new auto balances (-1%) declined. These annual developments were generally also reflected in third quarter results though it is interesting to note that both personal unsecured loans and new auto loans increased marginally in the third quarter.

### Risk Exposure

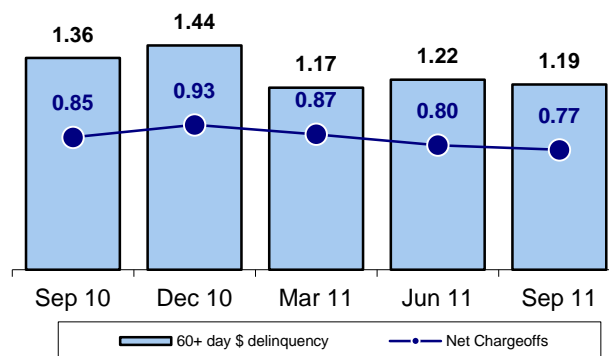
- Relatively fast growth in mortgage portfolios translated to small increases in apparent interest

rate risk exposure with net long-term assets now standing at 31% of total assets at the end of September. This reading is up by nearly ten percentage points compared to pre-recession readings but is marginally lower than the national credit union average. Not surprisingly, the most obvious rate risk exposures are concentrated in the state’s largest credit unions.

- With continued weak loan growth, Georgia credit unions remain awash in liquidity. The state’s aggregate loan-to-share ratio was 62% at the end of the third quarter – over ten percentage points lower than pre-recession readings though in line with the U.S. credit union average. Georgia banks, in contrast, report September-end loan-to-savings ratios of 88%..
- Overall, asset quality at the state’s credit unions remained weak from a long-run historical perspective. However, given the consistently low growth in loan balances recently the truly remarkable thing is delinquencies continue to decline and that net chargeoffs increased only modestly. Compared to second-quarter 2011 results, credit unions in the state reported a 3bp decrease in delinquency rates (to 1.19%) and a 3bp decrease in net chargeoff rates (to 0.77%). The credit union delinquency rate is about one-fourth that reported by Georgia banking institutions and the net chargeoff rate is less than one-half the third-quarter banking institution average in the state.

## GA CU Asset Quality (%)

Source: NCUA & CUNA



### Earnings

- Georgia credit unions reported annualized quarterly net income of 0.44% - essentially identical to the national credit union average but a big (12bp) drop compared to the second-quarter earnings rate. Of course the lion’s share of the decline was due to the NCUA’s recent corporate stabilization assessment.



# Georgia Profile

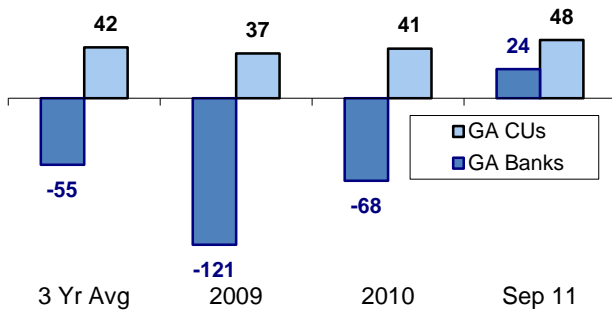
Third Quarter 2011

Though the brunt of that was softened by higher fee income and lower loss provisions.

GA CU Earnings Performance (With Stabilization Expense - % of Average Assets) Source: NCUA and CUNA			
	Quarter Ending 6/11	Quarter Ending 9/11	Basis Point Change
Asset Yield	3.77%	3.75%	-2
- Int./Div. Cost	0.86%	0.80%	-6
= Net Int. Margin	2.91%	2.95%	+4
+ Fee/Other Inc.	1.34%	1.47%	+13
- Operating Exp	3.21%	3.56%	+35
- Loss Provisions	0.48%	0.41%	-7
= Net Inc. (ROA)	0.56%	0.44%	-11

- Nine-month aggregated results for Georgia credit unions reflect annualized ROA of 0.44%, though most of the earnings were reported in the state's larger institutions – smaller credit unions are exhibiting tremendous bottom-line strains. In any case the 48bp aggregate credit union earnings rate is about double the average reported by banking institutions in the state during the period.

## GA Financial Institution Earnings (Annualized ROA) Source: NCUA & CUNA



### Capital Adequacy

- Georgia credit unions had an aggregate net worth ratio of 11.0% at the end of September 2011 (identical to the level reported in the second quarter). However, the percentage of Georgia credit unions considered "well capitalized" (with PCA net worth above 7%) decreased marginally – from 96.0% in the second quarter to 95.3% in the third quarter.
- Net worth levels remain high across each of the broad asset-size categories we track with credit unions under \$5 million reporting an average

aggregate net worth ratio of 17.4%. At the other end of the spectrum, the state's largest credit unions – those with \$100 million or more in total assets reflect a 10.9% aggregate net worth ratio.

### Special Focus:

#### Growing Interest in CU Membership

CUNA recently sent email surveys to all credit unions in an attempt to gauge membership gains leading up to Bank Transfer Day.

Based on survey results it was initially estimated approximately 650,000 new members joined credit unions across the nation in the period September 29th to November 4<sup>th</sup>. In a follow-up survey CUNA estimated an additional 40,000 nationally joined on Bank Transfer day itself. The surveys were designed to provide a quick and rapid response from credit unions in order to provide media outlets with an estimate of credit union experiences with member and account growth. The survey was neither scientific nor a representative sample.

The survey essentially asked credit unions to report GROSS additions of members. More recently reported data (from other long-term CUNA surveys and from NCUA regulatory reports) suggest that the initial estimates of gross additions were overestimated. In retrospect there may have been issues with question ambiguity (the survey referred to "growth in membership and accounts") and/or there may have been some response bias – with credit unions recording the strongest improvement in member growth appearing to have been more likely to respond to the survey.

Examining new data that focuses on NET membership additions (i.e., gross additions less attrition) helps to put the survey results in context. Attrition arises from a variety of circumstances including membership movement (e.g., declines that arise because members take jobs in other cities) and operational circumstances (e.g., credit unions periodically cull dormant accounts.) There is not (and will not be) corroborating data on gross membership additions so it will be impossible to fully foot the CUNA survey results with actual credit union experiences. However, the net membership addition data makes it obvious that there was some degree of overstatement in the initial estimate of gross additions.

Even so, it is clear that credit unions experienced much stronger than normal - perhaps historic - membership growth during the weeks leading up to Bank Transfer Day and that significantly more American consumers are



# Georgia Profile

Third Quarter 2011

using credit unions to a greater extent today than they did just two months ago.

Following are the key points determined from the latest data available:

- **Much stronger than normal growth:** Credit unions across the country, particularly in those areas where “megabanks” have a strong presence, experienced atypical member and account growth in the period from Sept. 29 – when Bank of America announced its \$5 monthly debit card fee – to Nov. 5, the grassroots- and social media-inspired “Bank Transfer Day.”
- **Latest data:** Results of CUNA’s October “Monthly Credit Union Estimates” and third-quarter call report data summaries released recently by the credit union regulator – the NCUA - suggest that credit unions added 441,000 NET new members over the period of September-October, 2011 – roughly equal to 75% of total member growth in all of 2010. More specifically it appears that credit union NET membership increased by 227,000 in September and 214,000 in October.
- In addition, call report data shows that annualized growth in the number of **share draft accounts** in the latest quarter (7.2%) is much stronger than recent experience (around 2.5% to 3.5% over the past year or so), and more than double the average of the quarterly rates going back to the first quarter of 2008 (3.2%). It’s very likely that much of this growth occurred in September in response to checking account fee increases at a number of large banks. Many credit union members who did not have a credit union checking account may have been opening such accounts during the period. (It is interesting to note that about half of the nation’s 93 million credit union members do not have credit union checking accounts)

Final numbers for credit union NET growth will be reflected in release of year-end call report data by NCUA sometime in February 2012.

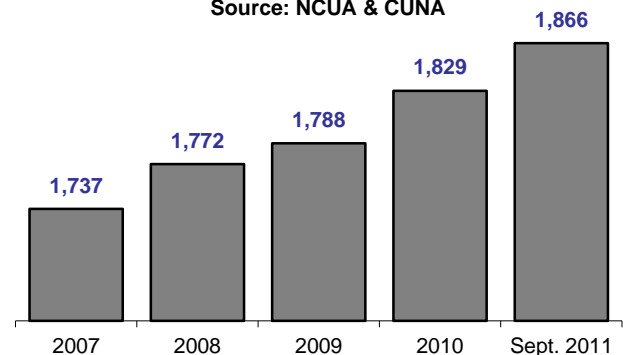
Regardless of the source for credit union growth – either through new memberships, new checking accounts from existing members or a combination of both – it is clear that consumers made a significant movement to credit

unions in the months and weeks leading up to “Bank Transfer Day.” Anecdotally, credit unions across the country report experiencing record member growth during this period – and many report that growth is now continuing at similarly high levels.

Of course, Georgia is home to many community banks and these “home-grown” institutions tend to be more accepted by consumers than other big (and especially) out-of-state banks. Even so, with high levels of community bank failures in Georgia, credit unions reflect fairly fast membership growth. Memberships, which increased by only sixteen thousand in 2009 jumped by 41,000 in 2010 and by 36,000 in the first nine months of 2011. Importantly, only the state’s largest institutions reflect membership growth over the year ending September 2011.

## GA CU Memberships (Thousands)

Source: NCUA & CUNA



Whatever the total numbers, new members gained from Bank Transfer Day (BTD) activities present a golden opportunity for credit unions – most especially to capture the attention of young people who tend to know very little about credit unions.

What matters most is not the precise number of new members gained but what credit unions do with those new members. If they can continue to deliver their usual superior service and if they can continue to deliver substantial financial benefits the new converts will feel like they’ve made a good decision. And, in the end, weak membership growth seen just two short years ago may turn out to be a thing of the distant past.

# Georgia Profile

Third Quarter 2011

## Georgia CU Profile

	US						Georgia Credit Unions				Asset Groups - September 2011			
	Sep 11	Sep 11	2010	2009	2008	2007	< \$5Mil	\$5-\$20	\$20-\$100	> \$100 Mil				
<b>Demographic Information</b>														
Number of CUs	7,319	150	153	163	171	178	37	45	45	23				
Assets per CU (\$ mil)	131.6	117.7	108.7	99.7	80.4	70.8	2.0	11.3	45.8	652.6				
Median assets (\$ mil)	19.0	16.5	15.2	13.9	13.7	12.4	2.0	10.7	42.5	182.1				
Total assets (\$ mil)	963,371	17,652	16,636	16,243	13,743	12,609	74	508	2,062	15,009				
Total loans (\$ mil)	577,321	9,586	9,303	8,977	8,410	7,786	39	248	1,167	8,132				
Total surplus funds (\$ mil)	351,519	7,432	6,750	6,679	4,711	4,270	34	243	806	6,348				
Total savings (\$ mil)	830,081	15,406	14,556	13,570	11,635	10,614	60	424	1,806	13,116				
Total members (thousands)	92,652	1,866	1,829	1,788	1,772	1,737	23	103	334	1,405				
<b>Growth Rates</b>														
Total assets	4.7	7.1	2.4	18.2	9.0	6.1	-21.9	-7.3	-1.3	9.1				
Total loans	-0.1	4.3	3.6	6.7	8.0	9.2	-22.9	-15.7	-5.6	6.9				
Total surplus funds	14.3	11.2	1.1	41.8	10.3	0.2	-20.3	4.4	6.4	12.3				
Total savings	5.0	7.2	7.3	16.6	9.6	6.1	-22.5	-6.9	-0.5	9.1				
Total members	0.7	2.6	2.3	0.9	2.0	1.3	-23.5	-10.2	-7.8	7.3				
% CUs with increasing assets	71.2	75.3	64.7	81.6	77.2	62.9	54.1	75.6	84.4	91.3				
<b>Earnings - Basis Pts.</b>														
Yield on total assets	408	379	413	451	538	575	516	439	440	368				
Dividend/interest cost of assets	94	87	116	168	227	263	83	73	78	88				
Fee & other income *	129	136	136	123	149	145	87	116	180	131				
Operating expense	328	333	331	298	352	357	449	442	471	309				
Loss Provisions	50	47	61	70	48	34	67	72	58	45				
Net Income (ROA) without Stab Exp	88	73	53	18	59	67	27	-12	38	82				
Net Income (ROA) with Stab Exp	65	48	41	37	59	67	4	-32	13	56				
% CUs with positive ROA	76.6	77.3	68.6	71.8	74.9	84.3	67.6	75.6	80.0	91.3				
<b>Capital adequacy</b>														
Net worth/assets	10.2	11.1	11.5	11.4	13.7	14.3	17.4	15.9	11.3	10.9				
% CUs with NW > 7% of assets	94.6	96.0	97.4	98.2	98.8	98.9	100.0	93.3	97.8	91.3				
<b>Asset quality</b>														
Delinquencies (60+ day \$)/loans (%)	1.59	1.19	1.43	1.35	1.05	0.73	3.81	2.17	1.59	1.09				
Net chargeoffs/average loans	0.92	0.82	0.93	0.92	0.71	0.55	0.63	1.43	1.05	0.77				
Total borrower-bankruptcies	300,746	7,196	8,764	7,434	5,500	4,231	385	376	1,094	5,340				
Bankruptcies per CU	41.1	48.0	57.3	45.6	32.2	23.8	10.4	8.4	24.3	232.2				
Bankruptcies per 1000 members	3.2	3.9	4.8	4.2	3.1	2.4	16.7	3.6	3.3	3.8				
<b>Asset/Liability Management</b>														
Loans/savings	69.5	62.2	63.9	66.2	72.3	73.4	64.4	58.4	64.6	62.0				
Loans/assets	59.9	54.3	55.9	55.3	61.2	61.7	52.8	48.8	56.6	54.2				
Net Long-term assets/assets	33.3	31.4	27.8	25.5	26.2	22.4	2.7	12.1	20.7	33.7				
Liquid assets/assets	17.1	19.0	19.6	27.8	22.2	21.8	35.6	33.8	26.7	17.4				
Core deposits/shares & borrowings	41.0	46.0	43.7	42.0	47.1	53.5	67.2	61.6	51.7	44.6				
<b>Productivity</b>														
Members/potential members	6	10	10	10	10	11	36	7	11	10				
Borrowers/members	49	51	51	51	50	47	36	40	42	54				
Members/FTE	389	433	426	423	413	413	415	463	406	438				
Average shares/member (\$)	8,959	8,258	7,958	7,589	6,567	6,109	2,623	4,099	5,412	9,333				
Average loan balance (\$)	12,639	10,122	9,934	9,767	9,563	9,478	4,705	5,963	8,390	10,727				
Employees per million in assets	0.25	0.24	0.26	0.26	0.31	0.33	0.75	0.44	0.40	0.21				
<b>Structure</b>														
Fed CUs w/ single-sponsor	13.4	15.3	15.0	16.0	15.2	15.7	32.4	13.3	6.7	8.7				
Fed CUs w/ community charter	16.0	16.0	15.0	13.5	14.6	12.9	5.4	17.8	15.6	30.4				
Other Fed CUs	32.1	29.3	30.1	31.3	31.0	33.1	29.7	24.4	35.6	26.1				
CUs state chartered	38.6	39.3	39.9	39.3	39.2	38.2	32.4	44.4	42.2	34.8				

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. US Totals include only credit unions that are released on the NCUA FOIA file.



Source: NCUA and CUNA E&S.



# Georgia Profile

Third Quarter 2011

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<b>Growth Rates</b>										
Credit cards	2.8%	2.1%	4.5%	9.6%	6.0%	10.3%	0.0%	-23.5%	-3.7%	3.3%
Other unsecured loans	-1.3%	-4.1%	-0.8%	2.2%	3.2%	2.6%	-26.6%	-11.6%	-9.3%	-0.7%
New automobile	-10.8%	-0.7%	-8.8%	-10.5%	-2.3%	7.9%	-40.6%	-24.5%	-18.9%	3.2%
Used automobile	4.2%	6.4%	6.6%	5.1%	8.1%	5.9%	-20.4%	-11.6%	-2.6%	9.5%
First mortgage	3.4%	8.7%	7.8%	21.0%	20.8%	14.8%	-35.2%	-7.6%	-4.4%	10.7%
HEL & 2nd Mtg	-7.6%	-4.6%	-0.2%	2.1%	4.9%	11.5%	41.9%	-36.7%	-4.8%	-3.6%
Member business loans	4.3%	30.1%	24.0%	63.7%	32.6%	40.7%	24.0%	3.2%	28.5%	30.3%
Share drafts	14.7%	20.3%	13.0%	18.5%	6.4%	5.5%	-41.0%	0.0%	0.3%	23.7%
Certificates	-5.4%	-1.5%	-0.5%	7.2%	19.3%	29.0%	-26.4%	-12.9%	-8.1%	0.1%
IRAs	1.4%	3.8%	8.3%	25.5%	12.8%	7.5%	-0.4%	-8.2%	-4.8%	5.3%
Money market shares	7.0%	8.9%	21.2%	66.0%	59.3%	25.5%	-22.1%	-20.2%	18.4%	8.4%
Regular shares	11.1%	9.5%	4.9%	4.4%	-6.8%	-8.4%	-21.6%	-4.9%	1.7%	12.5%
<b>Portfolio \$ Distribution</b>										
Credit cards/total loans	6.3%	6.7%	7.1%	7.0%	6.8%	7.0%	0.0%	2.5%	6.2%	7.0%
Other unsecured loans/total loans	4.4%	4.7%	5.1%	5.3%	5.6%	5.8%	20.2%	13.6%	8.0%	3.9%
New automobile/total loans	10.2%	13.4%	13.8%	15.7%	18.7%	20.7%	15.3%	14.3%	10.4%	13.8%
Used automobile/total loans	18.5%	26.2%	25.6%	24.9%	25.3%	25.3%	44.9%	36.4%	30.9%	25.1%
First mortgage/total loans	40.3%	32.9%	32.3%	31.0%	27.4%	24.5%	1.5%	17.7%	26.7%	34.4%
HEL & 2nd Mtg/total loans	14.4%	10.3%	11.1%	11.5%	12.0%	12.4%	4.6%	7.3%	11.1%	10.4%
Member business loans/total loans	6.9%	9.2%	8.0%	6.7%	4.3%	3.5%	0.3%	0.7%	6.4%	9.9%
Share drafts/total savings	12.2%	14.8%	13.6%	12.9%	12.7%	13.1%	1.8%	8.2%	13.2%	15.3%
Certificates/total savings	25.0%	24.2%	26.2%	28.3%	30.8%	28.3%	23.5%	25.5%	25.6%	24.0%
IRAs/total savings	9.4%	10.1%	10.4%	10.3%	9.5%	9.3%	3.1%	7.4%	8.8%	10.3%
Money market shares/total savings	22.6%	19.3%	19.3%	17.1%	12.0%	8.3%	1.8%	2.5%	12.3%	20.9%
Regular shares/total savings	29.5%	31.2%	30.1%	30.8%	34.4%	40.5%	65.4%	53.4%	38.5%	29.3%
<b>Percent of CUs Offering</b>										
Credit cards	53.0%	44.7%	43.8%	40.5%	40.9%	40.4%	0.0%	22.2%	77.8%	95.7%
Other unsecured loans	98.0%	98.7%	98.7%	98.8%	98.2%	99.4%	94.6%	100.0%	100.0%	100.0%
New automobile	94.7%	93.3%	93.5%	93.3%	94.2%	93.3%	73.0%	100.0%	100.0%	100.0%
Used automobile	95.8%	94.7%	94.8%	95.7%	95.9%	94.9%	78.4%	100.0%	100.0%	100.0%
First mortgage	60.7%	64.7%	65.4%	62.0%	61.4%	59.0%	13.5%	60.0%	95.6%	95.7%
HEL & 2nd Mtg	59.1%	53.3%	51.0%	51.5%	49.7%	50.0%	8.1%	42.2%	80.0%	95.7%
Member business loans	30.5%	33.3%	29.4%	25.8%	24.6%	25.3%	2.7%	15.6%	53.3%	78.3%
Share drafts	75.5%	69.3%	69.3%	67.5%	67.8%	66.3%	16.2%	75.6%	93.3%	95.7%
Certificates	77.8%	80.7%	81.0%	78.5%	79.5%	78.1%	43.2%	86.7%	97.8%	95.7%
IRAs	65.5%	68.0%	68.0%	65.6%	65.5%	62.9%	21.6%	64.4%	95.6%	95.7%
Money market shares	45.0%	38.7%	38.6%	36.8%	36.3%	35.4%	2.7%	20.0%	64.4%	82.6%
<b>Penetration</b>										
Credit cards	14.7%	14.1%	14.1%	14.3%	13.4%	13.3%	0.0%	3.4%	10.1%	16.1%
Other unsecured loans	10.6%	9.4%	10.1%	10.0%	10.2%	10.3%	18.7%	18.2%	12.4%	7.9%
New automobile	4.5%	6.6%	6.9%	6.7%	7.0%	6.4%	2.0%	2.6%	2.6%	8.0%
Used automobile	11.5%	15.1%	14.6%	14.3%	13.5%	12.0%	9.6%	11.0%	11.2%	16.3%
First mortgage	1.9%	1.3%	1.3%	1.3%	1.2%	1.1%	0.1%	0.9%	1.1%	1.4%
HEL & 2nd Mtg	2.6%	2.0%	2.0%	2.1%	2.1%	2.1%	0.2%	0.6%	1.3%	2.3%
Member business loans	0.2%	0.2%	0.2%	0.1%	0.1%	0.1%	0.0%	0.0%	0.2%	0.2%
Share drafts	49.0%	43.1%	41.1%	39.4%	38.0%	37.5%	3.6%	22.7%	36.2%	46.9%
Certificates	11.2%	10.1%	10.7%	11.4%	11.0%	10.2%	4.2%	7.2%	7.2%	11.1%
IRAs	6.0%	5.2%	5.4%	5.4%	4.9%	4.7%	0.5%	1.9%	3.2%	6.0%
Money market shares	7.7%	4.4%	4.3%	3.8%	3.1%	2.4%	0.3%	0.6%	2.2%	5.2%

\* Current period flow statistics are trailing four quarters.

Source: NCUA and CUNA E&S.





# Georgia Profile

Third Quarter 2011

## Georgia CU Profile - Quarterly Results

Demographic Information	US	Georgia Credit Unions				
	Sep 11	Sep 11	Jun 11	Mar 11	Dec 10	Sep 10
Number CUs	7,321	150	150	153	153	157
<b>Growth Rates (Quarterly % Change)</b>						
<b>Total loans</b>	0.7	1.1	3.0	-0.2	1.6	1.8
Credit cards	1.9	0.9	1.5	-4.2	4.4	1.3
Other unsecured loans	2.3	0.7	2.6	-5.2	0.7	0.7
New automobile	-1.5	0.4	1.0	0.0	-1.0	-2.7
Used automobile	2.2	1.7	3.9	0.5	1.2	1.7
First mortgage	0.9	1.8	2.9	1.1	3.7	4.3
HEL & 2nd Mtg	-1.1	-1.5	1.1	-1.6	-0.6	1.1
Member business loans	1.4	2.5	9.6	6.4	9.0	9.2
<b>Total savings</b>	1.0	1.2	1.2	4.7	1.4	1.5
Share drafts	5.2	5.7	-1.5	11.5	4.3	2.8
Certificates	-0.8	-0.3	-1.0	-0.9	0.7	0.9
IRAs	0.8	1.0	0.7	1.1	1.2	2.5
Money market shares	0.7	0.5	0.8	4.5	2.9	3.8
Regular shares	1.0	0.6	4.8	7.8	0.3	-0.2
<b>Total members</b>	0.7	0.5	2.1	0.8	1.1	0.3
<b>Earnings (basis points)</b>						
Yield on total assets	402	375	377	384	407	415
Dividend/interest cost of assets	90	80	86	94	105	122
Fee & other income *	137	147	134	126	139	164
Operating expense	357	356	321	275	365	344
Loss Provisions	49	41	48	53	56	65
Net Income (ROA) *	43	44	56	43	67	48
% CUs with positive ROA *	65	64	67	67	65	61
<b>Capital adequacy (%)</b>						
Net worth/assets	10.1	11.0	11.0	11.0	11.4	11.4
% CUs with NW > 7% of assets	94.4	95.3	96.0	92.8	97.4	97.5
<b>Asset quality (%)</b>						
<b>Loan delinquency rate - Total loans</b>	1.60	1.19	1.22	1.17	1.44	1.36
Total Consumer	1.08	1.13	1.09	1.04	1.28	1.44
Credit Cards	1.18	1.09	1.17	1.25	1.47	1.41
All Other Consumer	1.06	1.14	1.08	1.01	1.26	1.44
Total Mortgages	2.02	1.28	1.39	1.35	1.63	1.25
First Mortgages	2.24	1.31	1.36	1.32	1.47	1.33
All Other Mortgages	1.41	1.19	1.49	1.44	2.11	1.04
Total MBLs	3.51	0.78	1.46	1.68	2.37	1.63
Ag MBLs	0.86	0.00	0.00			
All Other MBLs	3.65	0.78	1.46	1.68	2.37	1.63
<b>Net chargeoffs/average loans</b>	0.86	0.77	0.80	0.87	0.93	0.85
Total Consumer	1.18	1.06	1.16	1.34	1.41	1.22
Credit Cards	2.81	3.15	2.90	3.38	3.54	3.34
All Other Consumer	0.91	0.78	0.92	1.06	1.10	0.93
Total Mortgages	0.60	0.39	0.34	0.27	0.32	0.37
First Mortgages	0.39	0.28	0.25	0.13	0.23	0.20
All Other Mortgages	1.18	0.77	0.60	0.71	0.56	0.82
Total MBLs	0.67	0.04	0.79	0.04	0.72	-0.56
Ag MBLs	-0.09	0.00	0.00			
All Other MBLs	0.71	0.04	0.79	0.04	0.72	-0.56
<b>Asset/Liability Management</b>						
Loans/savings	69.2	62.1	62.1	60.8	63.8	63.7

Earnings & net chargeoffs are annualized quarterly results not seasonally adjusted. Growth rates are not annualized. Delinquency rates are 60+ day dollar delinquencies. Net chargeoffs are dollar chargeoffs net of recoveries. Totals include only credit unions that are released on the NCUA FOIA file.

Source: NCUA and CUNA E&S.



### Credit Union vs Bank Profile

#### Georgia

	Credit Unions				Banks			
	Sep 11	2010	2009	3 Yr Avg	Sep 11	2010	2009	3 Yr Avg
<b>Demographic Information</b>								
Number of Institutions	150	153	163	155	246	267	305	273
Assets per Institution (\$ mil)	118	109	100	109	1,080	1,002	888	990
Total assets (\$ mil)	17,652	16,636	16,243	16,844	265,701	267,602	270,753	268,019
Total loans (\$ mil)	9,586	9,303	8,977	9,289	185,185	191,181	193,521	189,962
Total surplus funds (\$ mil)	7,432	6,750	6,679	6,953	56,200	50,736	51,250	52,728
Total savings (\$ mil)	15,406	14,556	13,570	14,511	210,853	214,804	209,702	211,786
Avg number of branches (1)	3	3	3	3	13	12	11	12
<b>12 Month Growth Rates</b>								
Total assets	7.1	2.4	18.2	9.2	0.1	8.5	-5.5	1.0
Total loans	4.3	3.6	6.7	4.9	-1.4	9.2	-5.9	0.6
Real estate loans	5.2	5.6	15.2	8.7	-8.3	6.2	-3.0	-1.7
Commercial loans	30.1	24.0	63.7	39.2	13.5	19.0	-17.3	5.0
Total consumer	-0.3	-0.7	-3.6	-1.5	14.4	23.3	3.3	13.6
Consumer credit card	2.1	4.5	9.6	5.4	3.0	2.6	25.4	10.3
Other consumer	-0.6	-1.5	-5.4	-2.5	15.9	26.7	-3.1	13.2
Total surplus funds	11.2	1.1	41.8	18.0	8.9	8.0	10.7	9.2
Total savings	7.2	7.3	16.6	10.4	1.7	12.2	5.5	6.5
<b>YTD Earnings annualized(BP)</b>								
Yield on Total Assets	379	413	451	414	394	428	421	414
Dividend/Interest cost of assets	87	116	168	123	71	104	142	106
Fee and other income (2)	136	136	162	145	142	145	154	147
Operating expense	333	331	338	334	328	335	290	318
Loss provisions	47	61	70	59	113	204	264	194
Net income	48	41	37	42	24	-68	-121	-55
<b>Capital Adequacy</b>								
Net worth/assets	11.1	11.5	11.4	11.3	11.7	10.9	10.5	11.0
<b>Asset Quality</b>								
Delinquencies/loans (3)	1.19	1.43	1.35	1.32	4.95	5.32	6.28	5.52
Real estate loans	1.28	1.63	1.02	1.31	6.89	7.15	8.30	7.44
Consumer loans	0.78	2.37	0.56	1.24	1.38	1.44	2.12	1.65
Total consumer	1.19	1.10	1.72	1.34	3.37	3.32	2.79	3.16
Consumer credit card	1.09	1.47	1.89	1.48	0.93	1.29	2.28	1.50
Other consumer	1.21	1.04	1.69	1.31	3.66	3.59	2.98	3.41
Net chargeoffs/avg loans	0.82	0.93	0.92	0.89	2.00	3.03	2.98	2.67
Real estate loans	0.34	0.32	0.17	0.28	2.57	3.68	3.24	3.17
Commercial loans	0.31	0.25	0.27	0.28	0.98	1.87	2.28	1.71
Total consumer	1.34	1.57	1.56	1.49	1.02	1.49	3.06	1.86
Consumer credit card	3.08	3.56	3.25	3.30	4.45	6.29	8.12	6.29
Other consumer	1.04	1.24	1.30	1.20	0.58	0.79	1.39	0.92
<b>Asset Liability Management</b>								
Loans/savings	62.2	63.9	66.2	64.1	87.8	89.0	92.3	89.7
Loans/assets	54.3	55.9	55.3	55.2	68.0	69.6	69.5	69.0
Core deposits/total deposits	46.0	43.7	43.7	44.5	20.0	18.4	17.0	18.5
<b>Productivity</b>								
Employees per million assets	0.24	0.26	0.26	0.25	0.19	0.18	0.18	0.18

# Georgia Profile

Third Quarter 2011

## Georgia Credit Unions

September 2011

### Loan Penetration per 1000 Members

Credit Union Name	Total # loans/member	Ranking among all US CUs	Ranking among US CUs 03/09
1 Catoosa Teachers FCU	1,513	19	19
2 GPA CU	1,416	22	23
3 Atlanta Postal CU	936	70	70
4 Savastate Teachers FCU	803	176	190
5 Delta Community CU	791	193	180
6 Georgia's Own CU	750	263	235
7 Beka FCU	723	325	398
8 Southern Pine CU	687	447	452
9 Macon Firemens CU	675	493	508
10 Flint River EFCU	671	508	597

### Auto Loan Penetration per 1000 Members

Credit Union Name	Total # auto loans/member	Ranking among US CUs	Ranking among US CUs 03/09
1 Atlanta Postal CU	574	18	23
2 GPA CU	455	42	49
3 Flint River EFCU	404	73	79
4 Catoosa Teachers FCU	403	76	99
5 Georgia's Own CU	383	102	92
6 Delta Community CU	345	158	162
7 Georgia Heritage FCU	306	287	306
8 Beka FCU	303	298	383
9 Ware County School EFCU	302	303	273
10 Southeastern FCU	301	313	307

### 1st Mortgage Loans per 1000 Members

Credit Union Name	Total # FM loans/member	Ranking among US CUs	Ranking among US CUs 03/09
1 Workmens Circle CU	168	3	3
2 Frederica CU	62	143	136
3 Southern Pine CU	54	230	220
4 Community United FCU	53	237	254
5 The Wright CU	49	292	294
6 Stephens-Franklin Teachers F	42	415	374
7 North Georgia CU	41	440	425
8 Georgia Coastal FCU	40	462	433
9 Interstate Unlimited FCU	31	747	736
10 Delta Community CU	30	805	780

### Home Equity Penetration per 1000 Members

Credit Union Name	Total # HE loans/member	Ranking among US CUs	Ranking among US CUs 03/09
1 CDC FCU	125	2	2
2 Workmens Circle CU	78	20	18
3 Ware County School EFCU	48	110	117
4 CORE CU	39	227	214
5 Catoosa Teachers FCU	37	264	310
6 Beka FCU	35	325	333
7 Georgia Heritage FCU	31	411	414
8 Marshland Community FCU	28	489	485
9 Bond Community FCU	25	661	656
10 Georgia Power Valdosta FCU	23	759	790

### Average Savings Balance

Credit Union Name	Average Savings/Member	Ranking among US CUs	Ranking among US CUs 03/09
1 Workmens Circle CU	\$36,618	15	16
2 Atlanta Postal CU	\$17,308	128	127
3 Southern Pine CU	\$15,904	177	174
4 Delta Community CU	\$15,620	191	180
5 CDC FCU	\$12,842	365	396
6 The Coca-Cola Company Family F	\$11,971	466	456
7 Petroleum Associates FCU	\$11,361	577	558
8 Frederica CU	\$11,292	590	452
9 Glynn County Federal ECU	\$9,765	948	830
10 Robins FCU	\$9,672	980	1,014

### Share Draft Penetration per 1000 Members

Credit Union Name	# SD/Member	Ranking among US cus	Ranking among US CUs 03/09
1 Robins FCU	687	119	118
2 Chatham FCU	675	143	152
3 CDC FCU	668	160	164
4 United 1st Federal Credit Union	646	210	207
5 Delta Community CU	640	236	250
6 Northwest Georgia Credit Union	617	306	340
7 Three Rivers Credit Union	602	374	434
8 Frederica CU	584	479	879
9 Bond Community FCU	581	492	504
10 MembersFirst CU	556	671	756

## Georgia Credit Unions Milestones

September 2011

### Assets

Credit Union Name	Current Assets	Three months prior	% Chg
<b>Exceeded \$5 Million</b>			
Floyd County Postal ECU	\$5.06	\$4.87	4.0%
Hutcheson FCU	\$5.19	\$4.68	11.0%
<b>Exceeded \$10 Million</b>			
Ethicon CU	\$10.35	\$10.00	3.5%
<b>Exceeded \$100 Million</b>			
GeoVista FCU	\$102.32	\$96.04	6.5%

### Members

Credit Union Name	Current Members	Three months prior	% Chg
<b>Exceeded 10,000 Members</b>			
Altamaha Federal Credit Union	10,016	9,964	0.5%

### Loans

Credit Union Name	Current Loans	Three months prior	% Chg
<b>Exceeded \$2.5 Million</b>			
Georgia Guard CU	\$2.72	\$2.48	9.5%
<b>Exceeded \$25 Million</b>			
Albany Federal ECU	\$26.36	\$24.57	7.3%

