



Looking For Liquidity?

According to studies by TowerGroup on why members visit a branch location, roughly 70% of teller transactions involve deposits of cash or checks.

Therefore it is not surprising that credit unions participating in Credit Unions Centers of Indiana, LLC (CUCI) took in over \$750,000,000 dollars in deposits during 2005 at the over 2,000 shared branching locations nationwide. Credit unions participating in CUCI find that a typical member deposits \$2 out of every \$3 in shared branch transactions. Please visit www.cucenters.com for a complete list of participating credit unions and locations.

Members have a variety of convenient ways to get their money out of a credit union by using checks, ATMs, or debit cards, but if they cannot deposit checks at a convenient location they will typically take those deposits (and their relationship) to another financial institution. Karol Griffin of Teachers CU and President of CUCI noted "Many people believe that Shared Branching is nothing more than an employee-serviced ATM. On average, ATMs do 4 times as many withdrawals than deposits. Our Shared Branching locations do 4 times as many deposits as a typical ATM. Shared Branching is another convenient way for our members to access and deposit into their credit union accounts."

Even a credit union whose membership uses direct deposit extensively needs convenient locations to deposit other sources of funds. Gil Schneider, Senior VP of Member Services & Systems at Eli Lilly FCU says, "The convenience of shared branch locations allowed us to attract over \$90 million in low cost member deposits during 2005. The national network allows us to be where the membership is while working, traveling, or in retirement. Without the convenience, the funds would have gone to another financial institution."

Most urban area credit unions analyzing their members' relationship find that 70 – 80% of their members are likely to have a checking account with them if they live less than three miles from a branch. Rural members may have a greater tolerance (5 – 15 miles) for driving to a branch than urban members, but checking account penetration drops significantly in both cases as driving distance increases or alternatives become available from competitors.

No credit union can afford to build enough convenient locations for their membership. With 34 branch locations and over 60 ATMs, Teachers CU still finds the unique cooperation amongst credit unions and shared branching to be an effective tool for collecting member deposits. TCU members deposited over \$78 million at shared branch locations in 2005. Currently TCU also has 23 of their branches available to members of other shared branch credit unions, making it easier for those members to make deposits into their own credit union's account.

Credit unions like Firefighters CU in Indianapolis have utilized shared branching to grow as a single SEG-based credit union without having to add more cost prohibitive branches



or switch to a community charter. “We would find it impossible to be convenient to the many firefighters spread throughout Indianapolis metro area without shared branching. In addition to our one downtown branch, our members now have access to thirty-four Indianapolis shared branch facilities that took in nearly \$30 million in deposits in 2005,” says Linda Walker, VP/CFO.

CUCI participants have already added another 13 Indiana branch locations in 2006, increasing the number of shared branch locations in Indiana to 107. That number is only expected to increase further. Dan Davis, EVP of the Indiana Credit Union League, notes that Indiana Credit Unions have over 500 branch locations and he expects to see at least 250 of those locations networked through the shared branch network within the next three years. “Credit unions are finding the shared branching network to be a very successful tool in areas like attracting low cost deposits, member growth, member convenience and fee income. As more credit unions participate throughout the state, the shared branching network will only increase in value to credit unions and their membership.”

Please contact Chuck Barr at 1-800-285-5300, ext. 5303 for additional information on the benefits of shared branching.