



Guest Opinion: Shared Branching Best Practices

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We are big on shared branching. It promotes the cooperative nature of credit unions to our members, which certainly has a great appeal in today's disdain for Wall Street and Wall Street bankers. Second, there's nothing like brick and

mortar that gives members the feeling that their credit union is always available to them.

We needed assistance in this area back in 2004, however. So we began working with shared branch networking provider, CU Centers, only as an Issuer, meaning our members could perform transactions at other credit union shared branch locations. Our branches initially were not part of the network. In April 2007, we began opening our branches to shared branching transactions and it took us until January 2008 to cross the threshold where the income received from acquired transactions exceeded what we paid for our members performing transactions at other credit union owned branches. For example, in April of 2010 we netted \$7,152 in excess of our cost – which annualized is an estimated \$85,824 in additional income for Credit Union 1.

Here are some other statistics on our involvement with the shared branch network over the past 12 months:

- Gross revenue to Credit Union 1 generated by processing transactions for other credit unions' members over the last 12 months = \$174,313
- Actual net revenue to Credit Union 1 after all network fees and transaction costs from its members using network locations over the last 12 months = \$72,515
- Credit Union 1 locations processed transactions for members of 1,211 different credit unions whose main offices are in 45 states in the last year.
- Credit Union 1 members deposited more than \$7.4 million at shared branch locations in the last 12 months.

Although the revenue is good for us, we're also providing a service to the industry by allowing access at Credit Union 1 locations to members of the network's 1,500 credit unions (1,200 of which have had a member use a Credit Union 1 facility). Without the access to our Chicagoland branches, many of those 1,200 credit unions would lose membership due to lack of convenience.

The biggest benefit with shared branching is retaining members who have moved out of our service area by being able to offer them a brick and mortar remote location where they feel comfortable transacting their Credit Union 1 business. My daughter, for example,

was excited to be able to conduct her Credit Union 1 business remotely at a shared branching location on the University of Dayton campus of the Day Air Credit Union, while attending school in Dayton, Ohio.

The wide diversity of the shared branch network and the fact that our members reside all over the United States is what makes shared branching work for us and our members. This has certainly become apparent to me when I get reports from the network that show our members have done shared branching transactions in 49 of the 50 states including Washington, D.C. – as well as Japan, South Korea, Germany, and Puerto Rico.

I am also amazed that our members used 1,754 different branch locations of 663 various credit unions in the past year. The network truly works for us and our members. ■

About Credit Union Centers

Credit Union Centers is based in Indianapolis and is credit union owned. Locally, it represents the national CO-OP Shared Branching, which includes more than 1,500 credit unions and provides shared branching services at more than 4,000 locations in 49 states and six countries.

More information: www.cucenters.com



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