



**IMMEDIATE RELEASE**

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**SHARED BRANCHING STUDY SPONSORED BY CO-OP  
FINDS USERS AMONG MOST PROFITABLE CREDIT UNION MEMBERS**

*Demand for Shared Branching Surprisingly High Among Younger Members*

RANCHO CUCAMONGA, Calif. (April 19, 2010) – New research findings reveal that not only are shared branch users some of the credit union industry’s most profitable members, but that the availability of physical branch locations is in surprisingly high demand among younger members.

The highlights of the two-year study, conducted on behalf of CO-OP Shared Branching by Raddon Financial Group (RFG) of Lombard, Ill. (<http://www.raddon.com>), were released today at CO-OP Financial Services’ THINK 2010 Conference.

“It’s no secret that convenience is essential to consumers,” said Carroll Beach, President/COO, CO-OP Shared Branching. “This study gives us the hard data demonstrating that shared branching makes credit unions more accessible, which leads to deeper relationships that help retain active and profitable members.”

Key findings include:

- A total of 38.6% of the households that use shared branching are profitable, which is 10% more than the 28.8% of households that do not use shared branching and are profitable. On average, the annual household profit for shared branching users was \$90.25, compared to profit of only \$7.07 on households that do not use shared branching. After applying the direct costs associated with shared branching transactions, the average profit was still \$47.53.
- On average, 6.8% of member households actively use shared branching (defined as completing a transaction in the last 90 days), however usage variance among members ranged from 1% to 18% by credit union. The households that do use shared branching are likely to use it regularly, with 47.9% conducting 25 or more transactions each year.

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- Although the younger member segments do not have as large a base in the organizations analyzed, they are more likely than the older segments to utilize shared branching. “This may come as a surprise because younger segments are generally more inclined to use new electronic channels,” said Beach. “However, RFG research shows that younger users do not limit their ability to access their accounts and branches remain significant for them.”
- There is a correlation between households that are profitable and their use of shared branches, in part due to the profile of types of products used by these households. For example, use of share draft accounts is high in shared branch households. Share draft accounts are generally held in the owner’s primary financial institution, share draft is a high transaction account and generates a significant portion of an institution’s non-interest income, so the households with these accounts can be more profitable to the institution.
- Deposits are the most common transaction type after member verify, accounting for 26.2% of all transactions with an average amount of \$1,226. Withdrawals (15.8%) and balance inquiries (11.3%) were other common transactions.
- The highest level of transaction volume occurs between 10 a.m. and 2 p.m. Friday is the single busiest day of the week, with Monday following closely behind.
- Households located more than 20 miles from one of their credit union’s proprietary branches account for 36.7% of the households that actively use shared branching. On the flip side, households that have a proprietary branch in close proximity are a smaller percentage of shared branch users. However, the group in the middle still has strong usage patterns of shared branching, indicating that some households will use the shared branching network even if it is only slightly more convenient than one of the credit union’s own branches.
- Members of the credit unions in this study on average used 509 shared branch locations. However, members of one particular credit union analyzed used more than 1,900 locations.

The study was conducted over the course of 2008 and 2009, and analyzed the shared branching activity of 25 credit unions representing various geographic regions, asset sizes and charter types. For more information on CO-OP Shared Branching, visit [www.co-opfs.org](http://www.co-opfs.org).

### **CO-OP Shared Branching from CO-OP Financial Services**

In 2007, Credit Union Service Corporation and the shared branching arm of CO-OP Financial Services combined to form CO-OP Shared Branching, the credit union movement’s largest shared branching network representing 70 percent of all national locations and 80 percent of credit unions participating in shared branching.

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Based in Rancho Cucamonga, Calif., CO-OP Financial Services is the industry leader in access and convenience products for credit unions. Nearing 30 years of credit union service, CO-OP connects credit union members to their accounts through network services, payment processing, e-commerce solutions, CO-OP Shared Branching and call center services. With total of 3,000 credit union members, 26 million cardholders, 28,000 surcharge-free ATMs, 4,000 shared branch locations, plus 160 million-plus monthly transactions, CO-OP Financial Services is the nation's largest credit union service organization, offering the tools, knowledge and leadership to help credit unions prosper. To learn more, visit [www.co-opfs.org](http://www.co-opfs.org). Follow CO-OP on Twitter at: <http://twitter.com/COOPFS> and keep up with industry issues via the CO-OP Insight Vault blog at: <http://co-opinsightvault.com>.

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