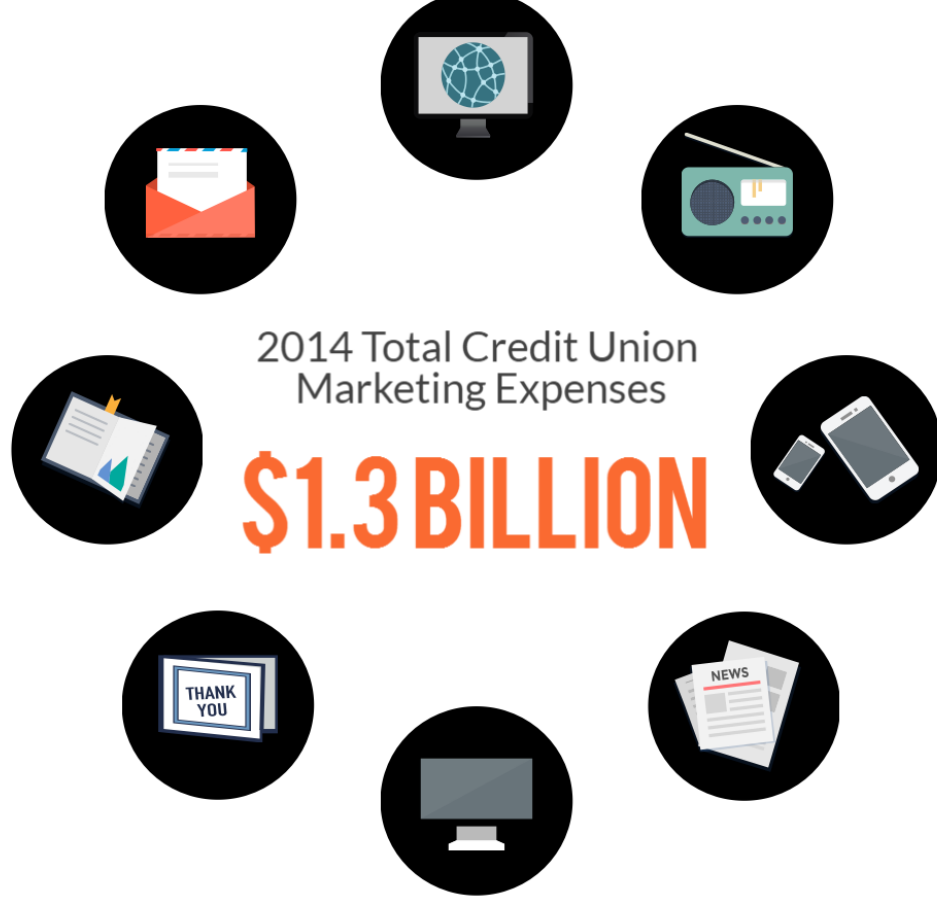


4 TRENDS IN MARKETING SPEND

Data as of December 2014

TOTAL MARKETING EXPENSES



Credit unions have consistently reported higher year-over-year growth in marketing expenses since the fourth quarter of 2009. At year-end 2014, total credit union marketing expenses increased 7.1%, the highest annual growth since 2011.

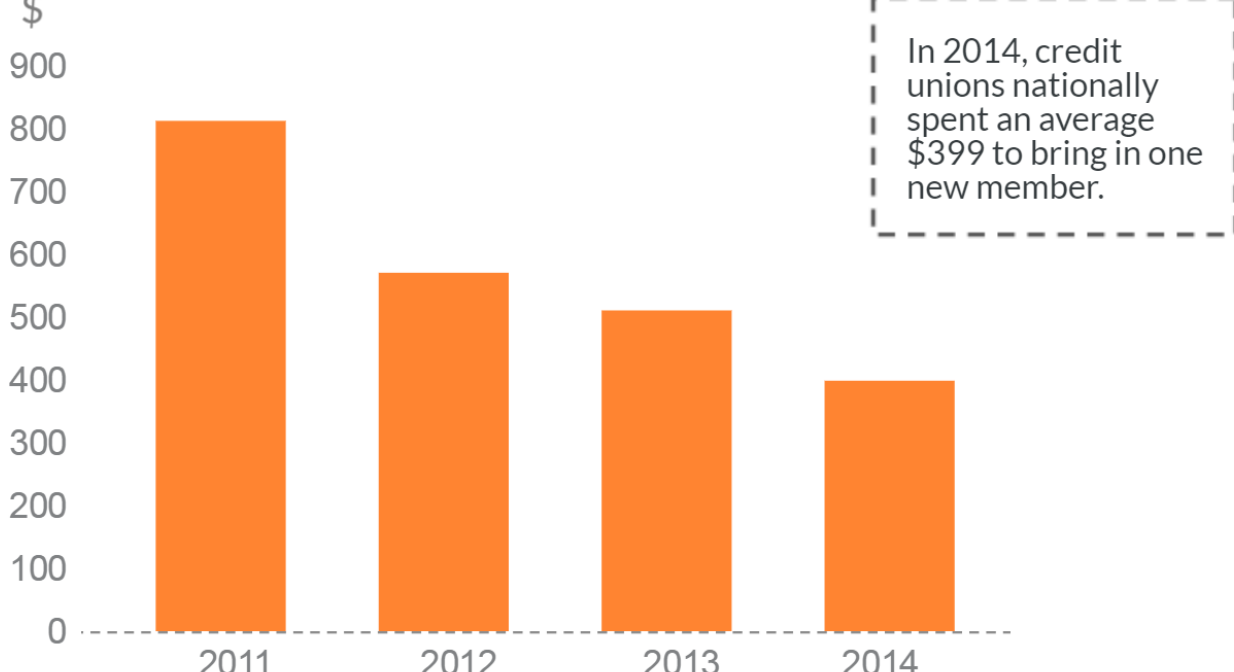
Source: Peer-to-Peer Analytics by Callahan & Associates

MEASURABLE GOALS

These common measurements help credit union gauge the effectiveness of their marketing programs.



MARKETING EXPENSE PER NET NEW MEMBER *



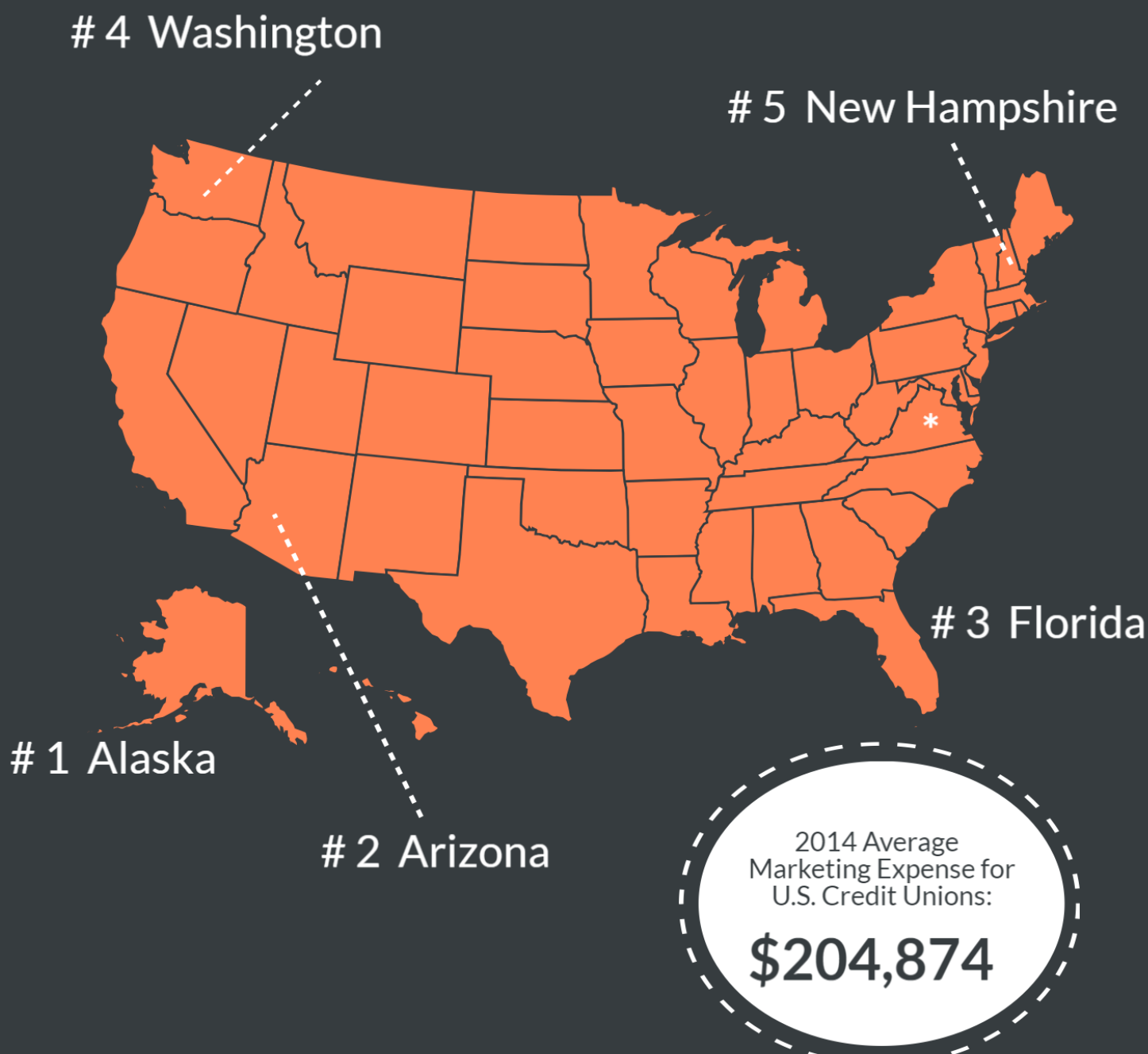
The marketing expense per net new member ratio shows how many members a credit union brings in for each marketing dollar it spends. The downtrend in this metric shows the cost to acquire a new member is declining at credit unions.

* Note: This ratio might be artificially high because it assumes all marketing expenses are going toward attaining new members. However, it is still one of the best metrics to gauge marketing return and trends.

Source: Peer-to-Peer Analytics by Callahan & Associates

5 STATES WITH THE LARGEST MARKETING EXPENSE

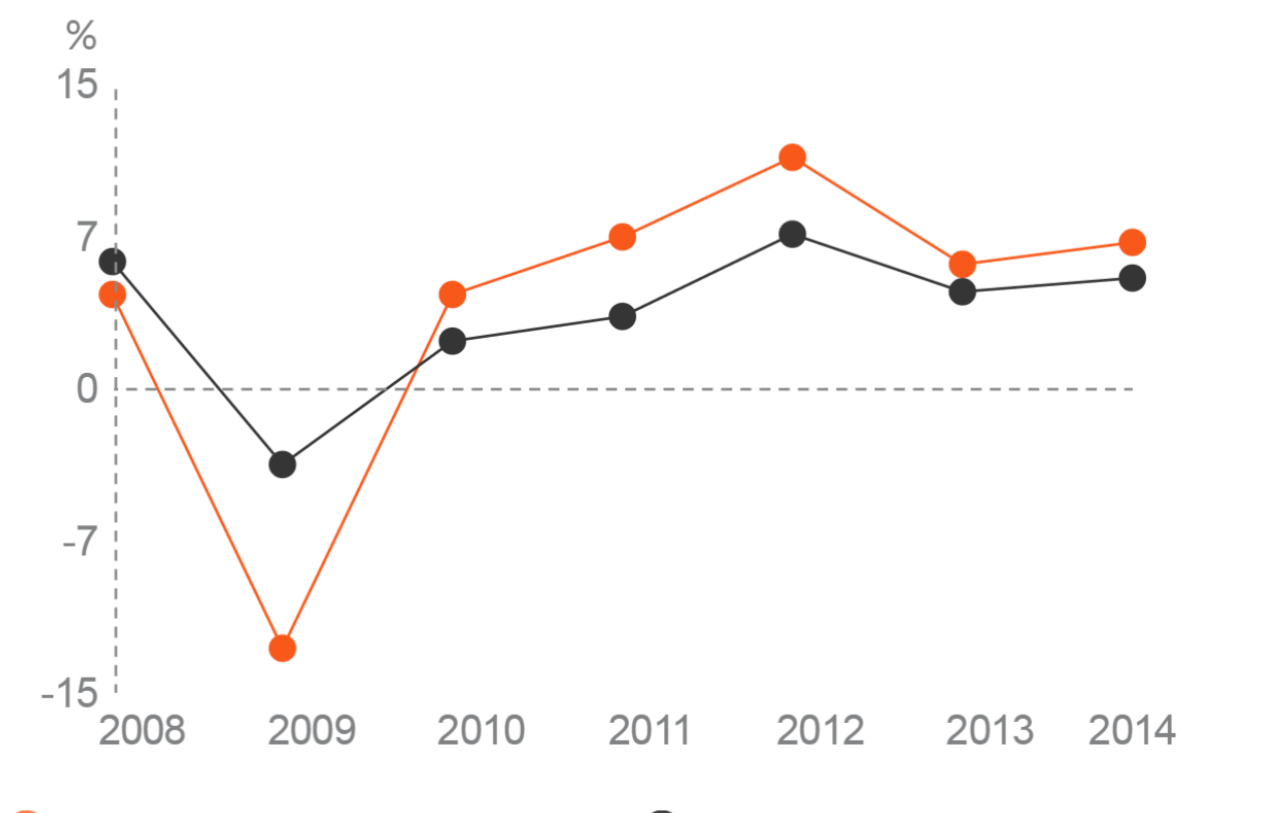
Roll over any state to see its average marketing expense and membership growth rate.



* Note: Virginia's state average does not include Navy FCU. With Navy FCU, Virginia's average marketing expense tops the nation at \$918,478 and its membership growth rate rounds out the top three at 8.7%.

Source: Peer-to-Peer Analytics by Callahan & Associates

MARKETING EXPENSE VS. OPERATING EXPENSE



When the recession hit in 2008, easier-to-control marketing expenses took a deeper cut than operating expenses. As the economy improves, marketing expenses are consistently increasing at a faster clip and today represent 3.81% of total operating expenses.

Source: Peer-to-Peer Analytics by Callahan & Associates

Note: Marketing expenses on the 5300 Call Report are grouped into one overall category—the educational and promotional expenses line item (account code 270) on the income statement. We used this line item to estimate credit union marketing expenses as this is the closest measure.