



# DOES TECHNOLOGY MATTER TO SMALL CREDIT UNIONS?

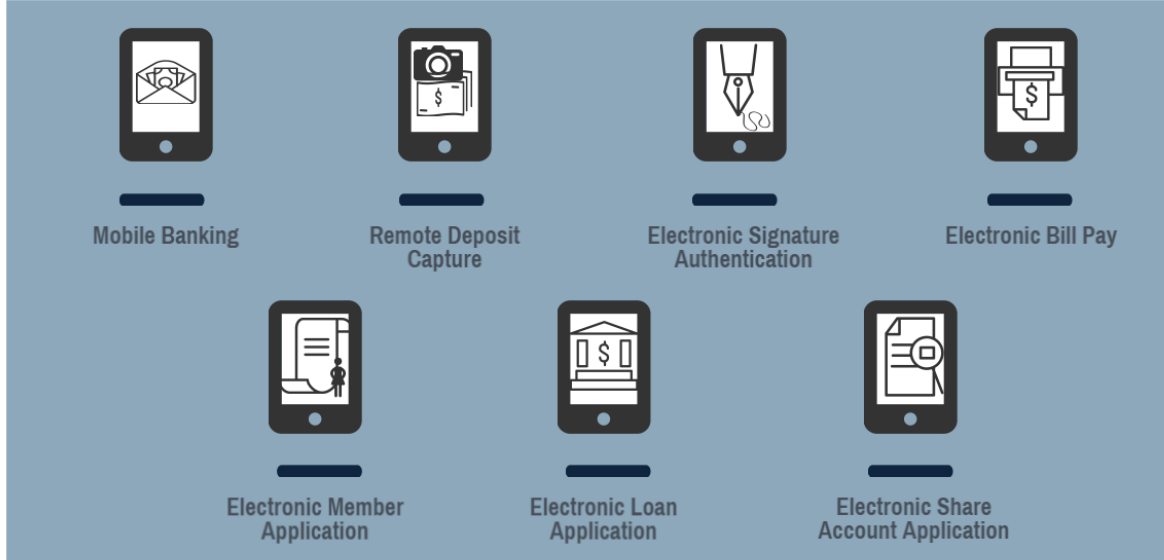
Five graphs show how technology offers a competitive advantage.

Callahan & Associates analyzed the performance of three groups of credit unions ...

- (1) Credit unions with <\$100M in assets that offer all seven strong technology options noted below.
- (2) Credit unions with <\$100M in assets that offer some of these options.
- (3) Credit unions with <\$100M in assets that offer none of these options.

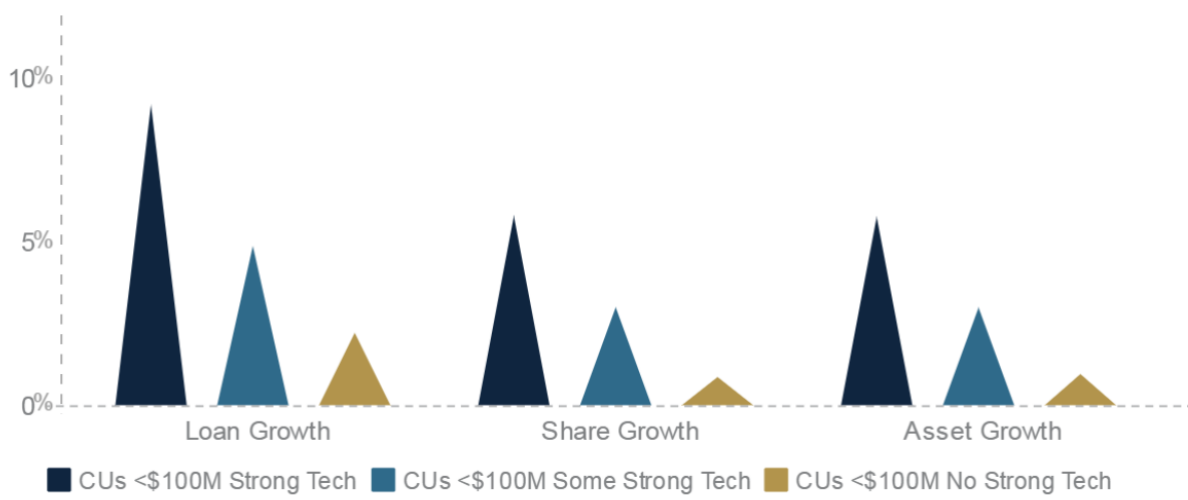
... and found these peer groups posted notable differences in key areas.

## Strong Technology Offerings



1

### GROWTH



2

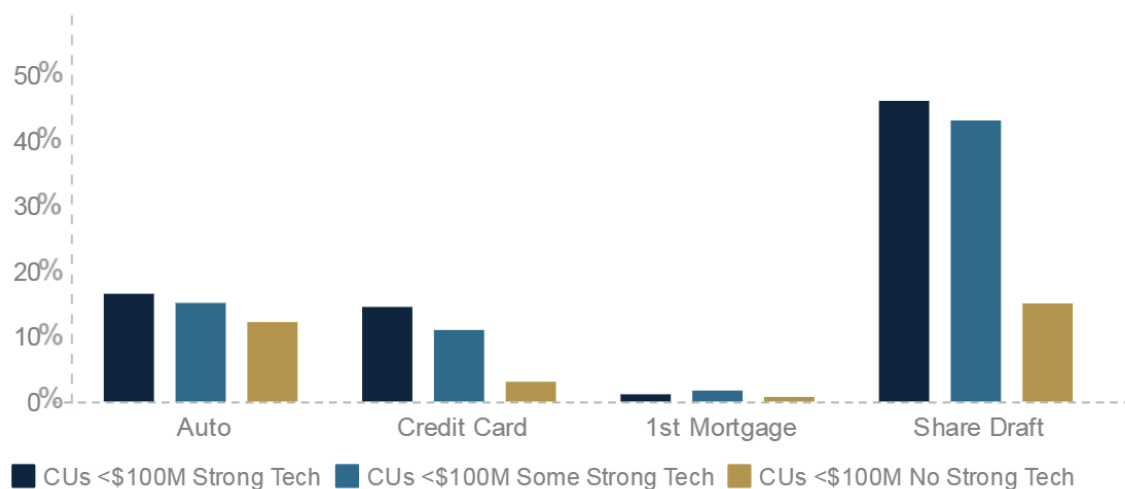
### AVERAGE MEMBER RELATIONSHIP



<b>\$11,865</b>
CUs <\$100M Strong Tech
<b>\$11,425</b>
CUs <\$100M Some Strong Tech
<b>\$8,463</b>
CUs <\$100M No Strong Tech

3

### PRODUCT PENETRATION



4

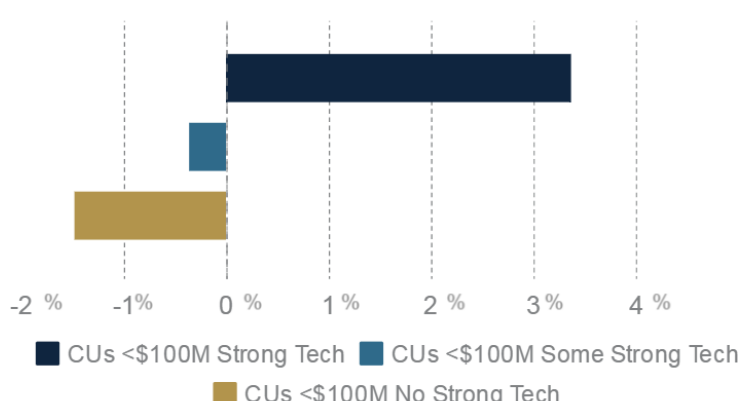
### OPERATING EXPENSE OVER AVERAGE ASSETS



<b>4.54%</b>
CUs <\$100M Strong Tech
<b>3.68%</b>
CUs <\$100M Some Strong Tech
<b>2.77%</b>
CUs <\$100M No Strong Tech

5

### MEMBER GROWTH



### CONCLUSION

**YES, technology matters.**

Credit unions that offer a variety of technology options have higher operating expense ratios; however, the benefits of technology is evident in not only standard growth and penetration rates but also average member relationship and member growth.

Credit unions in this asset band that offered all seven technology options posted 3.37% member growth. The other two groups posted negative year-over-year member growth.