

“Sound the Alarm: Blazing a
Path to New Lending
Opportunities within your
Sponsor Groups”

Firefighters’ National
Credit Union Summit
October 6, 2010

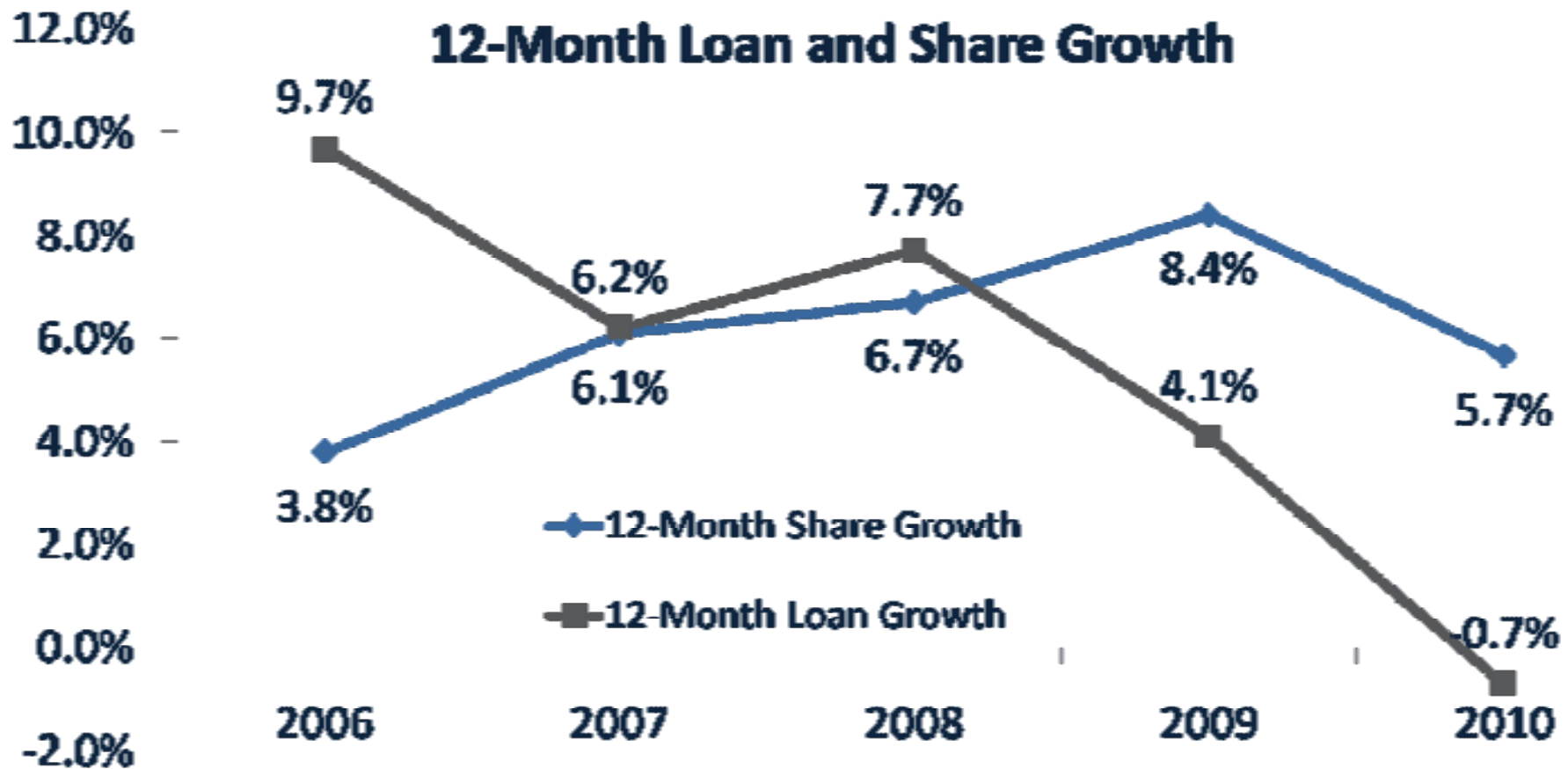
Agenda

- Credit Union Performance in 2010
- #1 Challenge and Opportunity
- Pillars of the Community
- The Big Picture: Credit Unions and Municipal Finance

Credit Union Performance in 2010

Loan & share growth rates have slowed

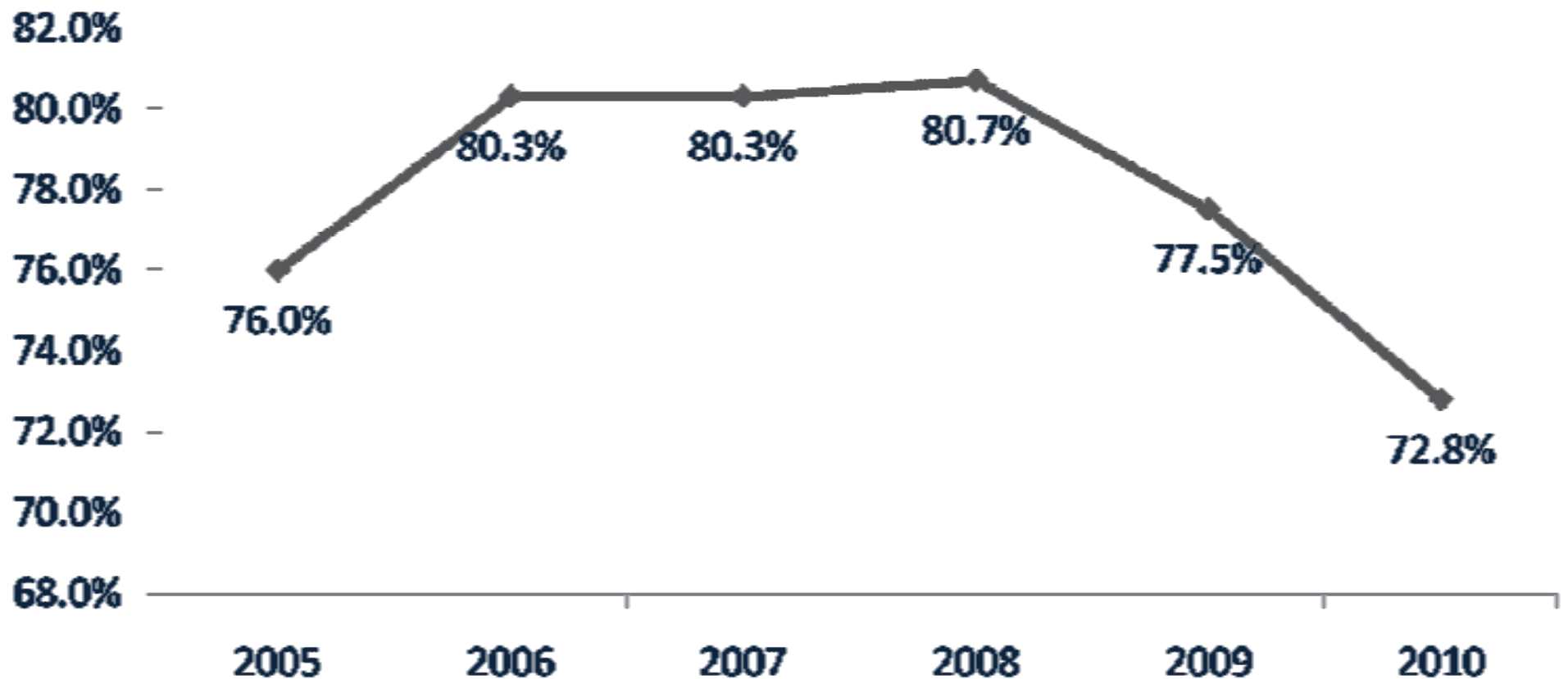
Data for all US Credit Unions as of June 30



Source: Callahan's Peer to Peer Software

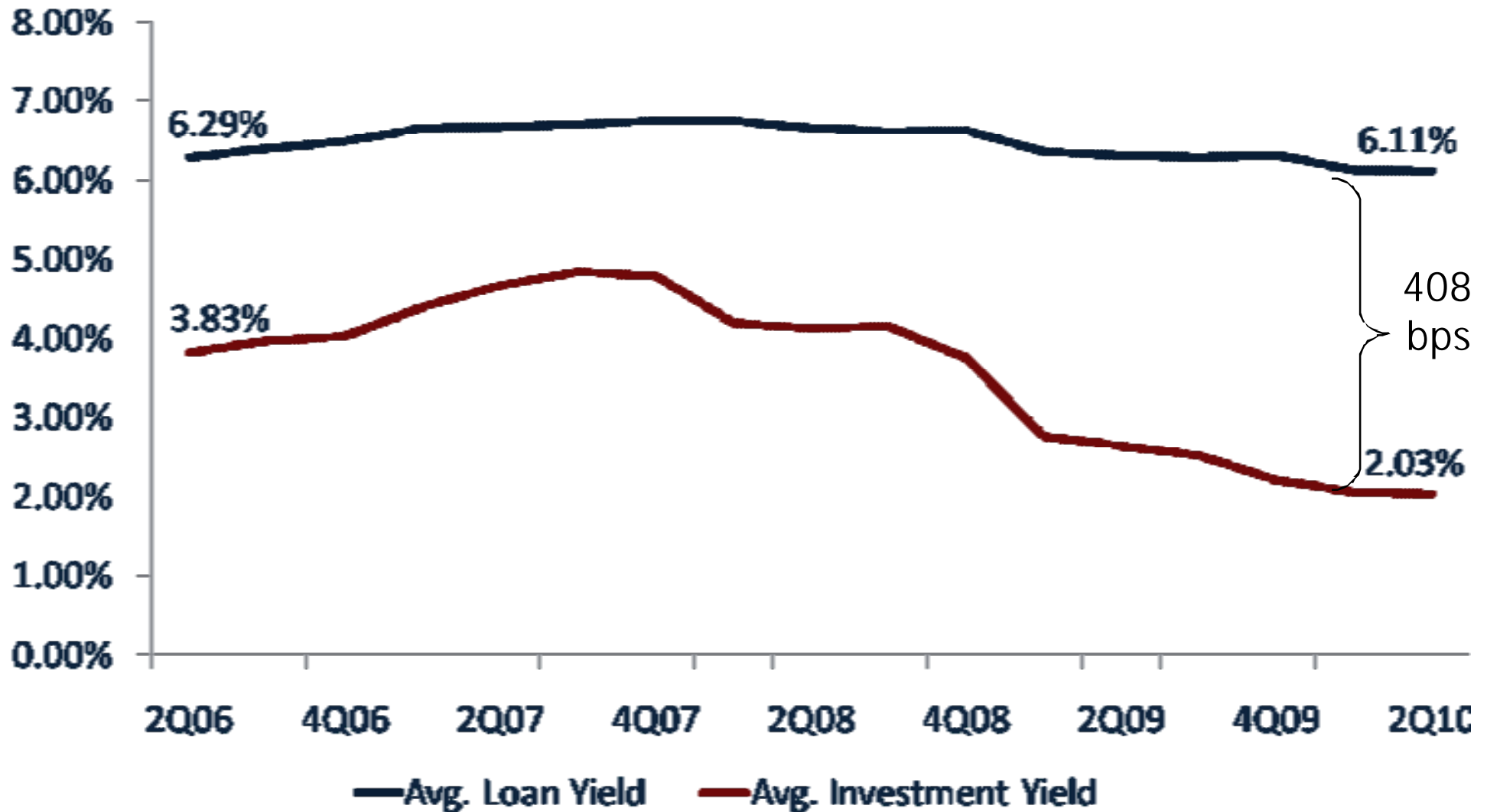
Credit unions are awash in liquidity due to slowing loan growth

Loans/Shares



Source: Callahan's Peer to Peer Software

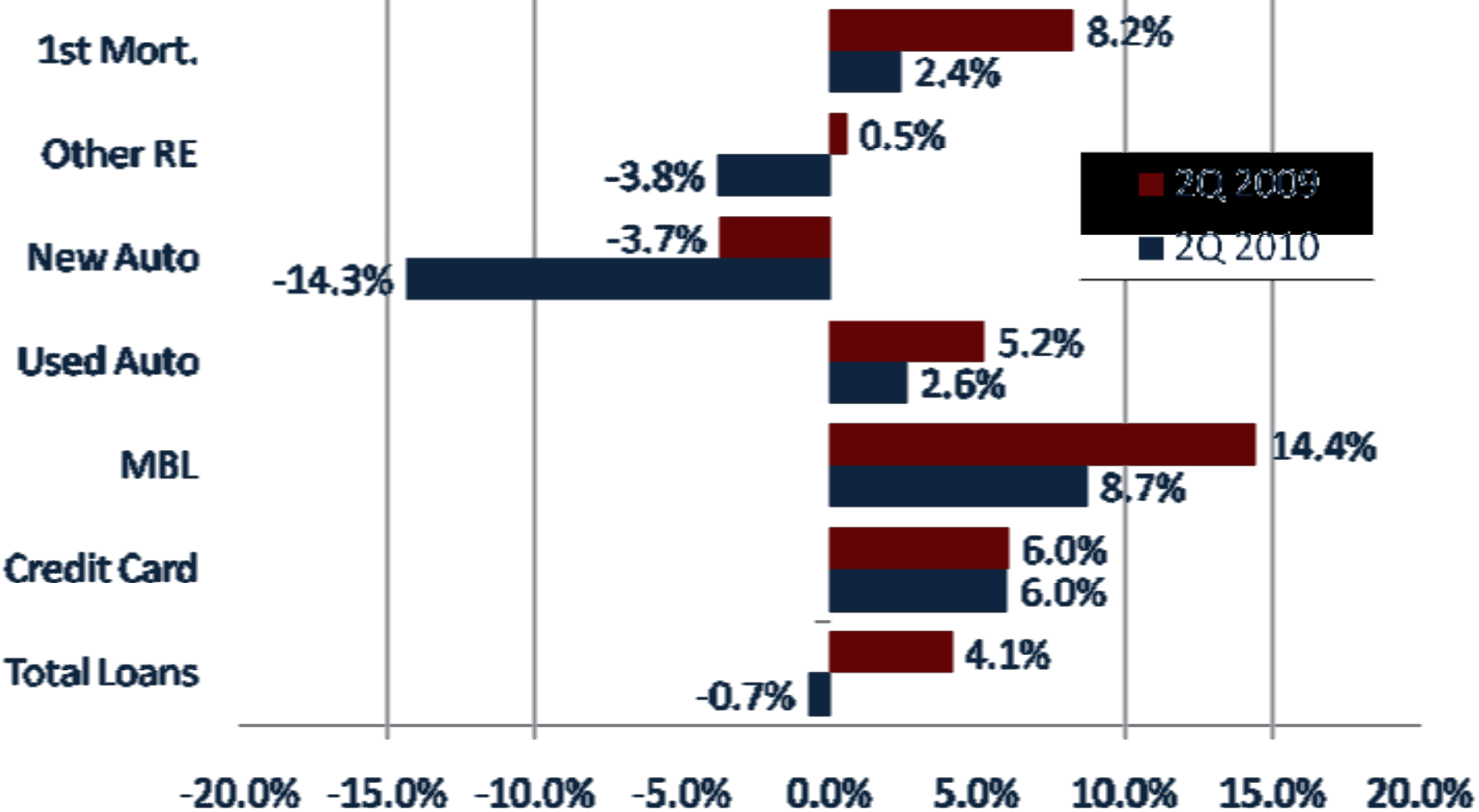
The gap between the average loan and investment yields continues to widen



Source: Callahan's Peer to Peer Software

Credit cards & business loans have provided the best growth opportunities

12-mo. Growth as of June 30, 2010 for all U.S. credit unions

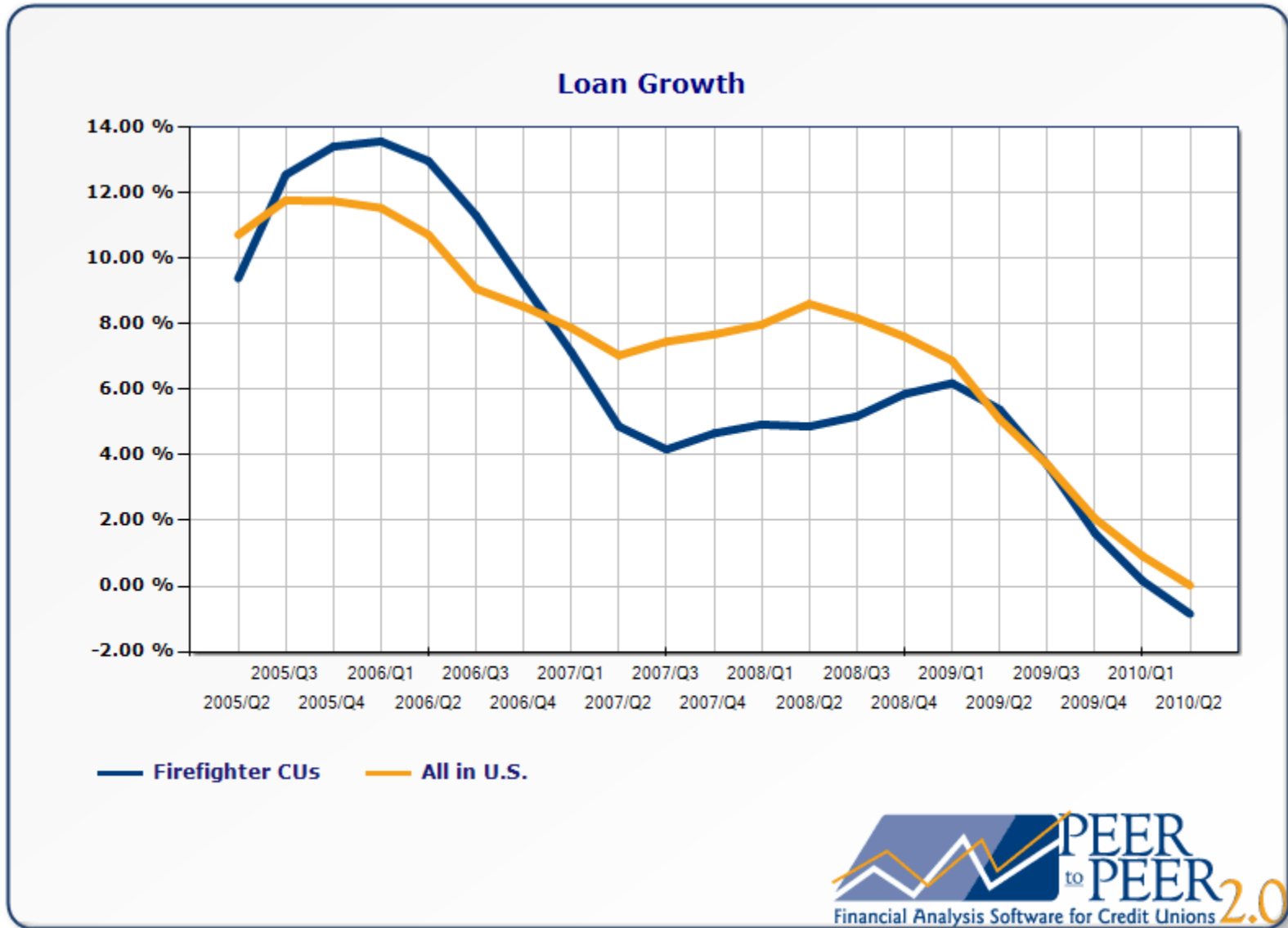


Source: Callahan's Peer to Peer Software

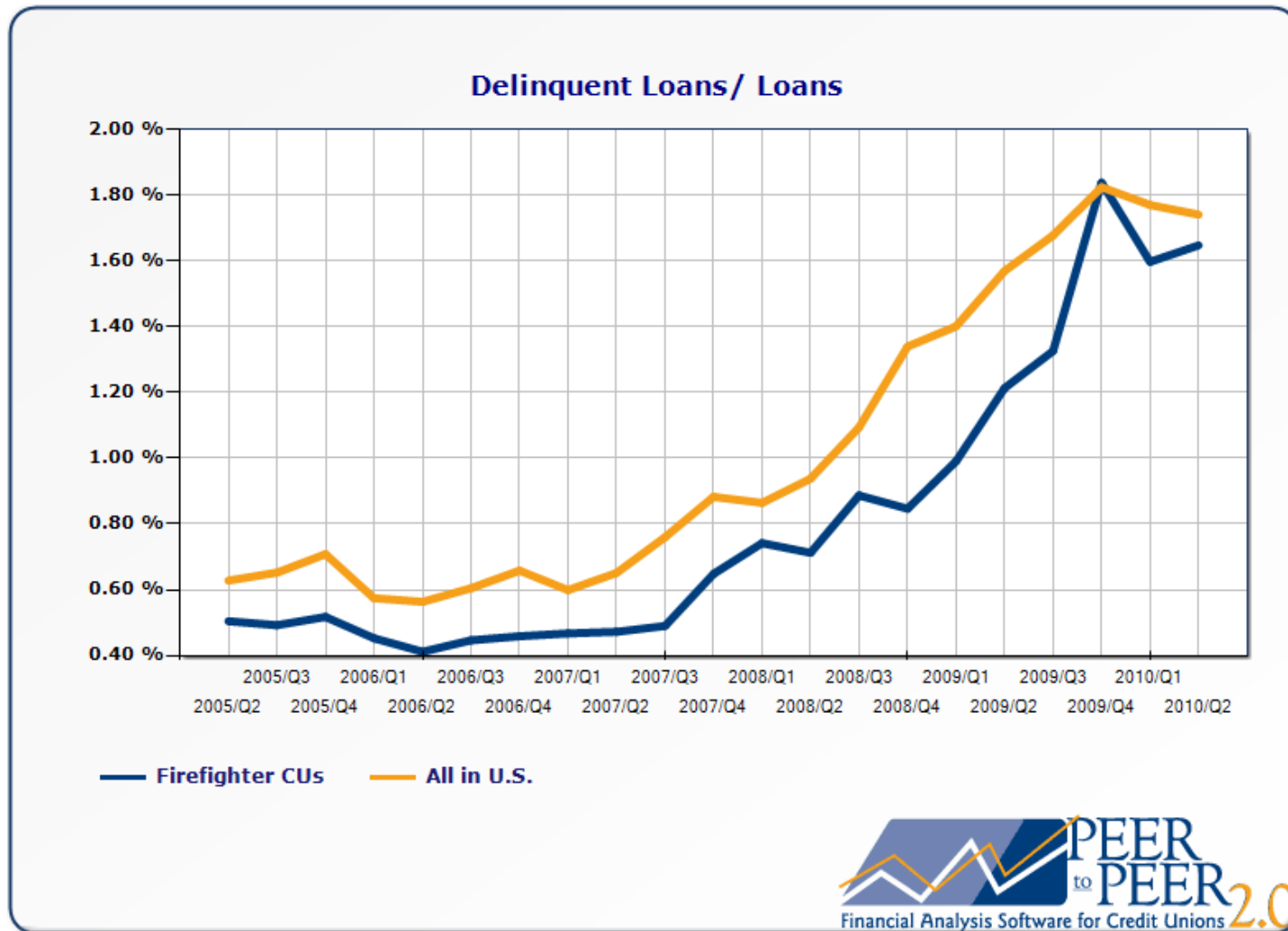
U.S. & Firefighter Credit Union Performance in 2010

Data as of June 30, 2010

Firefighter credit unions can identify with the need for loans



Firefighter credit unions have fewer delinquent loans



What is your reaction
to these results?

The Credit Union System's #1
challenge and opportunity

Growing Loans

Credit unions' cooperative advantage

- We're "local" and put members first
- Consumers / markets moving to trusted lenders
- Credit unions are relationship focused
- Not-for-profit business model – take the "long view"
- We know how to work together

How far can these advantages take us?

Local Partnerships—Current examples

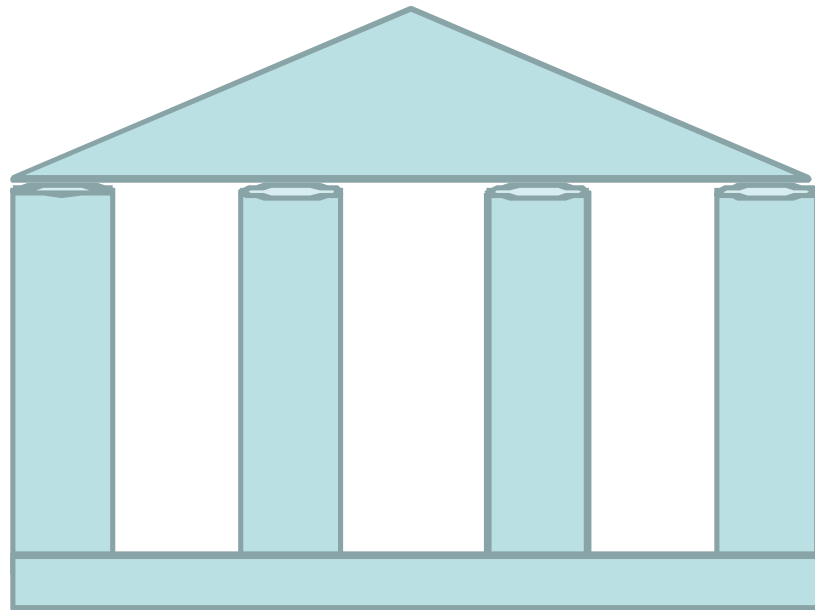
- YMCA branches
- Church loans
- Fire houses / Fire trucks
- Community colleges
- Solar lending
- Roofing / Pool installations
- Sylvan Learning Centers



Why build partnerships?

If you were to wake up tomorrow and your credit union was gone, would your members notice?

Pillars of the Community



***Relying on each other to
cultivate strong communities***

Municipal Finance Market

- Fragmented market
- No captive financing
- Low default rate

How can CU's serve municipalities?

Government Business
Solutions:

Liquidity/Cash
management

Payment Solutions

Credit, Loans, Leasing

Local
governments

Member Services:
Deposit Products
Loans and Credit
Wealth Management

How to Grow Loans

Fire Apparatus, fire equipment, real estate

Home Sweet Home

LGFCU
LOCAL GOVERNMENT
FEDERAL CREDIT UNION



Fire Departments Serve as Home and Work Places

The Upper Hominy Fire Department was completed in February 2010 after a 2½ year construction process. Most fire departments are custom designed to fit a particular department's needs.

Are there more loans out there?

Technology
Platforms

Libraries

Emergency
Services

Health Services
(hospitals, clinics,
etc)

Public Works
(snow removal,
water, waste,
streets, etc)

Education (School
supplies,
secondary
education, etc)

Transit (Bus/Rail)

Parks and Rec

Tourism/Economic
Development

The Big Picture:

Credit Unions and the Municipal Finance Market

Where we are today:

Market Validation

If we build it will they come?

What we don't know yet

- Operating model
- Pricing
- Participation options

What we are looking for:

Credit unions that
want to work with us to identify
market opportunities

Thank you!

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