



Membership Growth Analysis

Jan 07 – Dec 08

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Table # 1 below shows the total number of members (all and direct) for certain months; the figures are end of month figures. Although we have suffered a net decline in membership, overall the rate of decline for direct members (excludes indirect auto loan members) has been smaller than the entire population (see table # 2); this is good news. As of Nov 08, the number of direct members in 2008 had not decreased.

Table # 1

	Total # of Members	
	All	Direct
Dec 06	58,895	52,776
Jun 07	57,982	51,761
Dec 07	58,095	51,788
Jun 08	57,809	52,034
Dec 08	57,114	52,053

Table # 2

	Members - % Change	
	All	Direct
Jan 07 - Dec 08	-3.02%	-1.37%
Jan 07 - Dec 07	-1.36%	-1.87%
Jan 08 - Dec 08	-1.69%	0.51%

Table # 3 shows the total number of new members for 2007 & 2008. The total number of new members is almost 18% lower in 2008 when compared to the same time period last year. However, when one looks solely at direct members, we had an increase of almost 11%. Moreover, as planned, the % of new indirect members decreased by almost 23% YTD. This portends very well for our future. We know that it is the direct members whose relationship well be able to grow in the long run.

From Jan 08 – Nov 08 the number of members who closed out their account has decreased by 4.41% when compared to the same time period last year. Although we are still losing more members than we are gaining, we have improved compared to last year. Nonetheless, the overall new/lost ratio is lower in 08 than 07.

Table # 3

	New			New as a % of Total		Total Lost	New/Lost Ratio
	Total	Indirect	Direct	Indirect	Direct		
Jan 07 - Dec 07	4,558	1,535	3,023	33.68%	66.32%	5,114	0.89
Jan 08 - Dec 08	3,767	403	3,364	10.70%	89.30%	4,901	0.77
Difference (08 vs. 07)	-791	-1,132	341	-22.98%	22.98%	-213	-0.12
% Change (08 vs. 07)	-17.35%	-73.75%	11.28%	-68.23%	34.65%	-4.17%	-13.76%

Table # 4 shows the total number of lost members for the months of May through November and same time period last year. The reason for beginning in May is because one has to go back at least six months to identify members who had an indirect auto loan, and for 2007 we do not have PanAm members data prior to Dec 06. Typically when members payoff the loan, they keep their savings account open for a few months. It is a bit trickier to identify lost indirect members. Once the indirect loan is paid off they are not considered an indirect member in our system.

Based on the aforementioned period (May - Nov), the number of lost **direct** members declined by over 13% when compared to the same time period last year, while the number of **indirect** lost members increased by over 130%.

Table # 4

	Lost			Lost as a % of Total		New/Lost Ratio	
	Total	Indirect	Direct	Indirect	Direct	Total	Direct
May 07 - Dec 07	3,401	141	3,260	4.15%	95.85%	0.93	0.65
May 08 - Dec 08	3,170	321	2,544	10.13%	80.25%	0.73	0.82
Difference (08 vs. 07)	-231	180	-716	5.98%	-15.60%	-0.21	0.17
% Change (08 vs. 07)	-6.79%	127.66%	-21.96%	144.25%	-16.28%	-22.10%	25.85%

Chart # 1 shows the new/lost ratio for all members. Except for February and May, we have been below last year's trend.

Chart # 1

All Members New/Lost Ratio

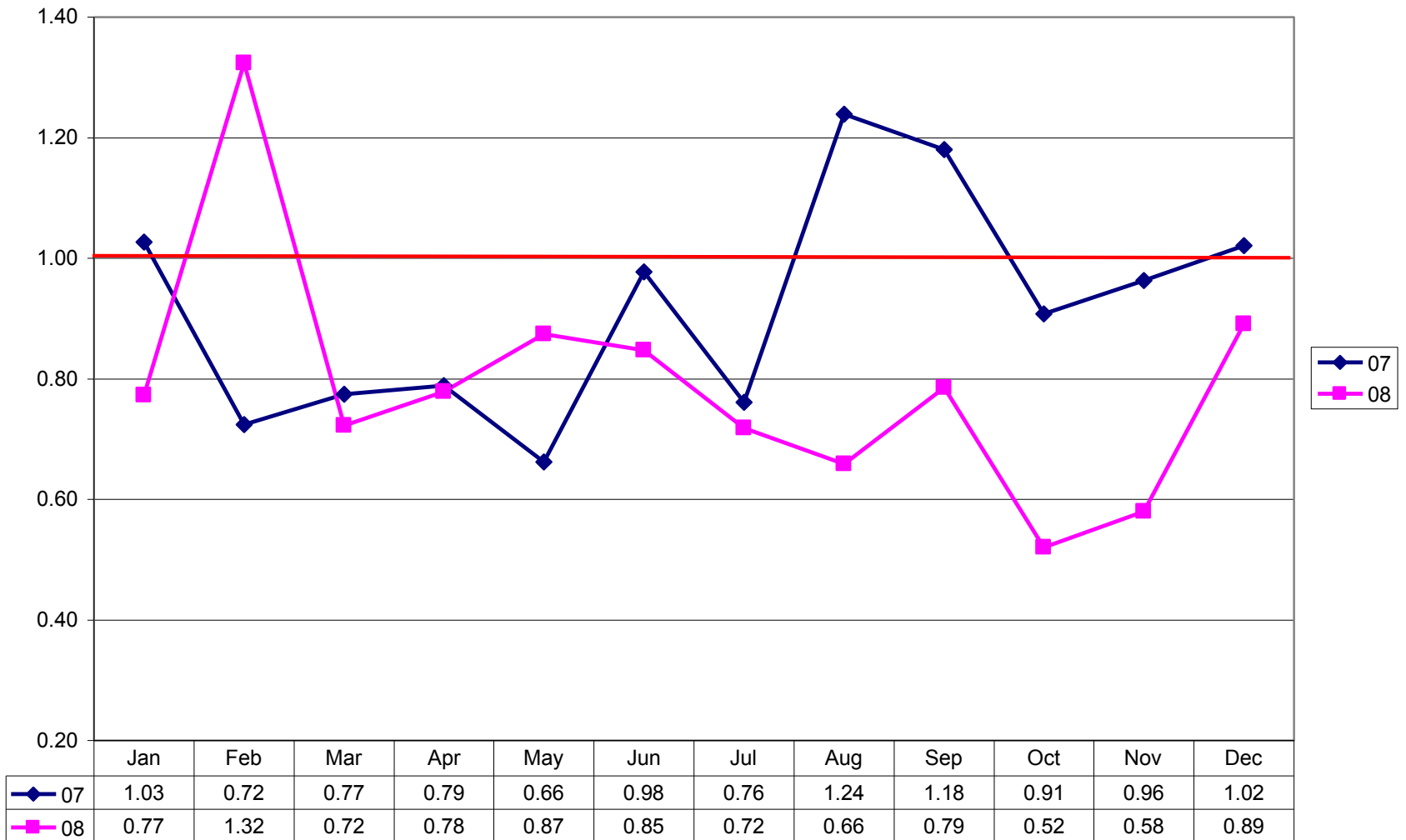
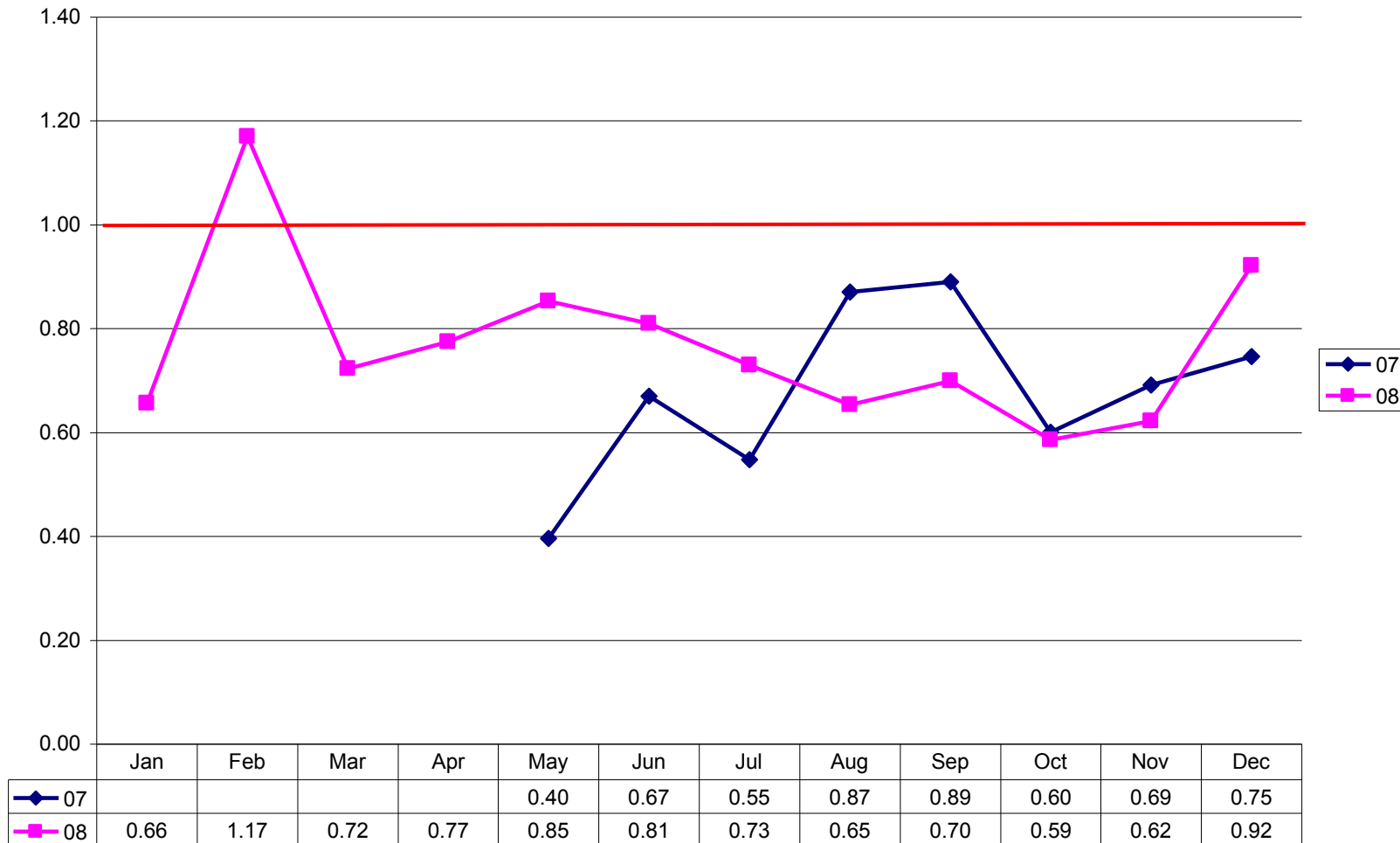


Chart # 2 shows the new/lost ratio for all direct members. In Aug 07 there was a jump in the ratio, most likely due to the introduction of the CBC. In addition, in the Fall of last year we aggressively advertised the CBC on TV, which partly explains why in '07, from Aug to Nov, the trend line has remained above this year's. Furthermore, the economic situation has worsened in '08.

Chart # 2

Direct Members New/Lost Ratio



The chart displayed below shows the total number of new and lost members per month.

Chart # 3

Monthly # of New & Lost Members
(Includes Members w/Indirect Auto Loans)
Jan 07 - Nov 08

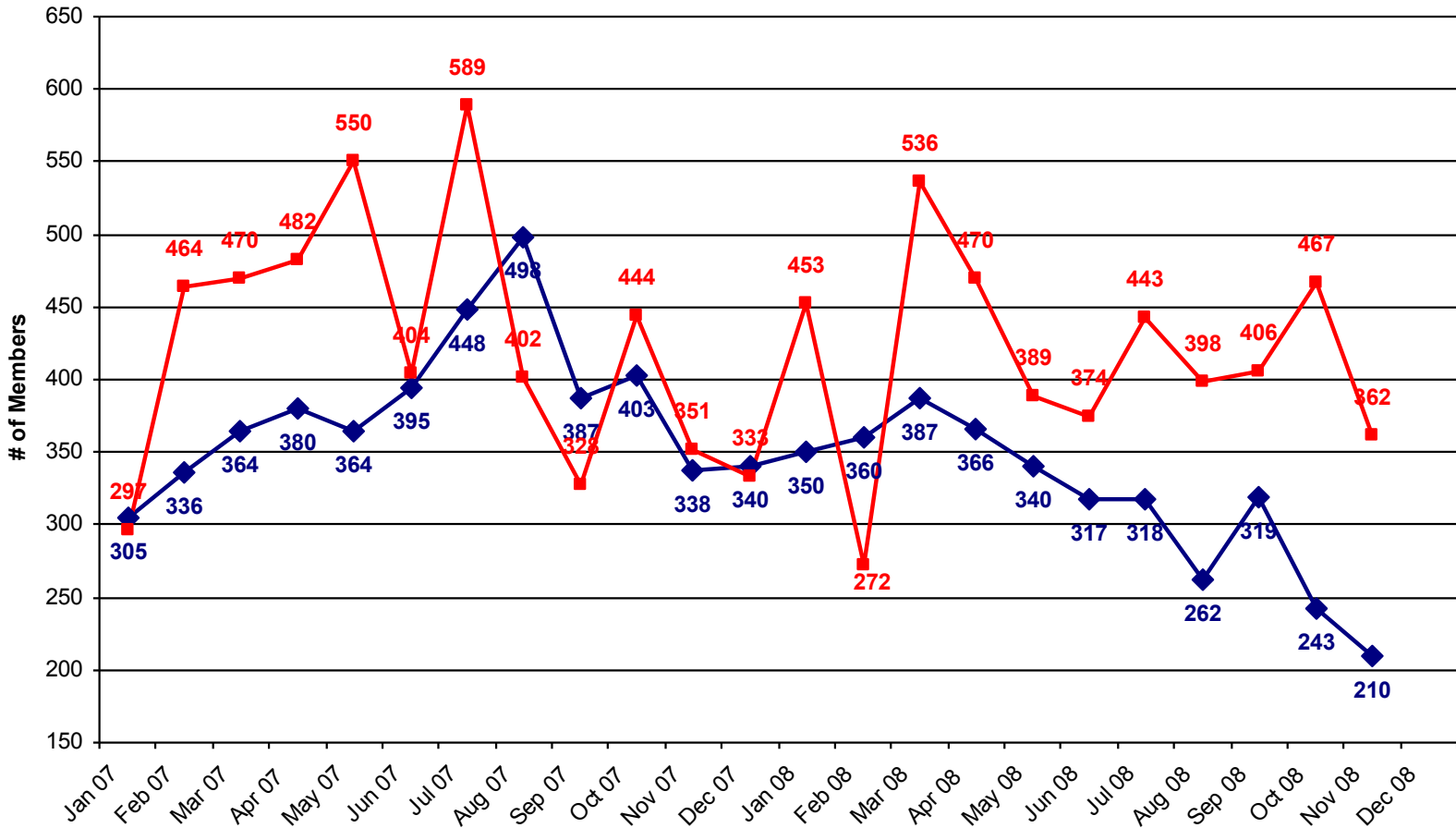
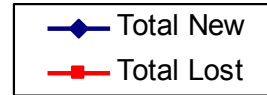


Chart # 4 is similar to chart # 3, except it excludes members with indirect auto loans. Similar to the previous chart, the number of lost members has exceeded the number of new ones for ten out of the eleven months this year. This negative trend is mainly due to our current economic situation, resulting in historically low loan production; a challenge we'll continue to face next year.

Chart # 4

**# of Direct New & Lost Members per Month
May 07 - Nov 08**

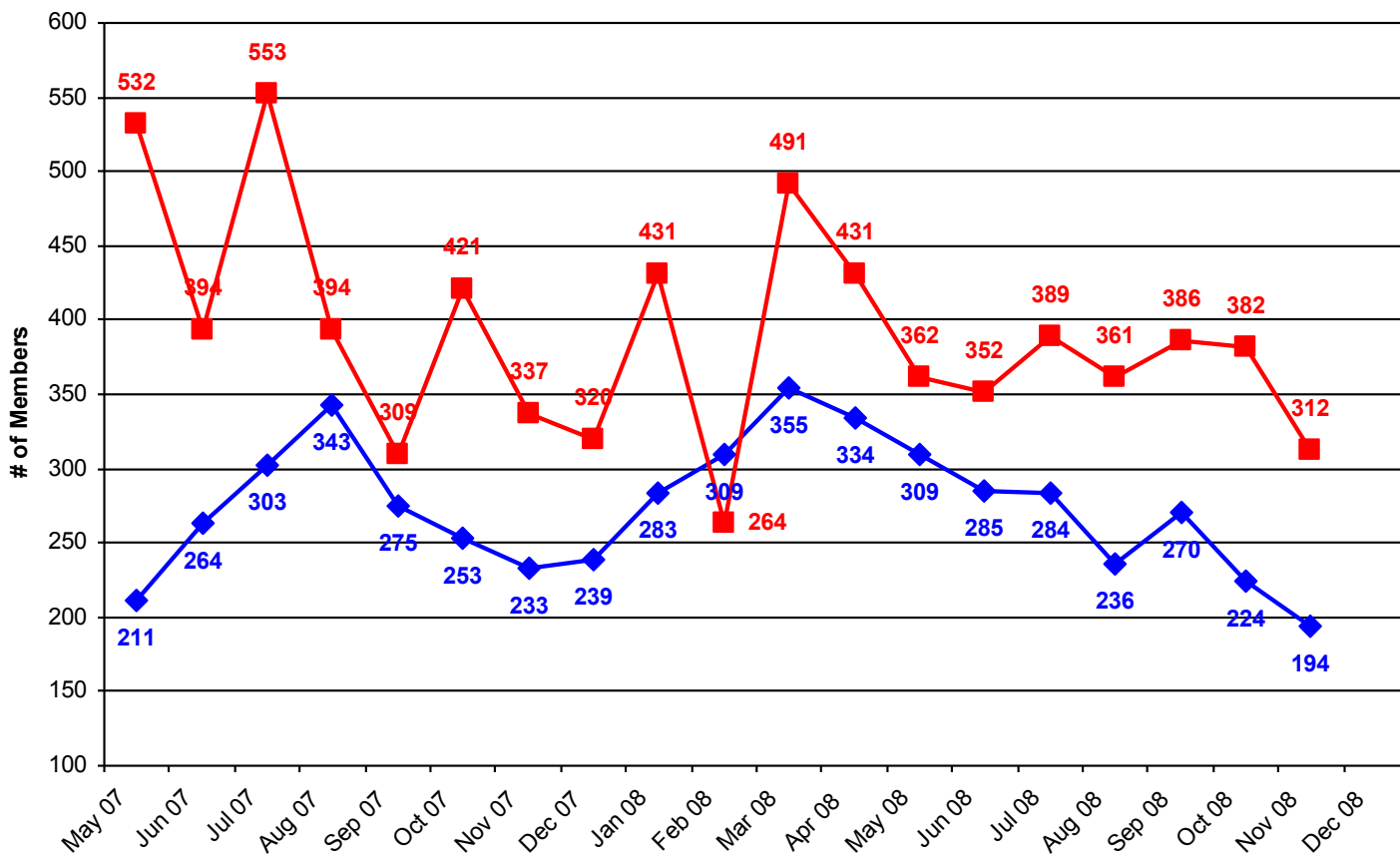
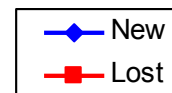
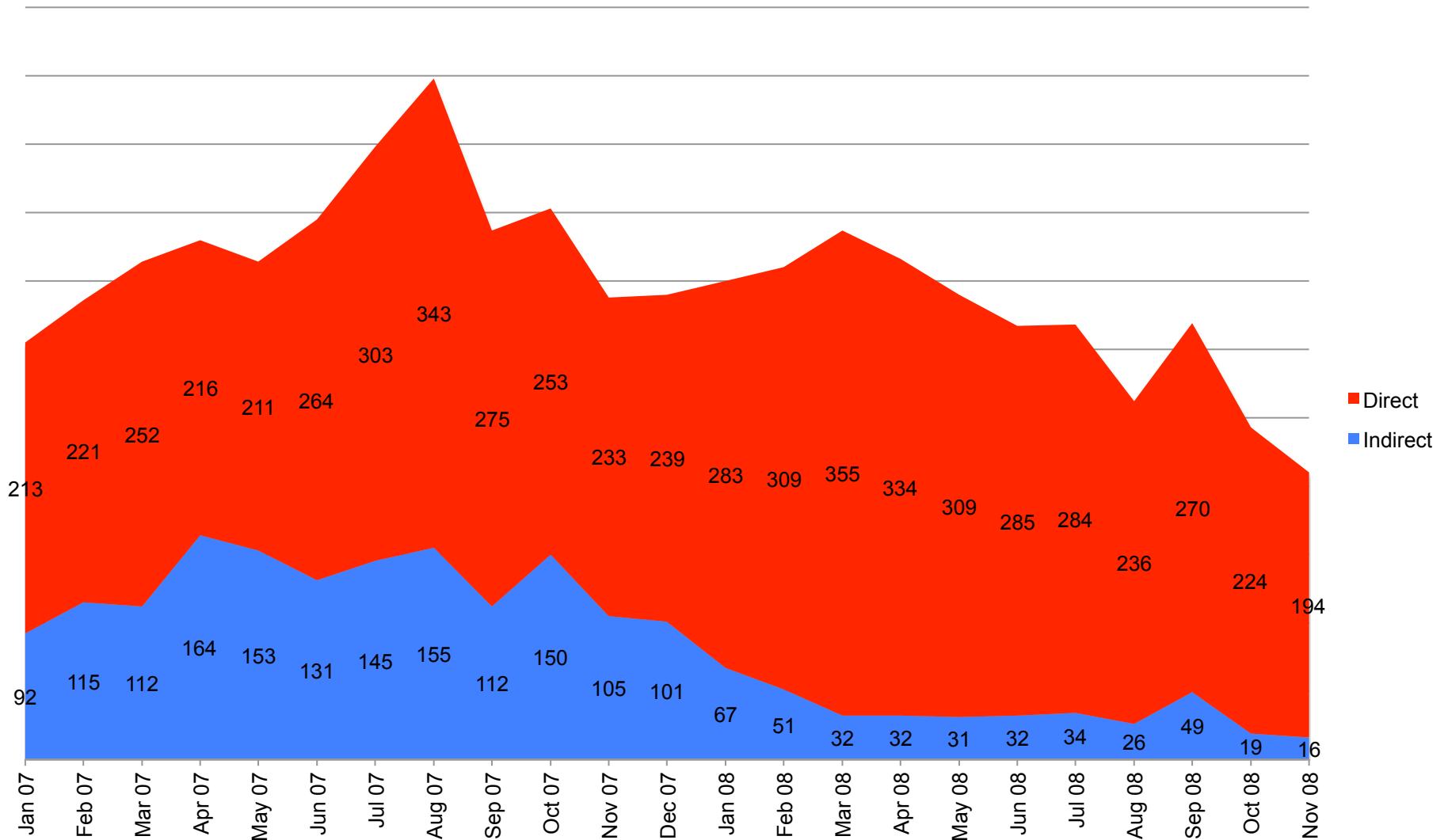


Chart # 5 shows the total number of new direct and indirect members from Jan 07 thru Nov 08.

Chart # 5

New Members (Direct & Indirect Loans)



The main product sold to new **direct** members, start date between Sep and Nov, was the checking product (306 accts), followed by the MM promo (42 accts) and used auto (41 loans). Table # 5 shows the age distribution of new **direct** members with the above start date. The 26 – 35 and 36 – 45 age groups have the highest percentage of new members, combined they constitute 37.5% of total. The 36 – 45 have the highest total loan balance (34.5% of total), and the 46 to 55 the highest deposit balance, while the 56 – 65 have the highest service ratio.

Since we are trying to increase our loan production, the 36 – 45 age group should be a primary target, in terms of new members, followed by the 26 – 35 and 46 to 55 age groups. Used auto loans was the main loan product followed by new auto loans; it appears that the \$200 cash back auto refi ad was effective in attracting new members. Table # 6 shows the average auto loan balance (new and used) for each age group. There were only two mortgage and three home equity sales by this group of new members.

Table # 5

Age Group	Total Ind	As % of Total	Tot Svcs	Svc Ratio	Total # of Accts	Accts/Mbr	Total # of Dep Accts	Dep Accts/Mbr	Dep Bal	Loan/Ind	Loan Accts	Loan Bal
1 to 17	94	13.62%	111	1.18	167	1.78	167	1.78	\$33,153	0	0	\$0
18 to 25	103	14.93%	175	1.70	178	1.73	170	1.65	\$371,547	8	8	\$97,381
26 to 35	131	18.99%	220	1.68	223	1.70	208	1.59	\$363,495	15	15	\$261,663
36 to 45	128	18.55%	219	1.71	225	1.76	212	1.66	\$780,260	12	13	\$462,495
46 to 55	116	16.81%	213	1.84	225	1.94	210	1.81	\$1,593,994	15	15	\$237,012
56 to 65	73	10.58%	142	1.95	144	1.97	134	1.84	\$926,924	10	10	\$260,111
66 to 75	21	3.04%	35	1.67	36	1.71	35	1.67	\$310,107	1	1	\$20,476
76 to 85	14	2.03%	29	2.07	29	2.07	29	2.07	\$263,701	0	0	\$0
86 to 98	2	0.29%	5	2.50	6	3.00	6	3.00	\$106,175	0	0	\$0
Other	8	1.16%	9	1.13	16	2.00	16	2.00	\$1,005	0	0	\$0
TOTALS	690	100.00%	1,158	1.68	1,249	1.81	1,187	1.72	\$4,750,361	61	62	\$1,339,138

Table # 6

Age Group	Auto Loans Avg Bal	
	Used	New
26 - 35	\$18,218	\$15,896
36 - 45	\$19,964	\$31,762
46 - 55	\$16,732	\$23,675
56 - 65	\$13,190	\$0

Of the new members (Sep – Nov) who opened a checking account, the 26 – 35 age group had the highest percentage of CBC accounts, this is not surprising since this group is more likely to use electronic banking. The 56 – 65 age group had the highest average CBC balance (see table # 7). Interestingly, the 56 – 65 age group has the second highest percentage of CBC accounts. Originally, I expected the downward adoption trend to continue from younger to older.

Table # 7

Age Group	CBC as a % of Total Ckg	Avg CBC Bal
26 - 35	63.6%	\$3,997
36 - 45	56.2%	\$6,087
46 - 55	49.2%	\$6,667
56 - 65	56.7%	\$8,241

Table # 8 shows the percentage of new and lost **direct** members for the different age groups for the months of Sep - Nov. At least from a percentage standpoint, we appear to be gaining with the younger age segments.

Table # 8

Age Group	As % of Total		
	New	Lost	Difference
1 to 17	13.62%	7.00%	6.62%
18 to 25	14.93%	8.20%	6.73%
26 to 35	18.99%	15.05%	3.94%
36 to 45	18.55%	22.65%	-4.10%
46 to 55	16.81%	21.01%	-4.20%
56 to 65	10.58%	14.31%	-3.73%
66 to 75	3.04%	4.92%	-1.88%
76 to 85	2.03%	5.66%	-3.63%
86 to 98	0.29%	0.75%	-0.46%
Other	1.16%	0.45%	0.71%

Table # 9 shows the percentage distribution of new and lost **direct** members (Sep – Nov) per branch. Wanted to see if there were any trends in terms of branch distribution. It is interesting to see that Branch 13 (memberships opened online) made up 8.26% of new members, higher than six physical branches. In terms of the difference between new and lost, Sheridan fared the best followed by Florida City and Juno. Not surprisingly, Branch 19 (indirect) had the highest percentage of lost members, followed by Kendall and Homestead.

Table # 9

	As a % of Total		Difference
	New	Lost	
Branch 13	8.26%	0.00%	8.26%
Sheridan	11.74%	4.92%	6.82%
Florida City	12.03%	7.60%	4.43%
Juno	9.86%	5.66%	4.20%
Weston	5.22%	1.34%	3.88%
Roving Representative	3.77%	1.04%	2.73%
North Shore	6.23%	3.58%	2.65%
Blue Lagoon	8.12%	6.86%	1.26%
Hialeah	7.68%	7.30%	0.38%
Silver Lakes	2.90%	2.83%	0.07%
Kendall TC	16.52%	18.33%	-1.81%
Homestead	7.54%	14.61%	-7.07%
Branch 19	0.14%	25.93%	-25.79%