

2010 ICBA WEBINAR SERIES

**Driving Performance—**  
Succeeding in the new banking era.

# Best Performance Practices for Mutuals and Thrift Institutions.



*Presented by:*

**Kevin Tweddle**

Executive Vice President

Fiserv

Bank Intelligence Solutions

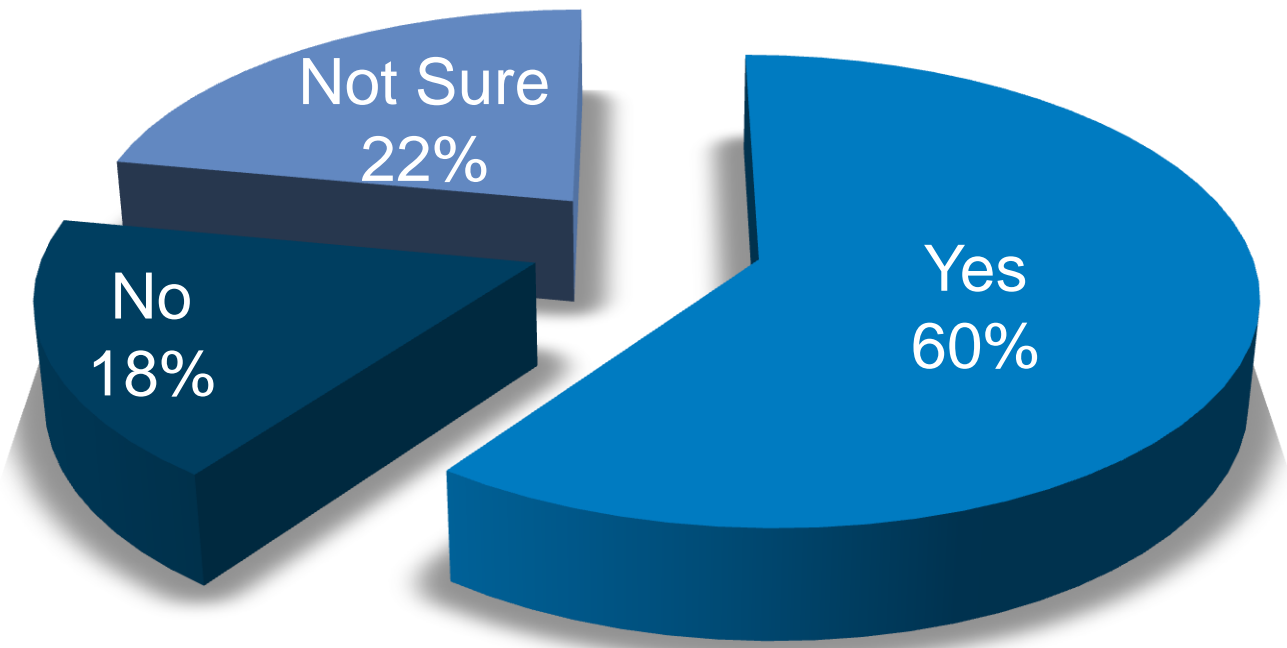
[kevin.tweddle@fiserv.com](mailto:kevin.tweddle@fiserv.com)

**fiserv.**

**ICBA**  
Preferred  
SERVICE PROVIDER

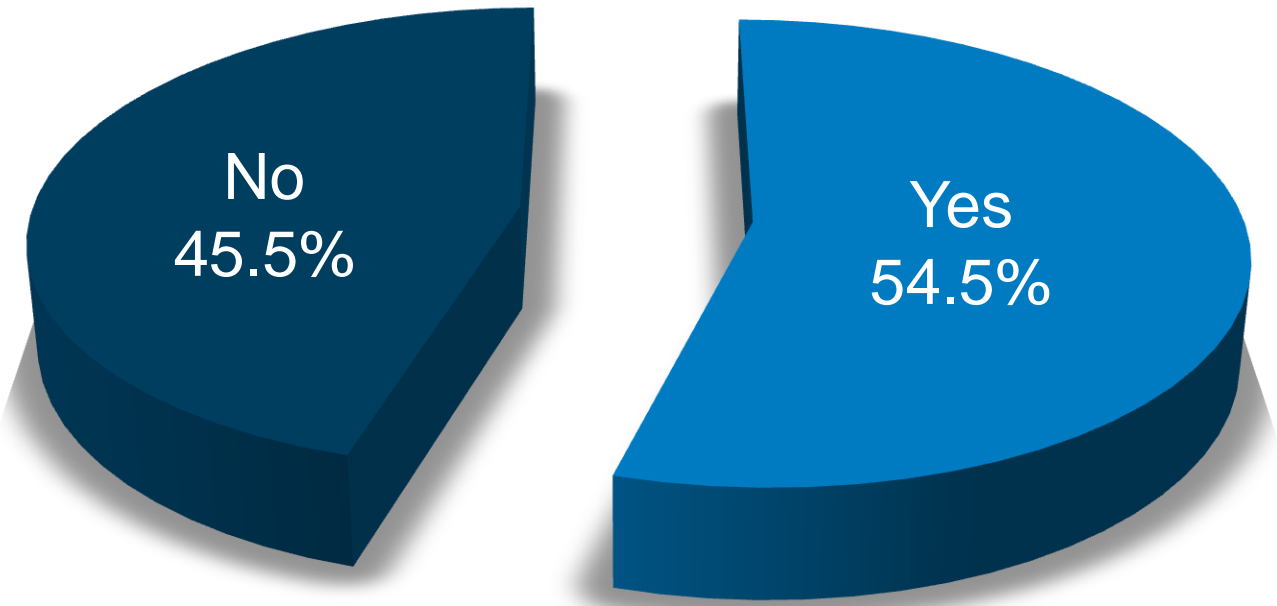


# Does your institution use peer performance ranking comparisons to drive your strategic planning?





# Are you considering any fee income additions/increases as part of your 2011 plans?



## Mutual Institutions – Quick Facts

- 498 mutual institutions (as of September 30, 2010) -down from 521 at December 31, 2009
- 284 TFR filers and 214 call report filers
- 65% operate in metro areas
- Median asset size is \$151 M (up from 149M LY)
  - Largest – Dollar Bank at \$5.8 billion
  - Smallest – Kentland Federal Savings at \$3.6 million
- Median branch offices is 3
- Median number of employees is 32
- Median equity capital to average assets of 11.25% (well above all thrifts at 10.53%)
- Median consumer loan mix of 80%

## Mutual Institutions – Quick Facts

- Median ROA of 0.39% (0.29% LY) and median ROE 3.28% (2.28% LY) (about the same as all thrifts at 0.40% and 3.39%)
- Median efficiency ratio of 75.39% (79.90% LY)  
(US average is about 70%)
- Median net interest margin of 3.35% (3.18% LY)  
(Below all thrifts median of 3.41%)
- Median deposit market share of 4.21% (4.18% LY)  
(SOD share within close proximity of the bank's branches; better than all thrifts at 2.79%)
- Median noninterest income/earning assets of 0.27% (0.28% LY)  
(less than half the US average)
- Median noninterest expense of 2.82% (2.86% LY)  
(about 40 basis points lower than US average)

## Mutual Institutions – Quick Facts

- Median nonperforming loans/total loans increased from 1.46% to 1.6% at September 30, 2010.
- Median NCO's were down from 0.14% to 0.08% for the same period.
- Loans to deposits have increased from 61.72% to 75.39% as of September 30, 2010.

## Mutual Institutions – Quick Facts

- Top 2 Performers

#1 Union County Savings Bank, Elizabeth, NJ

#2 First Piedmont S & L

Both had a noninterest expense < 1%, within the top 1% of all U.S. banks and thrifts.

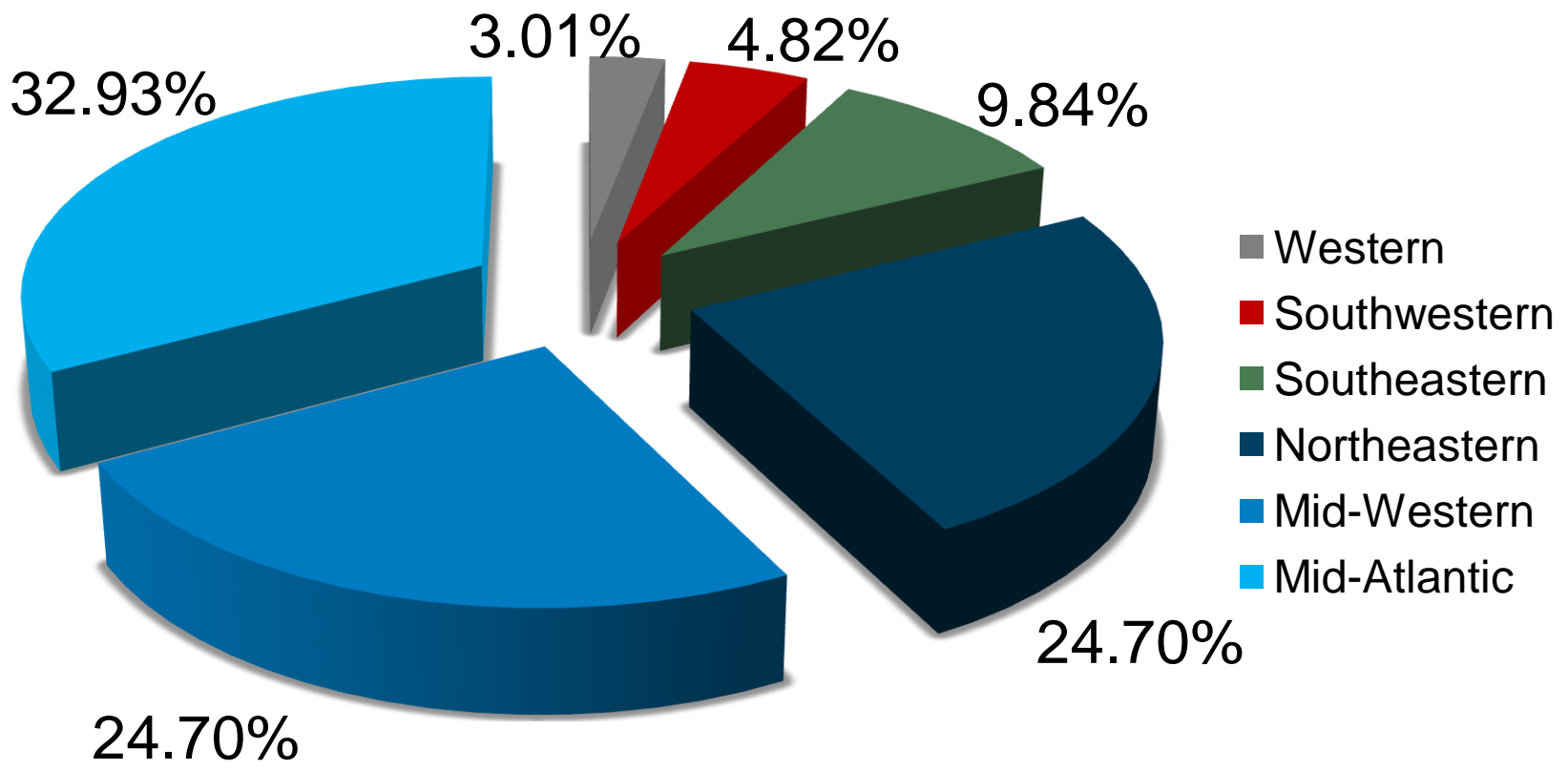
- Best Efficiency Ratio 29%

Maspeth Federal Savings



# Mutual Institutions – by Region

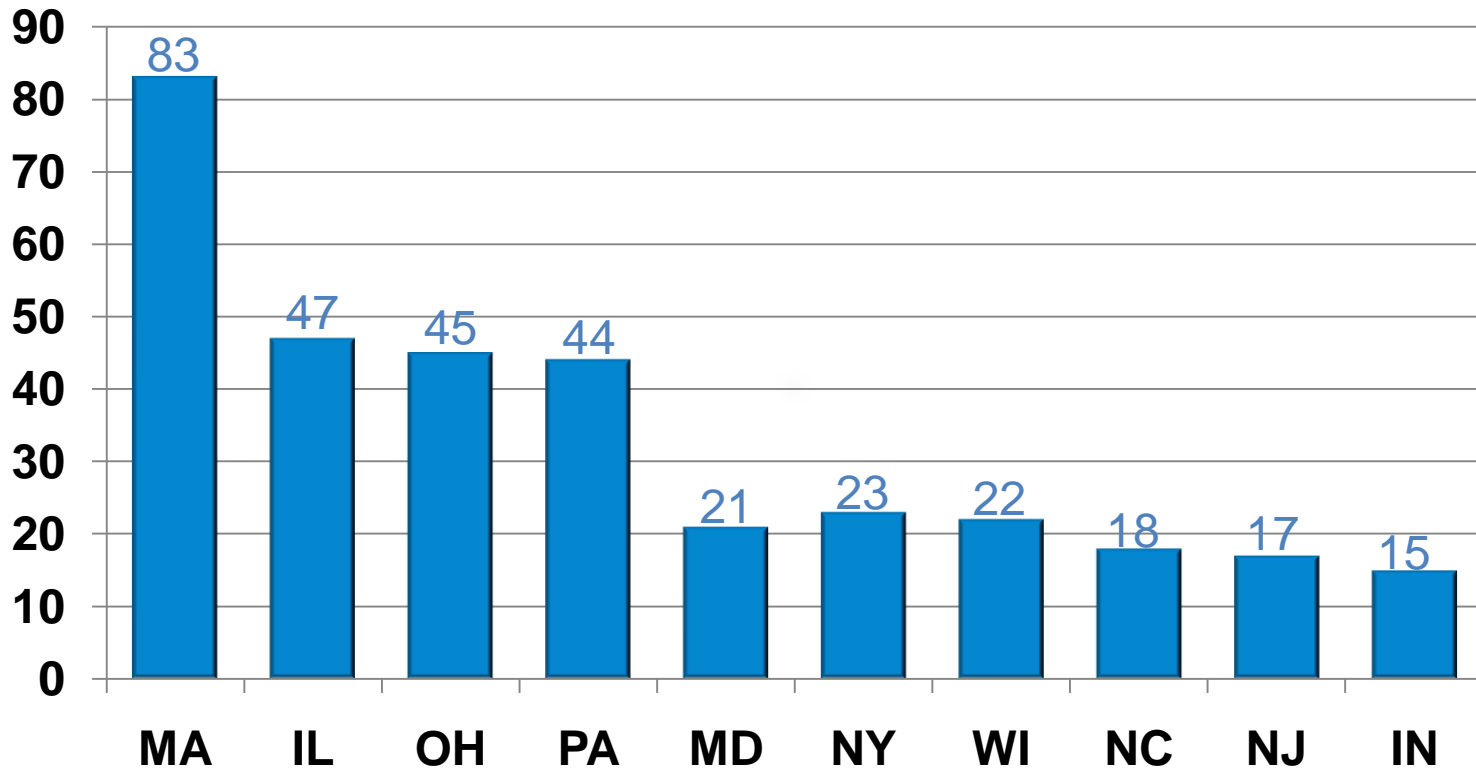
Percentage of Mutuals by Region





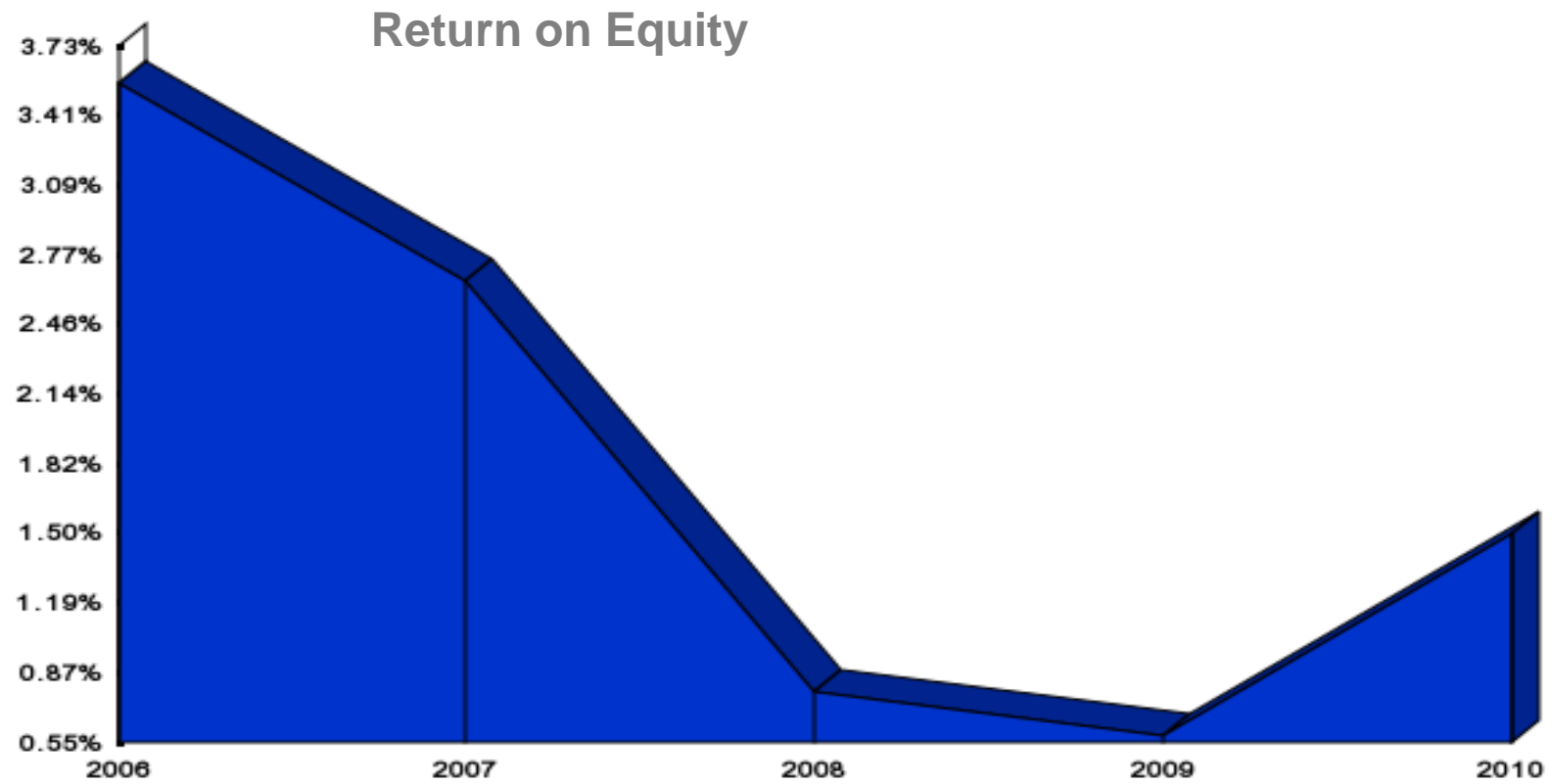
# Mutuals – by State

## Number of Mutuals per State (Top 10 Shown)



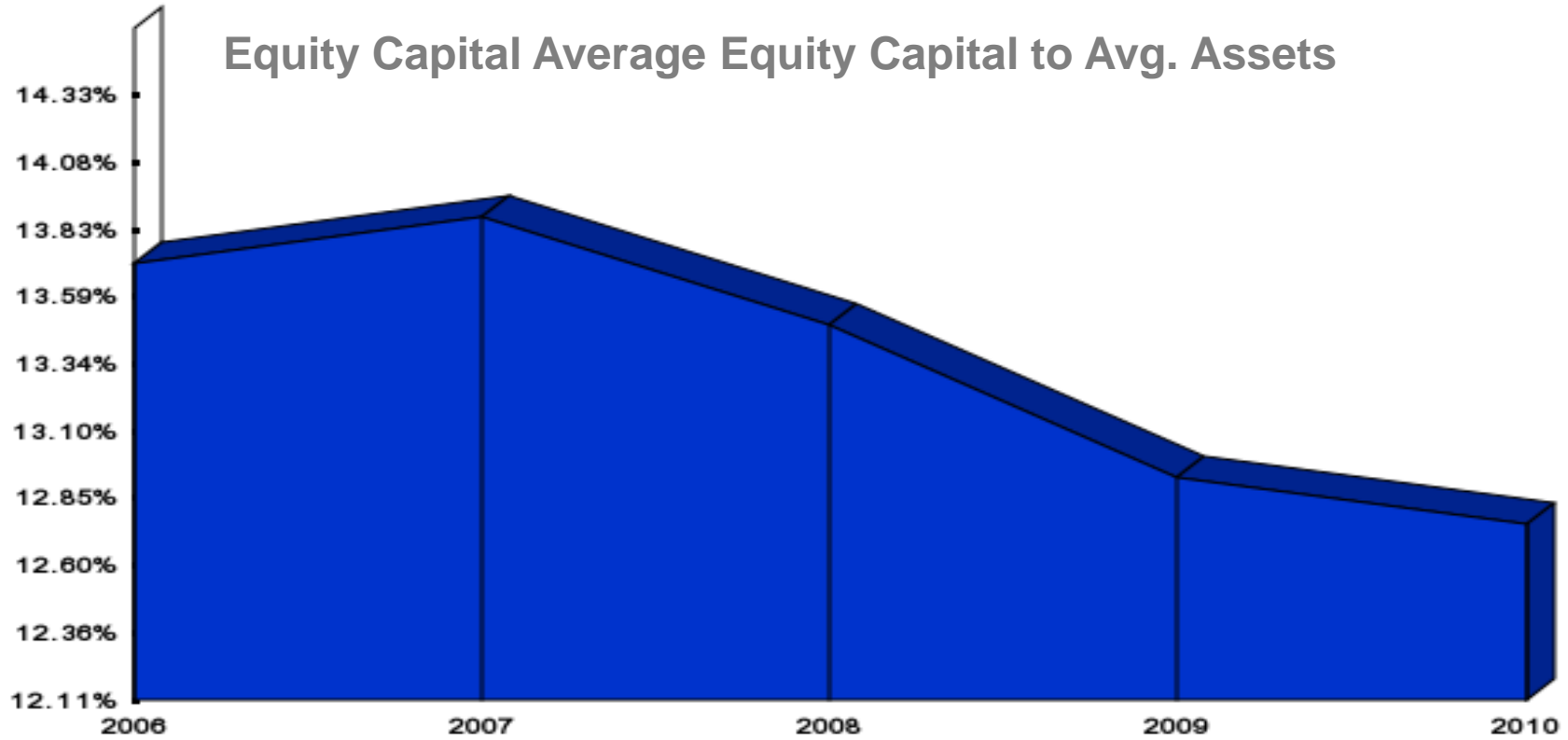


# Mutual Trends



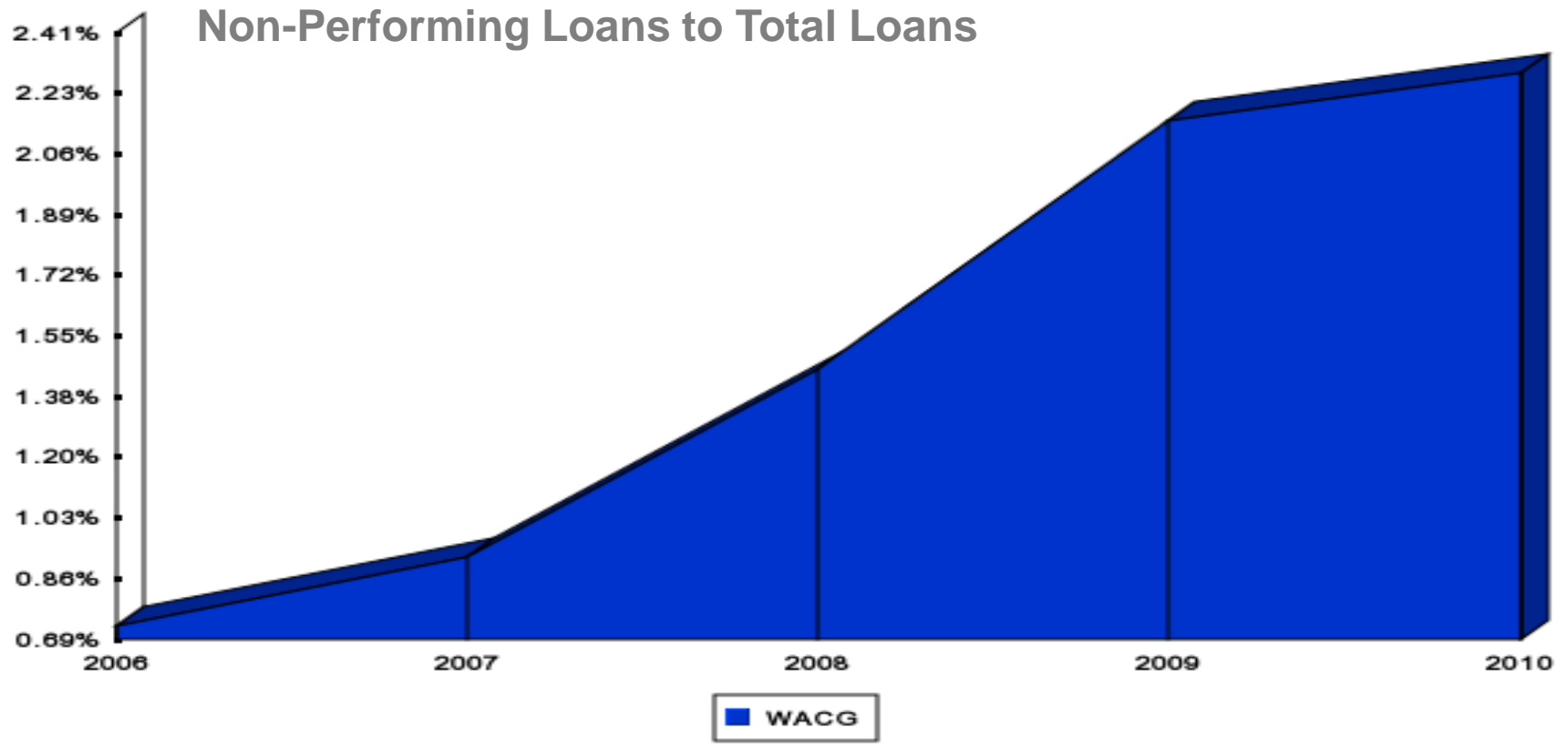


# Mutual Trends (cont.)



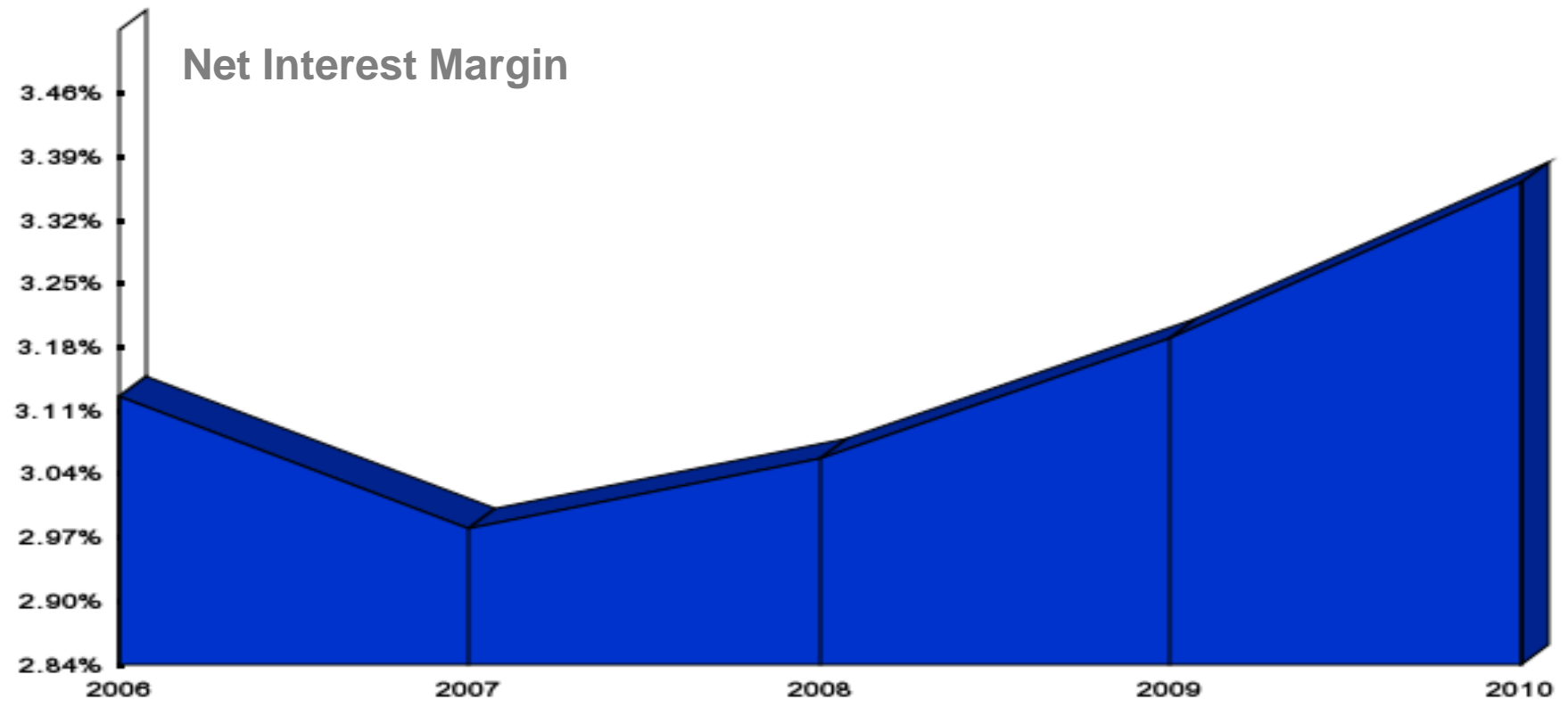


# Mutual Trends (cont.)



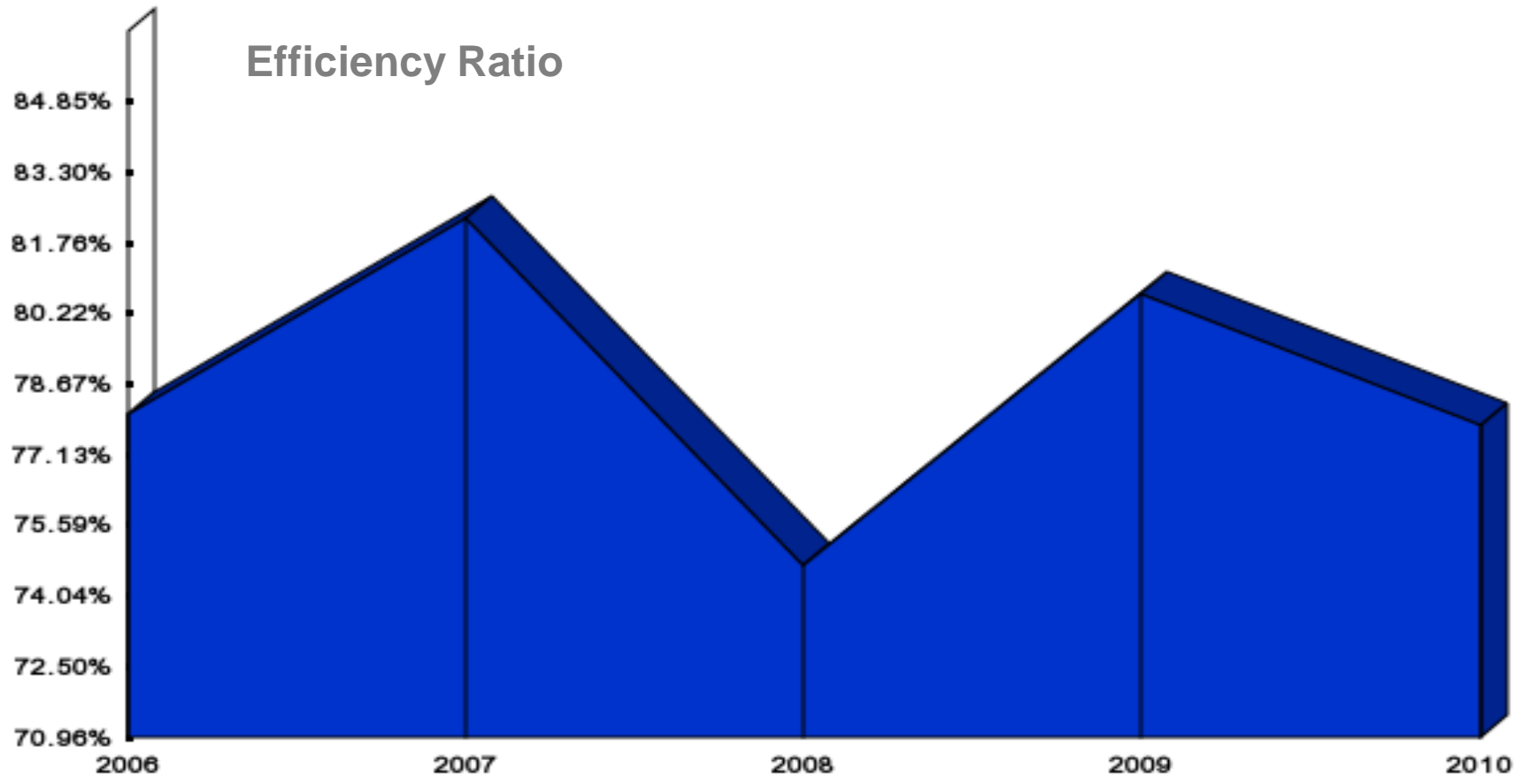


## Mutual Trends (cont.)



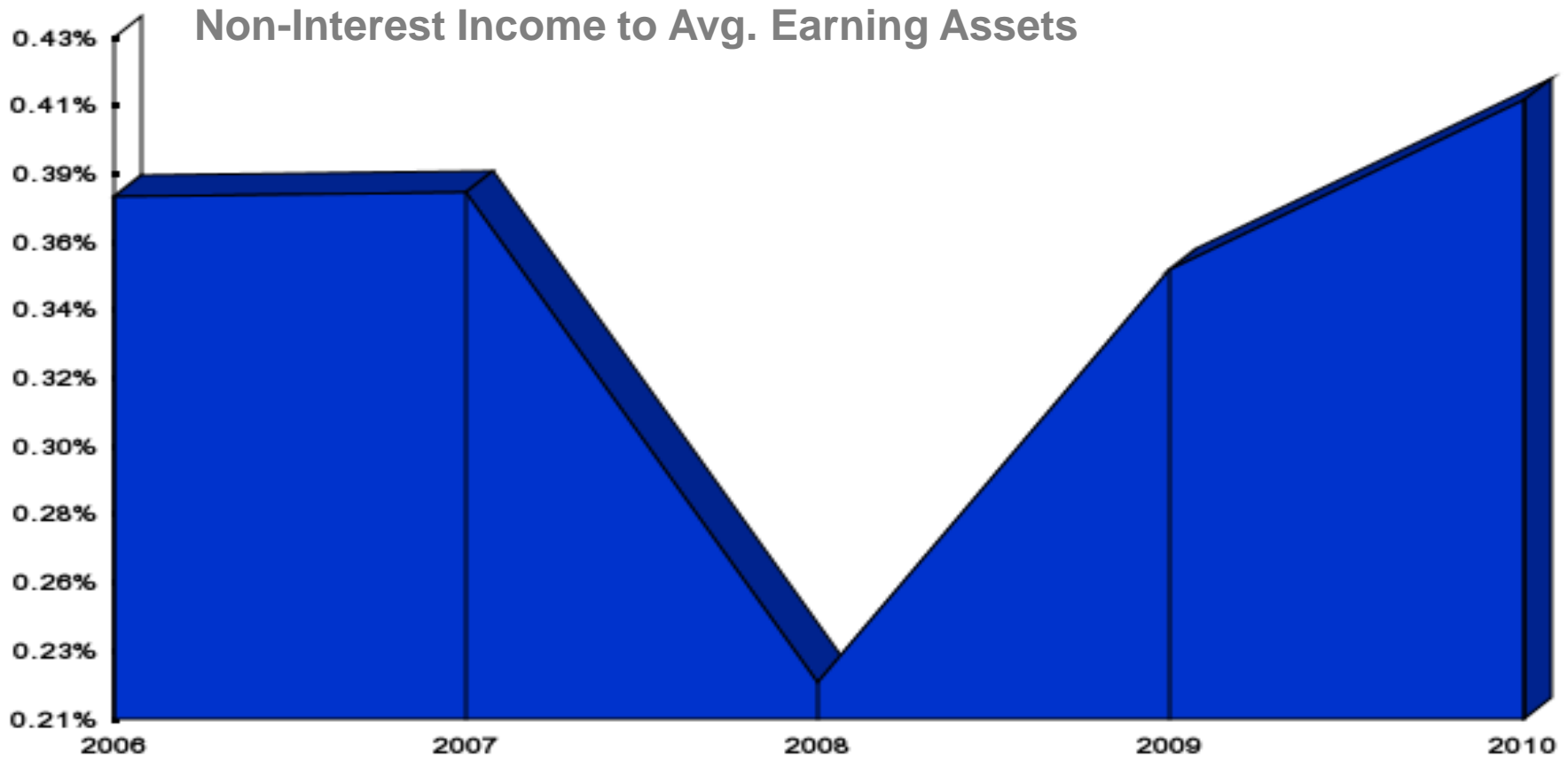


# Mutual Trends (cont.)





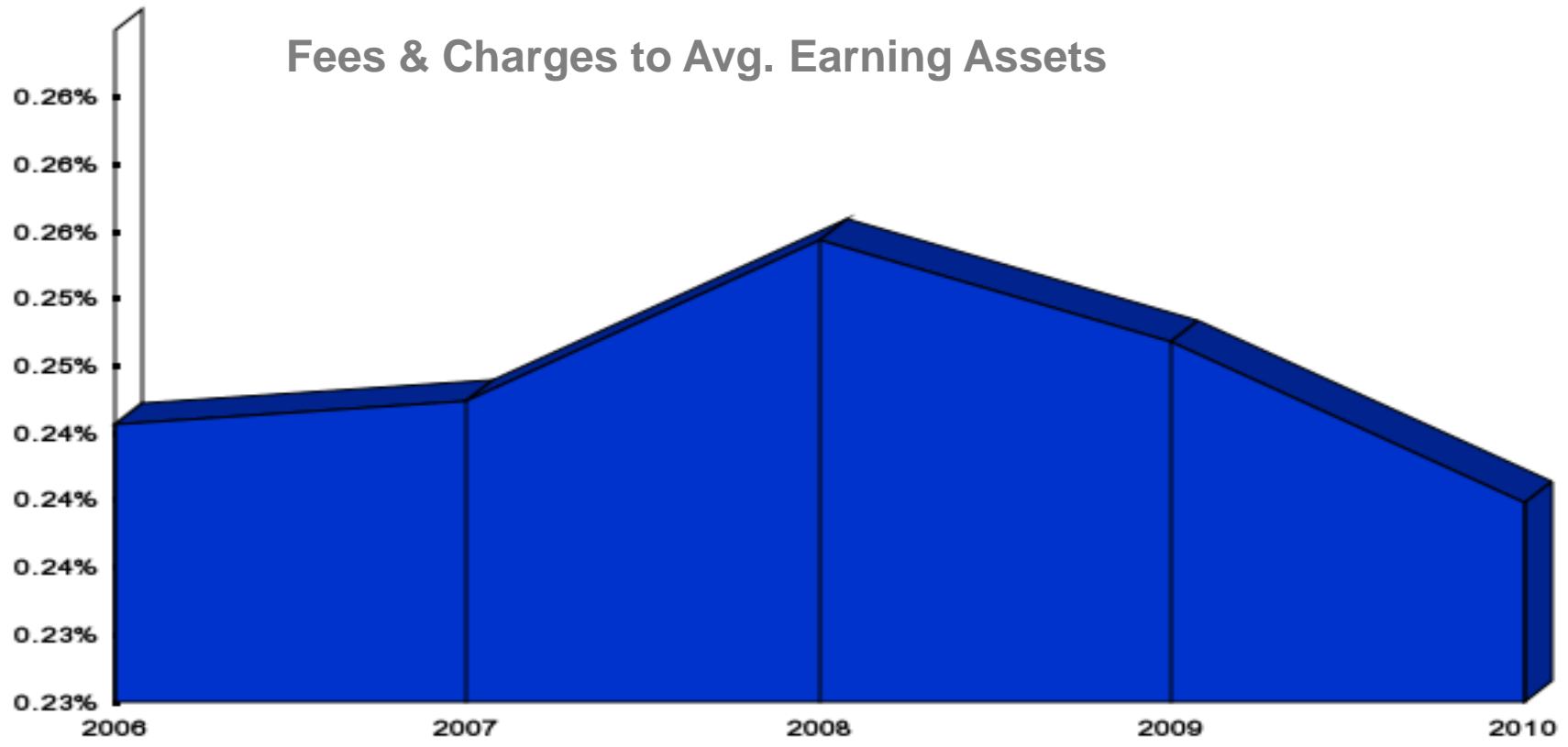
# Mutual Trends (cont.)





# Mutual Trends (cont.)

Fees & Charges to Avg. Earning Assets

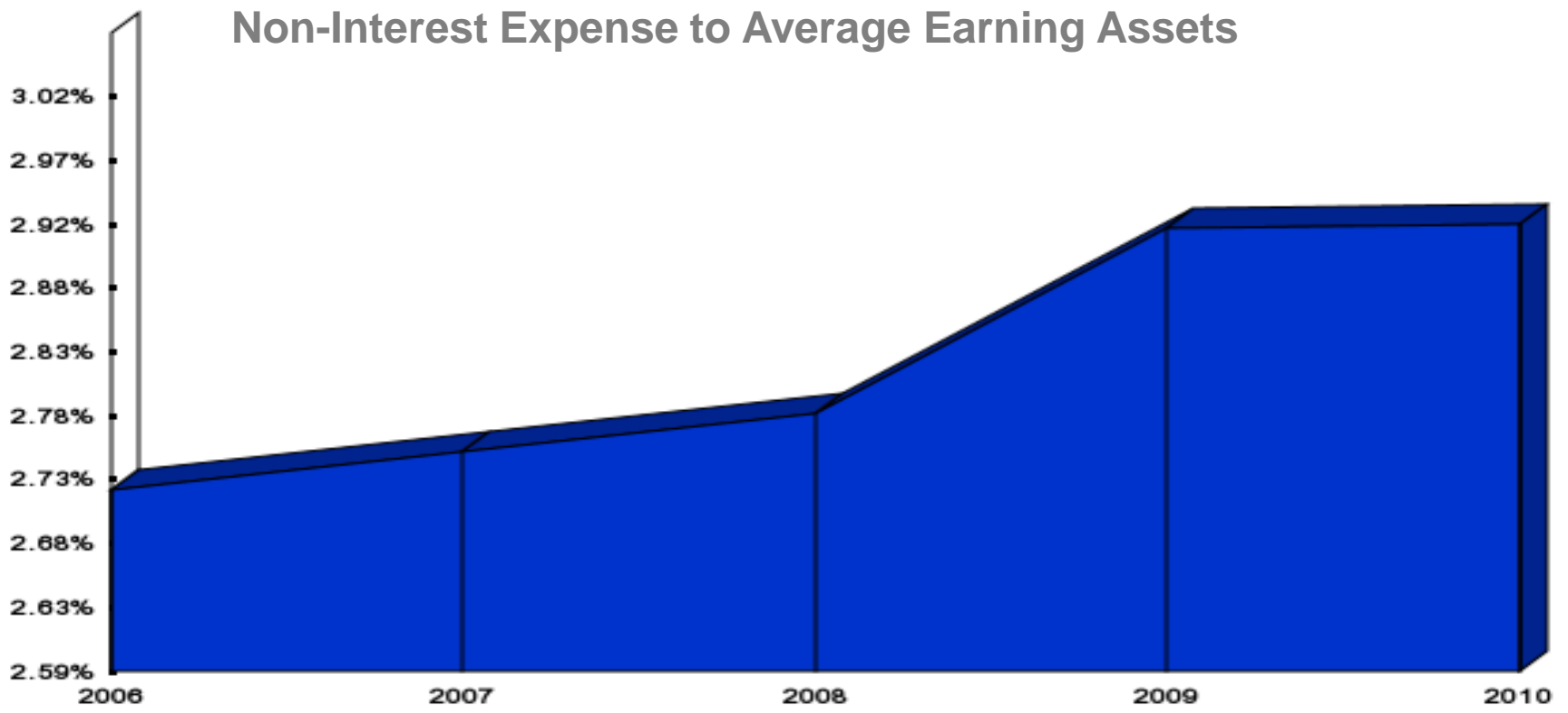






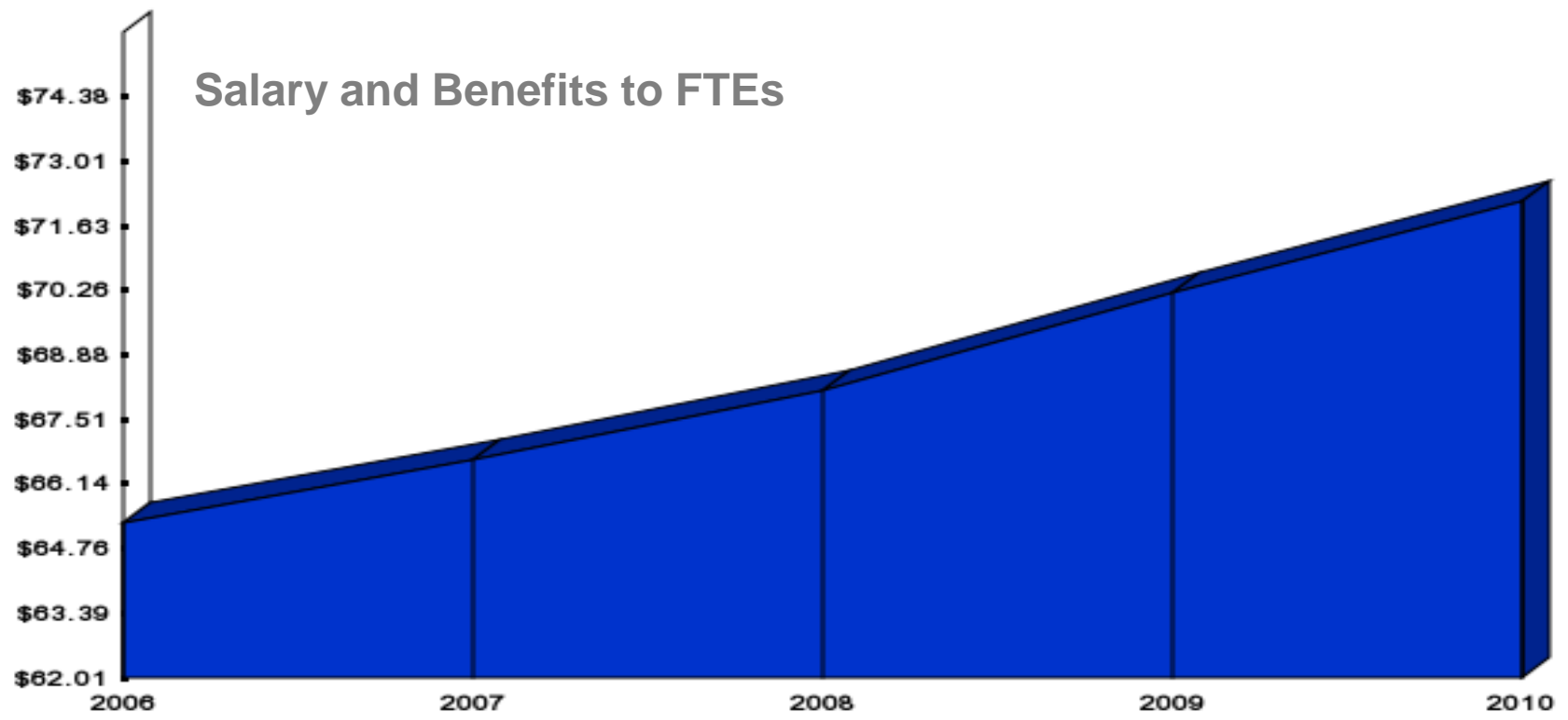
# Mutual Trends (cont.)

## Non-Interest Expense to Average Earning Assets



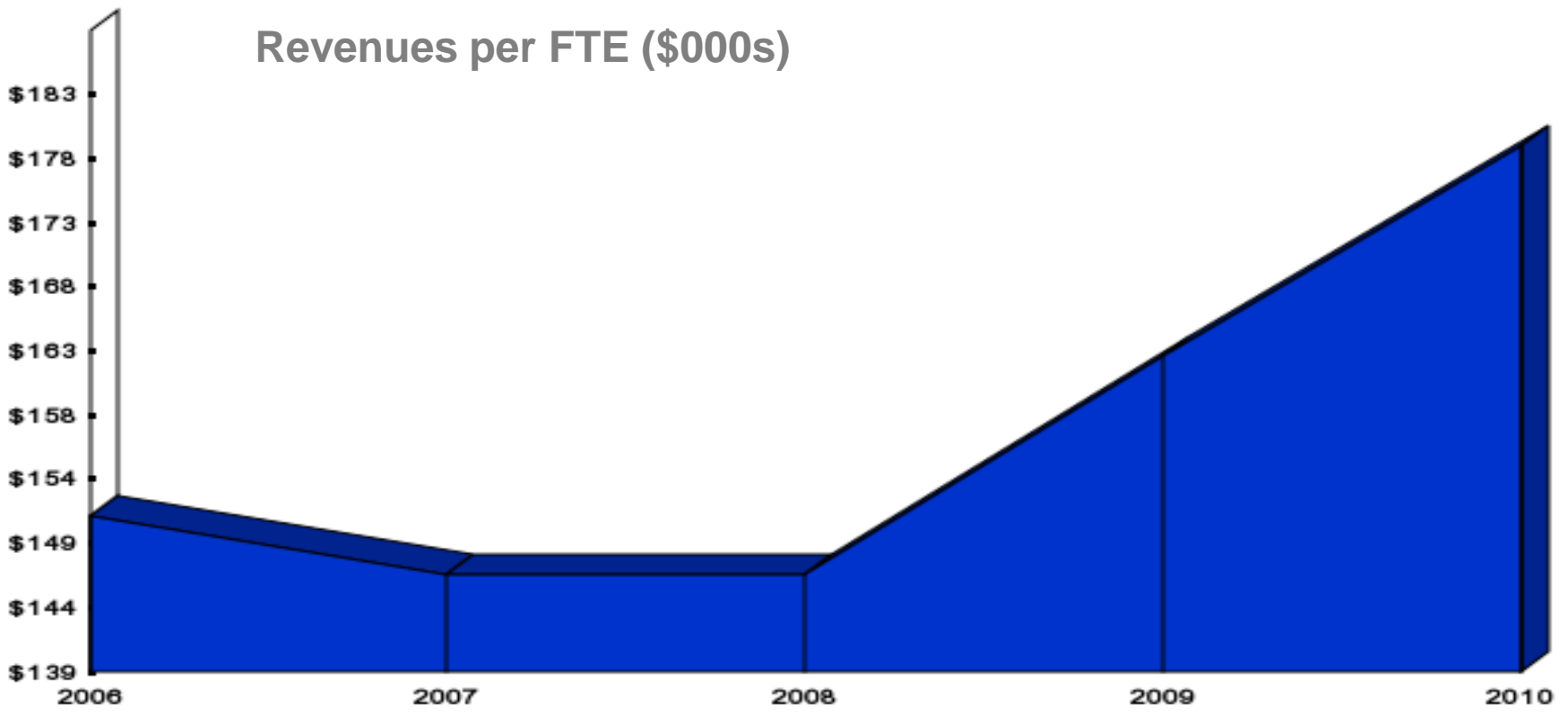


# Mutual Trends (cont.)



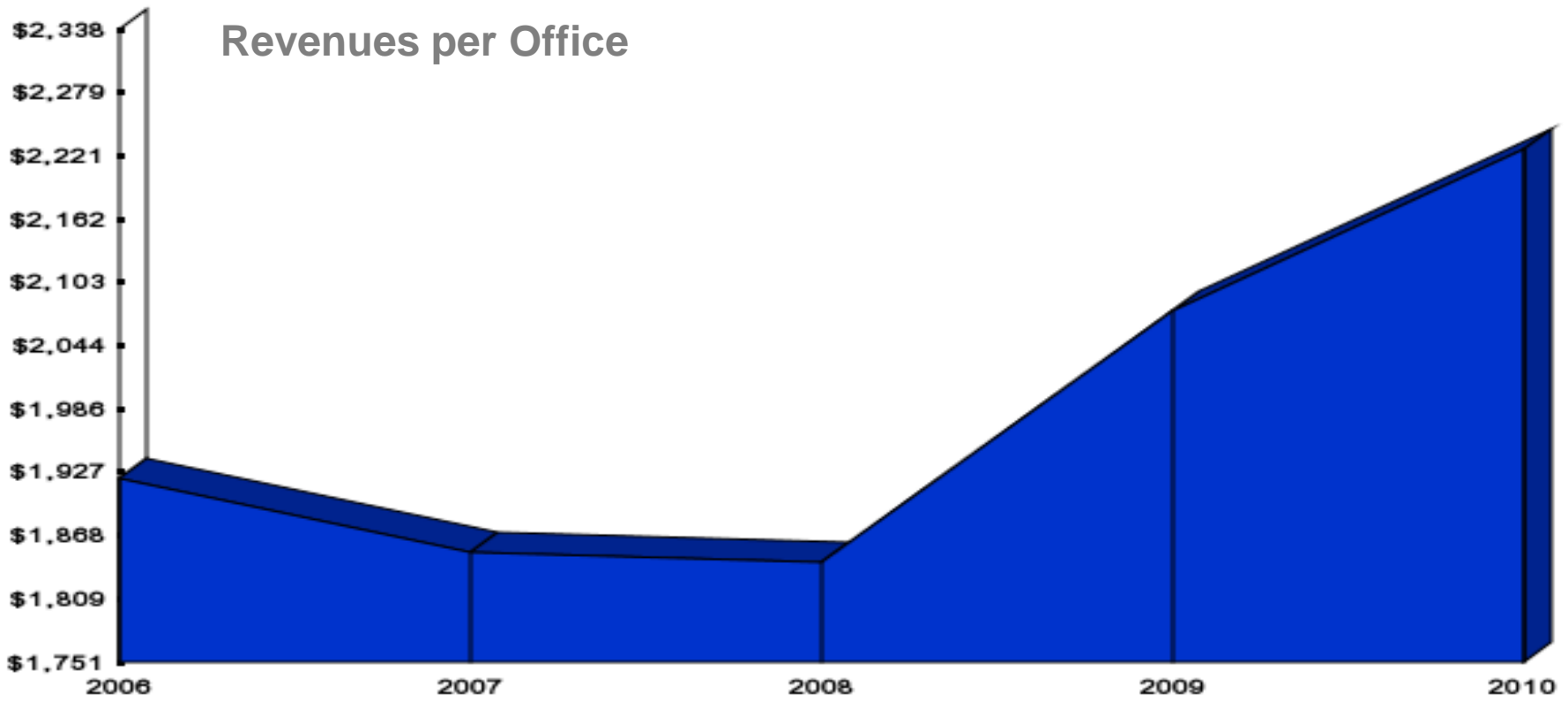


# Mutual Trends (cont.)

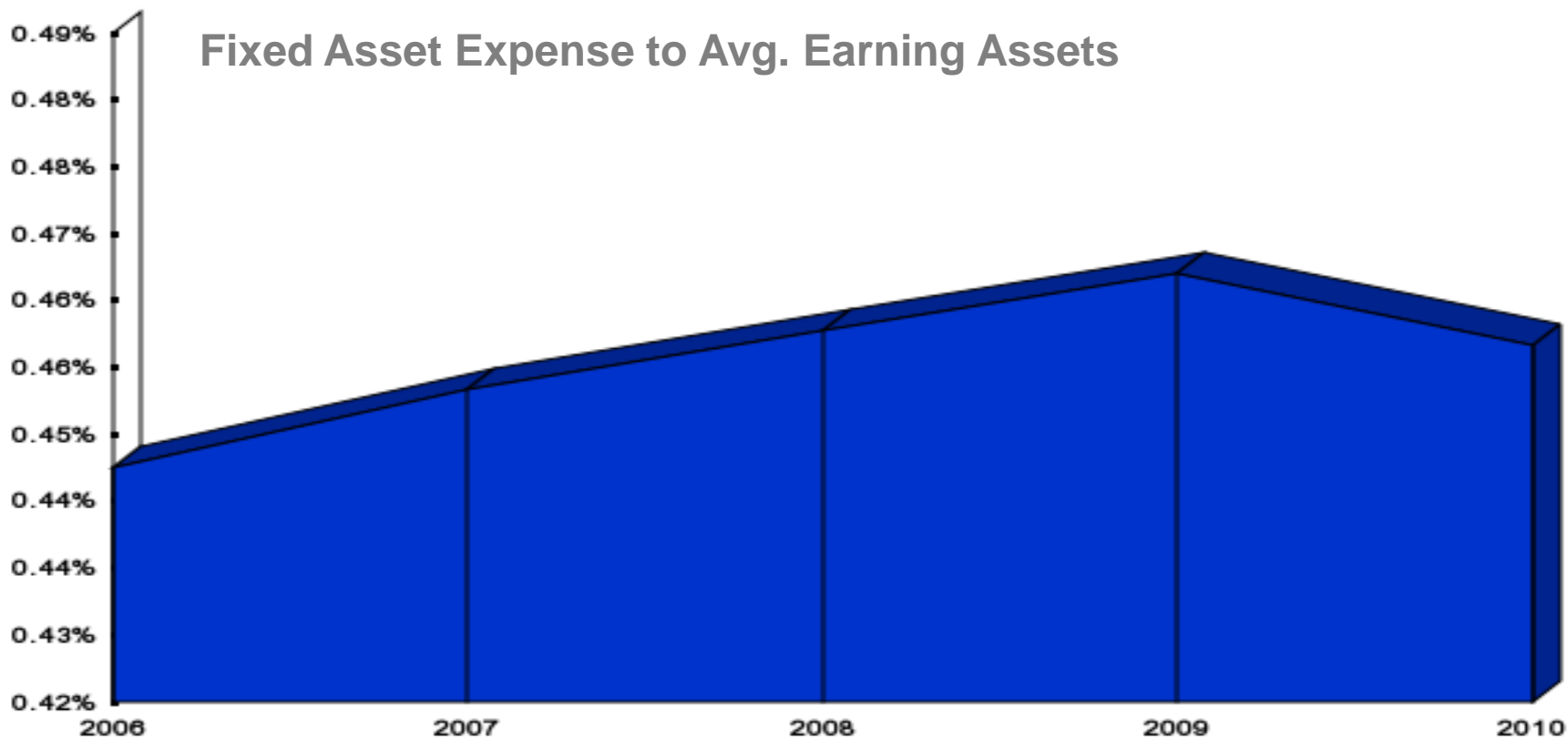




# Mutual Trends (cont.)

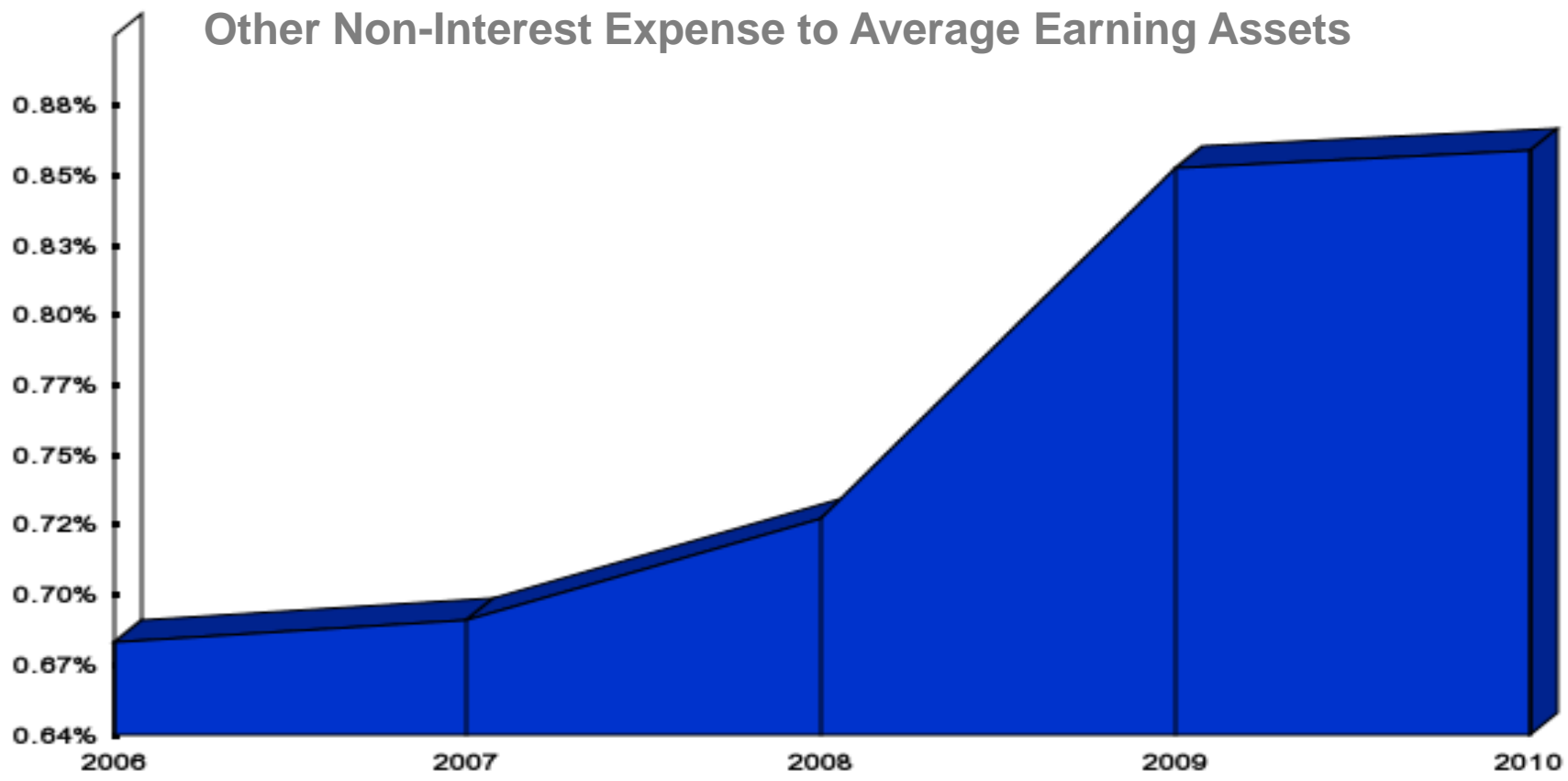


## Mutual Trends (cont.)





## Mutual Trends (cont.)



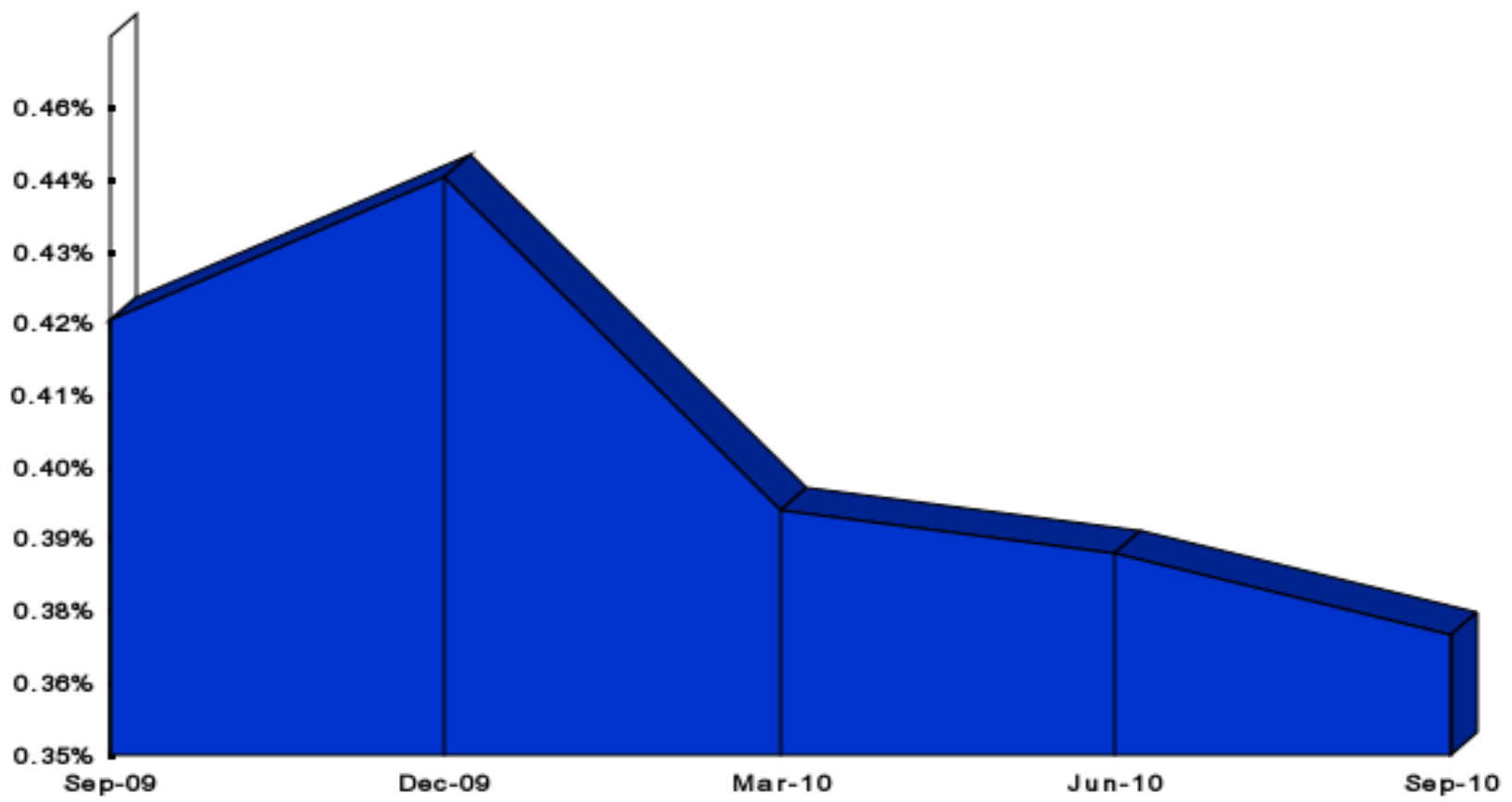


# Service Charge Fee Income Continues to Decline...

## Collection / Pricing

Service Charge Fees to Avg. Transaction Accounts

Quarterly Data



## Mutual Fee Income Facts

- A study of 224 call reporting Mutuals noted:
  - OD/NSF fees made up 33% of service charge fee revenues in 2010 (less than half for all US banks).
  - Gains on sales of loans and net servicing fees made up 24%
  - 38% of the call reporting Mutuals offered wealth management services, which made up 14% of noninterest income.
  - Interchange and debit card fee income made up 18% of noninterest income





# Mutual Key Metrics

Mutual Thrift Combined Metrics 1209.xlsx - Microsoft Excel

7.61%

1	2	3	4	5	6	7	8	9	10	11
<b>Mutual Thrift Key Metrics</b>										
<b>Peer Group: Mutual Thrifts</b>										
<b>BancAnalyst® Financial data date: 12/2009</b>										
	Name	City	State	Total Assets -- DEC-09 QTR [AR]	Number of Offices -- DEC-09 QTR [AR]	FTE's -- DEC-09 QTR [AR]	Equity Capital (Value) -- DEC-09 QTR [AR]	Return on Assets (Value) -- DEC- 09 ANNUAL [AR]	Return on Equity (Value) -- DEC-09 ANNUAL [AR]	Efficiency Ratio (Value) -- DEC-09 ANNUAL [AR]
81	29449 North Side Federal Savings and Loan Association of Chicago	Chicago	IL	\$37,213	1	13	12.47%	0.07%	0.55%	97.75%
82	30568 South End Savings, s.b.	Homewood	IL	\$35,590	1	8	14.51%	0.05%	0.34%	97.57%
83	30656 North County Savings Bank	Red Bud	IL	\$34,613	3	11	8.21%	0.14%	1.70%	92.04%
84	30132 First Federal Savings and Loan Association of Pekin	Pekin	IL	\$29,179	1	10	6.60%	-0.14%	-2.14%	96.84%
85	27685 Flora Savings Bank	Flora	IL	\$28,761	1	7	10.95%	0.24%	2.22%	87.18%
86	29532 Nokomis Savings Bank	Nokomis	IL	\$27,414	1	5	13.14%	0.26%	1.96%	84.49%
87	30152 Milford Building and Loan Association	Milford	IL	\$21,884	1	3	7.01%	0.38%	5.33%	72.57%
88	29416 Columbus Savings Bank	Chicago	IL	\$21,560	1	5	17.64%	0.57%	3.36%	80.45%
89	30241 First Savanna Savings Bank	Savanna	IL	\$12,896	1	4	13.40%	-1.24%	-8.41%	158.77%
90	30618 Wabash Savings Bank	Mount Carmel	IL	\$10,190	1	4	15.06%	-0.07%	-0.51%	94.21%
91	30713 American Union Savings and Loan Association, S.B.	Chicago	IL	\$6,970	1	3	11.35%	0.07%	0.63%	97.34%
92	29881 Home Bank SB	Martinsville	IN	\$232,710	3	66	12.32%	-0.31%	-2.45%	89.85%
93	28894 Security Federal Savings Bank	Logansport	IN	\$183,592	4	53	11.66%	0.30%	2.60%	82.07%
94	28769 First Federal Savings Bank of Angola	Angola	IN	\$134,110	1	24	13.84%	0.66%	4.85%	63.57%
95	29024 Bedford Federal Savings Bank	Bedford	IN	\$131,440	1	32	7.54%	0.02%	0.22%	98.13%
96	29933 Union Savings and Loan Association	Connersville	IN	\$126,607	3	42	8.90%	0.05%	0.53%	85.51%
97	29816 Griffith Savings Bank	Griffith	IN	\$108,414	1	18	8.42%	-1.14%	-12.87%	73.48%
98	30058 First Federal Savings and Loan Association of Greensburg	Greensburg	IN	\$105,254	1	21	10.15%	0.51%	5.46%	73.80%
99	28781 Liberty Savings Bank, FSB	Whiting	IN	\$82,899	3	14	8.05%	-0.68%	-7.78%	107.13%
100	29710 First Federal Savings Bank of Washington	Washington	IN	\$76,256	2	17	9.66%	0.41%	4.18%	73.71%
101	30927 Lake Federal Bank, FSB	Hammond	IN	\$74,230	3	19	17.33%	0.41%	2.32%	79.29%
102	28478 Farmers and Mechanics Federal Savings and Loan Association	Bloomfield	IN	\$63,961	2	13	18.64%	0.42%	2.25%	80.09%
103	28961 First Federal Savings and Loan Association of Hammond	Hammond	IN	\$50,283	2	12	9.01%	-0.69%	-7.22%	77.97%
104	30128 Boonville FSB	Boonville	IN	\$44,122	1	11	10.27%	0.09%	0.87%	91.94%
105	30065 Peoples Savings and Loan Association of Monticello Indiana	Monticello	IN	\$36,124	1	7	34.56%	0.49%	1.42%	75.50%
106	28722 Kentland Federal Savings and Loan Association	Kentland	IN	\$3,564	1	2	17.35%	0.11%	0.65%	97.42%



# Q&A

**Kevin Tweddle**

Fiserv, Bank Intelligence Solutions

Executive Vice President

[kevin.tweddle@fiserv.com](mailto:kevin.tweddle@fiserv.com)

**Thank you!**