

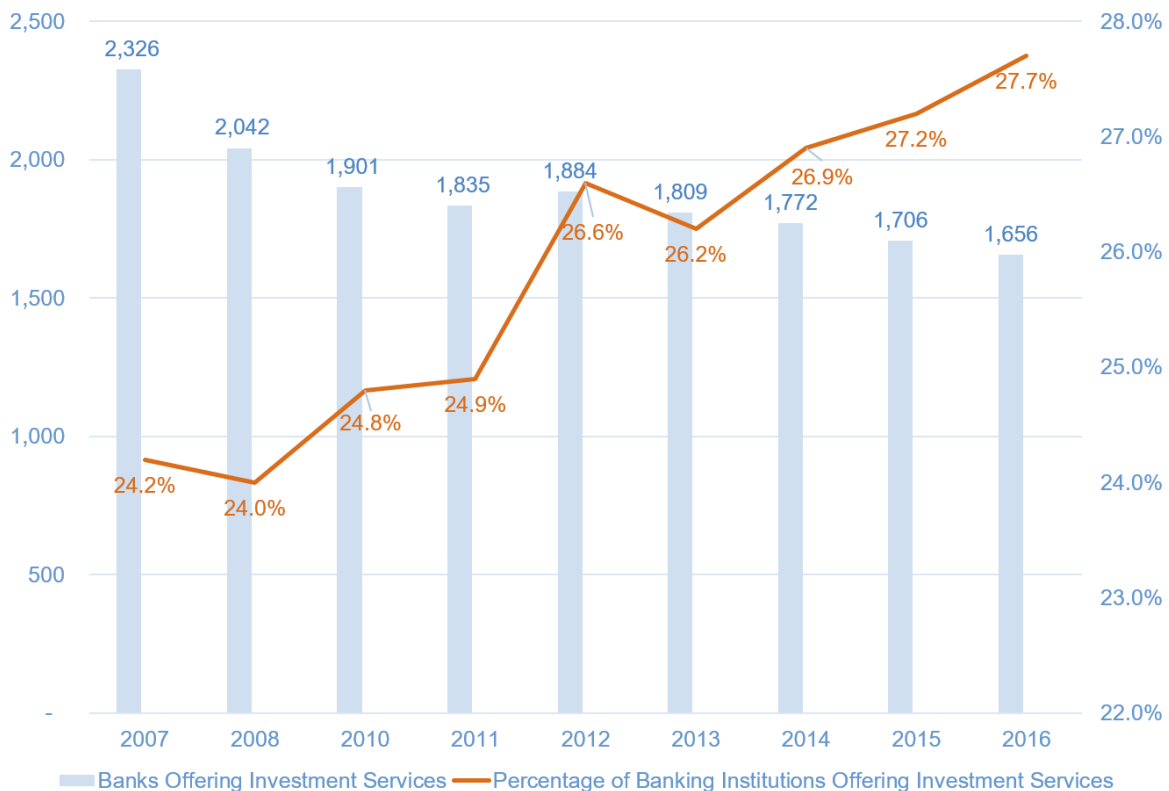
Kehrer Bielan – Bank and Credit Union Investment Programs (4/17/17)

Banks

The number of banks offering investment services has declined almost every year for the past several years. But the banking industry has been consolidating even faster. As a result, the *share* of banks offering investment services has increased substantially.

According to FDIC Call Report data, 1,656 US retail banks report investment fee income, down 29% since 2007. Nonetheless, the share of retail banks selling investments has crept up from 24% to almost 28% over the same period, because consolidation of the banking industry has shrunk the number of US banks from 9,630 in 2007 to less than 6,000 today.

Trends in US Banks Selling Investments



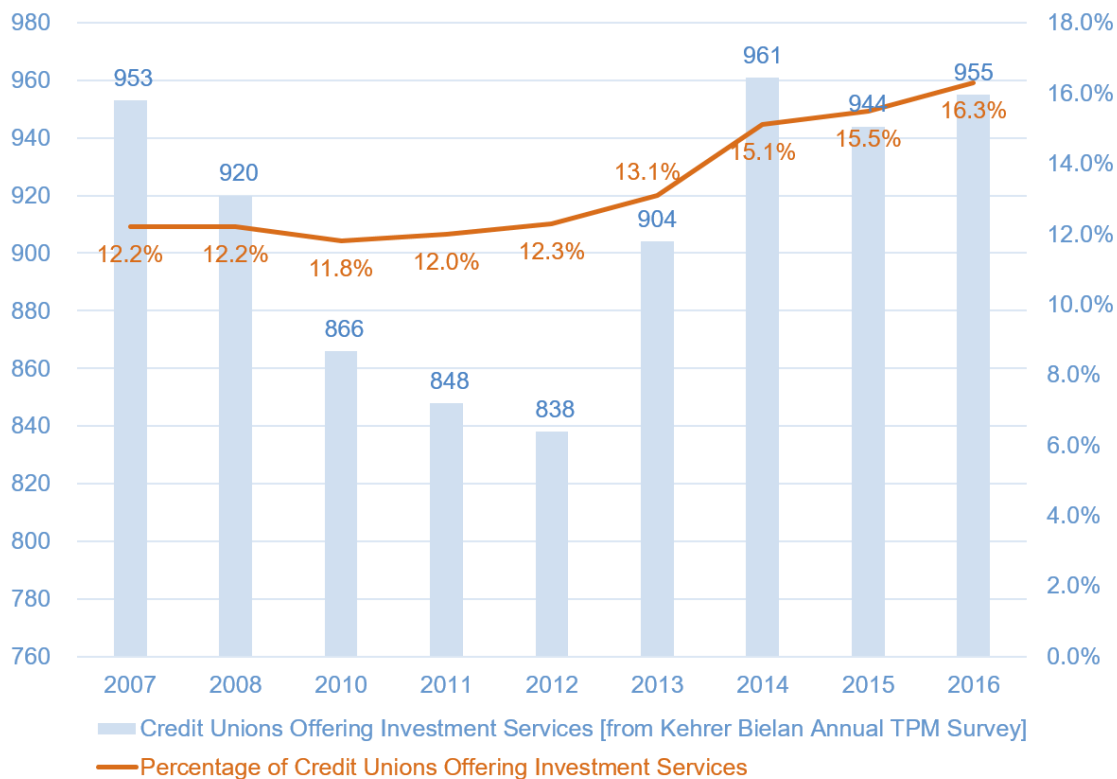
This is good news for bank customers, more of whom have access to investment advice through their bank than ever before. Kehrer Bielan's consumer research has shown that bank client households would prefer to invest where they bank rather than with competing brokerage, insurance or mutual fund firms, but many are unaware that their bank offers investment services

Credit Unions

The number of credit unions offering investment services has remained essentially flat for the past several years. But the credit union industry has been consolidating even faster. As a result, the *share* of credit unions offering investment services has increased substantially.

955 credit unions partner with the 11 largest 3rd party broker dealers, about the same number reported in 2007. Nonetheless, the share of credit unions selling investments has crept up from around 12% to above 16% over the same period, because consolidation of the credit union industry has shrunk the number of US credit unions from 7,811 in 2007 to 5,844 today.

Trends in Share of Credit Unions Offering Investment Services through TPMs



This is good news for credit union members, more of whom have access to investment advice through their credit union than ever before. Kehler Bielan's consumer research has shown that member households would prefer to invest with their credit union rather than with competing brokerage, insurance or mutual fund firms, but many are unaware that their credit union offers investment services.