

The Benefits of Membership

Customized Analysis of Member Benefits For:

Wyoming

September 2014

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Wyoming

The Benefits of Membership

Credit unions generally provide financial benefits to members through lower loan rates, high savings rates, and fewer fees than banking institutions.

The Credit Union National Association (CUNA) estimates that Wyoming credit unions provided \$27,292,371 in direct financial benefits to the state's 230,730 members during the twelve months ending September 2014.

These benefits are equivalent to \$118 per member or \$225 per member household ⁽¹⁾.

Estimated total benefits of credit union membership are calculated by accounting for differences in credit union and bank pricing. Specifically, average credit union savings account yields, loan interest rates and fees are compared to average bank savings account yields, loan interest rates and fees. The interest rate differences are then applied to respective average credit union loan and savings balances. Fee differences are weighted and applied to credit union non-interest income to obtain the total estimated benefits arising from fees.

The per-member and per-household benefits delivered by Wyoming credit unions are substantial, but these benefits are averages. Mathematically, that means the total benefits provided are divided across all members (or all member households) - even those who conduct very little financial business with Wyoming credit unions.

Consider this:

Financing a \$25,000 new automobile for 60 months at a Wyoming credit union will save members an average \$194 per year in interest expense compared to what they would pay at a banking institution in the state.

Further, loyal members - those who use the credit union extensively - often receive total financial benefits that are much greater than the average.

Wyoming credit unions excel in providing member benefits on many loan and savings products. In particular, Wyoming credit unions offer lower average loan rates on the following accounts: new car loans, used car loans, first mortgage-fixed rate, home equity loans, credit cards loans.

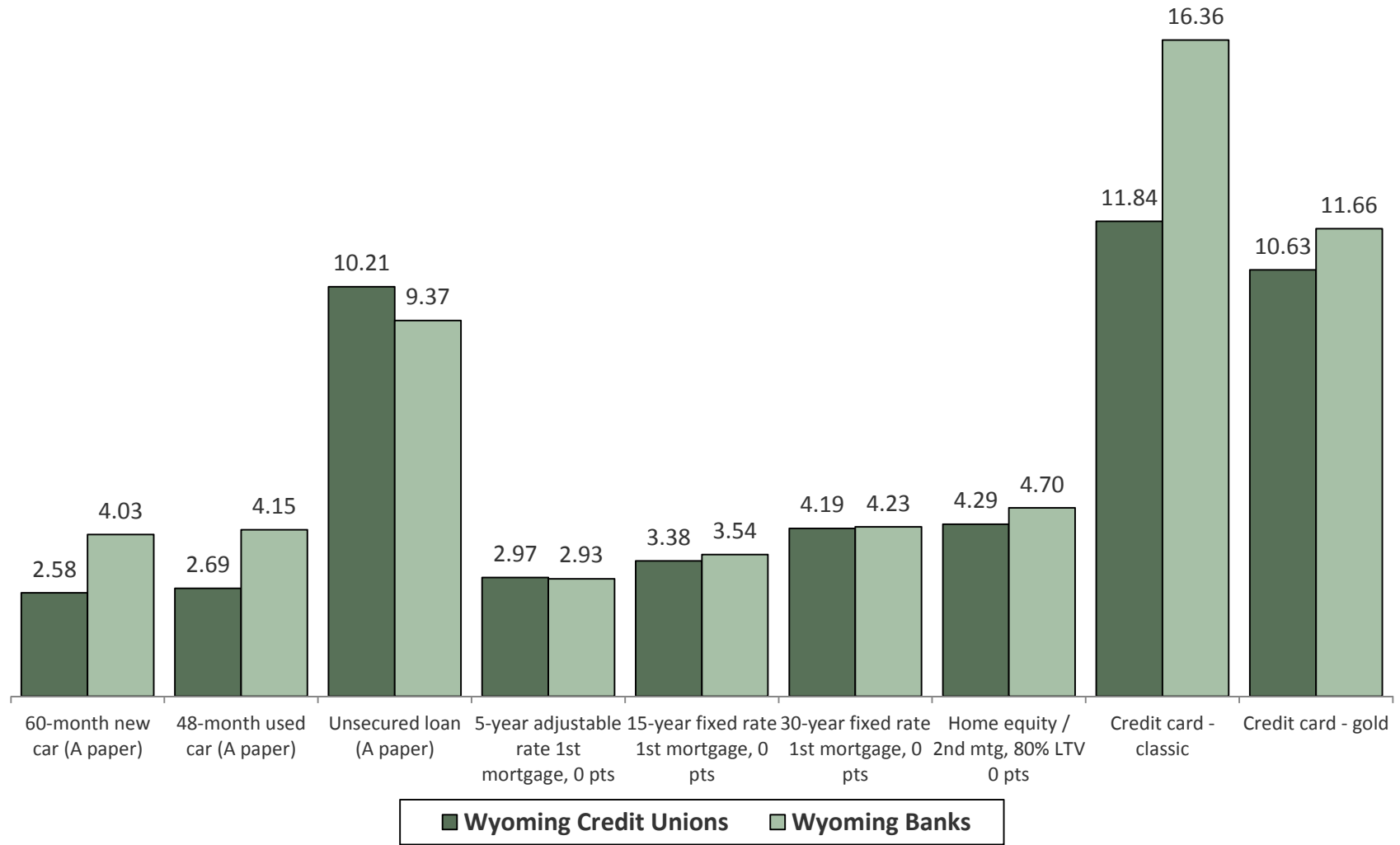
Wyoming credit unions also pay members higher average dividends on the following accounts: regular savings, share draft checking, money market accounts, certificate accounts, IRAs.



Source: Informa Research Services, NCUA, and CUNA.
(1) Assumes 1.9 credit union members per household.

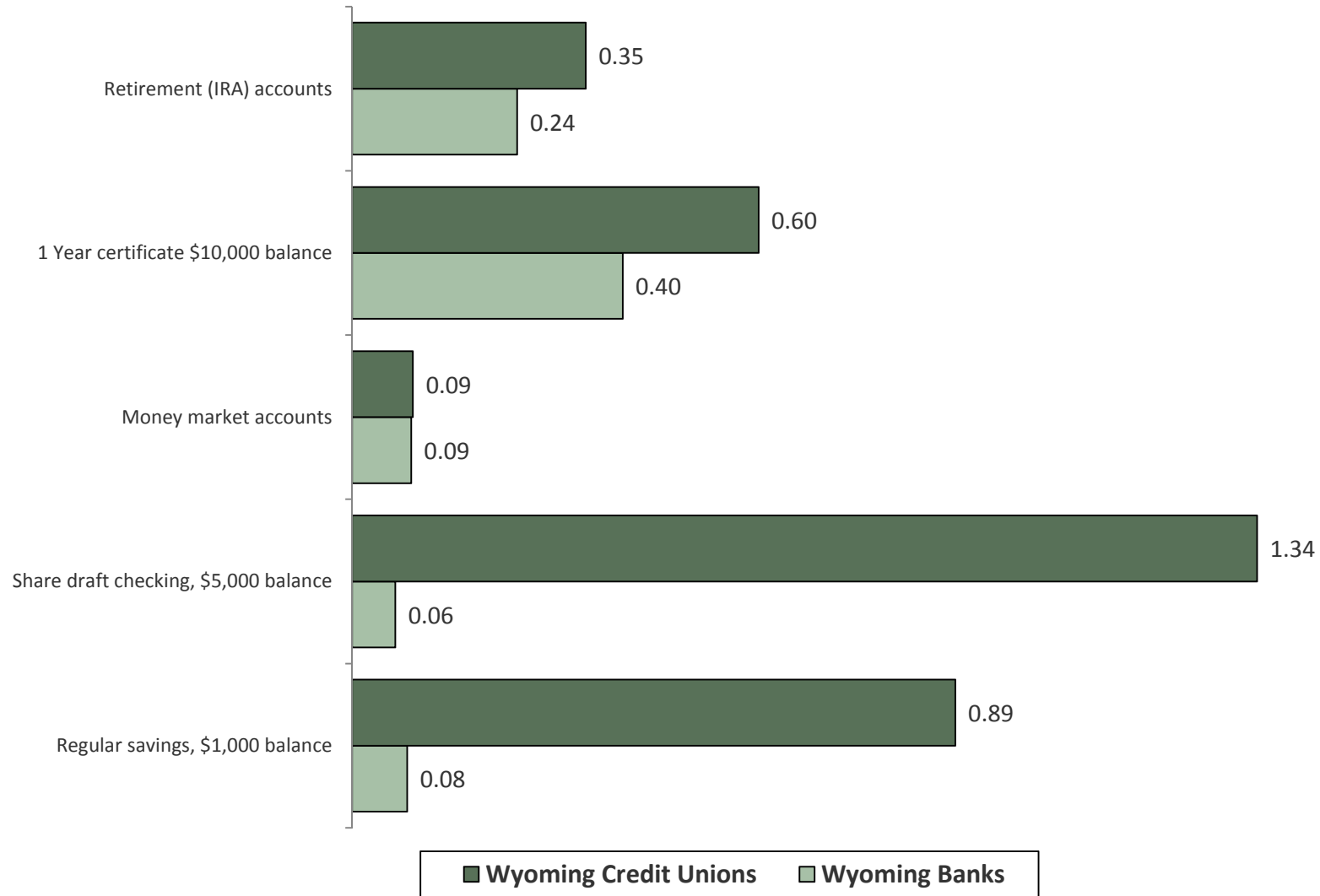
Loan Product Comparative Interest Rates (%)

By Loan Type

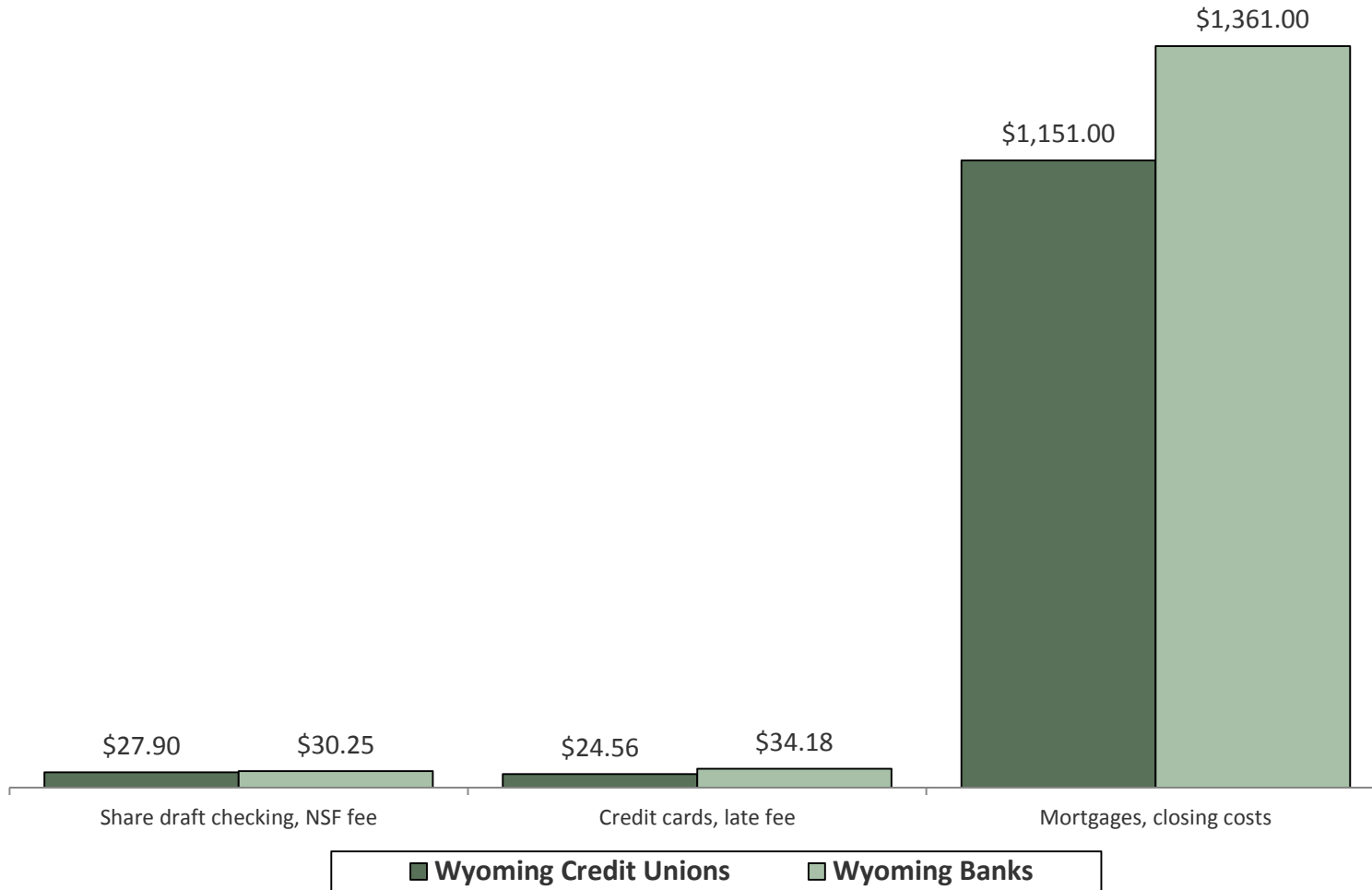


Savings Products Comparative Interest Rates(%)

By Savings Account Type



Comparative Fees By Type



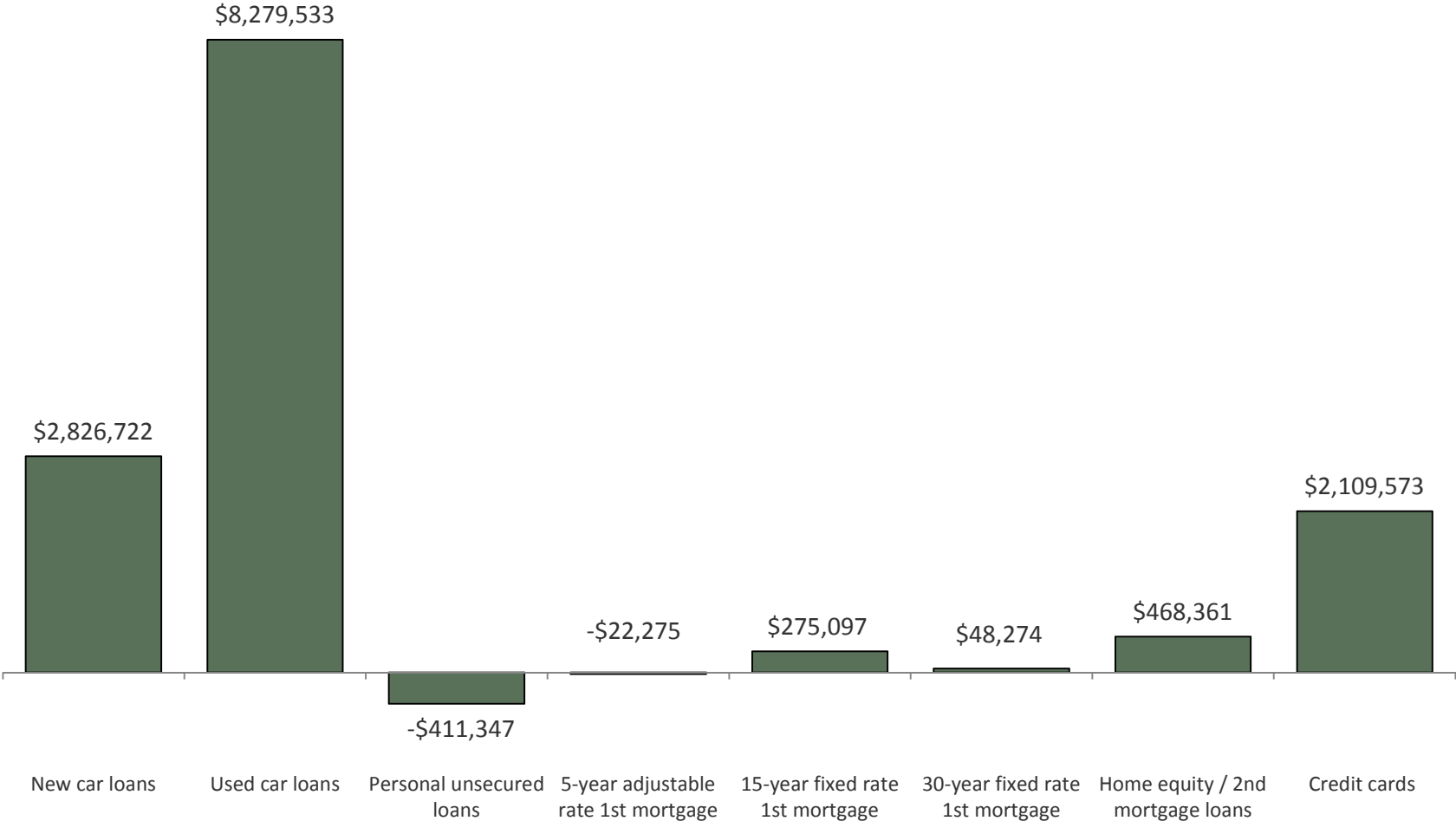
Wyoming
Credit Union and Banking Institution
September 2014 Average Interest Rates and Fees

Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	2.58	4.03	-1.45
48-month used car (A paper)	2.69	4.15	-1.46
Unsecured loan (A paper)	10.21	9.37	0.84
5-year adjustable rate 1st mortgage, 0 pts	2.97	2.93	0.03
15-year fixed rate 1st mortgage, 0 pts	3.38	3.54	-0.16
30-year fixed rate 1st mortgage, 0 pts	4.19	4.23	-0.04
Home equity / 2nd mtg, 80% LTV 0 pts	4.29	4.70	-0.41
Credit card - classic	11.84	16.36	-4.52
Credit card - gold	10.63	11.66	-1.03
Savings Products			
Regular savings, \$1,000 balance	0.89	0.08	0.81
Share draft checking, \$5,000 balance	1.34	0.06	1.27
Money market accounts	0.09	0.09	0.00
1 Year certificate \$10,000 balance	0.60	0.40	0.20
Retirement (IRA) accounts	0.35	0.24	0.10
Fee Income			
Share draft checking, NSF fee	\$27.90	\$30.25	-\$2.35
Credit cards, late fee	\$24.56	\$34.18	-\$9.62
Mortgages, closing costs	\$1,151.00	\$1,361.00	-\$210.00

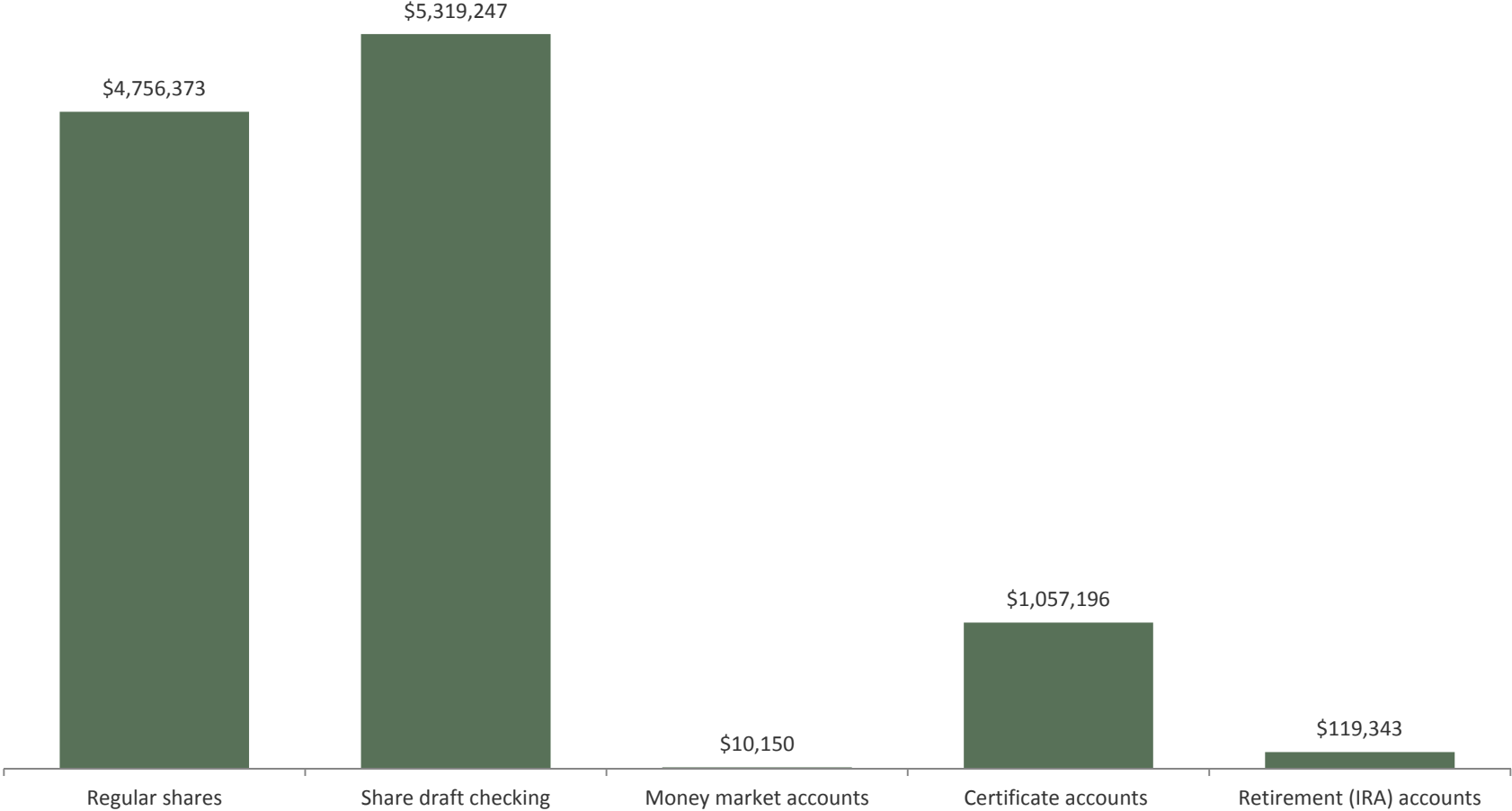
Source: Informa Research Services

State Credit Unions' Total Loan Rate Benefits

Compared to State Banking Institutions
by Loan Type



State Credit Unions' Total Savings Dividend Benefits Compared to State Banking Institutions by Account Type



Estimated Financial Benefits for Wyoming Credit Unions

September 2014

<u>Loans</u>	Avg. Balance at Credit Unions (1)	Rate Difference vs. Wyoming Banks (%) (2)	Total Financial Benefit to Your Members
New car loans	194,811,990	-1.45	\$2,826,722
Used car loans	568,258,942	-1.46	\$8,279,533
Personal unsecured loans	48,795,565	0.84	-\$411,347
5-year adjustable rate 1st mortgage	67,501,369	0.03	-\$22,275
15-year fixed rate 1st mortgage	174,112,259	-0.16	\$275,097
30-year fixed rate 1st mortgage	120,686,232	-0.04	\$48,274
Home equity / 2nd mortgage loans	115,076,359	-0.41	\$468,361
Credit cards	57,836,148	-4.52	\$2,109,573
Interest rebates in period			\$20,359
Total CU member benefits arising from lower interest rates on loan products:			\$13,594,298
<u>Savings</u>			
Regular shares	588,282,499	0.81	\$4,756,373
Share draft checking	418,476,694	1.27	\$5,319,247
Money market accounts	383,426,829	0.00	\$10,150
Certificate accounts	527,620,850	0.20	\$1,057,196
Retirement (IRA) accounts	117,569,224	0.10	\$119,343
Bonus dividends in period			\$0
Total CU member benefit arising from higher interest rates on savings products:			\$11,262,308
<u>Fee Income</u>			
Total CU member benefit arising from fewer / lower fees:			\$2,435,765
<u>Total CU member benefit arising from interest rates on loans, savings products and lower fees:</u>			\$27,292,371
<u>Total CU member benefit / member:</u>			\$118
<u>Total CU member benefit / member household:</u>			\$225

Source: Informa Research Services, NCUA, and CUNA

(1) Average balance as of September 2014 and September 2013, according to the NCUA call report.; (2) Source for rates and fees: Informa Research Services;

**Wyoming
Performance Profile**

Demographic Information	Sep 14	Sep 13
Number of branches	63	62
Total assets (\$ mil)	2,412	2,281
Total loans (\$ mil)	1,631	1,490
Total surplus funds (\$ mil)	649	663
Total savings (\$ mil)	2,121	2,006
Total members (thousands)	234	228
Growth Rates (Trailing 12 months) *		
Total assets	5.8 %	6.7 %
Total loans	9.5 %	9.7 %
Total surplus funds	-2.2 %	0.9 %
Total savings	5.7 %	6.4 %
Total members	2.8 %	3.9 %
Earnings - Basis Pts. *		
Yield on total assets	373	383
Dividend / interest cost of assets	51	57
Fee & other income	144	147
Operating expense	357	370
Loss Provisions	25	25
Net Income (ROA) after stabilization exp	84	77
Capital adequacy		
Net worth / assets	10.5	10.3
Asset quality *		
Delinquencies / loans	0.7	0.8
Net chargeoffs / average loans	0.4	0.4
Total borrower-bankruptcies	13	17
Bankruptcies per 1000 members	1.6	2.2
Asset/Liability Management		
Loans / savings	76.9	74.3
Loans / assets	67.6	65.3
Long-term assets / assets	27.9	28.1
Core deposits/shares & borrowings	49.4	47.7
Productivity		
Members / potential members	15.3	15.3
Borrowers / members	57.1	55.8
Members / FTE	336	329
Average shares / members (\$)	9,069	8,812
Average loan balances (\$)	12,226	11,723
Salary & Benefits / FTE	59,061	56,354

* Earnings, net chargeoffs, and bankruptcies are year-to-date numbers annualized. Due to significant seasonal variation, balance sheet growth rates are for the trailing 12 months.