The Benefits of Membership

Customized Analysis of Member Benefits For:

Maine

September 2014

Prepared by:

Credit Union National Association Economics and Statistics Department



Maine

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 Maine credit unions provided \$47,344,115 in direct financial benefits to the state's 643,776 members during the twelve months ending September 2014.

These benefits are equivalent to \$74 per member or \$140 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 Maine 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 Maine credit unions.

Consider this:

Financing a \$25,000 new automobile for 60 months at a Maine credit union will save members an average \$217 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.

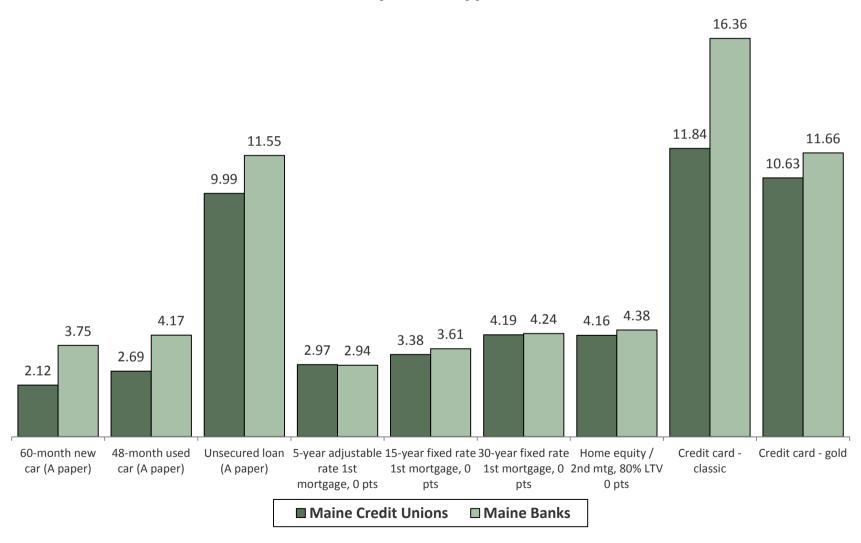
Maine credit unions excel in providing member benefits on many loan and savings products. In particular, Maine credit unions offer lower average loan rates on the following accounts: new car loans, used car loans, personal unsecured loans, first mortgage-fixed rate, home equity loans, credit cards loans.

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



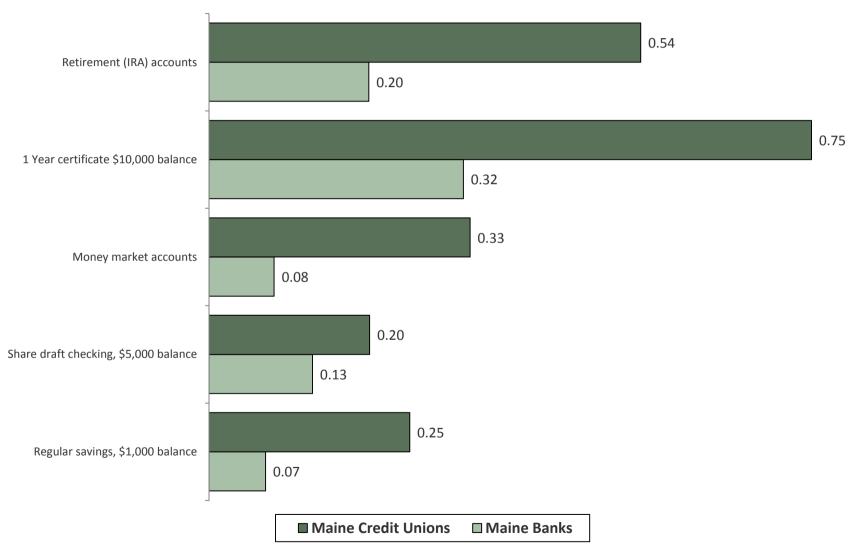
Loan Product Comparative Interest Rates (%)

By Loan Type



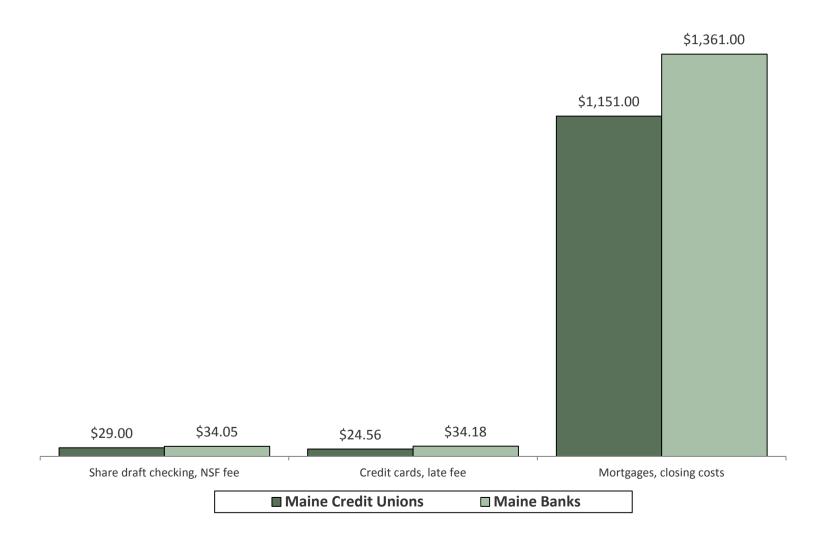
Savings Products Comparative Interest Rates(%)

By Savings Account Type



Comparative Fees

By Type



Maine

Credit Union and Banking Institution

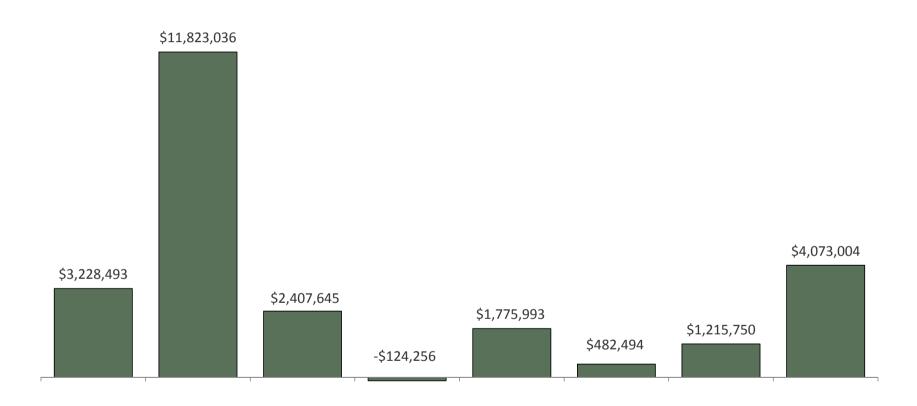
September 2014 Average Interest Rates and Fees

Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
2.12	3.75	-1.63
2.69	4.17	-1.48
9.99	11.55	-1.56
2.97	2.94	0.03
3.38	3.61	-0.24
4.19	4.24	-0.05
4.16	4.38	-0.22
11.84	16.36	-4.52
10.63	11.66	-1.03
0.25	0.07	0.18
0.20	0.13	0.07
0.33	0.08	0.24
0.75	0.32	0.43
0.54	0.20	0.34
\$29.00	\$34.05	-\$5.05
\$24.56	\$34.18	-\$9.62
\$1,151.00	\$1,361.00	-\$210.00
	Credit Unions (%) 2.12 2.69 9.99 2.97 3.38 4.19 4.16 11.84 10.63 0.25 0.20 0.33 0.75 0.54 \$29.00 \$24.56	Credit Unions (%) at Banks (%) 2.12 3.75 2.69 4.17 9.99 11.55 2.97 2.94 3.38 3.61 4.19 4.24 4.16 4.38 11.84 16.36 10.63 11.66 0.25 0.07 0.20 0.13 0.33 0.08 0.75 0.32 0.54 0.20 \$29.00 \$34.05 \$24.56 \$34.18

Source: Informa Research Services

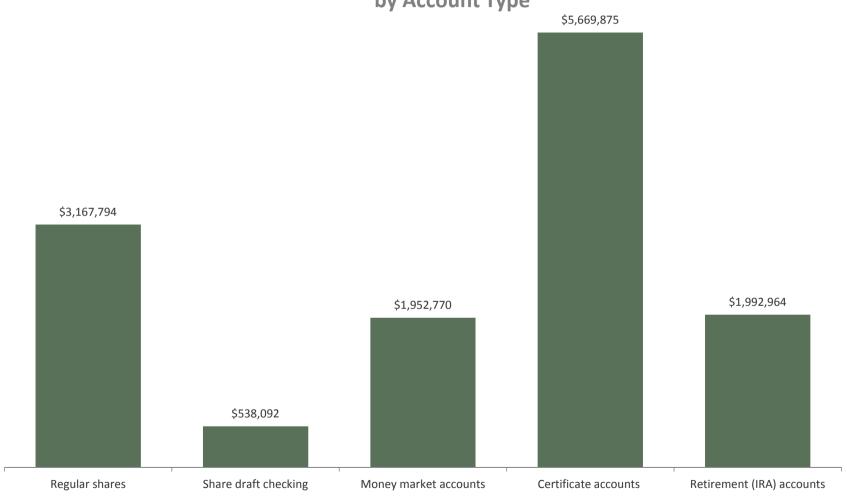
State Credit Unions' Total Loan Rate Benefits

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 Maine Credit Unions September 2014

	Avg. Balance at	Rate Difference vs. Maine	Total Financial Benefit to Your
<u>Loans</u>	Credit Unions (1)	Banks (%) (2)	Members
New car loans	197,945,635	-1.63	\$3,228,493
Used car loans	796,700,570	-1.48	\$11,823,036
Personal unsecured loans	153,941,528	-1.56	\$2,407,645
5-year adjustable rate 1st mortgage	428,470,148	0.03	-\$124,256
15-year fixed rate 1st mortgage	752,539,250	-0.24	\$1,775,993
30-year fixed rate 1st mortgage	946,067,300	-0.05	\$482,494
Home equity / 2nd mortgage loans	560,253,654	-0.22	\$1,215,750
Credit cards	111,665,638	-4.52	\$4,073,004
Interest rebates in period			\$0
Total CU member benefits arising from lower interest rates	s on loan products:		\$24,882,160
Savings			
Regular shares	1,763,045,046	0.18	\$3,167,794
Share draft checking	756,692,278	0.07	\$538,092
Money market accounts	800,452,463	0.24	\$1,952,770
Certificate accounts	1,308,432,772	0.43	\$5,669,875
Retirement (IRA) accounts	588,509,774	0.34	\$1,992,964
Bonus dividends in period			\$0
Total CU member benefit arising from higher interest rates	on savings products:		\$13,321,496
Fee Income			
Total CU member benefit arising from fewer / lower fees:			\$9,140,459
Total CU member benefit arising from interest rates or	n loans, savings products and low	er fees:	\$47,344,115
Total CU member benefit / member:			\$74
Total CU member benefit / member household:			\$140

Maine Performance Profile

Demographic Information	Sep 14	Sep 13
Number of branches	193	191
otal assets (\$ mil)	6,356	6,125
otal loans (\$ mil)	4,363	4,107
Total surplus funds (\$ mil)	1,674	1,718
otal savings (\$ mil)	5,414	5,262
otal members (thousands)	651	637
Growth Rates (Trailing 12 months) *		
otal assets	3.8 %	4.3 %
Total loans	6.2 %	6.7 %
otal surplus funds	-2.6 %	-0.4 %
otal savings	2.9 %	4.7 %
otal members	2.3 %	2.0 %
Earnings - Basis Pts. *		
/ield on total assets	373	372
Dividend / interest cost of assets	56	63
ee & other income	135	138
Operating expense	370	375
oss Provisions	20	19
Net Income (ROA) after stabilization exp	61	53
Capital adequacy		
Net worth / assets	10.7	10.6
Asset quality *		
Delinquencies / loans	1.1	1.2
Net chargeoffs / average loans	0.3	0.3
otal borrower-bankruptcies	7	8
Bankruptcies per 1000 members	0.6	0.8
Asset/Liability Management		
oans / savings	80.6	78.1
oans / assets	68.6	67.0
ong-term assets / assets	43.2	42.3
Core deposits/shares & borrowings	46.8	45.0
Productivity		
Members / potential members	6.4	6.3
Borrowers / members	54.1	50.4
Members / FTE	321	321
Average shares / members (\$)	8,316	8,266
Average loan balances (\$)	12,392	12,791
Salary & Benefits / FTE	56,855	55,572

^{*} 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.