

The Benefits of Membership

Customized Analysis of Member Benefits For:

Wyoming

December 2014

Prepared by:

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Economics and Statistics Department***



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 \$25,317,541 in direct financial benefits to the state's 232,258 members during the twelve months ending December 2014.

These benefits are equivalent to \$109 per member or \$207 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 \$198 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.

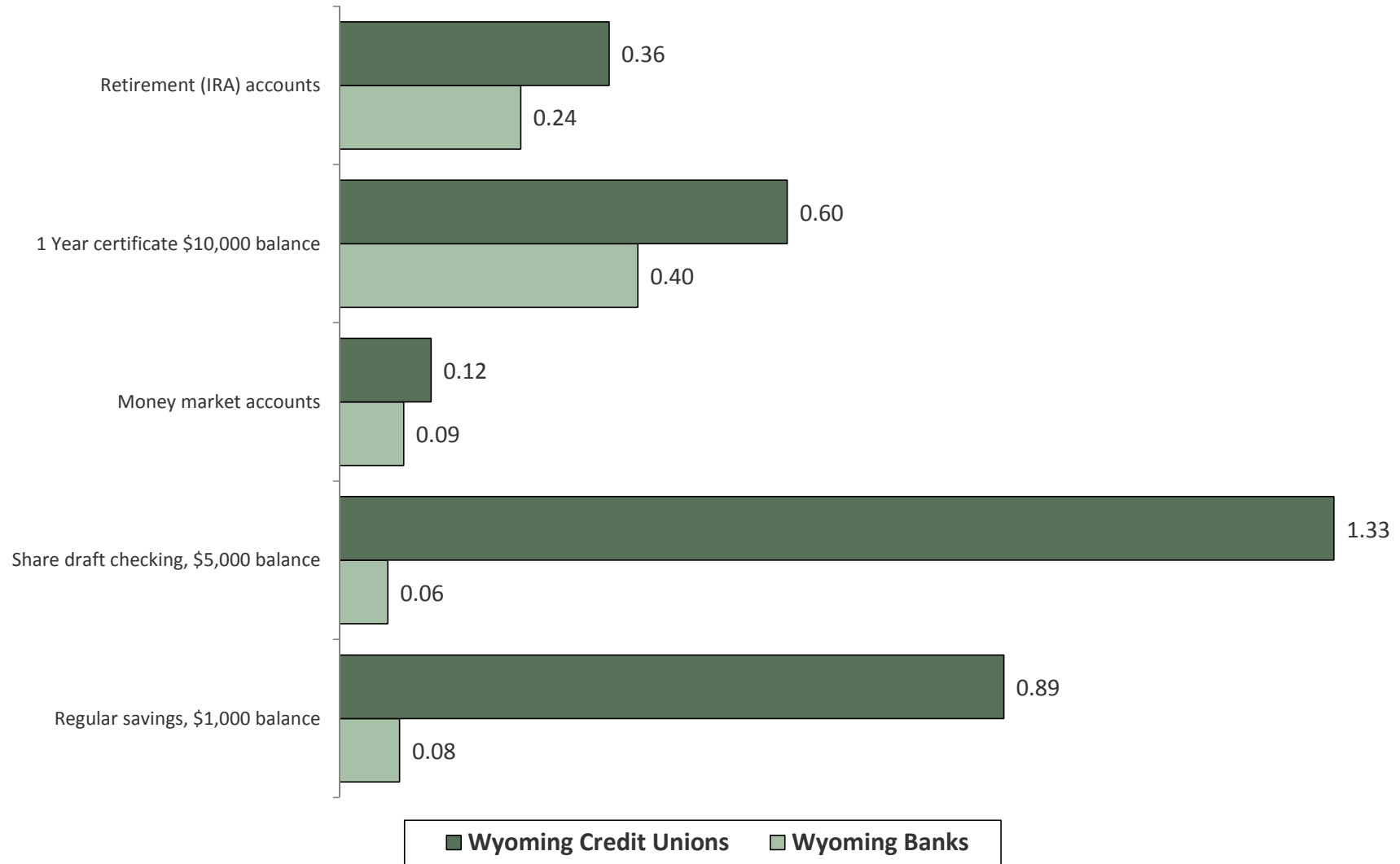
Wyoming credit unions also pay members higher average dividends on the following accounts: regular savings, share draft checking, money market accounts, certificate accounts, IRAs.



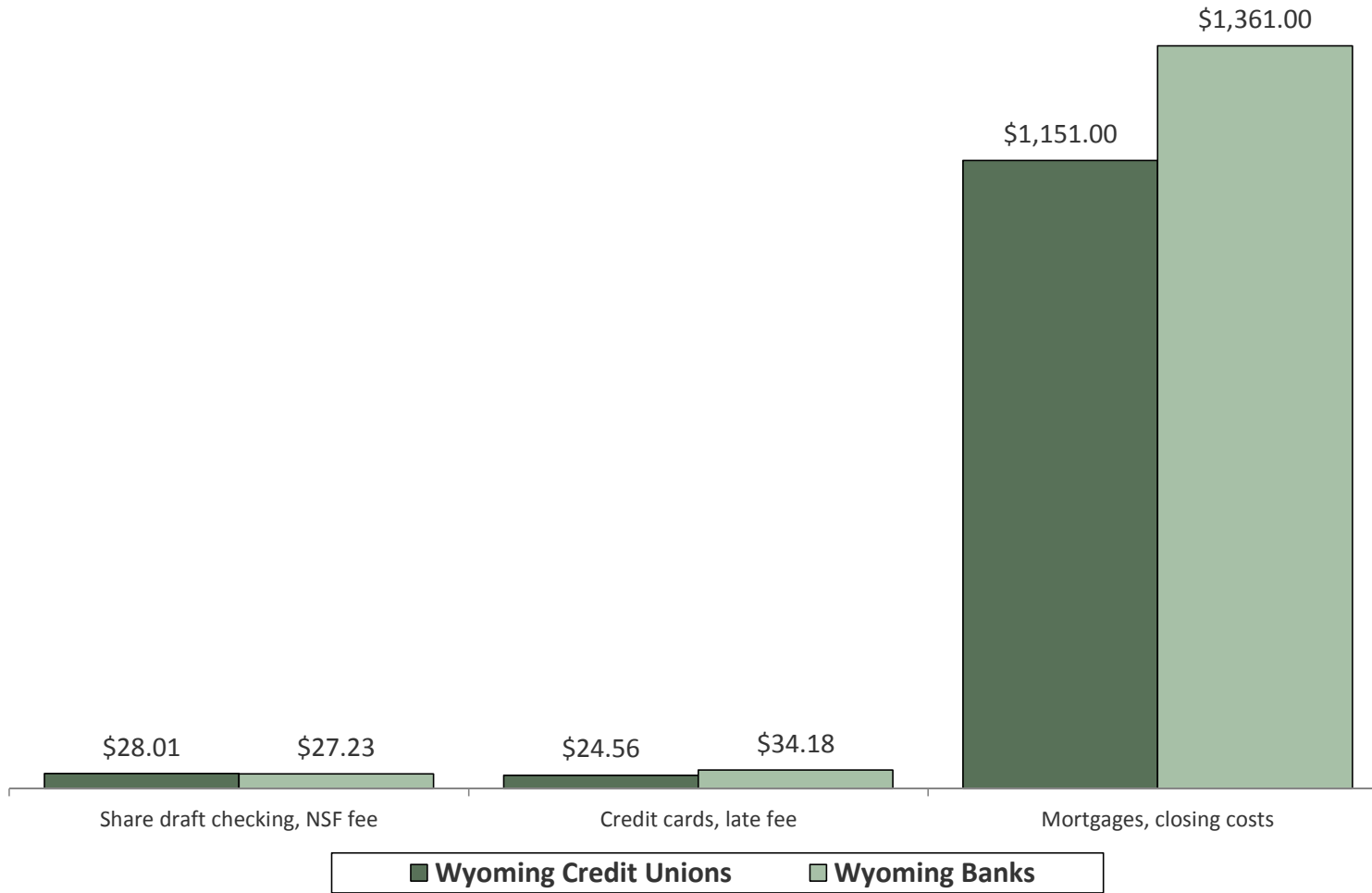
Source: Informa Research Services, NCUA, and CUNA.
(1) Assumes 1.9 credit union members per household.

Savings Products Comparative Interest Rates(%)

By Savings Account Type



Comparative Fees By Type

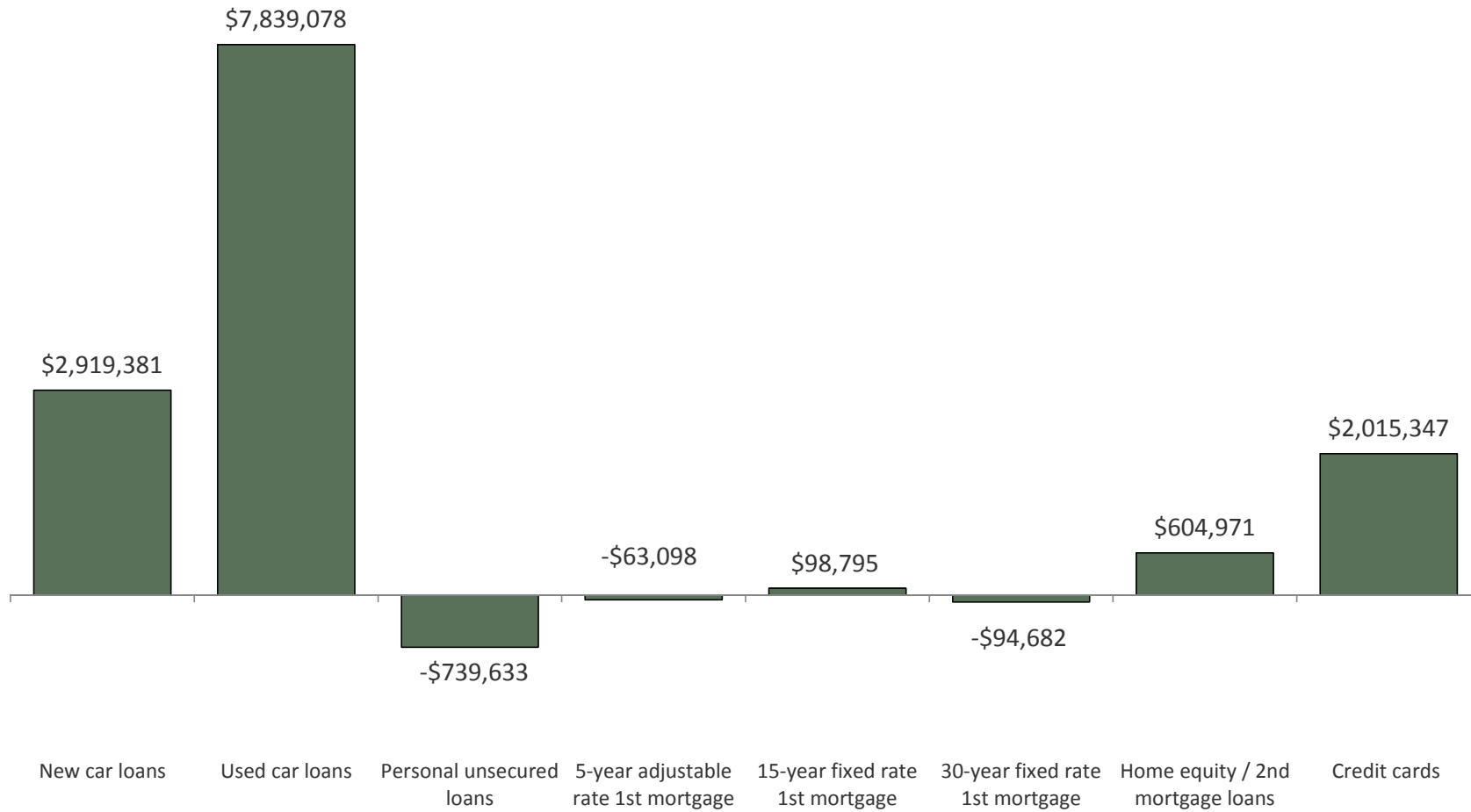


Wyoming
Credit Union and Banking Institution
Year-End 2014 Average Interest Rates and Fees

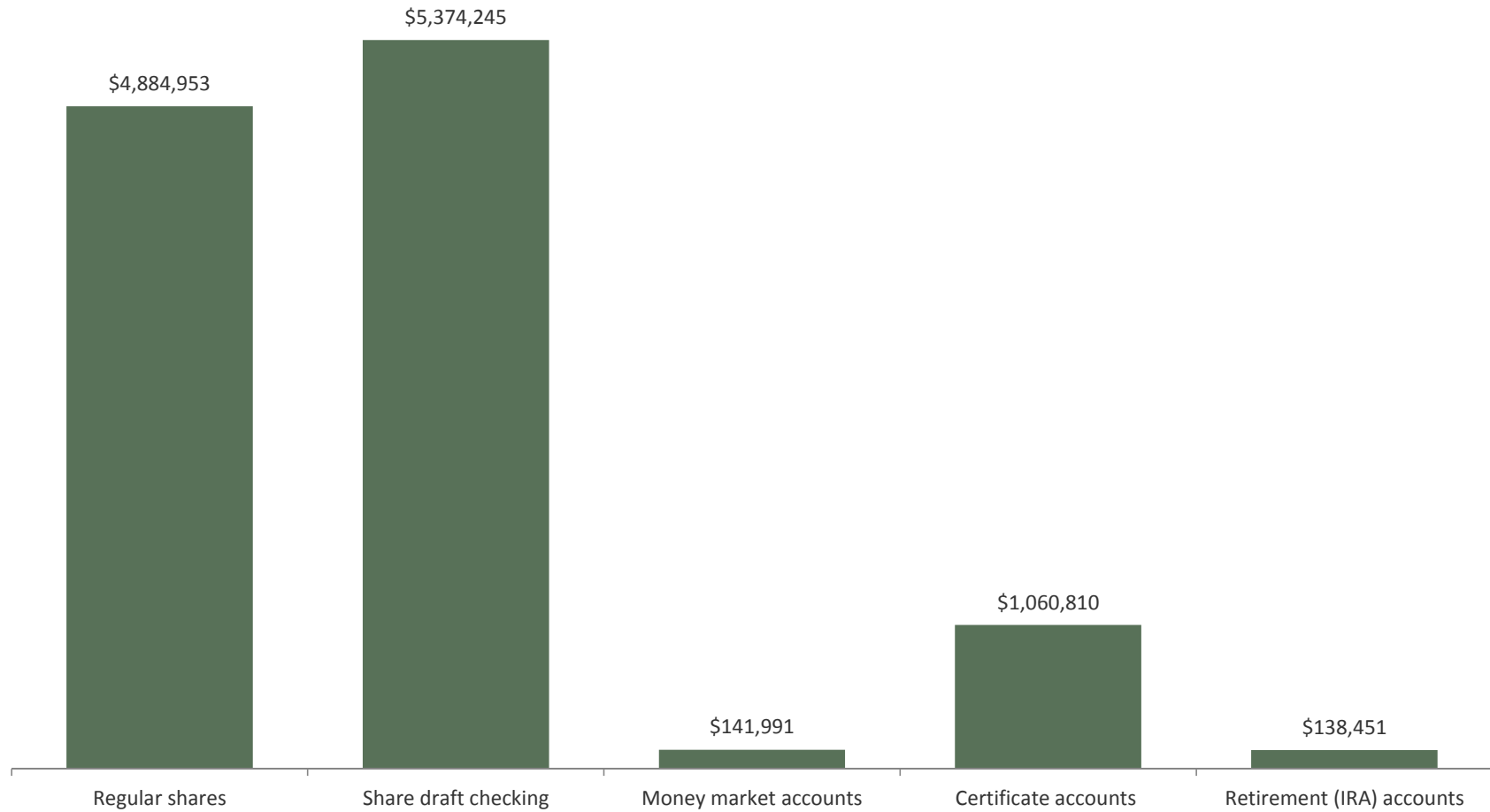
Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	2.57	4.04	-1.48
48-month used car (A paper)	2.81	4.17	-1.36
Unsecured loan (A paper)	10.69	9.24	1.45
5-year adjustable rate 1st mortgage, 0 pts	3.03	2.90	0.13
15-year fixed rate 1st mortgage, 0 pts	3.18	3.23	-0.05
30-year fixed rate 1st mortgage, 0 pts	3.94	3.86	0.07
Home equity / 2nd mtg, 80% LTV 0 pts	4.07	4.58	-0.51
Credit card - classic	11.80	15.90	-4.10
Credit card - gold	10.60	11.84	-1.24
Savings Products			
Regular savings, \$1,000 balance	0.89	0.08	0.81
Share draft checking, \$5,000 balance	1.33	0.06	1.27
Money market accounts	0.12	0.09	0.04
1 Year certificate \$10,000 balance	0.60	0.40	0.20
Retirement (IRA) accounts	0.36	0.24	0.12
Fee Income			
Share draft checking, NSF fee	\$28.01	\$27.23	\$0.78
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 Year-End 2014

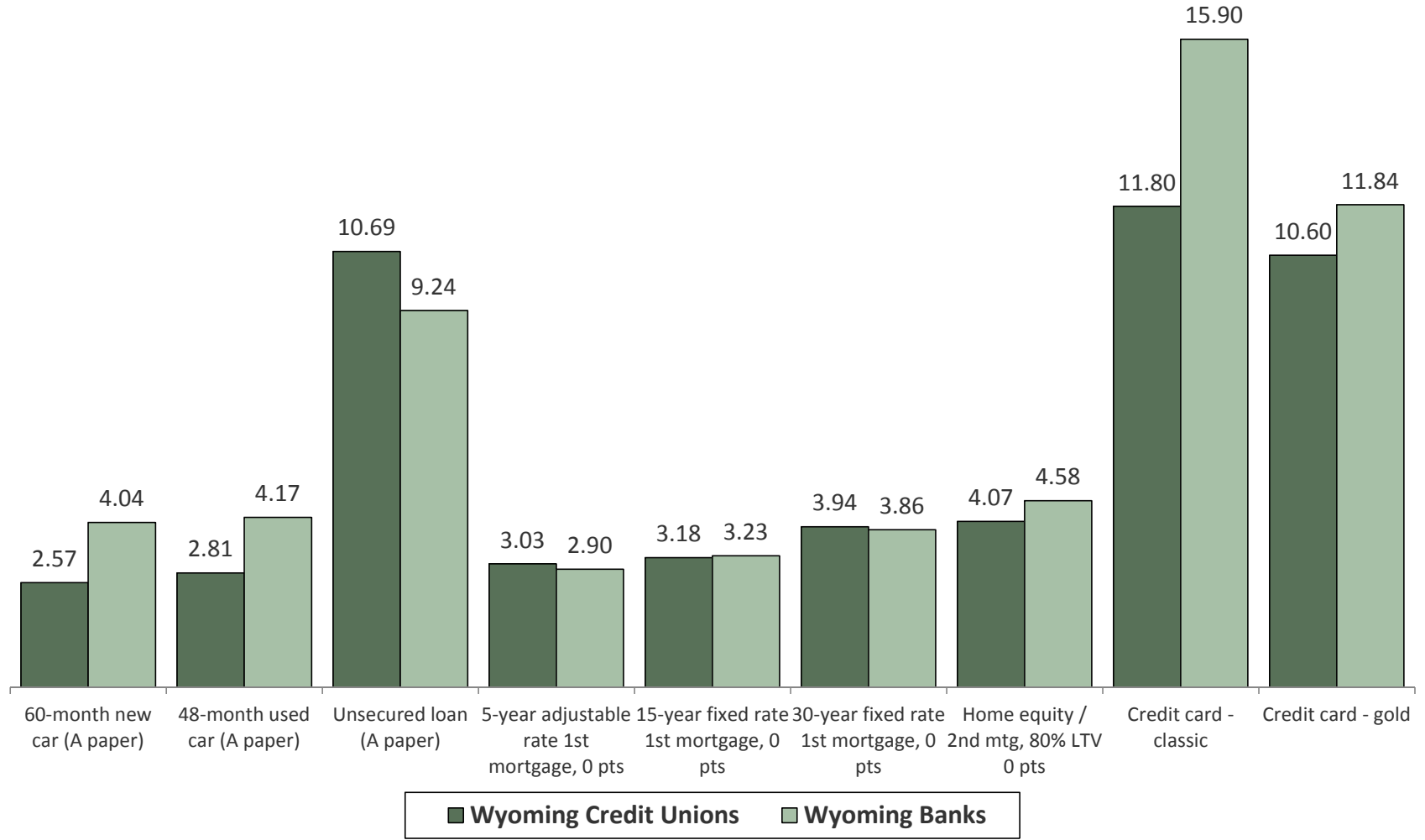
<u>Loans</u>	Avg. Balance at Credit Unions (1)	Rate Difference vs. Wyoming Banks (%) (2)	Total Financial Benefit to Your Members
New car loans	197,924,148	-1.48	\$2,919,381
Used car loans	576,402,808	-1.36	\$7,839,078
Personal unsecured loans	50,868,859	1.45	-\$739,633
5-year adjustable rate 1st mortgage	48,913,379	0.13	-\$63,098
15-year fixed rate 1st mortgage	189,989,669	-0.05	\$98,795
30-year fixed rate 1st mortgage	129,701,147	0.07	-\$94,682
Home equity / 2nd mortgage loans	119,559,524	-0.51	\$604,971
Credit cards	59,537,577	-4.10	\$2,015,347
Interest rebates in period			\$27,440
Total CU member benefits arising from lower interest rates on loan products:			\$12,607,599
 <u>Savings</u>			
Regular shares	603,404,506	0.81	\$4,884,953
Share draft checking	423,874,962	1.27	\$5,374,245
Money market accounts	388,350,587	0.04	\$141,991
Certificate accounts	529,302,484	0.20	\$1,060,810
Retirement (IRA) accounts	116,846,605	0.12	\$138,451
Bonus dividends in period			\$0
Total CU member benefit arising from higher interest rates on savings products:			\$11,600,451
 <u>Fee Income</u>			
Total CU member benefit arising from fewer / lower fees:			\$1,109,492
 Total CU member benefit arising from interest rates on loans, savings products and lower fees:			\$25,317,541
 Total CU member benefit / member:			\$109
Total CU member benefit / member household:			\$207

Source: Informa Research Services, NCUA, and CUNA

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

Loan Product Comparative Interest Rates (%)

By Loan Type



**Wyoming
Performance Profile**

Demographic Information	Dec 14	Dec 13
Number of branches	63	63
Total assets (\$ mil)	2,449	2,306
Total loans (\$ mil)	1,660	1,522
Total surplus funds (\$ mil)	655	658
Total savings (\$ mil)	2,154	2,021
Total members (thousands)	235	229
Growth Rates (Trailing 12 months) *		
Total assets	6.2 %	6.4 %
Total loans	9.1 %	10.7 %
Total surplus funds	-0.5 %	-1.5 %
Total savings	6.6 %	5.1 %
Total members	2.7 %	3.5 %
Earnings - Basis Pts. *		
Yield on total assets	374	383
Dividend / interest cost of assets	51	57
Fee & other income	147	145
Operating expense	361	369
Loss Provisions	28	27
Net Income (ROA) after stabilization exp	81	76
Capital adequacy		
Net worth / assets	10.5	10.4
Asset quality *		
Delinquencies / loans	0.8	0.9
Net chargeoffs / average loans	0.5	0.4
Total borrower-bankruptcies	12	17
Bankruptcies per 1000 members	1.5	2.2
Asset/Liability Management		
Loans / savings	77.1	75.3
Loans / assets	67.8	66.0
Long-term assets / assets	27.3	28.7
Core deposits/shares & borrowings	49.8	48.2
Productivity		
Members / potential members	15.4	15.4
Borrowers / members	59.9	56.8
Members / FTE	333	331
Average shares / members (\$)	9,151	8,819
Average loan balances (\$)	11,777	11,691
Salary & Benefits / FTE	59,391	56,682

* 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.