CUNA
Credit Union National Association

Massachusetts
Membership Benefits Report

Year-End 2015

Prepared by:
CUNA Economics and Statistics

Massachusetts

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 Massachusetts credit unions provided $328,105,517 in direct financial benefits to the state's 2,619,556 members during the twelve months ending December 2015.

These benefits are equivalent to $125 per member or $238 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 Massachusetts 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 Massachusetts credit unions.

Consider this:

Financing a $25,000 new automobile for 60 months at a Massachusetts credit union will save members an average $321 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.

Massachusetts credit unions excel in providing member benefits on many loan and savings products. In particular, Massachusetts 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.

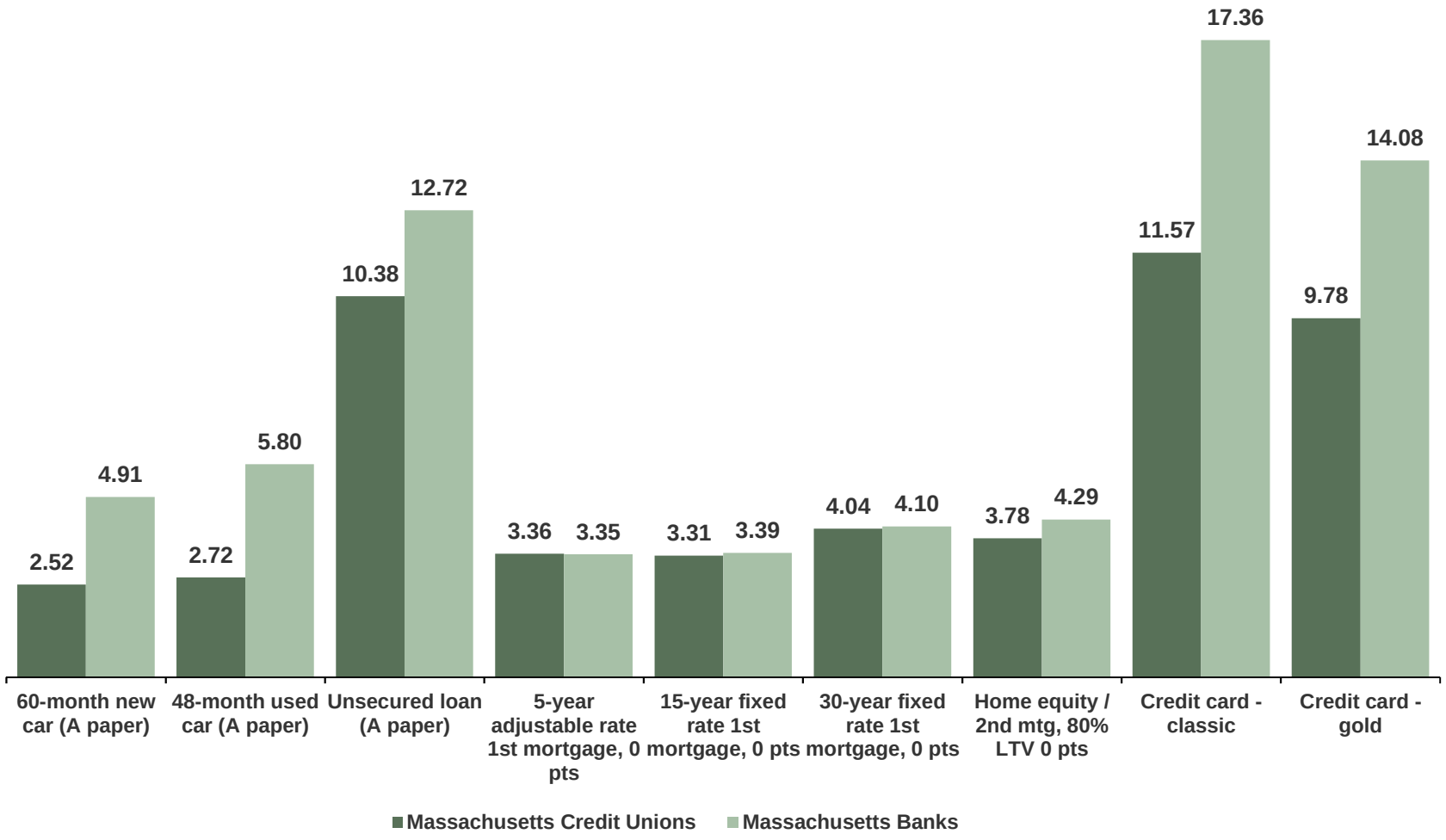
Massachusetts credit unions also pay members higher average dividends on the following accounts: regular savings, share draft checking, money market accounts, certificate accounts, IRAs.

AMERICA'S CREDIT UNIONS

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

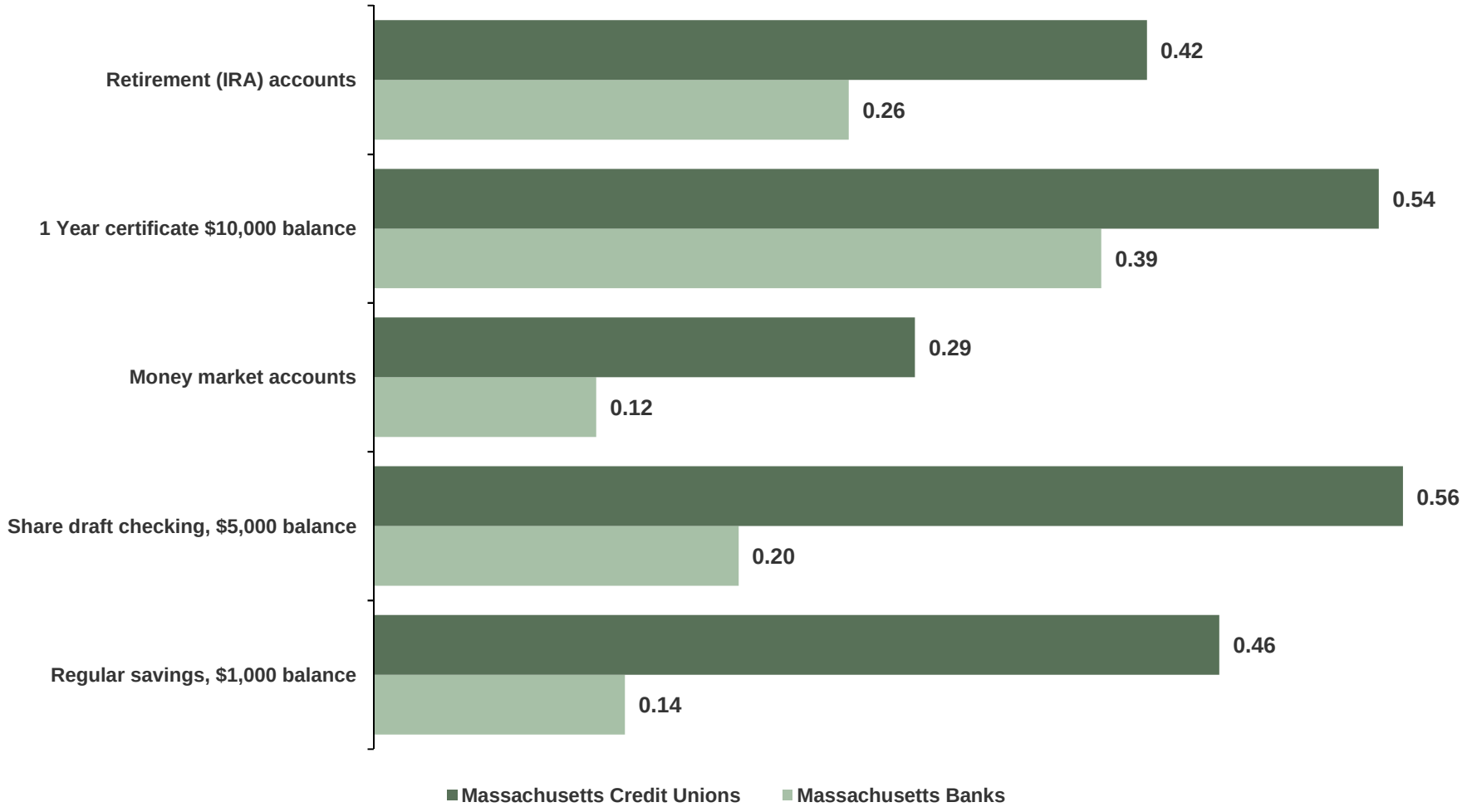
Loan Product Comparative Interest Rates (%)

by Loan Type



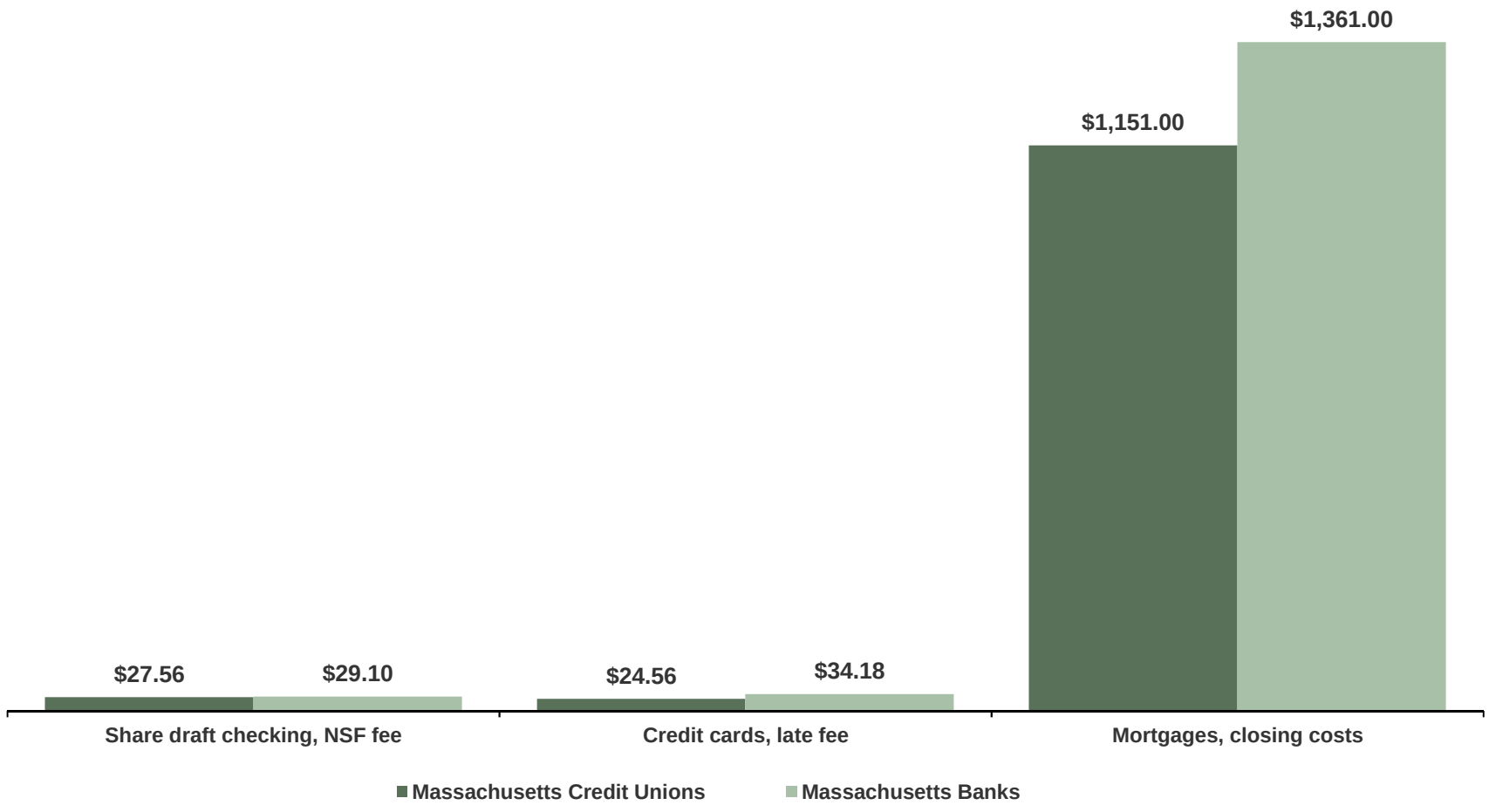
Savings Product Comparative Interest Rates (%)

by Savings Account Type



Comparative Fees

by Type



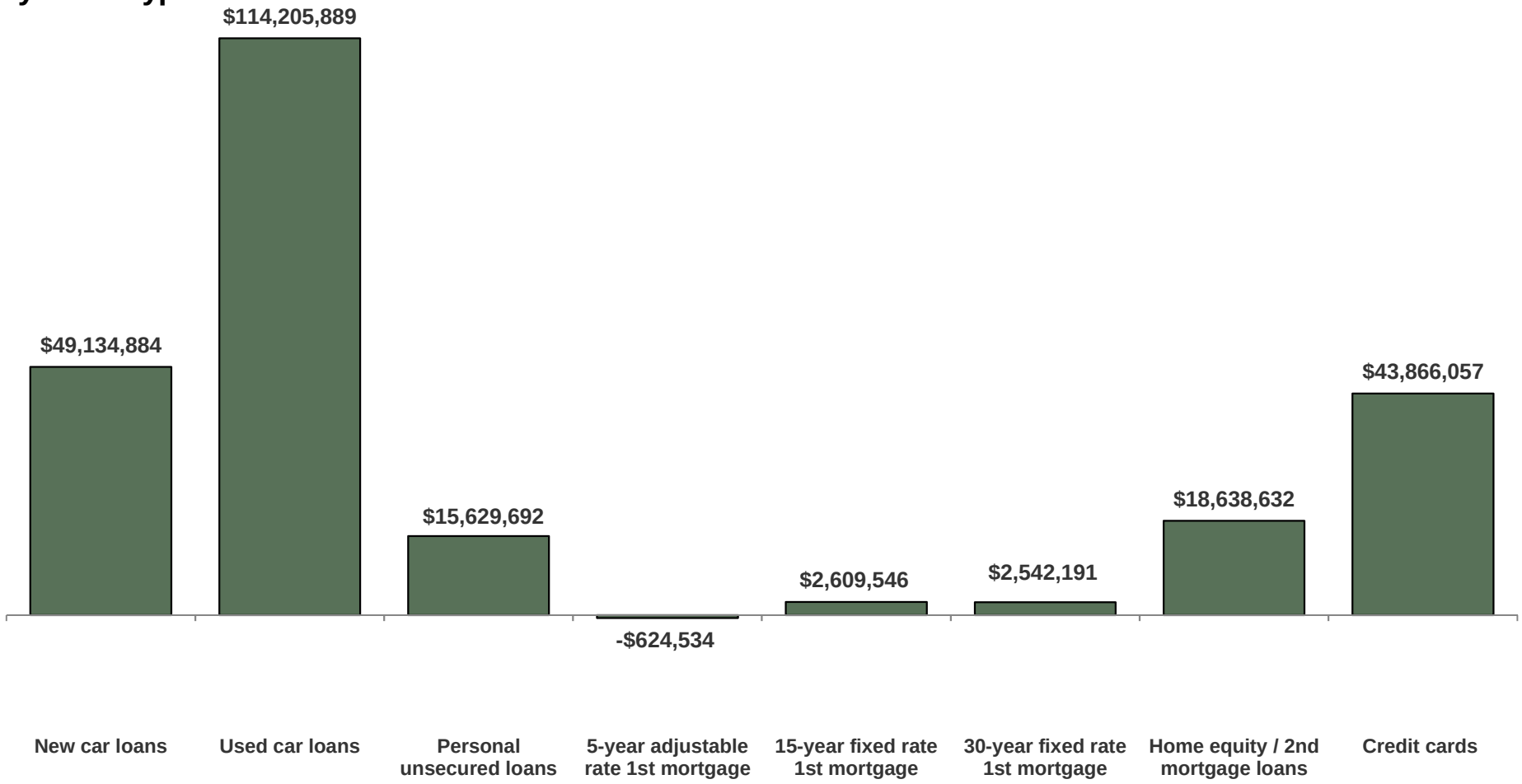
Massachusetts
Credit Union and Banking Institution
December 2015 Average Interest Rates and Fees

Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	2.52	4.91	-2.39
48-month used car (A paper)	2.72	5.80	-3.08
Unsecured loan (A paper)	10.38	12.72	-2.34
5-year adjustable rate 1st mortgage, 0 pts	3.36	3.35	0.01
15-year fixed rate 1st mortgage, 0 pts	3.31	3.39	-0.08
30-year fixed rate 1st mortgage, 0 pts	4.04	4.10	-0.06
Home equity / 2nd mtg, 80% LTV 0 pts	3.78	4.29	-0.51
Credit card - classic	11.57	17.36	-5.79
Credit card - gold	9.78	14.08	-4.30
Savings Products			
Regular savings, $1,000 balance	0.46	0.14	0.32
Share draft checking, $5,000 balance	0.56	0.20	0.36
Money market accounts	0.29	0.12	0.17
1 Year certificate $10,000 balance	0.54	0.39	0.15
Retirement (IRA) accounts	0.42	0.26	0.16
Fee Income			
Share draft checking, NSF fee	$27.56	$29.10	-$1.54
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

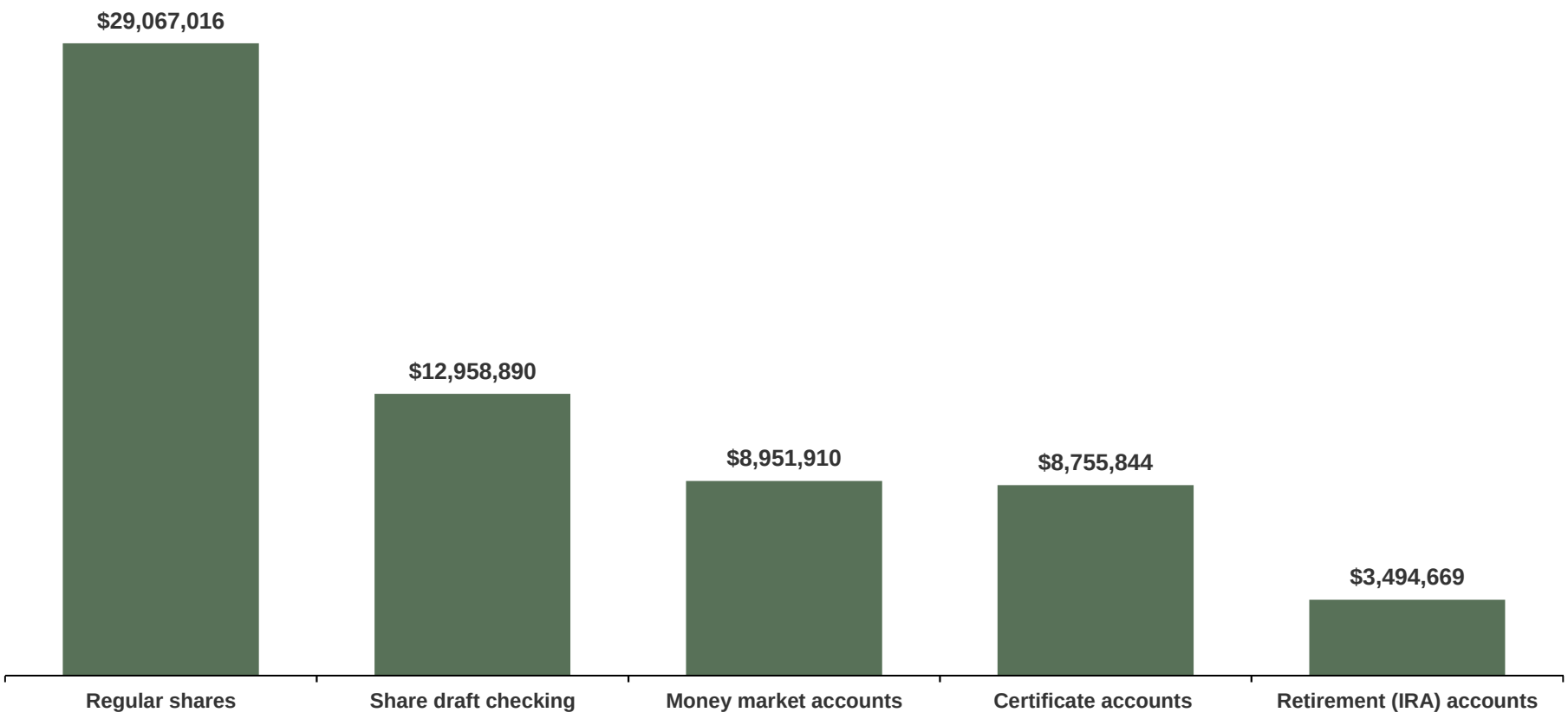
State Credit Union's Total Loan Rate Benefits

Compared to State Banking Institutions
by Loan Type



State Credit Union's Total Savings Dividend Benefits

Compared to State Banking Institutions
by Account Type



Estimated Financial Benefits for Massachusetts Credit Unions

December 2015

Loans	Avg. Balance at Credit Unions (1)	Rate Difference vs. Massachusetts Banks (%) (2)	Total Financial Benefit to Your Members
New car loans	2,060,162,869	-2.39	$49,134,884
Used car loans	3,703,174,085	-3.08	$114,205,889
Personal unsecured loans	667,650,219	-2.34	$15,629,692
5-year adjustable rate 1st mortgage	4,163,562,111	0.01	-$624,534
15-year fixed rate 1st mortgage	3,303,222,458	-0.08	$2,609,546
30-year fixed rate 1st mortgage	4,308,798,762	-0.06	$2,542,191
Home equity / 2nd mortgage loans	3,647,481,727	-0.51	$18,638,632
Credit cards	809,710,327	-5.79	$43,866,057
Interest rebates			$1,658,807
Total CU member benefits arising from lower interest rates on loan products:			$247,661,163
Savings			
Regular shares	9,039,668,401	0.32	$29,067,016
Share draft checking	3,605,972,939	0.36	$12,958,890
Money market accounts	5,192,269,315	0.17	$8,951,910
Certificate accounts	5,832,058,811	0.15	$8,755,844
Retirement (IRA) accounts	2,166,958,351	0.16	$3,494,669
Bonus dividends in period			$0
Total CU member benefit arising from higher interest rates on savings products:			$63,228,329
Fee Income			
Total CU member benefit arising from fewer / lower fees:			$17,216,025
Total CU member benefit arising from interest rates on loans, savings products and lower fees:			$328,105,517
Total CU member benefit / member:			$125
Total CU member benefit / member household:			$238

Source: Informa Research Services, NCUA, and CUNA

(1) Average balance as of December 2015 and December 2014, according to the NCUA call report.; (2) Source for rates and fees: Informa Research Services;

Massachusetts Credit Union
Performance Profile

Demographic Information	Dec 15	Dec 14
Number of branches	480	484
Total assets ($ mil)	33,877	31,844
Total loans ($ mil)	24,841	22,787
Total surplus funds ($ mil)	8,042	8,105
Total savings ($ mil)	27,430	25,906
Total members (thousands)	2,687	2,568
Growth Rates (Trailing 12 months) *		
Total assets	7.4 %	4.9 %
Total loans	9.7 %	9.3 %
Total surplus funds	0.8 %	-6.1 %
Total savings	6.9 %	3.6 %
Total members	5.3 %	3.7 %
Earnings - Basis Pts. *		
Yield on total assets	315	321
Dividend / interest cost of assets	53	55
Fee & other income	82	80
Operating expense	269	270
Loss Provisions	14	12
Net Income (ROA) after stabilization exp	61	63
Capital Adequacy		
Net worth / assets	10.8	10.9
Asset Quality *		
Delinquencies / loans	0.8	0.8
Net chargeoffs / average loans	0.2	0.2
Total borrower-bankruptcies	9	11
Bankruptcies per 1000 members	0.6	0.8
Asset/Liability Management		
Loans / savings	90.6	88.0
Loans / assets	73.3	71.6
Long-term assets / assets	41.0	41.2
Core deposits/shares & borrowings	45.9	43.3
Productivity		
Members / potential members	3.6	3.7
Borrowers / members	47.6	49.6
Members / FTE	422	411
Average shares / members ($)	10,207	10,089
Average loan balances ($)	19,436	17,878
Salary & Benefits / FTE	70,278	68,552

*** 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.**