

The Benefits of Membership

Customized Analysis of Member Benefits For:

Wyoming

December 2011

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 saving rates, and fewer fees than banking institutions.

The Credit Union National Association (CUNA) estimates that **Wyoming** credit unions provided \$18,670,706 in direct financial benefits to the state's 211,505 members during the twelve months ending December 2011.

These benefits are equivalent to \$88 per member or \$168 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 \$185 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.

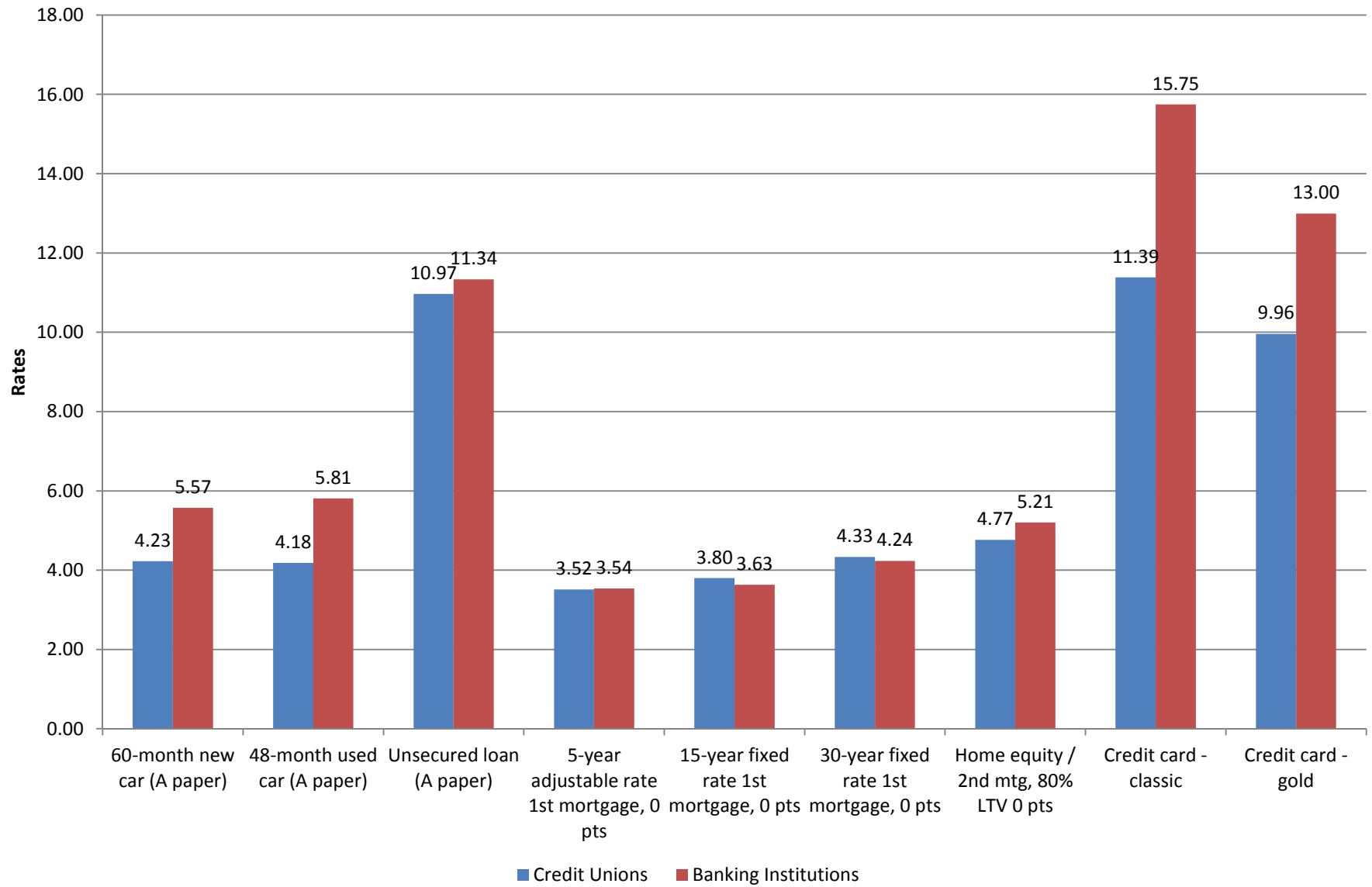
Wyoming credit unions excel in providing member benefits on many loan and saving products. In particular, **Wyoming** credit unions offer lower average loan rates on the following accounts: new car loans, used car loans, personal unsecured loans, first mortgage-adjustable rate, home equity loans, credit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

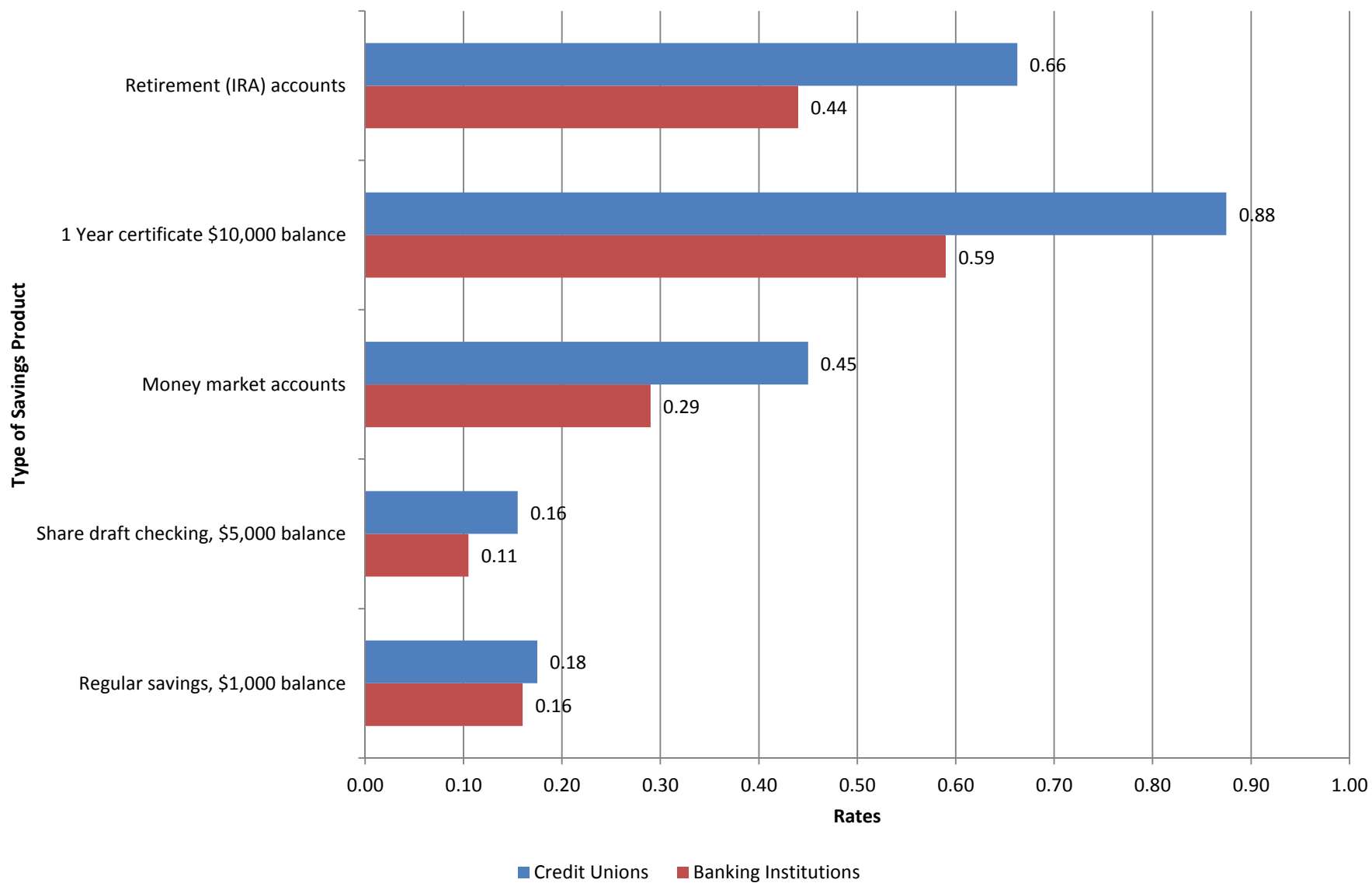


Source: Datatrac, NCUA, and CUNA.
(1) Assumes 1.9 credit union members per household.

Recent Comparative Interest Rates for Loan Products Credit Unions vs. Banking Institutions



Recent Comparative Interest Rates for Savings Products Credit Unions vs. Banking Institutions



Selected December 2011 Fees Credit Unions vs Banking Institutions

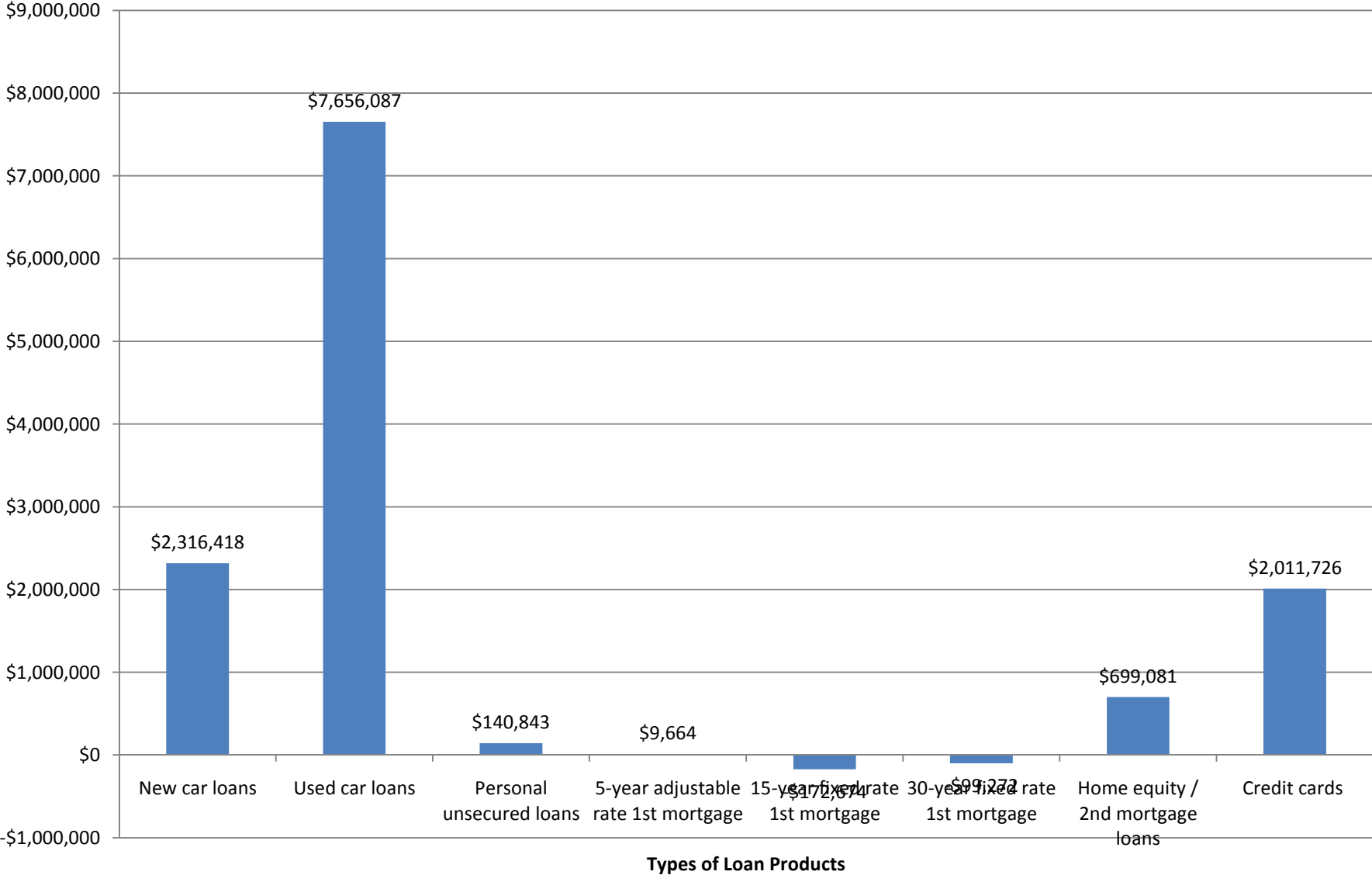


Wyoming
Credit Union and Banking Institution
Year-end 2011 Average Interest Rates and Fees

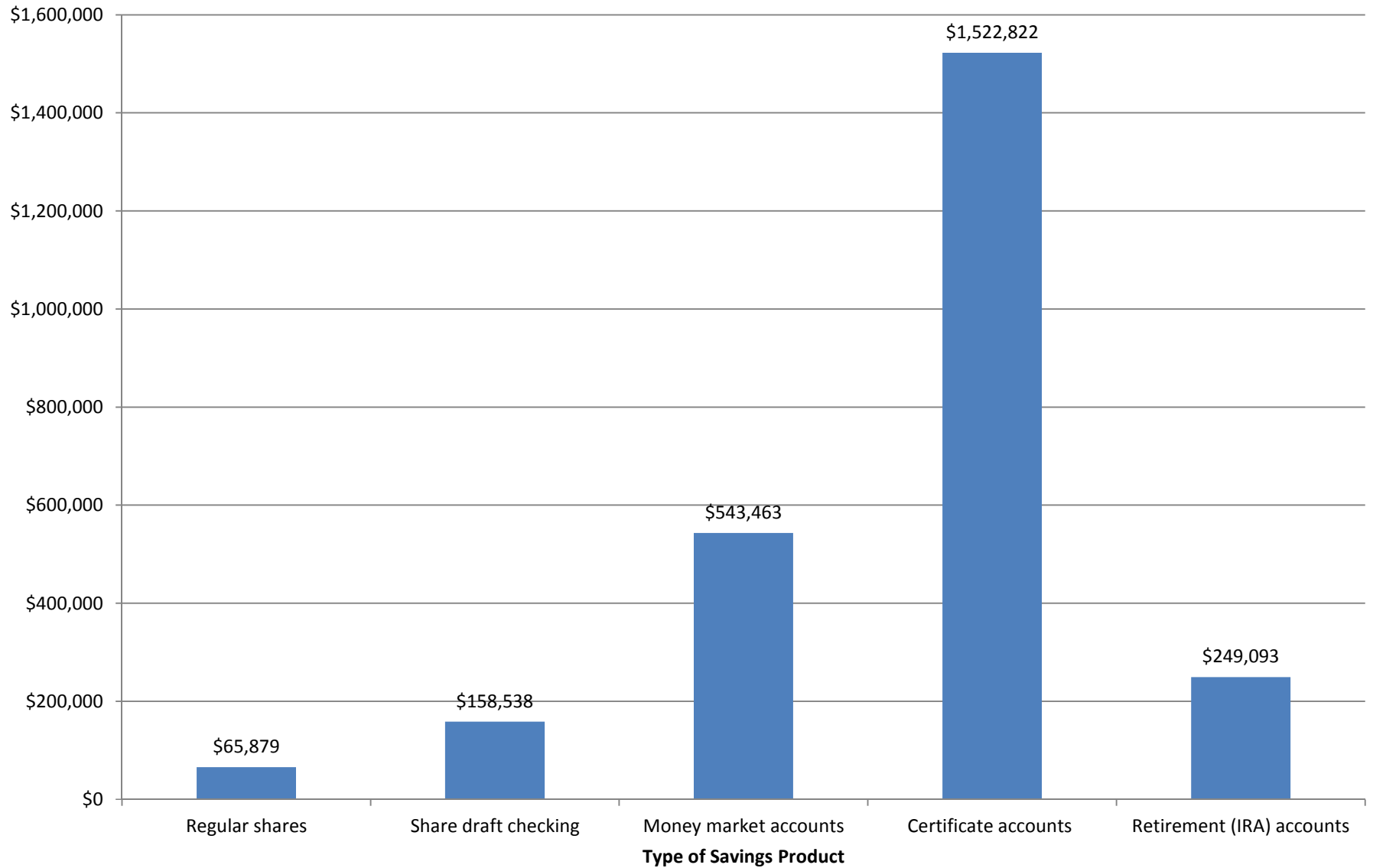
Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	4.23	5.57	-1.35
48-month used car (A paper)	4.18	5.81	-1.63
Unsecured loan (A paper)	10.97	11.34	-0.37
5-year adjustable rate 1st mortgage, 0 pts	3.52	3.54	-0.02
15-year fixed rate 1st mortgage, 0 pts	3.80	3.63	0.17
30-year fixed rate 1st mortgage, 0 pts	4.33	4.24	0.10
Home equity / 2nd mtg, 80% LTV 0 pts	4.77	5.21	-0.44
Credit card - classic	11.39	15.75	-4.36
Credit card - gold	9.96	13.00	-3.04
Savings Products			
Regular savings, \$1,000 balance	0.18	0.16	0.02
Share draft checking, \$5,000 balance	0.16	0.11	0.05
Money market accounts	0.45	0.29	0.16
1 Year certificate \$10,000 balance	0.88	0.59	0.29
Retirement (IRA) accounts	0.66	0.44	0.22
Fee Income			
Share draft checking, NSF fee	\$25.00	\$30.00	-\$5.00
Credit cards, late fee	\$20.00	\$35.00	-\$15.00
Mortgages, closing costs	\$2,280.00	\$2,309.00	-\$29.00

Source: Datatrac

Estimated Total Loan Rate Benefit Credit Unions vs Banking Institutions



Estimated Total Savings Dividend Benefit Credit Unions vs. Banking Institutions



Estimated Wyoming Credit Unions Financial Benefits Year-end 2011

<u>Loans</u>	Avg. Balance at Credit Unions (1)	Rate Difference vs. Wyoming Banks (%) (2)	Total Financial Benefit to Your Members
New car loans	172,224,400	-1.35	\$2,316,418
Used car loans	469,698,582	-1.63	\$7,656,087
Personal unsecured loans	38,065,581	-0.37	\$140,843
5-year adjustable rate 1st mortgage	38,656,060	-0.02	\$9,664
15-year fixed rate 1st mortgage	101,572,958	0.17	-\$172,674
30-year fixed rate 1st mortgage	104,496,966	0.10	-\$99,272
Home equity / 2nd mortgage loans	158,882,139	-0.44	\$699,081
Credit cards	49,934,244	-4.36	\$2,011,726
Interest rebates in period			\$29,164
Total CU member benefits arising from lower interest rates on loan products:			\$12,591,037
 <u>Savings</u>			
Regular shares	439,190,773	0.02	\$65,879
Share draft checking	317,075,702	0.05	\$158,538
Money market accounts	339,664,369	0.16	\$543,463
Certificate accounts	534,323,630	0.29	\$1,522,822
Retirement (IRA) accounts	111,952,016	0.22	\$249,093
Bonus dividends in period			\$0
Total CU member benefit arising from higher interest rates on saving products:			\$2,539,795
 <u>Fee Income</u>			
Total CU member benefit arising from fewer/lower fees:			\$3,539,875
 Total CU member benefit arising from interest rates on loan and savings products and lower fees:			\$18,670,706
Total CU member benefit / member:			\$88
Total CU member benefit / member household:			\$168

Source: Datatrac, NCUA, and CUNA

(1) Average balance as of September 2011 and September 2010, according to the NCUA call report.; (2) Source for rates and fees: Datatrac;

**Wyoming
Performance Profile**

Demographic Information	Dec 11	Dec 10
Number of branches	60	61
Total assets (\$ mil)	2,035	1,921
Total loans (\$ mil)	1,278	1,224
Total surplus funds (\$ mil)	642	580
Total savings (\$ mil)	1,809	1,711
Total members (thousands)	215	211
Growth Rates (Trailing 12 months) *		
Total assets	5.9 %	6.9 %
Total loans	4.4 %	3.1 %
Total surplus funds	10.6 %	13.8 %
Total savings	5.7 %	7.3 %
Total members	1.5 %	1.6 %
Earnings - Basis Pts. *		
Yield on total assets	445	489
Dividend/interest cost of assets	86	122
Fee & other income	136	138
Operating expense	372	373
Loss Provisions	46	65
Net Income (ROA) after stabilization exp	77	67
Capital adequacy		
Net worth / assets	10.1	9.9
Asset quality *		
Delinquencies / loans	0.8	1.3
Net chargeoffs / average loans	0.6	0.8
Total borrower-bankruptcies	12	12
Bankruptcies per 1000 members	1.6	1.7
Asset/Liability Management		
Loans / savings	70.7	71.5
Loans / assets	62.8	63.7
Long-term assets / assets	23.3	23.1
Core deposits/shares & borrowings	44.8	41.0
Productivity		
Members/potential members	16.2	17.0
Borrowers/members	54.2	53.3
Members/FTE	325	328
Average shares/members (\$)	8,430	8,097
Average loan balances (\$)	10,990	10,869
Salary & Benefits/FTE	52,797	51,647

* 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.