

CUNA Arbor Financial CU

MEMBERSHIP BENEFITS REPORT

Arbor Financial CU

The Benefits of Membership

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

The Credit Union National Association (CUNA) estimates that Arbor Financial CU provided \$3,302,998 in direct financial benefits to its 45,265 members during the twelve months ending September 2021 ⁽¹⁾.

These benefits are equivalent to \$73 per member or \$153 per member household ⁽²⁾.

The per-member and per-household member benefits delivered by Arbor Financial CU are substantial. But, these benefits are reported as averages. Mathematically, that means the total benefits you provide are divided across all members (or all member households) - even those who conduct very little financial business with the credit union.

For example, financing a \$30,000 new automobile for 60 months at Arbor Financial CU will save members an average \$231 per year in interest expense compared to what they would pay at a banking institution in the state. That's approximately \$1,155 in savings over 5 years.

Arbor Financial CU excels in providing member benefits in many loan and savings products. In particular, Arbor Financial CU offers lower 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.

Arbor Financial CU also pays its members higher dividends on the following accounts: share draft checking, .



Member Benefit Marketing Toolkit
Show members how much you save them!
www.datatrac.net/memberbenefits

Website Widgets • Facebook App
Digital Lobby Graphics • Member Handouts

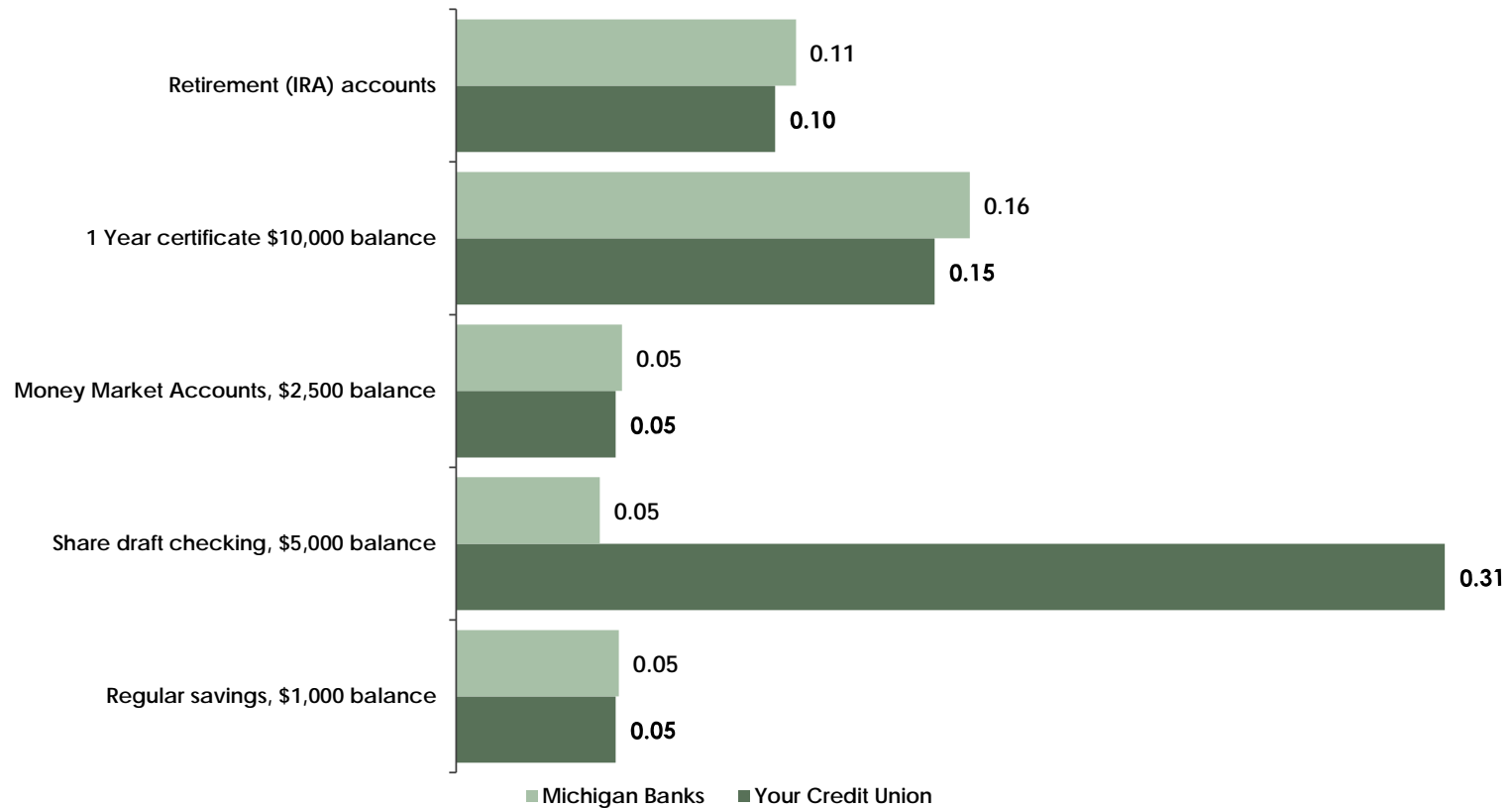
Source: Datatrac, NCUA, and CUNA.

(1) Rates and fees as of 2/8/2022.

(2) Assumes 2.1 credit union members per household.

Savings Product Comparative Interest Rates (%)

by Savings Account Type

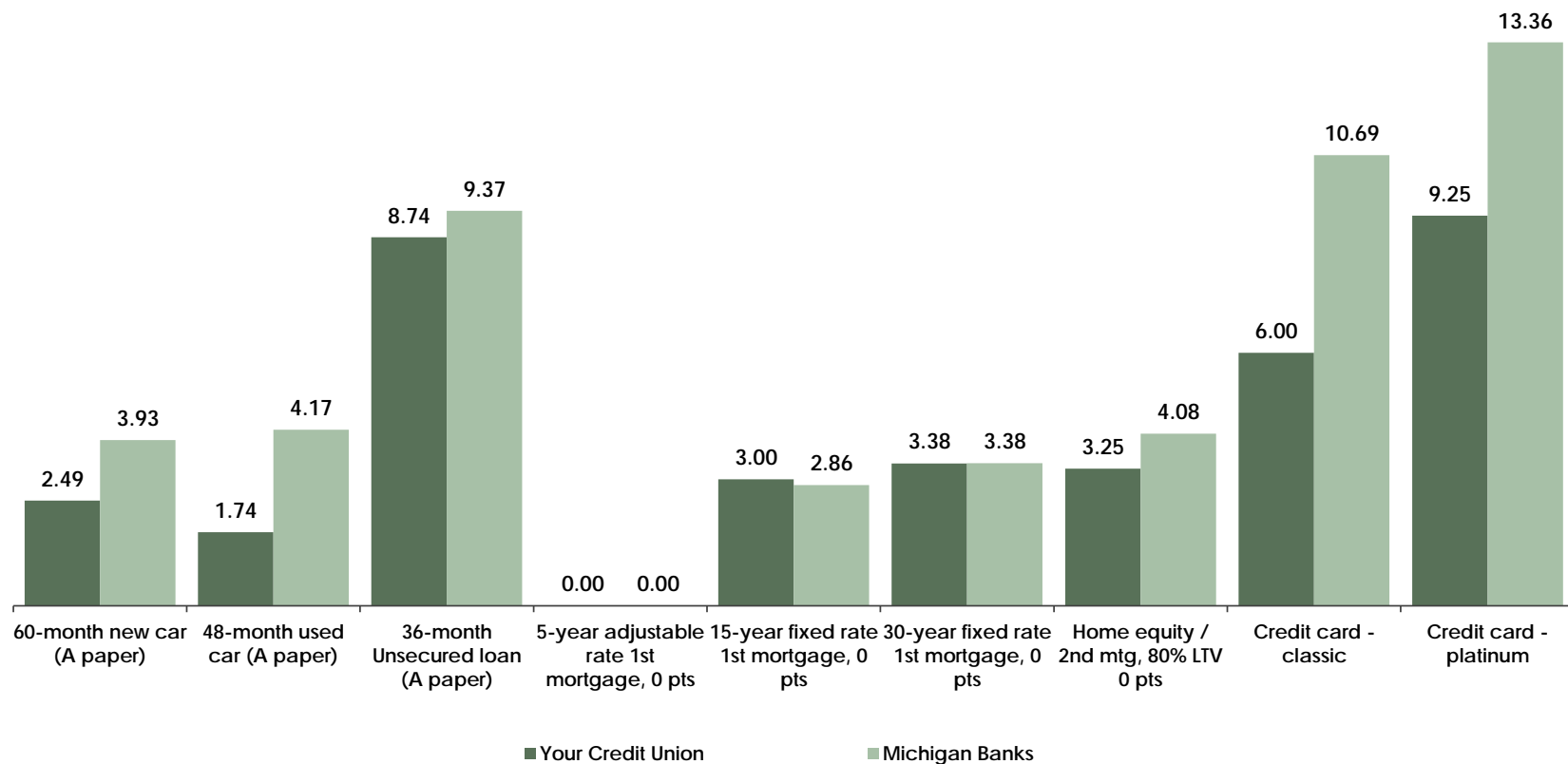


Membership Benefits Report

CUNA Economics and Statistics

Loan Product Comparative Interest Rates (%)

by Loan Type

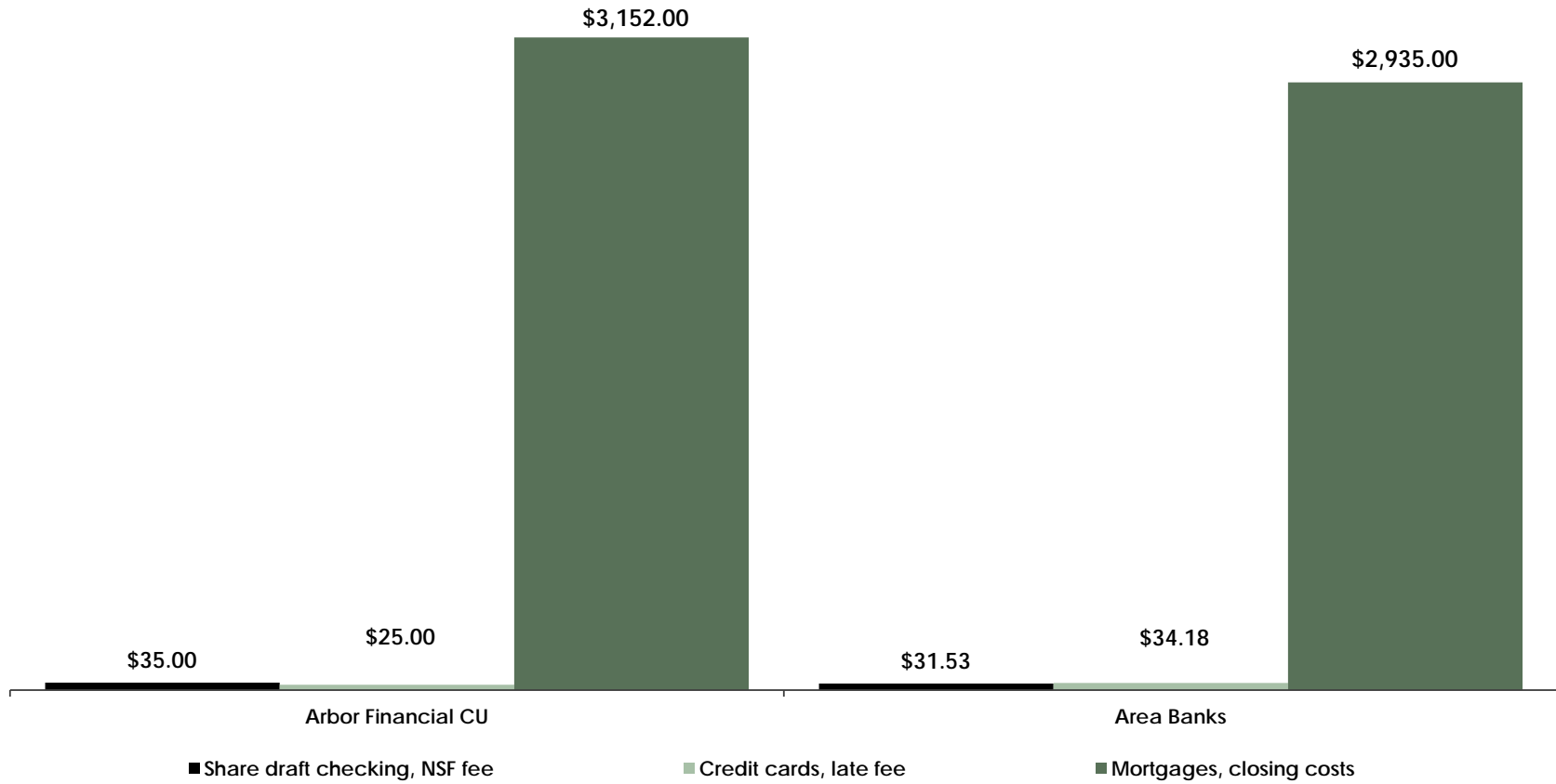


Membership Benefits Report

CUNA Economics and Statistics

Comparative Fees

by Type



Interest Rates at Arbor Financial CU and Banking Institutions in Michigan

Loan Products	Rate at your Credit Union (%) *	Average Rate at Banks (%) *	Rate Difference vs. Banks (%)
60-month new car (A paper)	2.49	3.93	-1.44
48-month used car (A paper)	1.74	4.17	-2.43
36-month Unsecured loan (A paper)	8.74	9.37	-0.63
5-year adjustable rate 1st mortgage, 0 pts	0.00	0.00	0.00
15-year fixed rate 1st mortgage, 0 pts	3.00	2.86	0.14
30-year fixed rate 1st mortgage, 0 pts	3.38	3.38	-0.01
Home equity / 2nd mtg, 80% LTV 0 pts	3.25	4.08	-0.83
Credit card - classic	6.00	10.69	-4.69
Credit card - platinum	9.25	13.36	-4.11
Savings Products			
Regular savings, \$1,000 balance	0.05	0.05	0.00
Share draft checking, \$5,000 balance	0.31	0.05	0.27
Money Market Accounts, \$2,500 balance	0.05	0.05	0.00
1 Year certificate \$10,000 balance	0.15	0.16	-0.01
Retirement (IRA) accounts	0.10	0.11	-0.01
Fee Income			
Share draft checking, NSF fee	\$35.00	\$31.53	\$3.47
Credit cards, late fee	\$25.00	\$34.18	-\$9.18
Mortgages, closing costs	\$3,152.00	\$2,935.00	\$217.00

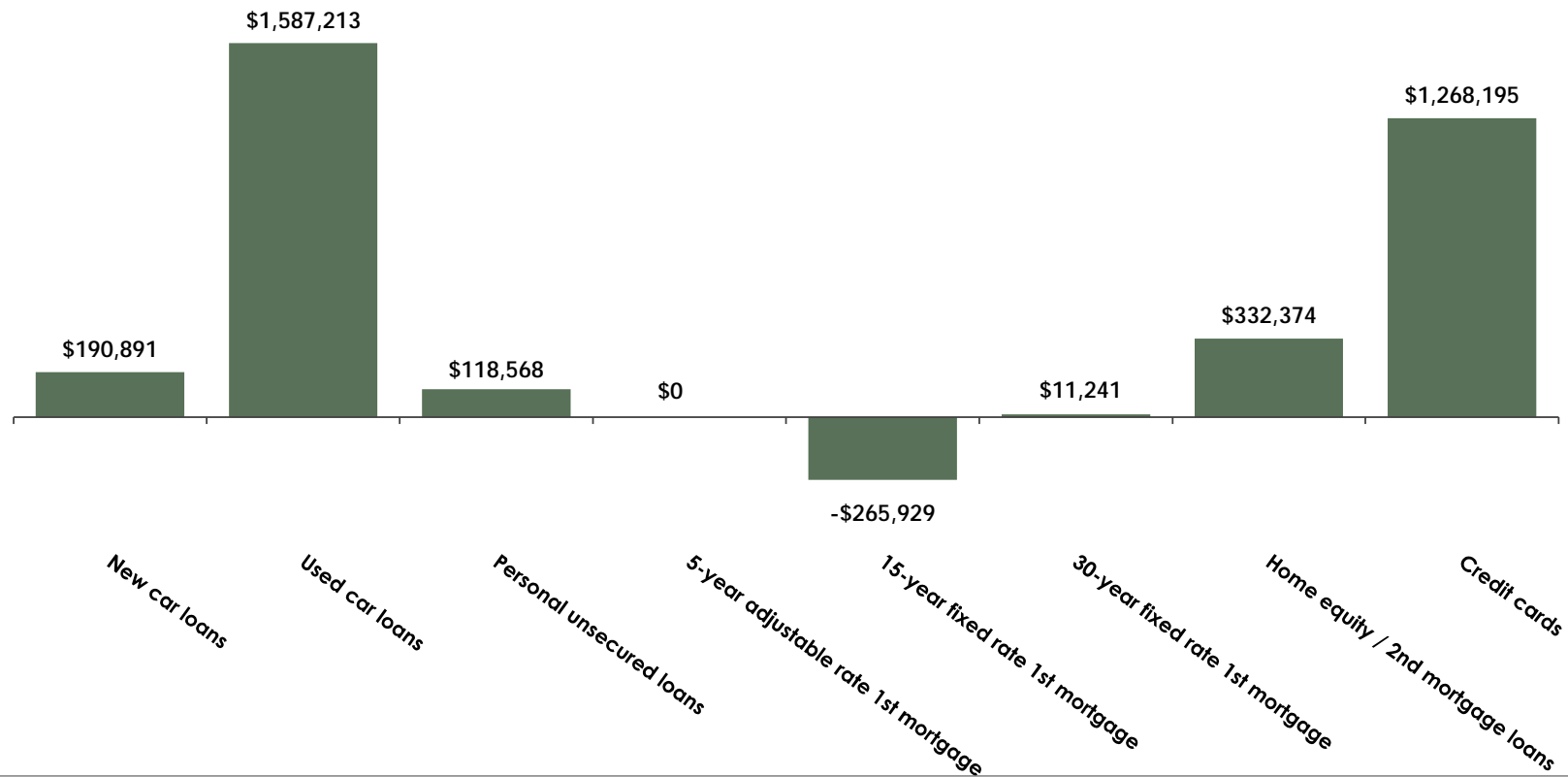
*Rates and fees as of 2/8/2022. Credit union rates provided by individual credit union, bank rates provided by Datatrac.

Membership Benefits Report

CUNA Economics and Statistics

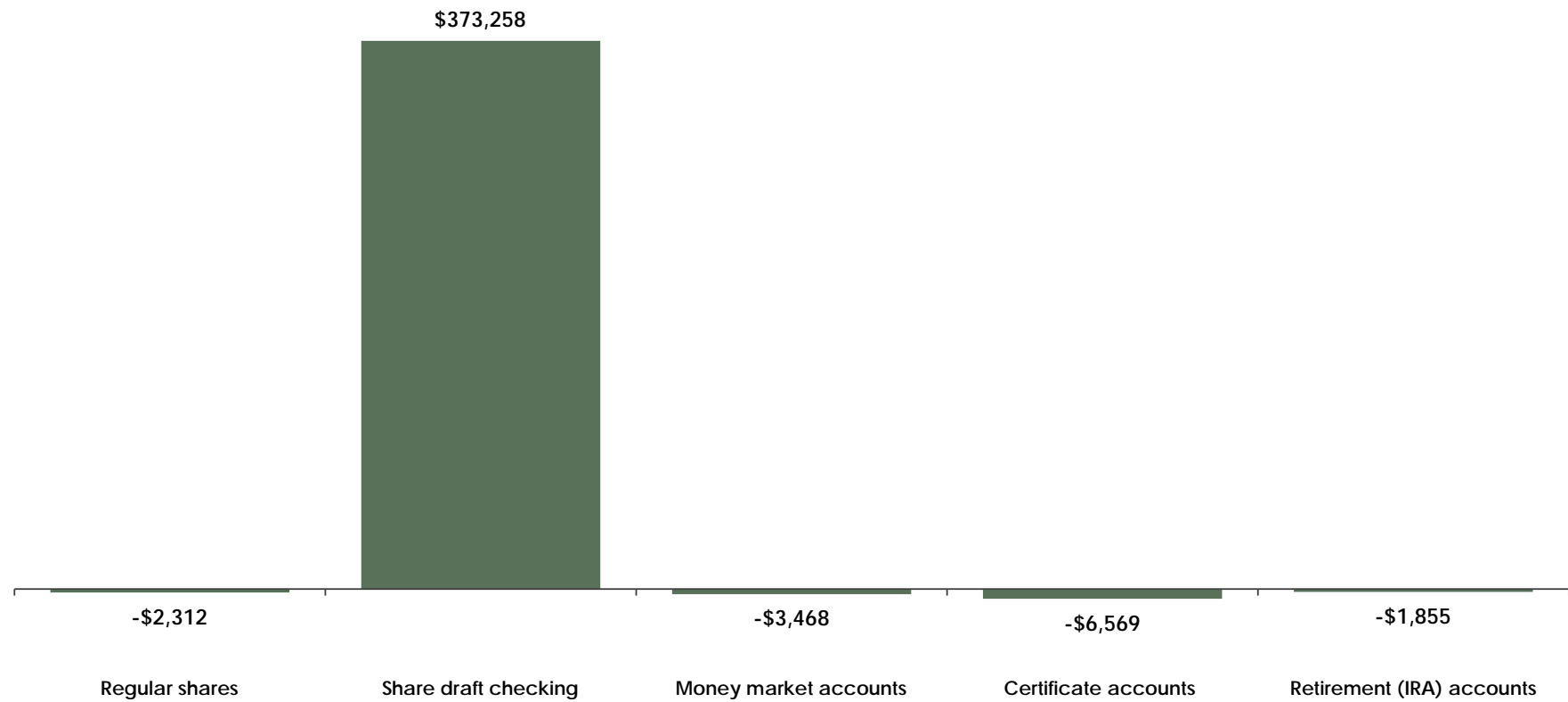
Your Credit Union's Total Loan Rate Benefits

by Loan Type



Your Credit Union's Total Savings Dividend Benefits

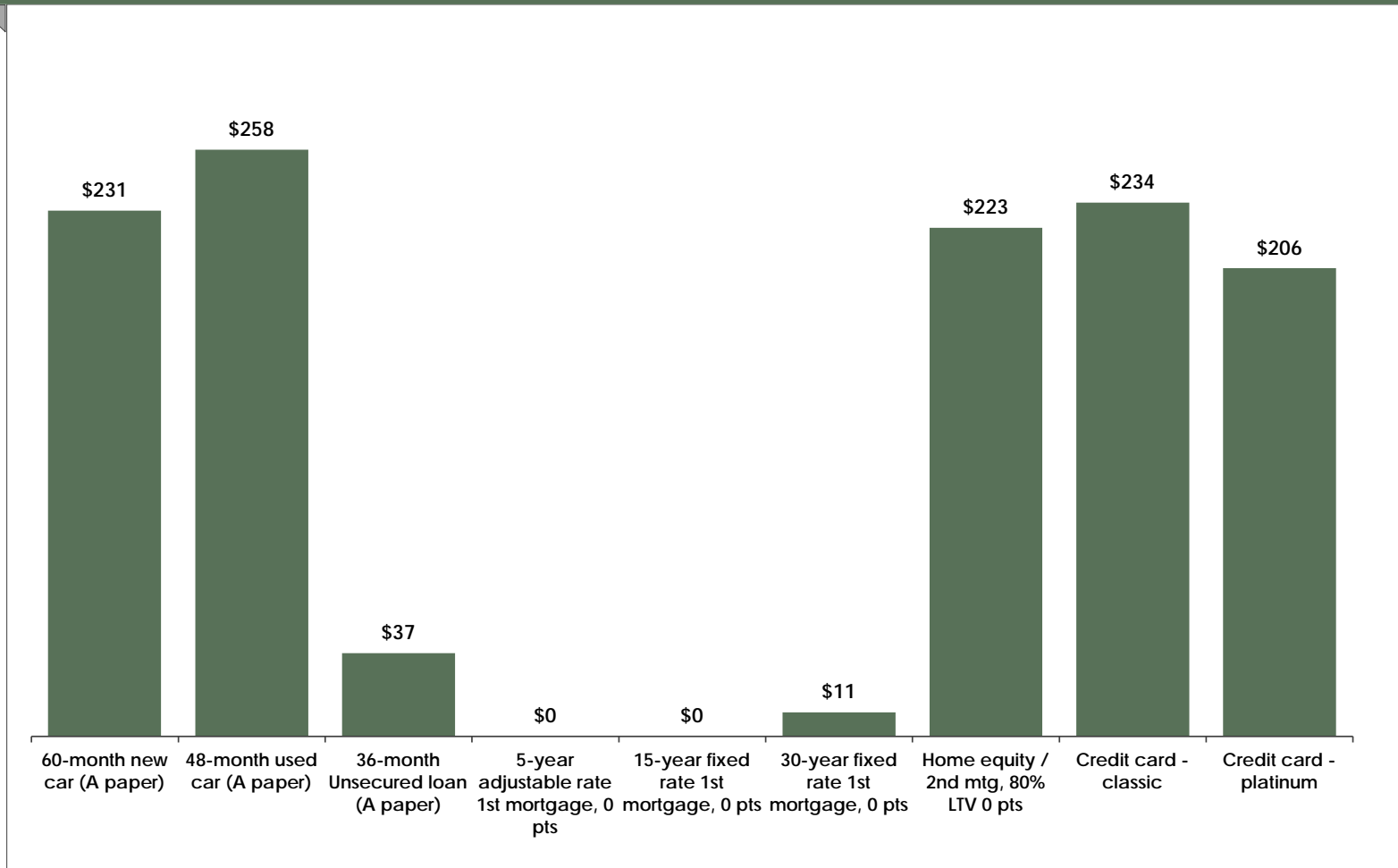
Compared to Banking Institutions in Your State
by Account Type



Membership Benefits Report

CUNA Economics and Statistics

Annual Member Benefit of Loan Products with Various Terms



Terms on loan products included are as follows:

New Car: \$30,000; Used Car: \$20,000; Unsecured Loan: \$10,000 (36 month)

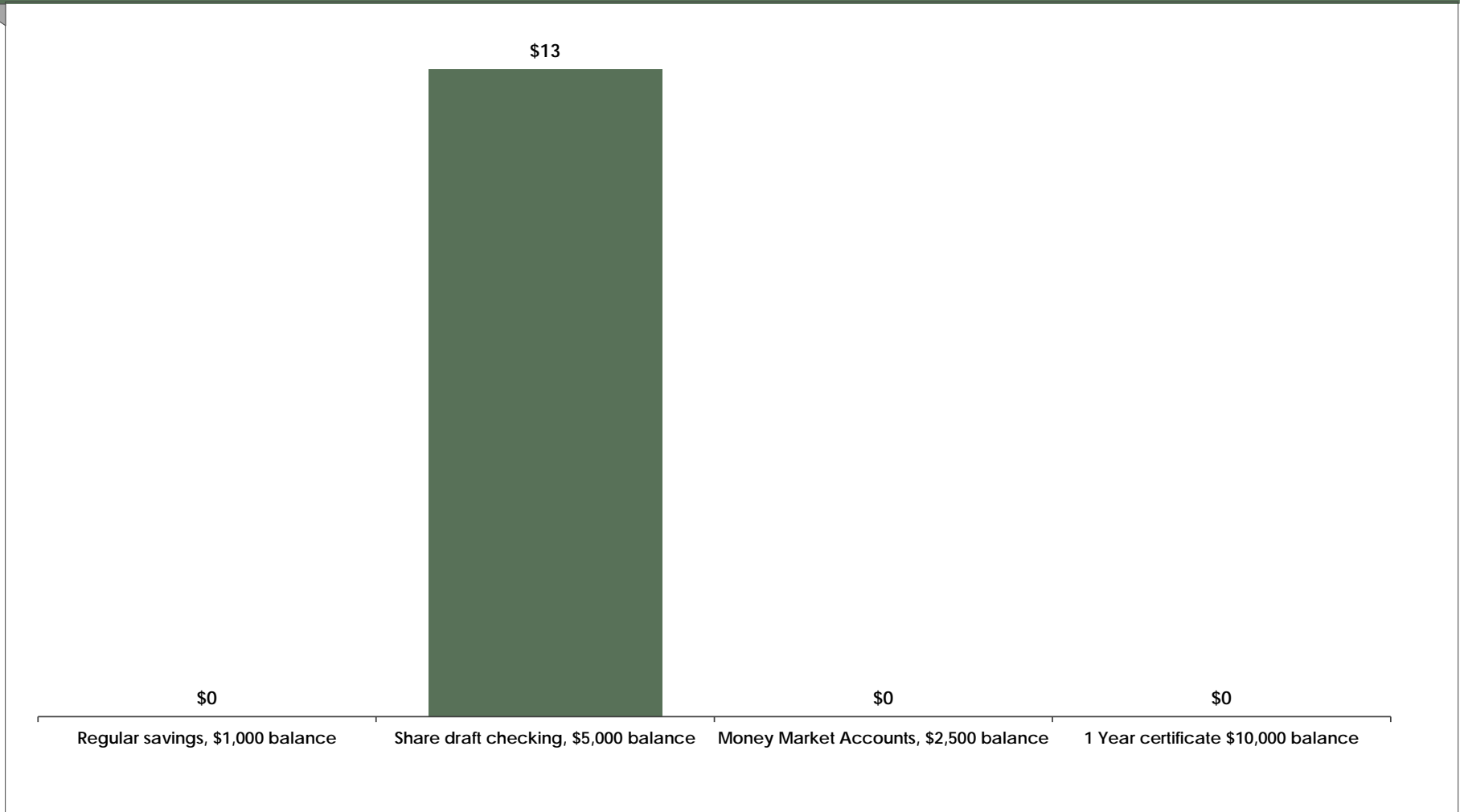
5 Year Adj: \$200,000; 15 Year Fixed: \$200,000; 30 Year Fixed: \$200,000

Home Equity: \$50,000; Classic Credit Card: \$10,000; Gold Credit Card: \$10,000

Membership Benefits Report

CUNA Economics and Statistics

Annual Member Benefit on Savings Products with Various Terms



Membership Benefits Report

CUNA Economics and Statistics

Estimated Financial Benefits for Arbor Financial CU

Loans	Avg. Balance at Your Credit Union (1)	Rate Difference vs. Michigan Banks (%) (2)	Financial Benefit to Your Members
New car loans	13,274,771	-1.44	\$190,891
Used car loans	65,317,402	-2.43	\$1,587,213
Personal unsecured loans	18,910,407	-0.63	\$118,568
5-year adjustable rate 1st mortgage	73,955,097	0.00	\$0
15-year fixed rate 1st mortgage	188,601,870	0.14	-\$265,929
30-year fixed rate 1st mortgage	140,507,833	-0.01	\$11,241
Home equity / 2nd mortgage loans	40,093,400	-0.83	\$332,374
Credit cards	27,919,982	-4.69	\$1,268,195
Interest rebates			\$0
Total CU member benefits arising from lower interest rates on loan products:			\$3,242,554
Savings			
Regular shares	231,150,568	0.00	-\$2,312
Share draft checking	140,852,163	0.27	\$373,258
Money market accounts	173,393,950	0.00	-\$3,468
Certificate accounts	59,722,146	-0.01	-\$6,569
Retirement (IRA) accounts	28,540,508	-0.01	-\$1,855
Bonus dividends in period			\$0
Total CU member benefit arising from higher interest rates on savings products:			\$359,054
Fee Income			
Total CU member benefit arising from fewer/lower fees:			-\$298,610
Total CU member benefit arising from interest rates on loan and savings products and lower fees:			\$3,302,998
Total CU member benefit / member:			\$73
Total CU member benefit / member household:			\$153

Source: Datatrac, NCUA, and CUNA

(1) Average balance as of September 2021 and September 2020 according to the NCUA call report.

(2) Rates and fees as of 2/8/2022. Credit union rates provided by individual credit union, bank rates provided by Datatrac.

Certificate of Excellence

is hereby granted to:

Arbor Financial CU

The Credit Union National Association has determined that Arbor Financial CU provided \$3,302,998 in direct financial benefits to its 45,265 members during the twelve months ending in September 2021. These benefits are equivalent to approximately \$153 per member household.

Credit unions generally provide financial benefits to members by charging less for loans, paying more on deposits and charging fewer/lower fees compared to banking institutions.



Membership Benefits Report

CUNA Economics and Statistics

Arbor Financial CU Performance Profile

Demographic Information	Sep 21	Sep 20
Number of branches	13	12
Total assets (\$ mil)	831	800
Total loans (\$ mil)	636	586
Total surplus funds (\$ mil)	152	172
Total savings (\$ mil)	698	614
Total members (thousands)	46	44
Growth Rates (Year-to-date)		
Total assets	3.9 %	22.3 %
Total loans	8.5 %	13.8 %
Total surplus funds	-11.9 %	69.1 %
Total savings	13.7 %	19.8 %
Total members	5.1 %	6.1 %
Earnings - Basis Pts.		
Yield on total assets	316	370
- Dividend/interest cost of assets	58	83
+ Fee & other income	228	218
- Operating expense	404	416
- Loss Provisions	29	35
= Net Income (ROA)	53	55
Capital adequacy		
Net worth / assets	8.2	7.9
Asset quality		
Delinquencies / loans	0.8	1.0
Net chargeoffs / average loans	0.1	0.2
Total borrower-bankruptcies	22	22
Bankruptcies per 1000 members	0.5	0.5
Asset/Liability Management		
Loans / savings	91.1	95.5
Loans / assets	76.6	73.3
Long-term assets / assets	63.7	37.4
Core deposits/shares & borrowings	54.0	46.4
Productivity		
Members/potential members	0.5	0.4
Borrowers/members	54.6	79.0
Members/FTE	249	233
Average shares/members (\$)	15,053	13,907
Average loan balances (\$)	25,108	16,802
Salary & Benefits/FTE	94,226	89,919



Transform member benefits into new business with a **Member Benefit Marketing Toolkit**

The Credit Union National Association (CUNA) and Datatrac have teamed up to bring you the analysis in this report. Member Benefit Marketing Tools provides you with practical applications for using data in this report to show members how much you save them, drive in new members, generate more loans and attract bigger deposits.

Member Benefit Marketing Tools prove to new and existing members:

- How much you saved your entire membership last year in interest and fees compared to the competition
- How much they will save on their next loan with you
- How much more they will earn on their deposits with you

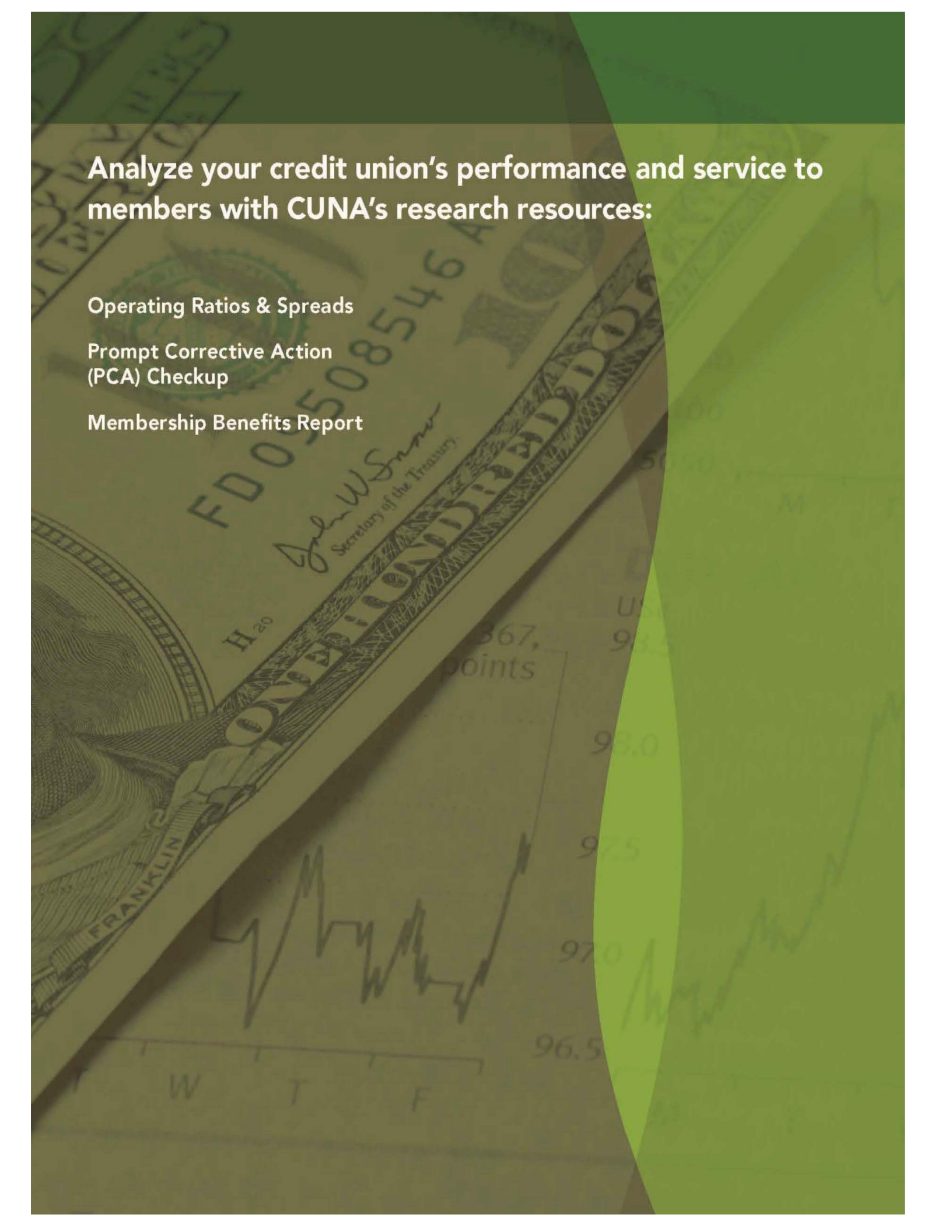
Member Benefit Marketing Toolkits include:

- Lead generation for loans, deposits and new members
- Competitive comparison widgets for your website
- Facebook app
- Animated graphics for branch lobby digital displays
- Proof Points for use in marketing collateral
- Award Certification & Trophy
- Press releases
- Newsletter copy
- Member handouts
- Subscription to the CUNA Member Benefits Report

Visit www.datatrac.net/memberbenefits to see live examples, schedule a demo and receive a free competitive analysis.

A screenshot of a digital widget titled "Show members how much you save them." The widget displays a "NEW" banner, an analysis date of "May 4, 2017", and a headline: "ABC Financial CU members saved \$10,734,590!". Below this is an "APPLY NOW" button. The widget also shows a comparison for an "Auto Loan" in Jacksonville, Florida, with ABC Financial at 2.74% APR and a competitor at 3.76% APR, resulting in savings of "up to 27% lower!". A "Share Certificate" button is visible. Three callout boxes highlight key features: "Savings for your Entire Membership" (Amount you saved your entire membership last year), "Savings by Product" (Amount a member on their next deposit or loan with you), and "CUNA Membership Benefits Report" (Datatrac widget links to your custom report). The widget is branded with the CUNA and DATATRAC logos at the bottom.

Show members how much you save them with **Member Benefits Marketing Tools**



Analyze your credit union's performance and service to members with CUNA's research resources:

Operating Ratios & Spreads

**Prompt Corrective Action
(PCA) Checkup**

Membership Benefits Report