

Credit Union

Sample Credit Union

Account Type		Relationship				
Deposits		Dividend Rate	Avg. Balance	Cost/Transaction	Avg. Transactions	Fees
1	Checking	0.00%	\$1,500.00	\$0.76	15	
2	Savings	0.50%	\$2,500.00	\$0.76	4	
3	CD	1.50%	\$35,000.00	\$0.76	1	
4				\$0.76		
5				\$0.76		
6				\$0.76		
Loans		Interest Rate	Current Balance	Cost/Transaction	Avg. Transactions	
1	Auto Loan	6.00%	\$25,000.00	\$0.76	1	
2				\$0.76		
3				\$0.76		
4				\$0.76		
5				\$0.76		
6				\$0.76		

Instructions

The form is designed to identify profitability break points in each type of account offered by the credit union.

We recommend creating a different report for each account type.

Insert the most recent ABM figures into the yellow shaded columns listed above.

I For Deposits

- A Dividend rate is the most recent rate paid on this account
- B Cost of funds is the most recent Cost of Funds figure for all deposits
- C Avg Int on Loans is the most recent interest on loans figure for all loans
- * *Earnings rate is self calculating*
- E Avg Balance is the break point balance you are analyzing in this line (each line will represent a new break point)
- F Cost/Transaction is the figure from you ABC report for this type of account
- G Avg transactions is the avg number of transactions per month for this type of account pulled from your internal reports

II For Loans

- I Rate Expense is the interest rate charged on this loan
- J Cost of funds is the most recent Cost of Funds figure for all deposits
- K Avg Int on Loans is the most recent interest on loans and investements
- * *Earnings rate is self calculating*
- L Current Balance is the curent loan balance outstanding for this loan
- M Cost/Transaction is the figure from you ABC report for this type of account
- N Avg transactions is the avg number of transactions per month for this type of account pulled from your internal reports

Once you have inserted the data into the columns, the report will automatically calculate the following:

For Deposits

- 1 Cost per month of this account at this break point
- 2. Revenue per month from account at this break point
- 3. Monthly contribution to ROA of this account at this break point

For Loans

- 1 Cost per month of this loan
- 2. Revenue per month from this loan
- 3. Monthly contribution to ROA of this loan

Repeat the same process for up to 6 deposits and loans for each member

Save this spreadsheet and create a new one for each new relationship.

Activity Based Costing - Account Profitability Report

Credit Union: Sample Credit Union

Relationship					
Deposit Accounts		Avg. Balance	Account Cost/Month	Account Revenue/Month	Contribution
1	Checking	\$1,500	\$11.40	\$6.65	-\$4.75
2	Savings	\$2,500	\$4.08	\$11.08	\$7.00
3	CD	\$35,000	\$44.51	\$155.17	\$110.66
4	0	\$0	\$0.00	\$0.00	\$0.00
5	0	\$0	\$0.00	\$0.00	\$0.00
6	0	\$0	\$0.00	\$0.00	\$0.00
Total (Deposit Accounts)					\$112.91
Loans		Current Balance			
1	Auto Loan	\$25,000	\$20.14	\$102.50	\$82.37
2	0	\$0	\$0.00	\$0.00	\$0.00
3	0	\$0	\$0.00	\$0.00	\$0.00
4	0	\$0	\$0.00	\$0.00	\$0.00
5	0	\$0	\$0.00	\$0.00	\$0.00
6	0	\$0	\$0.00	\$0.00	\$0.00
Total (Loan Accounts)					\$82.37
Total Contribution/Month					\$195.27