CUNA
Credit Union National Association

Oklahoma
Membership Benefits Report

First Quarter 2016

Prepared by:
CUNA Economics and Statistics

Oklahoma

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 Oklahoma credit unions provided $110,849,643 in direct financial benefits to the state's 1,189,618 members during the twelve months ending March 2016.

These benefits are equivalent to $93 per member or $177 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 Oklahoma 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 Oklahoma credit unions.

Consider this:

Financing a $25,000 new automobile for 60 months at a Oklahoma credit union will save members an average $92 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.

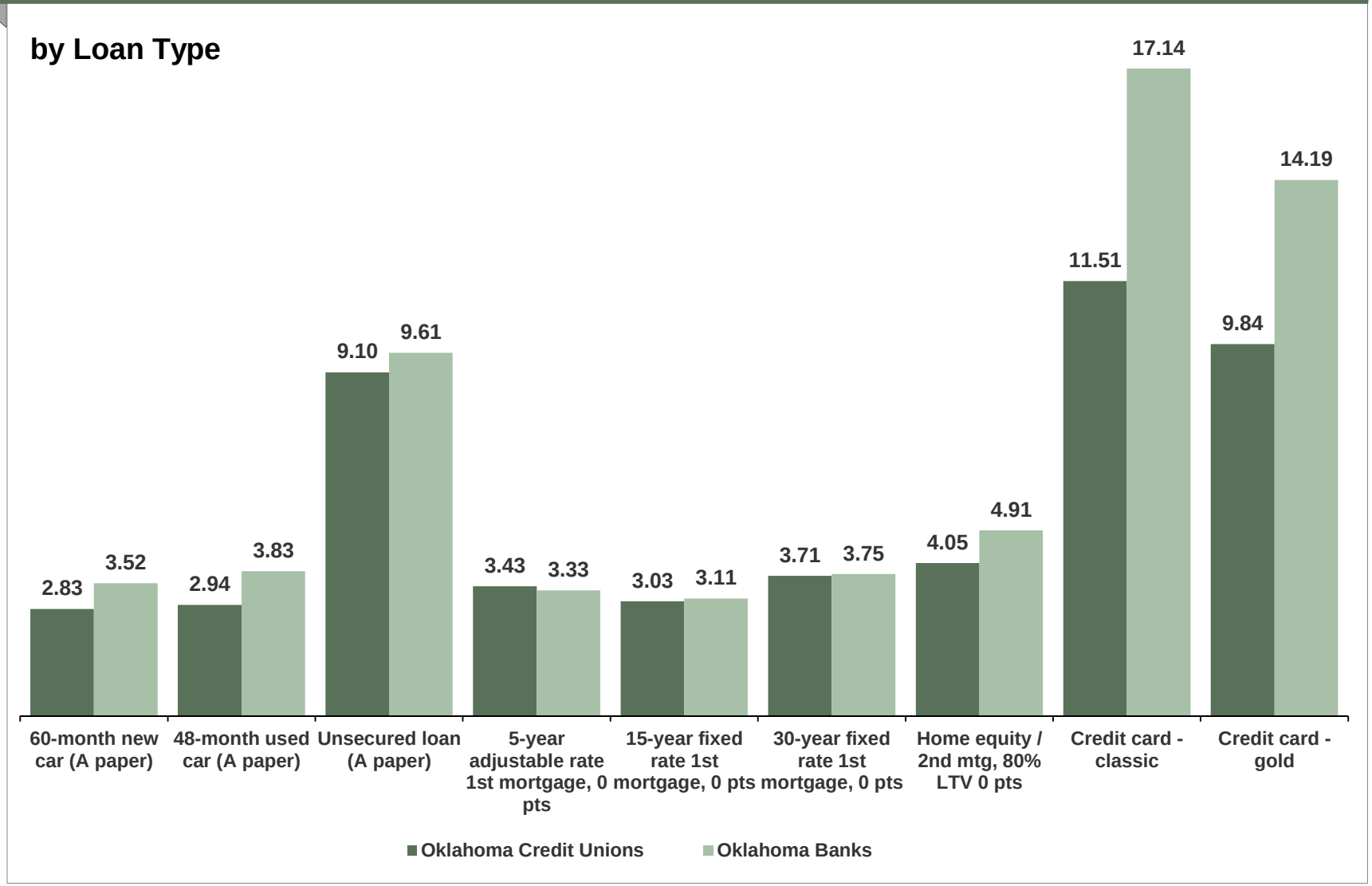
Oklahoma credit unions excel in providing member benefits on many loan and savings products. In particular, Oklahoma credit unions offer lower average loan rates on the following accounts: new car loans, used car loans, personal unsecured loans, first mortgage-fixed rate, home equity loans, credit cards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

Oklahoma 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™

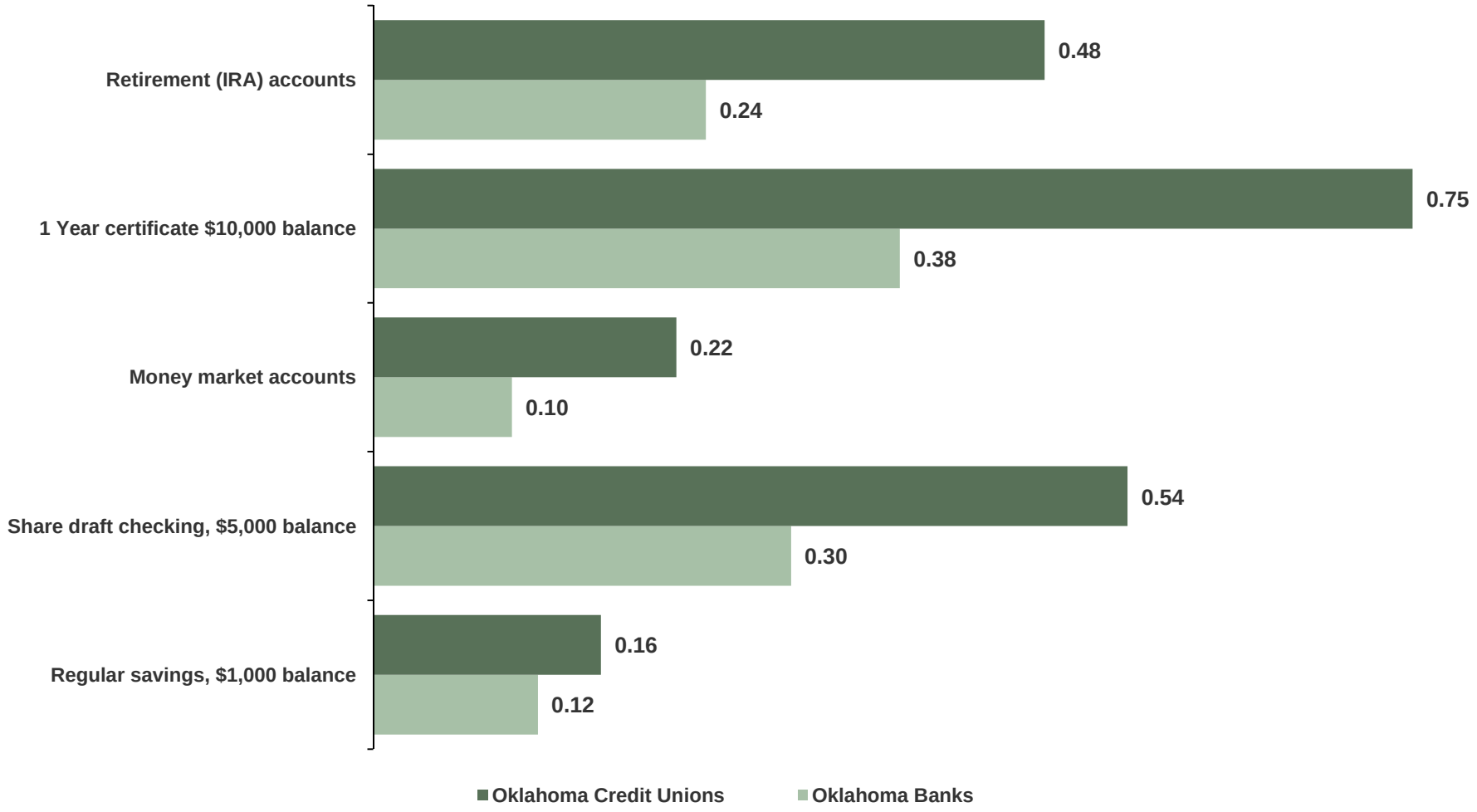
Source: Informa Research Services, NCUA, and CUNA.
(1)Assumes 1.9 credit union members per household.

Loan Product Comparative Interest Rates (%)



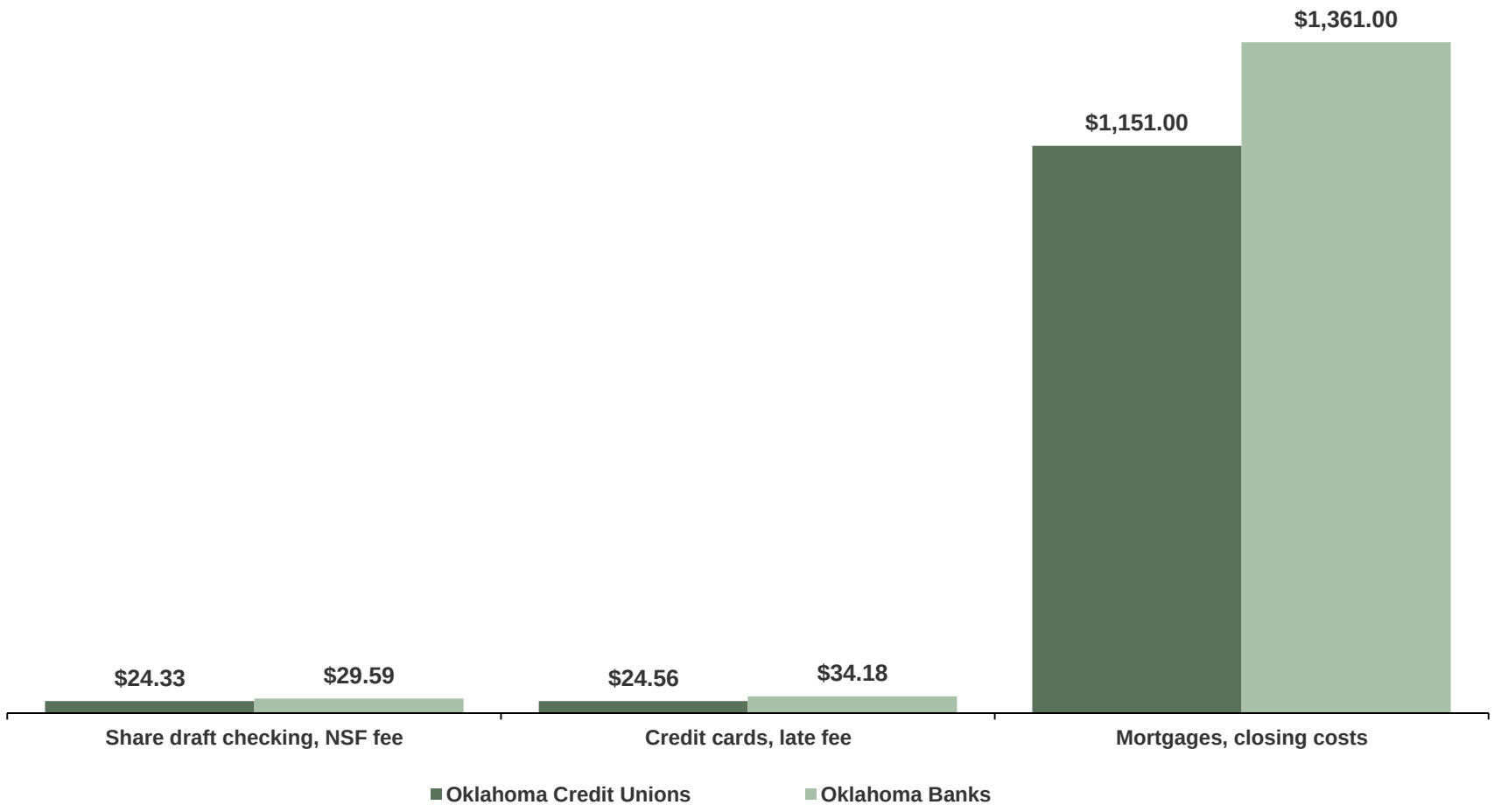
Savings Product Comparative Interest Rates (%)

by Savings Account Type



Comparative Fees

by Type



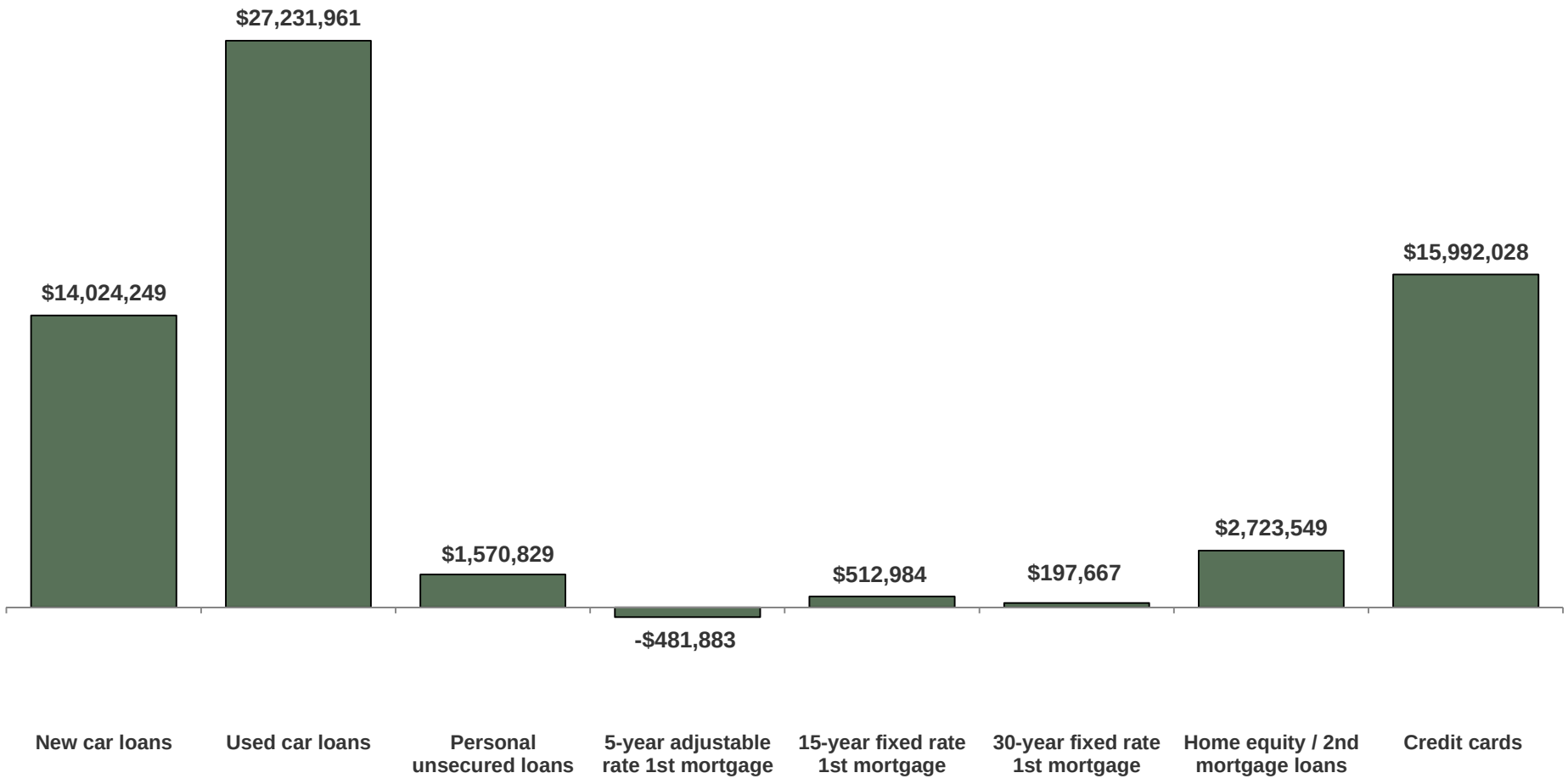
Oklahoma
Credit Union and Banking Institution
March 2016 Average Interest Rates and Fees

Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	2.83	3.52	-0.69
48-month used car (A paper)	2.94	3.83	-0.89
Unsecured loan (A paper)	9.10	9.61	-0.52
5-year adjustable rate 1st mortgage, 0 pts	3.43	3.33	0.10
15-year fixed rate 1st mortgage, 0 pts	3.03	3.11	-0.08
30-year fixed rate 1st mortgage, 0 pts	3.71	3.75	-0.05
Home equity / 2nd mtg, 80% LTV 0 pts	4.05	4.91	-0.86
Credit card - classic	11.51	17.14	-5.63
Credit card - gold	9.84	14.19	-4.35
Savings Products			
Regular savings, $1,000 balance	0.16	0.12	0.05
Share draft checking, $5,000 balance	0.54	0.30	0.24
Money market accounts	0.22	0.10	0.12
1 Year certificate $10,000 balance	0.75	0.38	0.37
Retirement (IRA) accounts	0.48	0.24	0.24
Fee Income			
Share draft checking, NSF fee	$24.33	$29.59	-$5.26
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

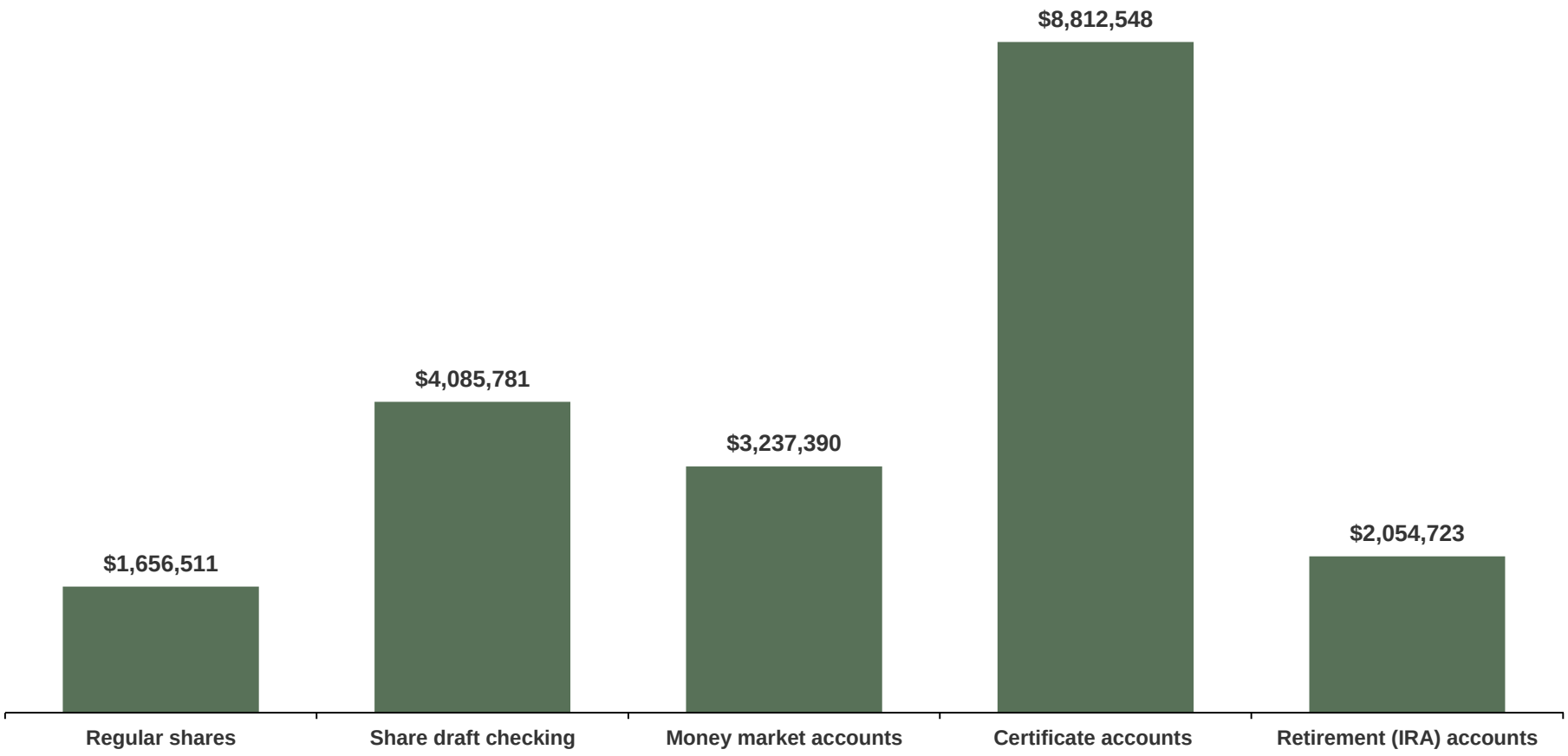
State Credit Union's Total Loan Rate Benefits

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 Oklahoma Credit Unions

March 2016

Loans	Avg. Balance at Credit Unions (1)	Rate Difference vs. Oklahoma Banks (%) (2)	Total Financial Benefit to Your Members
New car loans	2,041,375,418	-0.69	$14,024,249
Used car loans	3,046,080,619	-0.89	$27,231,961
Personal unsecured loans	303,248,888	-0.52	$1,570,829
5-year adjustable rate 1st mortgage	463,348,827	0.10	-$481,883
15-year fixed rate 1st mortgage	683,979,218	-0.08	$512,984
30-year fixed rate 1st mortgage	411,806,135	-0.05	$197,667
Home equity / 2nd mortgage loans	315,225,529	-0.86	$2,723,549
Credit cards	301,168,143	-5.63	$15,992,028
Interest rebates			$323,276
Total CU member benefits arising from lower interest rates on loan products:			$62,094,661
Savings			
Regular shares	3,637,828,399	0.05	$1,656,511
Share draft checking	1,682,380,484	0.24	$4,085,781
Money market accounts	2,726,223,133	0.12	$3,237,390
Certificate accounts	2,381,769,612	0.37	$8,812,548
Retirement (IRA) accounts	840,807,543	0.24	$2,054,723
Bonus dividends in period			$0
Total CU member benefit arising from higher interest rates on savings products:			$19,846,953
Fee Income			
Total CU member benefit arising from fewer / lower fees:			$28,908,029
Total CU member benefit arising from interest rates on loans, savings products and lower fees:			$110,849,643
Total CU member benefit / member:			$93
Total CU member benefit / member household:			$177

Source: Informa Research Services, NCUA, and CUNA
(1) Average balance as of March 2015 and March 2016, according to the NCUA call report.; (2) Source for rates and fees: Informa Research Services;

Oklahoma Credit Union
Performance Profile

Demographic Information	Mar 16	Mar 15
Number of branches	238	243
Total assets ($ mil)	13,545	13,090
Total loans ($ mil)	8,481	7,862
Total surplus funds ($ mil)	4,565	4,760
Total savings ($ mil)	11,517	11,123
Total members (thousands)	1,201	1,180
Growth Rates (Trailing 12 months) *		
Total assets	3.5 %	4.8 %
Total loans	7.9 %	8.0 %
Total surplus funds	-4.0 %	-0.1 %
Total savings	3.6 %	3.3 %
Total members	1.9 %	2.6 %
Earnings - Basis Pts. *		
Yield on total assets	335	331
Dividend / interest cost of assets	51	51
Fee & other income	123	121
Operating expense	296	286
Loss Provisions	62	44
Net Income (ROA) after stabilization exp	50	71
Capital Adequacy		
Net worth / assets	10.7	10.5
Asset Quality *		
Delinquencies / loans	0.8	0.7
Net chargeoffs / average loans	0.9	0.7
Total borrower-bankruptcies	16	14
Bankruptcies per 1000 members	0.8	0.8
Asset/Liability Management		
Loans / savings	73.6	70.7
Loans / assets	62.6	60.1
Long-term assets / assets	24.3	25.1
Core deposits/shares & borrowings	46.5	45.9
Productivity		
Members / potential members	13.6	14.8
Borrowers / members	56.0	54.4
Members / FTE	378	383
Average shares / members ($)	9,591	9,429
Average loan balances ($)	12,615	12,242
Salary & Benefits / FTE	64,788	62,308

*** 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.**