

CUNA Alabama  
**MEMBERSHIP BENEFITS  
REPORT**



## Alabama

### 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 Alabama credit unions provided \$192,368,991 in direct financial benefits to the state's 1,990,891 members during the twelve months ending June 2017.

**These benefits are equivalent to \$97 per member or \$184 per member household <sup>(1)</sup>.**

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 Alabama 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 Alabama credit unions.

Consider this:

**Financing a \$25,000 new automobile for 60 months at a Alabama credit union will save members an average \$287 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.

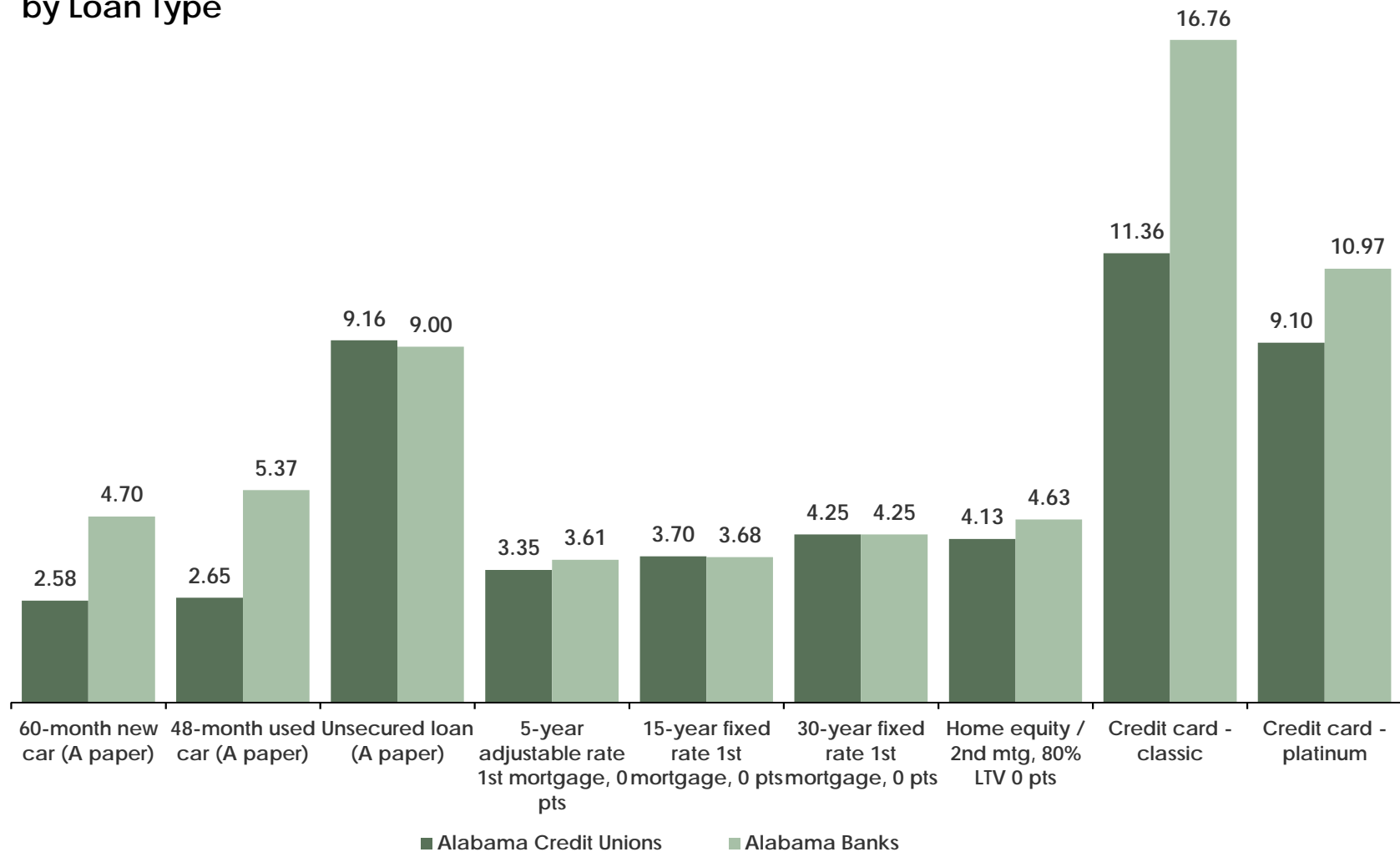
Alabama credit unions excel in providing member benefits on many loan and savings products. In particular, Alabama credit unions offer lower average loan rates on the following accounts: new car loans, used car loans, first mortgage-adjustable rate, home equity loans, credit cards loans.

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



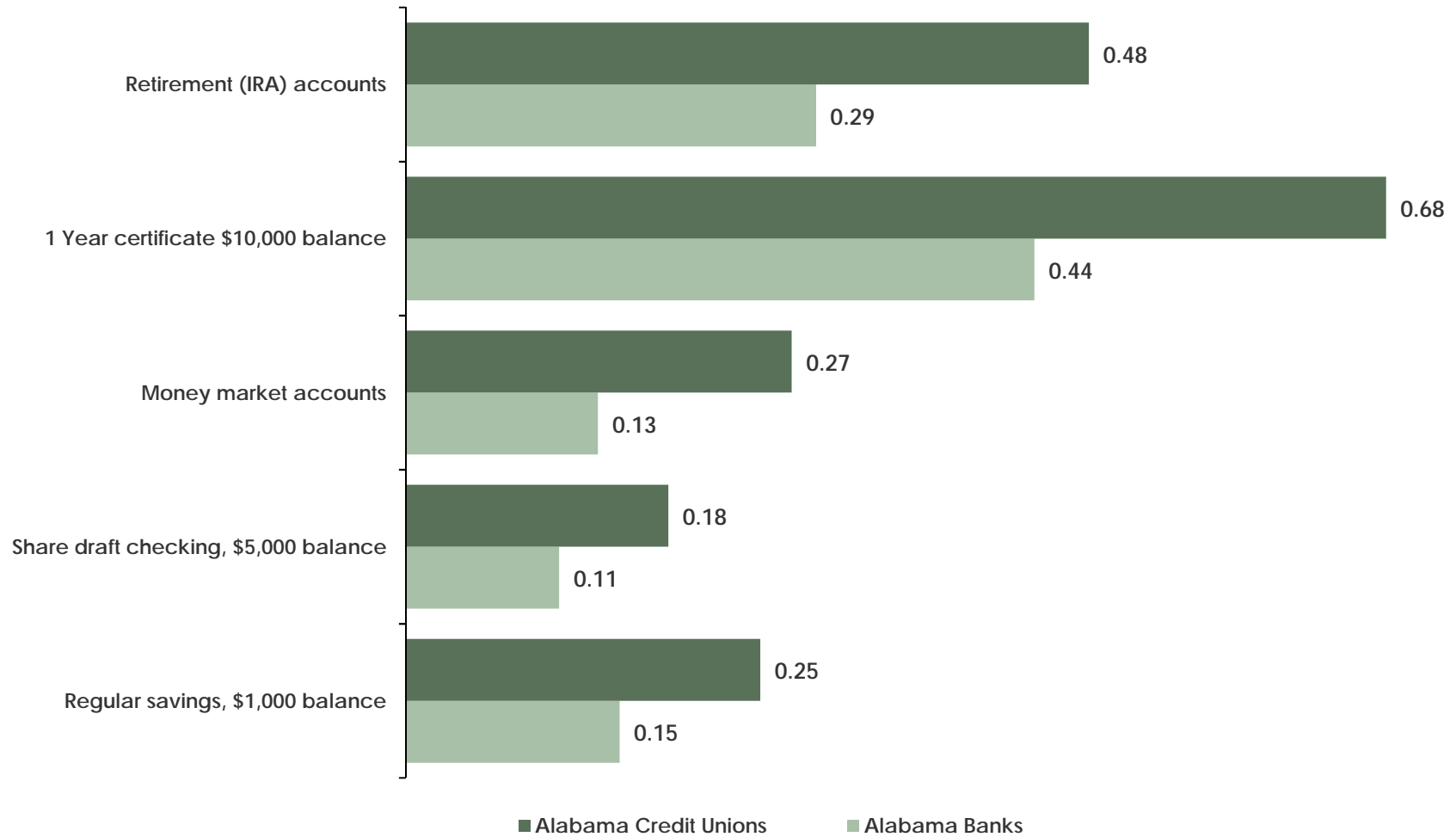
## Loan Product Comparative Interest Rates (%)

by Loan Type



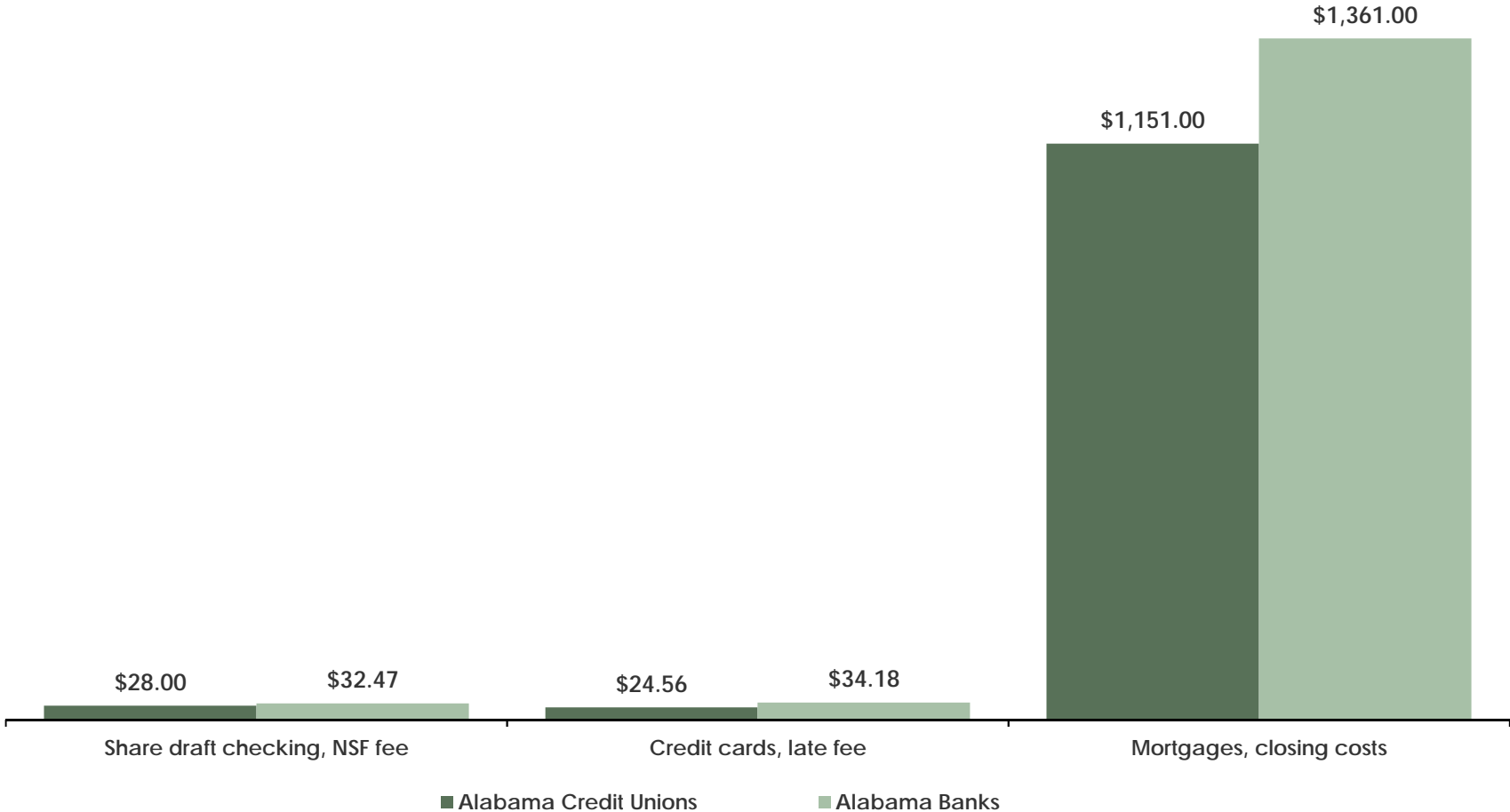
## Savings Product Comparative Interest Rates (%)

### by Savings Account Type



## Comparative Fees

by Type



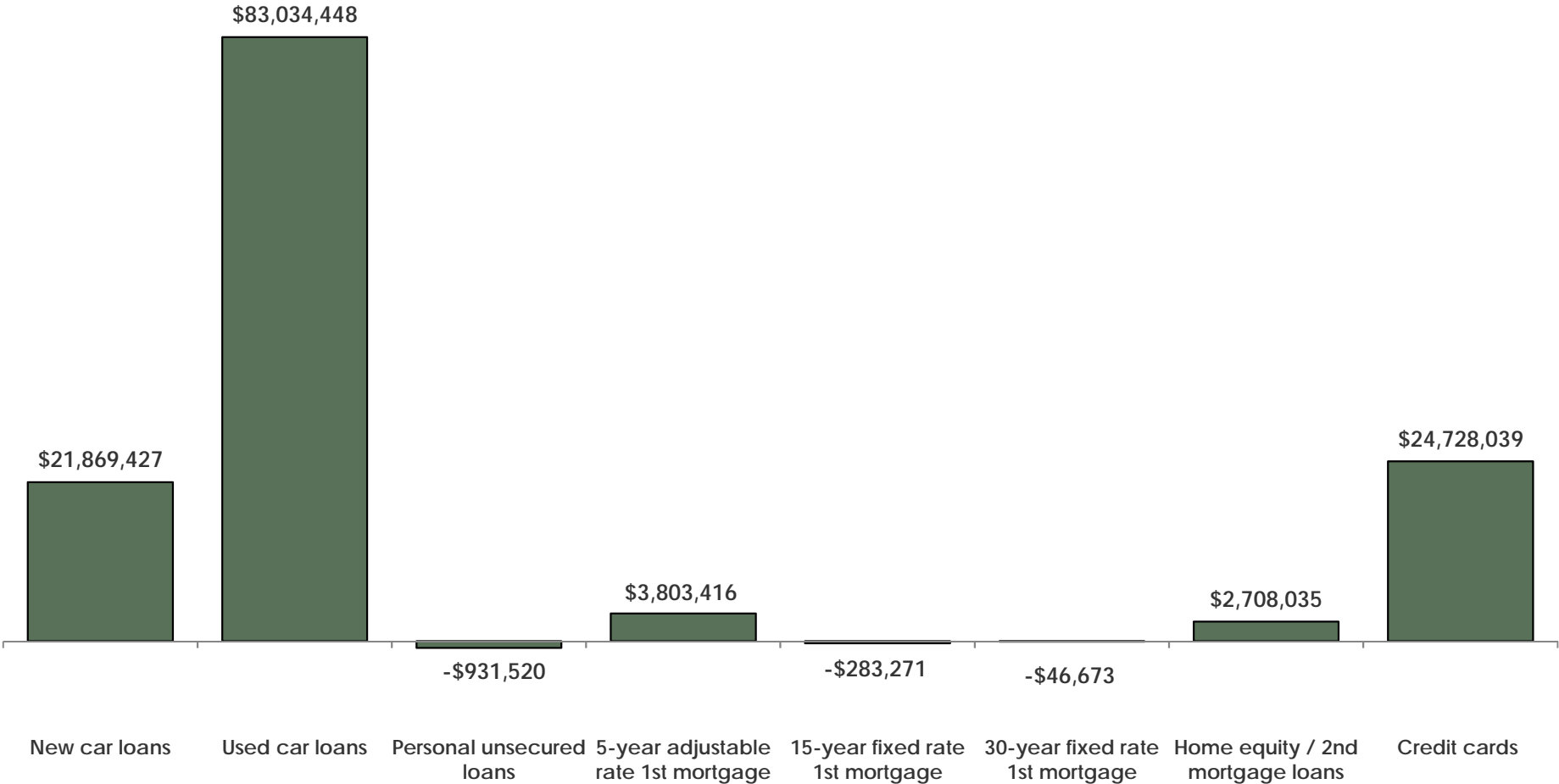
## Alabama Credit Union and Banking Institution June 2017 Average Interest Rates and Fees

Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	2.58	4.70	-2.13
48-month used car (A paper)	2.65	5.37	-2.72
Unsecured loan (A paper)	9.16	9.00	0.16
5-year adjustable rate 1st mortgage, 0 pts	3.35	3.61	-0.26
15-year fixed rate 1st mortgage, 0 pts	3.70	3.68	0.02
30-year fixed rate 1st mortgage, 0 pts	4.25	4.25	0.01
Home equity / 2nd mtg, 80% LTV 0 pts	4.13	4.63	-0.50
Credit card - classic	11.36	16.76	-5.40
Credit card - platinum	9.10	10.97	-1.87
Savings Products			
Regular savings, \$1,000 balance	0.25	0.15	0.10
Share draft checking, \$5,000 balance	0.18	0.11	0.08
Money market accounts	0.27	0.13	0.14
1 Year certificate \$10,000 balance	0.68	0.44	0.25
Retirement (IRA) accounts	0.48	0.29	0.19
Fee Income			
Share draft checking, NSF fee	\$28.00	\$32.47	-\$4.47
Credit cards, late fee	\$24.56	\$34.18	-\$9.62
Mortgages, closing costs	\$1,151.00	\$1,361.00	-\$210.00

Source: Datatrac

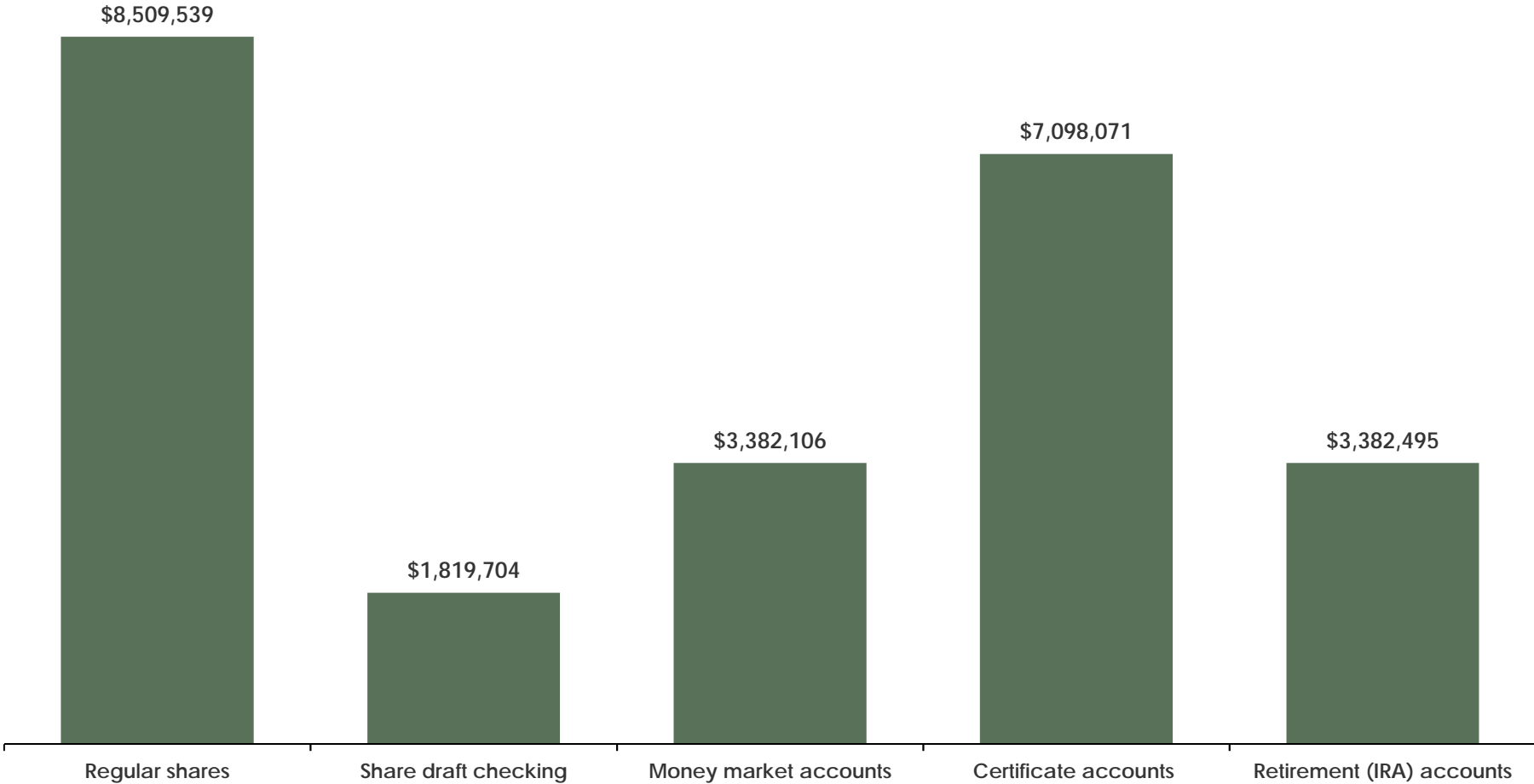
State Credit Union's Total Loan Rate Benefits

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 Alabama Credit Unions June 2017

Loans	Avg. Balance at Credit Unions (1)	Rate Difference vs. Alabama Banks (%) (2)	Total Financial Benefit to Your Members
New car loans	1,027,698,648	-2.13	\$21,869,427
Used car loans	3,051,615,146	-2.72	\$83,034,448
Personal unsecured loans	582,199,811	0.16	-\$931,520
5-year adjustable rate 1st mortgage	1,479,928,428	-0.26	\$3,803,416
15-year fixed rate 1st mortgage	1,416,355,851	0.02	-\$283,271
30-year fixed rate 1st mortgage	777,875,807	0.01	-\$46,673
Home equity / 2nd mortgage loans	544,876,247	-0.50	\$2,708,035
Credit cards	547,383,256	-5.40	\$24,728,039
Interest rebates			\$97,860
<b>Total CU member benefits arising from lower interest rates on loan products:</b>			<b>\$134,979,762</b>
<i>Savings</i>			
Regular shares	8,683,203,398	0.10	\$8,509,539
Share draft checking	2,394,347,651	0.08	\$1,819,704
Money market accounts	2,505,263,962	0.14	\$3,382,106
Certificate accounts	2,897,171,811	0.25	\$7,098,071
Retirement (IRA) accounts	1,780,260,674	0.19	\$3,382,495
Bonus dividends in period			\$0
<b>Total CU member benefit arising from higher interest rates on savings products:</b>			<b>\$24,191,916</b>
<i>Fee Income</i>			
<b>Total CU member benefit arising from fewer / lower fees:</b>			<b>\$33,197,313</b>
<b>Total CU member benefit arising from interest rates on loans, savings products and lower fees:</b>			<b>\$192,368,991</b>
<b>Total CU member benefit / member:</b>			<b>\$97</b>
<b>Total CU member benefit / member household:</b>			<b>\$184</b>

Source: Datatrac, NCUA, and CUNA

(1) Average balance as of June 2017 and June 2016, according to the NCUA call report.; (2) Source for rates and fees: Datatrac;

# Membership Benefits Report

CUNA Economics and Statistics

## Alabama Credit Union Performance Profile

Demographic Information	Jun 17	Jun 16
Number of branches	450	438
Total assets (\$ mil)	22,027	20,804
Total loans (\$ mil)	10,809	9,781
Total surplus funds (\$ mil)	10,209	10,043
Total savings (\$ mil)	18,992	17,870
Total members (thousands)	2,003	1,978
Growth Rates (Trailing 12 months) *		
Total assets	5.9 %	7.1 %
Total loans	10.5 %	10.1 %
Total surplus funds	1.6 %	4.1 %
Total savings	6.3 %	5.5 %
Total members	1.3 %	3.2 %
Earnings - Basis Pts. *		
Yield on total assets	308	297
Dividend / interest cost of assets	50	48
Fee & other income	154	145
Operating expense	311	304
Loss Provisions	39	27
Net Income (ROA) after stabilization exp	63	64
Capital Adequacy		
Net worth / assets	11.4	11.5
Asset Quality *		
Delinquencies / loans	0.8	0.8
Net chargeoffs / average loans	0.8	0.5
Total borrower-bankruptcies	28	23
Bankruptcies per 1000 members	1.6	1.3
Asset/Liability Management		
Loans / savings	56.9	54.7
Loans / assets	49.1	47.0
Long-term assets / assets	35.0	35.2
Core deposits/shares & borrowings	61.0	59.1
Productivity		
Members / potential members	7.2	7.7
Borrowers / members	48.1	46.6
Members / FTE	387	398
Average shares / members (\$)	9,480	9,033
Average loan balances (\$)	11,219	10,605
Salary & Benefits / FTE	65,038	61,885

\* 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.