



# Idaho Membership Benefits Report

Year End 2016

## Idaho

### *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 Idaho credit unions provided \$75,470,377 in direct financial benefits to the state's 750,438 members during the twelve months ending December 2016.

**These benefits are equivalent to \$101 per member or \$191 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 Idaho 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 Idaho credit unions.

Consider this:

**Financing a \$25,000 new automobile for 60 months at a Idaho credit union will save members an average \$133 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.

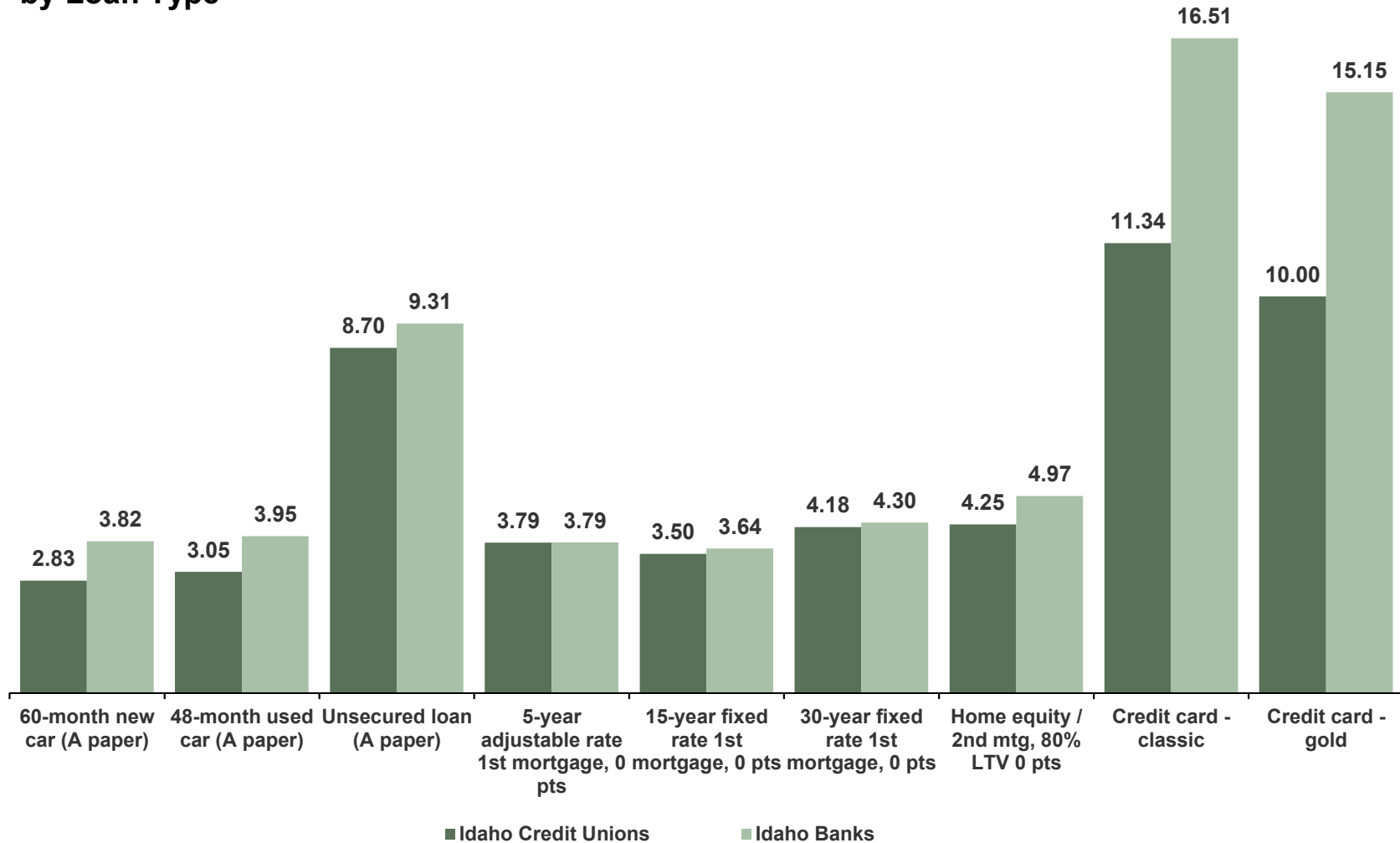
Idaho credit unions excel in providing member benefits on many loan and savings products. In particular, Idaho credit unions offer lower average loan rates on the following accounts: new car loans, used car loans, personal unsecured loans, first mortgage-fixed rate, first mortgage-adjustable rate, home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

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



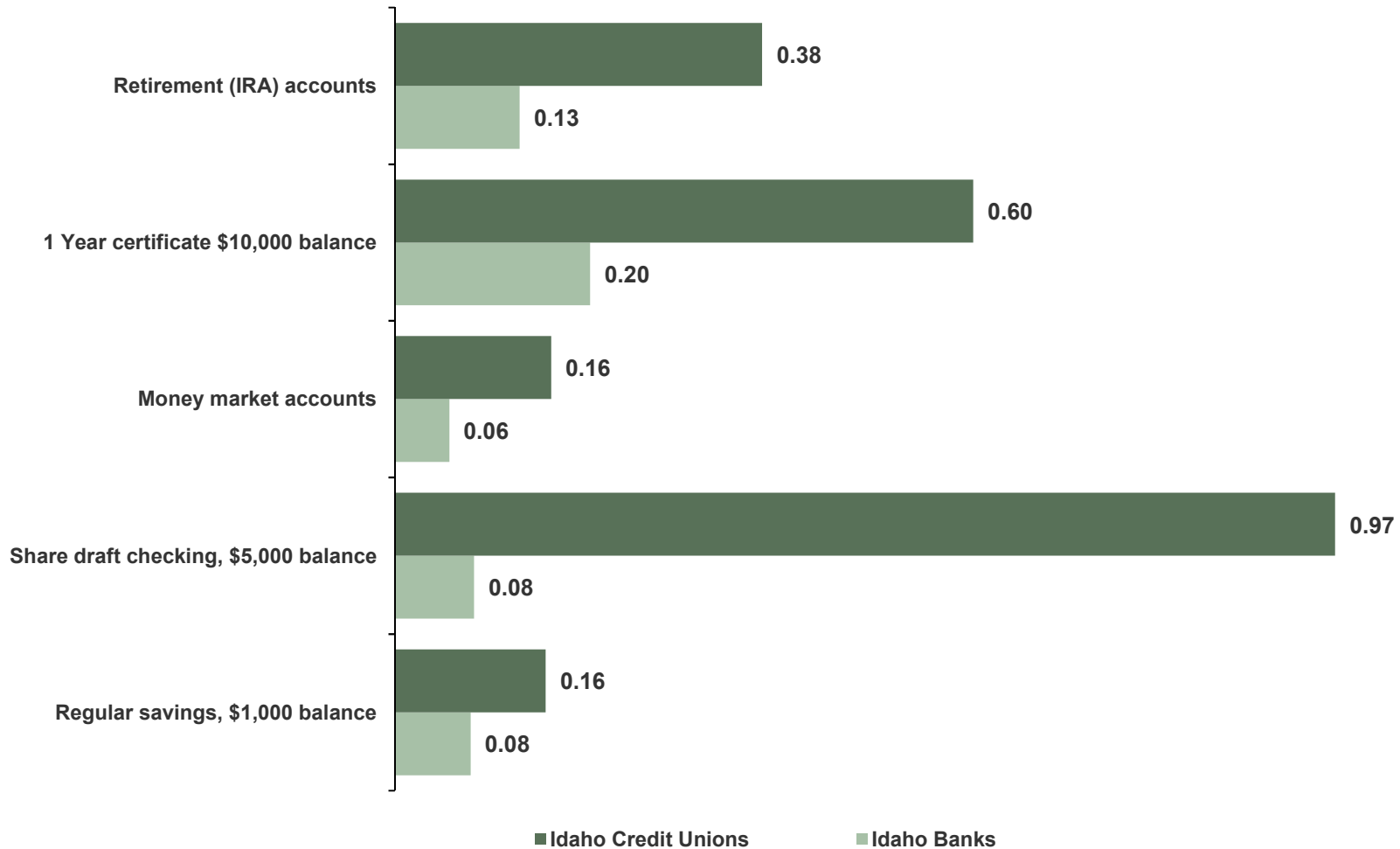
## Loan Product Comparative Interest Rates (%)

by Loan Type



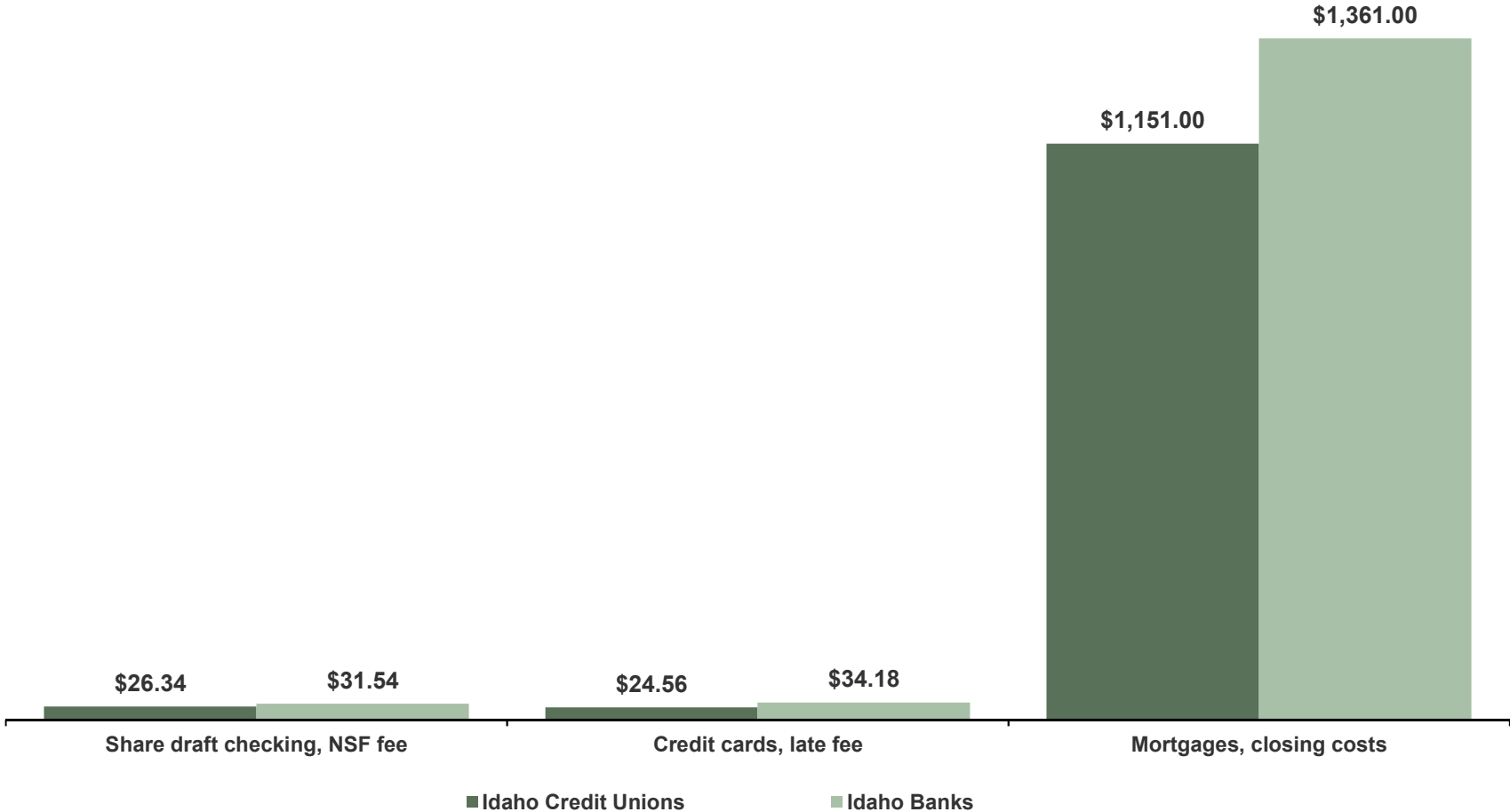
## Savings Product Comparative Interest Rates (%)

### by Savings Account Type



## Comparative Fees

by Type



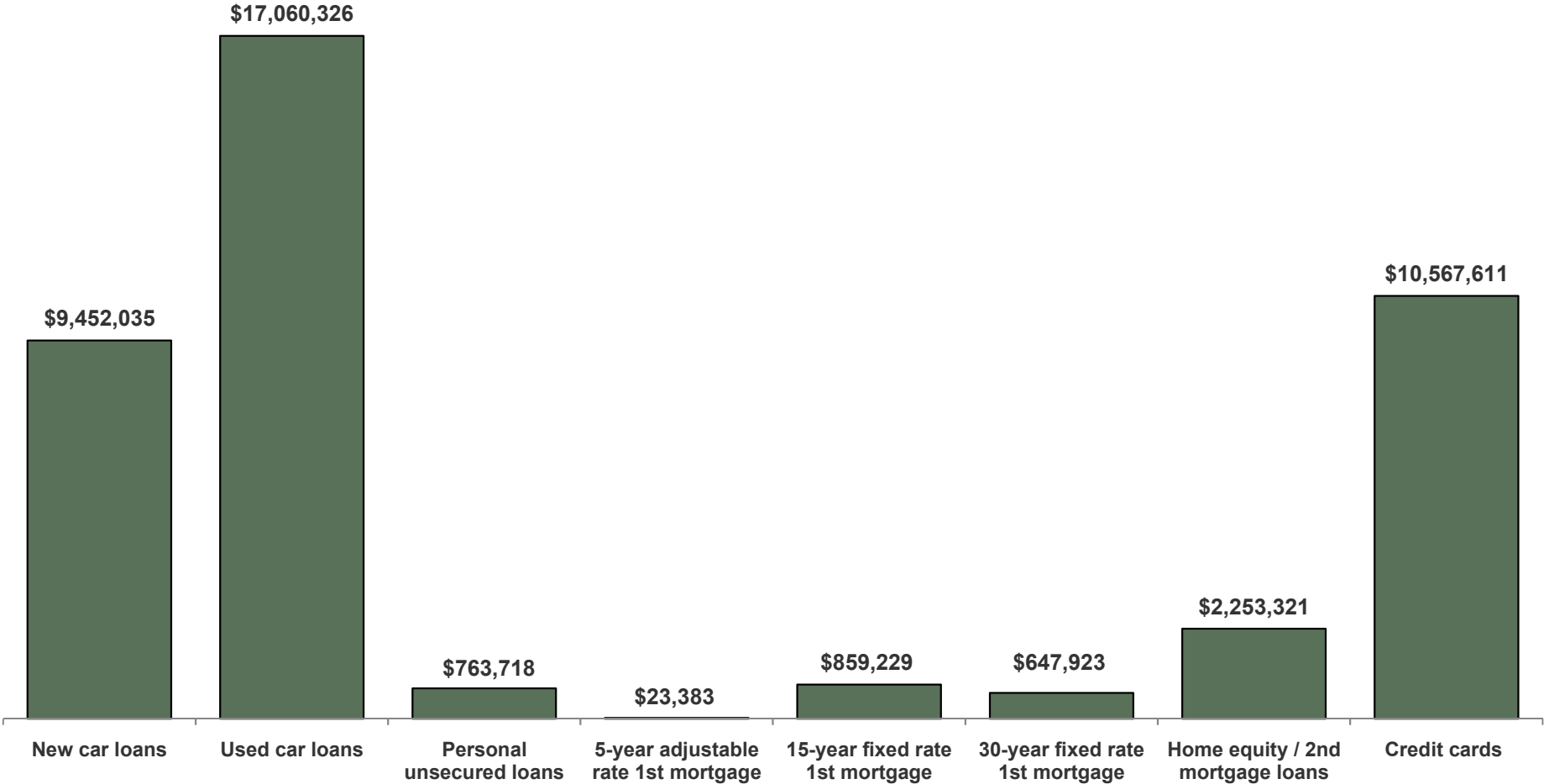
## Idaho Credit Union and Banking Institution December 2016 Average Interest Rates and Fees

Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	2.83	3.82	-1.00
48-month used car (A paper)	3.05	3.95	-0.90
Unsecured loan (A paper)	8.70	9.31	-0.62
5-year adjustable rate 1st mortgage, 0 pts	3.79	3.79	0.00
15-year fixed rate 1st mortgage, 0 pts	3.50	3.64	-0.14
30-year fixed rate 1st mortgage, 0 pts	4.18	4.30	-0.12
Home equity / 2nd mtg, 80% LTV 0 pts	4.25	4.97	-0.72
Credit card - classic	11.34	16.51	-5.17
Credit card - gold	10.00	15.15	-5.15
Savings Products			
Regular savings, \$1,000 balance	0.16	0.08	0.08
Share draft checking, \$5,000 balance	0.97	0.08	0.89
Money market accounts	0.16	0.06	0.10
1 Year certificate \$10,000 balance	0.60	0.20	0.39
Retirement (IRA) accounts	0.38	0.13	0.25
Fee Income			
Share draft checking, NSF fee	\$26.34	\$31.54	-\$5.19
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

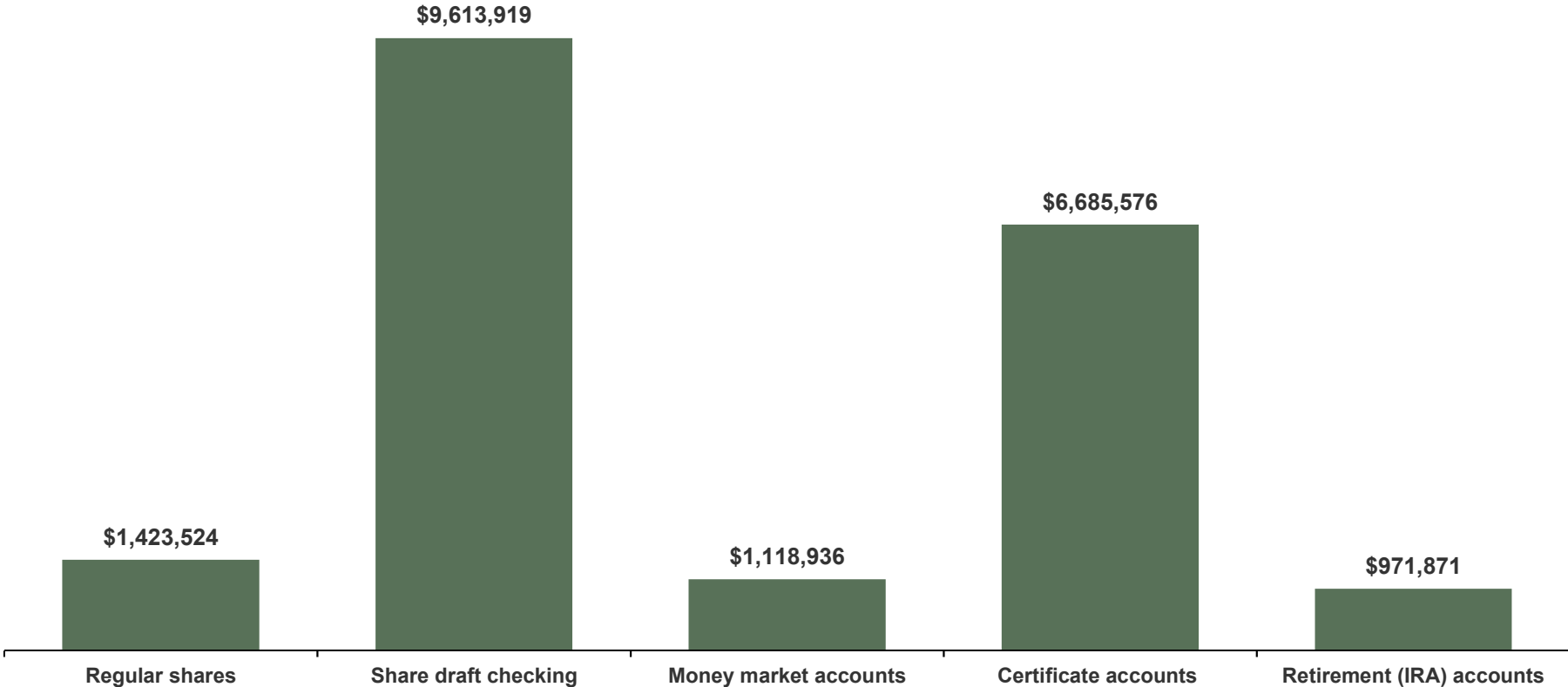
### State Credit Union's Total Loan Rate Benefits

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 Idaho Credit Unions December 2016

<b>Loans</b>	<b>Avg. Balance at Credit Unions (1)</b>	<b>Rate Difference vs. Idaho Banks (%) (2)</b>	<b>Total Financial Benefit to Your Members</b>
New car loans	949,953,314	-1.00	\$9,452,035
Used car loans	1,897,700,374	-0.90	\$17,060,326
Personal unsecured loans	123,980,253	-0.62	\$763,718
5-year adjustable rate 1st mortgage	584,568,805	0.00	\$23,383
15-year fixed rate 1st mortgage	636,466,014	-0.14	\$859,229
30-year fixed rate 1st mortgage	563,410,943	-0.12	\$647,923
Home equity / 2nd mortgage loans	313,833,038	-0.72	\$2,253,321
Credit cards	204,600,416	-5.17	\$10,567,611
Interest rebates			\$0
<b>Total CU member benefits arising from lower interest rates on loan products:</b>			<b>\$41,627,547</b>
<b>Savings</b>			
Regular shares	1,843,033,038	0.08	\$1,423,524
Share draft checking	1,085,692,617	0.89	\$9,613,919
Money market accounts	1,068,662,896	0.10	\$1,118,936
Certificate accounts	1,697,073,485	0.39	\$6,685,576
Retirement (IRA) accounts	389,799,619	0.25	\$971,871
Bonus dividends in period			\$0
<b>Total CU member benefit arising from higher interest rates on savings products:</b>			<b>\$19,813,826</b>
<b>Fee Income</b>			
<b>Total CU member benefit arising from fewer / lower fees:</b>			<b>\$14,029,004</b>
<b>Total CU member benefit arising from interest rates on loans, savings products and lower fees:</b>			<b>\$75,470,377</b>
<b>Total CU member benefit / member:</b>			<b>\$101</b>
<b>Total CU member benefit / member household:</b>			<b>\$191</b>

Source: Informa Research Services, NCUA, and CUNA

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

## Idaho Credit Union Performance Profile

Demographic Information	Dec 16	Dec 15
Number of branches	181	177
Total assets (\$ mil)	7,685	6,902
Total loans (\$ mil)	6,329	5,616
Total surplus funds (\$ mil)	888	880
Total savings (\$ mil)	6,789	5,922
Total members (thousands)	784	724
Growth Rates (Trailing 12 months) *		
Total assets	12.0 %	15.9 %
Total loans	13.0 %	18.1 %
Total surplus funds	3.2 %	4.5 %
Total savings	15.4 %	13.9 %
Total members	9.4 %	7.3 %
Earnings - Basis Pts. *		
Yield on total assets	337	330
Dividend / interest cost of assets	57	52
Fee & other income	204	191
Operating expense	343	342
Loss Provisions	33	25
Net Income (ROA) after stabilization exp	107	102
Capital Adequacy		
Net worth / assets	9.7	9.6
Asset Quality *		
Delinquencies / loans	0.5	0.4
Net chargeoffs / average loans	0.3	0.3
Total borrower-bankruptcies	30	26
Bankruptcies per 1000 members	1.4	1.4
Asset/Liability Management		
Loans / savings	93.2	94.8
Loans / assets	82.4	81.4
Long-term assets / assets	29.3	28.8
Core deposits/shares & borrowings	46.1	45.7
Productivity		
Members / potential members	7.9	7.3
Borrowers / members	61.2	58.5
Members / FTE	341	344
Average shares / members (\$)	8,657	8,174
Average loan balances (\$)	13,177	13,257
Salary & Benefits / FTE	61,005	58,512

\* 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.