

CUNA Iowa
**MEMBERSHIP BENEFITS
REPORT**

Iowa

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 Iowa credit unions provided \$108,786,818 in direct financial benefits to the state's 1,104,307 members during the twelve months ending June 2017.

These benefits are equivalent to \$99 per member or \$187 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 Iowa 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 Iowa credit unions.

Consider this:

Financing a \$25,000 new automobile for 60 months at a Iowa credit union will save members an average \$154 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.

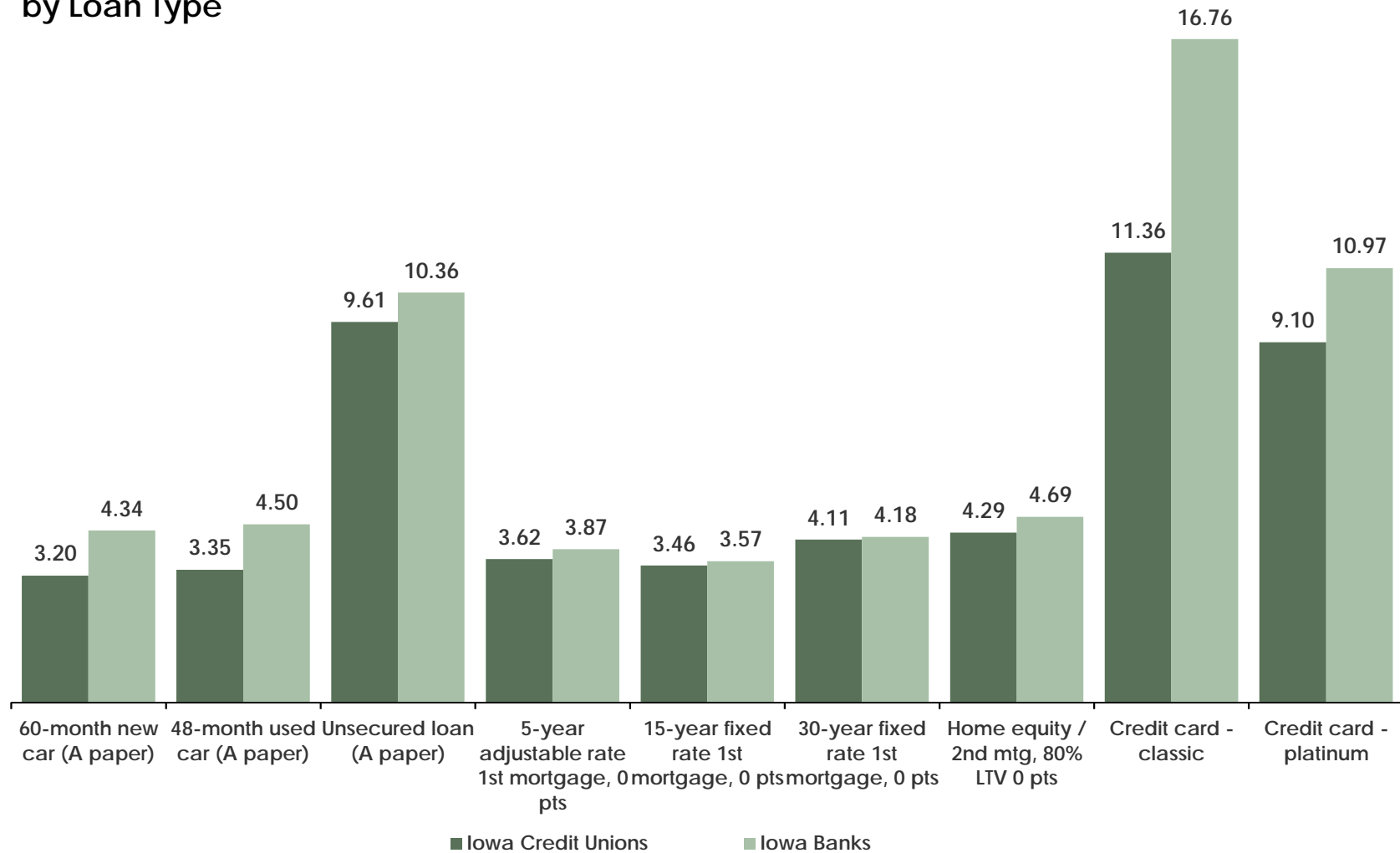
Iowa credit unions excel in providing member benefits on many loan and savings products. In particular, Iowa credit unions offer lower average loan rates on the following accounts: new car loans, used car loans, personal unsecured loans, first mortgage-fixed rate, first mortgage-adjustable rate, home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

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



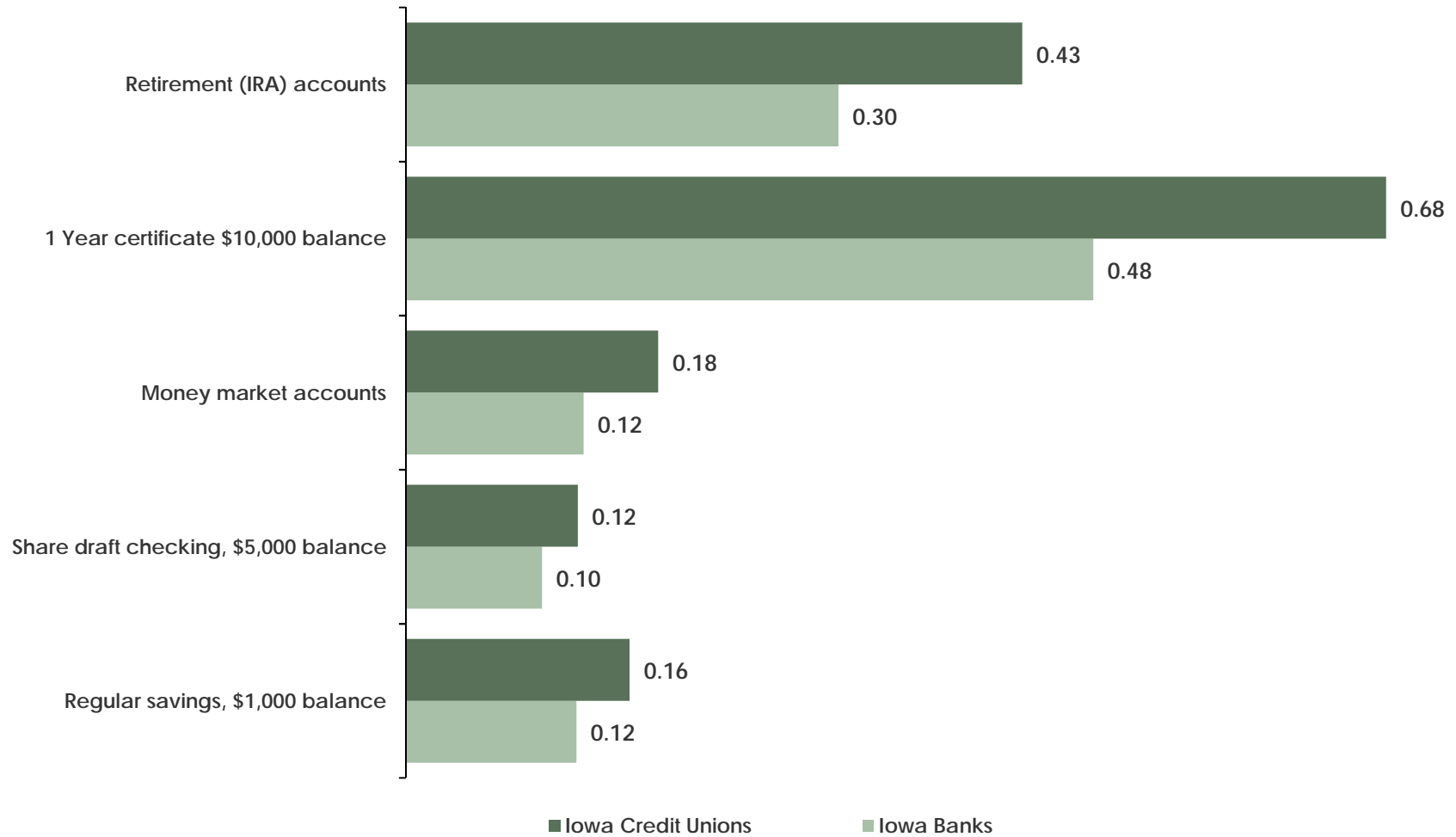
Loan Product Comparative Interest Rates (%)

by Loan Type



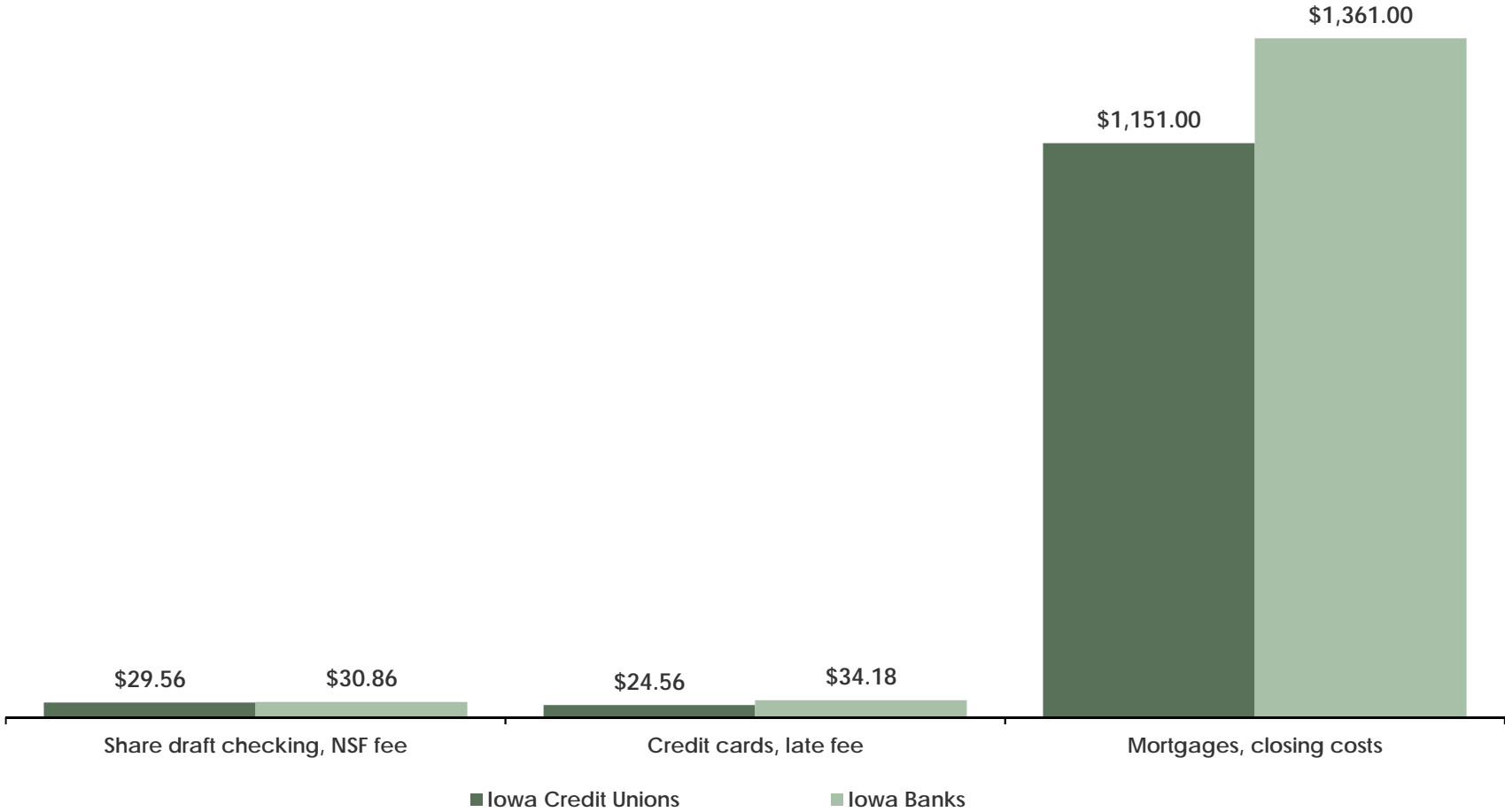
Savings Product Comparative Interest Rates (%)

by Savings Account Type



Comparative Fees

by Type



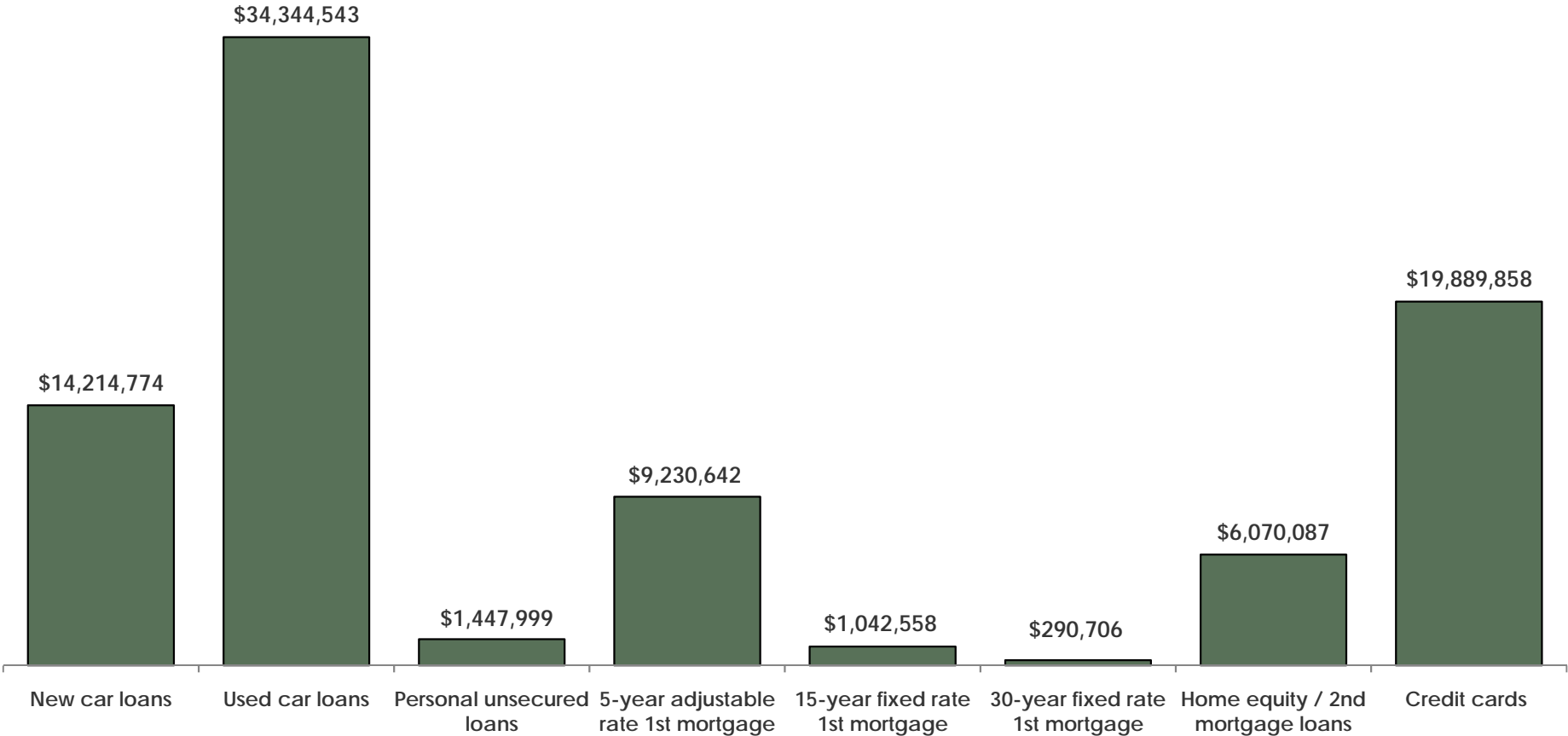
Iowa Credit Union and Banking Institution June 2017 Average Interest Rates and Fees

Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	3.20	4.34	-1.14
48-month used car (A paper)	3.35	4.50	-1.14
Unsecured loan (A paper)	9.61	10.36	-0.74
5-year adjustable rate 1st mortgage, 0 pts	3.62	3.87	-0.25
15-year fixed rate 1st mortgage, 0 pts	3.46	3.57	-0.11
30-year fixed rate 1st mortgage, 0 pts	4.11	4.18	-0.07
Home equity / 2nd mtg, 80% LTV 0 pts	4.29	4.69	-0.40
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	0.16	0.12	0.04
Share draft checking, \$5,000 balance	0.12	0.10	0.03
Money market accounts	0.18	0.12	0.05
1 Year certificate \$10,000 balance	0.68	0.48	0.20
Retirement (IRA) accounts	0.43	0.30	0.13
Fee Income			
Share draft checking, NSF fee	\$29.56	\$30.86	-\$1.30
Credit cards, late fee	\$24.56	\$34.18	-\$9.62
Mortgages, closing costs	\$1,151.00	\$1,361.00	-\$210.00

Source: Datatrac

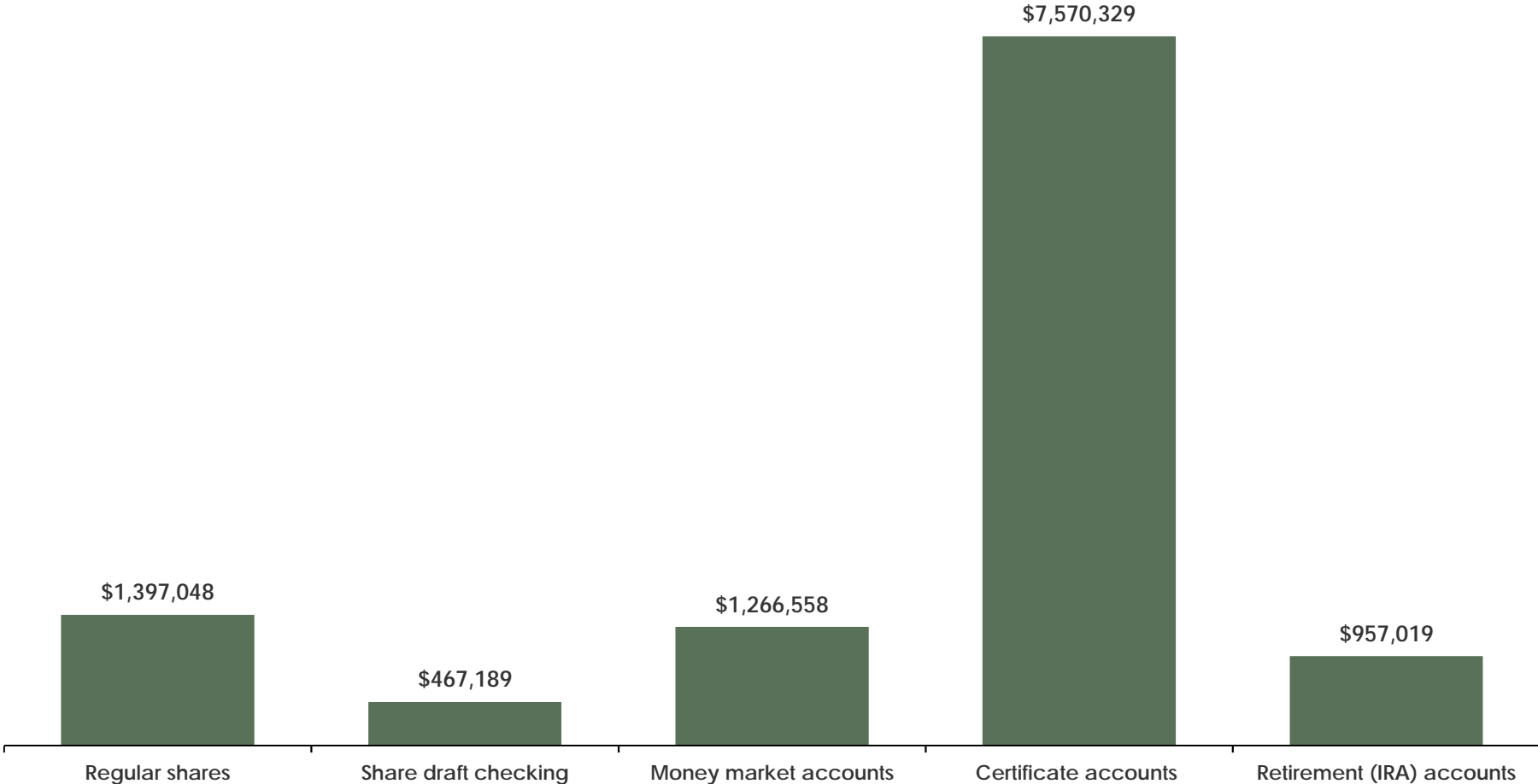
State Credit Union's Total Loan Rate Benefits

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 Iowa Credit Unions June 2017

Loans	Avg. Balance at Credit Unions (1)	Rate Difference vs. Iowa Banks (%) (2)	Total Financial Benefit to Your Members
New car loans	1,245,817,187	-1.14	\$14,214,774
Used car loans	3,004,771,905	-1.14	\$34,344,543
Personal unsecured loans	194,885,521	-0.74	\$1,447,999
5-year adjustable rate 1st mortgage	3,648,475,234	-0.25	\$9,230,642
15-year fixed rate 1st mortgage	930,855,214	-0.11	\$1,042,558
30-year fixed rate 1st mortgage	421,312,517	-0.07	\$290,706
Home equity / 2nd mortgage loans	1,525,147,439	-0.40	\$6,070,087
Credit cards	440,284,628	-5.40	\$19,889,858
Interest rebates			\$0
Total CU member benefits arising from lower interest rates on loan products:			\$86,531,167
Savings			
Regular shares	3,775,805,166	0.04	\$1,397,048
Share draft checking	1,868,755,647	0.03	\$467,189
Money market accounts	2,435,688,142	0.05	\$1,266,558
Certificate accounts	3,710,945,412	0.20	\$7,570,329
Retirement (IRA) accounts	747,671,449	0.13	\$957,019
Bonus dividends in period			\$0
Total CU member benefit arising from higher interest rates on savings products:			\$11,658,143
Fee Income			
Total CU member benefit arising from fewer / lower fees:			\$10,597,508
Total CU member benefit arising from interest rates on loans, savings products and lower fees:			\$108,786,818
Total CU member benefit / member:			\$99
Total CU member benefit / member household:			\$187

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

Iowa Credit Union Performance Profile

Demographic Information	Jun 17	Jun 16
Number of branches	279	277
Total assets (\$ mil)	16,545	14,828
Total loans (\$ mil)	13,008	11,248
Total surplus funds (\$ mil)	2,754	2,840
Total savings (\$ mil)	13,711	12,407
Total members (thousands)	1,130	1,081
Growth Rates (Trailing 12 months) *		
Total assets	11.7 %	11.5 %
Total loans	15.7 %	15.1 %
Total surplus funds	-2.6 %	-2.2 %
Total savings	10.7 %	10.2 %
Total members	4.7 %	3.1 %
Earnings - Basis Pts. *		
Yield on total assets	367	357
Dividend / interest cost of assets	76	74
Fee & other income	130	124
Operating expense	284	288
Loss Provisions	30	22
Net Income (ROA) after stabilization exp	107	97
Capital Adequacy		
Net worth / assets	10.3	10.5
Asset Quality *		
Delinquencies / loans	0.7	0.7
Net chargeoffs / average loans	0.3	0.3
Total borrower-bankruptcies	10	9
Bankruptcies per 1000 members	0.8	0.8
Asset/Liability Management		
Loans / savings	94.9	90.7
Loans / assets	78.6	75.9
Long-term assets / assets	34.8	33.9
Core deposits/shares & borrowings	41.0	41.5
Productivity		
Members / potential members	3.6	4.1
Borrowers / members	69.8	68.0
Members / FTE	315	317
Average shares / members (\$)	12,134	11,472
Average loan balances (\$)	16,483	15,294
Salary & Benefits / FTE	66,938	64,291

* 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.