

CUNA Kansas
**MEMBERSHIP BENEFITS
REPORT**



Kansas

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 Kansas credit unions provided \$81,803,115 in direct financial benefits to the state's 674,318 members during the twelve months ending June 2017.

These benefits are equivalent to \$121 per member or \$230 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 Kansas 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 Kansas credit unions.

Consider this:

Financing a \$25,000 new automobile for 60 months at a Kansas credit union will save members an average \$238 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.

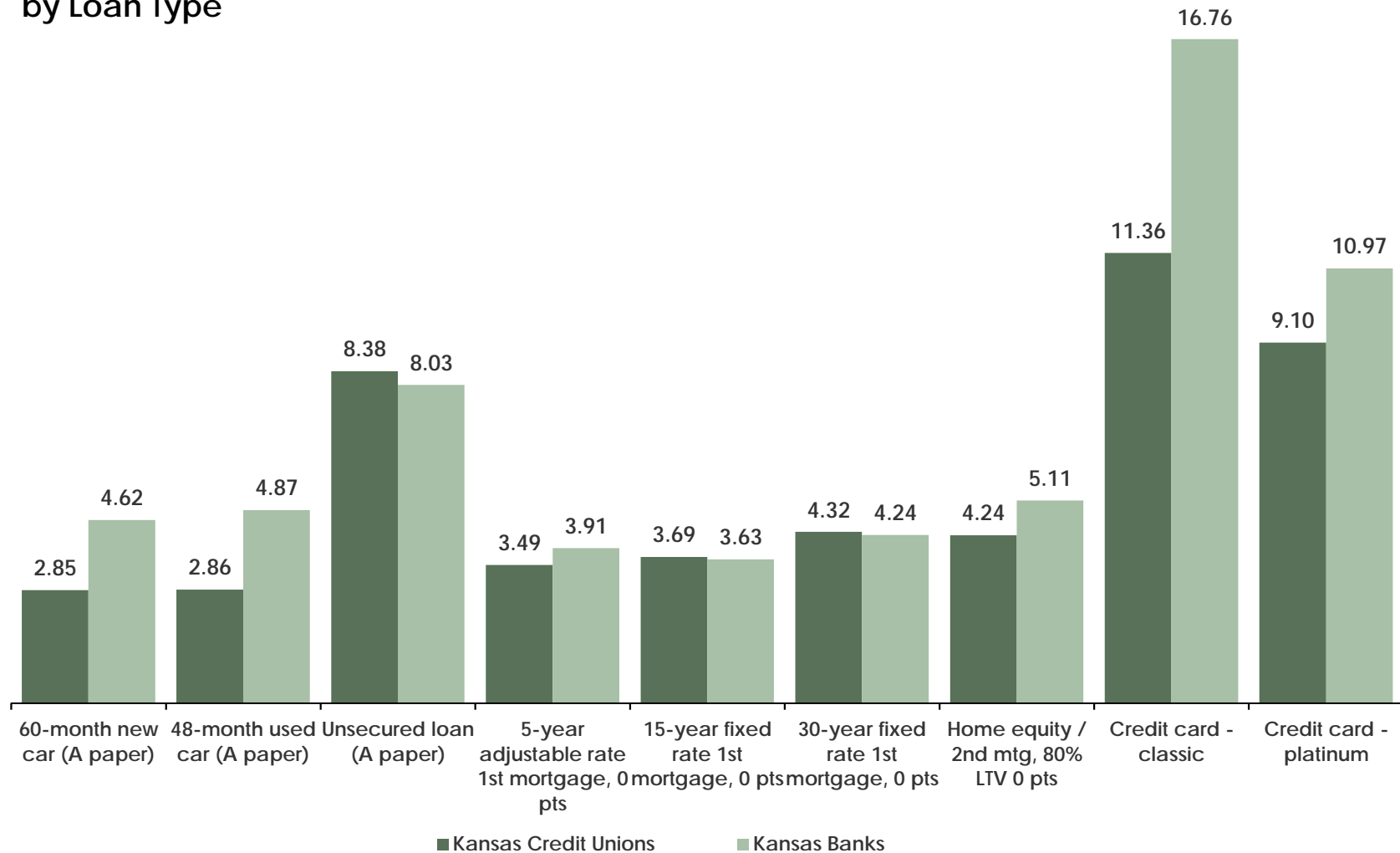
Kansas credit unions excel in providing member benefits on many loan and savings products. In particular, Kansas credit unions offer lower average loan rates on the following accounts: new car loans, used car loans, first mortgage-adjustable rate, home equity loans, **credit cards loans**.

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



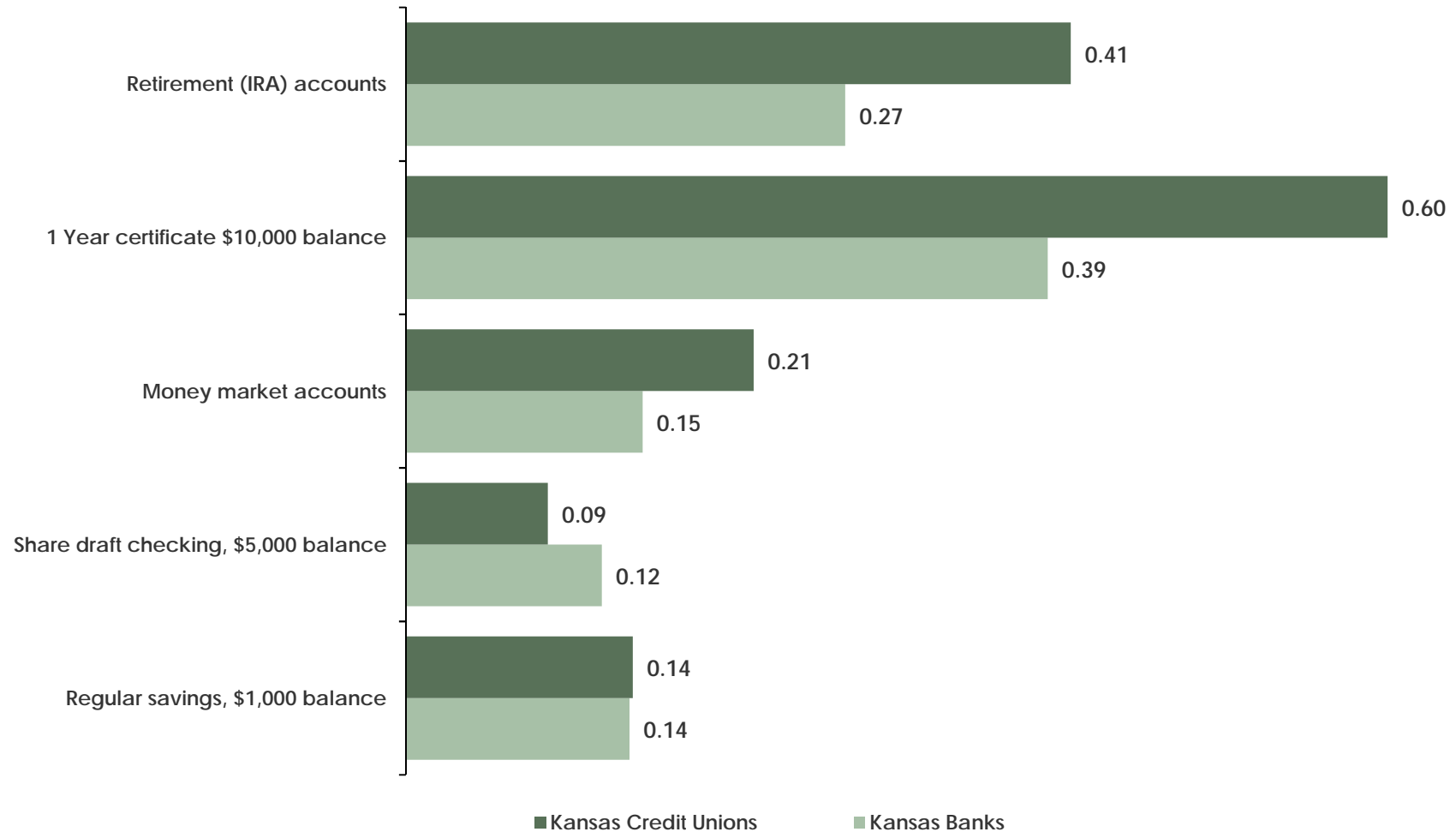
Loan Product Comparative Interest Rates (%)

by Loan Type



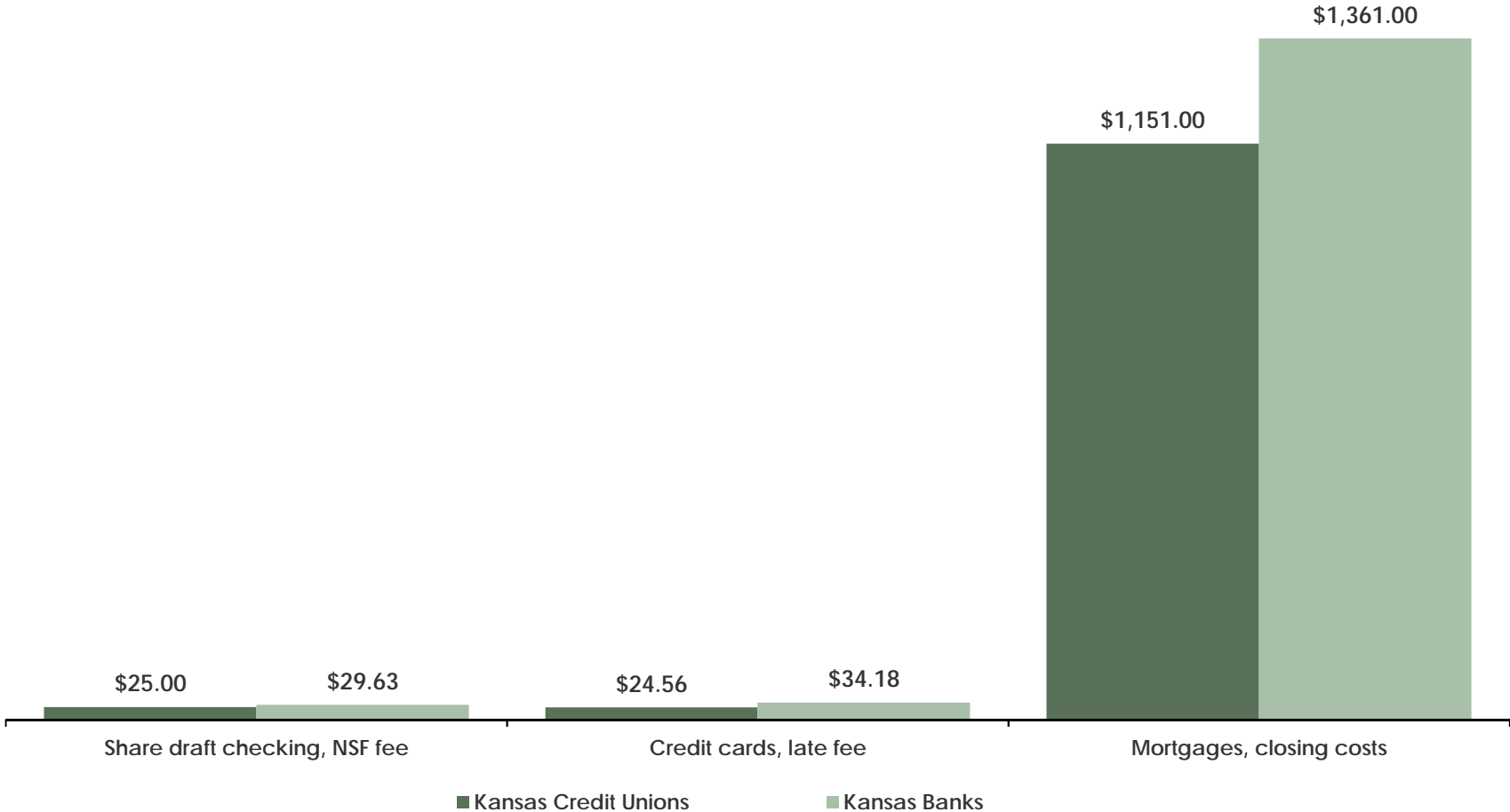
Savings Product Comparative Interest Rates (%)

by Savings Account Type



Comparative Fees

by Type



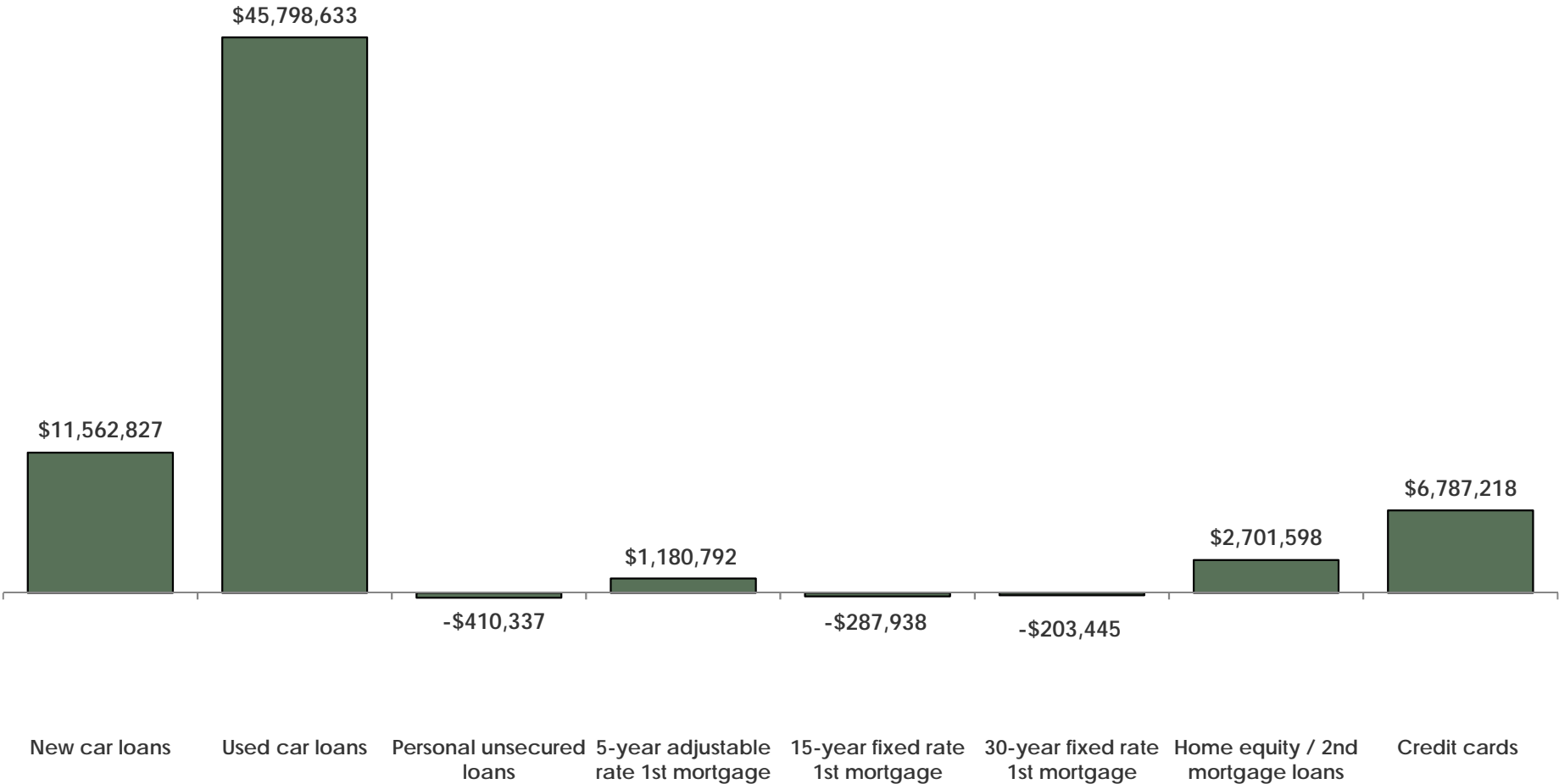
Kansas Credit Union and Banking Institution June 2017 Average Interest Rates and Fees

Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	2.85	4.62	-1.77
48-month used car (A paper)	2.86	4.87	-2.01
Unsecured loan (A paper)	8.38	8.03	0.35
5-year adjustable rate 1st mortgage, 0 pts	3.49	3.91	-0.42
15-year fixed rate 1st mortgage, 0 pts	3.69	3.63	0.06
30-year fixed rate 1st mortgage, 0 pts	4.32	4.24	0.08
Home equity / 2nd mtg, 80% LTV 0 pts	4.24	5.11	-0.88
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	0.14	0.14	0.00
Share draft checking, \$5,000 balance	0.09	0.12	-0.03
Money market accounts	0.21	0.15	0.07
1 Year certificate \$10,000 balance	0.60	0.39	0.21
Retirement (IRA) accounts	0.41	0.27	0.14
Fee Income			
Share draft checking, NSF fee	\$25.00	\$29.63	-\$4.63
Credit cards, late fee	\$24.56	\$34.18	-\$9.62
Mortgages, closing costs	\$1,151.00	\$1,361.00	-\$210.00

Source: Datatrac

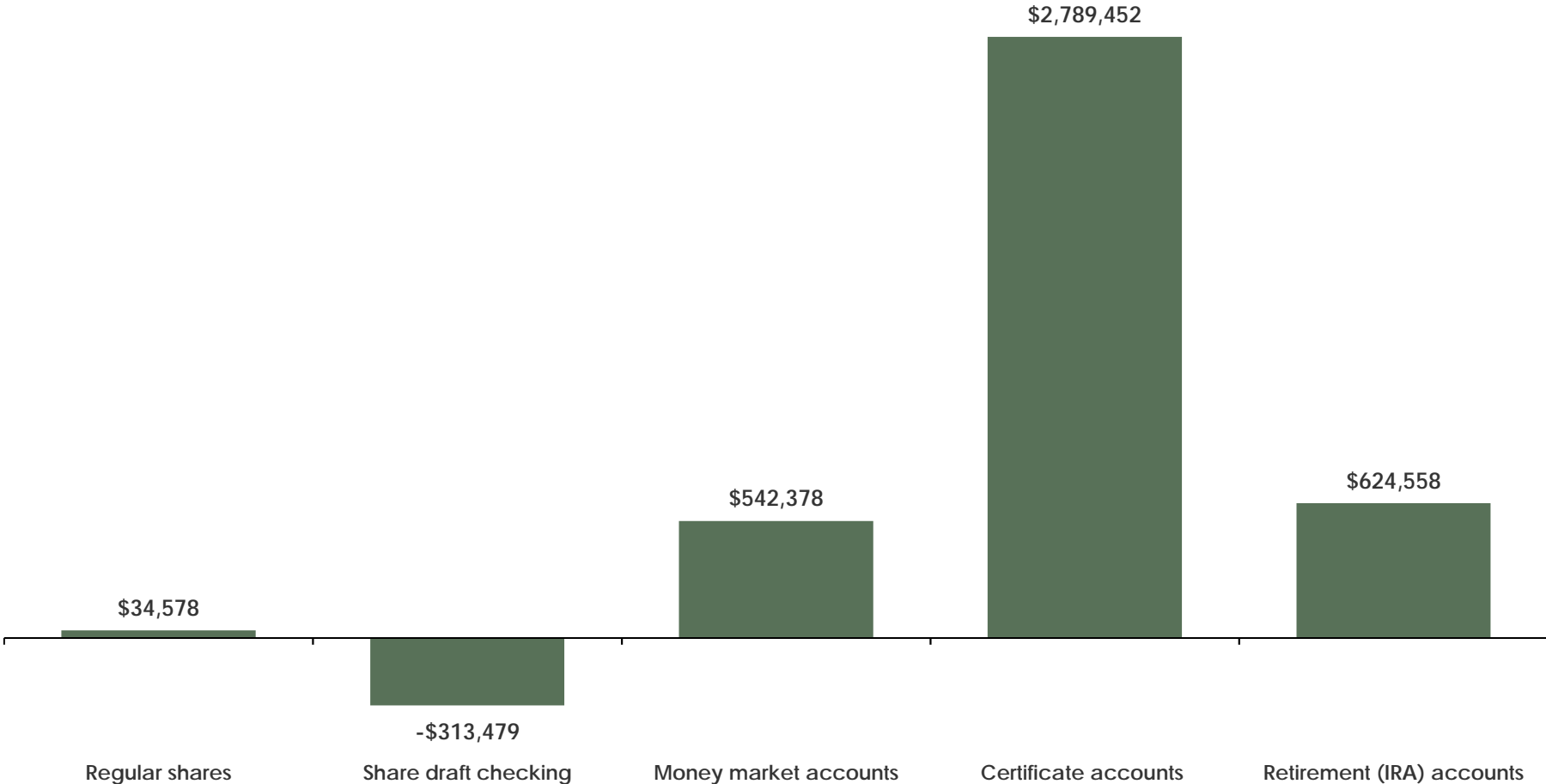
State Credit Union's Total Loan Rate Benefits

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 Kansas Credit Unions June 2017

Loans	Avg. Balance at Credit Unions (1)	Rate Difference vs. Kansas Banks (%) (2)	Total Financial Benefit to Your Members
New car loans	654,006,071	-1.77	\$11,562,827
Used car loans	2,280,808,397	-2.01	\$45,798,633
Personal unsecured loans	118,594,584	0.35	-\$410,337
5-year adjustable rate 1st mortgage	279,147,080	-0.42	\$1,180,792
15-year fixed rate 1st mortgage	464,415,481	0.06	-\$287,938
30-year fixed rate 1st mortgage	257,525,532	0.08	-\$203,445
Home equity / 2nd mortgage loans	307,699,081	-0.88	\$2,701,598
Credit cards	150,242,782	-5.40	\$6,787,218
Interest rebates			\$211,904
Total CU member benefits arising from lower interest rates on loan products:			\$67,341,252
Savings			
Regular shares	1,728,904,348	0.00	\$34,578
Share draft checking	949,936,598	-0.03	-\$313,479
Money market accounts	797,615,402	0.07	\$542,378
Certificate accounts	1,341,082,494	0.21	\$2,789,452
Retirement (IRA) accounts	452,578,252	0.14	\$624,558
Bonus dividends in period			\$0
Total CU member benefit arising from higher interest rates on savings products:			\$3,677,487
Fee Income			
Total CU member benefit arising from fewer / lower fees:			\$10,784,377
Total CU member benefit arising from interest rates on loans, savings products and lower fees:			\$81,803,115
Total CU member benefit / member:			\$121
Total CU member benefit / member household:			\$230

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

Kansas Credit Union Performance Profile

Demographic Information	Jun 17	Jun 16
Number of branches	192	191
Total assets (\$ mil)	6,708	6,331
Total loans (\$ mil)	4,908	4,543
Total surplus funds (\$ mil)	1,503	1,524
Total savings (\$ mil)	5,724	5,387
Total members (thousands)	684	667
Growth Rates (Trailing 12 months) *		
Total assets	6.1 %	12.1 %
Total loans	8.1 %	16.3 %
Total surplus funds	-1.1 %	2.1 %
Total savings	6.4 %	11.4 %
Total members	3.0 %	7.3 %
Earnings - Basis Pts. *		
Yield on total assets	375	378
Dividend / interest cost of assets	61	59
Fee & other income	148	143
Operating expense	350	357
Loss Provisions	60	44
Net Income (ROA) after stabilization exp	53	61
Capital Adequacy		
Net worth / assets	11.0	11.0
Asset Quality *		
Delinquencies / loans	0.8	0.6
Net chargeoffs / average loans	0.7	0.6
Total borrower-bankruptcies	15	12
Bankruptcies per 1000 members	1.8	1.6
Asset/Liability Management		
Loans / savings	85.8	84.3
Loans / assets	73.2	71.8
Long-term assets / assets	24.3	24.0
Core deposits/shares & borrowings	48.0	47.1
Productivity		
Members / potential members	4.8	4.7
Borrowers / members	58.0	58.0
Members / FTE	341	349
Average shares / members (\$)	8,366	8,076
Average loan balances (\$)	12,377	11,749
Salary & Benefits / FTE	58,503	56,226

* 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.