

CUNA Nebraska
**MEMBERSHIP BENEFITS
REPORT**

Nebraska

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 Nebraska credit unions provided \$39,989,084 in direct financial benefits to the state's 501,005 members during the twelve months ending June 2017.

These benefits are equivalent to \$80 per member or \$152 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 Nebraska 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 Nebraska credit unions.

Consider this:

Financing a \$25,000 new automobile for 60 months at a Nebraska credit union will save members an average \$203 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.

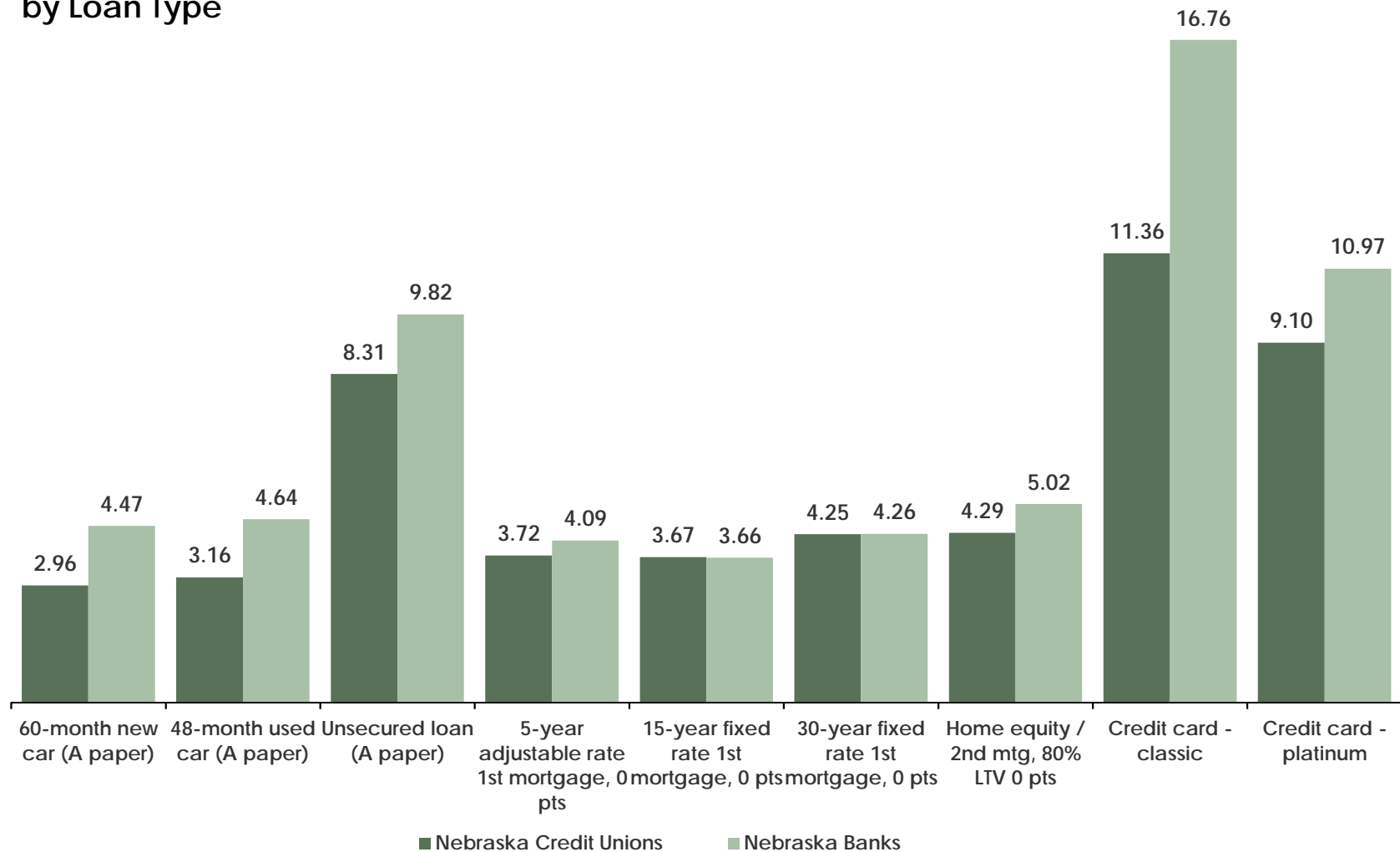
Nebraska credit unions excel in providing member benefits on many loan and savings products. In particular, Nebraska credit unions offer lower average loan rates on the following accounts: new car loans, used car loans, personal unsecured loans, first mortgage-adjustable rate, **home equity loans, credit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

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



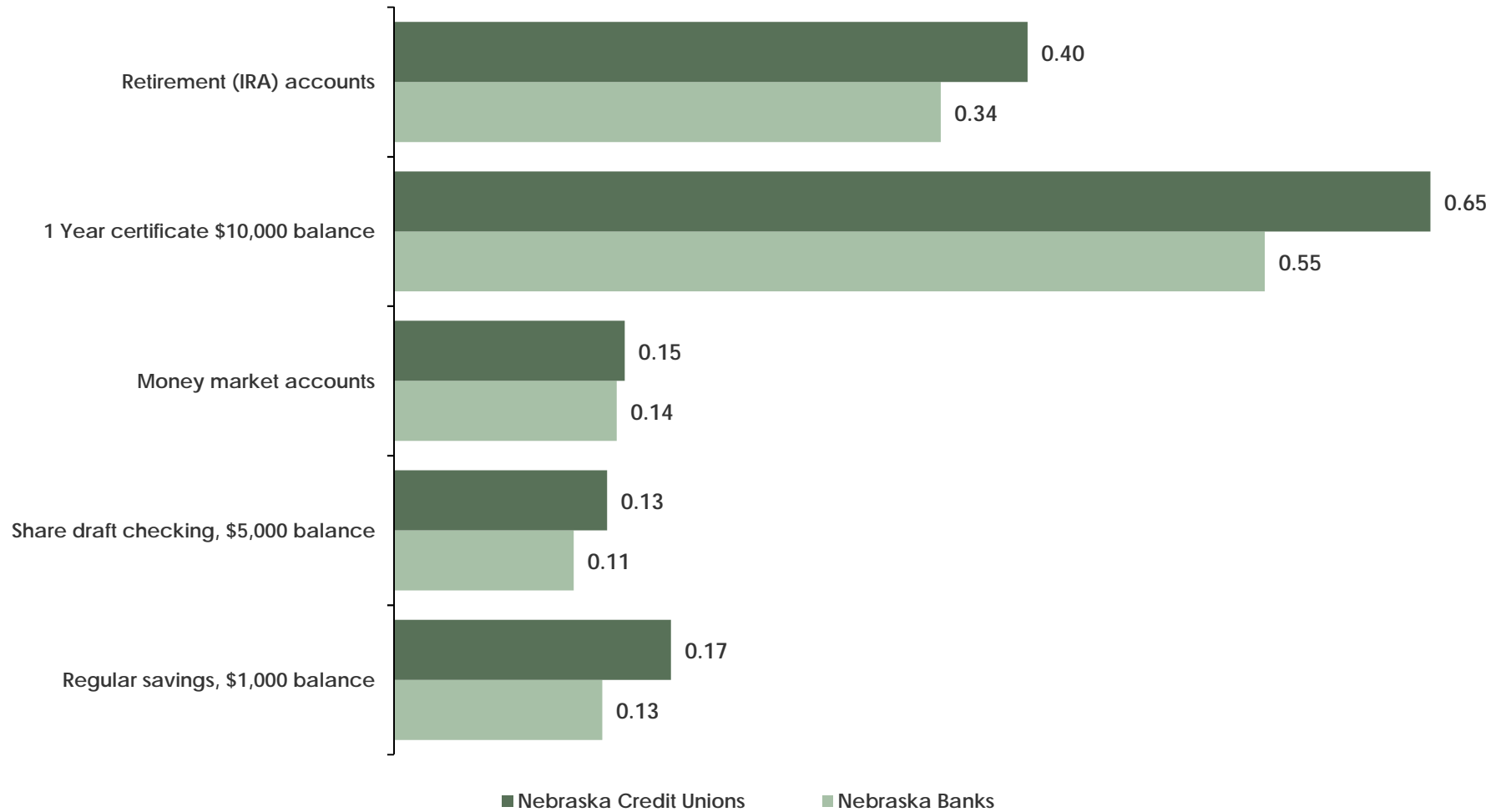
Loan Product Comparative Interest Rates (%)

by Loan Type



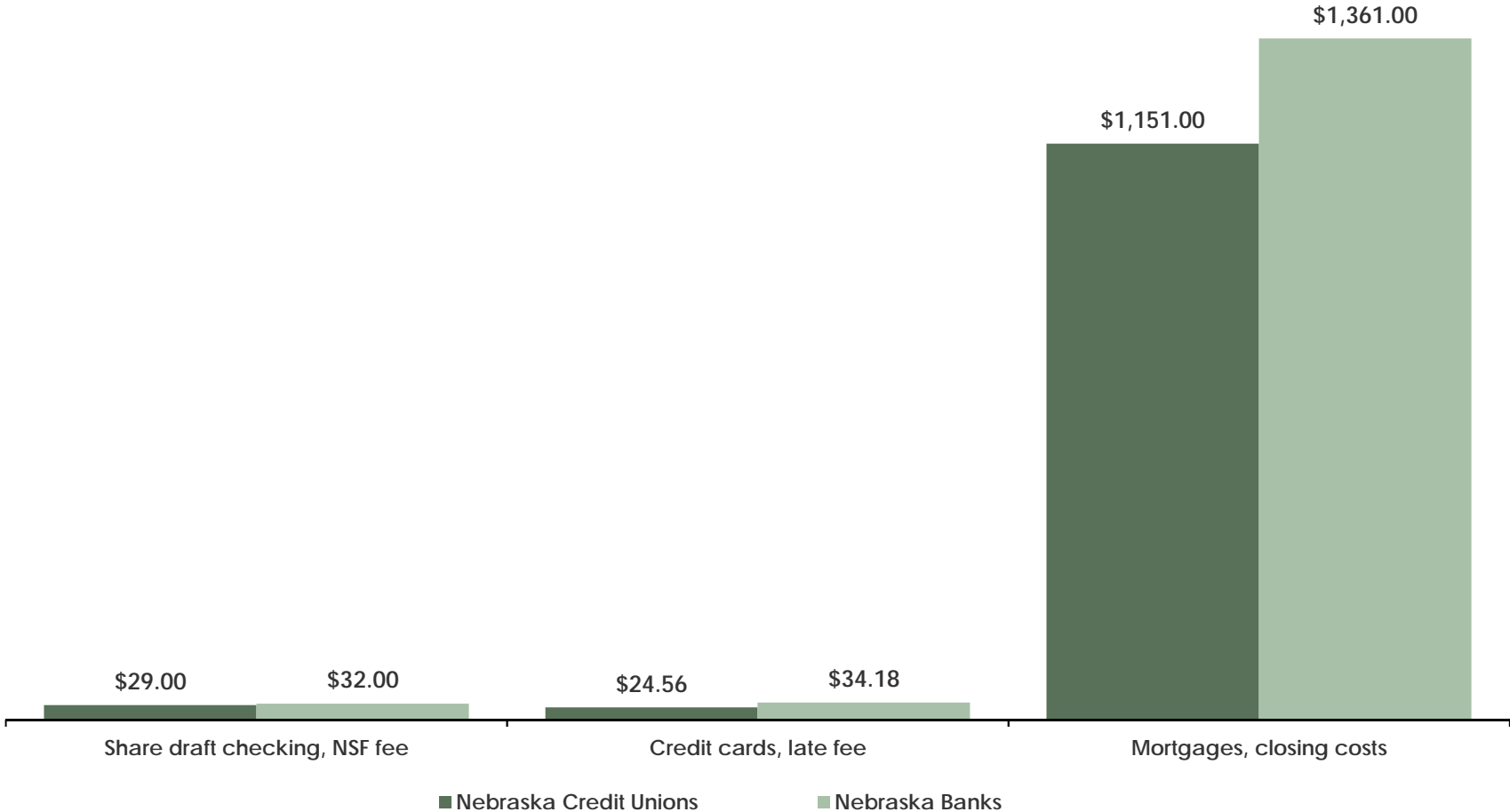
Savings Product Comparative Interest Rates (%)

by Savings Account Type



Comparative Fees

by Type



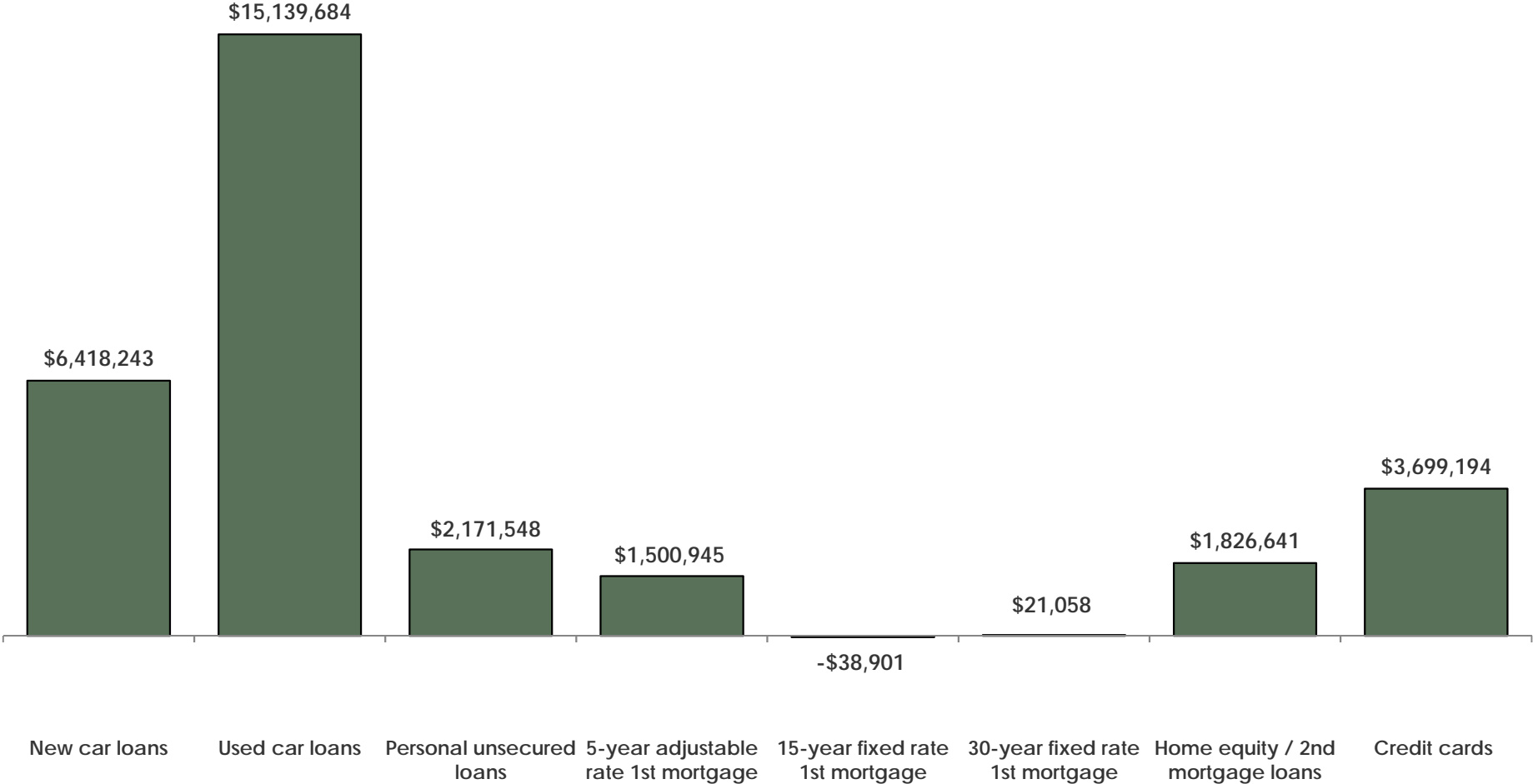
Nebraska Credit Union and Banking Institution June 2017 Average Interest Rates and Fees

Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	2.96	4.47	-1.51
48-month used car (A paper)	3.16	4.64	-1.47
Unsecured loan (A paper)	8.31	9.82	-1.51
5-year adjustable rate 1st mortgage, 0 pts	3.72	4.09	-0.38
15-year fixed rate 1st mortgage, 0 pts	3.67	3.66	0.01
30-year fixed rate 1st mortgage, 0 pts	4.25	4.26	-0.01
Home equity / 2nd mtg, 80% LTV 0 pts	4.29	5.02	-0.73
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	0.17	0.13	0.04
Share draft checking, \$5,000 balance	0.13	0.11	0.02
Money market accounts	0.15	0.14	0.00
1 Year certificate \$10,000 balance	0.65	0.55	0.10
Retirement (IRA) accounts	0.40	0.34	0.05
Fee Income			
Share draft checking, NSF fee	\$29.00	\$32.00	-\$3.00
Credit cards, late fee	\$24.56	\$34.18	-\$9.62
Mortgages, closing costs	\$1,151.00	\$1,361.00	-\$210.00

Source: Datatrac

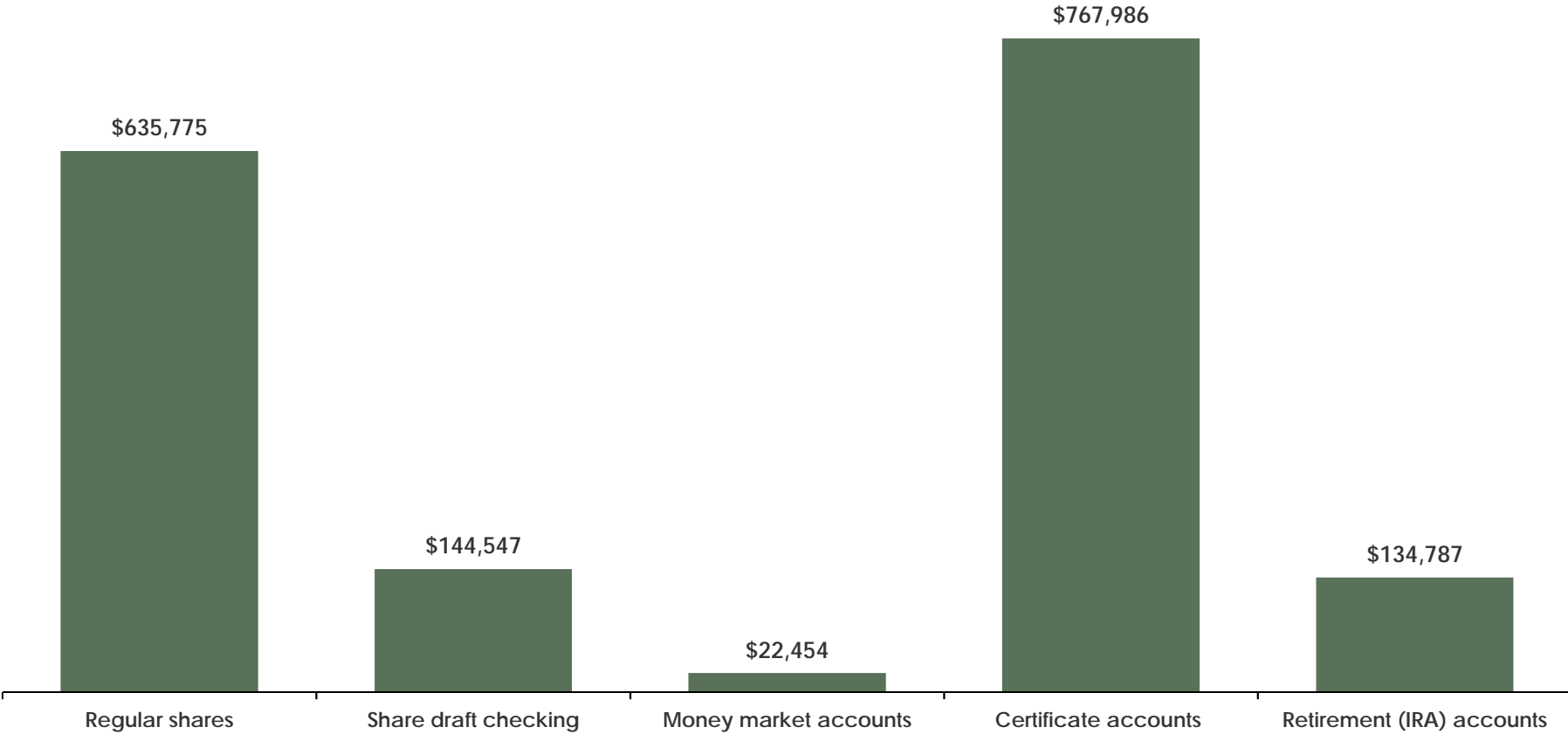
State Credit Union's Total Loan Rate Benefits

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 Nebraska Credit Unions June 2017

Loans	Avg. Balance at Credit Unions (1)	Rate Difference vs. Nebraska Banks (%) (2)	Total Financial Benefit to Your Members
New car loans	426,461,317	-1.51	\$6,418,243
Used car loans	1,027,115,590	-1.47	\$15,139,684
Personal unsecured loans	143,906,406	-1.51	\$2,171,548
5-year adjustable rate 1st mortgage	396,027,782	-0.38	\$1,500,945
15-year fixed rate 1st mortgage	353,641,762	0.01	-\$38,901
30-year fixed rate 1st mortgage	210,583,545	-0.01	\$21,058
Home equity / 2nd mortgage loans	251,603,505	-0.73	\$1,826,641
Credit cards	81,885,864	-5.40	\$3,699,194
Interest rebates			\$92,766
Total CU member benefits arising from lower interest rates on loan products:			\$30,831,179
Savings			
Regular shares	1,478,547,514	0.04	\$635,775
Share draft checking	688,319,925	0.02	\$144,547
Money market accounts	449,082,918	0.00	\$22,454
Certificate accounts	738,448,327	0.10	\$767,986
Retirement (IRA) accounts	247,314,947	0.05	\$134,787
Bonus dividends in period			\$0
Total CU member benefit arising from higher interest rates on savings products:			\$1,705,550
Fee Income			
Total CU member benefit arising from fewer / lower fees:			\$7,452,356
Total CU member benefit arising from interest rates on loans, savings products and lower fees:			\$39,989,084
Total CU member benefit / member:			\$80
Total CU member benefit / member household:			\$152

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

Nebraska Credit Union Performance Profile

Demographic Information	Jun 17	Jun 16
Number of branches	142	143
Total assets (\$ mil)	4,471	4,256
Total loans (\$ mil)	3,187	2,985
Total surplus funds (\$ mil)	1,061	1,063
Total savings (\$ mil)	3,763	3,584
Total members (thousands)	506	496
Growth Rates (Trailing 12 months) *		
Total assets	5.1 %	5.9 %
Total loans	6.8 %	7.9 %
Total surplus funds	-0.2 %	1.4 %
Total savings	5.0 %	5.8 %
Total members	2.0 %	3.2 %
Earnings - Basis Pts. *		
Yield on total assets	360	355
Dividend / interest cost of assets	51	49
Fee & other income	162	154
Operating expense	383	381
Loss Provisions	35	33
Net Income (ROA) after stabilization exp	52	47
Capital Adequacy		
Net worth / assets	10.7	10.7
Asset Quality *		
Delinquencies / loans	0.8	0.8
Net chargeoffs / average loans	0.5	0.4
Total borrower-bankruptcies	9	9
Bankruptcies per 1000 members	1.1	1.1
Asset/Liability Management		
Loans / savings	84.7	83.3
Loans / assets	71.3	70.1
Long-term assets / assets	30.9	29.3
Core deposits/shares & borrowings	57.5	56.2
Productivity		
Members / potential members	4.9	5.2
Borrowers / members	51.3	50.7
Members / FTE	372	363
Average shares / members (\$)	7,438	7,225
Average loan balances (\$)	12,287	11,857
Salary & Benefits / FTE	66,210	62,739

* 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.