



# Nevada Membership Benefits Report

Year End 2016

## Nevada

### *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 Nevada credit unions provided \$35,560,866 in direct financial benefits to the state's 338,909 members during the twelve months ending December 2016.

**These benefits are equivalent to \$105 per member or \$199 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 Nevada 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 Nevada credit unions.

Consider this:

**Financing a \$25,000 new automobile for 60 months at a Nevada credit union will save members an average \$178 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.

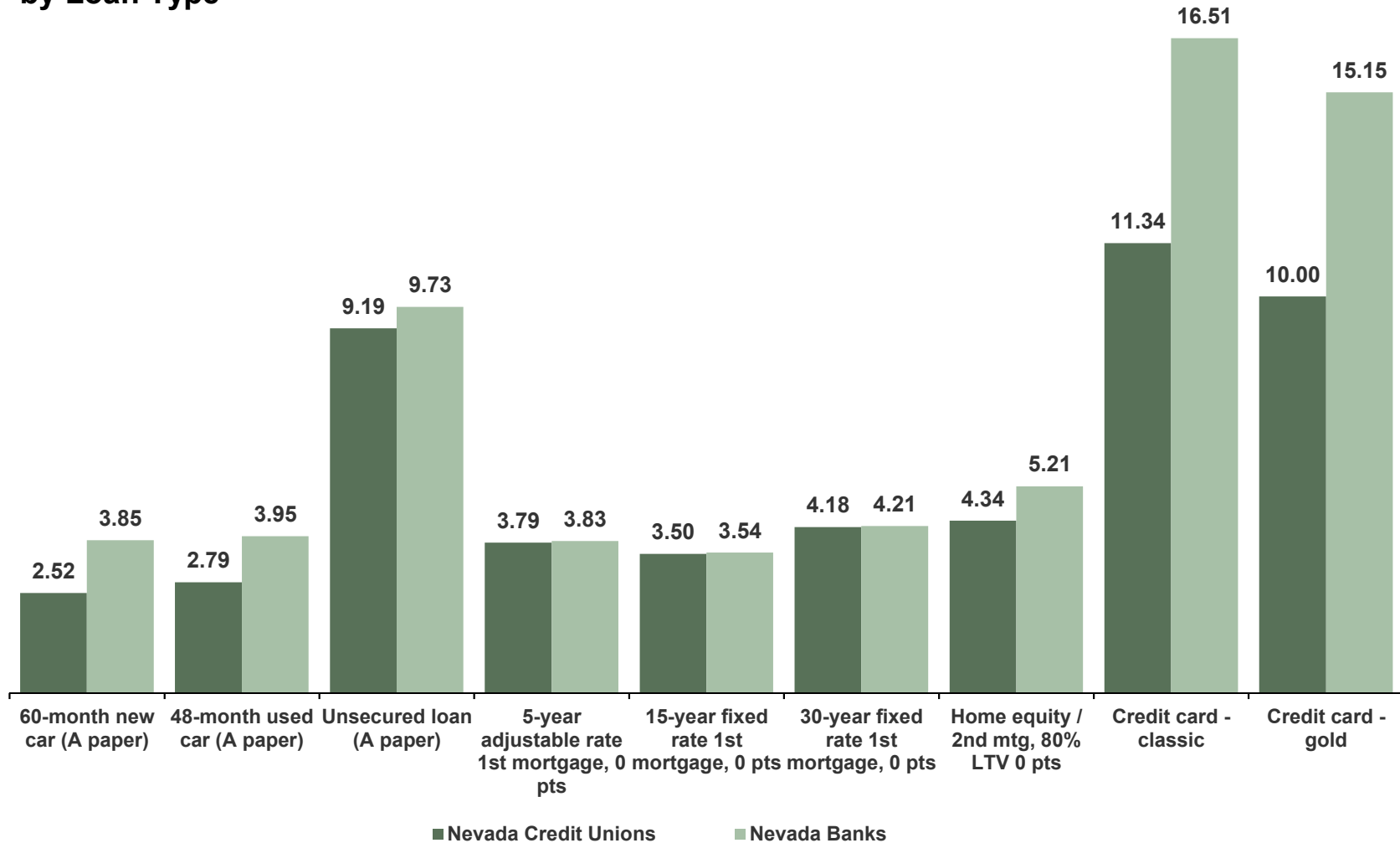
Nevada credit unions excel in providing member benefits on many loan and savings products. In particular, Nevada credit unions offer lower average loan rates on the following accounts: new car loans, used car loans, personal unsecured loans, first mortgage-fixed rate, first mortgage-adjustable rate,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

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



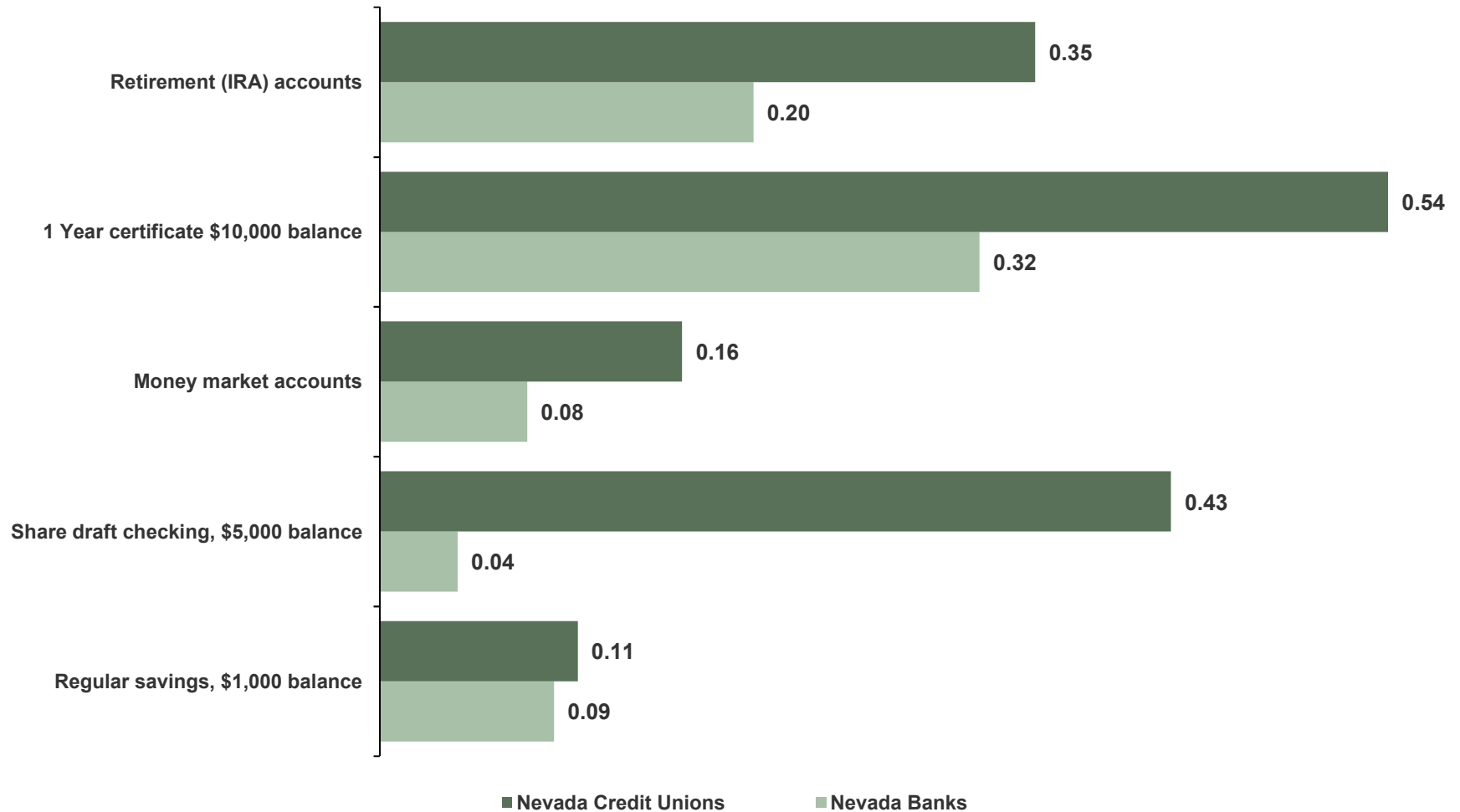
## Loan Product Comparative Interest Rates (%)

by Loan Type



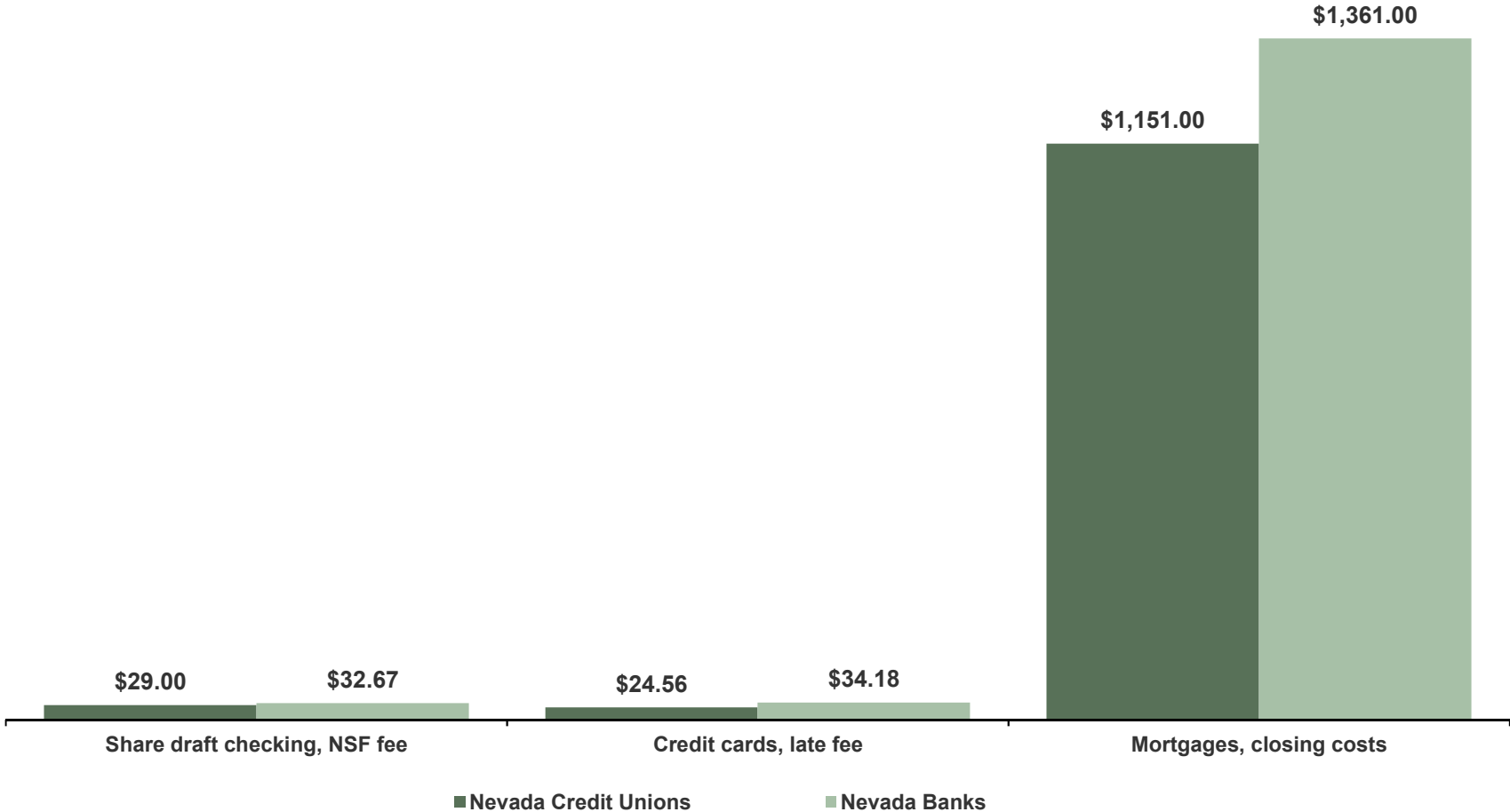
## Savings Product Comparative Interest Rates (%)

### by Savings Account Type



## Comparative Fees

by Type



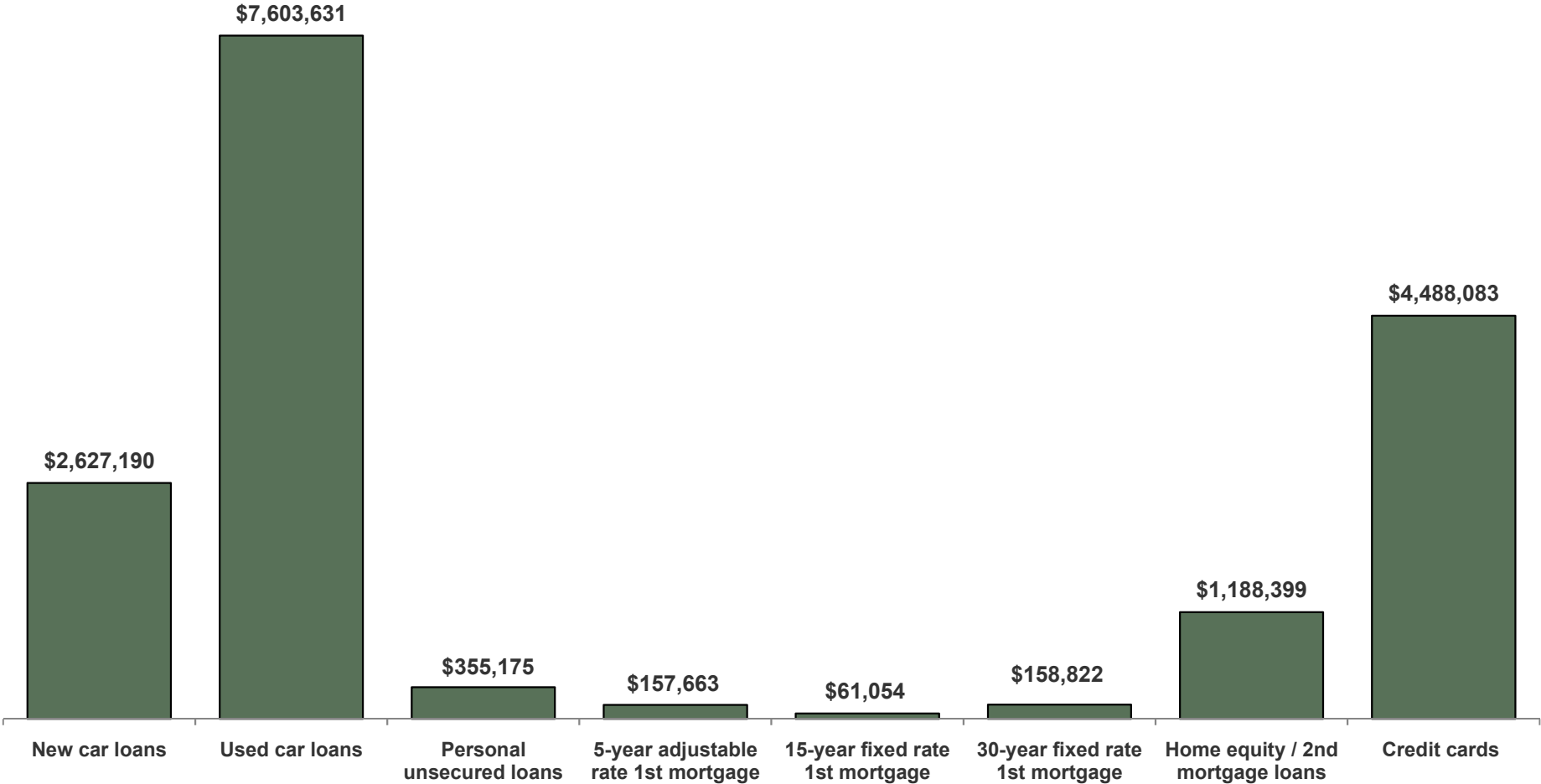
## Nevada Credit Union and Banking Institution December 2016 Average Interest Rates and Fees

Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	2.52	3.85	-1.33
48-month used car (A paper)	2.79	3.95	-1.16
Unsecured loan (A paper)	9.19	9.73	-0.54
5-year adjustable rate 1st mortgage, 0 pts	3.79	3.83	-0.04
15-year fixed rate 1st mortgage, 0 pts	3.50	3.54	-0.04
30-year fixed rate 1st mortgage, 0 pts	4.18	4.21	-0.03
Home equity / 2nd mtg, 80% LTV 0 pts	4.34	5.21	-0.87
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	0.11	0.09	0.01
Share draft checking, \$5,000 balance	0.43	0.04	0.38
Money market accounts	0.16	0.08	0.08
1 Year certificate \$10,000 balance	0.54	0.32	0.22
Retirement (IRA) accounts	0.35	0.20	0.15
Fee Income			
Share draft checking, NSF fee	\$29.00	\$32.67	-\$3.67
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

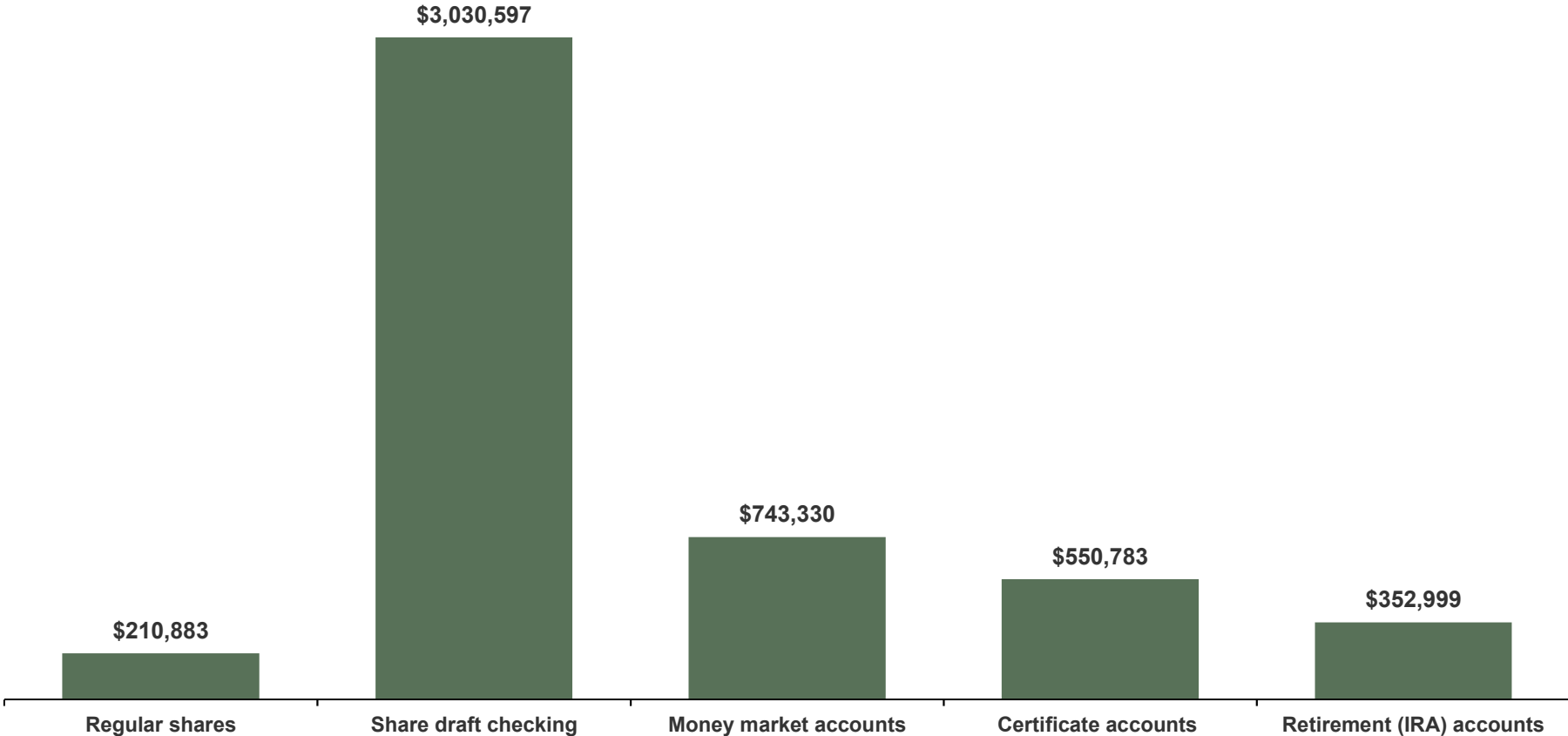
State Credit Union's Total Loan Rate Benefits

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 Nevada Credit Unions December 2016

<b>Loans</b>	<b>Avg. Balance at Credit Unions (1)</b>	<b>Rate Difference vs. Nevada Banks (%) (2)</b>	<b>Total Financial Benefit to Your Members</b>
New car loans	197,533,095	-1.33	\$2,627,190
Used car loans	654,920,871	-1.16	\$7,603,631
Personal unsecured loans	65,651,624	-0.54	\$355,175
5-year adjustable rate 1st mortgage	375,387,052	-0.04	\$157,663
15-year fixed rate 1st mortgage	165,012,123	-0.04	\$61,054
30-year fixed rate 1st mortgage	588,231,184	-0.03	\$158,822
Home equity / 2nd mortgage loans	136,912,362	-0.87	\$1,188,399
Credit cards	86,894,155	-5.17	\$4,488,083
Interest rebates			\$4,360,212
<b>Total CU member benefits arising from lower interest rates on loan products:</b>			<b>\$21,000,231</b>
<b>Savings</b>			
Regular shares	1,652,443,704	0.01	\$210,883
Share draft checking	791,102,808	0.38	\$3,030,597
Money market accounts	892,988,571	0.08	\$743,330
Certificate accounts	251,021,381	0.22	\$550,783
Retirement (IRA) accounts	233,266,352	0.15	\$352,999
Bonus dividends in period			\$0
<b>Total CU member benefit arising from higher interest rates on savings products:</b>			<b>\$4,888,592</b>
<b>Fee Income</b>			
<b>Total CU member benefit arising from fewer / lower fees:</b>			<b>\$9,672,043</b>
<b>Total CU member benefit arising from interest rates on loans, savings products and lower fees:</b>			<b>\$35,560,866</b>
<b>Total CU member benefit / member:</b>			<b>\$105</b>
<b>Total CU member benefit / member household:</b>			<b>\$199</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;

# Membership Benefits Report

CUNA Economics and Statistics

## Nevada Credit Union Performance Profile

Demographic Information	Dec 16	Dec 15
Number of branches	67	67
Total assets (\$ mil)	4,488	4,143
Total loans (\$ mil)	2,557	2,304
Total surplus funds (\$ mil)	1,743	1,677
Total savings (\$ mil)	3,976	3,684
Total members (thousands)	344	334
Growth Rates (Trailing 12 months) *		
Total assets	8.3 %	7.2 %
Total loans	11.0 %	11.1 %
Total surplus funds	4.0 %	2.1 %
Total savings	7.9 %	7.0 %
Total members	2.8 %	1.7 %
Earnings - Basis Pts. *		
Yield on total assets	315	310
Dividend / interest cost of assets	28	30
Fee & other income	229	226
Operating expense	393	389
Loss Provisions	2	-12
Net Income (ROA) after stabilization exp	122	130
Capital Adequacy		
Net worth / assets	10.6	10.3
Asset Quality *		
Delinquencies / loans	0.7	0.9
Net chargeoffs / average loans	0.4	0.4
Total borrower-bankruptcies	25	32
Bankruptcies per 1000 members	1.2	1.6
Asset/Liability Management		
Loans / savings	64.3	62.5
Loans / assets	57.0	55.6
Long-term assets / assets	33.1	34.3
Core deposits/shares & borrowings	64.5	63.1
Productivity		
Members / potential members	5.4	4.3
Borrowers / members	49.2	48.2
Members / FTE	306	303
Average shares / members (\$)	11,570	11,022
Average loan balances (\$)	15,122	14,303
Salary & Benefits / FTE	73,276	69,356

\* 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.