

CUNA Oklahoma
**MEMBERSHIP BENEFITS
REPORT**



Oklahoma

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 Oklahoma credit unions provided \$170,889,538 in direct financial benefits to the state's 1,227,430 members during the twelve months ending June 2017.

These benefits are equivalent to \$139 per member or \$265 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 Oklahoma 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 Oklahoma credit unions.

Consider this:

Financing a \$25,000 new automobile for 60 months at a Oklahoma credit union will save members an average \$249 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.

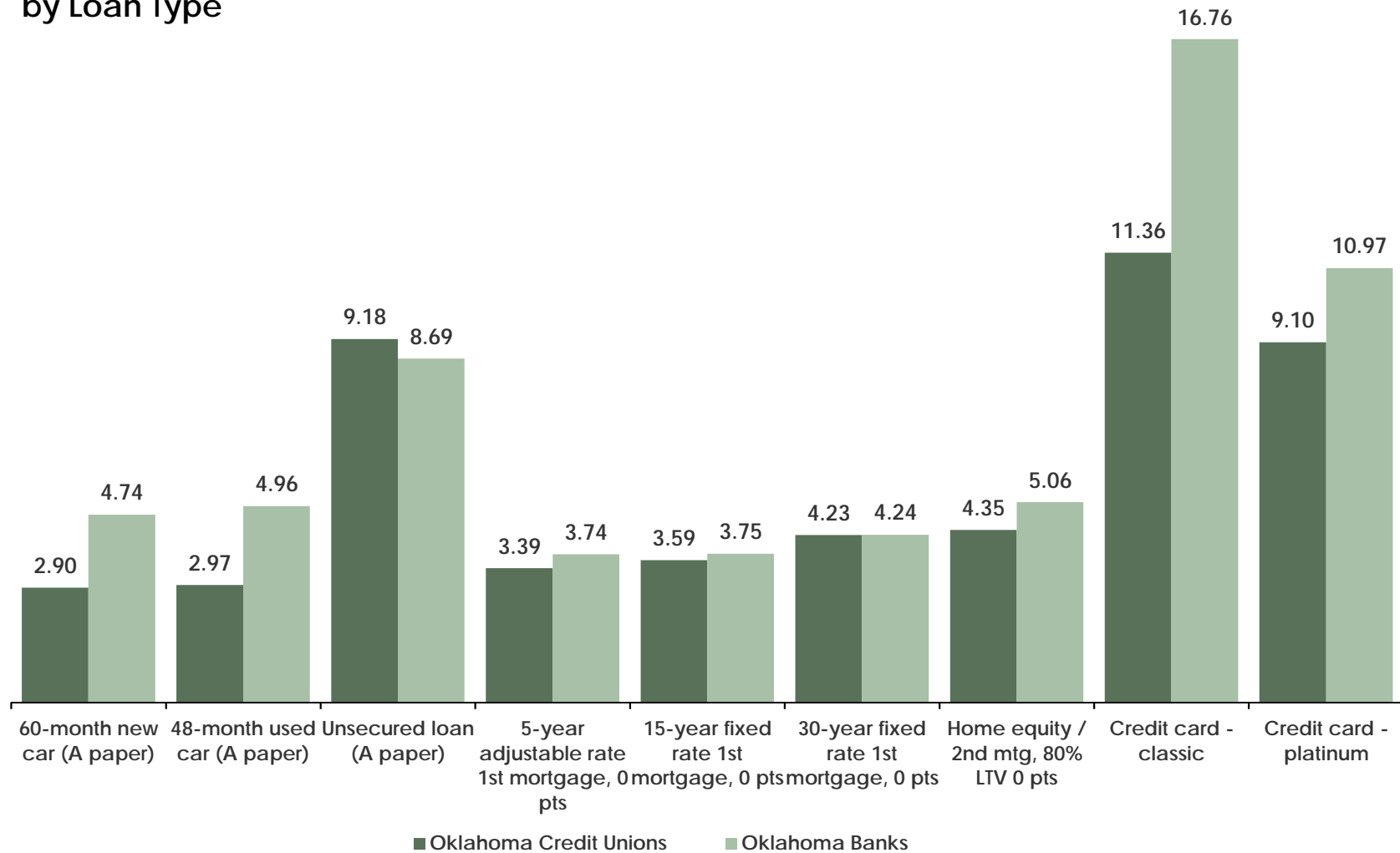
Oklahoma credit unions excel in providing member benefits on many loan and savings products. In particular, Oklahoma credit unions offer lower average loan rates on the following accounts: new car loans, used car loans, first mortgage-fixed rate, first mortgage-adjustable rate, **home equity loans, credit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

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



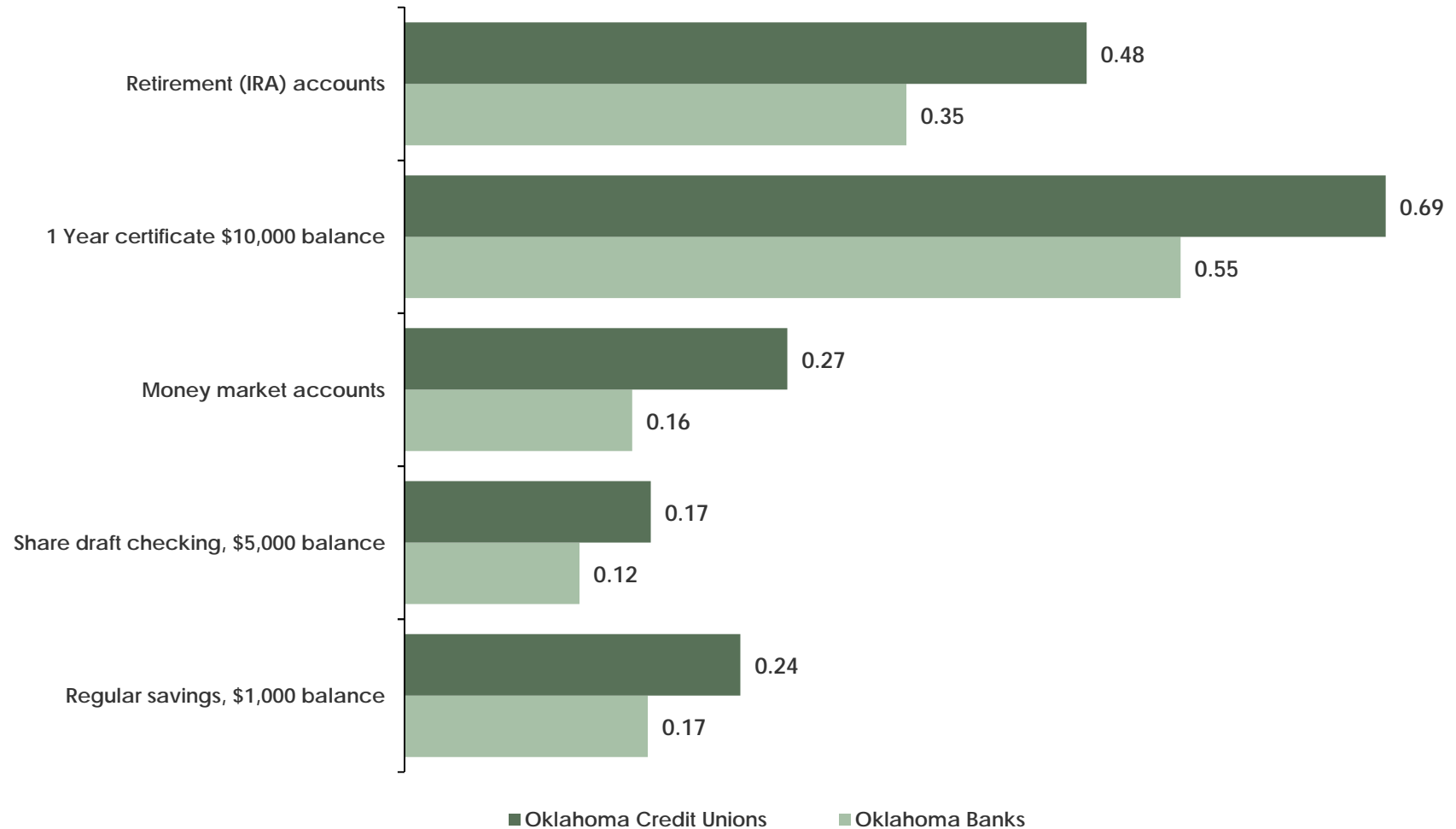
Loan Product Comparative Interest Rates (%)

by Loan Type



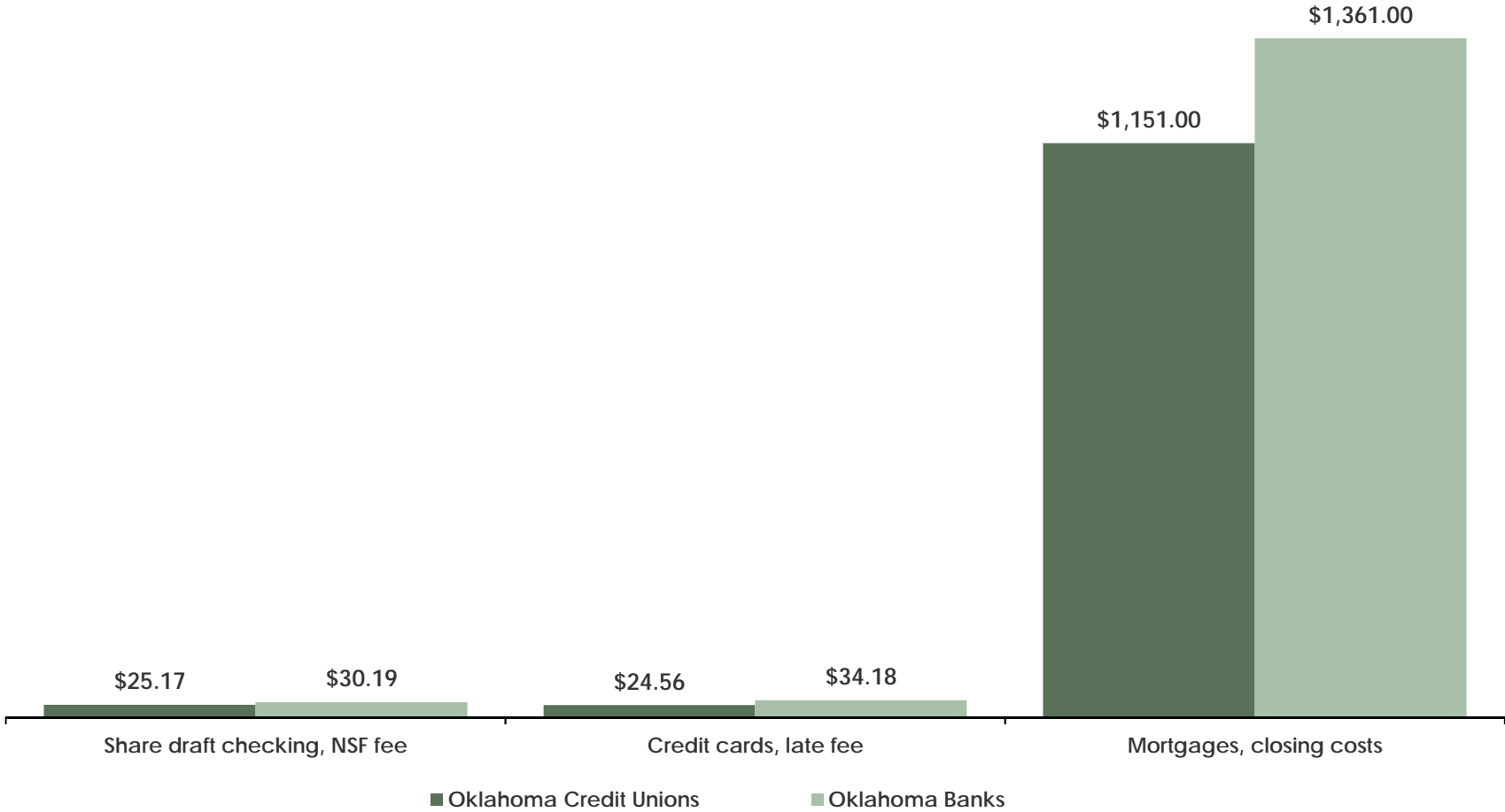
Savings Product Comparative Interest Rates (%)

by Savings Account Type



Comparative Fees

by Type



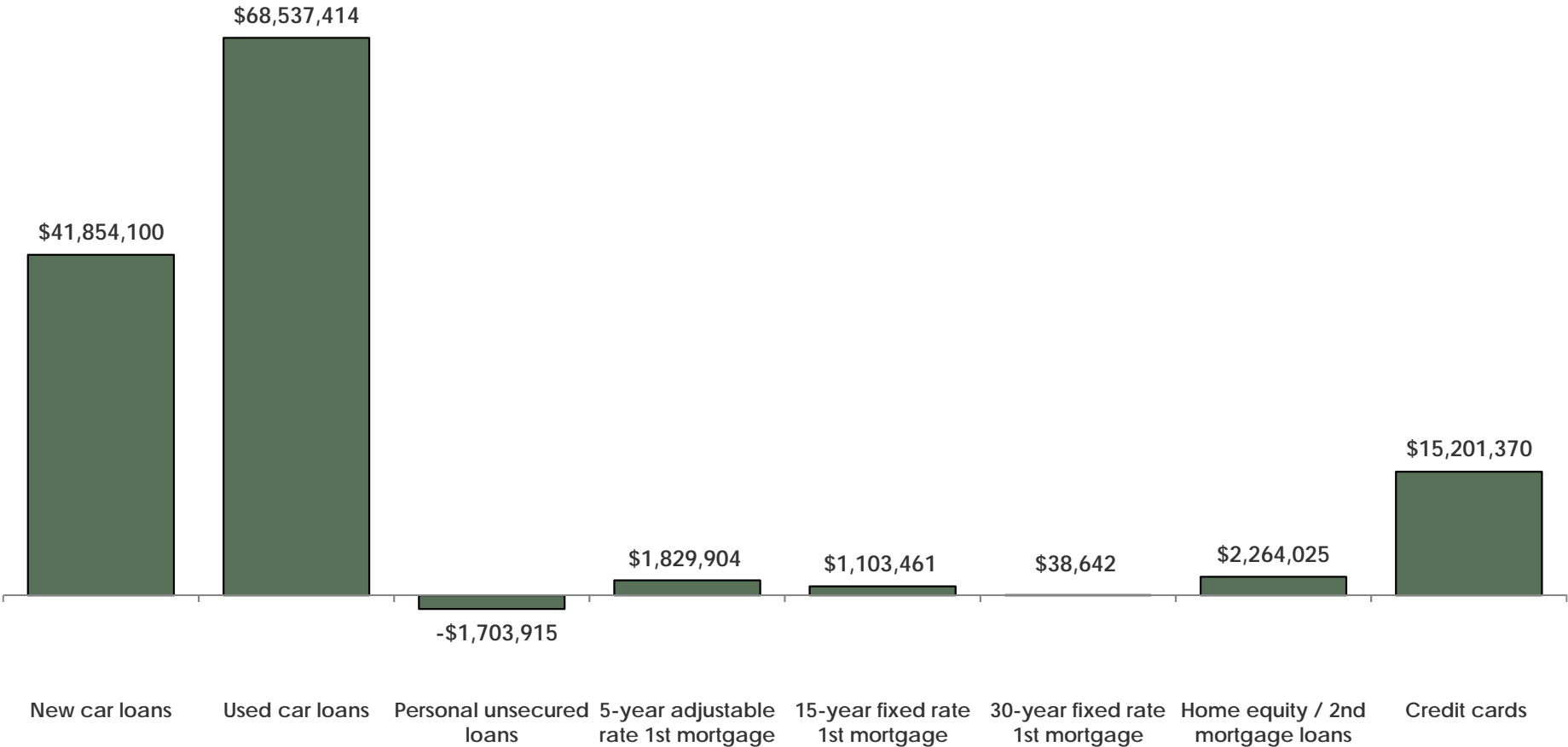
Oklahoma Credit Union and Banking Institution June 2017 Average Interest Rates and Fees

Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	2.90	4.74	-1.84
48-month used car (A paper)	2.97	4.96	-1.99
Unsecured loan (A paper)	9.18	8.69	0.49
5-year adjustable rate 1st mortgage, 0 pts	3.39	3.74	-0.36
15-year fixed rate 1st mortgage, 0 pts	3.59	3.75	-0.16
30-year fixed rate 1st mortgage, 0 pts	4.23	4.24	-0.01
Home equity / 2nd mtg, 80% LTV 0 pts	4.35	5.06	-0.70
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	0.24	0.17	0.07
Share draft checking, \$5,000 balance	0.17	0.12	0.05
Money market accounts	0.27	0.16	0.11
1 Year certificate \$10,000 balance	0.69	0.55	0.14
Retirement (IRA) accounts	0.48	0.35	0.13
Fee Income			
Share draft checking, NSF fee	\$25.17	\$30.19	-\$5.03
Credit cards, late fee	\$24.56	\$34.18	-\$9.62
Mortgages, closing costs	\$1,151.00	\$1,361.00	-\$210.00

Source: Datatrac

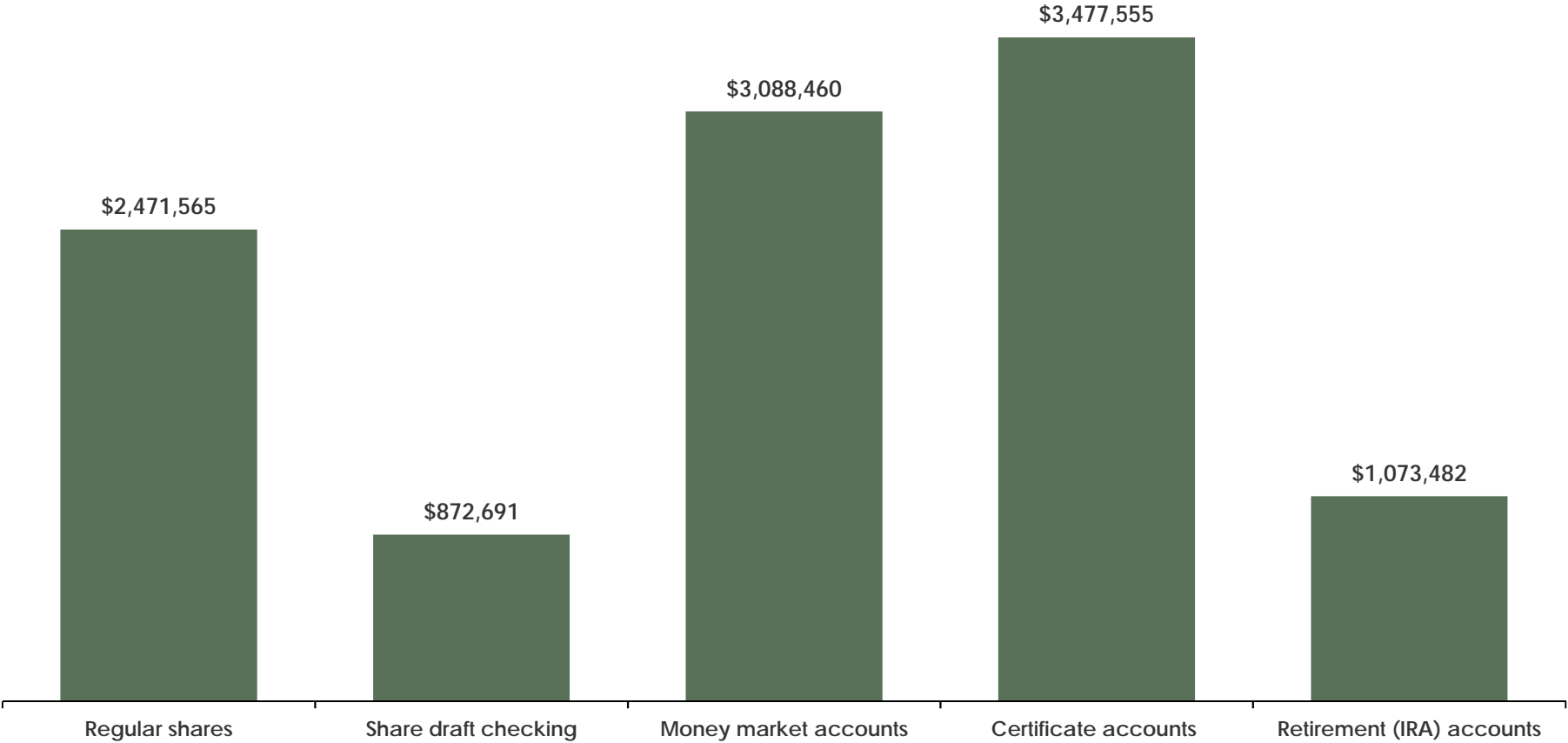
State Credit Union's Total Loan Rate Benefits

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 Oklahoma Credit Unions June 2017

Loans	Avg. Balance at Credit Unions (1)	Rate Difference vs. Oklahoma Banks (%) (2)	Total Financial Benefit to Your Members
New car loans	2,269,745,133	-1.84	\$41,854,100
Used car loans	3,444,091,166	-1.99	\$68,537,414
Personal unsecured loans	344,922,165	0.49	-\$1,703,915
5-year adjustable rate 1st mortgage	514,017,847	-0.36	\$1,829,904
15-year fixed rate 1st mortgage	681,148,825	-0.16	\$1,103,461
30-year fixed rate 1st mortgage	483,023,102	-0.01	\$38,642
Home equity / 2nd mortgage loans	322,051,886	-0.70	\$2,264,025
Credit cards	336,499,622	-5.40	\$15,201,370
Interest rebates			\$99,116
Total CU member benefits arising from lower interest rates on loan products:			\$129,224,117
Savings			
Regular shares	3,802,407,217	0.07	\$2,471,565
Share draft checking	1,745,382,861	0.05	\$872,691
Money market accounts	2,833,449,425	0.11	\$3,088,460
Certificate accounts	2,414,968,443	0.14	\$3,477,555
Retirement (IRA) accounts	848,602,588	0.13	\$1,073,482
Bonus dividends in period			\$0
Total CU member benefit arising from higher interest rates on savings products:			\$10,983,753
Fee Income			
Total CU member benefit arising from fewer / lower fees:			\$30,681,668
Total CU member benefit arising from interest rates on loans, savings products and lower fees:			\$170,889,538
Total CU member benefit / member:			\$139
Total CU member benefit / member household:			\$265

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

Oklahoma Credit Union Performance Profile

Demographic Information	Jun 17	Jun 16
Number of branches	236	237
Total assets (\$ mil)	14,189	13,577
Total loans (\$ mil)	9,466	8,726
Total surplus funds (\$ mil)	4,184	4,334
Total savings (\$ mil)	11,967	11,486
Total members (thousands)	1,241	1,214
Growth Rates (Trailing 12 months) *		
Total assets	4.5 %	4.1 %
Total loans	8.5 %	8.0 %
Total surplus funds	-3.5 %	-3.6 %
Total savings	4.2 %	3.6 %
Total members	2.2 %	2.6 %
Earnings - Basis Pts. *		
Yield on total assets	341	336
Dividend / interest cost of assets	53	51
Fee & other income	130	132
Operating expense	304	301
Loss Provisions	59	59
Net Income (ROA) after stabilization exp	57	57
Capital Adequacy		
Net worth / assets	10.9	10.8
Asset Quality *		
Delinquencies / loans	0.7	0.8
Net chargeoffs / average loans	0.9	0.8
Total borrower-bankruptcies	43	32
Bankruptcies per 1000 members	2.2	1.6
Asset/Liability Management		
Loans / savings	79.1	76.0
Loans / assets	66.7	64.3
Long-term assets / assets	22.9	24.0
Core deposits/shares & borrowings	46.9	46.0
Productivity		
Members / potential members	13.7	13.8
Borrowers / members	58.2	56.7
Members / FTE	377	380
Average shares / members (\$)	9,646	9,459
Average loan balances (\$)	13,111	12,674
Salary & Benefits / FTE	66,920	64,661

* 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.