



Oklahoma Membership Benefits Report

Year End 2016

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 \$138,075,088 in direct financial benefits to the state's 1,209,378 members during the twelve months ending December 2016.

These benefits are equivalent to \$114 per member or \$217 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 \$101 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.

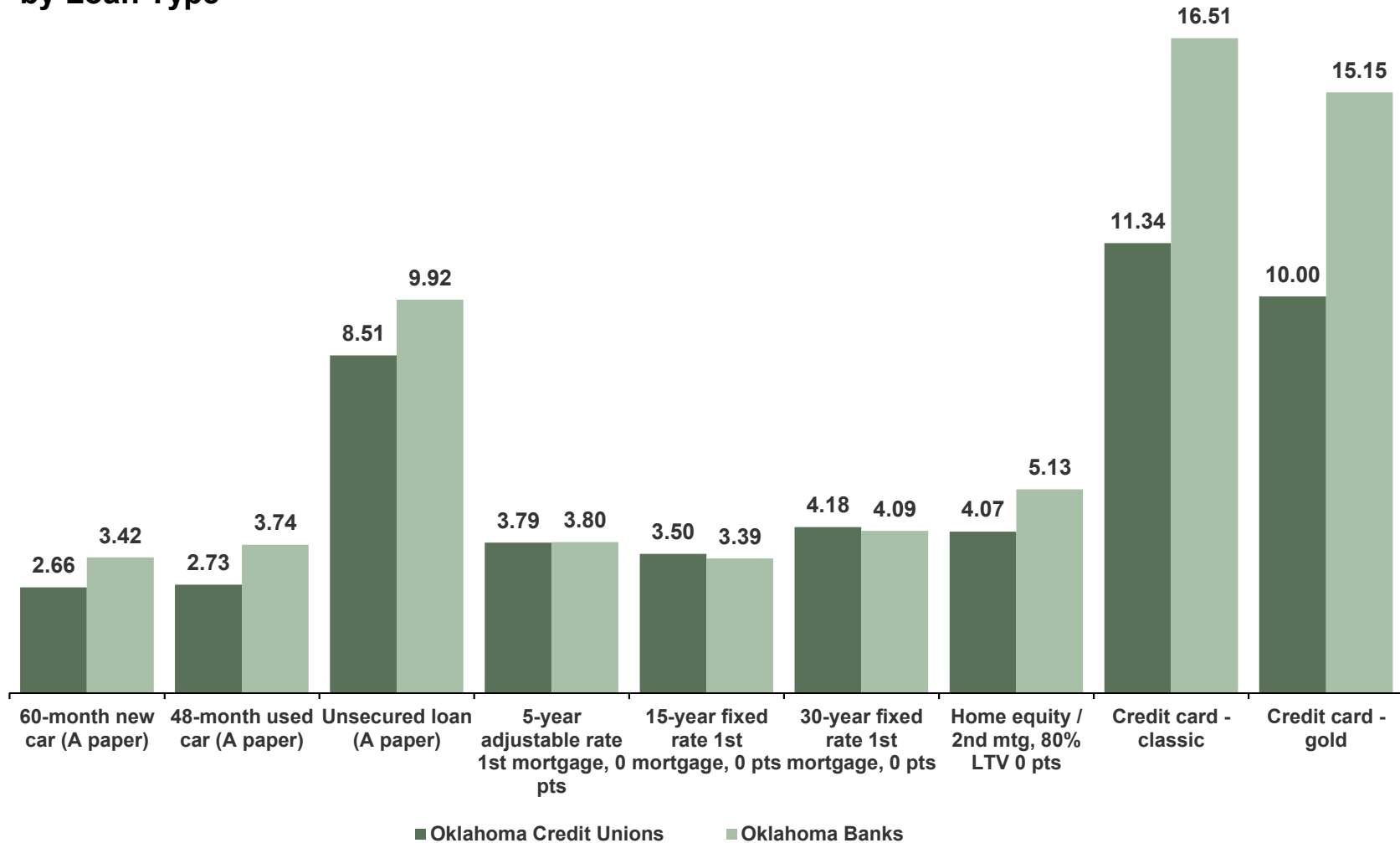
Oklahoma credit unions excel in providing member benefits on many loan and savings products. In particular, Oklahoma credit unions offer lower average loan rates on the following accounts: new car loans, used car loans, personal unsecured loans, first mortgage-adjustable rate, home equity loans, credit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



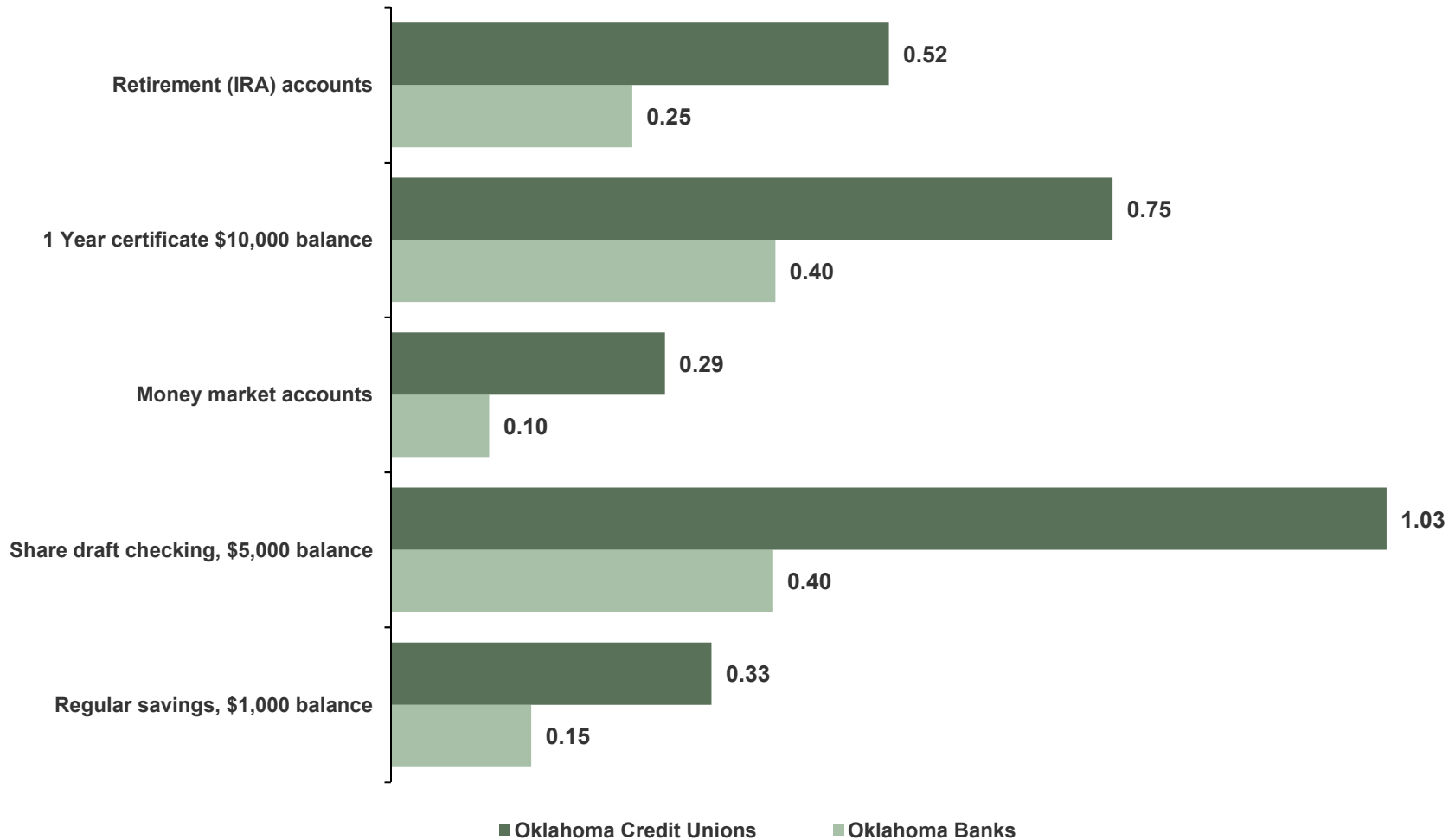
Loan Product Comparative Interest Rates (%)

by Loan Type



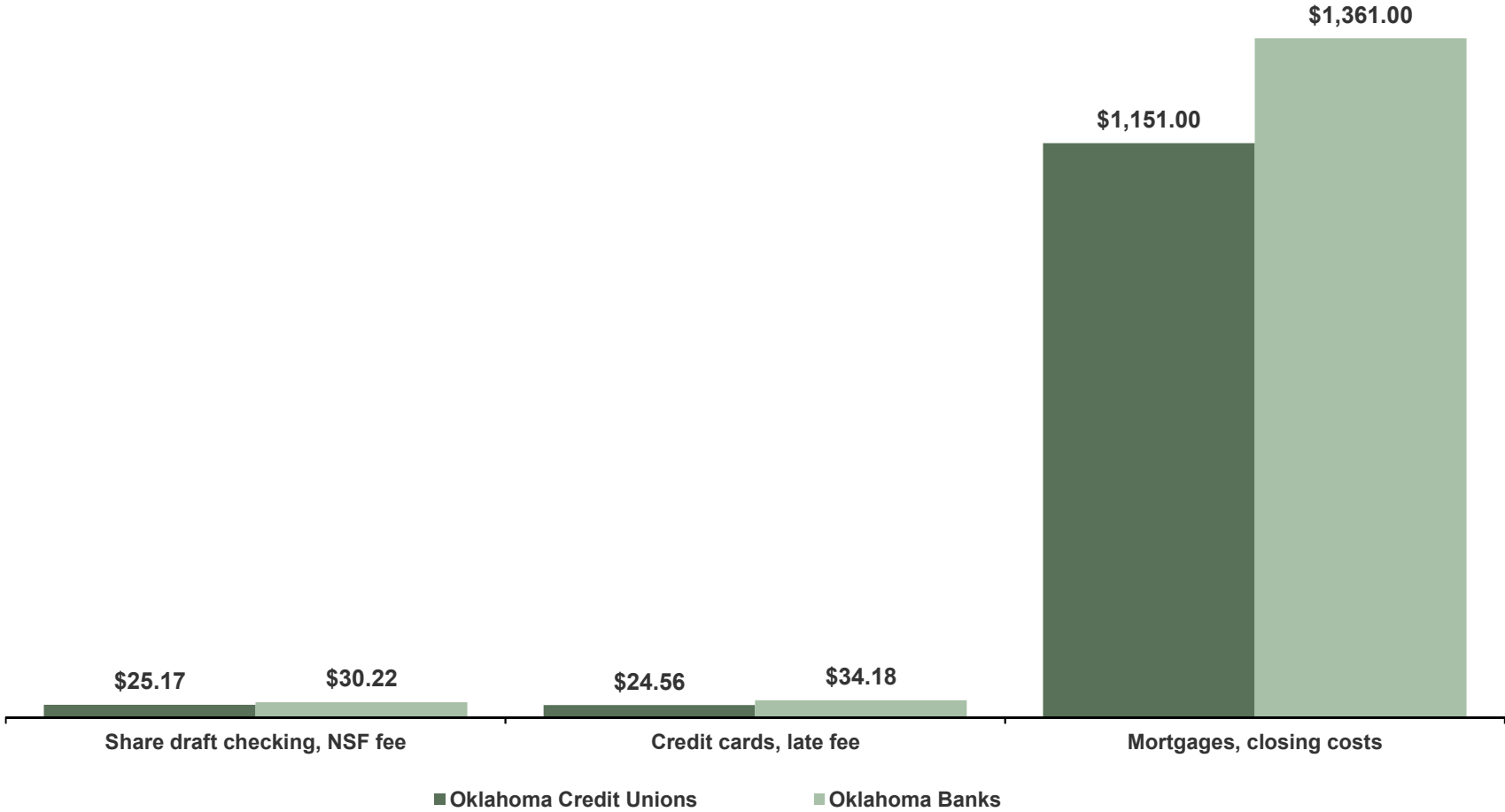
Savings Product Comparative Interest Rates (%)

by Savings Account Type



Comparative Fees

by Type



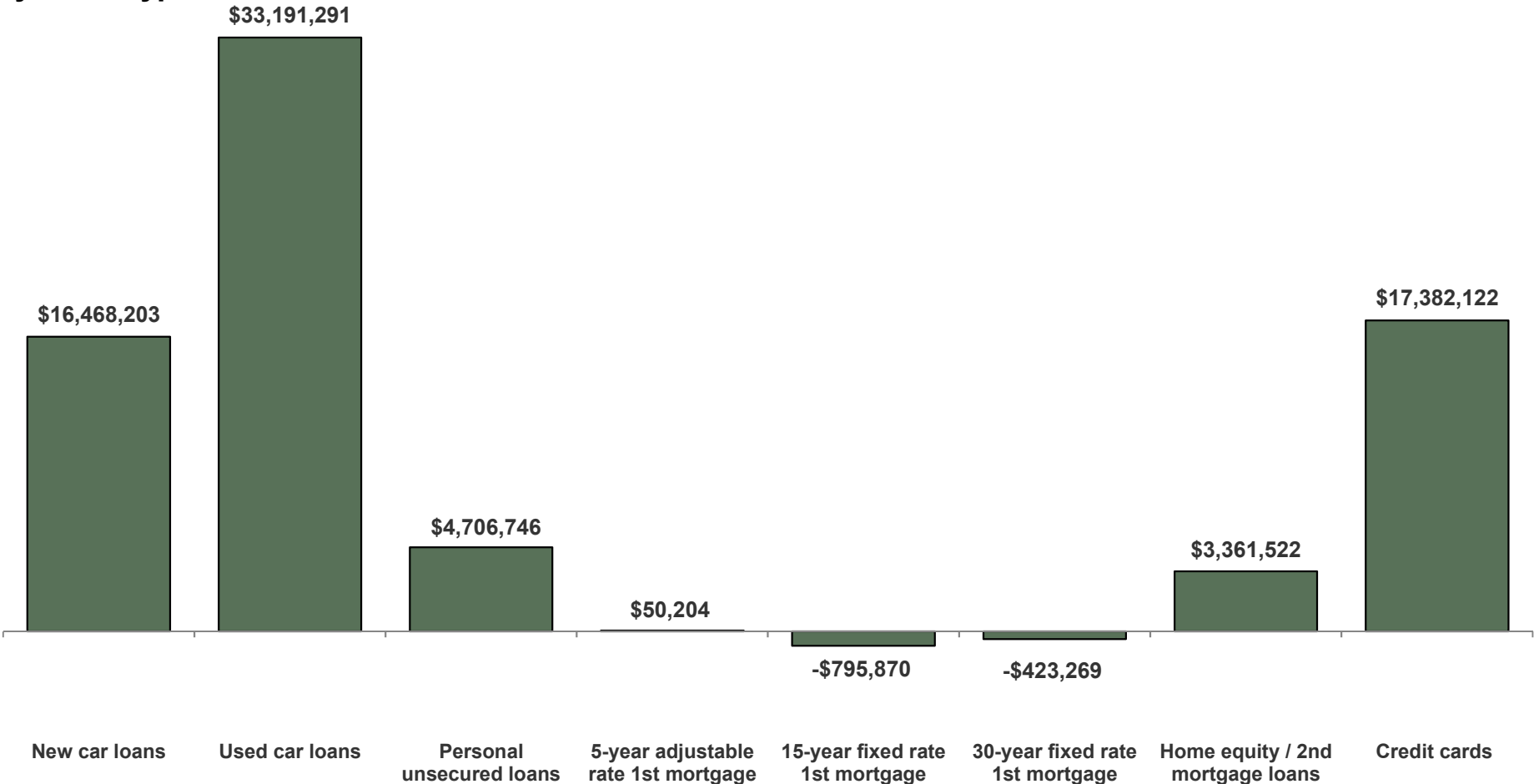
Oklahoma Credit Union and Banking Institution December 2016 Average Interest Rates and Fees

Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	2.66	3.42	-0.75
48-month used car (A paper)	2.73	3.74	-1.01
Unsecured loan (A paper)	8.51	9.92	-1.40
5-year adjustable rate 1st mortgage, 0 pts	3.79	3.80	-0.01
15-year fixed rate 1st mortgage, 0 pts	3.50	3.39	0.12
30-year fixed rate 1st mortgage, 0 pts	4.18	4.09	0.09
Home equity / 2nd mtg, 80% LTV 0 pts	4.07	5.13	-1.06
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	0.33	0.15	0.19
Share draft checking, \$5,000 balance	1.03	0.40	0.64
Money market accounts	0.29	0.10	0.18
1 Year certificate \$10,000 balance	0.75	0.40	0.35
Retirement (IRA) accounts	0.52	0.25	0.27
Fee Income			
Share draft checking, NSF fee	\$25.17	\$30.22	-\$5.06
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

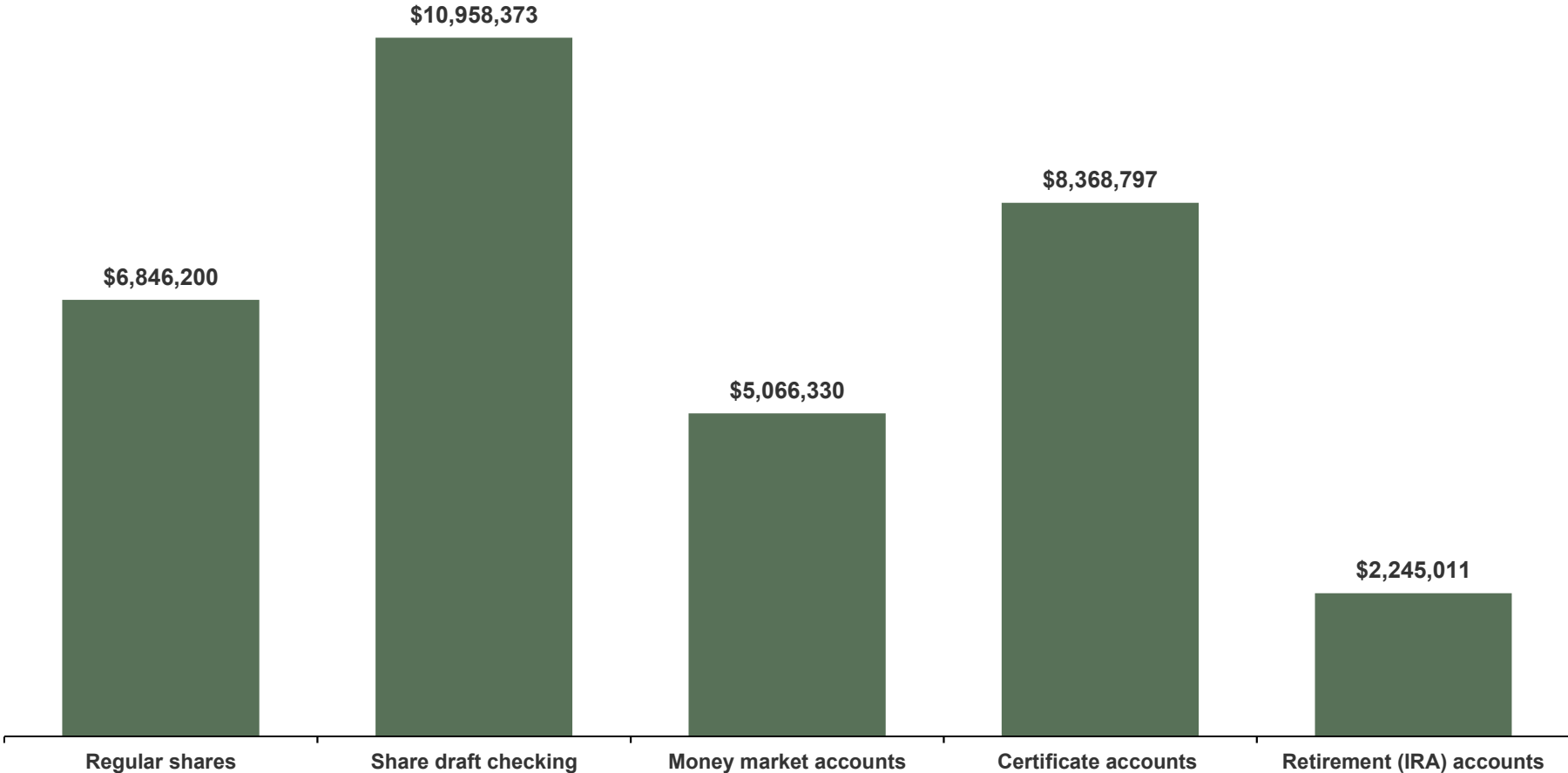
State Credit Union's Total Loan Rate Benefits

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 Oklahoma Credit Unions December 2016

Loans	Avg. Balance at Credit Unions (1)	Rate Difference vs. Oklahoma Banks (%) (2)	Total Financial Benefit to Your Members
New car loans	2,184,111,852	-0.75	\$16,468,203
Used car loans	3,286,266,437	-1.01	\$33,191,291
Personal unsecured loans	335,238,346	-1.40	\$4,706,746
5-year adjustable rate 1st mortgage	502,041,307	-0.01	\$50,204
15-year fixed rate 1st mortgage	692,061,098	0.12	-\$795,870
30-year fixed rate 1st mortgage	460,074,899	0.09	-\$423,269
Home equity / 2nd mortgage loans	316,229,698	-1.06	\$3,361,522
Credit cards	336,536,738	-5.17	\$17,382,122
Interest rebates			\$339,028
Total CU member benefits arising from lower interest rates on loan products:			\$74,279,978
Savings			
Regular shares	3,654,555,110	0.19	\$6,846,200
Share draft checking	1,719,489,003	0.64	\$10,958,373
Money market accounts	2,773,149,085	0.18	\$5,066,330
Certificate accounts	2,388,118,267	0.35	\$8,368,797
Retirement (IRA) accounts	842,204,861	0.27	\$2,245,011
Bonus dividends in period			\$0
Total CU member benefit arising from higher interest rates on savings products:			\$33,484,712
Fee Income			
Total CU member benefit arising from fewer / lower fees:			\$30,310,399
Total CU member benefit arising from interest rates on loans, savings products and lower fees:			\$138,075,088
Total CU member benefit / member:			\$114
Total CU member benefit / member household:			\$217

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;

Oklahoma Credit Union Performance Profile

Demographic Information	Dec 16	Dec 15
Number of branches	237	238
Total assets (\$ mil)	13,744	13,238
Total loans (\$ mil)	9,143	8,377
Total surplus funds (\$ mil)	4,059	4,375
Total savings (\$ mil)	11,649	11,247
Total members (thousands)	1,227	1,193
Growth Rates (Trailing 12 months) *		
Total assets	3.8 %	4.1 %
Total loans	9.2 %	7.2 %
Total surplus funds	-7.2 %	-1.5 %
Total savings	3.6 %	4.0 %
Total members	2.9 %	1.7 %
Earnings - Basis Pts. *		
Yield on total assets	338	334
Dividend / interest cost of assets	52	52
Fee & other income	136	130
Operating expense	302	295
Loss Provisions	59	51
Net Income (ROA) after stabilization exp	61	66
Capital Adequacy		
Net worth / assets	11.0	10.8
Asset Quality *		
Delinquencies / loans	0.9	0.9
Net chargeoffs / average loans	0.8	0.7
Total borrower-bankruptcies	64	53
Bankruptcies per 1000 members	3.3	2.8
Asset/Liability Management		
Loans / savings	78.5	74.5
Loans / assets	66.5	63.3
Long-term assets / assets	23.2	24.1
Core deposits/shares & borrowings	46.2	46.0
Productivity		
Members / potential members	13.8	15.1
Borrowers / members	57.8	55.9
Members / FTE	378	381
Average shares / members (\$)	9,497	9,429
Average loan balances (\$)	12,893	12,572
Salary & Benefits / FTE	64,161	62,890

* 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.