

CUNA Texas  
**MEMBERSHIP BENEFITS  
REPORT**



## Texas

### 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 Texas credit unions provided \$1,108,802,301 in direct financial benefits to the state's 8,470,951 members during the twelve months ending June 2017.

**These benefits are equivalent to \$131 per member or \$249 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 Texas 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 Texas credit unions.

Consider this:

**Financing a \$25,000 new automobile for 60 months at a Texas credit union will save members an average \$250 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.

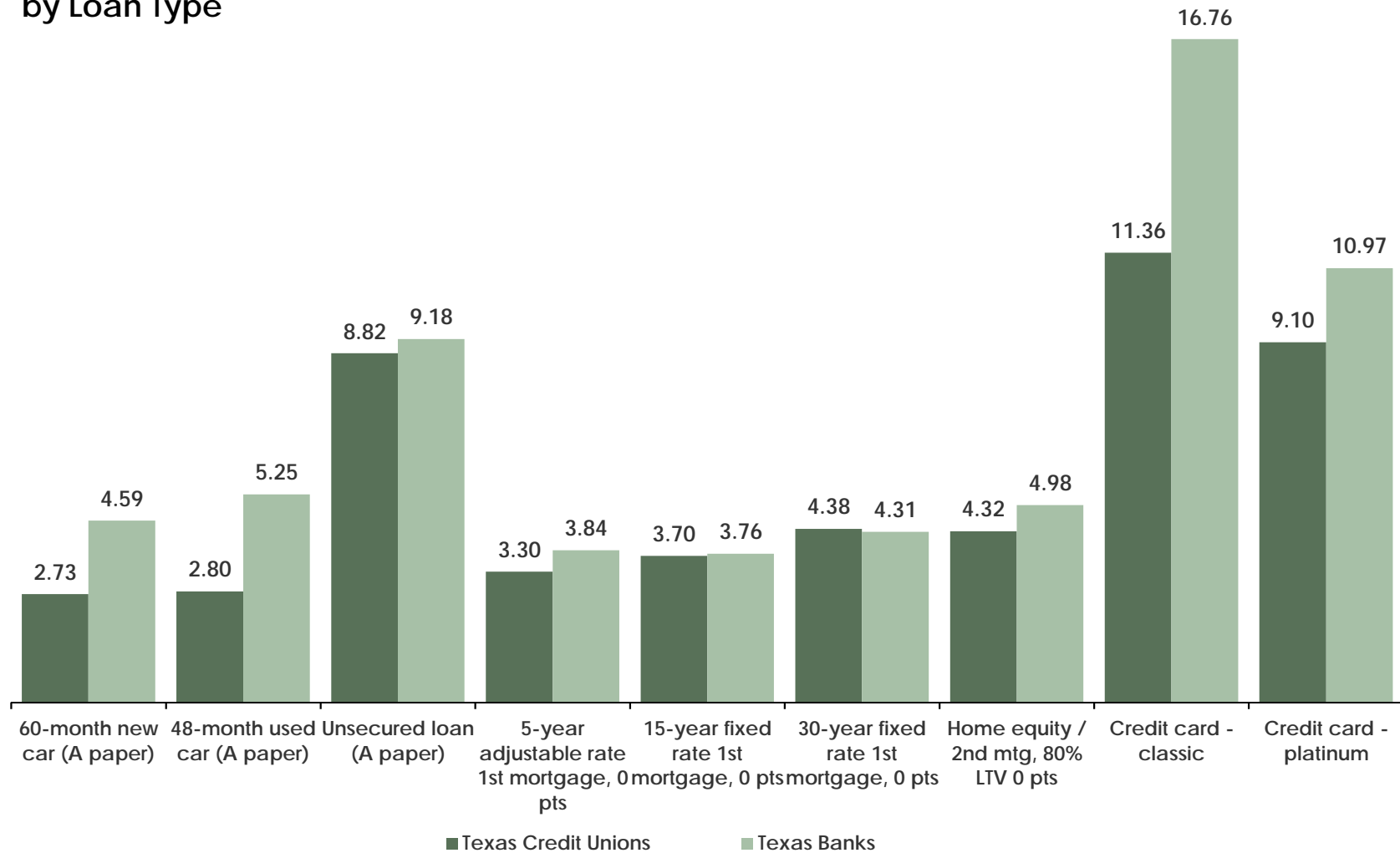
Texas credit unions excel in providing member benefits on many loan and savings products. In particular, Texas credit unions offer lower average loan rates on the following accounts: new car loans, used car loans, personal unsecured loans, first mortgage-adjustable rate, home equity loans, credit cards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

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



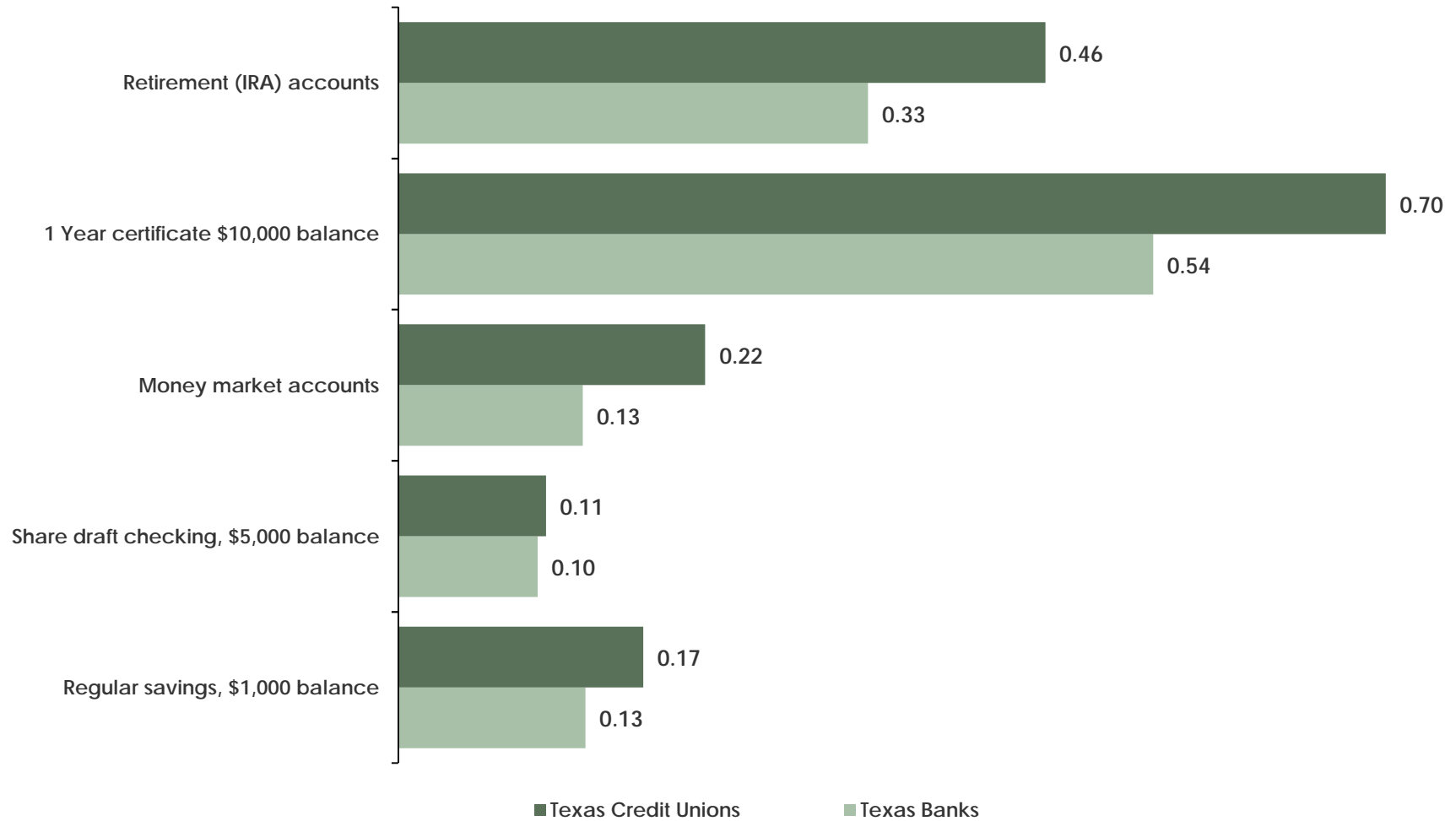
## Loan Product Comparative Interest Rates (%)

by Loan Type



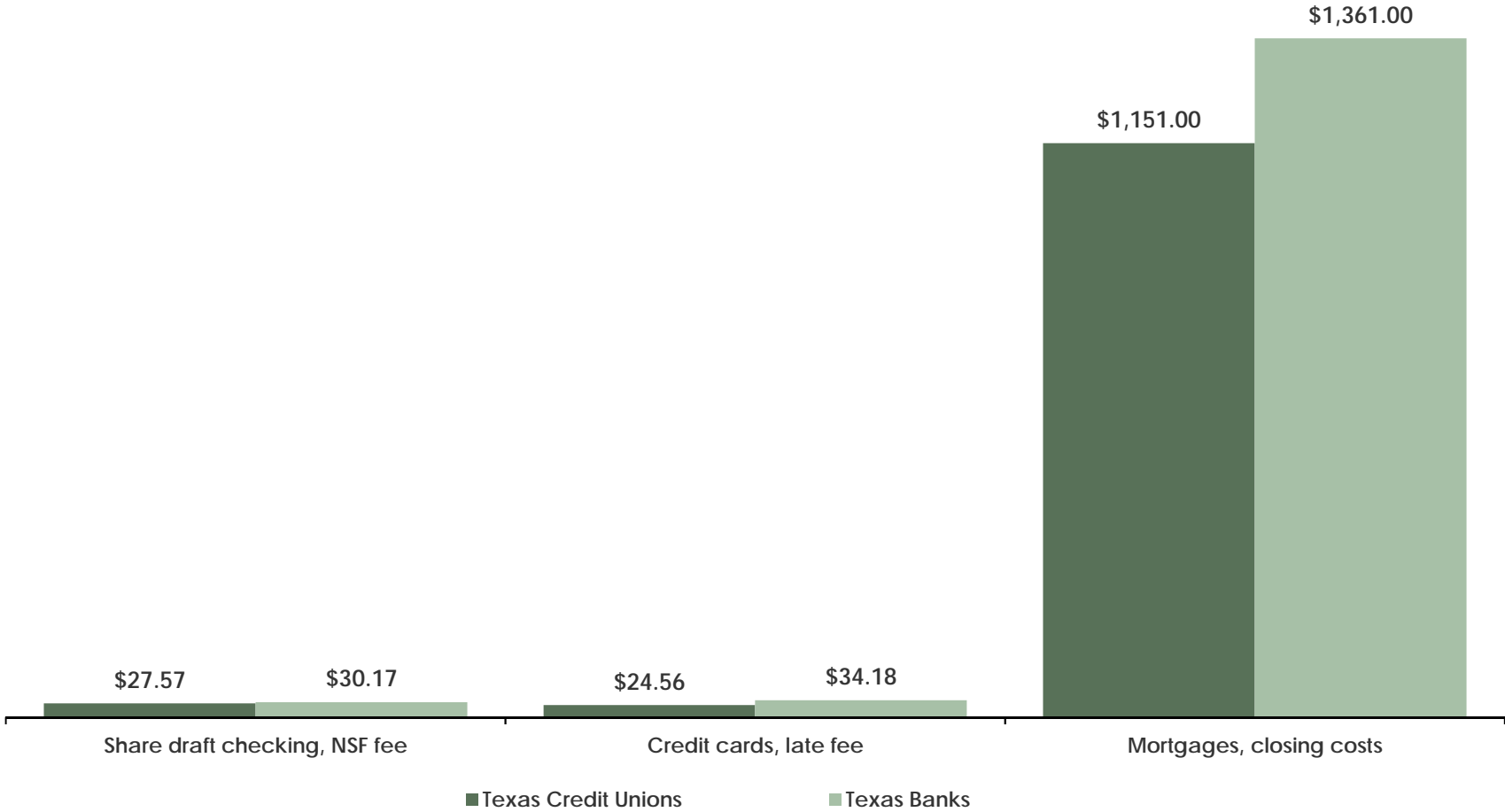
## Savings Product Comparative Interest Rates (%)

### by Savings Account Type



## Comparative Fees

by Type



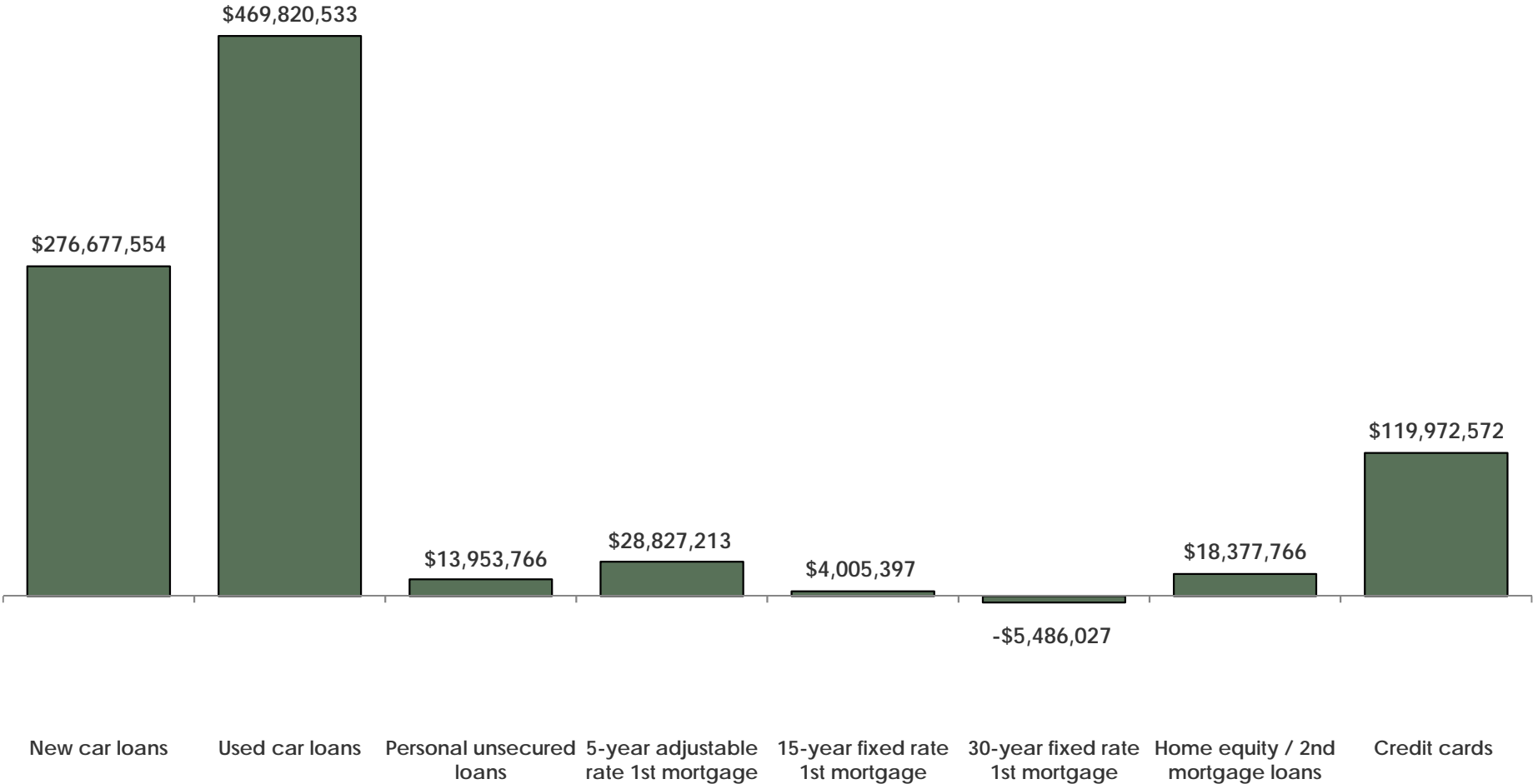
## Texas Credit Union and Banking Institution June 2017 Average Interest Rates and Fees

Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	2.73	4.59	-1.86
48-month used car (A paper)	2.80	5.25	-2.45
Unsecured loan (A paper)	8.82	9.18	-0.36
5-year adjustable rate 1st mortgage, 0 pts	3.30	3.84	-0.54
15-year fixed rate 1st mortgage, 0 pts	3.70	3.76	-0.06
30-year fixed rate 1st mortgage, 0 pts	4.38	4.31	0.08
Home equity / 2nd mtg, 80% LTV 0 pts	4.32	4.98	-0.66
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	0.11	0.10	0.01
Money market accounts	0.22	0.13	0.09
1 Year certificate \$10,000 balance	0.70	0.54	0.17
Retirement (IRA) accounts	0.46	0.33	0.13
Fee Income			
Share draft checking, NSF fee	\$27.57	\$30.17	-\$2.61
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

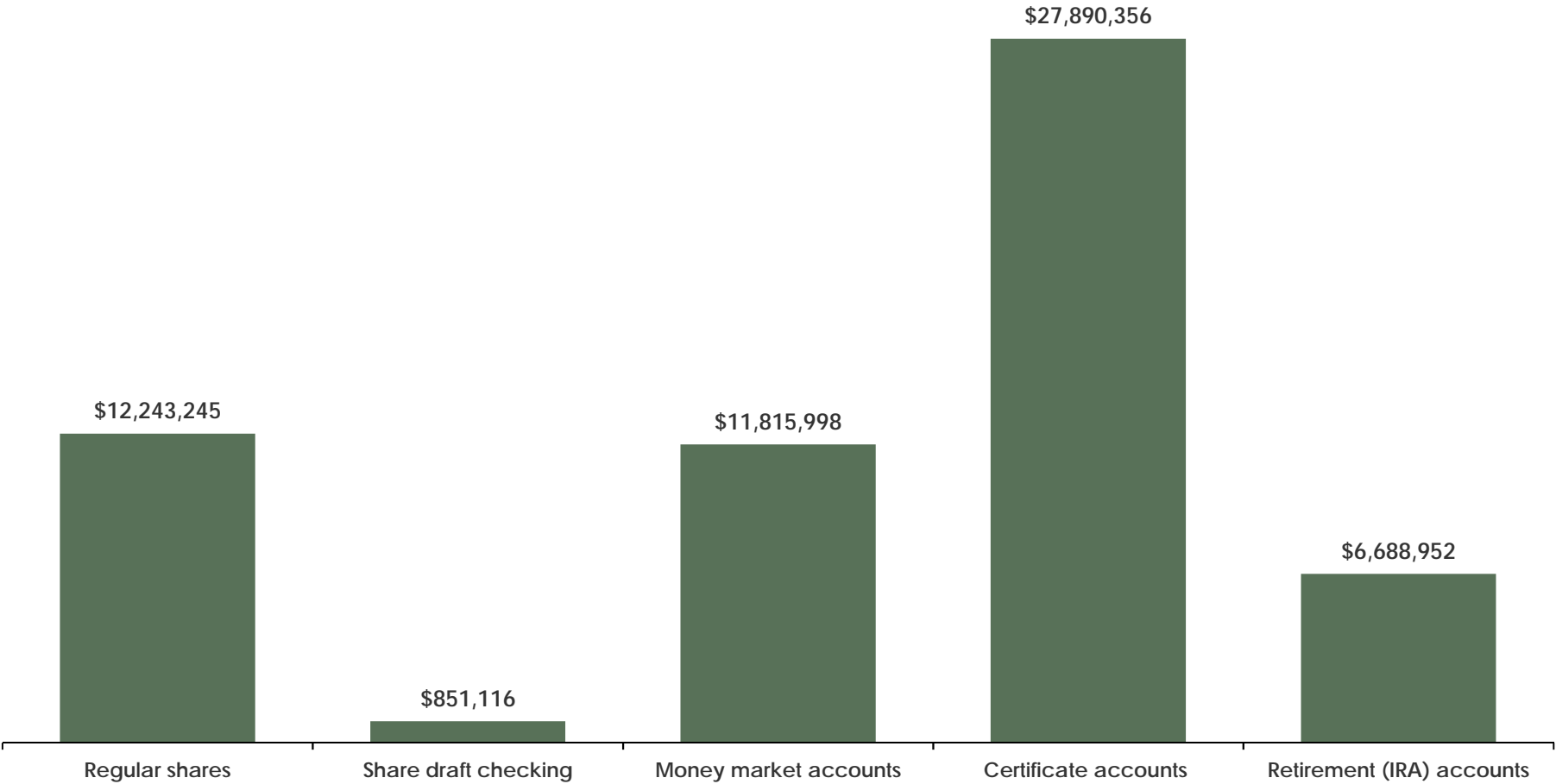
Compared to State Banking Institutions  
by Loan Type





State Credit Union's Total Savings Dividend Benefits

Compared to State Banking Institutions  
by Account Type





## Estimated Financial Benefits for Texas Credit Unions June 2017

<b>Loans</b>	<b>Avg. Balance at Credit Unions (1)</b>	<b>Rate Difference vs. Texas Banks (%) (2)</b>	<b>Total Financial Benefit to Your Members</b>
New car loans	14,891,149,306	-1.86	\$276,677,554
Used car loans	19,176,348,276	-2.45	\$469,820,533
Personal unsecured loans	3,854,631,412	-0.36	\$13,953,766
5-year adjustable rate 1st mortgage	5,368,196,045	-0.54	\$28,827,213
15-year fixed rate 1st mortgage	7,027,012,586	-0.06	\$4,005,397
30-year fixed rate 1st mortgage	7,124,710,377	0.08	-\$5,486,027
Home equity / 2nd mortgage loans	2,784,509,985	-0.66	\$18,377,766
Credit cards	2,655,729,312	-5.40	\$119,972,572
Interest rebates			\$1,164,574
<b>Total CU member benefits arising from lower interest rates on loan products:</b>			<b>\$927,313,347</b>
<b>Savings</b>			
Regular shares	29,861,573,720	0.04	\$12,243,245
Share draft checking	14,185,260,517	0.01	\$851,116
Money market accounts	13,581,606,880	0.09	\$11,815,998
Certificate accounts	16,903,246,039	0.17	\$27,890,356
Retirement (IRA) accounts	5,308,691,734	0.13	\$6,688,952
Bonus dividends in period			\$0
<b>Total CU member benefit arising from higher interest rates on savings products:</b>			<b>\$59,489,666</b>
<b>Fee Income</b>			
<b>Total CU member benefit arising from fewer / lower fees:</b>			<b>\$121,999,288</b>
<b>Total CU member benefit arising from interest rates on loans, savings products and lower fees:</b>			<b>\$1,108,802,301</b>
<b>Total CU member benefit / member:</b>			<b>\$131</b>
<b>Total CU member benefit / member household:</b>			<b>\$249</b>

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

## Texas Credit Union Performance Profile

Demographic Information	Jun 17	Jun 16
Number of branches	1,658	1,659
Total assets (\$ mil)	98,568	93,684
Total loans (\$ mil)	70,755	65,629
Total surplus funds (\$ mil)	23,608	23,914
Total savings (\$ mil)	84,262	80,328
Total members (thousands)	8,579	8,380
Growth Rates (Trailing 12 months) *		
Total assets	5.4 %	6.7 %
Total loans	8.0 %	8.8 %
Total surplus funds	-1.1 %	1.2 %
Total savings	5.1 %	6.9 %
Total members	2.6 %	2.5 %
Earnings - Basis Pts. *		
Yield on total assets	350	348
Dividend / interest cost of assets	55	53
Fee & other income	158	154
Operating expense	338	338
Loss Provisions	59	50
Net Income (ROA) after stabilization exp	57	61
Capital Adequacy		
Net worth / assets	10.4	10.4
Asset Quality *		
Delinquencies / loans	0.7	0.7
Net chargeoffs / average loans	0.7	0.7
Total borrower-bankruptcies	13	11
Bankruptcies per 1000 members	0.7	0.6
Asset/Liability Management		
Loans / savings	84.0	81.7
Loans / assets	71.8	70.1
Long-term assets / assets	29.0	28.2
Core deposits/shares & borrowings	53.2	51.4
Productivity		
Members / potential members	5.4	5.7
Borrowers / members	59.2	57.9
Members / FTE	362	361
Average shares / members (\$)	9,822	9,585
Average loan balances (\$)	13,942	13,517
Salary & Benefits / FTE	69,357	67,349

\* 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.