



Utah Membership Benefits Report

Year End 2016

Utah

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 Utah credit unions provided \$221,552,897 in direct financial benefits to the state's 2,229,230 members during the twelve months ending December 2016.

These benefits are equivalent to \$99 per member or \$189 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 Utah 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 Utah credit unions.

Consider this:

Financing a \$25,000 new automobile for 60 months at a Utah credit union will save members an average \$135 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.

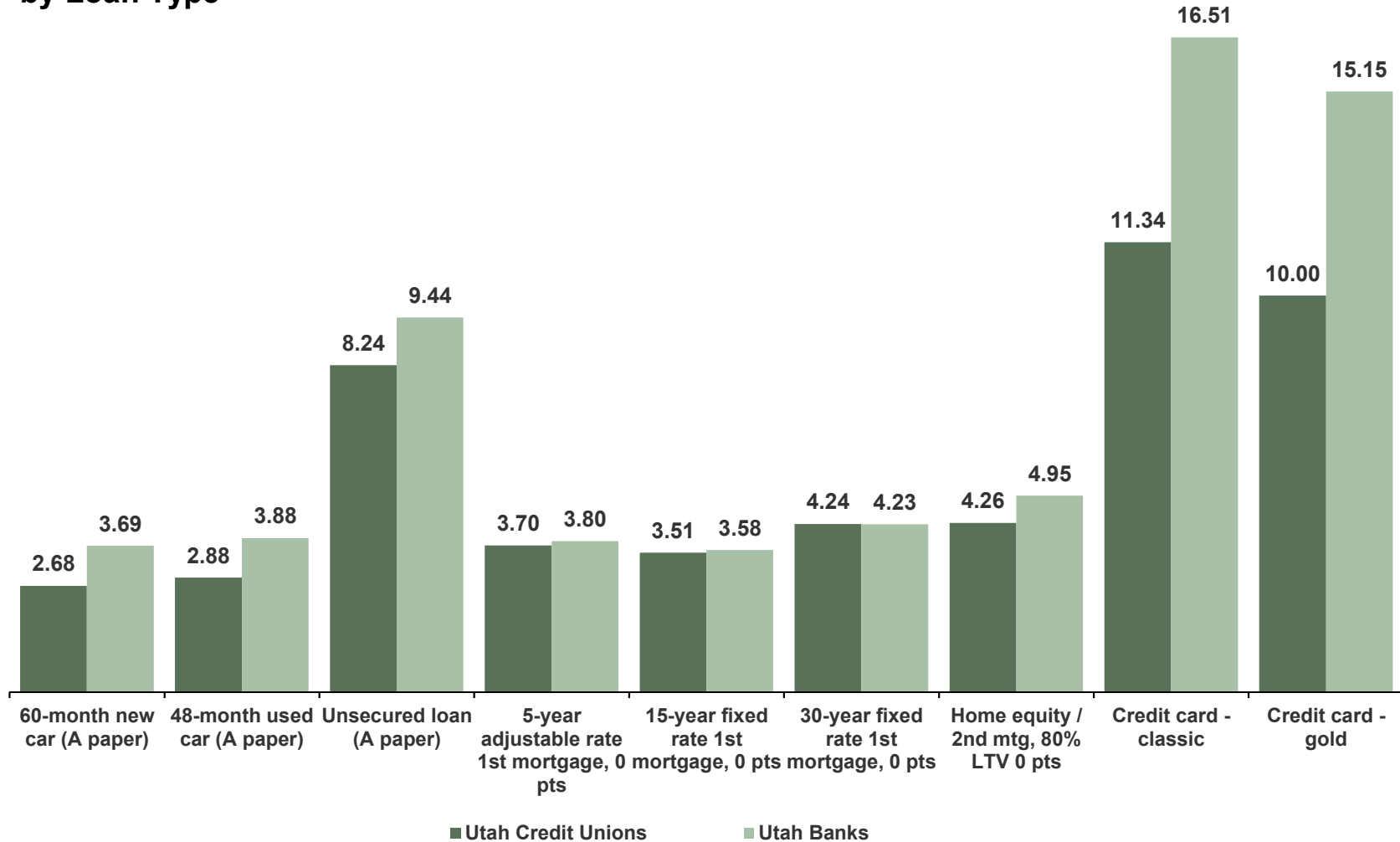
Utah credit unions excel in providing member benefits on many loan and savings products. In particular, Utah credit unions offer lower average loan rates on the following accounts: new car loans, used car loans, personal unsecured loans, first mortgage-fixed rate, first mortgage-adjustable rate, home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

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



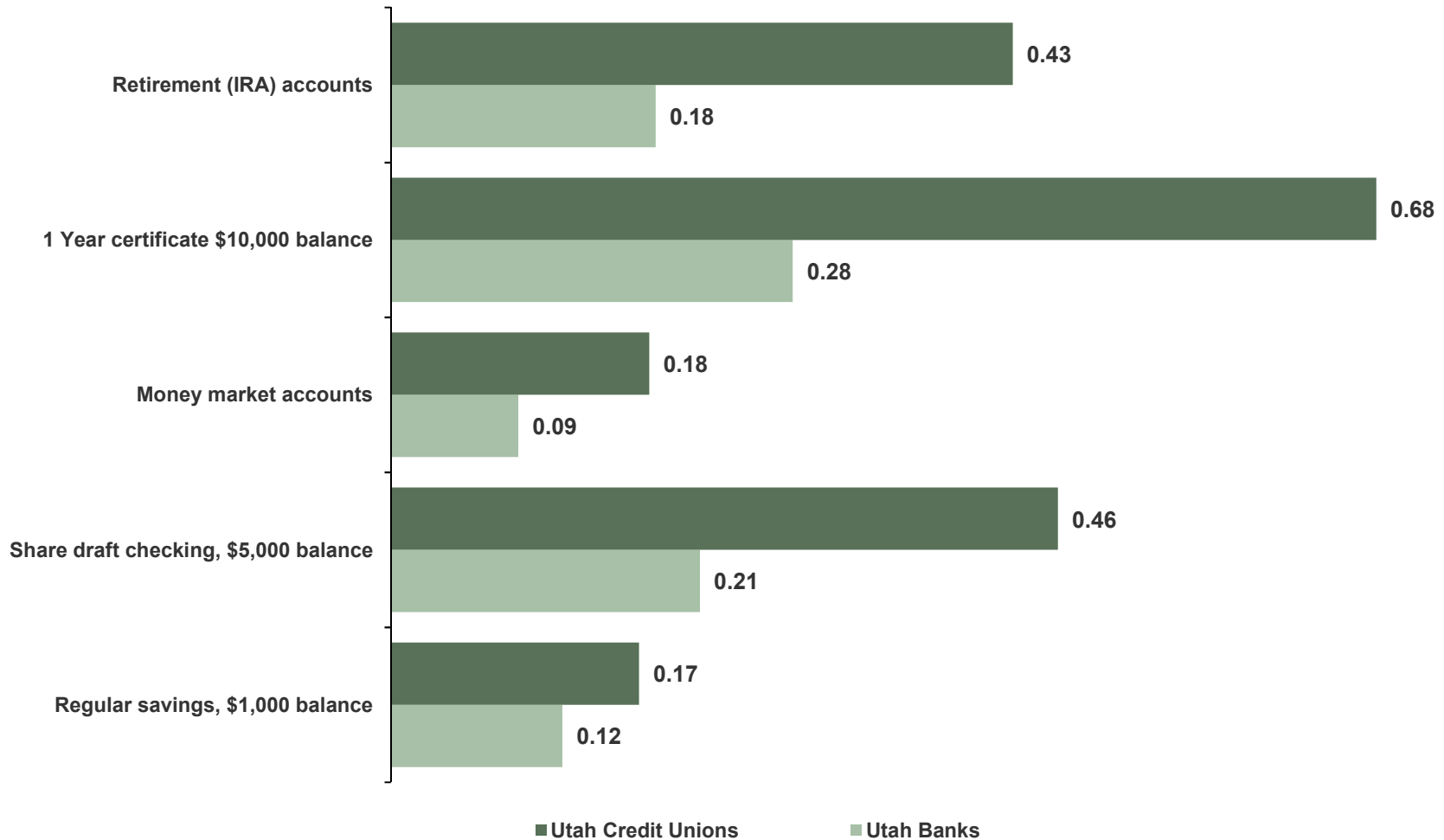
Loan Product Comparative Interest Rates (%)

by Loan Type



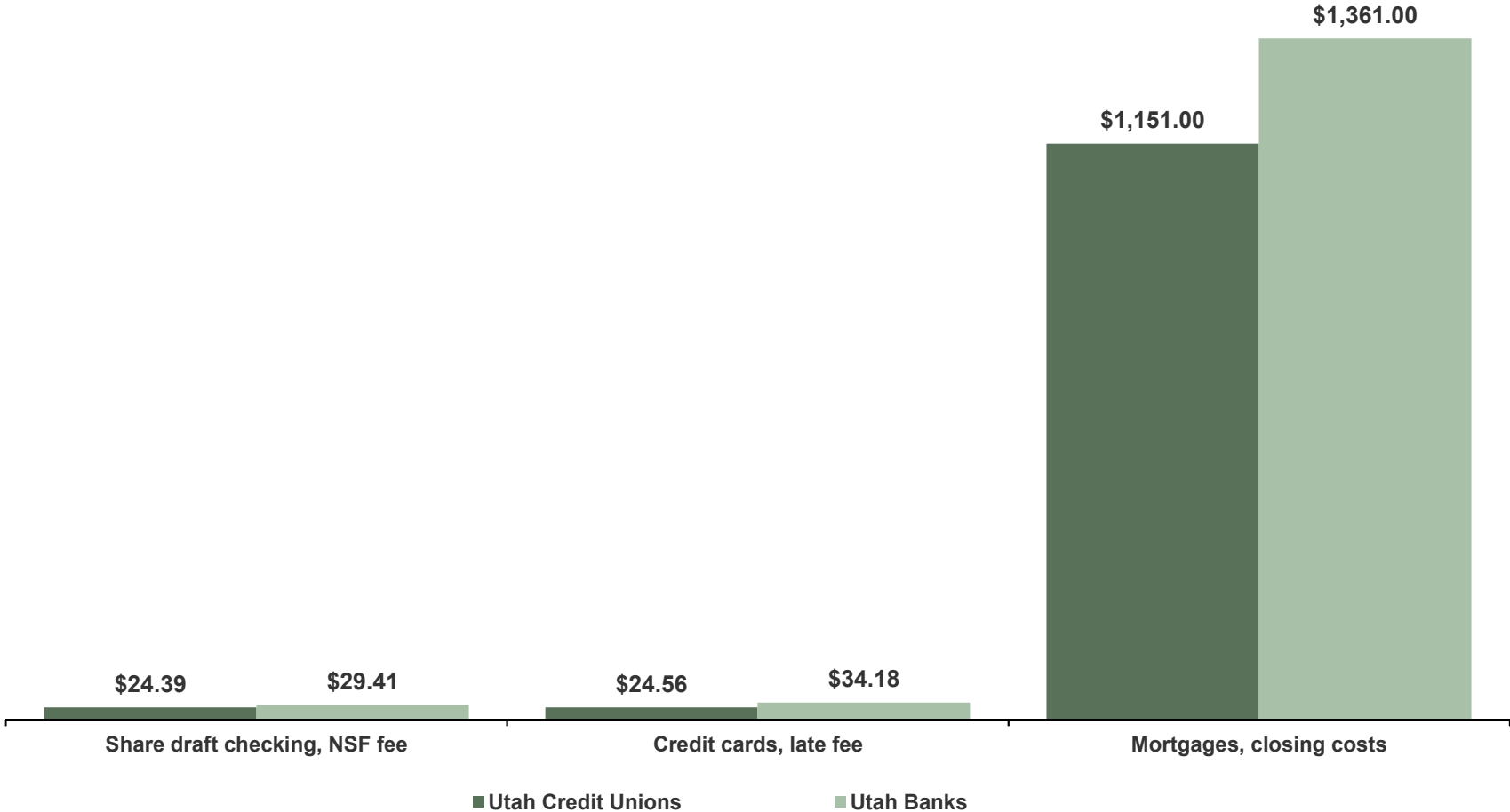
Savings Product Comparative Interest Rates (%)

by Savings Account Type



Comparative Fees

by Type



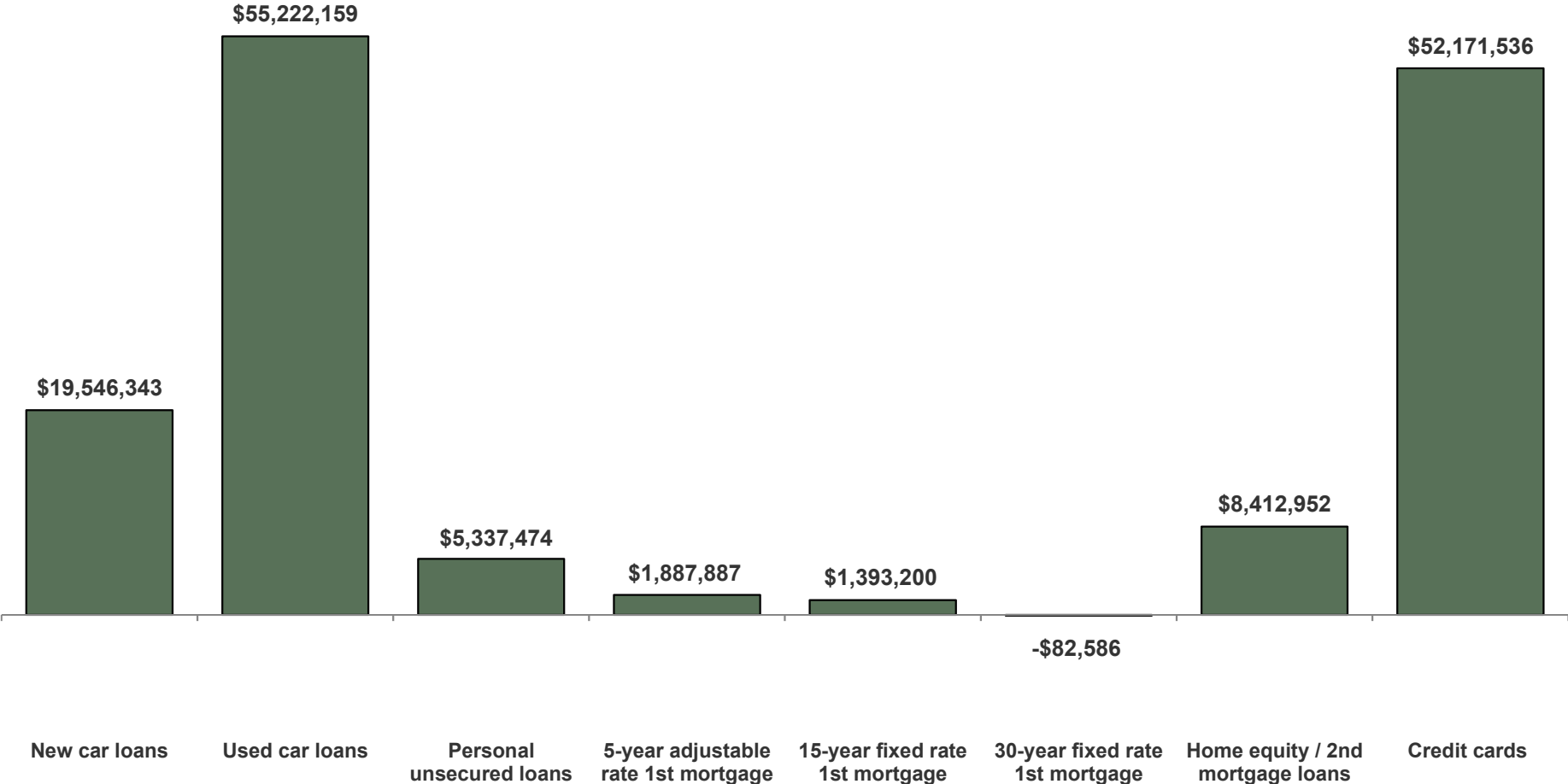
Utah Credit Union and Banking Institution December 2016 Average Interest Rates and Fees

Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	2.68	3.69	-1.01
48-month used car (A paper)	2.88	3.88	-1.00
Unsecured loan (A paper)	8.24	9.44	-1.20
5-year adjustable rate 1st mortgage, 0 pts	3.70	3.80	-0.10
15-year fixed rate 1st mortgage, 0 pts	3.51	3.58	-0.07
30-year fixed rate 1st mortgage, 0 pts	4.24	4.23	0.01
Home equity / 2nd mtg, 80% LTV 0 pts	4.26	4.95	-0.69
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	0.17	0.12	0.05
Share draft checking, \$5,000 balance	0.46	0.21	0.25
Money market accounts	0.18	0.09	0.09
1 Year certificate \$10,000 balance	0.68	0.28	0.40
Retirement (IRA) accounts	0.43	0.18	0.25
Fee Income			
Share draft checking, NSF fee	\$24.39	\$29.41	-\$5.02
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

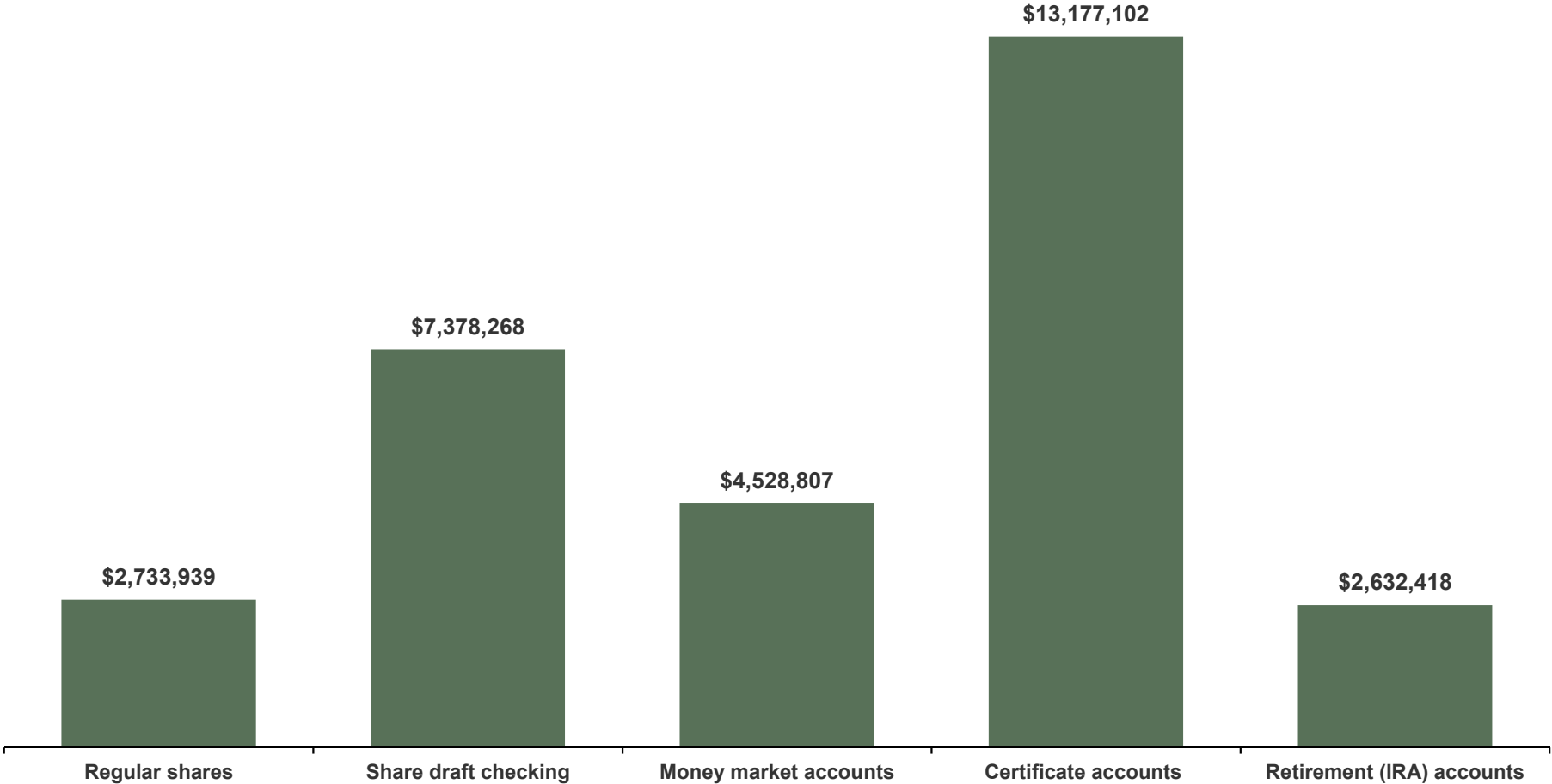
State Credit Union's Total Loan Rate Benefits

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 Utah Credit Unions December 2016

Loans	Avg. Balance at Credit Unions (1)	Rate Difference vs. Utah Banks (%) (2)	Total Financial Benefit to Your Members
New car loans	1,937,199,550	-1.01	\$19,546,343
Used car loans	5,533,282,435	-1.00	\$55,222,159
Personal unsecured loans	445,160,440	-1.20	\$5,337,474
5-year adjustable rate 1st mortgage	1,815,275,822	-0.10	\$1,887,887
15-year fixed rate 1st mortgage	1,990,285,427	-0.07	\$1,393,200
30-year fixed rate 1st mortgage	688,217,224	0.01	-\$82,586
Home equity / 2nd mortgage loans	1,221,038,042	-0.69	\$8,412,952
Credit cards	1,010,097,497	-5.17	\$52,171,536
Interest rebates			\$7,991
Total CU member benefits arising from lower interest rates on loan products:			\$143,896,955
Savings			
Regular shares	5,147,582,961	0.05	\$2,733,939
Share draft checking	2,976,900,015	0.25	\$7,378,268
Money market accounts	4,993,317,192	0.09	\$4,528,807
Certificate accounts	3,262,038,769	0.40	\$13,177,102
Retirement (IRA) accounts	1,064,354,975	0.25	\$2,632,418
Bonus dividends in period			\$0
Total CU member benefit arising from higher interest rates on savings products:			\$30,450,533
Fee Income			
Total CU member benefit arising from fewer / lower fees:			\$47,205,409
Total CU member benefit arising from interest rates on loans, savings products and lower fees:			\$221,552,897
Total CU member benefit / member:			\$99
Total CU member benefit / member household:			\$189

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;

Utah Credit Union Performance Profile

Demographic Information	Dec 16	Dec 15
Number of branches	446	441
Total assets (\$ mil)	22,777	20,040
Total loans (\$ mil)	17,152	14,863
Total surplus funds (\$ mil)	4,596	4,242
Total savings (\$ mil)	19,652	17,281
Total members (thousands)	2,318	2,142
Growth Rates (Trailing 12 months) *		
Total assets	13.7 %	12.3 %
Total loans	15.4 %	15.0 %
Total surplus funds	8.4 %	4.6 %
Total savings	13.8 %	10.6 %
Total members	8.3 %	7.6 %
Earnings - Basis Pts. *		
Yield on total assets	349	345
Dividend / interest cost of assets	44	42
Fee & other income	217	219
Operating expense	362	364
Loss Provisions	43	24
Net Income (ROA) after stabilization exp	117	134
Capital Adequacy		
Net worth / assets	10.9	11.1
Asset Quality *		
Delinquencies / loans	0.6	0.8
Net chargeoffs / average loans	0.5	0.4
Total borrower-bankruptcies	61	57
Bankruptcies per 1000 members	1.8	1.9
Asset/Liability Management		
Loans / savings	87.3	86.0
Loans / assets	75.3	74.2
Long-term assets / assets	26.5	26.9
Core deposits/shares & borrowings	43.9	44.1
Productivity		
Members / potential members	5.9	8.7
Borrowers / members	66.5	65.5
Members / FTE	346	347
Average shares / members (\$)	8,478	8,067
Average loan balances (\$)	11,118	10,598
Salary & Benefits / FTE	58,925	57,094

* 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.