

CUNA Alabama
**MEMBERSHIP BENEFITS
REPORT**

Alabama

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 Alabama credit unions provided \$230,753,512 in direct financial benefits to the state's 2,020,780 members during the twelve months ending December 2018.

These benefits are equivalent to \$114 per member or \$240 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 Alabama 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 Alabama credit unions.

Consider this:

Financing a \$25,000 new automobile for 60 months at a Alabama credit union will save members an average \$255 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.

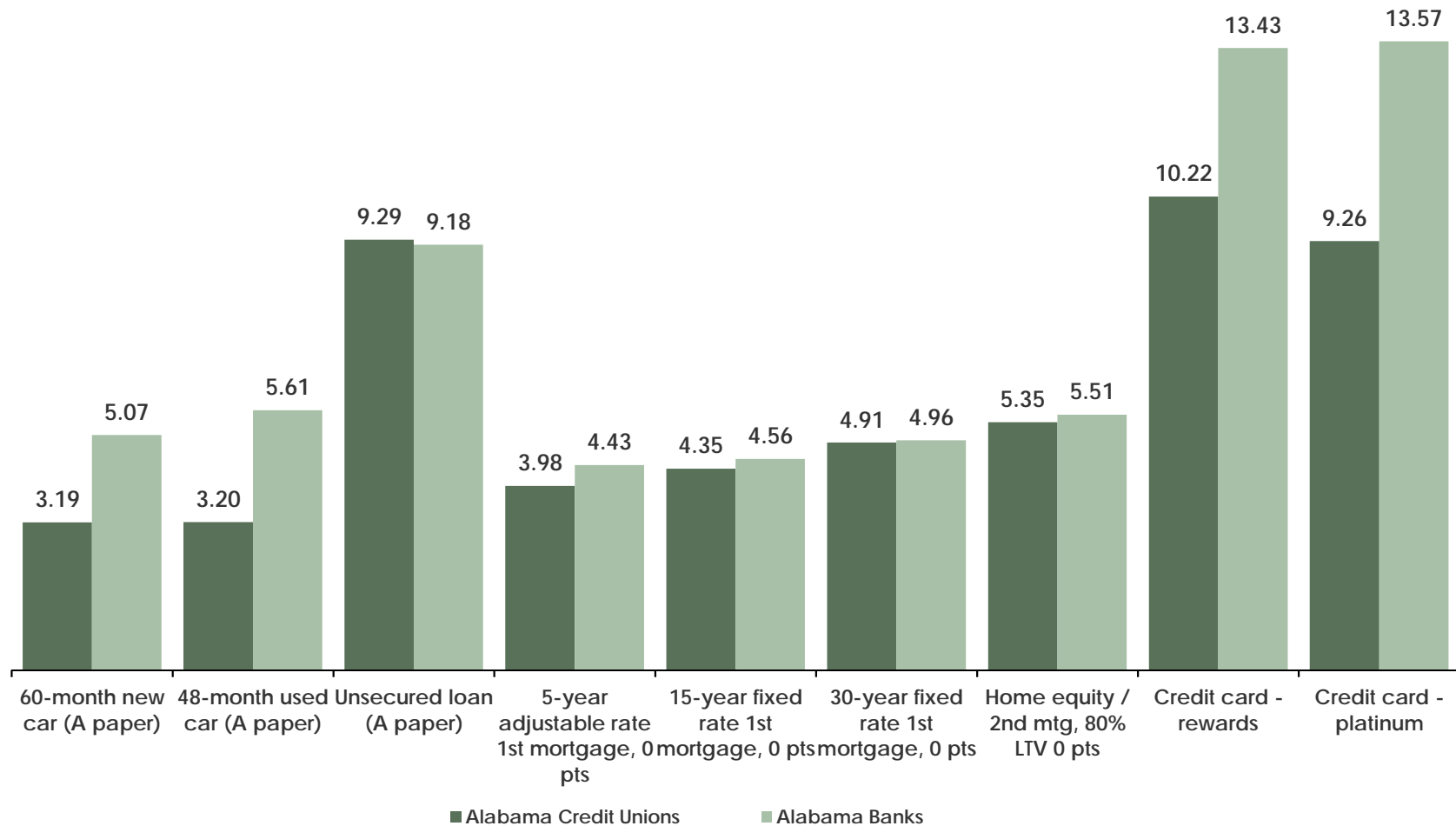
Alabama credit unions excel in providing member benefits on many loan and savings products. In particular, Alabama credit unions offer lower average loan rates on the following accounts: new car loans, used car loans, first mortgage-fixed rate, first mortgage-adjustable rate, home equity loans, credit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

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



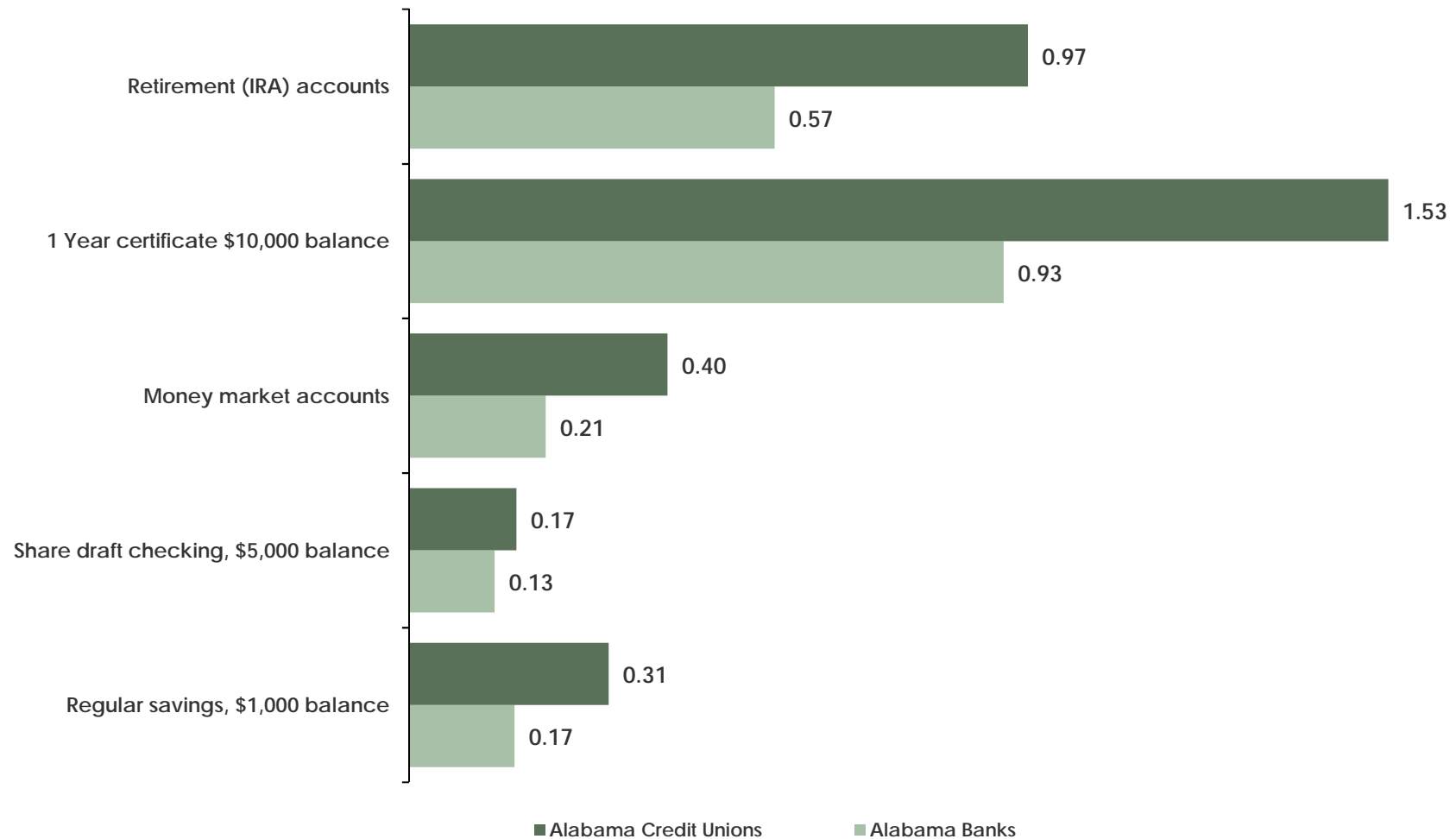
Loan Product Comparative Interest Rates (%)

by Loan Type



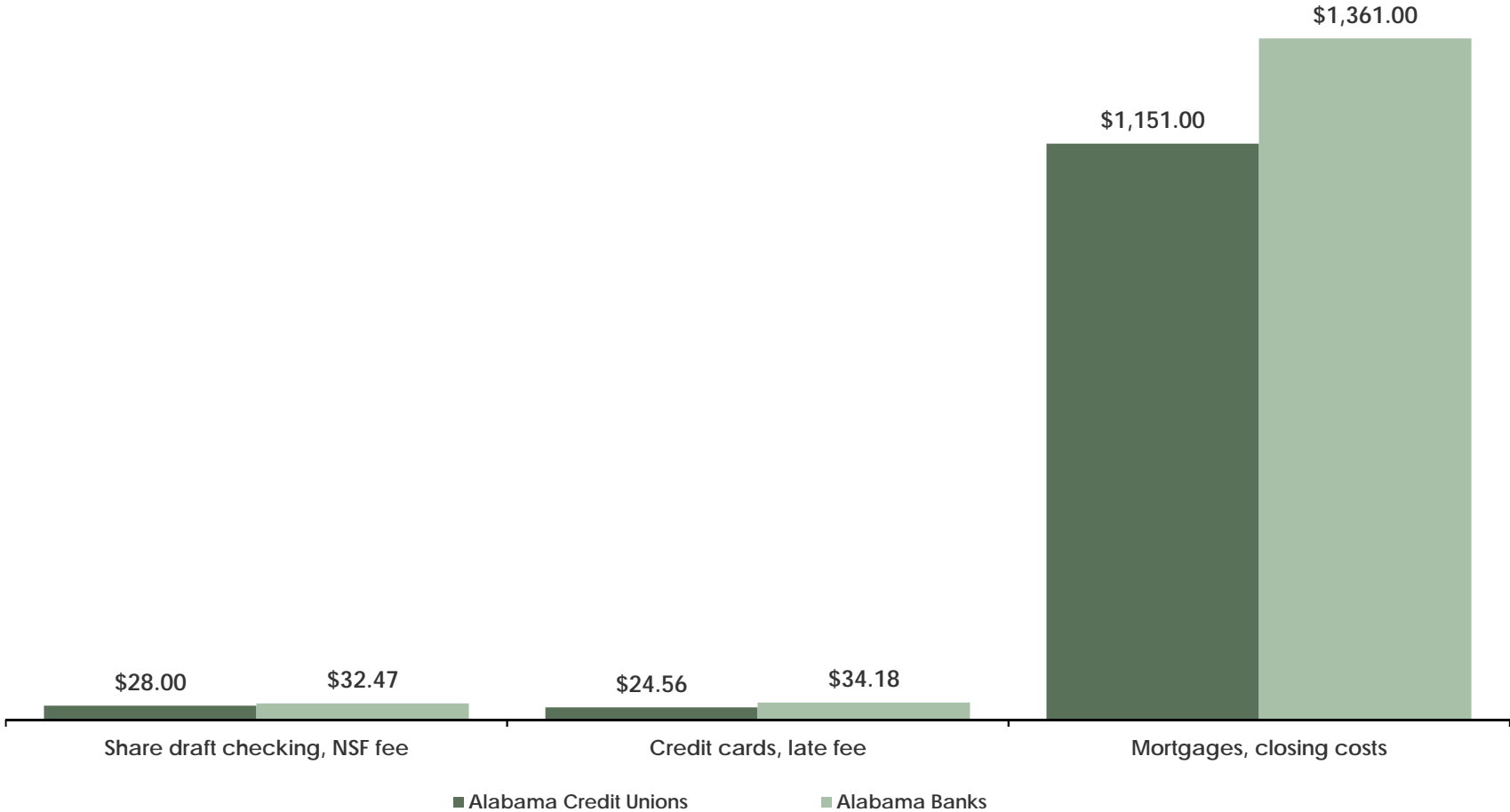
Savings Product Comparative Interest Rates (%)

by Savings Account Type



Comparative Fees

by Type



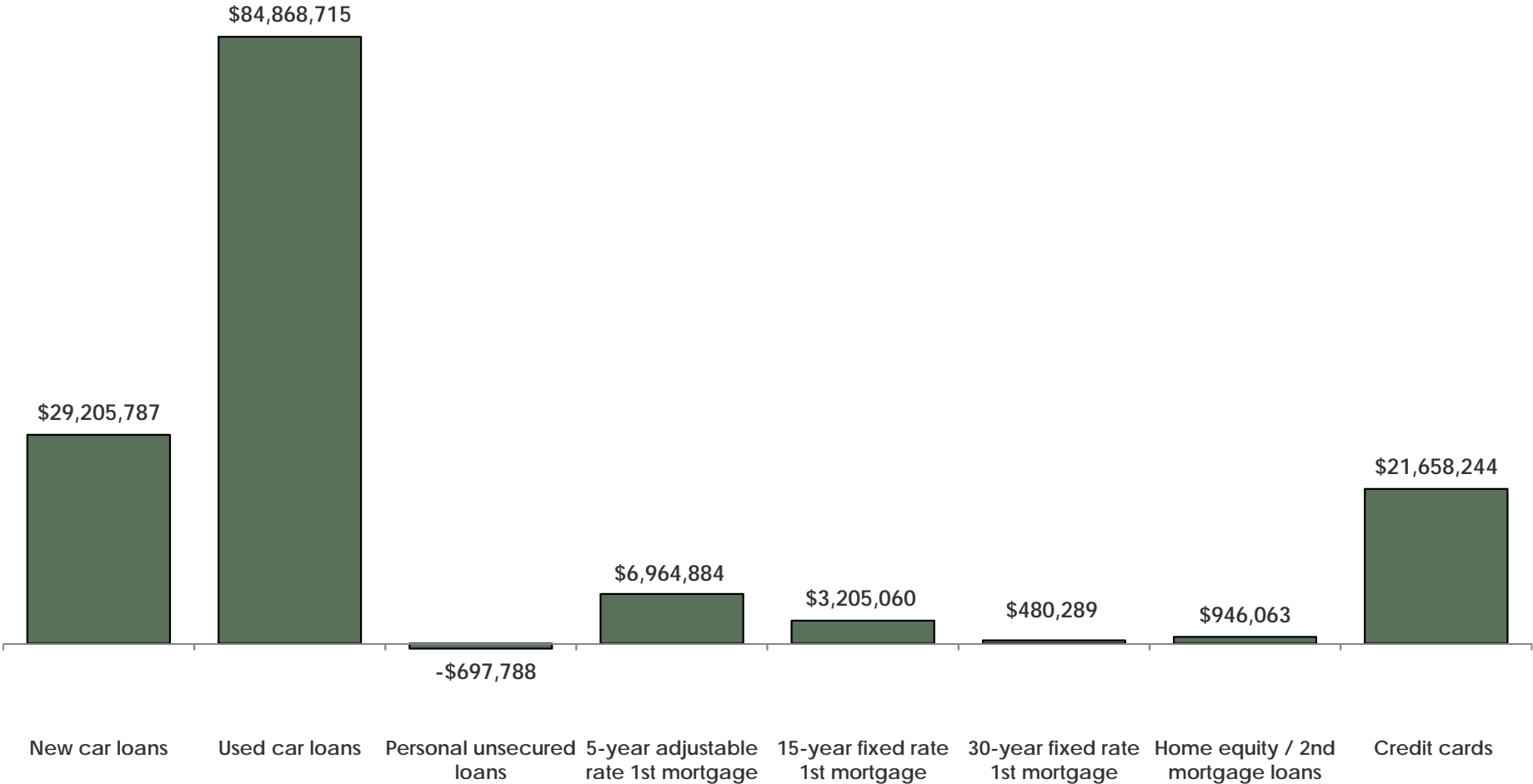
Alabama Credit Union and Banking Institution December 2018 Average Interest Rates and Fees

Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	3.19	5.07	-1.88
48-month used car (A paper)	3.20	5.61	-2.41
Unsecured loan (A paper)	9.29	9.18	0.11
5-year adjustable rate 1st mortgage, 0 pts	3.98	4.43	-0.45
15-year fixed rate 1st mortgage, 0 pts	4.35	4.56	-0.21
30-year fixed rate 1st mortgage, 0 pts	4.91	4.96	-0.05
Home equity / 2nd mtg, 80% LTV 0 pts	5.35	5.51	-0.16
Credit card - rewards	10.22	13.43	-3.21
Credit card - platinum	9.26	13.57	-4.31
Savings Products			
Regular savings, \$1,000 balance	0.31	0.17	0.15
Share draft checking, \$5,000 balance	0.17	0.13	0.03
Money market accounts	0.40	0.21	0.19
1 Year certificate \$10,000 balance	1.53	0.93	0.60
Retirement (IRA) accounts	0.97	0.57	0.40
Fee Income			
Share draft checking, NSF fee	\$28.00	\$32.47	-\$4.47
Credit cards, late fee	\$24.56	\$34.18	-\$9.62
Mortgages, closing costs	\$1,151.00	\$1,361.00	-\$210.00

Source: Datatrac

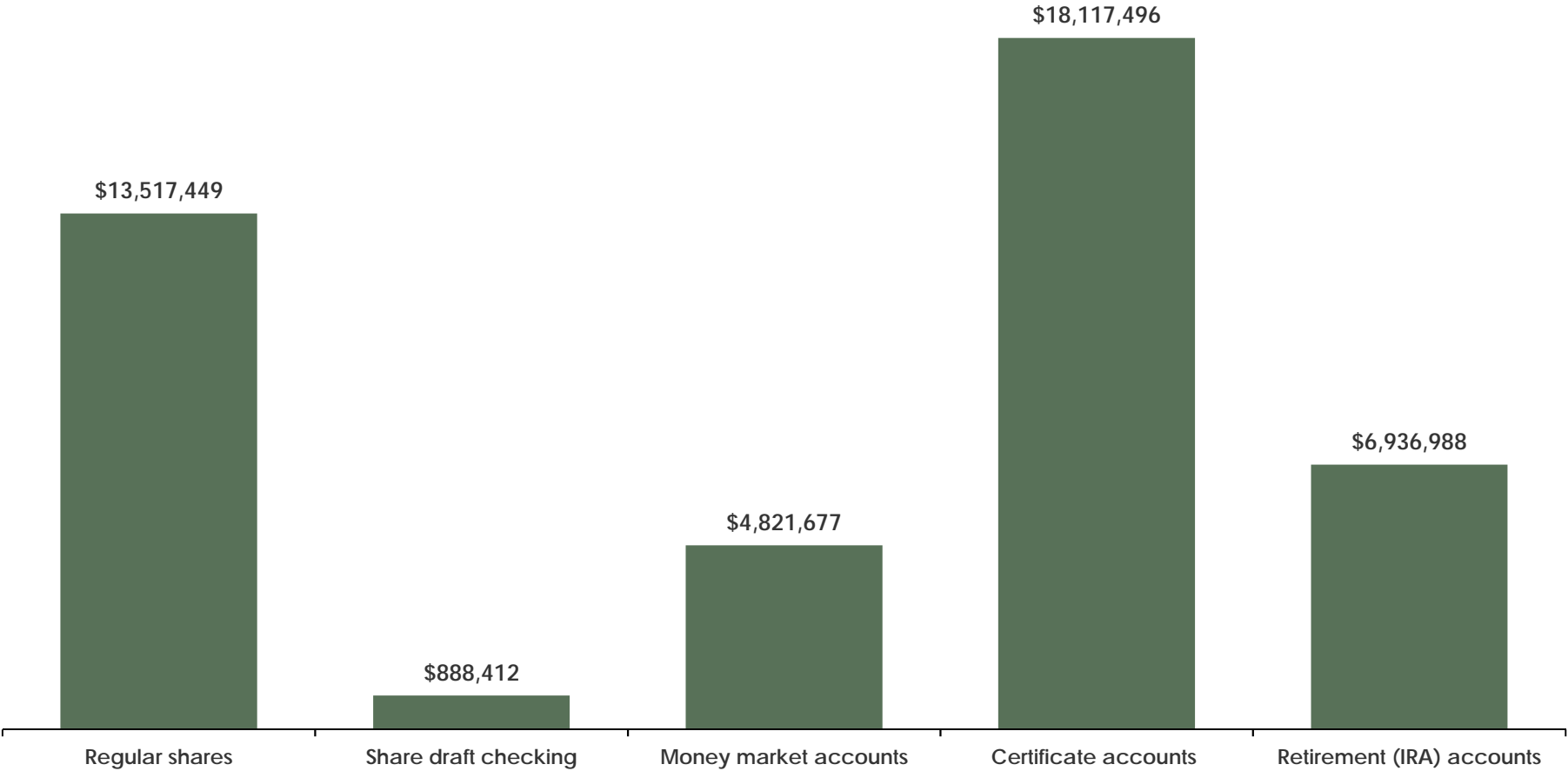
State Credit Union's Total Loan Rate Benefits

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 Alabama Credit Unions December 2018

Loans	Avg. Balance at Credit Unions (1)	Rate Difference vs. Alabama Banks (%) (2)	Total Financial Benefit to Your Members
New car loans	1,551,024,246	-1.88	\$29,205,787
Used car loans	3,518,603,462	-2.41	\$84,868,715
Personal unsecured loans	617,511,373	0.11	-\$697,788
5-year adjustable rate 1st mortgage	1,544,320,090	-0.45	\$6,964,884
15-year fixed rate 1st mortgage	1,526,218,993	-0.21	\$3,205,060
30-year fixed rate 1st mortgage	923,631,927	-0.05	\$480,289
Home equity / 2nd mortgage loans	580,406,619	-0.16	\$946,063
Credit cards	621,648,800	-3.21	\$21,658,244
Interest rebates			\$2,150,015
Total CU member benefits arising from lower interest rates on loan products:			\$148,781,268
<i>Savings</i>			
Regular shares	9,195,543,535	0.15	\$13,517,449
Share draft checking	2,612,977,875	0.03	\$888,412
Money market accounts	2,537,724,903	0.19	\$4,821,677
Certificate accounts	3,014,558,445	0.60	\$18,117,496
Retirement (IRA) accounts	1,753,979,172	0.40	\$6,936,988
Bonus dividends in period			\$0
Total CU member benefit arising from higher interest rates on savings products:			\$44,282,023
<i>Fee Income</i>			
Total CU member benefit arising from fewer / lower fees:			\$37,690,221
Total CU member benefit arising from interest rates on loans, savings products and lower fees:			\$230,753,512
Total CU member benefit / member:			\$114
Total CU member benefit / member household:			\$240

Source: Datatrac, NCUA, and CUNA

(1) Average balance as of December 2018 and December 2017, according to the NCUA call report.; (2) Source for rates and fees: Datatrac;

Membership Benefits Report

CUNA Economics and Statistics

Alabama Credit Union Performance Profile

Demographic Information	Dec 18	Dec 17
Number of branches	465	458
Total assets (\$ mil)	22,550	22,140
Total loans (\$ mil)	12,484	11,295
Total surplus funds (\$ mil)	9,015	9,821
Total savings (\$ mil)	19,741	18,915
Total members (thousands)	2,064	1,992
Growth Rates (Trailing 12 months) *		
Total assets	2.3 %	4.4 %
Total loans	11.1 %	10.4 %
Total surplus funds	-7.9 %	-2.0 %
Total savings	4.9 %	4.0 %
Total members	4.4 %	1.9 %
Earnings - Basis Pts. *		
Yield on total assets	342	315
Dividend / interest cost of assets	67	54
Fee & other income	168	159
Operating expense	326	314
Loss Provisions	38	34
Net Income (ROA) after stabilization exp	79	72
Capital Adequacy		
Net worth / assets	12.3	11.7
Asset Quality *		
Delinquencies / loans	0.8	0.8
Net chargeoffs / average loans	0.6	0.6
Total borrower-bankruptcies	52	54
Bankruptcies per 1000 members	2.8	3.0
Asset/Liability Management		
Loans / savings	63.2	59.7
Loans / assets	55.4	51.0
Long-term assets / assets	33.6	34.1
Core deposits/shares & borrowings	61.1	61.1
Productivity		
Members / potential members	7.4	7.1
Borrowers / members	50.5	50.1
Members / FTE	387	382
Average shares / members (\$)	9,565	9,496
Average loan balances (\$)	11,972	11,321
Salary & Benefits / FTE	67,879	65,348

* 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.