

CUNA Alaska  
**MEMBERSHIP BENEFITS  
REPORT**

## Alaska

### 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 Alaska credit unions provided \$70,805,589 in direct financial benefits to the state's 837,994 members during the twelve months ending December 2018.

**These benefits are equivalent to \$84 per member or \$177 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 Alaska 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 Alaska credit unions.

Consider this:

**Financing a \$25,000 new automobile for 60 months at a Alaska credit union will save members an average \$50 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.

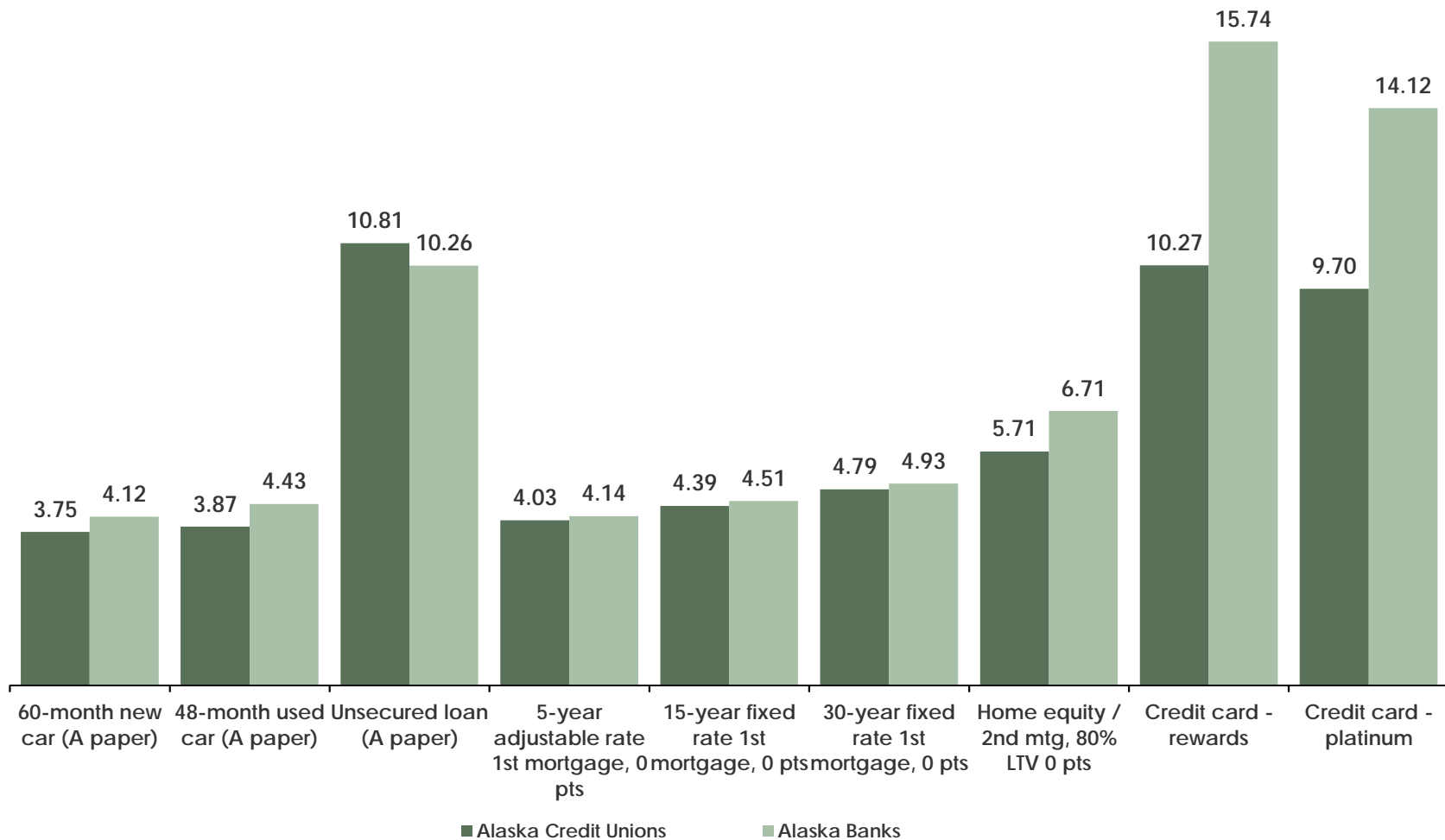
Alaska credit unions excel in providing member benefits on many loan and savings products. In particular, Alaska credit unions offer lower average loan rates on the following accounts: new car loans, used car loans, first mortgage-fixed rate, first mortgage-adjustable rate, home equity loans, credit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

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



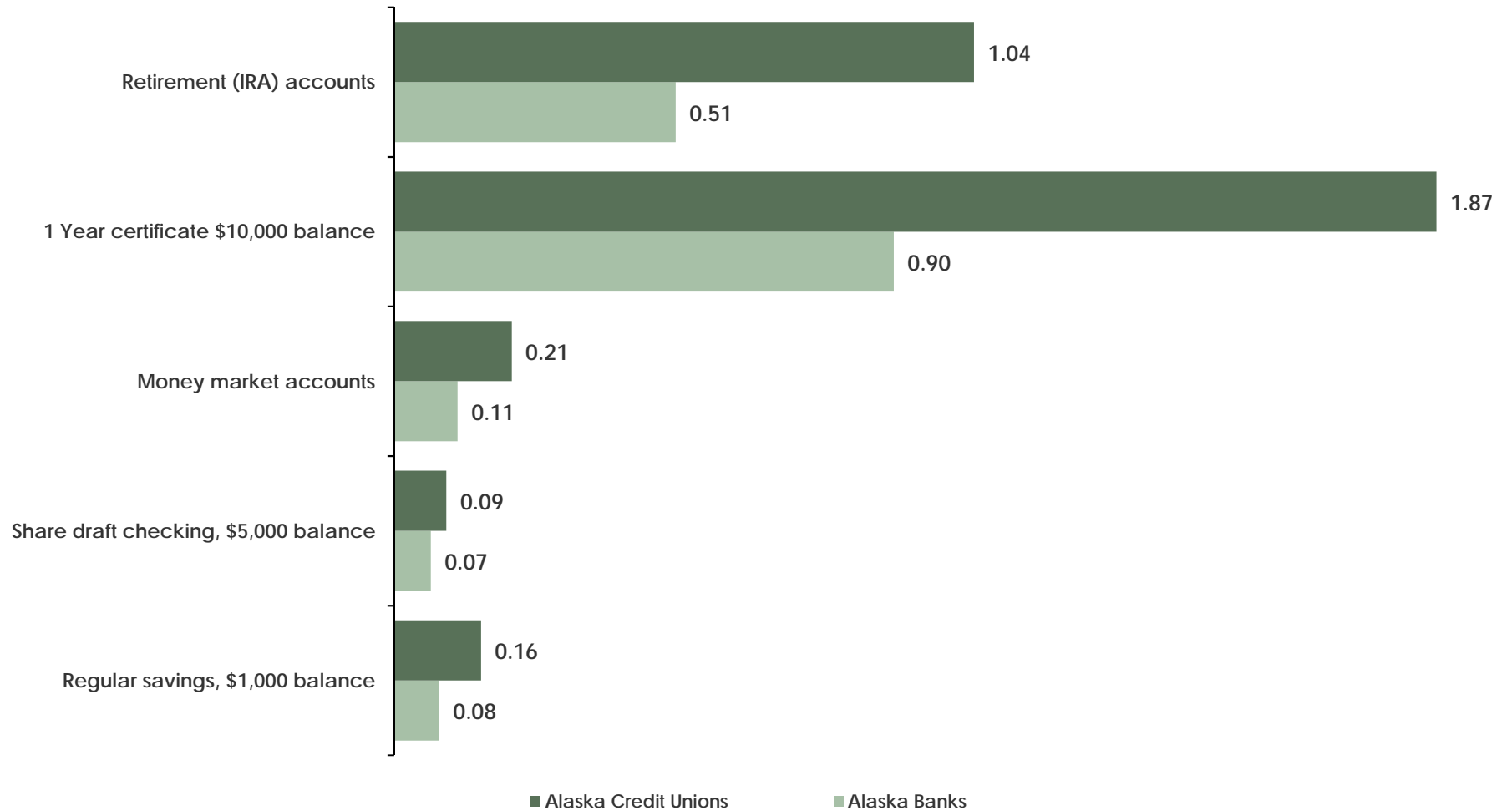
## Loan Product Comparative Interest Rates (%)

by Loan Type



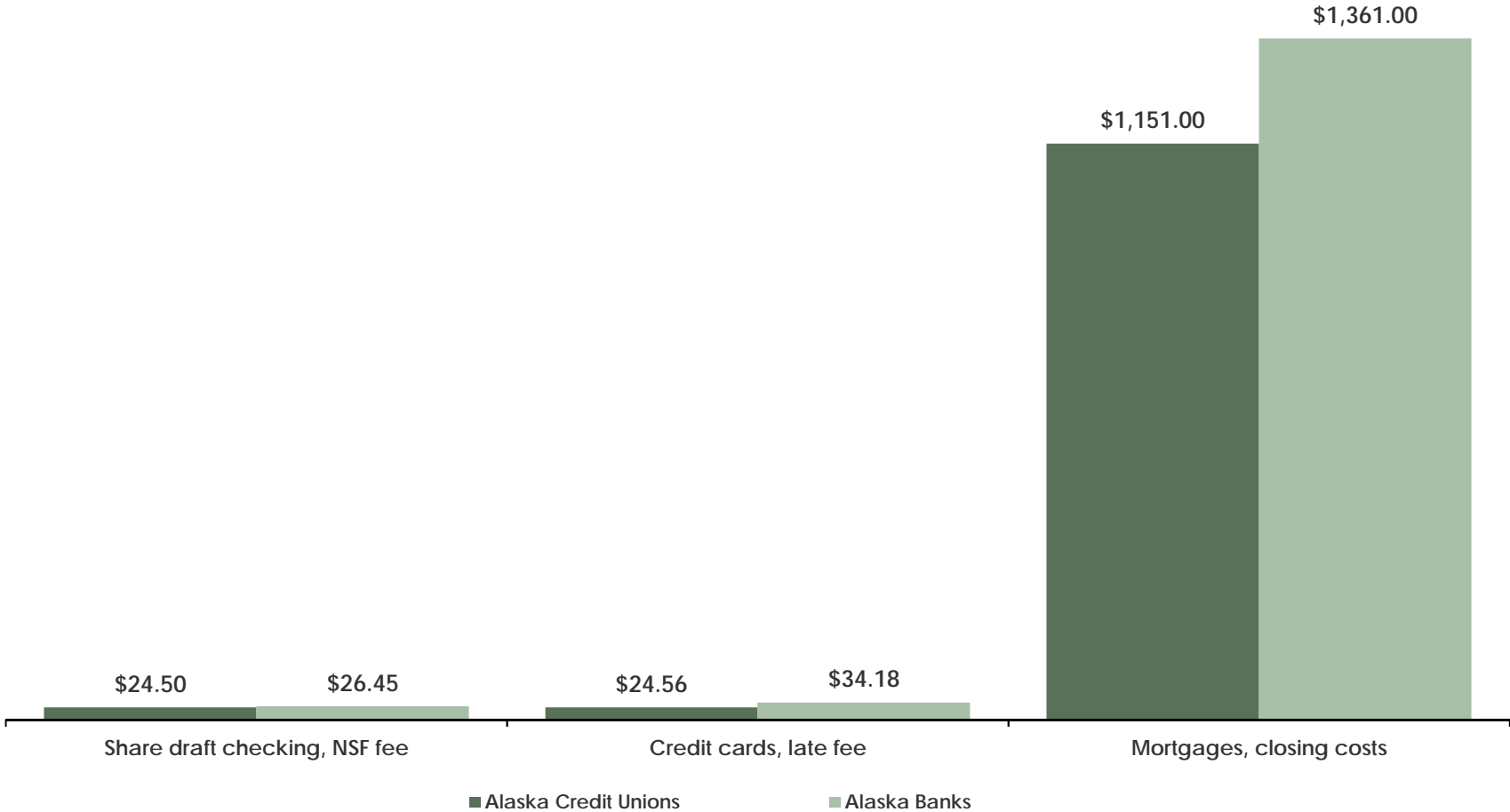
## Savings Product Comparative Interest Rates (%)

### by Savings Account Type



Comparative Fees

by Type



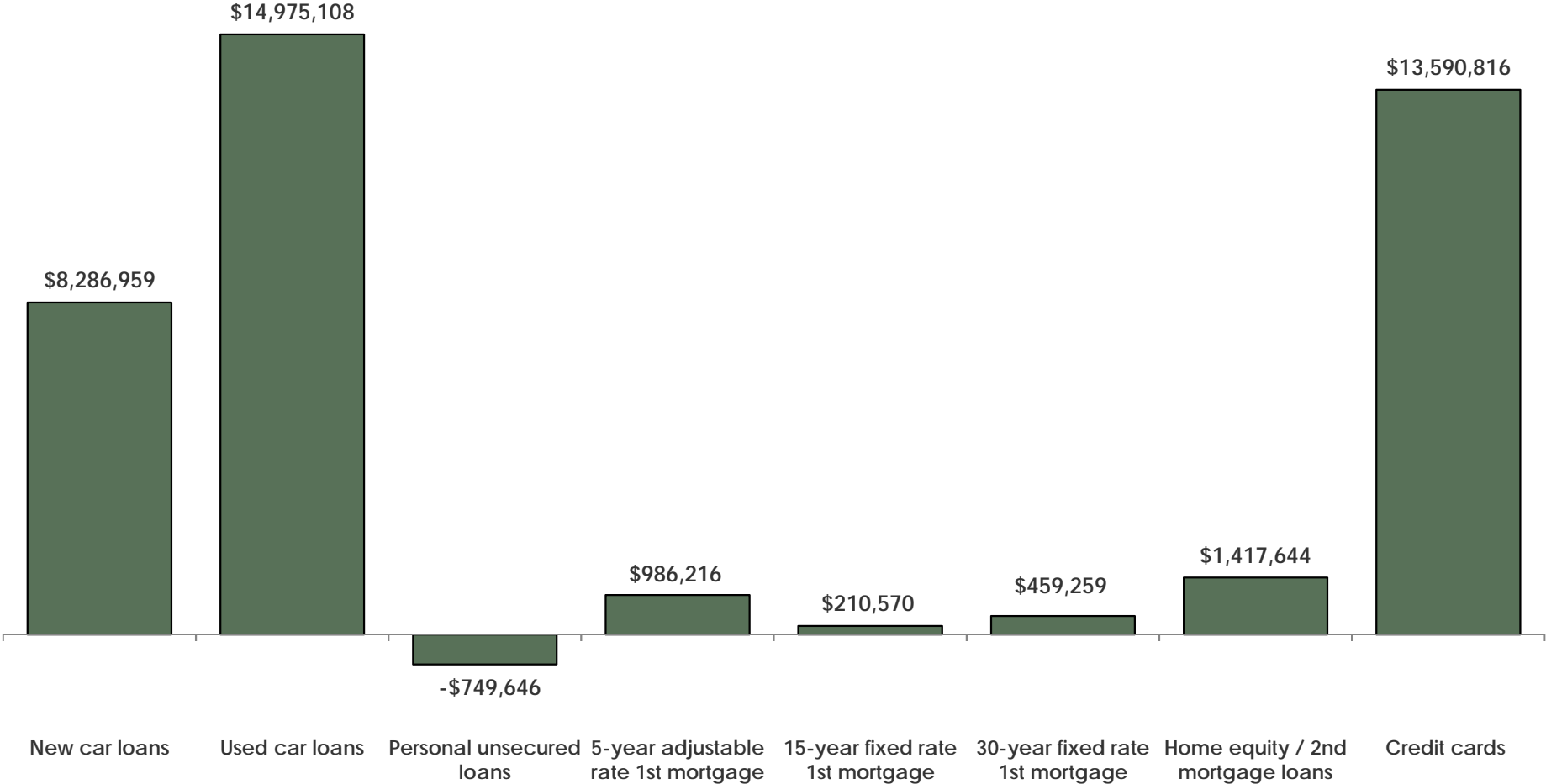
## Alaska Credit Union and Banking Institution December 2018 Average Interest Rates and Fees

Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	3.75	4.12	-0.37
48-month used car (A paper)	3.87	4.43	-0.56
Unsecured loan (A paper)	10.81	10.26	0.55
5-year adjustable rate 1st mortgage, 0 pts	4.03	4.14	-0.10
15-year fixed rate 1st mortgage, 0 pts	4.39	4.51	-0.12
30-year fixed rate 1st mortgage, 0 pts	4.79	4.93	-0.14
Home equity / 2nd mtg, 80% LTV 0 pts	5.71	6.71	-0.99
Credit card - rewards	10.27	15.74	-5.47
Credit card - platinum	9.70	14.12	-4.42
Savings Products			
Regular savings, \$1,000 balance	0.16	0.08	0.08
Share draft checking, \$5,000 balance	0.09	0.07	0.03
Money market accounts	0.21	0.11	0.10
1 Year certificate \$10,000 balance	1.87	0.90	0.97
Retirement (IRA) accounts	1.04	0.51	0.54
Fee Income			
Share draft checking, NSF fee	\$24.50	\$26.45	-\$1.95
Credit cards, late fee	\$24.56	\$34.18	-\$9.62
Mortgages, closing costs	\$1,151.00	\$1,361.00	-\$210.00

Source: Datatrac

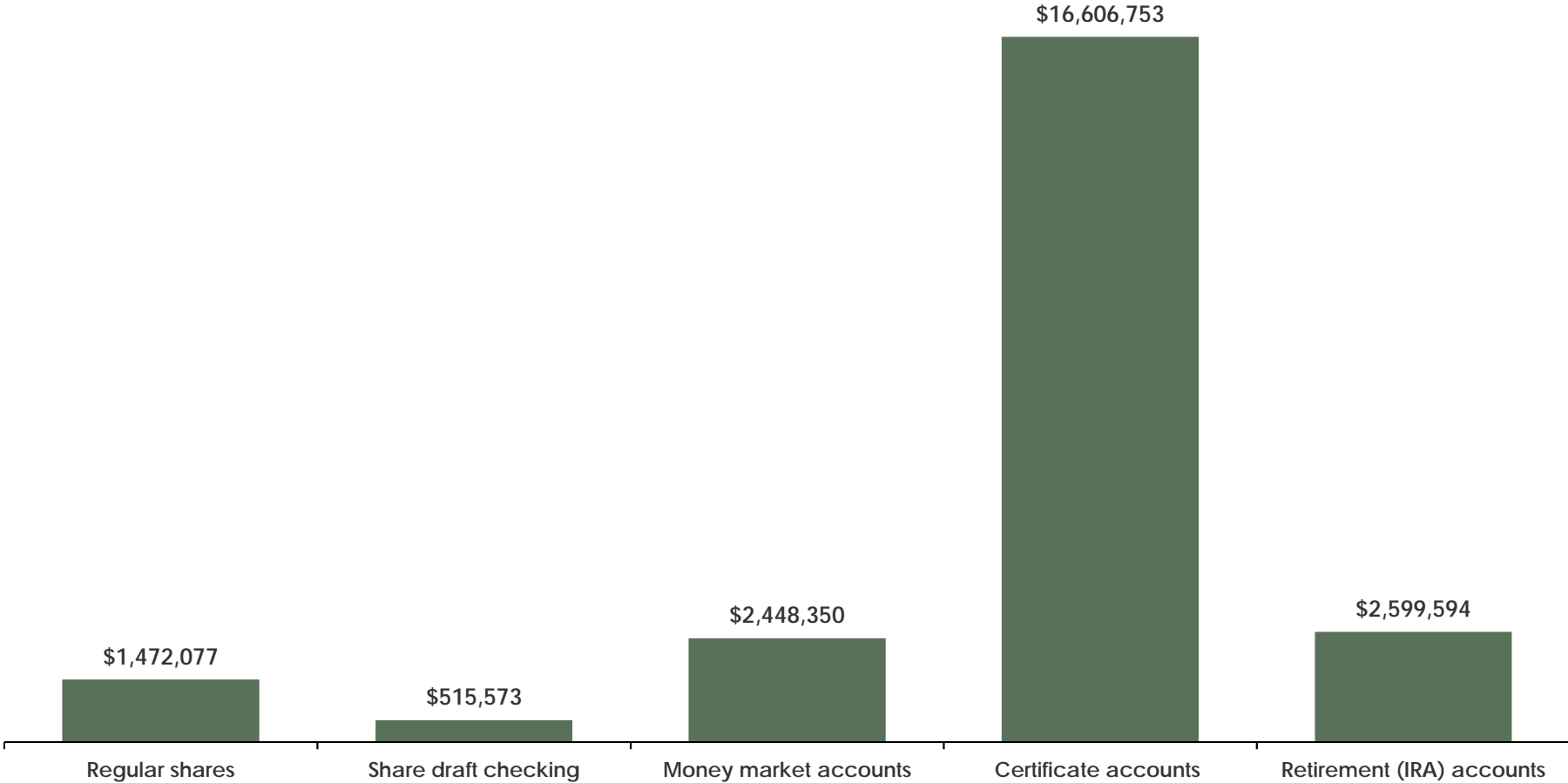
### State Credit Union's Total Loan Rate Benefits

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 Alaska Credit Unions December 2018

Loans	Avg. Balance at Credit Unions (1)	Rate Difference vs. Alaska Banks (%) (2)	Total Financial Benefit to Your Members
New car loans	2,227,677,284	-0.37	\$8,286,959
Used car loans	2,693,364,772	-0.56	\$14,975,108
Personal unsecured loans	137,046,845	0.55	-\$749,646
5-year adjustable rate 1st mortgage	948,284,178	-0.10	\$986,216
15-year fixed rate 1st mortgage	174,025,103	-0.12	\$210,570
30-year fixed rate 1st mortgage	330,402,348	-0.14	\$459,259
Home equity / 2nd mortgage loans	143,051,821	-0.99	\$1,417,644
Credit cards	260,872,702	-5.47	\$13,590,816
Interest rebates			\$15,631
<b>Total CU member benefits arising from lower interest rates on loan products:</b>			\$39,192,557
Savings			
Regular shares	1,962,768,746	0.08	\$1,472,077
Share draft checking	1,841,330,737	0.03	\$515,573
Money market accounts	2,524,072,154	0.10	\$2,448,350
Certificate accounts	1,706,757,777	0.97	\$16,606,753
Retirement (IRA) accounts	485,905,444	0.54	\$2,599,594
Bonus dividends in period			\$0
<b>Total CU member benefit arising from higher interest rates on savings products:</b>			\$23,642,346
Fee Income			
<b>Total CU member benefit arising from fewer / lower fees:</b>			\$7,970,686
<b>Total CU member benefit arising from interest rates on loans, savings products and lower fees:</b>			\$70,805,589
<b>Total CU member benefit / member:</b>			\$84
<b>Total CU member benefit / member household:</b>			\$177

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

## Alaska Credit Union Performance Profile

Demographic Information	Dec 18	Dec 17
Number of branches	118	148
Total assets (\$ mil)	9,906	10,066
Total loans (\$ mil)	7,873	8,126
Total surplus funds (\$ mil)	1,508	1,395
Total savings (\$ mil)	8,913	9,020
Total members (thousands)	851	899
Growth Rates (Trailing 12 months) *		
Total assets	5.3 %	6.8 %
Total loans	4.3 %	9.2 %
Total surplus funds	11.7 %	-3.5 %
Total savings	5.5 %	6.9 %
Total members	3.1 %	4.7 %
Earnings - Basis Pts. *		
Yield on total assets	369	365
Dividend / interest cost of assets	50	42
Fee & other income	191	213
Operating expense	390	420
Loss Provisions	45	74
Net Income (ROA) after stabilization exp	74	42
Capital Adequacy		
Net worth / assets	10.0	9.6
Asset Quality *		
Delinquencies / loans	1.1	1.1
Net chargeoffs / average loans	0.6	0.8
Total borrower-bankruptcies	231	183
Bankruptcies per 1000 members	2.7	2.4
Asset/Liability Management		
Loans / savings	88.3	90.1
Loans / assets	79.5	80.7
Long-term assets / assets	18.0	16.7
Core deposits/shares & borrowings	44.3	43.9
Productivity		
Members / potential members	5.3	5.9
Borrowers / members	65.8	65.9
Members / FTE	329	301
Average shares / members (\$)	10,475	10,031
Average loan balances (\$)	14,052	13,711
Salary & Benefits / FTE	86,528	82,104

\* 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.