

CUNA Illinois
**MEMBERSHIP BENEFITS
REPORT**

Illinois

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 Illinois credit unions provided \$327,934,435 in direct financial benefits to the state's 3,242,725 members during the twelve months ending December 2018.

These benefits are equivalent to \$101 per member or \$212 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 Illinois 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 Illinois credit unions.

Consider this:

Financing a \$25,000 new automobile for 60 months at a Illinois credit union will save members an average \$185 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.

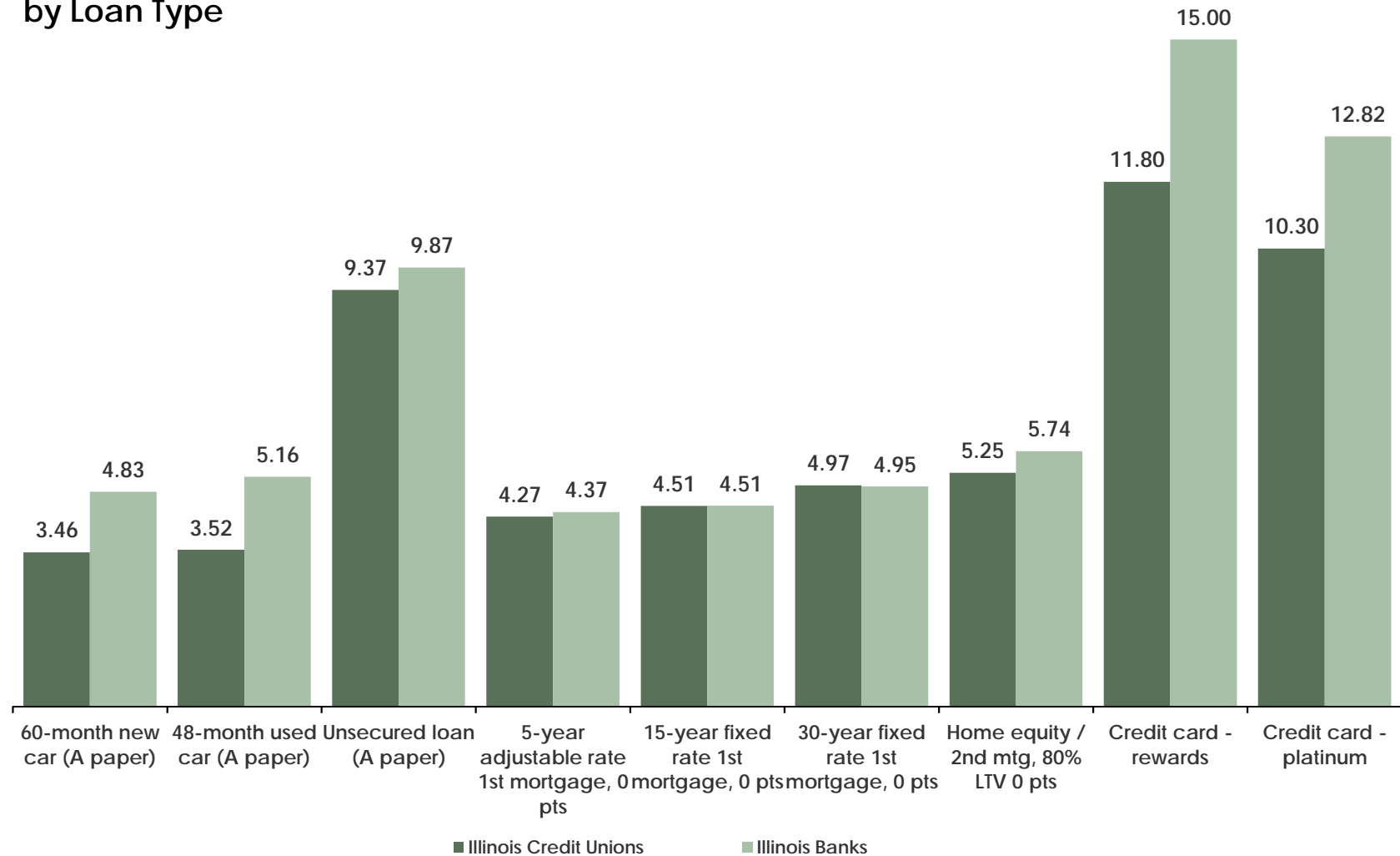
Illinois credit unions excel in providing member benefits on many loan and savings products. In particular, Illinois credit unions offer lower average loan rates on the following accounts: new car loans, used car loans, personal unsecured loans, first mortgage-adjustable rate, home equity loans, credit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

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



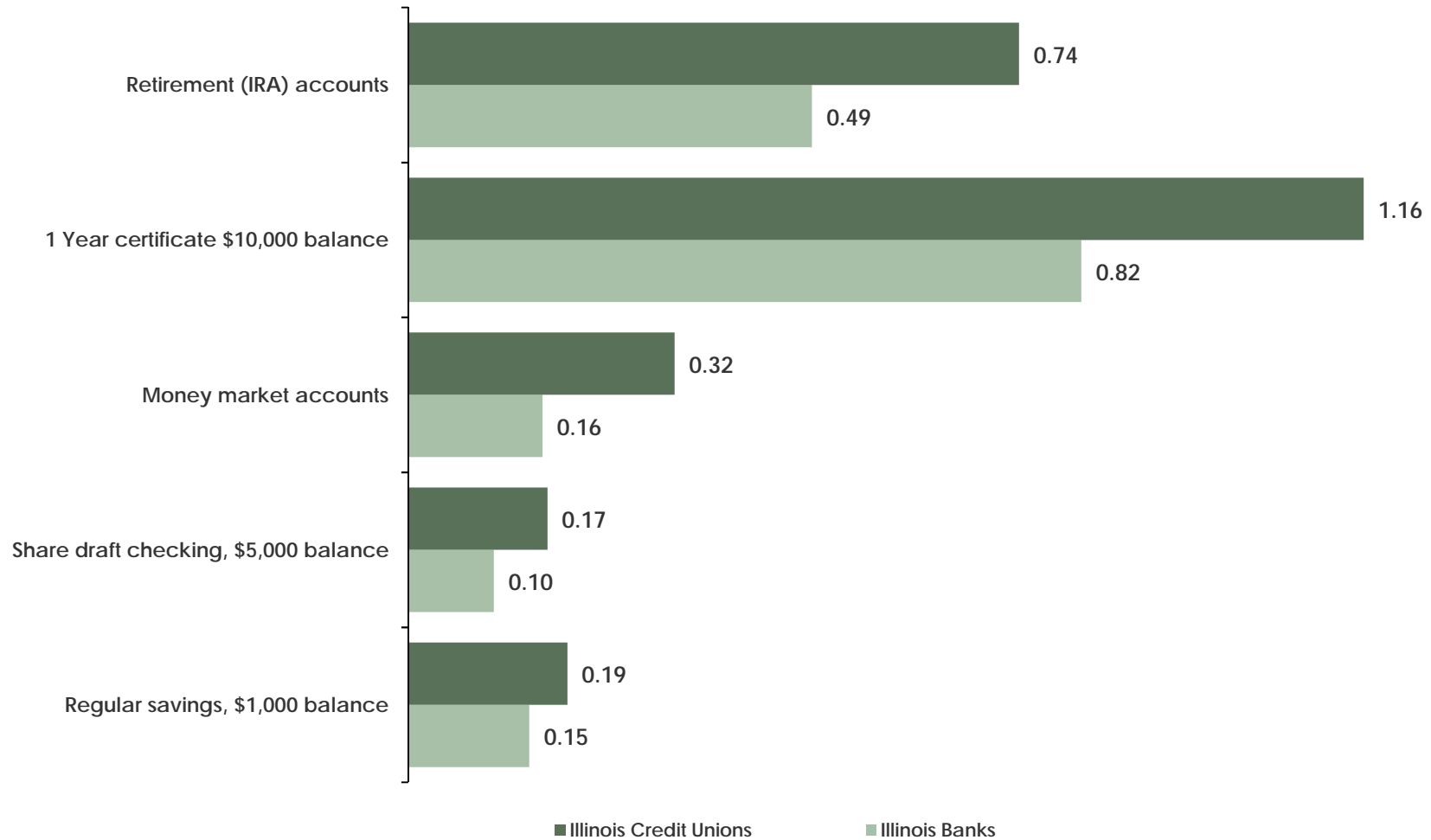
Loan Product Comparative Interest Rates (%)

by Loan Type



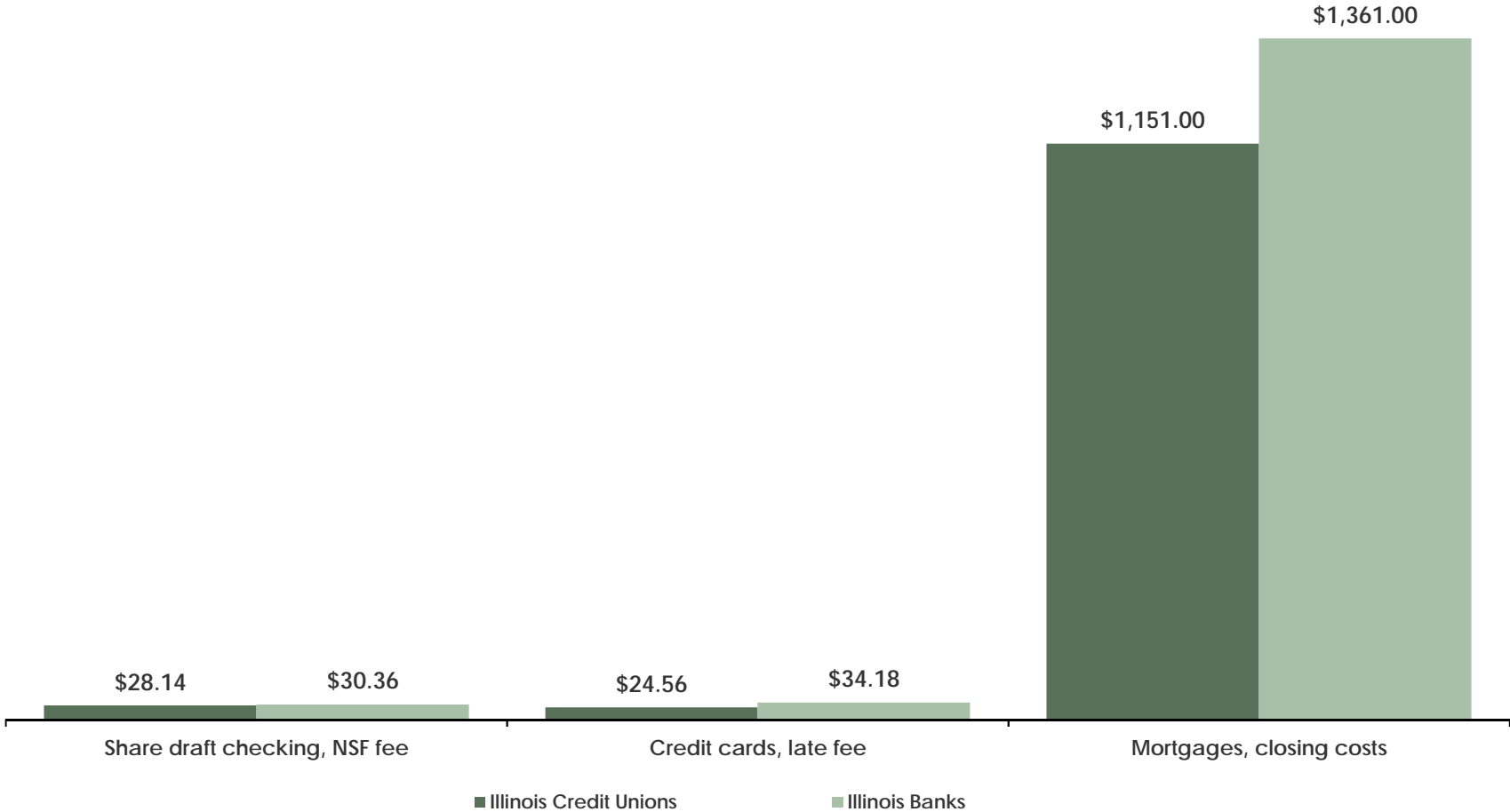
Savings Product Comparative Interest Rates (%)

by Savings Account Type



Comparative Fees

by Type



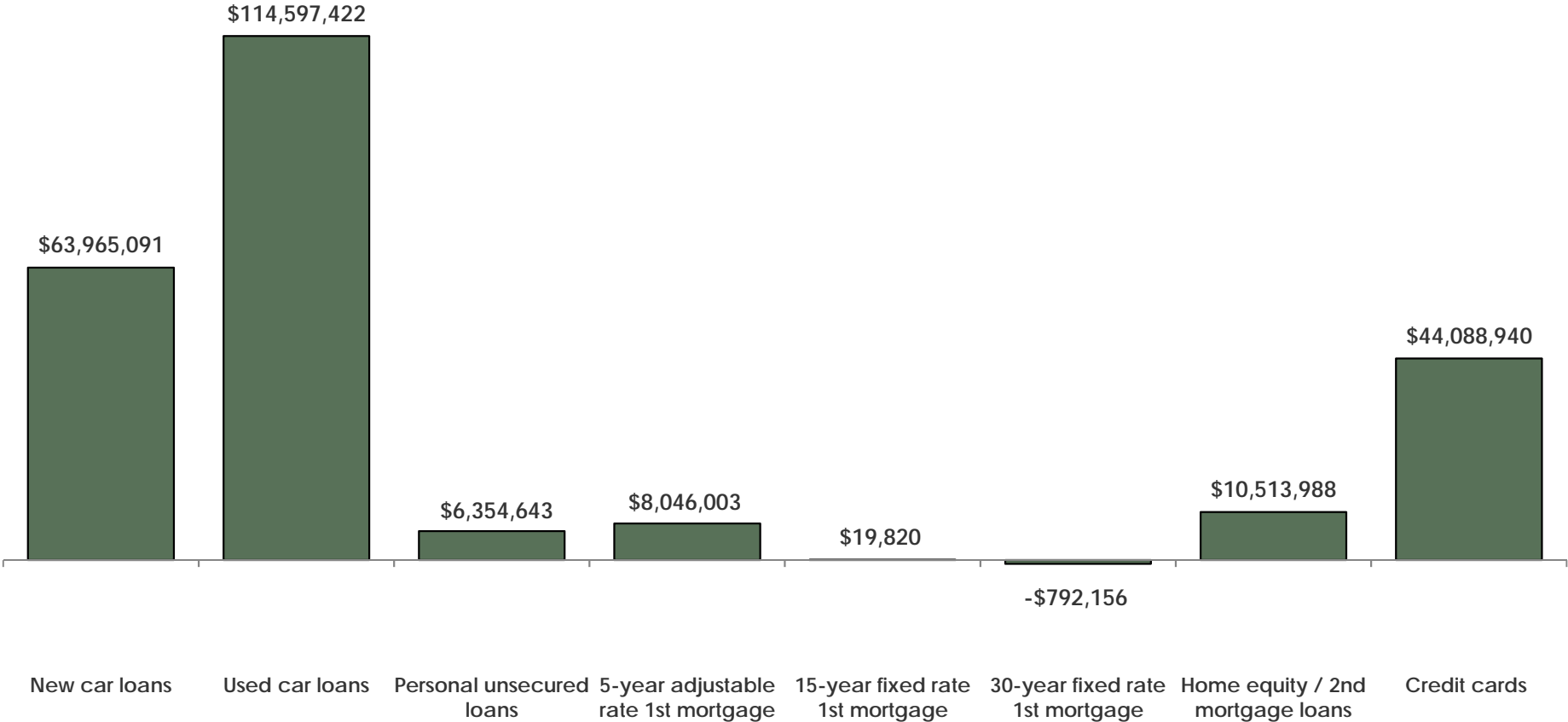
Illinois Credit Union and Banking Institution December 2018 Average Interest Rates and Fees

Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	3.46	4.83	-1.37
48-month used car (A paper)	3.52	5.16	-1.64
Unsecured loan (A paper)	9.37	9.87	-0.50
5-year adjustable rate 1st mortgage, 0 pts	4.27	4.37	-0.11
15-year fixed rate 1st mortgage, 0 pts	4.51	4.51	0.00
30-year fixed rate 1st mortgage, 0 pts	4.97	4.95	0.03
Home equity / 2nd mtg, 80% LTV 0 pts	5.25	5.74	-0.49
Credit card - rewards	11.80	15.00	-3.20
Credit card - platinum	10.30	12.82	-2.52
Savings Products			
Regular savings, \$1,000 balance	0.19	0.15	0.05
Share draft checking, \$5,000 balance	0.17	0.10	0.07
Money market accounts	0.32	0.16	0.16
1 Year certificate \$10,000 balance	1.16	0.82	0.34
Retirement (IRA) accounts	0.74	0.49	0.25
Fee Income			
Share draft checking, NSF fee	\$28.14	\$30.36	-\$2.22
Credit cards, late fee	\$24.56	\$34.18	-\$9.62
Mortgages, closing costs	\$1,151.00	\$1,361.00	-\$210.00

Source: Datatrac

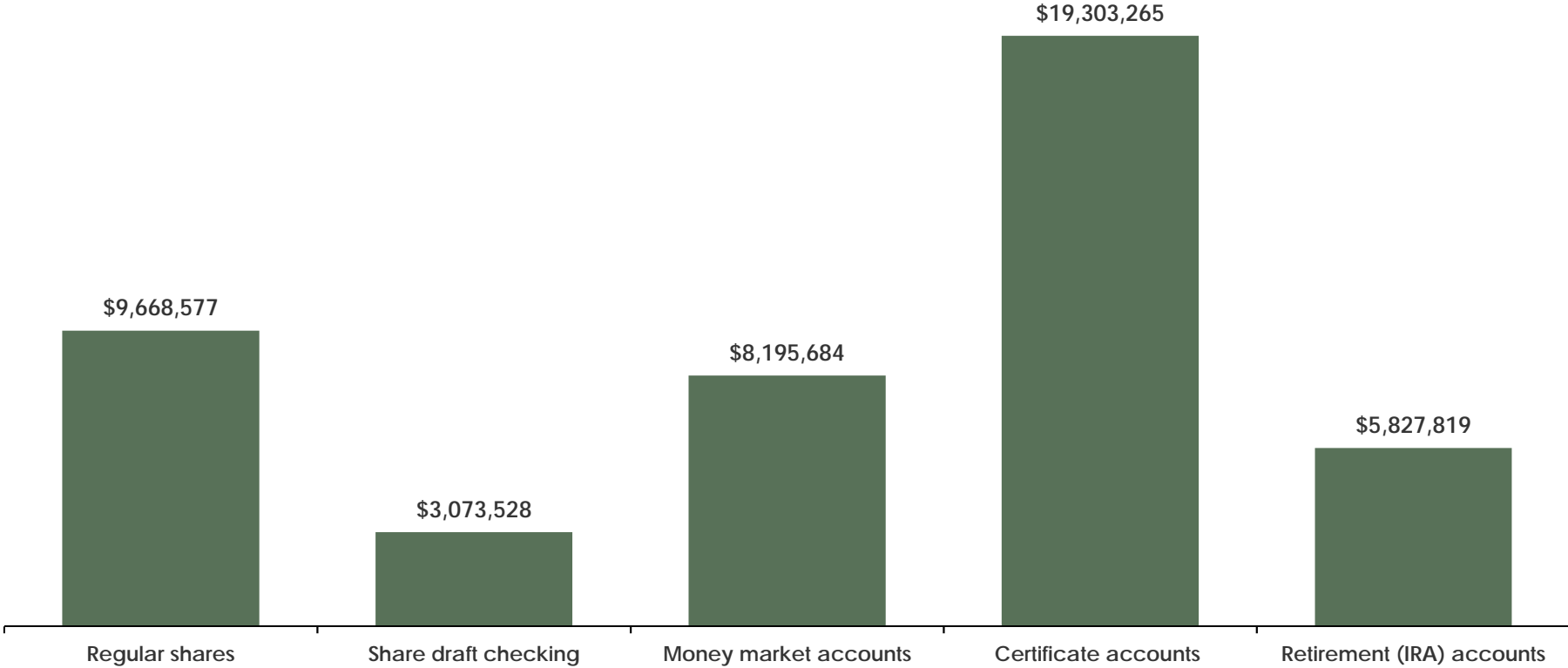
State Credit Union's Total Loan Rate Benefits

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 Illinois Credit Unions December 2018

Loans	Avg. Balance at Credit Unions (1)	Rate Difference vs. Illinois Banks (%) (2)	Total Financial Benefit to Your Members
New car loans	4,682,656,742	-1.37	\$63,965,091
Used car loans	6,991,911,061	-1.64	\$114,597,422
Personal unsecured loans	1,265,865,099	-0.50	\$6,354,643
5-year adjustable rate 1st mortgage	7,519,628,561	-0.11	\$8,046,003
15-year fixed rate 1st mortgage	1,982,011,916	0.00	\$19,820
30-year fixed rate 1st mortgage	3,168,624,309	0.03	-\$792,156
Home equity / 2nd mortgage loans	2,136,989,470	-0.49	\$10,513,988
Credit cards	1,456,763,271	-3.20	\$44,088,940
Interest rebates			\$1,787,769
Total CU member benefits arising from lower interest rates on loan products:			\$248,581,520
Savings			
Regular shares	21,018,645,111	0.05	\$9,668,577
Share draft checking	4,728,505,265	0.07	\$3,073,528
Money market accounts	5,122,302,217	0.16	\$8,195,684
Certificate accounts	5,644,229,471	0.34	\$19,303,265
Retirement (IRA) accounts	2,321,840,263	0.25	\$5,827,819
Bonus dividends in period			\$0
Total CU member benefit arising from higher interest rates on savings products:			\$46,068,873
Fee Income			
Total CU member benefit arising from fewer / lower fees:			\$33,284,042
Total CU member benefit arising from interest rates on loans, savings products and lower fees:			\$327,934,435
Total CU member benefit / member:			\$101
Total CU member benefit / member household:			\$212

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

Illinois Credit Union Performance Profile

Demographic Information	Dec 18	Dec 17
Number of branches	676	682
Total assets (\$ mil)	47,107	44,087
Total loans (\$ mil)	32,691	29,613
Total surplus funds (\$ mil)	12,786	12,931
Total savings (\$ mil)	39,915	38,474
Total members (thousands)	3,290	3,205
Growth Rates (Trailing 12 months) *		
Total assets	7.0 %	4.2 %
Total loans	10.5 %	9.7 %
Total surplus funds	-0.9 %	-7.0 %
Total savings	3.9 %	4.4 %
Total members	2.9 %	5.1 %
Earnings - Basis Pts. *		
Yield on total assets	368	327
Dividend / interest cost of assets	106	75
Fee & other income	115	113
Operating expense	272	265
Loss Provisions	39	36
Net Income (ROA) after stabilization exp	65	63
Capital Adequacy		
Net worth / assets	11.1	11.1
Asset Quality *		
Delinquencies / loans	0.7	0.7
Net chargeoffs / average loans	0.5	0.5
Total borrower-bankruptcies	26	25
Bankruptcies per 1000 members	2.0	2.1
Asset/Liability Management		
Loans / savings	81.9	77.0
Loans / assets	69.4	67.2
Long-term assets / assets	27.5	26.5
Core deposits/shares & borrowings	65.5	65.7
Productivity		
Members / potential members	3.7	4.0
Borrowers / members	68.7	58.4
Members / FTE	409	410
Average shares / members (\$)	12,131	12,004
Average loan balances (\$)	14,458	15,812
Salary & Benefits / FTE	76,163	73,072

* 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.