

CUNA Indiana  
**MEMBERSHIP BENEFITS  
REPORT**



## Indiana

### 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 Indiana credit unions provided \$139,054,533 in direct financial benefits to the state's 2,533,732 members during the twelve months ending December 2018.

**These benefits are equivalent to \$55 per member or \$115 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 Indiana 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 Indiana credit unions.

Consider this:

**Financing a \$25,000 new automobile for 60 months at a Indiana credit union will save members an average \$86 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.

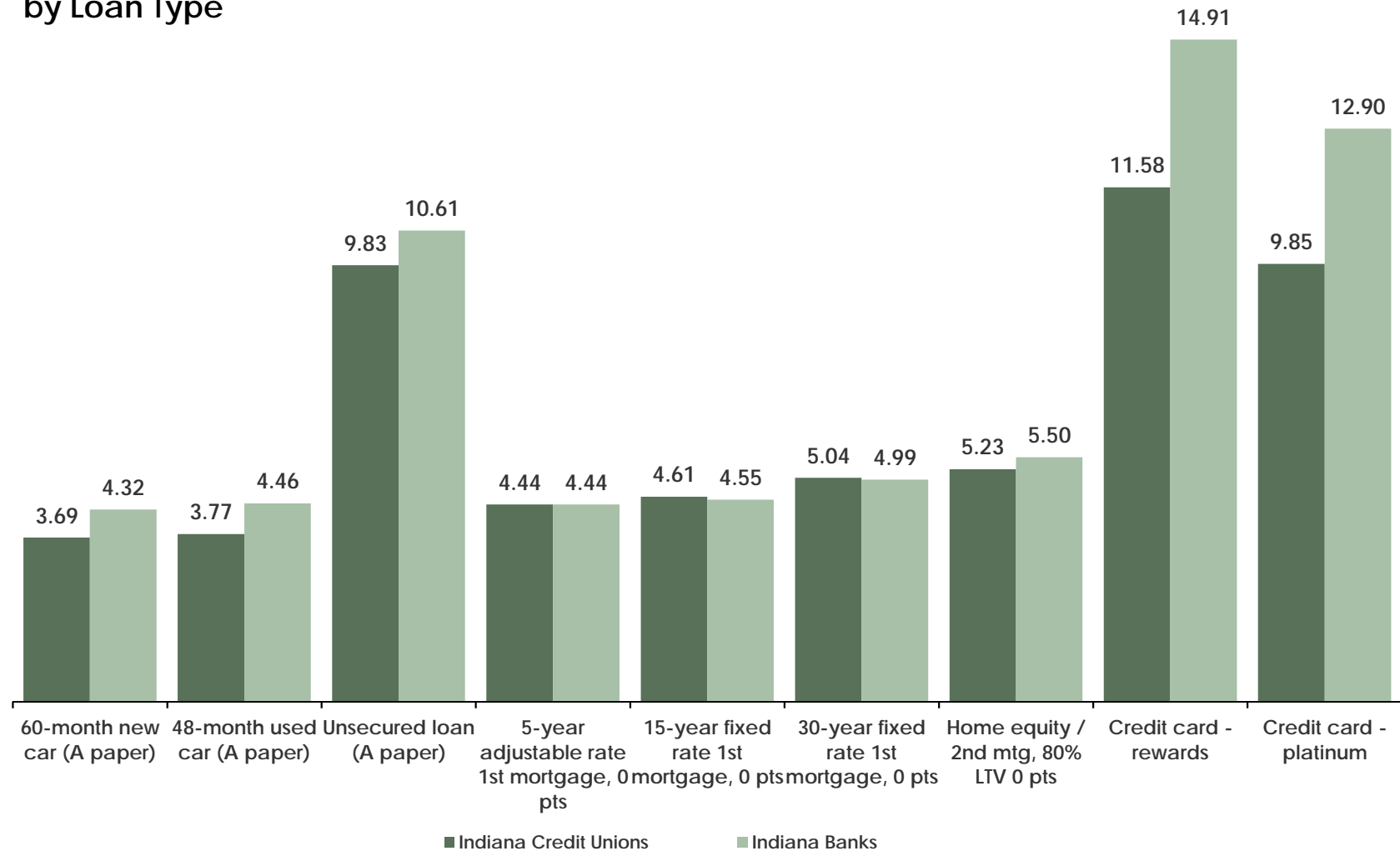
Indiana credit unions excel in providing member benefits on many loan and savings products. In particular, Indiana credit unions offer lower average loan rates on the following accounts: new car loans, used car loans, personal unsecured loans, first mortgage-adjustable rate, home equity loans, credit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

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



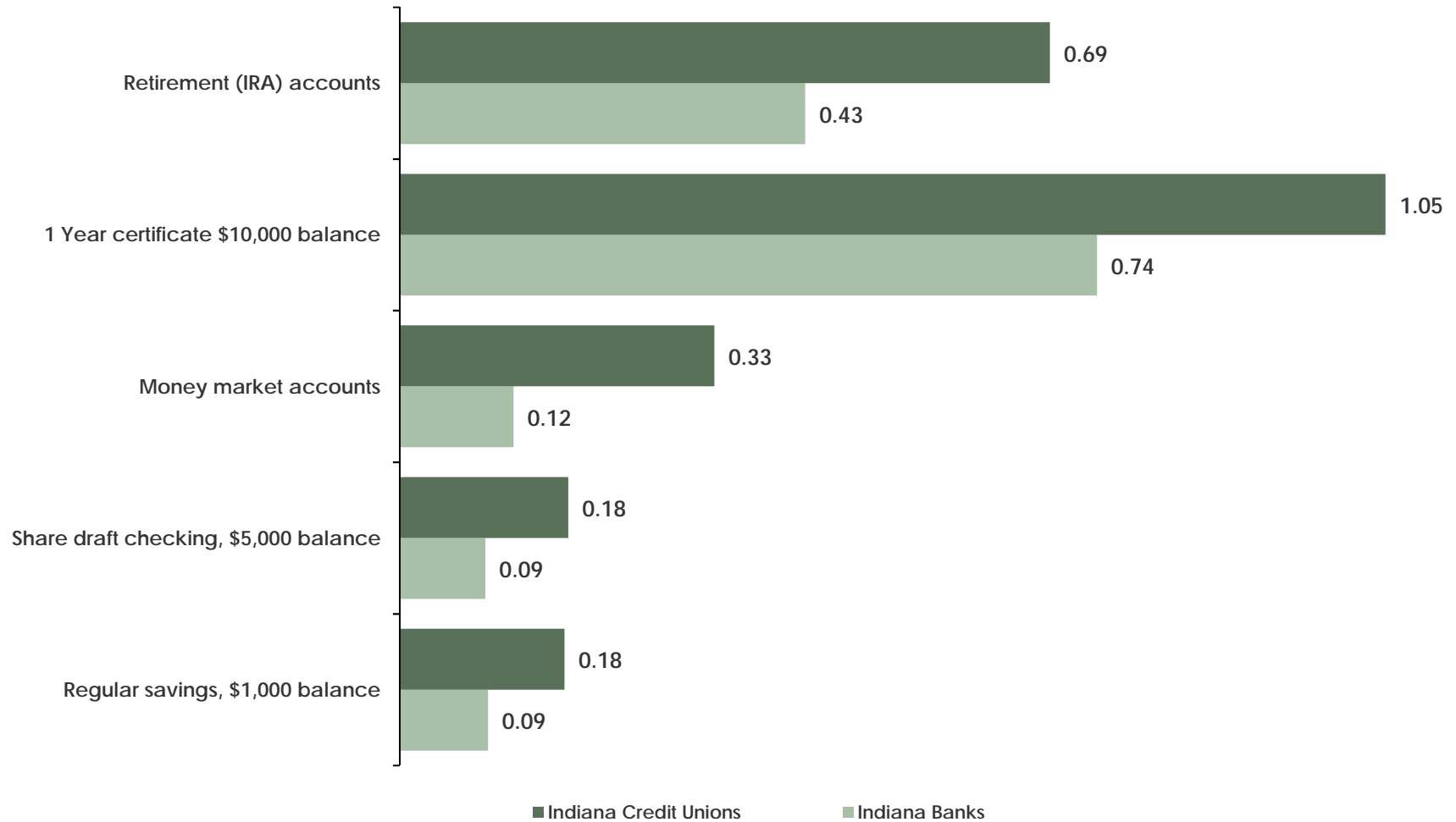
## Loan Product Comparative Interest Rates (%)

by Loan Type



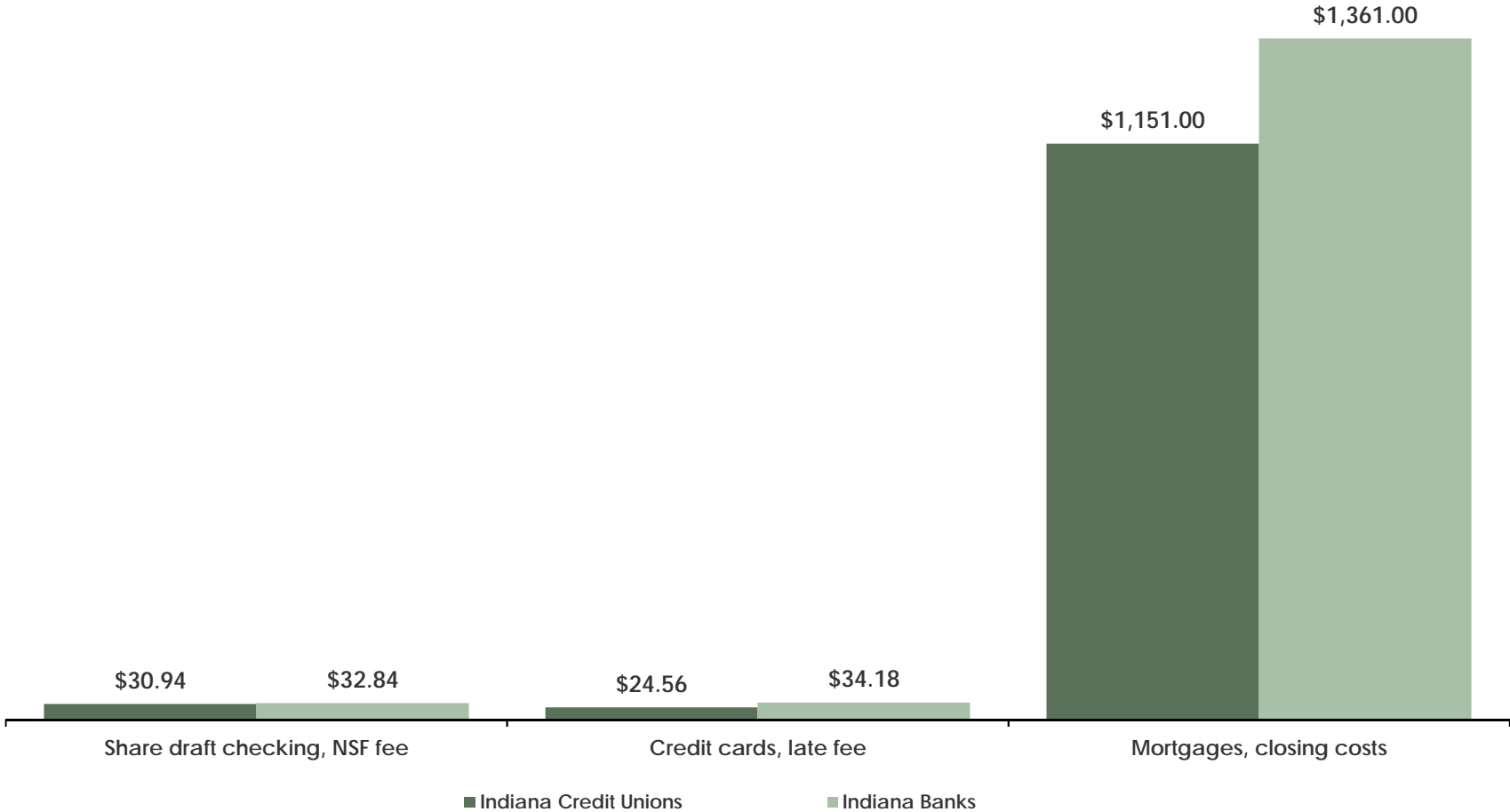
## Savings Product Comparative Interest Rates (%)

### by Savings Account Type



## Comparative Fees

by Type



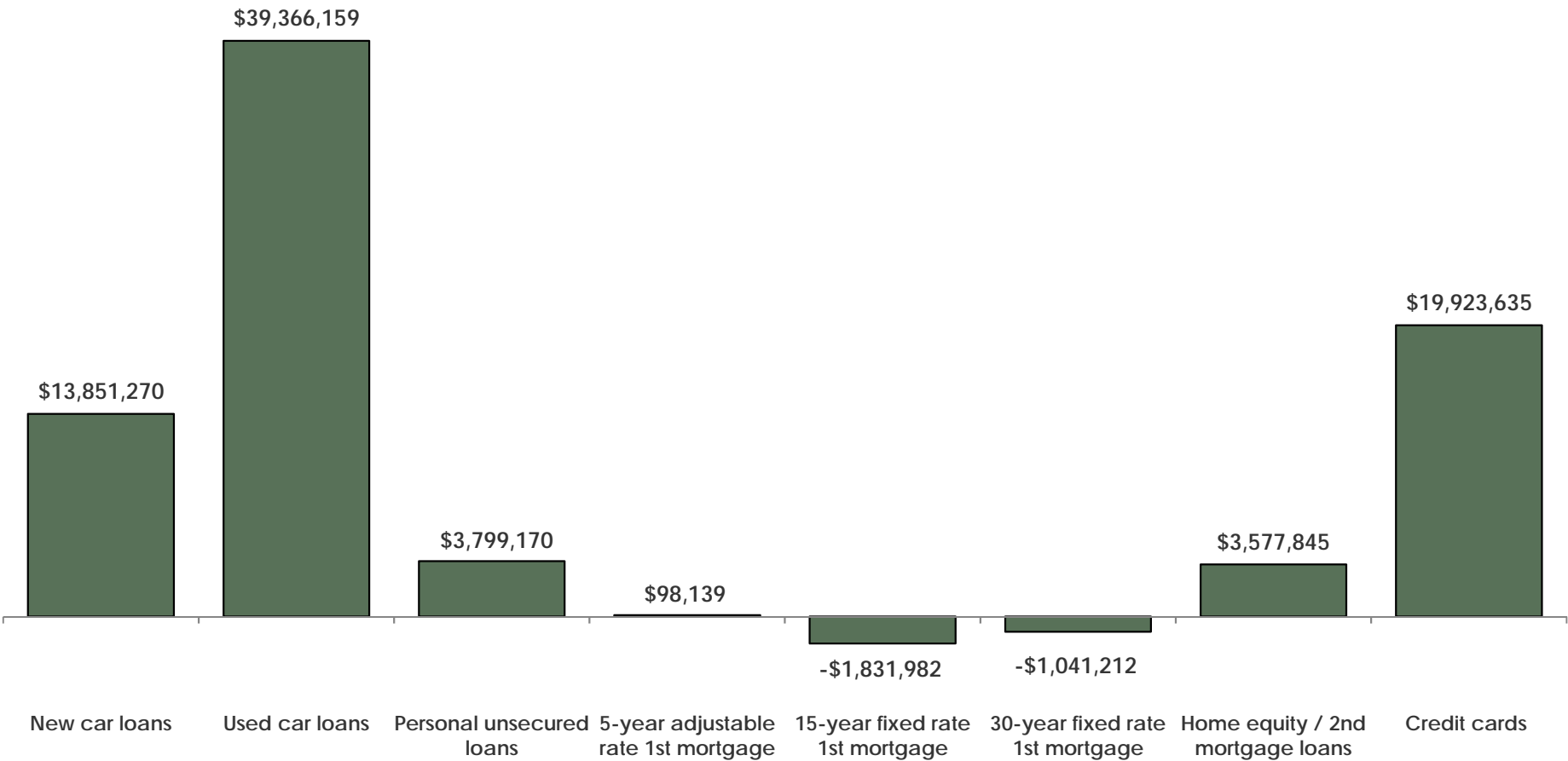
## Indiana Credit Union and Banking Institution December 2018 Average Interest Rates and Fees

Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	3.69	4.32	-0.63
48-month used car (A paper)	3.77	4.46	-0.69
Unsecured loan (A paper)	9.83	10.61	-0.78
5-year adjustable rate 1st mortgage, 0 pts	4.44	4.44	0.00
15-year fixed rate 1st mortgage, 0 pts	4.61	4.55	0.07
30-year fixed rate 1st mortgage, 0 pts	5.04	4.99	0.04
Home equity / 2nd mtg, 80% LTV 0 pts	5.23	5.50	-0.27
Credit card - rewards	11.58	14.91	-3.33
Credit card - platinum	9.85	12.90	-3.05
Savings Products			
Regular savings, \$1,000 balance	0.18	0.09	0.08
Share draft checking, \$5,000 balance	0.18	0.09	0.09
Money market accounts	0.33	0.12	0.21
1 Year certificate \$10,000 balance	1.05	0.74	0.31
Retirement (IRA) accounts	0.69	0.43	0.26
Fee Income			
Share draft checking, NSF fee	\$30.94	\$32.84	-\$1.90
Credit cards, late fee	\$24.56	\$34.18	-\$9.62
Mortgages, closing costs	\$1,151.00	\$1,361.00	-\$210.00

Source: Datatrac

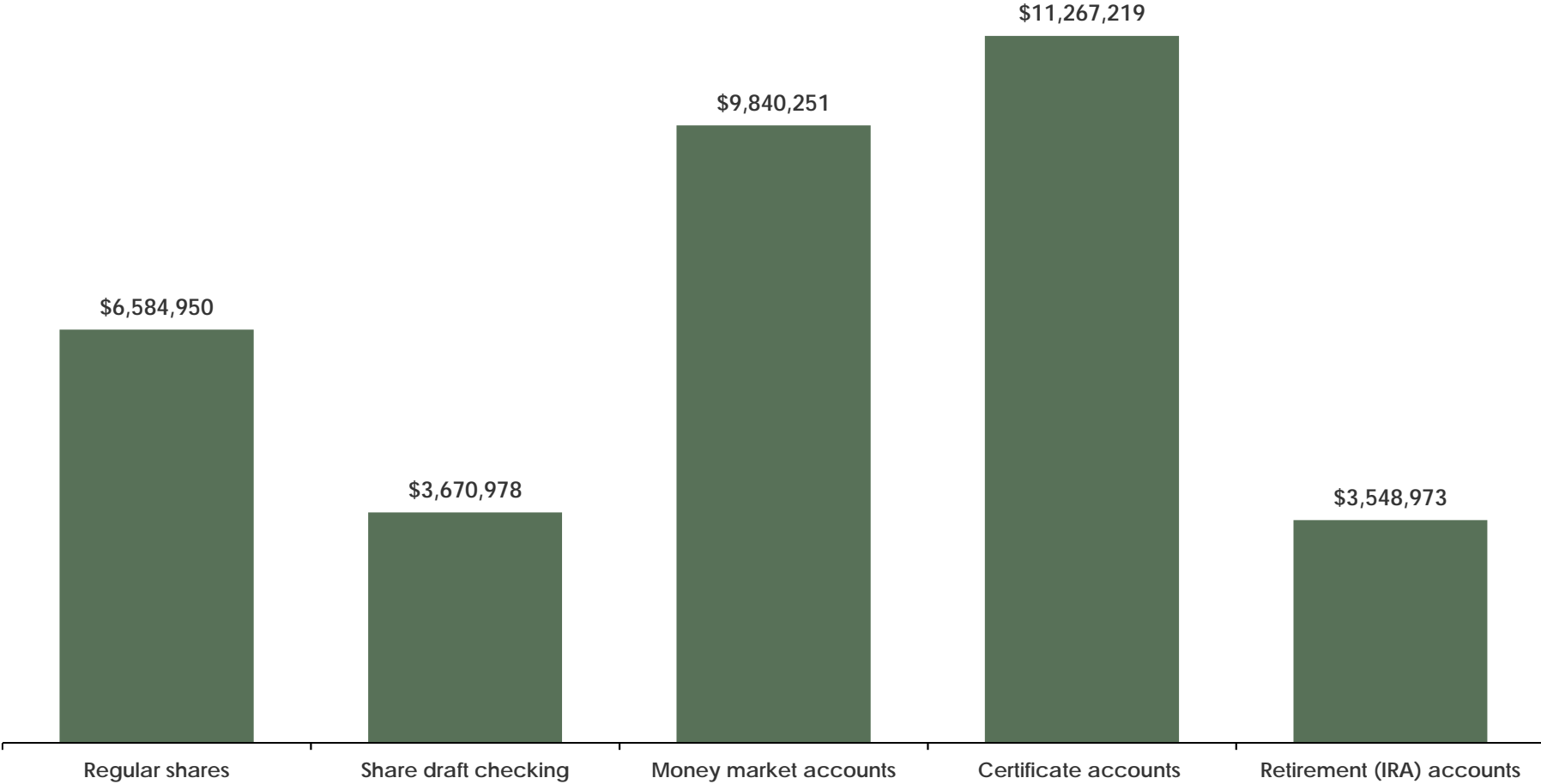
### State Credit Union's Total Loan Rate Benefits

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 Indiana Credit Unions December 2018

Loans	Avg. Balance at Credit Unions (1)	Rate Difference vs. Indiana Banks (%) (2)	Total Financial Benefit to Your Members
New car loans	2,191,656,578	-0.63	\$13,851,270
Used car loans	5,696,983,907	-0.69	\$39,366,159
Personal unsecured loans	486,449,421	-0.78	\$3,799,170
5-year adjustable rate 1st mortgage	3,271,301,323	0.00	\$98,139
15-year fixed rate 1st mortgage	2,775,730,489	0.07	-\$1,831,982
30-year fixed rate 1st mortgage	2,479,075,435	0.04	-\$1,041,212
Home equity / 2nd mortgage loans	1,340,017,031	-0.27	\$3,577,845
Credit cards	611,529,612	-3.33	\$19,923,635
Interest rebates			\$1,689,797
<b>Total CU member benefits arising from lower interest rates on loan products:</b>			\$79,432,821
<i>Savings</i>			
Regular shares	8,129,568,357	0.08	\$6,584,950
Share draft checking	4,171,566,268	0.09	\$3,670,978
Money market accounts	4,619,836,184	0.21	\$9,840,251
Certificate accounts	3,682,097,797	0.31	\$11,267,219
Retirement (IRA) accounts	1,367,619,729	0.26	\$3,548,973
Bonus dividends in period			\$0
<b>Total CU member benefit arising from higher interest rates on savings products:</b>			\$34,912,372
<i>Fee Income</i>			
<b>Total CU member benefit arising from fewer / lower fees:</b>			\$24,709,340
<b>Total CU member benefit arising from interest rates on loans, savings products and lower fees:</b>			\$139,054,533
<b>Total CU member benefit / member:</b>			\$55
<b>Total CU member benefit / member household:</b>			\$115

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

## Indiana Credit Union Performance Profile

Demographic Information	Dec 18	Dec 17
Number of branches	588	588
Total assets (\$ mil)	27,950	26,725
Total loans (\$ mil)	20,977	19,489
Total surplus funds (\$ mil)	5,753	6,059
Total savings (\$ mil)	23,417	22,285
Total members (thousands)	2,576	2,492
Growth Rates (Trailing 12 months) *		
Total assets	4.6 %	6.3 %
Total loans	7.6 %	8.4 %
Total surplus funds	-5.0 %	-0.2 %
Total savings	5.1 %	5.4 %
Total members	3.4 %	3.5 %
Earnings - Basis Pts. *		
Yield on total assets	365	337
Dividend / interest cost of assets	64	51
Fee & other income	163	164
Operating expense	351	347
Loss Provisions	32	28
Net Income (ROA) after stabilization exp	81	76
Capital Adequacy		
Net worth / assets	11.3	10.9
Asset Quality *		
Delinquencies / loans	0.6	0.6
Net chargeoffs / average loans	0.4	0.4
Total borrower-bankruptcies	33	33
Bankruptcies per 1000 members	2.0	2.0
Asset/Liability Management		
Loans / savings	89.6	87.5
Loans / assets	75.1	72.9
Long-term assets / assets	34.7	33.3
Core deposits/shares & borrowings	52.0	51.9
Productivity		
Members / potential members	7.3	7.1
Borrowers / members	52.7	51.9
Members / FTE	356	359
Average shares / members (\$)	9,091	8,944
Average loan balances (\$)	15,442	15,073
Salary & Benefits / FTE	67,697	66,113

\* 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.