

CUNA Kansas  
**MEMBERSHIP BENEFITS  
REPORT**

## Kansas

### 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 Kansas credit unions provided \$88,496,373 in direct financial benefits to the state's 703,070 members during the twelve months ending December 2018.

**These benefits are equivalent to \$126 per member or \$264 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 Kansas 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 Kansas credit unions.

Consider this:

**Financing a \$25,000 new automobile for 60 months at a Kansas credit union will save members an average \$256 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.

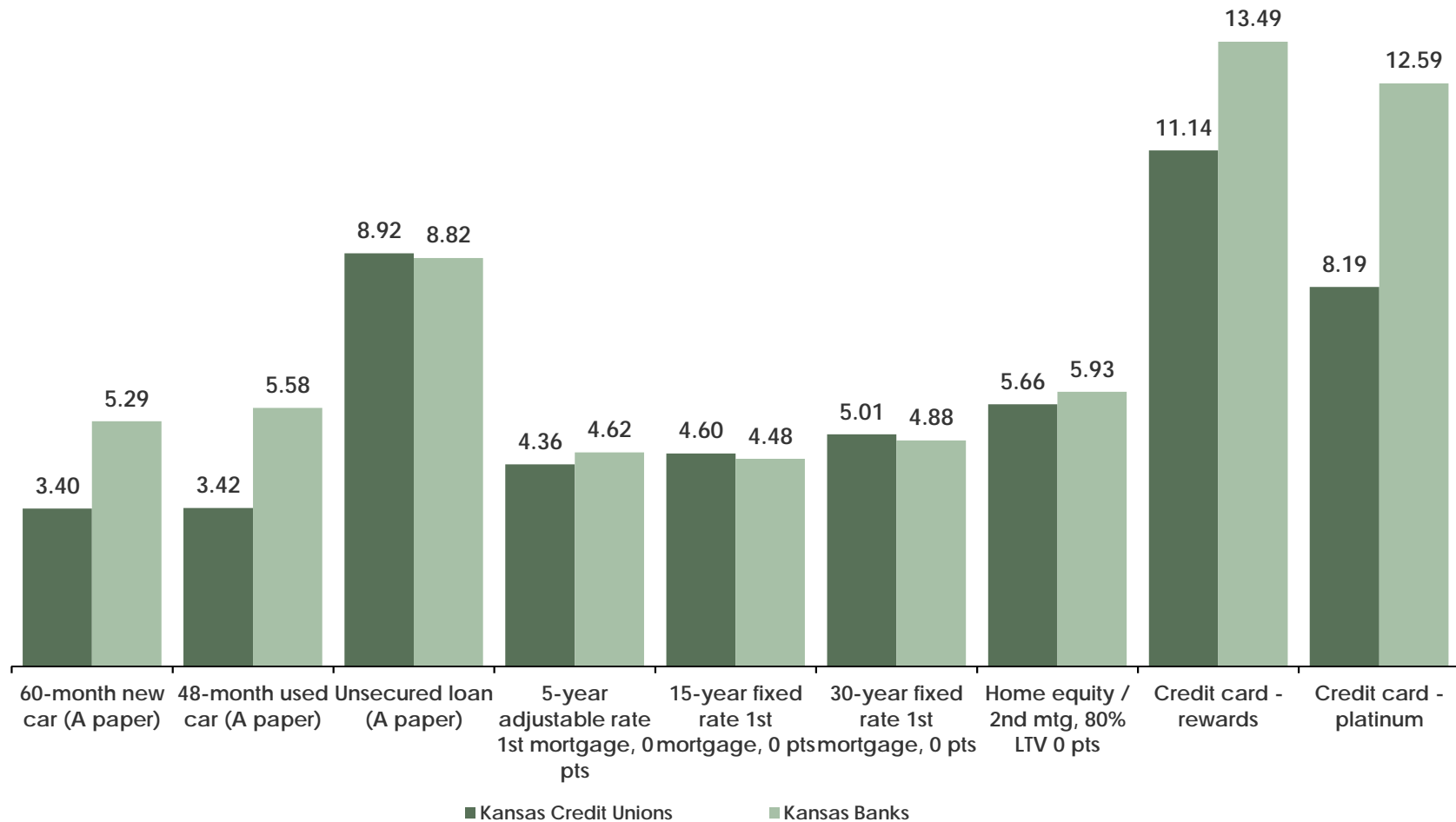
Kansas credit unions excel in providing member benefits on many loan and savings products. In particular, Kansas credit unions offer lower average loan rates on the following accounts: new car loans, used car loans, first mortgage-adjustable rate, home equity loans, credit cards loans.

Kansas credit unions also pay members higher average dividends on the following accounts: money market accounts, certificate accounts, IRAs.



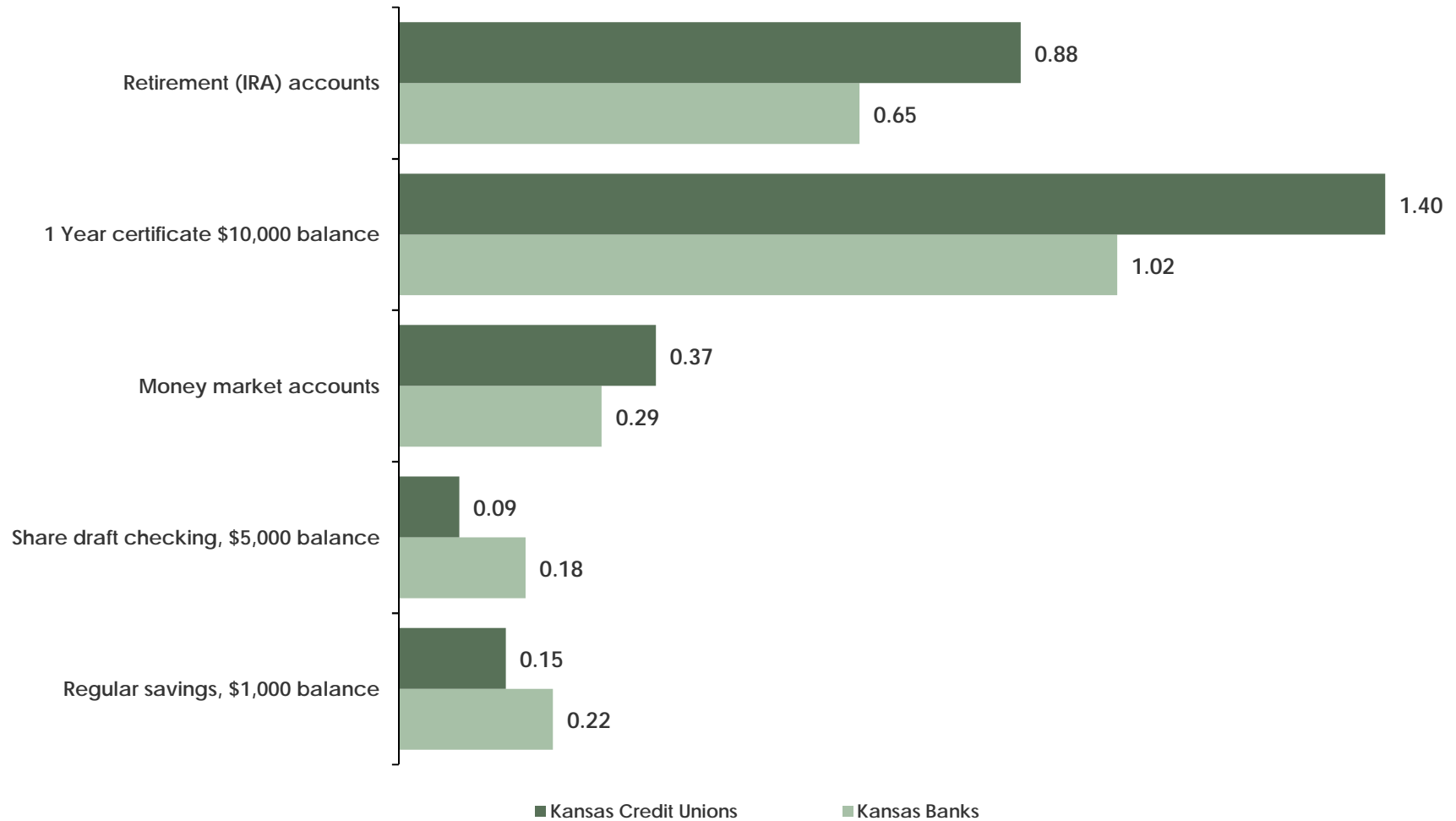
## Loan Product Comparative Interest Rates (%)

by Loan Type



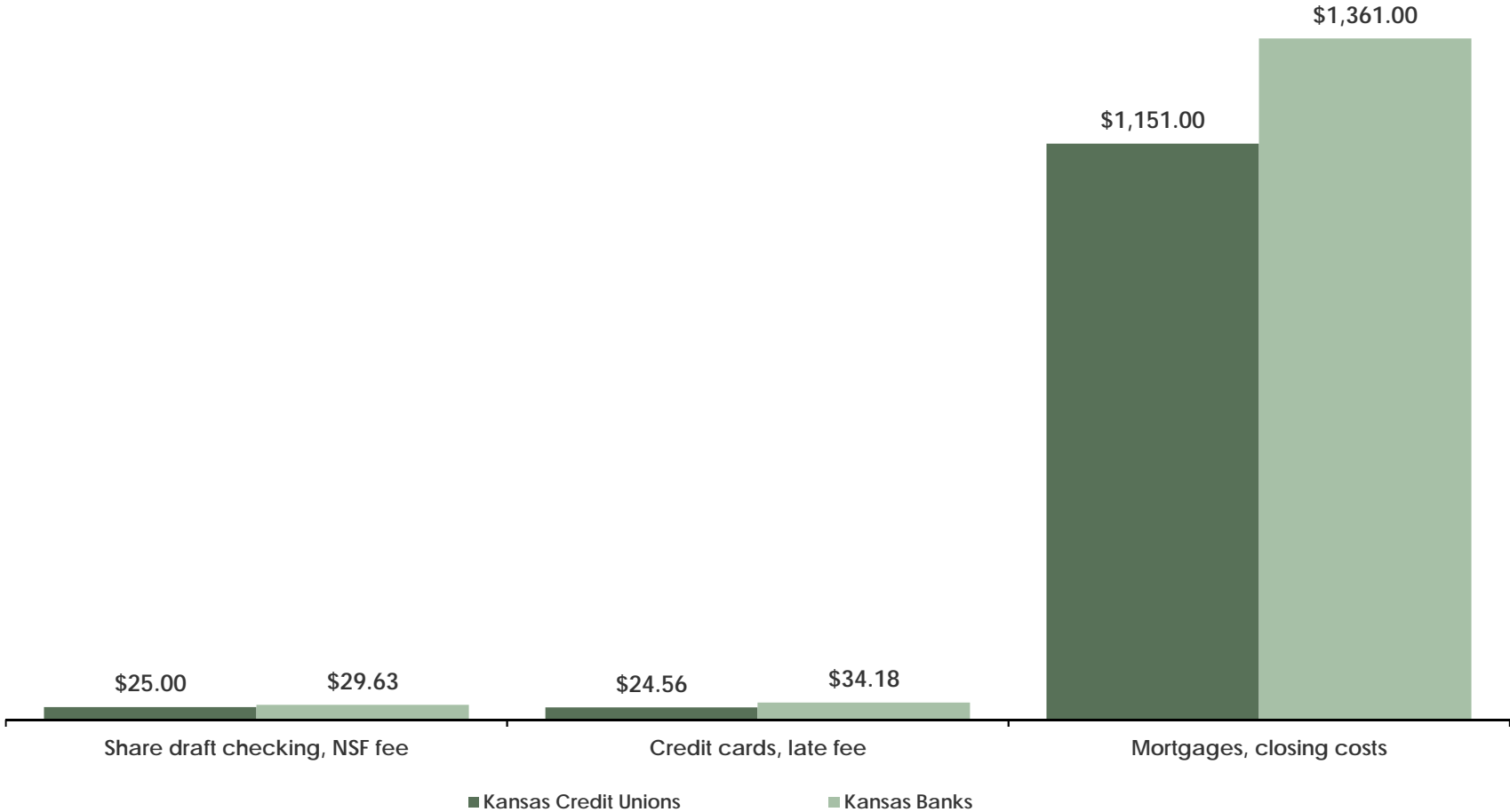
## Savings Product Comparative Interest Rates (%)

### by Savings Account Type



## Comparative Fees

by Type



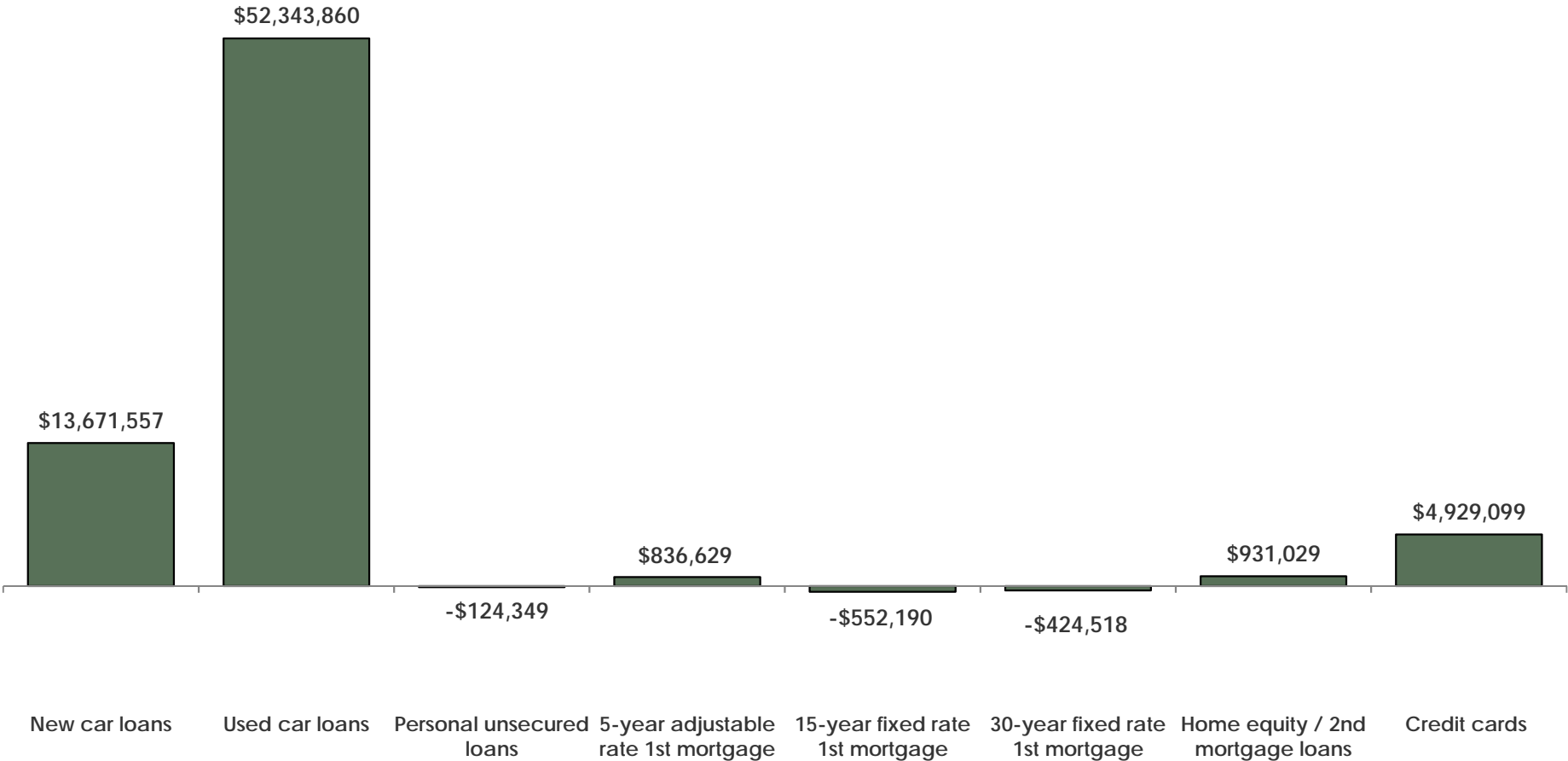
## Kansas Credit Union and Banking Institution December 2018 Average Interest Rates and Fees

Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	3.40	5.29	-1.88
48-month used car (A paper)	3.42	5.58	-2.16
Unsecured loan (A paper)	8.92	8.82	0.10
5-year adjustable rate 1st mortgage, 0 pts	4.36	4.62	-0.26
15-year fixed rate 1st mortgage, 0 pts	4.60	4.48	0.12
30-year fixed rate 1st mortgage, 0 pts	5.01	4.88	0.13
Home equity / 2nd mtg, 80% LTV 0 pts	5.66	5.93	-0.27
Credit card - rewards	11.14	13.49	-2.35
Credit card - platinum	8.19	12.59	-4.40
Savings Products			
Regular savings, \$1,000 balance	0.15	0.22	-0.07
Share draft checking, \$5,000 balance	0.09	0.18	-0.09
Money market accounts	0.37	0.29	0.08
1 Year certificate \$10,000 balance	1.40	1.02	0.38
Retirement (IRA) accounts	0.88	0.65	0.23
Fee Income			
Share draft checking, NSF fee	\$25.00	\$29.63	-\$4.63
Credit cards, late fee	\$24.56	\$34.18	-\$9.62
Mortgages, closing costs	\$1,151.00	\$1,361.00	-\$210.00

Source: Datatrac

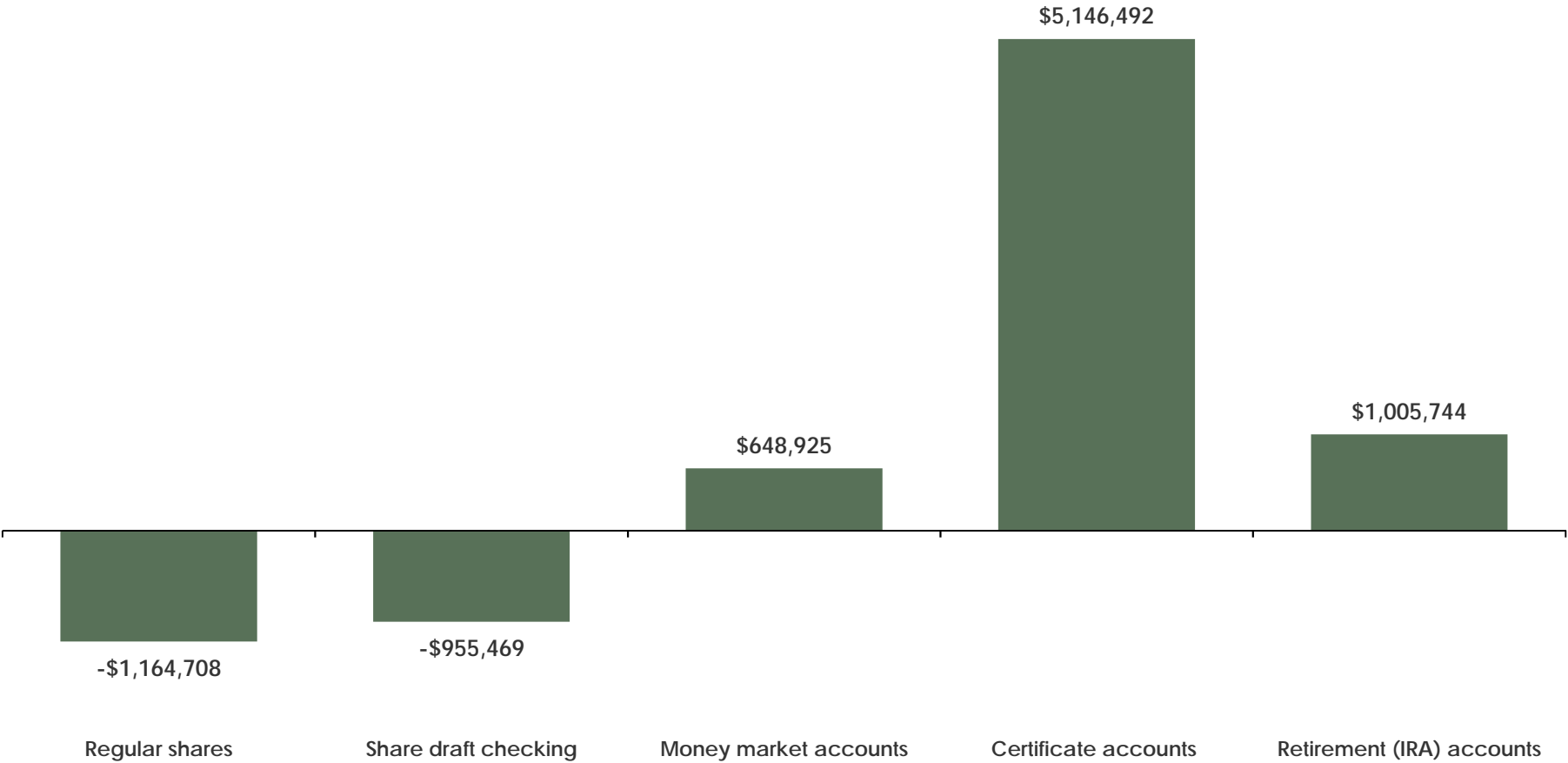
### State Credit Union's Total Loan Rate Benefits

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 Kansas Credit Unions December 2018

Loans	Avg. Balance at Credit Unions (1)	Rate Difference vs. Kansas Banks (%) (2)	Total Financial Benefit to Your Members
New car loans	725,666,508	-1.88	\$13,671,557
Used car loans	2,418,847,483	-2.16	\$52,343,860
Personal unsecured loans	128,194,990	0.10	-\$124,349
5-year adjustable rate 1st mortgage	323,022,609	-0.26	\$836,629
15-year fixed rate 1st mortgage	464,025,617	0.12	-\$552,190
30-year fixed rate 1st mortgage	326,552,475	0.13	-\$424,518
Home equity / 2nd mortgage loans	346,107,552	-0.27	\$931,029
Credit cards	172,270,830	-2.35	\$4,929,099
Interest rebates			\$339,414
<b>Total CU member benefits arising from lower interest rates on loan products:</b>			<b>\$71,950,530</b>
Savings			
Regular shares	1,738,370,219	-0.07	-\$1,164,708
Share draft checking	1,016,456,301	-0.09	-\$955,469
Money market accounts	842,759,821	0.08	\$648,925
Certificate accounts	1,354,340,115	0.38	\$5,146,492
Retirement (IRA) accounts	440,150,635	0.23	\$1,005,744
Bonus dividends in period			\$0
<b>Total CU member benefit arising from higher interest rates on savings products:</b>			<b>\$4,680,985</b>
Fee Income			
<b>Total CU member benefit arising from fewer / lower fees:</b>			<b>\$11,864,858</b>
<b>Total CU member benefit arising from interest rates on loans, savings products and lower fees:</b>			<b>\$88,496,373</b>
<b>Total CU member benefit / member:</b>			<b>\$126</b>
<b>Total CU member benefit / member household:</b>			<b>\$264</b>

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

## Kansas Credit Union Performance Profile

Demographic Information	Dec 18	Dec 17
Number of branches	198	202
Total assets (\$ mil)	6,818	6,693
Total loans (\$ mil)	5,292	4,997
Total surplus funds (\$ mil)	1,205	1,386
Total savings (\$ mil)	5,733	5,668
Total members (thousands)	723	692
Growth Rates (Trailing 12 months) *		
Total assets	2.6 %	2.9 %
Total loans	6.5 %	4.8 %
Total surplus funds	-11.9 %	-4.4 %
Total savings	2.0 %	3.1 %
Total members	5.9 %	2.7 %
Earnings - Basis Pts. *		
Yield on total assets	402	384
Dividend / interest cost of assets	72	64
Fee & other income	164	157
Operating expense	375	358
Loss Provisions	51	64
Net Income (ROA) after stabilization exp	68	56
Capital Adequacy		
Net worth / assets	11.8	11.3
Asset Quality *		
Delinquencies / loans	0.8	0.9
Net chargeoffs / average loans	0.7	0.7
Total borrower-bankruptcies	29	28
Bankruptcies per 1000 members	3.2	3.3
Asset/Liability Management		
Loans / savings	92.3	88.2
Loans / assets	77.6	74.7
Long-term assets / assets	22.5	23.5
Core deposits/shares & borrowings	47.9	47.8
Productivity		
Members / potential members	4.8	4.8
Borrowers / members	58.6	59.1
Members / FTE	353	344
Average shares / members (\$)	7,929	8,192
Average loan balances (\$)	12,490	12,213
Salary & Benefits / FTE	62,350	59,147

\* 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.