

CUNA Mississippi
**MEMBERSHIP BENEFITS
REPORT**

Mississippi

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 Mississippi credit unions provided \$70,532,419 in direct financial benefits to the state's 649,012 members during the twelve months ending December 2018.

These benefits are equivalent to \$109 per member or \$228 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 Mississippi 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 Mississippi credit unions.

Consider this:

Financing a \$25,000 new automobile for 60 months at a Mississippi credit union will save members an average \$287 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.

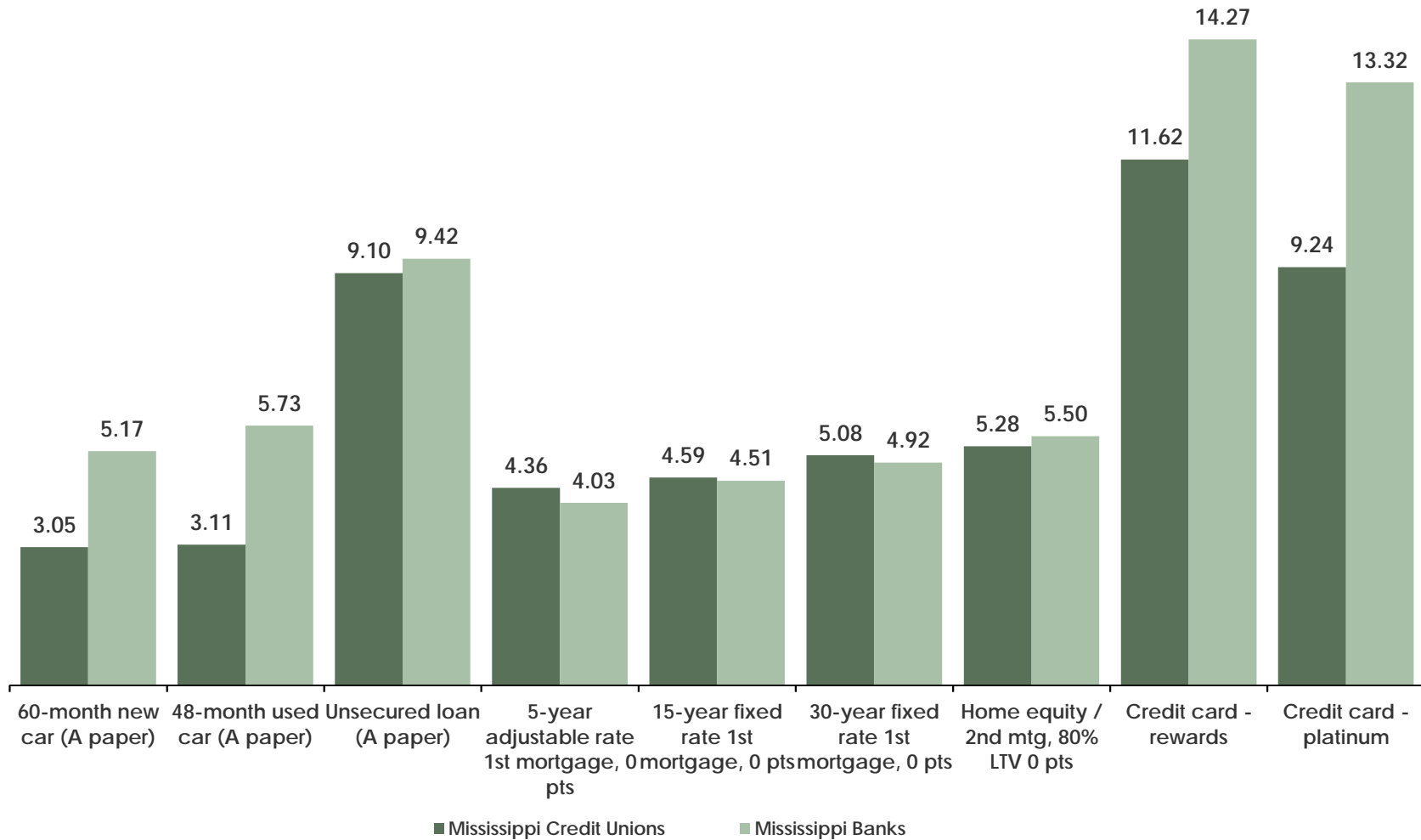
Mississippi credit unions excel in providing member benefits on many loan and savings products. In particular, Mississippi credit unions offer lower average loan rates on the following accounts: new car loans, used car loans, personal unsecured loans, home equity loans, credit cards loans.

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



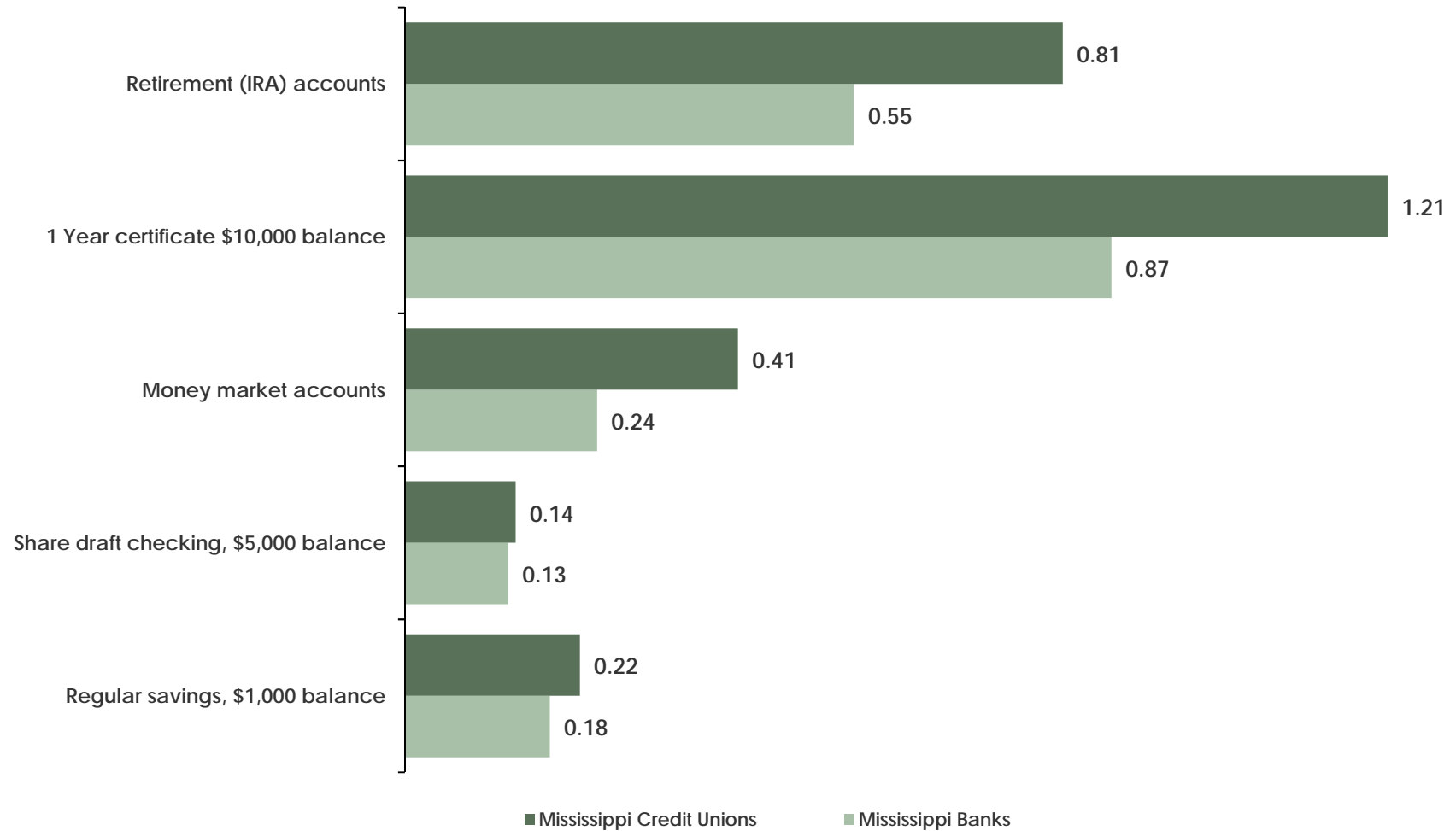
Loan Product Comparative Interest Rates (%)

by Loan Type



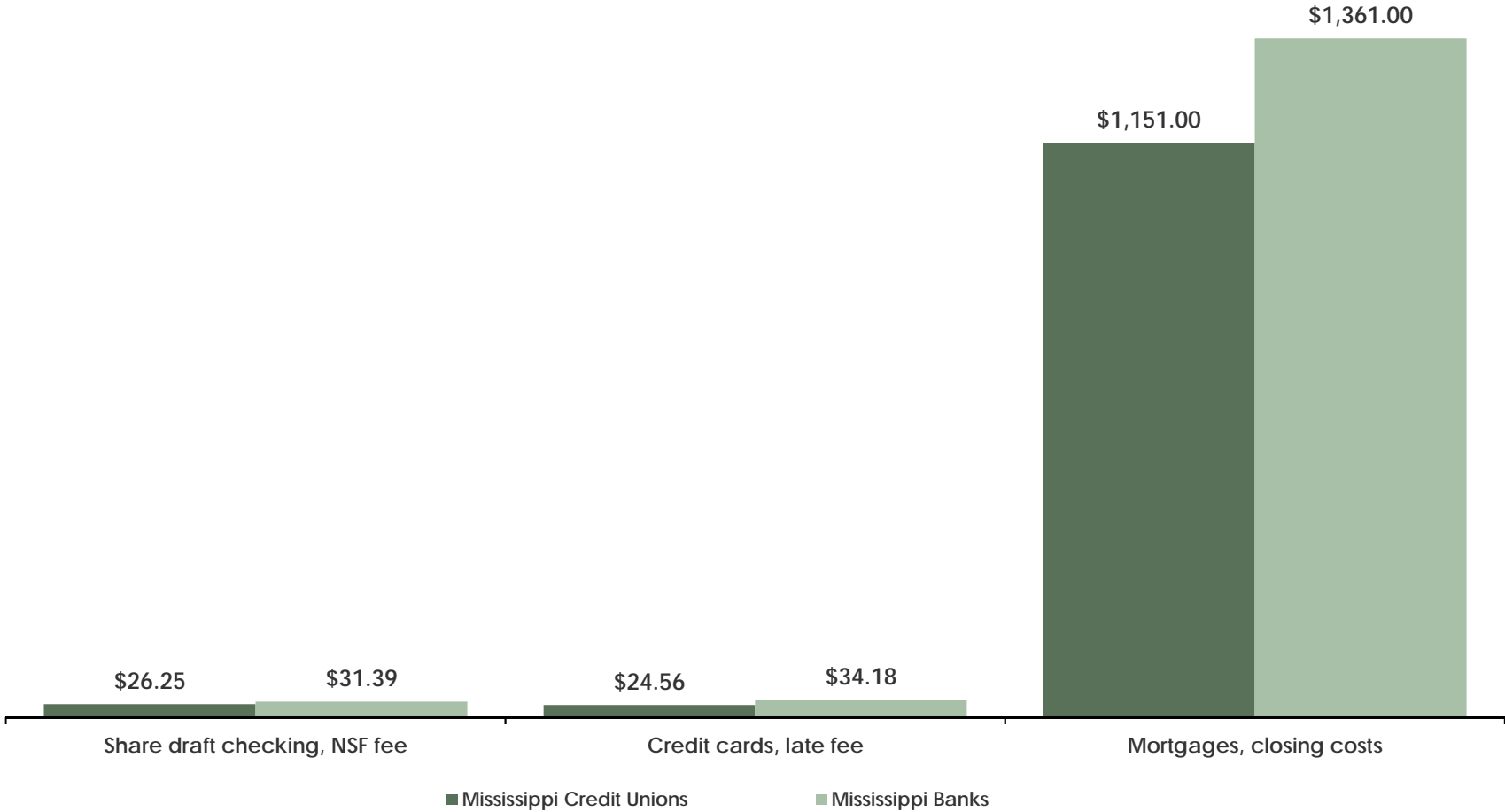
Savings Product Comparative Interest Rates (%)

by Savings Account Type



Comparative Fees

by Type



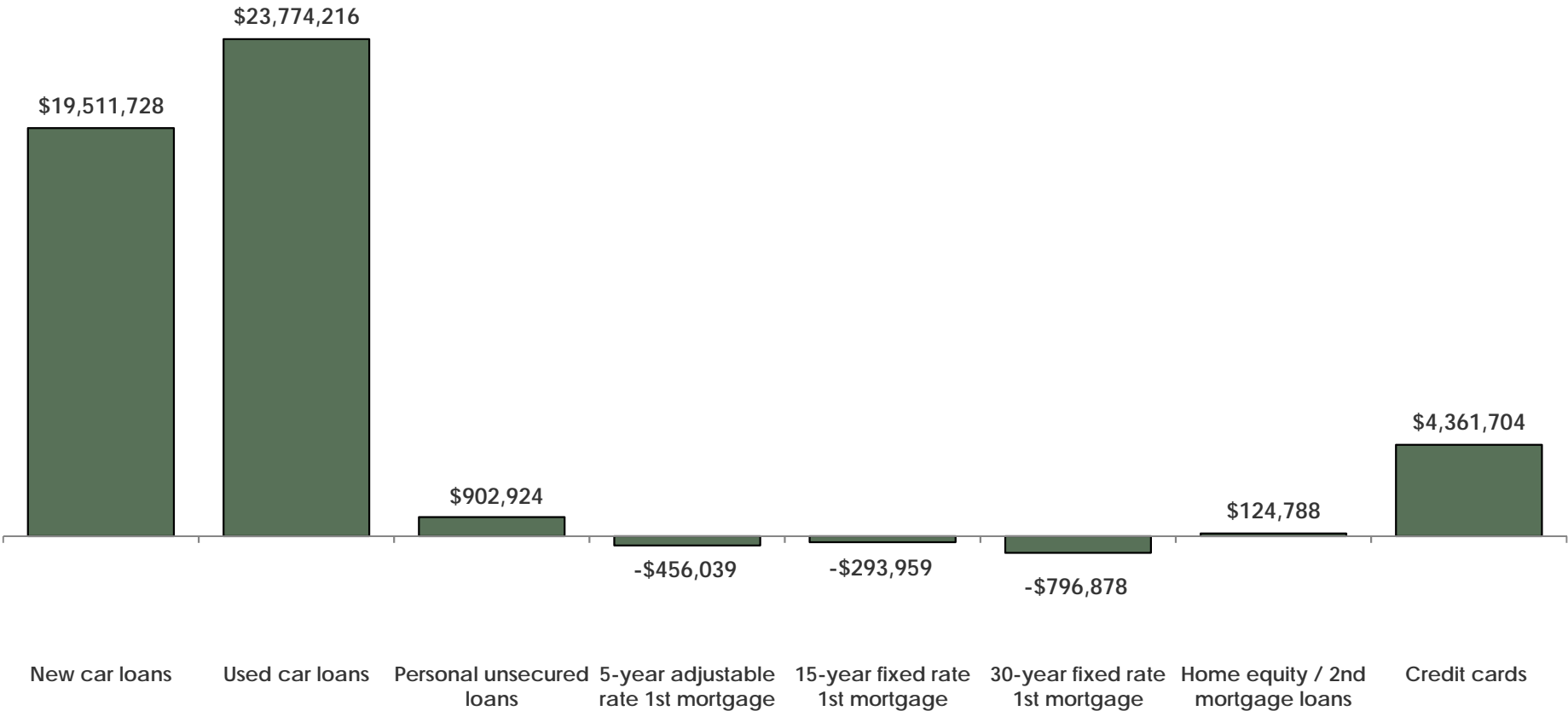
Mississippi Credit Union and Banking Institution December 2018 Average Interest Rates and Fees

Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	3.05	5.17	-2.12
48-month used car (A paper)	3.11	5.73	-2.63
Unsecured loan (A paper)	9.10	9.42	-0.32
5-year adjustable rate 1st mortgage, 0 pts	4.36	4.03	0.33
15-year fixed rate 1st mortgage, 0 pts	4.59	4.51	0.07
30-year fixed rate 1st mortgage, 0 pts	5.08	4.92	0.16
Home equity / 2nd mtg, 80% LTV 0 pts	5.28	5.50	-0.22
Credit card - rewards	11.62	14.27	-2.66
Credit card - platinum	9.24	13.32	-4.08
Savings Products			
Regular savings, \$1,000 balance	0.22	0.18	0.04
Share draft checking, \$5,000 balance	0.14	0.13	0.01
Money market accounts	0.41	0.24	0.17
1 Year certificate \$10,000 balance	1.21	0.87	0.34
Retirement (IRA) accounts	0.81	0.55	0.26
Fee Income			
Share draft checking, NSF fee	\$26.25	\$31.39	-\$5.14
Credit cards, late fee	\$24.56	\$34.18	-\$9.62
Mortgages, closing costs	\$1,151.00	\$1,361.00	-\$210.00

Source: Datatrac

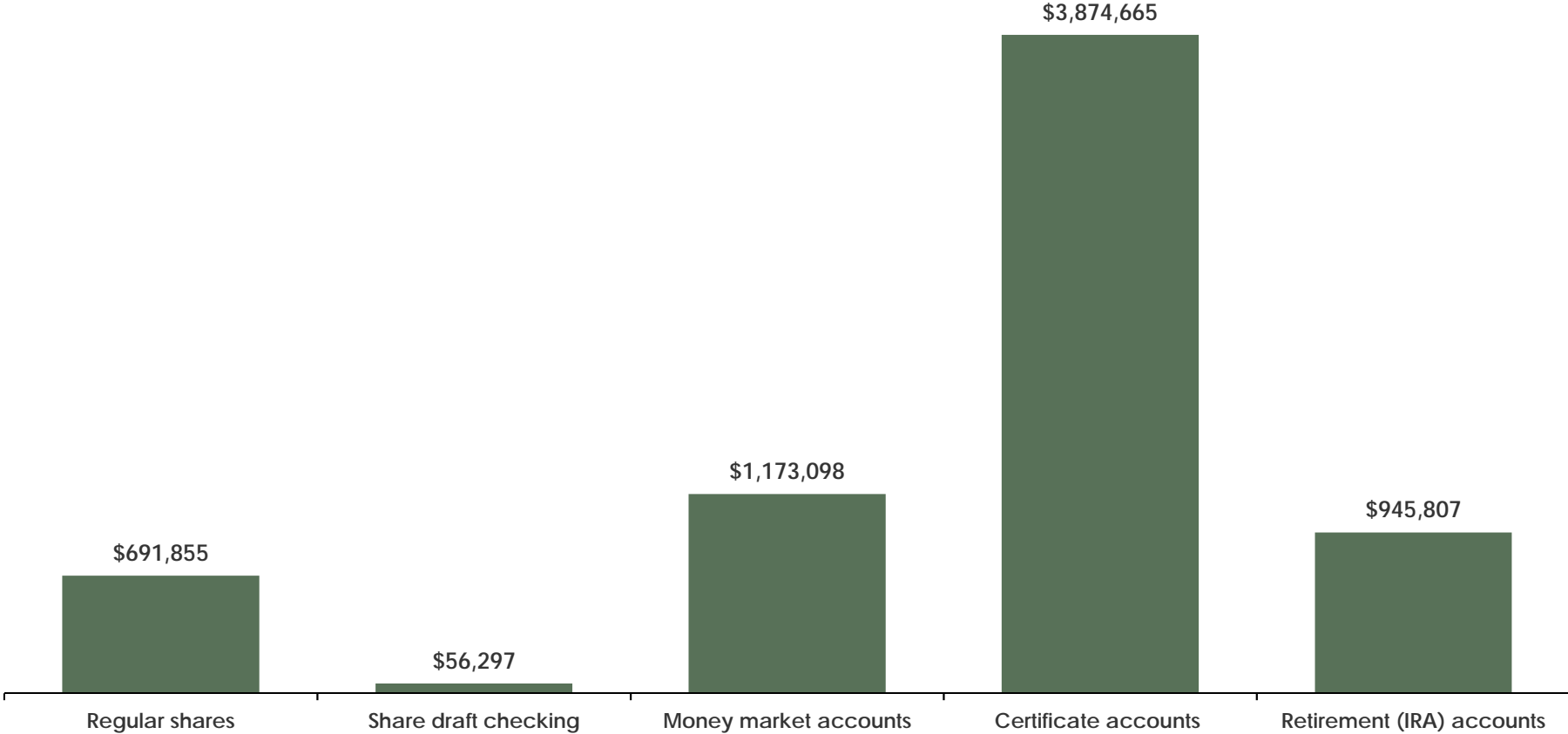
State Credit Union's Total Loan Rate Benefits

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 Mississippi Credit Unions December 2018

Loans	Avg. Balance at Credit Unions (1)	Rate Difference vs. Mississippi Banks (%) (2)	Total Financial Benefit to Your Members
New car loans	921,233,626	-2.12	\$19,511,728
Used car loans	905,339,530	-2.63	\$23,774,216
Personal unsecured loans	285,735,492	-0.32	\$902,924
5-year adjustable rate 1st mortgage	138,193,534	0.33	-\$456,039
15-year fixed rate 1st mortgage	402,683,828	0.07	-\$293,959
30-year fixed rate 1st mortgage	504,352,946	0.16	-\$796,878
Home equity / 2nd mortgage loans	56,465,202	-0.22	\$124,788
Credit cards	144,822,920	-2.66	\$4,361,704
Interest rebates			\$78,191
Total CU member benefits arising from lower interest rates on loan products:			\$47,206,676
Savings			
Regular shares	1,869,877,517	0.04	\$691,855
Share draft checking	625,517,581	0.01	\$56,297
Money market accounts	678,091,501	0.17	\$1,173,098
Certificate accounts	1,142,968,995	0.34	\$3,874,665
Retirement (IRA) accounts	369,455,979	0.26	\$945,807
Bonus dividends in period			\$0
Total CU member benefit arising from higher interest rates on savings products:			\$6,741,722
Fee Income			
Total CU member benefit arising from fewer / lower fees:			\$16,584,021
Total CU member benefit arising from interest rates on loans, savings products and lower fees:			\$70,532,419
Total CU member benefit / member:			\$109
Total CU member benefit / member household:			\$228

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;

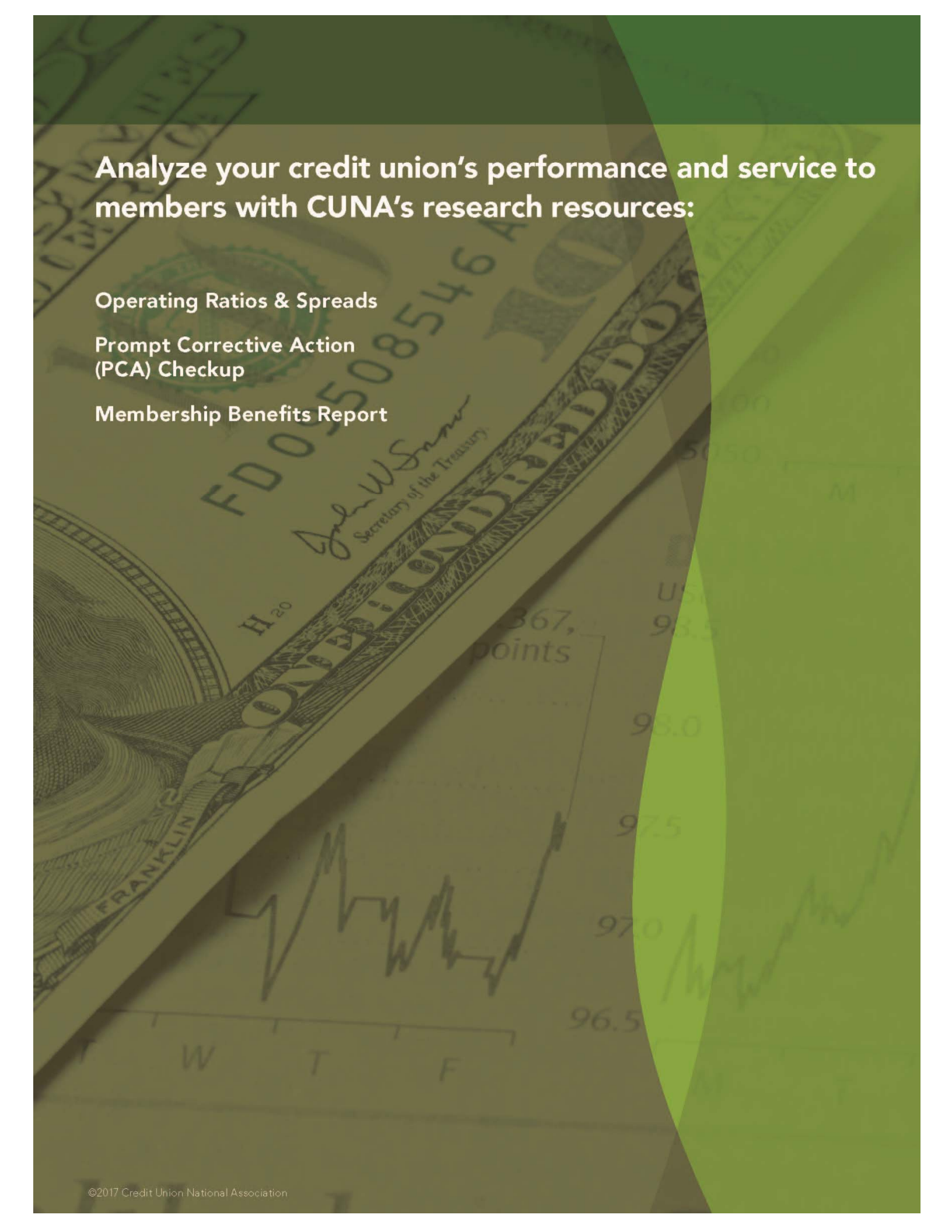
Membership Benefits Report

CUNA Economics and Statistics

Mississippi Credit Union Performance Profile

Demographic Information	Dec 18	Dec 17
Number of branches	197	193
Total assets (\$ mil)	5,731	5,537
Total loans (\$ mil)	3,864	3,340
Total surplus funds (\$ mil)	1,624	1,966
Total savings (\$ mil)	4,847	4,679
Total members (thousands)	663	637
Growth Rates (Trailing 12 months) *		
Total assets	3.6 %	4.7 %
Total loans	15.7 %	13.6 %
Total surplus funds	-17.2 %	-8.0 %
Total savings	3.7 %	3.8 %
Total members	4.3 %	4.0 %
Earnings - Basis Pts. *		
Yield on total assets	400	378
Dividend / interest cost of assets	63	57
Fee & other income	220	206
Operating expense	396	376
Loss Provisions	74	71
Net Income (ROA) after stabilization exp	87	80
Capital Adequacy		
Net worth / assets	14.5	14.1
Asset Quality *		
Delinquencies / loans	1.0	1.4
Net chargeoffs / average loans	1.0	1.0
Total borrower-bankruptcies	22	22
Bankruptcies per 1000 members	2.5	2.7
Asset/Liability Management		
Loans / savings	79.7	71.4
Loans / assets	67.4	60.3
Long-term assets / assets	30.7	29.7
Core deposits/shares & borrowings	52.2	52.2
Productivity		
Members / potential members	14.0	13.6
Borrowers / members	50.9	51.0
Members / FTE	356	362
Average shares / members (\$)	7,313	7,349
Average loan balances (\$)	11,455	10,291
Salary & Benefits / FTE	55,114	54,480

* 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.



Analyze your credit union's performance and service to members with CUNA's research resources:

Operating Ratios & Spreads

Prompt Corrective Action
(PCA) Checkup

Membership Benefits Report