

CUNA Nebraska
**MEMBERSHIP BENEFITS
REPORT**

Nebraska

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 Nebraska credit unions provided \$26,476,912 in direct financial benefits to the state's 406,497 members during the twelve months ending December 2018.

These benefits are equivalent to \$65 per member or \$137 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 Nebraska 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 Nebraska credit unions.

Consider this:

Financing a \$25,000 new automobile for 60 months at a Nebraska credit union will save members an average \$176 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.

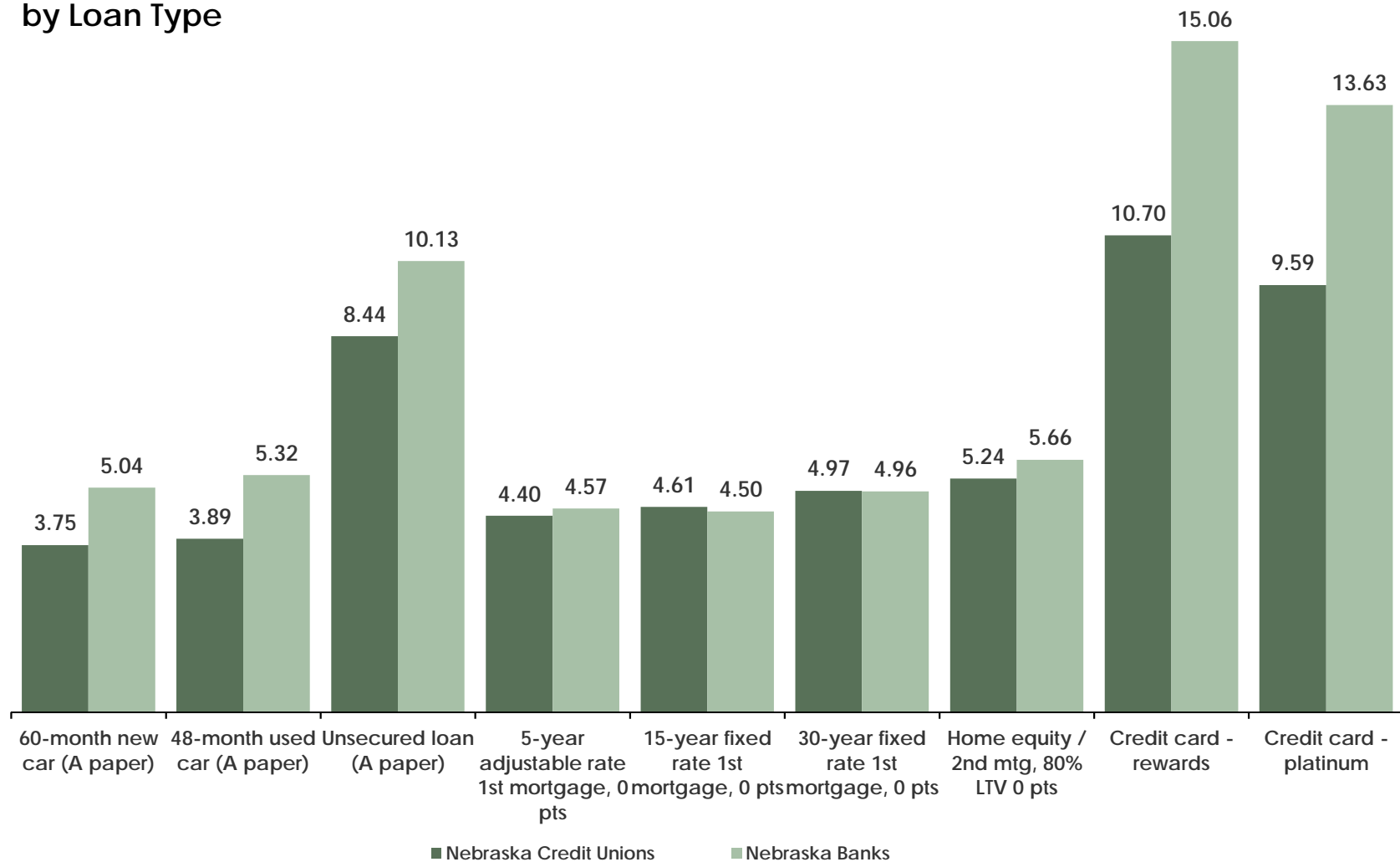
Nebraska credit unions excel in providing member benefits on many loan and savings products. In particular, Nebraska credit unions offer lower average loan rates on the following accounts: new car loans, used car loans, personal unsecured loans, first mortgage-adjustable rate, home equity loans, credit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

Nebraska credit unions also pay members higher average dividends on the following accounts: certificate accounts, .



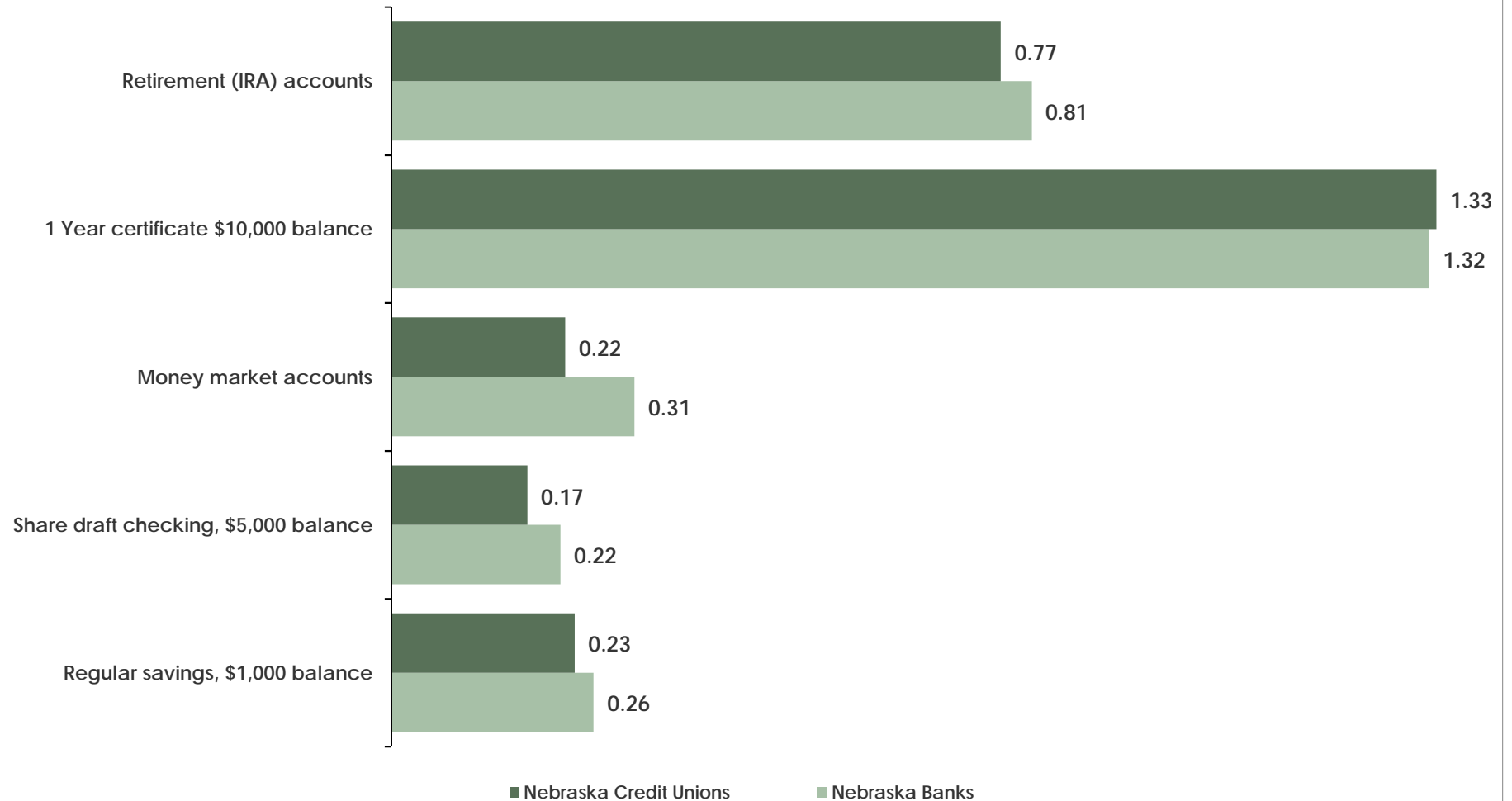
Loan Product Comparative Interest Rates (%)

by Loan Type



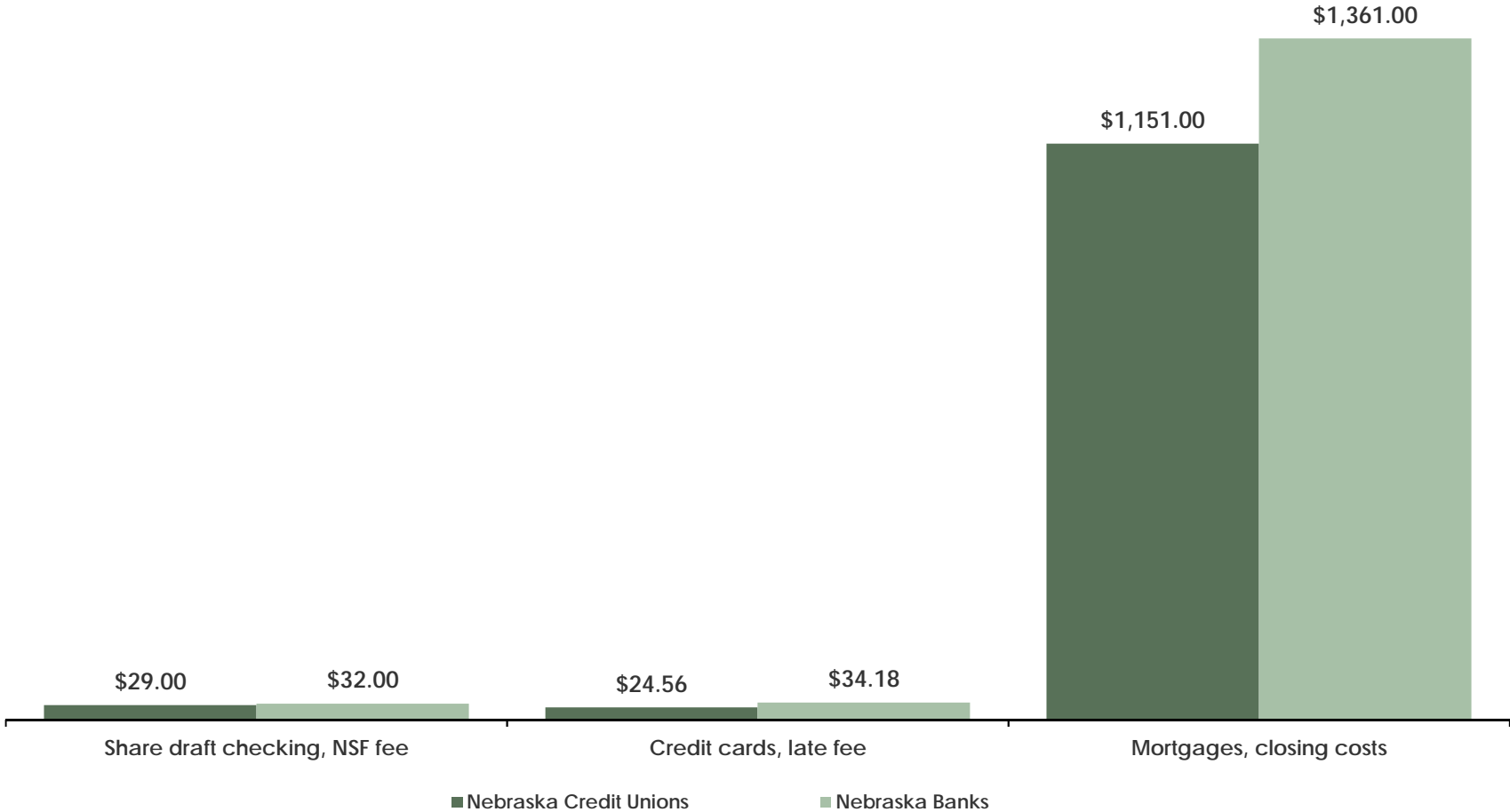
Savings Product Comparative Interest Rates (%)

by Savings Account Type



Comparative Fees

by Type



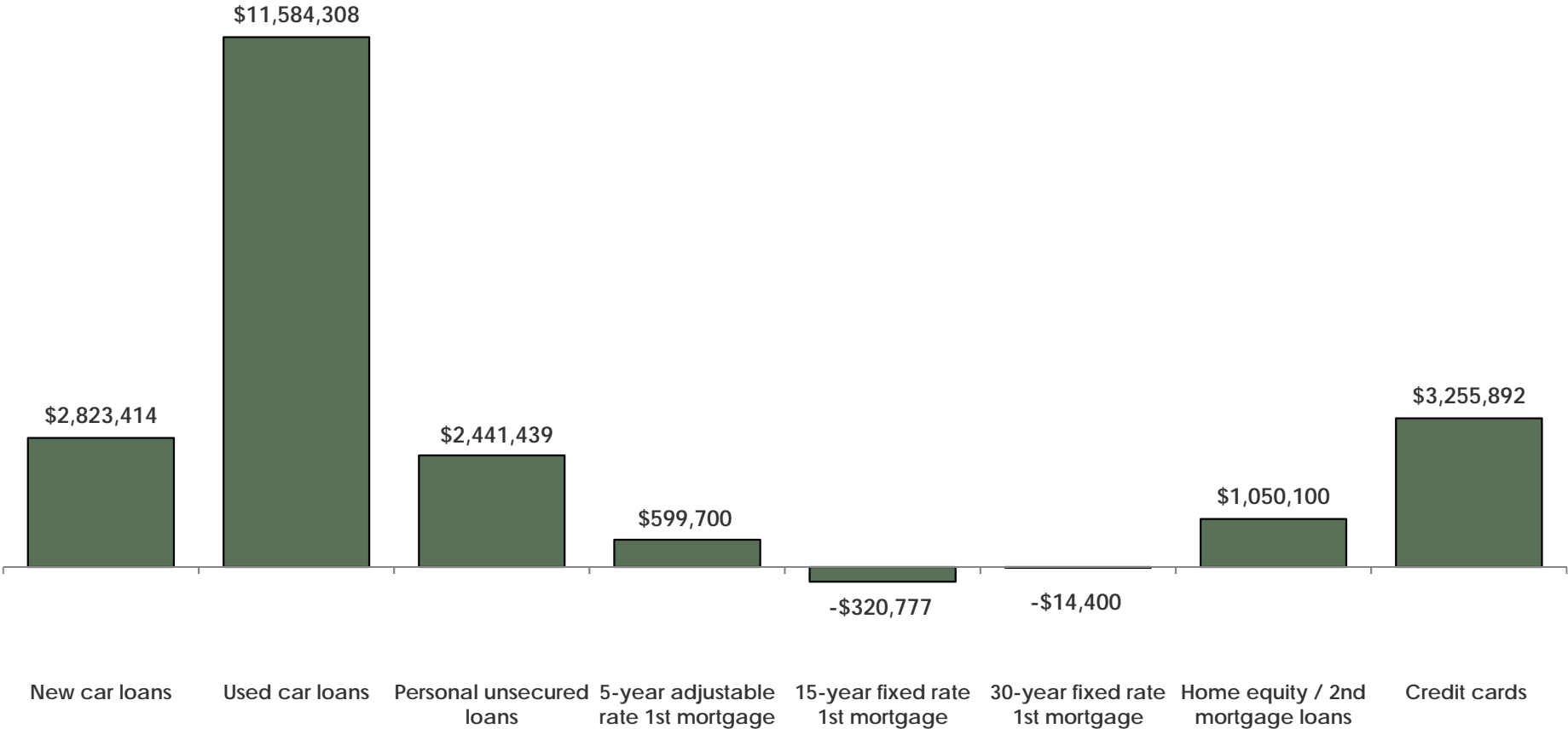
Nebraska Credit Union and Banking Institution December 2018 Average Interest Rates and Fees

Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	3.75	5.04	-1.29
48-month used car (A paper)	3.89	5.32	-1.43
Unsecured loan (A paper)	8.44	10.13	-1.69
5-year adjustable rate 1st mortgage, 0 pts	4.40	4.57	-0.17
15-year fixed rate 1st mortgage, 0 pts	4.61	4.50	0.11
30-year fixed rate 1st mortgage, 0 pts	4.97	4.96	0.01
Home equity / 2nd mtg, 80% LTV 0 pts	5.24	5.66	-0.42
Credit card - rewards	10.70	15.06	-4.36
Credit card - platinum	9.59	13.63	-4.04
Savings Products			
Regular savings, \$1,000 balance	0.23	0.26	-0.02
Share draft checking, \$5,000 balance	0.17	0.22	-0.04
Money market accounts	0.22	0.31	-0.09
1 Year certificate \$10,000 balance	1.33	1.32	0.01
Retirement (IRA) accounts	0.77	0.81	-0.04
Fee Income			
Share draft checking, NSF fee	\$29.00	\$32.00	-\$3.00
Credit cards, late fee	\$24.56	\$34.18	-\$9.62
Mortgages, closing costs	\$1,151.00	\$1,361.00	-\$210.00

Source: Datatrac

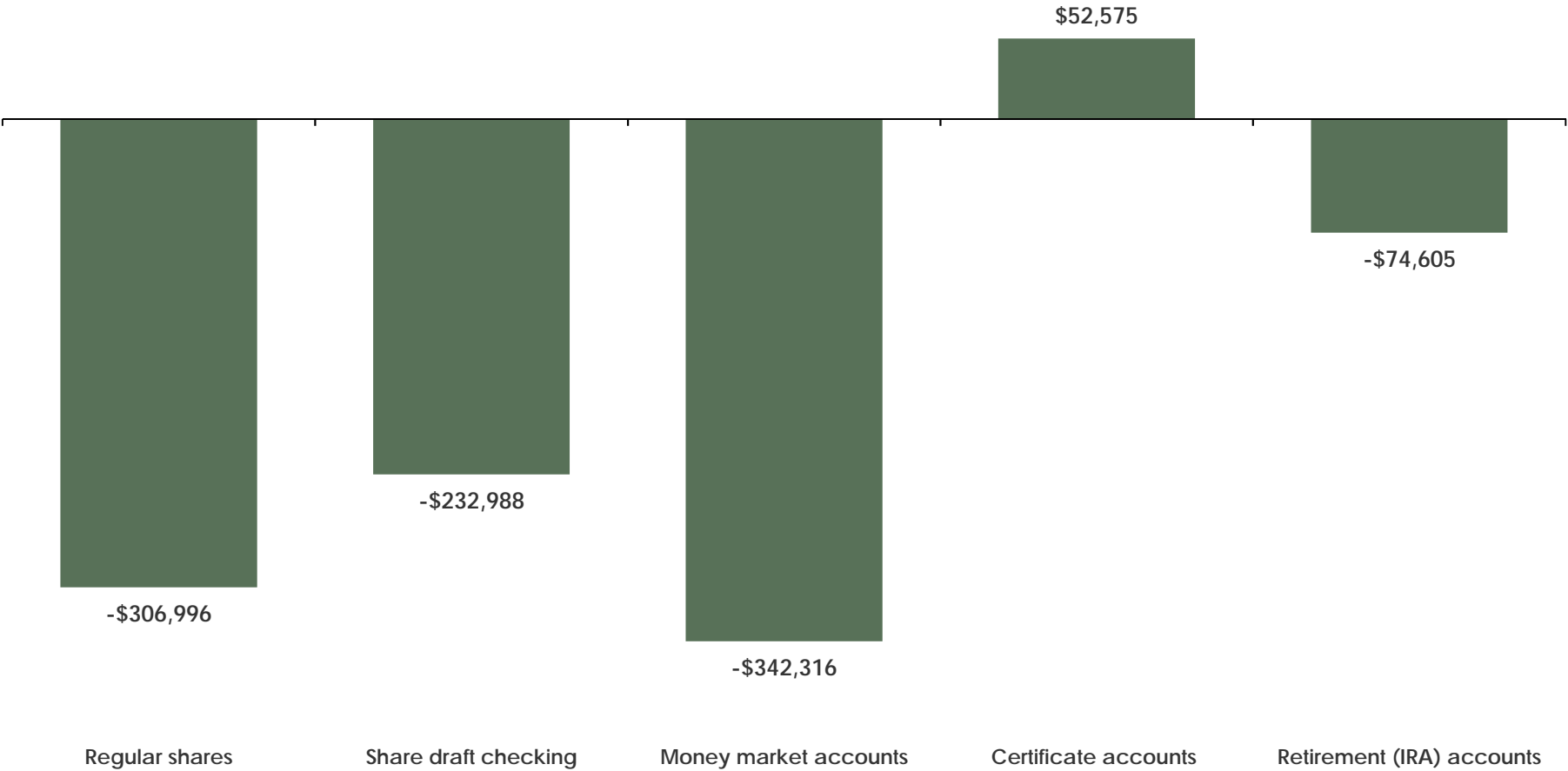
State Credit Union's Total Loan Rate Benefits

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 Nebraska Credit Unions December 2018

Loans	Avg. Balance at Credit Unions (1)	Rate Difference vs. Nebraska Banks (%) (2)	Total Financial Benefit to Your Members
New car loans	218,361,482	-1.29	\$2,823,414
Used car loans	811,226,016	-1.43	\$11,584,308
Personal unsecured loans	144,378,394	-1.69	\$2,441,439
5-year adjustable rate 1st mortgage	356,964,038	-0.17	\$599,700
15-year fixed rate 1st mortgage	305,501,967	0.11	-\$320,777
30-year fixed rate 1st mortgage	159,996,075	0.01	-\$14,400
Home equity / 2nd mortgage loans	251,220,111	-0.42	\$1,050,100
Credit cards	76,054,484	-4.36	\$3,255,892
Interest rebates			\$71,004
Total CU member benefits arising from lower interest rates on loan products:			\$21,490,679
Savings			
Regular shares	1,279,150,144	-0.02	-\$306,996
Share draft checking	554,732,894	-0.04	-\$232,988
Money market accounts	388,995,969	-0.09	-\$342,316
Certificate accounts	584,161,233	0.01	\$52,575
Retirement (IRA) accounts	188,874,670	-0.04	-\$74,605
Bonus dividends in period			\$0
Total CU member benefit arising from higher interest rates on savings products:			-\$904,331
Fee Income			
Total CU member benefit arising from fewer / lower fees:			\$5,890,564
Total CU member benefit arising from interest rates on loans, savings products and lower fees:			\$26,476,912
Total CU member benefit / member:			\$65
Total CU member benefit / member household:			\$137

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;

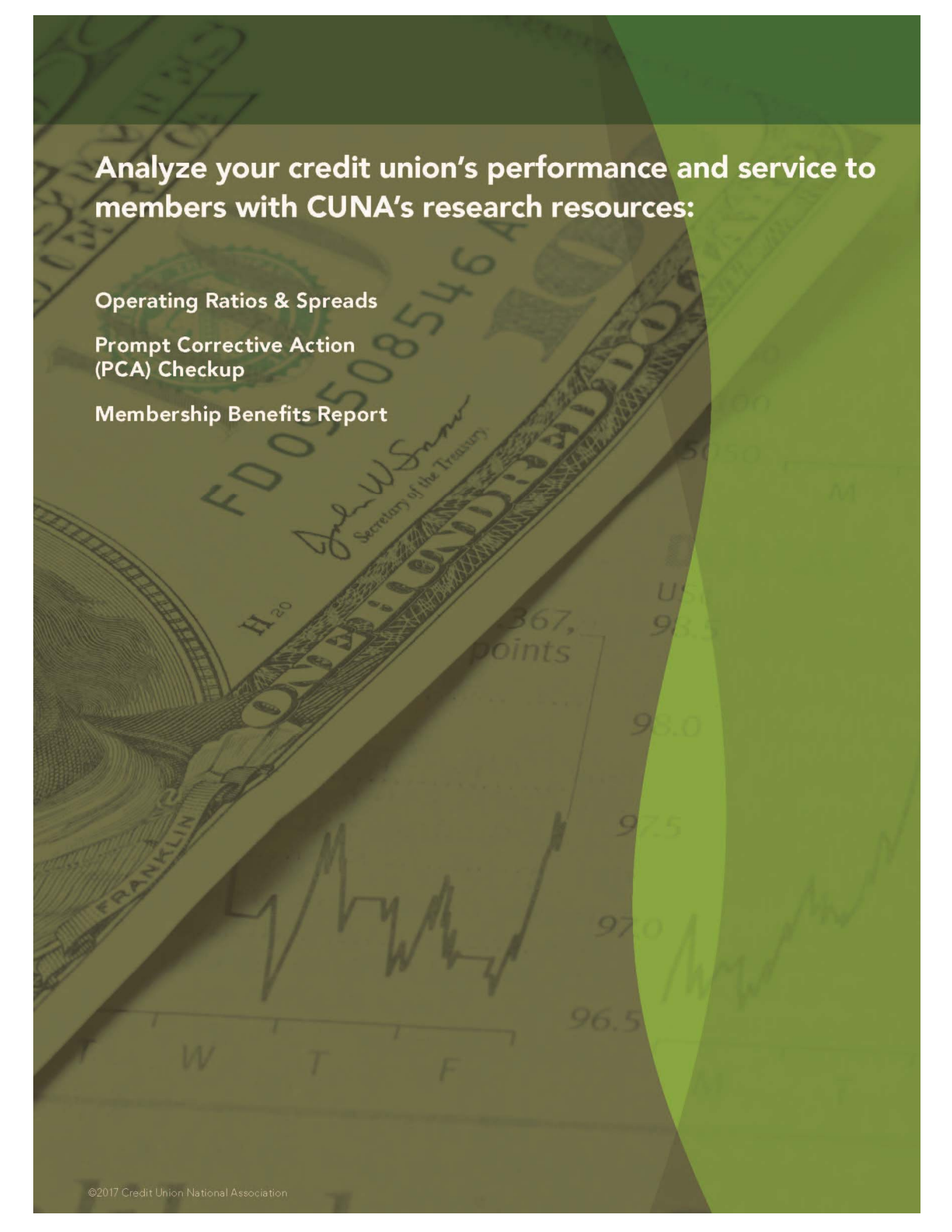
Membership Benefits Report

CUNA Economics and Statistics

Nebraska Credit Union Performance Profile

Demographic Information	Dec 18	Dec 17
Number of branches	112	145
Total assets (\$ mil)	3,672	4,535
Total loans (\$ mil)	2,591	3,270
Total surplus funds (\$ mil)	912	1,030
Total savings (\$ mil)	3,122	3,783
Total members (thousands)	412	510
Growth Rates (Trailing 12 months) *		
Total assets	2.8 %	3.6 %
Total loans	6.3 %	5.0 %
Total surplus funds	-6.2 %	-1.7 %
Total savings	3.4 %	2.9 %
Total members	2.7 %	1.6 %
Earnings - Basis Pts. *		
Yield on total assets	399	369
Dividend / interest cost of assets	61	54
Fee & other income	185	170
Operating expense	411	385
Loss Provisions	38	41
Net Income (ROA) after stabilization exp	74	59
Capital Adequacy		
Net worth / assets	11.9	10.9
Asset Quality *		
Delinquencies / loans	0.8	0.9
Net chargeoffs / average loans	0.4	0.5
Total borrower-bankruptcies	13	19
Bankruptcies per 1000 members	1.9	2.3
Asset/Liability Management		
Loans / savings	83.0	86.5
Loans / assets	70.6	72.1
Long-term assets / assets	28.4	29.7
Core deposits/shares & borrowings	59.1	57.0
Productivity		
Members / potential members	4.0	4.9
Borrowers / members	53.8	52.3
Members / FTE	347	365
Average shares / members (\$)	7,577	7,410
Average loan balances (\$)	11,698	12,259
Salary & Benefits / FTE	67,939	65,434

* 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

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