

CUNA North Dakota
**MEMBERSHIP BENEFITS
REPORT**



North Dakota

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 North Dakota credit unions provided \$20,452,970 in direct financial benefits to the state's 204,775 members during the twelve months ending December 2018.

These benefits are equivalent to \$100 per member or \$210 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 North Dakota 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 North Dakota credit unions.

Consider this:

Financing a \$25,000 new automobile for 60 months at a North Dakota credit union will save members an average \$143 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.

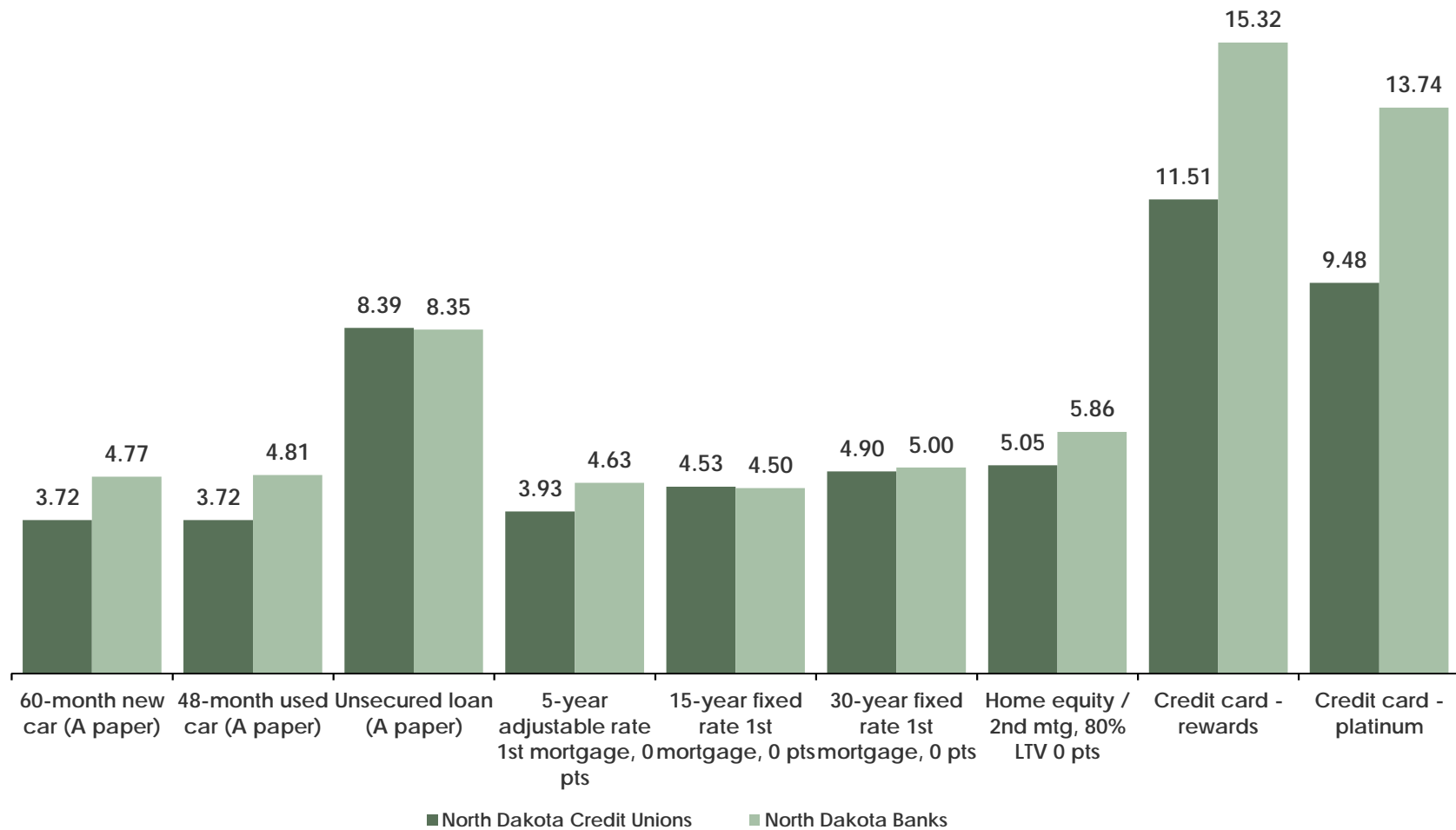
North Dakota credit unions excel in providing member benefits on many loan and savings products. In particular, North Dakota credit unions offer lower average loan rates on the following accounts: new car loans, used car loans, first mortgage-fixed rate, first mortgage-adjustable rate, home equity loans,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

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



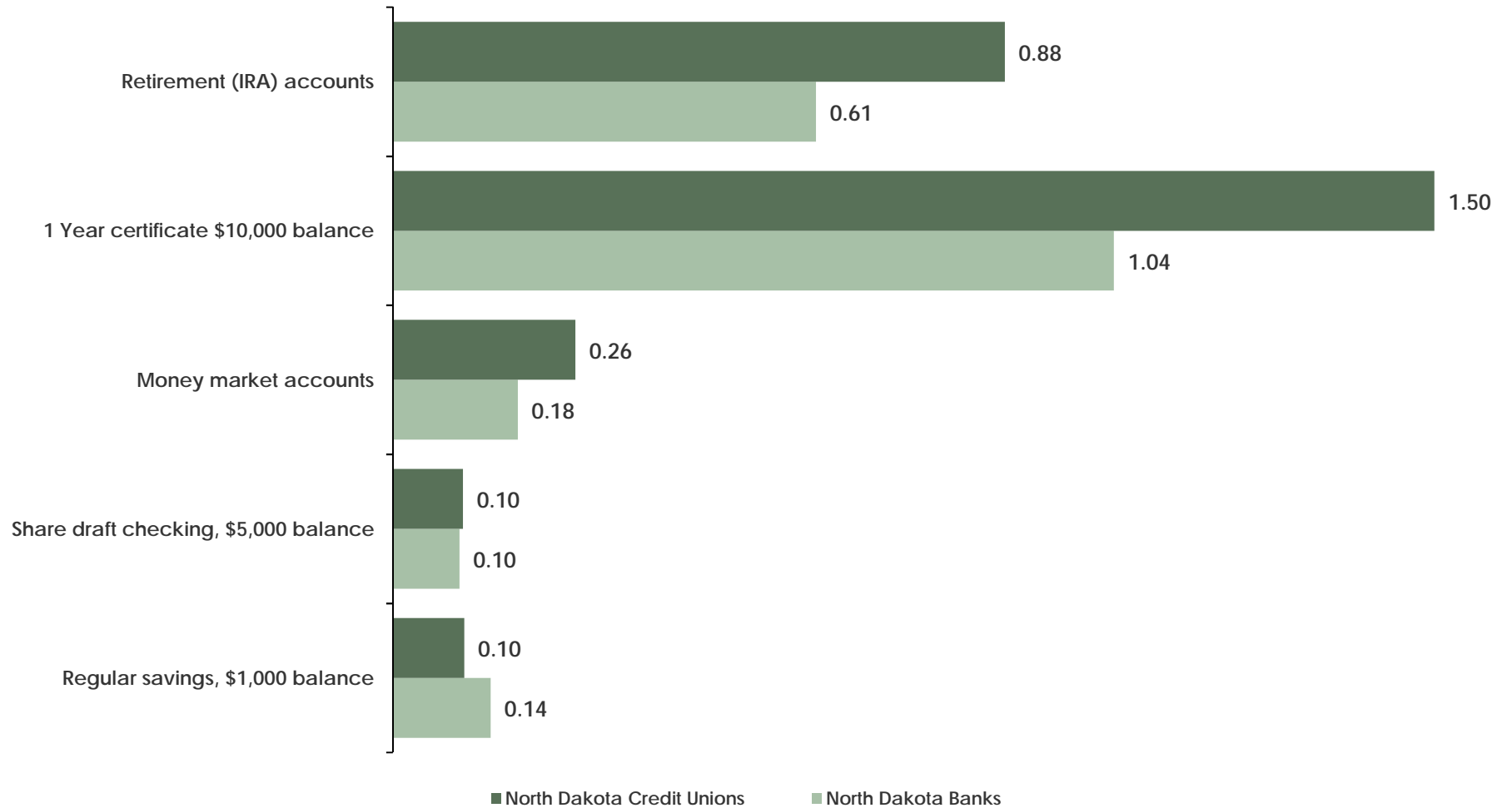
Loan Product Comparative Interest Rates (%)

by Loan Type



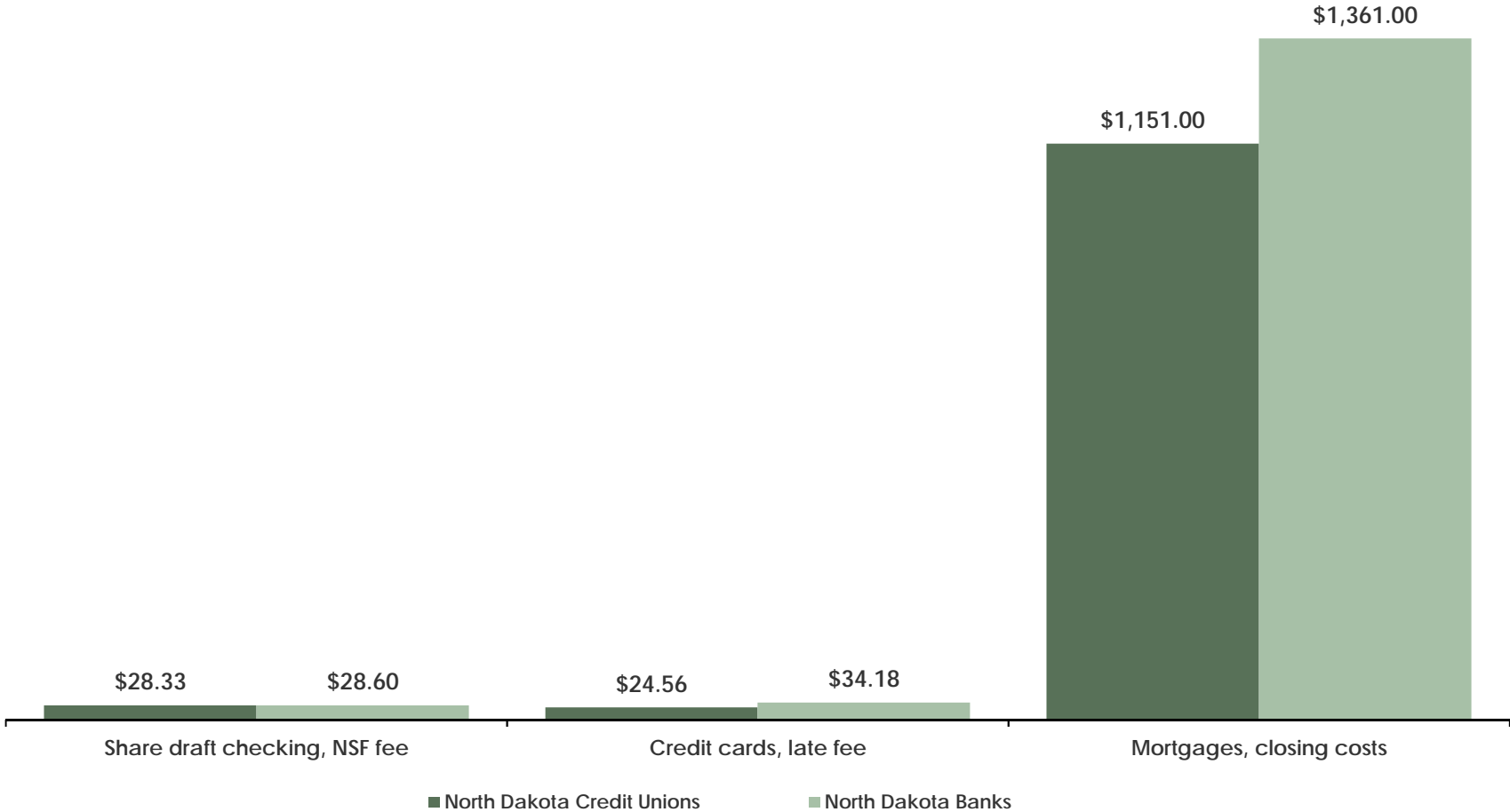
Savings Product Comparative Interest Rates (%)

by Savings Account Type



Comparative Fees

by Type



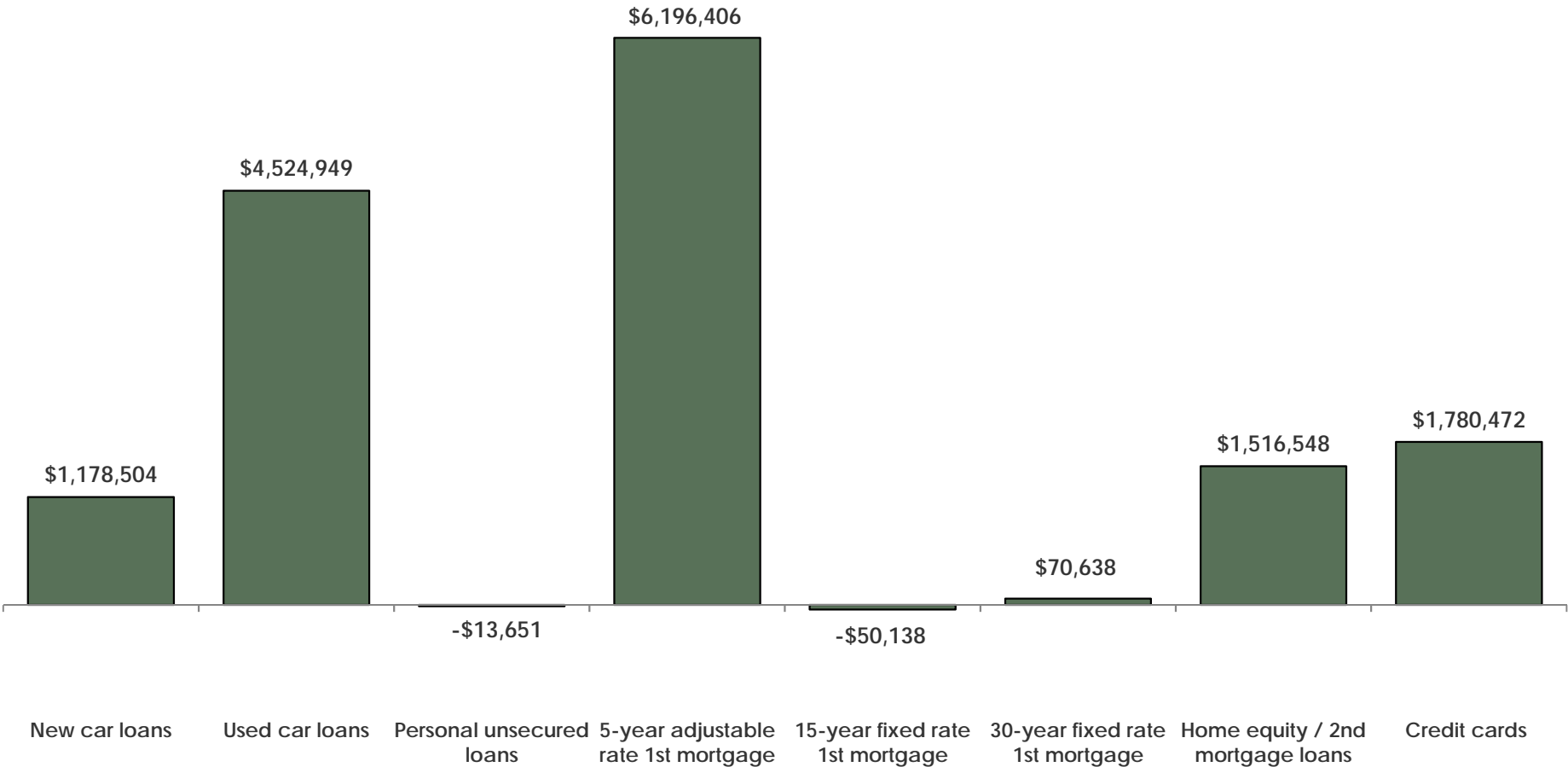
North Dakota Credit Union and Banking Institution December 2018 Average Interest Rates and Fees

Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	3.72	4.77	-1.05
48-month used car (A paper)	3.72	4.81	-1.10
Unsecured loan (A paper)	8.39	8.35	0.04
5-year adjustable rate 1st mortgage, 0 pts	3.93	4.63	-0.70
15-year fixed rate 1st mortgage, 0 pts	4.53	4.50	0.04
30-year fixed rate 1st mortgage, 0 pts	4.90	5.00	-0.09
Home equity / 2nd mtg, 80% LTV 0 pts	5.05	5.86	-0.81
Credit card - rewards	11.51	15.32	-3.81
Credit card - platinum	9.48	13.74	-4.26
Savings Products			
Regular savings, \$1,000 balance	0.10	0.14	-0.04
Share draft checking, \$5,000 balance	0.10	0.10	0.01
Money market accounts	0.26	0.18	0.08
1 Year certificate \$10,000 balance	1.50	1.04	0.46
Retirement (IRA) accounts	0.88	0.61	0.27
Fee Income			
Share draft checking, NSF fee	\$28.33	\$28.60	-\$0.27
Credit cards, late fee	\$24.56	\$34.18	-\$9.62
Mortgages, closing costs	\$1,151.00	\$1,361.00	-\$210.00

Source: Datatrac

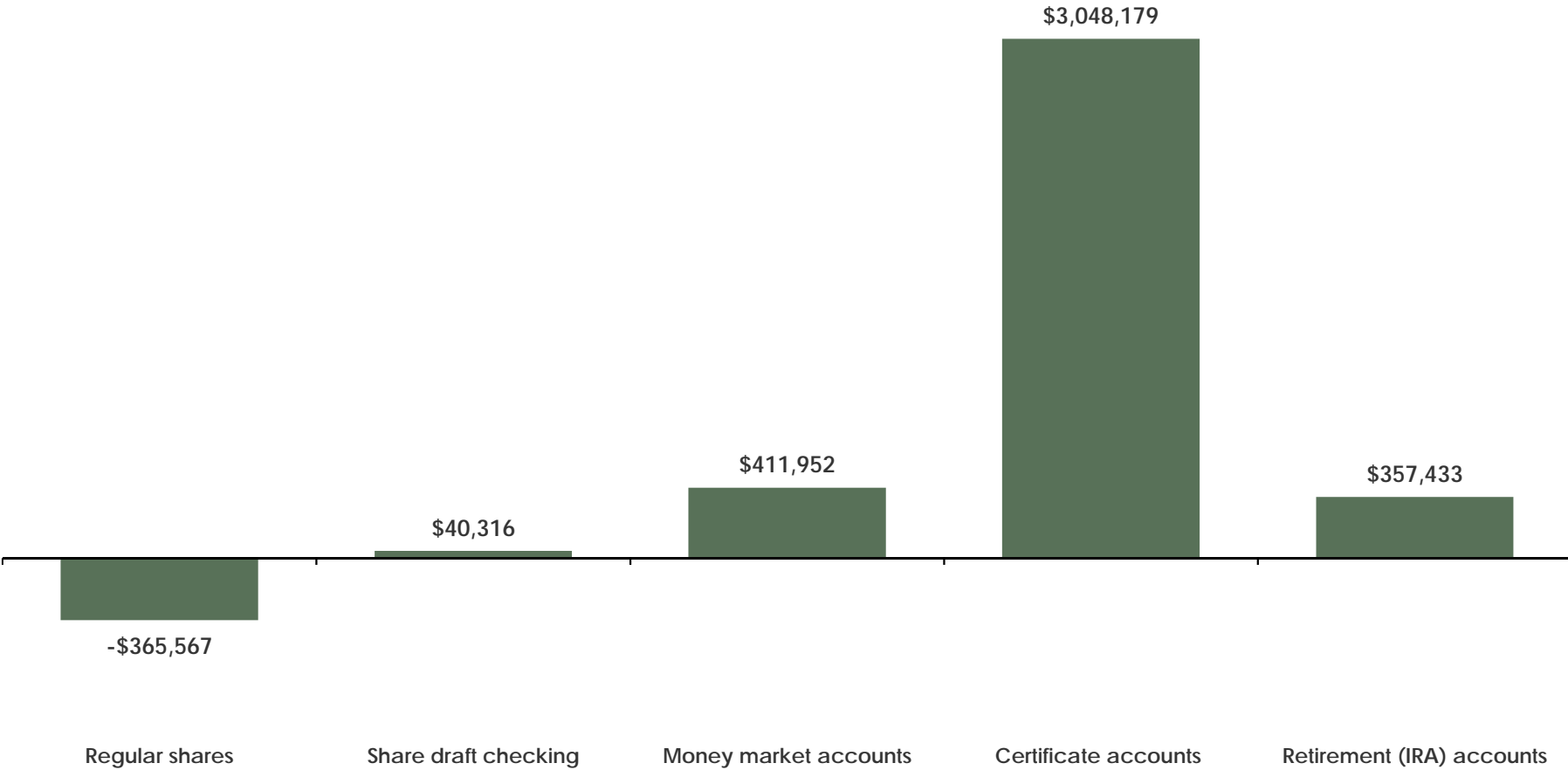
State Credit Union's Total Loan Rate Benefits

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 North Dakota Credit Unions December 2018

Loans	Avg. Balance at Credit Unions (1)	Rate Difference vs. North Dakota Banks (%) (2)	Total Financial Benefit to Your Members
New car loans	111,812,494	-1.05	\$1,178,504
Used car loans	413,237,354	-1.10	\$4,524,949
Personal unsecured loans	33,294,463	0.04	-\$13,651
5-year adjustable rate 1st mortgage	885,200,872	-0.70	\$6,196,406
15-year fixed rate 1st mortgage	131,941,045	0.04	-\$50,138
30-year fixed rate 1st mortgage	75,954,800	-0.09	\$70,638
Home equity / 2nd mortgage loans	186,537,216	-0.81	\$1,516,548
Credit cards	45,388,367	-3.81	\$1,780,472
Interest rebates			\$309,443
Total CU member benefits arising from lower interest rates on loan products:			\$15,513,171
Savings			
Regular shares	962,017,551	-0.04	-\$365,567
Share draft checking	806,311,022	0.01	\$40,316
Money market accounts	496,327,439	0.08	\$411,952
Certificate accounts	661,210,145	0.46	\$3,048,179
Retirement (IRA) accounts	131,409,357	0.27	\$357,433
Bonus dividends in period			\$0
Total CU member benefit arising from higher interest rates on savings products:			\$3,492,313
Fee Income			
Total CU member benefit arising from fewer / lower fees:			\$1,447,486
Total CU member benefit arising from interest rates on loans, savings products and lower fees:			\$20,452,970
Total CU member benefit / member:			\$100
Total CU member benefit / member household:			\$210

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

North Dakota Credit Union Performance Profile

Demographic Information	Dec 18	Dec 17
Number of branches	122	117
Total assets (\$ mil)	3,805	3,677
Total loans (\$ mil)	2,700	2,581
Total surplus funds (\$ mil)	920	936
Total savings (\$ mil)	3,278	3,134
Total members (thousands)	209	212
Growth Rates (Trailing 12 months) *		
Total assets	9.0 %	6.8 %
Total loans	10.5 %	5.7 %
Total surplus funds	2.8 %	9.9 %
Total savings	10.2 %	5.5 %
Total members	4.3 %	5.6 %
Earnings - Basis Pts. *		
Yield on total assets	396	369
Dividend / interest cost of assets	46	38
Fee & other income	110	107
Operating expense	350	332
Loss Provisions	19	42
Net Income (ROA) after stabilization exp	91	63
Capital Adequacy		
Net worth / assets	13.0	12.5
Asset Quality *		
Delinquencies / loans	1.2	1.4
Net chargeoffs / average loans	0.2	0.2
Total borrower-bankruptcies	3	2
Bankruptcies per 1000 members	0.5	0.4
Asset/Liability Management		
Loans / savings	82.4	82.3
Loans / assets	71.0	70.2
Long-term assets / assets	34.0	32.4
Core deposits/shares & borrowings	56.3	54.8
Productivity		
Members / potential members	11.3	11.9
Borrowers / members	54.8	54.1
Members / FTE	212	226
Average shares / members (\$)	15,660	14,781
Average loan balances (\$)	23,523	22,472
Salary & Benefits / FTE	74,932	72,745

* 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.