

CUNA South Dakota  
**MEMBERSHIP BENEFITS  
REPORT**



## South 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 South **Dakota** credit unions provided \$25,651,165 in direct financial benefits to the state's 278,469 members during the twelve months ending December 2018.

**These benefits are equivalent to \$92 per member or \$193 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 South 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 South Dakota credit unions.

Consider this:

**Financing a \$25,000 new automobile for 60 months at a South Dakota credit union will save members an average \$151 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.

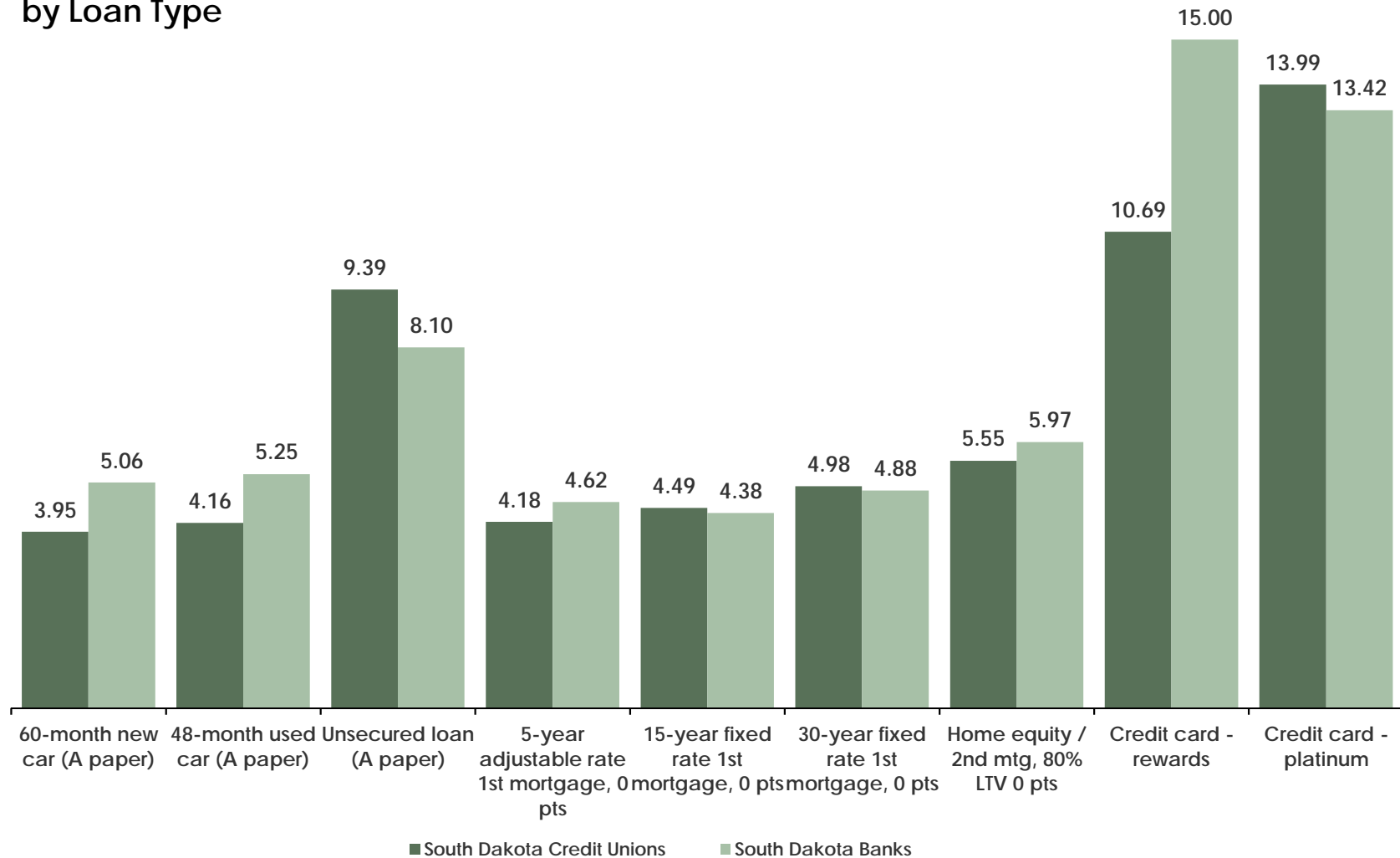
South Dakota credit unions excel in providing member benefits on many loan and savings products. In particular, South Dakota credit unions offer lower average loan rates on the following accounts: new car loans, used car loans, first mortgage-adjustable rate, home equity loans, credit cards loans.

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



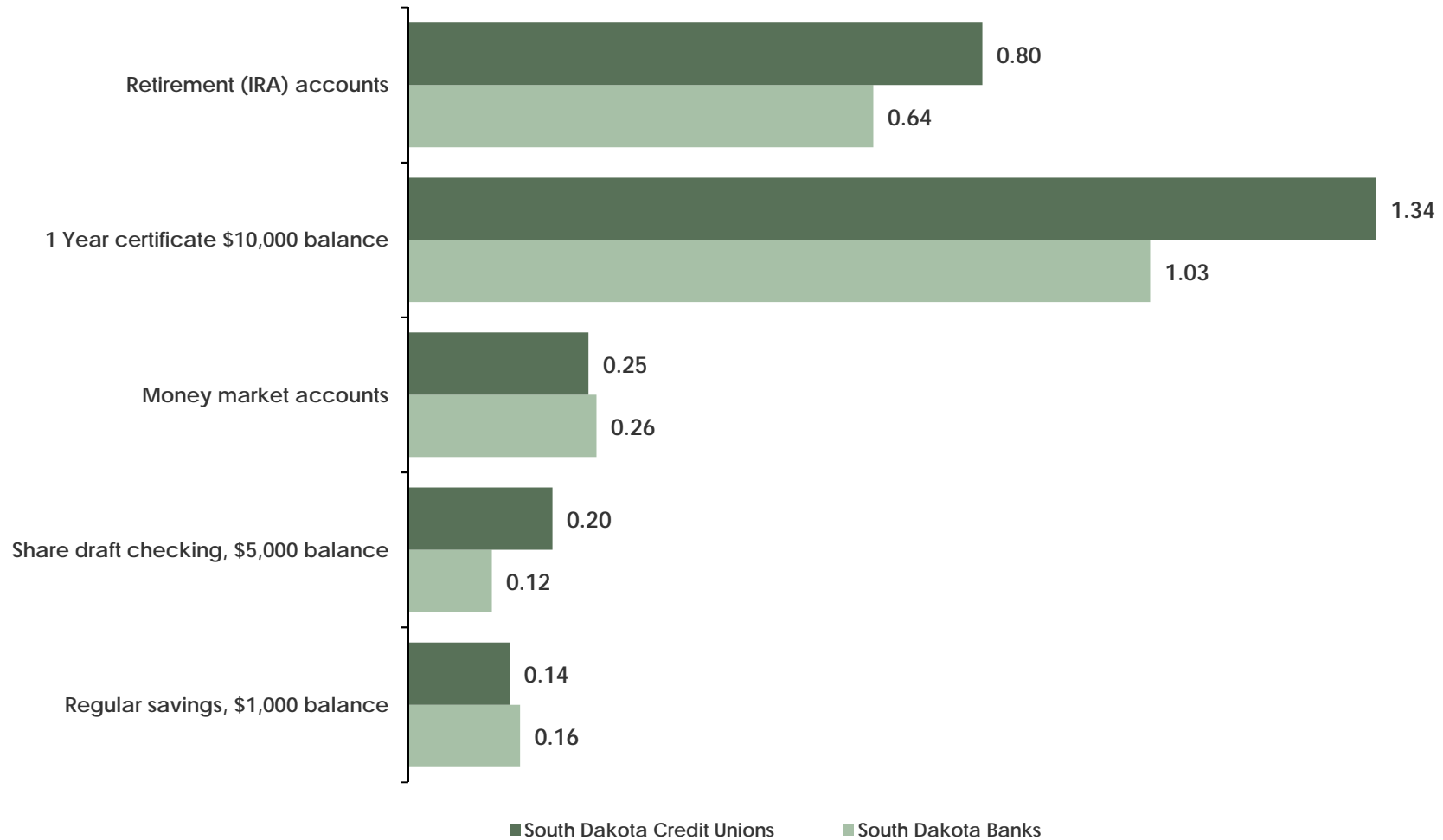
## Loan Product Comparative Interest Rates (%)

by Loan Type



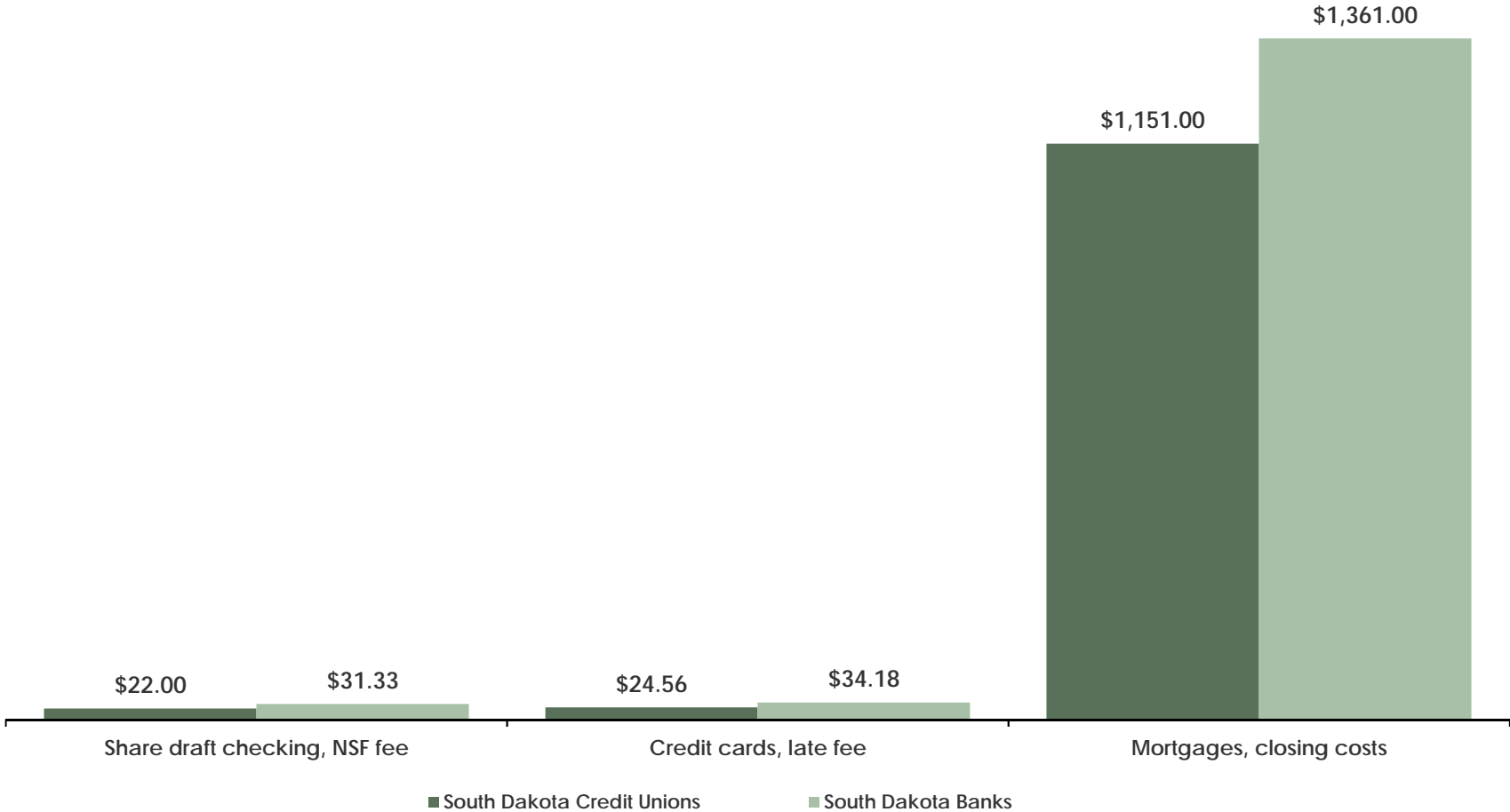
## Savings Product Comparative Interest Rates (%)

### by Savings Account Type



Comparative Fees

by Type



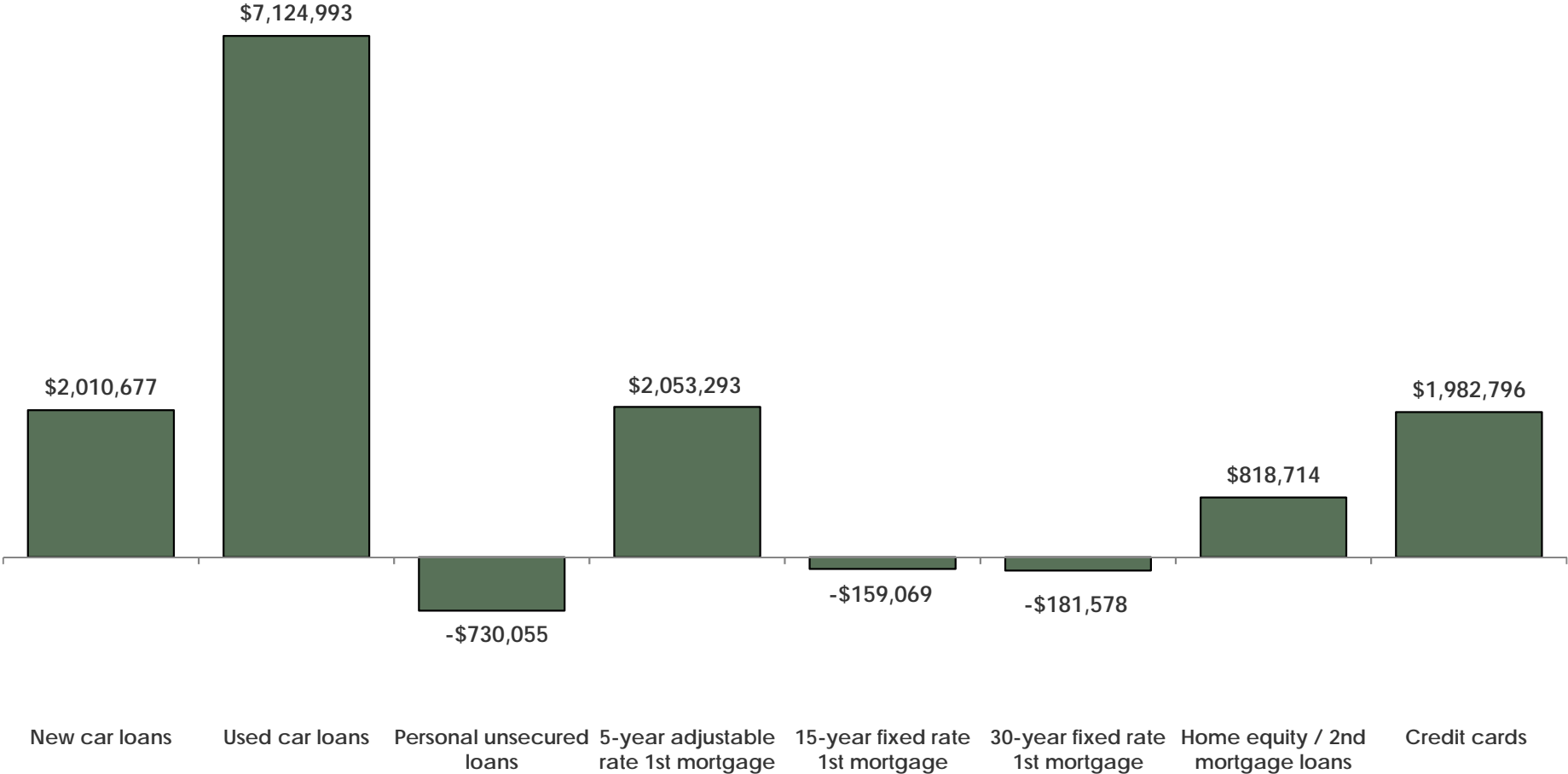
## South Dakota Credit Union and Banking Institution December 2018 Average Interest Rates and Fees

Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	3.95	5.06	-1.11
48-month used car (A paper)	4.16	5.25	-1.09
Unsecured loan (A paper)	9.39	8.10	1.30
5-year adjustable rate 1st mortgage, 0 pts	4.18	4.62	-0.44
15-year fixed rate 1st mortgage, 0 pts	4.49	4.38	0.11
30-year fixed rate 1st mortgage, 0 pts	4.98	4.88	0.10
Home equity / 2nd mtg, 80% LTV 0 pts	5.55	5.97	-0.42
Credit card - rewards	10.69	15.00	-4.31
Credit card - platinum	13.99	13.42	0.57
Savings Products			
Regular savings, \$1,000 balance	0.14	0.16	-0.01
Share draft checking, \$5,000 balance	0.20	0.12	0.08
Money market accounts	0.25	0.26	-0.01
1 Year certificate \$10,000 balance	1.34	1.03	0.31
Retirement (IRA) accounts	0.80	0.64	0.15
Fee Income			
Share draft checking, NSF fee	\$22.00	\$31.33	-\$9.33
Credit cards, late fee	\$24.56	\$34.18	-\$9.62
Mortgages, closing costs	\$1,151.00	\$1,361.00	-\$210.00

Source: Datatrac

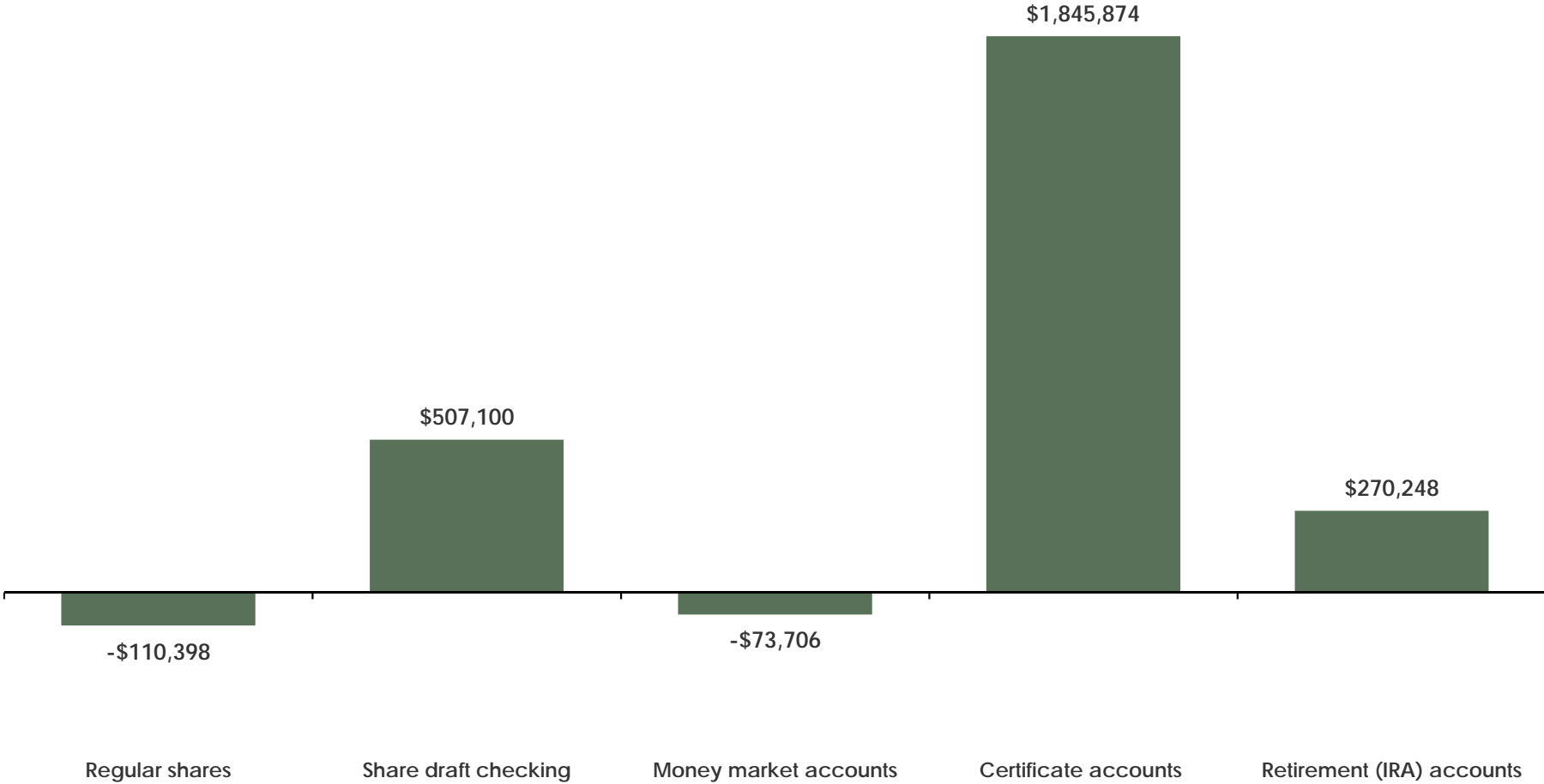
### State Credit Union's Total Loan Rate Benefits

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 South Dakota Credit Unions December 2018

Loans	Avg. Balance at Credit Unions (1)	Rate Difference vs. South Dakota Banks (%) (2)	Total Financial Benefit to Your Members
New car loans	181,961,732	-1.11	\$2,010,677
Used car loans	653,069,921	-1.09	\$7,124,993
Personal unsecured loans	56,374,885	1.30	-\$730,055
5-year adjustable rate 1st mortgage	462,453,341	-0.44	\$2,053,293
15-year fixed rate 1st mortgage	140,768,717	0.11	-\$159,069
30-year fixed rate 1st mortgage	185,283,214	0.10	-\$181,578
Home equity / 2nd mortgage loans	196,334,244	-0.42	\$818,714
Credit cards	64,147,393	-4.31	\$1,982,796
Interest rebates			\$185,703
<b>Total CU member benefits arising from lower interest rates on loan products:</b>			\$13,105,475
Savings			
Regular shares	788,559,733	-0.01	-\$110,398
Share draft checking	603,690,034	0.08	\$507,100
Money market accounts	670,053,792	-0.01	-\$73,706
Certificate accounts	589,736,055	0.31	\$1,845,874
Retirement (IRA) accounts	178,972,263	0.15	\$270,248
Bonus dividends in period			\$0
<b>Total CU member benefit arising from higher interest rates on savings products:</b>			\$2,439,117
Fee Income			
<b>Total CU member benefit arising from fewer / lower fees:</b>			\$10,106,573
<b>Total CU member benefit arising from interest rates on loans, savings products and lower fees:</b>			\$25,651,165
<b>Total CU member benefit / member:</b>			\$92
<b>Total CU member benefit / member household:</b>			\$193

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

## South Dakota Credit Union Performance Profile

Demographic Information	Dec 18	Dec 17
Number of branches	101	102
Total assets (\$ mil)	3,405	3,243
Total loans (\$ mil)	2,363	2,172
Total surplus funds (\$ mil)	800	853
Total savings (\$ mil)	2,974	2,840
Total members (thousands)	284	275
Growth Rates (Trailing 12 months) *		
Total assets	5.5 %	5.8 %
Total loans	9.1 %	8.2 %
Total surplus funds	-5.3 %	-3.2 %
Total savings	5.2 %	5.3 %
Total members	4.2 %	3.3 %
Earnings - Basis Pts. *		
Yield on total assets	369	350
Dividend / interest cost of assets	57	46
Fee & other income	150	145
Operating expense	384	367
Loss Provisions	15	14
Net Income (ROA) after stabilization exp	63	68
Capital Adequacy		
Net worth / assets	10.9	10.8
Asset Quality *		
Delinquencies / loans	0.7	0.7
Net chargeoffs / average loans	0.2	0.2
Total borrower-bankruptcies	7	7
Bankruptcies per 1000 members	0.9	0.9
Asset/Liability Management		
Loans / savings	79.5	76.5
Loans / assets	69.4	67.0
Long-term assets / assets	26.7	26.2
Core deposits/shares & borrowings	48.0	47.7
Productivity		
Members / potential members	9.8	9.2
Borrowers / members	66.9	65.4
Members / FTE	262	261
Average shares / members (\$)	10,463	10,324
Average loan balances (\$)	12,419	12,070
Salary & Benefits / FTE	66,879	63,230

\* 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.