

CUNA Texas
**MEMBERSHIP BENEFITS
REPORT**

Texas

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 Texas credit unions provided \$1,127,740,685 in direct financial benefits to the state's 8,875,818 members during the twelve months ending December 2018.

These benefits are equivalent to \$127 per member or \$267 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 Texas 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 Texas credit unions.

Consider this:

Financing a \$25,000 new automobile for 60 months at a Texas credit union will save members an average \$213 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.

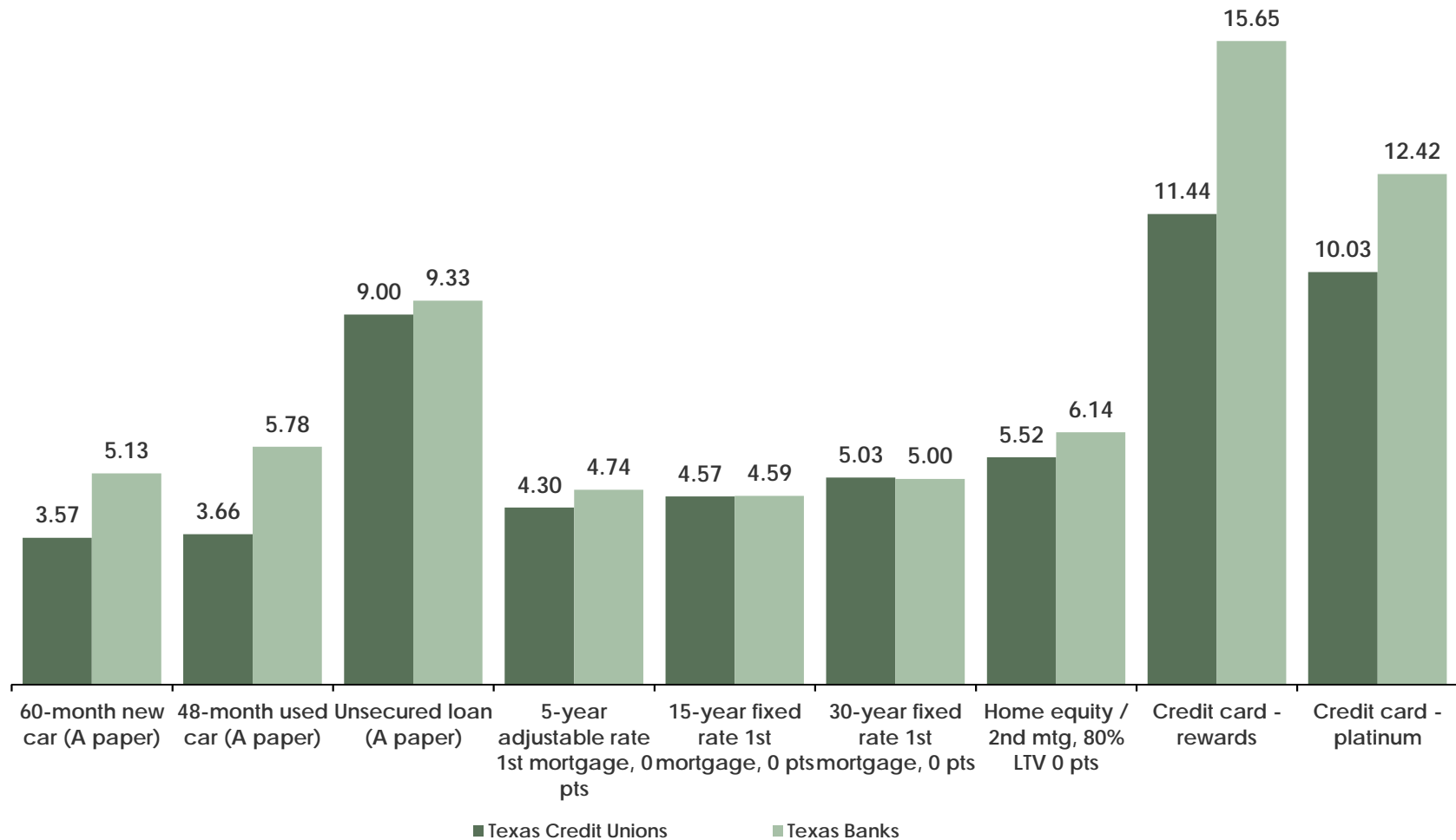
Texas credit unions excel in providing member benefits on many loan and savings products. In particular, Texas credit unions offer lower average loan rates on the following accounts: new car loans, used car loans, personal unsecured loans, first mortgage-adjustable rate, home equity loans, credit cards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

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



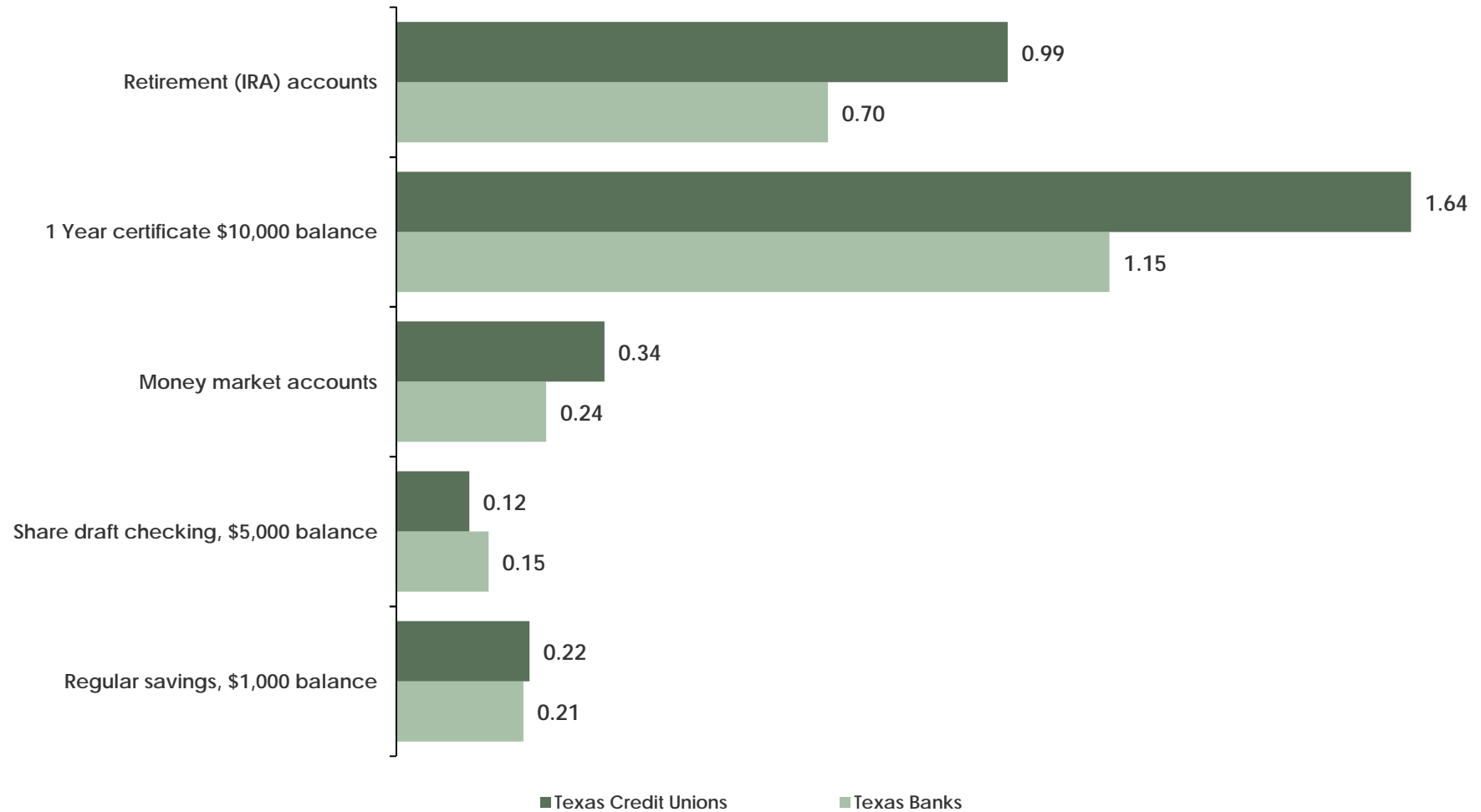
Loan Product Comparative Interest Rates (%)

by Loan Type



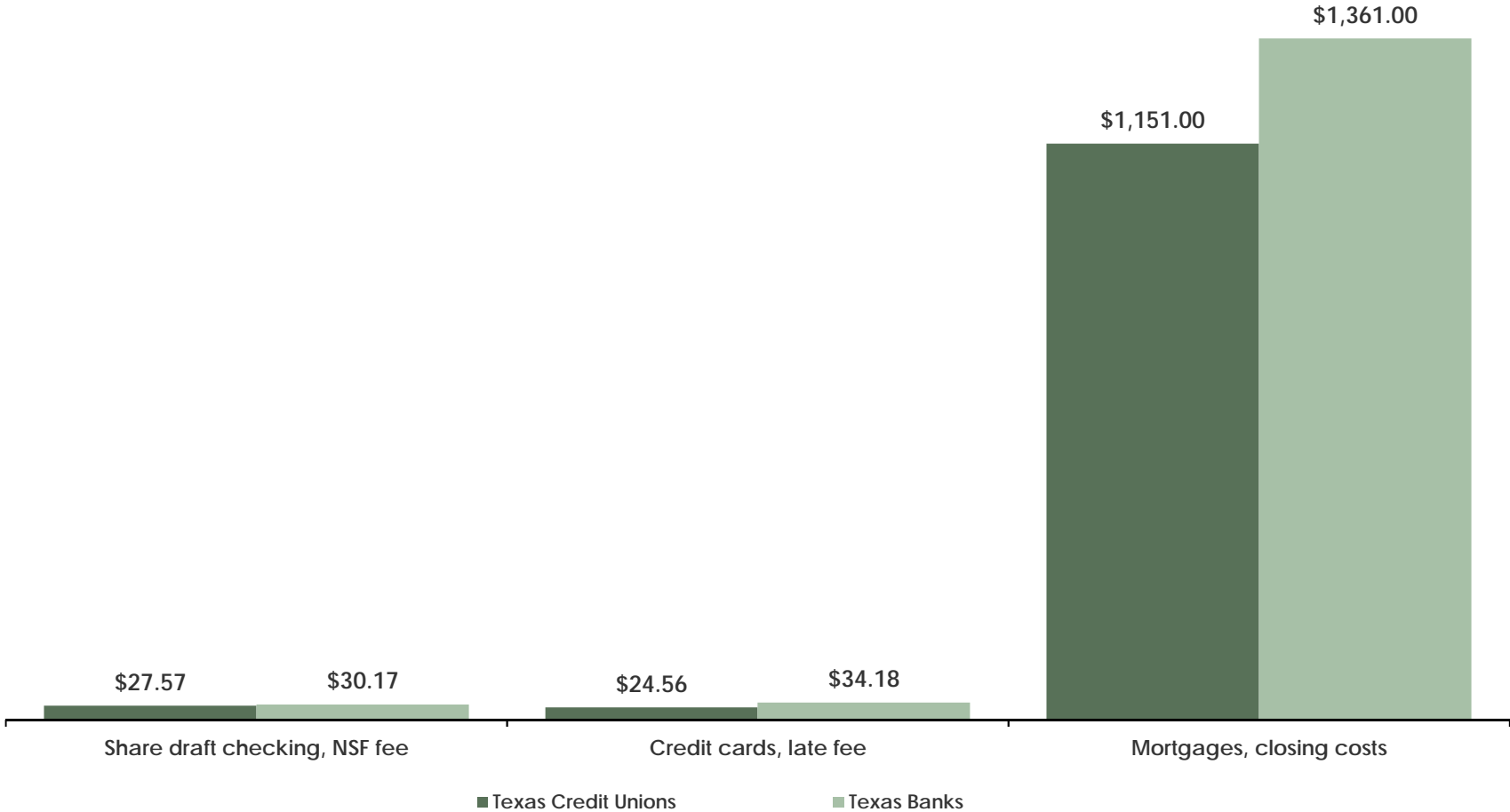
Savings Product Comparative Interest Rates (%)

by Savings Account Type



Comparative Fees

by Type



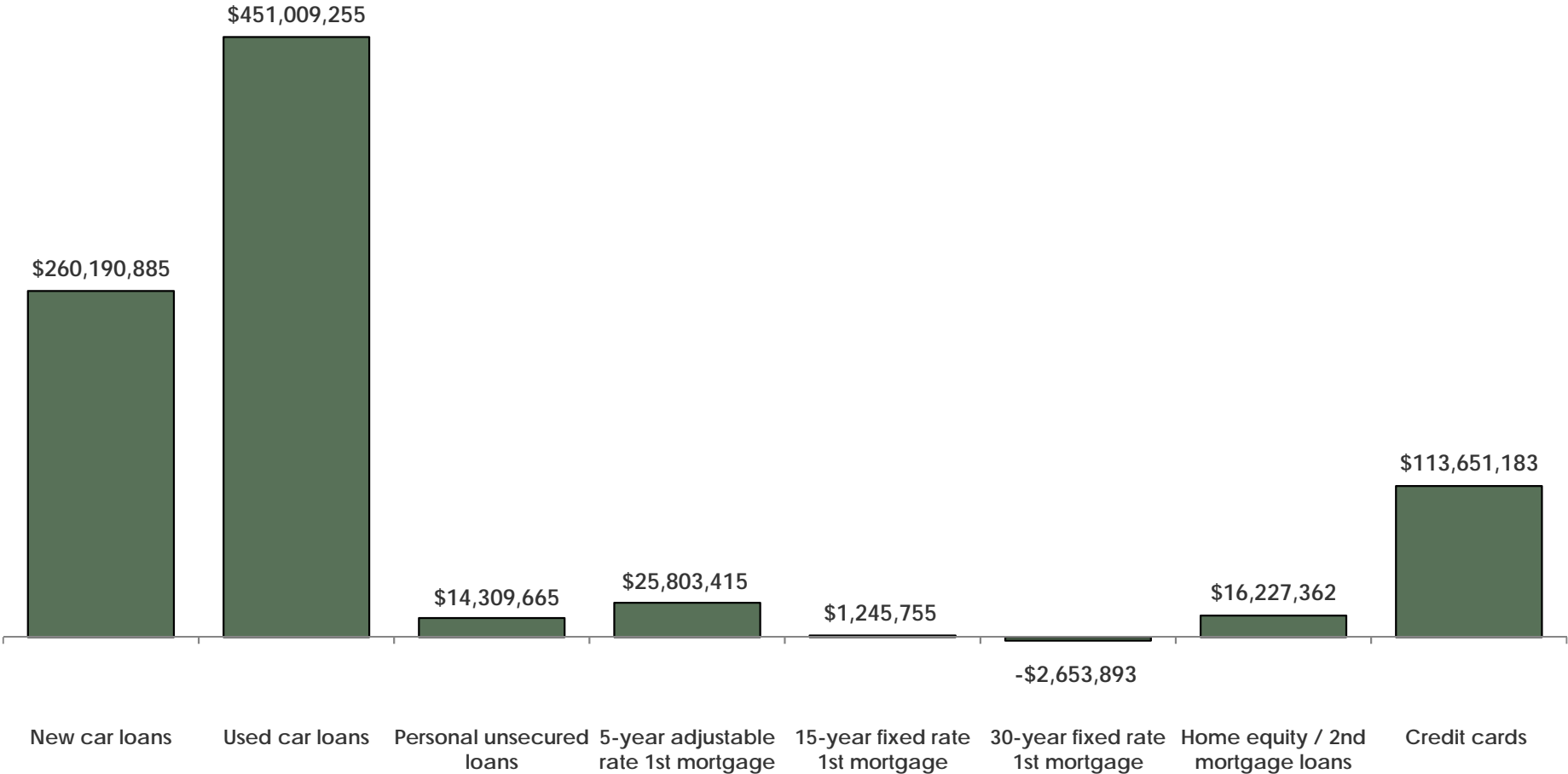
Texas Credit Union and Banking Institution December 2018 Average Interest Rates and Fees

Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	3.57	5.13	-1.56
48-month used car (A paper)	3.66	5.78	-2.13
Unsecured loan (A paper)	9.00	9.33	-0.34
5-year adjustable rate 1st mortgage, 0 pts	4.30	4.74	-0.44
15-year fixed rate 1st mortgage, 0 pts	4.57	4.59	-0.02
30-year fixed rate 1st mortgage, 0 pts	5.03	5.00	0.03
Home equity / 2nd mtg, 80% LTV 0 pts	5.52	6.14	-0.61
Credit card - rewards	11.44	15.65	-4.21
Credit card - platinum	10.03	12.42	-2.38
Savings Products			
Regular savings, \$1,000 balance	0.22	0.21	0.01
Share draft checking, \$5,000 balance	0.12	0.15	-0.03
Money market accounts	0.34	0.24	0.09
1 Year certificate \$10,000 balance	1.64	1.15	0.49
Retirement (IRA) accounts	0.99	0.70	0.29
Fee Income			
Share draft checking, NSF fee	\$27.57	\$30.17	-\$2.61
Credit cards, late fee	\$24.56	\$34.18	-\$9.62
Mortgages, closing costs	\$1,151.00	\$1,361.00	-\$210.00

Source: Datatrac

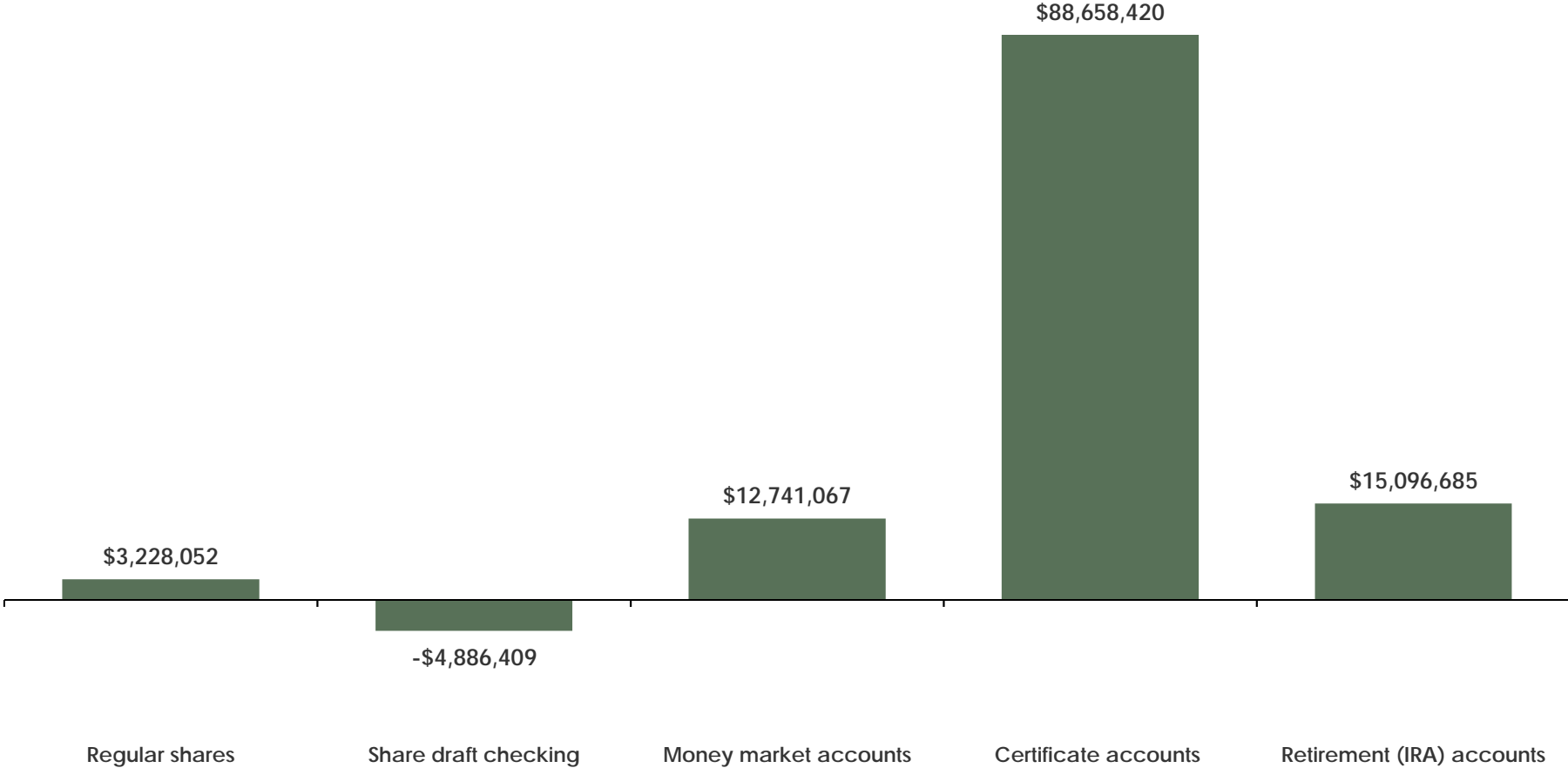
State Credit Union's Total Loan Rate Benefits

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 Texas Credit Unions December 2018

Loans	Avg. Balance at Credit Unions (1)	Rate Difference vs. Texas Banks (%) (2)	Total Financial Benefit to Your Members
New car loans	16,646,889,606	-1.56	\$260,190,885
Used car loans	21,223,964,954	-2.13	\$451,009,255
Personal unsecured loans	4,221,140,098	-0.34	\$14,309,665
5-year adjustable rate 1st mortgage	5,877,771,021	-0.44	\$25,803,415
15-year fixed rate 1st mortgage	7,785,969,320	-0.02	\$1,245,755
30-year fixed rate 1st mortgage	8,560,944,926	0.03	-\$2,653,893
Home equity / 2nd mortgage loans	2,647,204,293	-0.61	\$16,227,362
Credit cards	3,027,872,202	-4.21	\$113,651,183
Interest rebates			\$3,161,873
Total CU member benefits arising from lower interest rates on loan products:			\$882,945,500
Savings			
Regular shares	32,280,519,520	0.01	\$3,228,052
Share draft checking	15,762,610,089	-0.03	-\$4,886,409
Money market accounts	13,554,326,905	0.09	\$12,741,067
Certificate accounts	18,242,473,220	0.49	\$88,658,420
Retirement (IRA) accounts	5,205,753,324	0.29	\$15,096,685
Bonus dividends in period			\$0
Total CU member benefit arising from higher interest rates on savings products:			\$114,837,815
Fee Income			
Total CU member benefit arising from fewer / lower fees:			\$129,957,371
Total CU member benefit arising from interest rates on loans, savings products and lower fees:			\$1,127,740,685
Total CU member benefit / member:			\$127
Total CU member benefit / member household:			\$267

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

Texas Credit Union Performance Profile

Demographic Information	Dec 18	Dec 17
Number of branches	1,651	1,669
Total assets (\$ mil)	104,408	101,050
Total loans (\$ mil)	78,088	73,323
Total surplus funds (\$ mil)	21,568	23,392
Total savings (\$ mil)	88,817	86,141
Total members (thousands)	9,044	8,754
Growth Rates (Trailing 12 months) *		
Total assets	3.6 %	6.3 %
Total loans	6.7 %	8.0 %
Total surplus funds	-7.3 %	1.4 %
Total savings	3.4 %	5.8 %
Total members	3.8 %	3.2 %
Earnings - Basis Pts. *		
Yield on total assets	380	357
Dividend / interest cost of assets	72	59
Fee & other income	173	160
Operating expense	350	338
Loss Provisions	45	57
Net Income (ROA) after stabilization exp	85	63
Capital Adequacy		
Net worth / assets	10.9	10.4
Asset Quality *		
Delinquencies / loans	0.8	0.8
Net chargeoffs / average loans	0.6	0.7
Total borrower-bankruptcies	23	23
Bankruptcies per 1000 members	1.2	1.2
Asset/Liability Management		
Loans / savings	87.9	85.1
Loans / assets	74.8	72.6
Long-term assets / assets	28.5	28.3
Core deposits/shares & borrowings	53.8	54.0
Productivity		
Members / potential members	4.4	5.3
Borrowers / members	59.9	59.8
Members / FTE	370	366
Average shares / members (\$)	9,820	9,840
Average loan balances (\$)	14,403	14,008
Salary & Benefits / FTE	73,716	68,872

* 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.