

CUNA Utah
**MEMBERSHIP BENEFITS
REPORT**

Utah

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 Utah credit unions provided \$219,810,748 in direct financial benefits to the state's 2,640,643 members during the twelve months ending December 2018.

These benefits are equivalent to \$83 per member or \$175 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 Utah 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 Utah credit unions.

Consider this:

Financing a \$25,000 new automobile for 60 months at a Utah credit union will save members an average \$91 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.

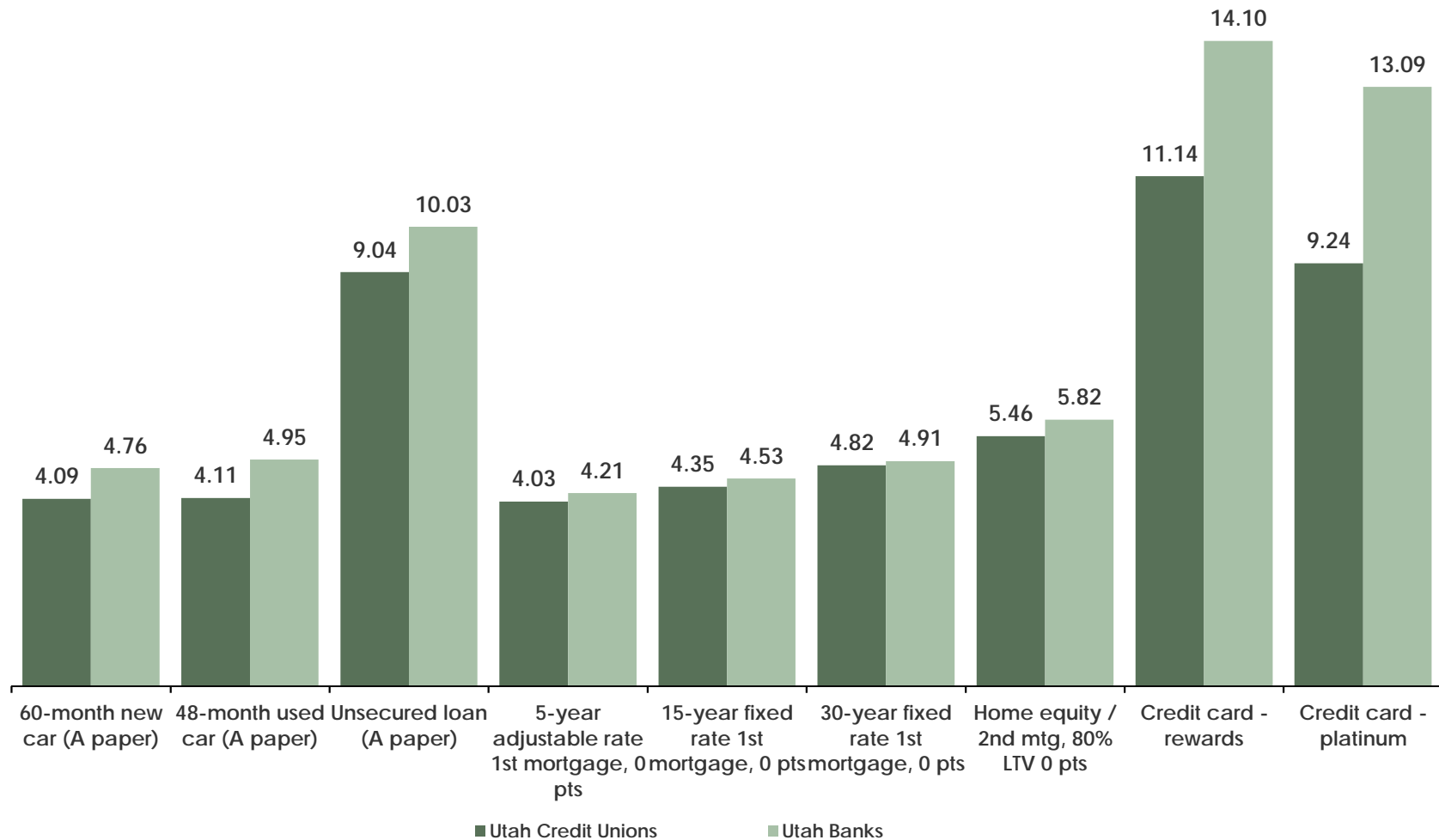
Utah credit unions excel in providing member benefits on many loan and savings products. In particular, Utah credit unions offer lower average loan rates on the following accounts: new car loans, used car loans, personal unsecured loans, first mortgage-fixed rate, first mortgage-adjustable rate, home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

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



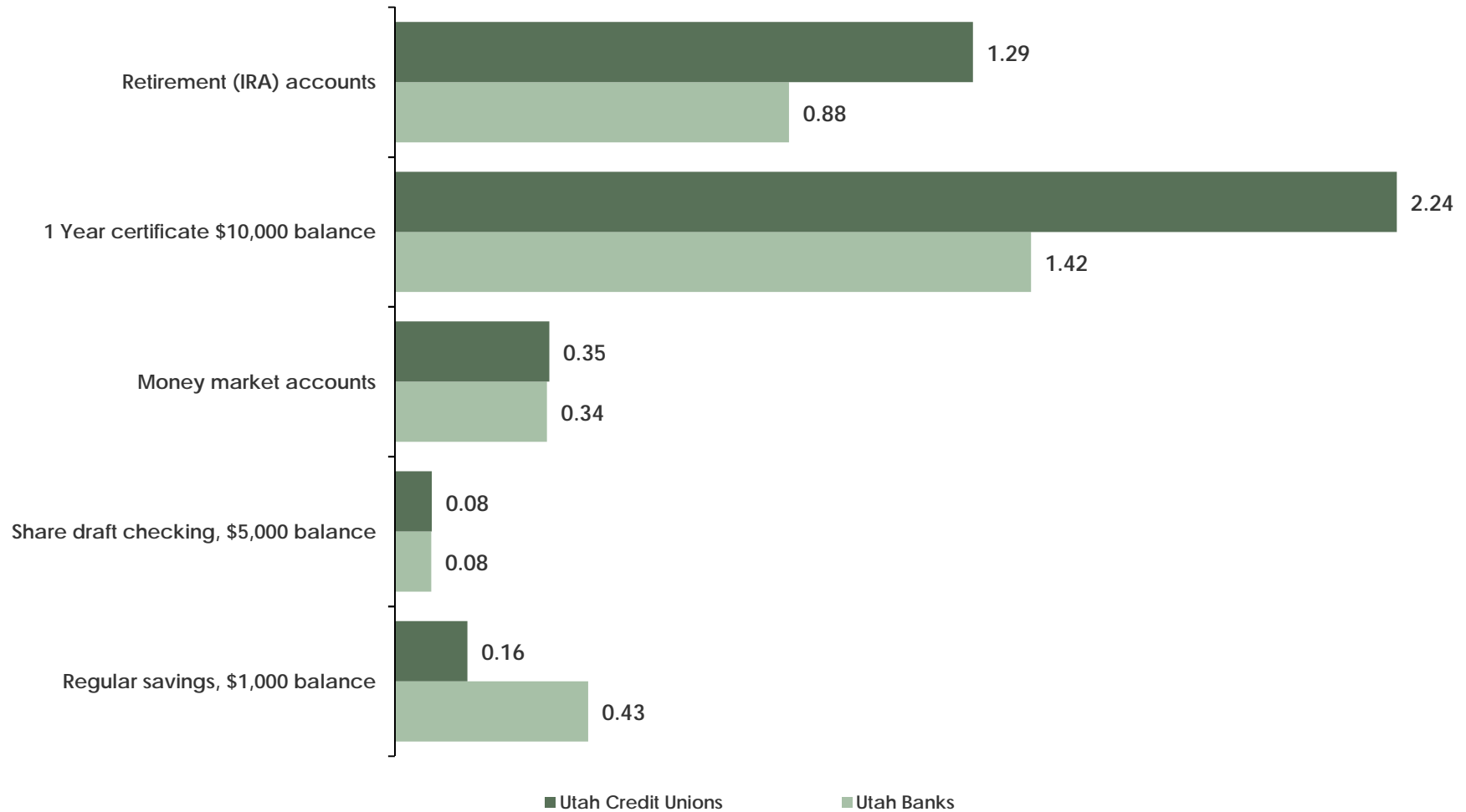
Loan Product Comparative Interest Rates (%)

by Loan Type



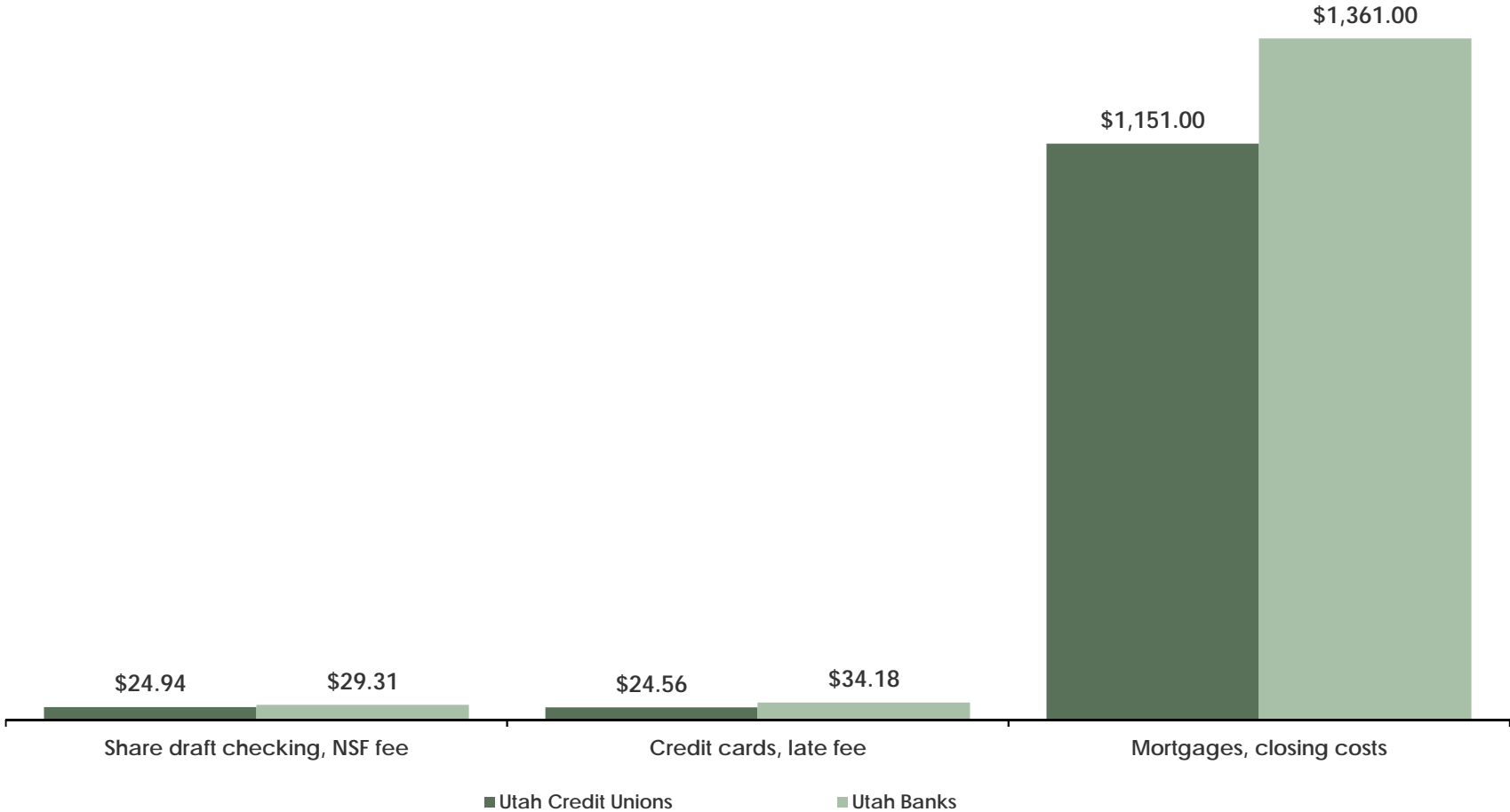
Savings Product Comparative Interest Rates (%)

by Savings Account Type



Comparative Fees

by Type



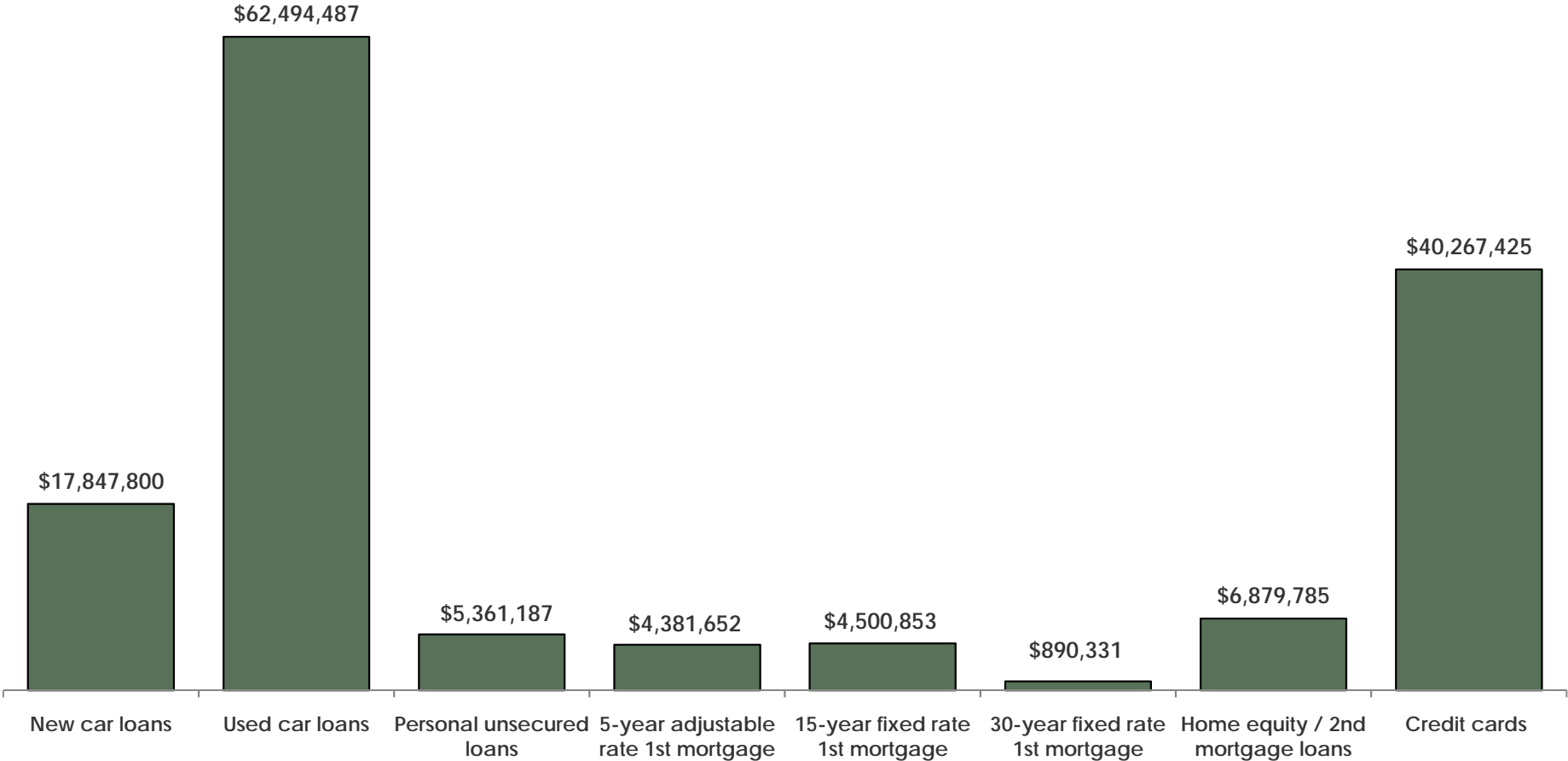
Utah Credit Union and Banking Institution December 2018 Average Interest Rates and Fees

Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	4.09	4.76	-0.67
48-month used car (A paper)	4.11	4.95	-0.84
Unsecured loan (A paper)	9.04	10.03	-0.99
5-year adjustable rate 1st mortgage, 0 pts	4.03	4.21	-0.19
15-year fixed rate 1st mortgage, 0 pts	4.35	4.53	-0.18
30-year fixed rate 1st mortgage, 0 pts	4.82	4.91	-0.09
Home equity / 2nd mtg, 80% LTV 0 pts	5.46	5.82	-0.36
Credit card - rewards	11.14	14.10	-2.96
Credit card - platinum	9.24	13.09	-3.85
Savings Products			
Regular savings, \$1,000 balance	0.16	0.43	-0.27
Share draft checking, \$5,000 balance	0.08	0.08	0.00
Money market accounts	0.35	0.34	0.00
1 Year certificate \$10,000 balance	2.24	1.42	0.82
Retirement (IRA) accounts	1.29	0.88	0.41
Fee Income			
Share draft checking, NSF fee	\$24.94	\$29.31	-\$4.37
Credit cards, late fee	\$24.56	\$34.18	-\$9.62
Mortgages, closing costs	\$1,151.00	\$1,361.00	-\$210.00

Source: Datatrac

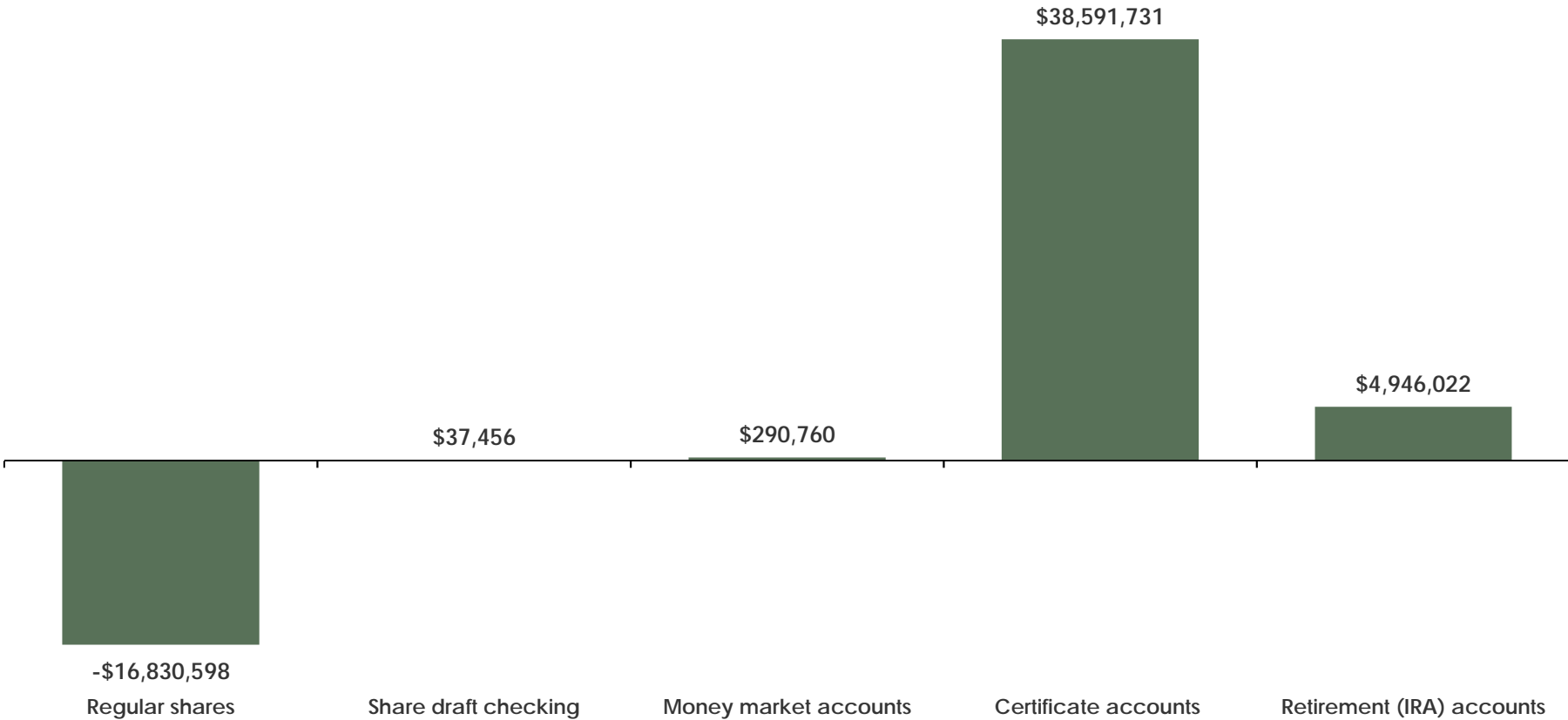
State Credit Union's Total Loan Rate Benefits

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 Utah Credit Unions December 2018

Loans	Avg. Balance at Credit Unions (1)	Rate Difference vs. Utah Banks (%) (2)	Total Financial Benefit to Your Members
New car loans	2,671,826,395	-0.67	\$17,847,800
Used car loans	7,466,485,881	-0.84	\$62,494,487
Personal unsecured loans	541,534,034	-0.99	\$5,361,187
5-year adjustable rate 1st mortgage	2,368,460,276	-0.19	\$4,381,652
15-year fixed rate 1st mortgage	2,486,659,098	-0.18	\$4,500,853
30-year fixed rate 1st mortgage	989,256,776	-0.09	\$890,331
Home equity / 2nd mortgage loans	1,916,374,602	-0.36	\$6,879,785
Credit cards	1,265,873,155	-2.96	\$40,267,425
Interest rebates			\$17,016
Total CU member benefits arising from lower interest rates on loan products:			\$142,640,536
Savings			
Regular shares	6,233,554,865	-0.27	-\$16,830,598
Share draft checking	3,745,645,989	0.00	\$37,456
Money market accounts	5,815,194,270	0.00	\$290,760
Certificate accounts	4,717,815,505	0.82	\$38,591,731
Retirement (IRA) accounts	1,201,949,472	0.41	\$4,946,022
Bonus dividends in period			\$0
Total CU member benefit arising from higher interest rates on savings products:			\$27,035,371
Fee Income			
Total CU member benefit arising from fewer / lower fees:			\$50,134,842
Total CU member benefit arising from interest rates on loans, savings products and lower fees:			\$219,810,748
Total CU member benefit / member:			\$83
Total CU member benefit / member household:			\$175

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;

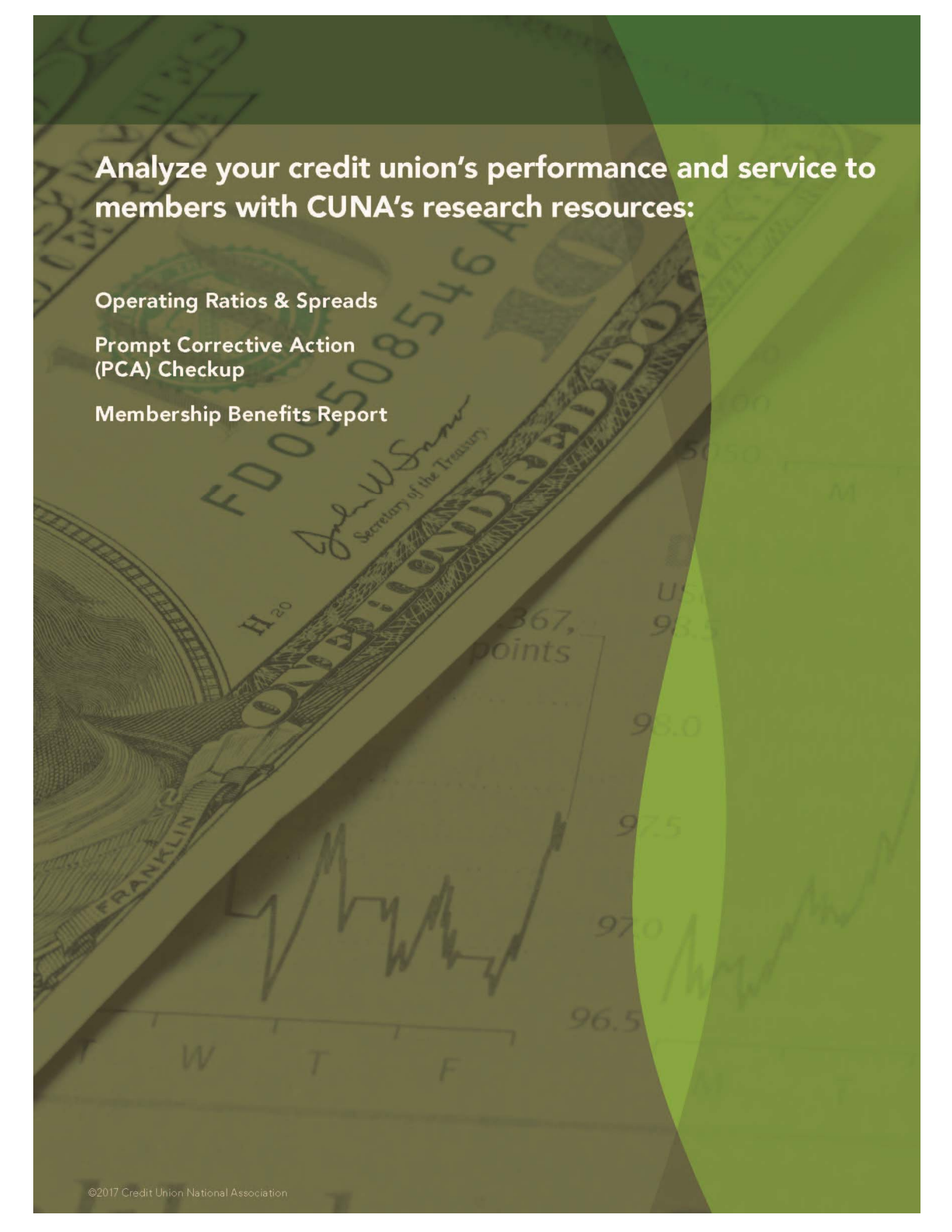
Membership Benefits Report

CUNA Economics and Statistics

Utah Credit Union Performance Profile

Demographic Information	Dec 18	Dec 17
Number of branches	467	463
Total assets (\$ mil)	28,500	25,506
Total loans (\$ mil)	23,123	19,965
Total surplus funds (\$ mil)	4,025	4,345
Total savings (\$ mil)	24,753	21,999
Total members (thousands)	2,750	2,535
Growth Rates (Trailing 12 months) *		
Total assets	11.9 %	12.4 %
Total loans	15.9 %	16.6 %
Total surplus funds	-7.0 %	-4.5 %
Total savings	12.7 %	12.3 %
Total members	8.7 %	9.7 %
Earnings - Basis Pts. *		
Yield on total assets	414	367
Dividend / interest cost of assets	64	51
Fee & other income	210	210
Operating expense	370	362
Loss Provisions	61	49
Net Income (ROA) after stabilization exp	130	116
Capital Adequacy		
Net worth / assets	10.9	10.8
Asset Quality *		
Delinquencies / loans	0.8	0.7
Net chargeoffs / average loans	0.5	0.5
Total borrower-bankruptcies	65	61
Bankruptcies per 1000 members	1.5	1.6
Asset/Liability Management		
Loans / savings	93.4	90.8
Loans / assets	81.1	78.3
Long-term assets / assets	26.2	25.8
Core deposits/shares & borrowings	42.2	43.3
Productivity		
Members / potential members	5.5	5.4
Borrowers / members	70.4	67.4
Members / FTE	347	346
Average shares / members (\$)	9,000	8,679
Average loan balances (\$)	11,950	11,681
Salary & Benefits / FTE	64,895	61,458

* 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