

CUNA Wisconsin
**MEMBERSHIP BENEFITS
REPORT**

Wisconsin

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 Wisconsin credit unions provided \$234,994,074 in direct financial benefits to the state's 3,156,147 members during the twelve months ending December 2018.

These benefits are equivalent to \$74 per member or \$156 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 Wisconsin 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 Wisconsin credit unions.

Consider this:

Financing a \$25,000 new automobile for 60 months at a Wisconsin credit union will save members an average \$146 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.

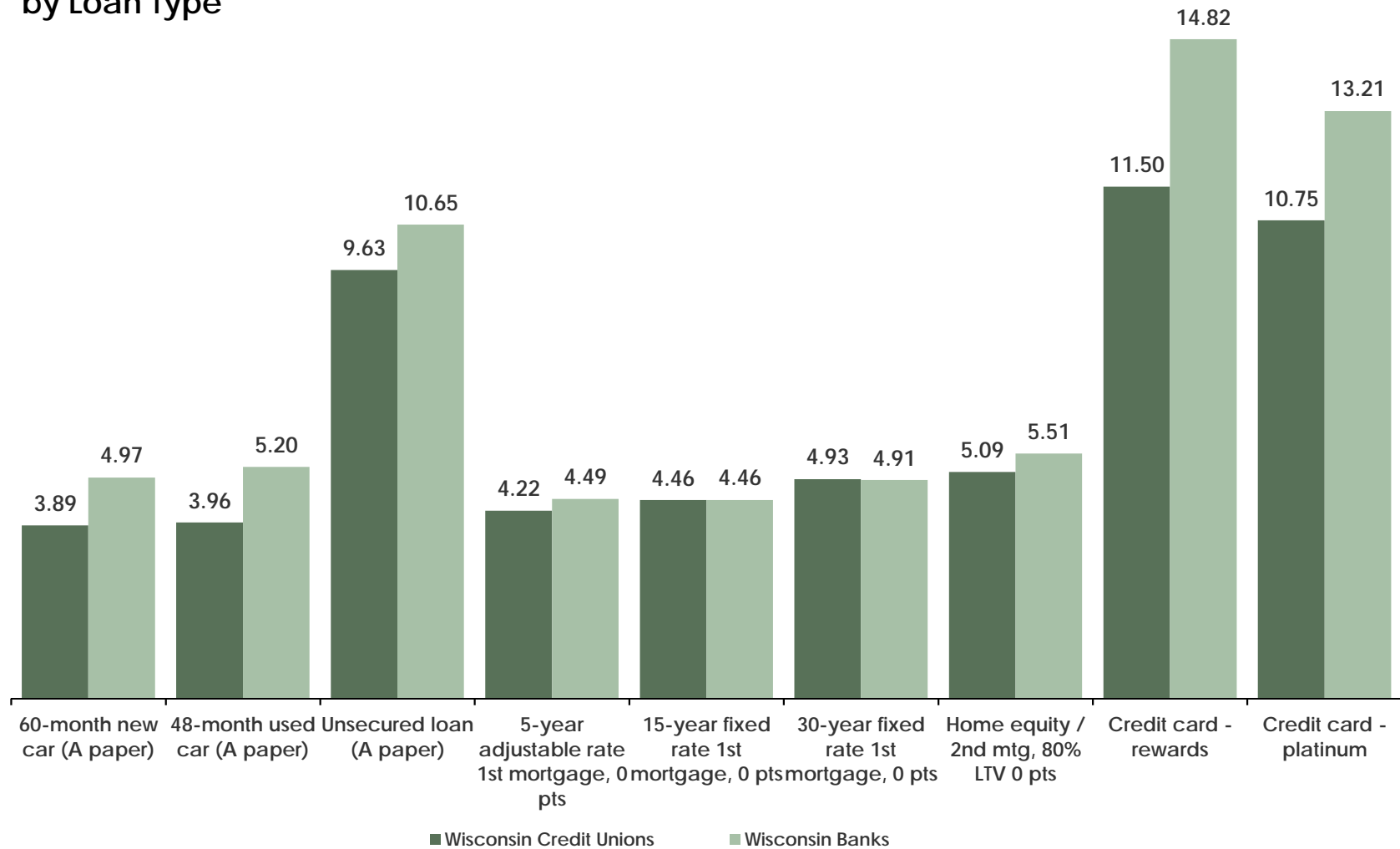
Wisconsin credit unions excel in providing member benefits on many loan and savings products. In particular, Wisconsin credit unions offer lower average loan rates on the following accounts: new car loans, used car loans, personal unsecured loans, first mortgage-adjustable rate, home equity loans, credit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

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



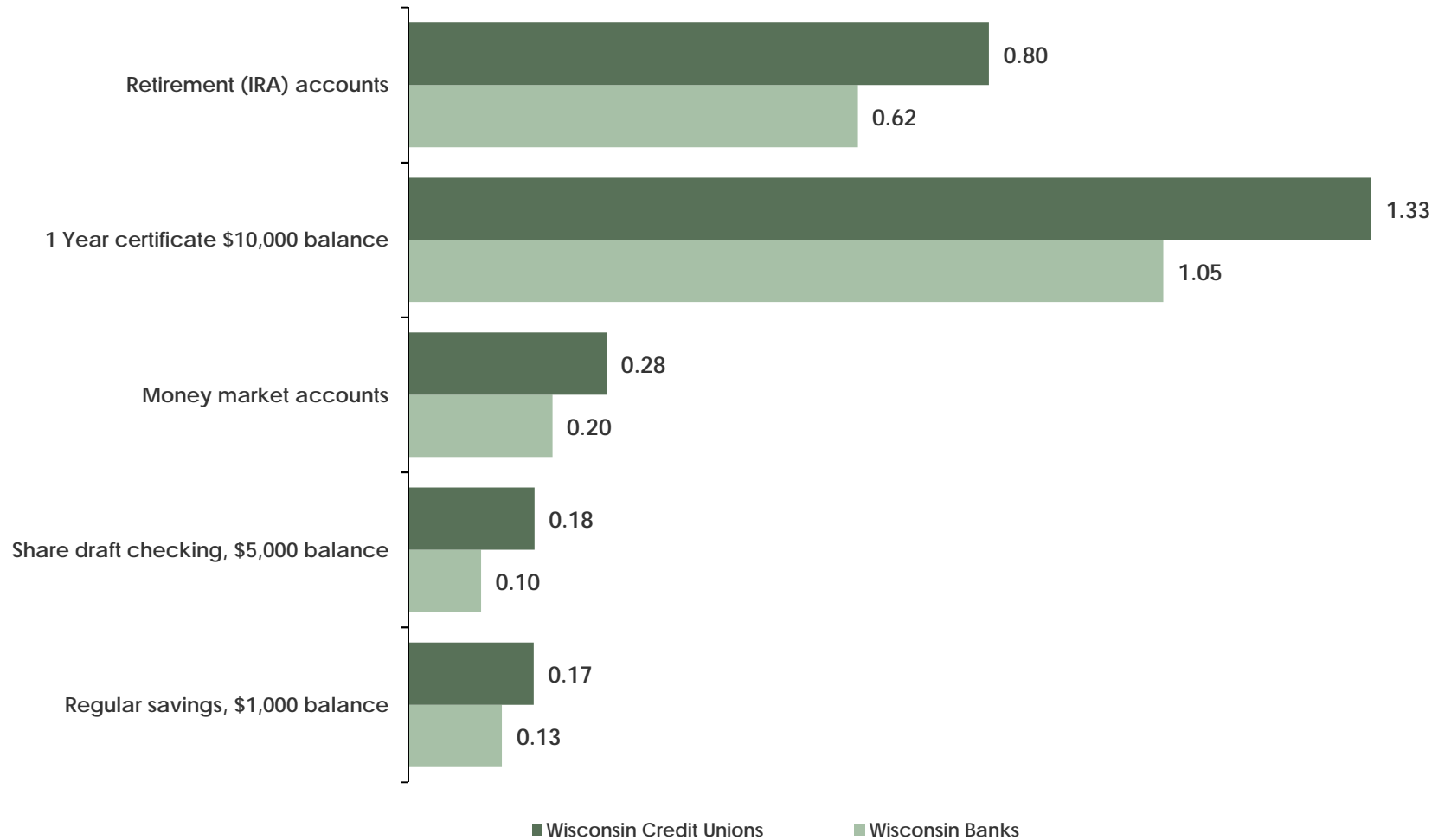
Loan Product Comparative Interest Rates (%)

by Loan Type



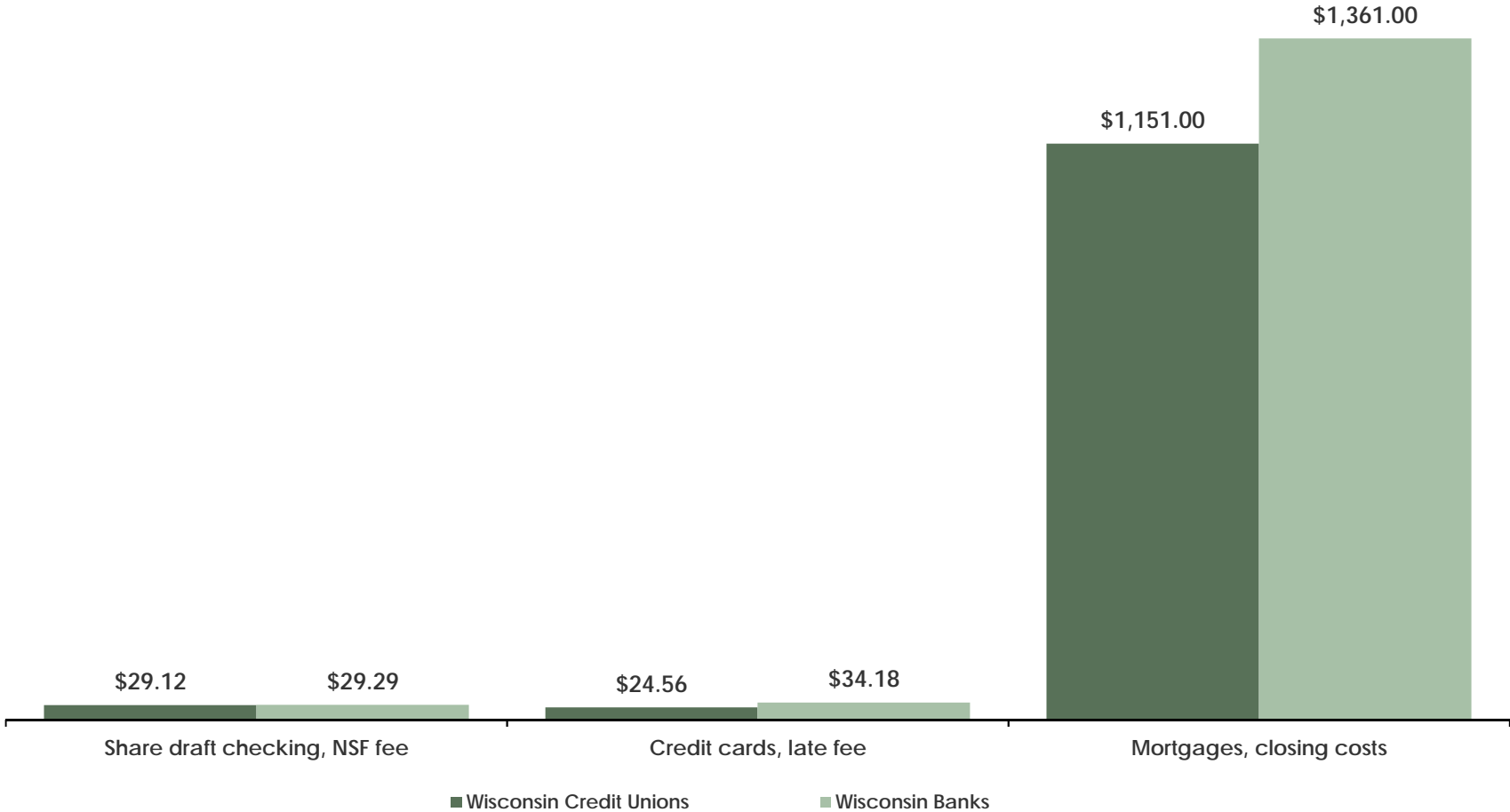
Savings Product Comparative Interest Rates (%)

by Savings Account Type



Comparative Fees

by Type



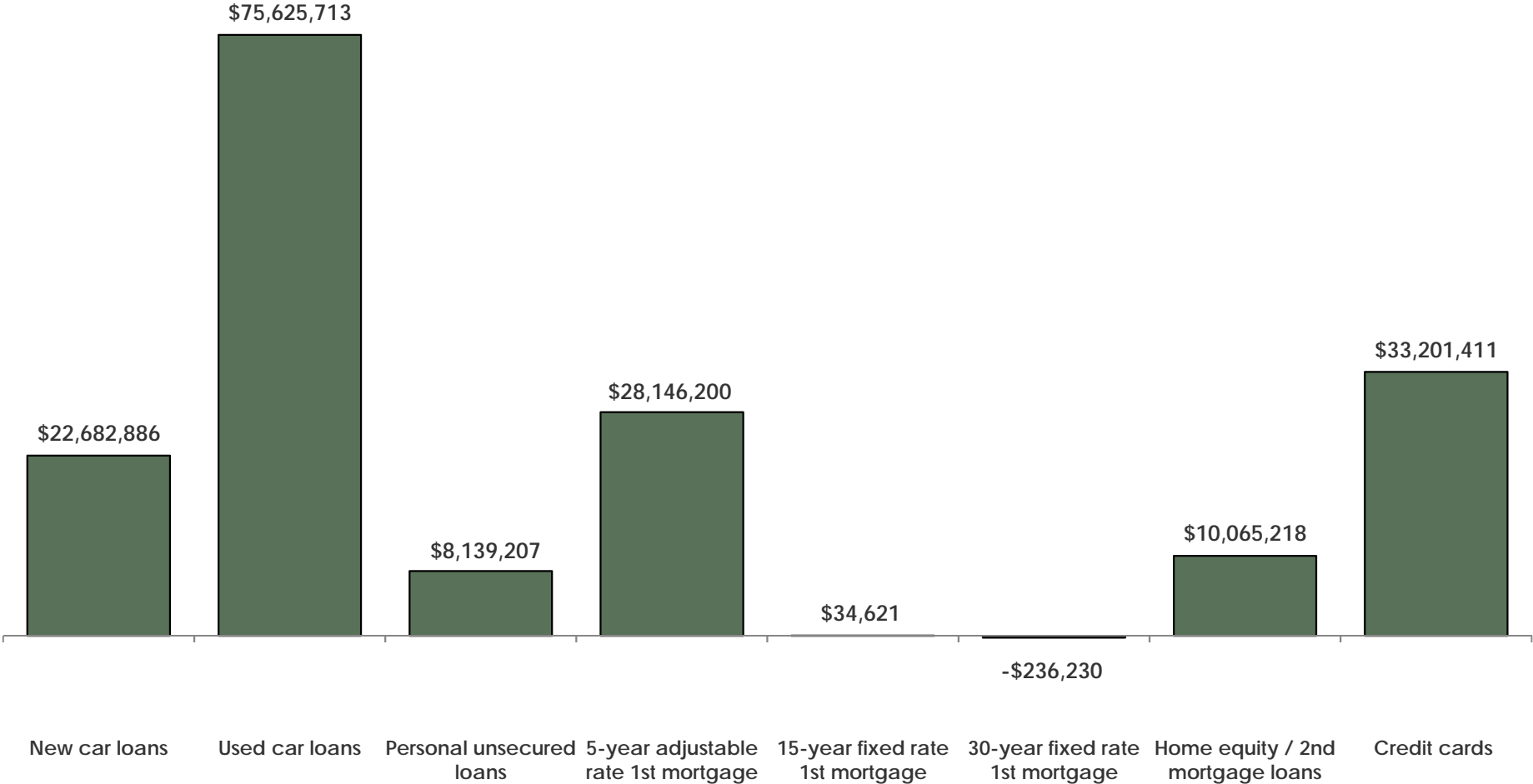
Wisconsin Credit Union and Banking Institution December 2018 Average Interest Rates and Fees

Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	3.89	4.97	-1.08
48-month used car (A paper)	3.96	5.20	-1.25
Unsecured loan (A paper)	9.63	10.65	-1.02
5-year adjustable rate 1st mortgage, 0 pts	4.22	4.49	-0.26
15-year fixed rate 1st mortgage, 0 pts	4.46	4.46	0.00
30-year fixed rate 1st mortgage, 0 pts	4.93	4.91	0.02
Home equity / 2nd mtg, 80% LTV 0 pts	5.09	5.51	-0.41
Credit card - rewards	11.50	14.82	-3.32
Credit card - platinum	10.75	13.21	-2.46
Savings Products			
Regular savings, \$1,000 balance	0.17	0.13	0.04
Share draft checking, \$5,000 balance	0.18	0.10	0.07
Money market accounts	0.28	0.20	0.08
1 Year certificate \$10,000 balance	1.33	1.05	0.29
Retirement (IRA) accounts	0.80	0.62	0.18
Fee Income			
Share draft checking, NSF fee	\$29.12	\$29.29	-\$0.16
Credit cards, late fee	\$24.56	\$34.18	-\$9.62
Mortgages, closing costs	\$1,151.00	\$1,361.00	-\$210.00

Source: Datatrac

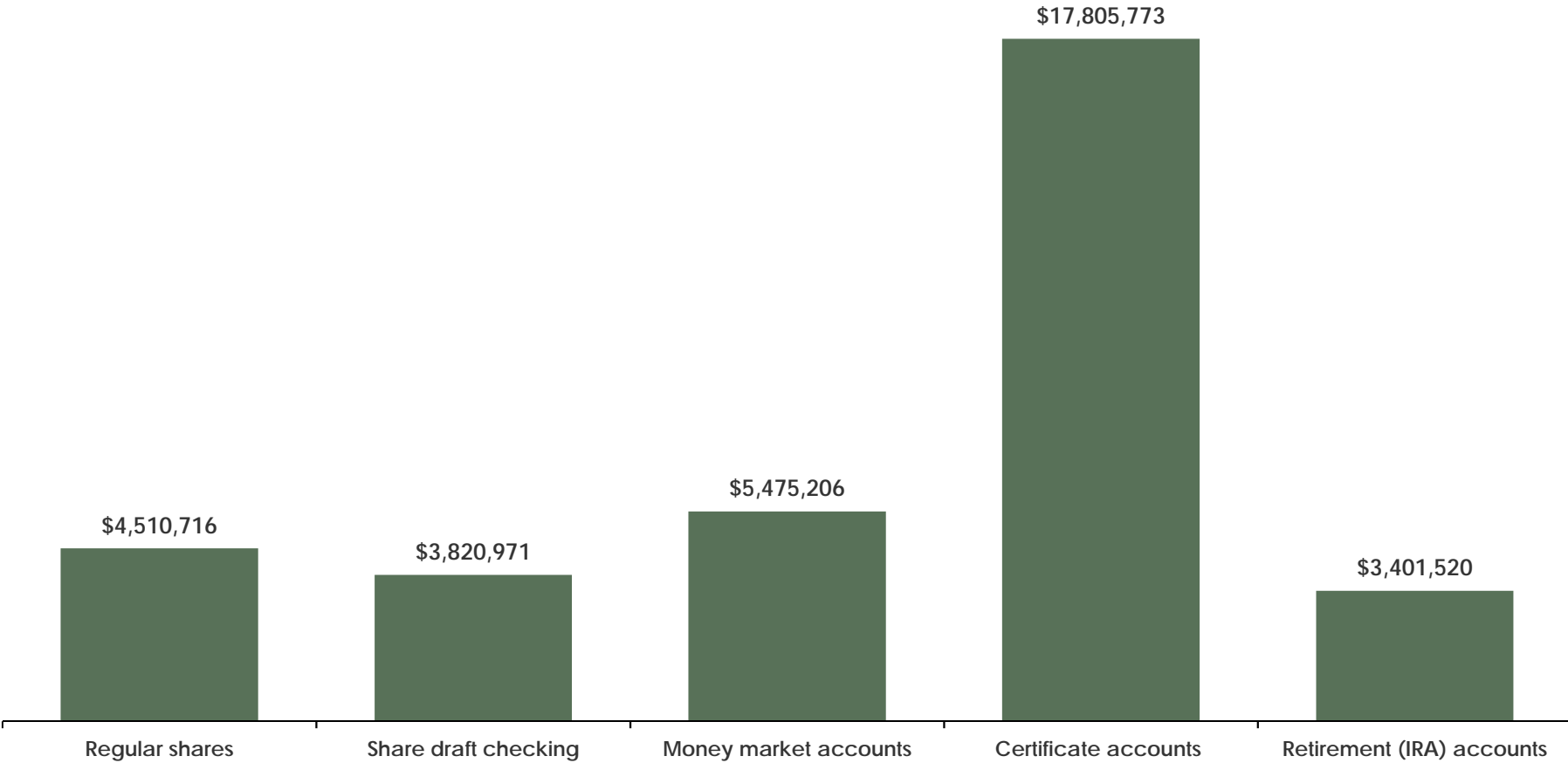
State Credit Union's Total Loan Rate Benefits

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 Wisconsin Credit Unions December 2018

Loans	Avg. Balance at Credit Unions (1)	Rate Difference vs. Wisconsin Banks (%) (2)	Total Financial Benefit to Your Members
New car loans	2,110,035,910	-1.08	\$22,682,886
Used car loans	6,054,900,940	-1.25	\$75,625,713
Personal unsecured loans	797,179,954	-1.02	\$8,139,207
5-year adjustable rate 1st mortgage	10,661,439,315	-0.26	\$28,146,200
15-year fixed rate 1st mortgage	3,462,077,409	0.00	\$34,621
30-year fixed rate 1st mortgage	1,124,907,007	0.02	-\$236,230
Home equity / 2nd mortgage loans	2,443,014,134	-0.41	\$10,065,218
Credit cards	1,070,408,994	-3.32	\$33,201,411
Interest rebates			\$4,889,680
Total CU member benefits arising from lower interest rates on loan products:			\$182,548,705
Savings			
Regular shares	10,251,626,703	0.04	\$4,510,716
Share draft checking	5,163,474,080	0.07	\$3,820,971
Money market accounts	7,300,274,440	0.08	\$5,475,206
Certificate accounts	6,182,559,978	0.29	\$17,805,773
Retirement (IRA) accounts	1,874,115,578	0.18	\$3,401,520
Bonus dividends in period			\$0
Total CU member benefit arising from higher interest rates on savings products:			\$35,014,185
Fee Income			
Total CU member benefit arising from fewer / lower fees:			\$17,431,184
Total CU member benefit arising from interest rates on loans, savings products and lower fees:			\$234,994,074
Total CU member benefit / member:			\$74
Total CU member benefit / member household:			\$156

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

Wisconsin Credit Union Performance Profile

Demographic Information	Dec 18	Dec 17
Number of branches	664	642
Total assets (\$ mil)	39,106	36,072
Total loans (\$ mil)	32,217	29,350
Total surplus funds (\$ mil)	5,205	5,214
Total savings (\$ mil)	32,770	30,238
Total members (thousands)	3,244	3,090
Growth Rates (Trailing 12 months) *		
Total assets	8.9 %	9.7 %
Total loans	10.2 %	12.9 %
Total surplus funds	0.8 %	-5.9 %
Total savings	8.9 %	8.2 %
Total members	5.7 %	6.5 %
Earnings - Basis Pts. *		
Yield on total assets	387	362
Dividend / interest cost of assets	69	51
Fee & other income	140	141
Operating expense	320	318
Loss Provisions	26	23
Net Income (ROA) after stabilization exp	112	113
Capital Adequacy		
Net worth / assets	11.5	11.3
Asset Quality *		
Delinquencies / loans	0.7	0.7
Net chargeoffs / average loans	0.3	0.3
Total borrower-bankruptcies	34	32
Bankruptcies per 1000 members	1.3	1.4
Asset/Liability Management		
Loans / savings	98.3	97.1
Loans / assets	82.4	81.4
Long-term assets / assets	32.8	33.0
Core deposits/shares & borrowings	48.2	48.9
Productivity		
Members / potential members	4.7	4.6
Borrowers / members	65.7	65.0
Members / FTE	357	358
Average shares / members (\$)	10,102	9,787
Average loan balances (\$)	15,126	14,621
Salary & Benefits / FTE	68,231	65,998

* 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.