



# Nebraska Membership Benefits Report

First Quarter 2016

## Nebraska

### *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 Nebraska credit unions provided \$35,325,944 in direct financial benefits to the state's 480,983 members during the twelve months ending March 2016.

**These benefits are equivalent to \$73 per member or \$140 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 Nebraska 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 Nebraska credit unions.

Consider this:

**Financing a \$25,000 new automobile for 60 months at a Nebraska credit union will save members an average \$248 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.

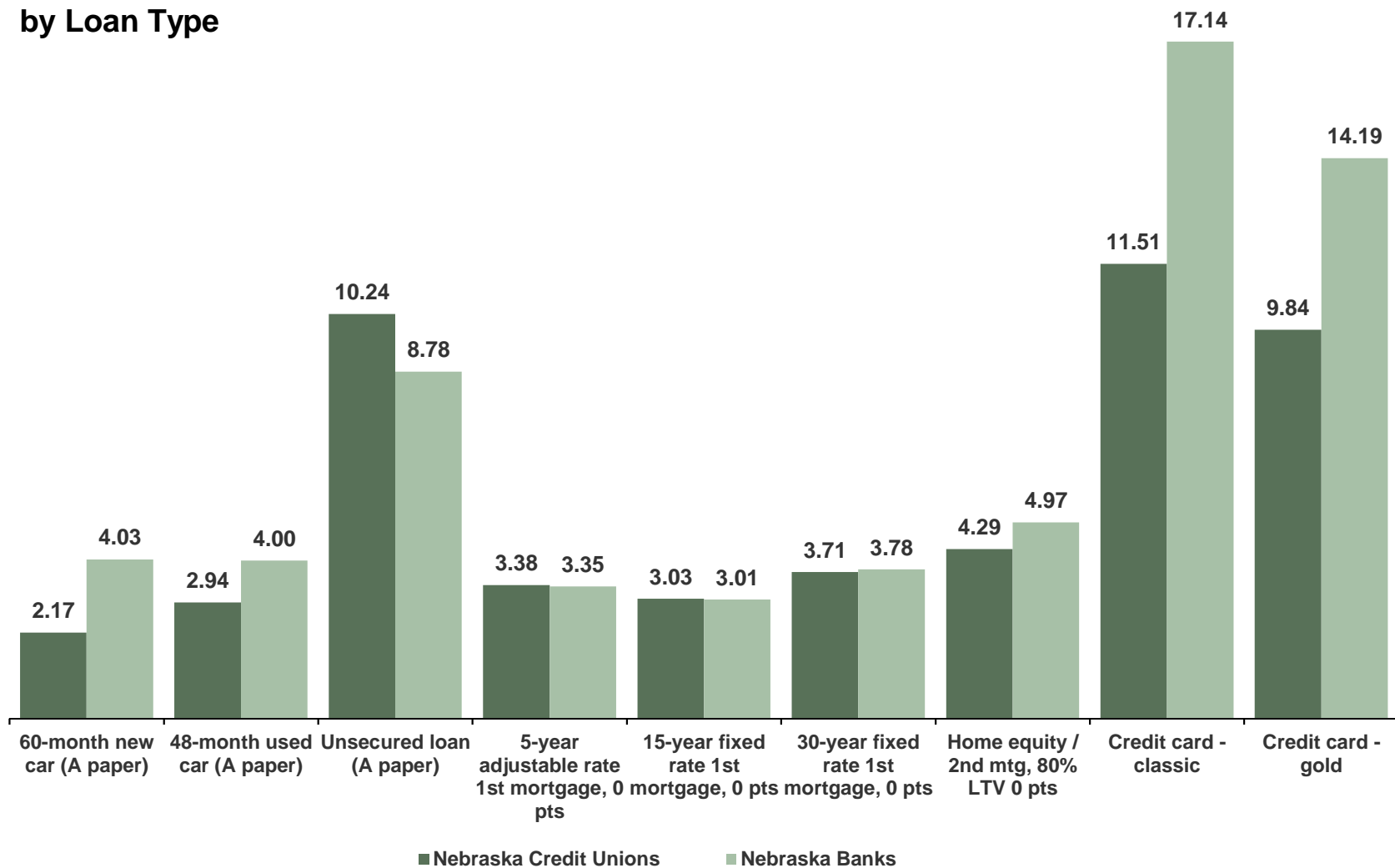
Nebraska credit unions excel in providing member benefits on many loan and savings products. In particular, Nebraska credit unions offer lower average loan rates on the following accounts: new car loans, used car loans, first mortgage-fixed rate, home equity loans, credit cards loans.

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



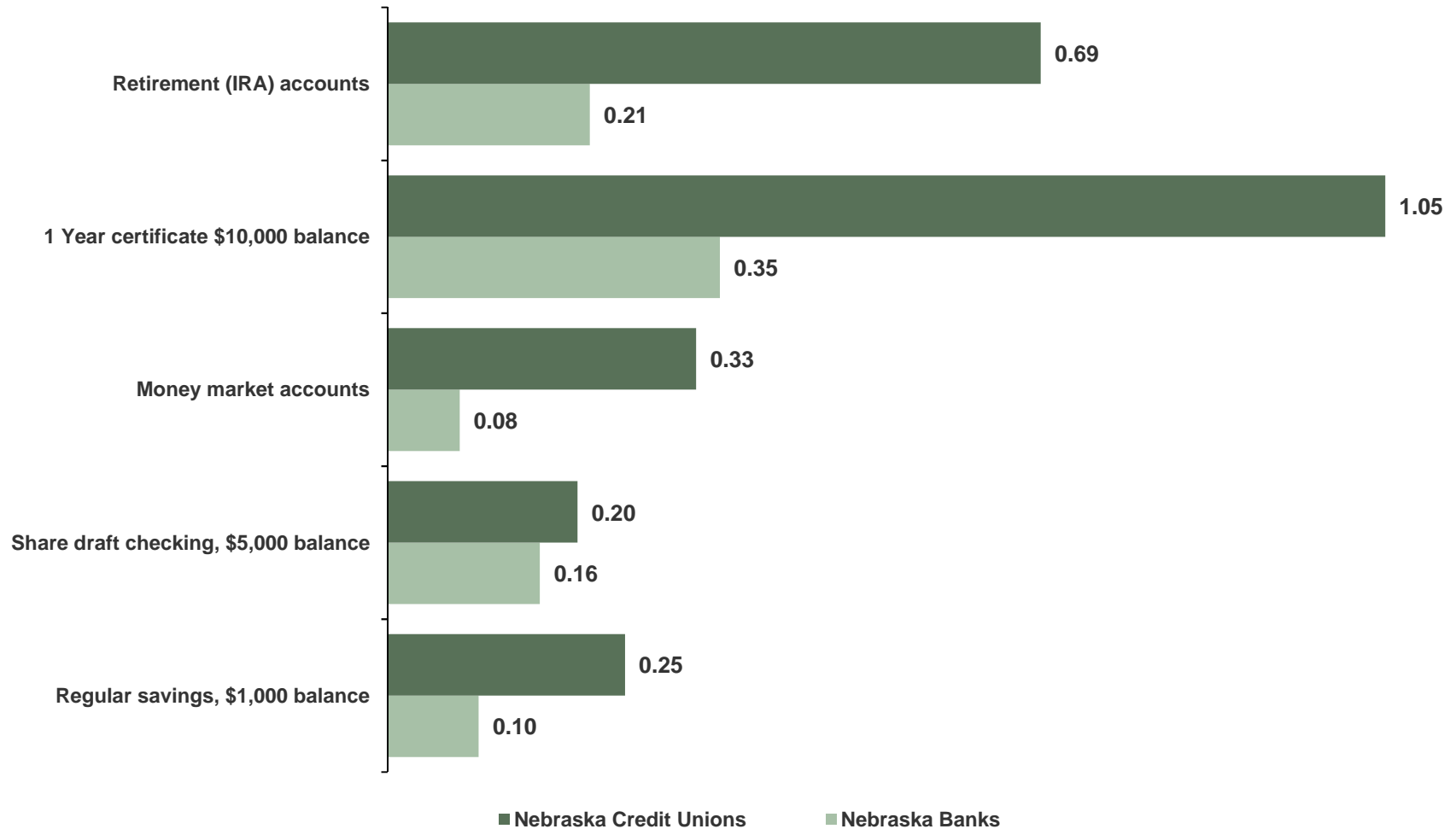
## Loan Product Comparative Interest Rates (%)

by Loan Type



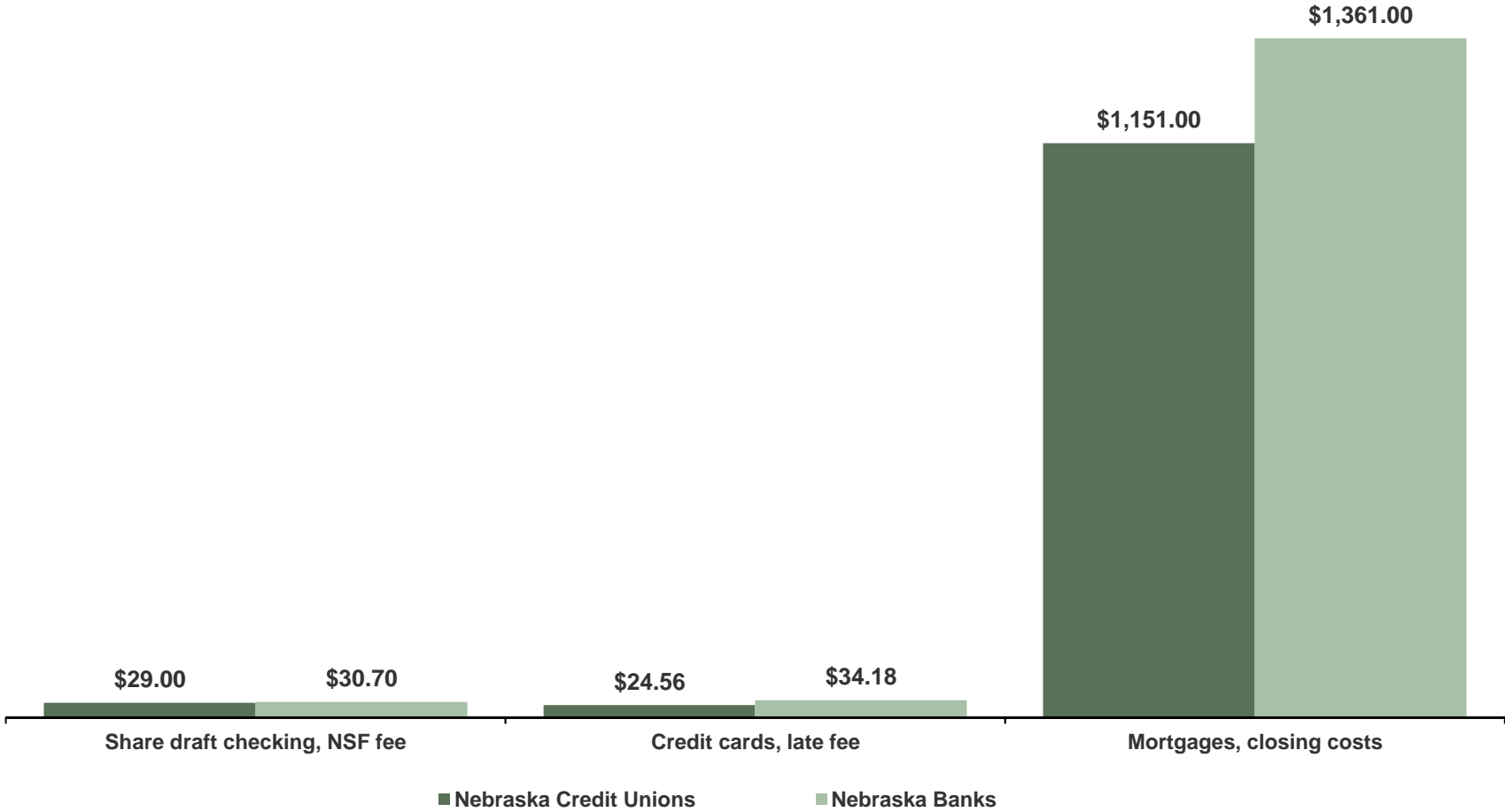
## Savings Product Comparative Interest Rates (%)

### by Savings Account Type



Comparative Fees

by Type



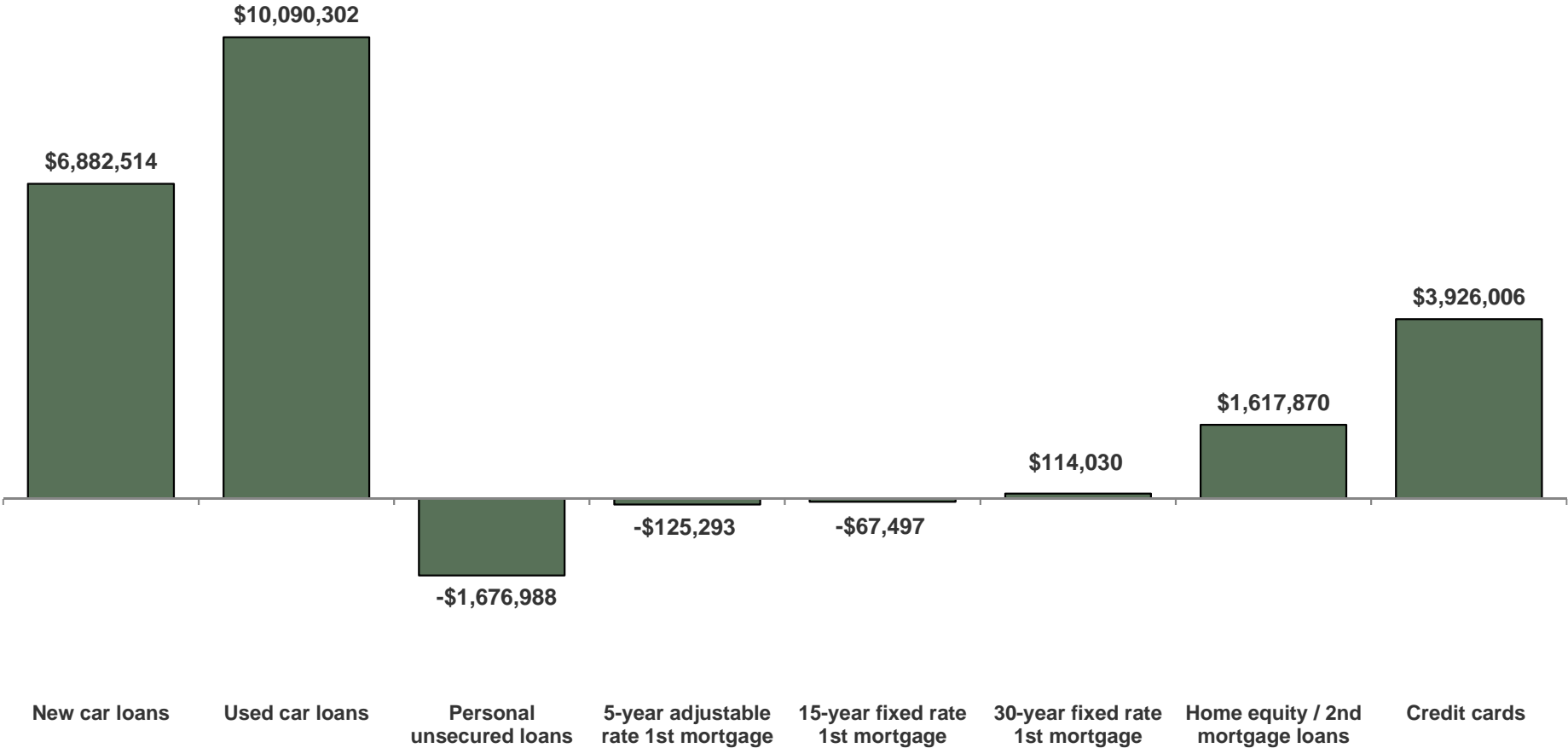
## Nebraska Credit Union and Banking Institution March 2016 Average Interest Rates and Fees

Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	2.17	4.03	-1.86
48-month used car (A paper)	2.94	4.00	-1.06
Unsecured loan (A paper)	10.24	8.78	1.46
5-year adjustable rate 1st mortgage, 0 pts	3.38	3.35	0.03
15-year fixed rate 1st mortgage, 0 pts	3.03	3.01	0.02
30-year fixed rate 1st mortgage, 0 pts	3.71	3.78	-0.07
Home equity / 2nd mtg, 80% LTV 0 pts	4.29	4.97	-0.67
Credit card - classic	11.51	17.14	-5.63
Credit card - gold	9.84	14.19	-4.35
Savings Products			
Regular savings, \$1,000 balance	0.25	0.10	0.15
Share draft checking, \$5,000 balance	0.20	0.16	0.04
Money market accounts	0.33	0.08	0.25
1 Year certificate \$10,000 balance	1.05	0.35	0.70
Retirement (IRA) accounts	0.69	0.21	0.47
Fee Income			
Share draft checking, NSF fee	\$29.00	\$30.70	-\$1.70
Credit cards, late fee	\$24.56	\$34.18	-\$9.62
Mortgages, closing costs	\$1,151.00	\$1,361.00	-\$210.00

Source: Informa Research Services

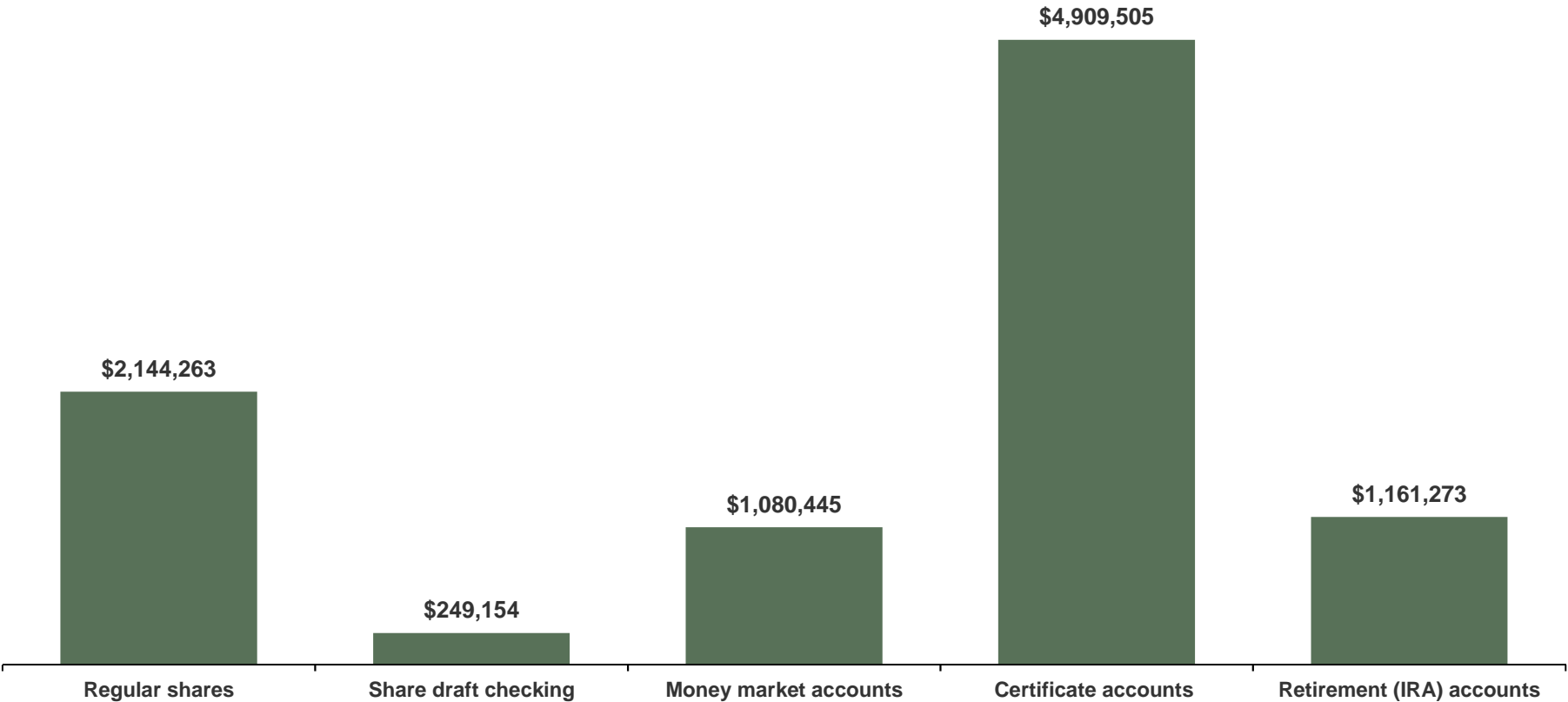
### State Credit Union's Total Loan Rate Benefits

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 Nebraska Credit Unions March 2016

<b>Loans</b>	<b>Avg. Balance at Credit Unions (1)</b>	<b>Rate Difference vs. Nebraska Banks (%) (2)</b>	<b>Total Financial Benefit to Your Members</b>
New car loans	371,024,998	-1.86	\$6,882,514
Used car loans	954,617,061	-1.06	\$10,090,302
Personal unsecured loans	114,940,942	1.46	-\$1,676,988
5-year adjustable rate 1st mortgage	357,978,711	0.03	-\$125,293
15-year fixed rate 1st mortgage	337,482,651	0.02	-\$67,497
30-year fixed rate 1st mortgage	162,899,839	-0.07	\$114,030
Home equity / 2nd mortgage loans	240,396,748	-0.67	\$1,617,870
Credit cards	73,936,076	-5.63	\$3,926,006
Interest rebates			\$115,332
<b>Total CU member benefits arising from lower interest rates on loan products:</b>			<b>\$20,876,276</b>
<b>Savings</b>			
Regular shares	1,393,024,784	0.15	\$2,144,263
Share draft checking	630,044,198	0.04	\$249,154
Money market accounts	433,986,264	0.25	\$1,080,445
Certificate accounts	701,357,806	0.70	\$4,909,505
Retirement (IRA) accounts	244,746,865	0.47	\$1,161,273
Bonus dividends in period			\$0
<b>Total CU member benefit arising from higher interest rates on savings products:</b>			<b>\$9,544,639</b>
<b>Fee Income</b>			
<b>Total CU member benefit arising from fewer / lower fees:</b>			<b>\$4,905,028</b>
<b>Total CU member benefit arising from interest rates on loans, savings products and lower fees:</b>			<b>\$35,325,944</b>
<b>Total CU member benefit / member:</b>			<b>\$73</b>
<b>Total CU member benefit / member household:</b>			<b>\$140</b>

Source: Informa Research Services, NCUA, and CUNA

(1) Average balance as of March 2015 and March 2016, according to the NCUA call report.; (2) Source for rates and fees: Informa Research Services;

## Nebraska Credit Union Performance Profile

Demographic Information	Mar 16	Mar 15
Number of branches	144	145
Total assets (\$ mil)	4,253	4,036
Total loans (\$ mil)	2,915	2,685
Total surplus funds (\$ mil)	1,131	1,145
Total savings (\$ mil)	3,590	3,421
Total members (thousands)	496	477
Growth Rates (Trailing 12 months) *		
Total assets	7.7 %	5.6 %
Total loans	10.1 %	9.2 %
Total surplus funds	2.7 %	-2.1 %
Total savings	7.4 %	4.4 %
Total members	6.6 %	5.1 %
Earnings - Basis Pts. *		
Yield on total assets	355	348
Dividend / interest cost of assets	48	44
Fee & other income	143	150
Operating expense	383	375
Loss Provisions	31	24
Net Income (ROA) after stabilization exp	35	54
Capital Adequacy		
Net worth / assets	10.6	10.6
Asset Quality *		
Delinquencies / loans	0.8	0.7
Net chargeoffs / average loans	0.4	0.4
Total borrower-bankruptcies	4	13
Bankruptcies per 1000 members	0.5	1.7
Asset/Liability Management		
Loans / savings	81.2	78.5
Loans / assets	68.5	66.5
Long-term assets / assets	29.4	29.8
Core deposits/shares & borrowings	56.5	56.8
Productivity		
Members / potential members	5.2	5.3
Borrowers / members	50.2	49.5
Members / FTE	368	369
Average shares / members (\$)	7,234	7,170
Average loan balances (\$)	11,707	11,368
Salary & Benefits / FTE	63,751	60,303

\* 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.