

CUNA Louisiana  
**MEMBERSHIP BENEFITS  
REPORT**



## Louisiana

### 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 Louisiana credit unions provided \$156,504,644 in direct financial benefits to the state's 1,235,909 members during the twelve months ending December 2018.

**These benefits are equivalent to \$127 per member or \$266 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 Louisiana 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 Louisiana credit unions.

Consider this:

**Financing a \$25,000 new automobile for 60 months at a Louisiana credit union will save members an average \$296 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.

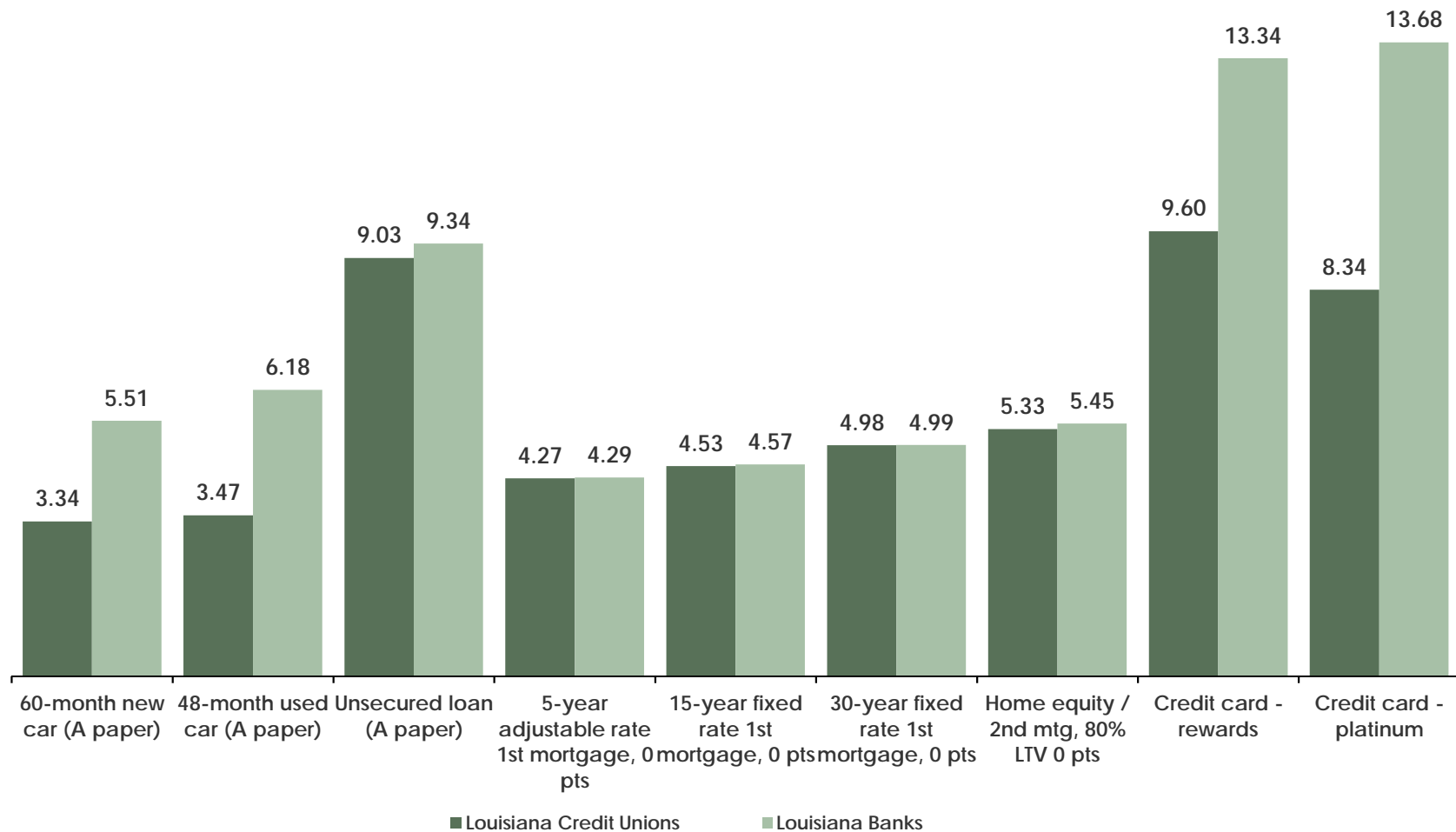
Louisiana credit unions excel in providing member benefits on many loan and savings products. In particular, Louisiana credit unions offer lower average loan rates on the following accounts: new car loans, used car loans, personal unsecured loans, first mortgage-fixed rate, first mortgage-adjustable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

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



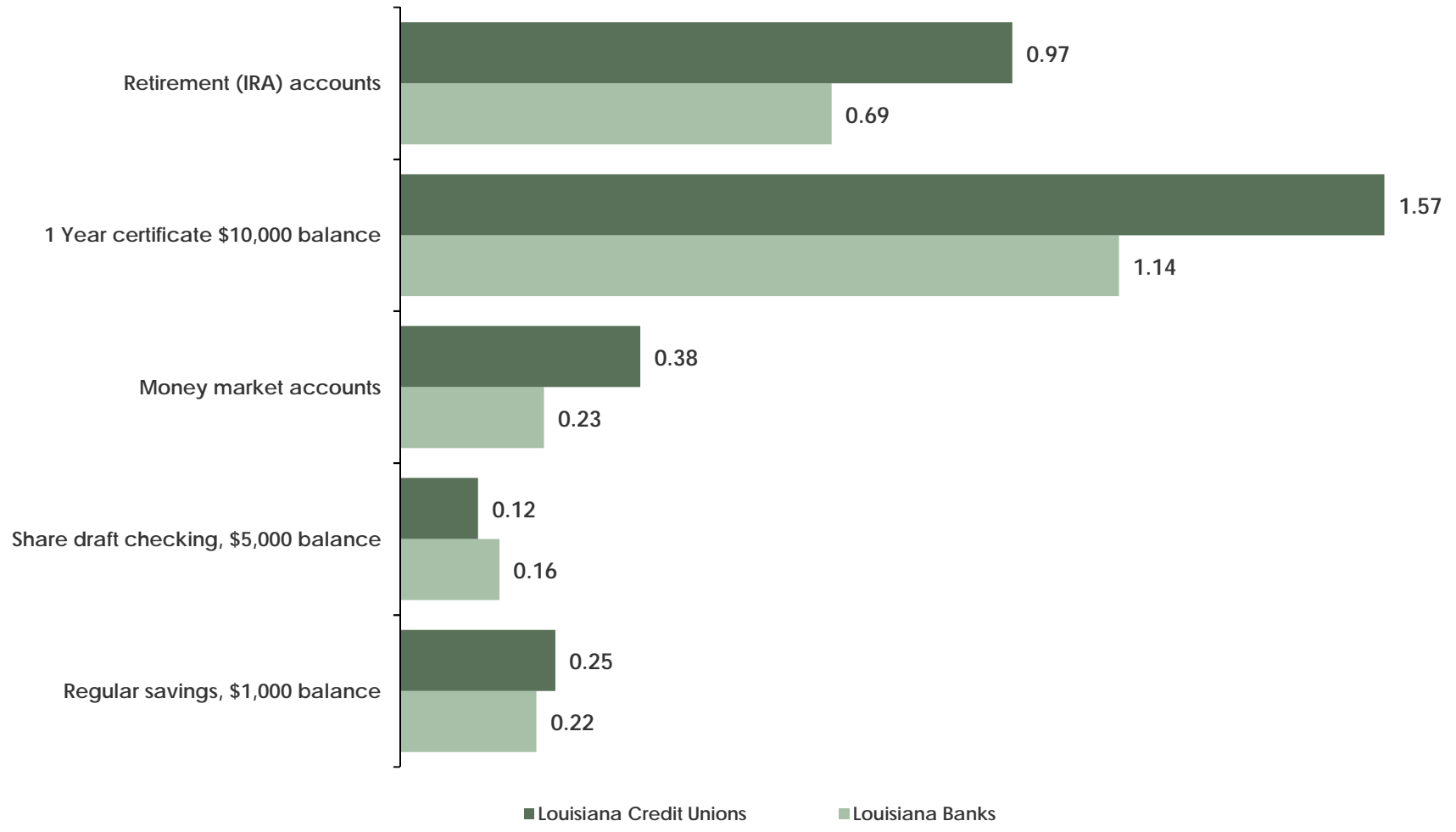
## Loan Product Comparative Interest Rates (%)

by Loan Type



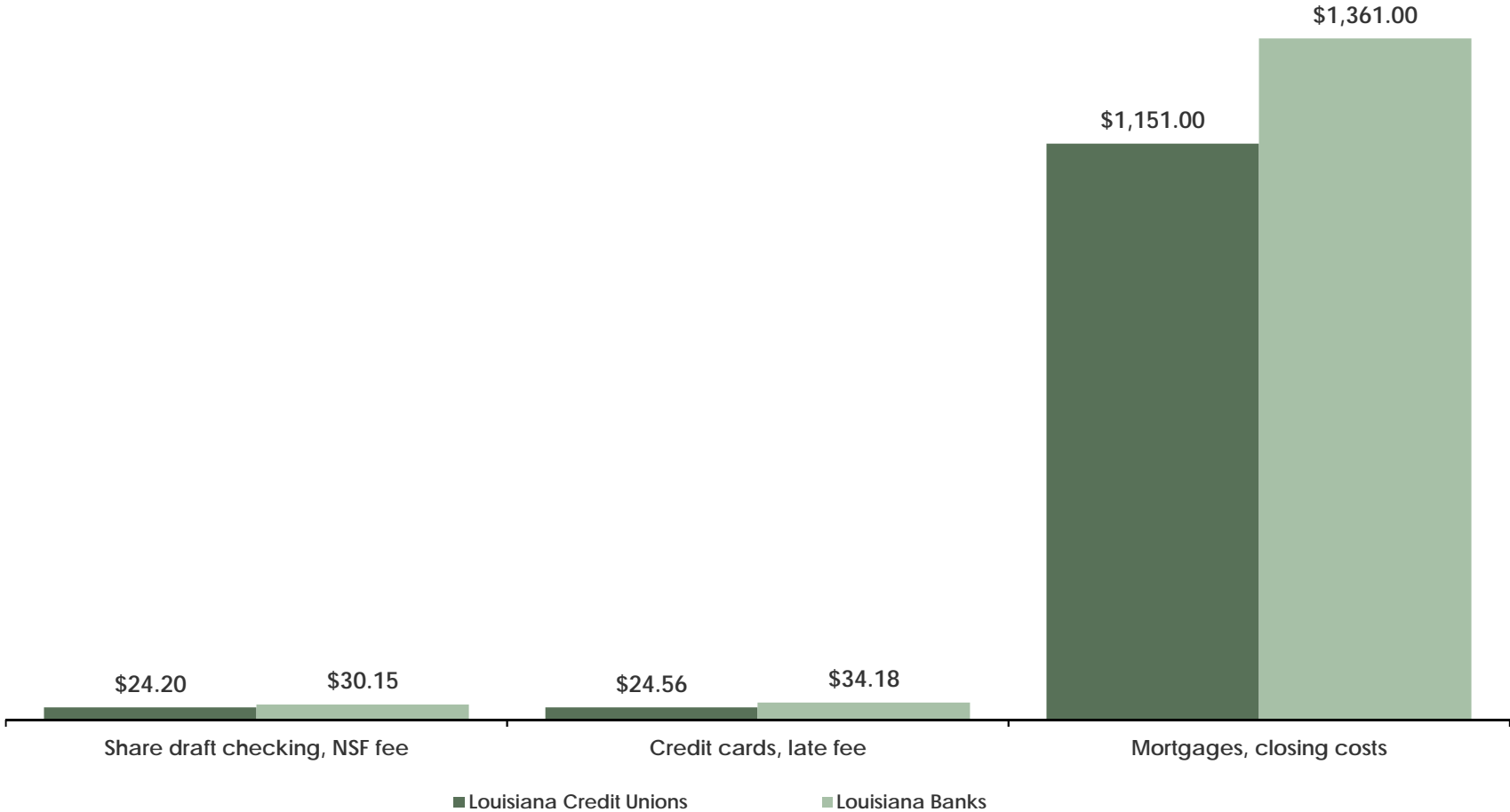
## Savings Product Comparative Interest Rates (%)

### by Savings Account Type



## Comparative Fees

by Type



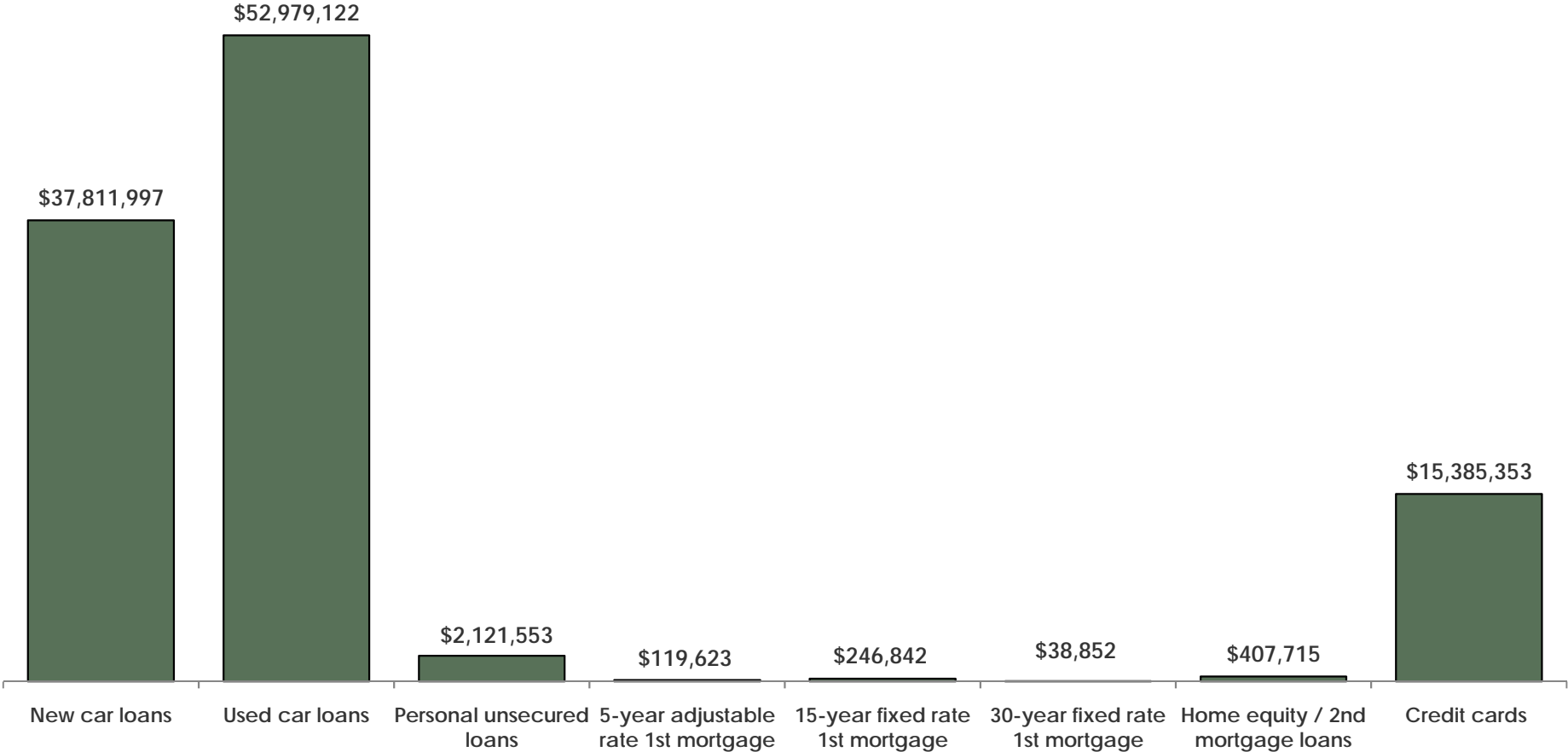
## Louisiana Credit Union and Banking Institution December 2018 Average Interest Rates and Fees

Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	3.34	5.51	-2.17
48-month used car (A paper)	3.47	6.18	-2.71
Unsecured loan (A paper)	9.03	9.34	-0.31
5-year adjustable rate 1st mortgage, 0 pts	4.27	4.29	-0.02
15-year fixed rate 1st mortgage, 0 pts	4.53	4.57	-0.03
30-year fixed rate 1st mortgage, 0 pts	4.98	4.99	0.00
Home equity / 2nd mtg, 80% LTV 0 pts	5.33	5.45	-0.12
Credit card - rewards	9.60	13.34	-3.73
Credit card - platinum	8.34	13.68	-5.34
Savings Products			
Regular savings, \$1,000 balance	0.25	0.22	0.03
Share draft checking, \$5,000 balance	0.12	0.16	-0.03
Money market accounts	0.38	0.23	0.15
1 Year certificate \$10,000 balance	1.57	1.14	0.42
Retirement (IRA) accounts	0.97	0.69	0.29
Fee Income			
Share draft checking, NSF fee	\$24.20	\$30.15	-\$5.95
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 Louisiana Credit Unions December 2018

Loans	Avg. Balance at Credit Unions (1)	Rate Difference vs. Louisiana Banks (%) (2)	Total Financial Benefit to Your Members
New car loans	1,740,883,840	-2.17	\$37,811,997
Used car loans	1,953,507,453	-2.71	\$52,979,122
Personal unsecured loans	686,586,796	-0.31	\$2,121,553
5-year adjustable rate 1st mortgage	520,100,356	-0.02	\$119,623
15-year fixed rate 1st mortgage	726,006,665	-0.03	\$246,842
30-year fixed rate 1st mortgage	971,296,181	0.00	\$38,852
Home equity / 2nd mortgage loans	336,954,542	-0.12	\$407,715
Credit cards	372,211,285	-3.73	\$15,385,353
Interest rebates			\$460,059
<b>Total CU member benefits arising from lower interest rates on loan products:</b>			<b>\$109,571,117</b>
<i>Savings</i>			
Regular shares	4,588,500,084	0.03	\$1,376,550
Share draft checking	1,525,924,912	-0.03	-\$518,814
Money market accounts	808,037,836	0.15	\$1,236,298
Certificate accounts	1,837,979,440	0.42	\$7,756,273
Retirement (IRA) accounts	607,625,966	0.29	\$1,746,925
Bonus dividends in period			\$0
<b>Total CU member benefit arising from higher interest rates on savings products:</b>			<b>\$11,597,231</b>
<i>Fee Income</i>			
<b>Total CU member benefit arising from fewer / lower fees:</b>			<b>\$35,336,295</b>
<b>Total CU member benefit arising from interest rates on loans, savings products and lower fees:</b>			<b>\$156,504,644</b>
<b>Total CU member benefit / member:</b>			<b>\$127</b>
<b>Total CU member benefit / member household:</b>			<b>\$266</b>

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

## Louisiana Credit Union Performance Profile

Demographic Information	Dec 18	Dec 17
Number of branches	418	419
Total assets (\$ mil)	11,725	11,297
Total loans (\$ mil)	8,345	7,768
Total surplus funds (\$ mil)	2,724	2,930
Total savings (\$ mil)	9,959	9,730
Total members (thousands)	1,243	1,235
Growth Rates (Trailing 12 months) *		
Total assets	4.2 %	5.9 %
Total loans	7.8 %	9.8 %
Total surplus funds	-6.5 %	-4.3 %
Total savings	2.8 %	5.6 %
Total members	1.2 %	2.9 %
Earnings - Basis Pts. *		
Yield on total assets	405	375
Dividend / interest cost of assets	66	50
Fee & other income	210	196
Operating expense	424	415
Loss Provisions	53	48
Net Income (ROA) after stabilization exp	73	58
Capital Adequacy		
Net worth / assets	11.8	11.5
Asset Quality *		
Delinquencies / loans	1.0	1.1
Net chargeoffs / average loans	0.7	0.8
Total borrower-bankruptcies	20	18
Bankruptcies per 1000 members	2.8	2.7
Asset/Liability Management		
Loans / savings	83.8	79.8
Loans / assets	71.2	68.8
Long-term assets / assets	27.9	27.1
Core deposits/shares & borrowings	61.3	62.2
Productivity		
Members / potential members	8.5	8.9
Borrowers / members	54.4	54.7
Members / FTE	323	331
Average shares / members (\$)	8,010	7,879
Average loan balances (\$)	12,347	11,500
Salary & Benefits / FTE	62,980	60,750

\* 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.