

CUNA Oregon
**MEMBERSHIP BENEFITS
REPORT**

Oregon

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 Oregon credit unions provided \$172,731,354 in direct financial benefits to the state's 1,721,567 members during the twelve months ending September 2017.

These benefits are equivalent to \$100 per member or \$191 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 Oregon 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 Oregon credit unions.

Consider this:

Financing a \$25,000 new automobile for 60 months at a Oregon credit union will save members an average \$257 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.

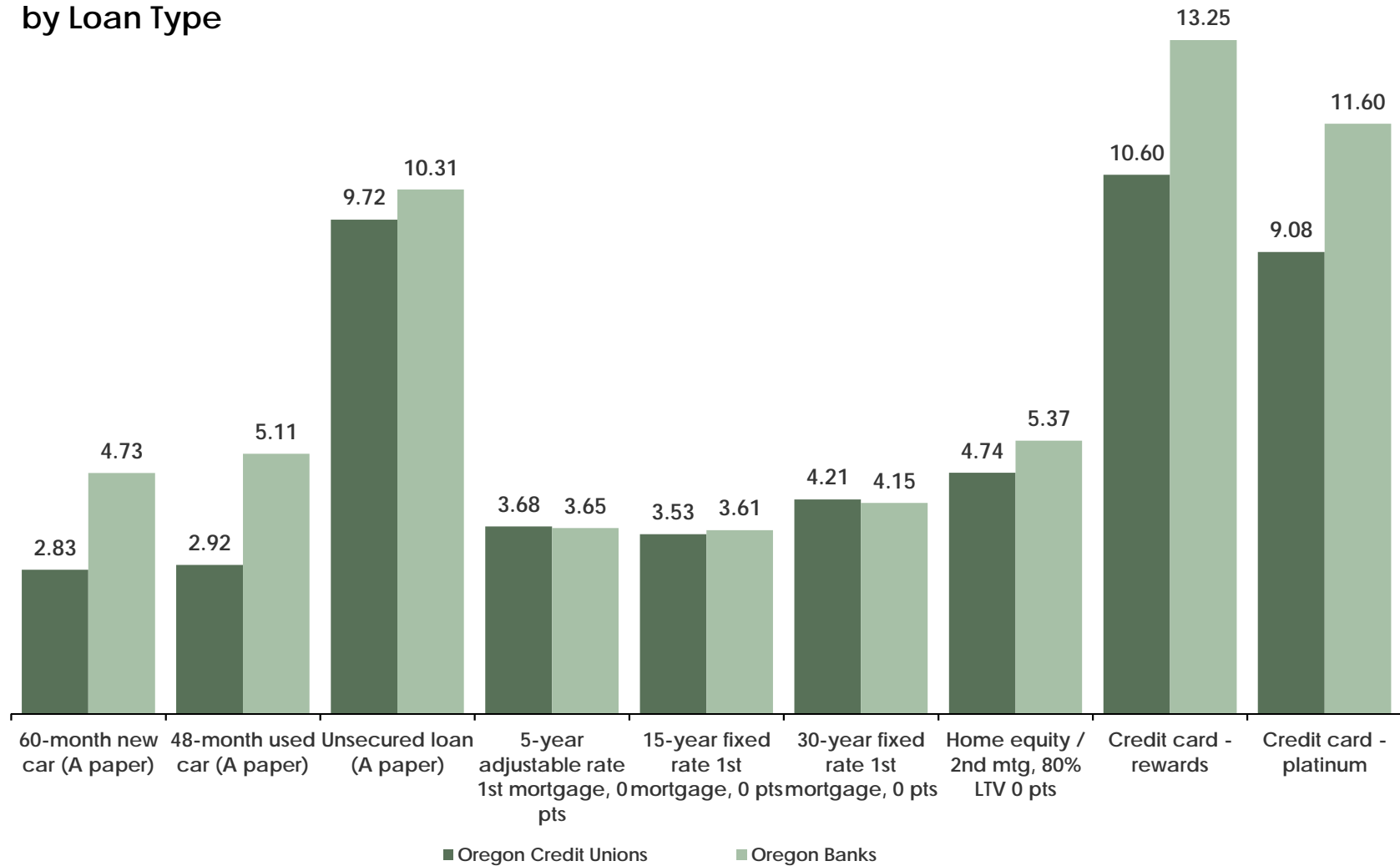
Oregon credit unions excel in providing member benefits on many loan and savings products. In particular, Oregon credit unions offer lower average loan rates on the following accounts: new car loans, used car loans, personal unsecured loans, home equity loans, credit cards loans.

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



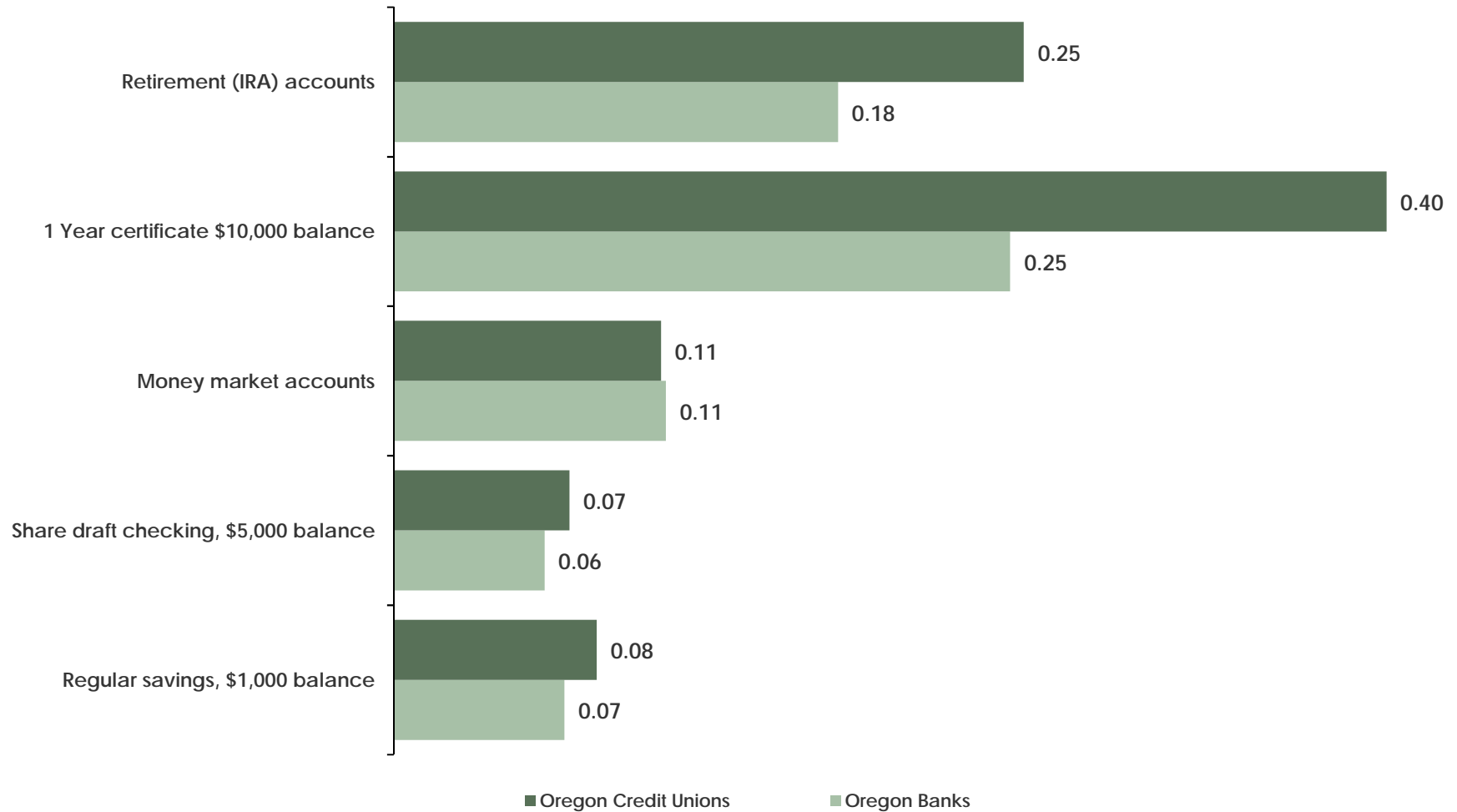
Loan Product Comparative Interest Rates (%)

by Loan Type



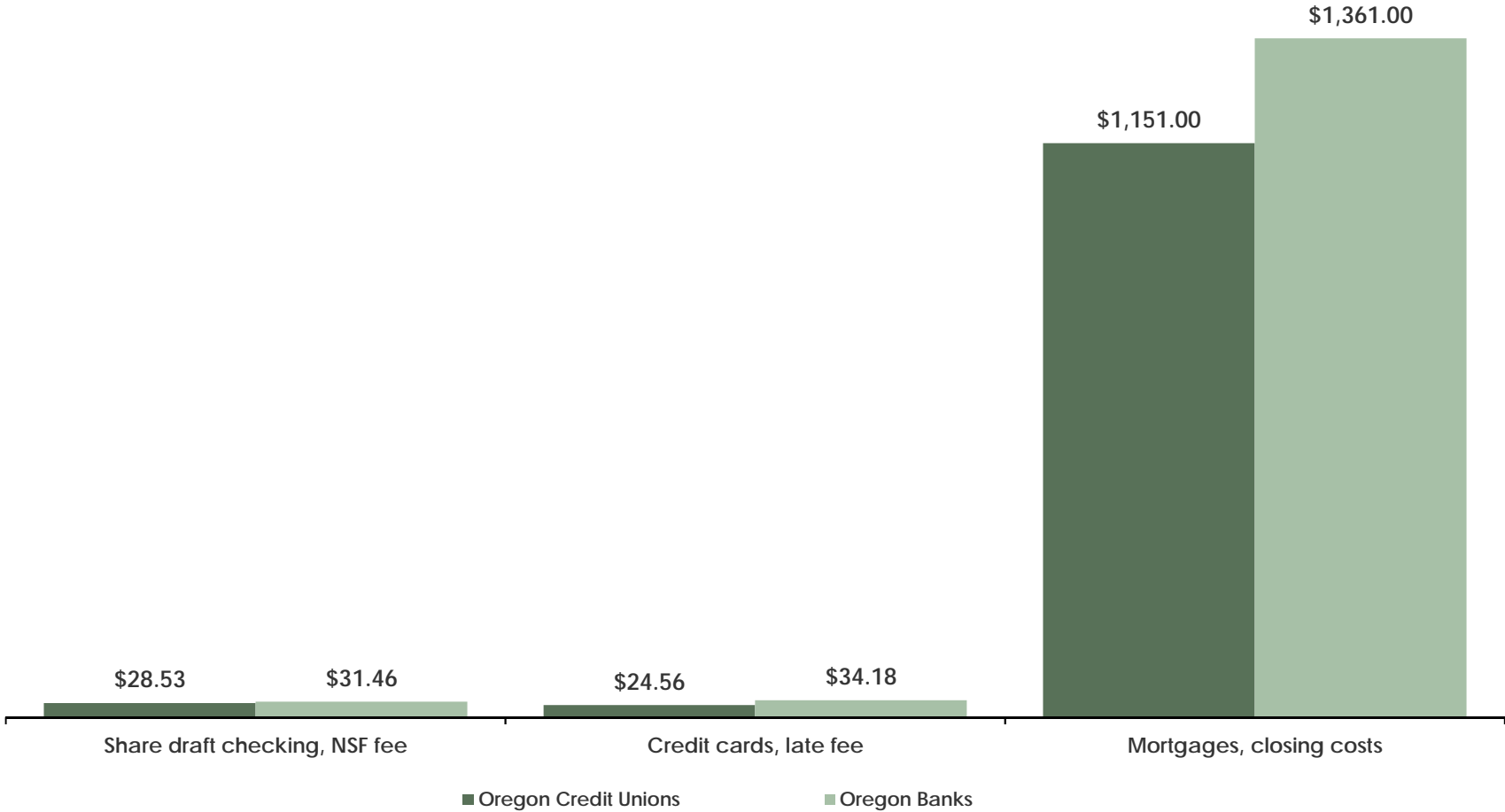
Savings Product Comparative Interest Rates (%)

by Savings Account Type



Comparative Fees

by Type



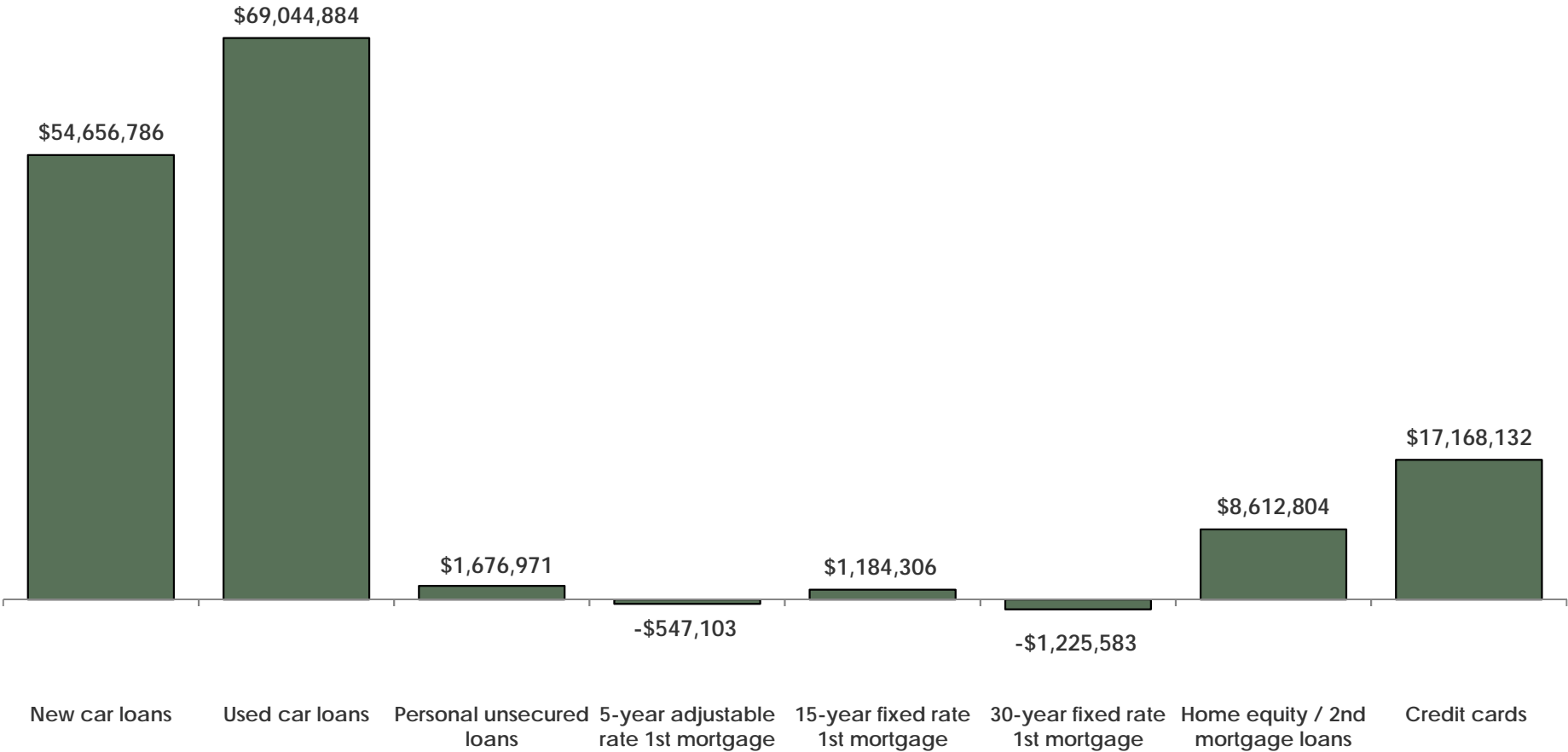
Oregon Credit Union and Banking Institution September 2017 Average Interest Rates and Fees

Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	2.83	4.73	-1.90
48-month used car (A paper)	2.92	5.11	-2.19
Unsecured loan (A paper)	9.72	10.31	-0.59
5-year adjustable rate 1st mortgage, 0 pts	3.68	3.65	0.03
15-year fixed rate 1st mortgage, 0 pts	3.53	3.61	-0.08
30-year fixed rate 1st mortgage, 0 pts	4.21	4.15	0.07
Home equity / 2nd mtg, 80% LTV 0 pts	4.74	5.37	-0.64
Credit card - rewards	10.60	13.25	-2.65
Credit card - platinum	9.08	11.60	-2.52
Savings Products			
Regular savings, \$1,000 balance	0.08	0.07	0.01
Share draft checking, \$5,000 balance	0.07	0.06	0.01
Money market accounts	0.11	0.11	0.00
1 Year certificate \$10,000 balance	0.40	0.25	0.15
Retirement (IRA) accounts	0.25	0.18	0.08
Fee Income			
Share draft checking, NSF fee	\$28.53	\$31.46	-\$2.92
Credit cards, late fee	\$24.56	\$34.18	-\$9.62
Mortgages, closing costs	\$1,151.00	\$1,361.00	-\$210.00

Source: Datatrac

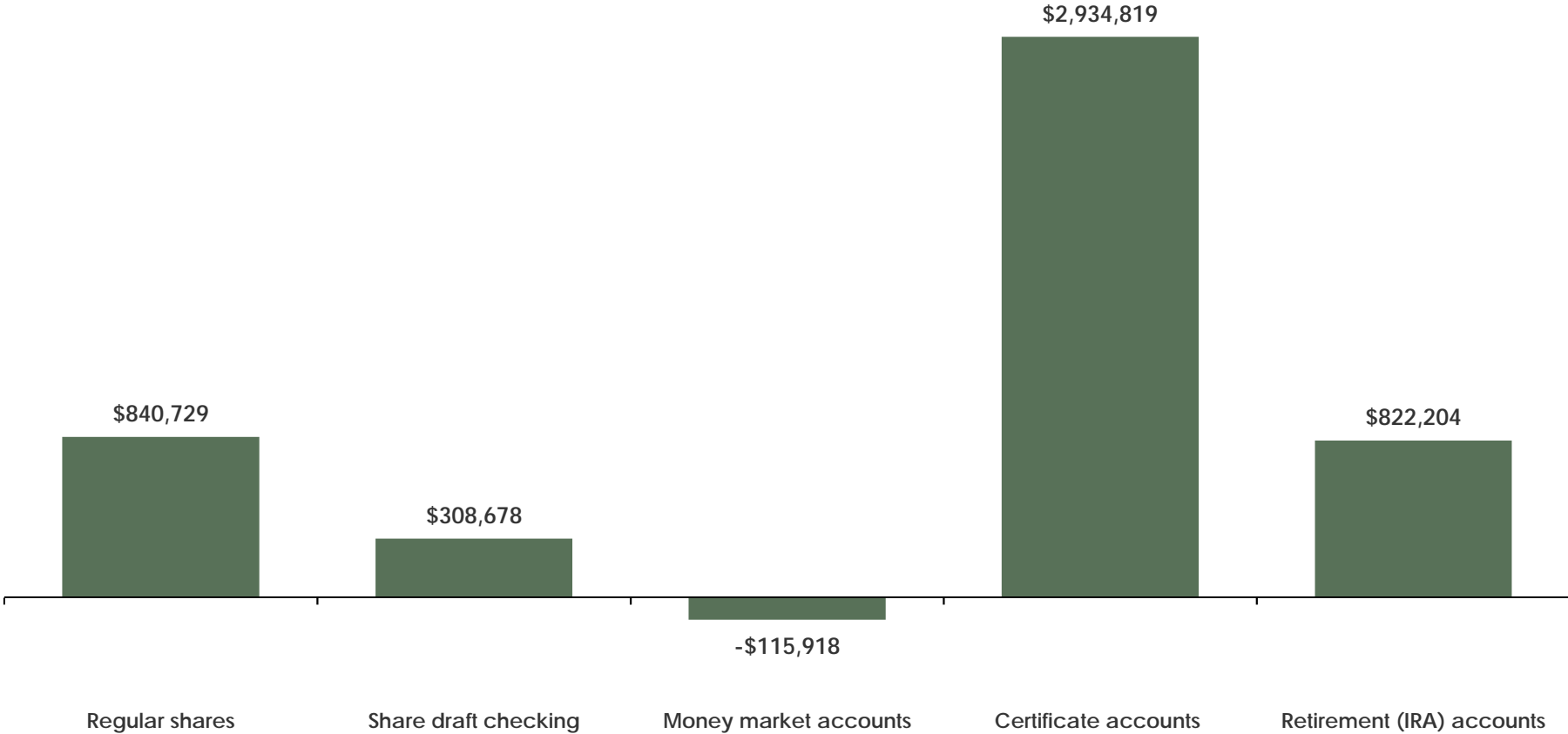
State Credit Union's Total Loan Rate Benefits

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 Oregon Credit Unions September 2017

Loans	Avg. Balance at Credit Unions (1)	Rate Difference vs. Oregon Banks (%) (2)	Total Financial Benefit to Your Members
New car loans	2,873,648,032	-1.90	\$54,656,786
Used car loans	3,152,734,435	-2.19	\$69,044,884
Personal unsecured loans	283,272,091	-0.59	\$1,676,971
5-year adjustable rate 1st mortgage	1,764,849,151	0.03	-\$547,103
15-year fixed rate 1st mortgage	1,518,341,659	-0.08	\$1,184,306
30-year fixed rate 1st mortgage	1,802,328,120	0.07	-\$1,225,583
Home equity / 2nd mortgage loans	1,356,347,128	-0.64	\$8,612,804
Credit cards	655,960,740	-2.65	\$17,168,132
Interest rebates			\$0
Total CU member benefits arising from lower interest rates on loan products:			\$150,571,197
Savings			
Regular shares	6,467,144,941	0.01	\$840,729
Share draft checking	3,086,784,430	0.01	\$308,678
Money market accounts	5,795,907,824	0.00	-\$115,918
Certificate accounts	1,930,802,184	0.15	\$2,934,819
Retirement (IRA) accounts	1,096,272,461	0.08	\$822,204
Bonus dividends in period			\$0
Total CU member benefit arising from higher interest rates on savings products:			\$4,790,513
Fee Income			
Total CU member benefit arising from fewer / lower fees:			\$17,369,644
Total CU member benefit arising from interest rates on loans, savings products and lower fees:			\$172,731,354
Total CU member benefit / member:			\$100
Total CU member benefit / member household:			\$191

Source: Datatrac, NCUA, and CUNA

(1) Average balance as of September 2017 and September 2016, according to the NCUA call report.; (2) Source for rates and fees: Datatrac;

Membership Benefits Report

CUNA Economics and Statistics

Oregon Credit Union Performance Profile

Demographic Information	Sep 17	Sep 16
Number of branches	293	286
Total assets (\$ mil)	22,065	20,196
Total loans (\$ mil)	15,942	13,954
Total surplus funds (\$ mil)	5,277	5,477
Total savings (\$ mil)	19,307	17,833
Total members (thousands)	1,772	1,675
Growth Rates (Trailing 12 months) *		
Total assets	9.4 %	12.0 %
Total loans	14.4 %	12.9 %
Total surplus funds	-3.3 %	10.1 %
Total savings	8.5 %	11.9 %
Total members	6.0 %	5.7 %
Earnings - Basis Pts. *		
Yield on total assets	333	326
Dividend / interest cost of assets	26	26
Fee & other income	138	143
Operating expense	323	329
Loss Provisions	29	23
Net Income (ROA) after stabilization exp	93	92
Capital Adequacy		
Net worth / assets	10.0	9.9
Asset Quality *		
Delinquencies / loans	0.3	0.4
Net chargeoffs / average loans	0.3	0.3
Total borrower-bankruptcies	33	29
Bankruptcies per 1000 members	1.1	1.1
Asset/Liability Management		
Loans / savings	82.6	78.2
Loans / assets	72.2	69.1
Long-term assets / assets	29.8	28.5
Core deposits/shares & borrowings	51.9	50.1
Productivity		
Members / potential members	2.6	2.7
Borrowers / members	62.7	60.8
Members / FTE	372	372
Average shares / members (\$)	10,896	10,648
Average loan balances (\$)	14,352	13,701
Salary & Benefits / FTE	76,423	74,065

* 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.