

CUNA Alabama  
**MEMBERSHIP BENEFITS**  
REPORT

## Alabama

### 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 Alabama credit unions provided \$260,007,305 in direct financial benefits to the state's 2,067,967 members during the twelve months ending June 2019.

**These benefits are equivalent to \$126 per member or \$264 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 Alabama 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 Alabama credit unions.

Consider this:

**Financing a \$25,000 new automobile for 60 months at a Alabama credit union will save members an average \$270 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.

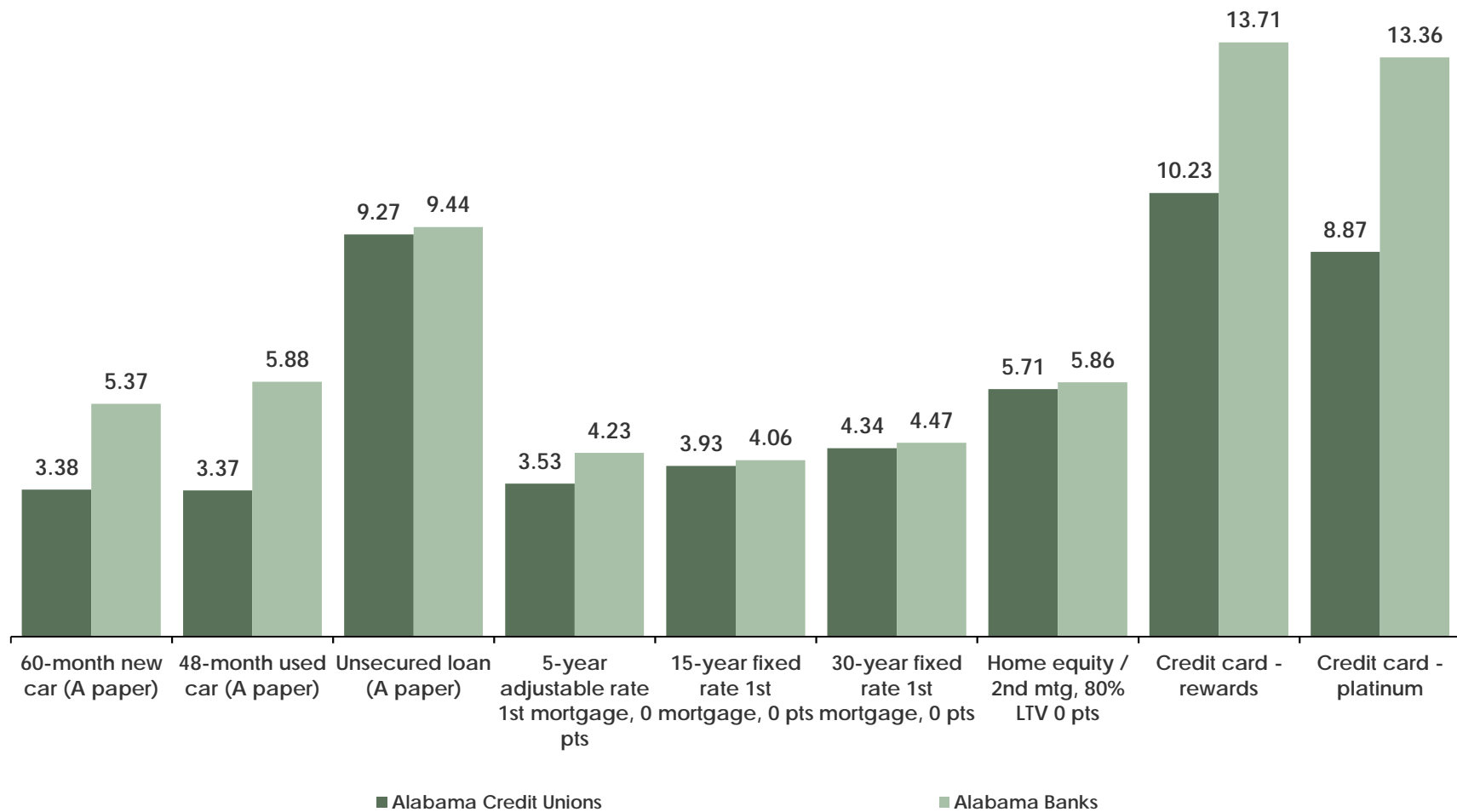
Alabama credit unions excel in providing member benefits on many loan and savings products. In particular, Alabama credit unions offer lower average loan rates on the following accounts: new car loans, used car loans, personal unsecured loans, first mortgage-fixed rate, first mortgage-adjustable rate,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

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



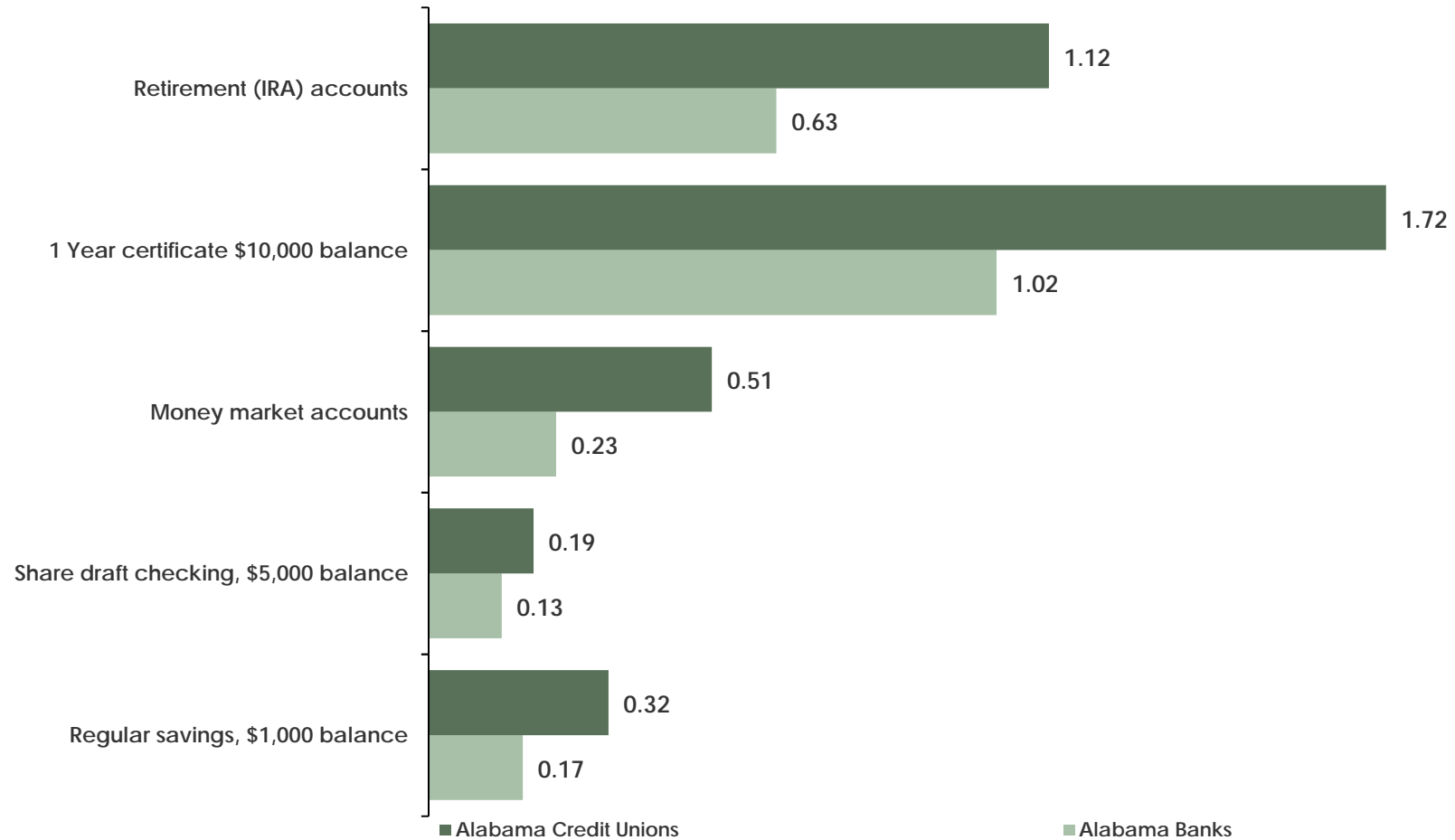
## Loan Product Comparative Interest Rates (%)

by Loan Type



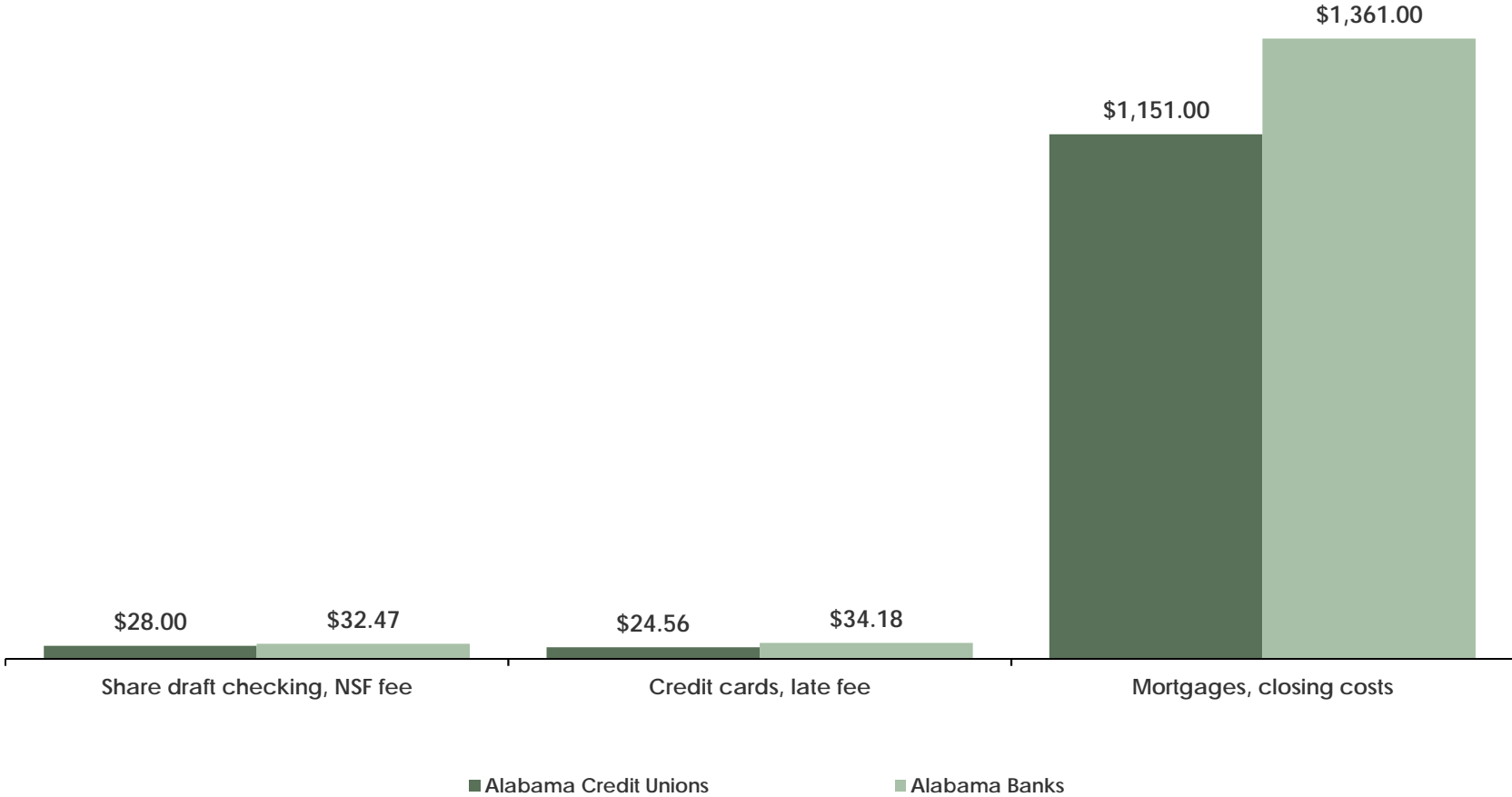
## Savings Product Comparative Interest Rates (%)

### by Savings Account Type



## Comparative Fees

by Type



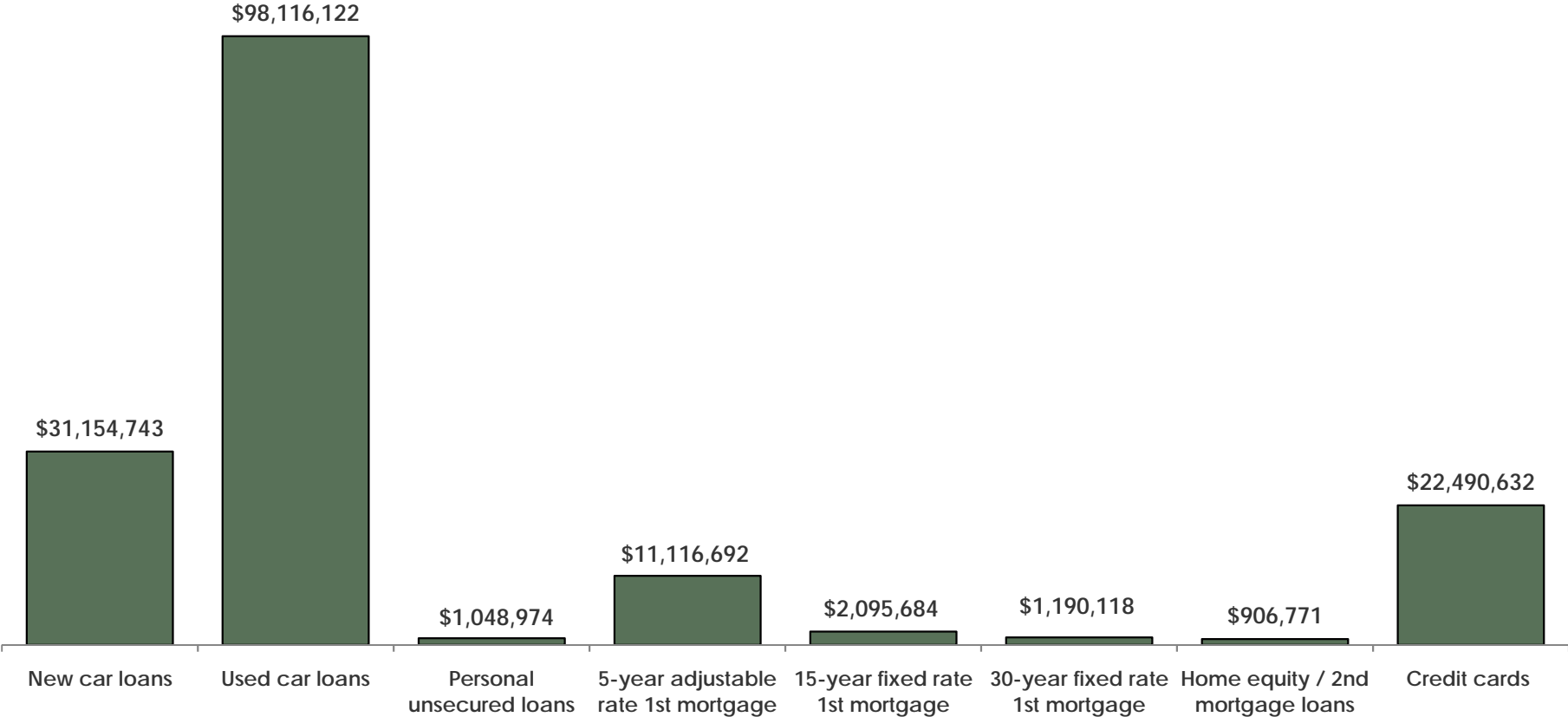
## Alabama Credit Union and Banking Institution June 2019 Average Interest Rates and Fees

Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	3.38	5.37	-1.98
48-month used car (A paper)	3.37	5.88	-2.51
Unsecured loan (A paper)	9.27	9.44	-0.17
5-year adjustable rate 1st mortgage, 0 pts	3.53	4.23	-0.71
15-year fixed rate 1st mortgage, 0 pts	3.93	4.06	-0.13
30-year fixed rate 1st mortgage, 0 pts	4.34	4.47	-0.12
Home equity / 2nd mtg, 80% LTV 0 pts	5.71	5.86	-0.15
Credit card - rewards	10.23	13.71	-3.48
Credit card - platinum	8.87	13.36	-4.49
Savings Products			
Regular savings, \$1,000 balance	0.32	0.17	0.15
Share draft checking, \$5,000 balance	0.19	0.13	0.06
Money market accounts	0.51	0.23	0.28
1 Year certificate \$10,000 balance	1.72	1.02	0.70
Retirement (IRA) accounts	1.12	0.63	0.49
Fee Income			
Share draft checking, NSF fee	\$28.00	\$32.47	-\$4.47
Credit cards, late fee	\$24.56	\$34.18	-\$9.62
Mortgages, closing costs	\$1,151.00	\$1,361.00	-\$210.00

Source: Datatrac

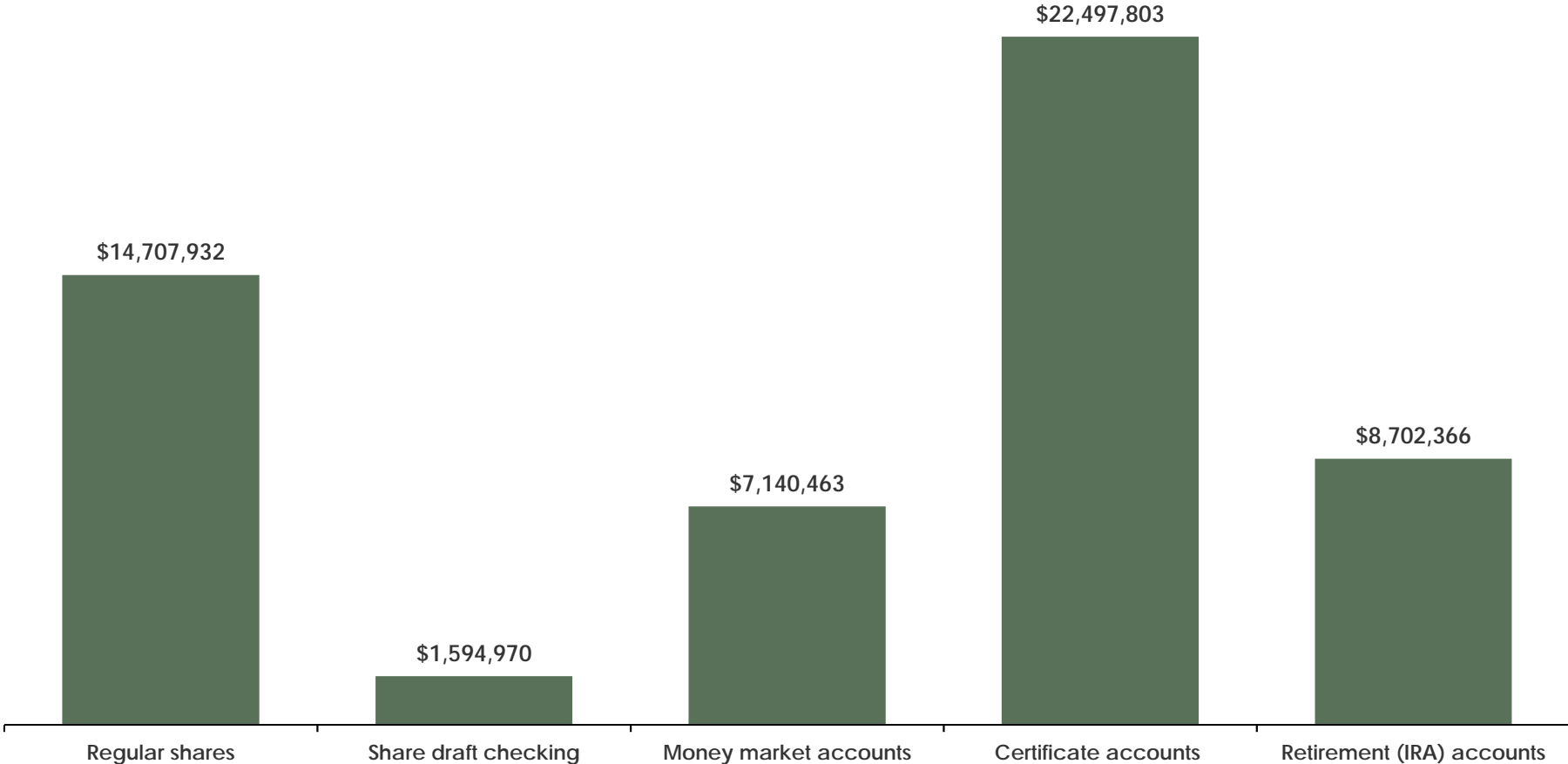
### Estimated Credit Union Loan Rate Benefits

Compared to State Banking Institutions  
by Loan Type



Estimated Credit Union Savings Dividend Benefits

Compared to State Banking Institutions  
by Account Type





## Estimated Financial Benefits for Alabama Credit Unions June 2019

Loans	Avg. Balance at Credit Unions (1)	Rate Difference vs. Alabama Banks (%) (2)	Total Financial Benefit to Your Members
New car loans	1,570,299,569	-1.98	\$31,154,743
Used car loans	3,915,248,266	-2.51	\$98,116,122
Personal unsecured loans	609,868,488	-0.17	\$1,048,974
5-year adjustable rate 1st mortgage	1,572,375,150	-0.71	\$11,116,692
15-year fixed rate 1st mortgage	1,563,942,914	-0.13	\$2,095,684
30-year fixed rate 1st mortgage	959,772,403	-0.12	\$1,190,118
Home equity / 2nd mortgage loans	588,812,499	-0.15	\$906,771
Credit cards	602,925,606	-3.48	\$22,490,632
Interest rebates			\$66,036
<b>Total CU member benefits arising from lower interest rates on loan products:</b>			\$168,185,772
Savings			
Regular shares	9,550,604,999	0.15	\$14,707,932
Share draft checking	2,798,193,366	0.06	\$1,594,970
Money market accounts	2,550,165,472	0.28	\$7,140,463
Certificate accounts	3,213,971,804	0.70	\$22,497,803
Retirement (IRA) accounts	1,775,992,971	0.49	\$8,702,366
Bonus dividends in period			\$0
<b>Total CU member benefit arising from higher interest rates on savings products:</b>			\$54,643,533
Fee Income			
<b>Total CU member benefit arising from fewer / lower fees:</b>			\$37,178,000
<b>Total CU member benefit arising from interest rates on loans, savings products and lower fees:</b>			\$260,007,305
<b>Total CU member benefit / member:</b>			\$126
<b>Total CU member benefit / member household:</b>			\$264

Source: Datatrac, NCUA, and CUNA

(1) Average balance as of June 2019 and June 2018, according to the NCUA call report.; (2) Source for rates and fees: Datatrac;

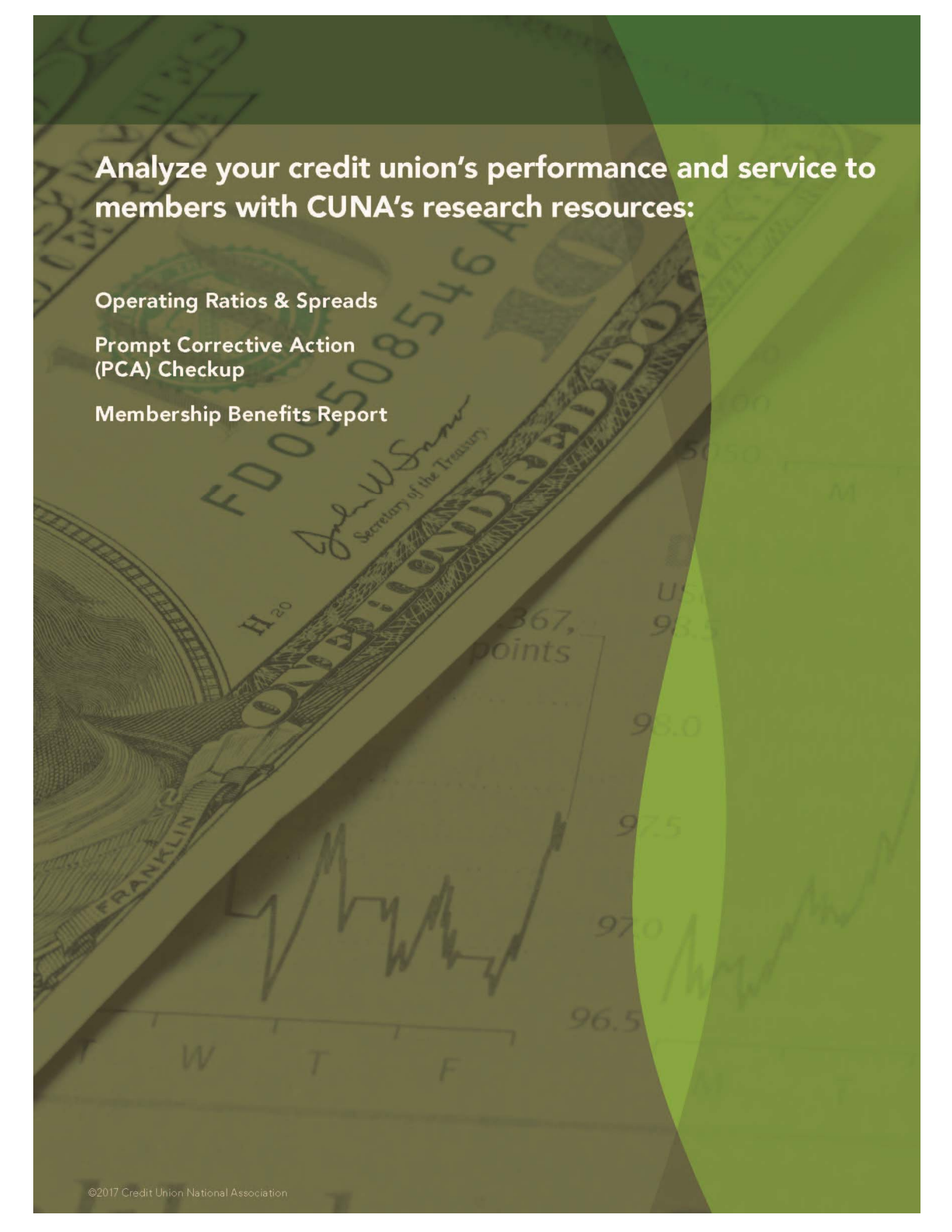
# Membership Benefits Report

CUNA Economics and Statistics

## Alabama Credit Union Performance Profile

Demographic Information	Jun 19	Jun 18
Number of branches	466	459
Total assets (\$ mil)	23,628	22,385
Total loans (\$ mil)	12,988	11,987
Total surplus funds (\$ mil)	9,530	9,362
Total savings (\$ mil)	20,525	19,660
Total members (thousands)	2,103	2,041
Growth Rates (Trailing 12 months) *		
Total assets	5.8 %	2.4 %
Total loans	8.7 %	12.2 %
Total surplus funds	1.9 %	-7.8 %
Total savings	4.7 %	4.4 %
Total members	3.5 %	3.5 %
Earnings - Basis Pts. *		
Yield on total assets	368	331
Dividend / interest cost of assets	81	61
Fee & other income	169	170
Operating expense	326	317
Loss Provisions	35	36
Net Income (ROA) after stabilization exp	95	87
Capital Adequacy		
Net worth / assets	12.2	12.0
Asset Quality *		
Delinquencies / loans	0.6	0.6
Net chargeoffs / average loans	0.5	0.6
Total borrower-bankruptcies	24	26
Bankruptcies per 1000 members	1.2	1.4
Asset/Liability Management		
Loans / savings	63.3	61.0
Loans / assets	55.0	53.6
Long-term assets / assets	33.7	35.5
Core deposits/shares & borrowings	60.8	62.2
Productivity		
Members / potential members	7.1	7.3
Borrowers / members	50.8	49.8
Members / FTE	385	391
Average shares / members (\$)	9,759	9,632
Average loan balances (\$)	12,162	11,797
Salary & Benefits / FTE	67,887	67,625

\* 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

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