



Louisiana Membership Benefits Report

Year End 2016

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 \$125,426,710 in direct financial benefits to the state's 1,238,868 members during the twelve months ending December 2016.

These benefits are equivalent to \$101 per member or \$192 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 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 \$178 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.

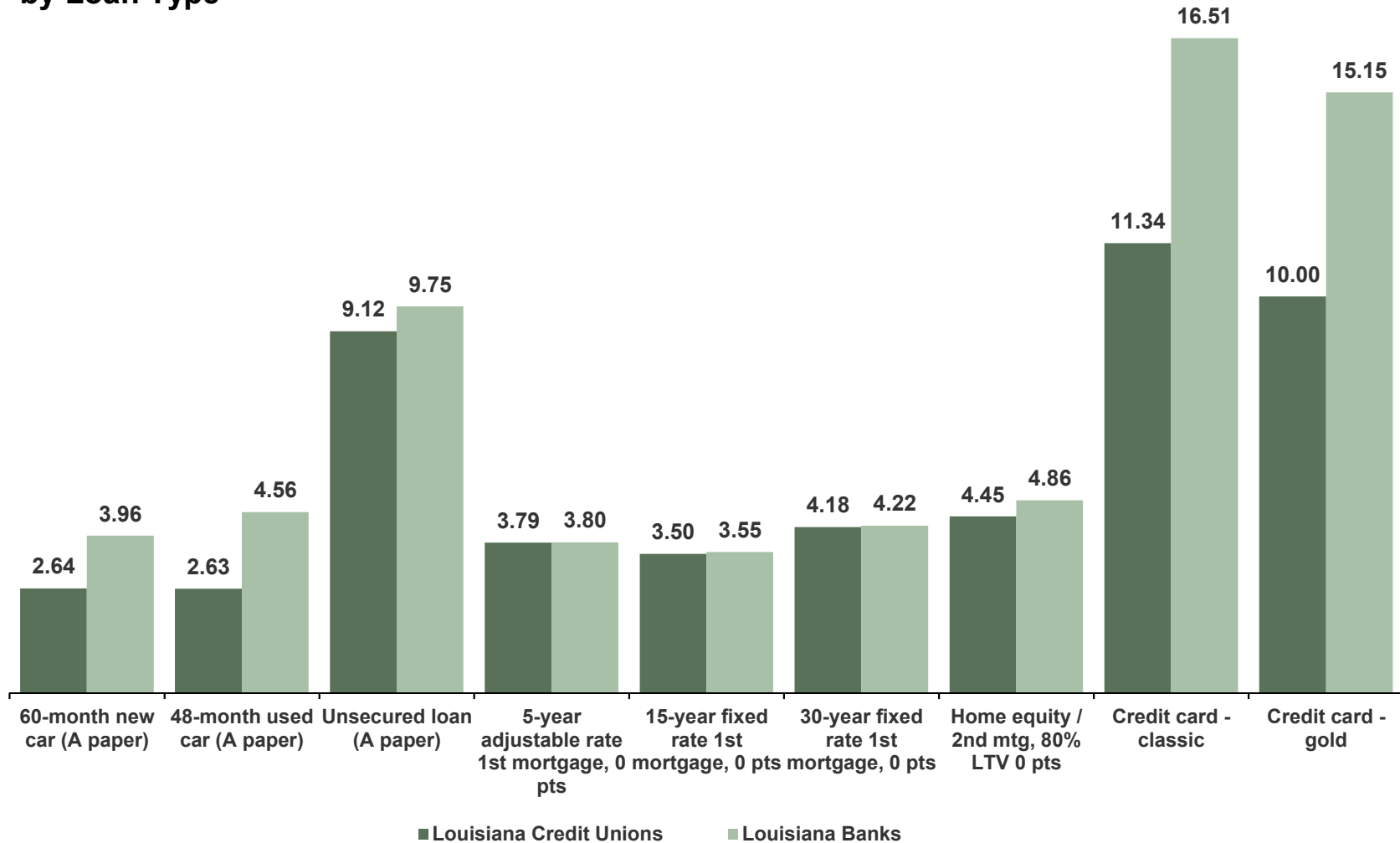
Louisiana credit unions excel in providing member benefits on many loan and savings products. In particular, Louisiana credit unions offer lower average loan rates on the following accounts: new car loans, used car loans, personal unsecured loans, first mortgage-fixed rate, first mortgage-adjustable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

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



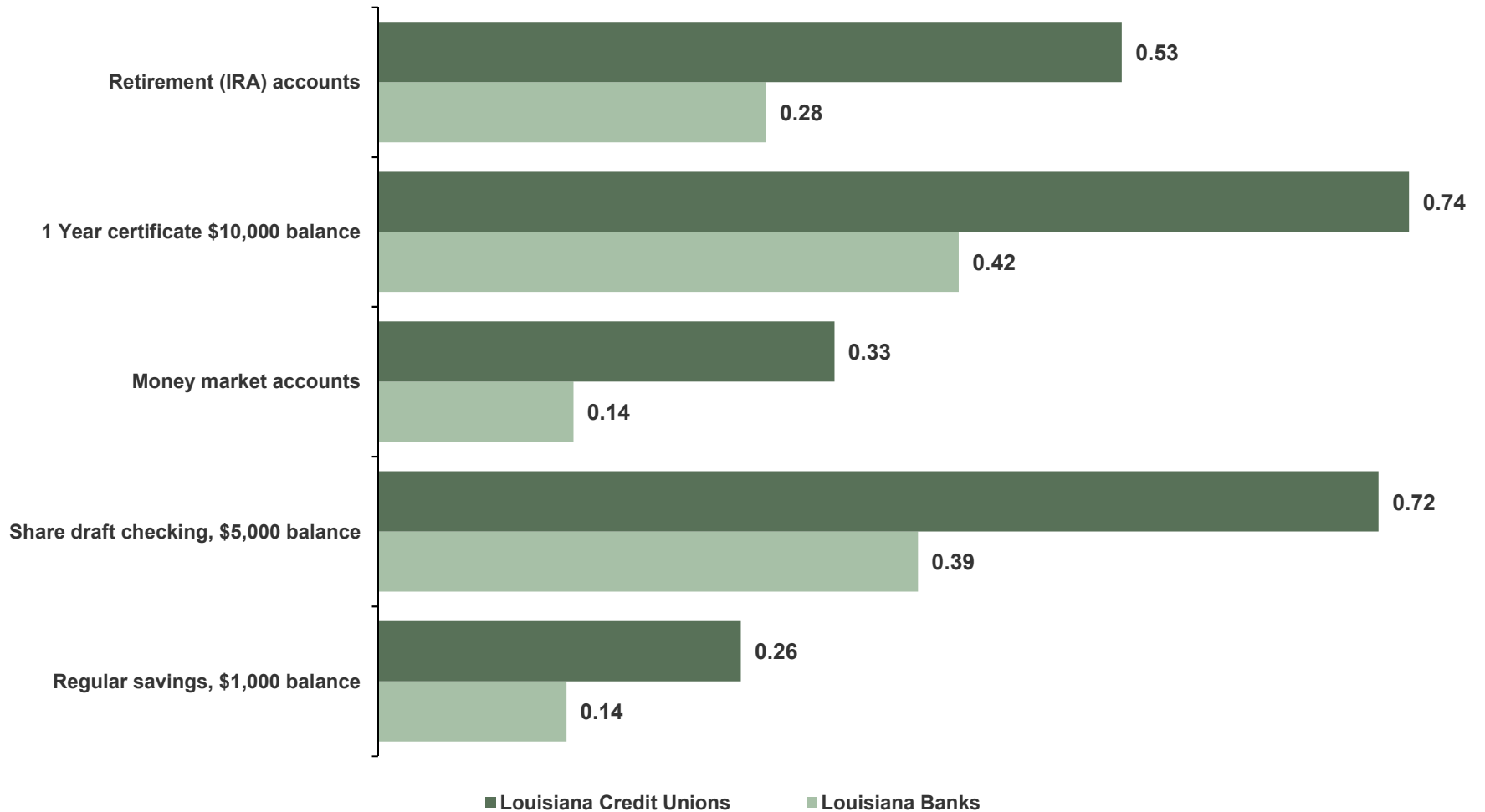
Loan Product Comparative Interest Rates (%)

by Loan Type



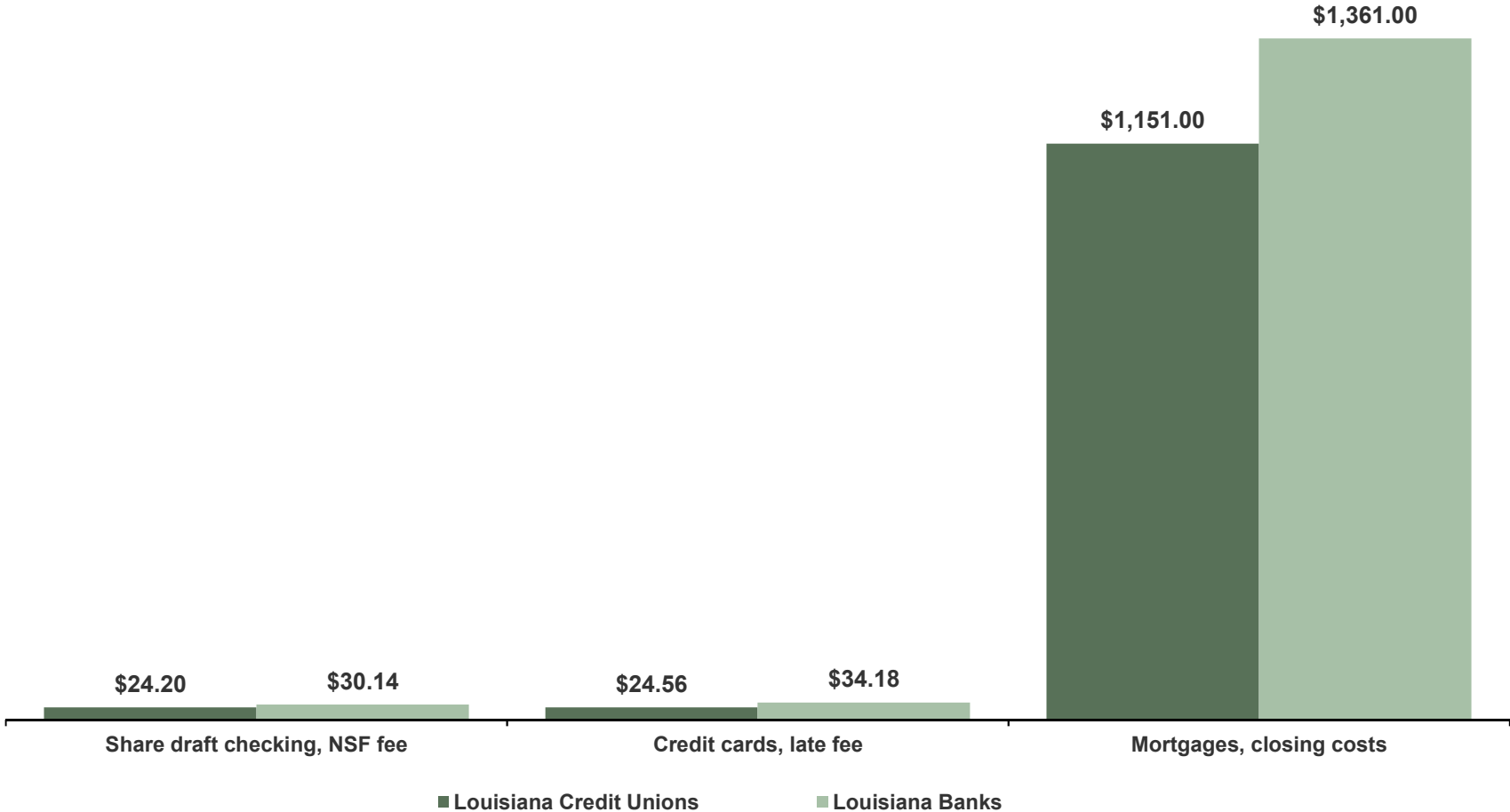
Savings Product Comparative Interest Rates (%)

by Savings Account Type



Comparative Fees

by Type



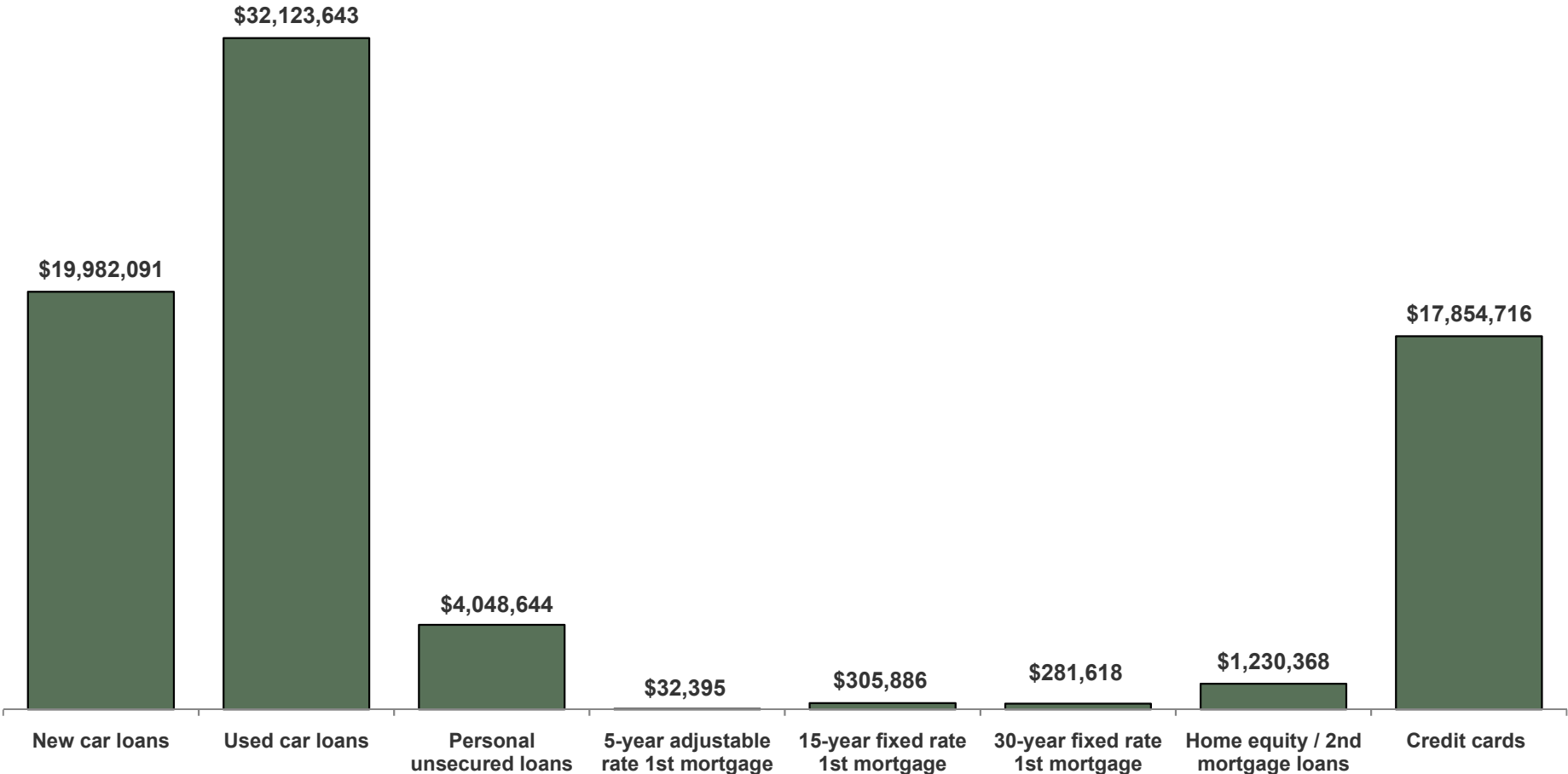
Louisiana Credit Union and Banking Institution December 2016 Average Interest Rates and Fees

Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	2.64	3.96	-1.33
48-month used car (A paper)	2.63	4.56	-1.93
Unsecured loan (A paper)	9.12	9.75	-0.62
5-year adjustable rate 1st mortgage, 0 pts	3.79	3.80	-0.01
15-year fixed rate 1st mortgage, 0 pts	3.50	3.55	-0.05
30-year fixed rate 1st mortgage, 0 pts	4.18	4.22	-0.04
Home equity / 2nd mtg, 80% LTV 0 pts	4.45	4.86	-0.41
Credit card - classic	11.34	16.51	-5.17
Credit card - gold	10.00	15.15	-5.15
Savings Products			
Regular savings, \$1,000 balance	0.26	0.14	0.12
Share draft checking, \$5,000 balance	0.72	0.39	0.33
Money market accounts	0.33	0.14	0.19
1 Year certificate \$10,000 balance	0.74	0.42	0.32
Retirement (IRA) accounts	0.53	0.28	0.25
Fee Income			
Share draft checking, NSF fee	\$24.20	\$30.14	-\$5.94
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

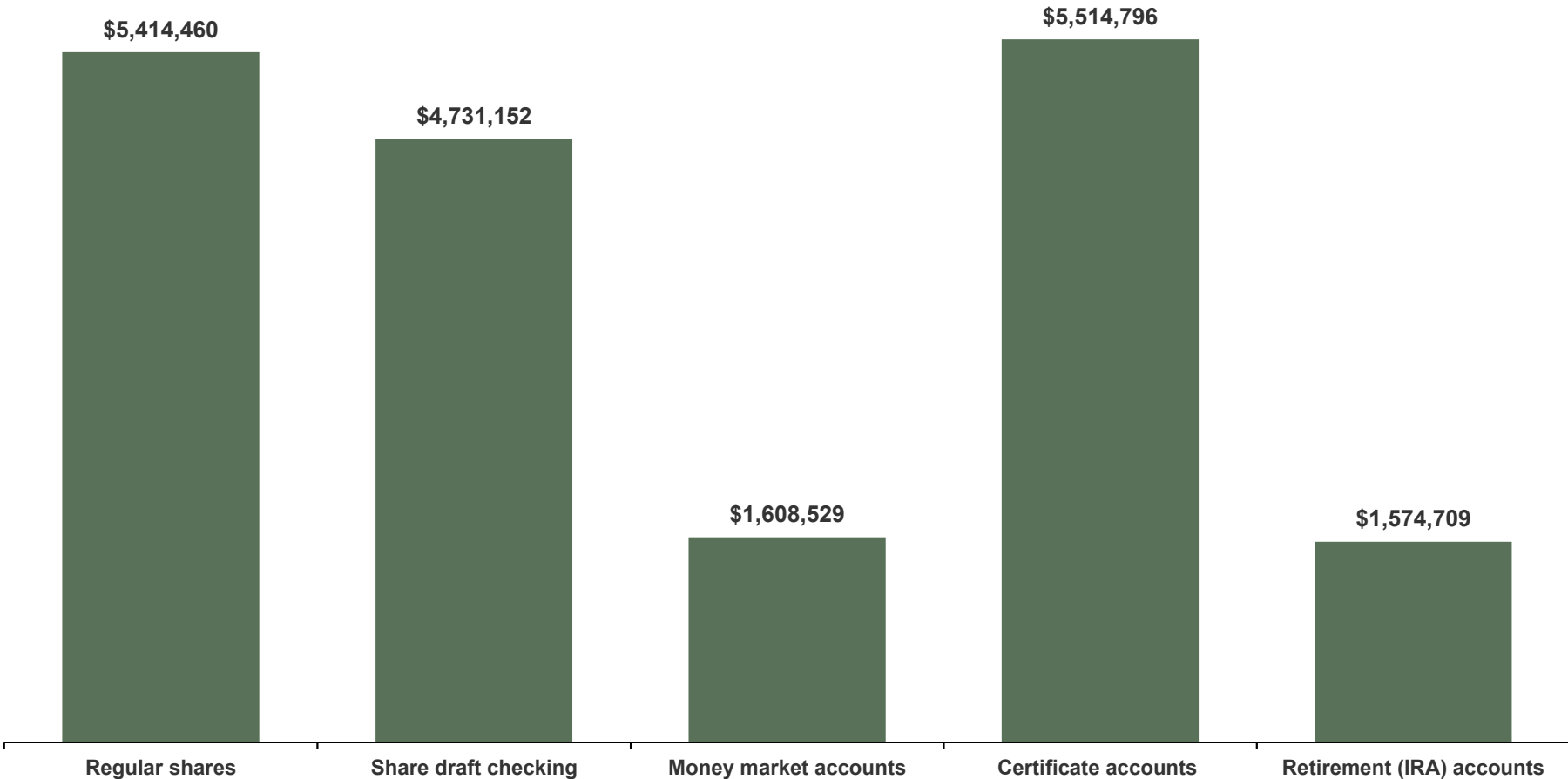
State Credit Union's Total Loan Rate Benefits

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 Louisiana Credit Unions December 2016

Loans	Avg. Balance at Credit Unions (1)	Rate Difference vs. Louisiana Banks (%) (2)	Total Financial Benefit to Your Members
New car loans	1,504,675,552	-1.33	\$19,982,091
Used car loans	1,662,714,423	-1.93	\$32,123,643
Personal unsecured loans	648,821,208	-0.62	\$4,048,644
5-year adjustable rate 1st mortgage	359,944,920	-0.01	\$32,395
15-year fixed rate 1st mortgage	624,256,629	-0.05	\$305,886
30-year fixed rate 1st mortgage	804,622,337	-0.04	\$281,618
Home equity / 2nd mortgage loans	301,560,702	-0.41	\$1,230,368
Credit cards	345,686,656	-5.17	\$17,854,716
Interest rebates			\$97,211
Total CU member benefits arising from lower interest rates on loan products:			\$75,956,571
Savings			
Regular shares	4,333,515,399	0.12	\$5,414,460
Share draft checking	1,434,199,662	0.33	\$4,731,152
Money market accounts	860,529,661	0.19	\$1,608,529
Certificate accounts	1,709,992,668	0.32	\$5,514,796
Retirement (IRA) accounts	618,227,526	0.25	\$1,574,709
Bonus dividends in period			\$0
Total CU member benefit arising from higher interest rates on savings products:			\$18,843,646
Fee Income			
Total CU member benefit arising from fewer / lower fees:			\$30,626,493
Total CU member benefit arising from interest rates on loans, savings products and lower fees:			\$125,426,710
Total CU member benefit / member:			\$101
Total CU member benefit / member household:			\$192

Source: Informa Research Services, NCUA, and CUNA

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

Louisiana Credit Union Performance Profile

Demographic Information	Dec 16	Dec 15
Number of branches	431	430
Total assets (\$ mil)	10,926	10,351
Total loans (\$ mil)	7,223	6,783
Total surplus funds (\$ mil)	3,150	3,045
Total savings (\$ mil)	9,434	8,952
Total members (thousands)	1,243	1,238
Growth Rates (Trailing 12 months) *		
Total assets	5.8 %	4.3 %
Total loans	6.7 %	7.5 %
Total surplus funds	3.8 %	-2.4 %
Total savings	5.6 %	4.4 %
Total members	0.7 %	1.2 %
Earnings - Basis Pts. *		
Yield on total assets	370	370
Dividend / interest cost of assets	47	48
Fee & other income	191	176
Operating expense	420	418
Loss Provisions	46	38
Net Income (ROA) after stabilization exp	48	43
Capital Adequacy		
Net worth / assets	11.4	11.6
Asset Quality *		
Delinquencies / loans	1.1	1.1
Net chargeoffs / average loans	0.6	0.6
Total borrower-bankruptcies	16	16
Bankruptcies per 1000 members	2.5	2.5
Asset/Liability Management		
Loans / savings	76.6	75.8
Loans / assets	66.1	65.5
Long-term assets / assets	24.6	25.2
Core deposits/shares & borrowings	63.4	61.4
Productivity		
Members / potential members	9.4	10.2
Borrowers / members	71.0	52.3
Members / FTE	331	335
Average shares / members (\$)	7,590	7,230
Average loan balances (\$)	8,190	10,478
Salary & Benefits / FTE	59,321	57,444

* 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.