



# Oregon Membership Benefits Report

Third Quarter 2016

## 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 \$133,538,555 in direct financial benefits to the state's 1,629,929 members during the twelve months ending September 2016.

**These benefits are equivalent to \$82 per member or \$156 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 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 \$122 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.

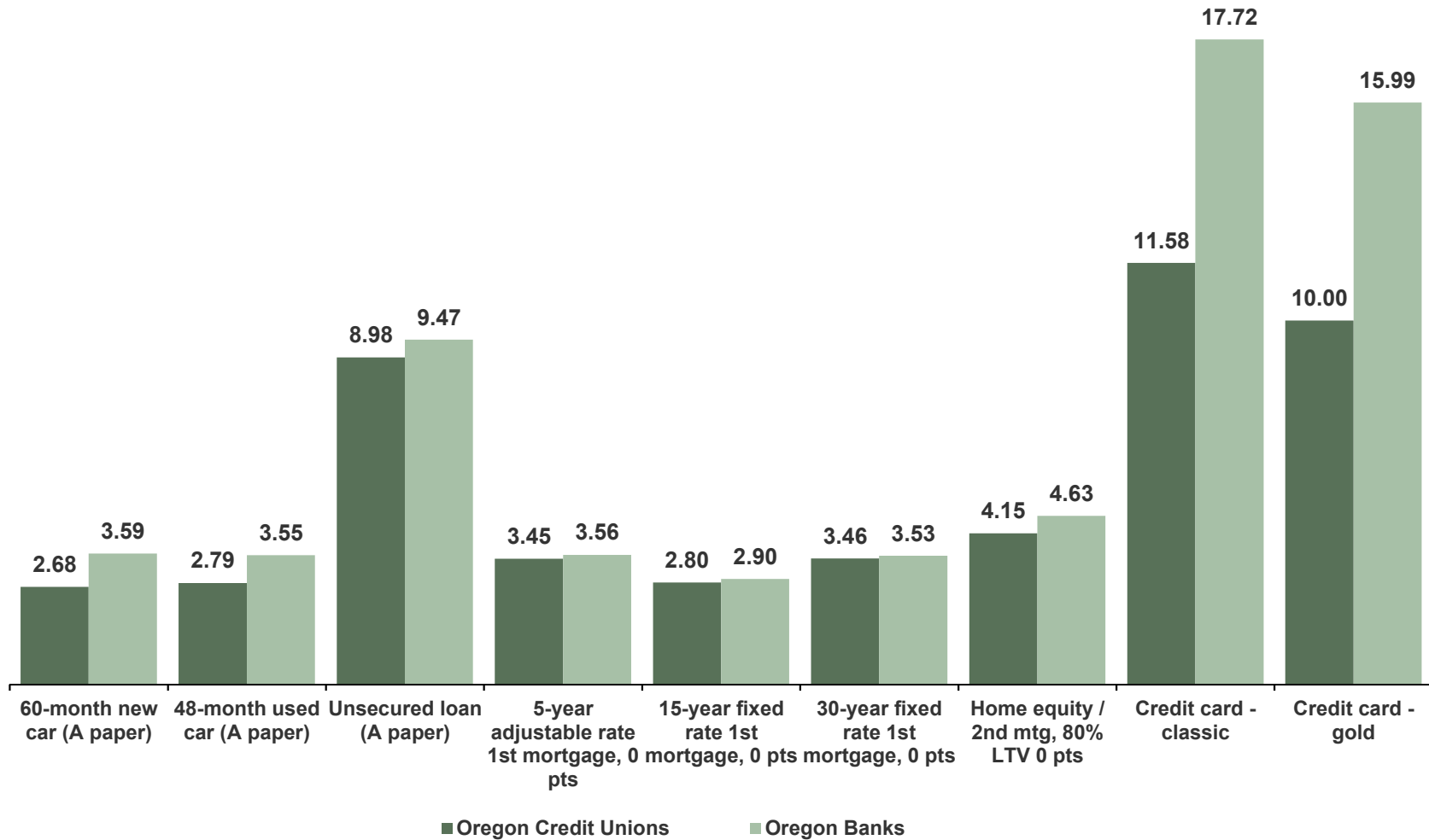
Oregon credit unions excel in providing member benefits on many loan and savings products. In particular, Oregon credit unions offer lower average loan rates on the following accounts: new car loans, used car loans, personal unsecured loans, first mortgage-fixed rate, first mortgage-adjustable rate,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

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



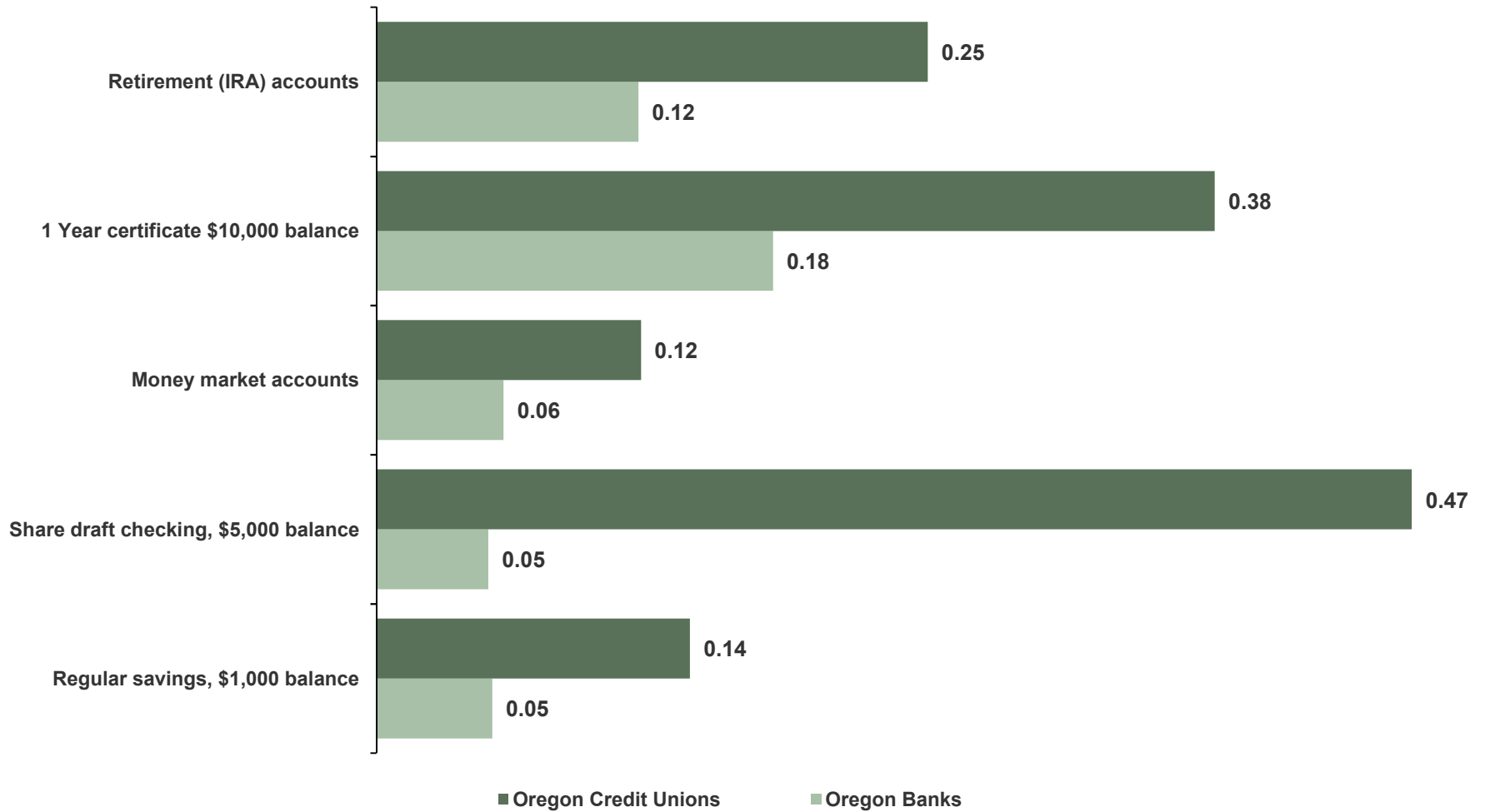
## Loan Product Comparative Interest Rates (%)

by Loan Type



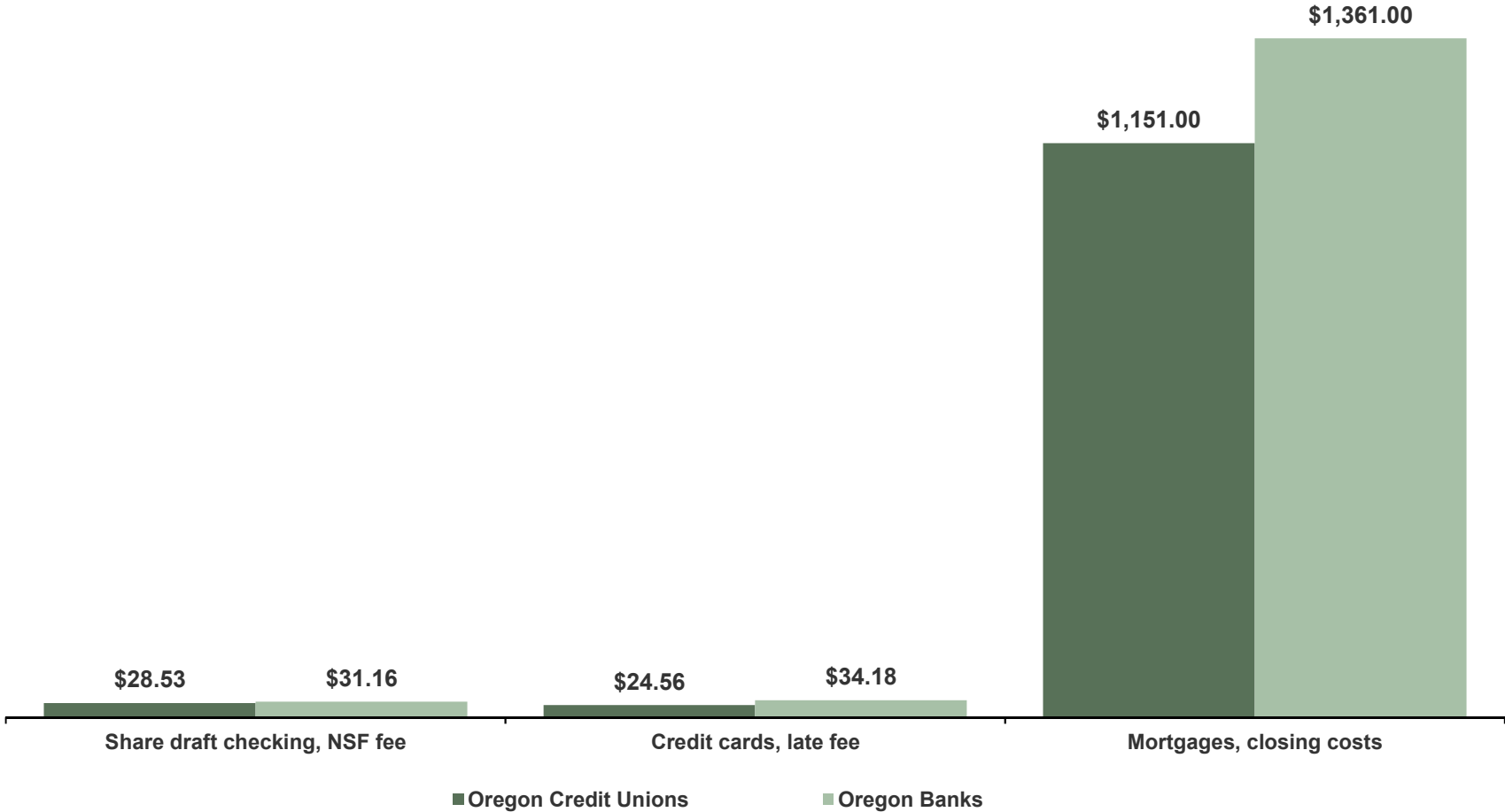
## Savings Product Comparative Interest Rates (%)

### by Savings Account Type



## Comparative Fees

by Type



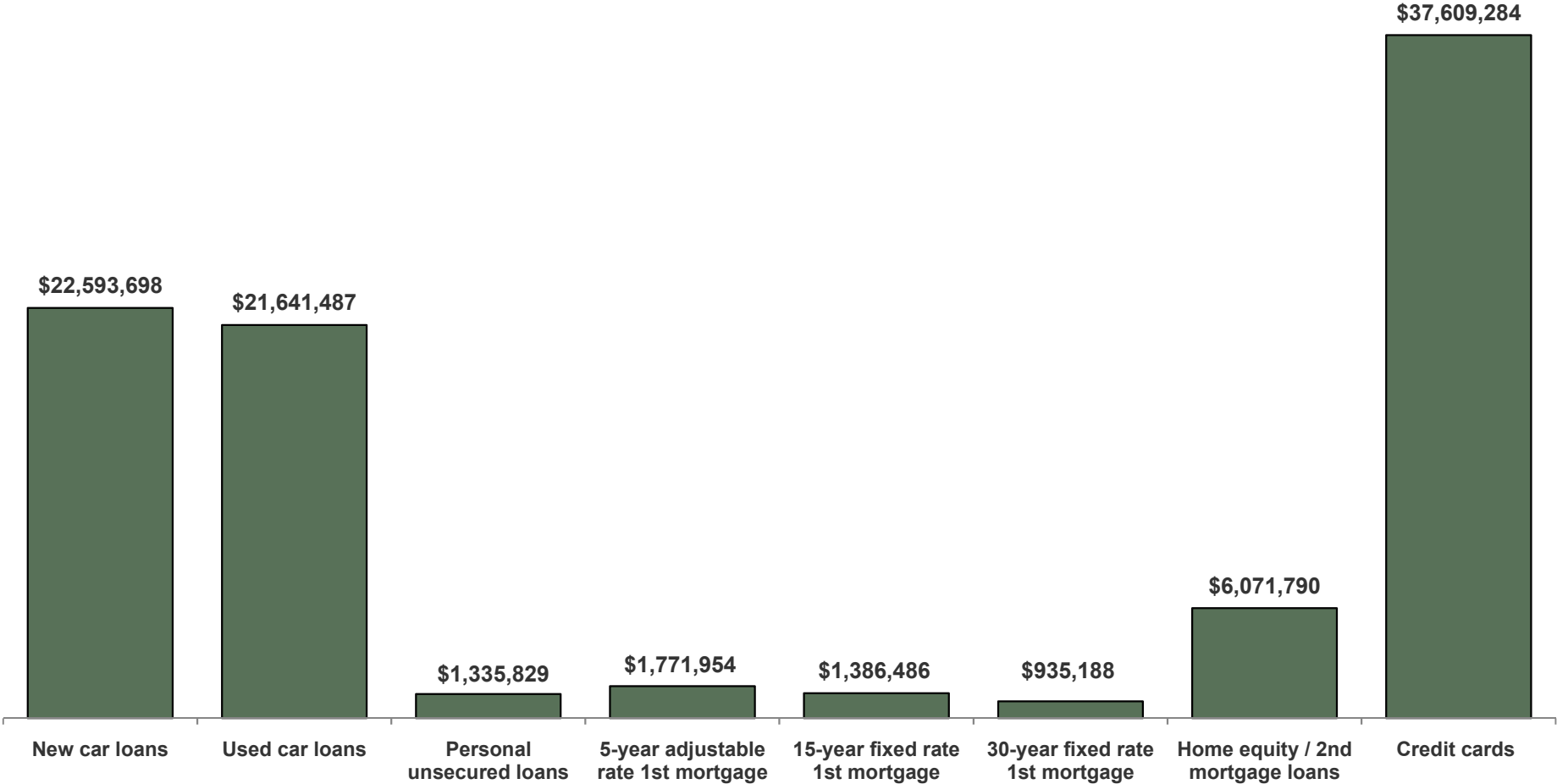
## Oregon Credit Union and Banking Institution September 2016 Average Interest Rates and Fees

Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	2.68	3.59	-0.92
48-month used car (A paper)	2.79	3.55	-0.76
Unsecured loan (A paper)	8.98	9.47	-0.49
5-year adjustable rate 1st mortgage, 0 pts	3.45	3.56	-0.11
15-year fixed rate 1st mortgage, 0 pts	2.80	2.90	-0.10
30-year fixed rate 1st mortgage, 0 pts	3.46	3.53	-0.07
Home equity / 2nd mtg, 80% LTV 0 pts	4.15	4.63	-0.48
Credit card - classic	11.58	17.72	-6.14
Credit card - gold	10.00	15.99	-5.99
Savings Products			
Regular savings, \$1,000 balance	0.14	0.05	0.09
Share draft checking, \$5,000 balance	0.47	0.05	0.41
Money market accounts	0.12	0.06	0.06
1 Year certificate \$10,000 balance	0.38	0.18	0.20
Retirement (IRA) accounts	0.25	0.12	0.13
Fee Income			
Share draft checking, NSF fee	\$28.53	\$31.16	-\$2.62
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

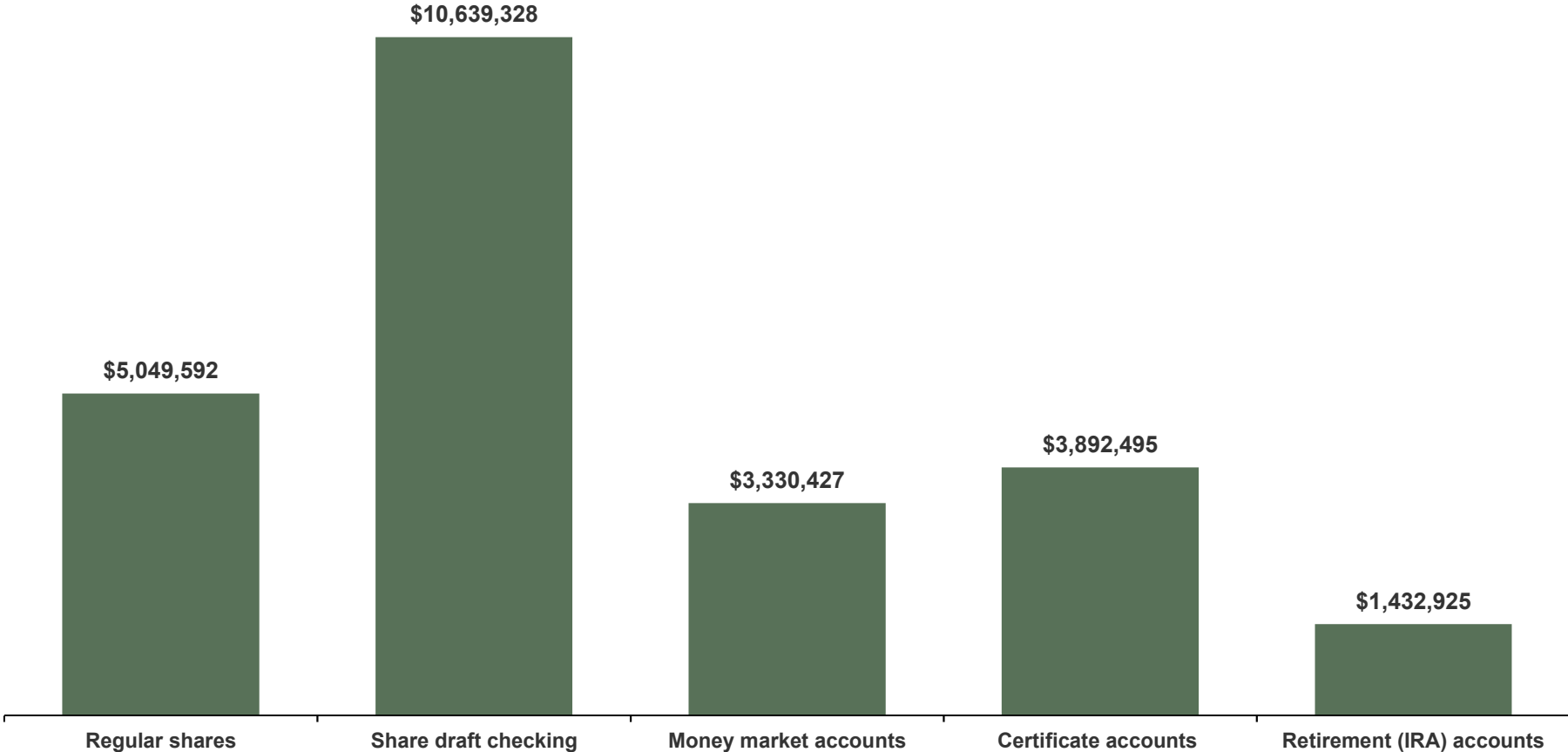
### State Credit Union's Total Loan Rate Benefits

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 Oregon Credit Unions September 2016

<b>Loans</b>	<b>Avg. Balance at Credit Unions (1)</b>	<b>Rate Difference vs. Oregon Banks (%) (2)</b>	<b>Total Financial Benefit to Your Members</b>
New car loans	2,469,256,570	-0.92	\$22,593,698
Used car loans	2,832,655,368	-0.76	\$21,641,487
Personal unsecured loans	273,735,548	-0.49	\$1,335,829
5-year adjustable rate 1st mortgage	1,656,031,344	-0.11	\$1,771,954
15-year fixed rate 1st mortgage	1,372,758,312	-0.10	\$1,386,486
30-year fixed rate 1st mortgage	1,335,983,413	-0.07	\$935,188
Home equity / 2nd mortgage loans	1,267,597,090	-0.48	\$6,071,790
Credit cards	616,293,053	-6.14	\$37,609,284
Interest rebates			\$0
<b>Total CU member benefits arising from lower interest rates on loan products:</b>			<b>\$93,345,716</b>
<b>Savings</b>			
Regular shares	5,682,777,440	0.09	\$5,049,592
Share draft checking	2,564,153,242	0.41	\$10,639,328
Money market accounts	5,396,465,310	0.06	\$3,330,427
Certificate accounts	1,961,632,886	0.20	\$3,892,495
Retirement (IRA) accounts	1,101,630,180	0.13	\$1,432,925
Bonus dividends in period			\$0
<b>Total CU member benefit arising from higher interest rates on savings products:</b>			<b>\$24,344,767</b>
<b>Fee Income</b>			
<b>Total CU member benefit arising from fewer / lower fees:</b>			<b>\$15,848,073</b>
<b>Total CU member benefit arising from interest rates on loans, savings products and lower fees:</b>			<b>\$133,538,555</b>
<b>Total CU member benefit / member:</b>			<b>\$82</b>
<b>Total CU member benefit / member household:</b>			<b>\$156</b>

Source: Informa Research Services, NCUA, and CUNA

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

# Membership Benefits Report

CUNA Economics and Statistics

## Oregon Credit Union Performance Profile

Demographic Information	Sep 16	Sep 15
Number of branches	286	284
Total assets (\$ mil)	20,196	18,044
Total loans (\$ mil)	13,954	12,359
Total surplus funds (\$ mil)	5,477	4,980
Total savings (\$ mil)	17,833	15,942
Total members (thousands)	1,675	1,588
Growth Rates (Trailing 12 months) *		
Total assets	12.0 %	7.2 %
Total loans	12.9 %	10.0 %
Total surplus funds	10.1 %	1.5 %
Total savings	11.9 %	6.9 %
Total members	5.7 %	5.0 %
Earnings - Basis Pts. *		
Yield on total assets	326	328
Dividend / interest cost of assets	26	28
Fee & other income	143	147
Operating expense	329	330
Loss Provisions	23	19
Net Income (ROA) after stabilization exp	92	98
Capital Adequacy		
Net worth / assets	9.9	10.2
Asset Quality *		
Delinquencies / loans	0.4	0.5
Net chargeoffs / average loans	0.3	0.3
Total borrower-bankruptcies	29	35
Bankruptcies per 1000 members	1.1	1.4
Asset/Liability Management		
Loans / savings	78.2	77.5
Loans / assets	69.1	68.5
Long-term assets / assets	28.5	30.1
Core deposits/shares & borrowings	50.1	47.1
Productivity		
Members / potential members	2.7	2.7
Borrowers / members	60.8	59.9
Members / FTE	372	372
Average shares / members (\$)	10,648	10,040
Average loan balances (\$)	13,701	12,989
Salary & Benefits / FTE	74,065	71,217

\* 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.