

Mid-Year 2023

US¢

98.5

98.0

97.5

97.0

96.5

# CUNA Connexus CU MEMBERSHIP BENEFITS REPORT

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## **Connexus CU**

### The Benefits of Membership

Credit unions generally provide financial benefits to members through lower loan rates, higher savings rates, and fewer fees than banking institutions.

The Credit Union National Association (CUNA) estimates that Connexus CU provided \$7,360,536 in direct financial benefits to its 442,995 members during the twelve months ending June 2023 <sup>(1)</sup>.

#### These benefits are equivalent to \$17 per member or \$35 per member household <sup>(2).</sup>

The per-member and per-household member benefits delivered by Connexus CU are substantial. But, these benefits are reported as averages. Mathematically, that means the total benefits you provide are divided across all members (or all member households) - even those who conduct very little financial business with the credit union.

For example, financing a \$30,000 new automobile for 60 months at Connexus CU will save members an average -\$15 per year in interest expense compared to what they would pay at a banking institution in the state. That's approximately -\$75 in savings over 5 years.

Further, loyal members(3) - those who use the credit union extensively - often receive total financial benefits that are much greater than the average.

CUNA estimates that Connexus CU provided loyal high-use member households \$1470 in direct financial benefits during the twelve month period.

Connexus CU excels in providing member benefits in many loan and savings products. In particular, Connexus CU offers lower loan rates on the following accounts: first mortgage-fixed rate, first mortgageadjustable rate, home equity loans.

Connexus CU also pays its members higher dividends on the following accounts: regular savings, share draft checking, certificate accounts, IRAs.





Source: Datatrac, NCUA, and CUNA.

(1) Rates and fees as of 11/14/2023.

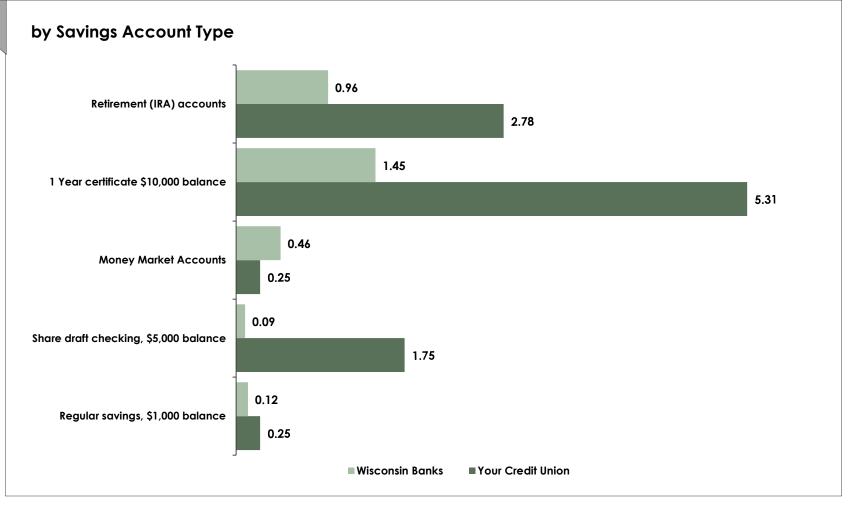
(2) Assumes 2.1 credit union members per household.

(3) A "loyal member" is assumed to have a \$30,000, 60-month new auto loan, a classic credit card with an average balance of \$5,000, a \$200,000, 30-year fixed rate mortgage (a 30-year fixed rate mortgage is replaced with a 5-year adjustable rate mortgage if it yields a greater benefit as it is assumed more in demand), \$5,000 in an interest-bearing checking account, \$10,000 in a one-year certificate account, and \$2,500 in a money market account.

### **Membership Benefits Report**

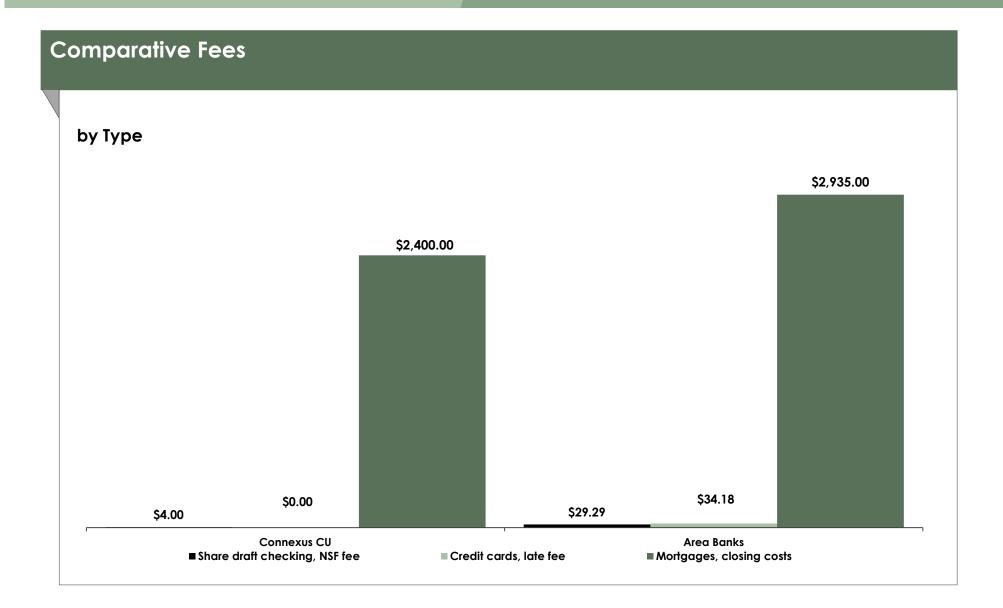
**CUNA Economics and Statistics** 

### Savings Product Comparative Interest Rates (%)



Loan Product Comparative Interest Rates (%) by Loan Type 19.74 18.24 18.07 10.49 8.78 7.97 7.80 7.34 7.24 7.14 7.27 7.13 7.14 7.05 6.74 6.13 5.99 0.00 48-month used Unsecured Ioan 5-year adjustable15-year fixed rate 30-year fixed rate Home equity / 60-month new Credit card -Credit card car (A paper) car (A paper) (A paper) rate 1st 1st mortgage, 0 1st mortgage, 0 2nd mtg, 80% LTV classic platinum mortgage, 0 pts pts pts 0 pts ■ Your Credit Union Wisconsin Banks

### **Membership Benefits Report**

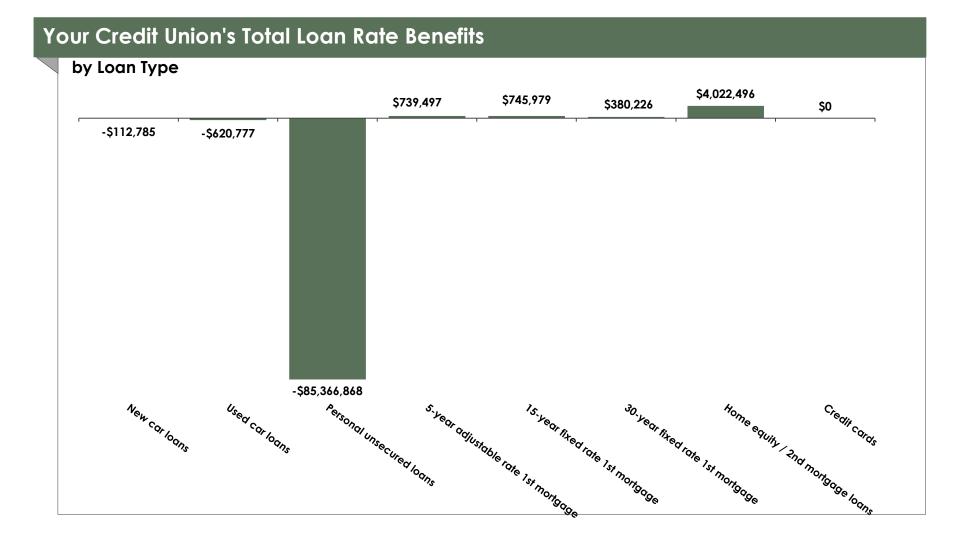


### Interest Rates at Connexus CU

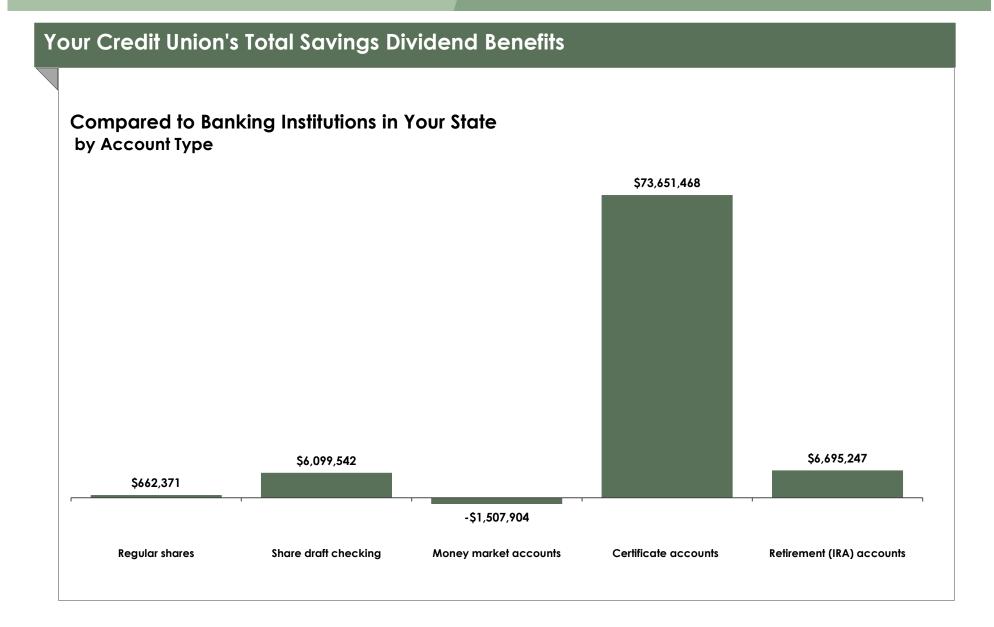
### and Banking Institutions in Wisconsin

60-month new car (A paper)	7.14	7.05	
		7.05	0.09
48-month used car (A paper)	7.24	7.14	0.10
Unsecured Ioan (A paper)	10.49	0.00	10.49
5-year adjustable rate 1st mortgage, 0 pts	6.74	7.27	-0.53
15-year fixed rate 1st mortgage, 0 pts	6.13	7.34	-1.22
30-year fixed rate 1st mortgage, 0 pts	7.13	7.80	-0.67
Home equity / 2nd mtg, 80% LTV 0 pts	5.99	7.97	-1.98
Credit card - classic	19.74	18.07	1.67
Credit card - platinum	18.24	8.78	9.46
Savings Products			
Regular savings, \$1,000 balance	0.25	0.12	0.13
Share draft checking, \$5,000 balance	1.75	0.09	1.66
Money Market Accounts	0.25	0.46	-0.21
1 Year certificate \$10,000 balance	5.31	1.45	3.86
Retirement (IRA) accounts	2.78	0.96	1.82
Fee Income			
Share draft checking, NSF fee	\$4.00	\$29.29	-\$25.29
Credit cards, late fee	\$0.00	\$34.18	-\$34.18
Mortgages, closing costs	\$2,400.00	\$2,935.00	-\$535.00

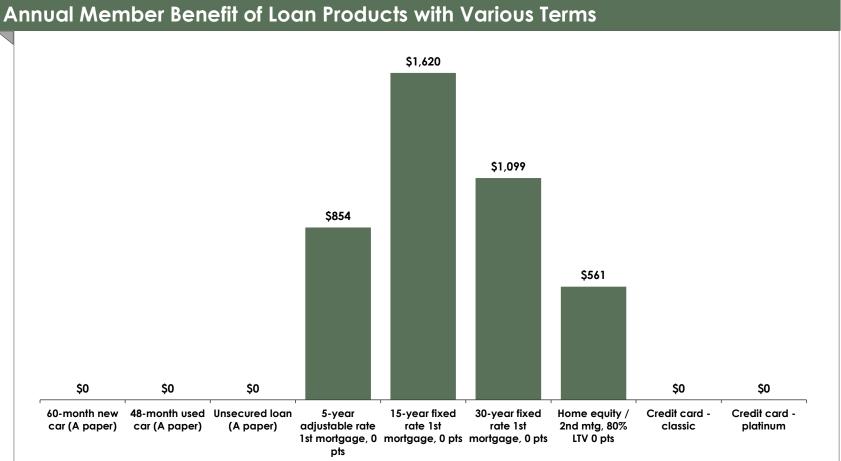
\*Rates and fees as of 11/14/2023. Credit union rates provided by individual credit union, bank rates provided by Datatrac.



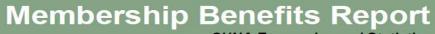
### **Membership Benefits Report**

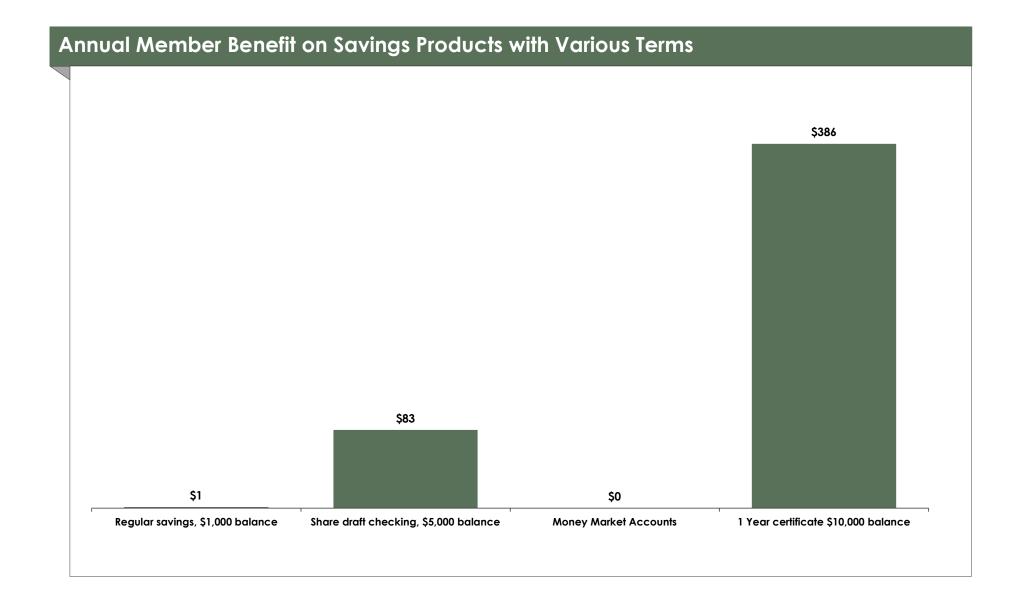


**CUNA Economics and Statistics** 



Terms on loan products included are as follows: New Car: \$30,000: Used Car: \$20,000: Unsecured Loan: \$10,000 (5 years) 5 Year Adj: \$200,000; 15 Year Fixed: \$200,000; 30 Year Fixed: \$200,000





#### Estimated Financial Benefits for Connexus CU

	Avg. Balance at Your	Rate Difference vs. Wisconsin	Financial Benefit to Your
Loans	Credit Union (1)	Banks (%) (2)	Members
New car loans	125,317,206	0.09	-\$112,785
Used car loans	620,777,224	0.10	-\$620,777
Personal unsecured loans	813,792,830	10.49	-\$85,366,868
5-year adjustable rate 1st mortgage	139,527,668	-0.53	\$739,497
15-year fixed rate 1st mortgage	61,246,218	-1.22	\$745,979
30-year fixed rate 1st mortgage	56,750,084	-0.67	\$380,226
Home equity / 2nd mortgage loans	202,849,030	-1.98	\$4,022,496
Credit cards	-	1.67	\$0
Interest rebates			\$0
Total CU member benefits arising from lower interest rates on loan p	-\$80,212,233		
Savings			
Regular shares	521,551,740	0.13	\$662,371
Share draft checking	368,107,537	1.66	\$6,099,542
Money market accounts	707,936,211	-0.21	-\$1,507,904
Certificate accounts	1,907,081,004	3.86	\$73,651,468
Retirement (IRA) accounts	366,963,379	1.82	\$6,695,247
			\$0
Bonus dividends in period			Ψ0
Bonus dividends in period Total CU member benefit arising from higher interest rates on saving	s products:		\$85,600,724
Total CU member benefit arising from higher interest rates on saving	is products:		
	is products:		
Total CU member benefit arising from higher interest rates on saving Fee Income			\$85,600,724
Total CU member benefit arising from higher interest rates on saving Fee Income Total CU member benefit arising from fewer/lower fees:			\$85,600,724 \$1,972,045

Source: Datatrac, NCUA, and CUNA

(1) Average balance as of June 2023 and June 2022 according to the NCUA call report.

(2) Rates and fees as of 11/14/2023. Credit union rates provided by individual credit union, bank rates provided by Datatrac.

Certificate of Excellence

is hereby granted to:

## **Connexus CU**

The Credit Union National Association has determined that Connexus CU provided \$7,360,536 in direct financial benefits to its 442,995 members during the twelve months ending in June 2023. These benefits are equivalent to approximately \$35 per member household.

Connexus CU provided loyal high-use member households \$1,470 in direct financial benefits.

Credit unions generally provide financial benefits to members by charging less for loans, paying more on deposits and charging fewer/lower fees compared to banking institutions.



#### Connexus CU Performance Profile

Demographic Information	Jun 23	Jun 22
Number of branches	15	17
Total assets (\$ mil)	5,285	4,893
Total loans (\$ mil)	4,701	4,079
Total surplus funds (\$ mil)	392	603
Total savings (\$ mil)	4,595	4,333
Total members (thousands)	451	435
Growth Rates (Year-to-date)		
Total assets	8.0 %	36.6 %
Total loans	15.2 %	29.2 %
Total surplus funds	-35.0 %	108.4 %
Total savings	6.0 %	36.9 %
Total members	3.6 %	12.2 %
Earnings - Basis Pts.		
Yield on total assets	693	627
- Dividend/interest cost of assets	251	127
+ Fee & other income	55	45
- Operating expense	353	389
- Loss Provisions	85	49
= Net Income (ROA)	59	107
Capital adequacy		
Net worth / assets	8.5	9.3
Asset quality		
Delinquencies / loans	2.8	1.8
Net chargeoffs / average loans	0.8	0.4
Asset/Liability Management		
Loans / savings	102.3	94.1
Loans / assets	88.9	83.4
Long-term assets / assets	4.7	11.3
Core deposits/shares & borrowings	17.5	22.5
Productivity		
Members/potential members	7.1	6.9
Borrowers/members	58.3	54.9
Members/FTE	628	657
Average shares/members (\$)	10,194	9,956
Average loan balances (\$)	17,898	17,063
Salary & Benefits/FTE	106,380	94,901







# Transform member benefits into new business with a *Member Benefit Marketing Toolkit*

The Credit Union National Association (CUNA) and Datatrac have teamed up to bring you the analysis in this report. Member Benefit Marketing Tools provides you with practical applications for using data in this report to show members how much you save them, drive in new members, generate more loans and attract bigger deposits.

#### Member Benefit Marketing Tools prove to new and existing members:

- How much you saved your entire membership last year in interest and fees compared to the competition
- How much they will save on their next loan with you
- How much more they will earn on their deposits with you

#### *Member Benefit Marketing Toolkits* include:

- Lead generation for loans, deposits and new members
- Competitive comparison
  widgets for your website
- Facebook app
- Animated graphics for branch lobby digital displays
- Proof Points for use in marketing collateral
- Award Certification & Trophy
- Press releases
- Newsletter copy
- Member handouts
- Subscription to the CUNA Member Benefits Report

### Visit <u>www.datatrac.net/</u> memberbenefits to see live

examples, schedule a demo and receive a free competitive analysis.



Show members how much you save them with *Member Benefits Marketing Tools* 

Analyze your credit union's performance and service to members with CUNA's research resources:

**Operating Ratios & Spreads** 

Prompt Corrective Action (PCA) Checkup

Membership Benefits Report