

CUNA LBS Financial CU

MEMBERSHIP BENEFITS REPORT

LBS Financial 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 LBS Financial CU provided \$26,799,063 in direct financial benefits to its 142,223 members during the twelve months ending December 2022 ⁽¹⁾.

These benefits are equivalent to \$188 per member or \$396 per member household ⁽²⁾.

The per-member and per-household member benefits delivered by LBS Financial 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 LBS Financial CU will save members an average \$222 per year in interest expense compared to what they would pay at a banking institution in the state. That's approximately \$1,110 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 LBS Financial CU provided loyal high-use member households \$2280 in direct financial benefits during the twelve month period.

LBS Financial CU excels in providing member benefits in many loan and savings products. In particular, LBS Financial CU offers lower loan rates on the following accounts: new car loans, used car loans, home equity loans, credit cards loans.

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



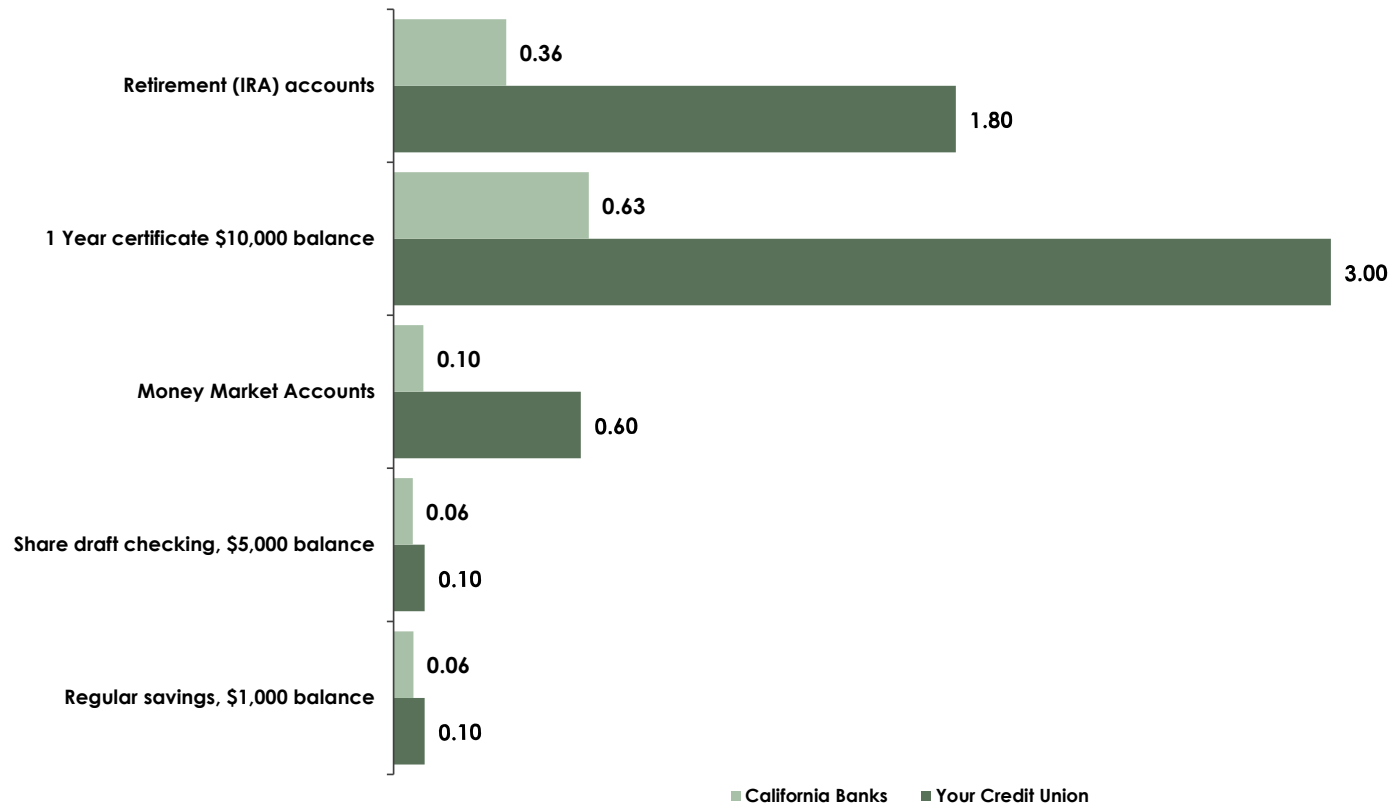
(1) Rates and fees as of 3/30/2023.

(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.

Savings Product Comparative Interest Rates (%)

by Savings Account Type

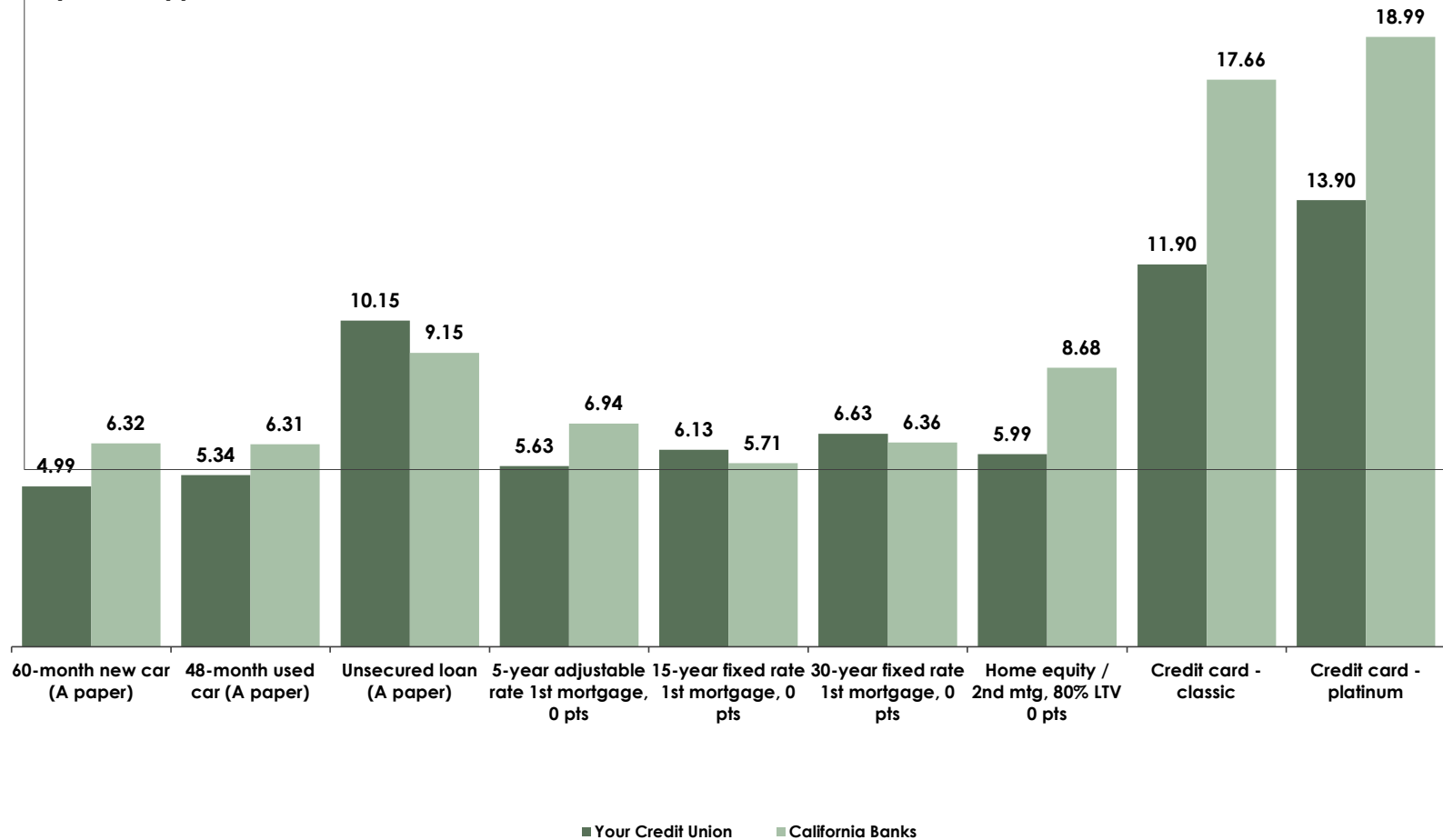


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CUNA Economics and Statistics

Loan Product Comparative Interest Rates (%)

by Loan Type

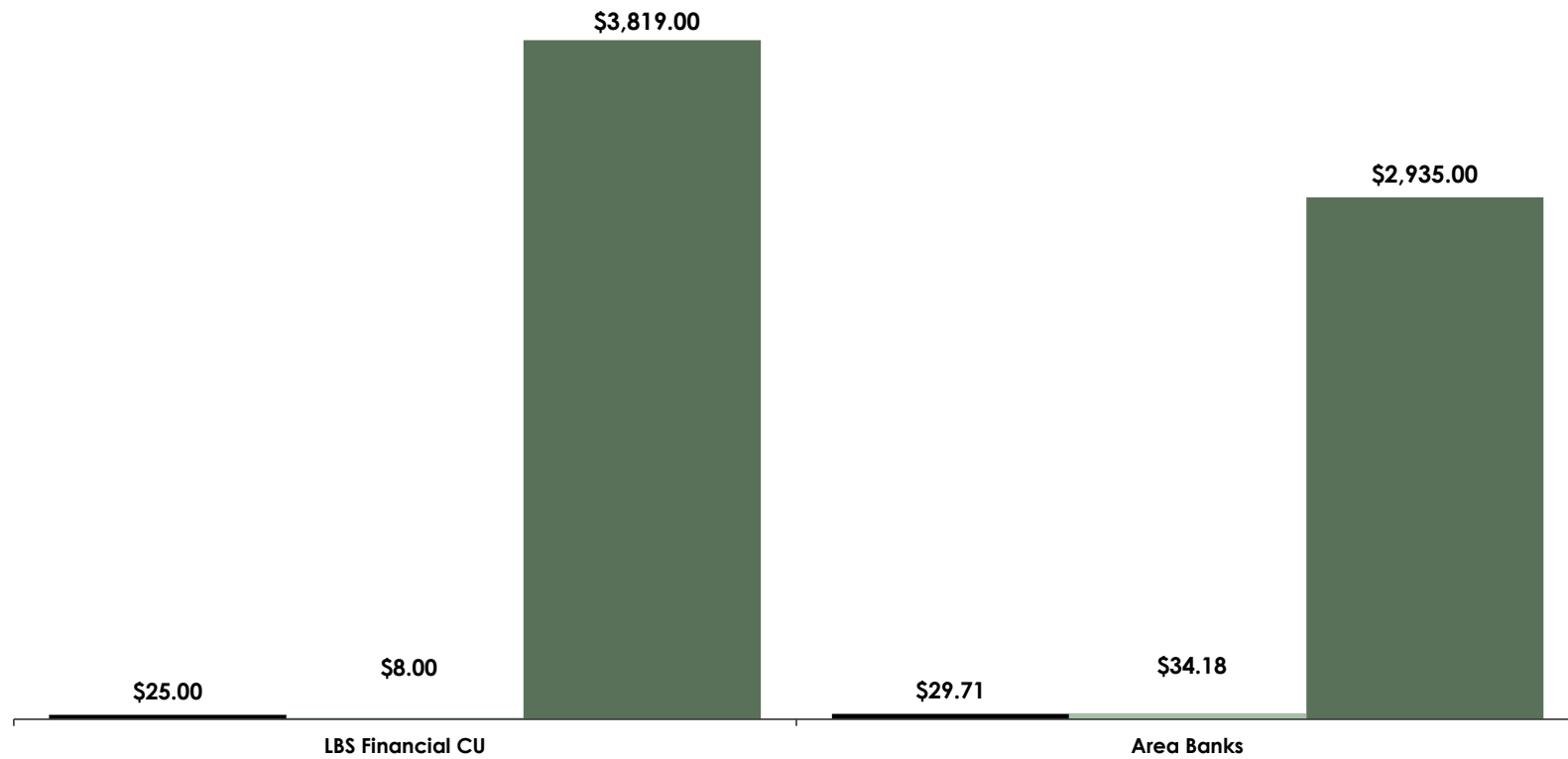


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CUNA Economics and Statistics

Comparative Fees

by Type



■ Share draft checking, NSF fee ■ Credit cards, late fee ■ Mortgages, closing costs

Interest Rates at LBS Financial CU and Banking Institutions in California

Loan Products	Rate at your Credit Union (%) *	Average Rate at Banks (%) *	Rate Difference vs. Banks (%)
60-month new car (A paper)	4.99	6.32	-1.33
48-month used car (A paper)	5.34	6.31	-0.97
Unsecured loan (A paper)	10.15	9.15	1.00
5-year adjustable rate 1st mortgage, 0 pts	5.63	6.94	-1.32
15-year fixed rate 1st mortgage, 0 pts	6.13	5.71	0.41
30-year fixed rate 1st mortgage, 0 pts	6.63	6.36	0.27
Home equity / 2nd mtg, 80% LTV 0 pts	5.99	8.68	-2.69
Credit card - classic	11.90	17.66	-5.76
Credit card - platinum	13.90	18.99	-5.09
Savings Products			
Regular savings, \$1,000 balance	0.10	0.06	0.04
Share draft checking, \$5,000 balance	0.10	0.06	0.04
Money Market Accounts	0.60	0.10	0.50
1 Year certificate \$10,000 balance	3.00	0.63	2.38
Retirement (IRA) accounts	1.80	0.36	1.44
Fee Income			
Share draft checking, NSF fee	\$25.00	\$29.71	-\$4.71
Credit cards, late fee	\$8.00	\$34.18	-\$26.18
Mortgages, closing costs	\$3,819.00	\$2,935.00	\$884.00

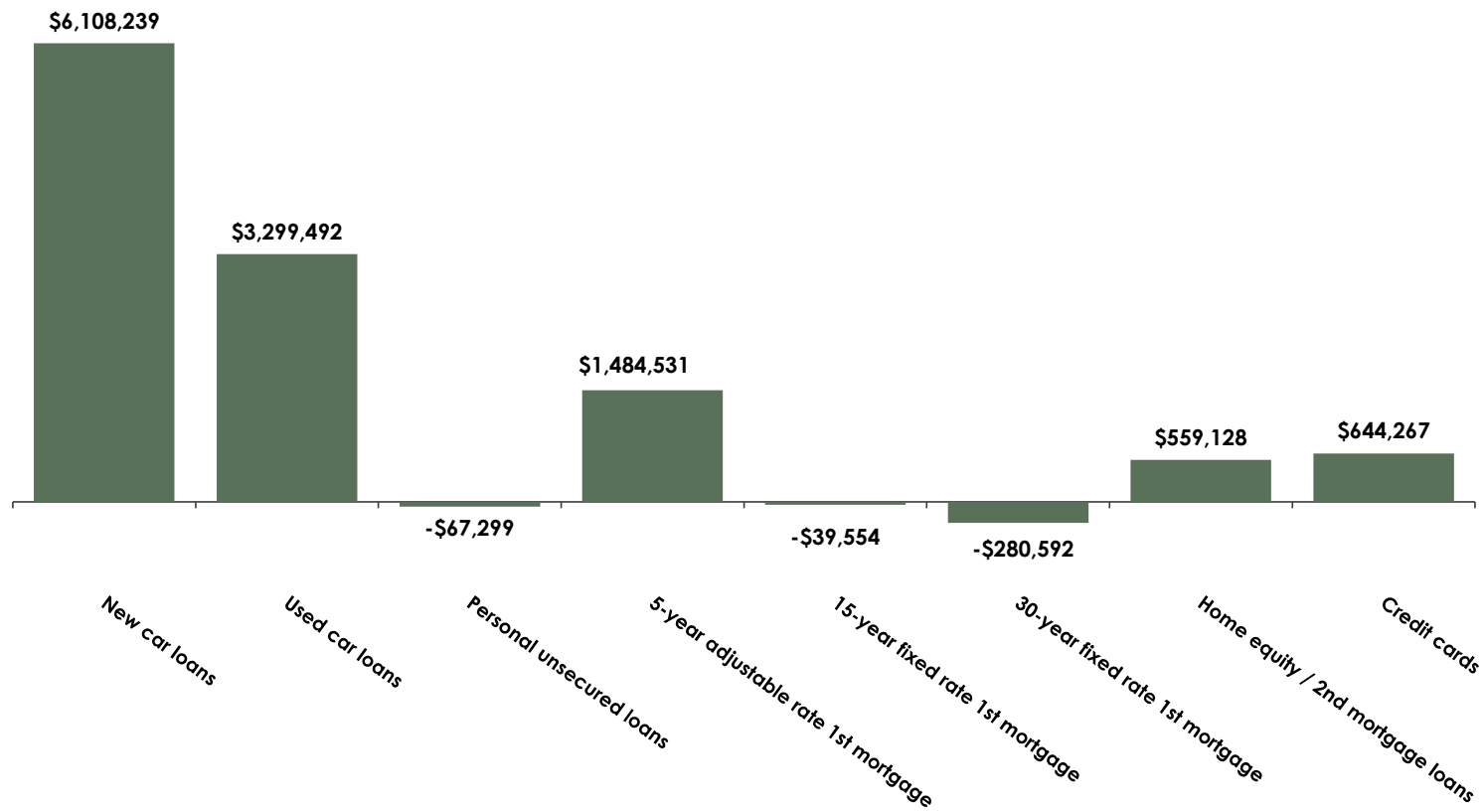
*Rates and fees as of 3/30/2023. Credit union rates provided by individual credit union, bank rates provided by Datatrac.

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Your Credit Union's Total Loan Rate Benefits

by Loan Type

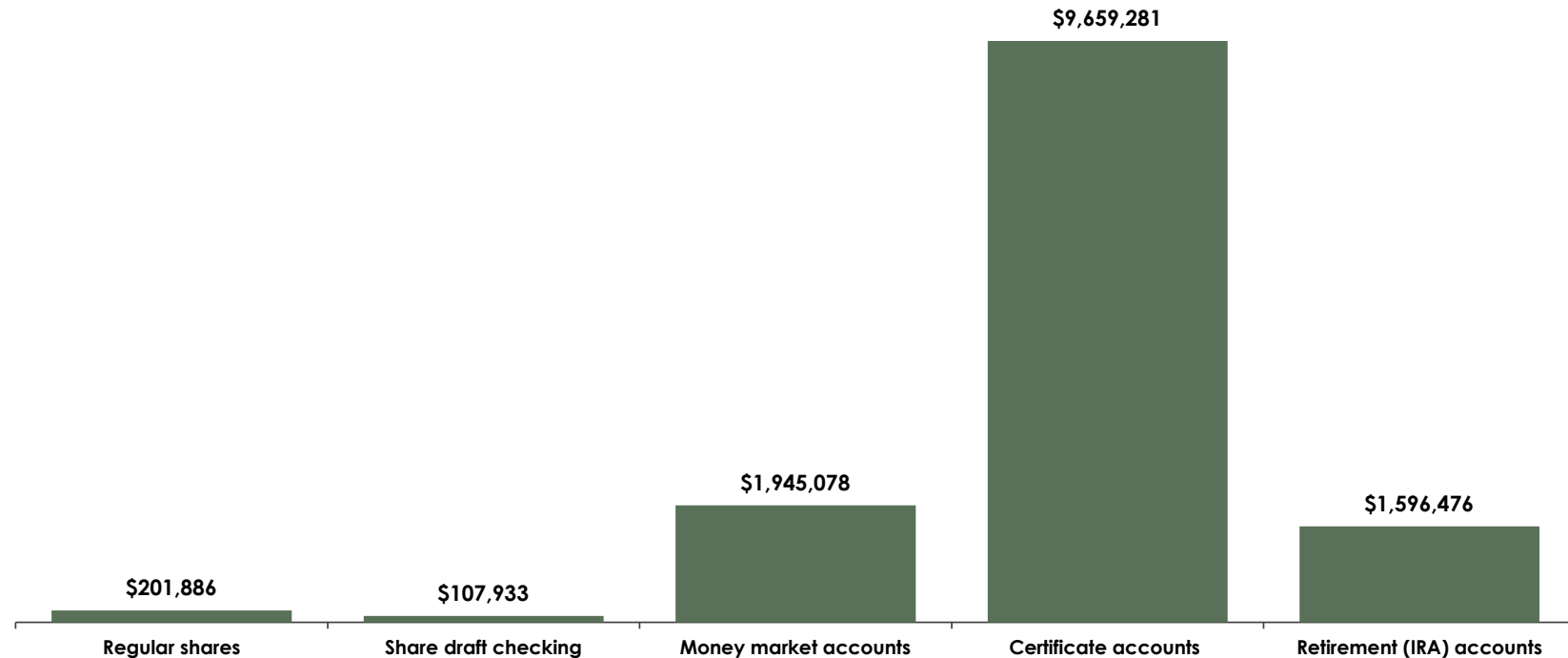


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Your Credit Union's Total Savings Dividend Benefits

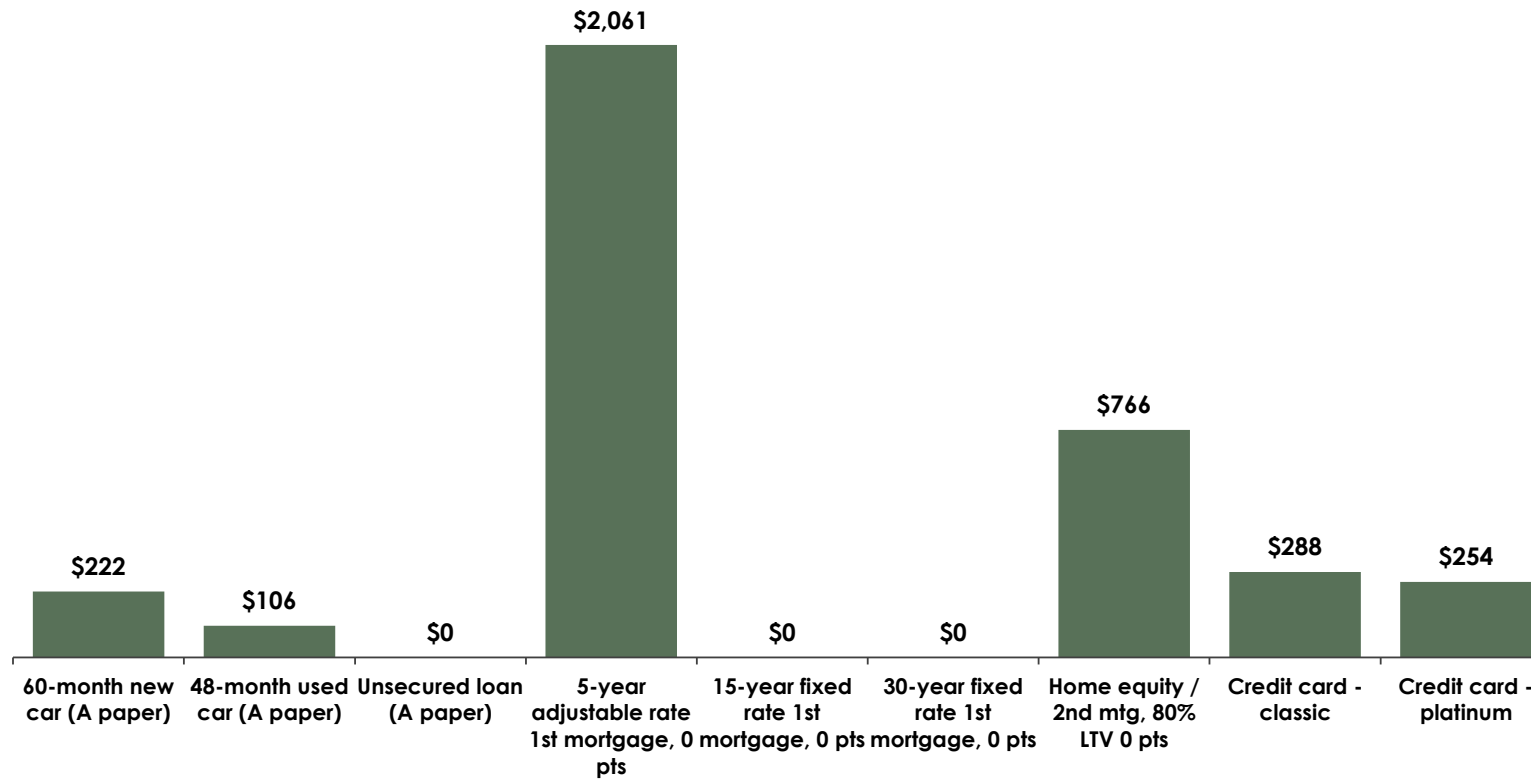
Compared to Banking Institutions in Your State
by Account Type



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Annual Member Benefit of Loan Products with Various Terms

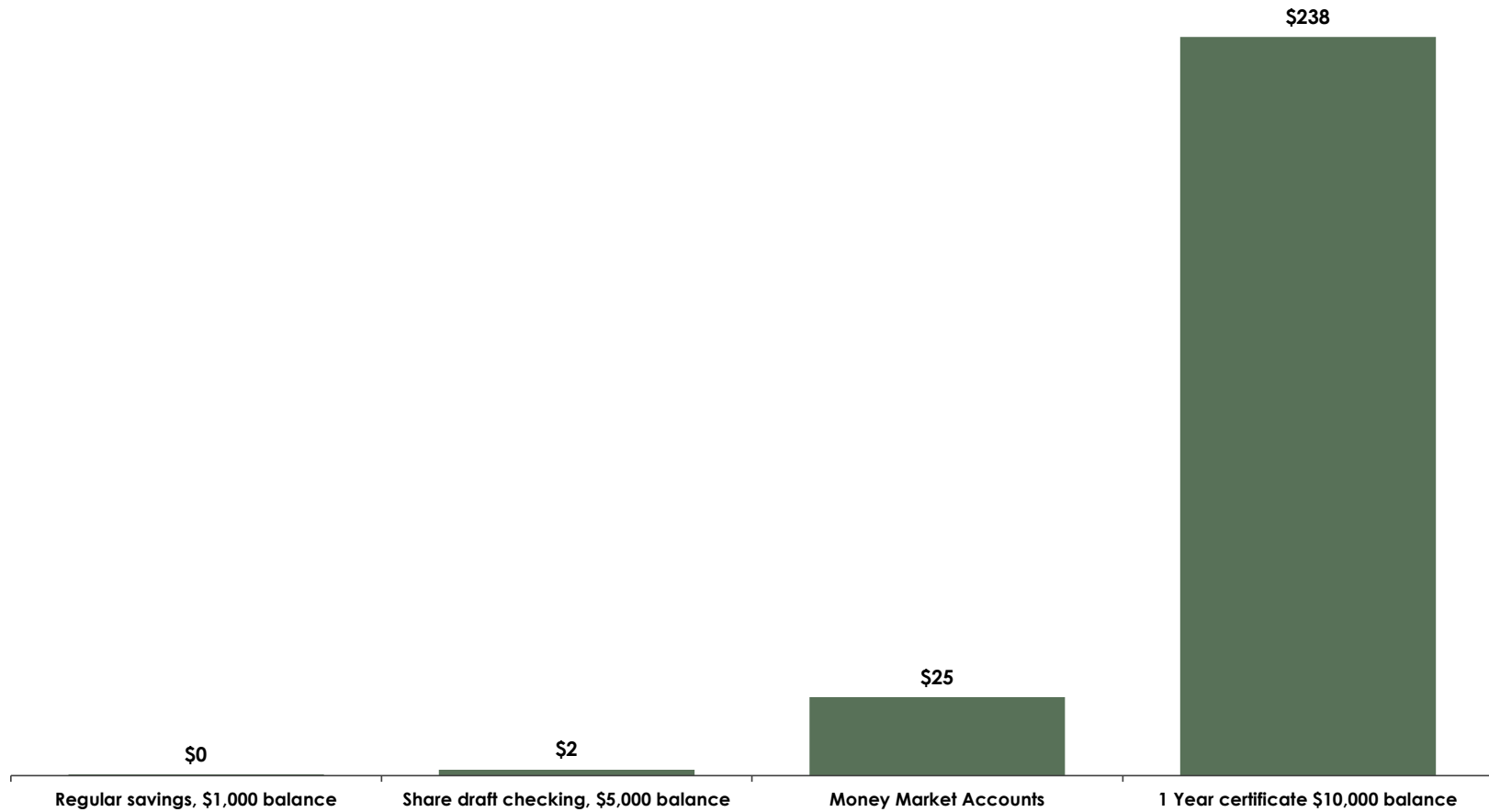


Terms on loan products included are as follows:
New Car: \$30,000; Used Car: \$20,000; Unsecured Loan: \$10,000 (5 years)
5 Year Adj: \$200,000; 15 Year Fixed: \$200,000; 30 Year Fixed: \$200,000
Home Equity: \$50,000; Classic Credit Card: \$10,000; Gold Credit Card: \$10,000

Membership Benefits Report

CUNA Economics and Statistics

Annual Member Benefit on Savings Products with Various Terms



Membership Benefits Report

CUNA Economics and Statistics

Estimated Financial Benefits for LBS Financial CU

Loans	Avg. Balance at Your Credit Union (1)	Rate Difference vs. California Banks (%) (2)	Financial Benefit to Your Members
New car loans	457,889,008	-1.33	\$6,108,239
Used car loans	341,916,224	-0.97	\$3,299,492
Personal unsecured loans	6,716,436	1.00	-\$67,299
5-year adjustable rate 1st mortgage	112,549,730	-1.32	\$1,484,531
15-year fixed rate 1st mortgage	9,600,403	0.41	-\$39,554
30-year fixed rate 1st mortgage	103,922,852	0.27	-\$280,592
Home equity / 2nd mortgage loans	20,762,270	-2.69	\$559,128
Credit cards	11,527,925	-5.76	\$644,267
Interest rebates			\$0
Total CU member benefits arising from lower interest rates on loan products:			\$11,708,213
Savings			
Regular shares	560,794,344	0.04	\$201,886
Share draft checking	284,034,097	0.04	\$107,933
Money market accounts	385,928,112	0.50	\$1,945,078
Certificate accounts	406,706,579	2.38	\$9,659,281
Retirement (IRA) accounts	110,904,916	1.44	\$1,596,476
Bonus dividends in period			\$0
Total CU member benefit arising from higher interest rates on savings products:			\$13,510,654
Fee Income			
Total CU member benefit arising from fewer/lower fees:			\$1,580,196
Total CU member benefit arising from interest rates on loan and savings products and lower fees:			\$26,799,063
Total CU member benefit / member:			\$188
Total CU member benefit / member household:			\$396

Source: Datatrac, NCUA, and CUNA

(1) Average balance as of December 2022 and December 2021 according to the NCUA call report.

(2) Rates and fees as of 3/30/2023. Credit union rates provided by individual credit union, bank rates provided by Datatrac.

Certificate of Excellence

is hereby granted to:

LBS Financial CU

The Credit Union National Association has determined that LBS Financial CU provided \$26,799,063 in direct financial benefits to its 142,223 members during the twelve months ending in December 2022.

These benefits are equivalent to approximately \$396 per member household.

LBS Financial CU provided loyal high-use member households \$2,280 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.



LBS Financial CU Performance Profile

Demographic Information	Dec 22	Dec 21
Number of branches	8	8
Total assets (\$ mil)	2,013	1,979
Total loans (\$ mil)	1,186	1,087
Total surplus funds (\$ mil)	768	840
Total savings (\$ mil)	1,760	1,749
Total members (thousands)	143	141
Growth Rates (Year-to-date)		
Total assets	1.7 %	11.0 %
Total loans	9.1 %	1.7 %
Total surplus funds	-8.6 %	22.4 %
Total savings	0.6 %	11.7 %
Total members	1.5 %	1.8 %
Earnings - Basis Pts.		
Yield on total assets	266	250
- Dividend/interest cost of assets	38	44
+ Fee & other income	56	54
- Operating expense	188	192
- Loss Provisions	8	1
= Net Income (ROA)	88	67
Capital adequacy		
Net worth / assets	12.4	11.7
Asset quality		
Delinquencies / loans	0.3	0.1
Net chargeoffs / average loans	0.1	0.0
Asset/Liability Management		
Loans / savings	67.4	62.1
Loans / assets	58.9	54.9
Long-term assets / assets	30.5	32.1
Core deposits/shares & borrowings	48.1	48.2
Productivity		
Members/potential members	10.1	9.9
Borrowers/members	33.5	33.0
Members/FTE	677	664
Average shares/members (\$)	12,284	12,386
Average loan balances (\$)	24,686	23,354
Salary & Benefits/FTE	105,887	104,357



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:

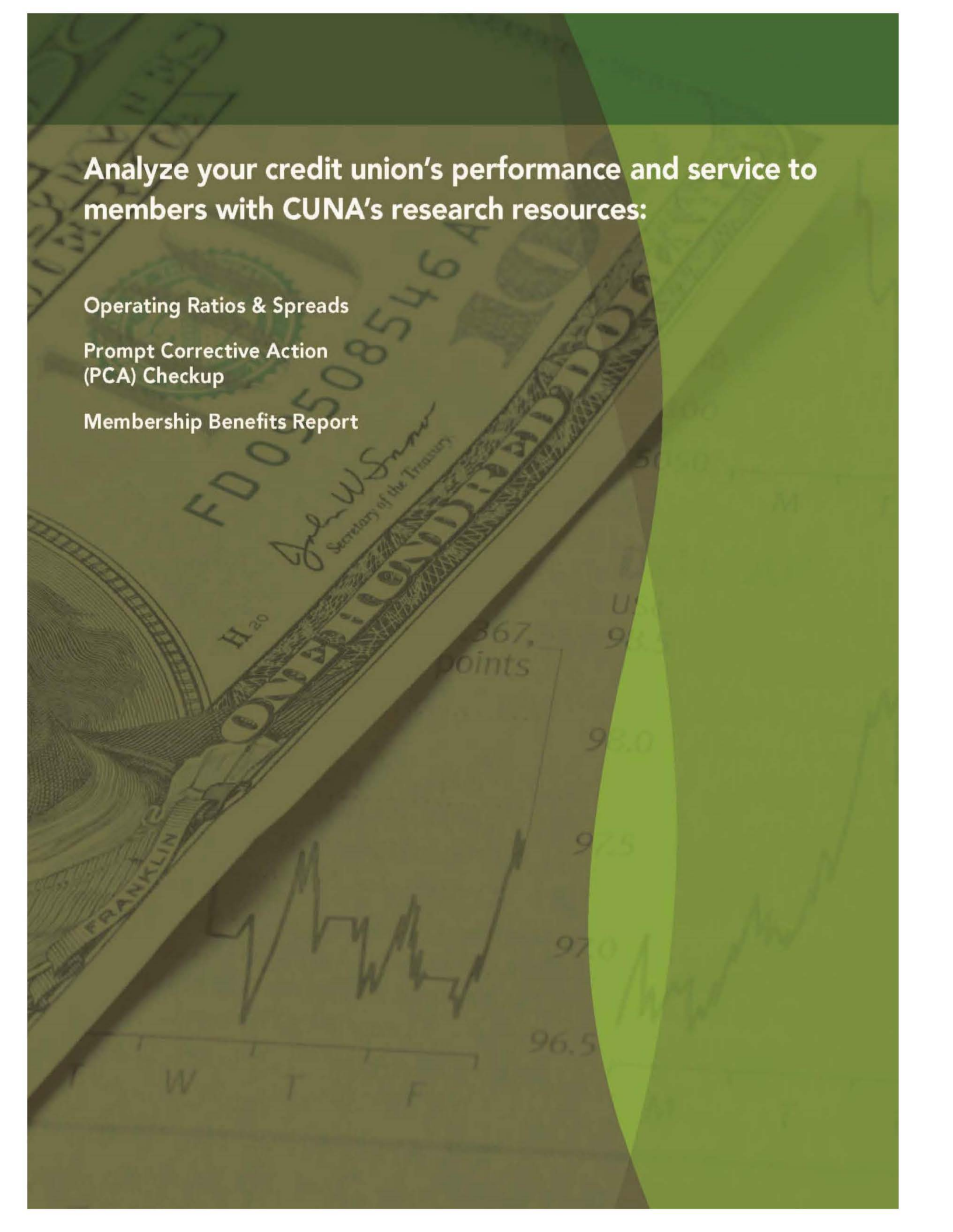
- How much you saved your entire membership last year in interest and fees compared to the competition
- How much they will save on their next loan with you
- How much more they will earn on their deposits with you

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 www.datatrac.net/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