Turn Investment Performance into a Funding Source for Employee Benefits.

HOW CREDIT UNIONS ARE REDUCING OPERATING EXPENSES THROUGH STRATEGIC INVESTMENTS.

Forward-thinking credit unions are leveraging NCUA Regulation 701.19 to transform excess liquidity and underperforming investments into a powerful source of funding for employee benefits —strengthening financial performance today and building for the future.

Inside this Executive Brief

Discover how the strategic investment of excess liquidity and underperforming investment conversion can create measurable results for your credit union and the people you serve.

THE OPPORTUNITY
See how credit unions are rethinking excess liquidity to unlock new potential.

THE FINANCIAL IMPACT
Explore the data behind higher yields, lower costs, and stronger performance.

THE EMPLOYEE BENEFITS ADVANTAGE
Learn how credit unions are sustainably funding benefits and engaging top talent.

THE COMMUNITY IMPACT
Discover how better financial outcomes create more resources to invest in members and communities.

THE PATH FORWARD
Understand how Total Benefit Prefunding can help your credit union take the next step with confidence.

> Credit Union Benefit's investment strategies drove materially higher returns, helping us offset rising employee benefit costs while also strengthening our executive benefits package for key leadership."

Randy Hass
CEO

Midland Credit Union

The opportunity is real—and the results are already here.
Let's explore what's possible for your credit union.

The Challenge Credit Unions Can't Afford to Ignore

RISING COSTS | UNDERPERFORMING INVESTMENTS | A GROWING GAP

Credit unions are navigating a perfect storm: rising employee benefit costs, underperforming investments, and increasing pressure to do more with less.

The result? Missed opportunities, margin pressure, and fewer resources to invest in your members, your team, and your future.

Projected employer health benefit costs (6.5–6.7%) are increasing substantially faster than the yields available on many traditional liquidity investments, including national-average CDs and many legacy fixed-income portfolios.

6.5%
Projected 2026 growth in health benefit cost per employee — the steepest rise since 2010

~2.0%
National average 1-year CD APY (July 2026)

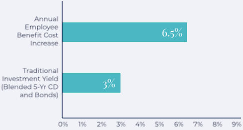
0.66%
Median return on average assets, federally insured credit unions (NCUA, Q1 2026)

Sources: Mercer 2025 National Survey of Employer-Sponsored Health Plans (2026 employer cost projections). Bankrate National CD Rates (July 2026). NCUA Quarterly Data Summary, Q1 2026 (median ROAA and industry financial performance).

Traditional Investments Fall Short

Low yields from CD / Bond investments fall well below increases in employee benefits costs.

ASSET YIELD VS. LIABILITY GROWTH: THE CREDIT UNION GAP



Data Reference & Sources

6.5% Benefit Inflation: Mercer National Survey of Employer-Sponsored Health Plans.
3.0% Traditional Yield: FDIC National Rates Data

The Good News.

There is a better way. Credit unions can leverage excess liquidity to create a new source of funding for employee benefits—without increasing risk. That's the power of Total Benefit Prefunding.

Designed for Credit Unions Under

NCUA Regulation 701.19.

Every Credit Union Benefit client has successfully passed its NCUA examinations while participating in Total Benefit Prefunding.

Rethinking the Traditional Approach.

CONVENTIONAL FUNDING OF EMPLOYEE BENEFITS IS GENERALLY A MATTER OF ANNUAL BUDGETING.

For years, the traditional approach has been the default. But today's challenges demand a smarter way forward. Here's where the traditional model falls short—and what that means for your credit union.

CAPITAL IS CONSTRAINED
Capital is set aside to meet employee benefit obligations. Since capital must be liquid for these quarterly expenses, they have little or no growth.

OPPORTUNITY IS LOST
Funds that could be generating stronger returns under NCUA 701.19 are relegated to sitting on the sidelines.

RISK REMAINS
The real risk is in maintaining the status quo. Benefit costs will continue their 20-year upward trend.

The Status Quo Is Costing More than You Think.
A better approach can unlock better outcomes.

It's time to move from managing a liability to creating a long-term financial advantage.

Traditional Approach
Limited growth
Missed opportunities
Rising cost pressure

Strategic Approach
Stronger returns
Lower Costs
Greater Impact

A Smarter Path Forward for Credit Unions

TOTAL BENEFIT PREFUNDING OFFERS A BETTER WAY.

By leveraging NCUA Regulation 701.19, credit unions can strategically invest excess liquidity in higher-yield, principal-protected solutions—creating a dedicated funding source for employee benefits.

It's a proven approach that strengthens financial performance today and creates lasting value for tomorrow.

What This Approach Delivers

STRONGER INVESTMENT RESULTS
Access higher-yield, principal-protected investment strategies designed to outperform traditional low-yield options.

REDUCED OPERATING EXPENSES
Redirect investment earnings to offset employee benefit costs and improve your bottom line.

FINANCIAL STABILITY
Strengthen your balance sheet and enhance your ability to weather economic uncertainty.

TALENT ADVANTAGE
Invest in competitive benefits that attract, retain, and reward the people who drive your success.

NCUA EXAM CONFIDENCE
Designed for credit unions under NCUA Regulation 701.19. Every Credit Union Benefit client has successfully passed its NCUA examinations while participating in Total Benefit Prefunding.

> "I appreciate Credit Union Benefit's ability to think outside the box and craft an investment plan that benefits not only our employees, but the credit union as a whole. We have been using CU Benefit since 2020 and with their assistance have passed multiple NCUA audit exams."

Steven Adee
President & CEO

Santa Fe Federal Credit Union

A better approach. Better outcomes.
That's the power of Total Benefit Prefunding.

It's not just about covering costs.
It's about creating a lasting advantage.

The Data Tells the Story

OPPORTUNITY EXISTS. THE QUESTION IS WHETHER YOU'LL SEIZE IT.

Smart credit unions are rethinking where and how their money is working—and the potential impact is significant.

WHERE CREDIT UNIONS STAND TODAY

Industry Position (Q1 2026)

Total Assets	$2.48T
Cash	$219B
Investments	$416B
Loans Outstanding	$1.73T

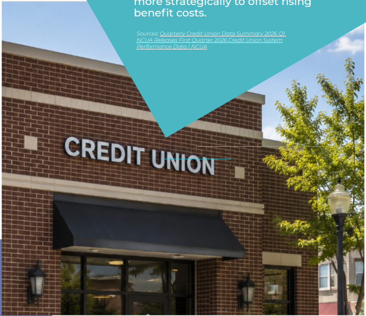
Sources: Quarterly Credit Union Data Summary 2026 Q1.

Credit unions held more than **$635 billion** in cash and investments at the end of Q1 2026. Optimizing even a small portion of those assets may help address rising long-term employee benefit obligations.

Excess Liquidity, Playing it Too Safe.

Credit Unions have $635 billion in cash and investments on their balance sheets while employer benefit costs are projected to grow by roughly 6.5–6.7% in 2026. The liquidity exists—a portion of those assets can be deployed more strategically to offset rising benefit costs.

Sources: Quarterly Credit Union Data Summary 2026 Q1. NCUA Releases First Quarter 2026 Credit Union System Performance Data | NCUA



The Takeaway

It's time to put excess liquidity to work for your credit union.

Convert Underperforming Investments to Achieve Substantial Growth.

CREDIT UNIONS WHO ARE SITTING ON MOUNTAINS OF BOND AND CD INVESTMENTS AT RATES BELOW 3% ARE MISSING OUT ON A HUGE OPPORTUNITY.

NCUA Call Report data indicates that many federally insured credit unions continue to hold substantial investment portfolios with average yields below 3%, highlighting an opportunity to improve asset deployment.

The Opportunity is Clear

Many credit unions continue to hold legacy investments established during lower-rate environments. As those investments mature, institutions have an opportunity to evaluate whether repositioning a portion of those assets could better support long-term financial goals—including funding employee benefits.

The Takeaway

Low-yield, legacy investments may feel safe—but they come at a high cost to your future.

A Better Way Forward

Credit Union Benefit works exclusively with A-rated investment firms that can provide bonuses that generally cover or exceed any early termination fees on timed deposit products (CDs, Bonds).

It's time to convert underperforming investments into a powerful source of long-term value.

Unlock more potential. Create more impact.

Real Results. Measurable Impact.

By putting excess liquidity to work and converting underperforming investments they're achieving stronger financial outcomes while supporting their people and communities.

HIGHER RETURNS
Unlock the potential to earn 6–8%* or more compared to the >3% industry average on low-yield investments.

GREATER FINANCIAL FLEXIBILITY
Reposition trapped funds and build liquidity for future opportunities.

EMPLOYEE BENEFITS SECURITY
Stabilize and enhance benefits without adding pressure to operations.

STRONGER MEMBER IMPACT
Free up resources to invest in what matters most—your members and your communities.

**Results are not guaranteed and may vary.*

The Bottom Line

Turning idle assets into income, stabilizing benefit costs and strengthening your impact—today and for the future.

A stronger financial future starts with a smarter strategy.

What this can do for your Credit Union

While results vary based on each credit union's unique needs, risk tolerance and ability to invest, Credit Union Benefit has helped credit unions ranging from $25 M - $3.5 B in assets achieve their goals.

"Credit Union Benefit's Total Benefit Prefunding investment approach has allowed us to be more proactive in funding and providing meaningful benefits to our employees; helping us to attract, retain and support the people who make our mission possible every day."

Chris Bower
CEO

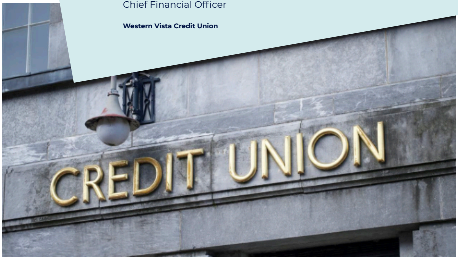
Endurance Federal Credit Union

Proven by Credit Unions. Built for What's Next.

REAL CREDIT UNIONS. REAL RESULTS.

From strengthening financial performance to freeing up resources for matters most, credit unions nationwide are proving what's possible with Total Benefit Prefunding.

> "Yields from implementing an investment strategy with CU Benefit has enabled us to increase our contribution to medical insurance premiums for our employees and enhance our 401(k) plan."
>
> **Mike Mason**
> Chief Financial Officer
>
> **Western Vista Credit Union**



IMPROVED FINANCIAL OUTCOMES
Higher-performing assets can strengthen earnings and return on assets.

LOWER BENEFIT COSTS
Offset rising benefit expenses and reduce pressure on the bottom line.

STRONGER EMPLOYEE BENEFITS
Enhance benefits offerings and invest in your team's long-term well-being.

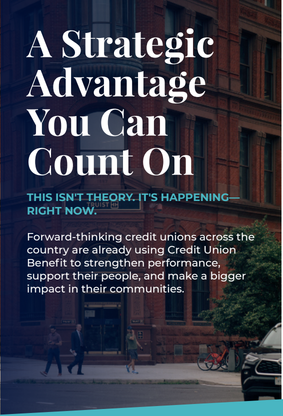
GREATER COMMUNITY IMPACT
Free up resources to do more for your members and the communities you serve.

See What's Possible for Your Credit Union

Every credit union's situation is unique. Let's start a conversation about your goals and explore what Total Benefit Prefunding can do for you.

Schedule your Evaluation

No obligation. Just possibilities.



A Strategic Advantage You Can Count On

THIS ISN'T THEORY. IT'S HAPPENING—RIGHT NOW.

Forward-thinking credit unions across the country are already using Credit Union Benefit to strengthen performance, support their people, and make a bigger impact in their communities.

What Sets Credit Union Benefit Apart

ALIGNED WITH YOU
Built for credit unions. Designed around your goals, your people, and your mission.

FOCUSD ON WHAT MATTERS
Improving financial performance, reducing benefit costs, and strengthening your long-term impact.

EXPERIENCED PARTNERS
Deep expertise. Proven strategies. A partner you can count on.

NCUA REGULATION 701.19
Created exclusively for credit unions in compliance with NCUA Regulation 701.19. Every client utilizing Total Benefit Prefunding has successfully passed its NCUA examinations.

Your people. Your members. Your future.

When you fund benefits smarter, you strengthen everything your credit union stands for.

The Next Step Is Simple.

Let's start a conversation about how Credit Union Benefit can help your credit union turn today's challenges into tomorrow's advantages.

Schedule your 1:1 Evaluation Today

No obligation. Just possibilities.

The question isn't whether your credit union can afford to explore this strategy—it's whether you can afford not to.

The Future is Yours to Shape.

PUT YOUR EXCESS LIQUIDITY AND CONVERTED INVESTMENTS TO WORK.

Your credit union has the opportunity to strengthen financial performance, support your people, and create lasting impact in your communities.

Schedule a 1:1 executive evaluation with our team to explore how Credit Union Benefit can help you turn today's challenges into tomorrow's advantages.

CREDIT UNION BENEFIT

A Trusted Partner for Credit Unions

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Schedule Your 1:1 Executive Evaluation Today.

totalbenefitprefunding.com