CUNA
Credit Union National Association

District Of Columbia
Membership Benefits Report

First Quarter 2016

Prepared by:
CUNA Economics and Statistics

District Of Columbia

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 District Of Columbia credit unions provided $25,560,775 in direct financial benefits to the state's 285,469 members during the twelve months ending March 2016.

These benefits are equivalent to $90 per member or $170 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 District Of Columbia 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 District Of Columbia credit unions.

Consider this:

Financing a $25,000 new automobile for 60 months at a District Of Columbia credit union will save members an average $242 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.

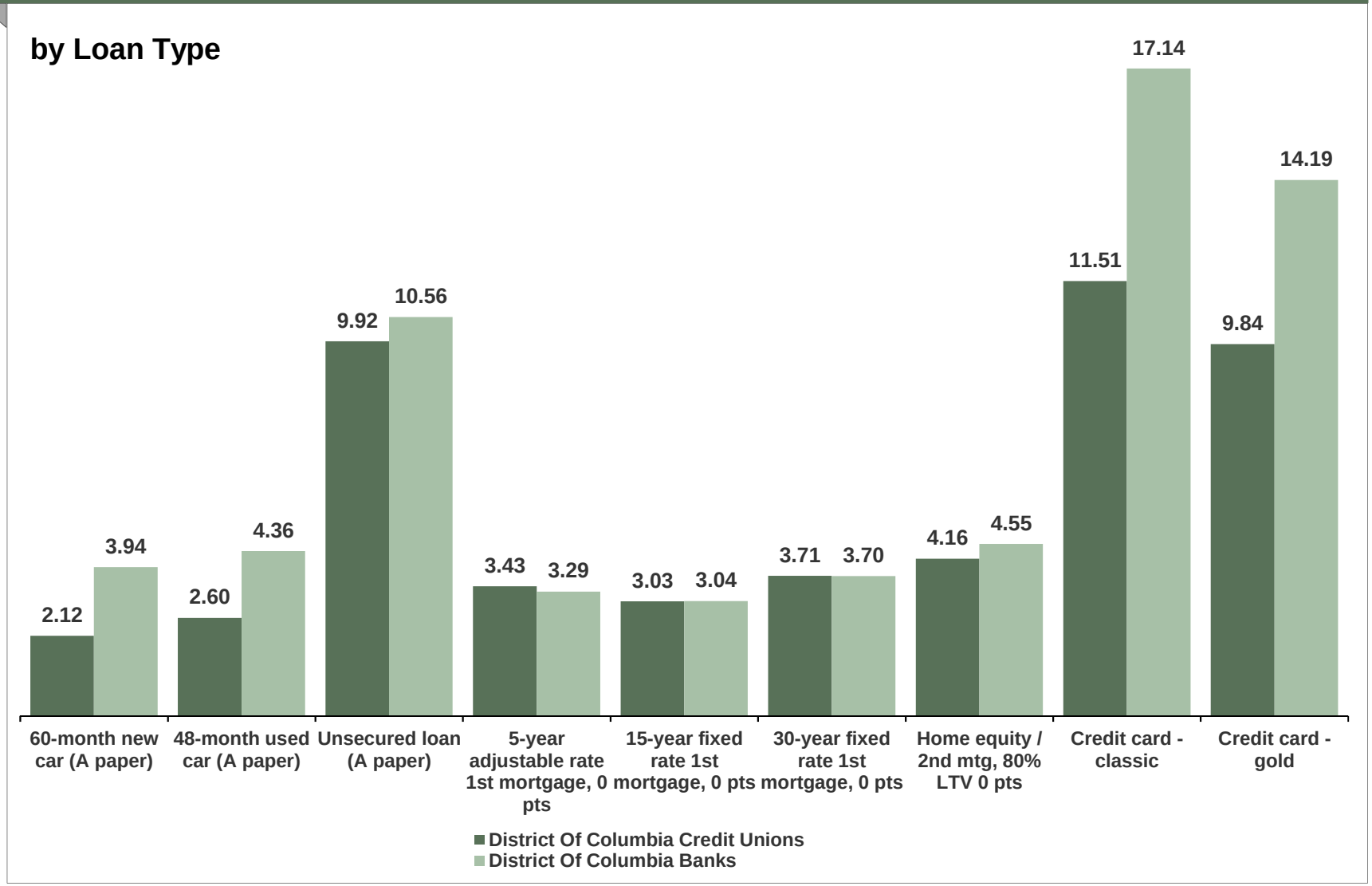
District Of Columbia credit unions excel in providing member benefits on many loan and savings products. In particular, District Of Columbia credit unions offer lower average loan rates on the following accounts: new car loans, used car loans, personal unsecured loans, first mortgage-fixed rate, home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

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

AMERICA'S CREDIT UNIONS™

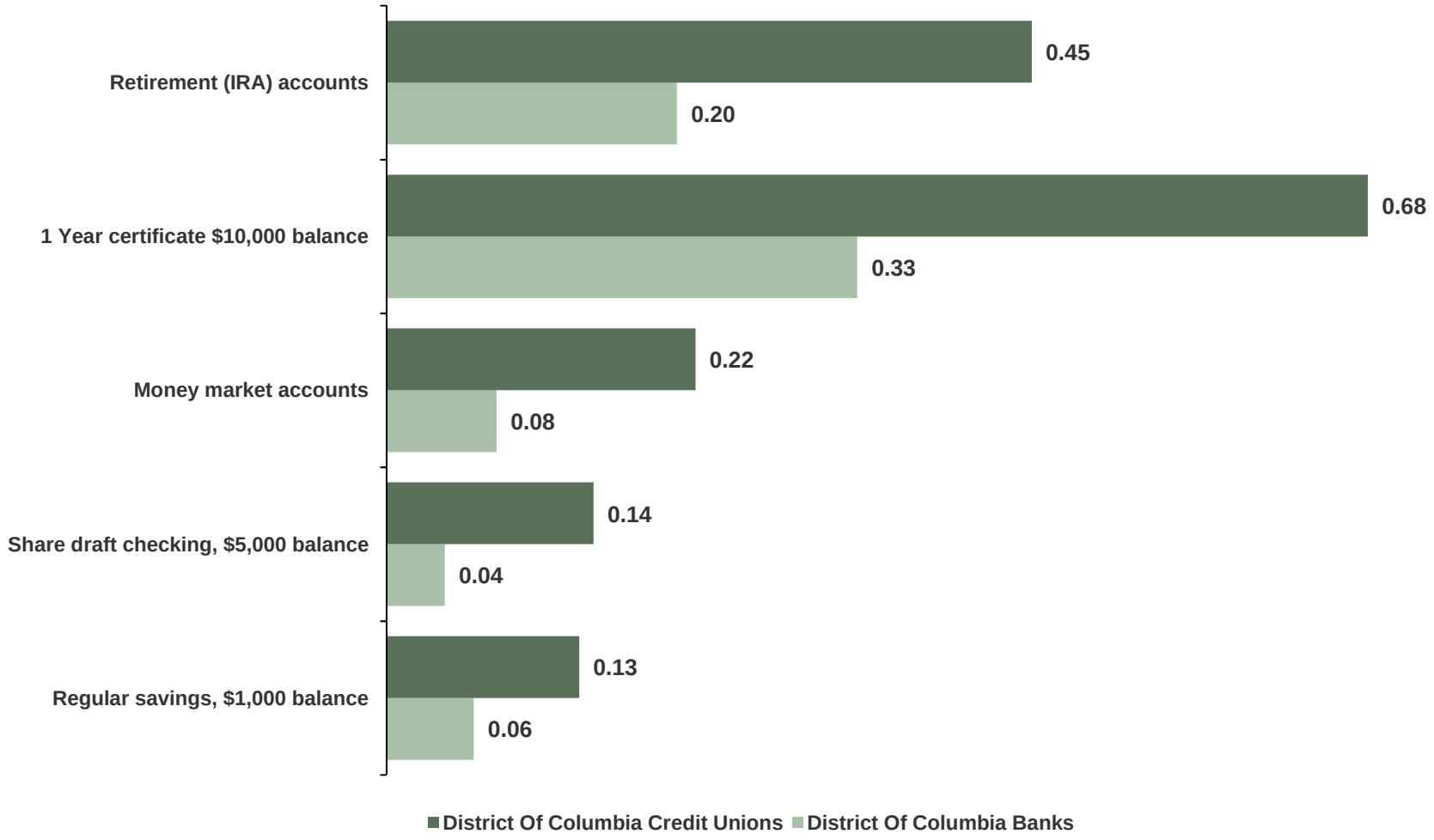
Source: Informa Research Services, NCUA, and CUNA.
(1)Assumes 1.9 credit union members per household.

Loan Product Comparative Interest Rates (%)



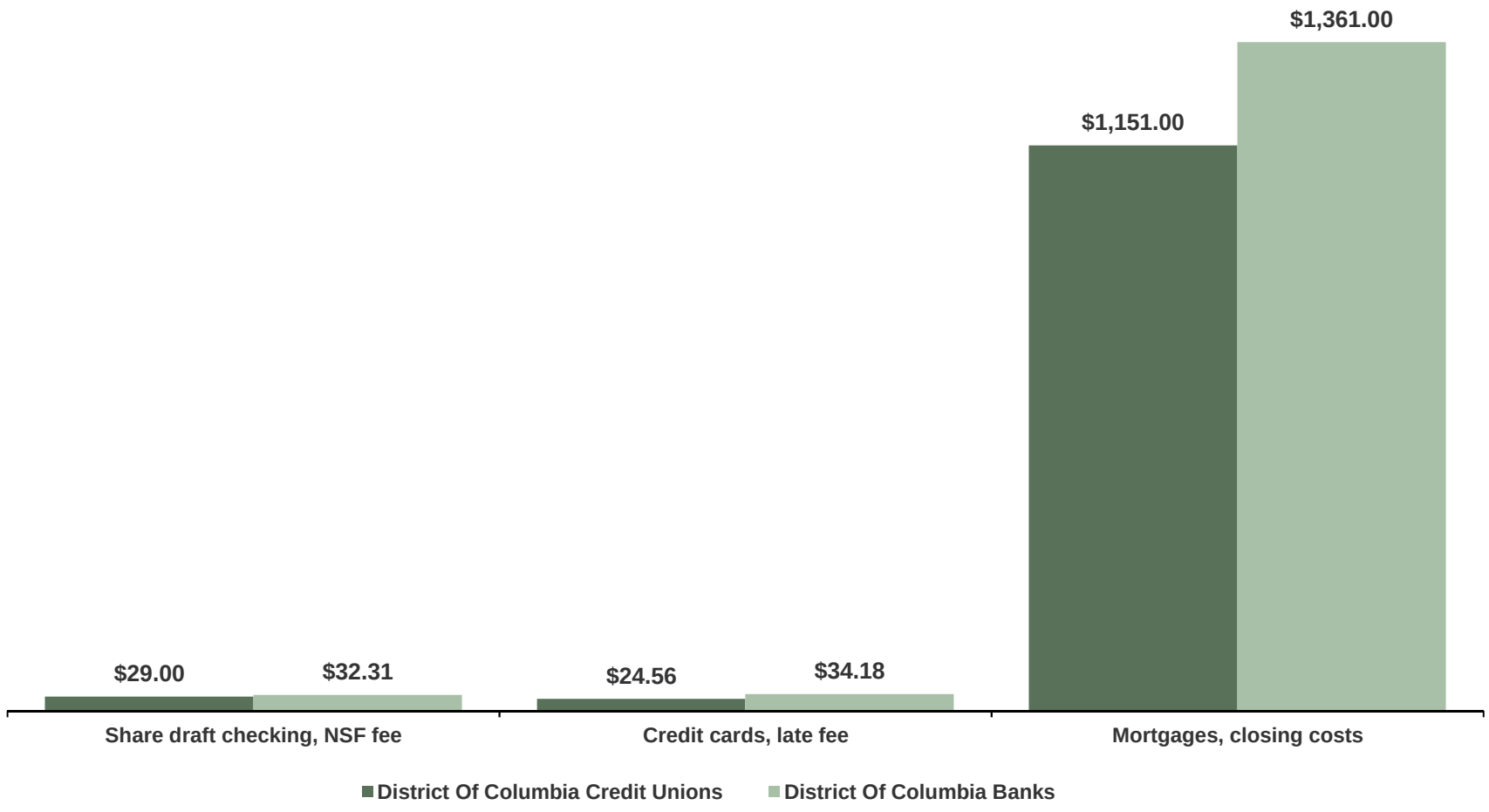
Savings Product Comparative Interest Rates (%)

by Savings Account Type



Comparative Fees

by Type



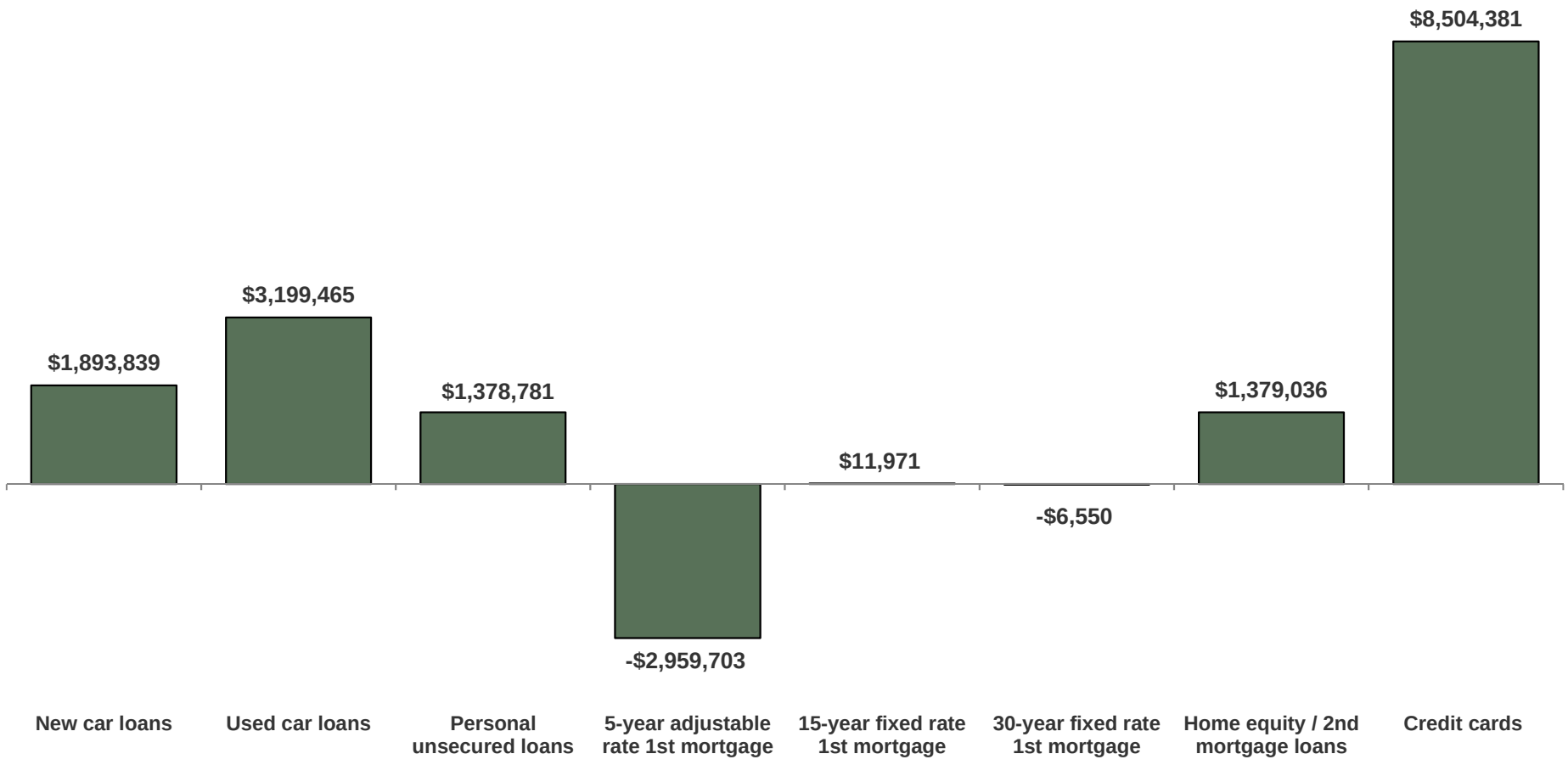
District Of Columbia
Credit Union and Banking Institution
March 2016 Average Interest Rates and Fees

Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	2.12	3.94	-1.82
48-month used car (A paper)	2.60	4.36	-1.77
Unsecured loan (A paper)	9.92	10.56	-0.64
5-year adjustable rate 1st mortgage, 0 pts	3.43	3.29	0.14
15-year fixed rate 1st mortgage, 0 pts	3.03	3.04	0.00
30-year fixed rate 1st mortgage, 0 pts	3.71	3.70	0.00
Home equity / 2nd mtg, 80% LTV 0 pts	4.16	4.55	-0.39
Credit card - classic	11.51	17.14	-5.63
Credit card - gold	9.84	14.19	-4.35
Savings Products			
Regular savings, $1,000 balance	0.13	0.06	0.07
Share draft checking, $5,000 balance	0.14	0.04	0.10
Money market accounts	0.22	0.08	0.14
1 Year certificate $10,000 balance	0.68	0.33	0.36
Retirement (IRA) accounts	0.45	0.20	0.25
Fee Income			
Share draft checking, NSF fee	$29.00	$32.31	-$3.31
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

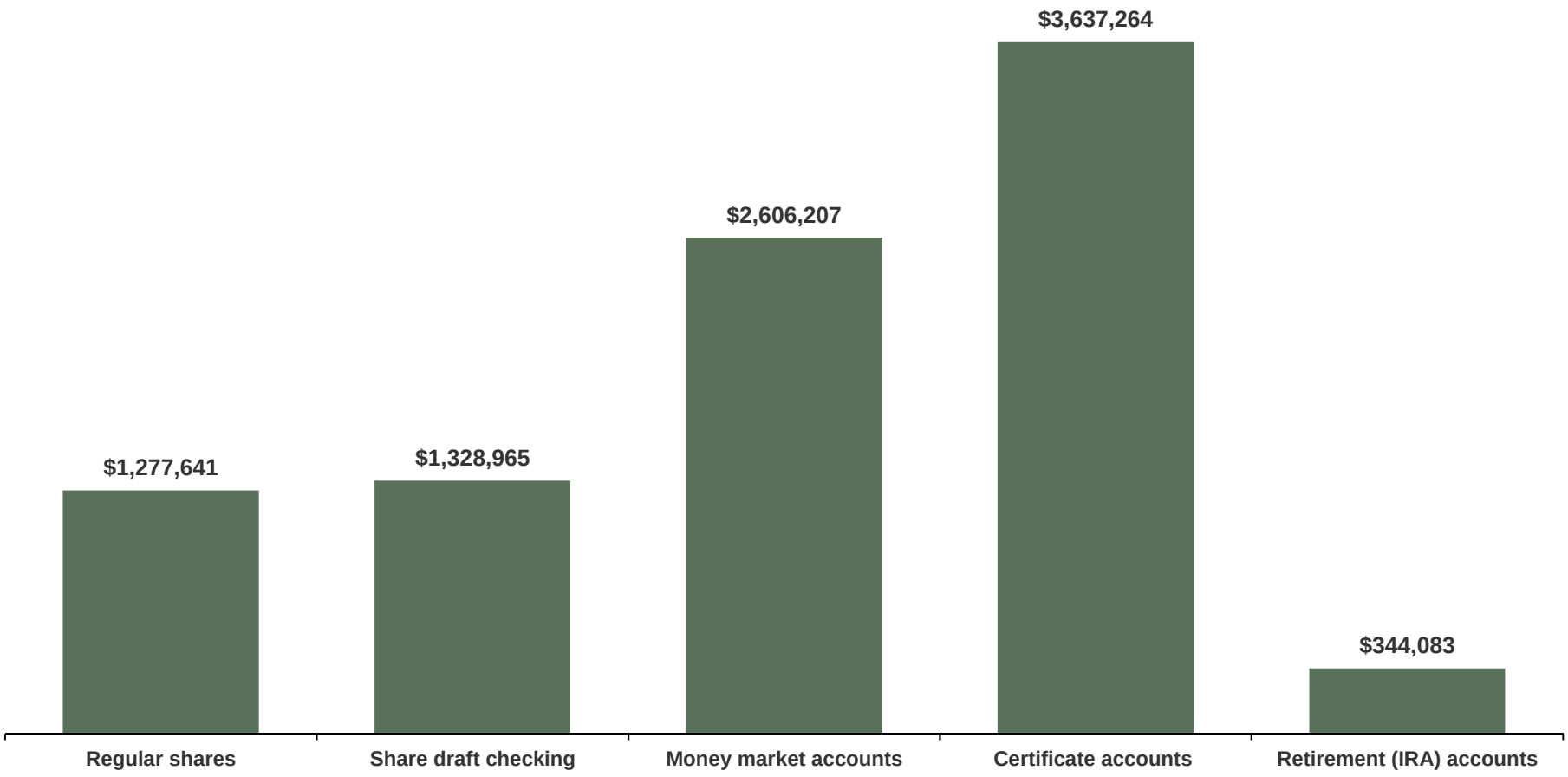
State Credit Union's Total Loan Rate Benefits

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 District Of Columbia Credit Unions

March 2016

Loans	Avg. Balance at Credit Unions (1)	Rate Difference vs. District Of Columbia Banks (%) (2)	Total Financial Benefit to Your Members
New car loans	104,171,544	-1.82	$1,893,839
Used car loans	181,067,641	-1.77	$3,199,465
Personal unsecured loans	215,098,449	-0.64	$1,378,781
5-year adjustable rate 1st mortgage	2,144,712,508	0.14	-$2,959,703
15-year fixed rate 1st mortgage	239,411,112	0.00	$11,971
30-year fixed rate 1st mortgage	327,505,252	0.00	-$6,550
Home equity / 2nd mortgage loans	354,507,949	-0.39	$1,379,036
Credit cards	160,157,836	-5.63	$8,504,381
Interest rebates			$0
Total CU member benefits arising from lower interest rates on loan products:			$13,401,219
Savings			
Regular shares	1,738,475,130	0.07	$1,277,641
Share draft checking	1,281,174,928	0.10	$1,328,965
Money market accounts	1,878,668,629	0.14	$2,606,207
Certificate accounts	1,021,636,199	0.36	$3,637,264
Retirement (IRA) accounts	139,093,923	0.25	$344,083
Bonus dividends in period			$0
Total CU member benefit arising from higher interest rates on savings products:			$9,194,160
Fee Income			
Total CU member benefit arising from fewer / lower fees:			$2,965,396
Total CU member benefit arising from interest rates on loans, savings products and lower fees:			$25,560,775
Total CU member benefit / member:			$90
Total CU member benefit / member household:			$170

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

District Of Columbia Credit Union
Performance Profile

Demographic Information	Mar 16	Mar 15
Number of branches	76	81
Total assets ($ mil)	7,207	7,145
Total loans ($ mil)	3,921	3,812
Total surplus funds ($ mil)	3,107	3,171
Total savings ($ mil)	6,219	6,232
Total members (thousands)	285	317
Growth Rates (Trailing 12 months) *		
Total assets	5.9 %	4.0 %
Total loans	8.2 %	5.1 %
Total surplus funds	2.8 %	1.6 %
Total savings	4.8 %	3.9 %
Total members	-0.3 %	0.0 %
Earnings - Basis Pts. *		
Yield on total assets	273	257
Dividend / interest cost of assets	41	40
Fee & other income	54	58
Operating expense	200	202
Loss Provisions	16	15
Net Income (ROA) after stabilization exp	70	57
Capital Adequacy		
Net worth / assets	11.0	11.1
Asset Quality *		
Delinquencies / loans	0.9	0.8
Net chargeoffs / average loans	0.2	0.3
Total borrower-bankruptcies	2	3
Bankruptcies per 1000 members	0.3	0.4
Asset/Liability Management		
Loans / savings	63.1	61.2
Loans / assets	54.4	53.4
Long-term assets / assets	28.5	25.6
Core deposits/shares & borrowings	49.8	48.8
Productivity		
Members / potential members	21.6	15.9
Borrowers / members	61.3	57.5
Members / FTE	354	371
Average shares / members ($)	21,815	19,643
Average loan balances ($)	22,447	20,909
Salary & Benefits / FTE	85,729	80,174

*** 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.**