

The Benefits of Membership

Customized Analysis of Member Benefits For:

Ohio

December 2011

Prepared by:

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Ohio

The Benefits of Membership

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

The Credit Union National Association (CUNA) estimates that Ohio credit unions provided \$134,827,502 in direct financial benefits to the state's 2,671,612 members during the twelve months ending December 2011.

These benefits are equivalent to \$50 per member or \$96 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 Ohio 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 Ohio credit unions.

Consider this:

Financing a \$25,000 new automobile for 60 months at a Ohio credit union will save members an average \$92 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.

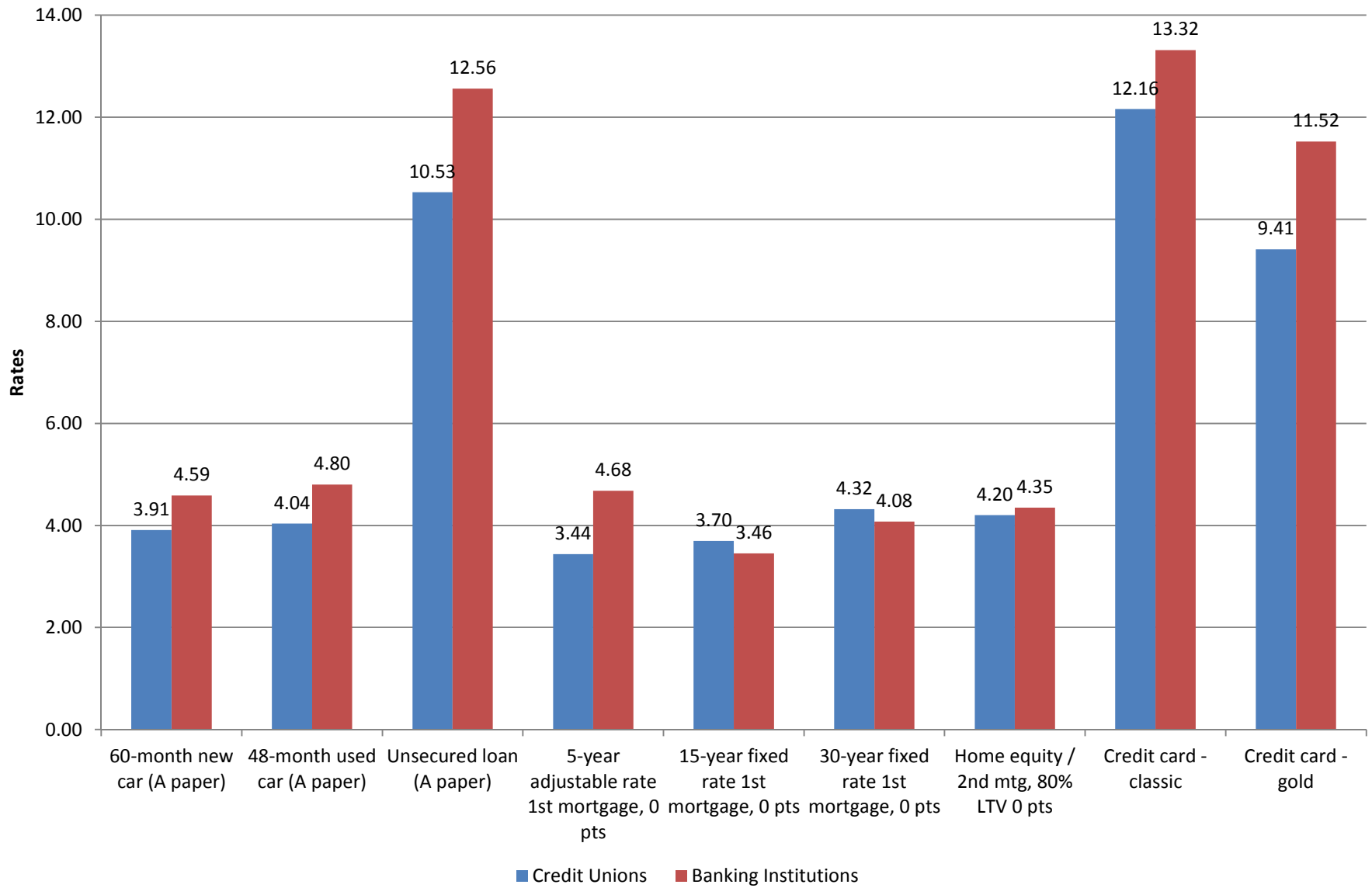
Ohio credit unions excel in providing member benefits on many loan and saving products. In particular, Ohio credit unions offer lower average loan rates on the following accounts: new car loans, used car loans, personal unsecured loans, first mortgage-adjustable rate, home equity loans, credit cards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

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

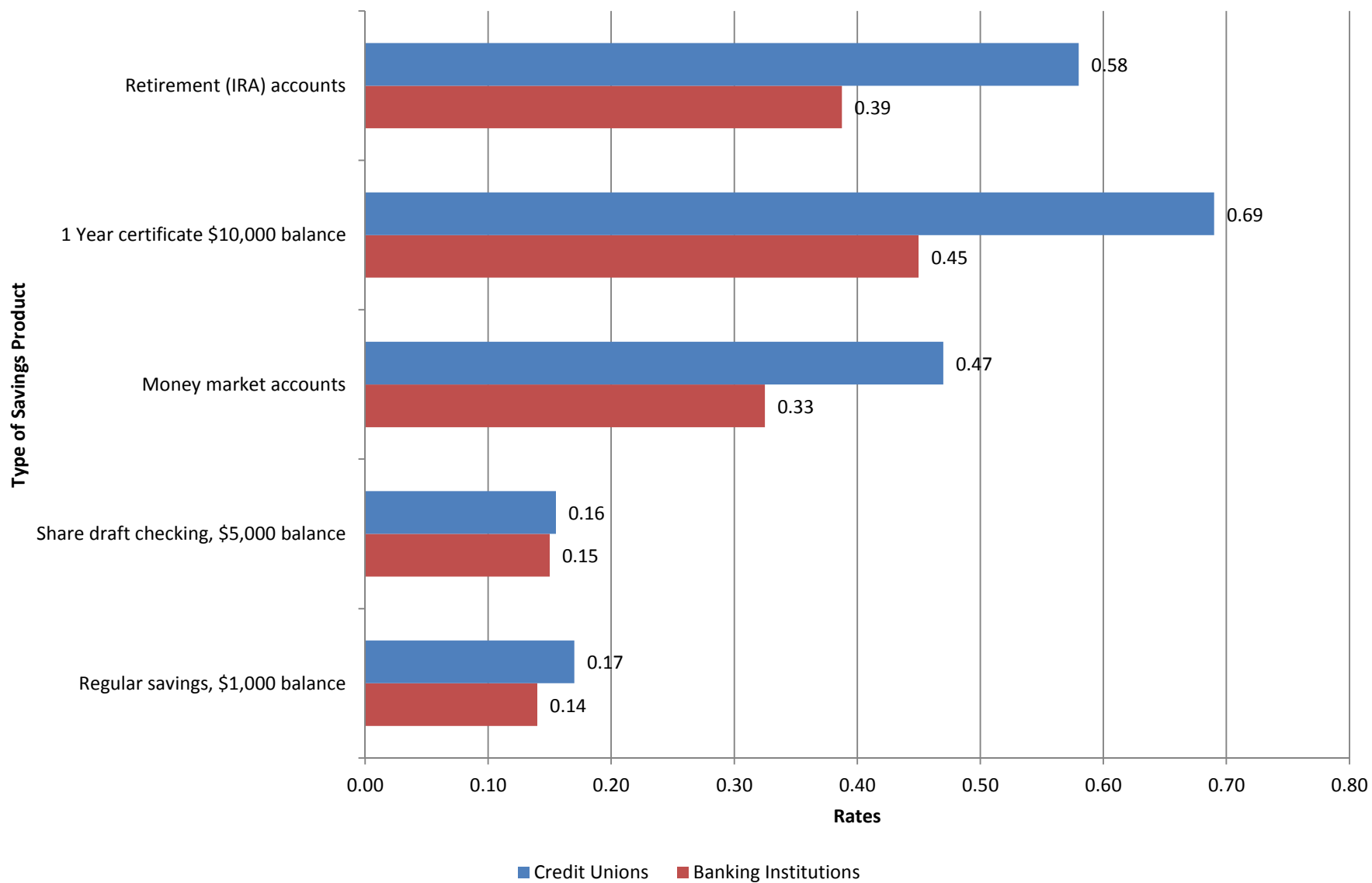


Source: Datatrac, NCUA, and CUNA.
(1) Assumes 1.9 credit union members per household.

Recent Comparative Interest Rates for Loan Products Credit Unions vs. Banking Institutions



Recent Comparative Interest Rates for Savings Products Credit Unions vs. Banking Institutions



Selected December 2011 Fees Credit Unions vs Banking Institutions

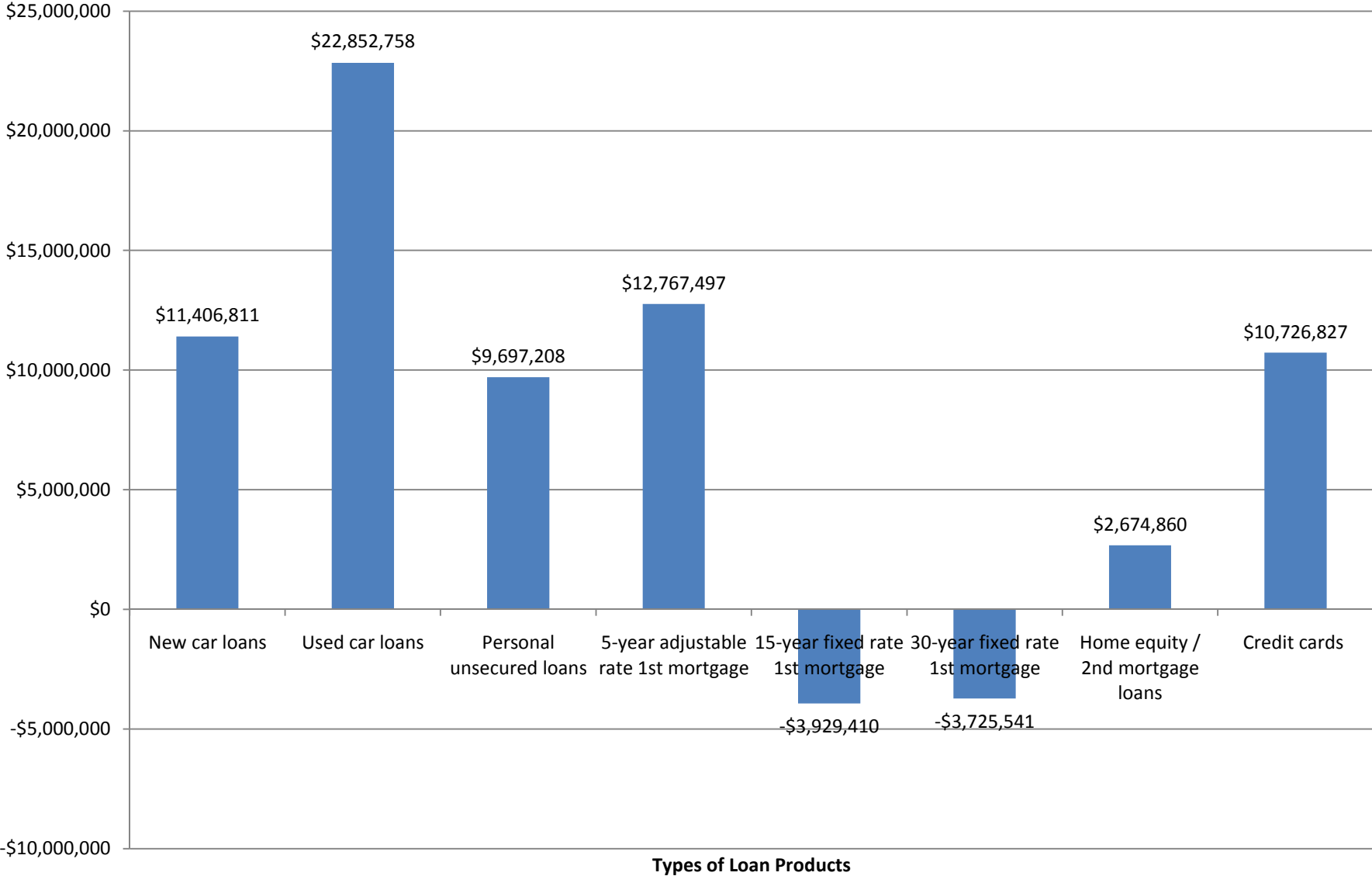


Ohio
Credit Union and Banking Institution
Year-end 2011 Average Interest Rates and Fees

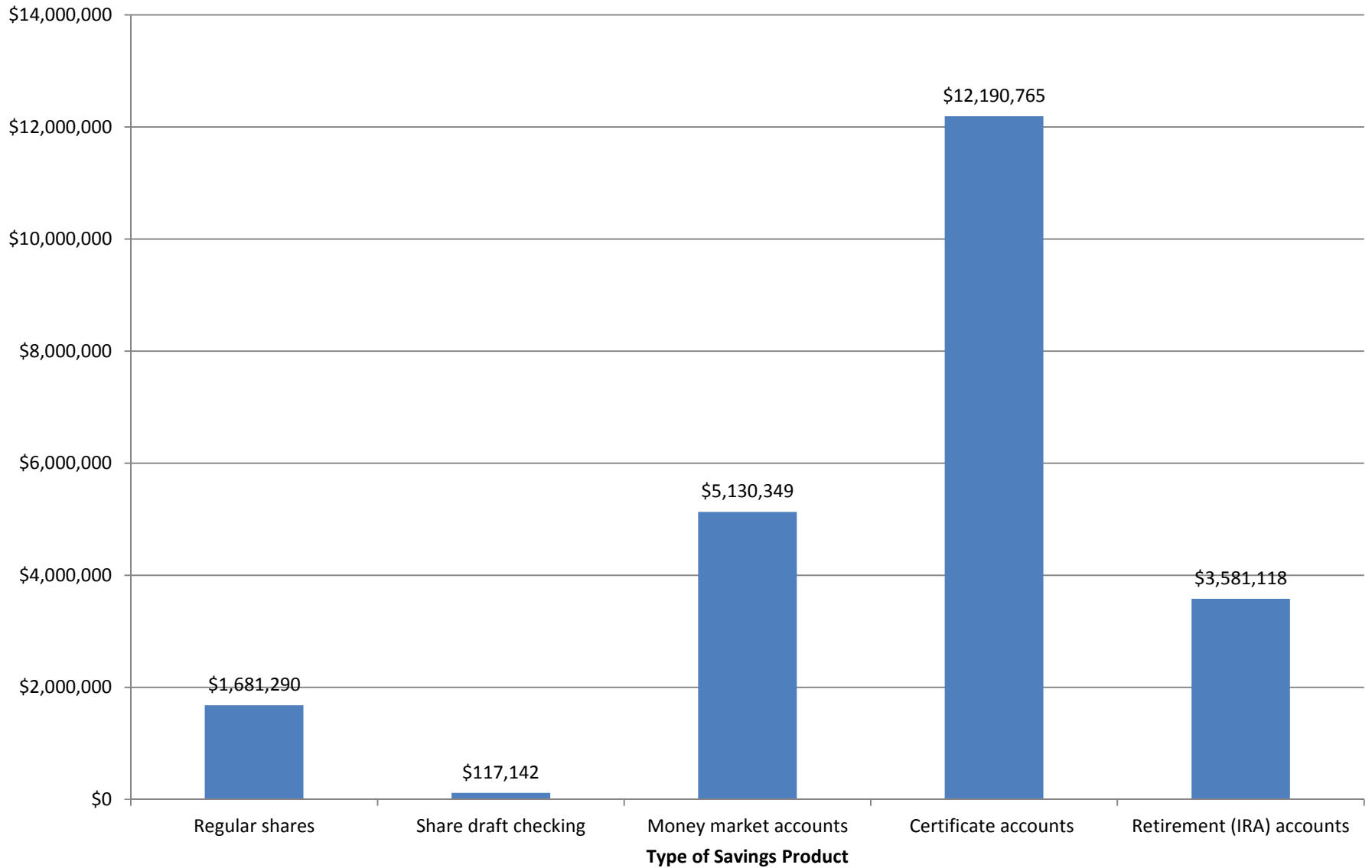
Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	3.91	4.59	-0.68
48-month used car (A paper)	4.04	4.80	-0.77
Unsecured loan (A paper)	10.53	12.56	-2.03
5-year adjustable rate 1st mortgage, 0 pts	3.44	4.68	-1.24
15-year fixed rate 1st mortgage, 0 pts	3.70	3.46	0.24
30-year fixed rate 1st mortgage, 0 pts	4.32	4.08	0.25
Home equity / 2nd mtg, 80% LTV 0 pts	4.20	4.35	-0.15
Credit card - classic	12.16	13.32	-1.16
Credit card - gold	9.41	11.52	-2.11
Savings Products			
Regular savings, \$1,000 balance	0.17	0.14	0.03
Share draft checking, \$5,000 balance	0.16	0.15	0.00
Money market accounts	0.47	0.33	0.15
1 Year certificate \$10,000 balance	0.69	0.45	0.24
Retirement (IRA) accounts	0.58	0.39	0.19
Fee Income			
Share draft checking, NSF fee	\$25.00	\$30.00	-\$5.00
Credit cards, late fee	\$20.00	\$35.00	-\$15.00
Mortgages, closing costs	\$2,280.00	\$2,309.00	-\$29.00

Source: Datatrac

Estimated Total Loan Rate Benefit Credit Unions vs Banking Institutions



Estimated Total Savings Dividend Benefit Credit Unions vs. Banking Institutions



Estimated Ohio Credit Unions Financial Benefits Year-end 2011

<u>Loans</u>	Avg. Balance at Credit Unions (1)	Rate Difference vs. Ohio Banks (%) (2)	Total Financial Benefit to Your Members
New car loans	1,689,897,968	-0.68	\$11,406,811
Used car loans	2,987,288,665	-0.77	\$22,852,758
Personal unsecured loans	477,694,997	-2.03	\$9,697,208
5-year adjustable rate 1st mortgage	1,029,636,887	-1.24	\$12,767,497
15-year fixed rate 1st mortgage	1,637,254,103	0.24	-\$3,929,410
30-year fixed rate 1st mortgage	1,520,628,900	0.25	-\$3,725,541
Home equity / 2nd mortgage loans	1,783,239,948	-0.15	\$2,674,860
Credit cards	769,637,821	-1.16	\$10,726,827
Interest rebates in period			\$947,853
Total CU member benefits arising from lower interest rates on loan products:			\$63,418,865
 <u>Savings</u>			
Regular shares	5,604,301,509	0.03	\$1,681,290
Share draft checking	2,342,849,147	0.00	\$117,142
Money market accounts	3,538,171,819	0.15	\$5,130,349
Certificate accounts	5,079,485,593	0.24	\$12,190,765
Retirement (IRA) accounts	1,860,321,124	0.19	\$3,581,118
Bonus dividends in period			\$0
Total CU member benefit arising from higher interest rates on saving products:			\$22,700,666
 <u>Fee Income</u>			
Total CU member benefit arising from fewer/lower fees:			\$48,707,971
 Total CU member benefit arising from interest rates on loan and savings products and lower fees:			\$134,827,502
Total CU member benefit / member:			\$50
Total CU member benefit / member household:			\$96

Source: Datatrac, NCUA, and CUNA

(1) Average balance as of September 2011 and September 2010, according to the NCUA call report.; (2) Source for rates and fees: Datatrac;

Ohio
Performance Profile

Demographic Information	Dec 11	Dec 10
Number of branches	843	854
Total assets (\$ mil)	22,432	21,151
Total loans (\$ mil)	13,022	12,531
Total surplus funds (\$ mil)	8,522	7,790
Total savings (\$ mil)	19,424	18,333
Total members (thousands)	2,696	2,684
Growth Rates (Trailing 12 months) *		
Total assets	6.1 %	3.8 %
Total loans	3.9 %	0.1 %
Total surplus funds	9.4 %	10.3 %
Total savings	5.9 %	4.7 %
Total members	0.4 %	1.2 %
Earnings - Basis Pts. *		
Yield on total assets	397	437
Dividend/interest cost of assets	87	120
Fee & other income	139	140
Operating expense	362	368
Loss Provisions	35	44
Net Income (ROA) after stabilization exp	52	44
Capital adequacy		
Net worth / assets	11.0	11.1
Asset quality *		
Delinquencies / loans	1.3	1.3
Net chargeoffs / average loans	0.6	0.7
Total borrower-bankruptcies	19	23
Bankruptcies per 1000 members	2.7	3.3
Asset/Liability Management		
Loans / savings	67.0	68.4
Loans / assets	58.1	59.2
Long-term assets / assets	30.0	30.4
Core deposits/shares & borrowings	42.3	41.3
Productivity		
Members/potential members	5.0	5.3
Borrowers/members	49.5	48.2
Members/FTE	405	406
Average shares/members (\$)	7,204	6,830
Average loan balances (\$)	9,752	9,676
Salary & Benefits/FTE	55,000	53,586

* 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.