

CUNA California  
**MEMBERSHIP BENEFITS  
REPORT**



## California

### 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 California credit unions provided \$1,493,615,595 in direct financial benefits to the state's 10,909,952 members during the twelve months ending June 2017.

**These benefits are equivalent to \$137 per member or \$260 per member household <sup>(1)</sup>.**

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 California 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 California credit unions.

Consider this:

**Financing a \$25,000 new automobile for 60 months at a California credit union will save members an average \$313 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.

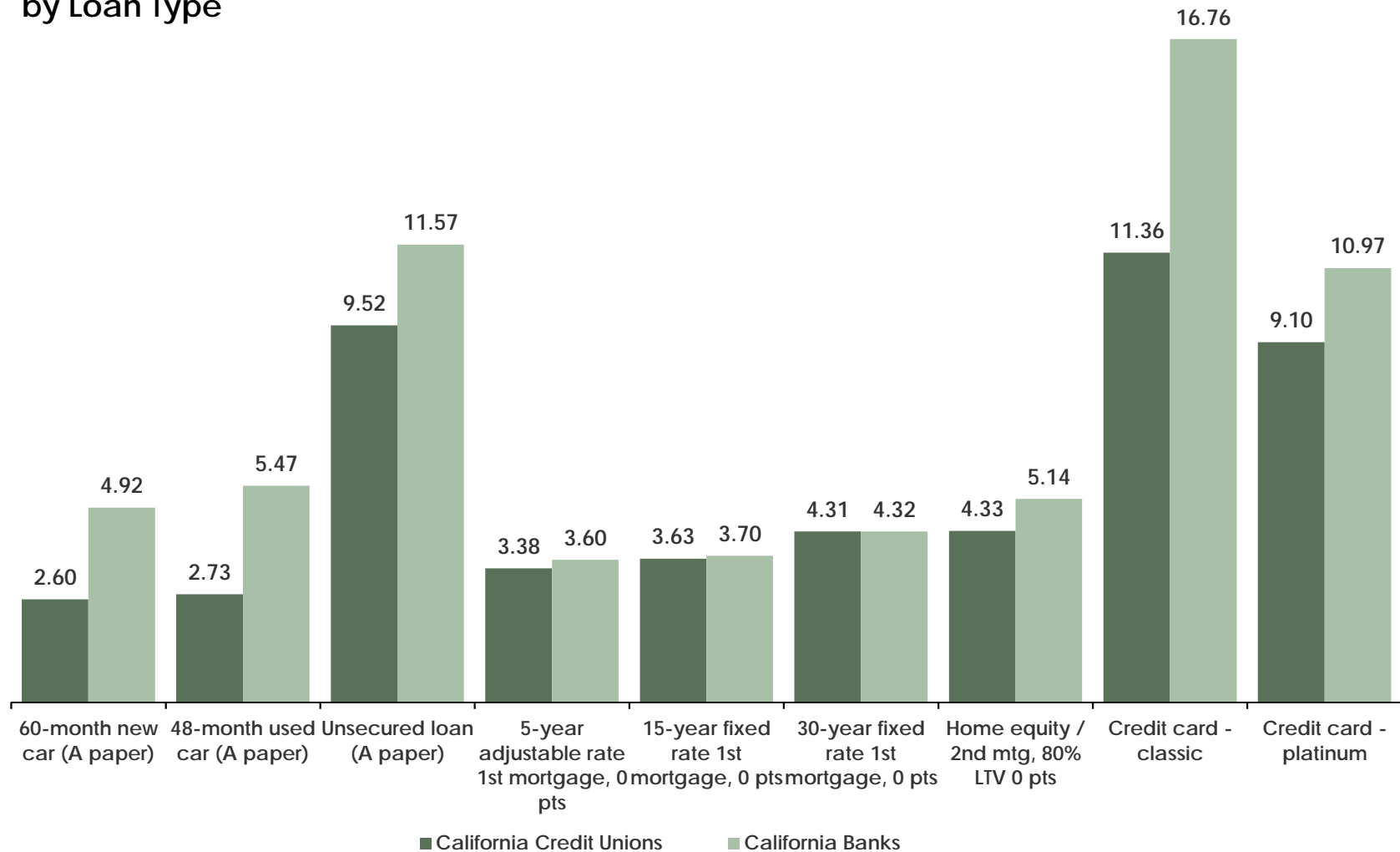
California credit unions excel in providing member benefits on many loan and savings products. In particular, California credit unions offer lower average loan rates on the following accounts: new car loans, used car loans, personal unsecured loans, first mortgage-fixed rate, first mortgage-adjustable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

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



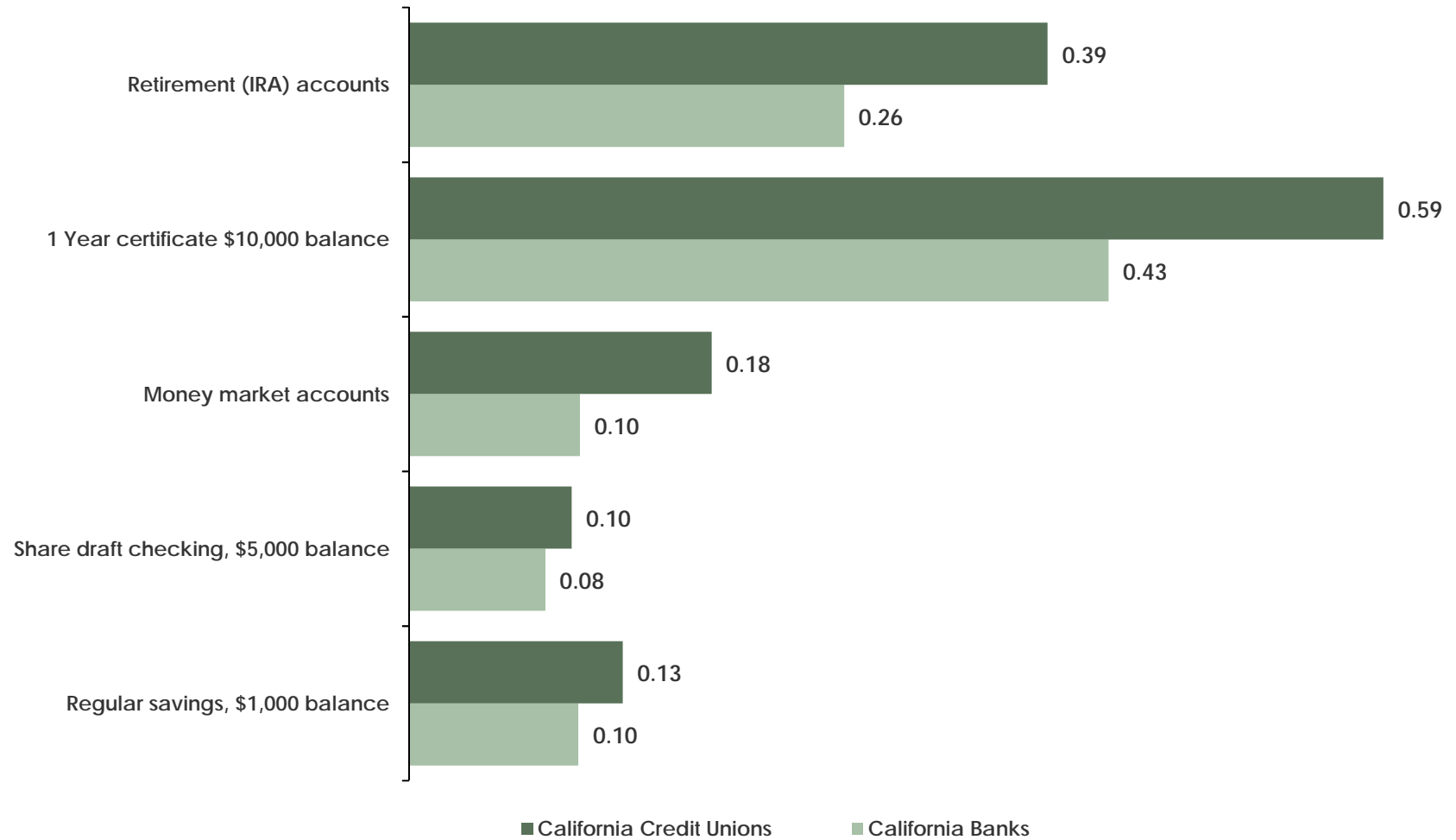
## Loan Product Comparative Interest Rates (%)

by Loan Type



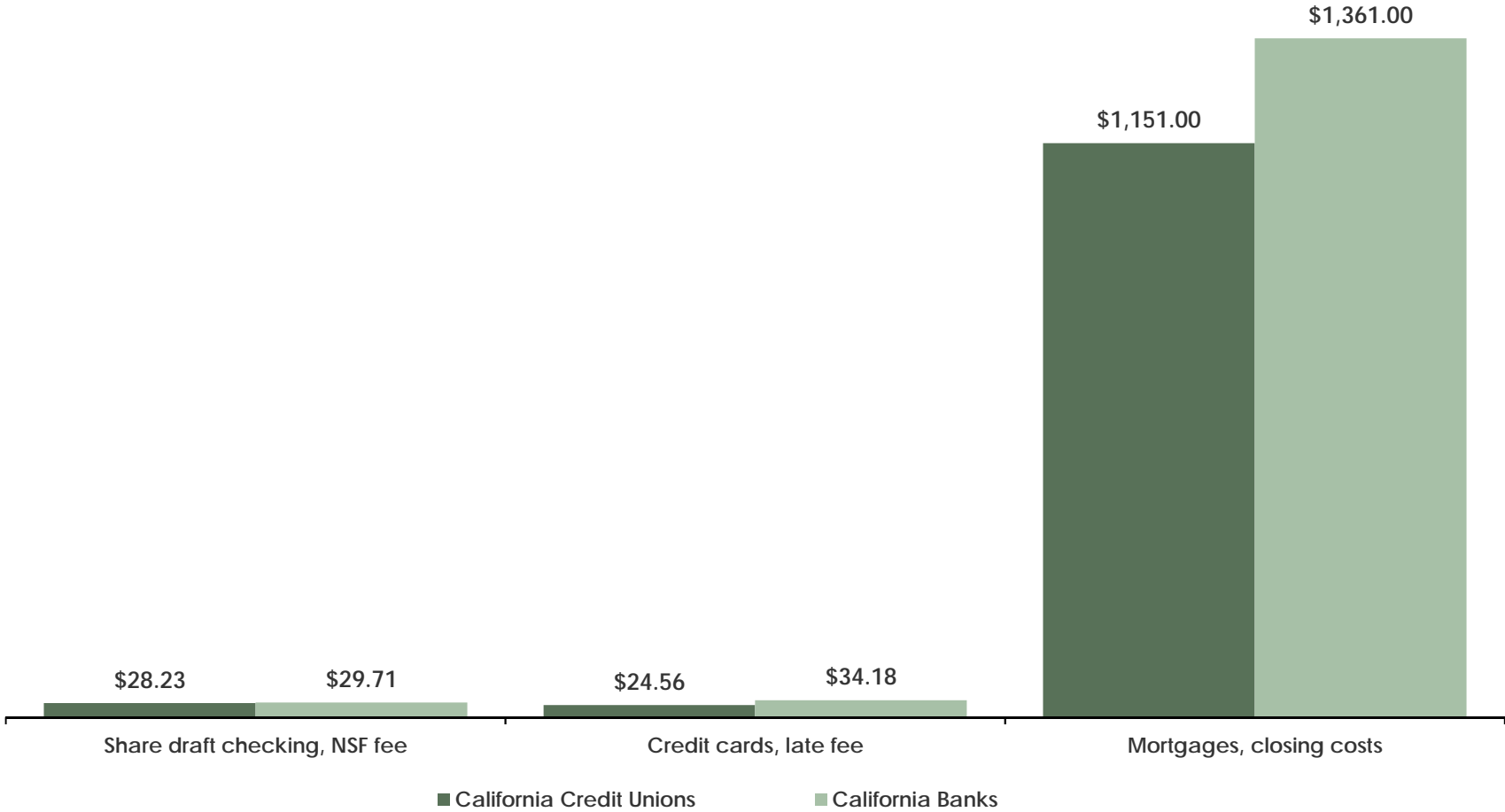
## Savings Product Comparative Interest Rates (%)

### by Savings Account Type



## Comparative Fees

by Type



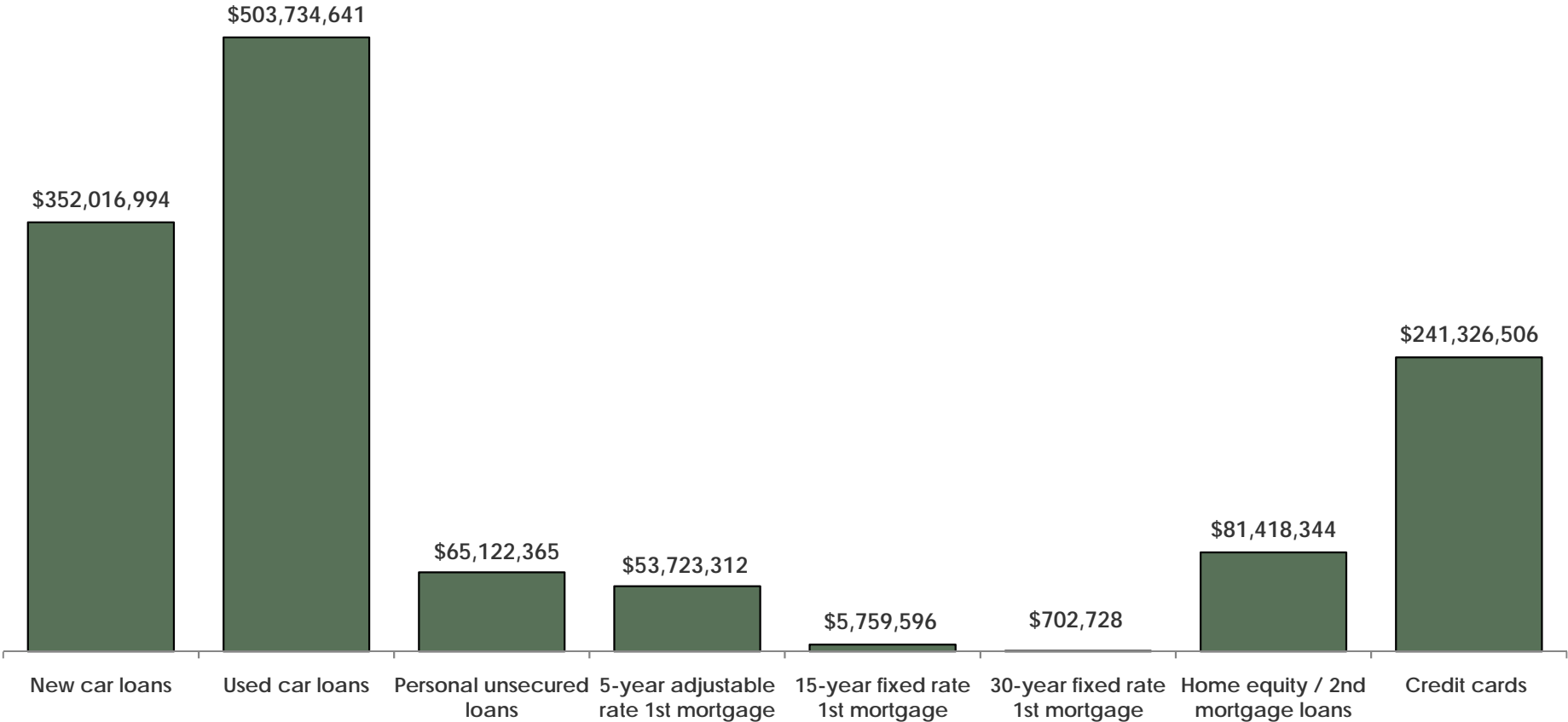
## California Credit Union and Banking Institution June 2017 Average Interest Rates and Fees

Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	2.60	4.92	-2.32
48-month used car (A paper)	2.73	5.47	-2.74
Unsecured loan (A paper)	9.52	11.57	-2.05
5-year adjustable rate 1st mortgage, 0 pts	3.38	3.60	-0.22
15-year fixed rate 1st mortgage, 0 pts	3.63	3.70	-0.07
30-year fixed rate 1st mortgage, 0 pts	4.31	4.32	0.00
Home equity / 2nd mtg, 80% LTV 0 pts	4.33	5.14	-0.81
Credit card - classic	11.36	16.76	-5.40
Credit card - platinum	9.10	10.97	-1.87
Savings Products			
Regular savings, \$1,000 balance	0.13	0.10	0.03
Share draft checking, \$5,000 balance	0.10	0.08	0.02
Money market accounts	0.18	0.10	0.08
1 Year certificate \$10,000 balance	0.59	0.43	0.17
Retirement (IRA) accounts	0.39	0.26	0.12
Fee Income			
Share draft checking, NSF fee	\$28.23	\$29.71	-\$1.48
Credit cards, late fee	\$24.56	\$34.18	-\$9.62
Mortgages, closing costs	\$1,151.00	\$1,361.00	-\$210.00

Source: Datatrac

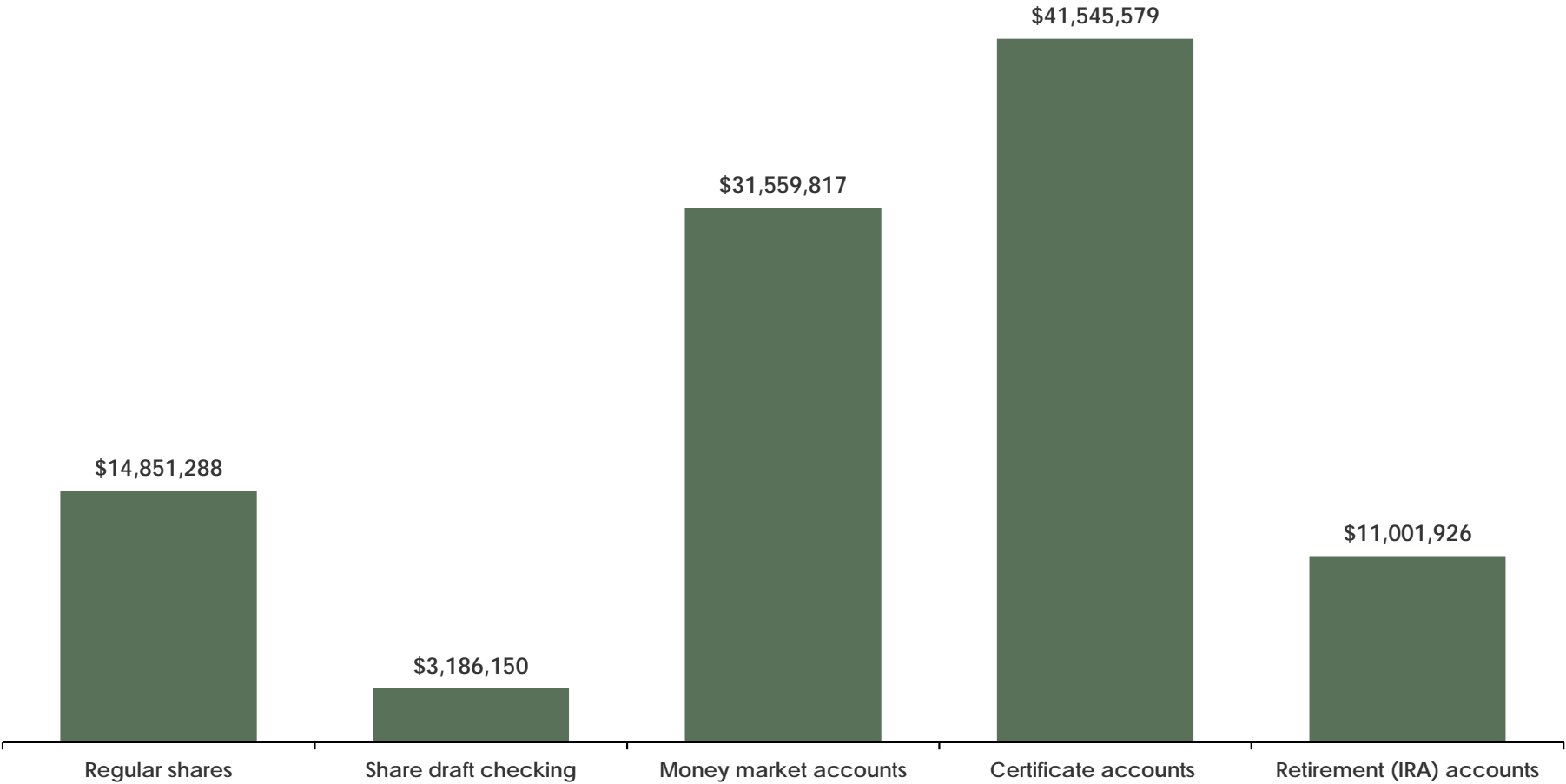
### State Credit Union's Total Loan Rate Benefits

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 California Credit Unions June 2017

Loans	Avg. Balance at Credit Unions (1)	Rate Difference vs. California Banks (%) (2)	Total Financial Benefit to Your Members
New car loans	15,166,608,950	-2.32	\$352,016,994
Used car loans	18,371,066,417	-2.74	\$503,734,641
Personal unsecured loans	3,184,467,709	-2.05	\$65,122,365
5-year adjustable rate 1st mortgage	24,757,286,476	-0.22	\$53,723,312
15-year fixed rate 1st mortgage	7,889,857,945	-0.07	\$5,759,596
30-year fixed rate 1st mortgage	23,424,259,248	0.00	\$702,728
Home equity / 2nd mortgage loans	10,089,014,144	-0.81	\$81,418,344
Credit cards	5,342,036,664	-5.40	\$241,326,506
Interest rebates			\$12,738
<b>Total CU member benefits arising from lower interest rates on loan products:</b>			<b>\$1,303,817,224</b>
<i>Savings</i>			
Regular shares	55,004,770,935	0.03	\$14,851,288
Share draft checking	19,913,438,039	0.02	\$3,186,150
Money market accounts	39,449,770,928	0.08	\$31,559,817
Certificate accounts	24,877,592,263	0.17	\$41,545,579
Retirement (IRA) accounts	8,908,442,369	0.12	\$11,001,926
Bonus dividends in period			\$0
<b>Total CU member benefit arising from higher interest rates on savings products:</b>			<b>\$102,144,760</b>
<i>Fee Income</i>			
<b>Total CU member benefit arising from fewer / lower fees:</b>			<b>\$87,653,611</b>
<b>Total CU member benefit arising from interest rates on loans, savings products and lower fees:</b>			<b>\$1,493,615,595</b>
<b>Total CU member benefit / member:</b>			<b>\$137</b>
<b>Total CU member benefit / member household:</b>			<b>\$260</b>

Source: Datatrac, NCUA, and CUNA

(1) Average balance as of June 2017 and June 2016, according to the NCUA call report.; (2) Source for rates and fees: Datatrac;

# Membership Benefits Report

CUNA Economics and Statistics

## California Credit Union Performance Profile

Demographic Information	Jun 17	Jun 16
Number of branches	1,588	1,582
Total assets (\$ mil)	185,834	170,757
Total loans (\$ mil)	119,286	105,736
Total surplus funds (\$ mil)	60,547	58,852
Total savings (\$ mil)	157,425	144,298
Total members (thousands)	11,257	10,712
Growth Rates (Trailing 12 months) *		
Total assets	10.2 %	9.1 %
Total loans	14.2 %	14.8 %
Total surplus funds	4.1 %	0.4 %
Total savings	10.5 %	9.2 %
Total members	6.6 %	5.3 %
Earnings - Basis Pts. *		
Yield on total assets	314	307
Dividend / interest cost of assets	48	44
Fee & other income	102	105
Operating expense	268	274
Loss Provisions	22	17
Net Income (ROA) after stabilization exp	77	78
Capital Adequacy		
Net worth / assets	10.9	11.0
Asset Quality *		
Delinquencies / loans	0.4	0.4
Net chargeoffs / average loans	0.3	0.3
Total borrower-bankruptcies	22	20
Bankruptcies per 1000 members	0.6	0.6
Asset/Liability Management		
Loans / savings	75.8	73.3
Loans / assets	64.2	61.9
Long-term assets / assets	36.8	35.5
Core deposits/shares & borrowings	49.9	48.6
Productivity		
Members / potential members	3.5	3.7
Borrowers / members	54.7	54.4
Members / FTE	391	388
Average shares / members (\$)	13,984	13,470
Average loan balances (\$)	19,364	18,146
Salary & Benefits / FTE	88,998	87,245

\* 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.