

CUNA District of Columbia
**MEMBERSHIP BENEFITS
REPORT**



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 \$37,532,767 in direct financial benefits to the state's 295,868 members during the twelve months ending June 2017.

These benefits are equivalent to \$127 per member or \$241 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 \$215 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.

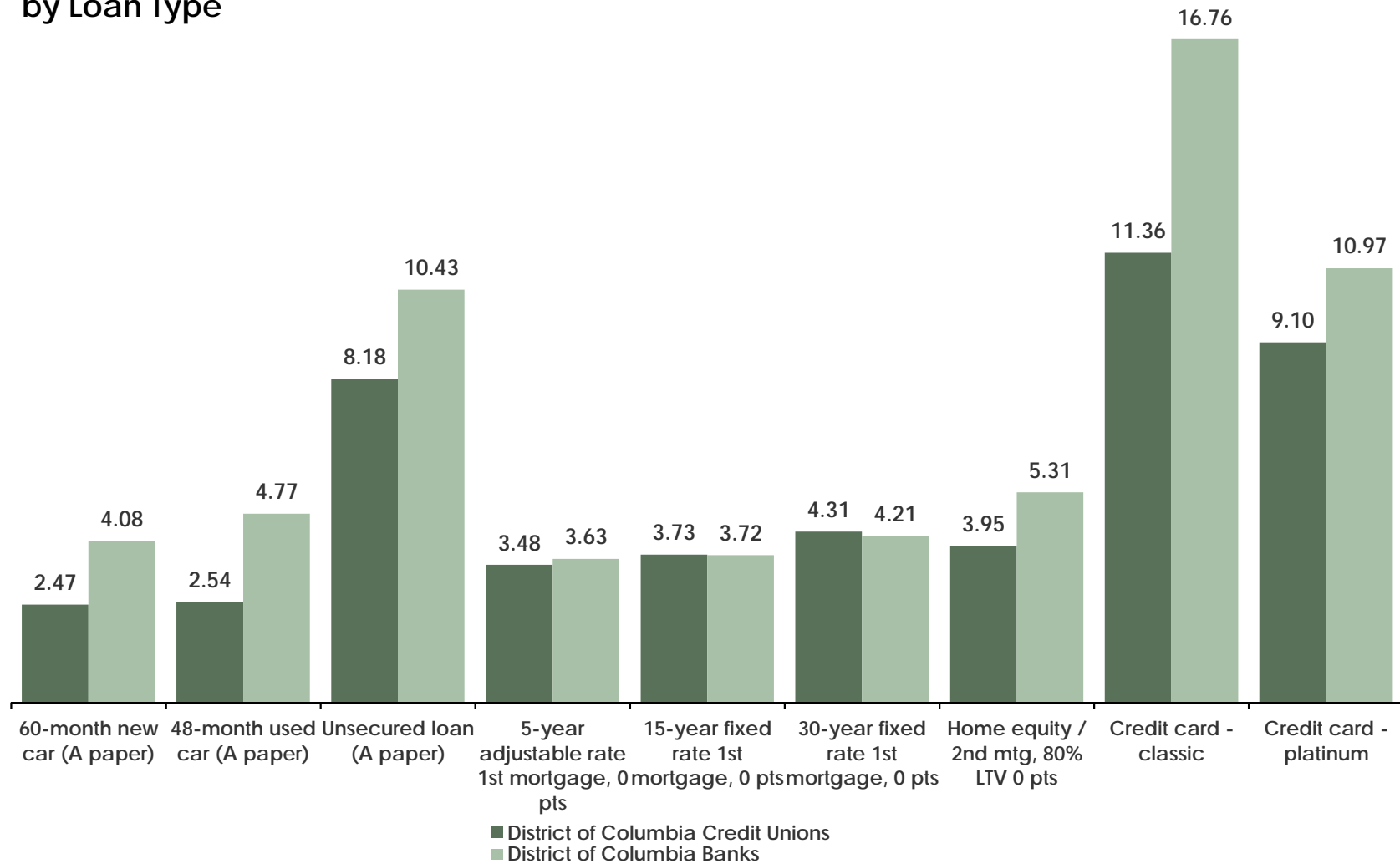
District of Columbia credit unions excel in providing member benefits on many loan and savings products. In particular, District of Columbia credit unions offer lower average loan rates on the following accounts: new car loans, used car loans, personal unsecured loans, first mortgage-adjustable rate,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



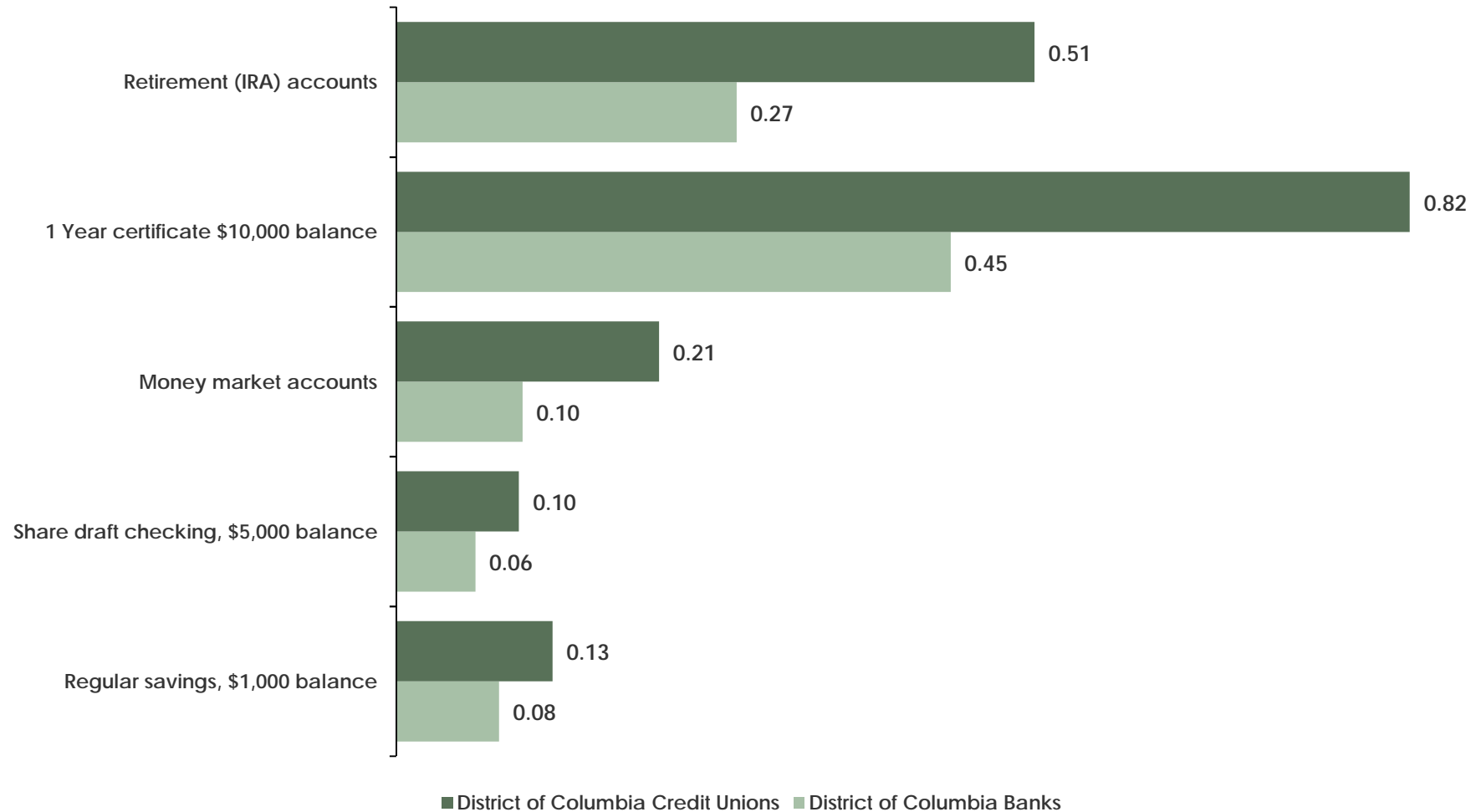
Loan Product Comparative Interest Rates (%)

by Loan Type



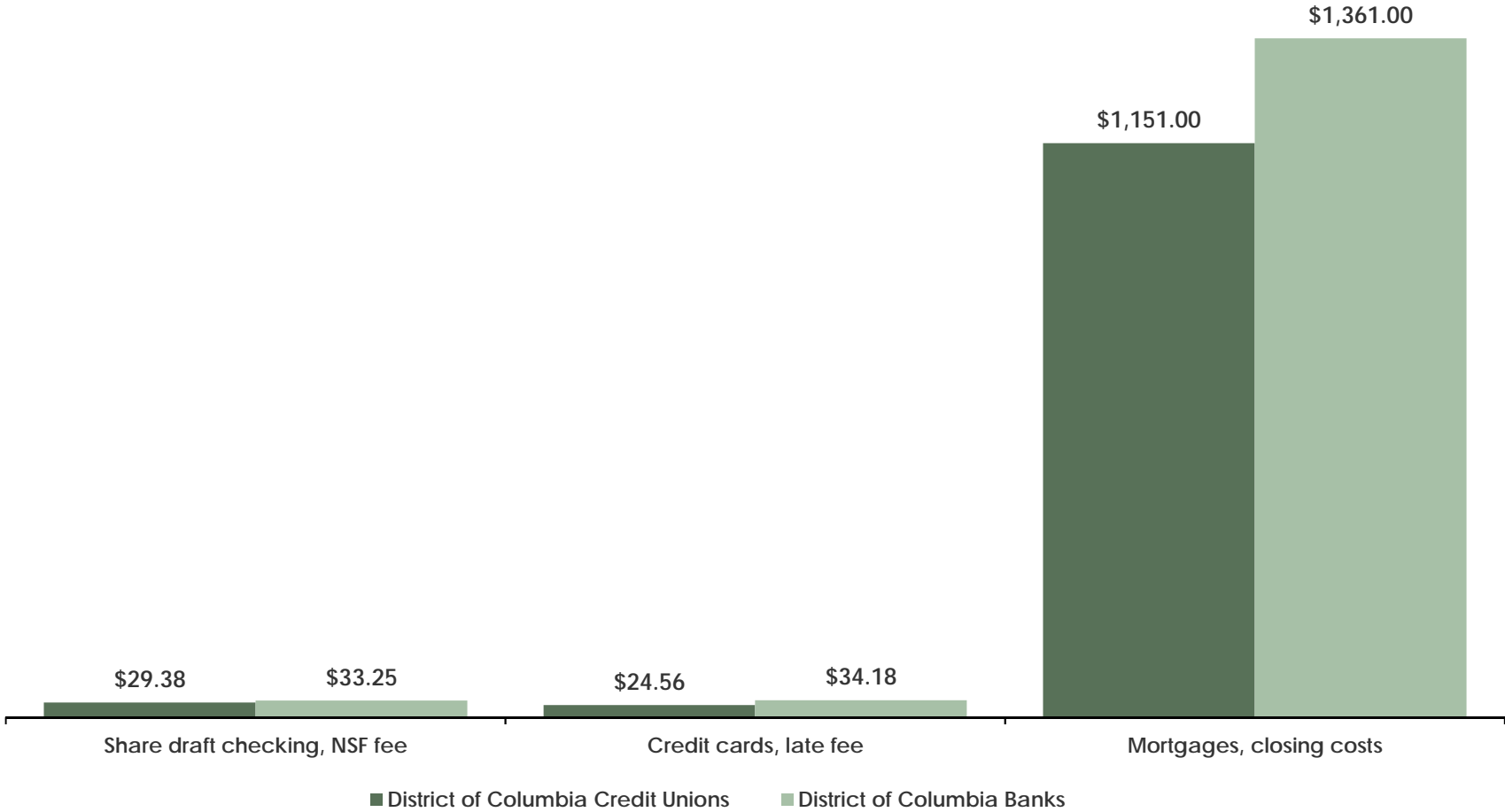
Savings Product Comparative Interest Rates (%)

by Savings Account Type



Comparative Fees

by Type



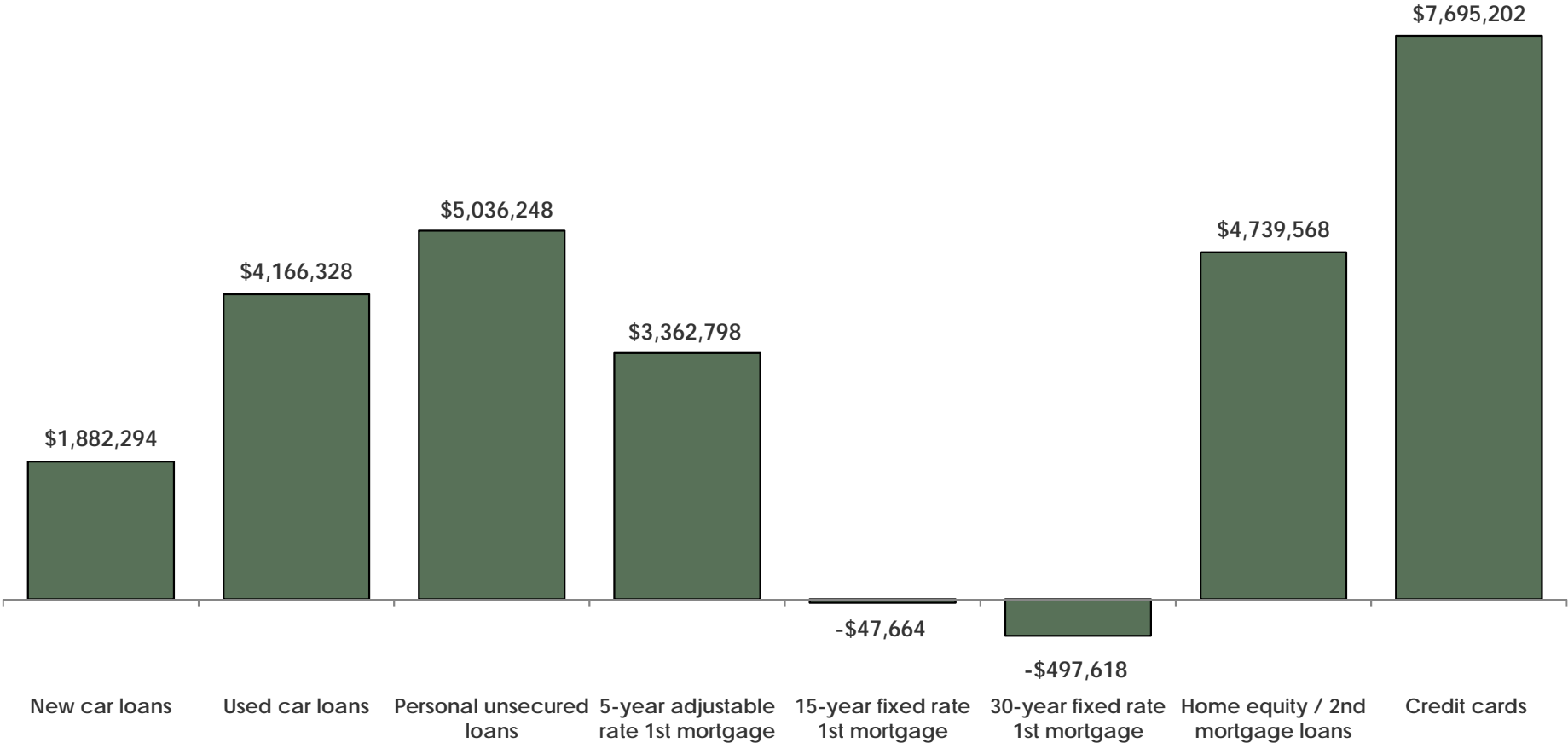
District of Columbia Credit Union and Banking Institution June 2017 Average Interest Rates and Fees

Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	2.47	4.08	-1.60
48-month used car (A paper)	2.54	4.77	-2.23
Unsecured loan (A paper)	8.18	10.43	-2.25
5-year adjustable rate 1st mortgage, 0 pts	3.48	3.63	-0.15
15-year fixed rate 1st mortgage, 0 pts	3.73	3.72	0.01
30-year fixed rate 1st mortgage, 0 pts	4.31	4.21	0.11
Home equity / 2nd mtg, 80% LTV 0 pts	3.95	5.31	-1.36
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	0.08	0.04
Share draft checking, \$5,000 balance	0.10	0.06	0.04
Money market accounts	0.21	0.10	0.11
1 Year certificate \$10,000 balance	0.82	0.45	0.37
Retirement (IRA) accounts	0.51	0.27	0.24
Fee Income			
Share draft checking, NSF fee	\$29.38	\$33.25	-\$3.88
Credit cards, late fee	\$24.56	\$34.18	-\$9.62
Mortgages, closing costs	\$1,151.00	\$1,361.00	-\$210.00

Source: Datatrac

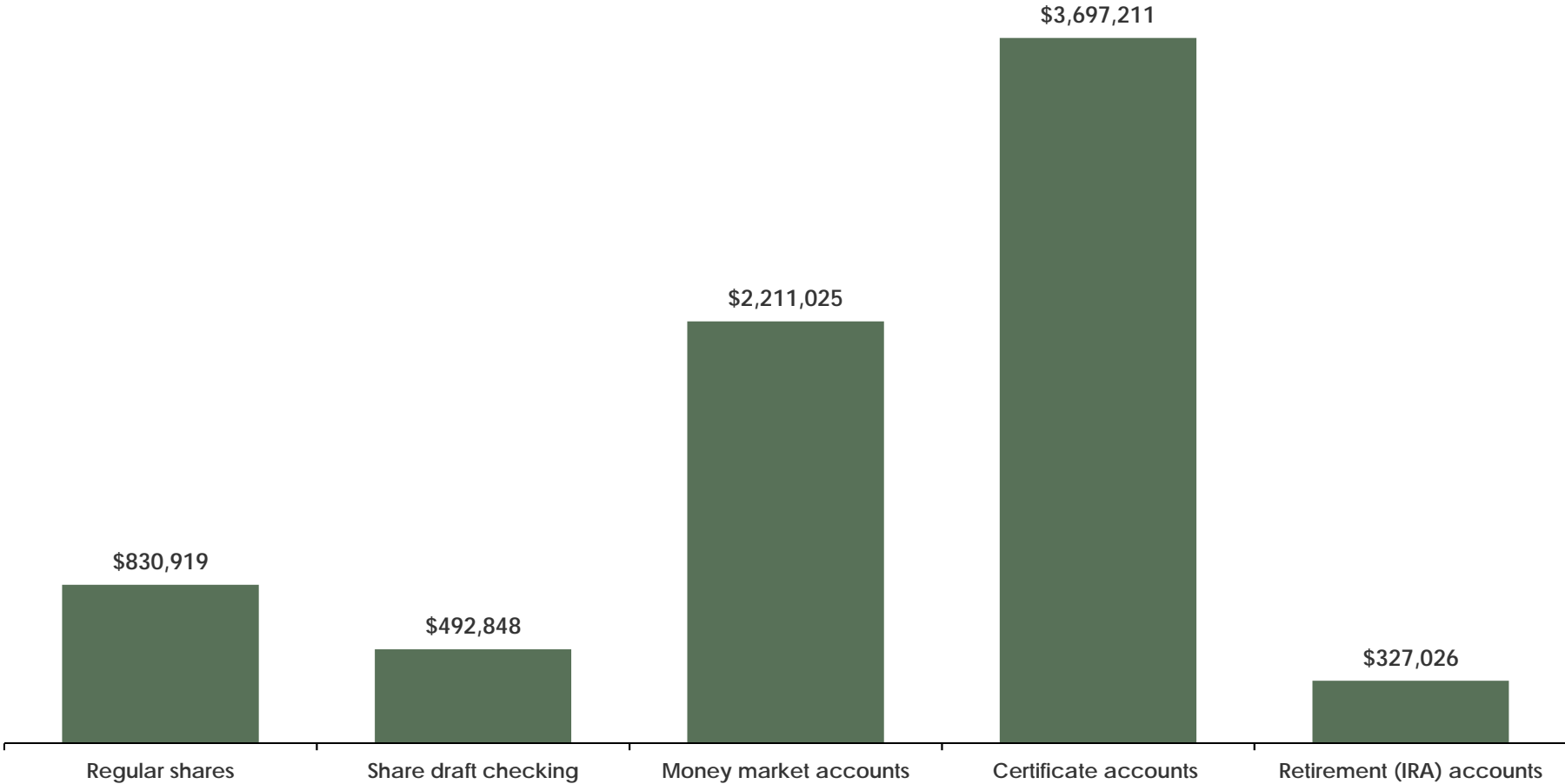
State Credit Union's Total Loan Rate Benefits

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 District of Columbia Credit Unions June 2017

Loans	Avg. Balance at Credit Unions (1)	Rate Difference vs. District of Columbia Banks (%) (2)	Total Financial Benefit to Your Members
New car loans	117,350,015	-1.60	\$1,882,294
Used car loans	186,579,861	-2.23	\$4,166,328
Personal unsecured loans	224,032,393	-2.25	\$5,036,248
5-year adjustable rate 1st mortgage	2,227,018,845	-0.15	\$3,362,798
15-year fixed rate 1st mortgage	397,201,667	0.01	-\$47,664
30-year fixed rate 1st mortgage	469,451,225	0.11	-\$497,618
Home equity / 2nd mortgage loans	349,268,098	-1.36	\$4,739,568
Credit cards	170,342,041	-5.40	\$7,695,202
Interest rebates			\$0
Total CU member benefits arising from lower interest rates on loan products:			\$26,337,156
Savings			
Regular shares	1,932,370,904	0.04	\$830,919
Share draft checking	1,408,137,179	0.04	\$492,848
Money market accounts	2,010,022,591	0.11	\$2,211,025
Certificate accounts	999,246,223	0.37	\$3,697,211
Retirement (IRA) accounts	136,260,740	0.24	\$327,026
Bonus dividends in period			\$0
Total CU member benefit arising from higher interest rates on savings products:			\$7,559,029
Fee Income			
Total CU member benefit arising from fewer / lower fees:			\$3,636,582
Total CU member benefit arising from interest rates on loans, savings products and lower fees:			\$37,532,767
Total CU member benefit / member:			\$127
Total CU member benefit / member household:			\$241

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

District of Columbia Credit Union Performance Profile

Demographic Information	Jun 17	Jun 16
Number of branches	78	77
Total assets (\$ mil)	7,709	7,224
Total loans (\$ mil)	4,363	3,988
Total surplus funds (\$ mil)	3,163	3,068
Total savings (\$ mil)	6,683	6,285
Total members (thousands)	294	293
Growth Rates (Trailing 12 months) *		
Total assets	5.9 %	6.6 %
Total loans	8.6 %	7.1 %
Total surplus funds	2.3 %	5.6 %
Total savings	5.5 %	6.8 %
Total members	-1.4 %	1.6 %
Earnings - Basis Pts. *		
Yield on total assets	273	271
Dividend / interest cost of assets	41	41
Fee & other income	61	57
Operating expense	207	204
Loss Provisions	15	17
Net Income (ROA) after stabilization exp	72	66
Capital Adequacy		
Net worth / assets	11.2	11.2
Asset Quality *		
Delinquencies / loans	0.7	0.8
Net chargeoffs / average loans	0.3	0.3
Total borrower-bankruptcies	3	4
Bankruptcies per 1000 members	0.5	0.6
Asset/Liability Management		
Loans / savings	65.3	63.5
Loans / assets	56.6	55.2
Long-term assets / assets	32.9	27.2
Core deposits/shares & borrowings	51.6	50.0
Productivity		
Members / potential members	15.6	22.1
Borrowers / members	62.6	61.8
Members / FTE	358	363
Average shares / members (\$)	22,749	21,484
Average loan balances (\$)	23,736	22,046
Salary & Benefits / FTE	90,812	86,321

* 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.