



District of Columbia Membership Benefits Report

Year End 2016

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 \$38,259,285 in direct financial benefits to the state's 294,120 members during the twelve months ending December 2016.

These benefits are equivalent to \$130 per member or \$247 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 \$185 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.

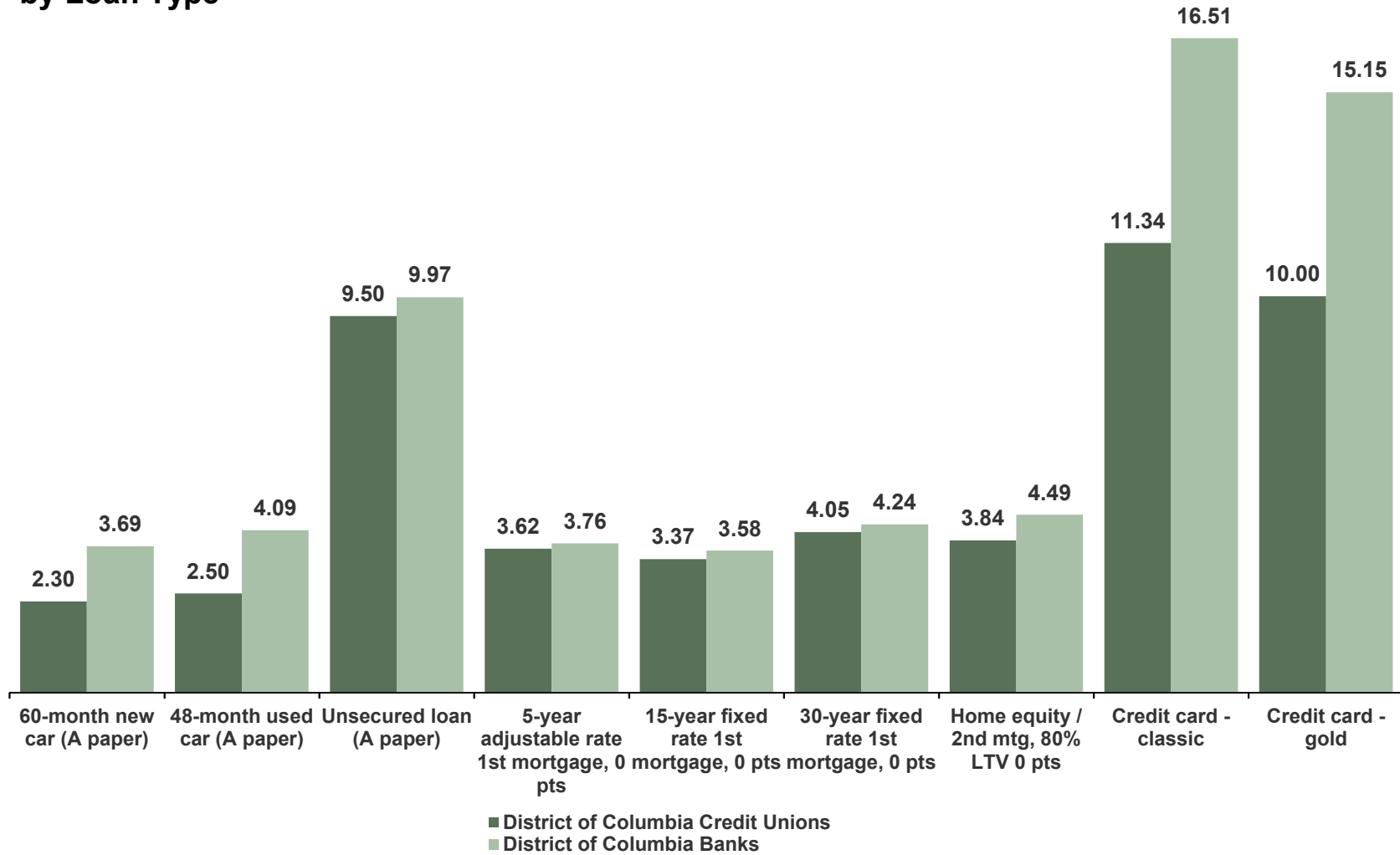
District of Columbia credit unions excel in providing member benefits on many loan and savings products. In particular, District of Columbia credit unions offer lower average loan rates on the following accounts: new car loans, used car loans, personal unsecured loans, first mortgage-fixed rate, first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



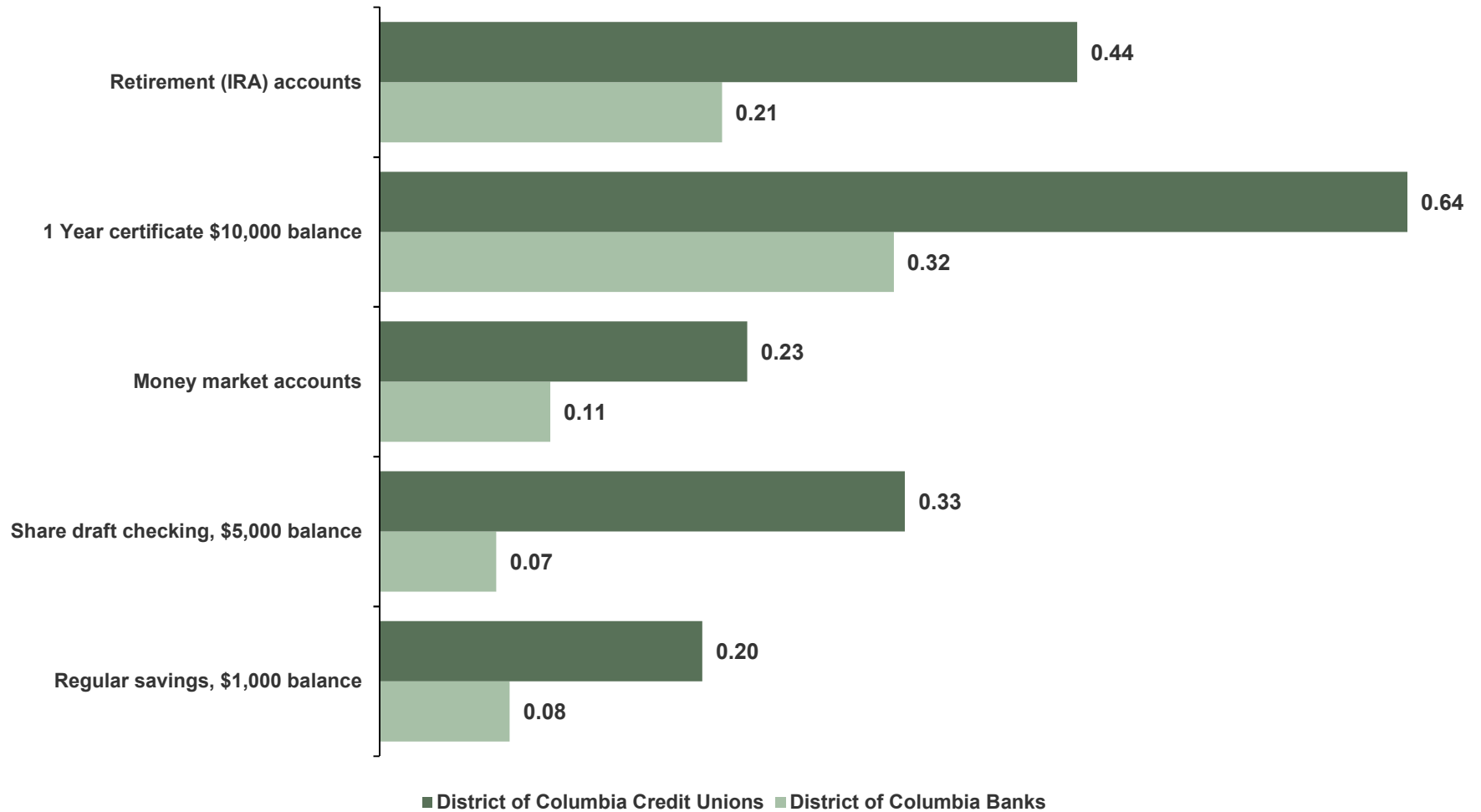
Loan Product Comparative Interest Rates (%)

by Loan Type



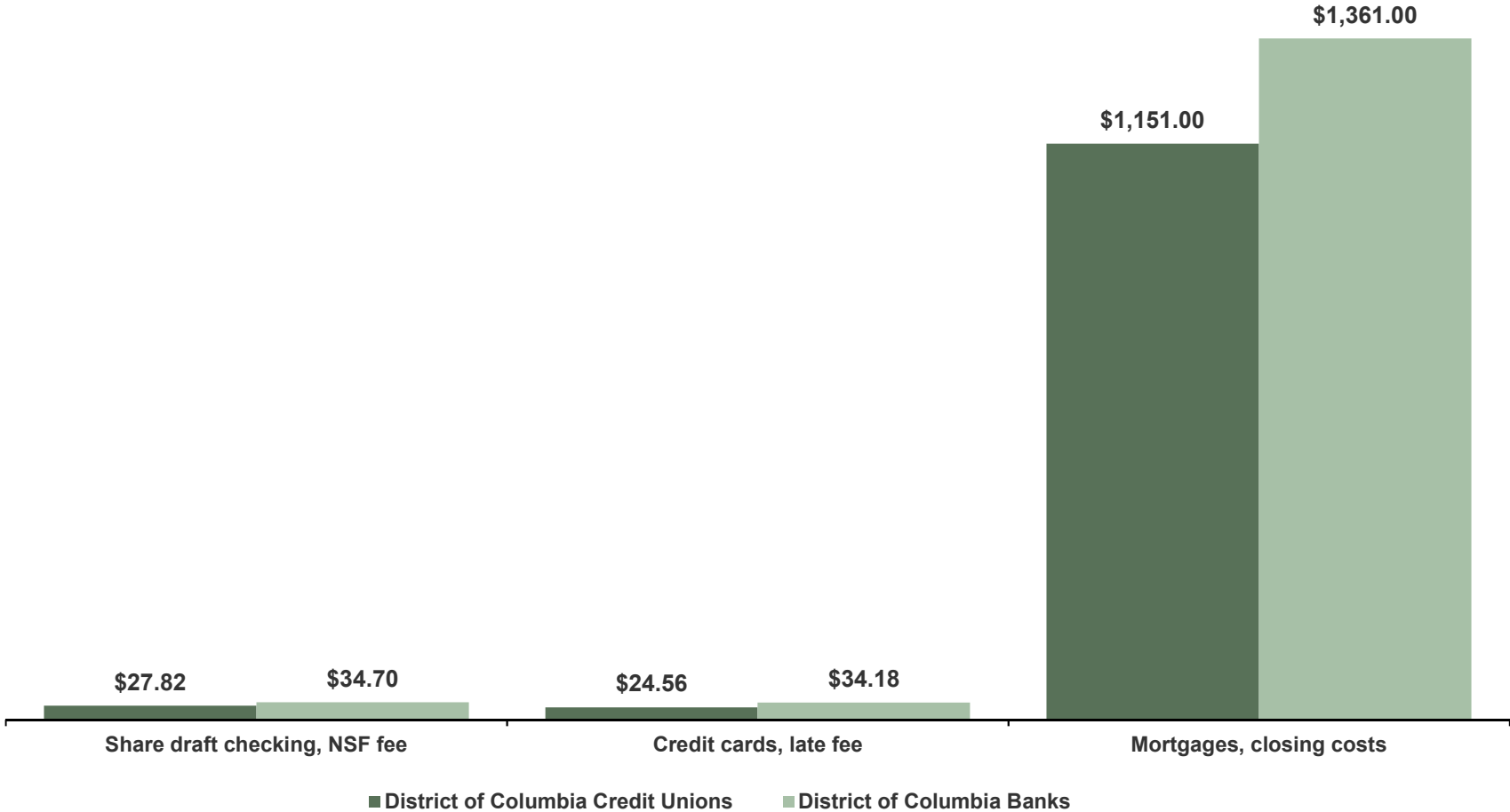
Savings Product Comparative Interest Rates (%)

by Savings Account Type



Comparative Fees

by Type



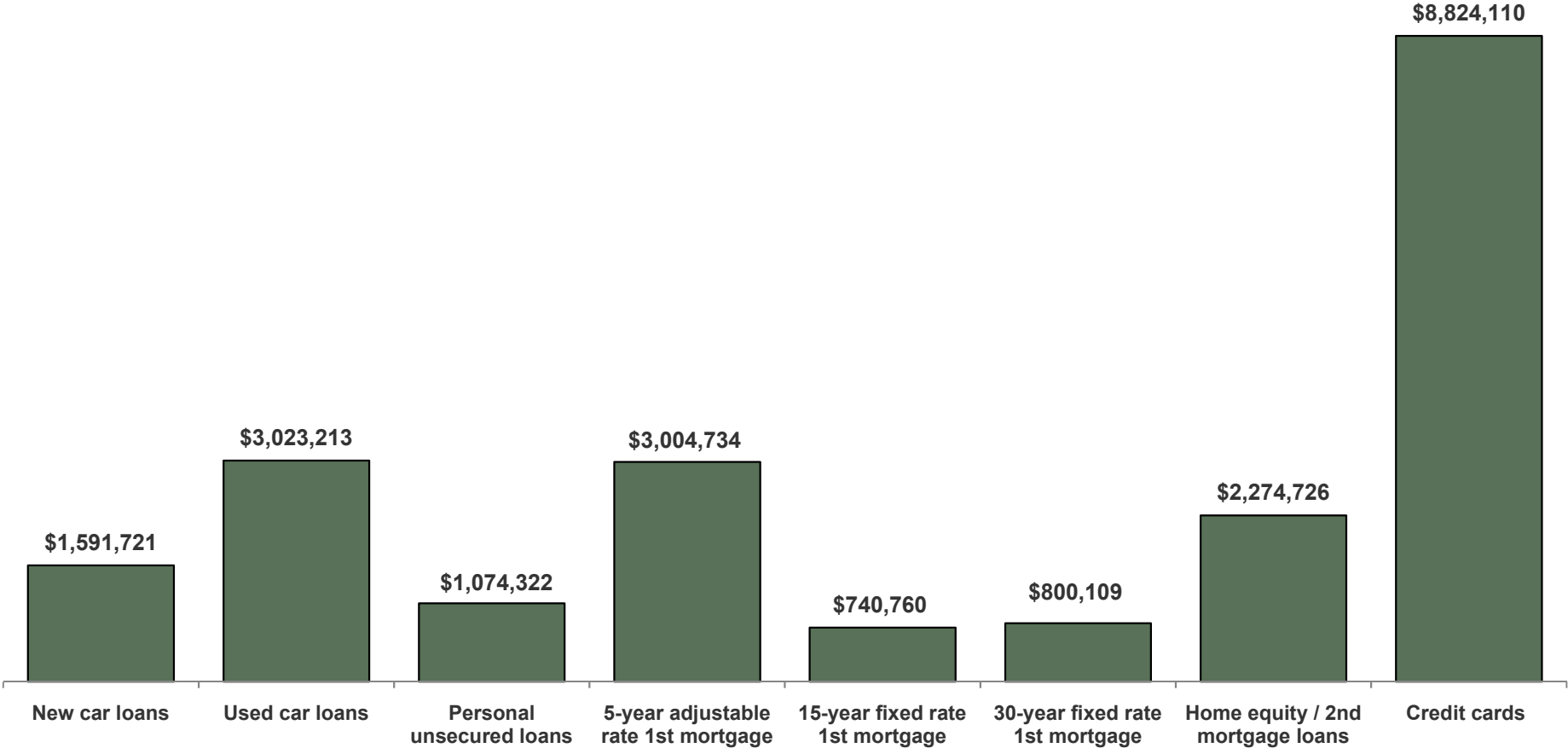
District of Columbia Credit Union and Banking Institution December 2016 Average Interest Rates and Fees

Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	2.30	3.69	-1.39
48-month used car (A paper)	2.50	4.09	-1.60
Unsecured loan (A paper)	9.50	9.97	-0.48
5-year adjustable rate 1st mortgage, 0 pts	3.62	3.76	-0.14
15-year fixed rate 1st mortgage, 0 pts	3.37	3.58	-0.21
30-year fixed rate 1st mortgage, 0 pts	4.05	4.24	-0.19
Home equity / 2nd mtg, 80% LTV 0 pts	3.84	4.49	-0.65
Credit card - classic	11.34	16.51	-5.17
Credit card - gold	10.00	15.15	-5.15
Savings Products			
Regular savings, \$1,000 balance	0.20	0.08	0.12
Share draft checking, \$5,000 balance	0.33	0.07	0.26
Money market accounts	0.23	0.11	0.12
1 Year certificate \$10,000 balance	0.64	0.32	0.32
Retirement (IRA) accounts	0.44	0.21	0.22
Fee Income			
Share draft checking, NSF fee	\$27.82	\$34.70	-\$6.88
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

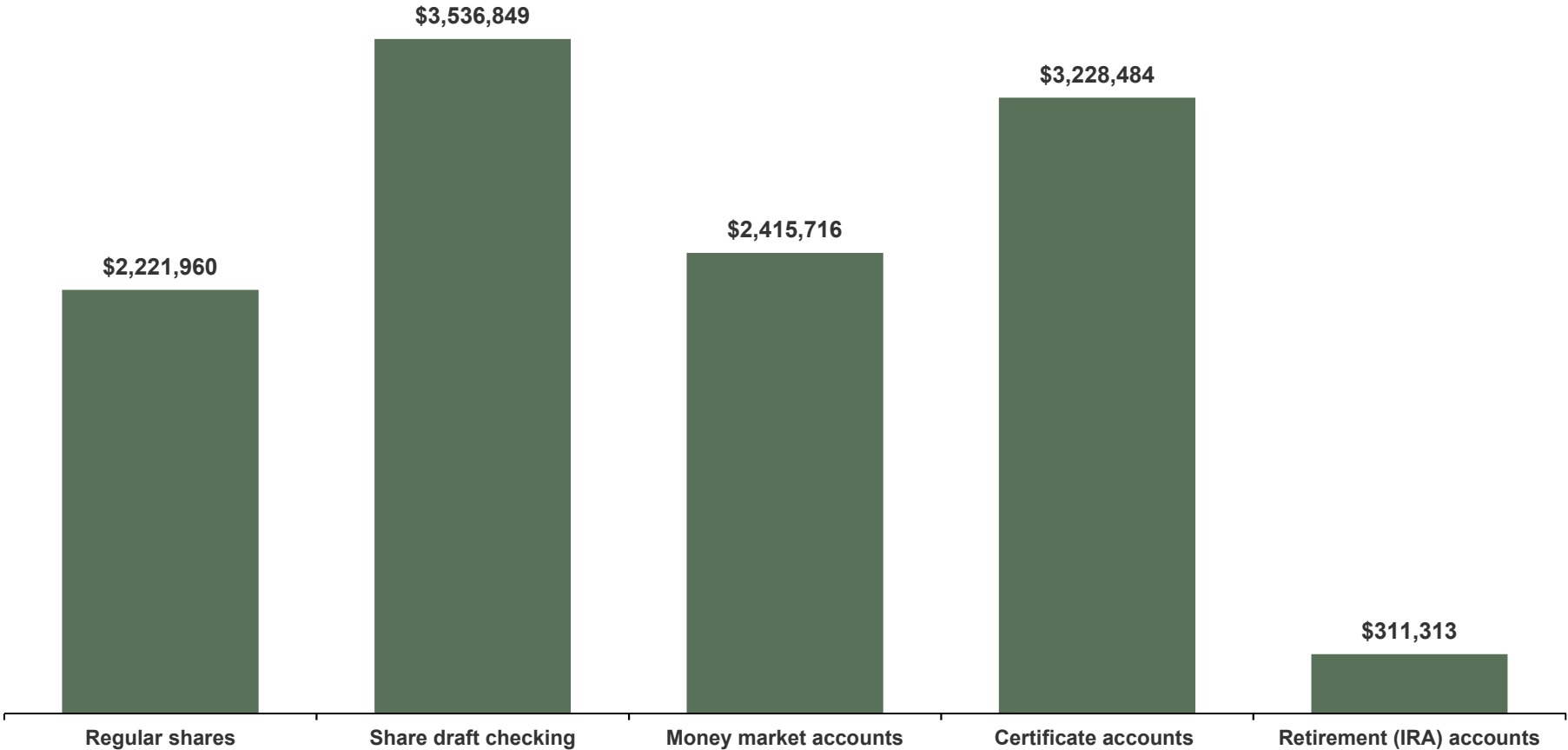
State Credit Union's Total Loan Rate Benefits

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 December 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	114,512,334	-1.39	\$1,591,721
Used car loans	189,543,145	-1.60	\$3,023,213
Personal unsecured loans	225,697,894	-0.48	\$1,074,322
5-year adjustable rate 1st mortgage	2,193,236,634	-0.14	\$3,004,734
15-year fixed rate 1st mortgage	351,071,105	-0.21	\$740,760
30-year fixed rate 1st mortgage	416,723,540	-0.19	\$800,109
Home equity / 2nd mortgage loans	351,038,021	-0.65	\$2,274,726
Credit cards	170,844,337	-5.17	\$8,824,110
Interest rebates			\$0
Total CU member benefits arising from lower interest rates on loan products:			\$21,333,696
Savings			
Regular shares	1,839,656,804	0.12	\$2,221,960
Share draft checking	1,380,340,503	0.26	\$3,536,849
Money market accounts	1,955,579,291	0.12	\$2,415,716
Certificate accounts	1,002,887,600	0.32	\$3,228,484
Retirement (IRA) accounts	139,775,071	0.22	\$311,313
Bonus dividends in period			\$0
Total CU member benefit arising from higher interest rates on savings products:			\$11,714,322
Fee Income			
Total CU member benefit arising from fewer / lower fees:			\$5,211,266
Total CU member benefit arising from interest rates on loans, savings products and lower fees:			\$38,259,285
Total CU member benefit / member:			\$130
Total CU member benefit / member household:			\$247

Source: Informa Research Services, NCUA, and CUNA

(1) Average balance as of December 2015 and December 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	Dec 16	Dec 15
Number of branches	79	82
Total assets (\$ mil)	7,470	7,264
Total loans (\$ mil)	4,222	4,053
Total surplus funds (\$ mil)	3,063	3,061
Total savings (\$ mil)	6,516	6,332
Total members (thousands)	297	308
Growth Rates (Trailing 12 months) *		
Total assets	5.9 %	4.7 %
Total loans	8.1 %	6.8 %
Total surplus funds	2.1 %	1.2 %
Total savings	6.0 %	4.8 %
Total members	2.1 %	-0.3 %
Earnings - Basis Pts. *		
Yield on total assets	268	255
Dividend / interest cost of assets	37	40
Fee & other income	59	62
Operating expense	208	210
Loss Provisions	22	16
Net Income (ROA) after stabilization exp	60	51
Capital Adequacy		
Net worth / assets	11.2	11.2
Asset Quality *		
Delinquencies / loans	0.7	0.9
Net chargeoffs / average loans	0.3	0.3
Total borrower-bankruptcies	7	8
Bankruptcies per 1000 members	1.0	1.0
Asset/Liability Management		
Loans / savings	64.8	64.0
Loans / assets	56.5	55.8
Long-term assets / assets	32.1	28.3
Core deposits/shares & borrowings	51.2	49.3
Productivity		
Members / potential members	20.9	15.6
Borrowers / members	62.0	60.3
Members / FTE	360	364
Average shares / members (\$)	21,928	20,540
Average loan balances (\$)	22,905	21,815
Salary & Benefits / FTE	87,335	82,896

* 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.