

CUNA Maryland
**MEMBERSHIP BENEFITS
REPORT**



Maryland

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 Maryland credit unions provided \$263,621,041 in direct financial benefits to the state's 1,842,875 members during the twelve months ending June 2017.

These benefits are equivalent to \$143 per member or \$272 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 Maryland 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 Maryland credit unions.

Consider this:

Financing a \$25,000 new automobile for 60 months at a Maryland credit union will save members an average \$285 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.

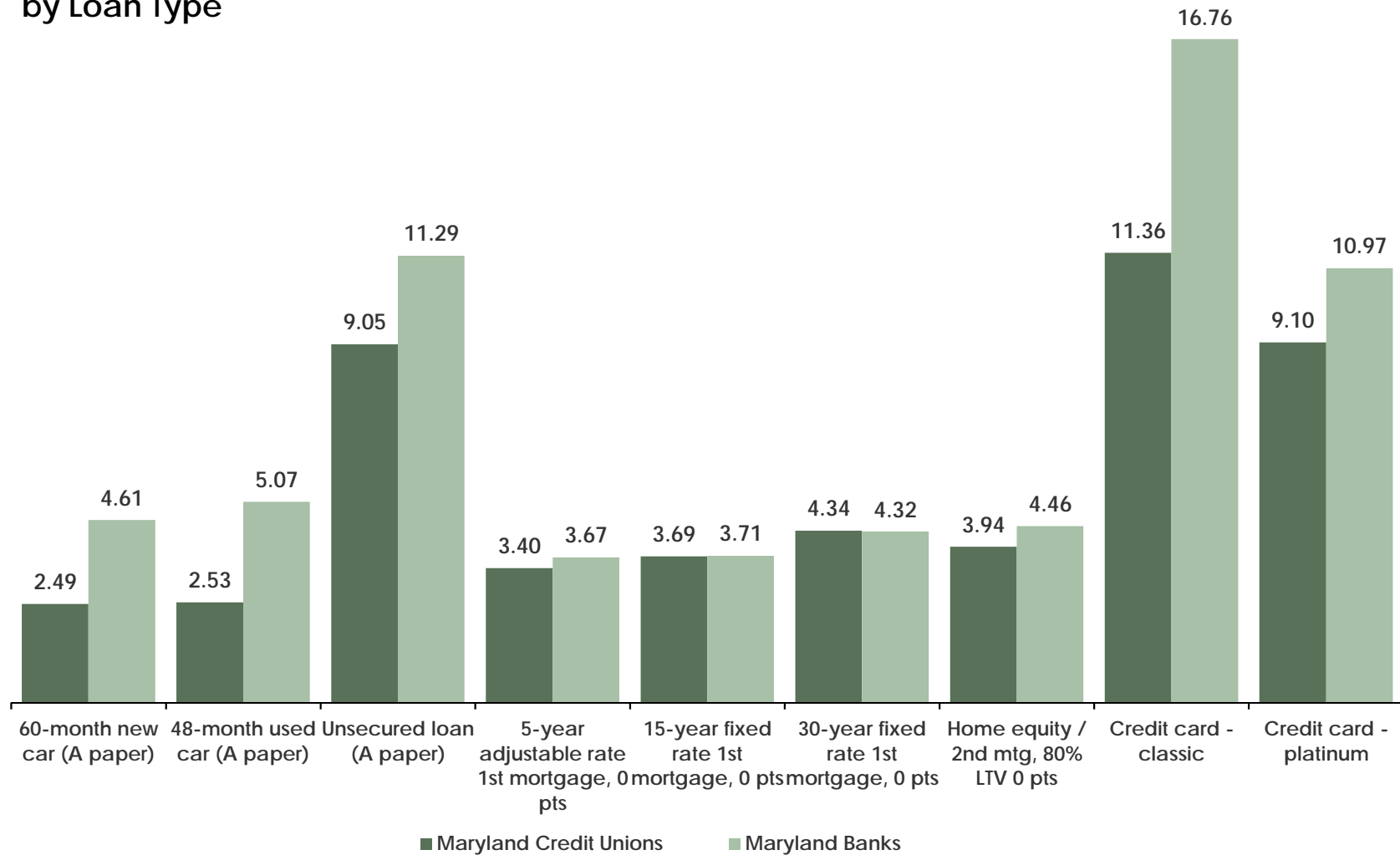
Maryland credit unions excel in providing member benefits on many loan and savings products. In particular, Maryland credit unions offer lower average loan rates on the following accounts: new car loans, used car loans, personal unsecured loans, first mortgage-adjustable rate, **home equity loans, credit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

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



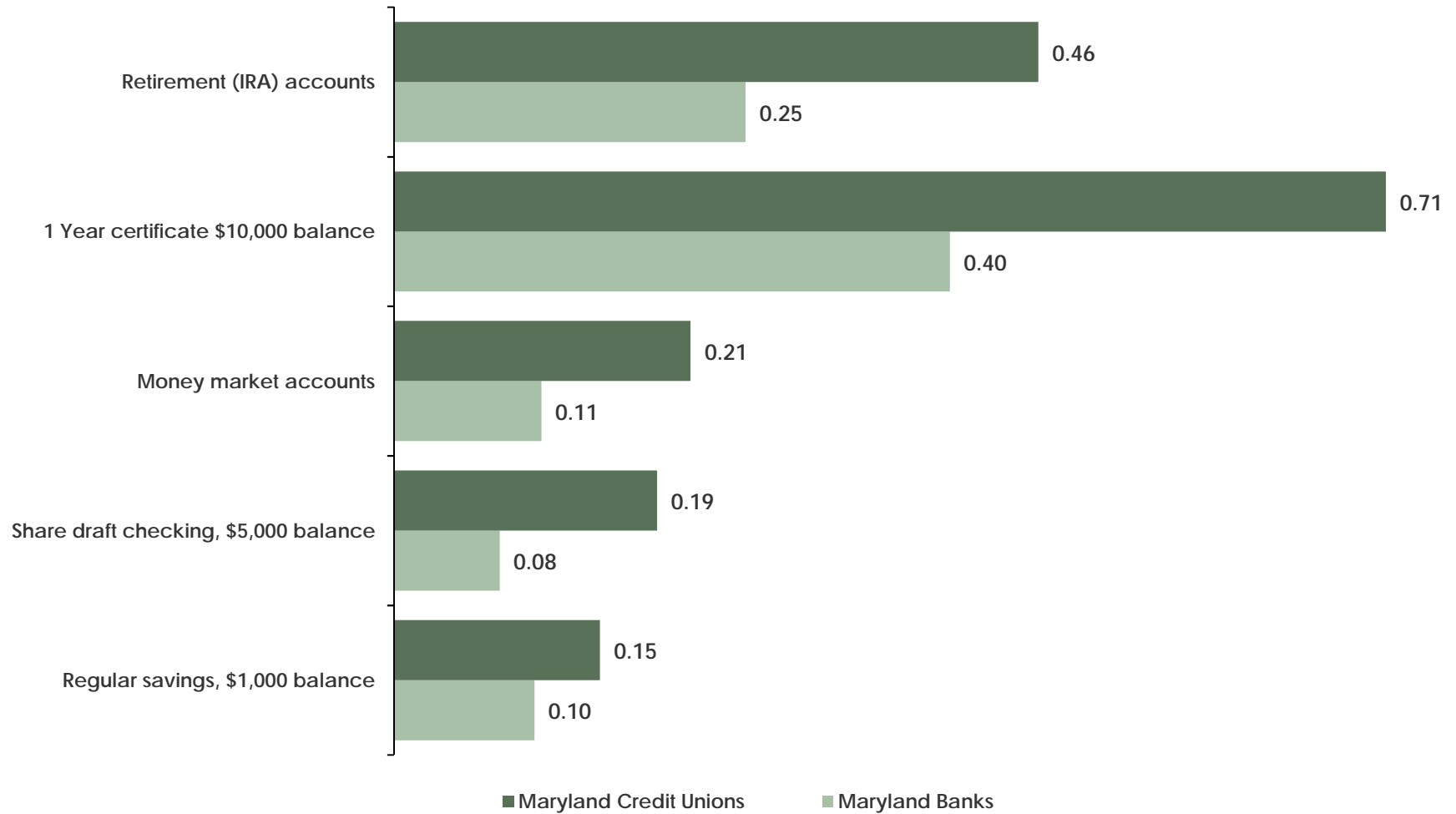
Loan Product Comparative Interest Rates (%)

by Loan Type



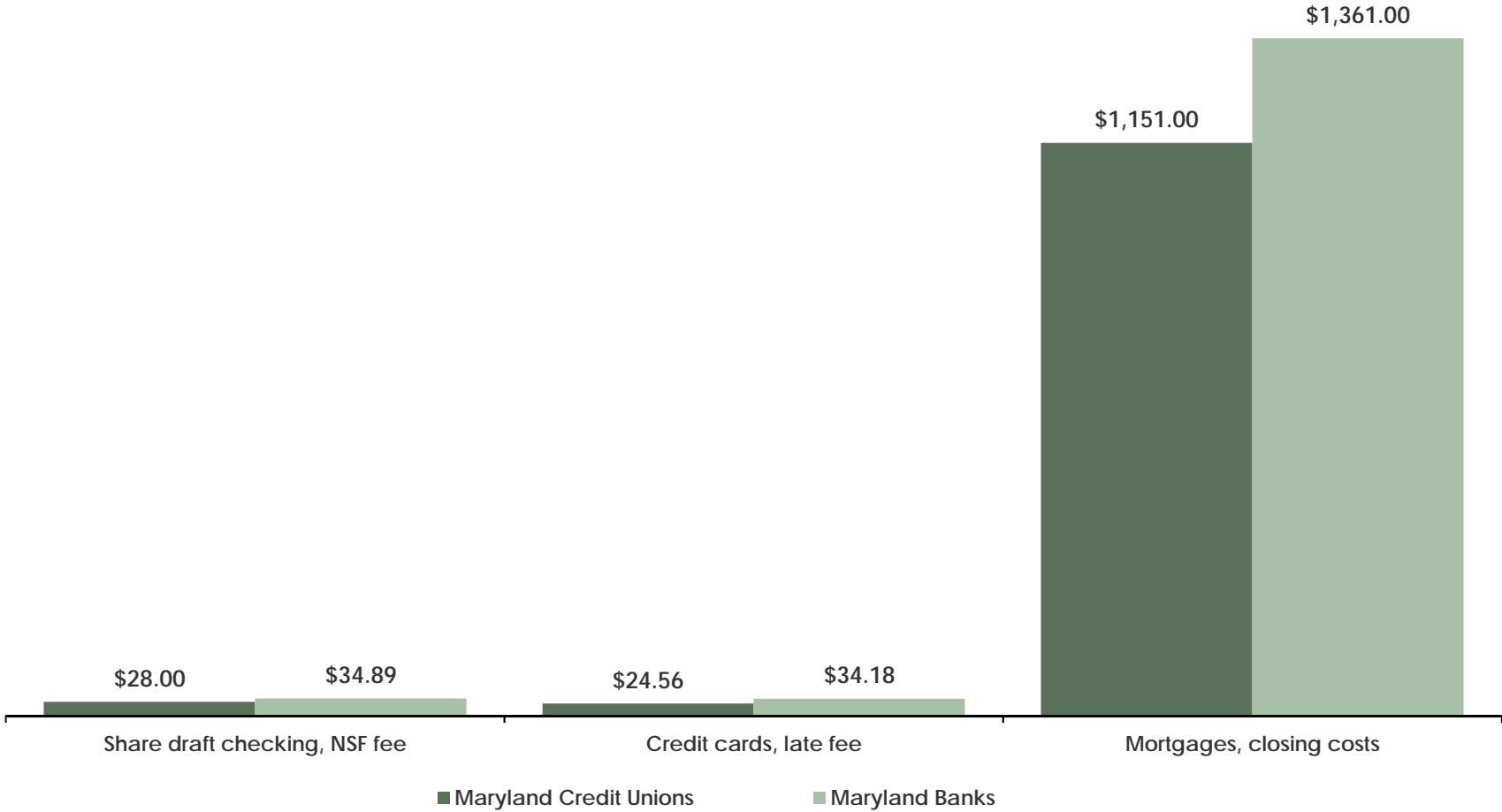
Savings Product Comparative Interest Rates (%)

by Savings Account Type



Comparative Fees

by Type



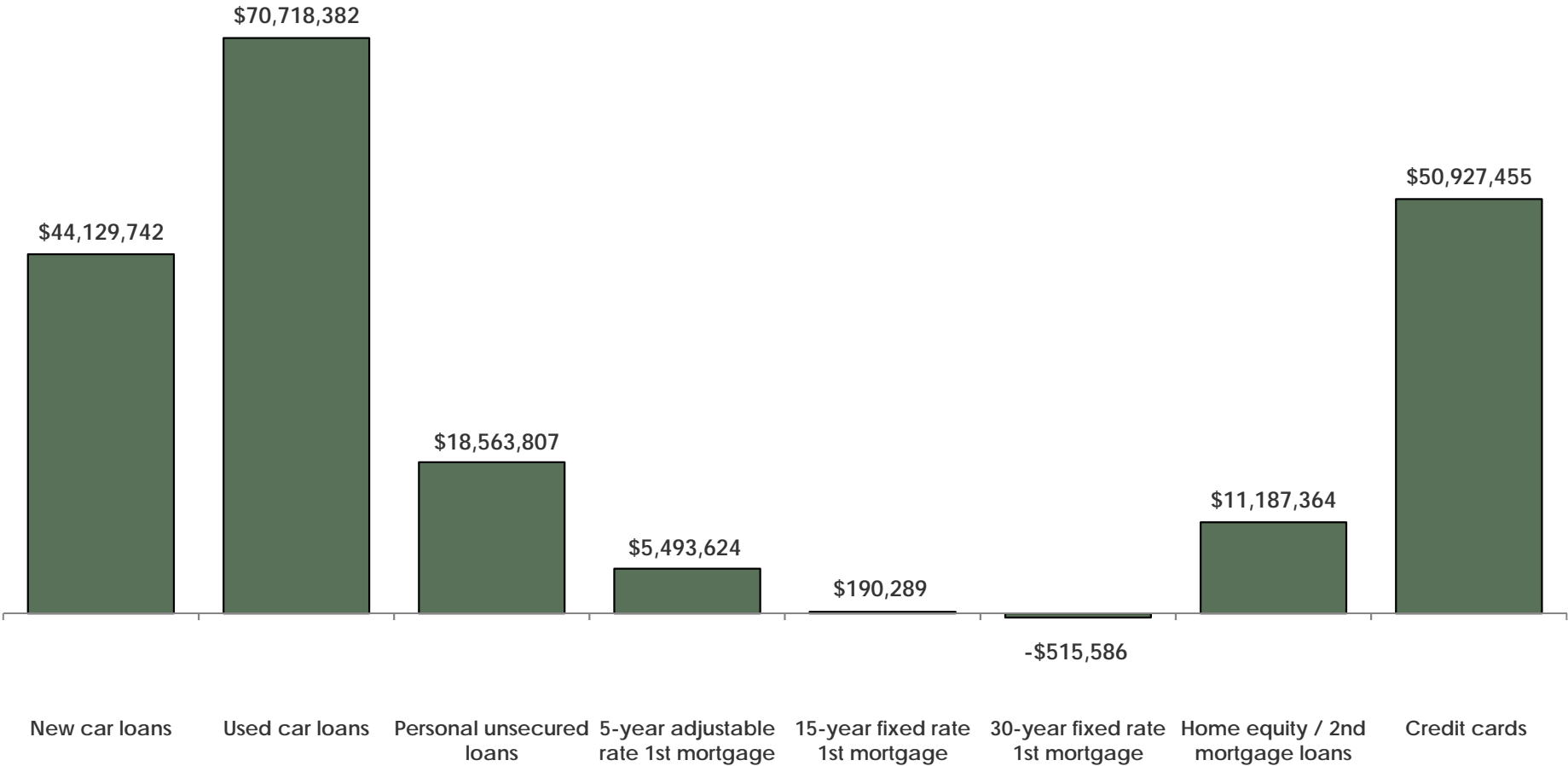
Maryland Credit Union and Banking Institution June 2017 Average Interest Rates and Fees

Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	2.49	4.61	-2.12
48-month used car (A paper)	2.53	5.07	-2.54
Unsecured loan (A paper)	9.05	11.29	-2.24
5-year adjustable rate 1st mortgage, 0 pts	3.40	3.67	-0.27
15-year fixed rate 1st mortgage, 0 pts	3.69	3.71	-0.02
30-year fixed rate 1st mortgage, 0 pts	4.34	4.32	0.02
Home equity / 2nd mtg, 80% LTV 0 pts	3.94	4.46	-0.52
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	0.15	0.10	0.05
Share draft checking, \$5,000 balance	0.19	0.08	0.11
Money market accounts	0.21	0.11	0.11
1 Year certificate \$10,000 balance	0.71	0.40	0.31
Retirement (IRA) accounts	0.46	0.25	0.21
Fee Income			
Share draft checking, NSF fee	\$28.00	\$34.89	-\$6.89
Credit cards, late fee	\$24.56	\$34.18	-\$9.62
Mortgages, closing costs	\$1,151.00	\$1,361.00	-\$210.00

Source: Datatrac

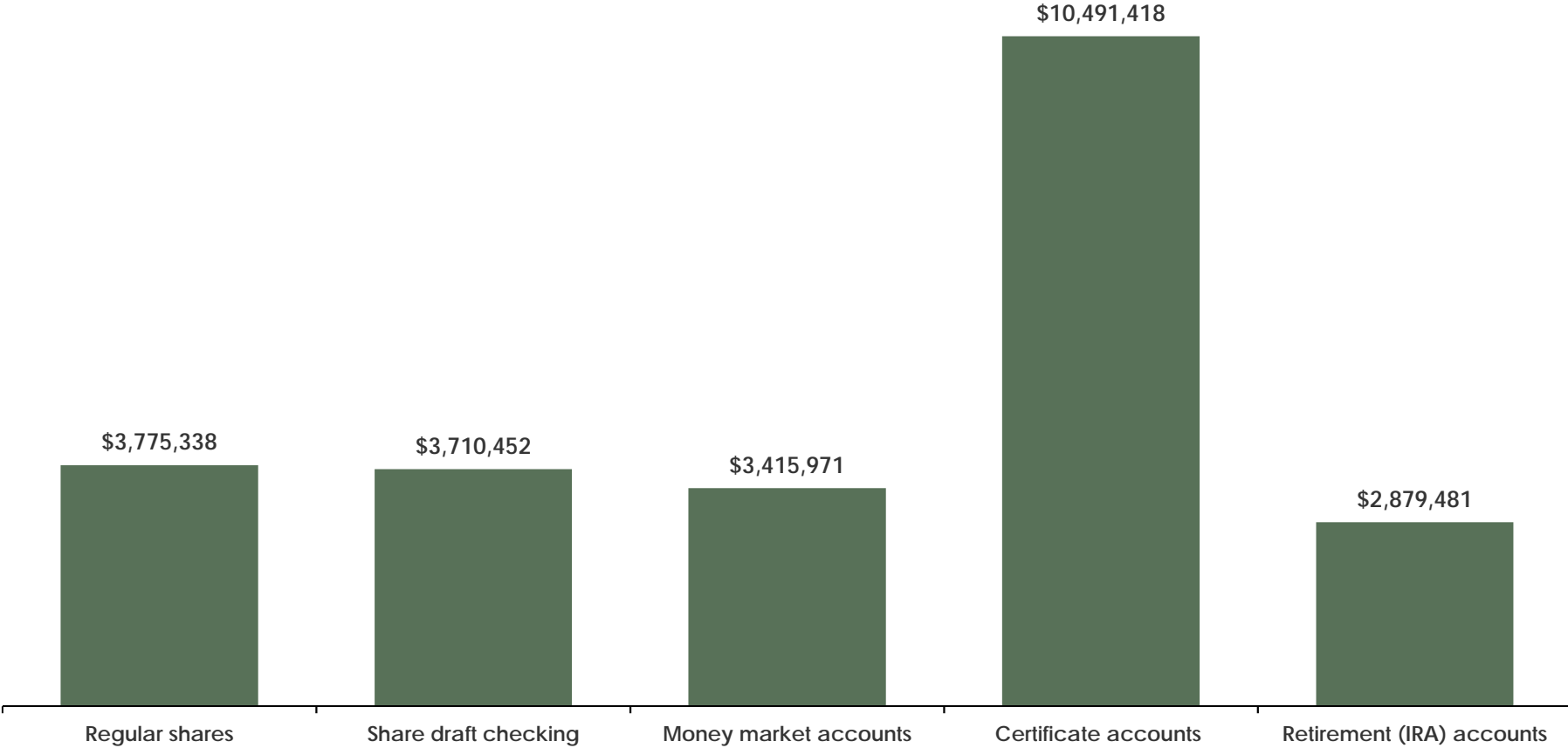
State Credit Union's Total Loan Rate Benefits

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 Maryland Credit Unions June 2017

Loans	Avg. Balance at Credit Unions (1)	Rate Difference vs. Maryland Banks (%) (2)	Total Financial Benefit to Your Members
New car loans	2,080,610,182	-2.12	\$44,129,742
Used car loans	2,781,997,714	-2.54	\$70,718,382
Personal unsecured loans	828,741,389	-2.24	\$18,563,807
5-year adjustable rate 1st mortgage	2,042,239,220	-0.27	\$5,493,624
15-year fixed rate 1st mortgage	1,268,590,805	-0.02	\$190,289
30-year fixed rate 1st mortgage	2,241,677,388	0.02	-\$515,586
Home equity / 2nd mortgage loans	2,147,286,710	-0.52	\$11,187,364
Credit cards	1,127,337,128	-5.40	\$50,927,455
Interest rebates			\$977,132
Total CU member benefits arising from lower interest rates on loan products:			\$201,672,208
<i>Savings</i>			
Regular shares	8,032,633,606	0.05	\$3,775,338
Share draft checking	3,283,585,655	0.11	\$3,710,452
Money market accounts	3,192,496,094	0.11	\$3,415,971
Certificate accounts	3,351,890,886	0.31	\$10,491,418
Retirement (IRA) accounts	1,371,181,621	0.21	\$2,879,481
Bonus dividends in period			\$0
Total CU member benefit arising from higher interest rates on savings products:			\$24,272,660
<i>Fee Income</i>			
Total CU member benefit arising from fewer / lower fees:			\$37,676,173
Total CU member benefit arising from interest rates on loans, savings products and lower fees:			\$263,621,041
Total CU member benefit / member:			\$143
Total CU member benefit / member household:			\$272

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

Maryland Credit Union Performance Profile

Demographic Information	Jun 17	Jun 16
Number of branches	307	307
Total assets (\$ mil)	23,659	22,245
Total loans (\$ mil)	15,885	14,239
Total surplus funds (\$ mil)	6,860	7,152
Total savings (\$ mil)	20,610	19,193
Total members (thousands)	1,870	1,840
Growth Rates (Trailing 12 months) *		
Total assets	7.4 %	5.9 %
Total loans	12.4 %	13.5 %
Total surplus funds	-2.8 %	-6.8 %
Total savings	8.4 %	5.7 %
Total members	3.0 %	3.2 %
Earnings - Basis Pts. *		
Yield on total assets	333	328
Dividend / interest cost of assets	45	39
Fee & other income	119	121
Operating expense	316	326
Loss Provisions	47	35
Net Income (ROA) after stabilization exp	45	49
Capital Adequacy		
Net worth / assets	10.7	11.0
Asset Quality *		
Delinquencies / loans	0.9	0.9
Net chargeoffs / average loans	0.6	0.5
Total borrower-bankruptcies	22	18
Bankruptcies per 1000 members	1.0	0.9
Asset/Liability Management		
Loans / savings	77.1	74.2
Loans / assets	67.1	64.0
Long-term assets / assets	27.3	27.0
Core deposits/shares & borrowings	57.0	56.9
Productivity		
Members / potential members	9.7	9.8
Borrowers / members	55.4	53.5
Members / FTE	412	412
Average shares / members (\$)	11,019	10,434
Average loan balances (\$)	15,317	14,467
Salary & Benefits / FTE	80,284	79,352

* 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.