

CUNA Pennsylvania  
**MEMBERSHIP BENEFITS  
REPORT**



## Pennsylvania

### 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 Pennsylvania credit unions provided \$389,472,850 in direct financial benefits to the state's 3,920,287 members during the twelve months ending June 2017.

**These benefits are equivalent to \$99 per member or \$189 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 Pennsylvania 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 Pennsylvania credit unions.

Consider this:

**Financing a \$25,000 new automobile for 60 months at a Pennsylvania credit union will save members an average \$248 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.

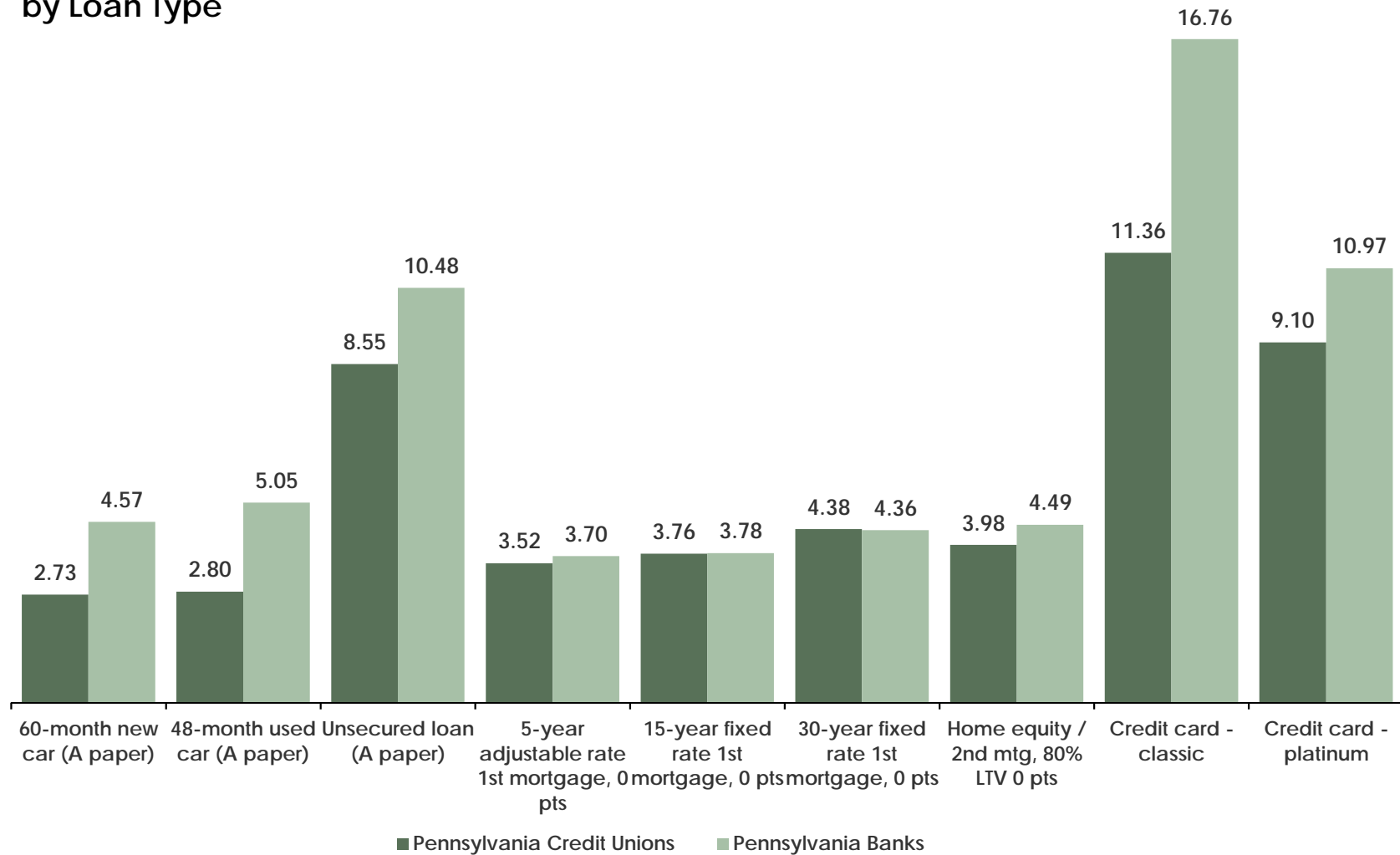
Pennsylvania credit unions excel in providing member benefits on many loan and savings products. In particular, Pennsylvania credit unions offer lower average loan rates on the following accounts: new car loans, used car loans, personal unsecured loans, first mortgage-fixed rate, first mortgage-adjustable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

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



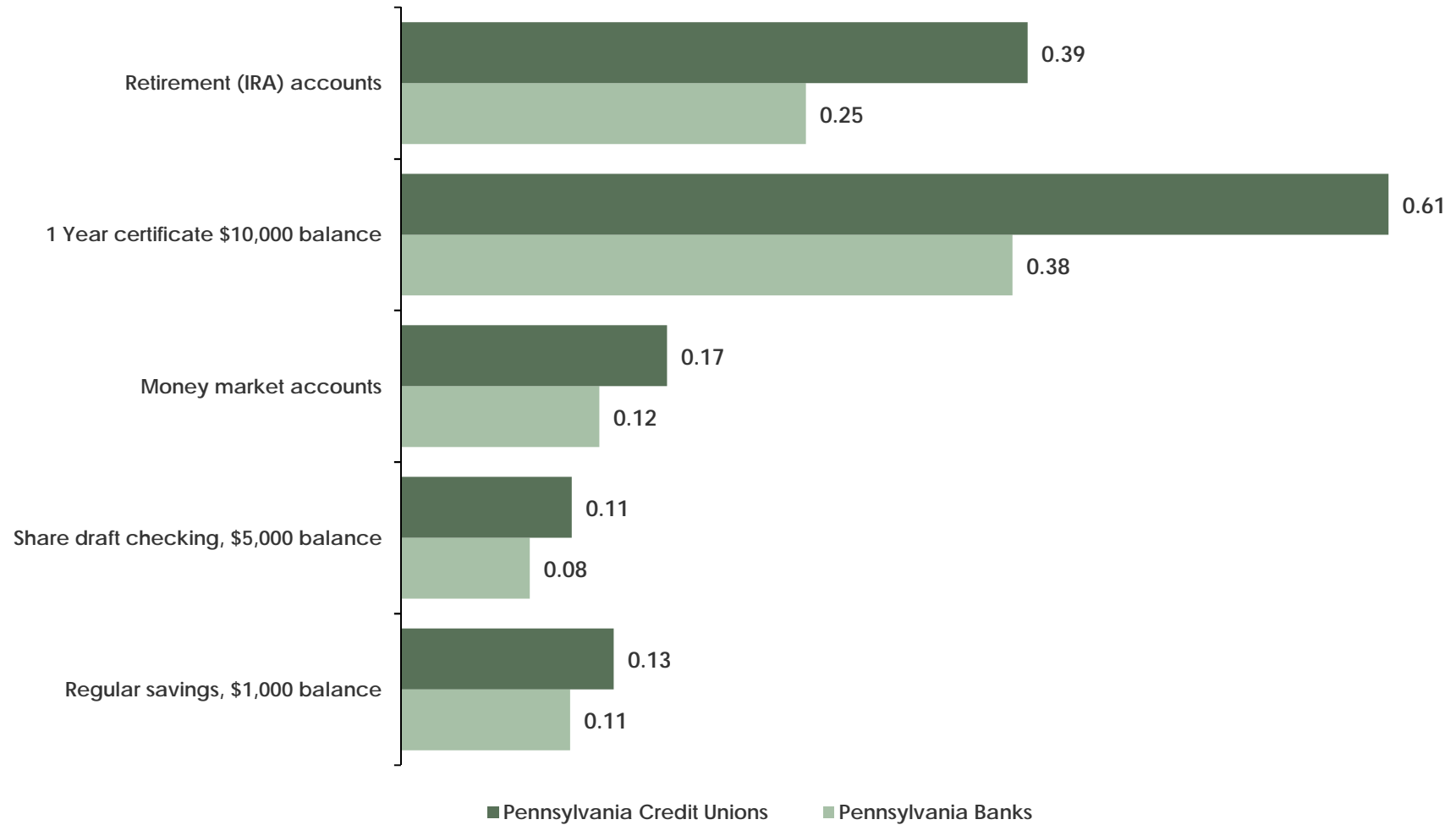
## Loan Product Comparative Interest Rates (%)

by Loan Type



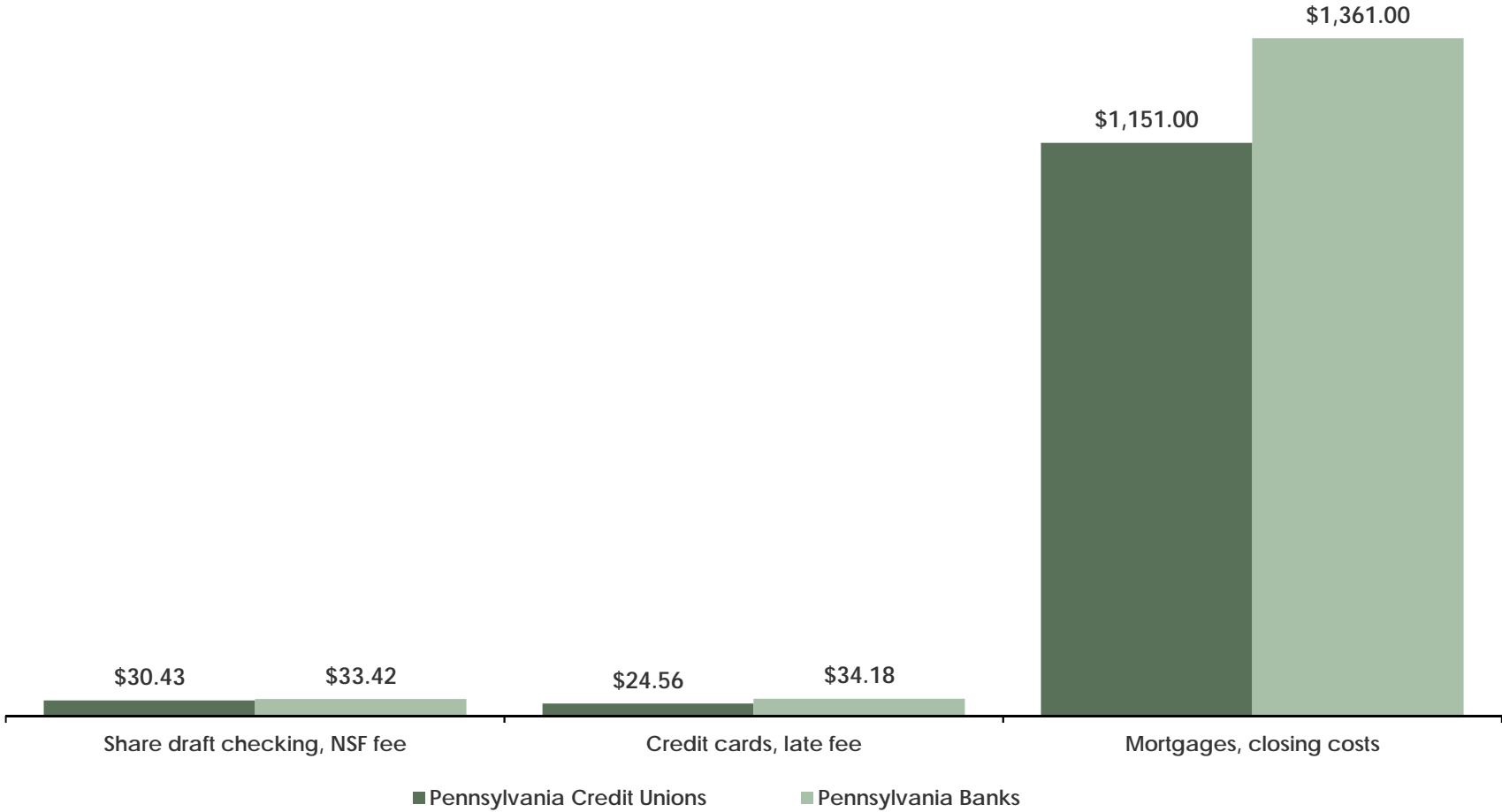
## Savings Product Comparative Interest Rates (%)

### by Savings Account Type



Comparative Fees

by Type



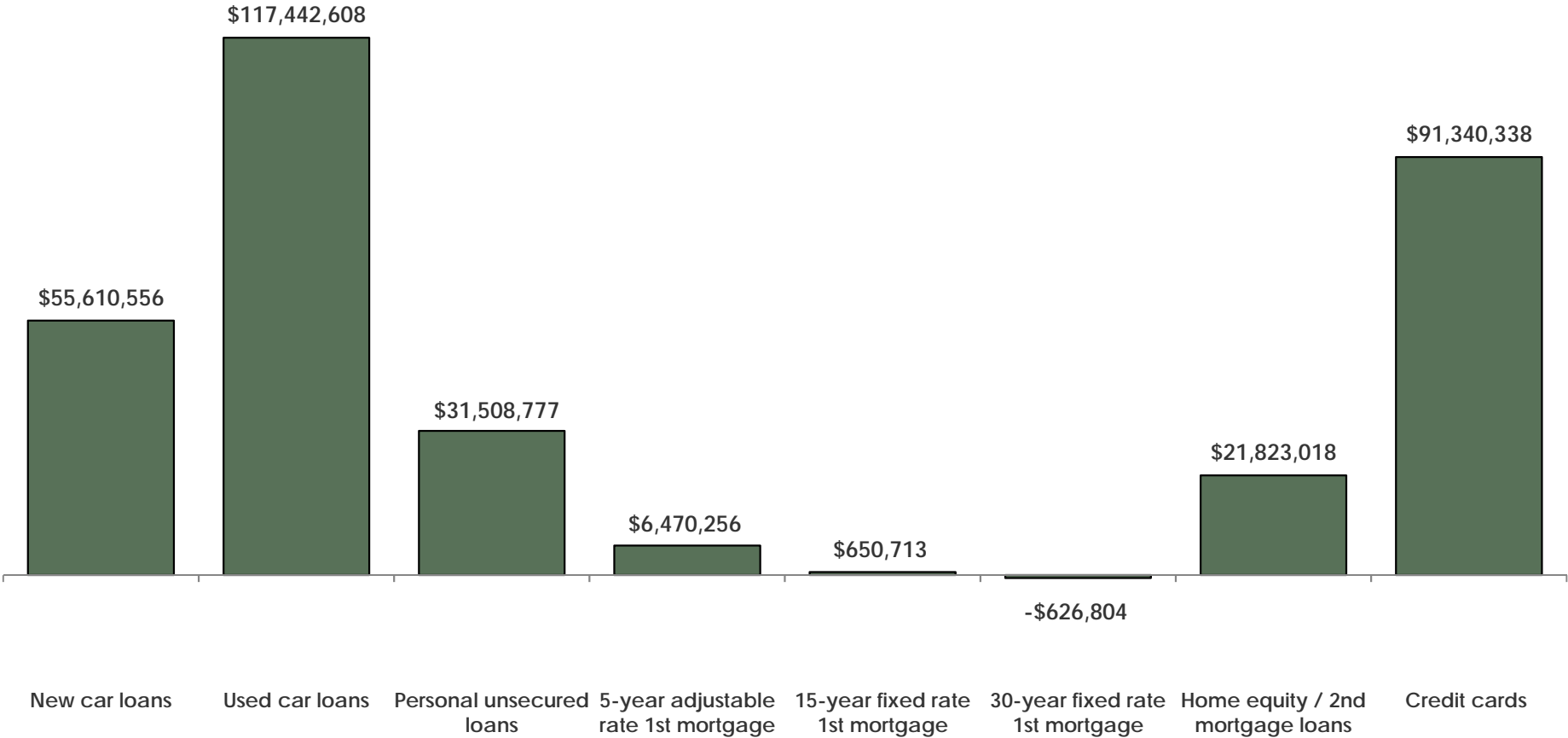
## Pennsylvania Credit Union and Banking Institution June 2017 Average Interest Rates and Fees

Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	2.73	4.57	-1.84
48-month used car (A paper)	2.80	5.05	-2.25
Unsecured loan (A paper)	8.55	10.48	-1.92
5-year adjustable rate 1st mortgage, 0 pts	3.52	3.70	-0.19
15-year fixed rate 1st mortgage, 0 pts	3.76	3.78	-0.02
30-year fixed rate 1st mortgage, 0 pts	4.38	4.36	0.02
Home equity / 2nd mtg, 80% LTV 0 pts	3.98	4.49	-0.51
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	0.11	0.03
Share draft checking, \$5,000 balance	0.11	0.08	0.03
Money market accounts	0.17	0.12	0.04
1 Year certificate \$10,000 balance	0.61	0.38	0.23
Retirement (IRA) accounts	0.39	0.25	0.14
Fee Income			
Share draft checking, NSF fee	\$30.43	\$33.42	-\$2.99
Credit cards, late fee	\$24.56	\$34.18	-\$9.62
Mortgages, closing costs	\$1,151.00	\$1,361.00	-\$210.00

Source: Datatrac

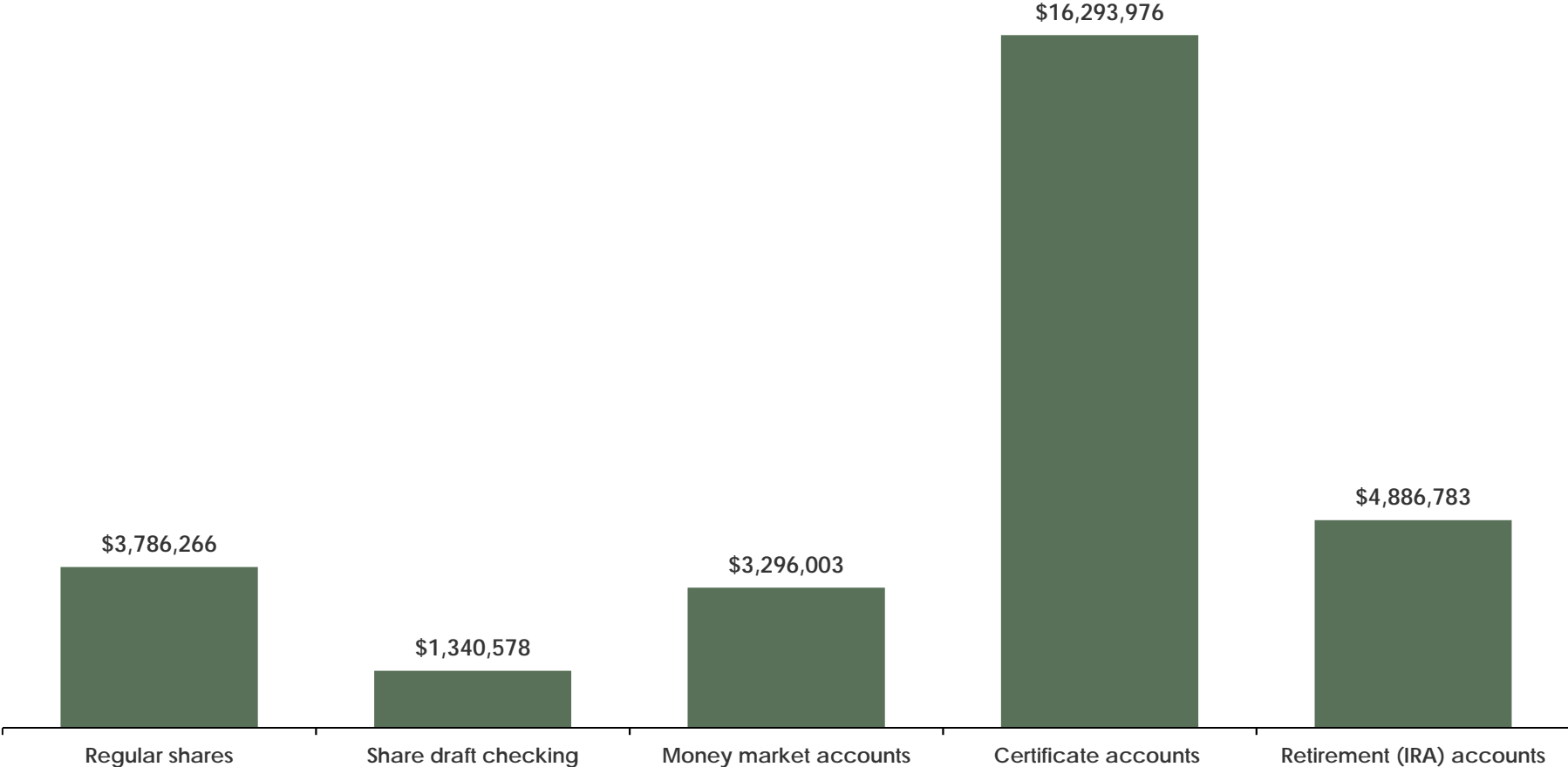
State Credit Union's Total Loan Rate Benefits

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 Pennsylvania Credit Unions June 2017

<b>Loans</b>	<b>Avg. Balance at Credit Unions (1)</b>	<b>Rate Difference vs. Pennsylvania Banks (%) (2)</b>	<b>Total Financial Benefit to Your Members</b>
New car loans	3,022,312,825	-1.84	\$55,610,556
Used car loans	5,221,992,369	-2.25	\$117,442,608
Personal unsecured loans	1,640,227,836	-1.92	\$31,508,777
5-year adjustable rate 1st mortgage	3,497,435,640	-0.19	\$6,470,256
15-year fixed rate 1st mortgage	3,615,070,356	-0.02	\$650,713
30-year fixed rate 1st mortgage	2,725,233,446	0.02	-\$626,804
Home equity / 2nd mortgage loans	4,270,649,408	-0.51	\$21,823,018
Credit cards	2,021,922,265	-5.40	\$91,340,338
Interest rebates			\$91,016
<b>Total CU member benefits arising from lower interest rates on loan products:</b>			<b>\$324,310,479</b>
<b>Savings</b>			
Regular shares	14,023,206,402	0.03	\$3,786,266
Share draft checking	5,156,069,655	0.03	\$1,340,578
Money market accounts	7,847,625,504	0.04	\$3,296,003
Certificate accounts	6,993,122,616	0.23	\$16,293,976
Retirement (IRA) accounts	3,554,023,637	0.14	\$4,886,783
Bonus dividends in period			\$0
<b>Total CU member benefit arising from higher interest rates on savings products:</b>			<b>\$29,603,605</b>
<b>Fee Income</b>			
<b>Total CU member benefit arising from fewer / lower fees:</b>			<b>\$35,558,767</b>
<b>Total CU member benefit arising from interest rates on loans, savings products and lower fees:</b>			<b>\$389,472,850</b>
<b>Total CU member benefit / member:</b>			<b>\$99</b>
<b>Total CU member benefit / member household:</b>			<b>\$189</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

## Pennsylvania Credit Union Performance Profile

Demographic Information	Jun 17	Jun 16
Number of branches	942	948
Total assets (\$ mil)	45,912	43,147
Total loans (\$ mil)	28,559	26,111
Total surplus funds (\$ mil)	15,638	15,457
Total savings (\$ mil)	39,566	37,292
Total members (thousands)	3,992	3,924
Growth Rates (Trailing 12 months) *		
Total assets	7.5 %	6.4 %
Total loans	10.4 %	8.5 %
Total surplus funds	2.4 %	2.5 %
Total savings	7.3 %	6.4 %
Total members	3.1 %	2.6 %
Earnings - Basis Pts. *		
Yield on total assets	330	326
Dividend / interest cost of assets	47	45
Fee & other income	114	113
Operating expense	296	296
Loss Provisions	30	27
Net Income (ROA) after stabilization exp	70	70
Capital Adequacy		
Net worth / assets	11.3	11.4
Asset Quality *		
Delinquencies / loans	0.7	0.8
Net chargeoffs / average loans	0.5	0.5
Total borrower-bankruptcies	6	5
Bankruptcies per 1000 members	0.6	0.6
Asset/Liability Management		
Loans / savings	72.2	70.0
Loans / assets	62.2	60.5
Long-term assets / assets	32.2	31.7
Core deposits/shares & borrowings	50.1	49.0
Productivity		
Members / potential members	5.5	5.7
Borrowers / members	54.5	55.0
Members / FTE	407	410
Average shares / members (\$)	9,912	9,503
Average loan balances (\$)	13,118	12,087
Salary & Benefits / FTE	68,040	65,743

\* 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.