

CUNA Washington
**MEMBERSHIP BENEFITS
REPORT**



Washington

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 Washington credit unions provided \$428,000,165 in direct financial benefits to the state's 3,554,988 members during the twelve months ending June 2017.

These benefits are equivalent to \$120 per member or \$229 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 Washington 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 Washington credit unions.

Consider this:

Financing a \$25,000 new automobile for 60 months at a Washington credit union will save members an average \$210 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.

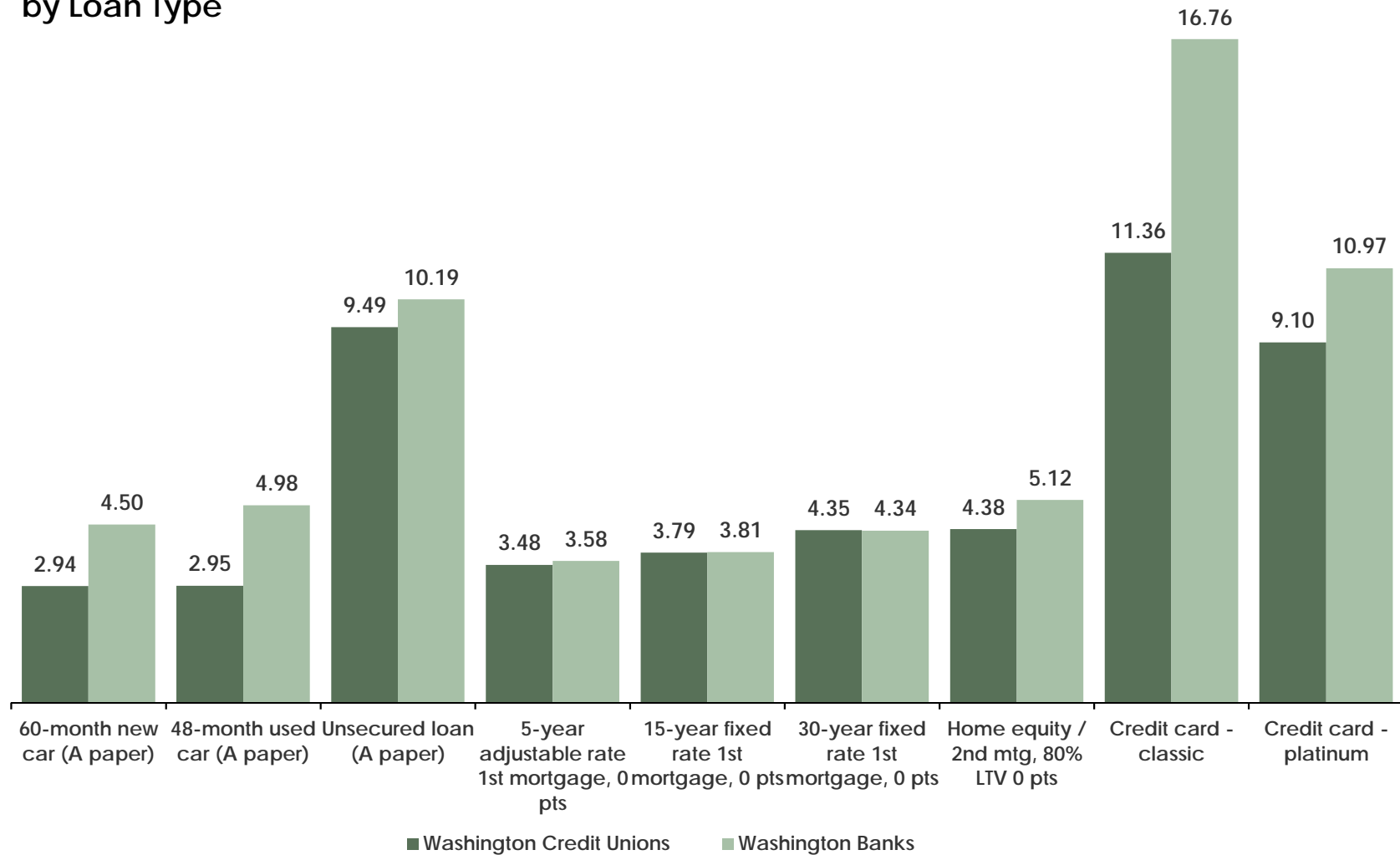
Washington credit unions excel in providing member benefits on many loan and savings products. In particular, Washington credit unions offer lower average loan rates on the following accounts: new car loans, used car loans, personal unsecured loans, first mortgage-fixed rate, first mortgage-adjustable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

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



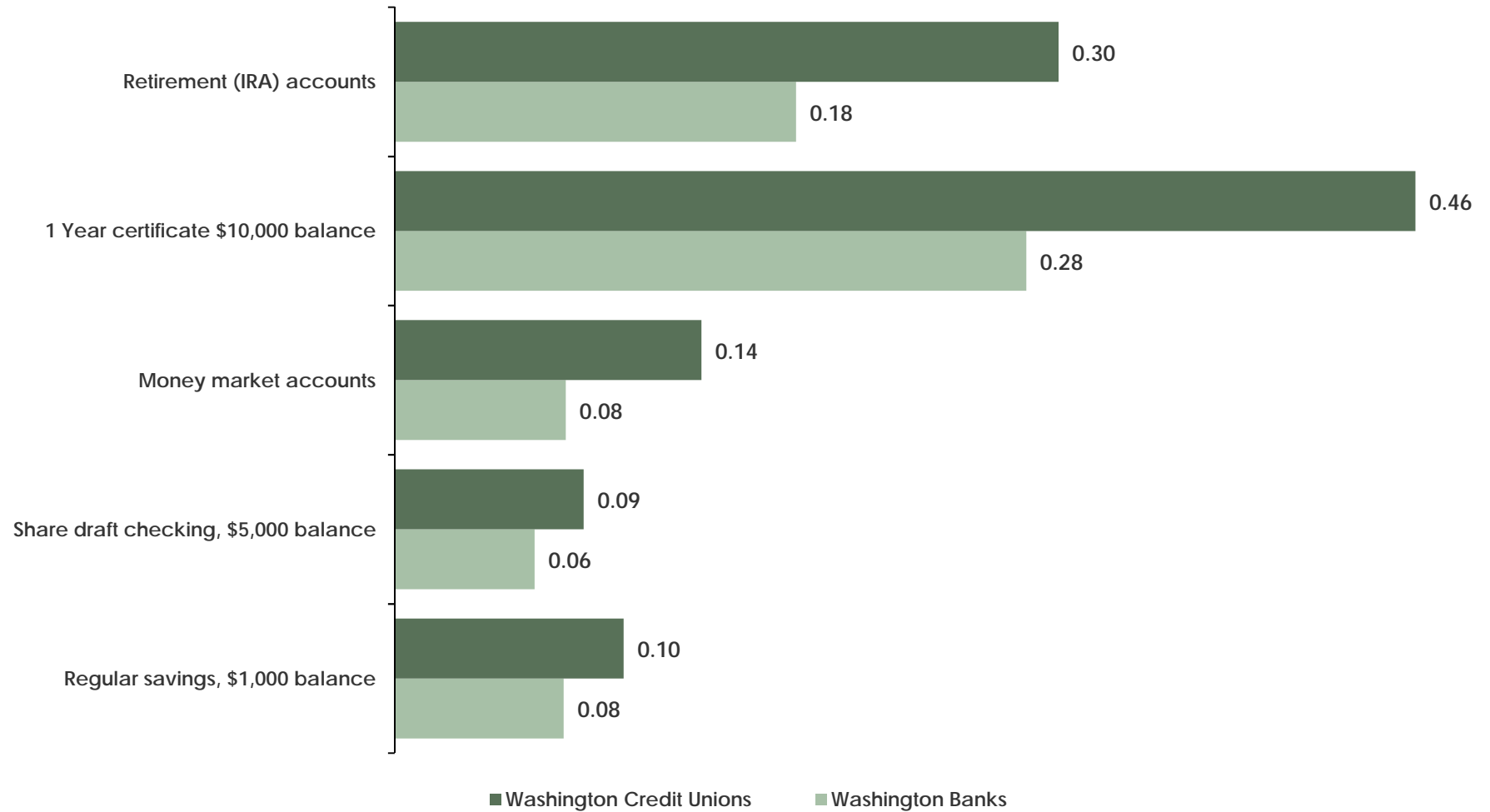
Loan Product Comparative Interest Rates (%)

by Loan Type



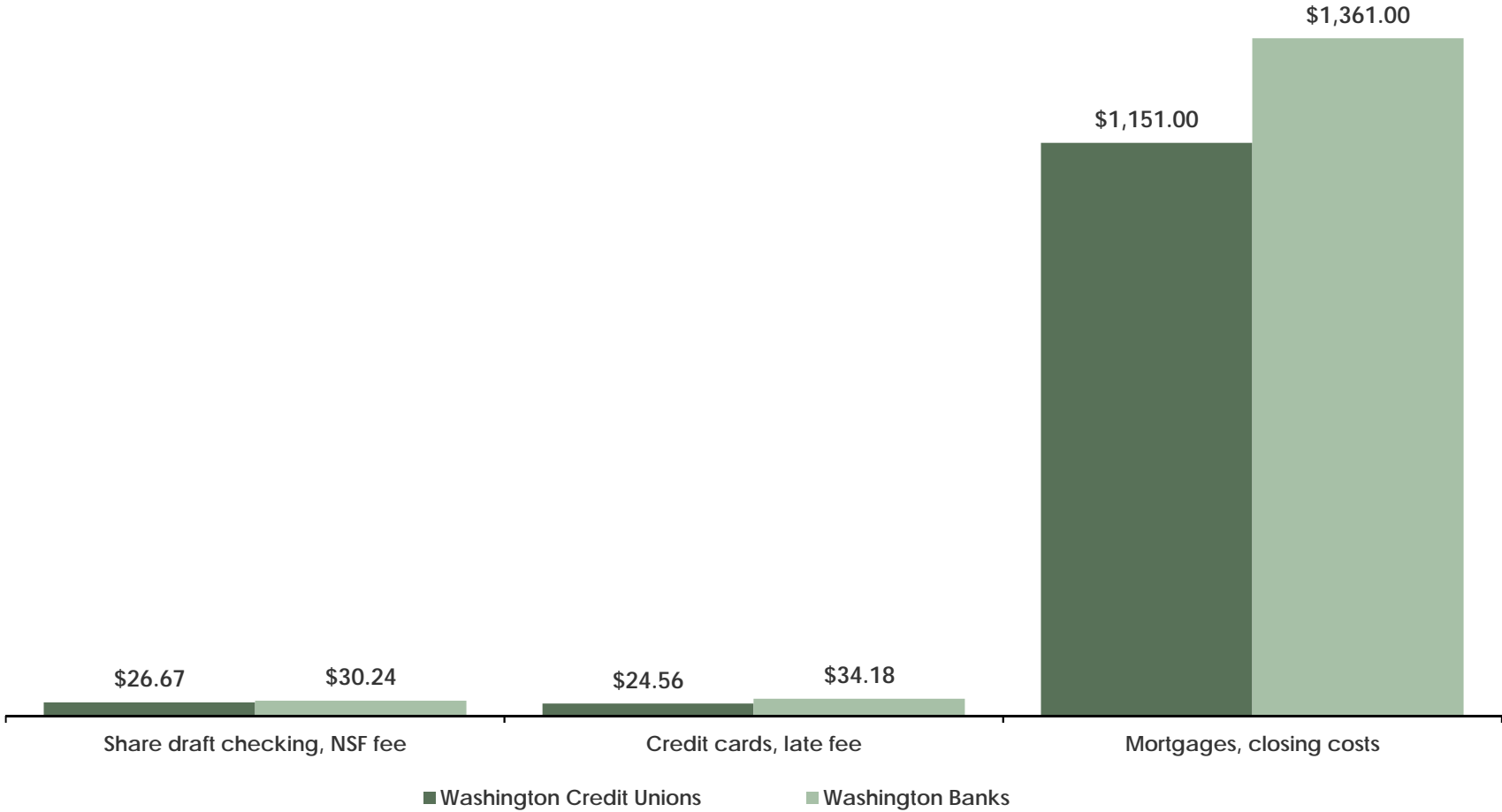
Savings Product Comparative Interest Rates (%)

by Savings Account Type



Comparative Fees

by Type



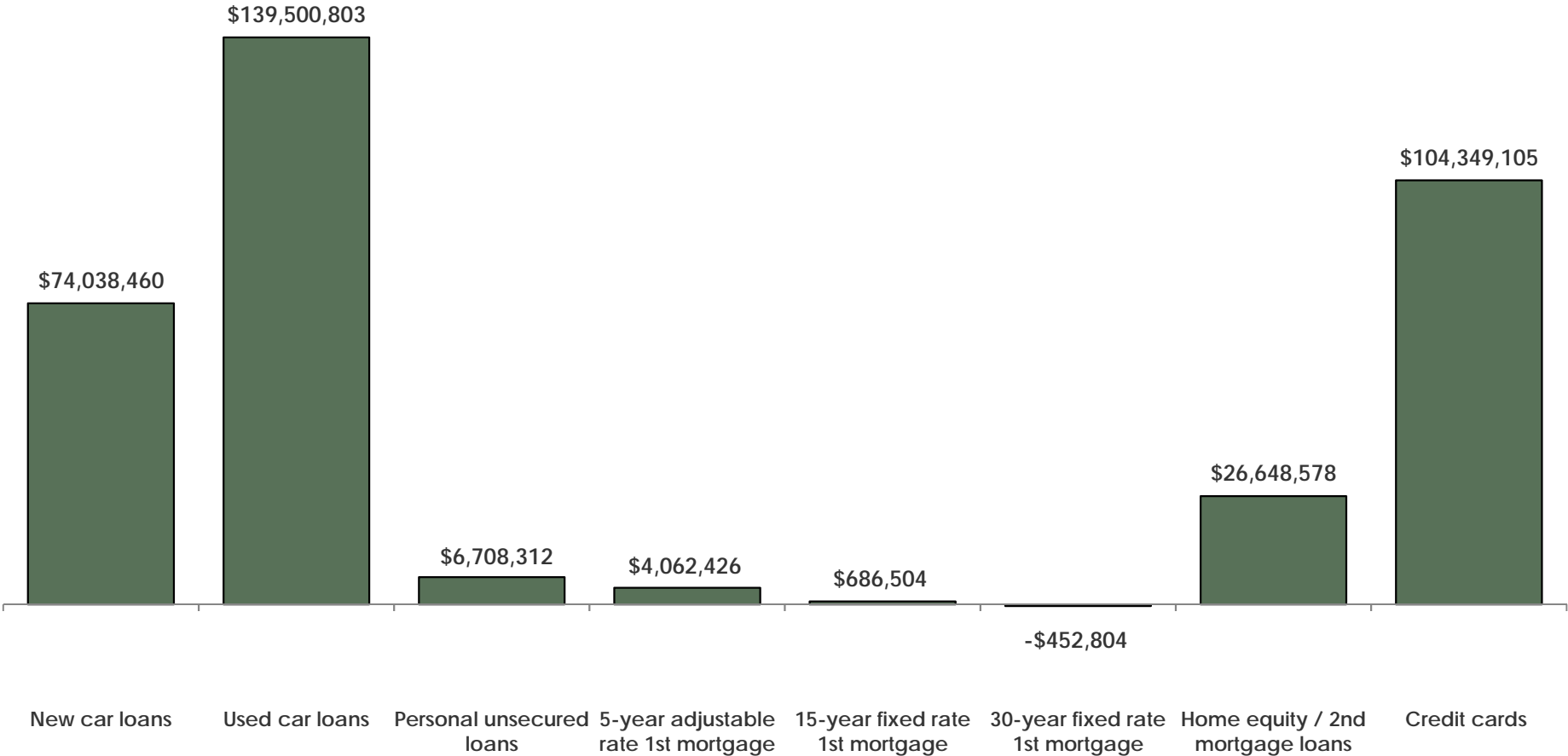
Washington Credit Union and Banking Institution June 2017 Average Interest Rates and Fees

Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	2.94	4.50	-1.56
48-month used car (A paper)	2.95	4.98	-2.03
Unsecured loan (A paper)	9.49	10.19	-0.70
5-year adjustable rate 1st mortgage, 0 pts	3.48	3.58	-0.10
15-year fixed rate 1st mortgage, 0 pts	3.79	3.81	-0.02
30-year fixed rate 1st mortgage, 0 pts	4.35	4.34	0.01
Home equity / 2nd mtg, 80% LTV 0 pts	4.38	5.12	-0.74
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	0.10	0.08	0.03
Share draft checking, \$5,000 balance	0.09	0.06	0.02
Money market accounts	0.14	0.08	0.06
1 Year certificate \$10,000 balance	0.46	0.28	0.18
Retirement (IRA) accounts	0.30	0.18	0.12
Fee Income			
Share draft checking, NSF fee	\$26.67	\$30.24	-\$3.57
Credit cards, late fee	\$24.56	\$34.18	-\$9.62
Mortgages, closing costs	\$1,151.00	\$1,361.00	-\$210.00

Source: Datatrac

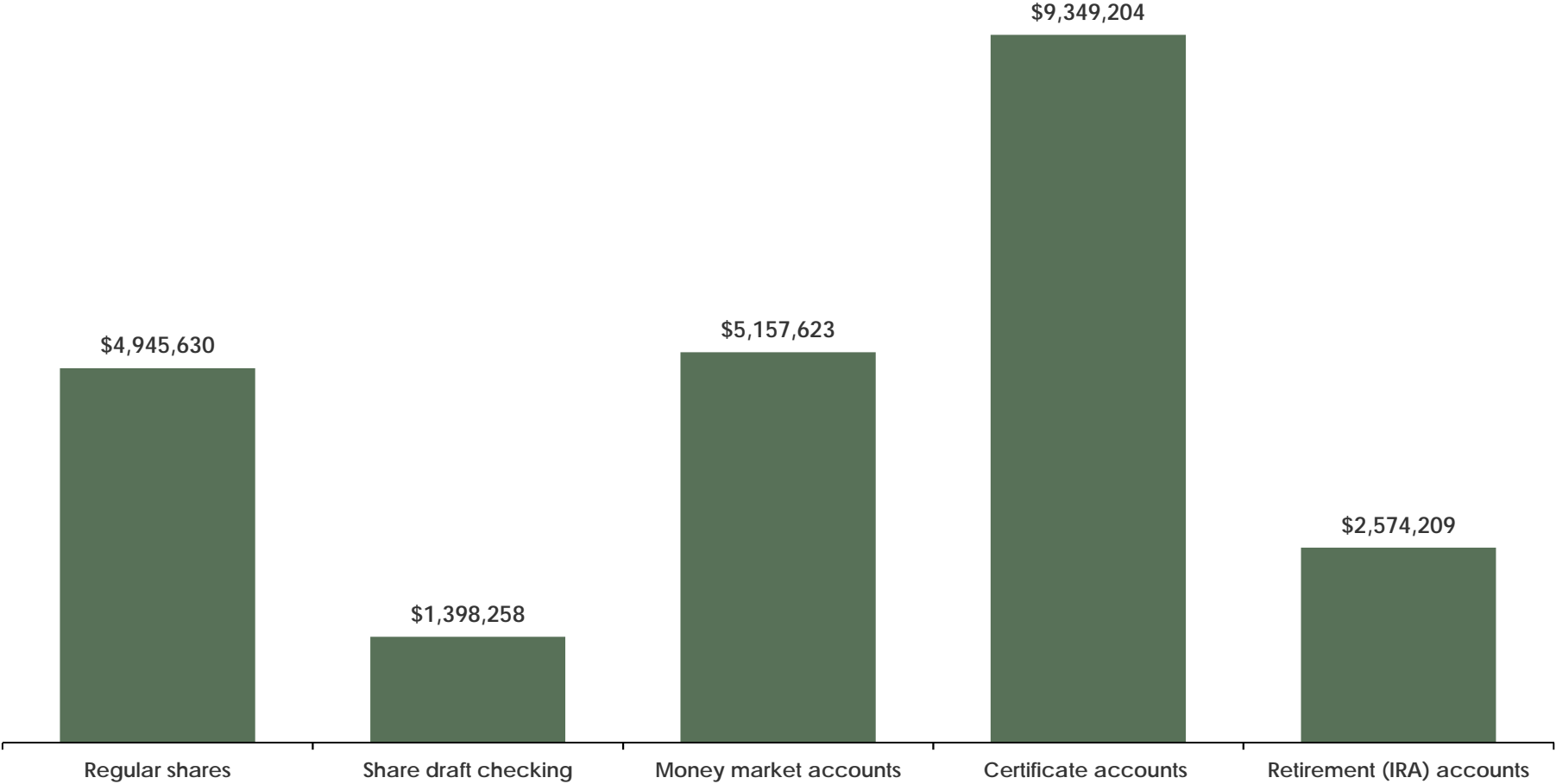
State Credit Union's Total Loan Rate Benefits

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 Washington Credit Unions June 2017

Loans	Avg. Balance at Credit Unions (1)	Rate Difference vs. Washington Banks (%) (2)	Total Financial Benefit to Your Members
New car loans	4,755,199,734	-1.56	\$74,038,460
Used car loans	6,861,820,138	-2.03	\$139,500,803
Personal unsecured loans	954,240,719	-0.70	\$6,708,312
5-year adjustable rate 1st mortgage	4,145,332,443	-0.10	\$4,062,426
15-year fixed rate 1st mortgage	3,813,913,488	-0.02	\$686,504
30-year fixed rate 1st mortgage	4,116,398,321	0.01	-\$452,804
Home equity / 2nd mortgage loans	3,601,159,202	-0.74	\$26,648,578
Credit cards	2,309,886,111	-5.40	\$104,349,105
Interest rebates			\$6,078
Total CU member benefits arising from lower interest rates on loan products:			\$355,547,463
<i>Savings</i>			
Regular shares	18,317,147,235	0.03	\$4,945,630
Share draft checking	6,355,718,343	0.02	\$1,398,258
Money market accounts	8,455,119,012	0.06	\$5,157,623
Certificate accounts	5,342,402,504	0.18	\$9,349,204
Retirement (IRA) accounts	2,181,532,963	0.12	\$2,574,209
Bonus dividends in period			\$0
Total CU member benefit arising from higher interest rates on savings products:			\$23,424,924
<i>Fee Income</i>			
Total CU member benefit arising from fewer / lower fees:			\$49,027,778
Total CU member benefit arising from interest rates on loans, savings products and lower fees:			\$428,000,165
Total CU member benefit / member:			\$120
Total CU member benefit / member household:			\$229

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

Washington Credit Union Performance Profile

Demographic Information	Jun 17	Jun 16
Number of branches	521	508
Total assets (\$ mil)	49,772	45,007
Total loans (\$ mil)	35,686	31,731
Total surplus funds (\$ mil)	11,695	11,161
Total savings (\$ mil)	43,168	38,765
Total members (thousands)	3,650	3,462
Growth Rates (Trailing 12 months) *		
Total assets	10.6 %	10.5 %
Total loans	12.5 %	13.6 %
Total surplus funds	4.8 %	2.5 %
Total savings	11.4 %	10.1 %
Total members	5.5 %	5.2 %
Earnings - Basis Pts. *		
Yield on total assets	343	339
Dividend / interest cost of assets	35	34
Fee & other income	132	138
Operating expense	311	309
Loss Provisions	36	32
Net Income (ROA) after stabilization exp	94	102
Capital Adequacy		
Net worth / assets	10.8	10.9
Asset Quality *		
Delinquencies / loans	0.3	0.4
Net chargeoffs / average loans	0.4	0.4
Total borrower-bankruptcies	33	34
Bankruptcies per 1000 members	0.8	0.9
Asset/Liability Management		
Loans / savings	82.7	81.9
Loans / assets	71.7	70.5
Long-term assets / assets	35.5	32.9
Core deposits/shares & borrowings	60.2	58.6
Productivity		
Members / potential members	2.6	2.8
Borrowers / members	63.0	62.7
Members / FTE	384	388
Average shares / members (\$)	11,827	11,197
Average loan balances (\$)	15,532	14,628
Salary & Benefits / FTE	82,157	77,710

* 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.