

CUNA California
**MEMBERSHIP BENEFITS
REPORT**

California

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 California credit unions provided \$1,715,385,294 in direct financial benefits to the state's 11,897,223 members during the twelve months ending December 2018.

These benefits are equivalent to \$144 per member or \$303 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 California 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 California credit unions.

Consider this:

Financing a \$25,000 new automobile for 60 months at a California credit union will save members an average \$240 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.

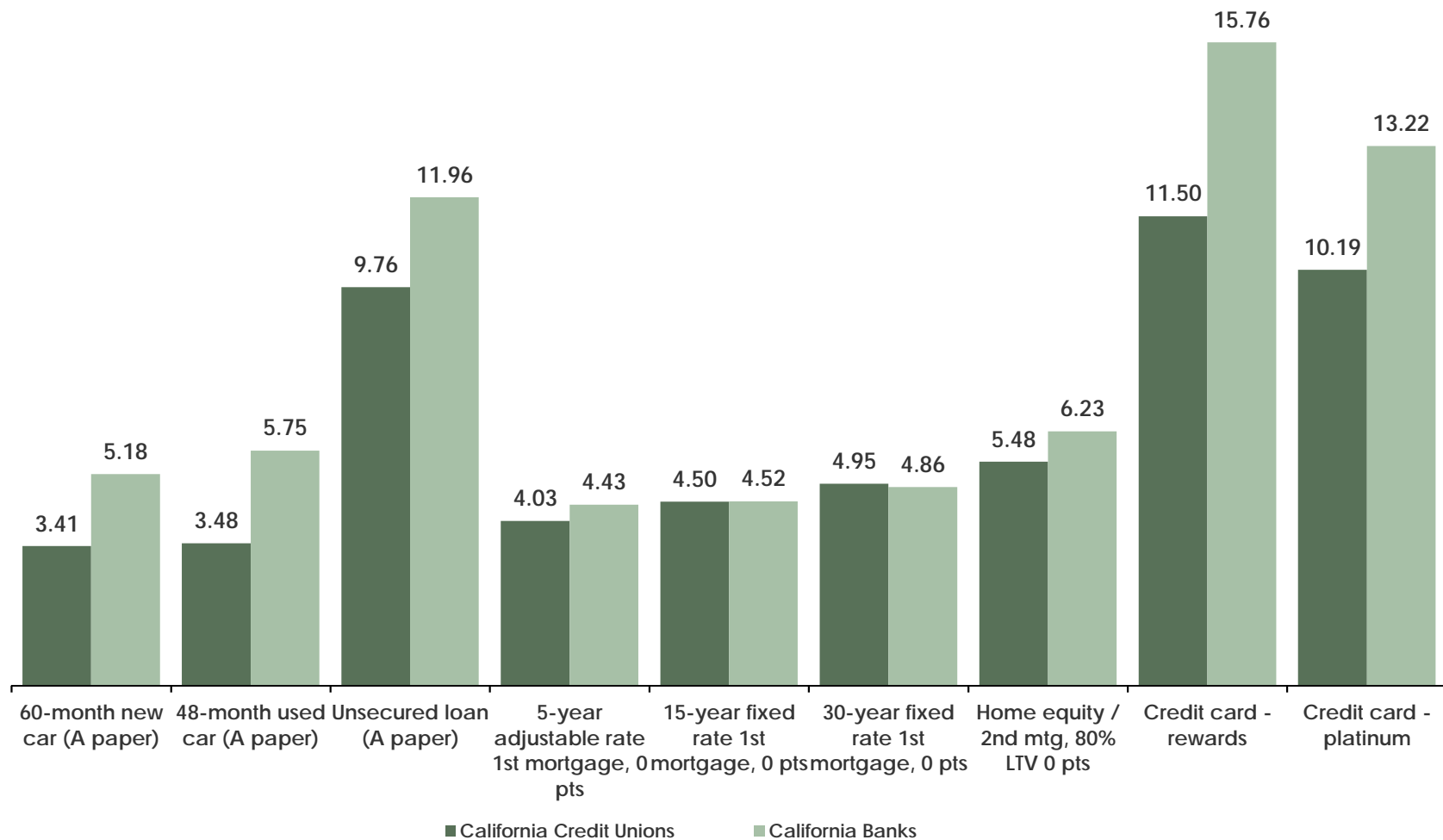
California credit unions excel in providing member benefits on many loan and savings products. In particular, California credit unions offer lower average loan rates on the following accounts: new car loans, used car loans, personal unsecured loans, first mortgage-adjustable rate, home equity loans,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

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



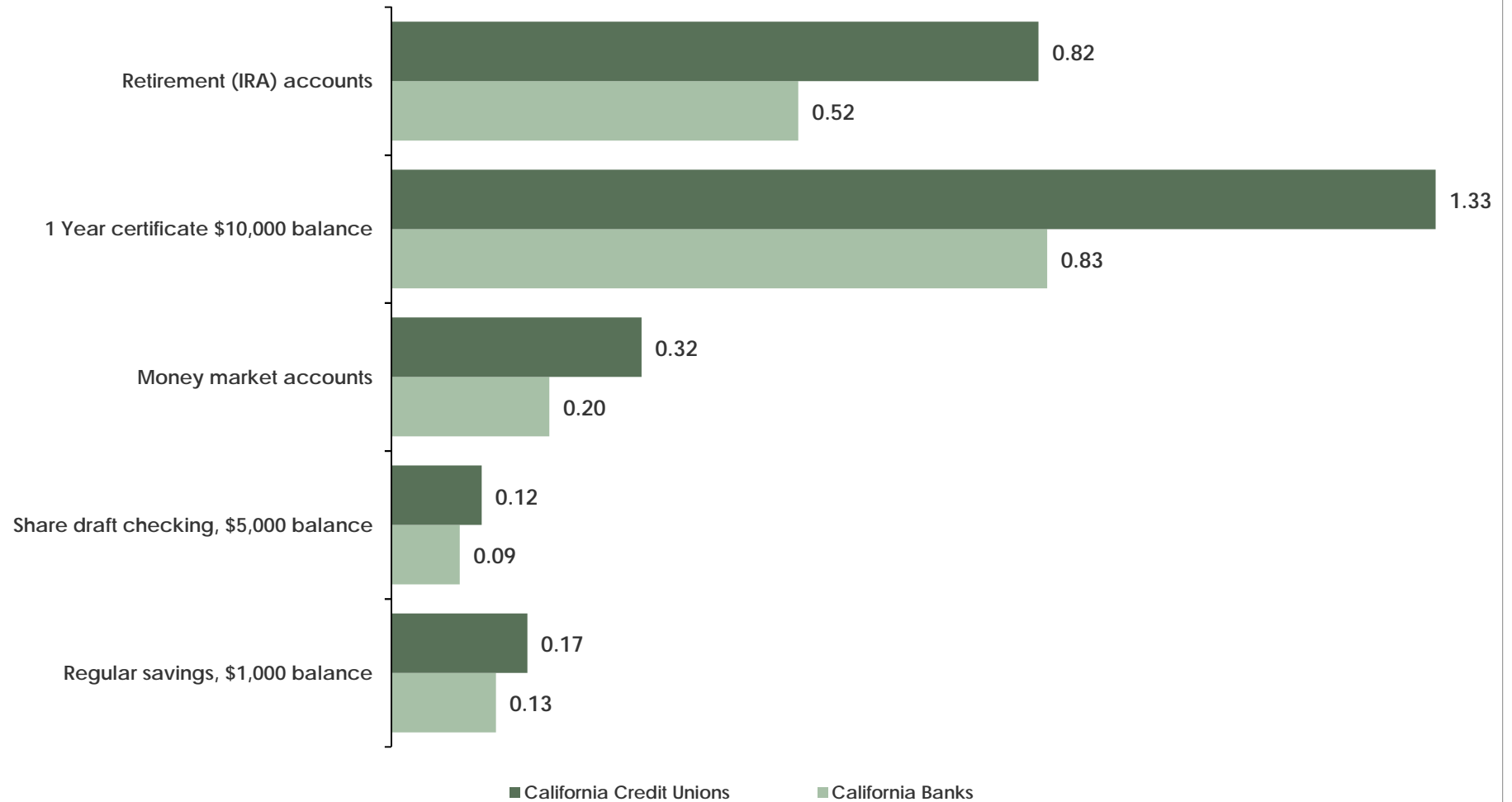
Loan Product Comparative Interest Rates (%)

by Loan Type



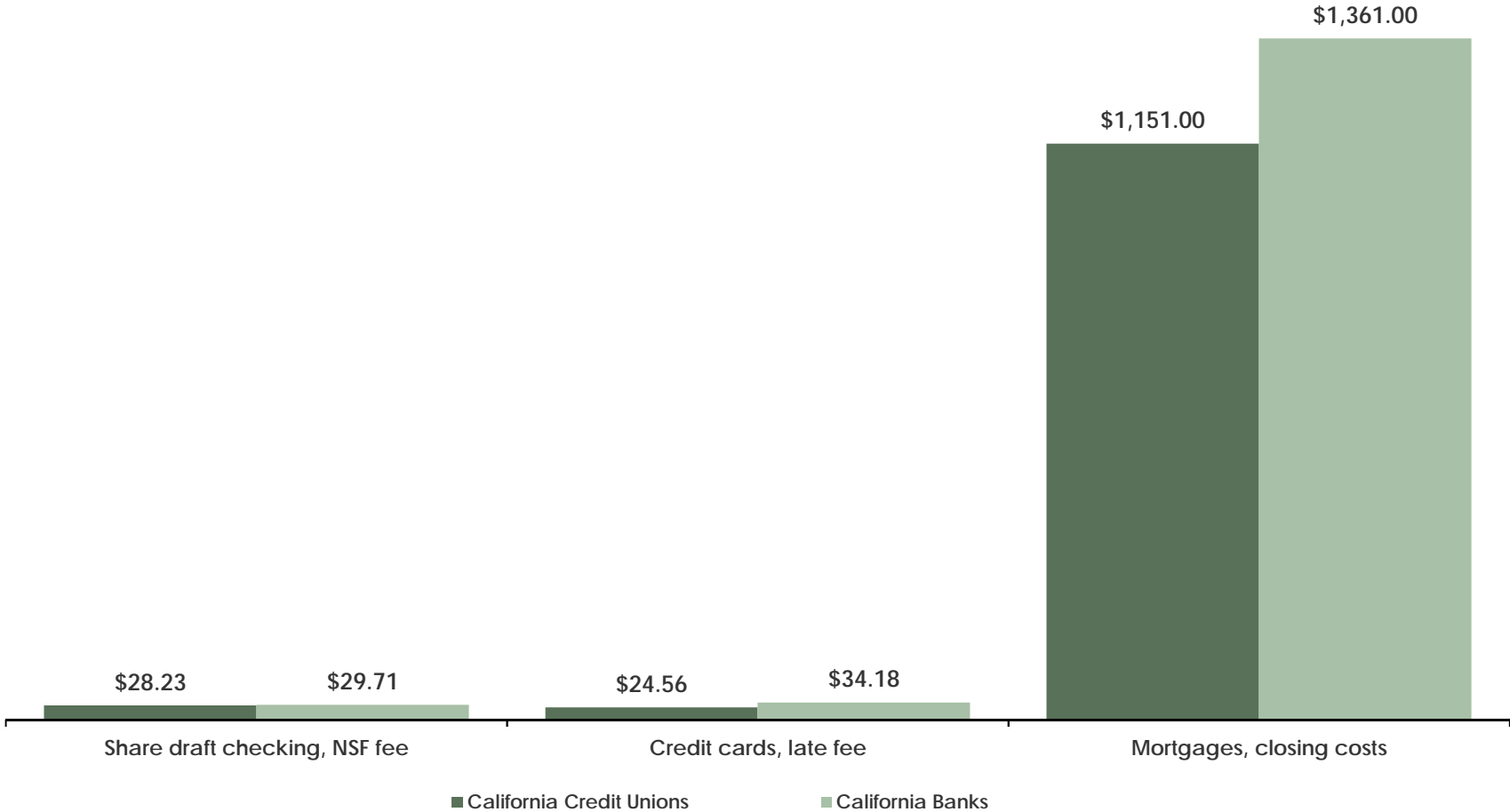
Savings Product Comparative Interest Rates (%)

by Savings Account Type



Comparative Fees

by Type



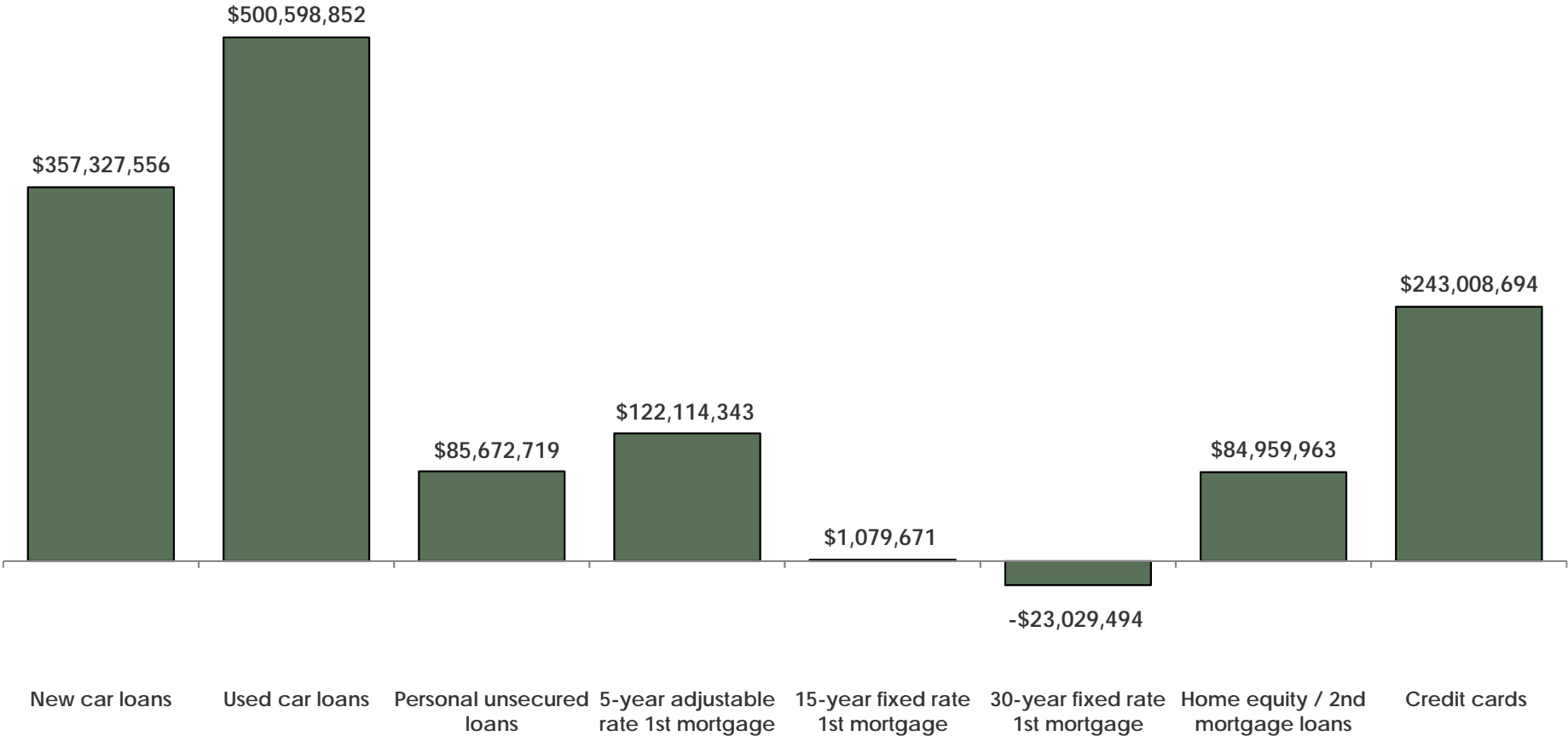
California Credit Union and Banking Institution December 2018 Average Interest Rates and Fees

Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	3.41	5.18	-1.77
48-month used car (A paper)	3.48	5.75	-2.27
Unsecured loan (A paper)	9.76	11.96	-2.20
5-year adjustable rate 1st mortgage, 0 pts	4.03	4.43	-0.40
15-year fixed rate 1st mortgage, 0 pts	4.50	4.52	-0.01
30-year fixed rate 1st mortgage, 0 pts	4.95	4.86	0.09
Home equity / 2nd mtg, 80% LTV 0 pts	5.48	6.23	-0.75
Credit card - rewards	11.50	15.76	-4.26
Credit card - platinum	10.19	13.22	-3.03
Savings Products			
Regular savings, \$1,000 balance	0.17	0.13	0.04
Share draft checking, \$5,000 balance	0.12	0.09	0.03
Money market accounts	0.32	0.20	0.12
1 Year certificate \$10,000 balance	1.33	0.83	0.49
Retirement (IRA) accounts	0.82	0.52	0.31
Fee Income			
Share draft checking, NSF fee	\$28.23	\$29.71	-\$1.48
Credit cards, late fee	\$24.56	\$34.18	-\$9.62
Mortgages, closing costs	\$1,151.00	\$1,361.00	-\$210.00

Source: Datatrac

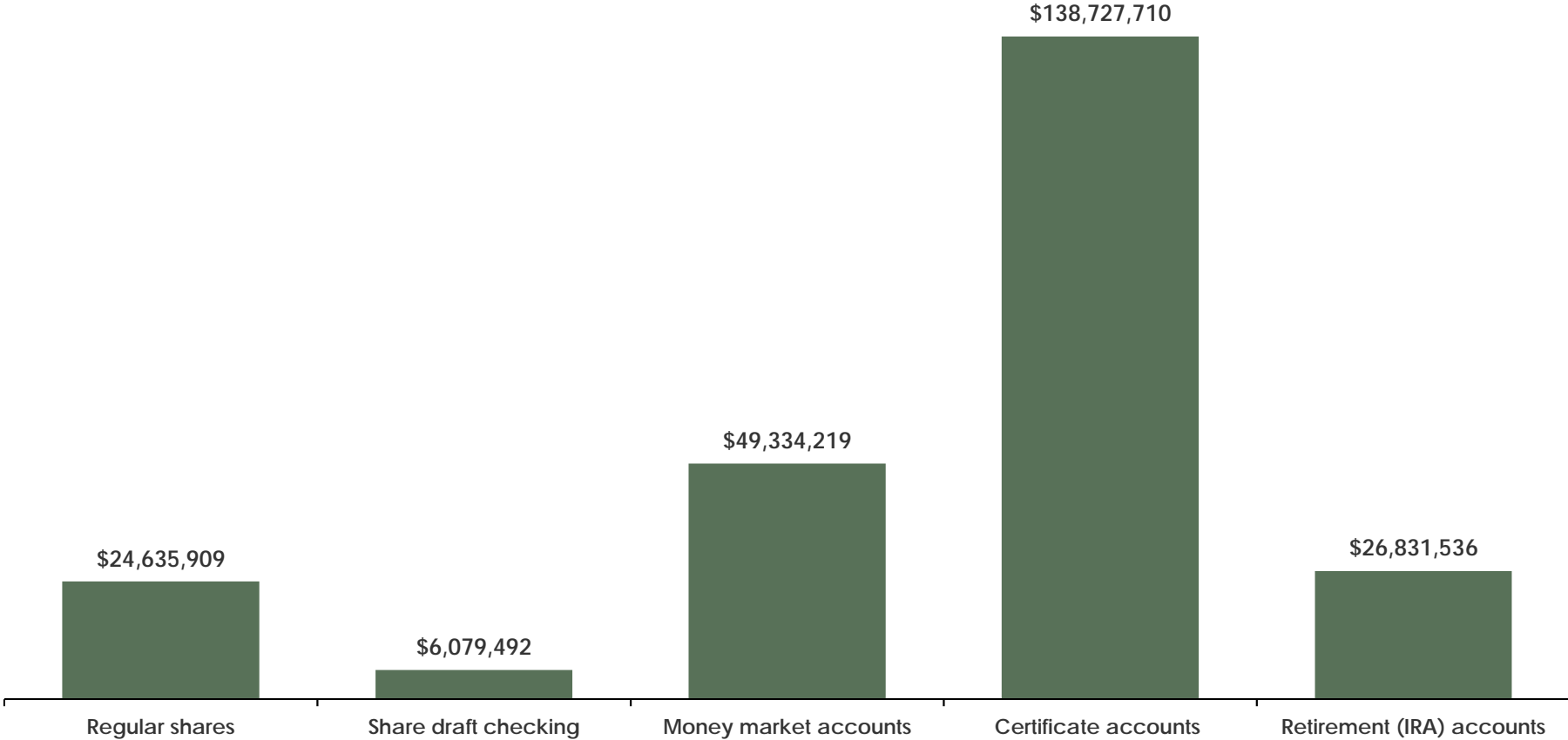
State Credit Union's Total Loan Rate Benefits

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 California Credit Unions December 2018

Loans	Avg. Balance at Credit Unions (1)	Rate Difference vs. California Banks (%) (2)	Total Financial Benefit to Your Members
New car loans	20,233,723,464	-1.77	\$357,327,556
Used car loans	22,052,812,861	-2.27	\$500,598,852
Personal unsecured loans	3,890,677,532	-2.20	\$85,672,719
5-year adjustable rate 1st mortgage	30,301,325,719	-0.40	\$122,114,343
15-year fixed rate 1st mortgage	8,305,162,948	-0.01	\$1,079,671
30-year fixed rate 1st mortgage	26,778,481,422	0.09	-\$23,029,494
Home equity / 2nd mortgage loans	11,358,283,775	-0.75	\$84,959,963
Credit cards	6,150,950,921	-4.26	\$243,008,694
Interest rebates			\$1,176,063
Total CU member benefits arising from lower interest rates on loan products:			\$1,372,908,367
Savings			
Regular shares	61,589,772,797	0.04	\$24,635,909
Share draft checking	21,712,470,772	0.03	\$6,079,492
Money market accounts	42,165,999,276	0.12	\$49,334,219
Certificate accounts	28,139,494,830	0.49	\$138,727,710
Retirement (IRA) accounts	8,797,224,755	0.31	\$26,831,536
Bonus dividends in period			\$0
Total CU member benefit arising from higher interest rates on savings products:			\$245,608,865
Fee Income			
Total CU member benefit arising from fewer / lower fees:			\$96,868,063
Total CU member benefit arising from interest rates on loans, savings products and lower fees:			\$1,715,385,294
Total CU member benefit / member:			\$144
Total CU member benefit / member household:			\$303

Source: Datatrac, NCUA, and CUNA

(1) Average balance as of December 2018 and December 2017, according to the NCUA call report.; (2) Source for rates and fees: Datatrac;

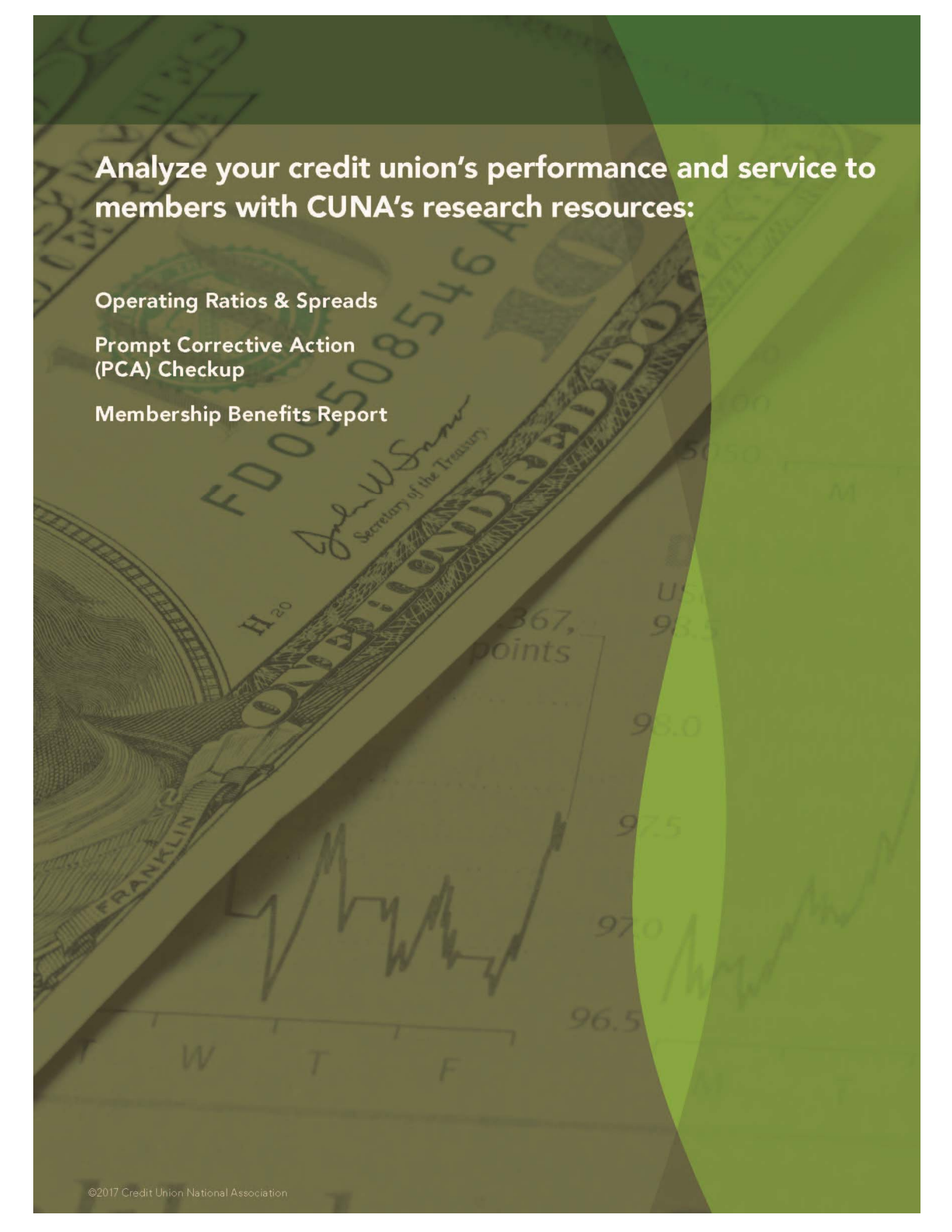
Membership Benefits Report

CUNA Economics and Statistics

California Credit Union Performance Profile

Demographic Information	Dec 18	Dec 17
Number of branches	1,616	1,602
Total assets (\$ mil)	199,436	189,655
Total loans (\$ mil)	139,678	126,644
Total surplus funds (\$ mil)	52,279	56,118
Total savings (\$ mil)	168,404	160,616
Total members (thousands)	12,219	11,585
Growth Rates (Trailing 12 months) *		
Total assets	5.2 %	8.7 %
Total loans	10.3 %	13.8 %
Total surplus funds	-6.7 %	-1.6 %
Total savings	4.9 %	8.2 %
Total members	5.6 %	7.0 %
Earnings - Basis Pts. *		
Yield on total assets	345	324
Dividend / interest cost of assets	60	52
Fee & other income	107	105
Operating expense	274	270
Loss Provisions	28	26
Net Income (ROA) after stabilization exp	89	80
Capital Adequacy		
Net worth / assets	11.4	11.0
Asset Quality *		
Delinquencies / loans	0.4	0.5
Net chargeoffs / average loans	0.4	0.3
Total borrower-bankruptcies	43	41
Bankruptcies per 1000 members	1.1	1.1
Asset/Liability Management		
Loans / savings	82.9	78.8
Loans / assets	70.0	66.8
Long-term assets / assets	37.2	36.9
Core deposits/shares & borrowings	49.8	49.9
Productivity		
Members / potential members	3.5	3.6
Borrowers / members	56.0	55.3
Members / FTE	399	396
Average shares / members (\$)	13,782	13,865
Average loan balances (\$)	20,427	19,784
Salary & Benefits / FTE	90,770	88,247

* 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.



Analyze your credit union's performance and service to members with CUNA's research resources:

Operating Ratios & Spreads

Prompt Corrective Action
(PCA) Checkup

Membership Benefits Report