

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 \$259,992,492 in direct financial benefits to the state's 1,919,614 members during the twelve months ending December 2018.

**These benefits are equivalent to \$135 per member or \$284 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 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 \$202 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.

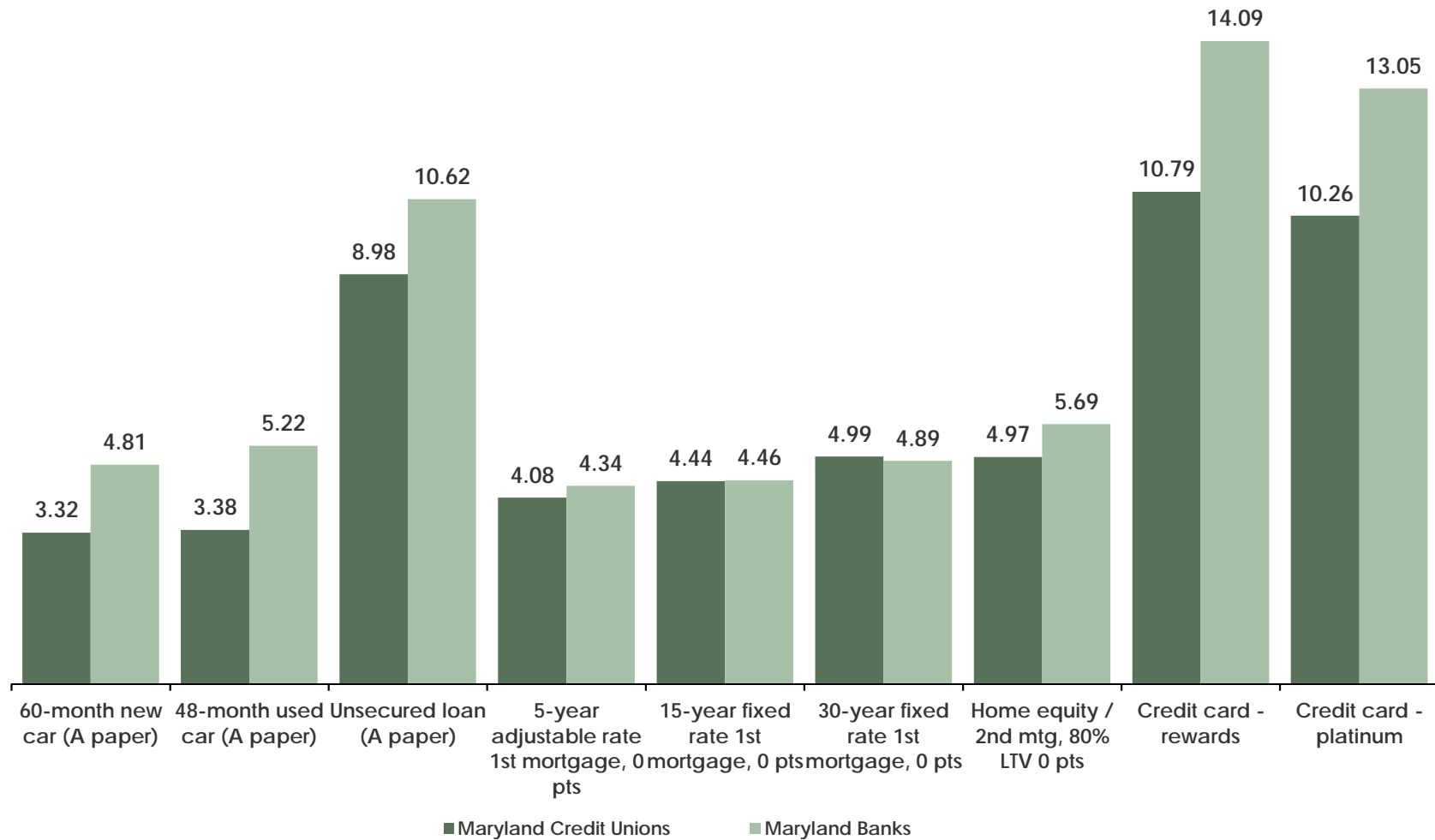
Maryland credit unions excel in providing member benefits on many loan and savings products. In particular, Maryland credit unions offer lower average loan rates on the following accounts: new car loans, used car loans, personal unsecured loans, first mortgage-adjustable rate, home equity loans, credit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



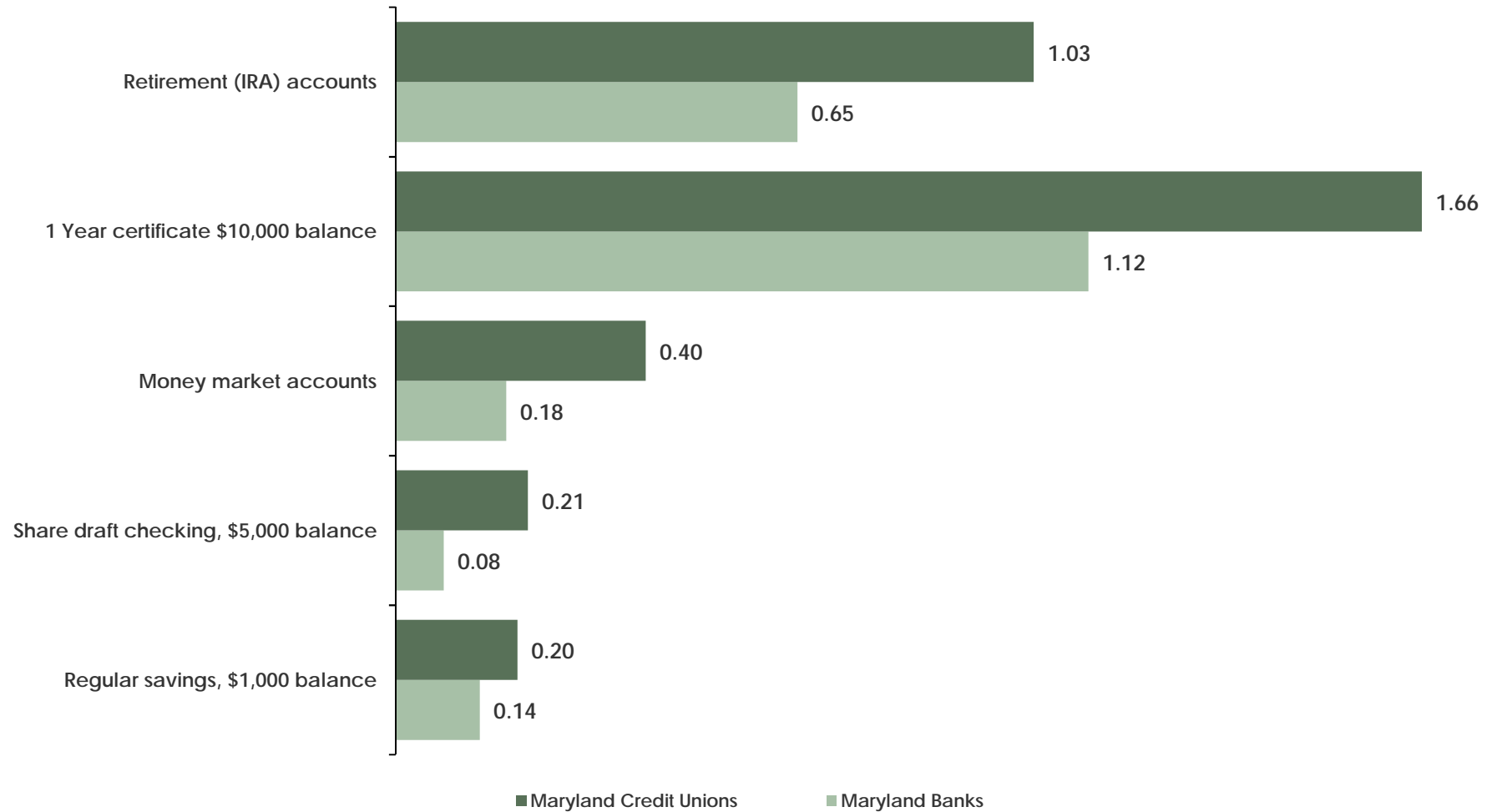
## Loan Product Comparative Interest Rates (%)

by Loan Type



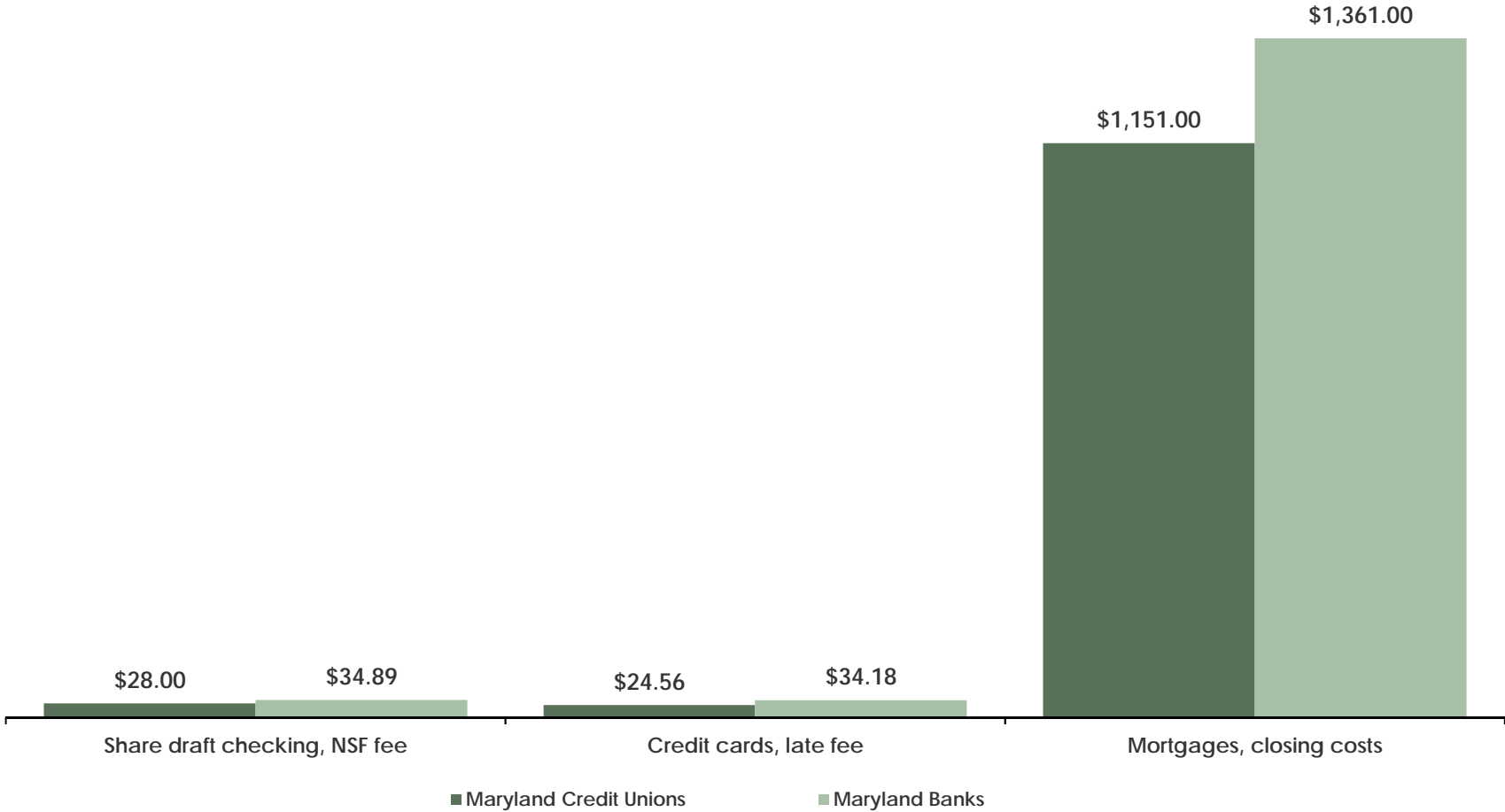
## Savings Product Comparative Interest Rates (%)

### by Savings Account Type



### Comparative Fees

by Type



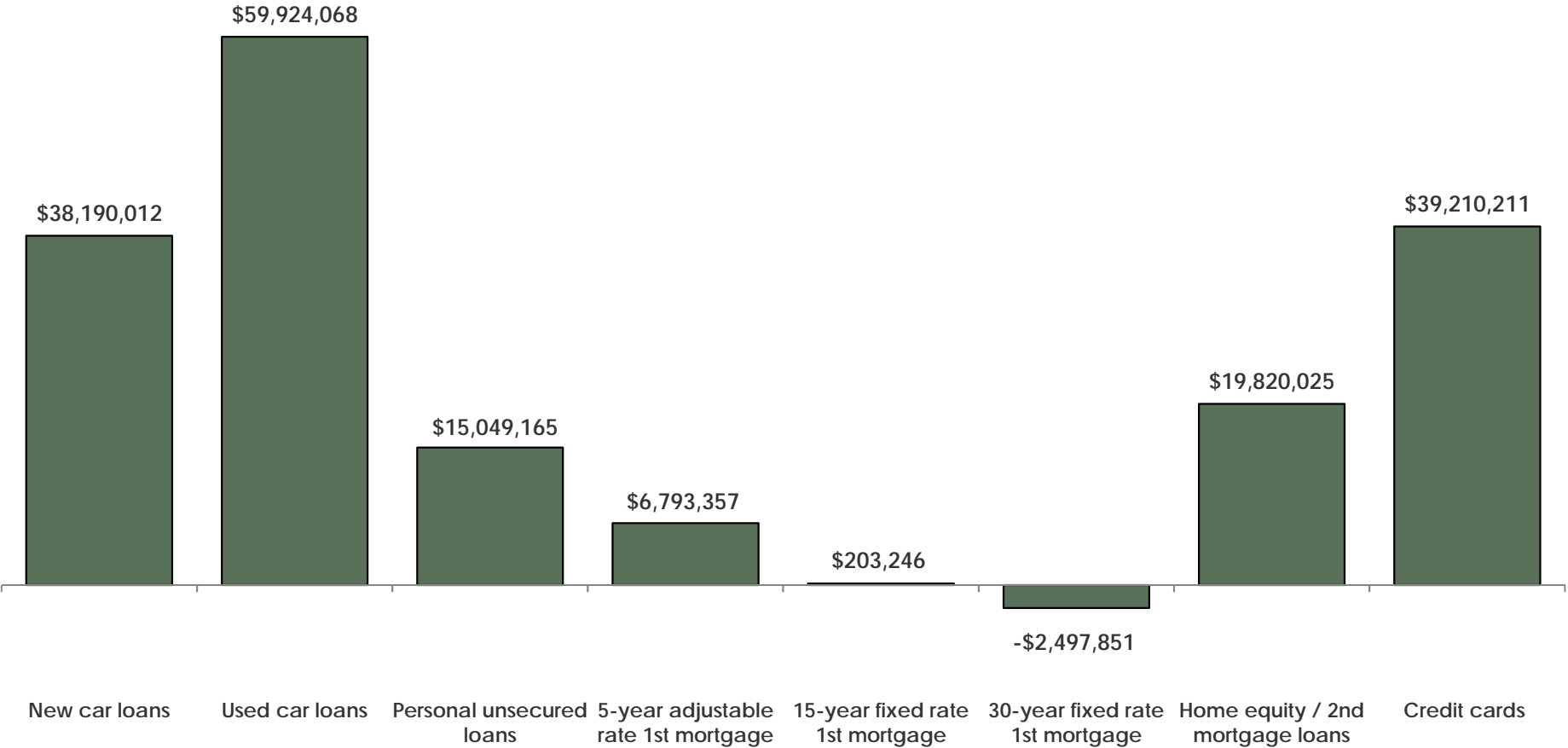
## Maryland Credit Union and Banking Institution December 2018 Average Interest Rates and Fees

Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	3.32	4.81	-1.49
48-month used car (A paper)	3.38	5.22	-1.84
Unsecured loan (A paper)	8.98	10.62	-1.65
5-year adjustable rate 1st mortgage, 0 pts	4.08	4.34	-0.26
15-year fixed rate 1st mortgage, 0 pts	4.44	4.46	-0.02
30-year fixed rate 1st mortgage, 0 pts	4.99	4.89	0.10
Home equity / 2nd mtg, 80% LTV 0 pts	4.97	5.69	-0.72
Credit card - rewards	10.79	14.09	-3.30
Credit card - platinum	10.26	13.05	-2.79
Savings Products			
Regular savings, \$1,000 balance	0.20	0.14	0.06
Share draft checking, \$5,000 balance	0.21	0.08	0.14
Money market accounts	0.40	0.18	0.23
1 Year certificate \$10,000 balance	1.66	1.12	0.54
Retirement (IRA) accounts	1.03	0.65	0.38
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

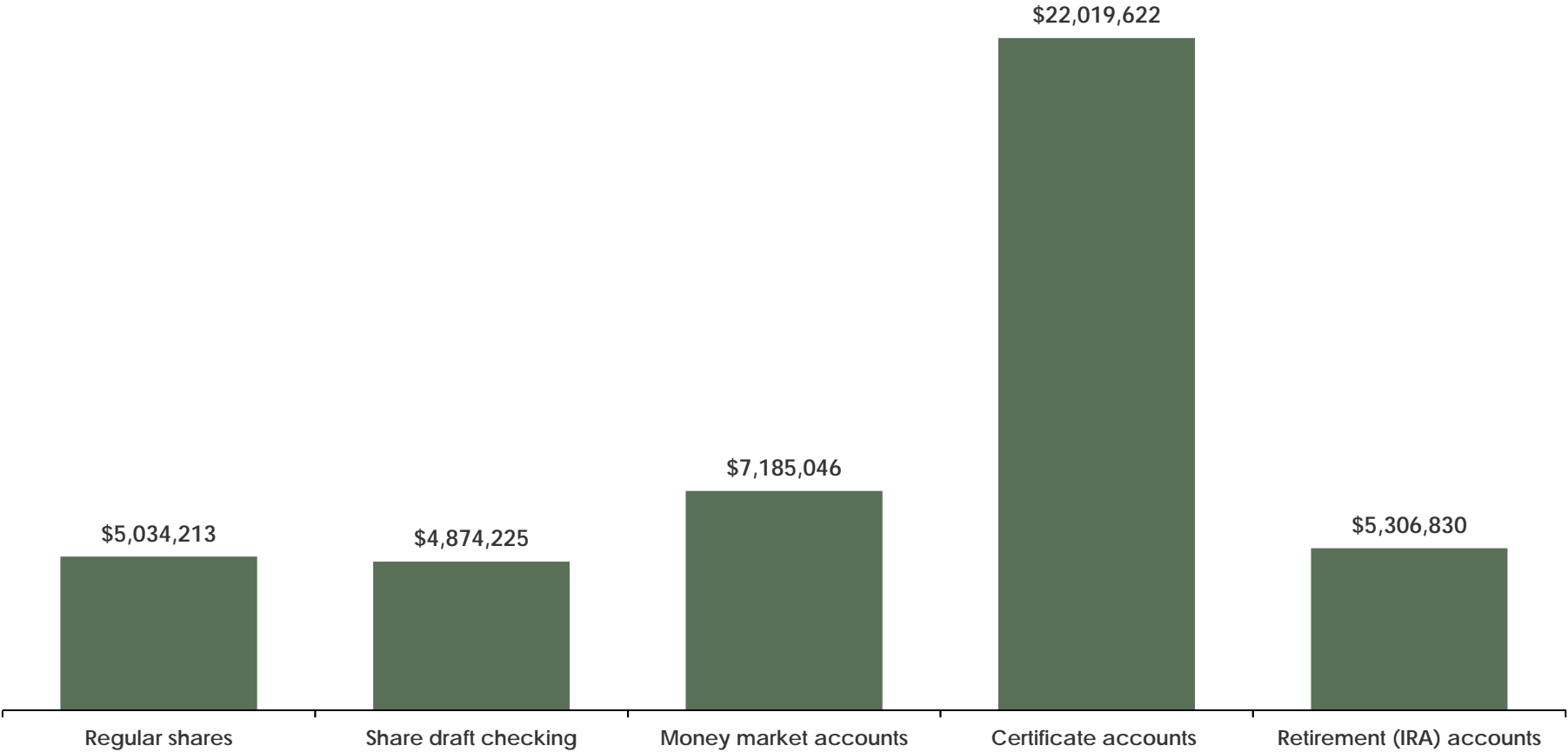
### State Credit Union's Total Loan Rate Benefits

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 December 2018

Loans	Avg. Balance at Credit Unions (1)	Rate Difference vs. Maryland Banks (%) (2)	Total Financial Benefit to Your Members
New car loans	2,563,088,076	-1.49	\$38,190,012
Used car loans	3,254,973,821	-1.84	\$59,924,068
Personal unsecured loans	914,842,887	-1.65	\$15,049,165
5-year adjustable rate 1st mortgage	2,612,829,599	-0.26	\$6,793,357
15-year fixed rate 1st mortgage	1,195,562,507	-0.02	\$203,246
30-year fixed rate 1st mortgage	2,523,081,587	0.10	-\$2,497,851
Home equity / 2nd mortgage loans	2,737,572,558	-0.72	\$19,820,025
Credit cards	1,235,745,702	-3.30	\$39,210,211
Interest rebates			\$485,247
<b>Total CU member benefits arising from lower interest rates on loan products:</b>			<b>\$177,177,481</b>
<i>Savings</i>			
Regular shares	8,252,807,389	0.06	\$5,034,213
Share draft checking	3,583,989,335	0.14	\$4,874,225
Money market accounts	3,193,353,807	0.23	\$7,185,046
Certificate accounts	4,092,866,612	0.54	\$22,019,622
Retirement (IRA) accounts	1,391,043,340	0.38	\$5,306,830
Bonus dividends in period			\$0
<b>Total CU member benefit arising from higher interest rates on savings products:</b>			<b>\$44,419,937</b>
<i>Fee Income</i>			
<b>Total CU member benefit arising from fewer / lower fees:</b>			<b>\$38,395,074</b>
<b>Total CU member benefit arising from interest rates on loans, savings products and lower fees:</b>			<b>\$259,992,492</b>
<b>Total CU member benefit / member:</b>			<b>\$135</b>
<b>Total CU member benefit / member household:</b>			<b>\$284</b>

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

## Maryland Credit Union Performance Profile

Demographic Information	Dec 18	Dec 17
Number of branches	312	308
Total assets (\$ mil)	25,093	23,630
Total loans (\$ mil)	18,339	16,709
Total surplus funds (\$ mil)	5,746	5,978
Total savings (\$ mil)	21,685	20,394
Total members (thousands)	1,944	1,881
Growth Rates (Trailing 12 months) *		
Total assets	5.8 %	3.6 %
Total loans	9.5 %	10.3 %
Total surplus funds	-4.6 %	-11.7 %
Total savings	5.9 %	4.1 %
Total members	2.6 %	2.7 %
Earnings - Basis Pts. *		
Yield on total assets	384	347
Dividend / interest cost of assets	64	48
Fee & other income	128	124
Operating expense	323	320
Loss Provisions	51	53
Net Income (ROA) after stabilization exp	74	50
Capital Adequacy		
Net worth / assets	11.1	11.0
Asset Quality *		
Delinquencies / loans	0.8	1.0
Net chargeoffs / average loans	0.6	0.6
Total borrower-bankruptcies	45	43
Bankruptcies per 1000 members	1.9	1.9
Asset/Liability Management		
Loans / savings	84.6	81.9
Loans / assets	73.1	70.7
Long-term assets / assets	27.5	27.4
Core deposits/shares & borrowings	55.2	56.7
Productivity		
Members / potential members	9.6	9.6
Borrowers / members	61.5	59.6
Members / FTE	411	422
Average shares / members (\$)	11,155	10,843
Average loan balances (\$)	15,342	14,911
Salary & Benefits / FTE	82,681	82,108

\* 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.