

CUNA U.S.
**MEMBERSHIP BENEFITS
REPORT**

The Benefits of Credit Union Membership

Credit unions generally provide financial benefits to members through lower loan rates, higher saving rates, and fewer, lower fees than banking institutions.

The Credit Union National Association (CUNA) estimates that credit unions provided \$10,823,338,399 in direct financial benefits to the nation's 109,949,866 members during the twelve months ending December 2017.

These benefits are equivalent to \$98 per member or \$207 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.

Credit union per-member and per-household benefits 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 credit unions.

Consider this:

Financing a \$25,000 new automobile for 60 months at credit unions will save members an average \$178 per year in interest expense compared to what they would pay at a banking institution. That's approximately \$1,000 in savings over five years.

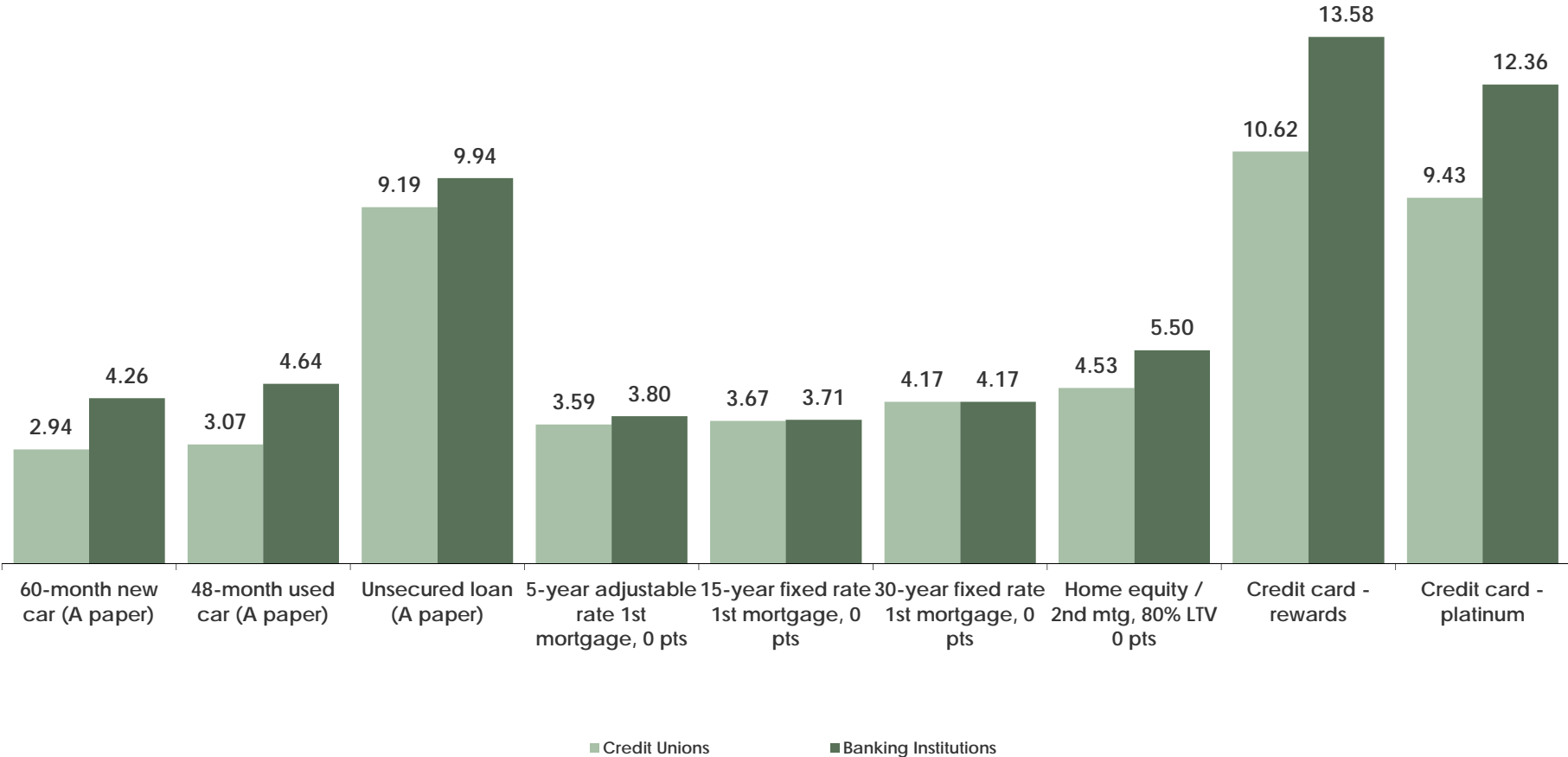
Further, loyal members - those who use the credit union extensively - often receive total financial benefits that are much greater than the average.

Credit unions excel in providing member benefits on many loan and saving products. In particular, 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**.



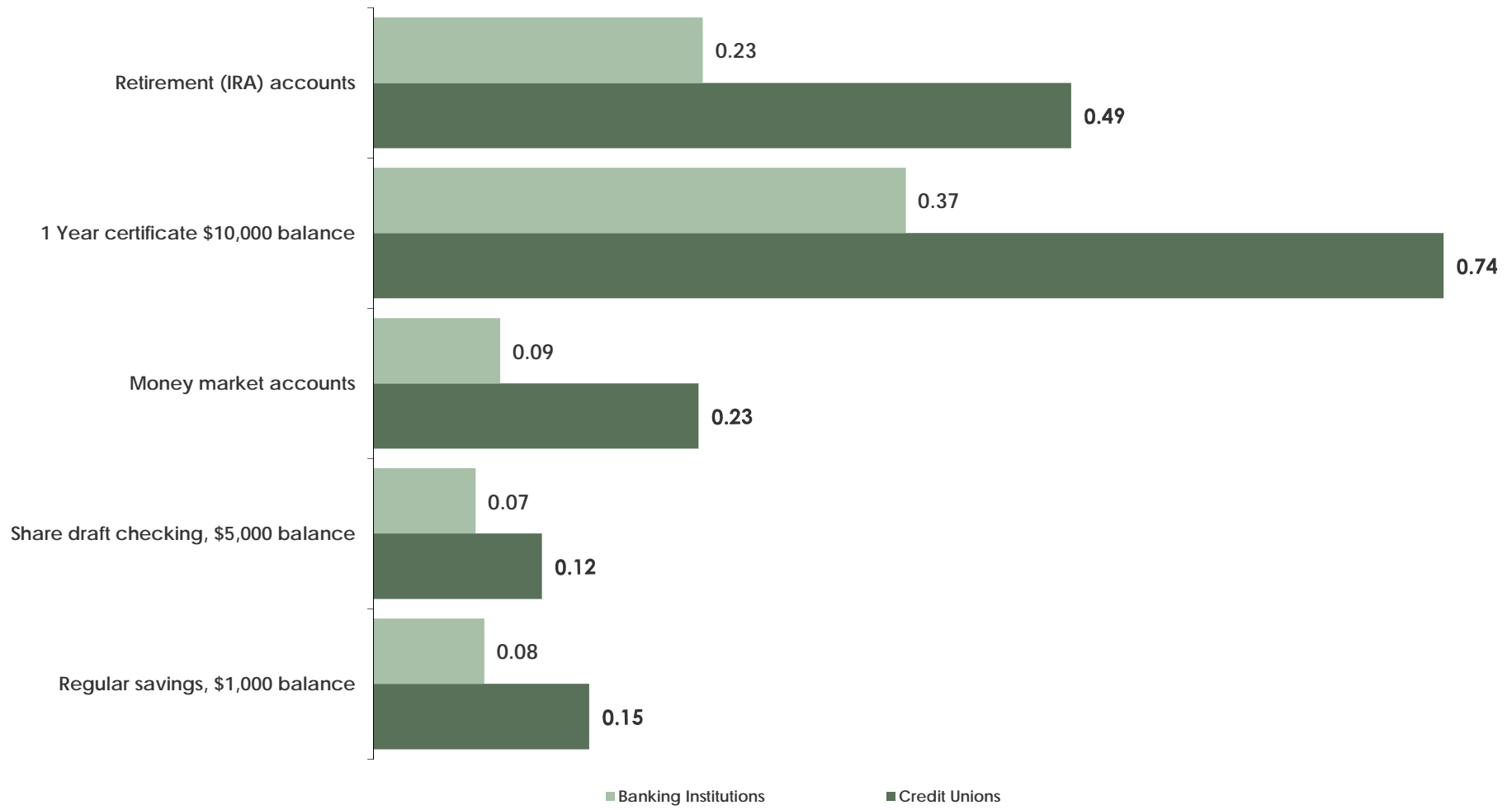
Loan Product Comparative Interest Rates (%)

by Loan Type



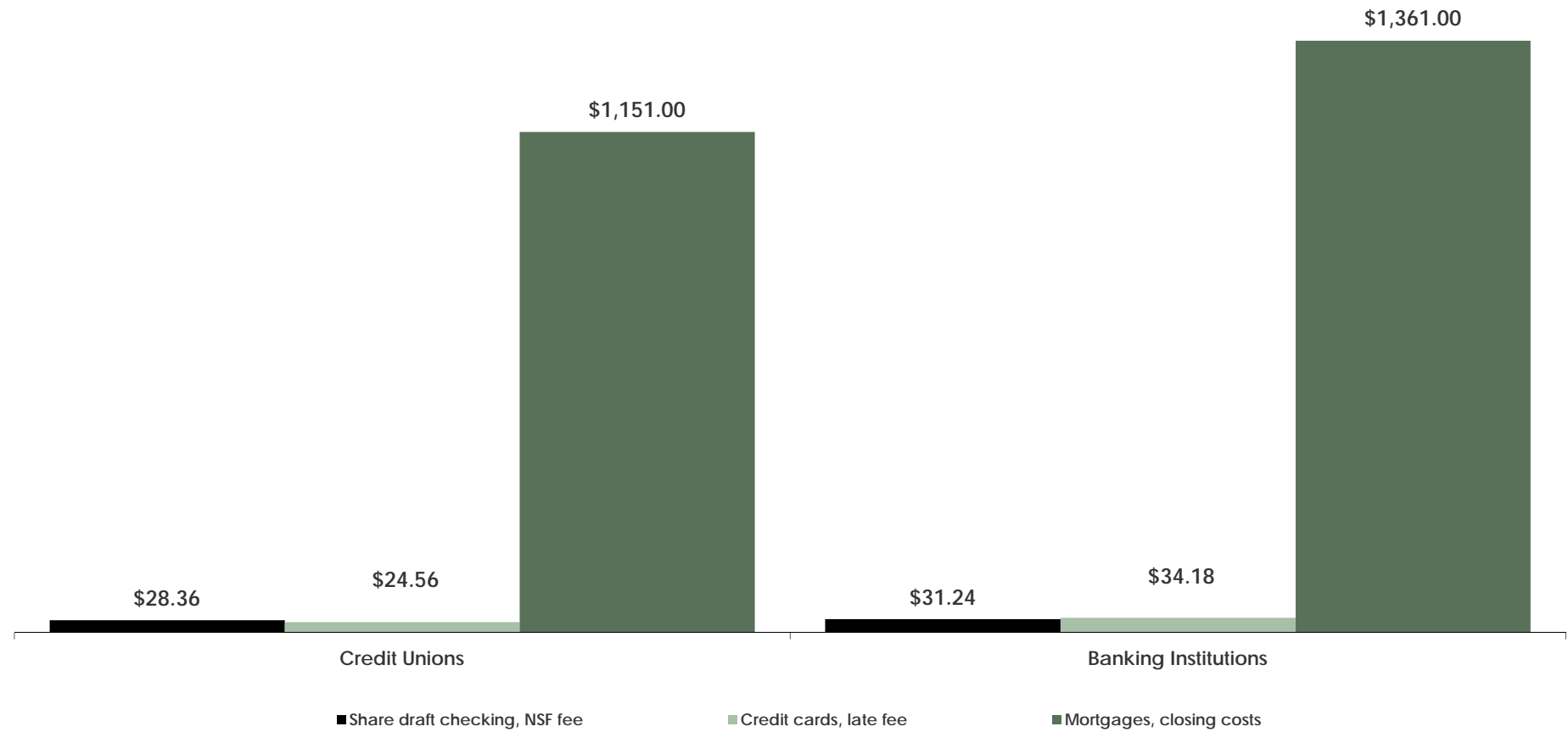
Savings Product Comparative Interest Rates (%)

by Savings Account Type



Comparative Fees

by Type



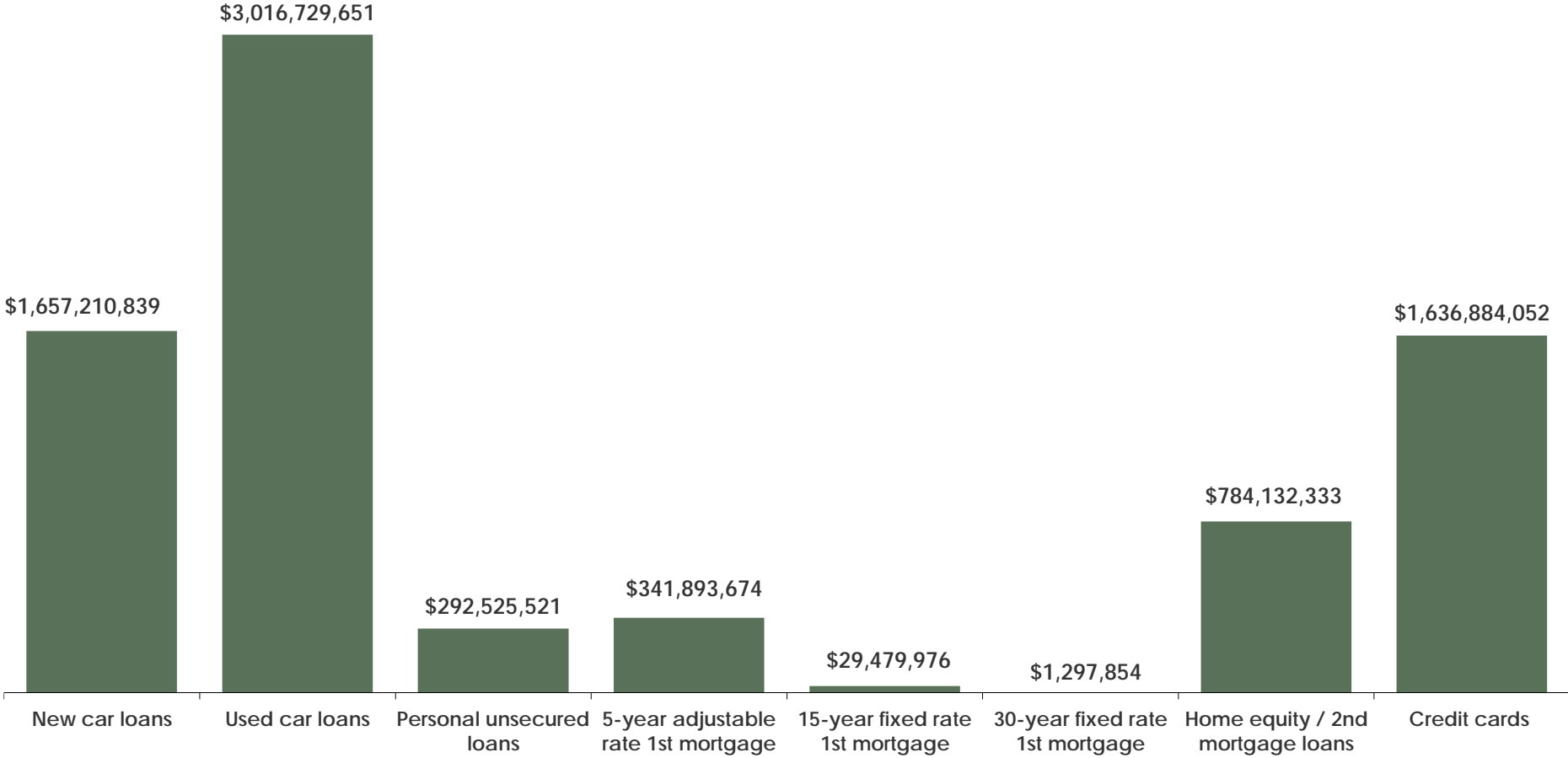
Credit Union and Banking Institution December 2017 Average Interest Rates and Fees

Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	2.94	4.26	-1.32
48-month used car (A paper)	3.07	4.64	-1.57
Unsecured loan (A paper)	9.19	9.94	-0.75
5-year adjustable rate 1st mortgage, 0 pts	3.59	3.80	-0.21
15-year fixed rate 1st mortgage, 0 pts	3.67	3.71	-0.03
30-year fixed rate 1st mortgage, 0 pts	4.17	4.17	0.00
Home equity / 2nd mtg, 80% LTV 0 pts	4.53	5.50	-0.97
Credit card - rewards	10.62	13.58	-2.96
Credit card - platinum	9.43	12.36	-2.92
Savings Products			
Regular savings, \$1,000 balance	0.15	0.08	0.07
Share draft checking, \$5,000 balance	0.12	0.07	0.05
Money market accounts	0.23	0.09	0.14
1 Year certificate \$10,000 balance	0.74	0.37	0.37
Retirement (IRA) accounts	0.49	0.23	0.26
Fee Income			
Share draft checking, NSF fee	\$28.36	\$31.24	-\$2.88
Credit cards, late fee	\$24.56	\$34.18	-\$9.62
Mortgages, closing costs	\$1,151.00	\$1,361.00	-\$210.00

Source: Datatrac

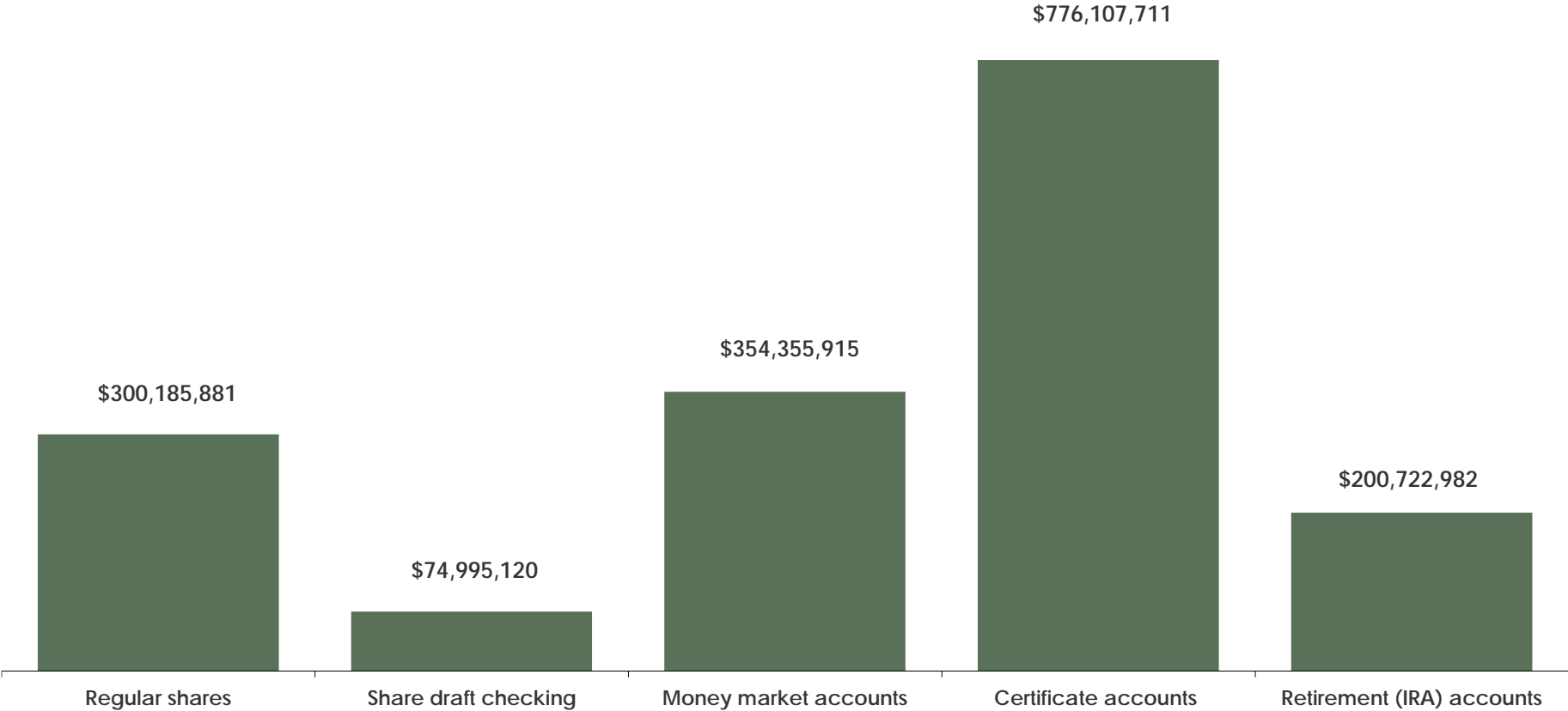
Estimated Credit Union Loan Rate Benefits

Compared to Banking Institutions
by Loan Type



Estimated Credit Union Savings Dividend Benefits

Compared to Banking Institutions
by Account Type



Estimated Credit Union Financial Benefits December 2017

	Avg. Balance at Credit Unions (1)	Rate Difference vs. Banks (%) (2)	Total Financial Benefit to Members
Loans			
New car loans	125,166,981,813	-1.32	\$1,657,210,839
Used car loans	192,639,185,887	-1.57	\$3,016,729,651
Personal unsecured loans	39,160,042,929	-0.75	\$292,525,521
5-year adjustable rate 1st mortgage	159,763,398,967	-0.21	\$341,893,674
15-year fixed rate 1st mortgage	86,705,811,943	-0.03	\$29,479,976
30-year fixed rate 1st mortgage	129,785,371,463	0.00	\$1,297,854
Home equity / 2nd mortgage loans	80,506,399,728	-0.97	\$784,132,333
Credit cards	55,506,410,711	-2.96	\$1,636,884,052
Interest rebates			\$67,112,692
Total CU member benefit arising from lower interest rates on loan products:			\$7,827,266,592
Savings			
Regular shares	411,213,536,070	0.07	\$300,185,881
Share draft checking	163,032,869,144	0.05	\$74,995,120
Money market accounts	256,779,648,429	0.14	\$354,355,915
Certificate accounts	207,515,430,852	0.37	\$776,107,711
Retirement (IRA) accounts	78,407,414,770	0.26	\$200,722,982
Bonus dividends in period			\$0
Total CU member benefit arising from higher interest rates on saving products:			\$1,706,367,609
Fee Income			
Total CU member benefit arising from fewer/lower fees:			\$1,289,704,198
Total CU member benefit arising from interest rates on loan and savings products and lower fees:			\$10,823,338,399
Total CU member benefit / member:			\$98
Total CU member benefit / member household:			\$207

Source: Datatrac, NCUA, and CUNA

(1) Average balance as of December 2017 and December 2016, according to the NCUA call report.; (2) source for rates and fees: Datatrac;

Membership Benefits Report

CUNA Economics and Statistics

National Credit Union Performance Profile

Demographic Information	Dec 17	Dec 16
Number of branches	20,856	20,618
Total assets (\$ mil)	1,395,323	1,309,142
Total loans (\$ mil)	972,366	883,762
Total surplus funds (\$ mil)	365,638	372,140
Total savings (\$ mil)	1,173,715	1,107,120
Total members (thousands)	112,649	108,237
Growth Rates*		
Total assets	7.2 %	7.8 %
Total loans	10.6 %	10.9 %
Total surplus funds	-1.1 %	0.5 %
Total savings	6.6 %	8.0 %
Total members	4.8 %	4.7 %
Earnings - Basis Pts.		
Yield on total assets	356	342
Dividend/interest cost of assets	57	53
Fee & other income	136	139
Operating expense	310	311
Loss Provisions	48	40
Net Income (ROA) after Stabilization exp	78	77
Capital adequacy		
Net worth / assets	11.0	10.9
Asset quality		
Delinquencies / loans	0.8	0.8
Net chargeoffs / average loans	0.6	0.5
Total borrower-bankruptcies	30	27
Bankruptcies per 1000 members	1.5	1.5
Asset/Liability Management		
Loans / savings	82.8	79.8
Loans / assets	69.7	67.5
Long-term assets / assets	32.9	33.0
Core deposits/shares & borrowings	50.1	49.4
Productivity		
Members/potential members	3.9	4.3
Borrowers/members	58.0	57.2
Members/FTE	385	385
Average shares/members (\$)	10,419	10,229
Average loan balances (\$)	14,883	14,275
Salary & Benefits/FTE	72,831	70,914

*Balance sheet growth rates are for the trailing 12 months.