

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 \$11,786,394,047 in direct financial benefits to the nation's 114,649,710 members during the twelve months ending December 2018.

These benefits are equivalent to \$103 per member or \$216 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 \$140 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.

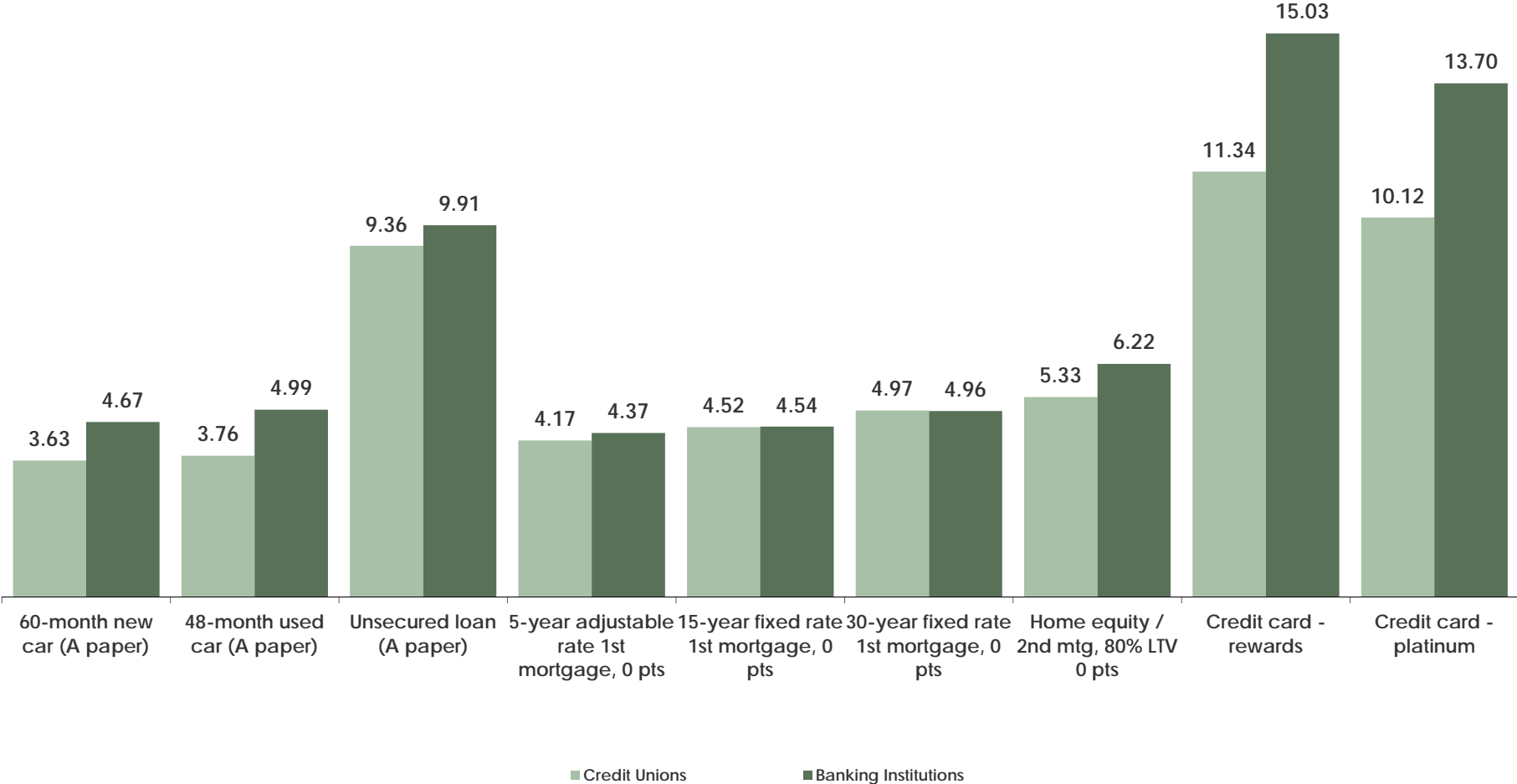
Further, loyal members - those who use the credit union extensively - often receive total financial benefits that are much greater than the average.

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-adjustable rate, home equity loans, credit cards loans.



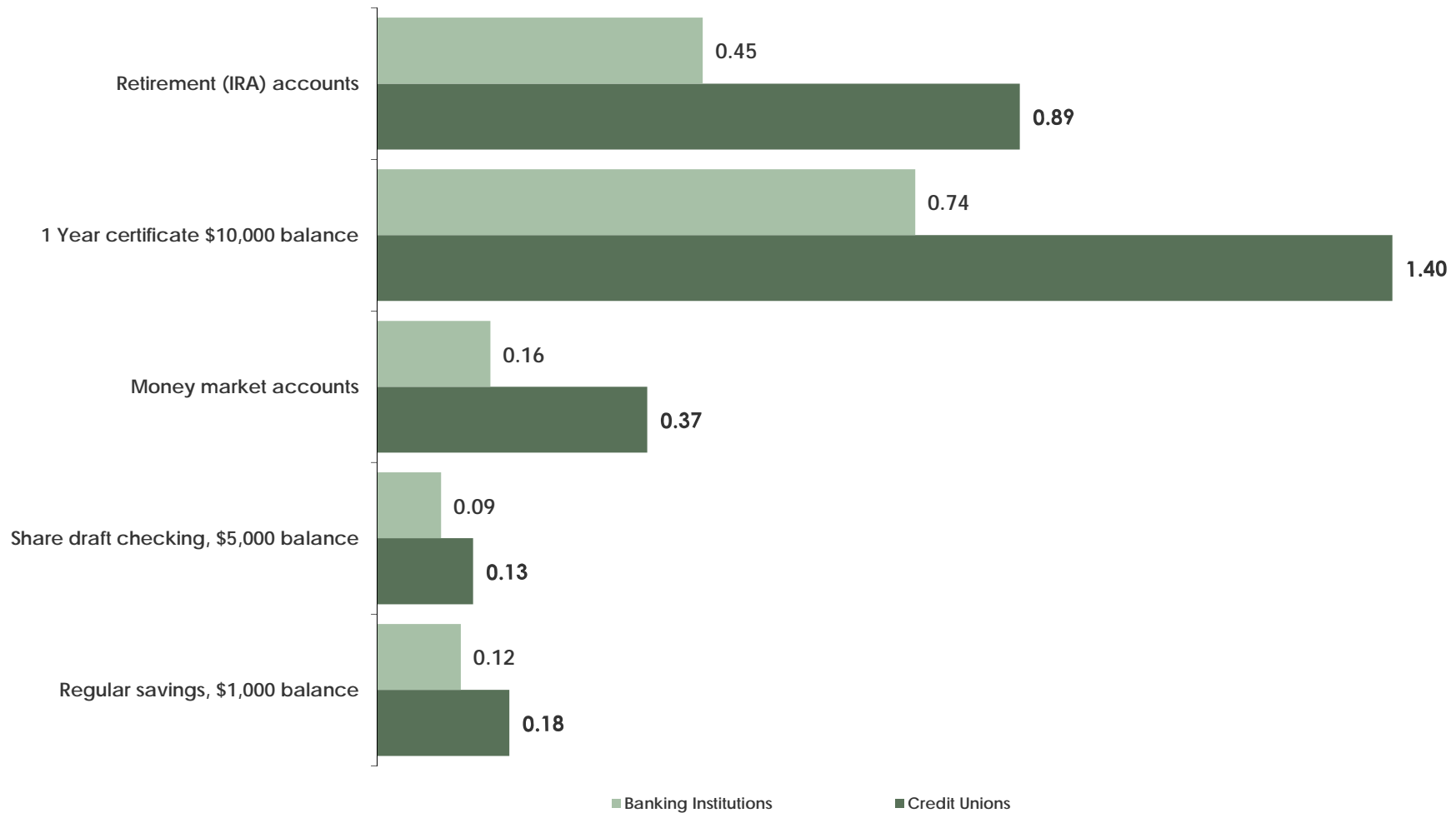
Loan Product Comparative Interest Rates (%)

by Loan Type



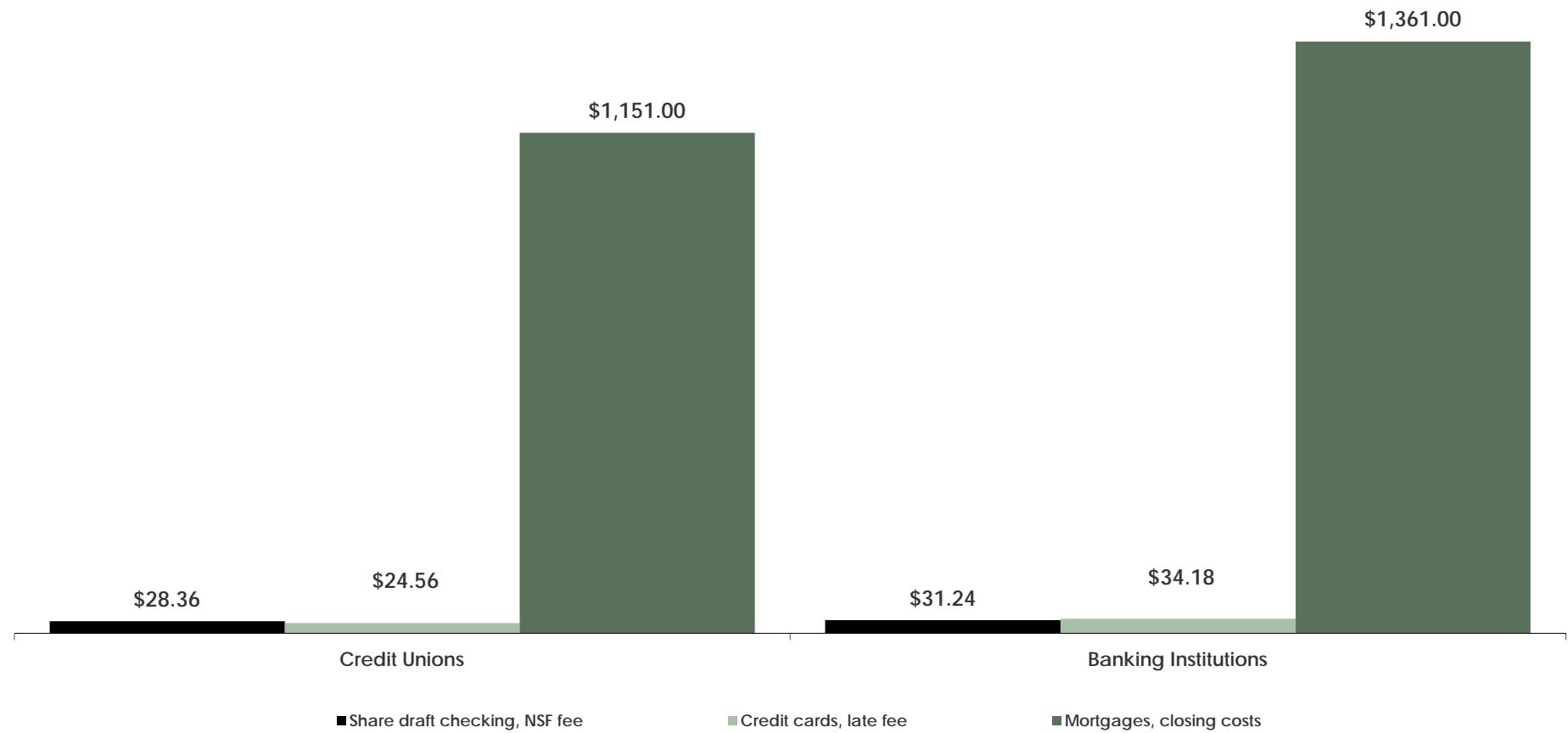
Savings Product Comparative Interest Rates (%)

by Savings Account Type



Comparative Fees

by Type



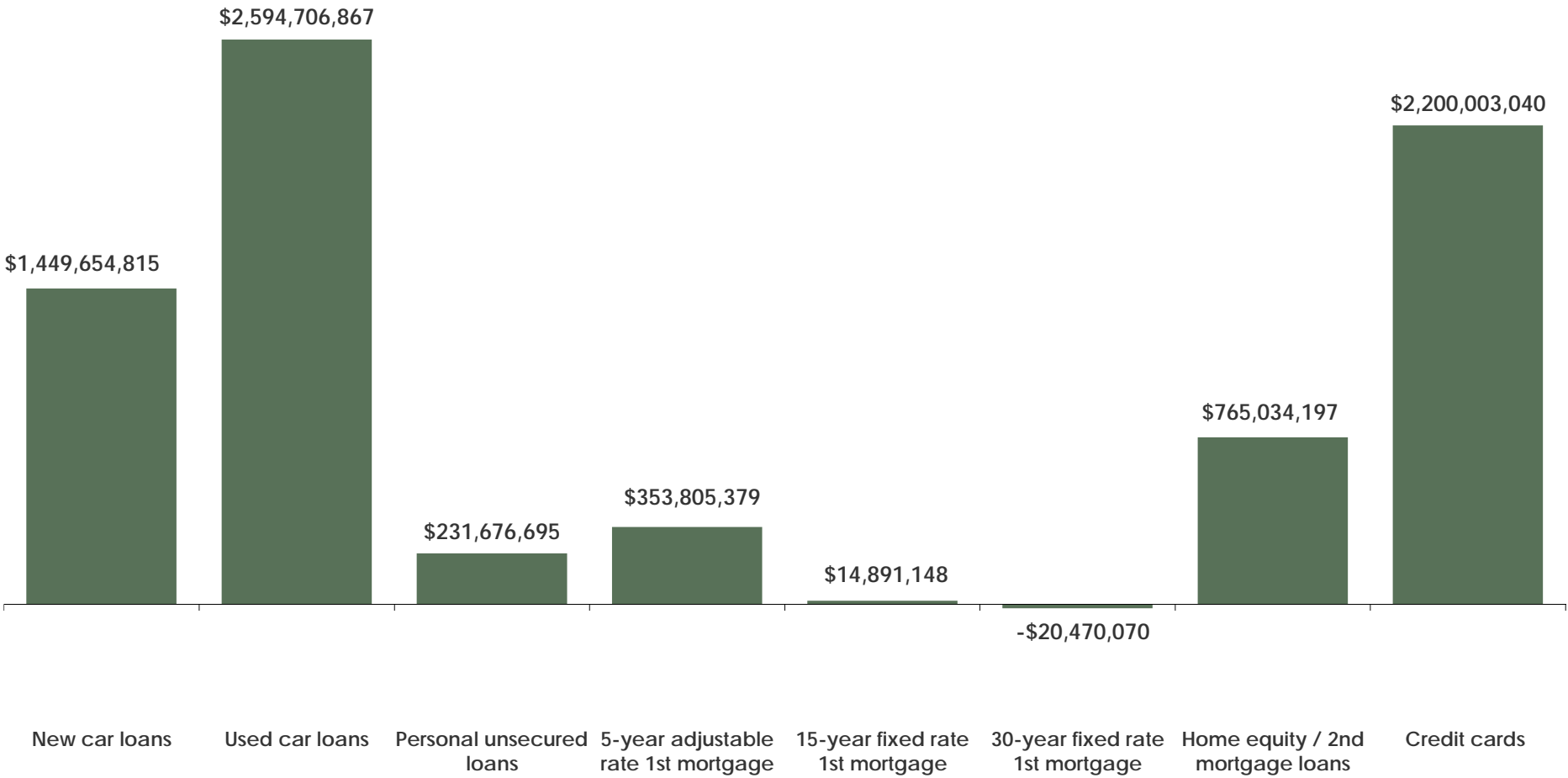
Credit Union and Banking Institution December 2018 Average Interest Rates and Fees

Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	3.63	4.67	-1.03
48-month used car (A paper)	3.76	4.99	-1.23
Unsecured loan (A paper)	9.36	9.91	-0.55
5-year adjustable rate 1st mortgage, 0 pts	4.17	4.37	-0.20
15-year fixed rate 1st mortgage, 0 pts	4.52	4.54	-0.02
30-year fixed rate 1st mortgage, 0 pts	4.97	4.96	0.01
Home equity / 2nd mtg, 80% LTV 0 pts	5.33	6.22	-0.89
Credit card - rewards	11.34	15.03	-3.69
Credit card - platinum	10.12	13.70	-3.58
Savings Products			
Regular savings, \$1,000 balance	0.18	0.12	0.07
Share draft checking, \$5,000 balance	0.13	0.09	0.04
Money market accounts	0.37	0.16	0.22
1 Year certificate \$10,000 balance	1.40	0.74	0.66
Retirement (IRA) accounts	0.89	0.45	0.44
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

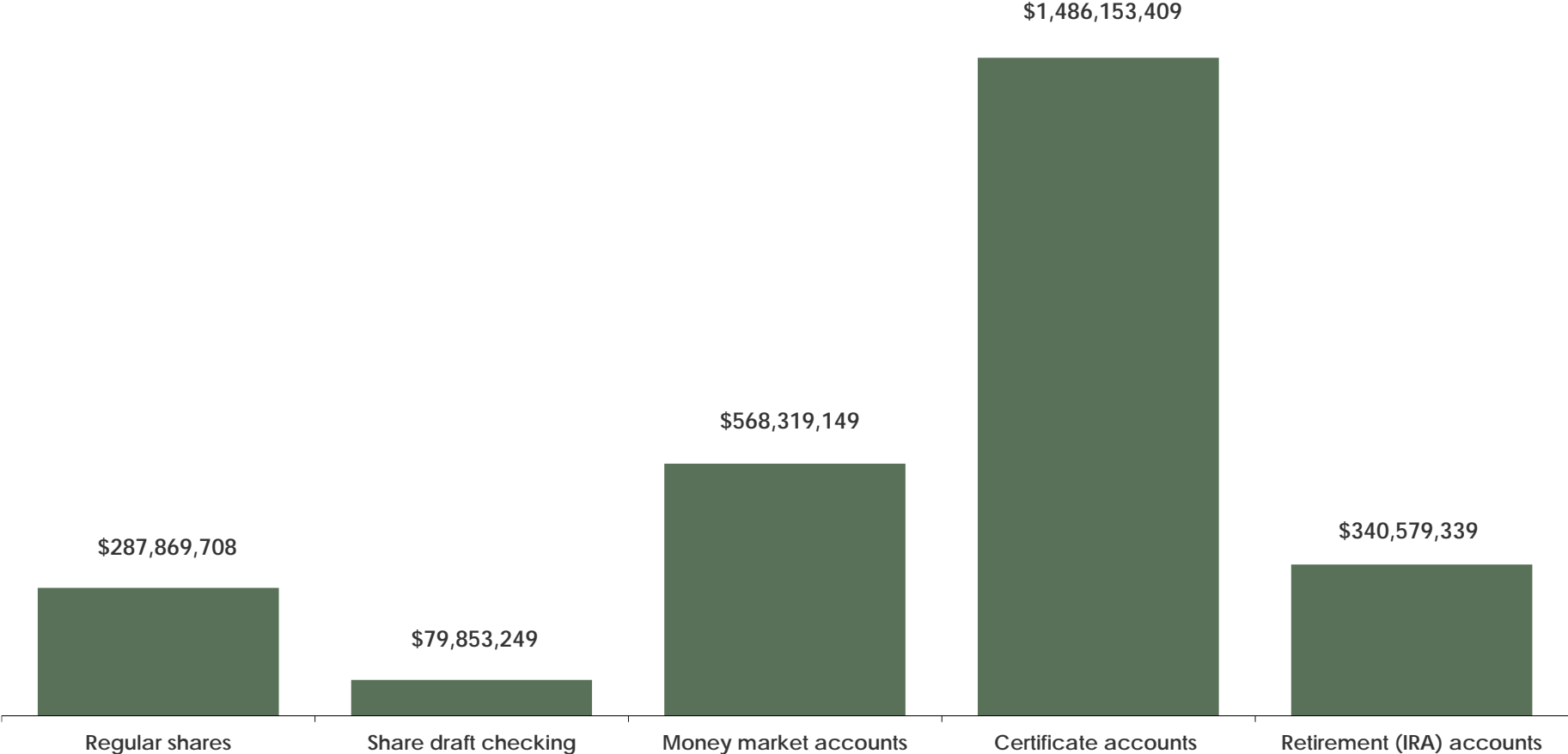
Estimated Credit Union Loan Rate Benefits

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 2018

	Avg. Balance at Credit Unions (1)	Rate Difference vs. Banks (%) (2)	Total Financial Benefit to Members
Loans			
New car loans	140,606,674,631	-1.03	\$1,449,654,815
Used car loans	211,123,422,888	-1.23	\$2,594,706,867
Personal unsecured loans	42,199,762,217	-0.55	\$231,676,695
5-year adjustable rate 1st mortgage	178,689,585,523	-0.20	\$353,805,379
15-year fixed rate 1st mortgage	87,594,987,558	-0.02	\$14,891,148
30-year fixed rate 1st mortgage	146,214,786,636	0.01	-\$20,470,070
Home equity / 2nd mortgage loans	86,249,627,611	-0.89	\$765,034,197
Credit cards	60,101,162,143	-3.69	\$2,200,003,040
Interest rebates			\$74,950,039
Total CU member benefit arising from lower interest rates on loan products:			\$7,664,252,111
Savings			
Regular shares	429,656,280,613	0.07	\$287,869,708
Share draft checking	181,484,656,539	0.04	\$79,853,249
Money market accounts	263,110,717,241	0.22	\$568,319,149
Certificate accounts	226,202,954,157	0.66	\$1,486,153,409
Retirement (IRA) accounts	78,025,048,952	0.44	\$340,579,339
Bonus dividends in period			\$0
Total CU member benefit arising from higher interest rates on saving products:			\$2,762,774,854
Fee Income			
Total CU member benefit arising from fewer/lower fees:			\$1,359,367,083
Total CU member benefit arising from interest rates on loan and savings products and lower fees:			\$11,786,394,047
Total CU member benefit / member:			\$103
Total CU member benefit / member household:			\$216

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

National Credit Union Performance Profile

Demographic Information	Dec 18	Dec 17
Number of branches	20,940	20,856
Total assets (\$ mil)	1,470,839	1,395,323
Total loans (\$ mil)	1,058,922	972,366
Total surplus funds (\$ mil)	350,554	365,638
Total savings (\$ mil)	1,234,750	1,173,715
Total members (thousands)	117,549	112,649
Growth Rates*		
Total assets	5.8 %	7.2 %
Total loans	9.4 %	10.6 %
Total surplus funds	-3.7 %	-1.1 %
Total savings	5.7 %	6.6 %
Total members	4.8 %	4.9 %
Earnings - Basis Pts.		
Yield on total assets	382	356
Dividend/interest cost of assets	69	57
Fee & other income	140	136
Operating expense	315	310
Loss Provisions	46	48
Net Income (ROA) after Stabilization exp	92	78
Capital adequacy		
Net worth / assets	11.3	11.0
Asset quality		
Delinquencies / loans	0.7	0.8
Net chargeoffs / average loans	0.6	0.6
Total borrower-bankruptcies	31	30
Bankruptcies per 1000 members	1.5	1.5
Asset/Liability Management		
Loans / savings	85.8	82.8
Loans / assets	72.0	69.7
Long-term assets / assets	33.1	32.9
Core deposits/shares & borrowings	50.0	50.1
Productivity		
Members/potential members	3.4	3.9
Borrowers/members	58.7	58.0
Members/FTE	386	385
Average shares/members (\$)	10,504	10,419
Average loan balances (\$)	15,347	14,883
Salary & Benefits/FTE	75,355	72,831

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