

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 \$10,165,129,662 in direct financial benefits to the nation's 109,198,224 members during the twelve months ending September 2017.

These benefits are equivalent to \$93 per member or \$177 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 \$173 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.

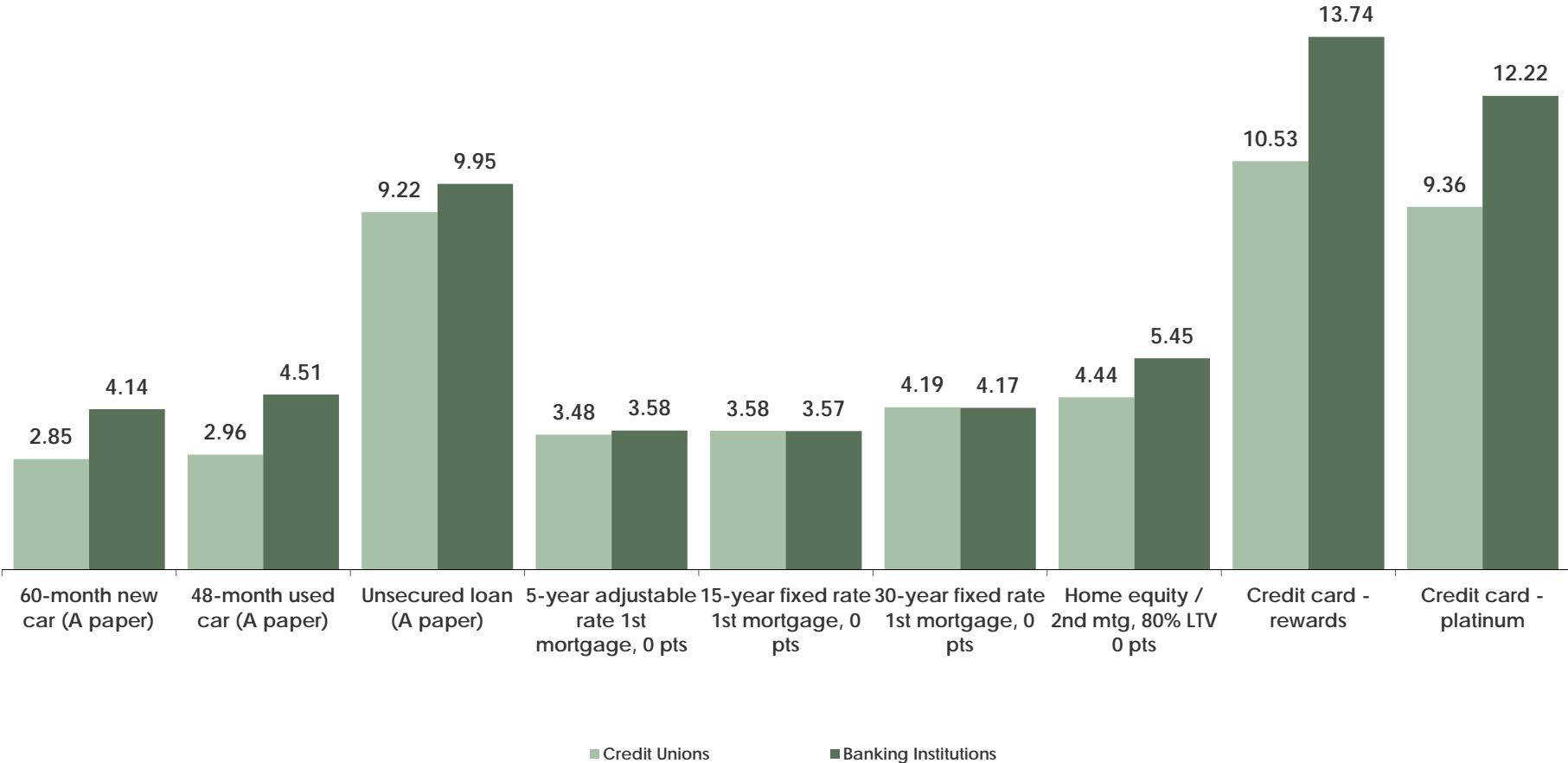
Further, loyal members - those who use the credit union extensively - often receive total financial benefits that are much greater than the average.

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.



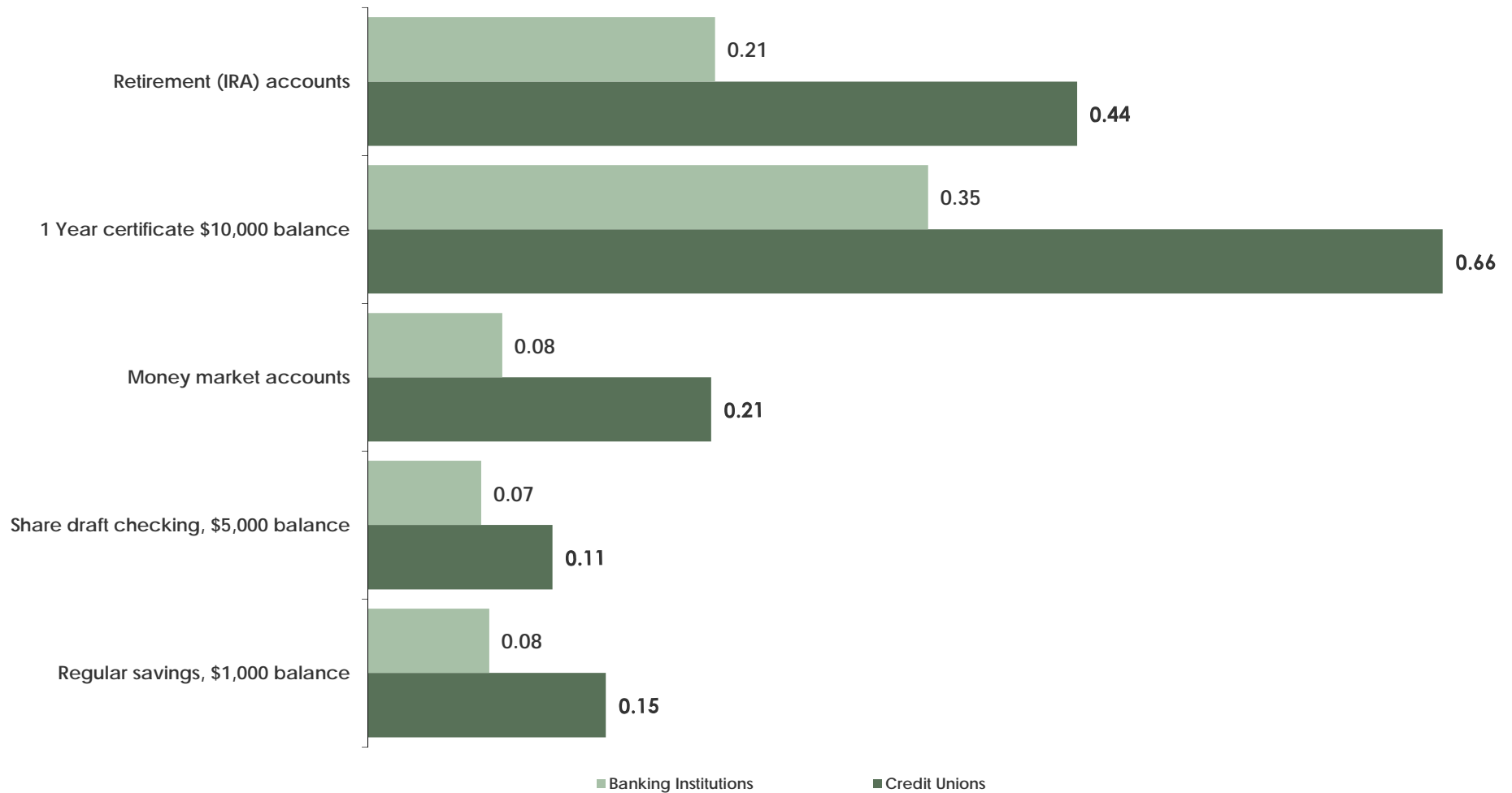
Loan Product Comparative Interest Rates (%)

by Loan Type



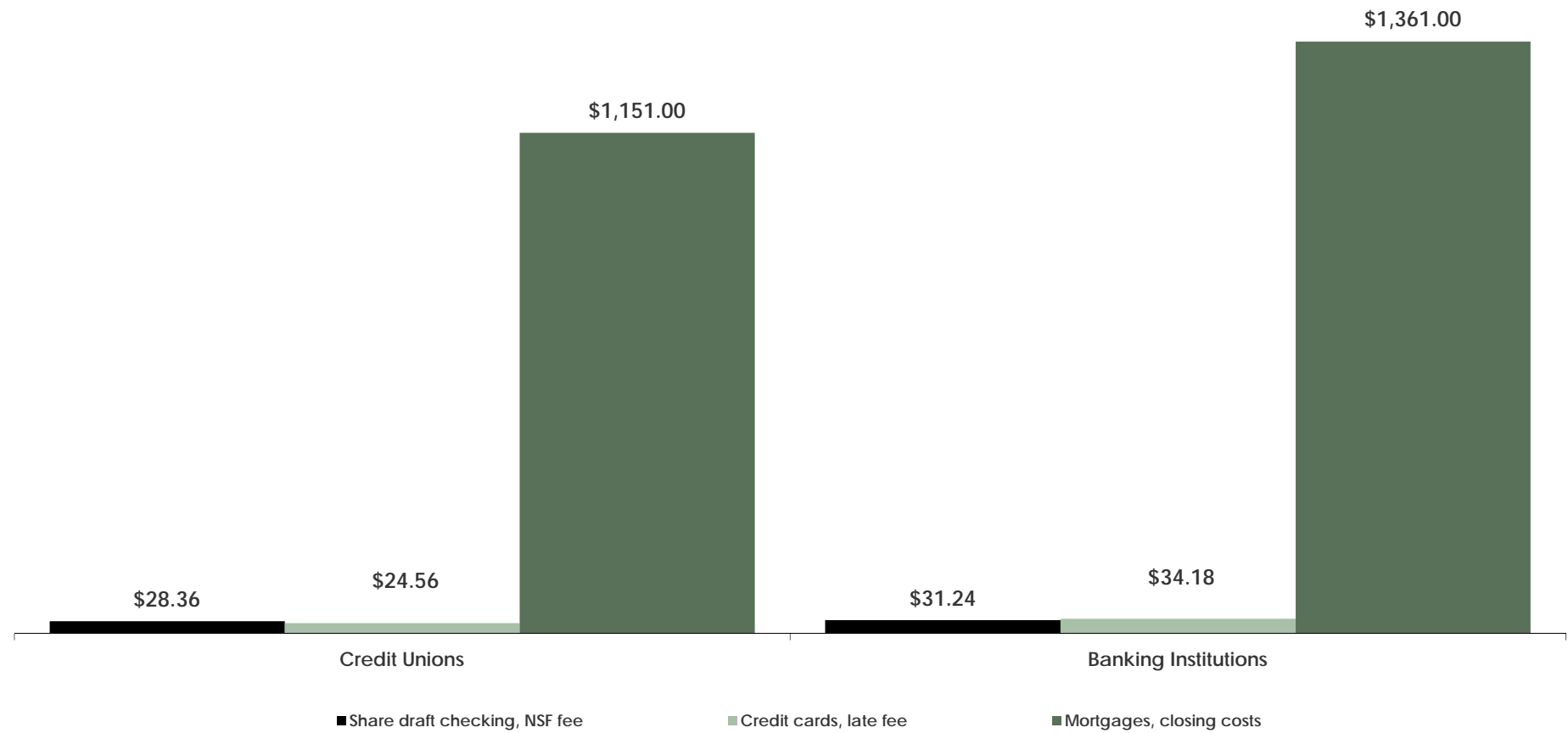
Savings Product Comparative Interest Rates (%)

by Savings Account Type



Comparative Fees

by Type



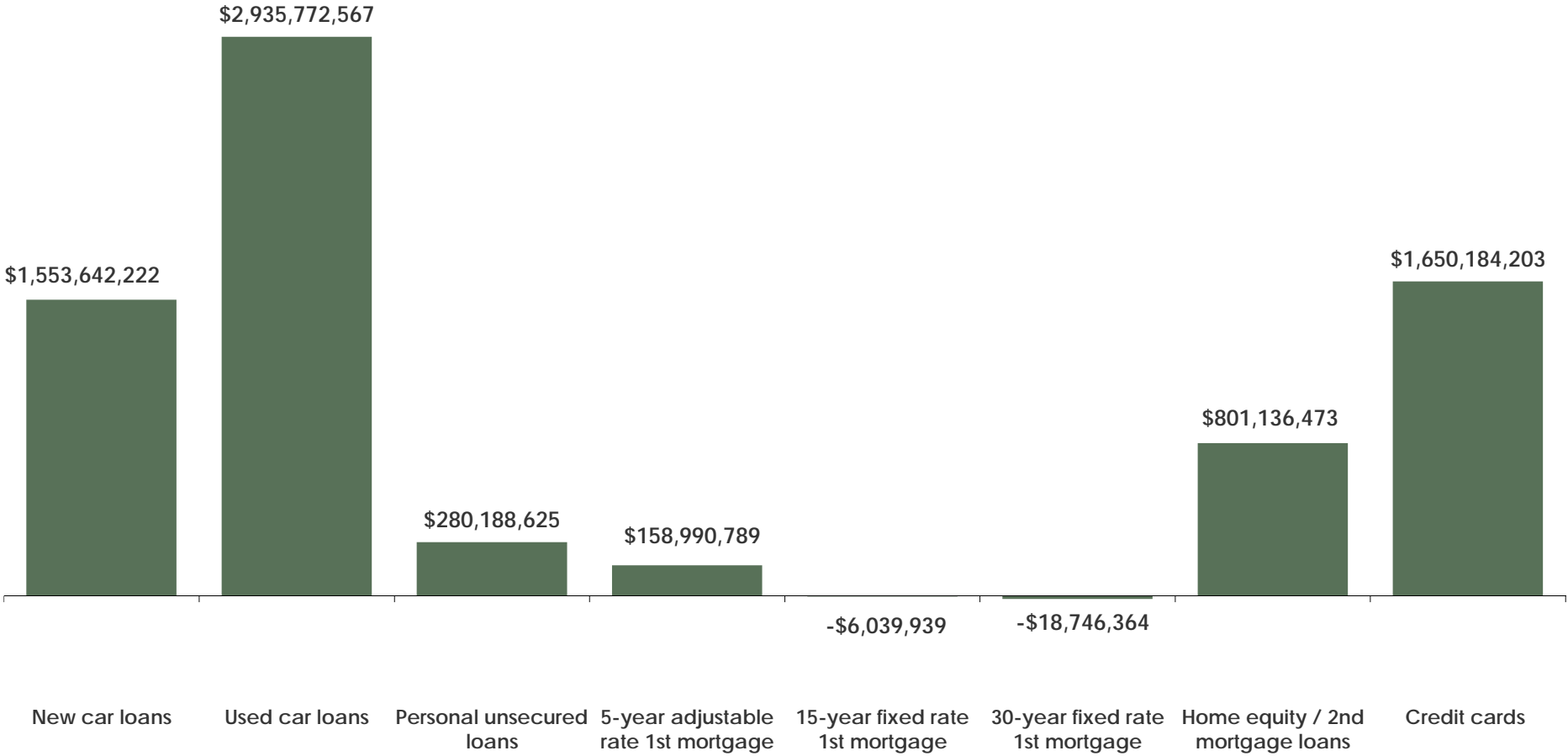
Credit Union and Banking Institution September 2017 Average Interest Rates and Fees

Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	2.85	4.14	-1.29
48-month used car (A paper)	2.96	4.51	-1.55
Unsecured loan (A paper)	9.22	9.95	-0.73
5-year adjustable rate 1st mortgage, 0 pts	3.48	3.58	-0.10
15-year fixed rate 1st mortgage, 0 pts	3.58	3.57	0.01
30-year fixed rate 1st mortgage, 0 pts	4.19	4.17	0.01
Home equity / 2nd mtg, 80% LTV 0 pts	4.44	5.45	-1.01
Credit card - rewards	10.53	13.74	-3.21
Credit card - platinum	9.36	12.22	-2.86
Savings Products			
Regular savings, \$1,000 balance	0.15	0.08	0.07
Share draft checking, \$5,000 balance	0.11	0.07	0.04
Money market accounts	0.21	0.08	0.13
1 Year certificate \$10,000 balance	0.66	0.35	0.32
Retirement (IRA) accounts	0.44	0.21	0.22
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

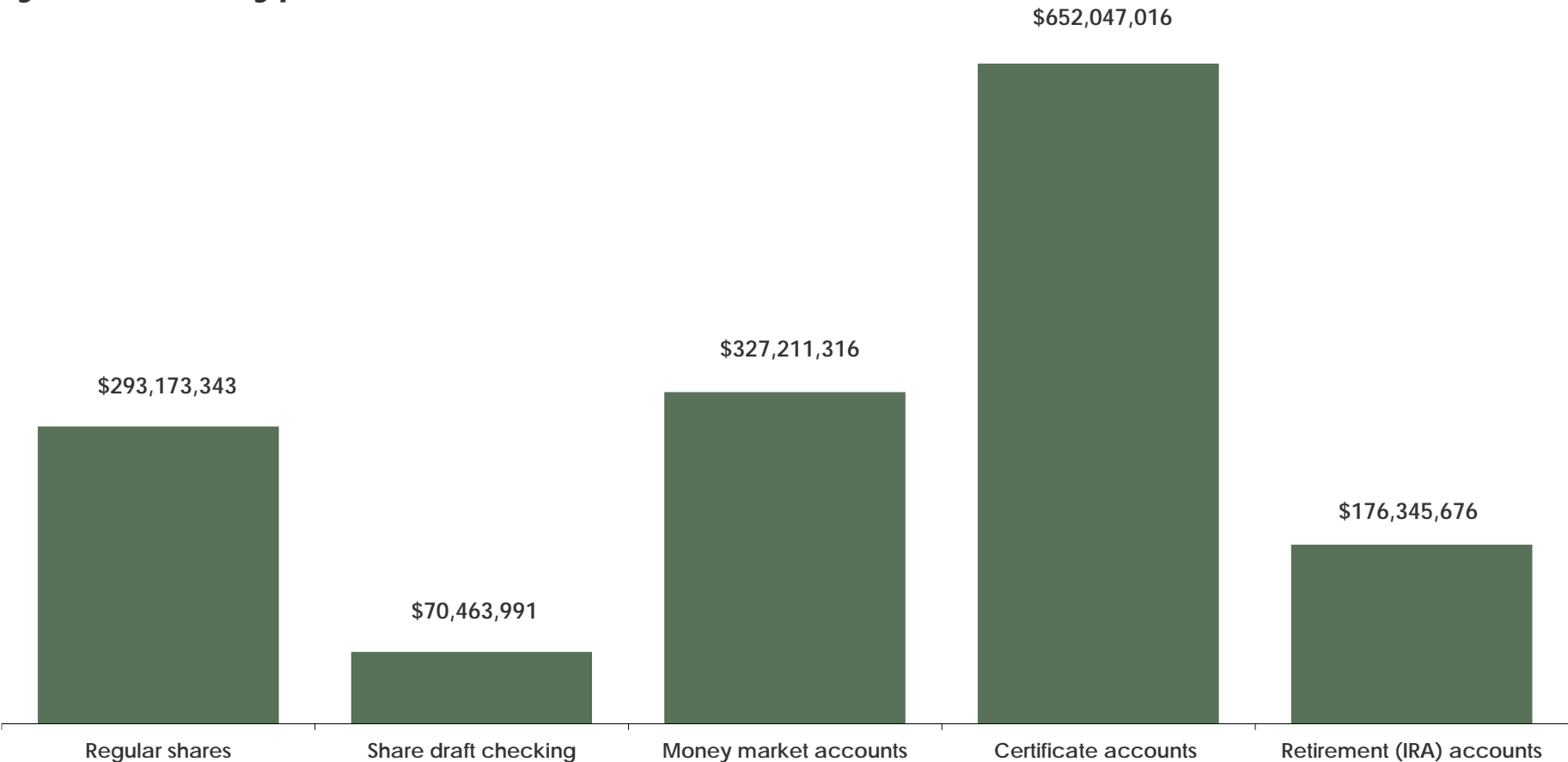
Estimated Credit Union Loan Rate Benefits

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 September 2017

Loans	Avg. Balance at Credit Unions (1)	Rate Difference vs. Banks (%) (2)	Total Financial Benefit to Members
New car loans	120,811,992,396	-1.29	\$1,553,642,222
Used car loans	189,526,957,199	-1.55	\$2,935,772,567
Personal unsecured loans	38,277,134,573	-0.73	\$280,188,625
5-year adjustable rate 1st mortgage	155,873,322,304	-0.10	\$158,990,789
15-year fixed rate 1st mortgage	86,284,838,951	0.01	-\$6,039,939
30-year fixed rate 1st mortgage	124,975,760,014	0.01	-\$18,746,364
Home equity / 2nd mortgage loans	79,320,442,876	-1.01	\$801,136,473
Credit cards	52,873,572,655	-3.21	\$1,650,184,203
Interest rebates			\$25,060,473
Total CU member benefit arising from lower interest rates on loan products:			\$7,380,189,049
Savings			
Regular shares	407,185,199,121	0.07	\$293,173,343
Share draft checking	160,145,435,043	0.04	\$70,463,991
Money market accounts	253,652,183,304	0.13	\$327,211,316
Certificate accounts	205,046,231,491	0.32	\$652,047,016
Retirement (IRA) accounts	78,901,868,356	0.22	\$176,345,676
Bonus dividends in period			\$0
Total CU member benefit arising from higher interest rates on saving products:			\$1,519,241,343
Fee Income			
Total CU member benefit arising from fewer/lower fees:			\$1,265,699,270
Total CU member benefit arising from interest rates on loan and savings products and lower fees:			\$10,165,129,662
Total CU member benefit / member:			\$93
Total CU member benefit / member household:			\$177

Source: Datatrac, NCUA, and CUNA

(1) Average balance as of September 2017 and September 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	Sep 17	Sep 16
Number of branches	20,807	20,622
Total assets (\$ mil)	1,379,996	1,293,269
Total loans (\$ mil)	952,603	862,009
Total surplus funds (\$ mil)	372,759	380,752
Total savings (\$ mil)	1,164,890	1,091,876
Total members (thousands)	111,858	107,533
Growth Rates*		
Total assets	7.2 %	8.7 %
Total loans	11.0 %	10.6 %
Total surplus funds	-1.5 %	5.5 %
Total savings	7.2 %	9.1 %
Total members	4.7 %	4.6 %
Earnings - Basis Pts.		
Yield on total assets	352	340
Dividend/interest cost of assets	54	51
Fee & other income	134	138
Operating expense	307	310
Loss Provisions	46	38
Net Income (ROA) after Stabilization exp	79	78
Capital adequacy		
Net worth / assets	10.9	10.9
Asset quality		
Delinquencies / loans	0.8	0.8
Net chargeoffs / average loans	0.6	0.5
Total borrower-bankruptcies	23	21
Bankruptcies per 1000 members	1.2	1.2
Asset/Liability Management		
Loans / savings	81.8	78.9
Loans / assets	69.0	66.7
Long-term assets / assets	32.6	32.1
Core deposits/shares & borrowings	50.0	49.3
Productivity		
Members/potential members	3.9	4.3
Borrowers/members	57.6	56.4
Members/FTE	386	386
Average shares/members (\$)	10,414	10,154
Average loan balances (\$)	14,796	14,220
Salary & Benefits/FTE	72,949	70,920

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