

CUNA Virginia
**MEMBERSHIP BENEFITS
REPORT**

Virginia

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 Virginia credit unions provided \$1,446,213,903 in direct financial benefits to the state's 12,384,108 members during the twelve months ending December 2018.

These benefits are equivalent to \$117 per member or \$245 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 Virginia 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 Virginia credit unions.

Consider this:

Financing a \$25,000 new automobile for 60 months at a Virginia credit union will save members an average \$134 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.

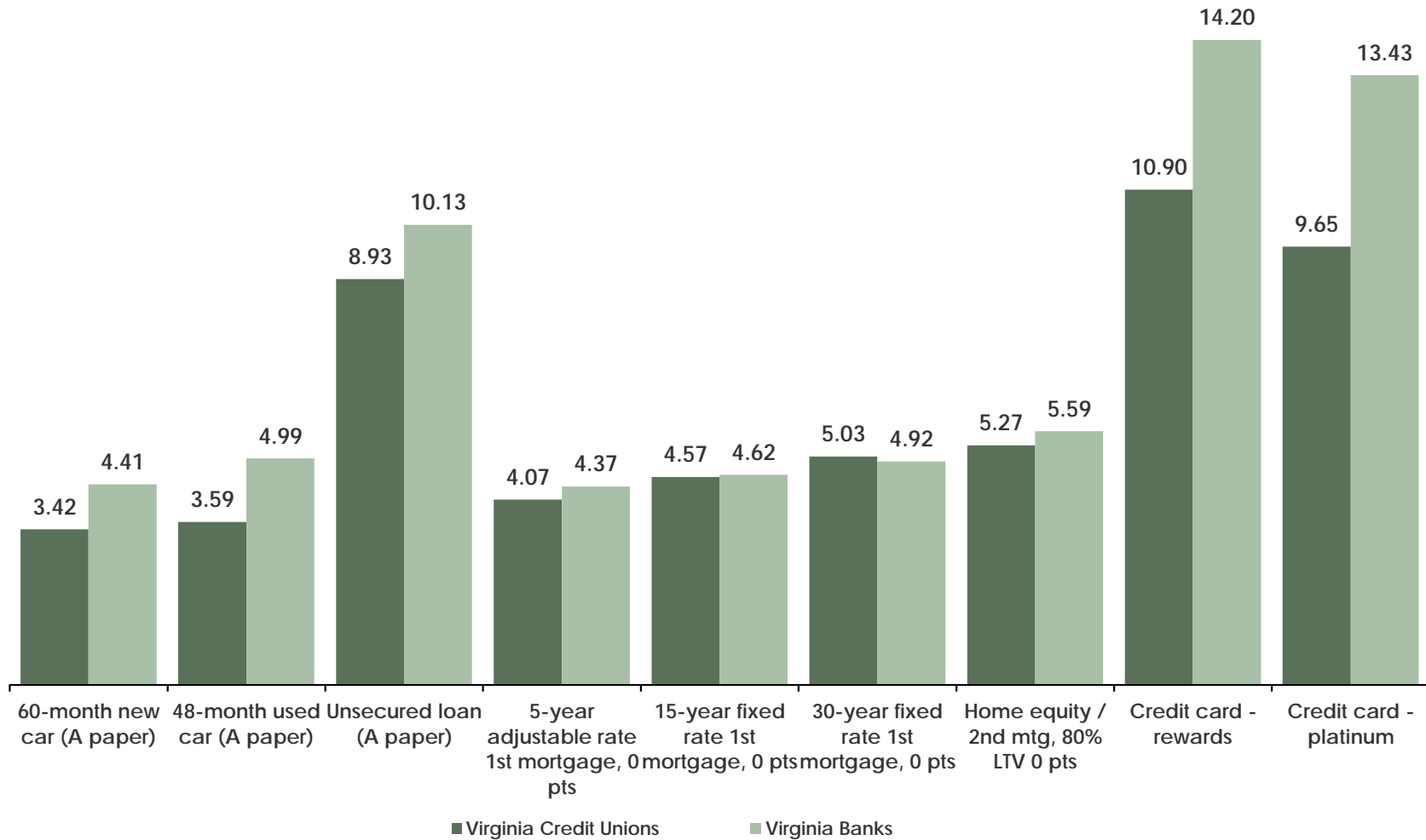
Virginia credit unions excel in providing member benefits on many loan and savings products. In particular, Virginia credit unions offer lower average loan rates on the following accounts: new car loans, used car loans, personal unsecured loans, first mortgage-adjustable rate, home equity loans, credit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

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



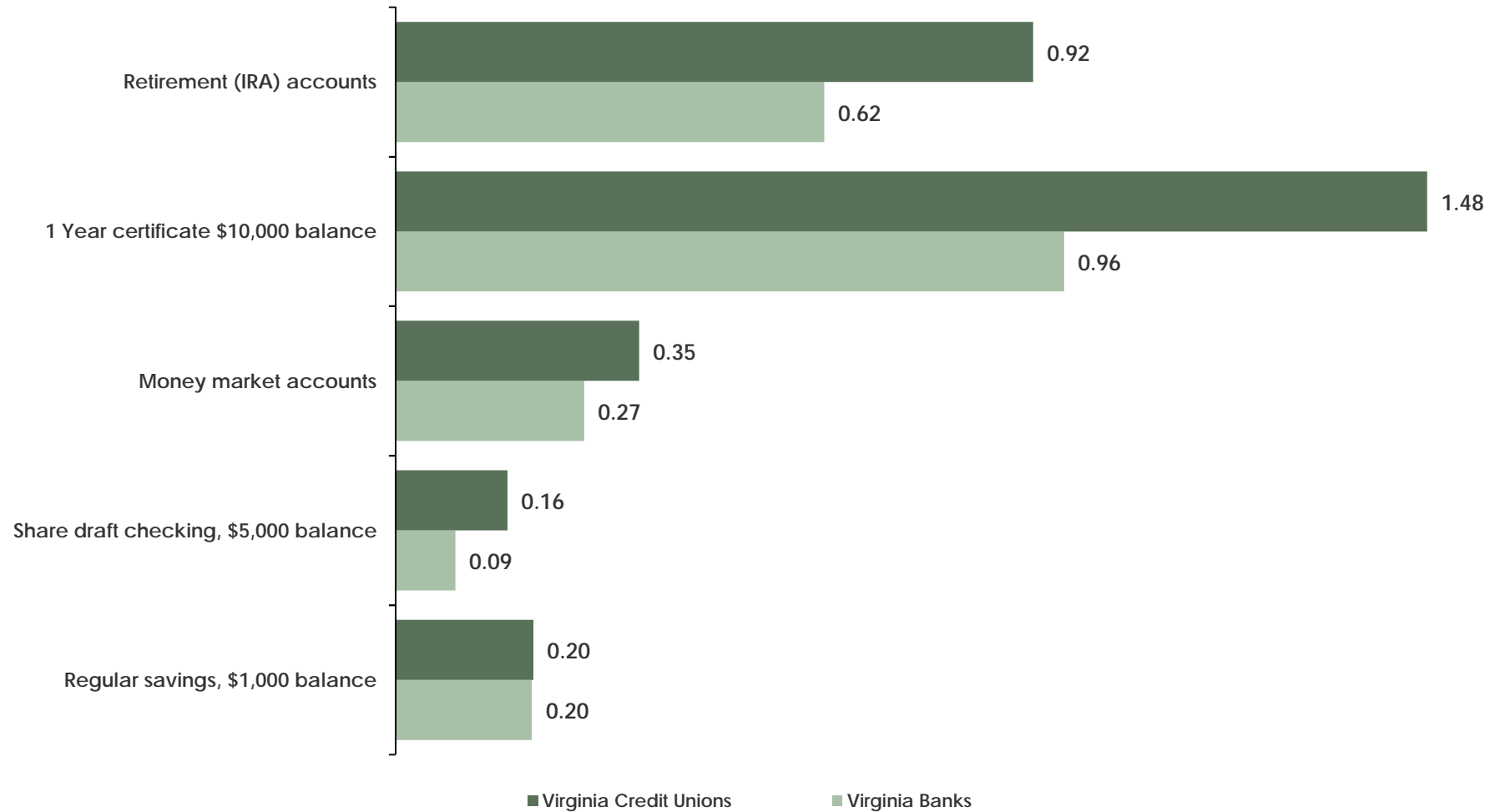
Loan Product Comparative Interest Rates (%)

by Loan Type



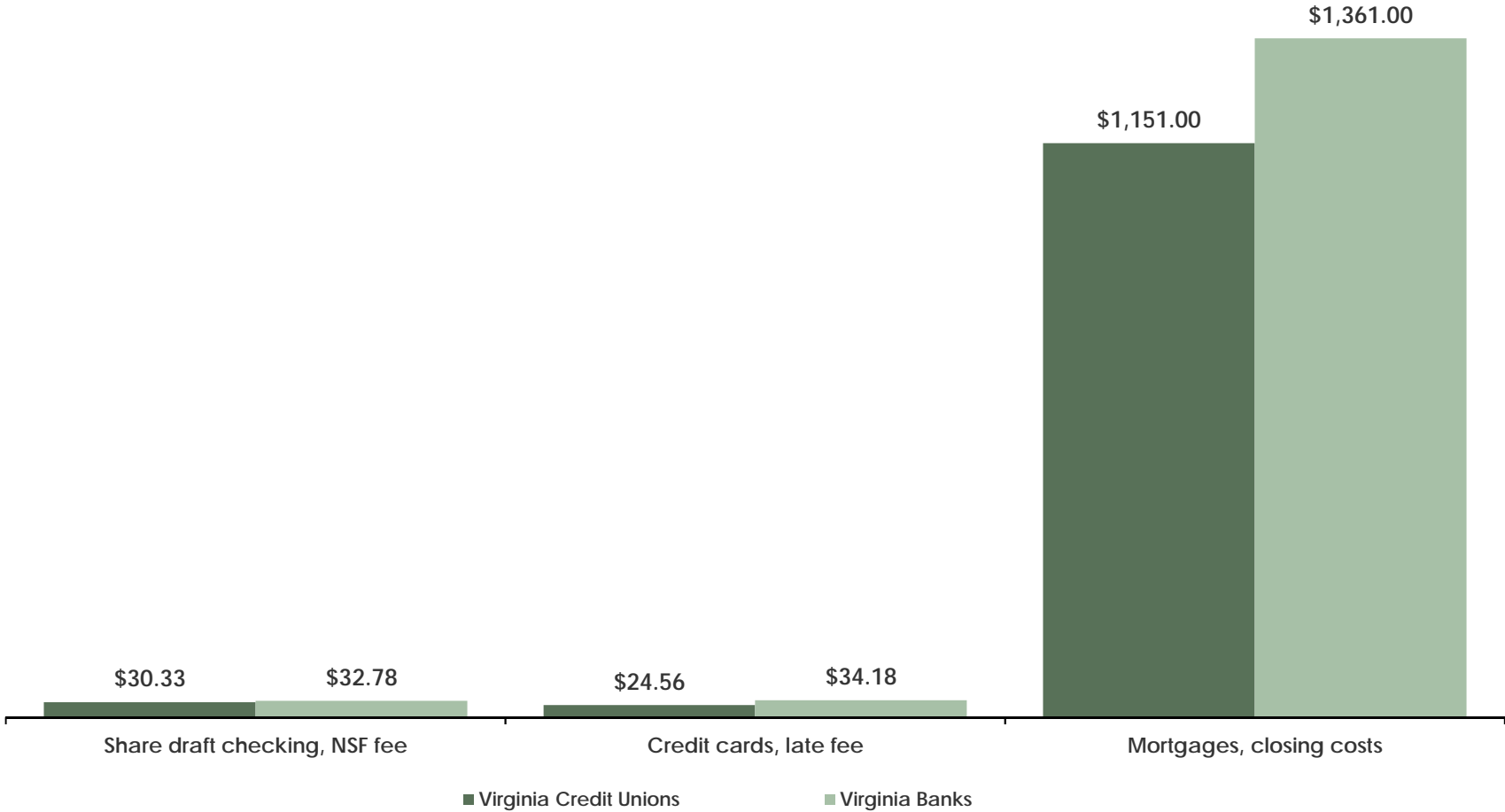
Savings Product Comparative Interest Rates (%)

by Savings Account Type



Comparative Fees

by Type



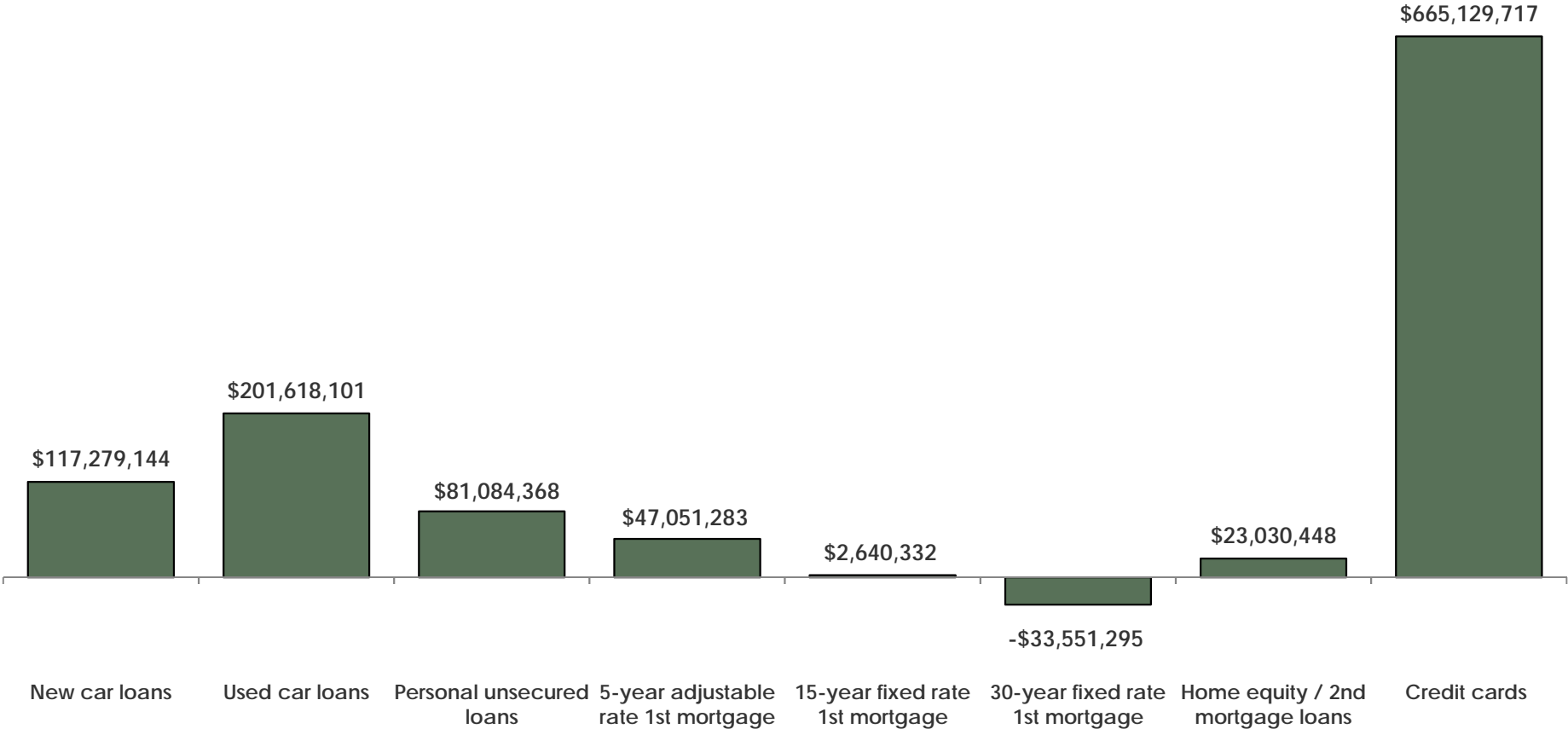
Virginia Credit Union and Banking Institution December 2018 Average Interest Rates and Fees

Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	3.42	4.41	-0.99
48-month used car (A paper)	3.59	4.99	-1.40
Unsecured loan (A paper)	8.93	10.13	-1.20
5-year adjustable rate 1st mortgage, 0 pts	4.07	4.37	-0.29
15-year fixed rate 1st mortgage, 0 pts	4.57	4.62	-0.05
30-year fixed rate 1st mortgage, 0 pts	5.03	4.92	0.11
Home equity / 2nd mtg, 80% LTV 0 pts	5.27	5.59	-0.31
Credit card - rewards	10.90	14.20	-3.30
Credit card - platinum	9.65	13.43	-3.78
Savings Products			
Regular savings, \$1,000 balance	0.20	0.20	0.00
Share draft checking, \$5,000 balance	0.16	0.09	0.08
Money market accounts	0.35	0.27	0.08
1 Year certificate \$10,000 balance	1.48	0.96	0.52
Retirement (IRA) accounts	0.92	0.62	0.30
Fee Income			
Share draft checking, NSF fee	\$30.33	\$32.78	-\$2.46
Credit cards, late fee	\$24.56	\$34.18	-\$9.62
Mortgages, closing costs	\$1,151.00	\$1,361.00	-\$210.00

Source: Datatrac

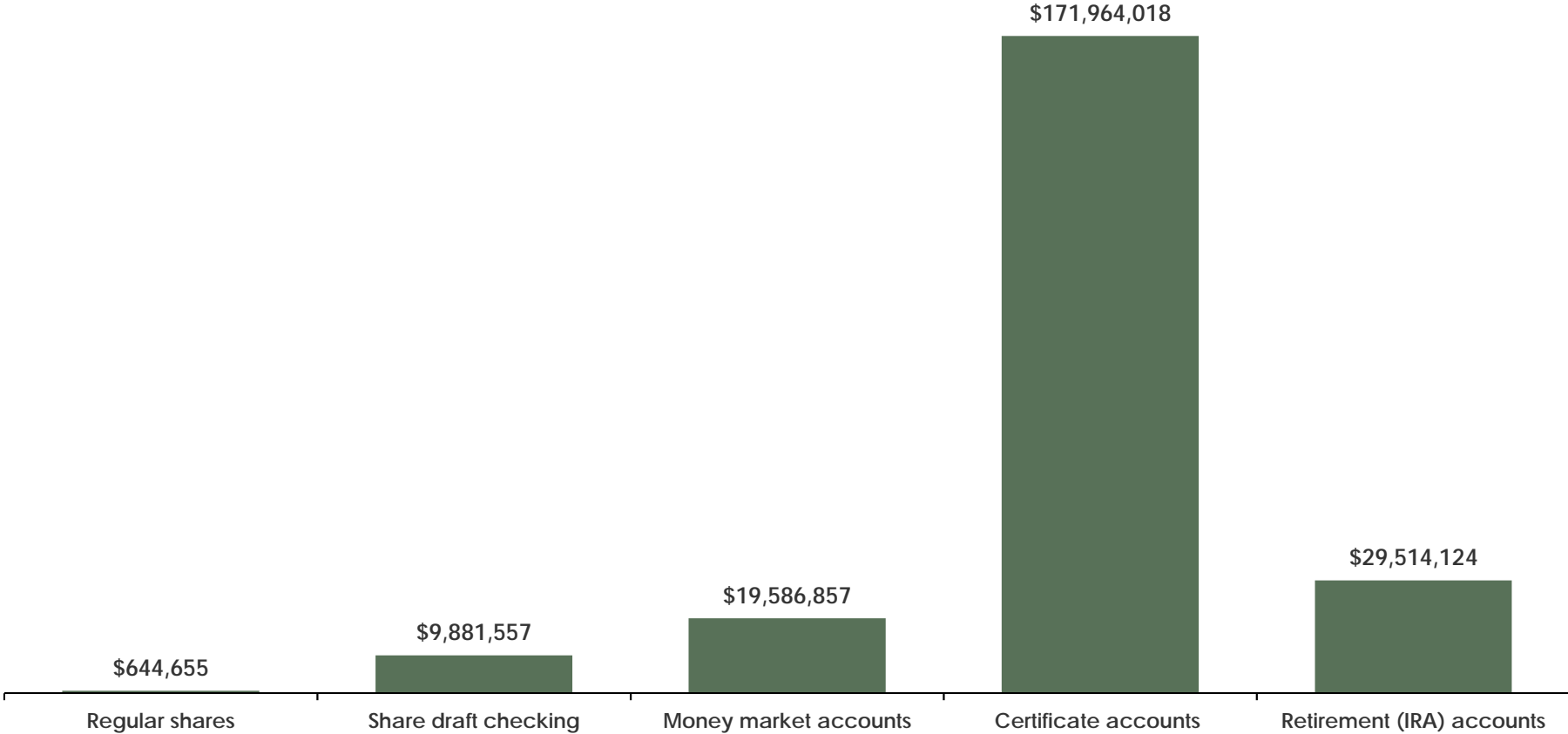
State Credit Union's Total Loan Rate Benefits

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 Virginia Credit Unions December 2018

Loans	Avg. Balance at Credit Unions (1)	Rate Difference vs. Virginia Banks (%) (2)	Total Financial Benefit to Your Members
New car loans	11,870,358,710	-0.99	\$117,279,144
Used car loans	14,411,586,918	-1.40	\$201,618,101
Personal unsecured loans	6,762,666,249	-1.20	\$81,084,368
5-year adjustable rate 1st mortgage	16,113,453,015	-0.29	\$47,051,283
15-year fixed rate 1st mortgage	5,388,432,411	-0.05	\$2,640,332
30-year fixed rate 1st mortgage	30,226,391,522	0.11	-\$33,551,295
Home equity / 2nd mortgage loans	7,357,970,524	-0.31	\$23,030,448
Credit cards	19,451,081,078	-3.30	\$665,129,717
Interest rebates			\$21,129
Total CU member benefits arising from lower interest rates on loan products:			\$1,104,303,228
Savings			
Regular shares	32,232,750,572	0.00	\$644,655
Share draft checking	13,175,408,842	0.08	\$9,881,557
Money market accounts	24,793,489,700	0.08	\$19,586,857
Certificate accounts	33,006,529,419	0.52	\$171,964,018
Retirement (IRA) accounts	9,838,041,172	0.30	\$29,514,124
Bonus dividends in period			\$0
Total CU member benefit arising from higher interest rates on savings products:			\$231,591,210
Fee Income			
Total CU member benefit arising from fewer / lower fees:			\$110,319,465
Total CU member benefit arising from interest rates on loans, savings products and lower fees:			\$1,446,213,903
Total CU member benefit / member:			\$117
Total CU member benefit / member household:			\$245

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

Virginia Credit Union Performance Profile

Demographic Information	Dec 18	Dec 17
Number of branches	899	898
Total assets (\$ mil)	156,365	146,930
Total loans (\$ mil)	120,259	110,347
Total surplus funds (\$ mil)	30,218	31,293
Total savings (\$ mil)	118,603	109,198
Total members (thousands)	12,830	11,970
Growth Rates (Trailing 12 months) *		
Total assets	6.6 %	10.7 %
Total loans	9.1 %	10.5 %
Total surplus funds	-3.2 %	11.4 %
Total savings	8.8 %	9.7 %
Total members	7.5 %	8.6 %
Earnings - Basis Pts. *		
Yield on total assets	506	476
Dividend / interest cost of assets	103	92
Fee & other income	140	141
Operating expense	297	293
Loss Provisions	117	110
Net Income (ROA) after stabilization exp	129	123
Capital Adequacy		
Net worth / assets	11.7	11.1
Asset Quality *		
Delinquencies / loans	1.0	1.0
Net chargeoffs / average loans	1.3	1.2
Total borrower-bankruptcies	147	129
Bankruptcies per 1000 members	1.4	1.4
Asset/Liability Management		
Loans / savings	101.4	101.1
Loans / assets	76.9	75.1
Long-term assets / assets	41.9	40.8
Core deposits/shares & borrowings	38.8	38.9
Productivity		
Members / potential members	6.5	6.0
Borrowers / members	64.7	65.2
Members / FTE	477	483
Average shares / members (\$)	9,244	9,122
Average loan balances (\$)	14,483	14,140
Salary & Benefits / FTE	82,238	83,218

* 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.