

CUNA Washington
MEMBERSHIP BENEFITS
REPORT

Washington

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 Washington credit unions provided \$274,440,058 in direct financial benefits to the state's 3,846,737 members during the twelve months ending December 2018.

These benefits are equivalent to \$71 per member or \$150 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 Washington 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 Washington credit unions.

Consider this:

Financing a \$25,000 new automobile for 60 months at a Washington credit union will save members an average \$70 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.

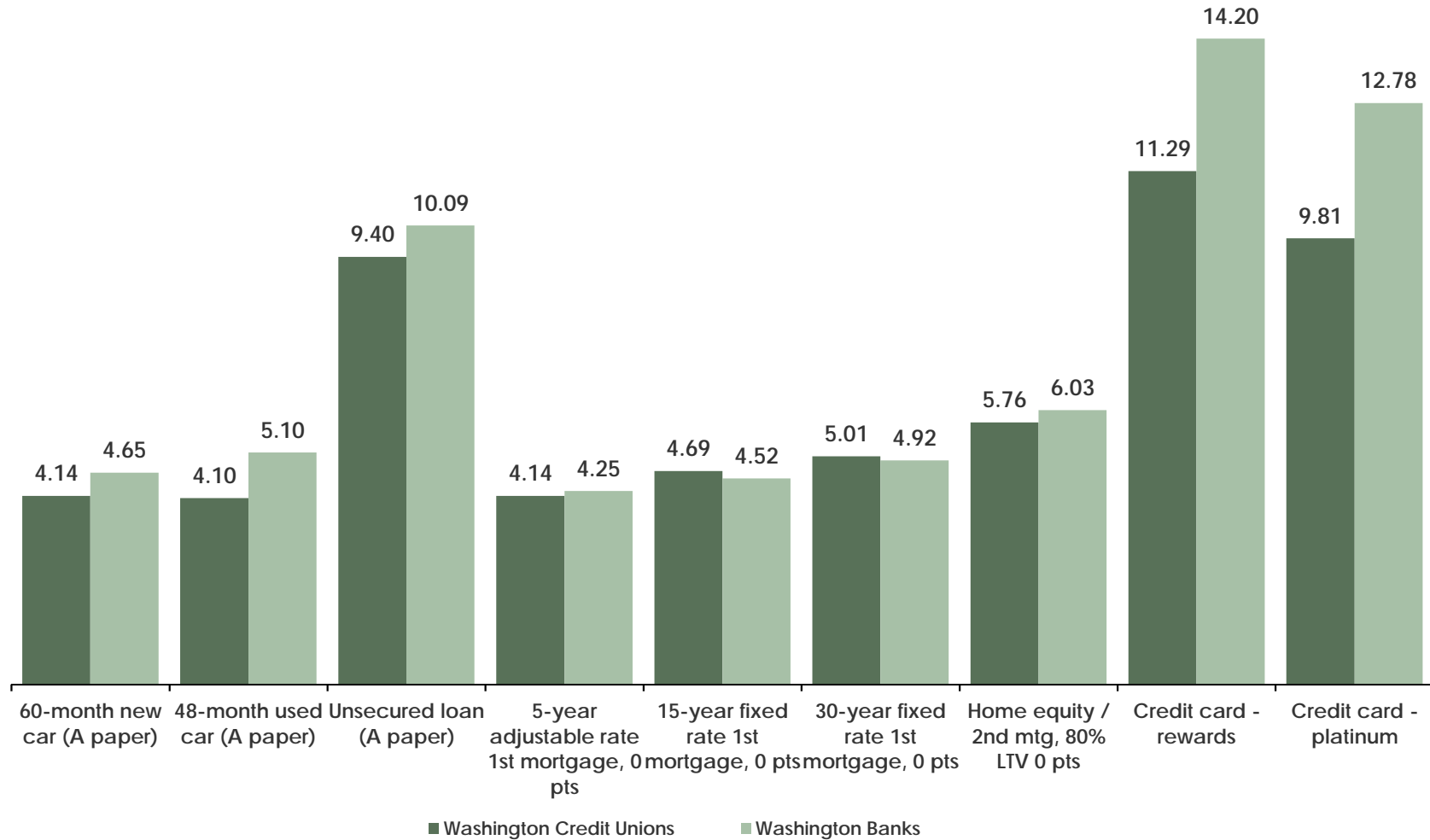
Washington credit unions excel in providing member benefits on many loan and savings products. In particular, Washington credit unions offer lower average loan rates on the following accounts: new car loans, used car loans, personal unsecured loans, first mortgage-adjustable rate, home equity loans,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

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



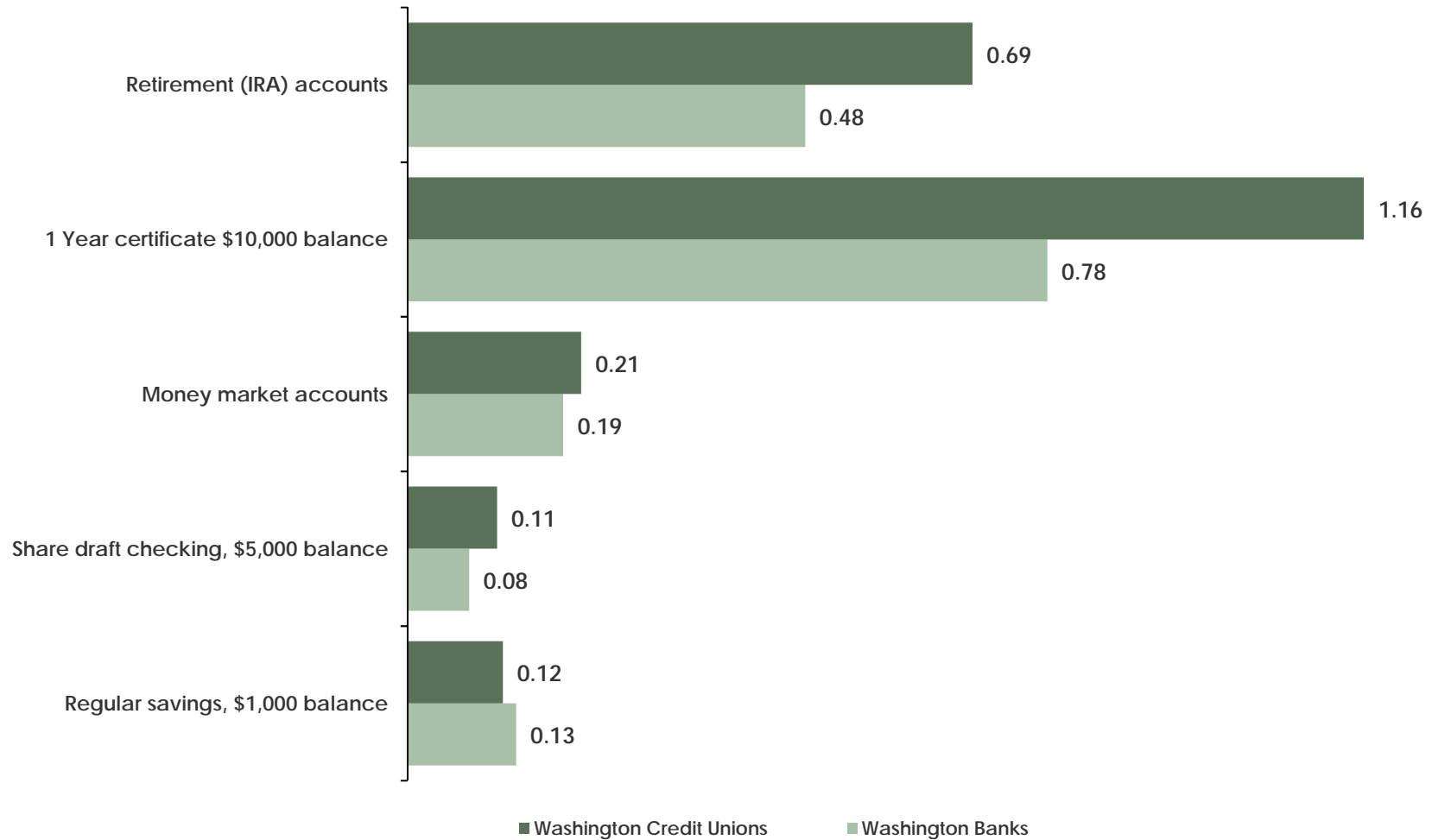
Loan Product Comparative Interest Rates (%)

by Loan Type



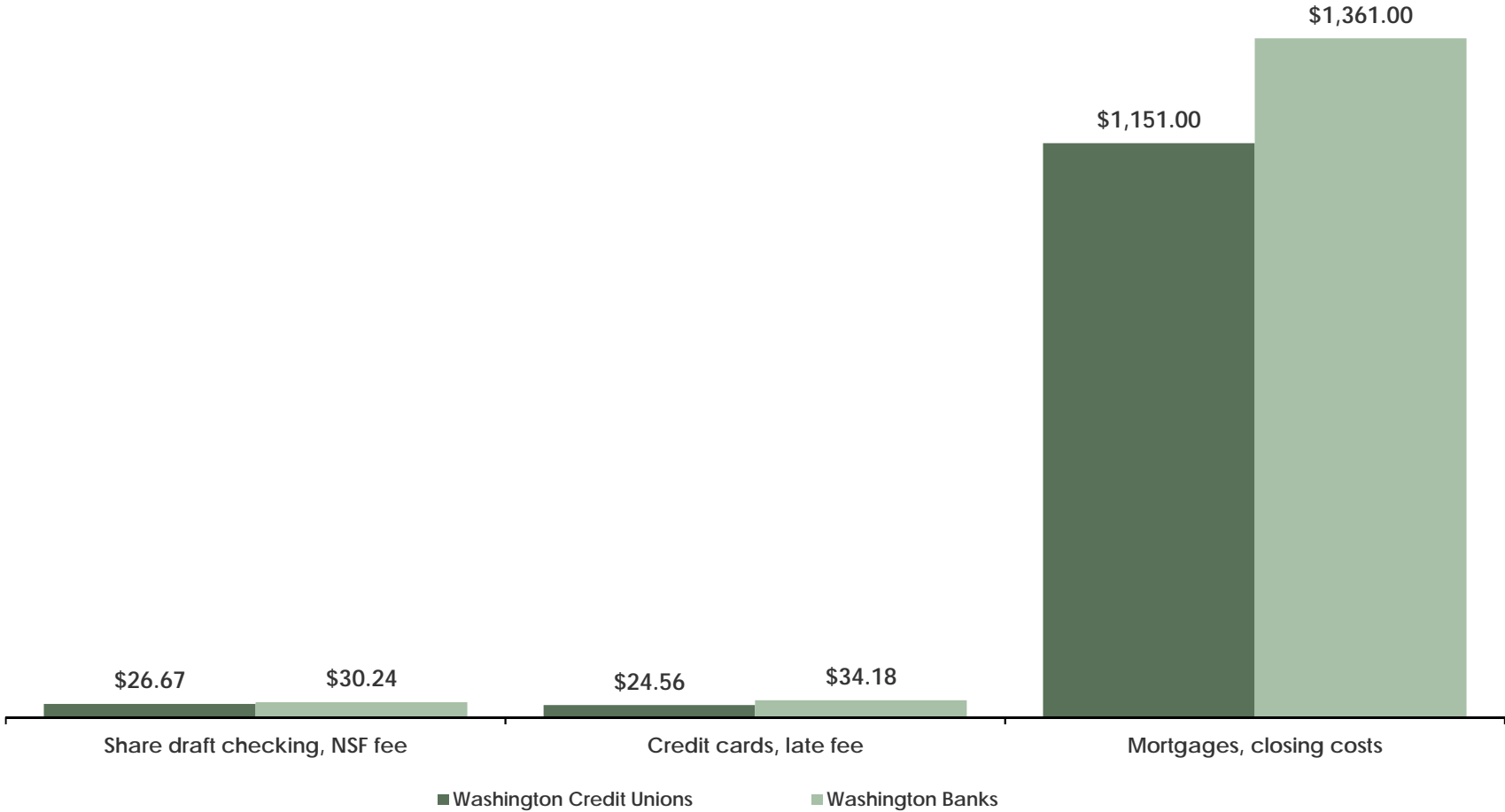
Savings Product Comparative Interest Rates (%)

by Savings Account Type



Comparative Fees

by Type



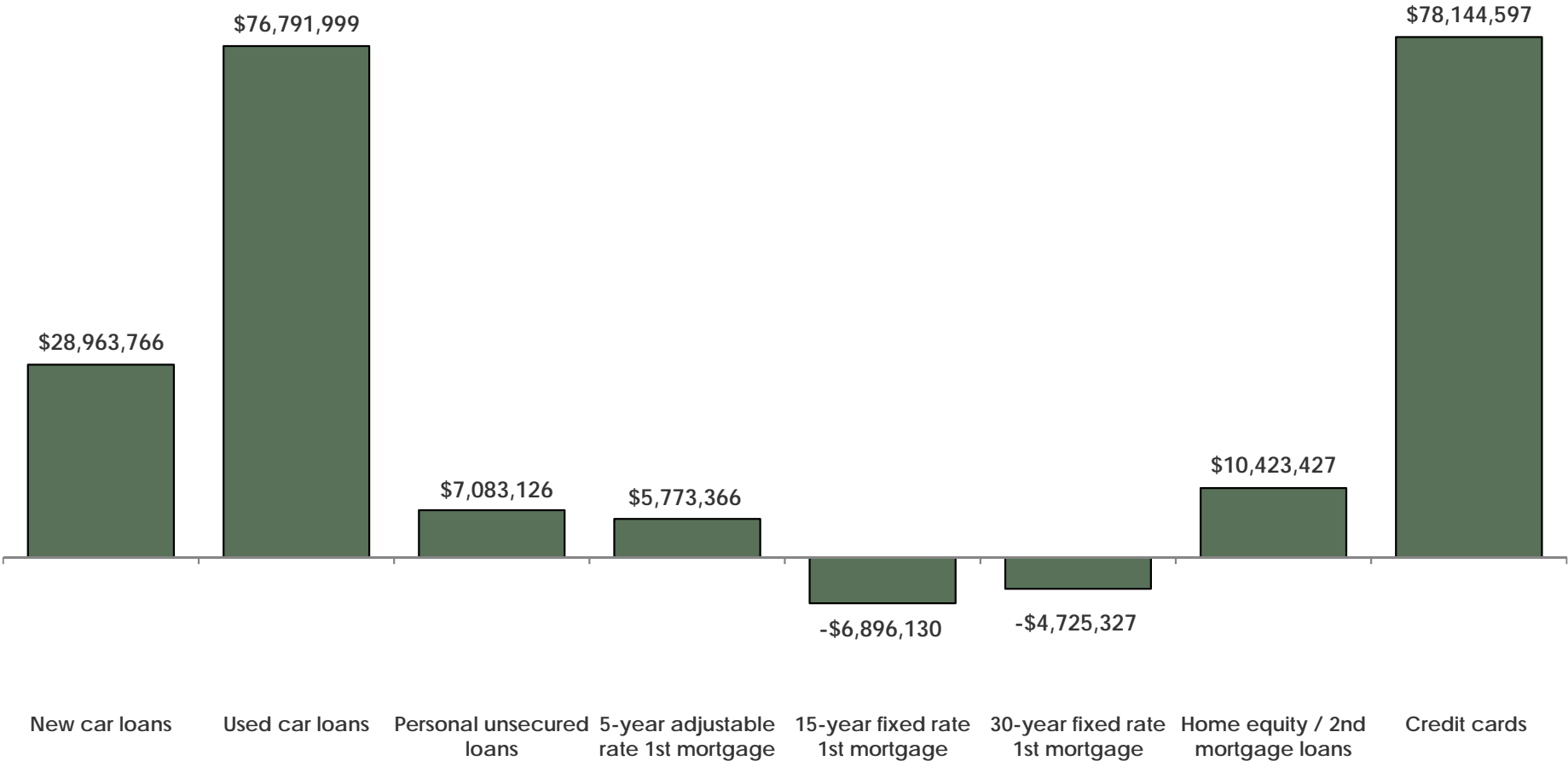
Washington Credit Union and Banking Institution December 2018 Average Interest Rates and Fees

Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	4.14	4.65	-0.51
48-month used car (A paper)	4.10	5.10	-1.00
Unsecured loan (A paper)	9.40	10.09	-0.69
5-year adjustable rate 1st mortgage, 0 pts	4.14	4.25	-0.11
15-year fixed rate 1st mortgage, 0 pts	4.69	4.52	0.17
30-year fixed rate 1st mortgage, 0 pts	5.01	4.92	0.09
Home equity / 2nd mtg, 80% LTV 0 pts	5.76	6.03	-0.27
Credit card - rewards	11.29	14.20	-2.91
Credit card - platinum	9.81	12.78	-2.97
Savings Products			
Regular savings, \$1,000 balance	0.12	0.13	-0.02
Share draft checking, \$5,000 balance	0.11	0.08	0.03
Money market accounts	0.21	0.19	0.02
1 Year certificate \$10,000 balance	1.16	0.78	0.38
Retirement (IRA) accounts	0.69	0.48	0.20
Fee Income			
Share draft checking, NSF fee	\$26.67	\$30.24	-\$3.57
Credit cards, late fee	\$24.56	\$34.18	-\$9.62
Mortgages, closing costs	\$1,151.00	\$1,361.00	-\$210.00

Source: Datatrac

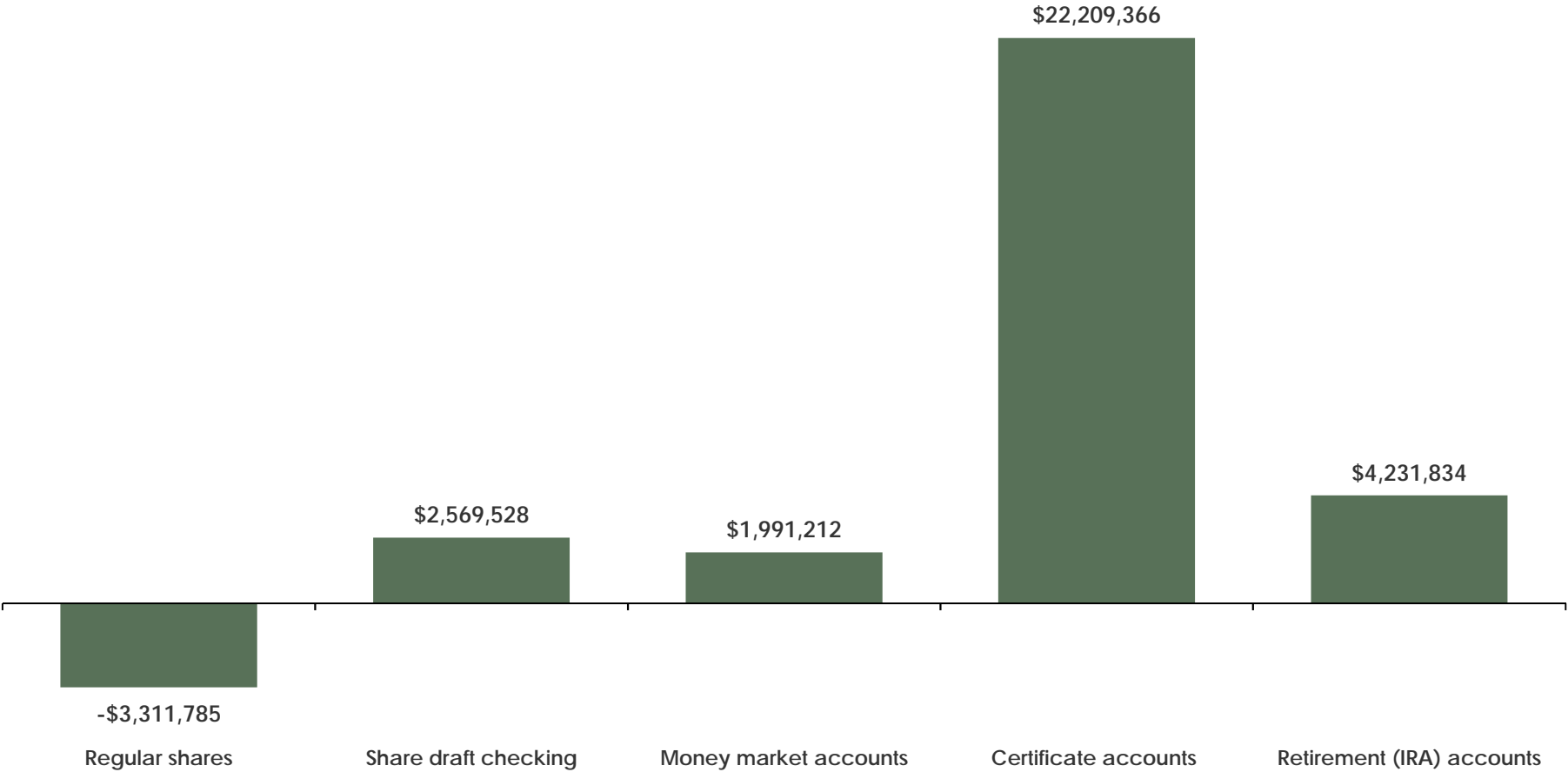
State Credit Union's Total Loan Rate Benefits

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 Washington Credit Unions December 2018

Loans	Avg. Balance at Credit Unions (1)	Rate Difference vs. Washington Banks (%) (2)	Total Financial Benefit to Your Members
New car loans	5,668,056,067	-0.51	\$28,963,766
Used car loans	7,694,589,090	-1.00	\$76,791,999
Personal unsecured loans	1,028,029,865	-0.69	\$7,083,126
5-year adjustable rate 1st mortgage	5,498,444,233	-0.11	\$5,773,366
15-year fixed rate 1st mortgage	4,154,295,140	0.17	-\$6,896,130
30-year fixed rate 1st mortgage	5,250,362,936	0.09	-\$4,725,327
Home equity / 2nd mortgage loans	3,889,338,383	-0.27	\$10,423,427
Credit cards	2,669,328,689	-2.91	\$78,144,597
Interest rebates			\$6,031
Total CU member benefits arising from lower interest rates on loan products:			\$195,564,856
Savings			
Regular shares	20,698,655,426	-0.02	-\$3,311,785
Share draft checking	7,557,435,344	0.03	\$2,569,528
Money market accounts	9,050,961,909	0.02	\$1,991,212
Certificate accounts	5,783,689,152	0.38	\$22,209,366
Retirement (IRA) accounts	2,084,647,431	0.20	\$4,231,834
Bonus dividends in period			\$0
Total CU member benefit arising from higher interest rates on savings products:			\$27,690,155
Fee Income			
Total CU member benefit arising from fewer / lower fees:			\$51,185,046
Total CU member benefit arising from interest rates on loans, savings products and lower fees:			\$274,440,058
Total CU member benefit / member:			\$71
Total CU member benefit / member household:			\$150

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

Washington Credit Union Performance Profile

Demographic Information	Dec 18	Dec 17
Number of branches	542	532
Total assets (\$ mil)	55,424	51,324
Total loans (\$ mil)	41,103	37,819
Total surplus funds (\$ mil)	11,650	10,972
Total savings (\$ mil)	46,924	44,202
Total members (thousands)	3,968	3,737
Growth Rates (Trailing 12 months) *		
Total assets	8.2 %	8.1 %
Total loans	8.8 %	12.9 %
Total surplus funds	6.4 %	-6.6 %
Total savings	6.3 %	7.5 %
Total members	6.5 %	5.9 %
Earnings - Basis Pts. *		
Yield on total assets	378	353
Dividend / interest cost of assets	42	36
Fee & other income	136	136
Operating expense	324	318
Loss Provisions	39	39
Net Income (ROA) after stabilization exp	110	97
Capital Adequacy		
Net worth / assets	11.2	10.9
Asset Quality *		
Delinquencies / loans	0.3	0.4
Net chargeoffs / average loans	0.5	0.4
Total borrower-bankruptcies	61	60
Bankruptcies per 1000 members	1.3	1.4
Asset/Liability Management		
Loans / savings	87.6	85.6
Loans / assets	74.2	73.7
Long-term assets / assets	36.5	35.9
Core deposits/shares & borrowings	61.1	61.0
Productivity		
Members / potential members	2.5	2.5
Borrowers / members	64.7	64.5
Members / FTE	385	382
Average shares / members (\$)	11,825	11,827
Average loan balances (\$)	16,013	15,687
Salary & Benefits / FTE	85,417	80,992

* 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.