

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 \$12,315,544,106 in direct financial benefits to the nation's 115,937,177 members during the twelve months ending March 2019.

These benefits are equivalent to \$106 per member or \$223 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 \$142 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.

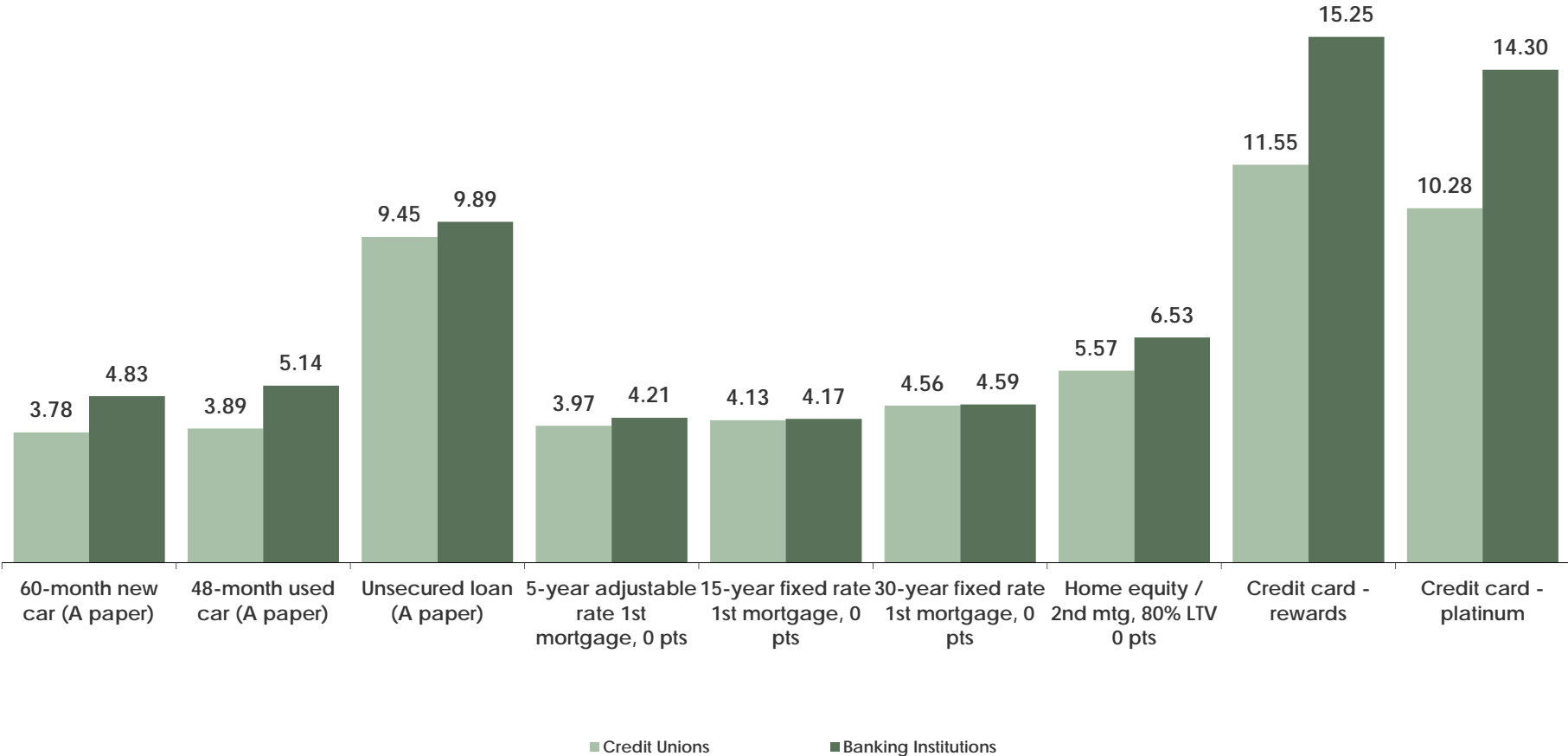
Further, loyal members - those who use the credit union extensively - often receive total financial benefits that are much greater than the average.

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**.



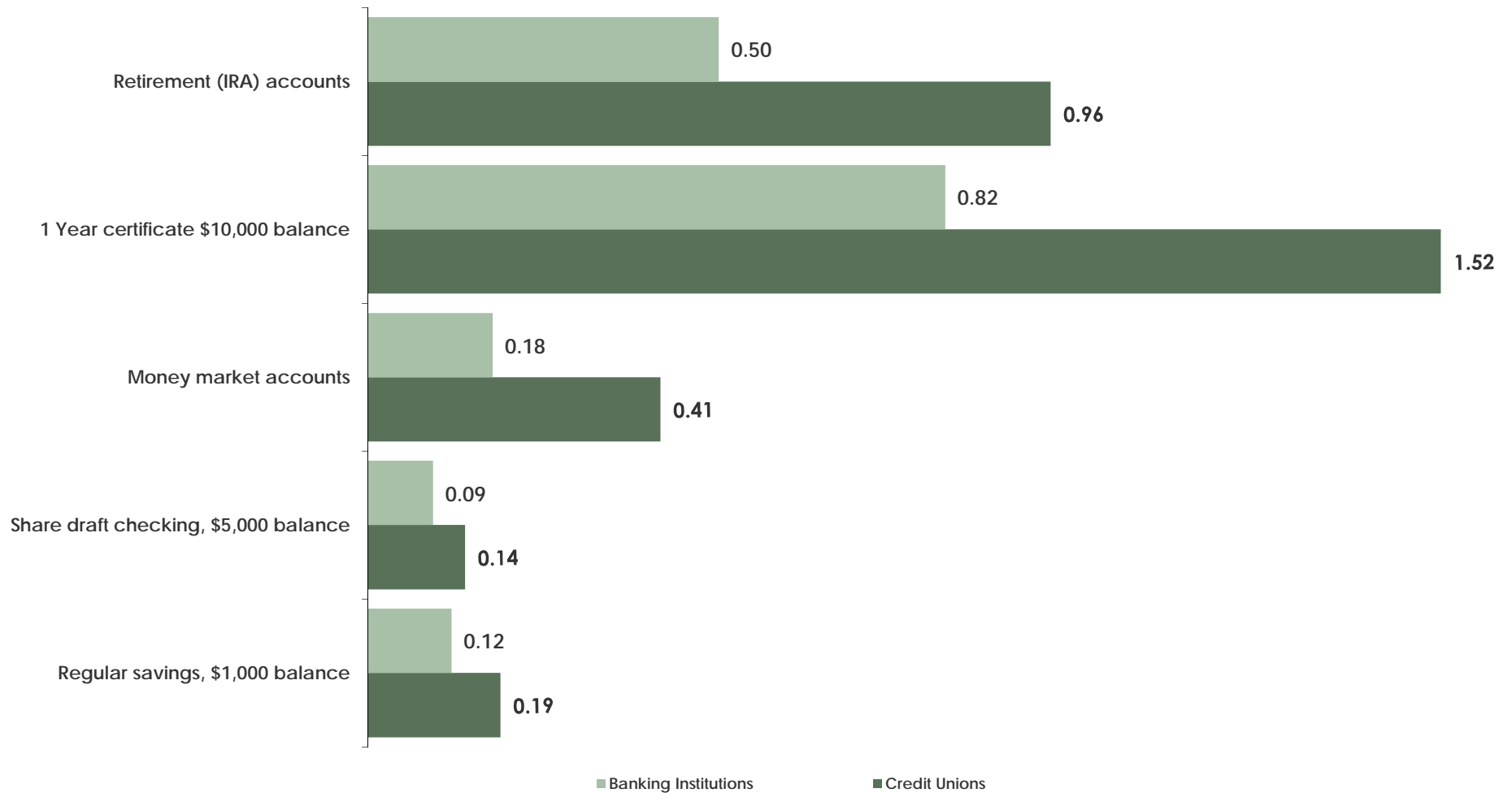
Loan Product Comparative Interest Rates (%)

by Loan Type



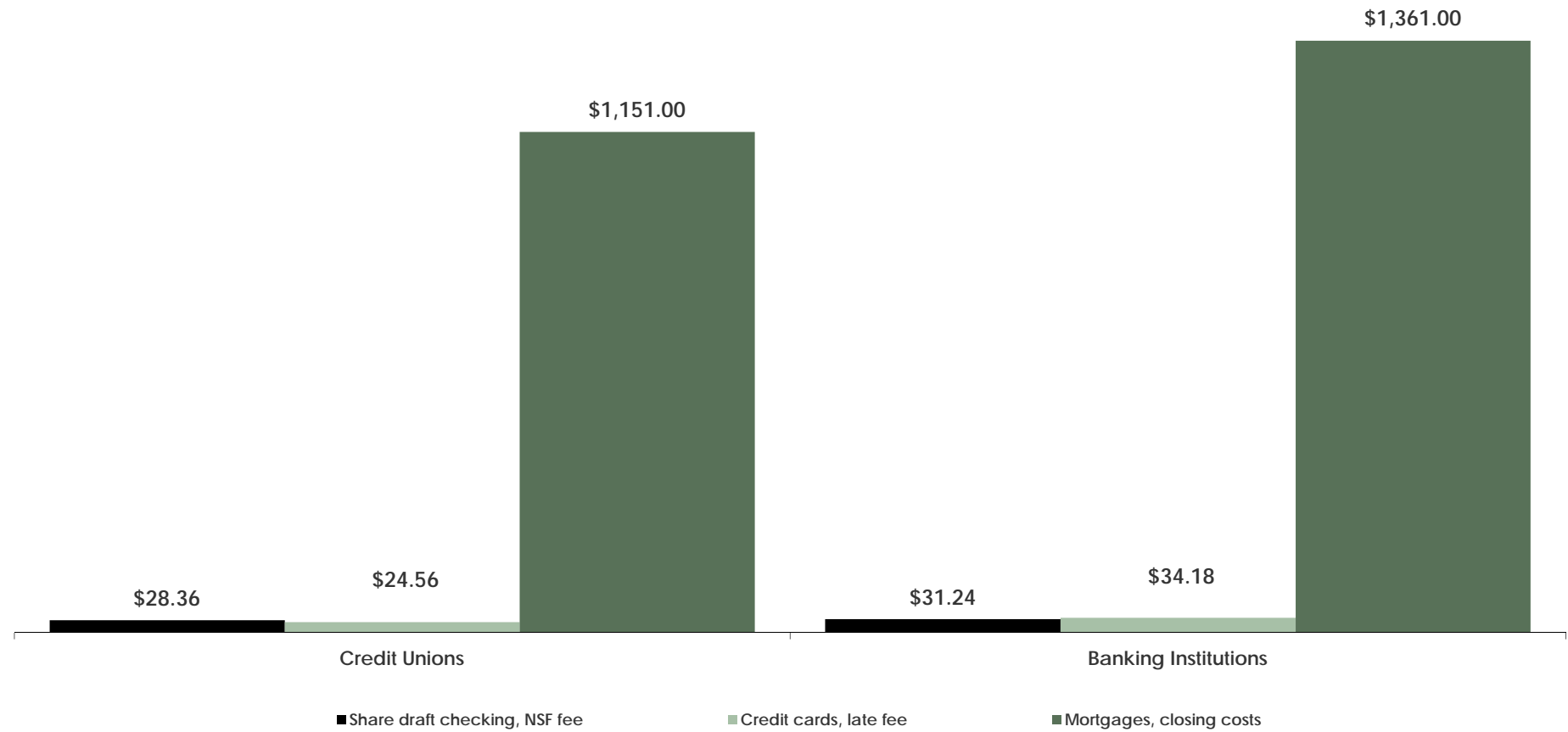
Savings Product Comparative Interest Rates (%)

by Savings Account Type



Comparative Fees

by Type



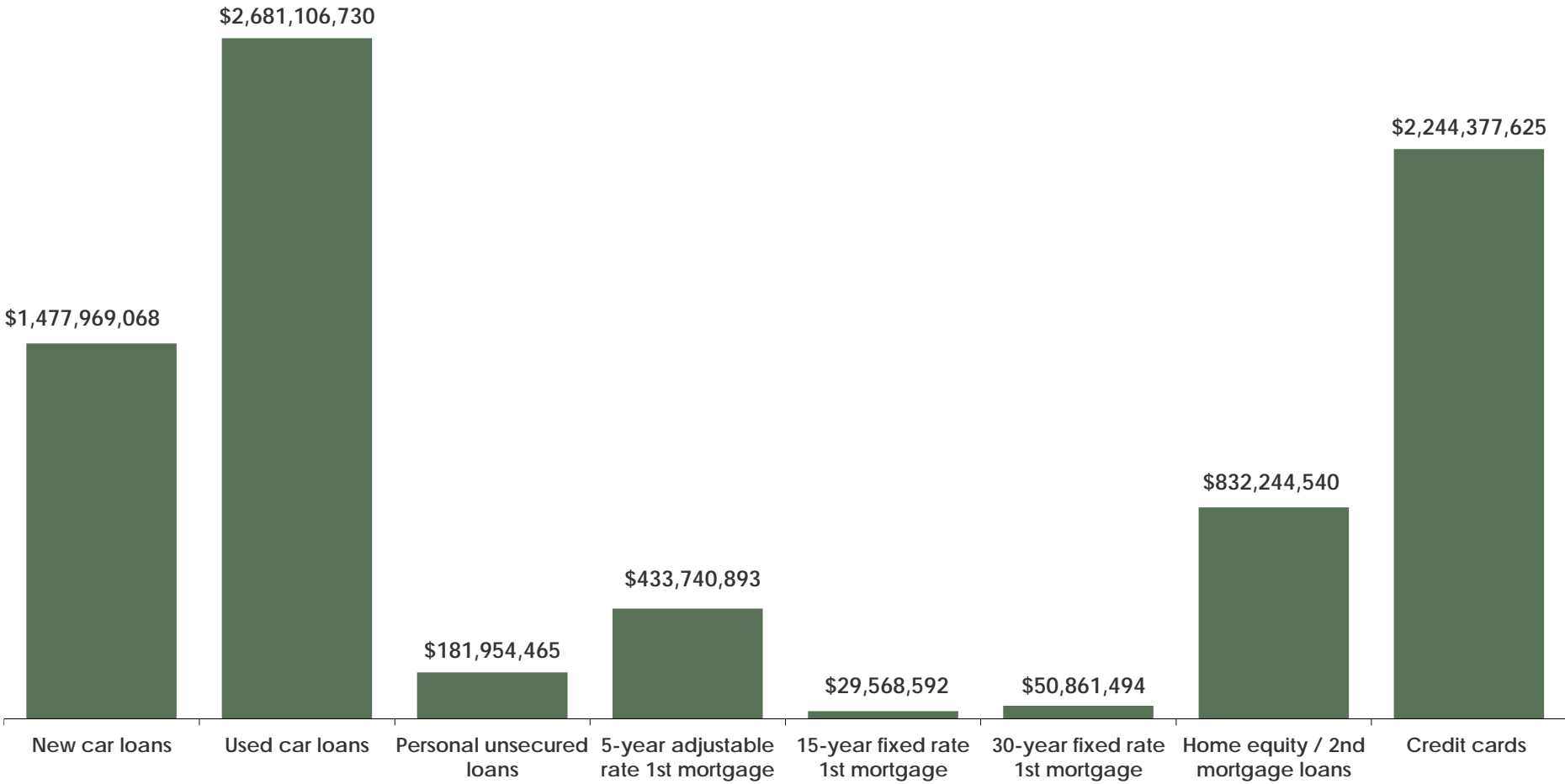
Credit Union and Banking Institution March 2019 Average Interest Rates and Fees

Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	3.78	4.83	-1.05
48-month used car (A paper)	3.89	5.14	-1.25
Unsecured loan (A paper)	9.45	9.89	-0.44
5-year adjustable rate 1st mortgage, 0 pts	3.97	4.21	-0.24
15-year fixed rate 1st mortgage, 0 pts	4.13	4.17	-0.03
30-year fixed rate 1st mortgage, 0 pts	4.56	4.59	-0.03
Home equity / 2nd mtg, 80% LTV 0 pts	5.57	6.53	-0.96
Credit card - rewards	11.55	15.25	-3.71
Credit card - platinum	10.28	14.30	-4.02
Savings Products			
Regular savings, \$1,000 balance	0.19	0.12	0.07
Share draft checking, \$5,000 balance	0.14	0.09	0.05
Money market accounts	0.41	0.18	0.24
1 Year certificate \$10,000 balance	1.52	0.82	0.70
Retirement (IRA) accounts	0.96	0.50	0.47
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

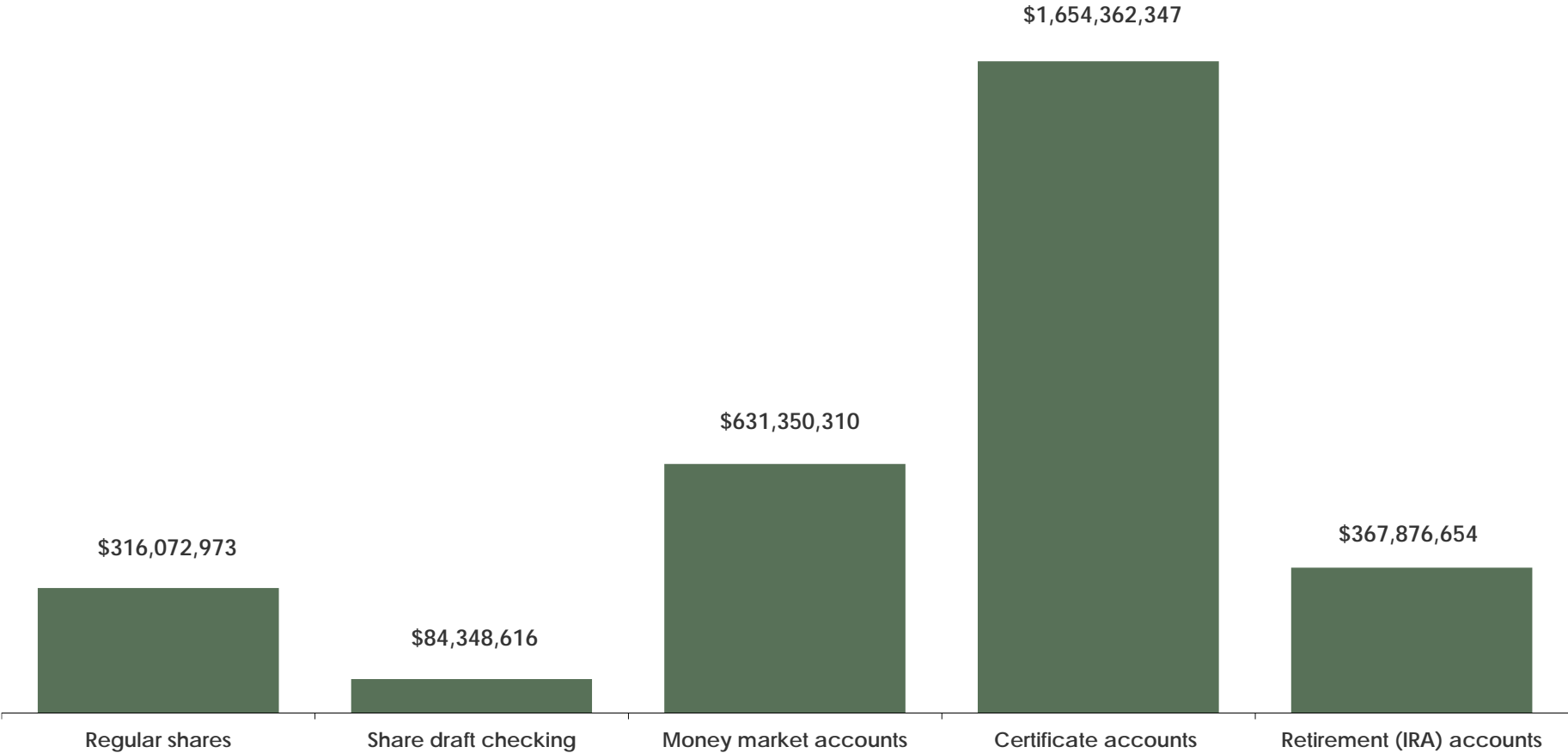
Estimated Credit Union Loan Rate Benefits

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 March 2019

	Avg. Balance at	Rate Difference vs.	Total Financial Benefit to
Loans	Credit Unions (1)	Banks (%) (2)	Members
New car loans	141,162,279,697	-1.05	\$1,477,969,068
Used car loans	214,832,270,031	-1.25	\$2,681,106,730
Personal unsecured loans	41,542,115,276	-0.44	\$181,954,465
5-year adjustable rate 1st mortgage	182,244,072,609	-0.24	\$433,740,893
15-year fixed rate 1st mortgage	86,966,446,329	-0.03	\$29,568,592
30-year fixed rate 1st mortgage	149,592,628,757	-0.03	\$50,861,494
Home equity / 2nd mortgage loans	86,332,421,126	-0.96	\$832,244,540
Credit cards	59,308,386,744	-3.71	\$2,244,377,625
Interest rebates			\$40,252,324
Total CU member benefit arising from lower interest rates on loan products:			\$7,972,075,731
Savings			
Regular shares	458,076,772,554	0.07	\$316,072,973
Share draft checking	187,441,369,200	0.05	\$84,348,616
Money market accounts	266,392,535,781	0.24	\$631,350,310
Certificate accounts	236,337,478,192	0.70	\$1,654,362,347
Retirement (IRA) accounts	78,522,231,339	0.47	\$367,876,654
Bonus dividends in period			\$0
Total CU member benefit arising from higher interest rates on saving products:			\$3,054,010,900
Fee Income			
Total CU member benefit arising from fewer/lower fees:			\$1,289,457,476
Total CU member benefit arising from interest rates on loan and savings products and lower fees:			\$12,315,544,106
Total CU member benefit / member:			\$106
Total CU member benefit / member household:			\$223

Source: Datatrac, NCUA, and CUNA

(1) Average balance as of March 2019 and March 2018, 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	Mar 19	Mar 18
Number of branches	20,920	20,875
Total assets (\$ mil)	1,523,874	1,433,167
Total loans (\$ mil)	1,063,602	986,314
Total surplus funds (\$ mil)	395,052	389,570
Total savings (\$ mil)	1,288,326	1,218,197
Total members (thousands)	118,654	114,052
Growth Rates*		
Total assets	6.9 %	6.2 %
Total loans	8.4 %	10.0 %
Total surplus funds	1.9 %	-2.6 %
Total savings	6.3 %	6.1 %
Total members	4.6 %	4.9 %
Earnings - Basis Pts.		
Yield on total assets	394	363
Dividend/interest cost of assets	82	60
Fee & other income	138	142
Operating expense	313	308
Loss Provisions	43	48
Net Income (ROA) after Stabilization exp	95	90
Capital adequacy		
Net worth / assets	11.1	10.9
Asset quality		
Delinquencies / loans	0.6	0.7
Net chargeoffs / average loans	0.6	0.6
Total borrower-bankruptcies	10	9
Bankruptcies per 1000 members	0.5	0.5
Asset/Liability Management		
Loans / savings	82.6	81.0
Loans / assets	69.8	68.8
Long-term assets / assets	33.2	33.8
Core deposits/shares & borrowings	50.5	51.3
Productivity		
Members/potential members	3.1	3.9
Borrowers/members	58.0	57.3
Members/FTE	387	387
Average shares/members (\$)	10,858	10,681
Average loan balances (\$)	15,461	15,103
Salary & Benefits/FTE	79,050	76,563

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