The Benefits of Membership

Customized Analysis of Member Benefits For:

District Of Columbia

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District Of Columbia

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 District Of Columbia credit unions provided $26,559,917 in direct financial benefits to the state's 317,224 members during the twelve months ending March 2015.

These benefits are equivalent to $84 per member or $159 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 District Of Columbia 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 District Of Columbia credit unions.

Consider this:

Financing a $25,000 new automobile for 60 months at a District Of Columbia credit union will save members an average $185 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.

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

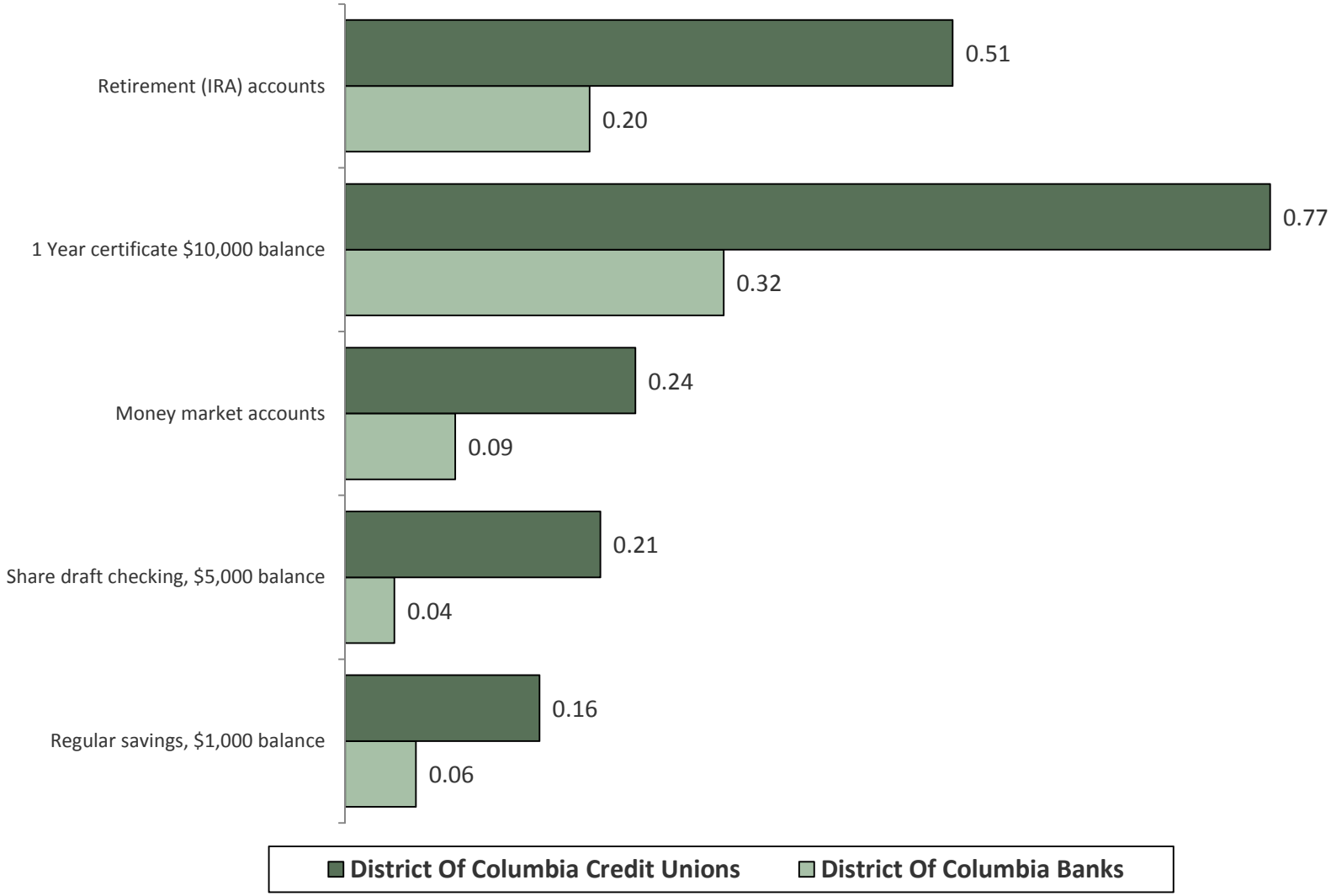
District Of Columbia credit unions also pay members higher average dividends on the following accounts: regular savings, share draft checking, money market accounts, certificate accounts, IRAs.

AMERICA'S CREDIT UNIONS

Source: Informa Research Services, NCUA, and CUNA.
(1)Assumes 1.9 credit union members per household.

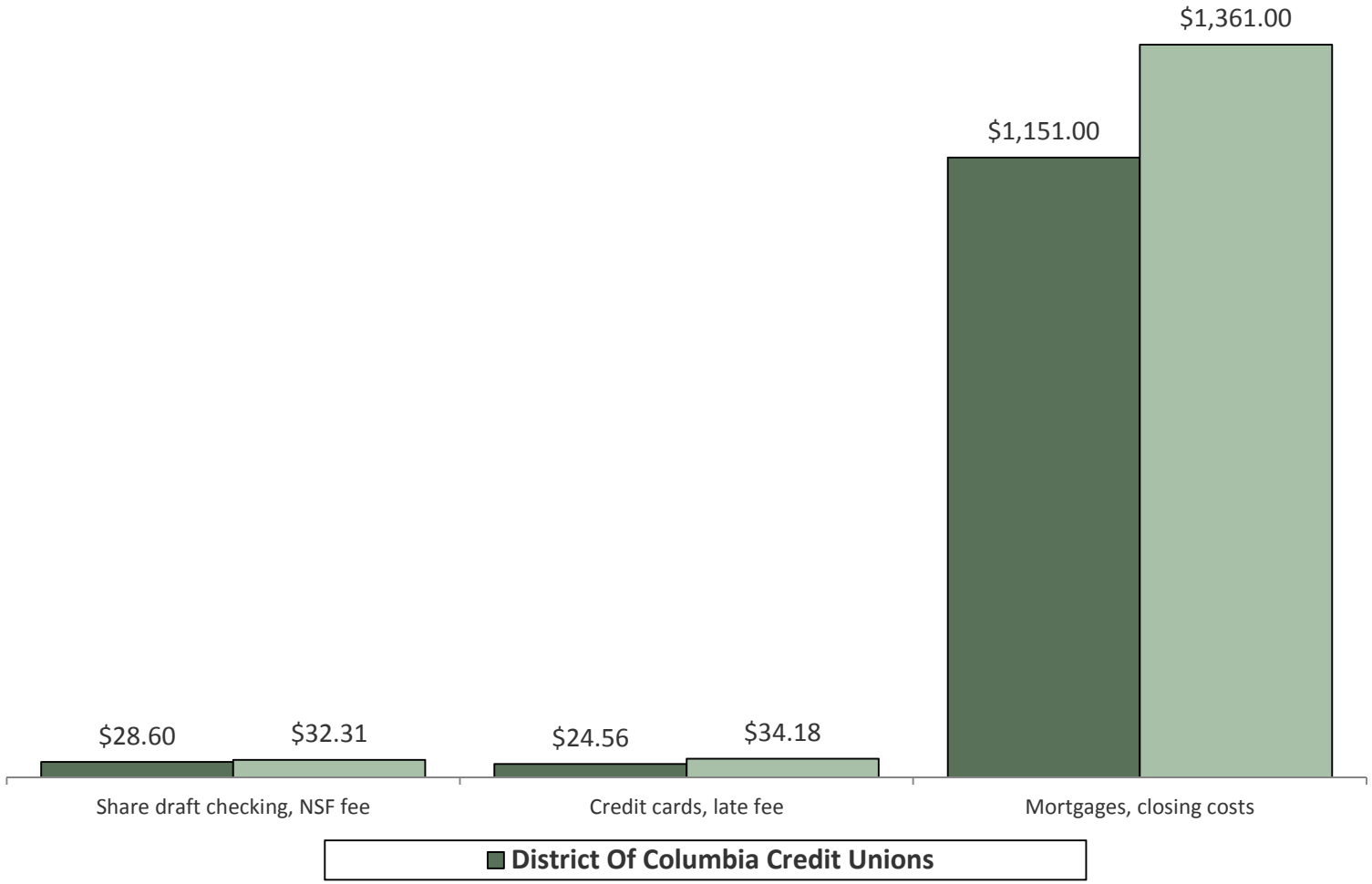
Savings Products Comparative Interest Rates(%)

By Savings Account Type



Comparative Fees

By Type



District Of Columbia
Credit Union and Banking Institution
First-Quarter 2015 Average Interest Rates and Fees

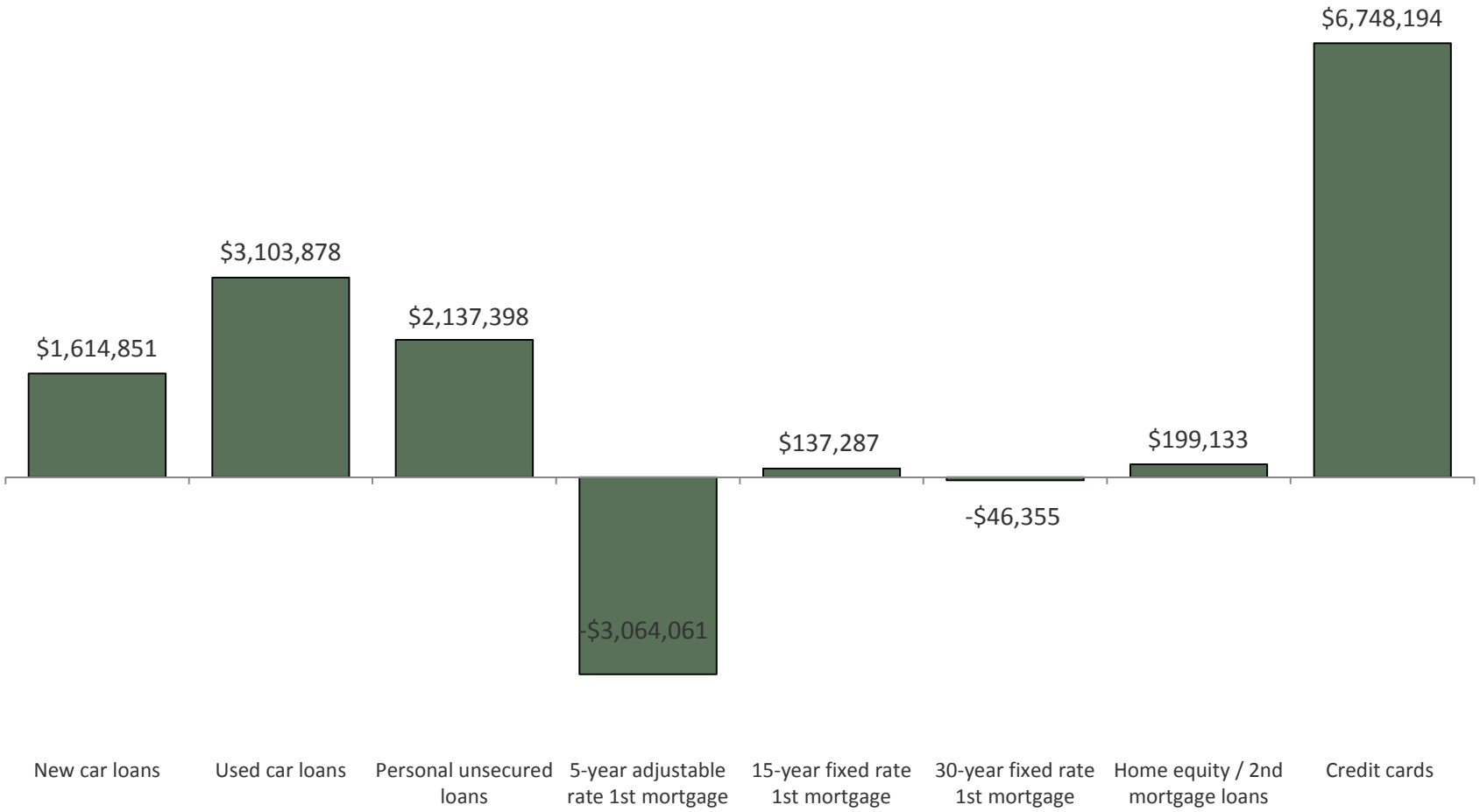
Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	2.17	3.56	-1.39
48-month used car (A paper)	2.46	3.99	-1.53
Unsecured loan (A paper)	10.04	10.98	-0.94
5-year adjustable rate 1st mortgage, 0 pts	3.05	2.90	0.15
15-year fixed rate 1st mortgage, 0 pts	3.05	3.11	-0.07
30-year fixed rate 1st mortgage, 0 pts	3.72	3.70	0.02
Home equity / 2nd mtg, 80% LTV 0 pts	4.08	4.13	-0.05
Credit card - classic	11.81	15.77	-3.96
Credit card - gold	10.51	14.46	-3.95
Savings Products			
Regular savings, $1,000 balance	0.16	0.06	0.10
Share draft checking, $5,000 balance	0.21	0.04	0.17
Money market accounts	0.24	0.09	0.15
1 Year certificate $10,000 balance	0.77	0.32	0.45
Retirement (IRA) accounts	0.51	0.20	0.30
Fee Income			
Share draft checking, NSF fee	$28.60	$32.31	-$3.71
Credit cards, late fee	$24.56	$34.18	-$9.62
Mortgages, closing costs	$1,151.00	$1,361.00	-$210.00

Source: Informa Research Services

State Credit Unions' Total Loan Rate Benefits

Compared to State Banking Institutions

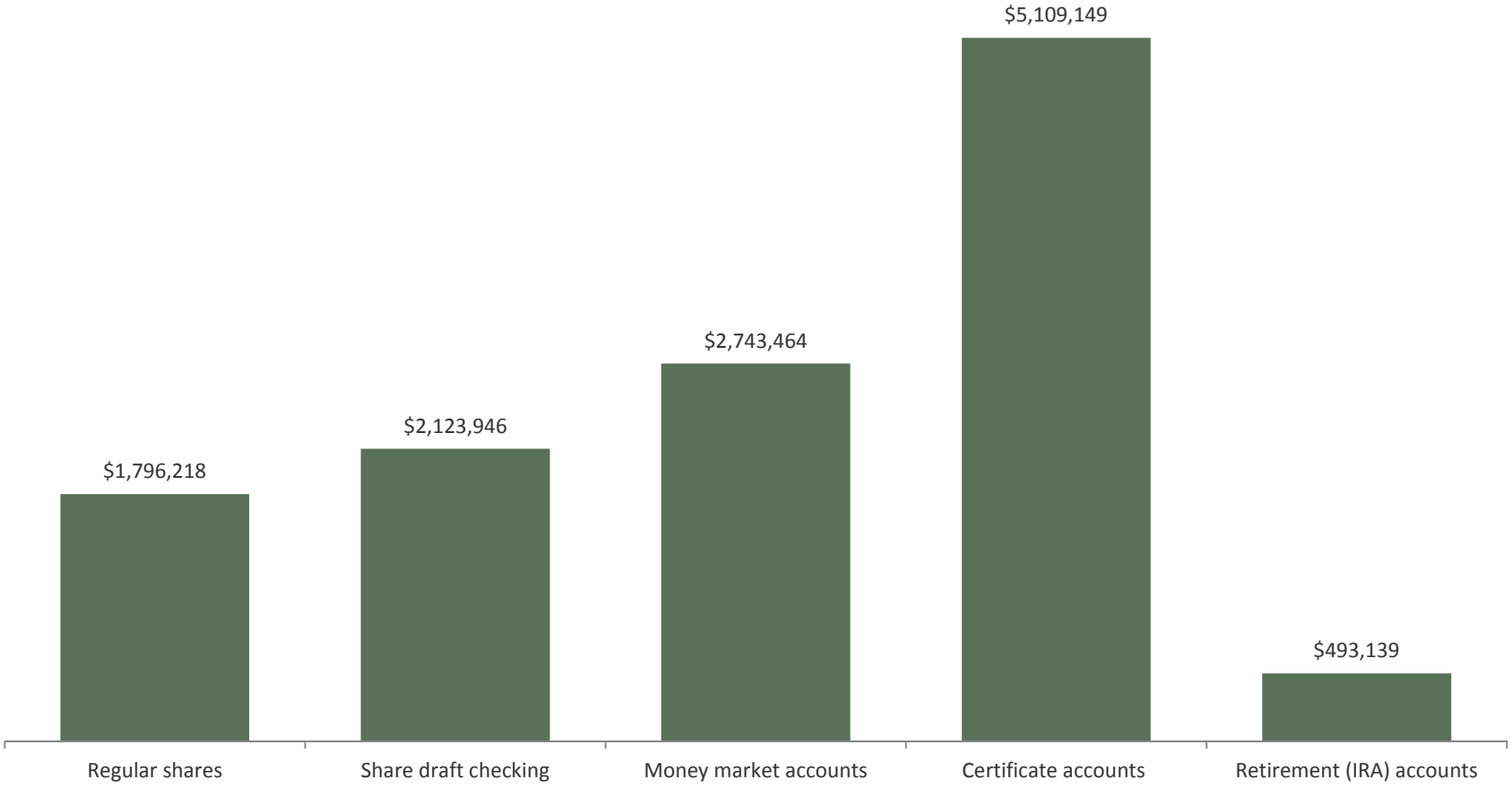
by Loan Type



State Credit Unions' Total Savings Dividend Benefits

Compared to State Banking Institutions

by Account Type



Estimated Financial Benefits for District Of Columbia Credit Unions

First-Quarter 2015

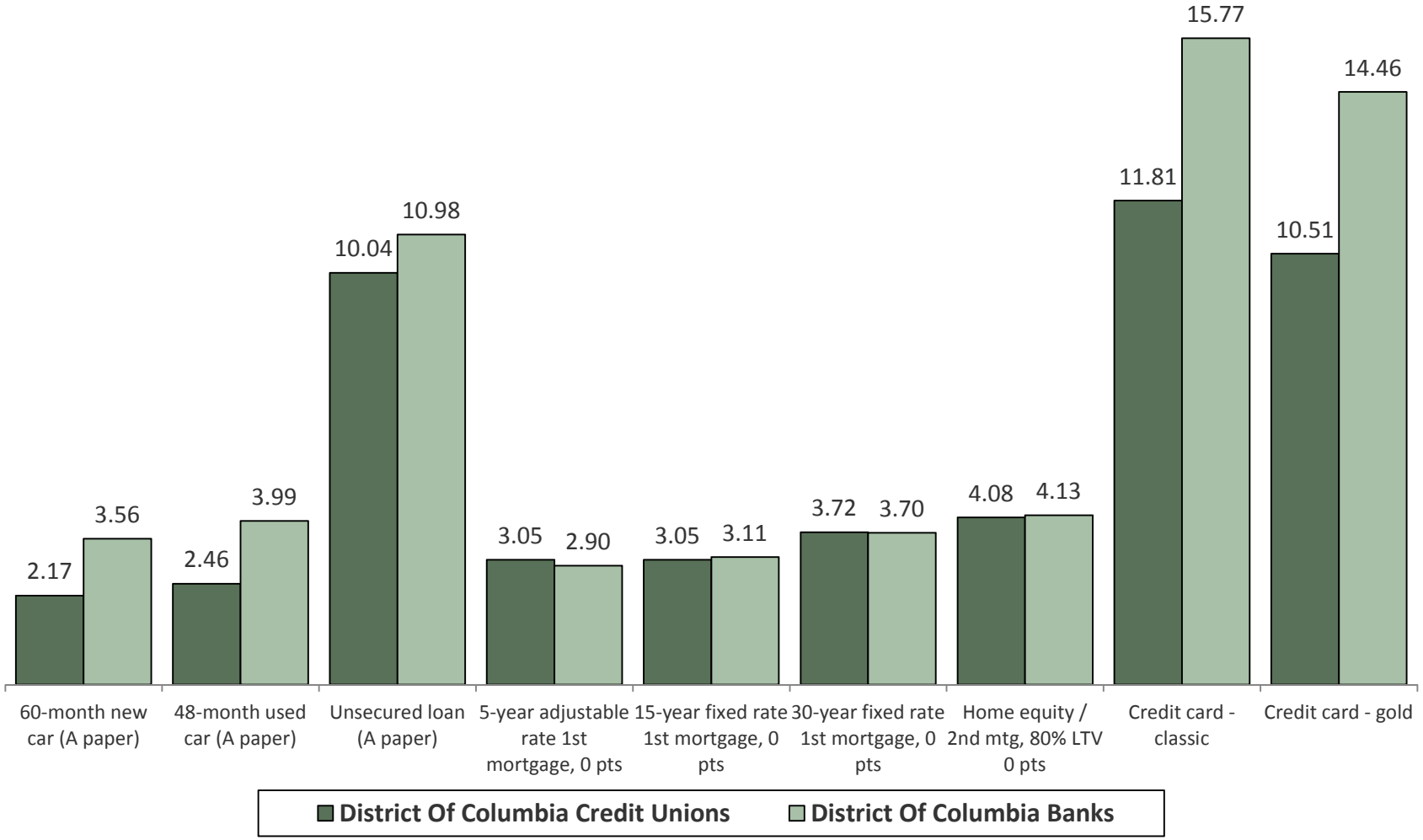
Loans	Avg. Balance at Credit Unions (1)	Rate Difference vs. District Of Columbia Banks (%) (2)	Total Financial Benefit to Your Members
New car loans	116,343,758	-1.39	$1,614,851
Used car loans	202,602,999	-1.53	$3,103,878
Personal unsecured loans	227,624,902	-0.94	$2,137,398
5-year adjustable rate 1st mortgage	2,084,395,430	0.15	-$3,064,061
15-year fixed rate 1st mortgage	198,966,008	-0.07	$137,287
30-year fixed rate 1st mortgage	289,717,910	0.02	-$46,355
Home equity / 2nd mortgage loans	382,947,995	-0.05	$199,133
Credit cards	170,516,585	-3.96	$6,748,194
Interest rebates in period			$2
Total CU member benefits arising from lower interest rates on loan products:			$10,830,326
Savings			
Regular shares	1,744,707,256	0.10	$1,796,218
Share draft checking	1,238,968,466	0.17	$2,123,946
Money market accounts	1,831,117,432	0.15	$2,743,464
Certificate accounts	1,123,539,776	0.45	$5,109,149
Retirement (IRA) accounts	163,139,316	0.30	$493,139
Bonus dividends in period			$0
Total CU member benefit arising from higher interest rates on savings products:			$12,265,915
Fee Income			
Total CU member benefit arising from fewer / lower fees:			$3,463,675
Total CU member benefit arising from interest rates on loans, savings products and lower fees:			$26,559,917
Total CU member benefit / member:			$84
Total CU member benefit / member household:			$159

Source: Informa Research Services, NCUA, and CUNA

(1) Average balance as of first-quarter 2015 and first-quarter 2014, according to the NCUA call report.; (2) Source for rates and fees: Informa Research Services;

Loan Product Comparative Interest Rates (%)

By Loan Type



District Of Columbia
Performance Profile

Demographic Information	Mar 15	Mar 14
Number of branches	80	81
Total assets ($ mil)	7,145	7,065
Total loans ($ mil)	3,812	3,729
Total surplus funds ($ mil)	3,171	3,202
Total savings ($ mil)	6,232	6,175
Total members (thousands)	317	337
Growth Rates (Trailing 12 months) *		
Total assets	4.0 %	4.0 %
Total loans	5.1 %	3.6 %
Total surplus funds	1.6 %	4.6 %
Total savings	3.9 %	4.3 %
Total members	0.0 %	0.7 %
Earnings - Basis Pts. *		
Yield on total assets	257	258
Dividend / interest cost of assets	40	42
Fee & other income	58	59
Operating expense	202	216
Loss Provisions	15	15
Net Income (ROA) after stabilization exp	57	44
Capital adequacy		
Net worth / assets	11.1	10.9
Asset quality *		
Delinquencies / loans	0.8	0.9
Net chargeoffs / average loans	0.3	0.3
Total borrower-bankruptcies	3	3
Bankruptcies per 1000 members	0.4	0.4
Asset/Liability Management		
Loans / savings	61.2	60.4
Loans / assets	53.4	52.8
Long-term assets / assets	25.6	23.5
Core deposits/shares & borrowings	48.8	48.0
Productivity		
Members / potential members	15.9	16.5
Borrowers / members	57.5	55.5
Members / FTE	371	348
Average shares / members ($)	19,643	18,349
Average loan balances ($)	20,909	19,961
Salary & Benefits / FTE	80,174	76,393

*** 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.**