

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 \$164,594,278 in direct financial benefits to the state's 4,207,265 members during the twelve months ending December 2020.

These benefits are equivalent to \$39 per member or \$82 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 \$181 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.

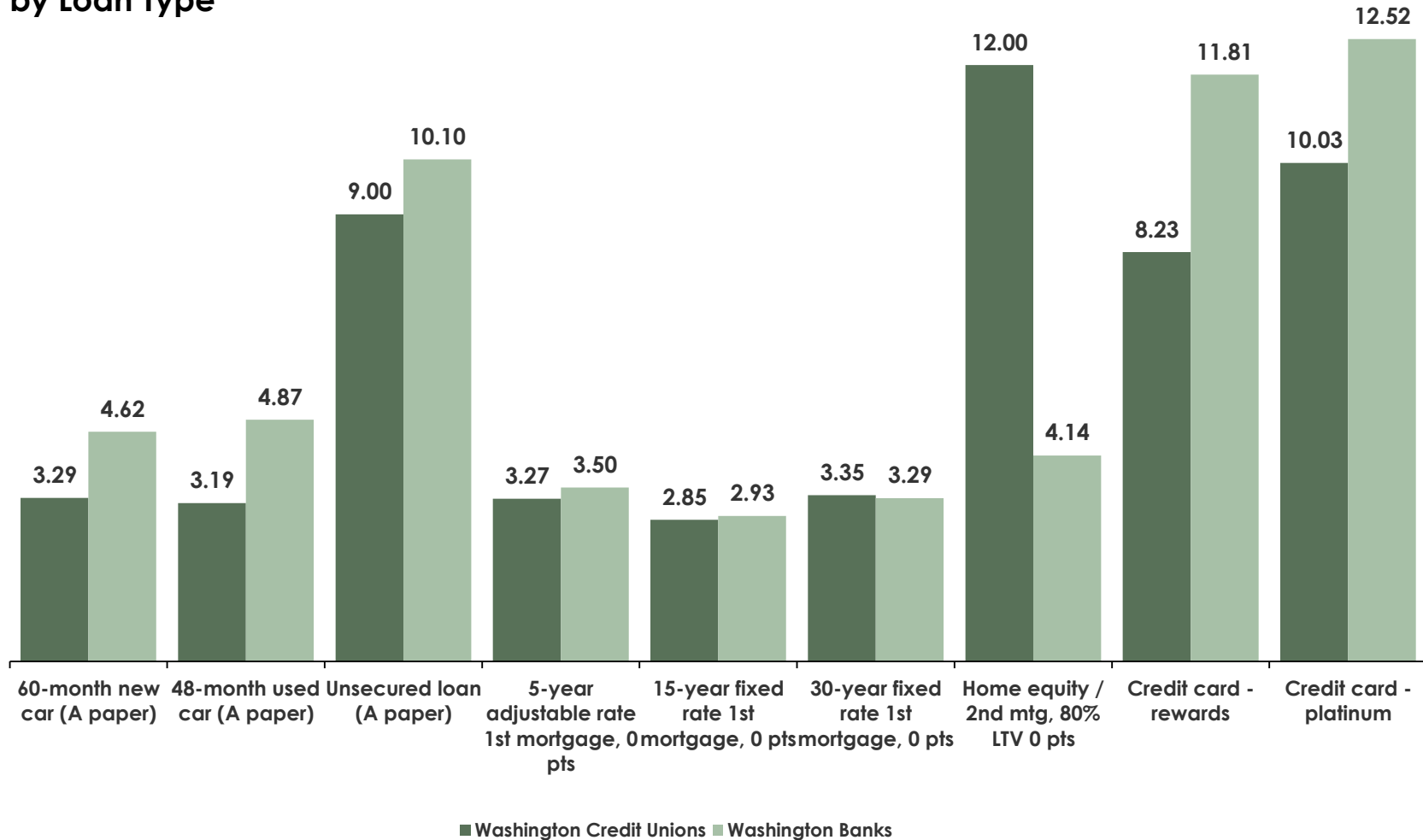
Washington credit unions excel in providing member benefits on many loan and savings products. In particular, Washington credit unions offer lower average loan rates on the following accounts: new car loans, used car loans, personal unsecured loans, first mortgage-adjustable rate, credit cards loans.

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



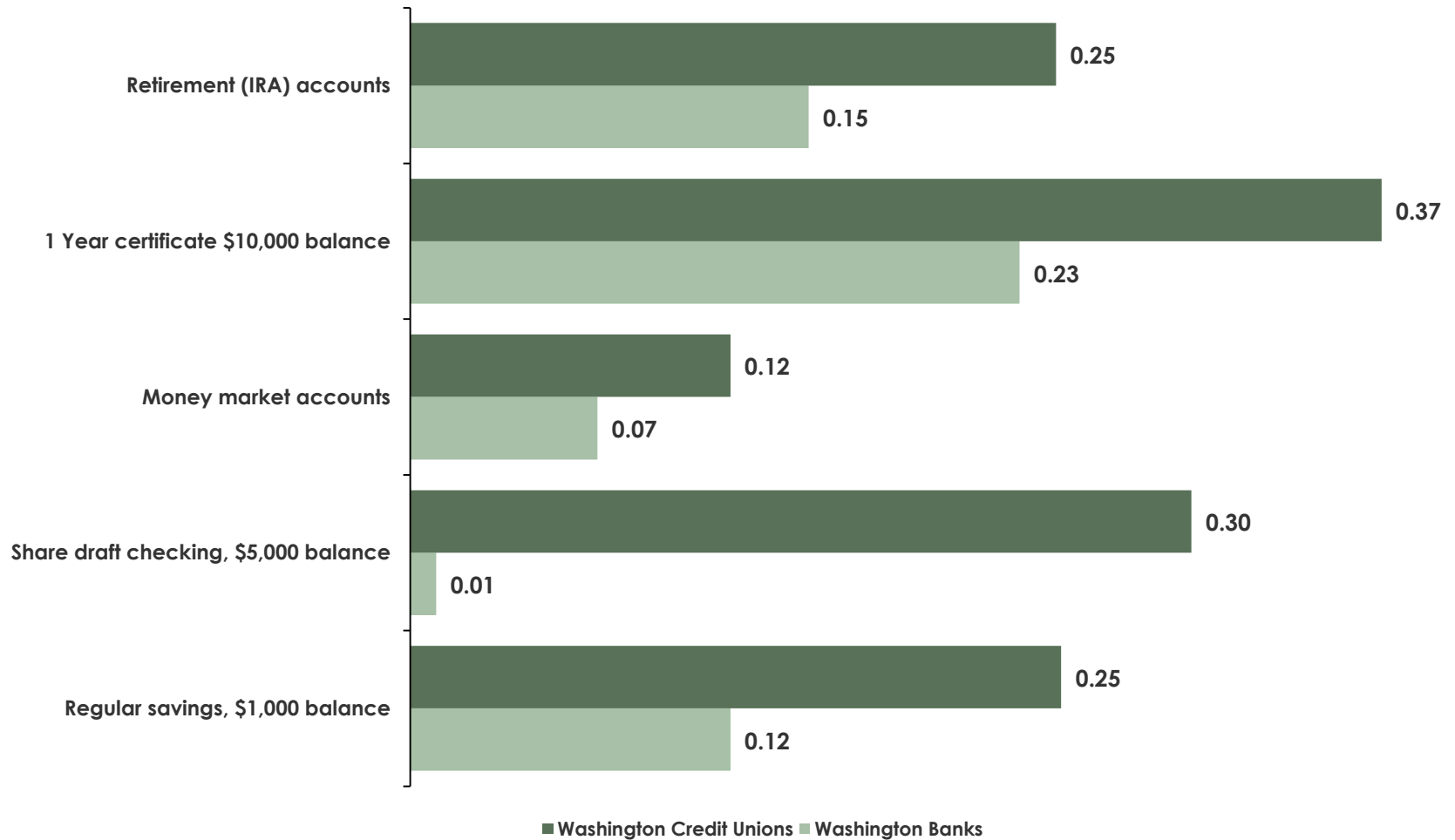
Loan Product Comparative Interest Rates (%)

by Loan Type



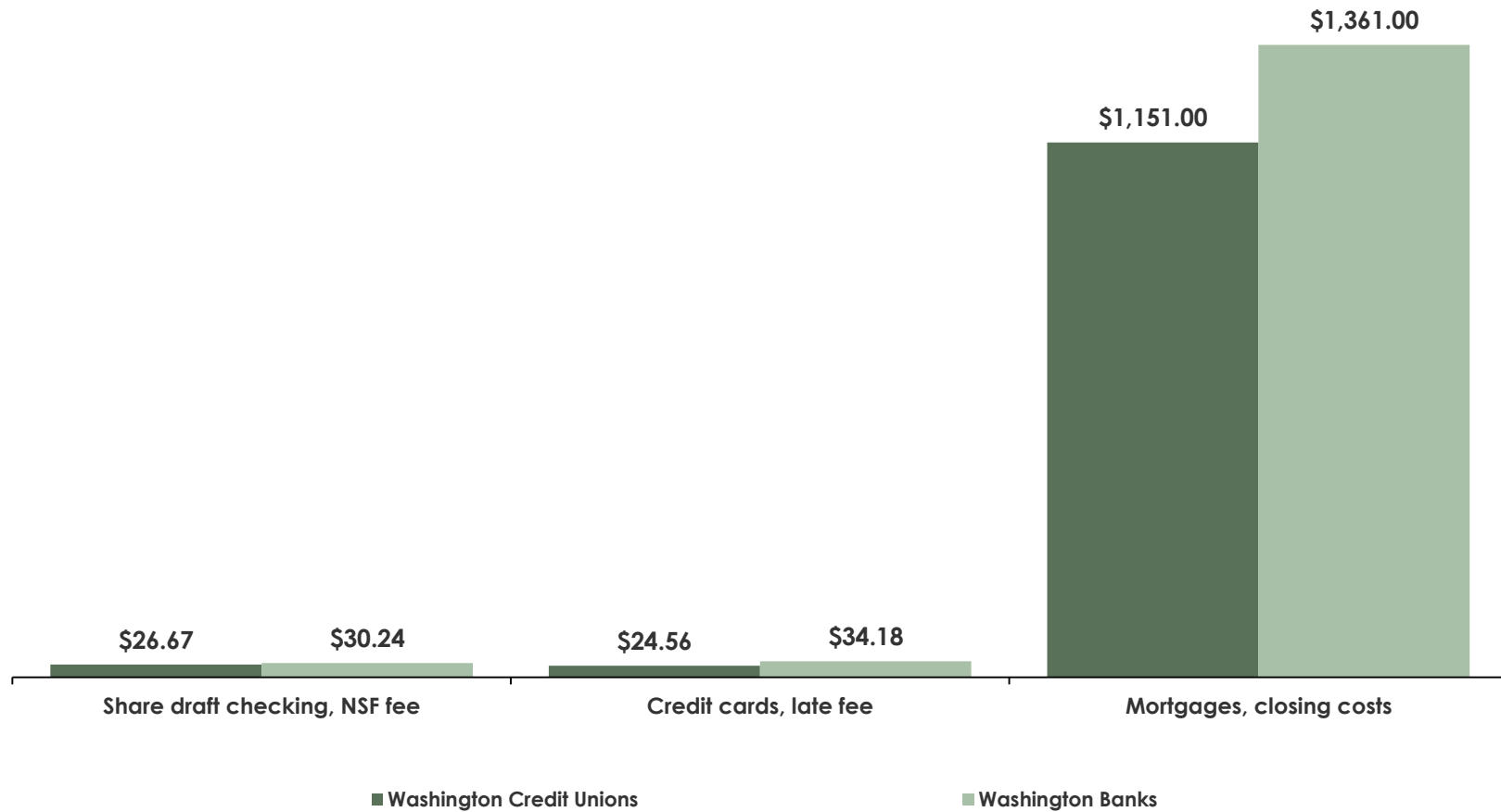
Savings Product Comparative Interest Rates (%)

by Savings Account Type



Comparative Fees

by Type



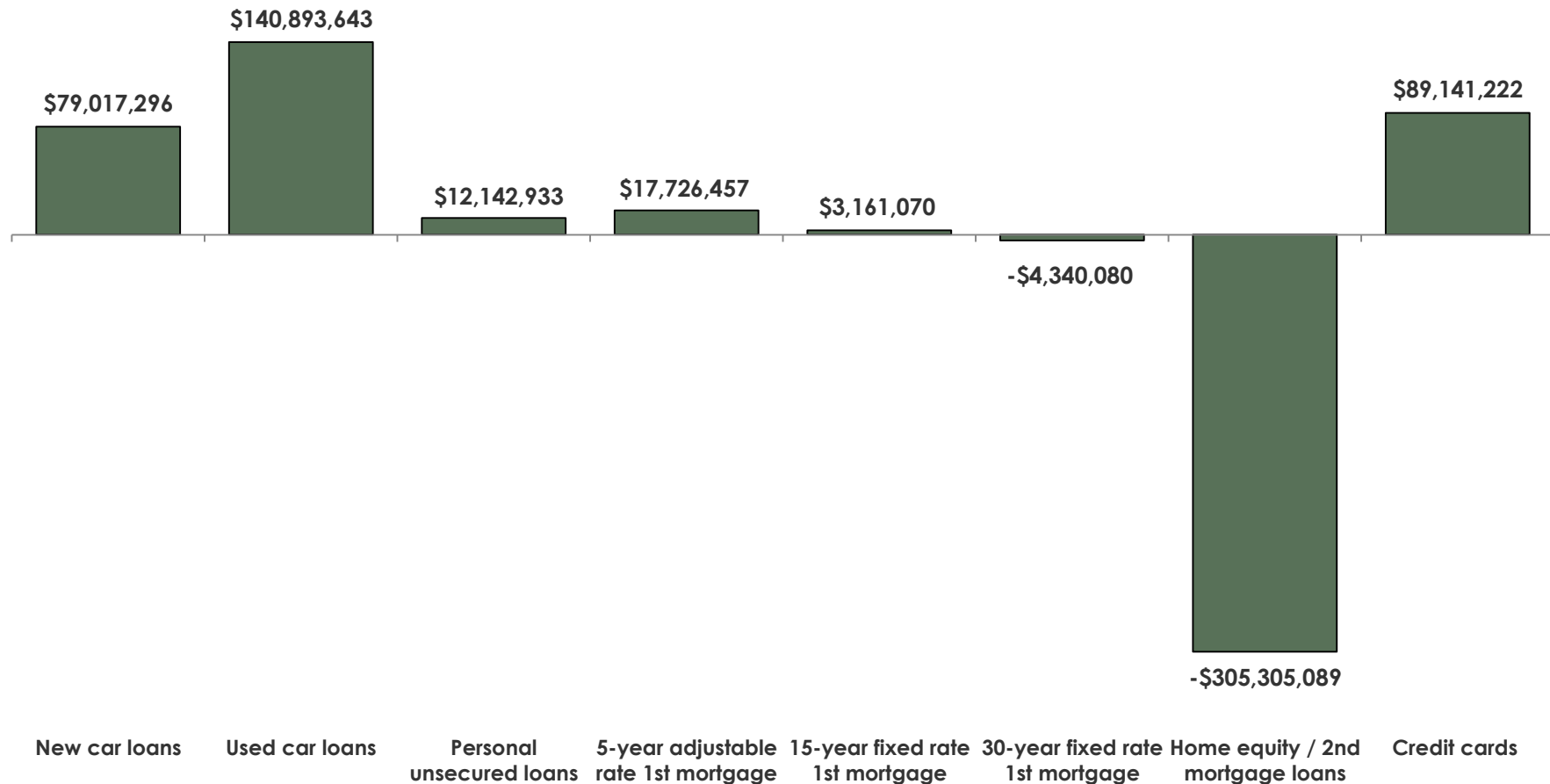
Washington Credit Union and Banking Institution December 2020 Average Interest Rates and Fees

Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	3.29	4.62	-1.34
48-month used car (A paper)	3.19	4.87	-1.68
Unsecured loan (A paper)	9.00	10.10	-1.11
5-year adjustable rate 1st mortgage, 0 pts	3.27	3.50	-0.23
15-year fixed rate 1st mortgage, 0 pts	2.85	2.93	-0.08
30-year fixed rate 1st mortgage, 0 pts	3.35	3.29	0.06
Home equity / 2nd mtg, 80% LTV 0 pts	12.00	4.14	7.86
Credit card - rewards	8.23	11.81	-3.57
Credit card - platinum	10.03	12.52	-2.49
Savings Products			
Regular savings, \$1,000 balance	0.25	0.12	0.13
Share draft checking, \$5,000 balance	0.30	0.01	0.29
Money market accounts	0.12	0.07	0.05
1 Year certificate \$10,000 balance	0.37	0.23	0.14
Retirement (IRA) accounts	0.25	0.15	0.10
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

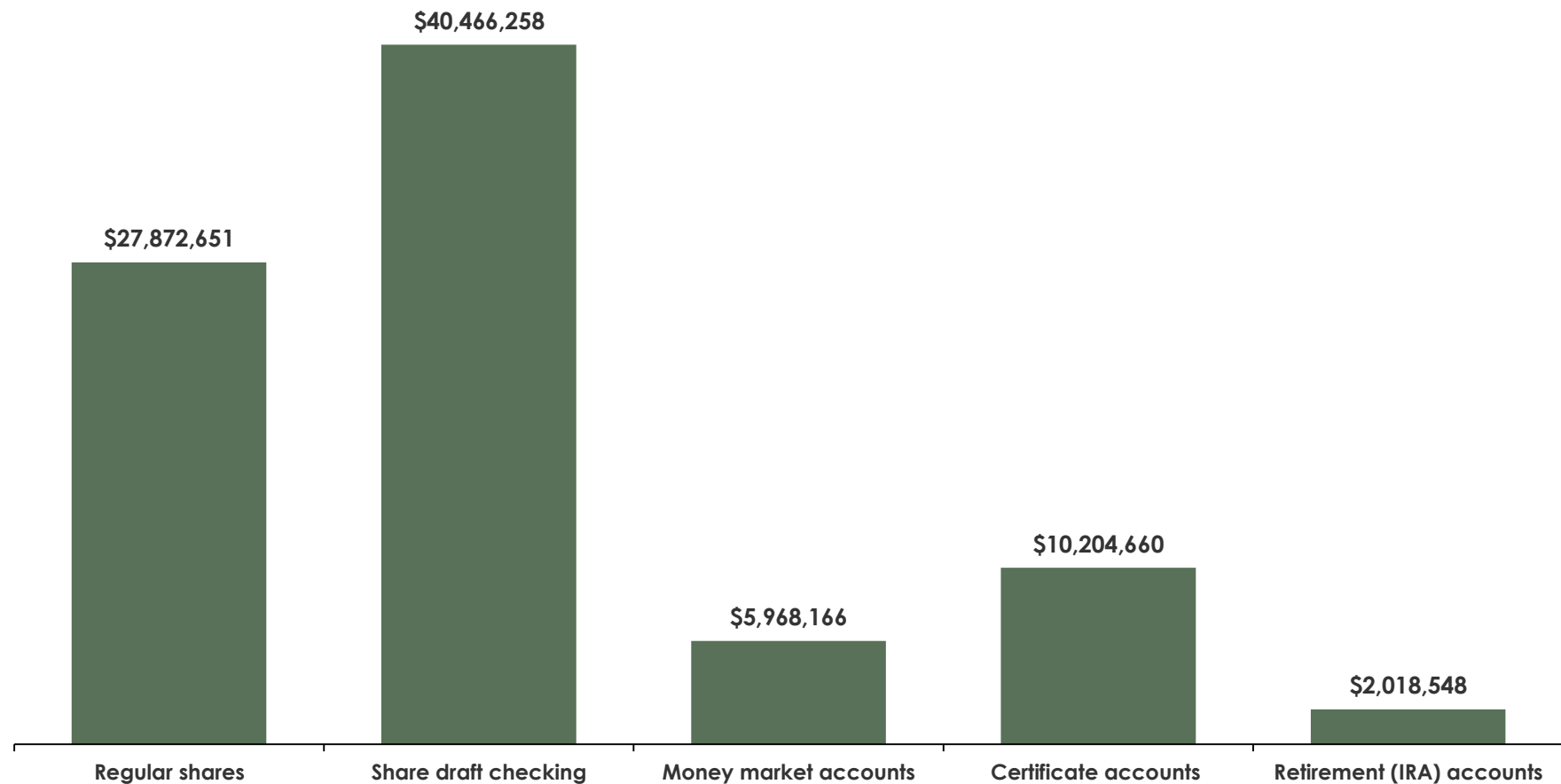
Estimated Credit Union Loan Benefits

Compared to State Banking Institutions
by Loan Type



Estimated Credit Union Savings Dividend Benefits

Compared to State Banking Institutions by Account Type



Estimated Financial Benefits for Washington Credit Unions December 2020

Loans	Avg. Balance at Credit Unions (1)	Rate Difference vs. Washington Banks (%) (2)	Total Financial Benefit to Your Members
New car loans	5,914,468,281	-1.34	\$79,017,296
Used car loans	8,396,522,239	-1.68	\$140,893,643
Personal unsecured loans	1,097,914,389	-1.11	\$12,142,933
5-year adjustable rate 1st mortgage	7,707,155,424	-0.23	\$17,726,457
15-year fixed rate 1st mortgage	4,159,302,368	-0.08	\$3,161,070
30-year fixed rate 1st mortgage	7,000,128,774	0.06	-\$4,340,080
Home equity / 2nd mortgage loans	3,885,771,783	7.86	-\$305,305,089
Credit cards	2,700,021,858	-3.57	\$89,141,222
Interest rebates			\$17,293
Total CU member benefits arising from lower interest rates on loan products:			\$32,454,746
Savings			
Regular shares	21,946,969,025	0.13	\$27,872,651
Share draft checking	13,953,881,935	0.29	\$40,466,258
Money market accounts	11,702,286,745	0.05	\$5,968,166
Certificate accounts	7,341,482,237	0.14	\$10,204,660
Retirement (IRA) accounts	2,124,787,103	0.10	\$2,018,548
Bonus dividends in period			\$0
Total CU member benefit arising from higher interest rates on savings products:			\$86,530,283
Fee Income			
Total CU member benefit arising from fewer / lower fees:			\$45,609,249
Total CU member benefit arising from interest rates on loans, savings products and lower fees:			\$164,594,278
Total CU member benefit / member:			\$39
Total CU member benefit / member household:			\$82

Source: Datatrac, NCUA, and CUNA

(1) Average balance as of December 2020 and December 2019, 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 20	Dec 19
Number of branches	571	556
Total assets (\$ mil)	73,740	61,047
Total loans (\$ mil)	45,669	44,356
Total surplus funds (\$ mil)	25,413	14,265
Total savings (\$ mil)	63,567	51,239
Total members (thousands)	4,277	4,138
Growth Rates (Trailing 12 months) *		
Total assets	20.8 %	12.8 %
Total loans	3.0 %	10.8 %
Total surplus funds	78.2 %	24.4 %
Total savings	24.1 %	11.9 %
Total members	3.4 %	6.4 %
Earnings - Basis Pts. *		
Yield on total assets	343	412
Dividend / interest cost of assets	47	65
Fee & other income	123	137
Operating expense	303	330
Loss Provisions	42	37
Net Income (ROA) after stabilization exp	73	116
Capital Adequacy		
Net worth / assets	10.1	11.4
Asset Quality *		
Delinquencies / loans	0.3	0.3
Net chargeoffs / average loans	0.3	0.5
Total borrower-bankruptcies	35	54
Bankruptcies per 1000 members	0.7	1.1
Asset/Liability Management		
Loans / savings	71.8	86.6
Loans / assets	61.9	72.7
Long-term assets / assets	35.7	37.5
Core deposits/shares & borrowings	62.7	58.8
Productivity		
Members / potential members	2.7	2.6
Borrowers / members	60.9	64.0
Members / FTE	378	378
Average shares / members (\$)	14,863	12,382
Average loan balances (\$)	17,525	16,757
Salary & Benefits / FTE	95,889	90,485

* 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.



Analyze your credit union's performance and service to members with CUNA's research resources:

Operating Ratios & Spreads

**Prompt Corrective Action
(PCA) Checkup**

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