



# Ohio Membership Benefits Report

Third Quarter 2016

## Ohio

### *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 Ohio credit unions provided \$183,284,853 in direct financial benefits to the state's 2,802,151 members during the twelve months ending September 2016.

**These benefits are equivalent to \$65 per member or \$124 per member household <sup>(1)</sup>.**

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 Ohio 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 Ohio credit unions.

Consider this:

**Financing a \$25,000 new automobile for 60 months at a Ohio credit union will save members an average \$92 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.

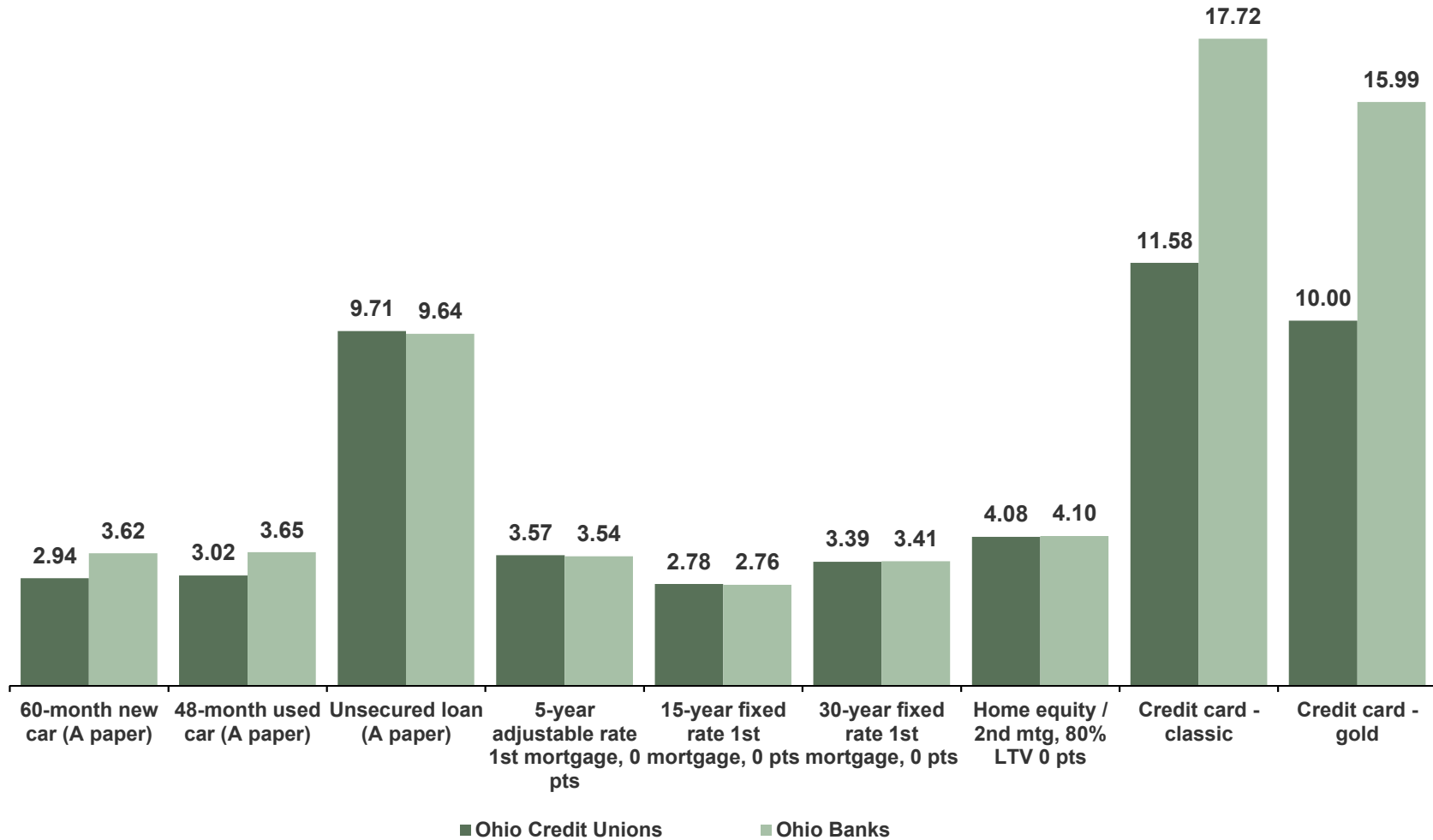
Ohio credit unions excel in providing member benefits on many loan and savings products. In particular, Ohio credit unions offer lower average loan rates on the following accounts: new car loans, used car loans, home equity loans, credit cards loans.

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



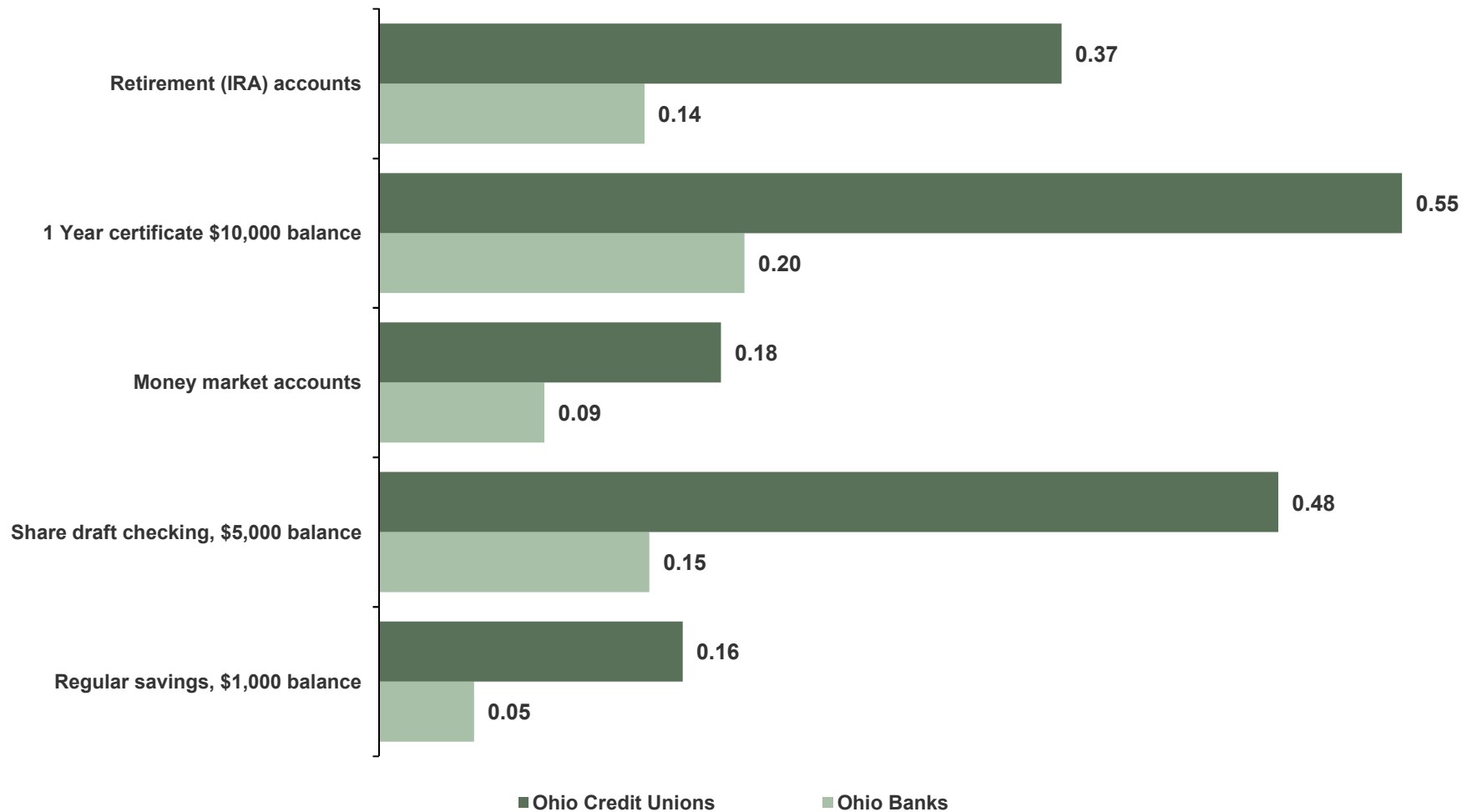
## Loan Product Comparative Interest Rates (%)

by Loan Type



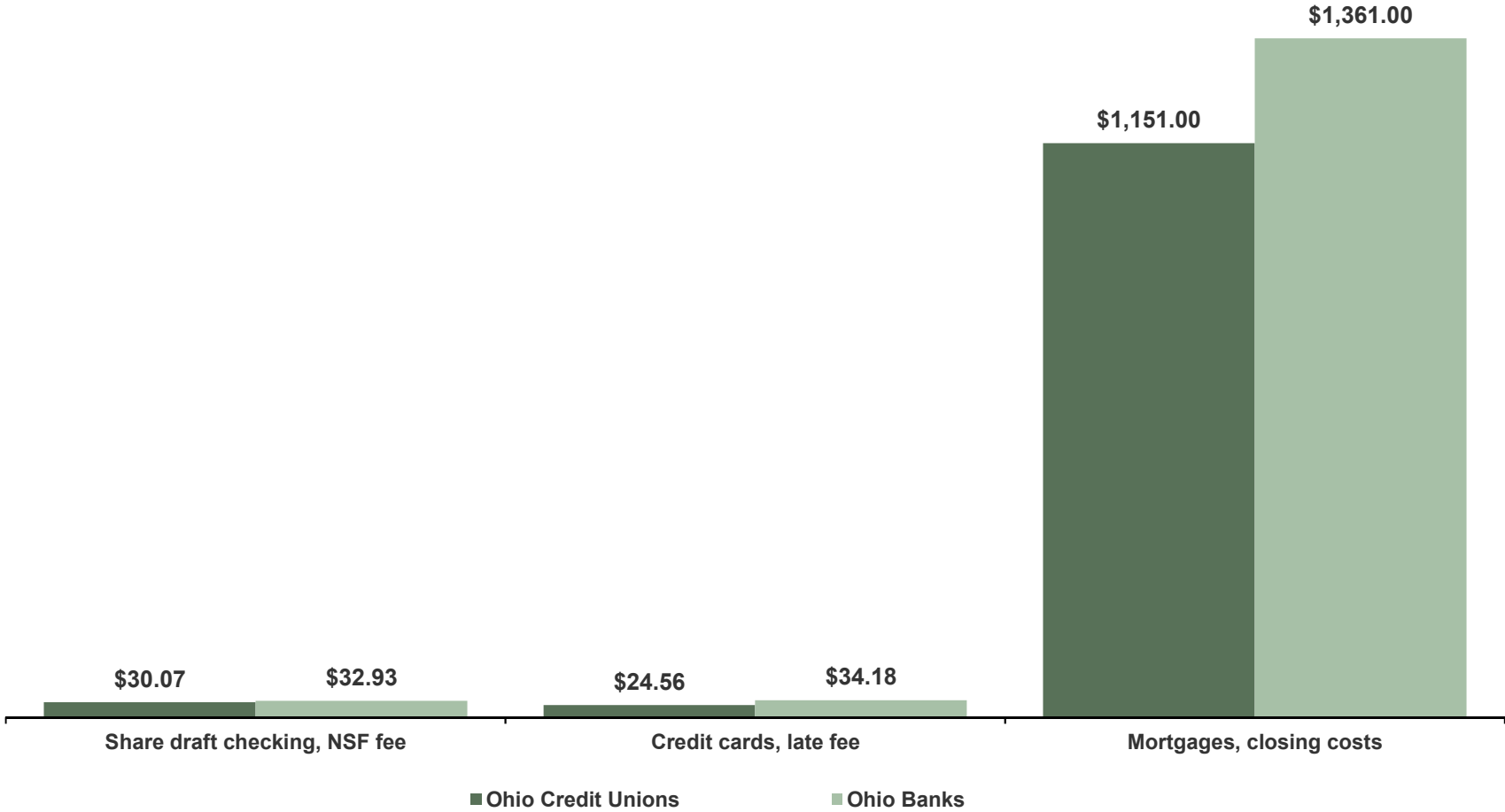
## Savings Product Comparative Interest Rates (%)

### by Savings Account Type



## Comparative Fees

by Type



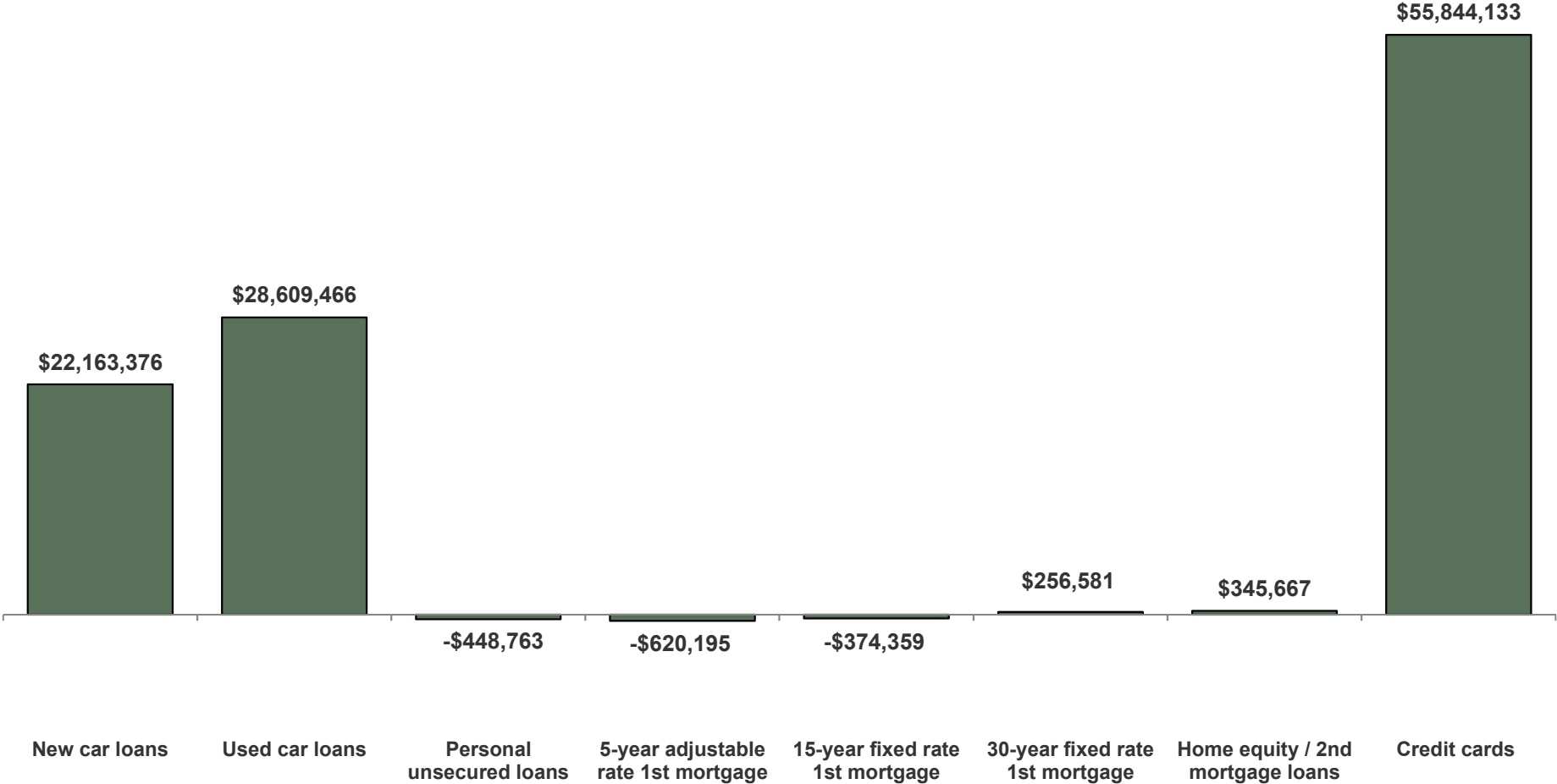
## Ohio Credit Union and Banking Institution September 2016 Average Interest Rates and Fees

Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	2.94	3.62	-0.68
48-month used car (A paper)	3.02	3.65	-0.64
Unsecured loan (A paper)	9.71	9.64	0.07
5-year adjustable rate 1st mortgage, 0 pts	3.57	3.54	0.03
15-year fixed rate 1st mortgage, 0 pts	2.78	2.76	0.02
30-year fixed rate 1st mortgage, 0 pts	3.39	3.41	-0.02
Home equity / 2nd mtg, 80% LTV 0 pts	4.08	4.10	-0.02
Credit card - classic	11.58	17.72	-6.14
Credit card - gold	10.00	15.99	-5.99
Savings Products			
Regular savings, \$1,000 balance	0.16	0.05	0.11
Share draft checking, \$5,000 balance	0.48	0.15	0.34
Money market accounts	0.18	0.09	0.10
1 Year certificate \$10,000 balance	0.55	0.20	0.35
Retirement (IRA) accounts	0.37	0.14	0.22
Fee Income			
Share draft checking, NSF fee	\$30.07	\$32.93	-\$2.86
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

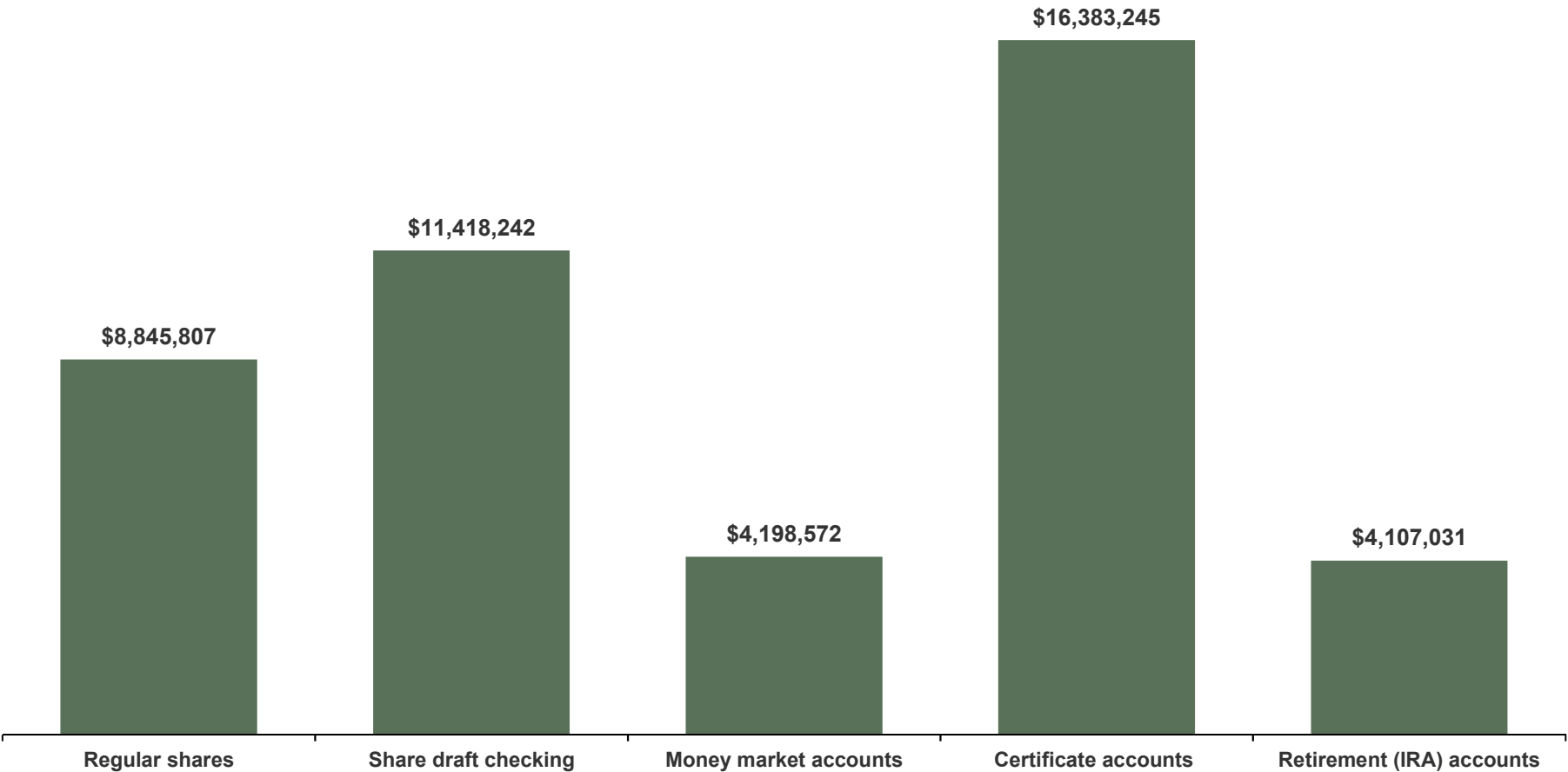
### State Credit Union's Total Loan Rate Benefits

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 Ohio Credit Unions September 2016

<b>Loans</b>	<b>Avg. Balance at Credit Unions (1)</b>	<b>Rate Difference vs. Ohio Banks (%) (2)</b>	<b>Total Financial Benefit to Your Members</b>
New car loans	3,240,259,621	-0.68	\$22,163,376
Used car loans	4,498,343,776	-0.64	\$28,609,466
Personal unsecured loans	632,060,395	0.07	-\$448,763
5-year adjustable rate 1st mortgage	1,938,110,459	0.03	-\$620,195
15-year fixed rate 1st mortgage	2,079,772,270	0.02	-\$374,359
30-year fixed rate 1st mortgage	1,710,537,346	-0.02	\$256,581
Home equity / 2nd mortgage loans	1,571,214,005	-0.02	\$345,667
Credit cards	915,102,543	-6.14	\$55,844,133
Interest rebates			\$37,404
<b>Total CU member benefits arising from lower interest rates on loan products:</b>			<b>\$105,813,309</b>
<b>Savings</b>			
Regular shares	7,877,842,546	0.11	\$8,845,807
Share draft checking	3,373,203,290	0.34	\$11,418,242
Money market accounts	4,414,716,189	0.10	\$4,198,572
Certificate accounts	4,630,097,402	0.35	\$16,383,245
Retirement (IRA) accounts	1,829,631,149	0.22	\$4,107,031
Bonus dividends in period			\$0
<b>Total CU member benefit arising from higher interest rates on savings products:</b>			<b>\$44,952,897</b>
<b>Fee Income</b>			
<b>Total CU member benefit arising from fewer / lower fees:</b>			<b>\$32,518,647</b>
<b>Total CU member benefit arising from interest rates on loans, savings products and lower fees:</b>			<b>\$183,284,853</b>
<b>Total CU member benefit / member:</b>			<b>\$65</b>
<b>Total CU member benefit / member household:</b>			<b>\$124</b>

Source: Informa Research Services, NCUA, and CUNA

(1) Average balance as of September 2015 and September 2016, according to the NCUA call report.; (2) Source for rates and fees: Informa Research Services;

# Membership Benefits Report

CUNA Economics and Statistics

## Ohio Credit Union Performance Profile

Demographic Information	Sep 16	Sep 15
Number of branches	758	770
Total assets (\$ mil)	27,926	25,980
Total loans (\$ mil)	18,648	17,253
Total surplus funds (\$ mil)	8,169	7,684
Total savings (\$ mil)	23,896	22,174
Total members (thousands)	2,871	2,826
Growth Rates (Trailing 12 months) *		
Total assets	8.4 %	4.7 %
Total loans	8.8 %	7.8 %
Total surplus funds	7.8 %	-1.8 %
Total savings	8.7 %	4.9 %
Total members	3.1 %	2.4 %
Earnings - Basis Pts. *		
Yield on total assets	331	331
Dividend / interest cost of assets	48	48
Fee & other income	142	144
Operating expense	330	334
Loss Provisions	34	32
Net Income (ROA) after stabilization exp	61	60
Capital Adequacy		
Net worth / assets	11.1	11.4
Asset Quality *		
Delinquencies / loans	0.8	0.8
Net chargeoffs / average loans	0.5	0.5
Total borrower-bankruptcies	17	16
Bankruptcies per 1000 members	1.7	1.7
Asset/Liability Management		
Loans / savings	78.0	77.8
Loans / assets	66.8	66.4
Long-term assets / assets	28.6	29.1
Core deposits/shares & borrowings	49.4	47.9
Productivity		
Members / potential members	3.9	4.2
Borrowers / members	54.8	53.4
Members / FTE	400	407
Average shares / members (\$)	8,322	7,846
Average loan balances (\$)	11,854	11,435
Salary & Benefits / FTE	61,829	60,973

\* 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.