

CUNA Michigan
**MEMBERSHIP BENEFITS
REPORT**

Michigan

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 Michigan credit unions provided \$346,081,882 in direct financial benefits to the state's 5,162,323 members during the twelve months ending March 2018.

These benefits are equivalent to \$67 per member or \$141 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 Michigan 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 Michigan credit unions.

Consider this:

Financing a \$25,000 new automobile for 60 months at a Michigan credit union will save members an average \$132 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.

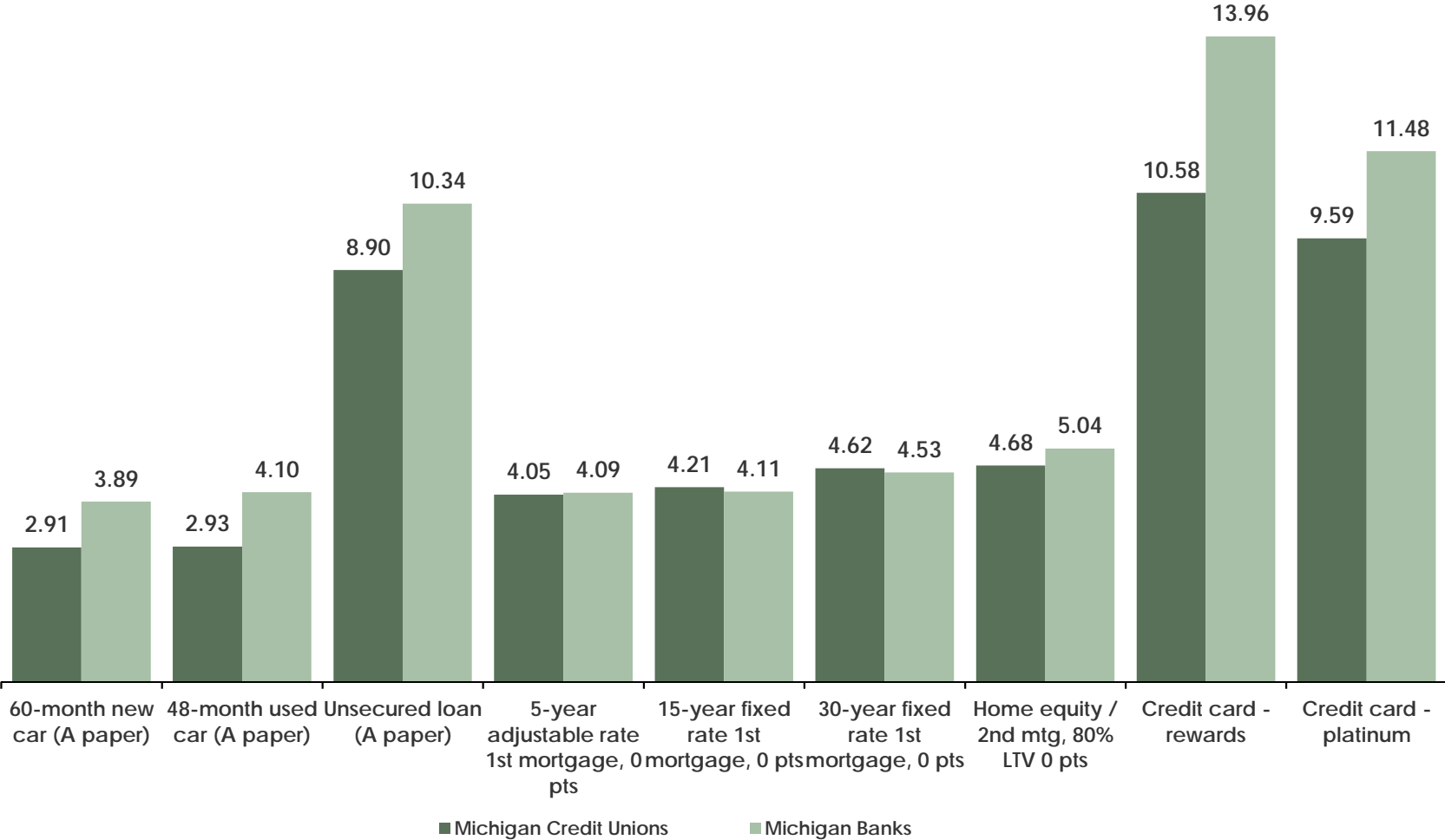
Michigan credit unions excel in providing member benefits on many loan and savings products. In particular, Michigan credit unions offer lower average loan rates on the following accounts: new car loans, used car loans, personal unsecured loans, first mortgage-adjustable rate, home equity loans, credit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

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



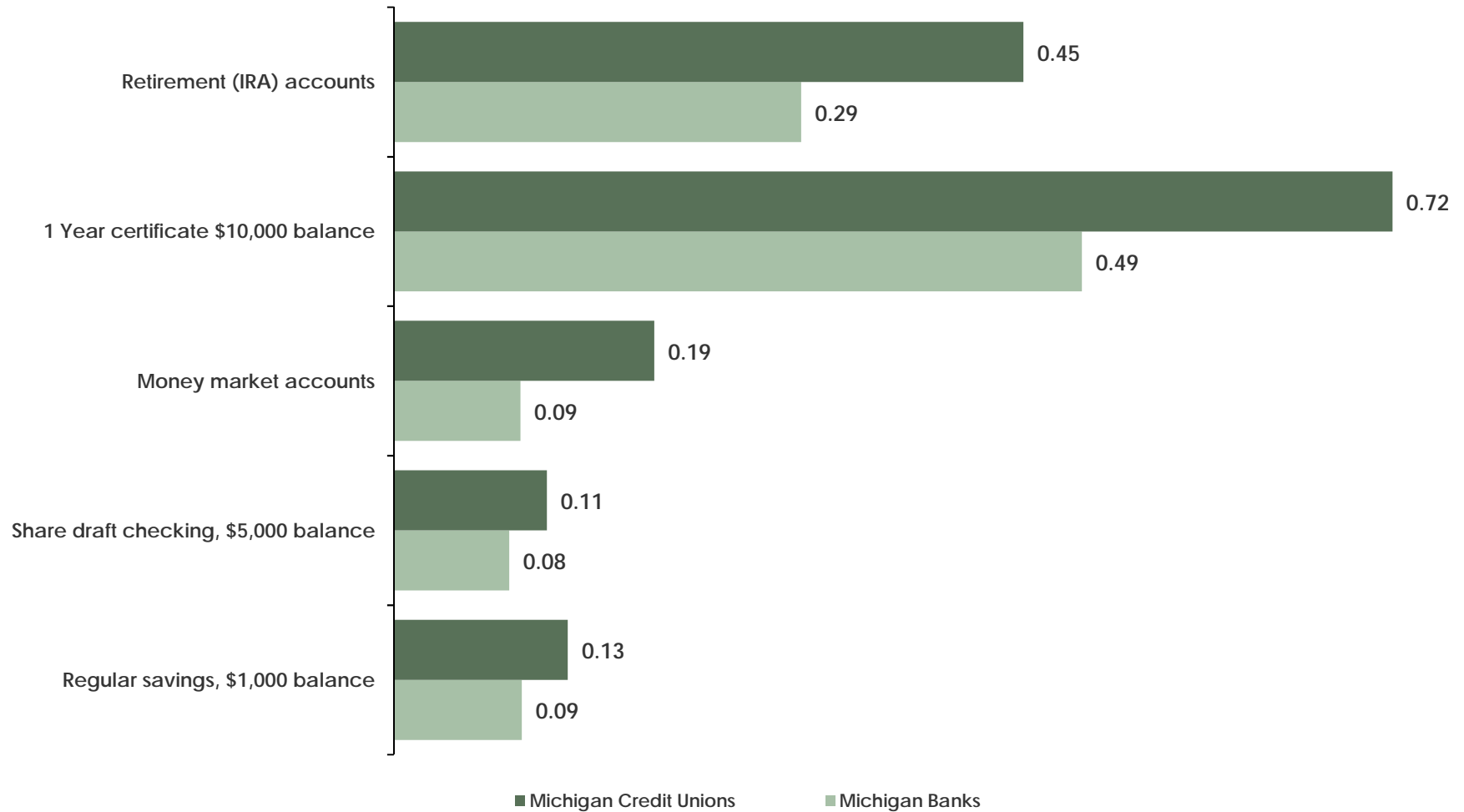
Loan Product Comparative Interest Rates (%)

by Loan Type



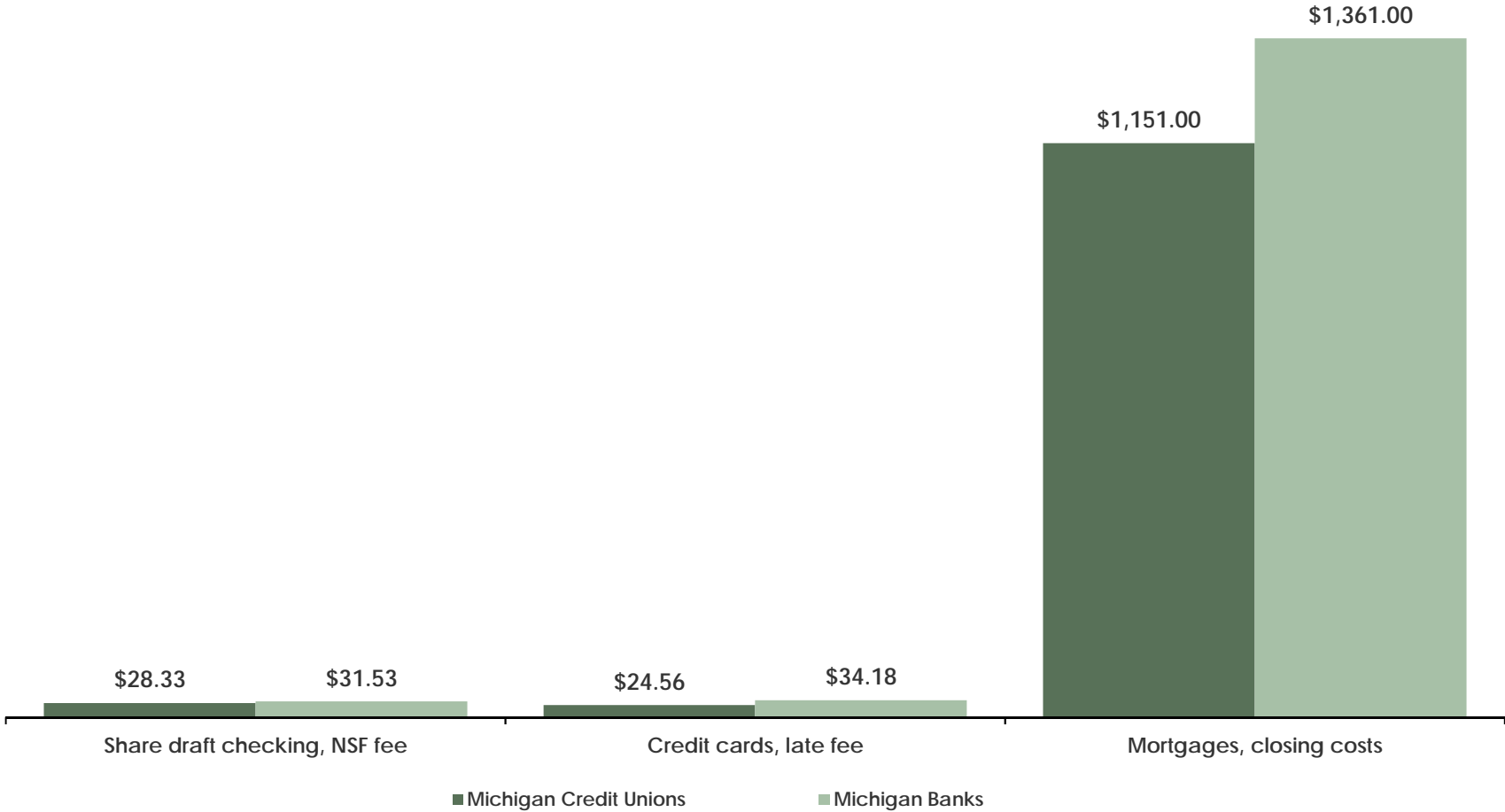
Savings Product Comparative Interest Rates (%)

by Savings Account Type



Comparative Fees

by Type



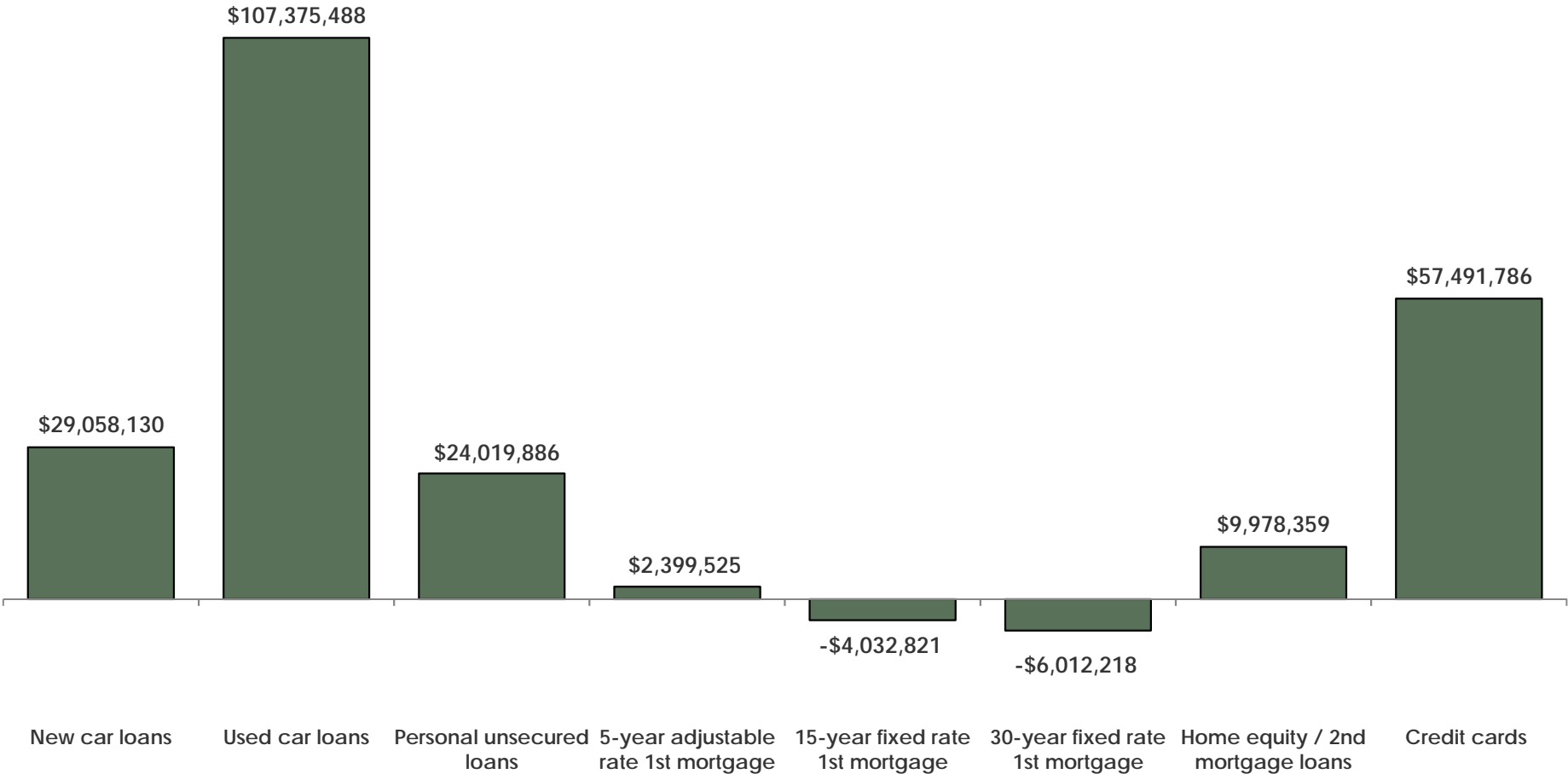
Michigan Credit Union and Banking Institution March 2018 Average Interest Rates and Fees

Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	2.91	3.89	-0.99
48-month used car (A paper)	2.93	4.10	-1.17
Unsecured loan (A paper)	8.90	10.34	-1.44
5-year adjustable rate 1st mortgage, 0 pts	4.05	4.09	-0.04
15-year fixed rate 1st mortgage, 0 pts	4.21	4.11	0.10
30-year fixed rate 1st mortgage, 0 pts	4.62	4.53	0.09
Home equity / 2nd mtg, 80% LTV 0 pts	4.68	5.04	-0.37
Credit card - rewards	10.58	13.96	-3.38
Credit card - platinum	9.59	11.48	-1.89
Savings Products			
Regular savings, \$1,000 balance	0.13	0.09	0.03
Share draft checking, \$5,000 balance	0.11	0.08	0.03
Money market accounts	0.19	0.09	0.10
1 Year certificate \$10,000 balance	0.72	0.49	0.22
Retirement (IRA) accounts	0.45	0.29	0.16
Fee Income			
Share draft checking, NSF fee	\$28.33	\$31.53	-\$3.20
Credit cards, late fee	\$24.56	\$34.18	-\$9.62
Mortgages, closing costs	\$1,151.00	\$1,361.00	-\$210.00

Source: Datatrac

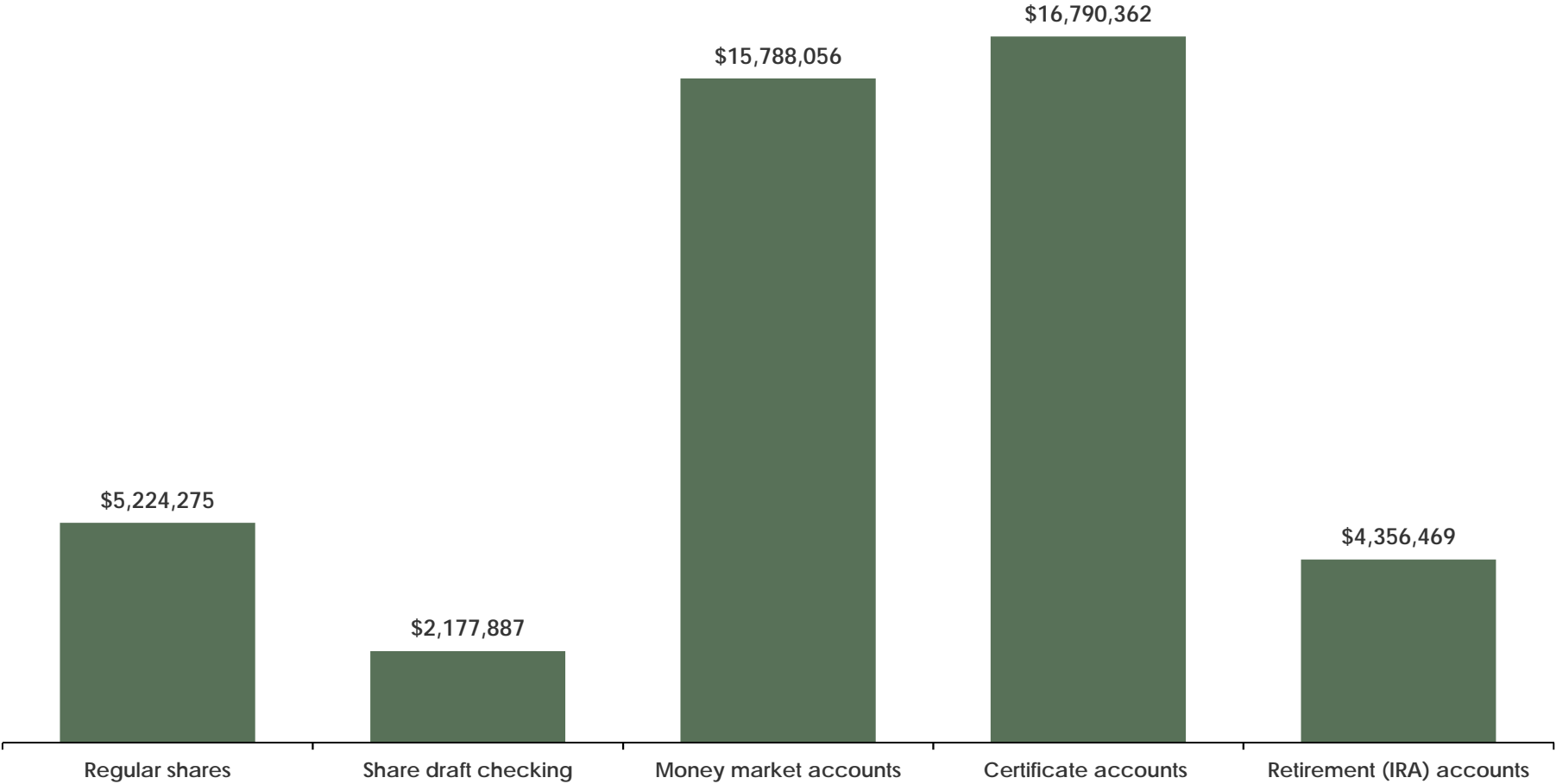
State Credit Union's Total Loan Rate Benefits

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 Michigan Credit Unions March 2018

Loans	Avg. Balance at Credit Unions (1)	Rate Difference vs. Michigan Banks (%) (2)	Total Financial Benefit to Your Members
New car loans	2,944,086,084	-0.99	\$29,058,130
Used car loans	9,146,123,306	-1.17	\$107,375,488
Personal unsecured loans	1,673,859,633	-1.44	\$24,019,886
5-year adjustable rate 1st mortgage	5,580,289,941	-0.04	\$2,399,525
15-year fixed rate 1st mortgage	4,115,123,041	0.10	-\$4,032,821
30-year fixed rate 1st mortgage	6,535,019,234	0.09	-\$6,012,218
Home equity / 2nd mortgage loans	2,711,510,592	-0.37	\$9,978,359
Credit cards	1,911,772,759	-3.38	\$57,491,786
Interest rebates			\$13,974,868
Total CU member benefits arising from lower interest rates on loan products:			\$234,253,003
Savings			
Regular shares	15,831,136,389	0.03	\$5,224,275
Share draft checking	8,066,247,998	0.03	\$2,177,887
Money market accounts	16,445,891,598	0.10	\$15,788,056
Certificate accounts	7,529,310,485	0.22	\$16,790,362
Retirement (IRA) accounts	2,731,328,742	0.16	\$4,356,469
Bonus dividends in period			\$0
Total CU member benefit arising from higher interest rates on savings products:			\$44,337,050
Fee Income			
Total CU member benefit arising from fewer / lower fees:			\$67,491,830
Total CU member benefit arising from interest rates on loans, savings products and lower fees:			\$346,081,882
Total CU member benefit / member:			\$67
Total CU member benefit / member household:			\$141

Source: Datatrac, NCUA, and CUNA

(1) Average balance as of March 2018 and March 2017, according to the NCUA call report.; (2) Source for rates and fees: Datatrac;

Membership Benefits Report

CUNA Economics and Statistics

Michigan Credit Union Performance Profile

Demographic Information	Mar 18	Mar 17
Number of branches	1,090	1,059
Total assets (\$ mil)	62,323	58,711
Total loans (\$ mil)	40,419	36,150
Total surplus funds (\$ mil)	19,112	19,966
Total savings (\$ mil)	53,035	50,155
Total members (thousands)	5,281	5,099
Growth Rates (Trailing 12 months) *		
Total assets	7.0 %	9.2 %
Total loans	12.8 %	11.3 %
Total surplus funds	-3.6 %	5.6 %
Total savings	6.6 %	9.5 %
Total members	4.7 %	3.9 %
Earnings - Basis Pts. *		
Yield on total assets	357	340
Dividend / interest cost of assets	45	40
Fee & other income	165	148
Operating expense	341	335
Loss Provisions	32	30
Net Income (ROA) after stabilization exp	105	83
Capital Adequacy		
Net worth / assets	11.6	11.3
Asset Quality *		
Delinquencies / loans	0.6	0.6
Net chargeoffs / average loans	0.5	0.5
Total borrower-bankruptcies	12	12
Bankruptcies per 1000 members	0.5	0.6
Asset/Liability Management		
Loans / savings	76.2	72.1
Loans / assets	64.9	61.6
Long-term assets / assets	37.4	37.6
Core deposits/shares & borrowings	45.8	45.0
Productivity		
Members / potential members	1.6	1.8
Borrowers / members	60.1	58.8
Members / FTE	345	351
Average shares / members (\$)	10,042	9,836
Average loan balances (\$)	12,738	12,067
Salary & Benefits / FTE	70,915	68,491

* 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.