



CUNA  
**Membership Benefits  
Report**

Year End 2016

## Orange County's Credit Union

### *The Benefits of Membership*

Credit unions generally provide financial benefits to members through lower loan rates, higher savings rates, and fewer fees than banking institutions.

The Credit Union National Association (CUNA) estimates that Orange County's Credit Union provided \$15,816,865 in direct financial benefits to its 97,118 members during the twelve months ending December 2016.

**These benefits are equivalent to \$163 per member or \$309 per member household (1).**

The per-member and per-household member benefits delivered by Orange County's Credit Union are substantial. But, these benefits are reported as *averages*. Mathematically, that means the total benefits you provide are divided across all members (or all member households) - even those who conduct very little financial business with the credit union.

For example, financing a \$30,000 new automobile for 60 months at Orange County's Credit Union will save members an average \$326 per year in interest expense compared to what they would pay at a banking institution in the state. That's approximately \$1,630 in savings over 5 years.

Further, loyal members(2) - those who use the credit union extensively - often receive total financial benefits that are much greater than the average.

CUNA estimates that Orange County's Credit Union provided loyal high-use member households \$1685 in direct financial benefits during the twelve month period.

Orange County's Credit Union excels in providing member benefits in many loan and savings products. In particular, Orange County's Credit Union offers lower 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.

Orange County's Credit Union also pays its members higher dividends on the following accounts: money market accounts, certificate accounts, IRAs.



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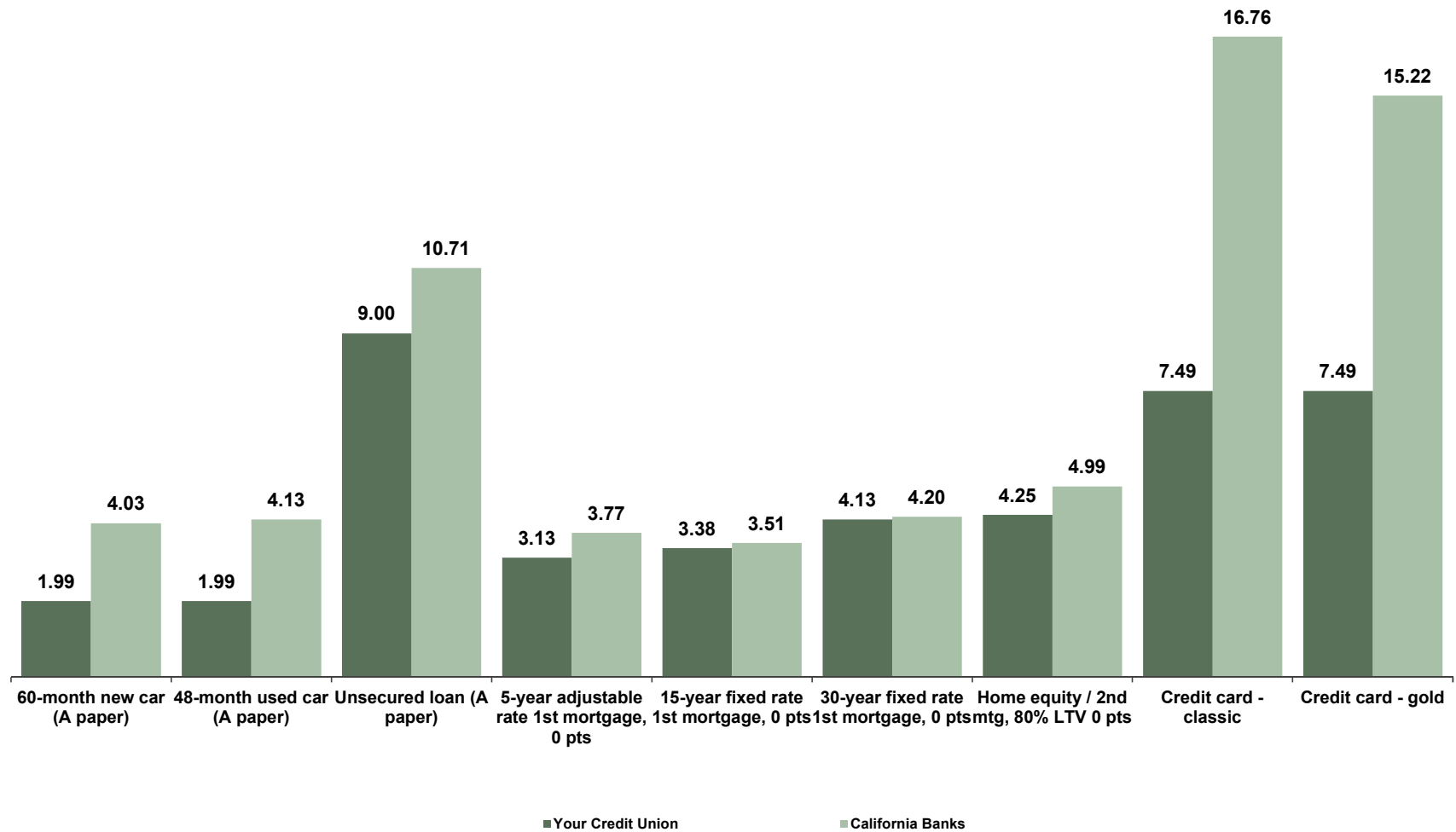
Source: Informa Research Services, NCUA, and CUNA.

(1) Assumes 1.9 credit union members per household.

(2) A "loyal member" is assumed to have a \$30,000, 60-month new auto loan, a classic credit card with an average balance of \$5,000, a \$200,000, 30-year fixed rate mortgage (a 30-year fixed rate mortgage is replaced with a 5-year adjustable rate mortgage if it yields a greater benefit as it is assumed more in demand), \$5,000 in an interest-bearing checking account, \$10,000 in a one-year certificate account, and \$5,000 in a money market account.

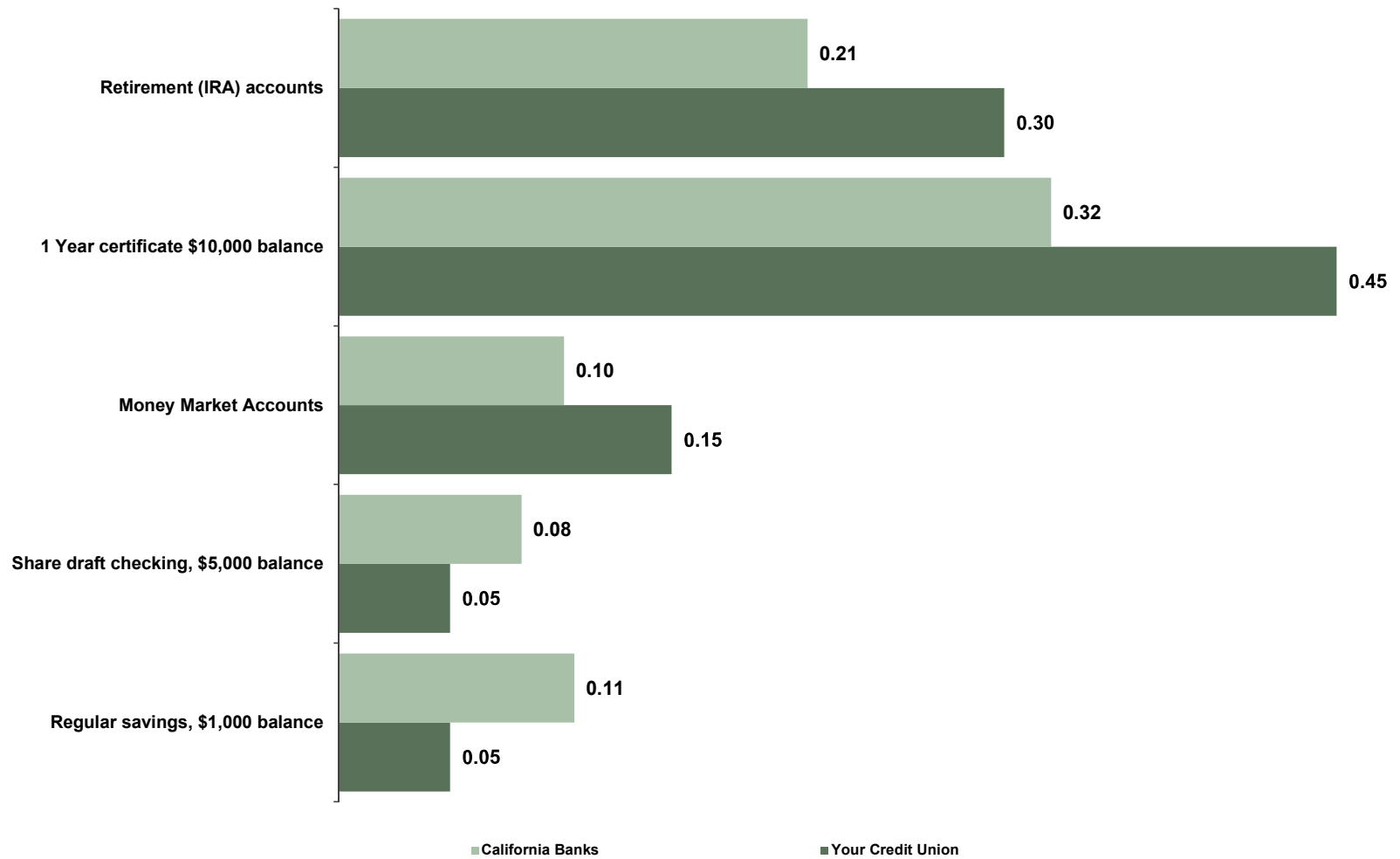
## Loan Product Comparative Interest Rates (%)

by Loan Type



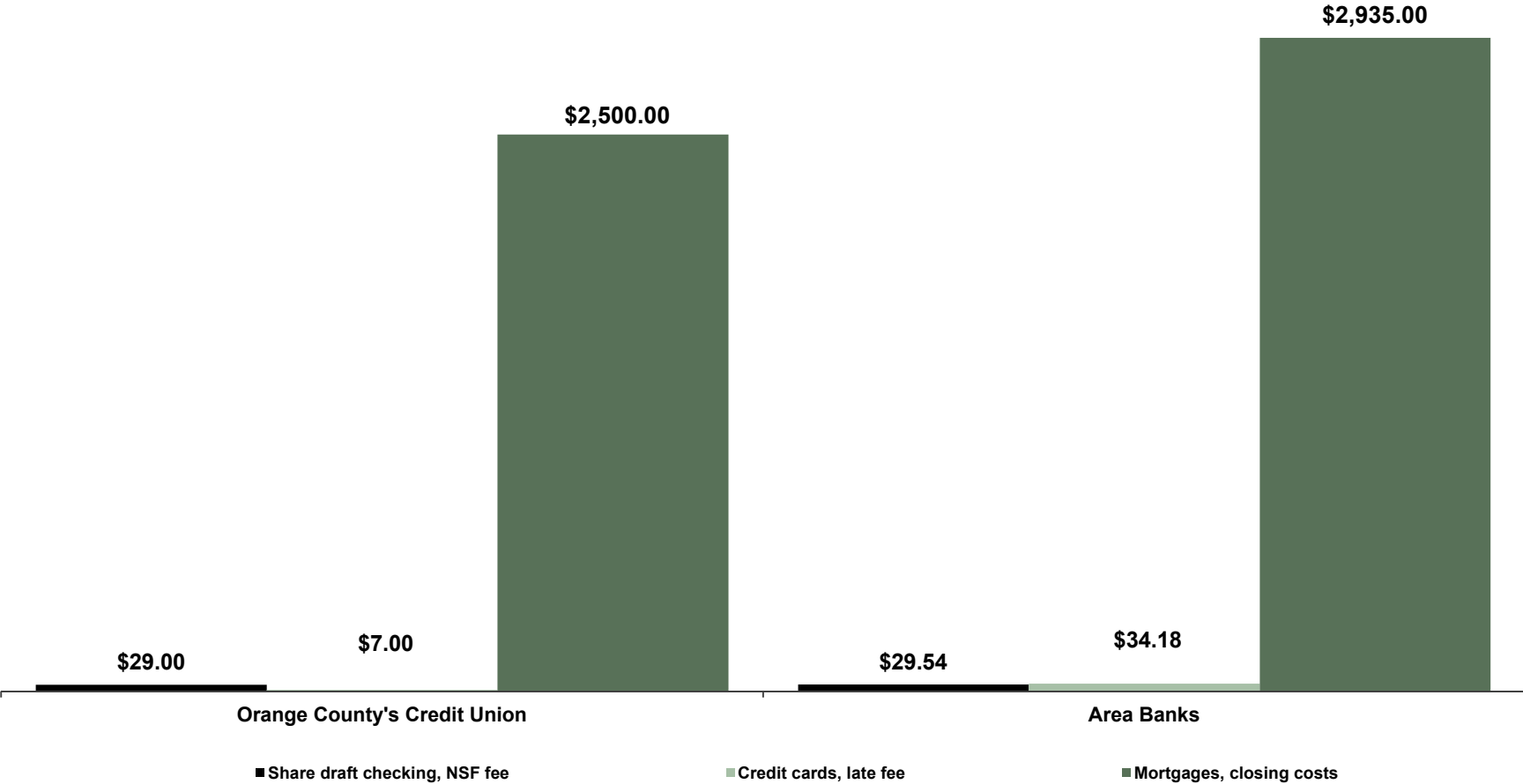
## Savings Product Comparative Interest Rates (%)

### by Savings Account Type



## Comparative Fees

by Type



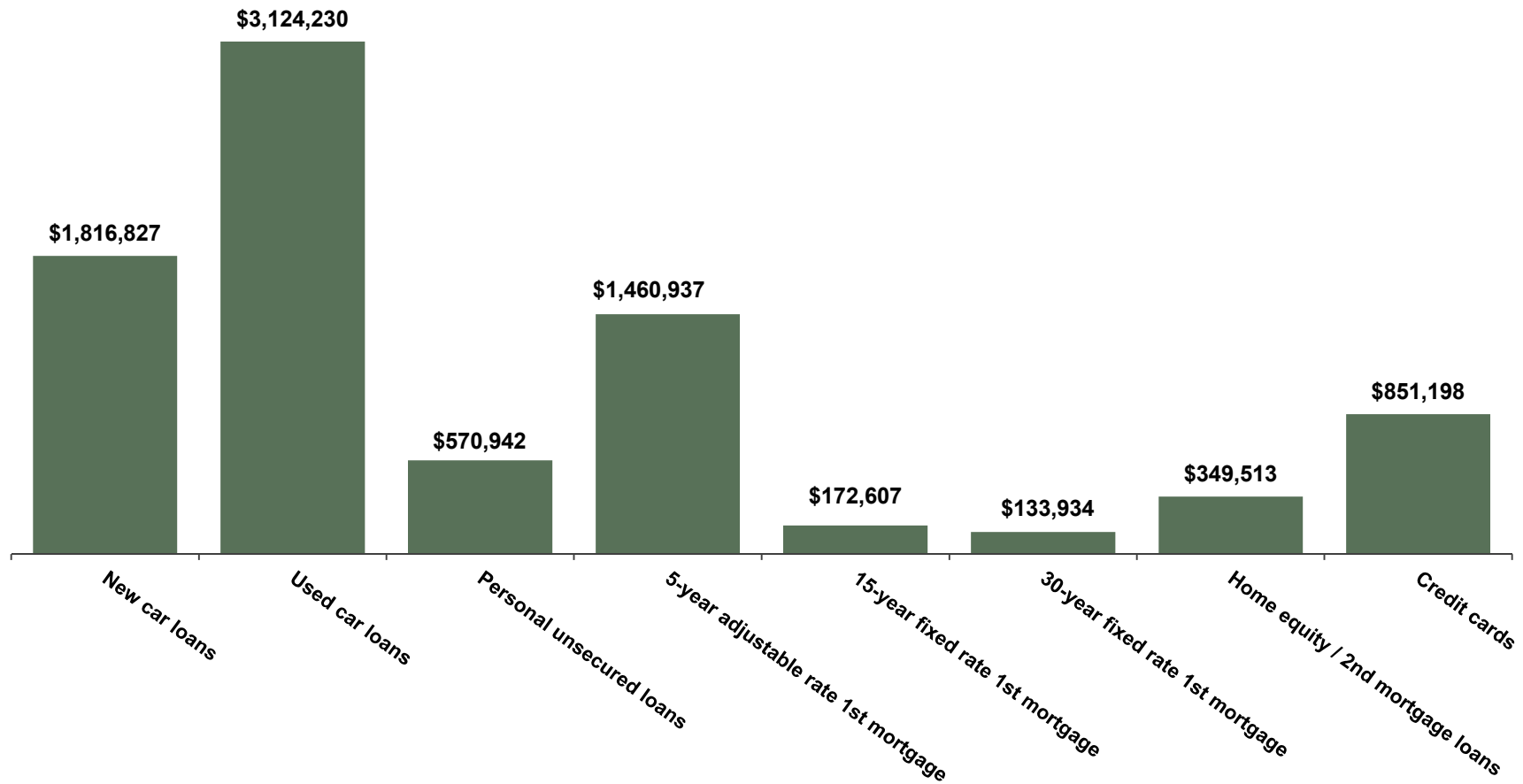
## December 2016 Interest Rates at Orange County's Credit Union and Banking Institutions in California

Loan Products	Rate at your Credit Union (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	1.99	4.03	-2.04
48-month used car (A paper)	1.99	4.13	-2.14
Unsecured loan (A paper)	9.00	10.71	-1.71
5-year adjustable rate 1st mortgage, 0 pts	3.13	3.77	-0.65
15-year fixed rate 1st mortgage, 0 pts	3.38	3.51	-0.14
30-year fixed rate 1st mortgage, 0 pts	4.13	4.20	-0.07
Home equity / 2nd mtg, 80% LTV 0 pts	4.25	4.99	-0.74
Credit card - classic	7.49	16.76	-9.27
Credit card - gold	7.49	15.22	-7.73
<b>Savings Products</b>			
Regular savings, \$1,000 balance	0.05	0.11	-0.06
Share draft checking, \$5,000 balance	0.05	0.08	-0.03
Money Market Accounts	0.15	0.10	0.05
1 Year certificate \$10,000 balance	0.45	0.32	0.13
Retirement (IRA) accounts	0.30	0.21	0.09
<b>Fee Income</b>			
Share draft checking, NSF fee	\$29.00	\$29.54	-\$0.54
Credit cards, late fee	\$7.00	\$34.18	-\$27.18
Mortgages, closing costs	\$2,500.00	\$2,935.00	-\$435.00

Source: Informa Research Services.

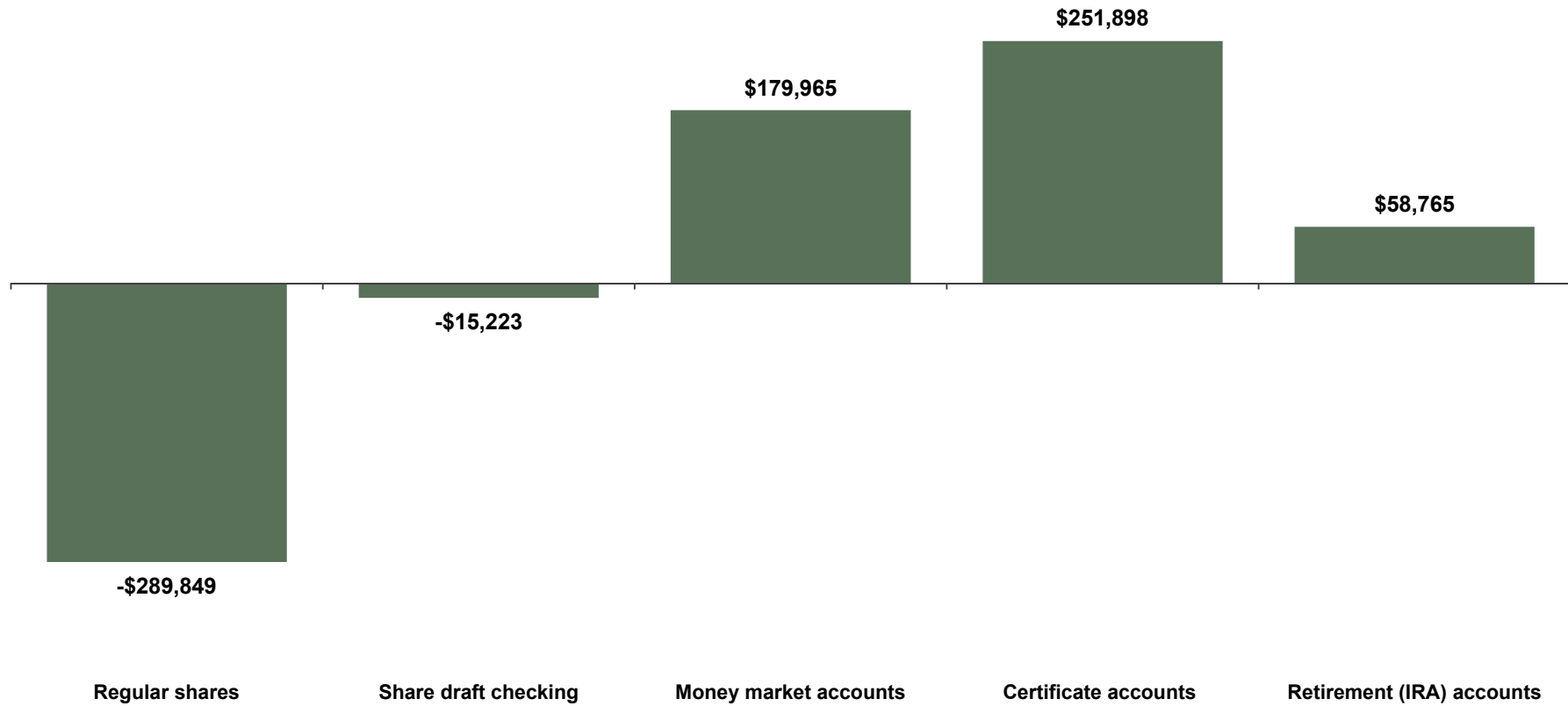
## Your Credit Union's Total Loan Rate Benefits

Compared to Banking Institutions in Your State  
by Loan Type



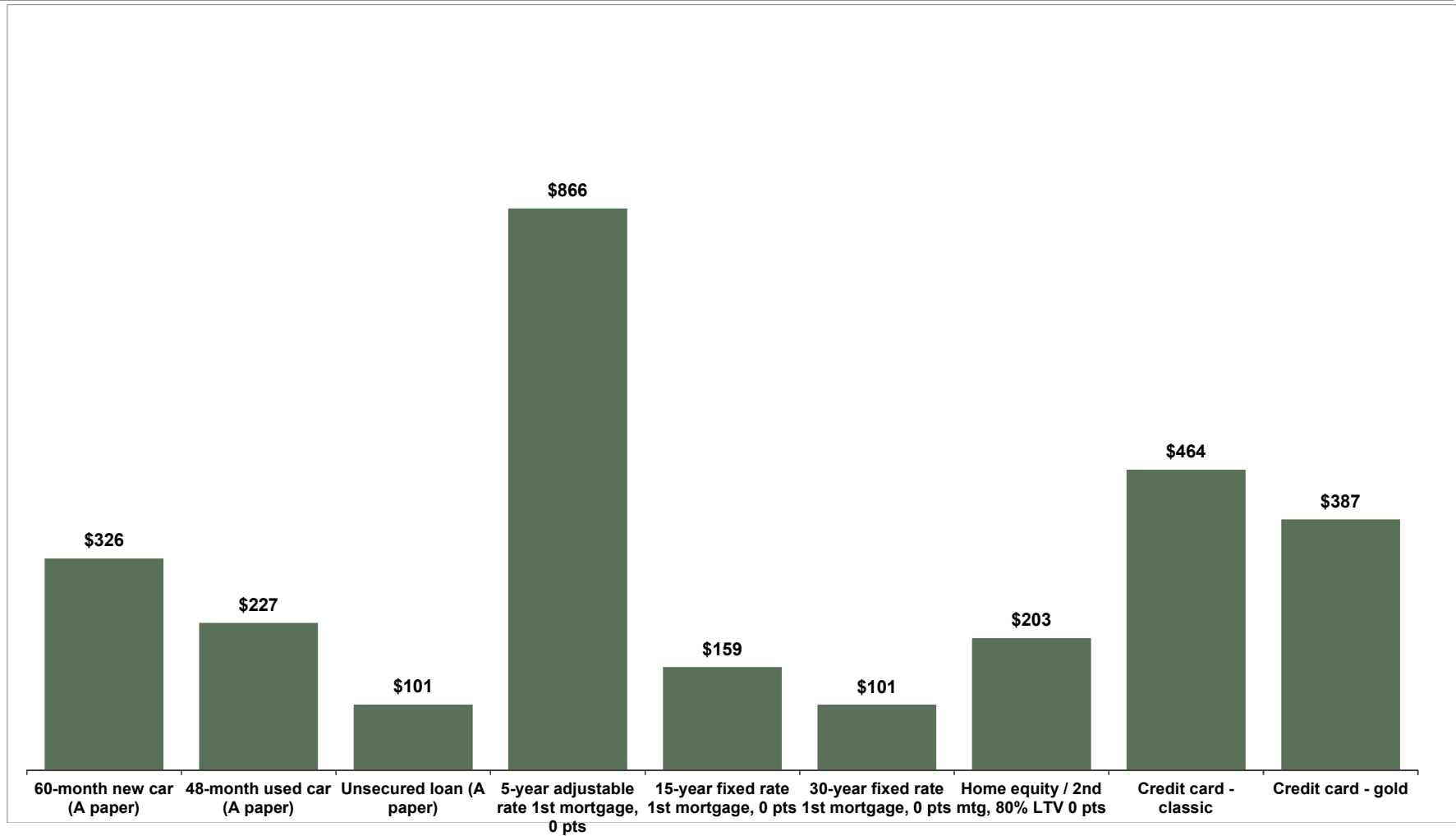
## Your Credit Union's Total Savings Dividend Benefits

Compared to Banking Institutions in Your State  
by Account Type

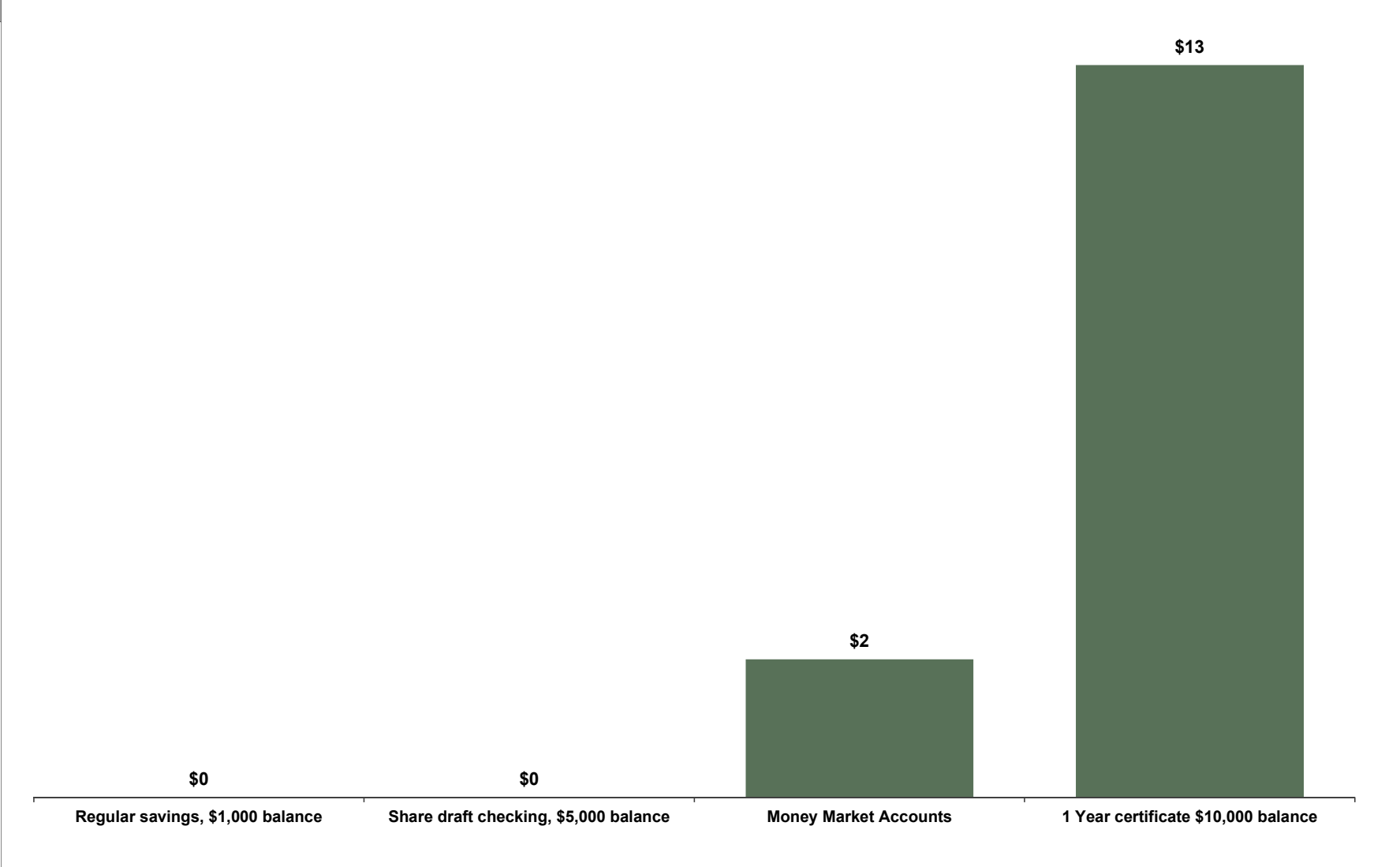




## Annual Member Benefit of Loan Products with Various Terms



## Annual Member Benefit on Savings Products with Various Terms



Savings terms include:  
Regular Savings: \$1,000 balance; Share Draft Checking: \$5,000; Money Market Accounts: \$5,000 balance; 1-Yr Certificates: \$10,000

## Estimated Financial Benefits for Orange County's Credit Union December 2016

<b>Loans</b>	<b>Avg. Balance at Your Credit Union (1)</b>	<b>Rate Difference vs. California Banks (%) (2)</b>	<b>Financial Benefit to Your Members</b>
New car loans	89,060,127	-2.04	\$1,816,827
Used car loans	146,265,472	-2.14	\$3,124,230
Personal unsecured loans	33,329,972	-1.71	\$570,942
5-year adjustable rate 1st mortgage	225,105,902	-0.65	\$1,460,937
15-year fixed rate 1st mortgage	127,857,058	-0.14	\$172,607
30-year fixed rate 1st mortgage	186,019,916	-0.07	\$133,934
Home equity / 2nd mortgage loans	46,977,609	-0.74	\$349,513
Credit cards	9,580,170	-9.27	\$851,198
Interest rebates			\$0
<b>Total CU member benefits arising from lower interest rates on loan products:</b>			<b>\$8,480,190</b>
<b>Savings</b>			
Regular shares	516,467,283	-0.06	-\$289,849
Share draft checking	47,186,269	-0.03	-\$15,223
Money market accounts	370,980,613	0.05	\$179,965
Certificate accounts	195,684,372	0.13	\$251,898
Retirement (IRA) accounts	66,311,922	0.09	\$58,765
Bonus dividends in period			\$0
<b>Total CU member benefit arising from higher interest rates on savings products:</b>			<b>\$185,555</b>
<b>Fee Income</b>			
<b>Total CU member benefit arising from fewer/lower fees:</b>			<b>\$7,151,120</b>
<b>Total CU member benefit arising from interest rates on loan and savings products and lower fees:</b>			<b>\$15,816,865</b>
<b>Total CU member benefit / member:</b>			<b>\$163</b>
<b>Total CU member benefit / member household:</b>			<b>\$309</b>

Source: Informa Research Services, NCUA, and CUNA

(1) Average balance as of December 2015 and December 2016, according to the NCUA call report.; (2) Credit union rates provided by individual credit union, bank rates provided by Informa Research Services;

# *Certificate of Excellence*

*is hereby granted to:*

## **Orange County's Credit Union**

*The Credit Union National Association has determined that Orange County's Credit Union provided \$15,816,865 in direct financial benefits to its 97,118 members during the twelve months ending in December 2016. These benefits are equivalent to approximately \$309 per member household.*

*Orange County's Credit Union provided loyal high-use member households \$1,685 in direct financial benefits.*

*Credit unions generally provide financial benefits to members by charging less for loans, paying more on deposits and charging fewer/lower fees compared to banking institutions.*



# Membership Benefits Report

CUNA Economics and Statistics

## Orange County's Credit Union Performance Profile

Demographic Information	Dec 16	Dec 15
Number of branches	10	10
Total assets (\$ mil)	1,440	1,312
Total loans (\$ mil)	944	798
Total surplus funds (\$ mil)	429	457
Total savings (\$ mil)	1,253	1,140
Total members (thousands)	100	95
Growth Rates (Year-to-date)		
Total assets	9.8 %	8.6 %
Total loans	18.3 %	14.9 %
Total surplus funds	-6.1 %	5.0 %
Total savings	9.9 %	8.5 %
Total members	5.4 %	4.7 %
Earnings - Basis Pts.		
Yield on total assets	298	296
- Dividend/interest cost of assets	33	32
+ Fee & other income	175	153
- Operating expense	328	323
- Loss Provisions	4	1
= Net Income (ROA)	108	93
Capital adequacy		
Net worth / assets	9.9	9.7
Asset quality		
Delinquencies / loans	0.3	0.5
Net chargeoffs / average loans	0.1	0.1
Total borrower-bankruptcies	98	122
Bankruptcies per 1000 members	1.0	1.3
Asset/Liability Management		
Loans / savings	75.4	70.0
Loans / assets	65.5	60.9
Long-term assets / assets	31.3	34.8
Core deposits/shares & borrowings	46.0	45.6
Productivity		
Members/potential members	2.0	1.9
Borrowers/members	45.7	40.8
Members/FTE	354	352
Average shares/members (\$)	12,570	12,060
Average loan balances (\$)	20,743	20,677
Salary & Benefits/FTE	90,003	82,069