

CUNA Orange County's Credit Union

MEMBERSHIP BENEFITS REPORT

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 \$18,321,550 in direct financial benefits to its 102,258 members during the twelve months ending September 2017 ⁽¹⁾.

These benefits are equivalent to \$179 per member or \$376 per member household ⁽²⁾.

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 \$373 per year in interest expense compared to what they would pay at a banking institution in the state. That's approximately \$1,865 in savings over 5 years.

Further, loyal members⁽³⁾ - 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 \$1160 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.

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



Member Benefit Marketing Toolkit
Show members how much you save them!
www.datatrac.net/memberbenefits

Website Widgets • Facebook App
Digital Lobby Graphics • Member Handouts



Source: Datatrac, NCUA, and CUNA.

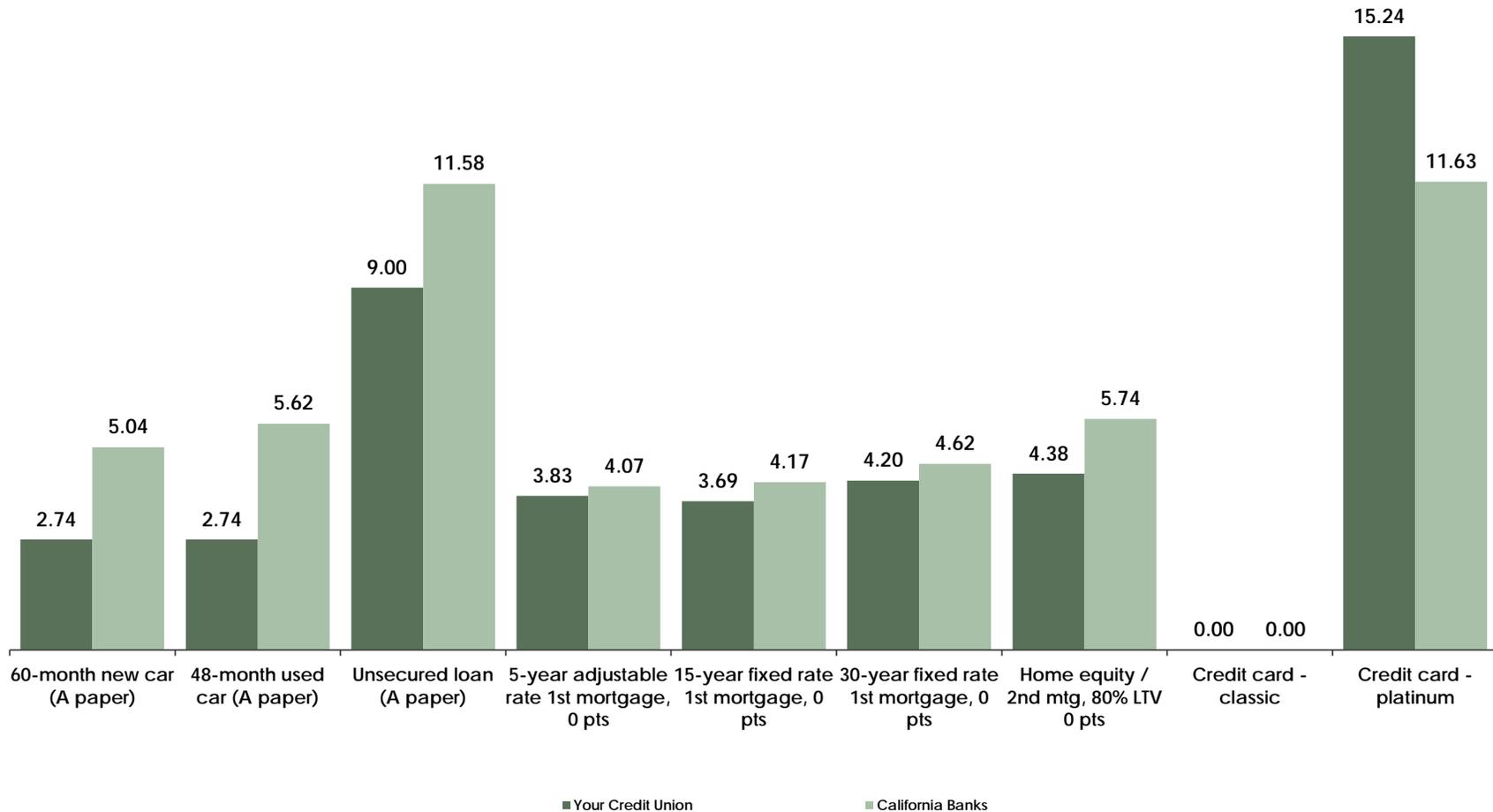
(1) Rates and fees as of 5/23/2018.

(2) Assumes 2.1 credit union members per household.

(3) 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 \$2,500 in a money market account.

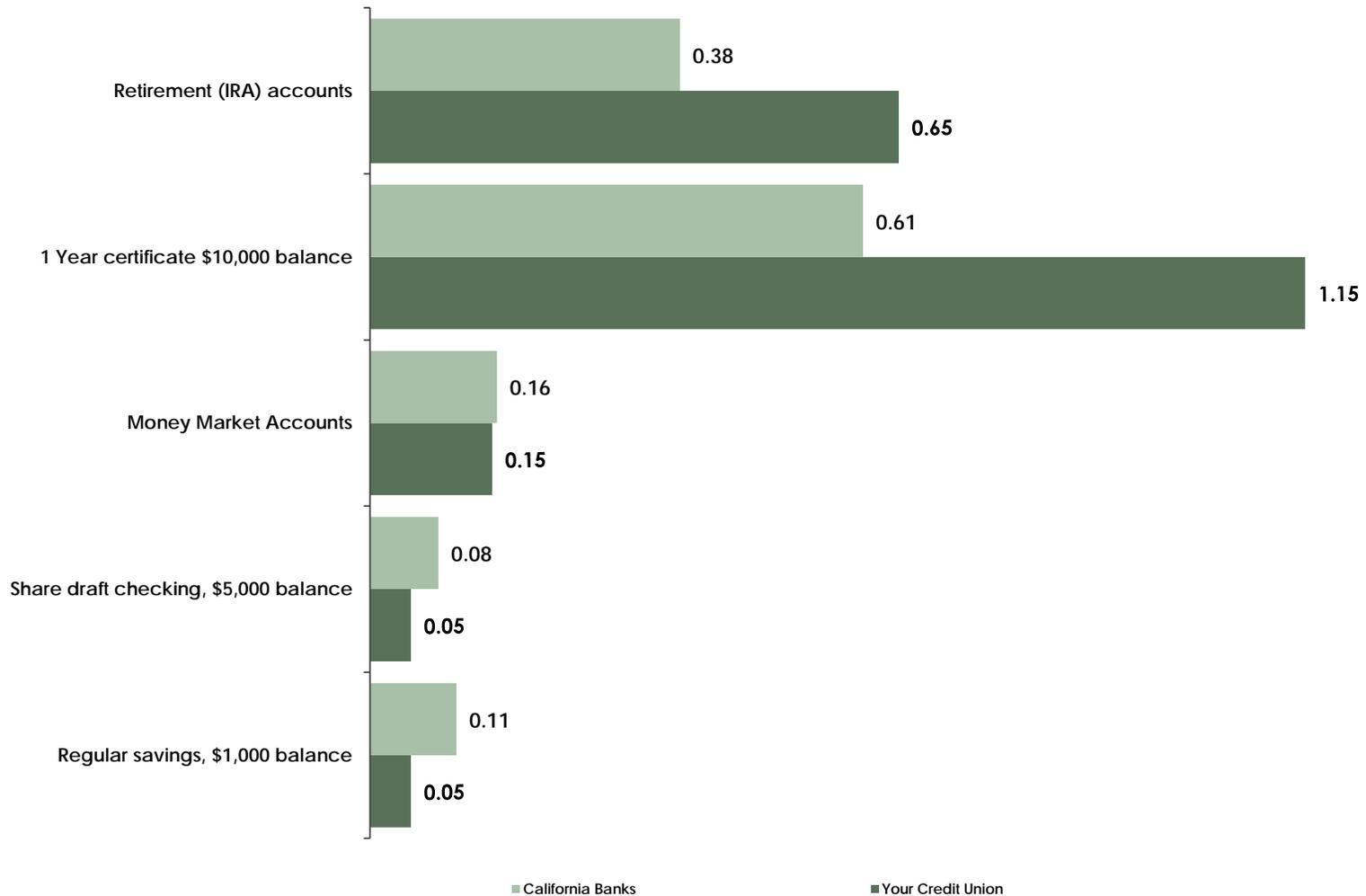
Loan Product Comparative Interest Rates (%)

by Loan Type



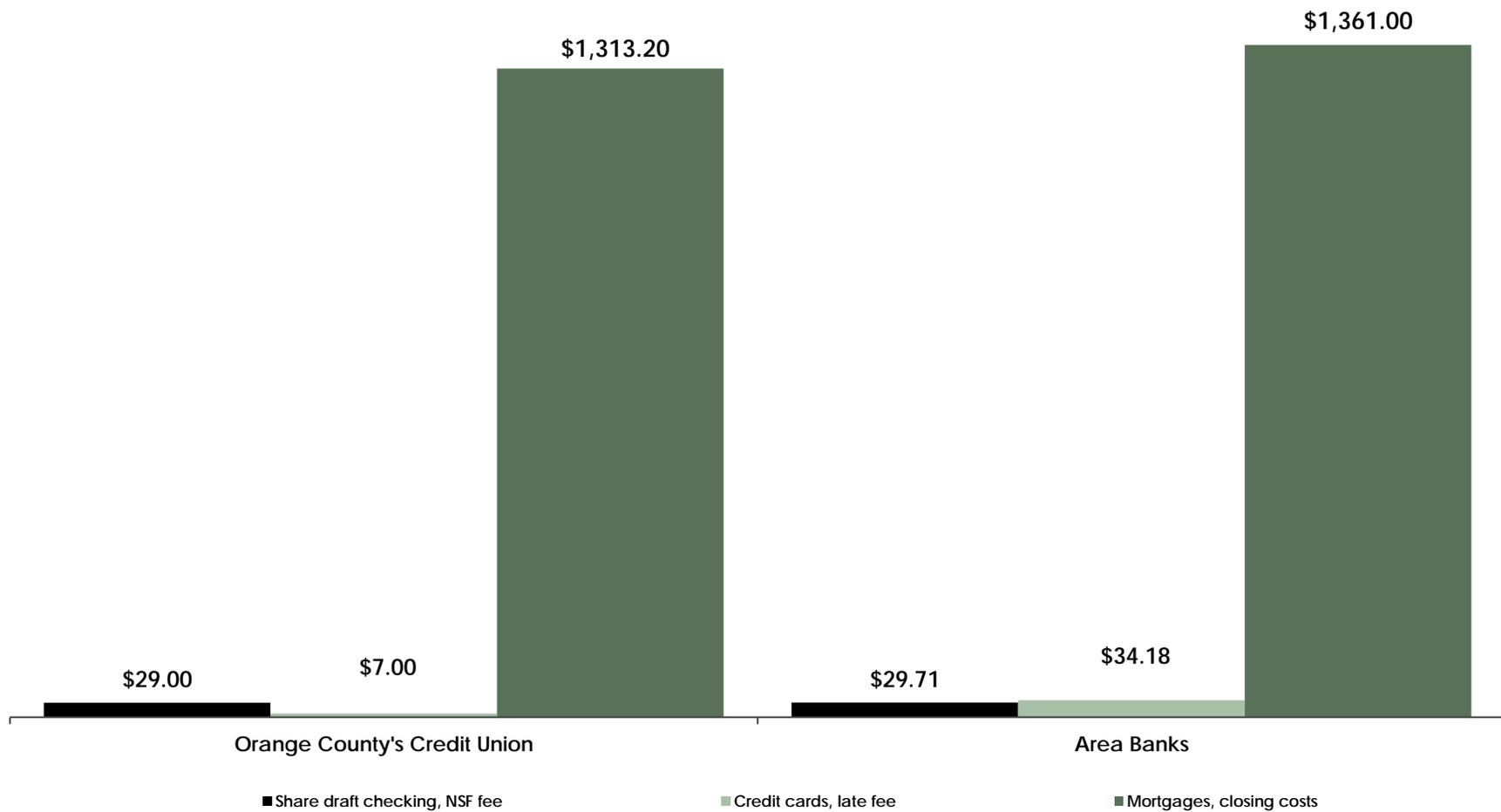
Savings Product Comparative Interest Rates (%)

by Savings Account type



Comparative Fees

by Type



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

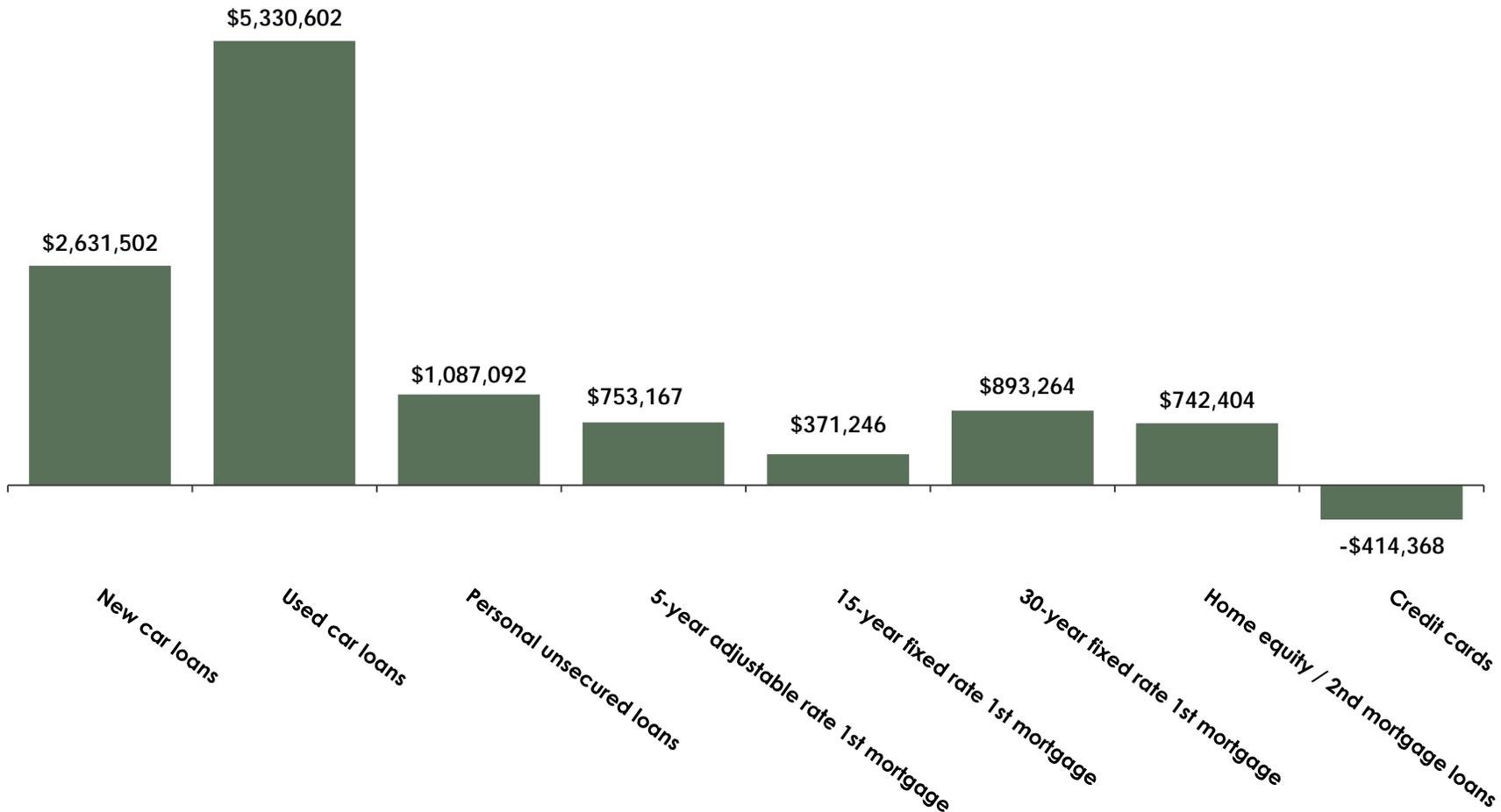
Loan Products	Rate at your Credit Union (%) *	Average Rate at Banks (%) *	Rate Difference vs. Banks (%)
60-month new car (A paper)	2.74	5.04	-2.30
48-month used car (A paper)	2.74	5.62	-2.88
Unsecured loan (A paper)	9.00	11.58	-2.58
5-year adjustable rate 1st mortgage, 0 pts	3.83	4.07	-0.24
15-year fixed rate 1st mortgage, 0 pts	3.69	4.17	-0.47
30-year fixed rate 1st mortgage, 0 pts	4.20	4.62	-0.42
Home equity / 2nd mtg, 80% LTV 0 pts	4.38	5.74	-1.37
Credit card - classic	0.00	0.00	0.00
Credit card - platinum	15.24	11.63	3.61
Savings Products			
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	0.16	-0.01
1 Year certificate \$10,000 balance	1.15	0.61	0.54
Retirement (IRA) accounts	0.65	0.38	0.27
Fee Income			
Share draft checking, NSF fee	\$29.00	\$29.71	-\$0.71
Credit cards, late fee	\$7.00	\$34.18	-\$27.18
Mortgages, closing costs	\$1,313.20	\$1,361.00	-\$47.80

*Rates and fees as of 5/23/2018. Credit union rates provided by individual credit union, bank rates provided by Datatrac.

Your Credit Union's Total Loan Rate Benefits

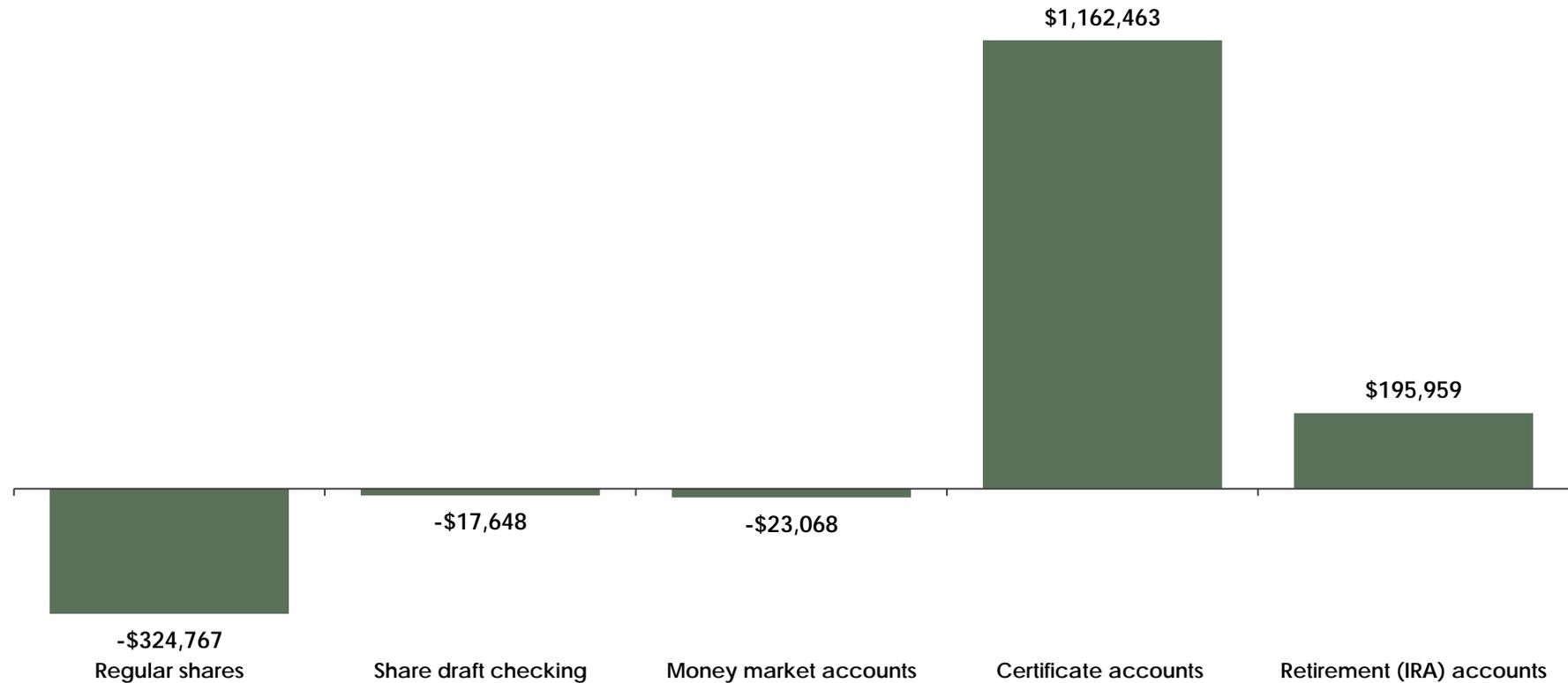
Compared to Banking Institutions in Your State

by Loan Type

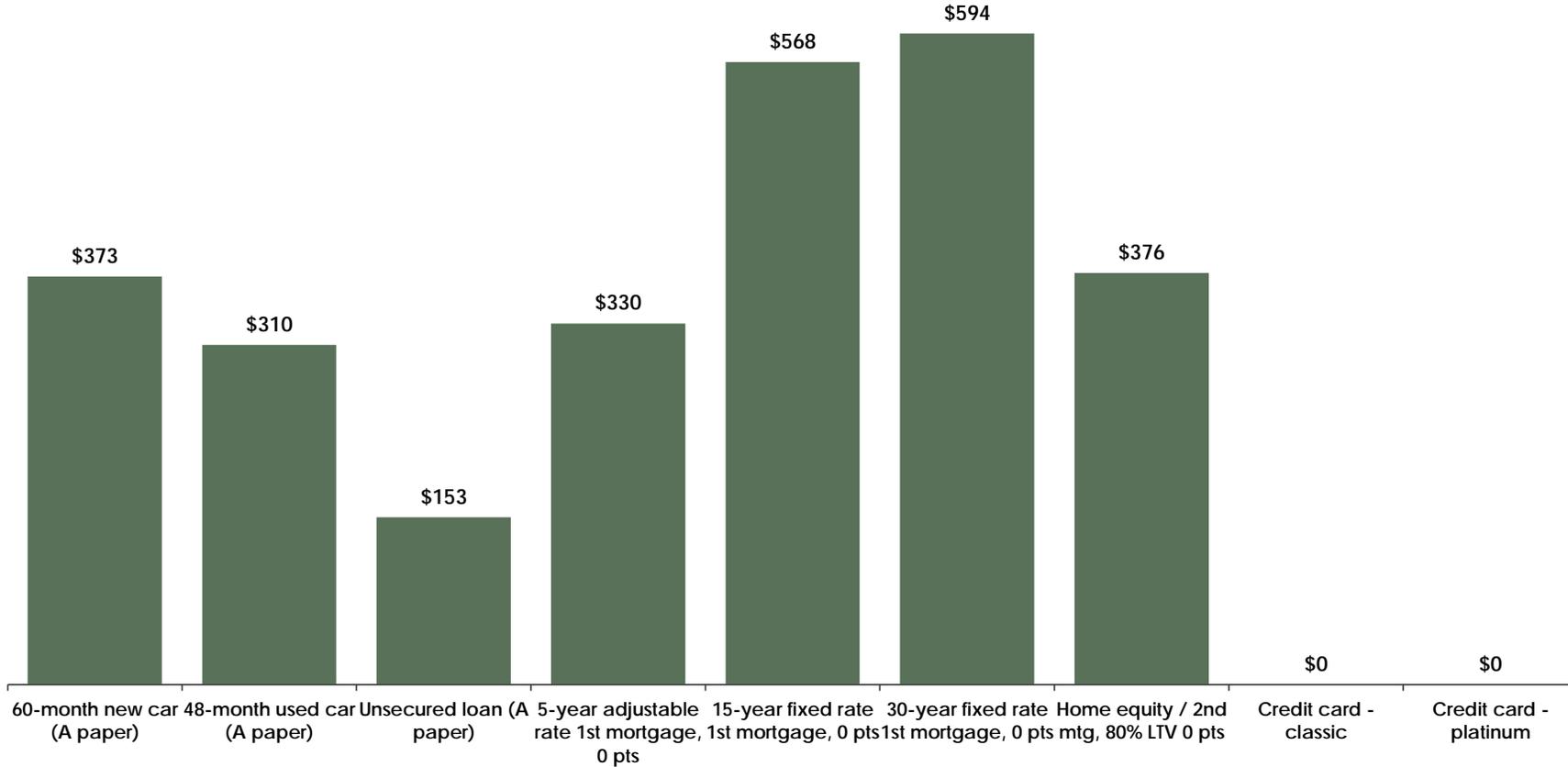


Your Credit Union's Total Savings Dividend Benefits

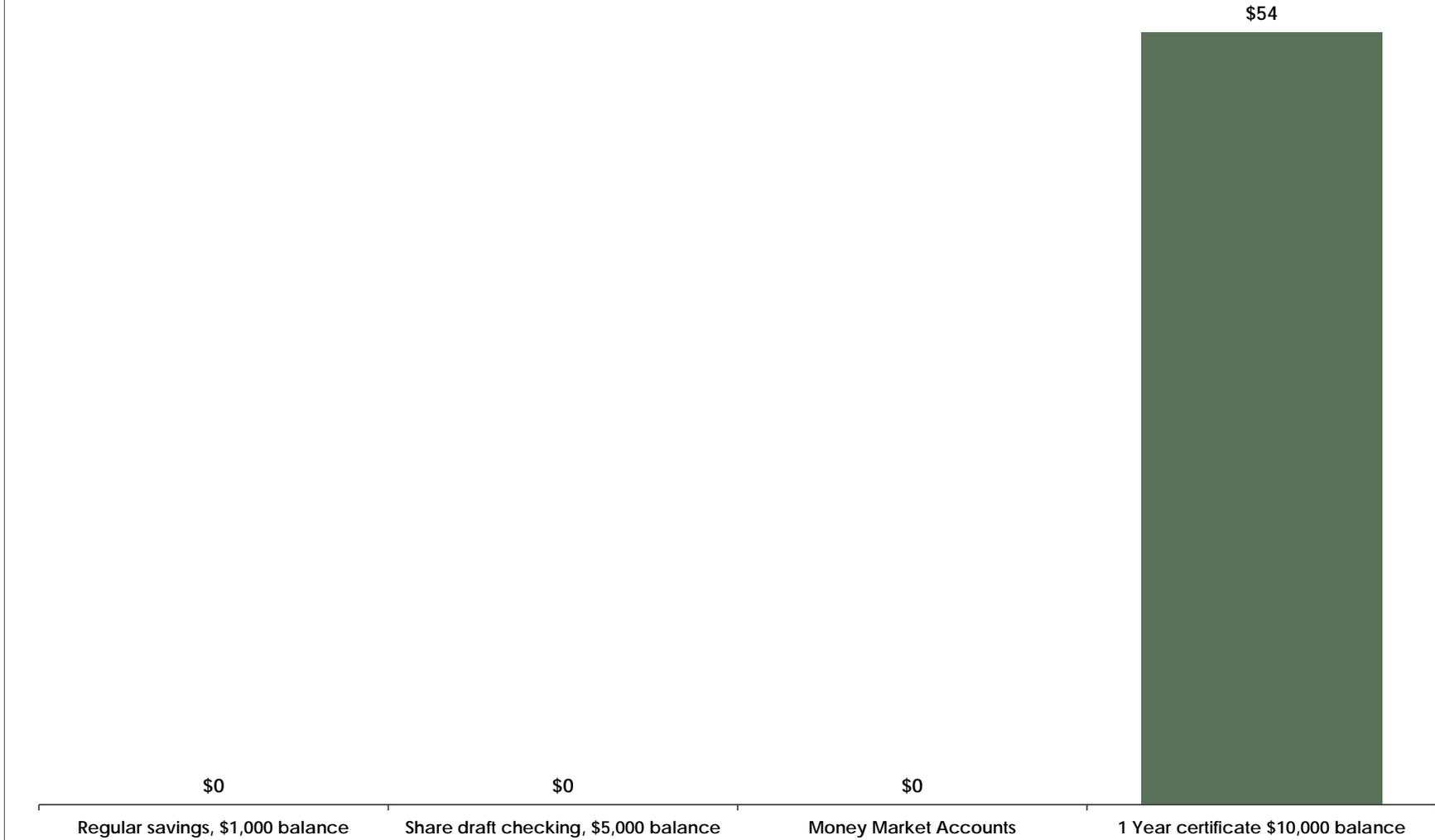
Compared to Banking Institutions in Your State
by Account Type



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: \$2,500 balance; 1-Yr Certificates: \$10,000

Estimated Financial Benefits for Orange County's Credit Union

Loans	Avg. Balance at Your Credit Union (1)	Rate Difference vs. California Banks (%) (2)	Financial Benefit to Your Members
New car loans	114,562,554	-2.30	\$2,631,502
Used car loans	185,026,098	-2.88	\$5,330,602
Personal unsecured loans	42,184,406	-2.58	\$1,087,092
5-year adjustable rate 1st mortgage	315,132,792	-0.24	\$753,167
15-year fixed rate 1st mortgage	78,321,872	-0.47	\$371,246
30-year fixed rate 1st mortgage	213,189,555	-0.42	\$893,264
Home equity / 2nd mortgage loans	54,348,778	-1.37	\$742,404
Credit cards	11,487,878	0.00	-\$414,368
Interest rebates			\$0
Total CU member benefits arising from lower interest rates on loan products:			\$11,394,910
<i>Savings</i>			
Regular shares	579,940,656	-0.06	-\$324,767
Share draft checking	51,906,267	-0.03	-\$17,648
Money market accounts	384,474,407	-0.01	-\$23,068
Certificate accounts	213,688,115	0.54	\$1,162,463
Retirement (IRA) accounts	72,847,221	0.27	\$195,959
Bonus dividends in period			\$192,338
Total CU member benefit arising from higher interest rates on savings products:			\$1,185,277
<i>Fee Income</i>			
Total CU member benefit arising from fewer/lower fees:			\$5,741,364
Total CU member benefit arising from interest rates on loan and savings products and lower fees:			\$18,321,550
Total CU member benefit / member:			\$179
Total CU member benefit / member household:			\$376

Source: Datatrac, NCUA, and CUNA

(1) Average balance as of December 2017 and December 2016 according to the NCUA call report.

(2) Rates and fees as of 5/23/2018. Credit union rates provided by individual credit union, bank rates provided by Datatrac.

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 \$18,321,550 in direct financial benefits to its 102,258 members during the twelve months ending in December 2017. These benefits are equivalent to approximately \$376 per member household.

Orange County's Credit Union provided loyal high-use member households \$1,160 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 17	Dec 16
Number of branches	10	10
Total assets (\$ mil)	1,561	1,440
Total loans (\$ mil)	1,096	944
Total surplus funds (\$ mil)	374	429
Total savings (\$ mil)	1,353	1,253
Total members (thousands)	105	100
Growth Rates (Year-to-date)		
Total assets	8.4 %	9.8 %
Total loans	16.1 %	18.3 %
Total surplus funds	-12.9 %	-6.1 %
Total savings	8.0 %	9.9 %
Total members	5.2 %	5.4 %
Earnings - Basis Pts.		
Yield on total assets	309	298
- Dividend/interest cost of assets	36	33
+ Fee & other income	137	175
- Operating expense	313	328
- Loss Provisions	14	4
= Net Income (ROA)	84	108
Capital adequacy		
Net worth / assets	9.9	9.9
Asset quality		
Delinquencies / loans	0.3	0.3
Net chargeoffs / average loans	0.2	0.1
Total borrower-bankruptcies	120	98
Bankruptcies per 1000 members	1.1	1.0
Asset/Liability Management		
Loans / savings	81.0	75.4
Loans / assets	70.2	65.5
Long-term assets / assets	27.3	31.3
Core deposits/shares & borrowings	47.9	46.0
Productivity		
Members/potential members	2.1	2.0
Borrowers/members	50.3	45.7
Members/FTE	355	354
Average shares/members (\$)	12,904	12,570
Average loan balances (\$)	20,789	20,743
Salary & Benefits/FTE	87,391	90,003



Transform member benefits into new business with a **Member Benefit Marketing Toolkit**

The Credit Union National Association (CUNA) and Datatrac have teamed up to bring you the analysis in this report. Member Benefit Marketing Tools provides you with practical applications for using data in this report to show members how much you save them, drive in new members, generate more loans and attract bigger deposits.

Member Benefit Marketing Tools prove to new and existing members:

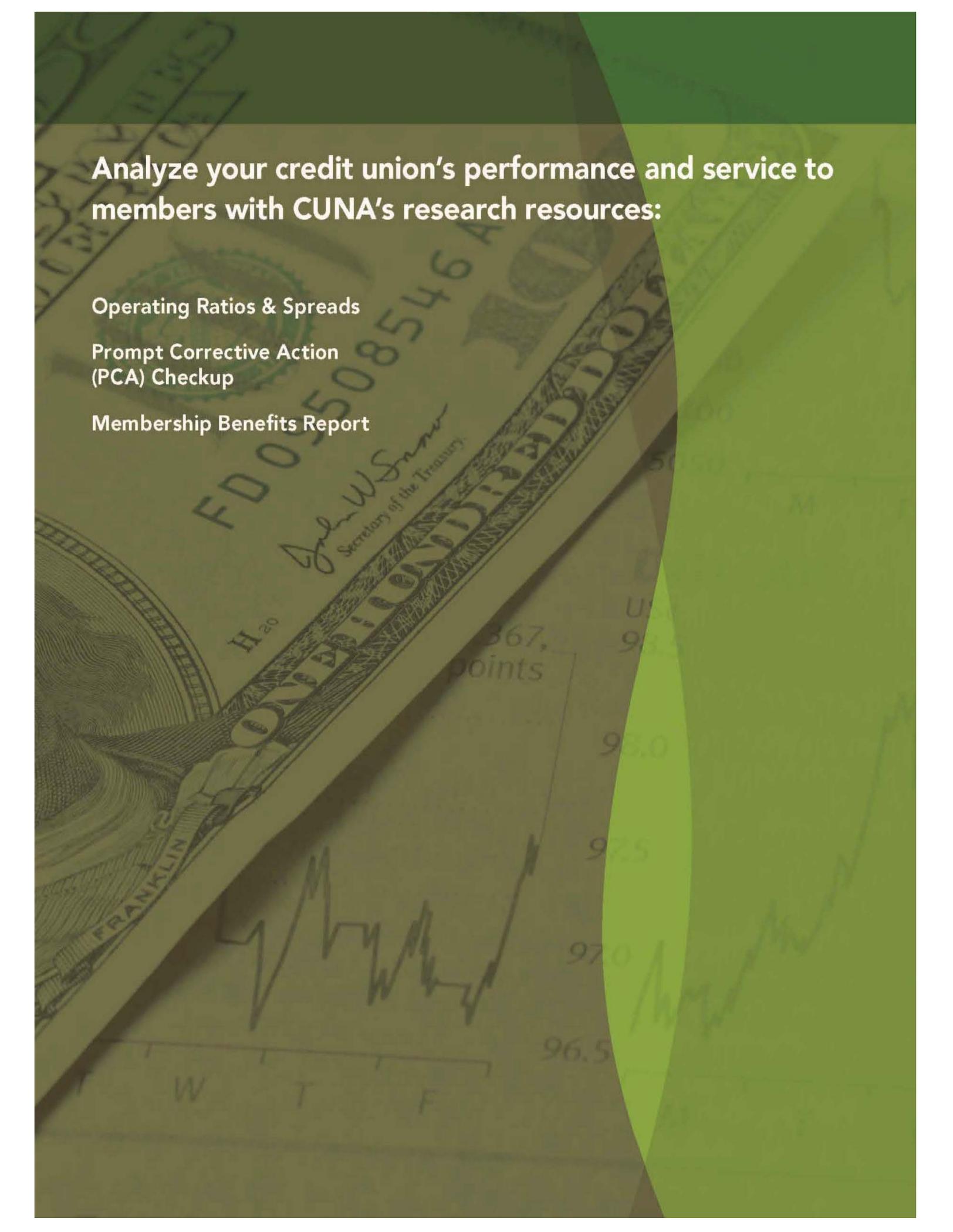
- How much you saved your entire membership last year in interest and fees compared to the competition
- How much they will save on their next loan with you
- How much more they will earn on their deposits with you

Member Benefit Marketing Toolkits include:

- Lead generation for loans, deposits and new members
- Competitive comparison widgets for your website
- Facebook app
- Animated graphics for branch lobby digital displays
- Proof Points for use in marketing collateral
- Award Certification & Trophy
- Press releases
- Newsletter copy
- Member handouts
- Subscription to the CUNA Member Benefits Report

Visit www.datatrac.net/memberbenefits to see live examples, schedule a demo and receive a free competitive analysis.

Show members how much you save them with **Member Benefits Marketing Tools**



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

Operating Ratios & Spreads

Prompt Corrective Action
(PCA) Checkup

Membership Benefits Report