

CUNA Hawaii
**MEMBERSHIP BENEFITS
REPORT**



Hawaii

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 Hawaii credit unions provided \$59,442,338 in direct financial benefits to the state's 881,677 members during the twelve months ending June 2017.

These benefits are equivalent to \$67 per member or \$128 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 Hawaii 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 Hawaii credit unions.

Consider this:

Financing a \$25,000 new automobile for 60 months at a Hawaii credit union will save members an average \$414 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.

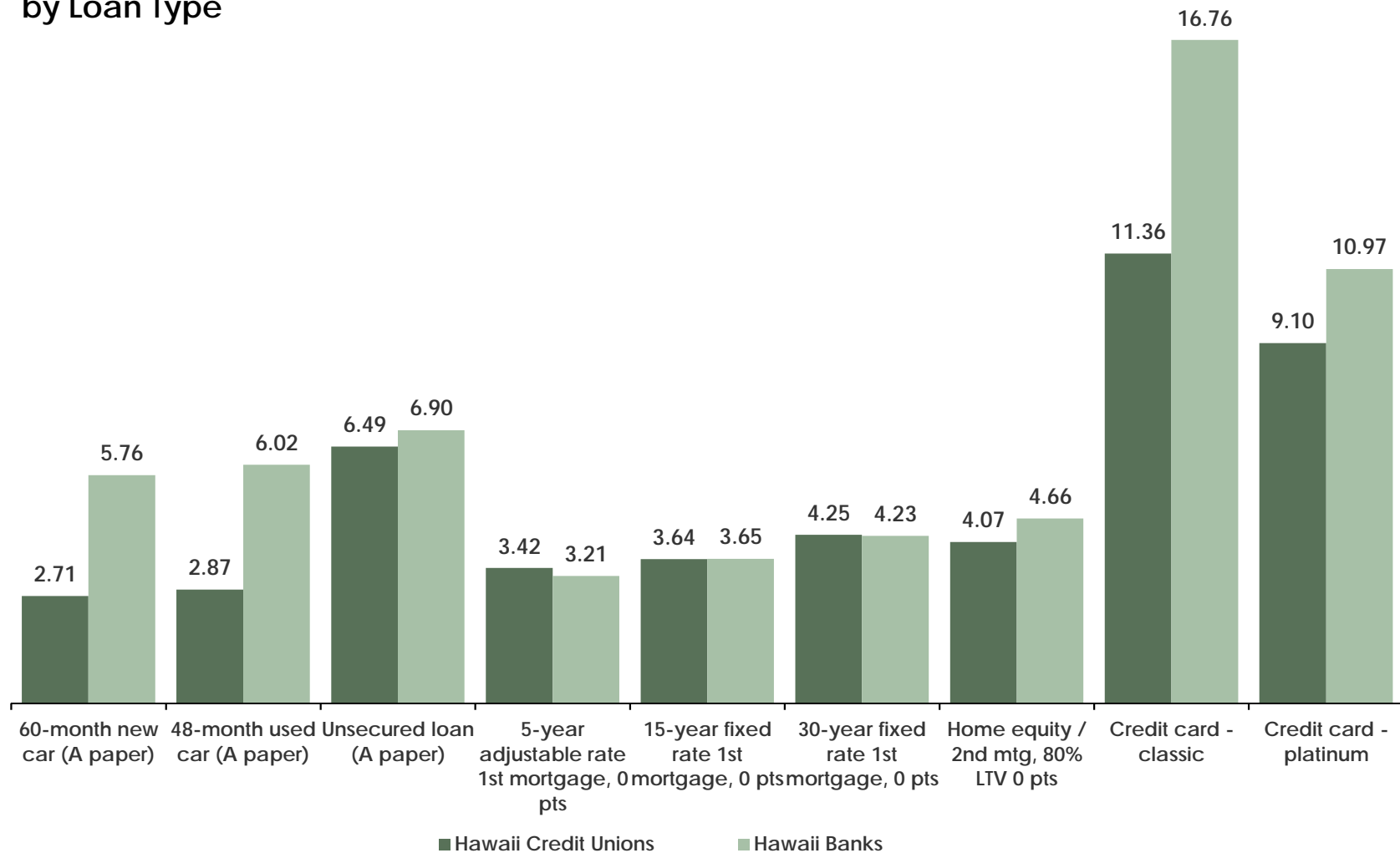
Hawaii credit unions excel in providing member benefits on many loan and savings products. In particular, Hawaii credit unions offer lower average loan rates on the following accounts: new car loans, used car loans, personal unsecured loans, home equity loans, **credit cards loans**.

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



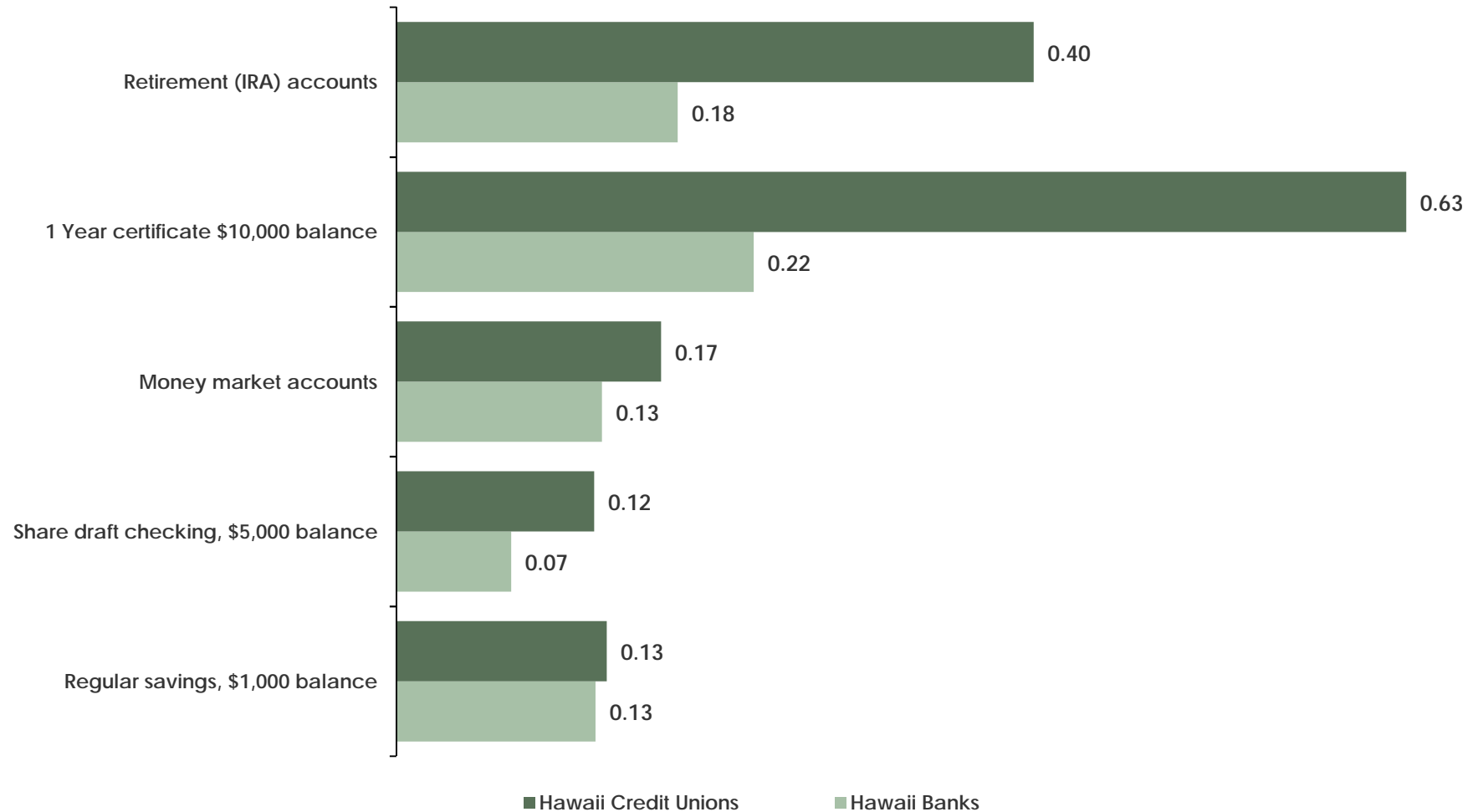
Loan Product Comparative Interest Rates (%)

by Loan Type



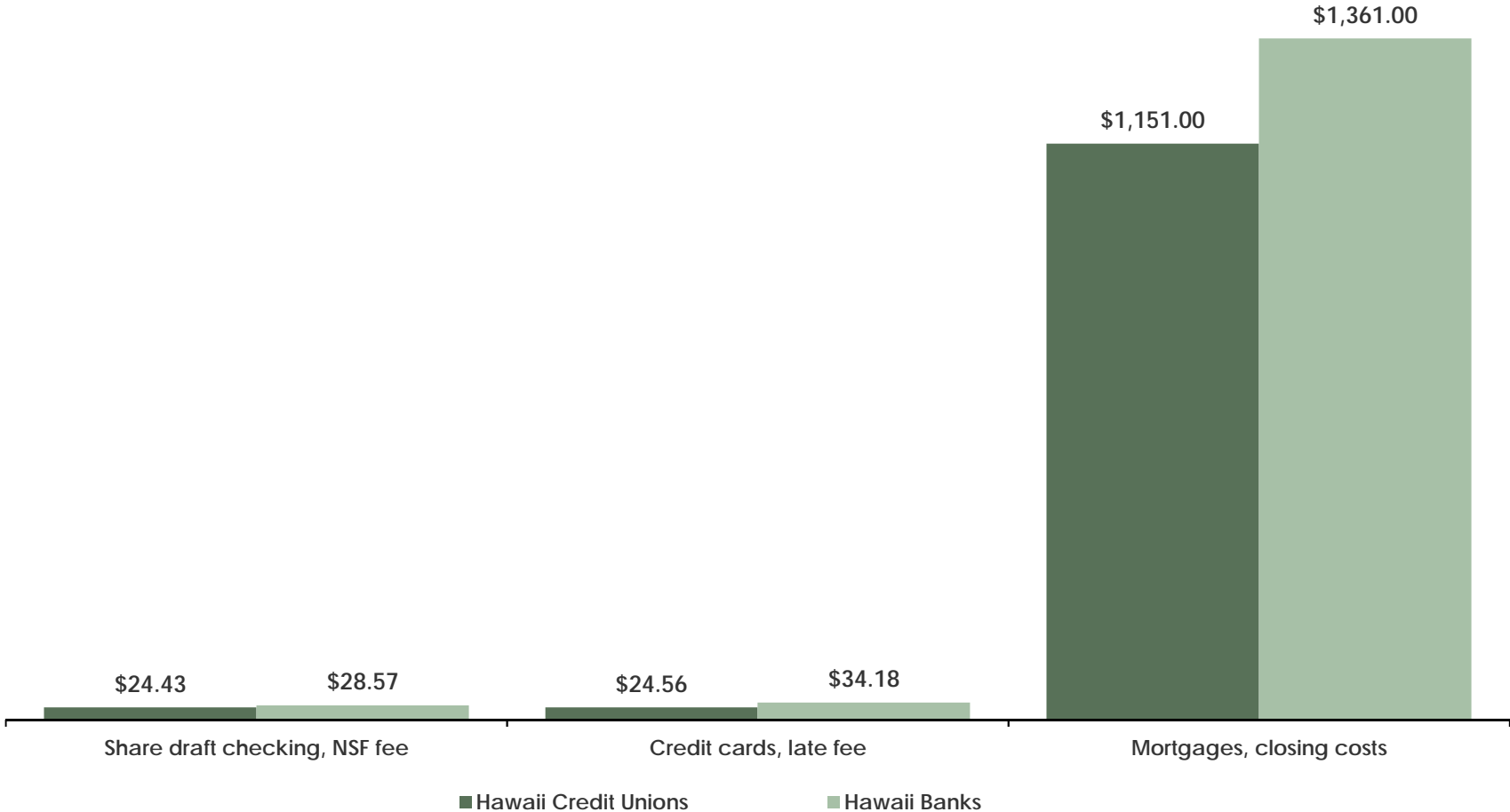
Savings Product Comparative Interest Rates (%)

by Savings Account Type



Comparative Fees

by Type



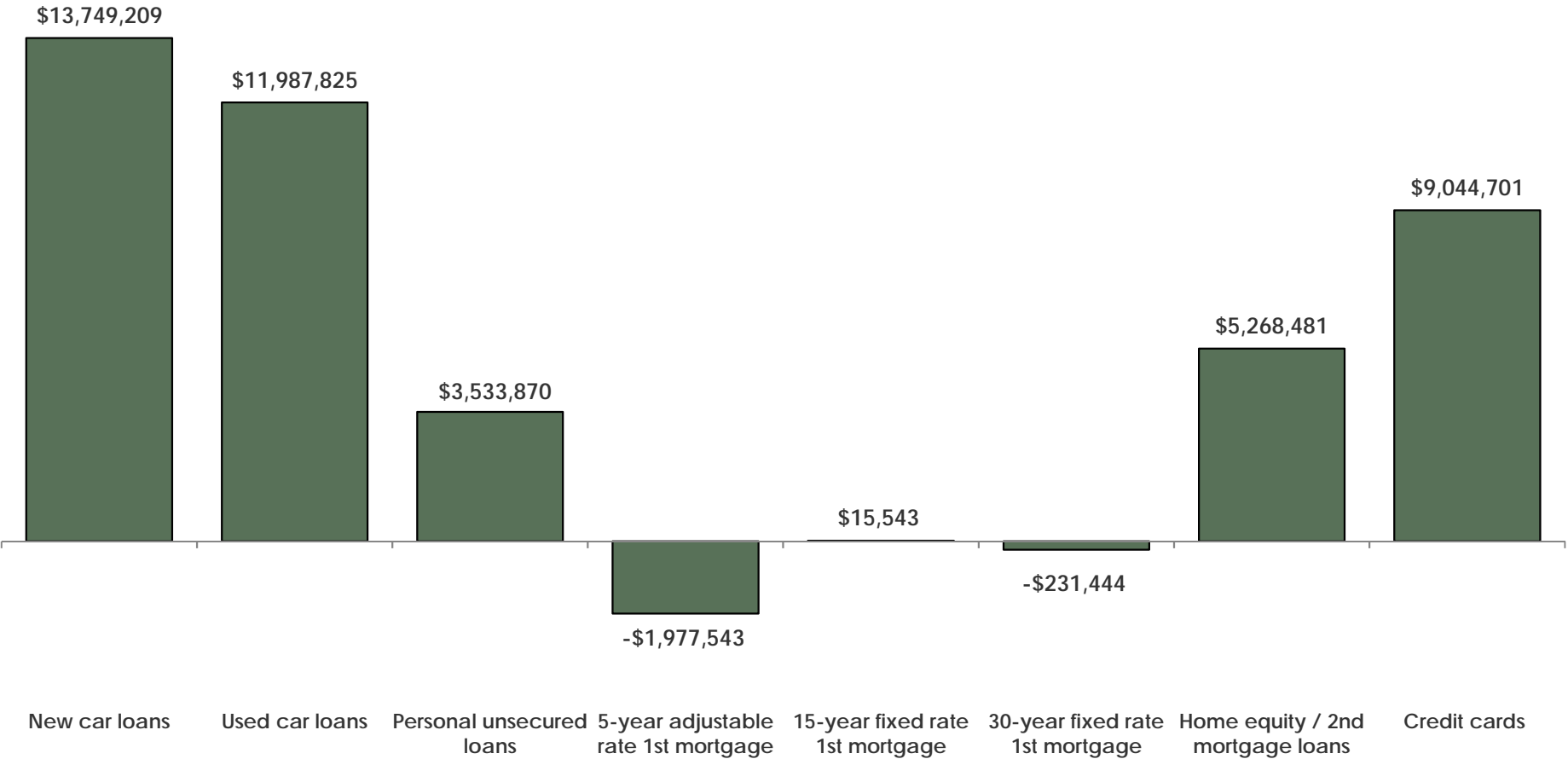
Hawaii Credit Union and Banking Institution June 2017 Average Interest Rates and Fees

Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	2.71	5.76	-3.05
48-month used car (A paper)	2.87	6.02	-3.16
Unsecured loan (A paper)	6.49	6.90	-0.41
5-year adjustable rate 1st mortgage, 0 pts	3.42	3.21	0.20
15-year fixed rate 1st mortgage, 0 pts	3.64	3.65	0.00
30-year fixed rate 1st mortgage, 0 pts	4.25	4.23	0.03
Home equity / 2nd mtg, 80% LTV 0 pts	4.07	4.66	-0.59
Credit card - classic	11.36	16.76	-5.40
Credit card - platinum	9.10	10.97	-1.87
Savings Products			
Regular savings, \$1,000 balance	0.13	0.13	0.01
Share draft checking, \$5,000 balance	0.12	0.07	0.05
Money market accounts	0.17	0.13	0.04
1 Year certificate \$10,000 balance	0.63	0.22	0.41
Retirement (IRA) accounts	0.40	0.18	0.22
Fee Income			
Share draft checking, NSF fee	\$24.43	\$28.57	-\$4.14
Credit cards, late fee	\$24.56	\$34.18	-\$9.62
Mortgages, closing costs	\$1,151.00	\$1,361.00	-\$210.00

Source: Datatrac

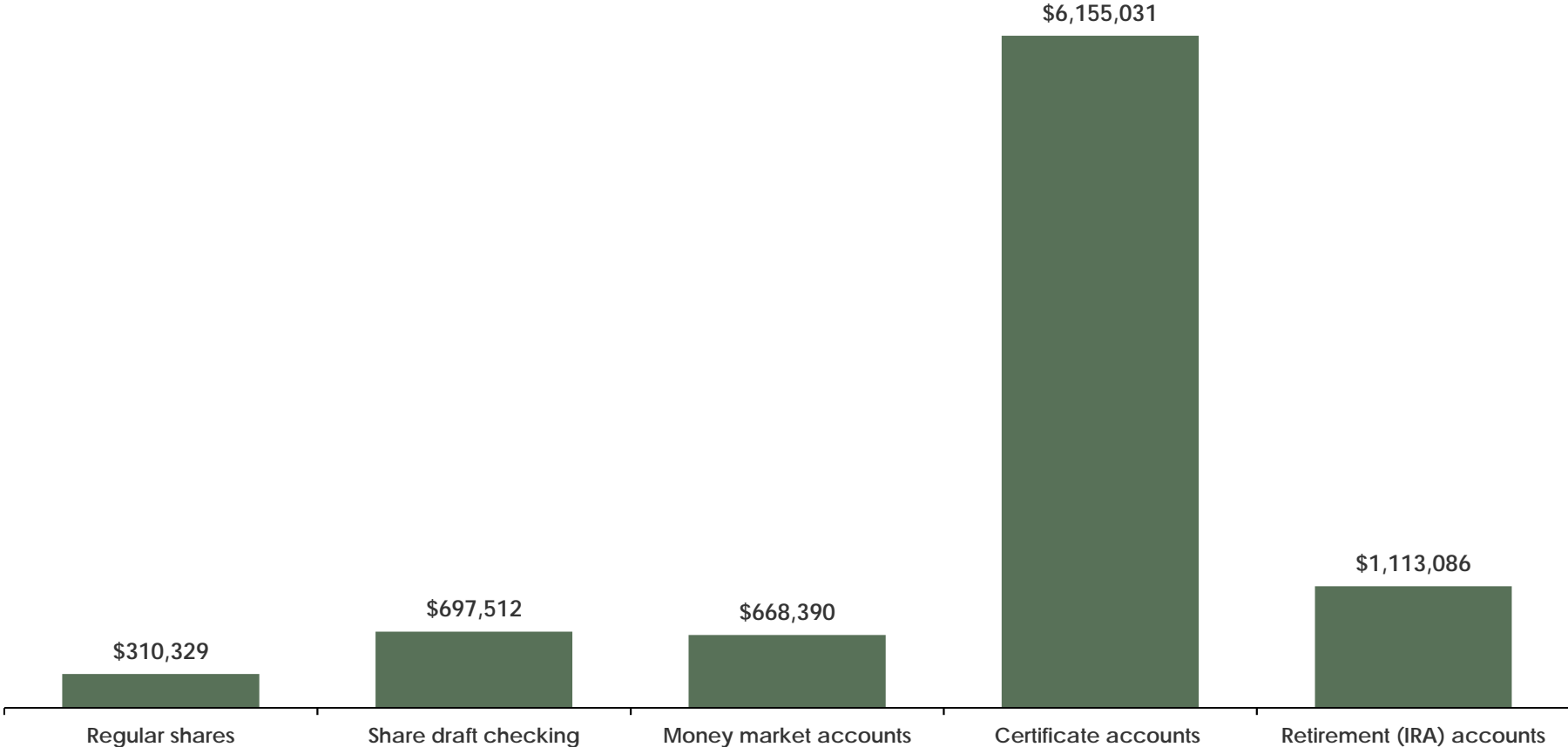
State Credit Union's Total Loan Rate Benefits

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 Hawaii Credit Unions June 2017

Loans	Avg. Balance at Credit Unions (1)	Rate Difference vs. Hawaii Banks (%) (2)	Total Financial Benefit to Your Members
New car loans	450,793,745	-3.05	\$13,749,209
Used car loans	379,842,367	-3.16	\$11,987,825
Personal unsecured loans	857,735,436	-0.41	\$3,533,870
5-year adjustable rate 1st mortgage	983,852,112	0.20	-\$1,977,543
15-year fixed rate 1st mortgage	310,868,040	0.00	\$15,543
30-year fixed rate 1st mortgage	857,199,355	0.03	-\$231,444
Home equity / 2nd mortgage loans	889,946,175	-0.59	\$5,268,481
Credit cards	200,214,752	-5.40	\$9,044,701
Interest rebates			\$175,108
Total CU member benefits arising from lower interest rates on loan products:			\$41,565,752
Savings			
Regular shares	4,433,278,381	0.01	\$310,329
Share draft checking	1,341,370,062	0.05	\$697,512
Money market accounts	1,806,459,572	0.04	\$668,390
Certificate accounts	1,504,897,601	0.41	\$6,155,031
Retirement (IRA) accounts	499,141,858	0.22	\$1,113,086
Bonus dividends in period			\$0
Total CU member benefit arising from higher interest rates on savings products:			\$8,944,349
Fee Income			
Total CU member benefit arising from fewer / lower fees:			\$8,932,237
Total CU member benefit arising from interest rates on loans, savings products and lower fees:			\$59,442,338
Total CU member benefit / member:			\$67
Total CU member benefit / member household:			\$128

Source: Datatrac, NCUA, and CUNA

(1) Average balance as of June 2017 and June 2016, according to the NCUA call report.; (2) Source for rates and fees: Datatrac;

Membership Benefits Report

CUNA Economics and Statistics

Hawaii Credit Union Performance Profile

Demographic Information	Jun 17	Jun 16
Number of branches	166	165
Total assets (\$ mil)	11,353	10,902
Total loans (\$ mil)	5,279	4,885
Total surplus funds (\$ mil)	5,636	5,608
Total savings (\$ mil)	9,961	9,540
Total members (thousands)	883	882
Growth Rates (Trailing 12 months) *		
Total assets	4.3 %	4.9 %
Total loans	8.2 %	10.5 %
Total surplus funds	0.7 %	0.5 %
Total savings	4.6 %	4.6 %
Total members	0.3 %	1.9 %
Earnings - Basis Pts. *		
Yield on total assets	296	290
Dividend / interest cost of assets	27	28
Fee & other income	85	93
Operating expense	276	272
Loss Provisions	24	18
Net Income (ROA) after stabilization exp	55	65
Capital Adequacy		
Net worth / assets	11.4	11.3
Asset Quality *		
Delinquencies / loans	0.7	0.7
Net chargeoffs / average loans	0.4	0.4
Total borrower-bankruptcies	4	3
Bankruptcies per 1000 members	0.3	0.2
Asset/Liability Management		
Loans / savings	53.0	51.2
Loans / assets	46.5	44.8
Long-term assets / assets	36.4	36.3
Core deposits/shares & borrowings	60.2	58.3
Productivity		
Members / potential members	9.3	9.5
Borrowers / members	43.1	41.0
Members / FTE	383	394
Average shares / members (\$)	11,282	10,819
Average loan balances (\$)	13,862	13,521
Salary & Benefits / FTE	66,451	64,726

* 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.