

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 \$75,956,391 in direct financial benefits to the state's 879,432 members during the twelve months ending December 2018.

These benefits are equivalent to \$86 per member or \$181 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 \$448 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.

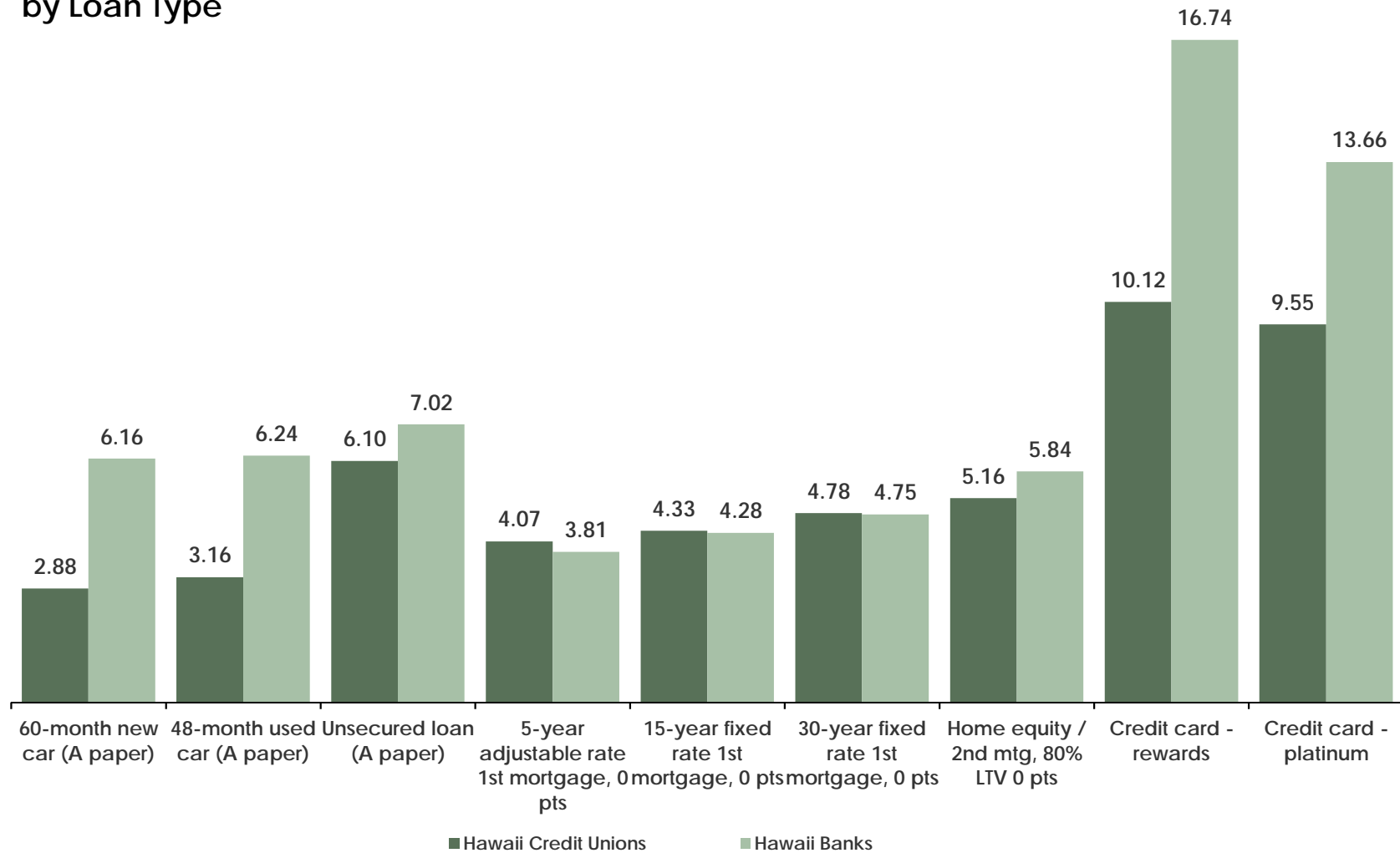
Hawaii credit unions excel in providing member benefits on many loan and savings products. In particular, Hawaii credit unions offer lower average loan rates on the following accounts: new car loans, used car loans, personal unsecured loans, home equity loans, credit cards loans.

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



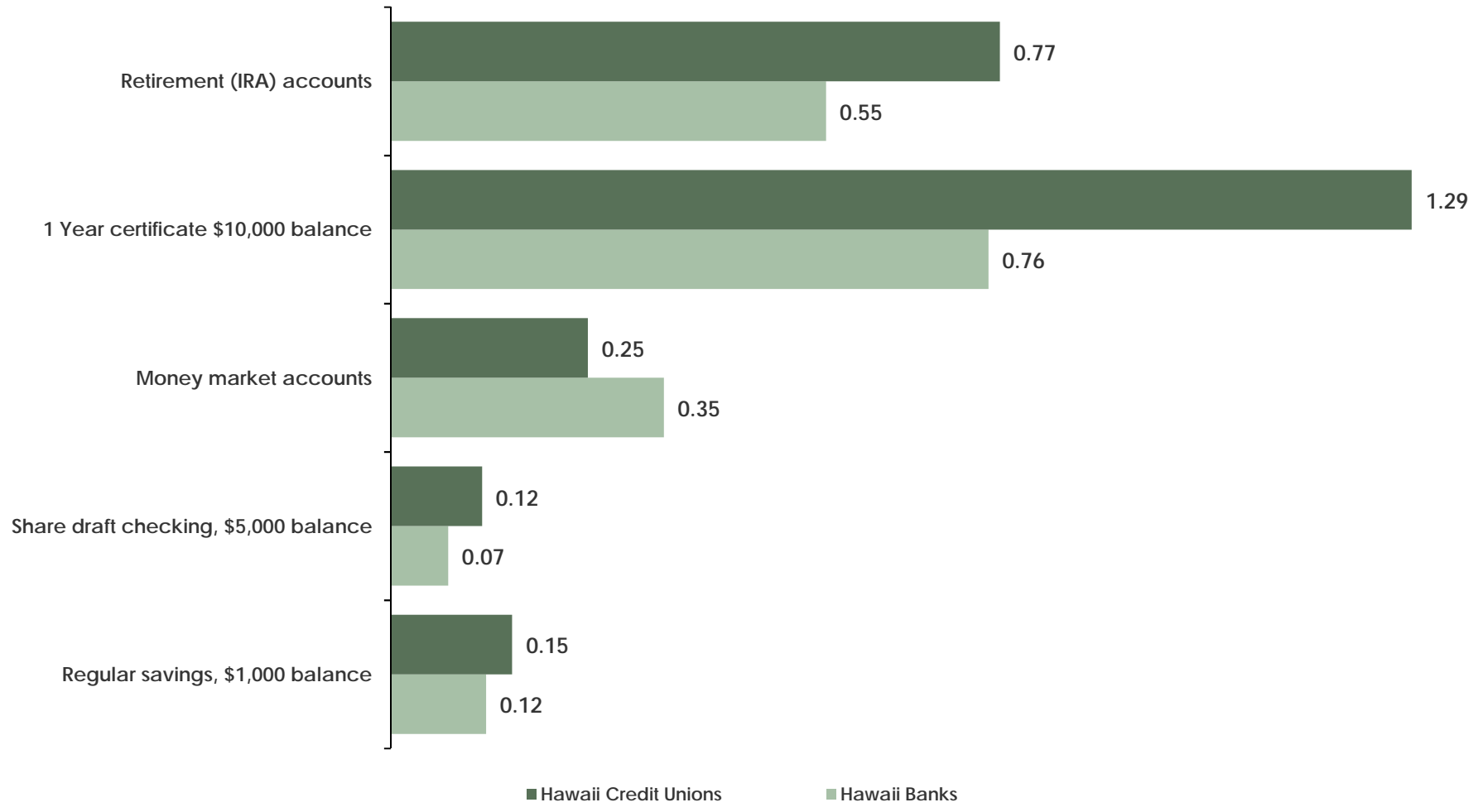
Loan Product Comparative Interest Rates (%)

by Loan Type



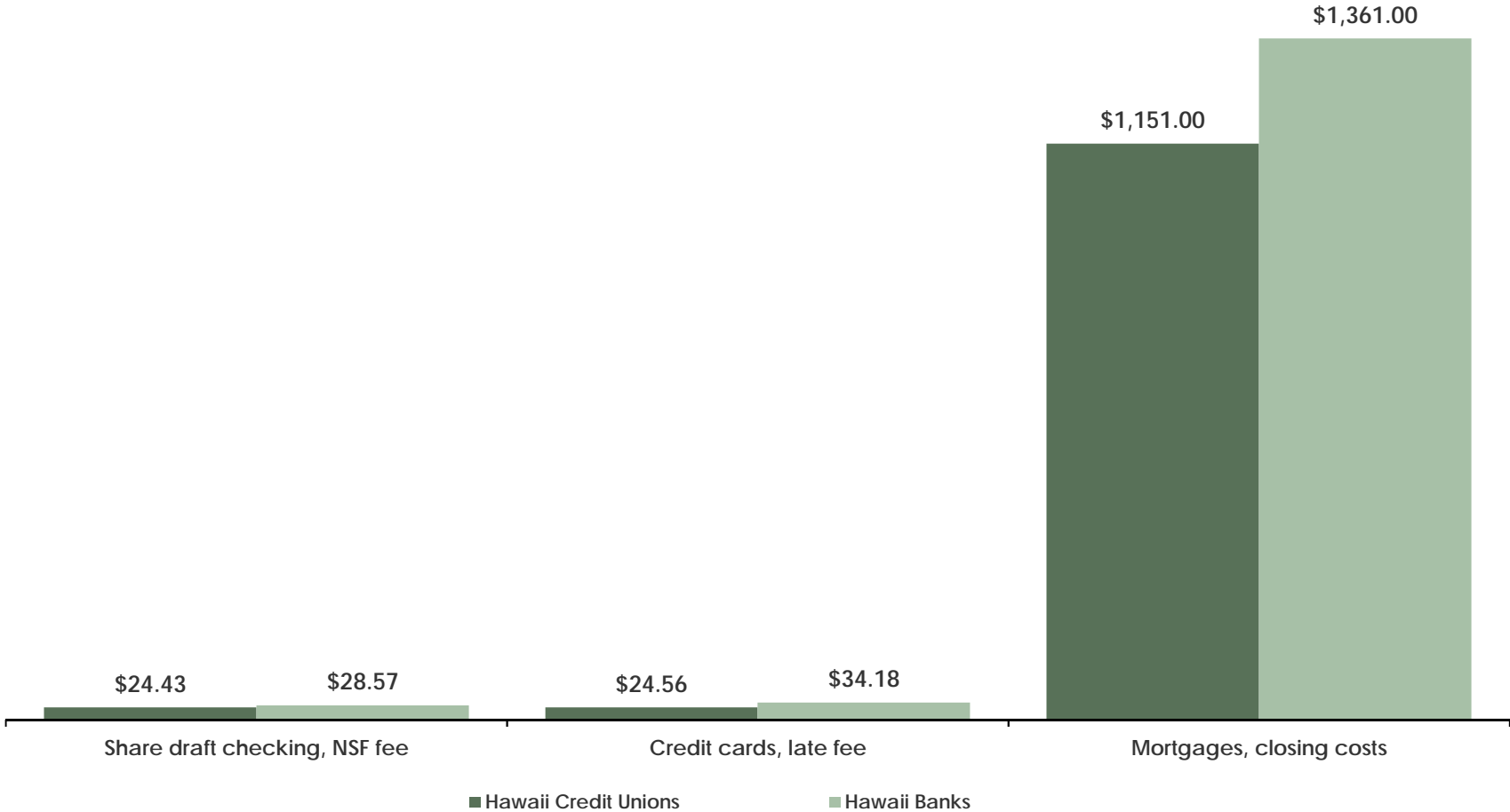
Savings Product Comparative Interest Rates (%)

by Savings Account Type



Comparative Fees

by Type



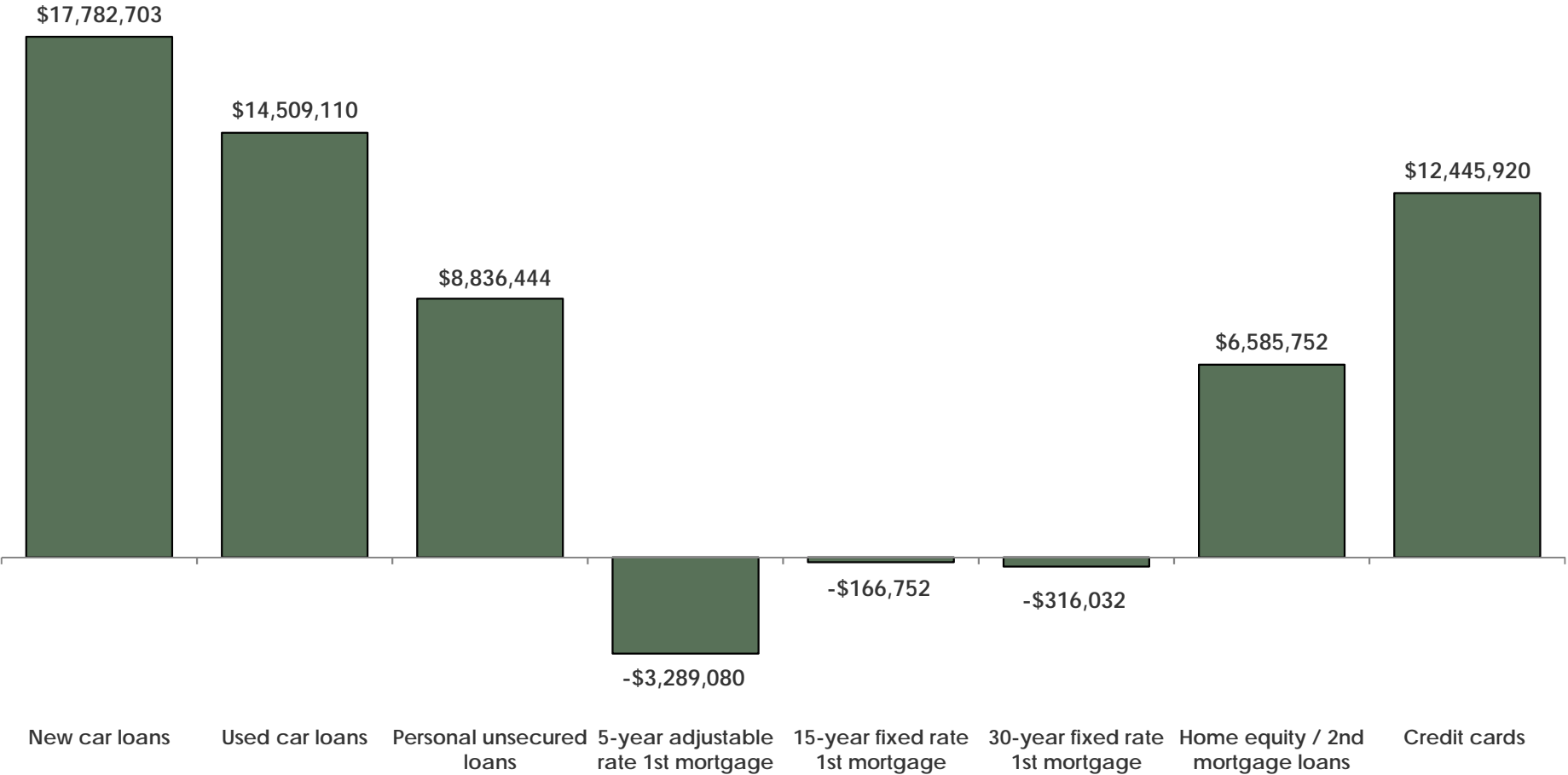
Hawaii Credit Union and Banking Institution December 2018 Average Interest Rates and Fees

Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	2.88	6.16	-3.28
48-month used car (A paper)	3.16	6.24	-3.08
Unsecured loan (A paper)	6.10	7.02	-0.93
5-year adjustable rate 1st mortgage, 0 pts	4.07	3.81	0.26
15-year fixed rate 1st mortgage, 0 pts	4.33	4.28	0.05
30-year fixed rate 1st mortgage, 0 pts	4.78	4.75	0.03
Home equity / 2nd mtg, 80% LTV 0 pts	5.16	5.84	-0.67
Credit card - rewards	10.12	16.74	-6.62
Credit card - platinum	9.55	13.66	-4.11
Savings Products			
Regular savings, \$1,000 balance	0.15	0.12	0.03
Share draft checking, \$5,000 balance	0.12	0.07	0.04
Money market accounts	0.25	0.35	-0.10
1 Year certificate \$10,000 balance	1.29	0.76	0.54
Retirement (IRA) accounts	0.77	0.55	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

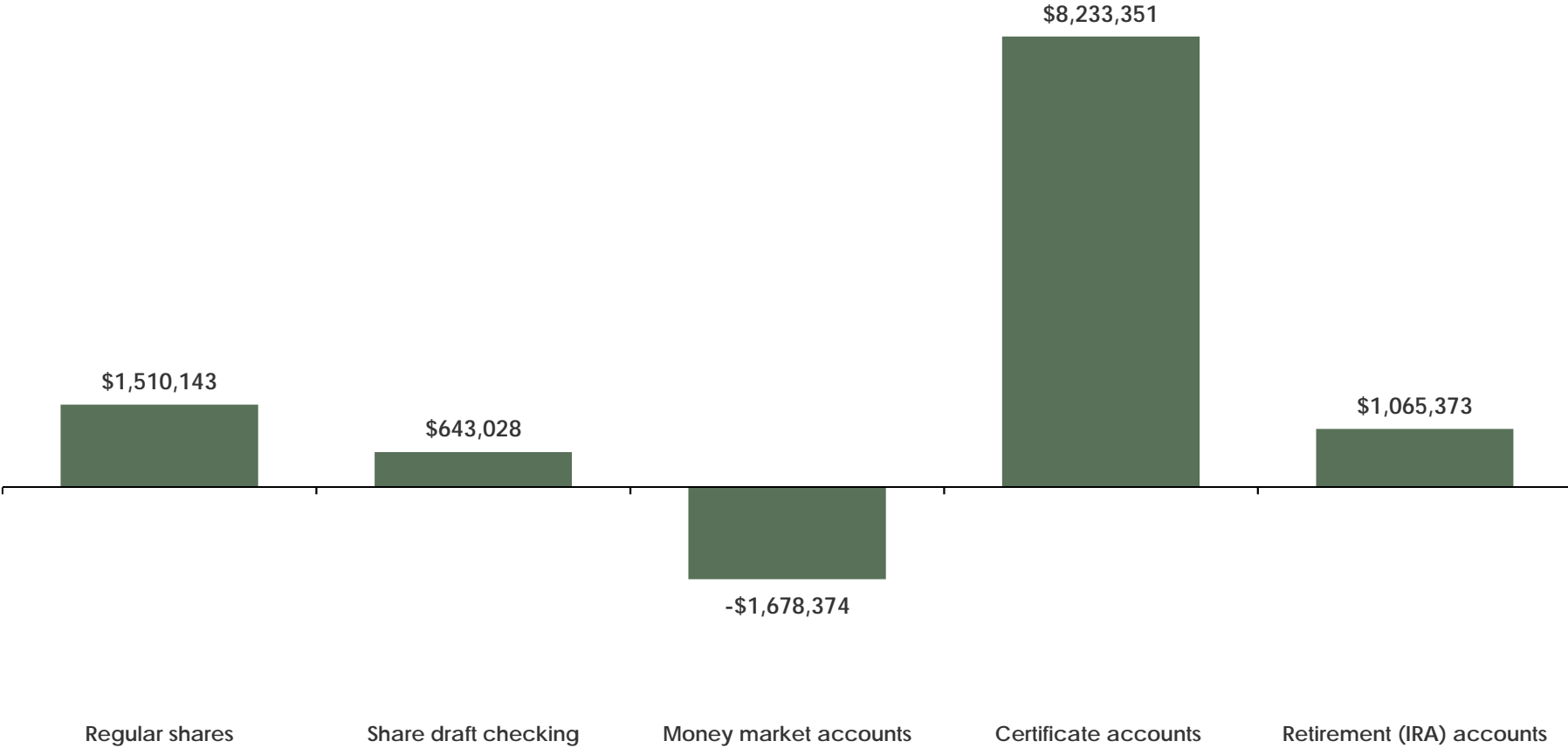
State Credit Union's Total Loan Rate Benefits

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 December 2018

Loans	Avg. Balance at Credit Unions (1)	Rate Difference vs. Hawaii Banks (%) (2)	Total Financial Benefit to Your Members
New car loans	542,155,578	-3.28	\$17,782,703
Used car loans	471,840,980	-3.08	\$14,509,110
Personal unsecured loans	955,291,232	-0.93	\$8,836,444
5-year adjustable rate 1st mortgage	1,245,863,529	0.26	-\$3,289,080
15-year fixed rate 1st mortgage	320,676,668	0.05	-\$166,752
30-year fixed rate 1st mortgage	957,673,031	0.03	-\$316,032
Home equity / 2nd mortgage loans	978,566,467	-0.67	\$6,585,752
Credit cards	207,630,986	-6.62	\$12,445,920
Interest rebates			\$223,372
Total CU member benefits arising from lower interest rates on loan products:			\$56,611,438
<i>Savings</i>			
Regular shares	4,576,190,561	0.03	\$1,510,143
Share draft checking	1,495,413,231	0.04	\$643,028
Money market accounts	1,748,306,103	-0.10	-\$1,678,374
Certificate accounts	1,536,073,022	0.54	\$8,233,351
Retirement (IRA) accounts	484,260,351	0.22	\$1,065,373
Bonus dividends in period			\$0
Total CU member benefit arising from higher interest rates on savings products:			\$9,773,521
<i>Fee Income</i>			
Total CU member benefit arising from fewer / lower fees:			\$9,571,432
Total CU member benefit arising from interest rates on loans, savings products and lower fees:			\$75,956,391
Total CU member benefit / member:			\$86
Total CU member benefit / member household:			\$181

Source: Datatrac, NCUA, and CUNA

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

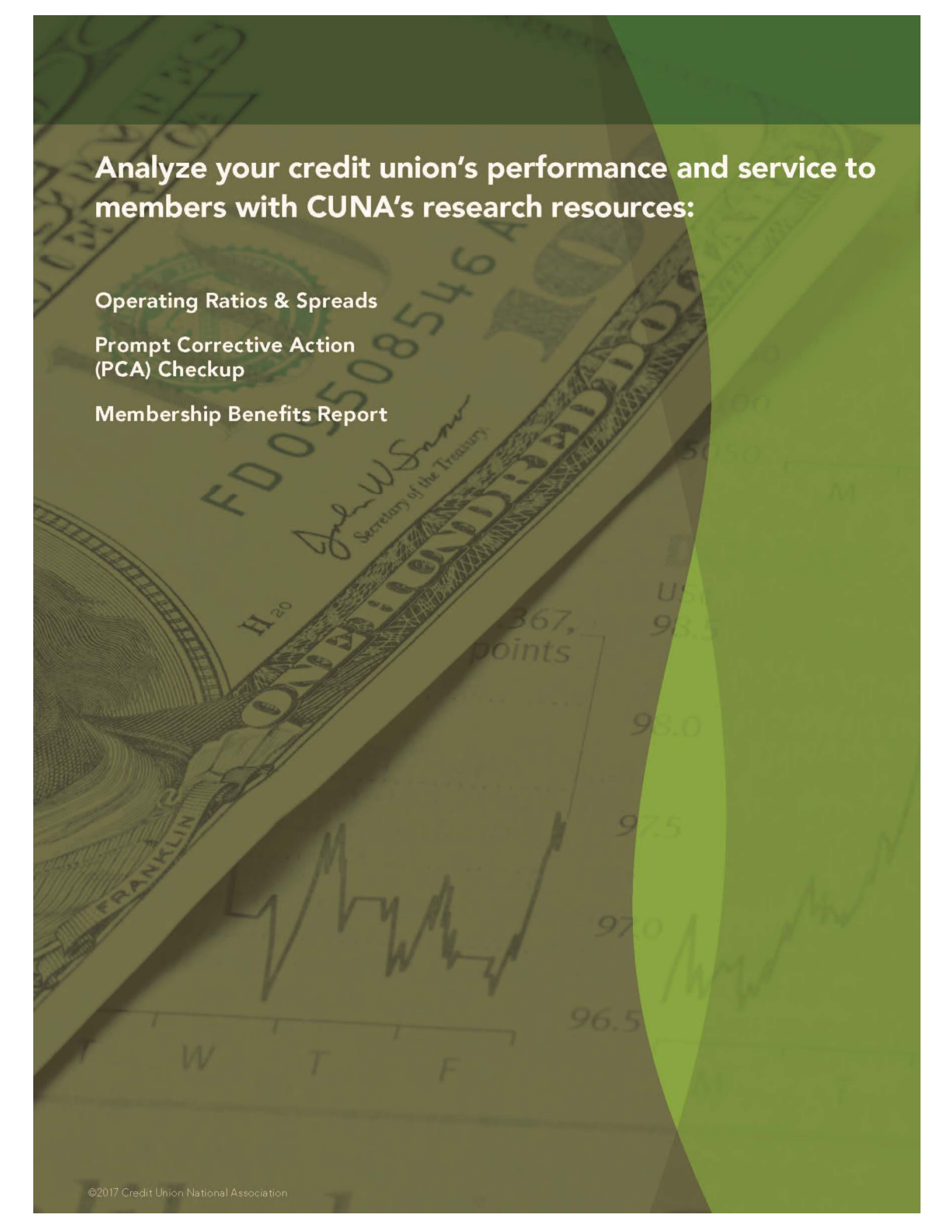
Membership Benefits Report

CUNA Economics and Statistics

Hawaii Credit Union Performance Profile

Demographic Information	Dec 18	Dec 17
Number of branches	170	170
Total assets (\$ mil)	11,679	11,423
Total loans (\$ mil)	6,147	5,610
Total surplus funds (\$ mil)	5,070	5,368
Total savings (\$ mil)	10,210	10,004
Total members (thousands)	900	886
Growth Rates (Trailing 12 months) *		
Total assets	2.9 %	3.7 %
Total loans	10.2 %	10.8 %
Total surplus funds	-4.8 %	-3.0 %
Total savings	2.7 %	3.5 %
Total members	2.7 %	2.1 %
Earnings - Basis Pts. *		
Yield on total assets	336	305
Dividend / interest cost of assets	34	30
Fee & other income	98	92
Operating expense	295	282
Loss Provisions	43	27
Net Income (ROA) after stabilization exp	62	58
Capital Adequacy		
Net worth / assets	11.7	11.5
Asset Quality *		
Delinquencies / loans	0.8	0.7
Net chargeoffs / average loans	0.6	0.5
Total borrower-bankruptcies	6	7
Bankruptcies per 1000 members	0.4	0.5
Asset/Liability Management		
Loans / savings	60.2	56.1
Loans / assets	52.6	49.1
Long-term assets / assets	37.3	35.7
Core deposits/shares & borrowings	61.1	60.4
Productivity		
Members / potential members	8.8	9.3
Borrowers / members	45.2	45.1
Members / FTE	378	386
Average shares / members (\$)	11,349	11,297
Average loan balances (\$)	15,125	14,037
Salary & Benefits / FTE	70,722	68,454

* 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.



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