

CUNA Rhode Island  
**MEMBERSHIP BENEFITS  
REPORT**

## Rhode Island

### *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 Rhode Island credit unions provided \$24,795,232 in direct financial benefits to the state's 405,130 members during the twelve months ending December 2018.

**These benefits are equivalent to \$61 per member or \$129 per member household <sup>(1)</sup>.**

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 Rhode Island 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 Rhode Island credit unions.

Consider this:

**Financing a \$25,000 new automobile for 60 months at a Rhode Island credit union will save members an average \$138 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.

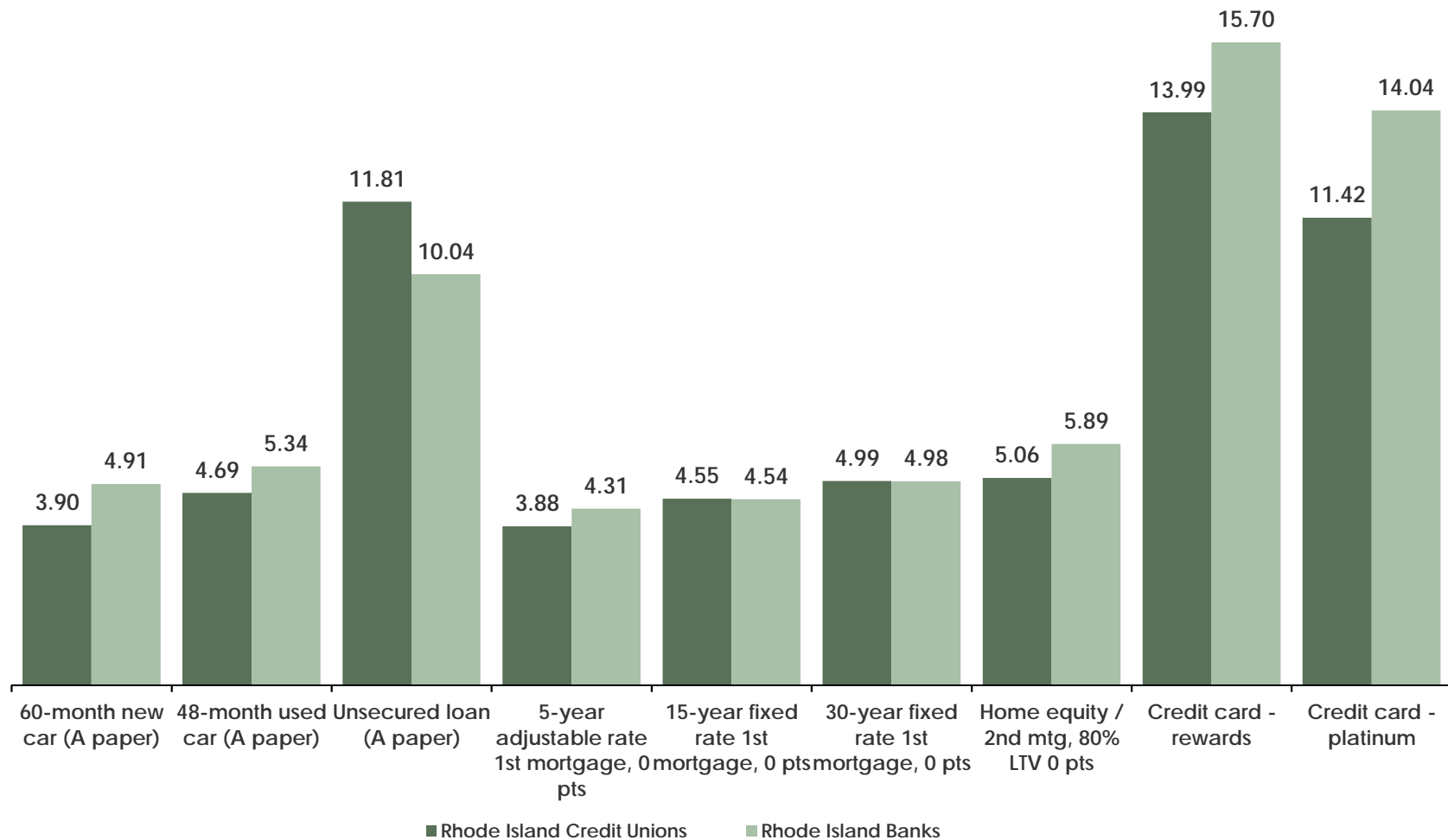
Rhode Island credit unions excel in providing member benefits on many loan and savings products. In particular, Rhode Island credit unions offer lower average loan rates on the following accounts: new car loans, used car loans, first mortgage-adjustable rate, home equity loans, credit cards loans.

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



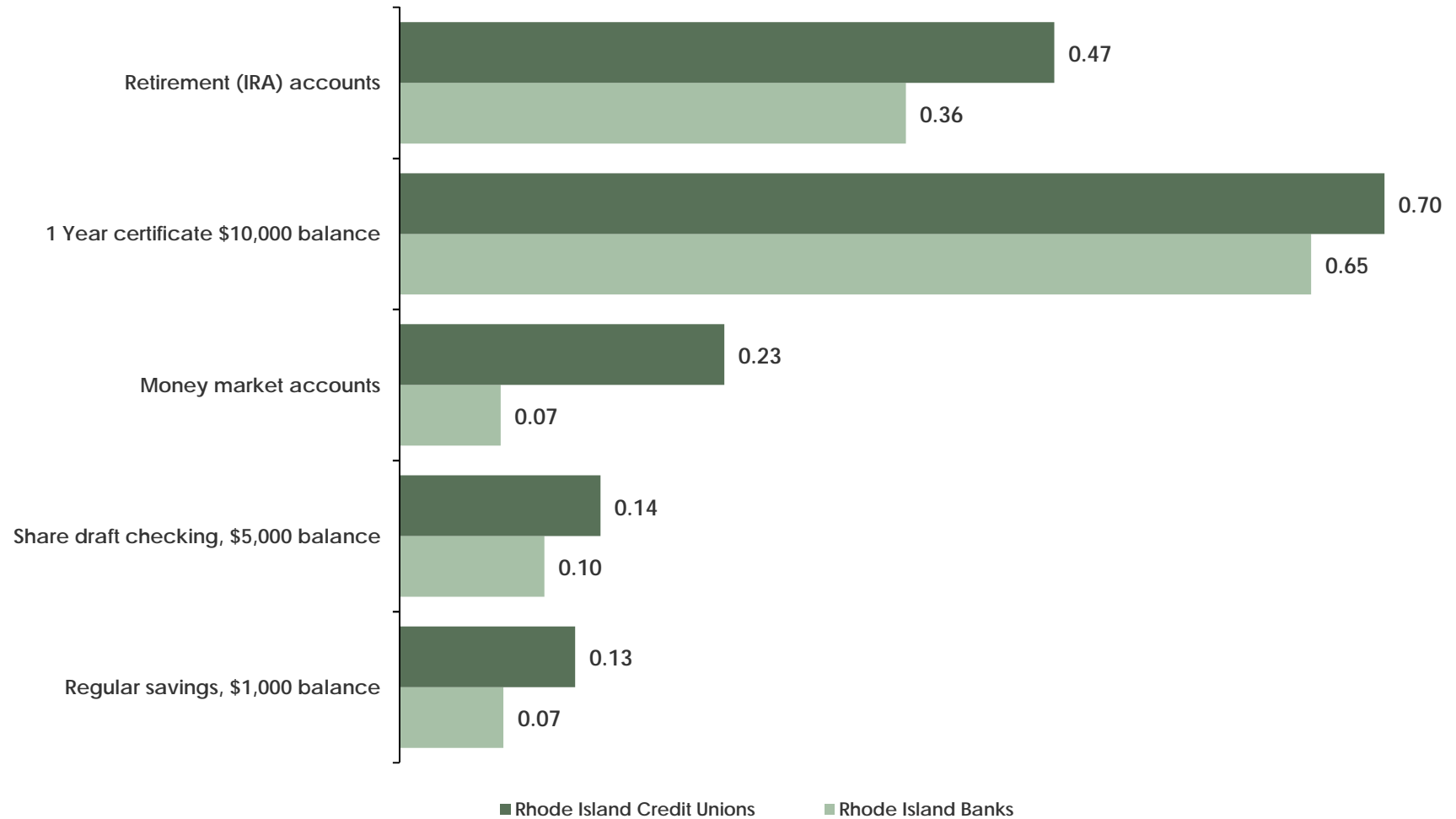
## Loan Product Comparative Interest Rates (%)

by Loan Type



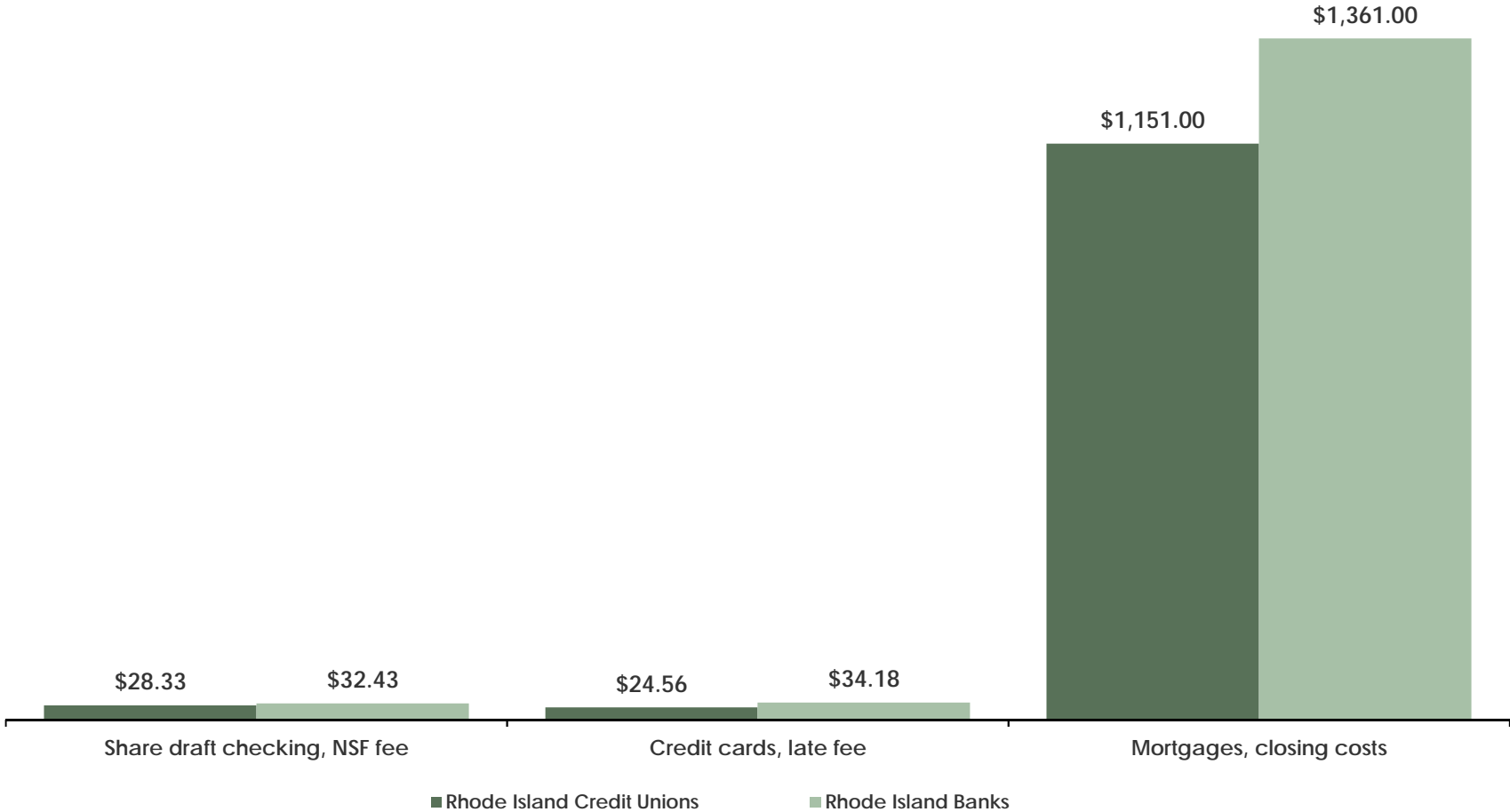
## Savings Product Comparative Interest Rates (%)

### by Savings Account Type



Comparative Fees

by Type



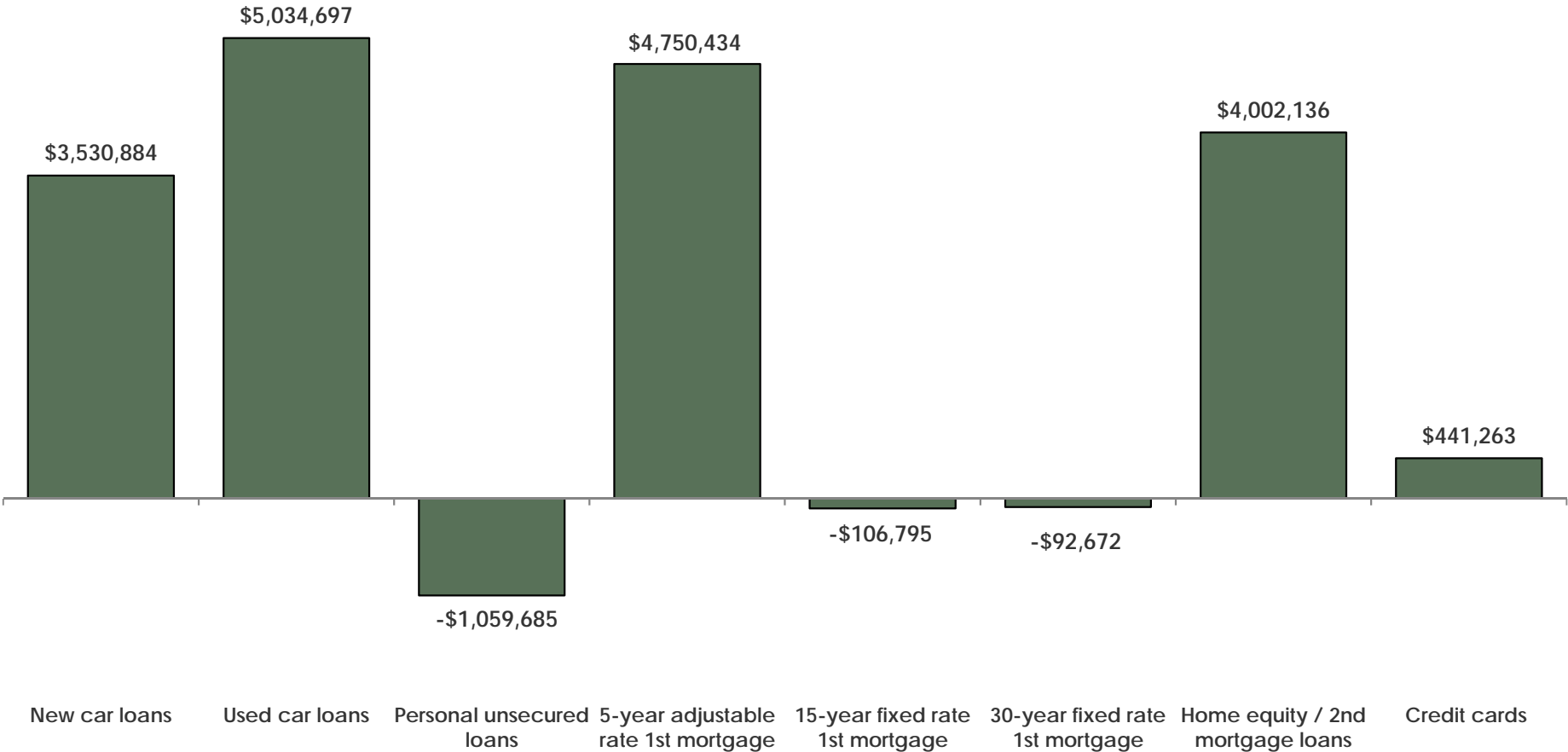
## Rhode Island Credit Union and Banking Institution December 2018 Average Interest Rates and Fees

Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	3.90	4.91	-1.01
48-month used car (A paper)	4.69	5.34	-0.65
Unsecured loan (A paper)	11.81	10.04	1.77
5-year adjustable rate 1st mortgage, 0 pts	3.88	4.31	-0.43
15-year fixed rate 1st mortgage, 0 pts	4.55	4.54	0.01
30-year fixed rate 1st mortgage, 0 pts	4.99	4.98	0.01
Home equity / 2nd mtg, 80% LTV 0 pts	5.06	5.89	-0.82
Credit card - rewards	13.99	15.70	-1.71
Credit card - platinum	11.42	14.04	-2.62
Savings Products			
Regular savings, \$1,000 balance	0.13	0.07	0.05
Share draft checking, \$5,000 balance	0.14	0.10	0.04
Money market accounts	0.23	0.07	0.16
1 Year certificate \$10,000 balance	0.70	0.65	0.05
Retirement (IRA) accounts	0.47	0.36	0.11
Fee Income			
Share draft checking, NSF fee	\$28.33	\$32.43	-\$4.10
Credit cards, late fee	\$24.56	\$34.18	-\$9.62
Mortgages, closing costs	\$1,151.00	\$1,361.00	-\$210.00

Source: Datatrac

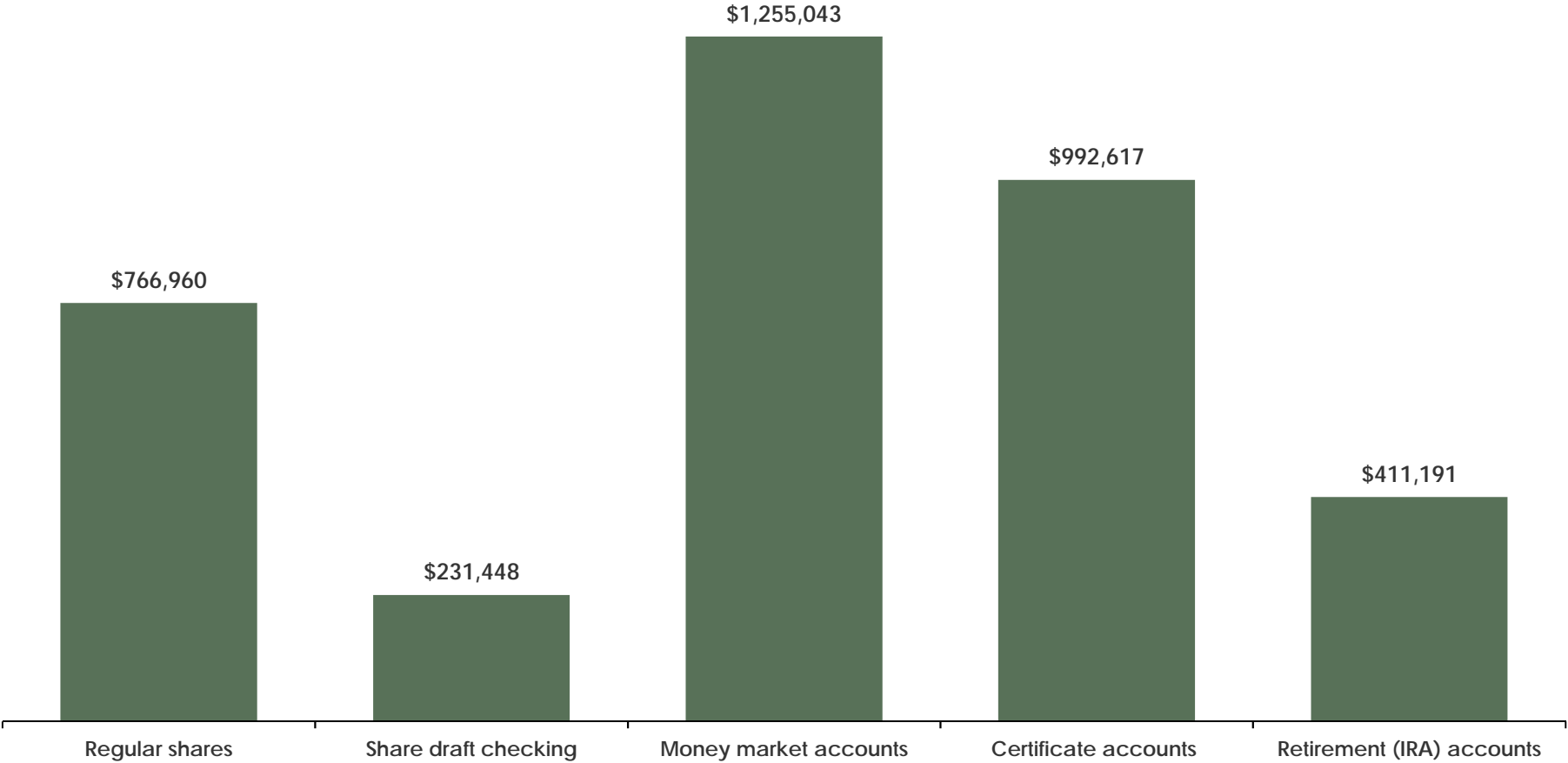
### State Credit Union's Total Loan Rate Benefits

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 Rhode Island Credit Unions December 2018

Loans	Avg. Balance at Credit Unions (1)	Rate Difference vs. Rhode Island Banks (%) (2)	Total Financial Benefit to Your Members
New car loans	349,592,468	-1.01	\$3,530,884
Used car loans	776,959,350	-0.65	\$5,034,697
Personal unsecured loans	59,835,427	1.77	-\$1,059,685
5-year adjustable rate 1st mortgage	1,099,637,419	-0.43	\$4,750,434
15-year fixed rate 1st mortgage	970,861,456	0.01	-\$106,795
30-year fixed rate 1st mortgage	1,158,394,567	0.01	-\$92,672
Home equity / 2nd mortgage loans	485,107,393	-0.82	\$4,002,136
Credit cards	22,754,295	-1.71	\$441,263
Interest rebates			\$0
<b>Total CU member benefits arising from lower interest rates on loan products:</b>			\$16,500,261
Savings			
Regular shares	1,503,842,715	0.05	\$766,960
Share draft checking	578,619,900	0.04	\$231,448
Money market accounts	789,335,442	0.16	\$1,255,043
Certificate accounts	1,908,878,445	0.05	\$992,617
Retirement (IRA) accounts	389,754,565	0.11	\$411,191
Bonus dividends in period			\$0
<b>Total CU member benefit arising from higher interest rates on savings products:</b>			\$3,657,259
Fee Income			
<b>Total CU member benefit arising from fewer / lower fees:</b>			\$4,637,712
<b>Total CU member benefit arising from interest rates on loans, savings products and lower fees:</b>			\$24,795,232
<b>Total CU member benefit / member:</b>			\$61
<b>Total CU member benefit / member household:</b>			\$129

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;

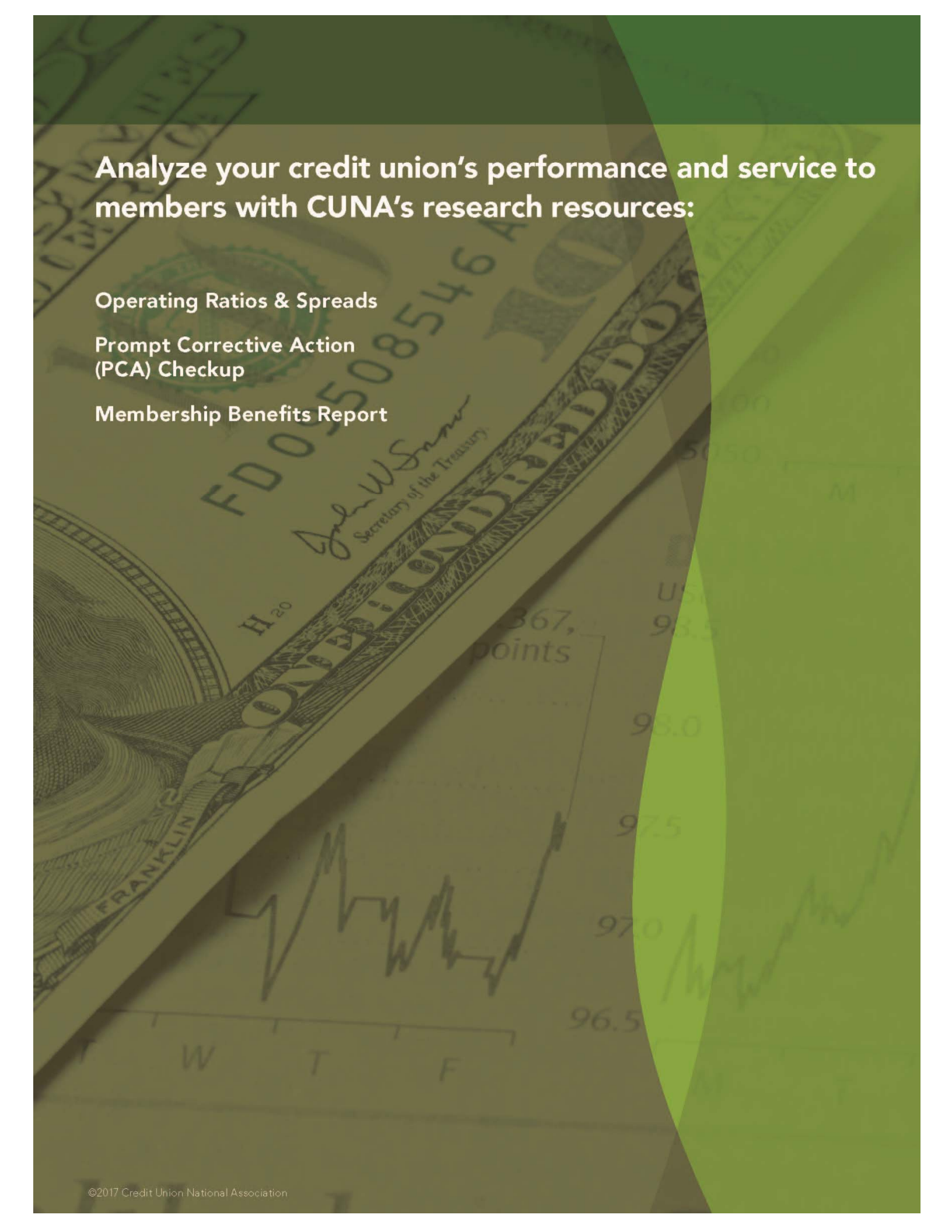
# Membership Benefits Report

CUNA Economics and Statistics

## Rhode Island Credit Union Performance Profile

Demographic Information	Dec 18	Dec 17
Number of branches	71	69
Total assets (\$ mil)	6,764	6,191
Total loans (\$ mil)	5,647	5,088
Total surplus funds (\$ mil)	899	908
Total savings (\$ mil)	5,499	4,984
Total members (thousands)	419	391
Growth Rates (Trailing 12 months) *		
Total assets	9.3 %	6.6 %
Total loans	11.0 %	9.6 %
Total surplus funds	-1.0 %	-7.6 %
Total savings	10.3 %	6.6 %
Total members	7.0 %	5.4 %
Earnings - Basis Pts. *		
Yield on total assets	356	330
Dividend / interest cost of assets	89	71
Fee & other income	72	68
Operating expense	244	241
Loss Provisions	13	16
Net Income (ROA) after stabilization exp	82	70
Capital Adequacy		
Net worth / assets	10.2	10.3
Asset Quality *		
Delinquencies / loans	0.4	0.3
Net chargeoffs / average loans	0.1	0.2
Total borrower-bankruptcies	19	17
Bankruptcies per 1000 members	0.9	0.9
Asset/Liability Management		
Loans / savings	102.7	102.1
Loans / assets	83.5	82.2
Long-term assets / assets	46.0	47.7
Core deposits/shares & borrowings	35.1	37.0
Productivity		
Members / potential members	10.0	9.4
Borrowers / members	42.2	41.3
Members / FTE	398	388
Average shares / members (\$)	13,126	12,737
Average loan balances (\$)	31,970	31,469
Salary & Benefits / FTE	80,630	76,101

\* 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