

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 \$42,888,694 in direct financial benefits to the state's 435,082 members during the twelve months ending June 2020.

These benefits are equivalent to \$99 per member or \$207 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 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 \$219 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.

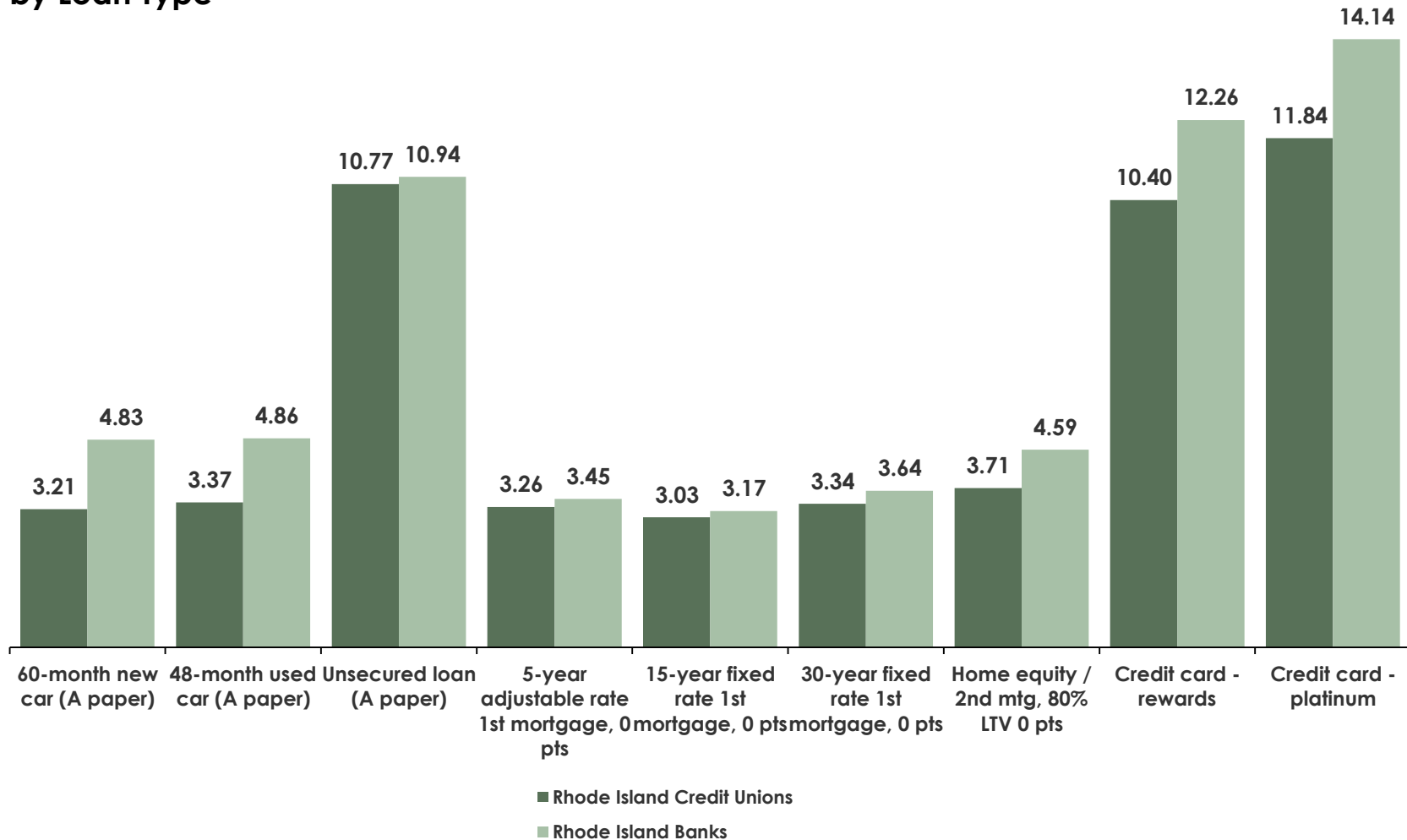
Rhode Island credit unions excel in providing member benefits on many loan and savings products. In particular, Rhode Island credit unions offer lower average loan rates on the following accounts: new car loans, used car loans, personal unsecured loans, first mortgage-fixed rate, first mortgage-adjustable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

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



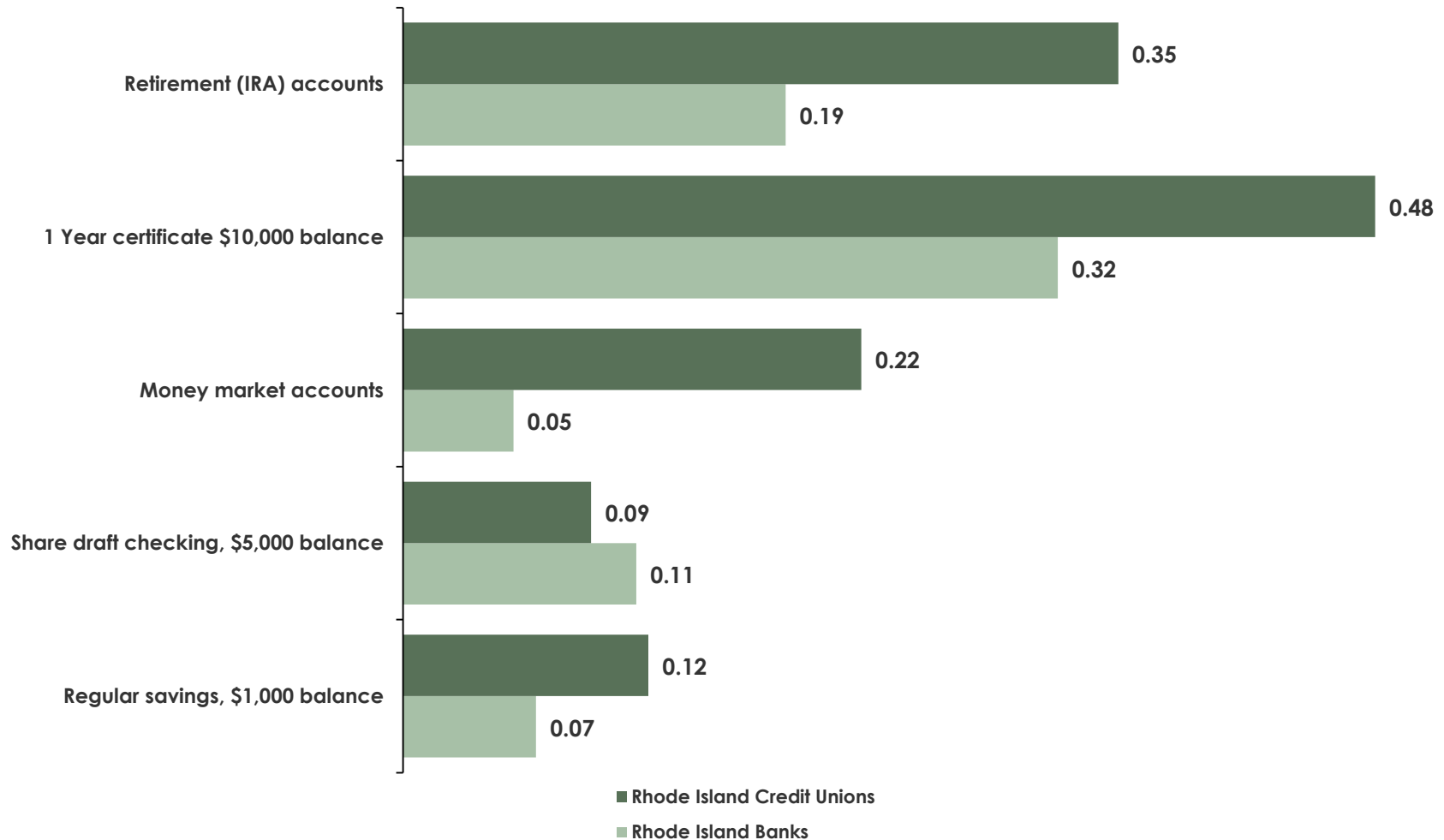
Loan Product Comparative Interest Rates (%)

by Loan Type



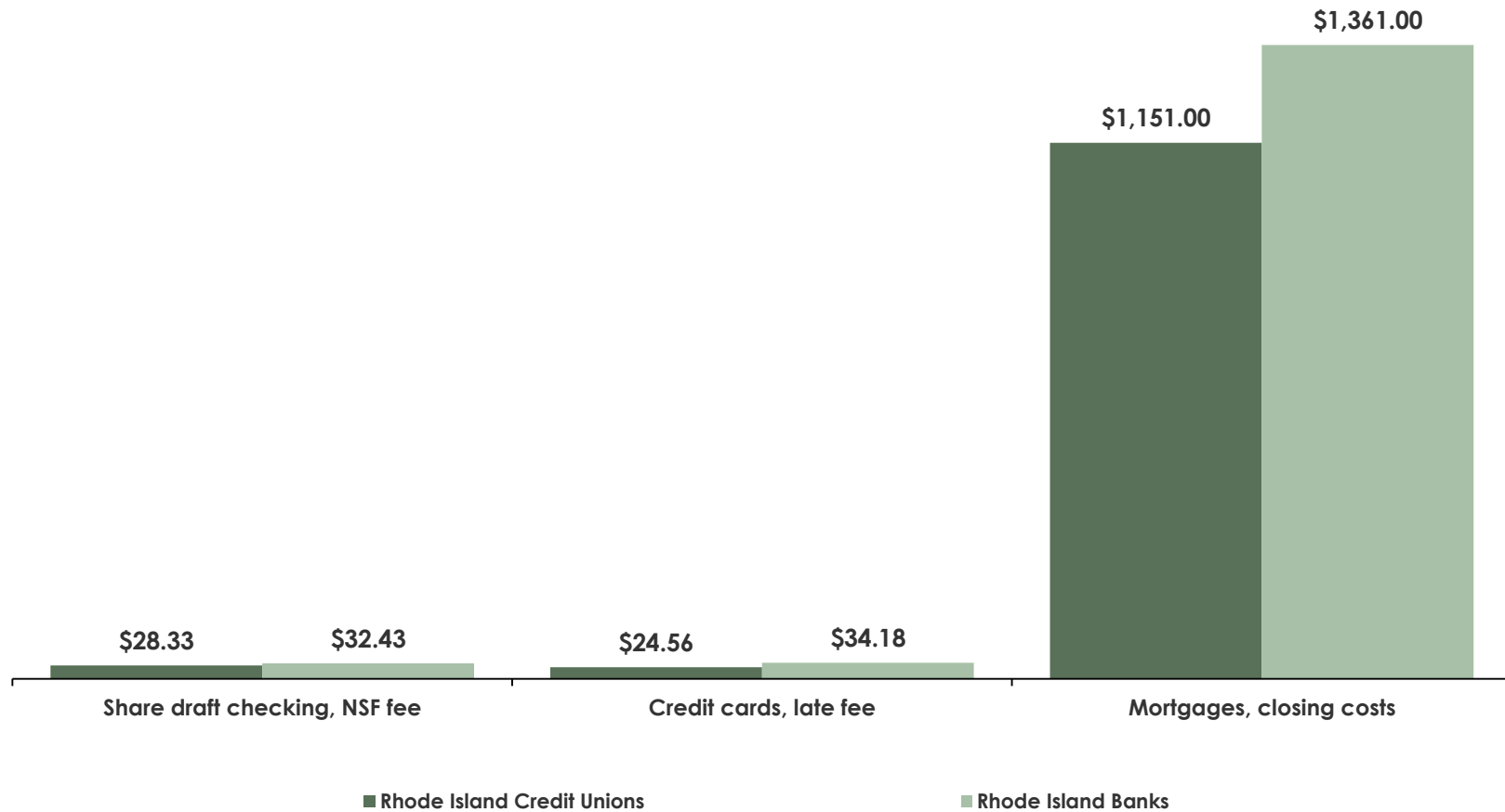
Savings Product Comparative Interest Rates (%)

by Savings Account Type



Comparative Fees

by Type



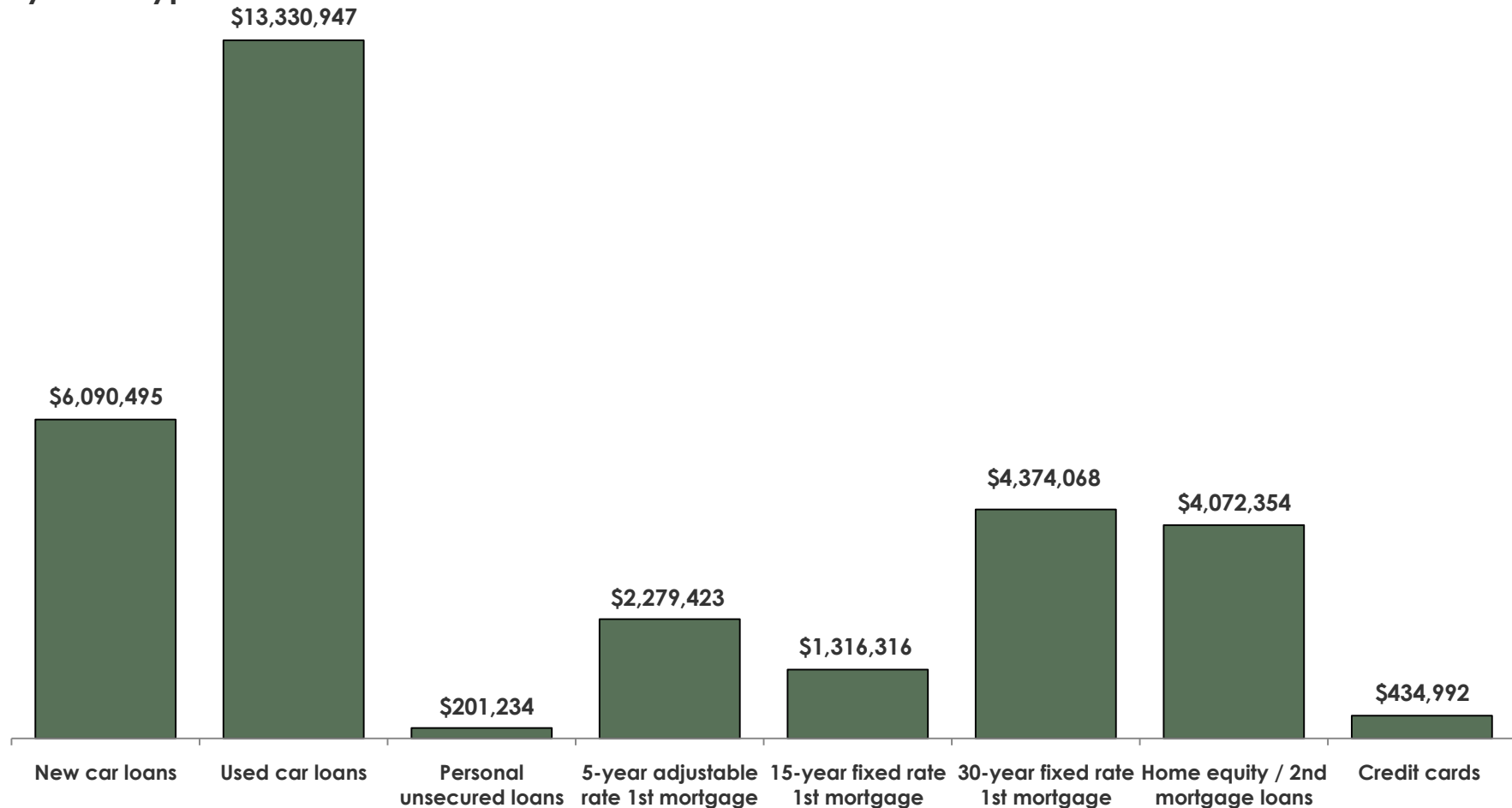
Rhode Island Credit Union and Banking Institution June 2020 Average Interest Rates and Fees

Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	3.21	4.83	-1.62
48-month used car (A paper)	3.37	4.86	-1.49
Unsecured loan (A paper)	10.77	10.94	-0.17
5-year adjustable rate 1st mortgage, 0 pts	3.26	3.45	-0.19
15-year fixed rate 1st mortgage, 0 pts	3.03	3.17	-0.14
30-year fixed rate 1st mortgage, 0 pts	3.34	3.64	-0.30
Home equity / 2nd mtg, 80% LTV 0 pts	3.71	4.59	-0.89
Credit card - rewards	10.40	12.26	-1.87
Credit card - platinum	11.84	14.14	-2.30
Savings Products			
Regular savings, \$1,000 balance	0.12	0.07	0.06
Share draft checking, \$5,000 balance	0.09	0.11	-0.02
Money market accounts	0.22	0.05	0.17
1 Year certificate \$10,000 balance	0.48	0.32	0.16
Retirement (IRA) accounts	0.35	0.19	0.16
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

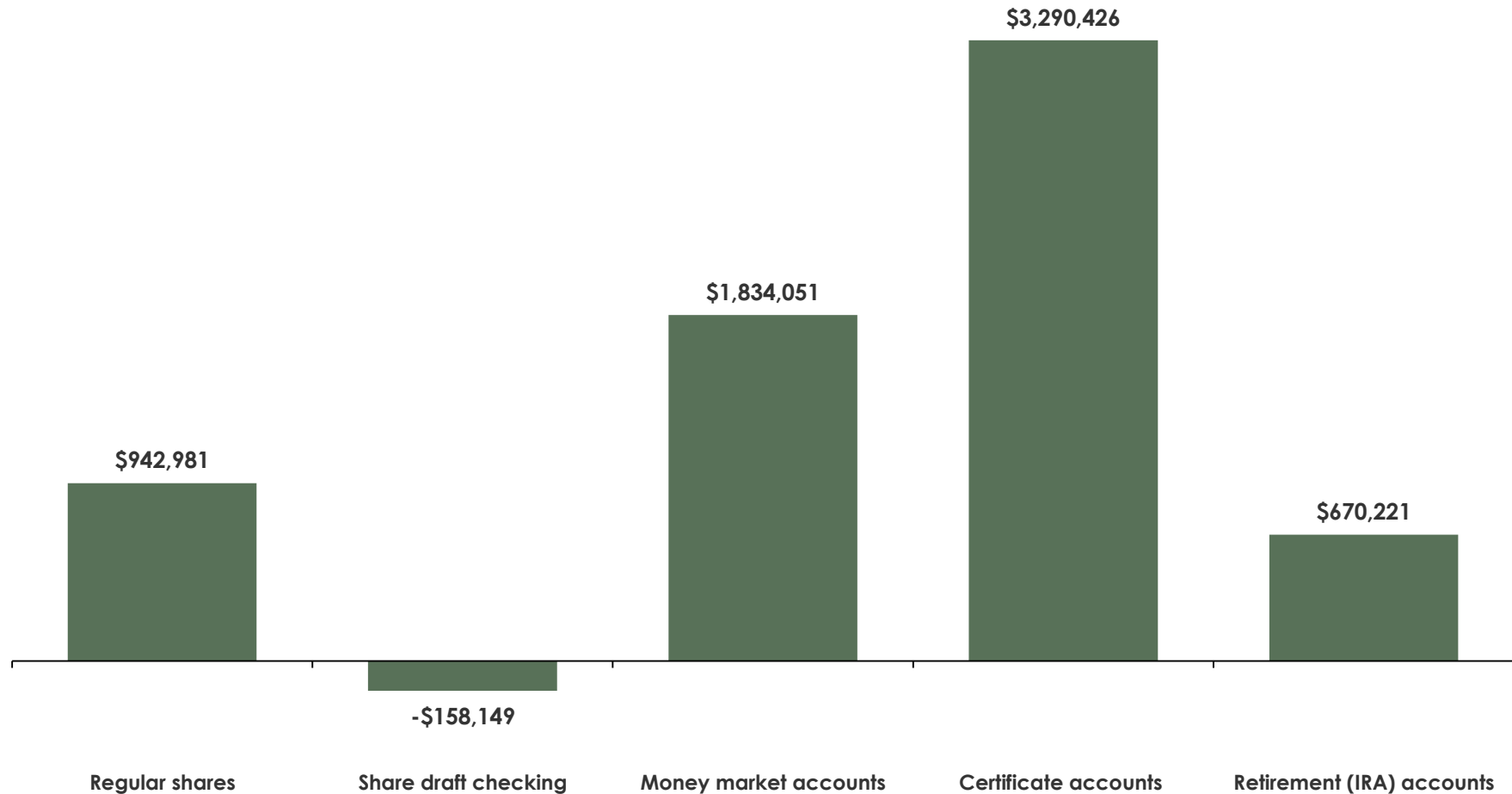
Estimated Credit Union Loan Benefits

Compared to State Banking Institutions
by Loan Type



Estimated Credit Union Savings Dividend Benefits

Compared to State Banking Institutions by Account Type



Estimated Financial Benefits for Rhode Island Credit Unions June 2020

Loans	Avg. Balance at Credit Unions (1)	Rate Difference vs. Rhode Island Banks (%) (2)	Total Financial Benefit to Your Members
New car loans	376,421,194	-1.62	\$6,090,495
Used car loans	892,896,659	-1.49	\$13,330,947
Personal unsecured loans	118,372,841	-0.17	\$201,234
5-year adjustable rate 1st mortgage	1,187,199,552	-0.19	\$2,279,423
15-year fixed rate 1st mortgage	940,225,901	-0.14	\$1,316,316
30-year fixed rate 1st mortgage	1,448,366,975	-0.30	\$4,374,068
Home equity / 2nd mortgage loans	458,598,478	-0.89	\$4,072,354
Credit cards	22,033,255	-1.87	\$434,992
Interest rebates			\$0
Total CU member benefits arising from lower interest rates on loan products:			\$32,099,830
Savings			
Regular shares	1,714,511,025	0.06	\$942,981
Share draft checking	718,859,277	-0.02	-\$158,149
Money market accounts	1,078,853,394	0.17	\$1,834,051
Certificate accounts	2,122,855,771	0.16	\$3,290,426
Retirement (IRA) accounts	412,443,883	0.16	\$670,221
Bonus dividends in period			\$0
Total CU member benefit arising from higher interest rates on savings products:			\$6,579,531
Fee Income			
Total CU member benefit arising from fewer / lower fees:			\$4,209,334
Total CU member benefit arising from interest rates on loans, savings products and lower fees:			\$42,888,694
Total CU member benefit / member:			\$99
Total CU member benefit / member household:			\$207

Source: Datatrac, NCUA, and CUNA

(1) Average balance as of June 2020 and June 2019, according to the NCUA call report.; (2) Source for rates and fees: Datatrac;

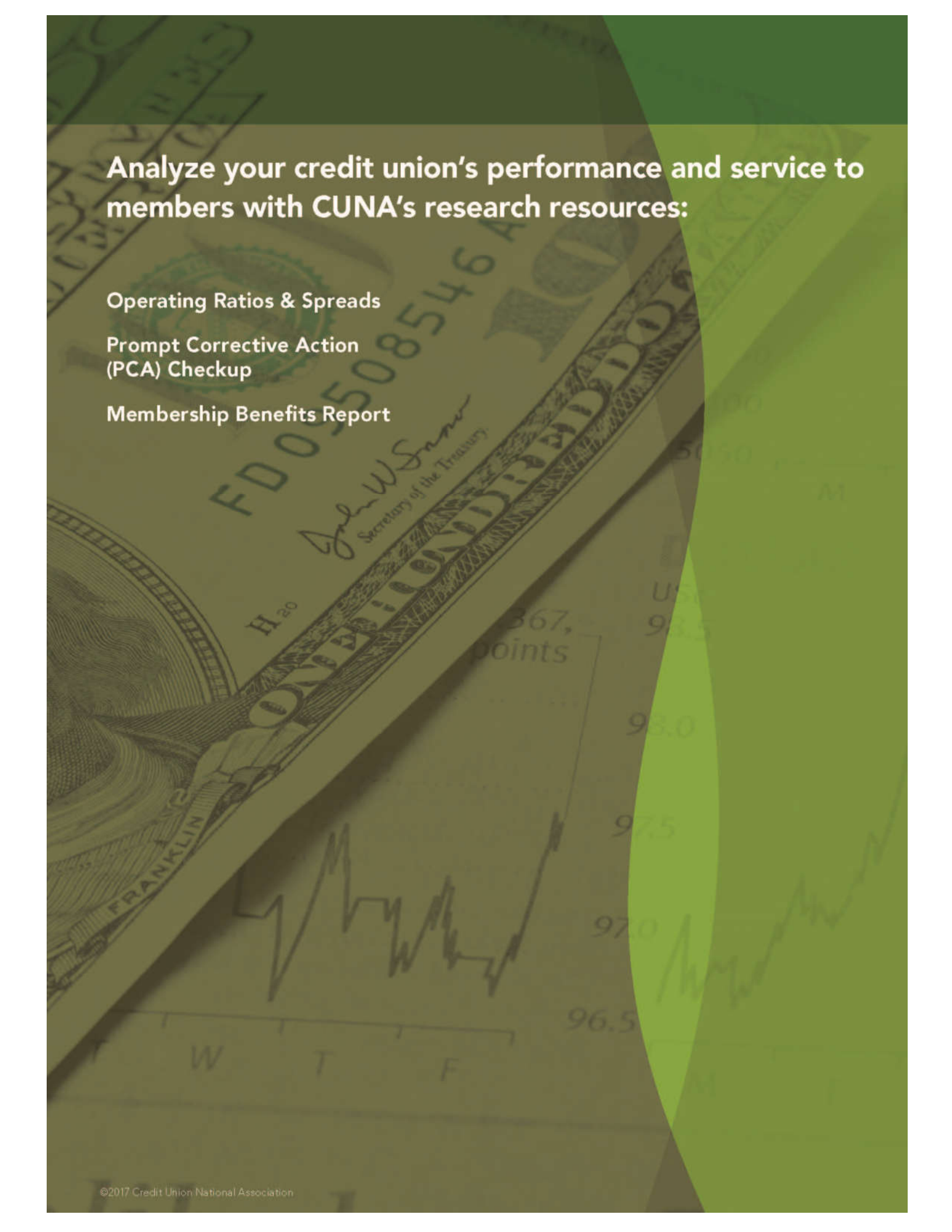
Membership Benefits Report

CUNA Economics and Statistics

Rhode Island Credit Union Performance Profile

Demographic Information	Jun 20	Jun 19
Number of branches	72	71
Total assets (\$ mil)	7,790	6,983
Total loans (\$ mil)	6,186	5,811
Total surplus funds (\$ mil)	1,348	947
Total savings (\$ mil)	6,527	5,739
Total members (thousands)	444	431
Growth Rates (Trailing 12 months) *		
Total assets	12.3 %	8.2 %
Total loans	6.8 %	9.0 %
Total surplus funds	46.1 %	3.7 %
Total savings	14.6 %	8.7 %
Total members	4.3 %	6.0 %
Earnings - Basis Pts. *		
Yield on total assets	350	377
Dividend / interest cost of assets	105	114
Fee & other income	62	67
Operating expense	230	239
Loss Provisions	18	12
Net Income (ROA) after stabilization exp	59	78
Capital Adequacy		
Net worth / assets	9.8	10.3
Asset Quality *		
Delinquencies / loans	0.5	0.3
Net chargeoffs / average loans	0.1	0.1
Total borrower-bankruptcies	8	11
Bankruptcies per 1000 members	0.3	0.5
Asset/Liability Management		
Loans / savings	94.8	101.2
Loans / assets	79.4	83.2
Long-term assets / assets	48.1	47.9
Core deposits/shares & borrowings	39.0	35.1
Productivity		
Members / potential members	11.6	10.2
Borrowers / members	41.2	41.9
Members / FTE	414	398
Average shares / members (\$)	14,695	13,320
Average loan balances (\$)	33,787	32,177
Salary & Benefits / FTE	84,305	81,106

* 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**

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