

## PATRONAGE FAQs

### What is Patronage?

Patronage is how Raymore Credit Union shares our financial profits with our member owners! Patronage is paid as either a bonus on interest received (deposits) or a refund on interest paid (loans). Patronage is one of the fundamental benefits of being a member. The more business you do with Raymore Credit Union, the more patronage you will qualify for.

Sharing our success with the people who make it possible is an important part of being a Credit Union. Patronage is our way of thanking you for doing business with us. It is a part of our commitment to giving back to the communities we serve. Patronage is one of the perks of being a member of RCU (and this makes us different from any Bank and most other Financial Co-operatives).

### Who is eligible to receive Patronage?

All Raymore Credit Union members are eligible to receive Patronage. To become a member of Raymore Credit Union, you must purchase a \$5 membership share. Members are owners, which means when we profit, we share those profits with our members!

### How Does Patronage Work?

Each year, the Board of Directors determines if a patronage allocation will be announced, based on RCU's financial performance. If a payment is made, the calculation is based on the interest you have paid to us, as well as interest we have paid to you. It's simple - the more business you do at Raymore Credit Union, the higher your patronage payment will be!

### How is Patronage paid out?

Patronage is paid by direct deposit. For those who receive Patronage, the payment may be a combination of a cash payment (deposited into your chequing or savings account) and a deposit into your equity account. A cheque will be issued if a deposit account is not available.

### Member Equity Accounts

- Member equity accounts are owned by each member and are subject to certain withdrawal restrictions. This money stays with RCU and is used for contributing to the overall well-being of the Credit Union. As a regulated financial institution, we must hold certain levels of capital. Equity Accounts are considered Tier 2 capital by our regulator. The Credit Union strives to hold capital in excess of regulatory limits, as it assists in funding product and service development, and is the first line of defense to offset operating losses and protecting member deposits. Equity accounts are not guaranteed by the Credit Union Deposit Guarantee Corporation.

*Equity is fully paid if:*

- A member reaches the age of 70
- A member closes their membership and moves outside a 100km radius of any Raymore Credit Union branches (Raymore & Dysart)
- A member passes away
- A member is an estate, club and/or community organization

### Is Patronage guaranteed each year?

Annual patronage payments are not guaranteed. The Board of Directors decide yearly whether or not a patronage allocation should be made, taking into consideration things such as future business needs, balance sheet risk, economic trends and risk, and potential growth.