CUNA
Credit Union National Association

Connecticut
Membership Benefits Report

First Quarter 2016

Prepared by:
CUNA Economics and Statistics

Connecticut

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 Connecticut credit unions provided $72,097,099 in direct financial benefits to the state's 840,315 members during the twelve months ending March 2016.

These benefits are equivalent to $86 per member or $163 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 Connecticut 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 Connecticut credit unions.

Consider this:

Financing a $25,000 new automobile for 60 months at a Connecticut credit union will save members an average $357 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.

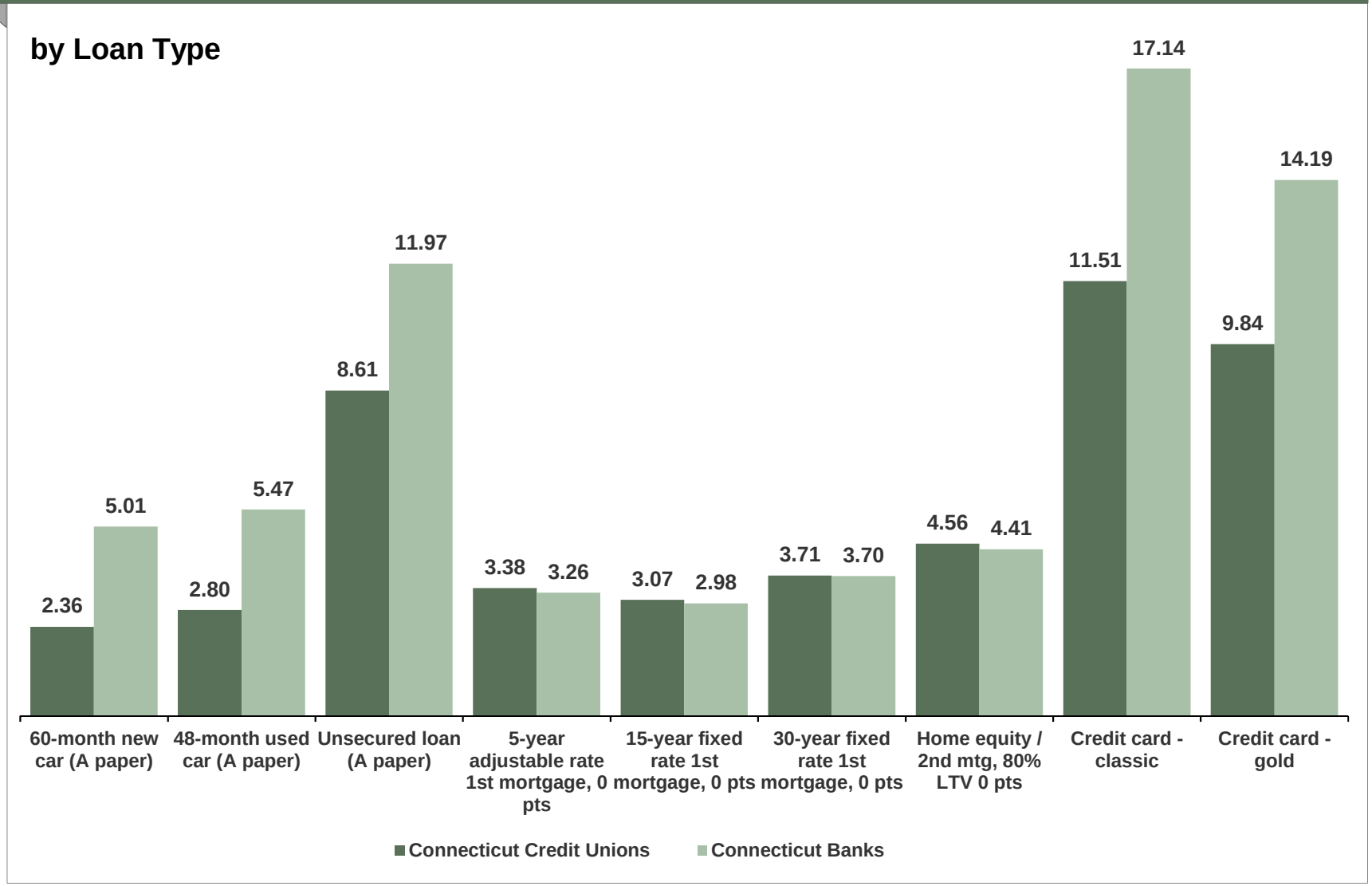
Connecticut credit unions excel in providing member benefits on many loan and savings products. In particular, Connecticut credit unions offer lower average loan rates on the following accounts: new car loans, used car loans, personal unsecured loans, credit cards loans.

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

AMERICA'S CREDIT UNIONS

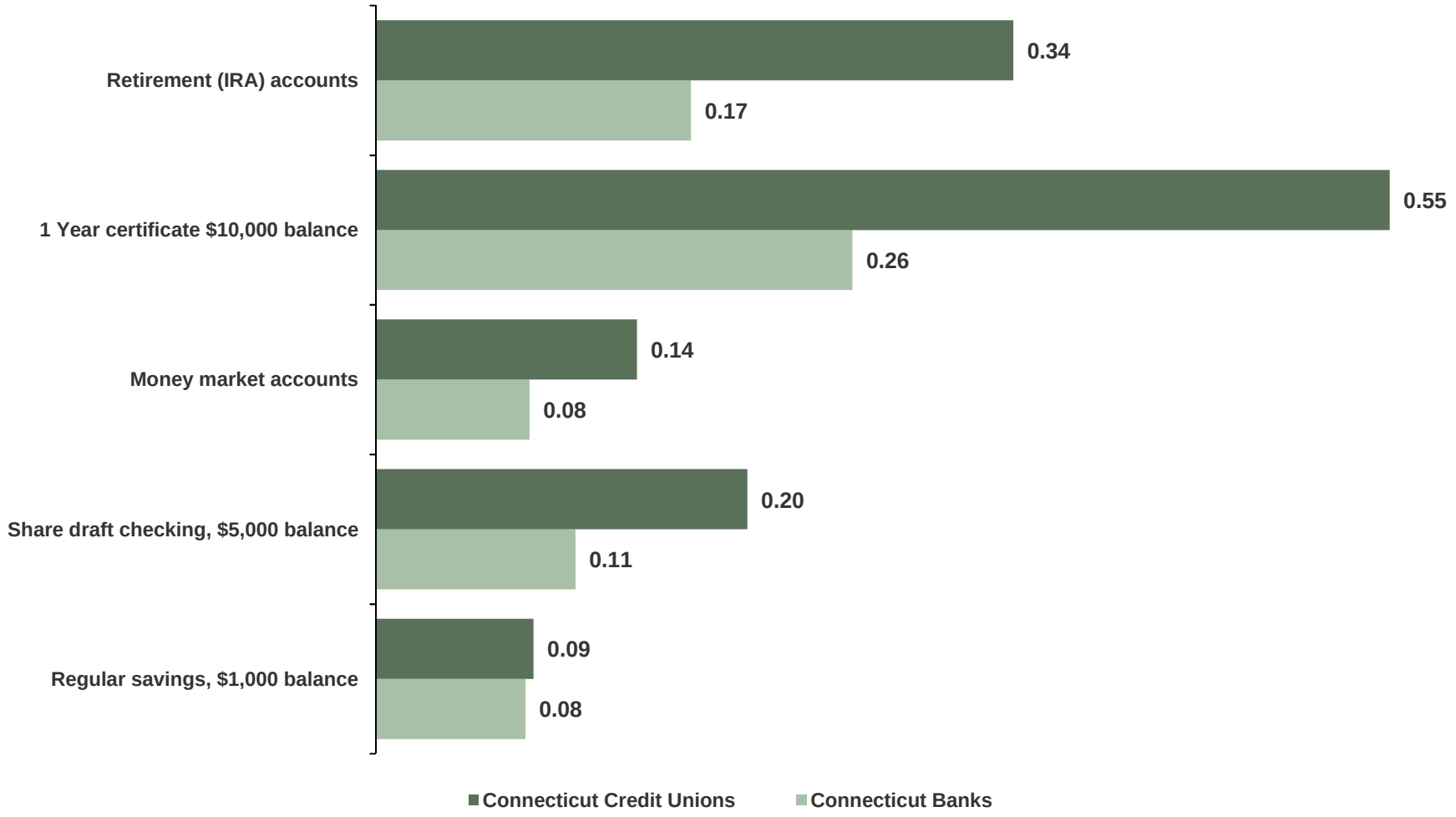
Source: Informa Research Services, NCUA, and CUNA.
(1)Assumes 1.9 credit union members per household.

Loan Product Comparative Interest Rates (%)



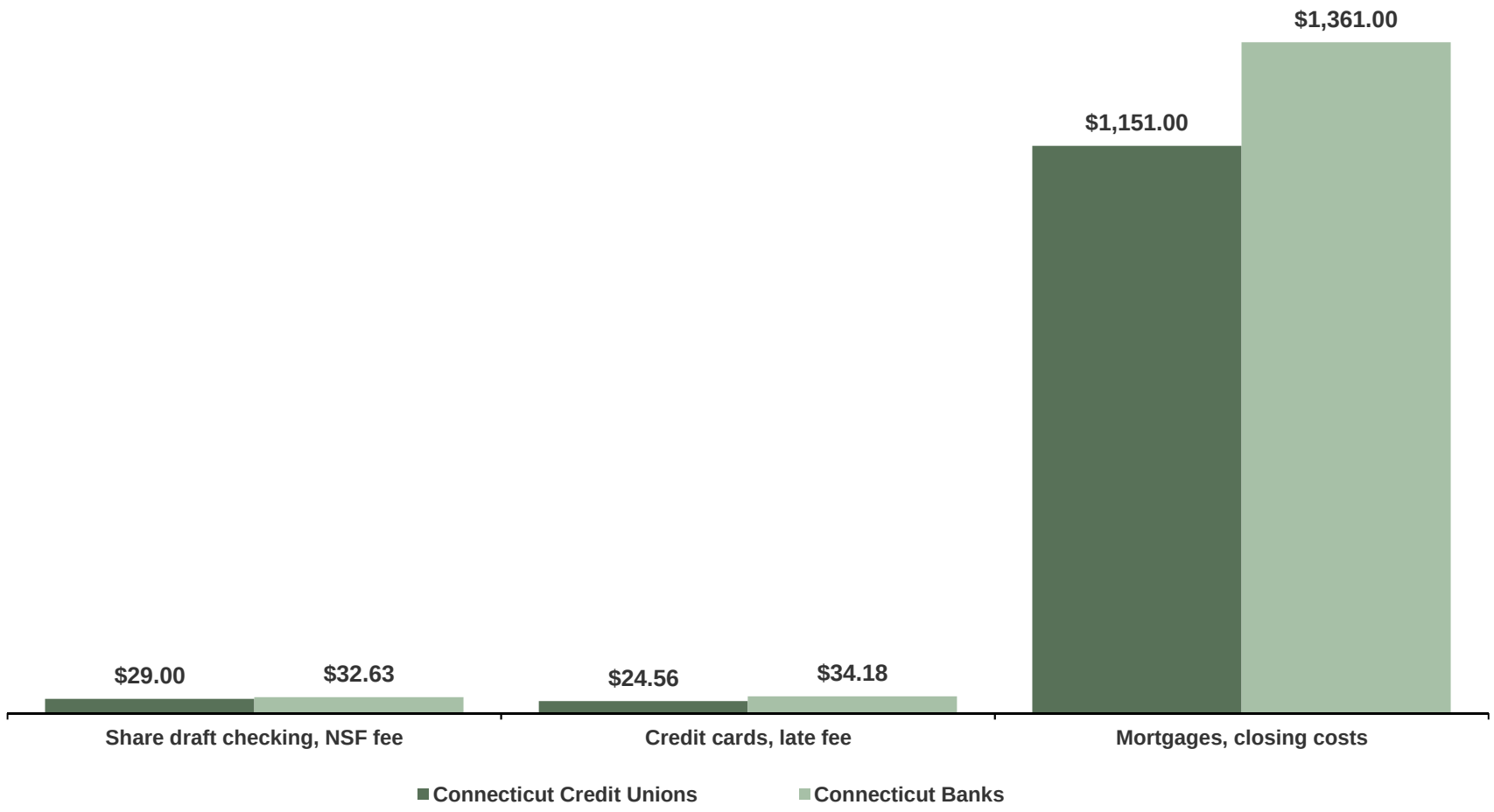
Savings Product Comparative Interest Rates (%)

by Savings Account Type



Comparative Fees

by Type



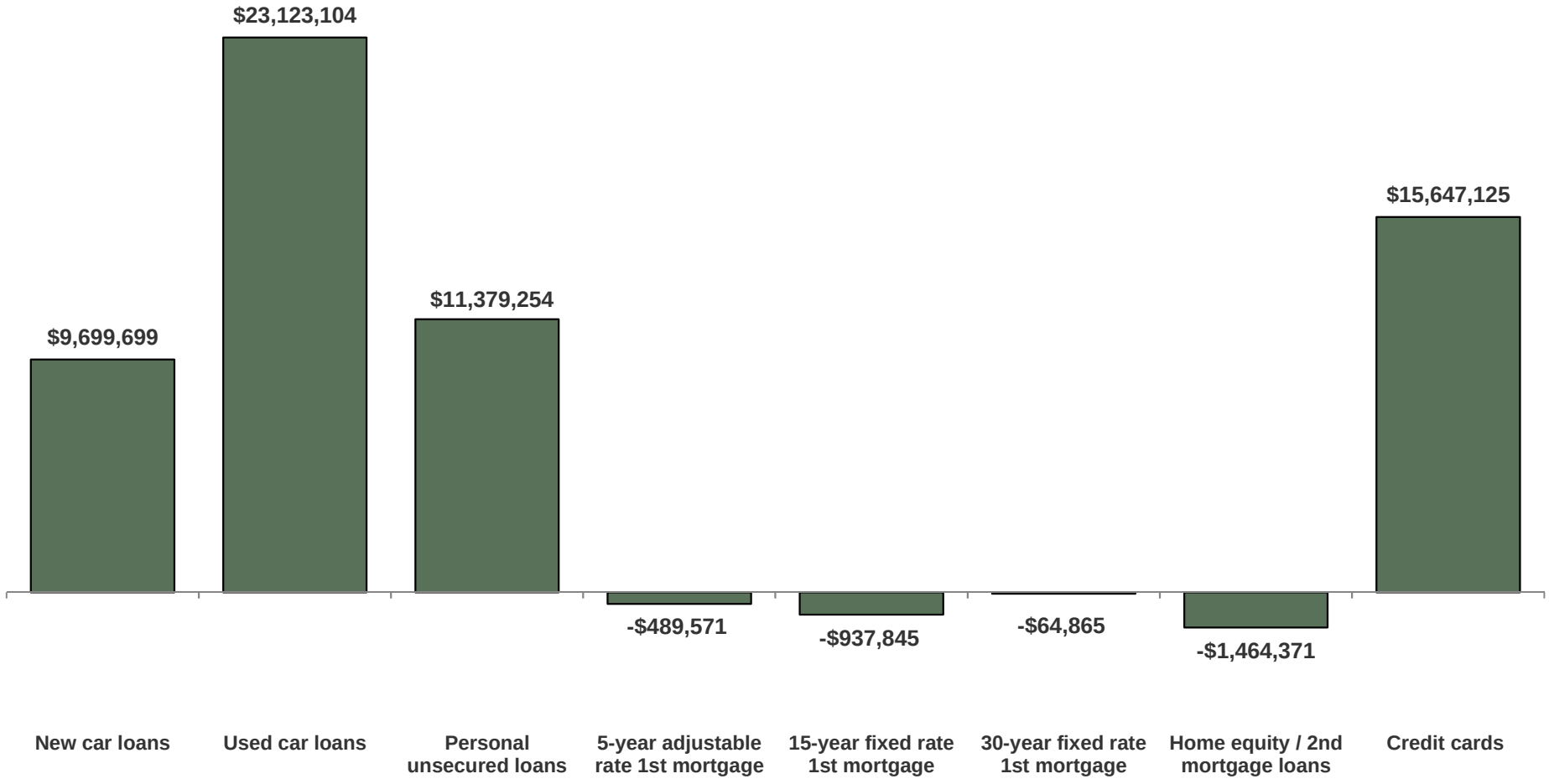
Connecticut
Credit Union and Banking Institution
March 2016 Average Interest Rates and Fees

Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	2.36	5.01	-2.65
48-month used car (A paper)	2.80	5.47	-2.66
Unsecured loan (A paper)	8.61	11.97	-3.35
5-year adjustable rate 1st mortgage, 0 pts	3.38	3.26	0.12
15-year fixed rate 1st mortgage, 0 pts	3.07	2.98	0.09
30-year fixed rate 1st mortgage, 0 pts	3.71	3.70	0.01
Home equity / 2nd mtg, 80% LTV 0 pts	4.56	4.41	0.15
Credit card - classic	11.51	17.14	-5.63
Credit card - gold	9.84	14.19	-4.35
Savings Products			
Regular savings, $1,000 balance	0.09	0.08	0.00
Share draft checking, $5,000 balance	0.20	0.11	0.09
Money market accounts	0.14	0.08	0.06
1 Year certificate $10,000 balance	0.55	0.26	0.29
Retirement (IRA) accounts	0.34	0.17	0.17
Fee Income			
Share draft checking, NSF fee	$29.00	$32.63	-$3.63
Credit cards, late fee	$24.56	$34.18	-$9.62
Mortgages, closing costs	$1,151.00	$1,361.00	-$210.00

Source: Informa Research Services

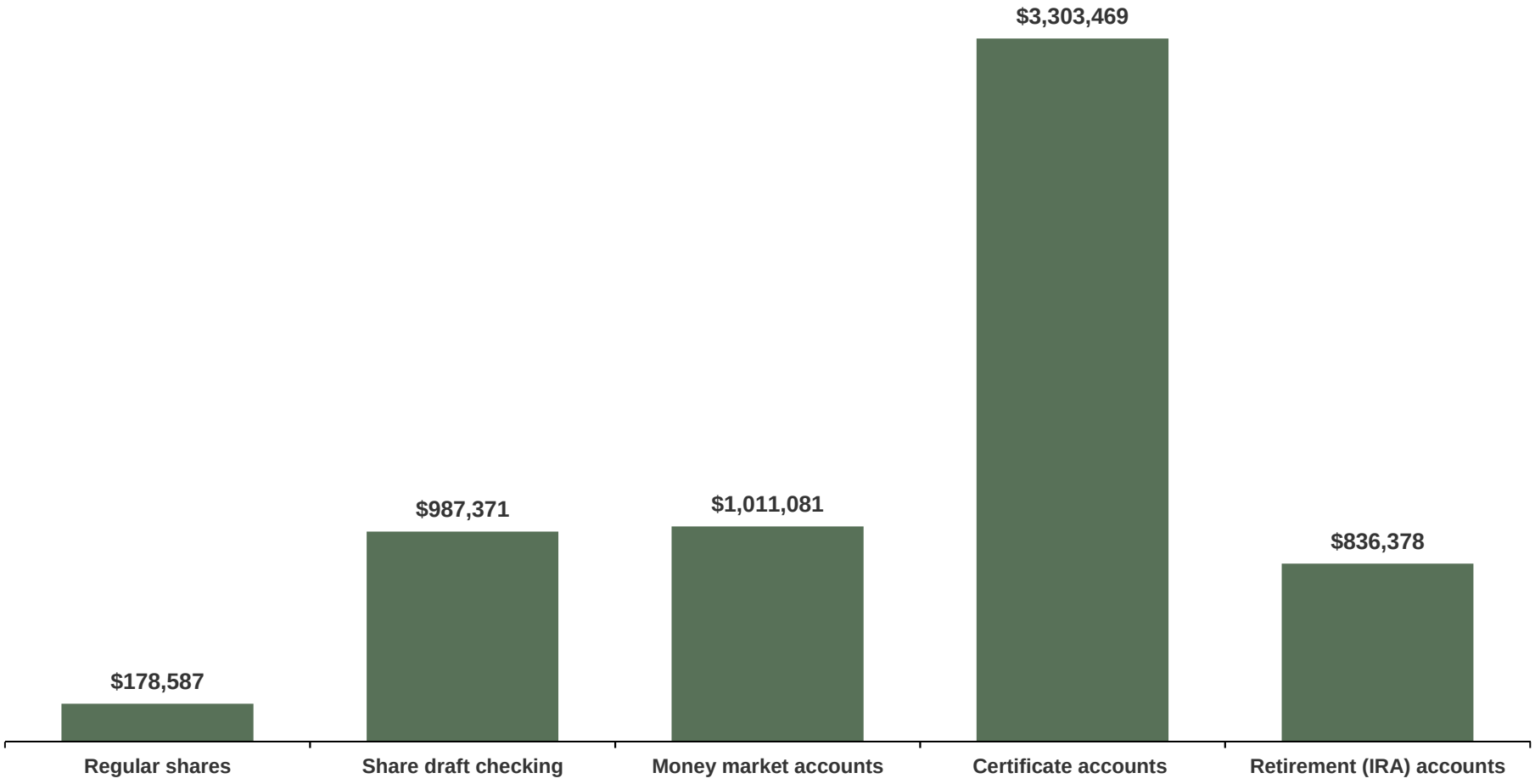
State Credit Union's Total Loan Rate Benefits

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 Connecticut Credit Unions

March 2016

Loans	Avg. Balance at Credit Unions (1)	Rate Difference vs. Connecticut Banks (%) (2)	Total Financial Benefit to Your Members
New car loans	365,750,332	-2.65	$9,699,699
Used car loans	868,636,504	-2.66	$23,123,104
Personal unsecured loans	339,274,110	-3.35	$11,379,254
5-year adjustable rate 1st mortgage	407,975,592	0.12	-$489,571
15-year fixed rate 1st mortgage	987,204,807	0.09	-$937,845
30-year fixed rate 1st mortgage	810,808,034	0.01	-$64,865
Home equity / 2nd mortgage loans	1,009,910,731	0.15	-$1,464,371
Credit cards	294,672,780	-5.63	$15,647,125
Interest rebates			$128
Total CU member benefits arising from lower interest rates on loan products:			$56,892,658
Savings			
Regular shares	4,018,200,853	0.00	$178,587
Share draft checking	1,067,846,428	0.09	$987,371
Money market accounts	1,747,644,295	0.06	$1,011,081
Certificate accounts	1,143,083,960	0.29	$3,303,469
Retirement (IRA) accounts	482,270,541	0.17	$836,378
Bonus dividends in period			$0
Total CU member benefit arising from higher interest rates on savings products:			$6,316,886
Fee Income			
Total CU member benefit arising from fewer / lower fees:			$8,887,555
Total CU member benefit arising from interest rates on loans, savings products and lower fees:			$72,097,099
Total CU member benefit / member:			$86
Total CU member benefit / member household:			$163

Source: Informa Research Services, NCUA, and CUNA
(1) Average balance as of March 2015 and March 2016, according to the NCUA call report.; (2) Source for rates and fees: Informa Research Services;

Connecticut Credit Union
Performance Profile

Demographic Information	Mar 16	Mar 15
Number of branches	266	267
Total assets ($ mil)	9,884	9,536
Total loans ($ mil)	5,434	5,037
Total surplus funds ($ mil)	4,130	4,182
Total savings ($ mil)	8,721	8,430
Total members (thousands)	848	842
Growth Rates (Trailing 12 months) *		
Total assets	4.5 %	1.7 %
Total loans	8.4 %	7.9 %
Total surplus funds	-0.1 %	-4.9 %
Total savings	4.3 %	1.2 %
Total members	1.9 %	-1.1 %
Earnings - Basis Pts. *		
Yield on total assets	291	283
Dividend / interest cost of assets	39	38
Fee & other income	95	96
Operating expense	296	295
Loss Provisions	18	17
Net Income (ROA) after stabilization exp	33	29
Capital Adequacy		
Net worth / assets	10.0	10.0
Asset Quality *		
Delinquencies / loans	0.7	0.9
Net chargeoffs / average loans	0.4	0.4
Total borrower-bankruptcies	2	2
Bankruptcies per 1000 members	0.3	0.3
Asset/Liability Management		
Loans / savings	62.3	59.8
Loans / assets	55.0	52.8
Long-term assets / assets	33.4	35.0
Core deposits/shares & borrowings	59.4	58.2
Productivity		
Members / potential members	3.6	3.7
Borrowers / members	46.2	44.6
Members / FTE	423	418
Average shares / members ($)	10,280	10,016
Average loan balances ($)	13,878	13,419
Salary & Benefits / FTE	75,887	73,411

*** 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.**