

The Benefits of Membership

Customized Analysis of Member Benefits For:

Connecticut

December 2011

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Connecticut

The Benefits of Membership

Credit unions generally provide financial benefits to members through lower loan rates, high saving rates, and fewer fees than banking institutions.

The Credit Union National Association (CUNA) estimates that Connecticut credit unions provided \$66,088,589 in direct financial benefits to the state's 863,793 members during the twelve months ending December 2011.

These benefits are equivalent to \$77 per member or \$145 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 \$315 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.

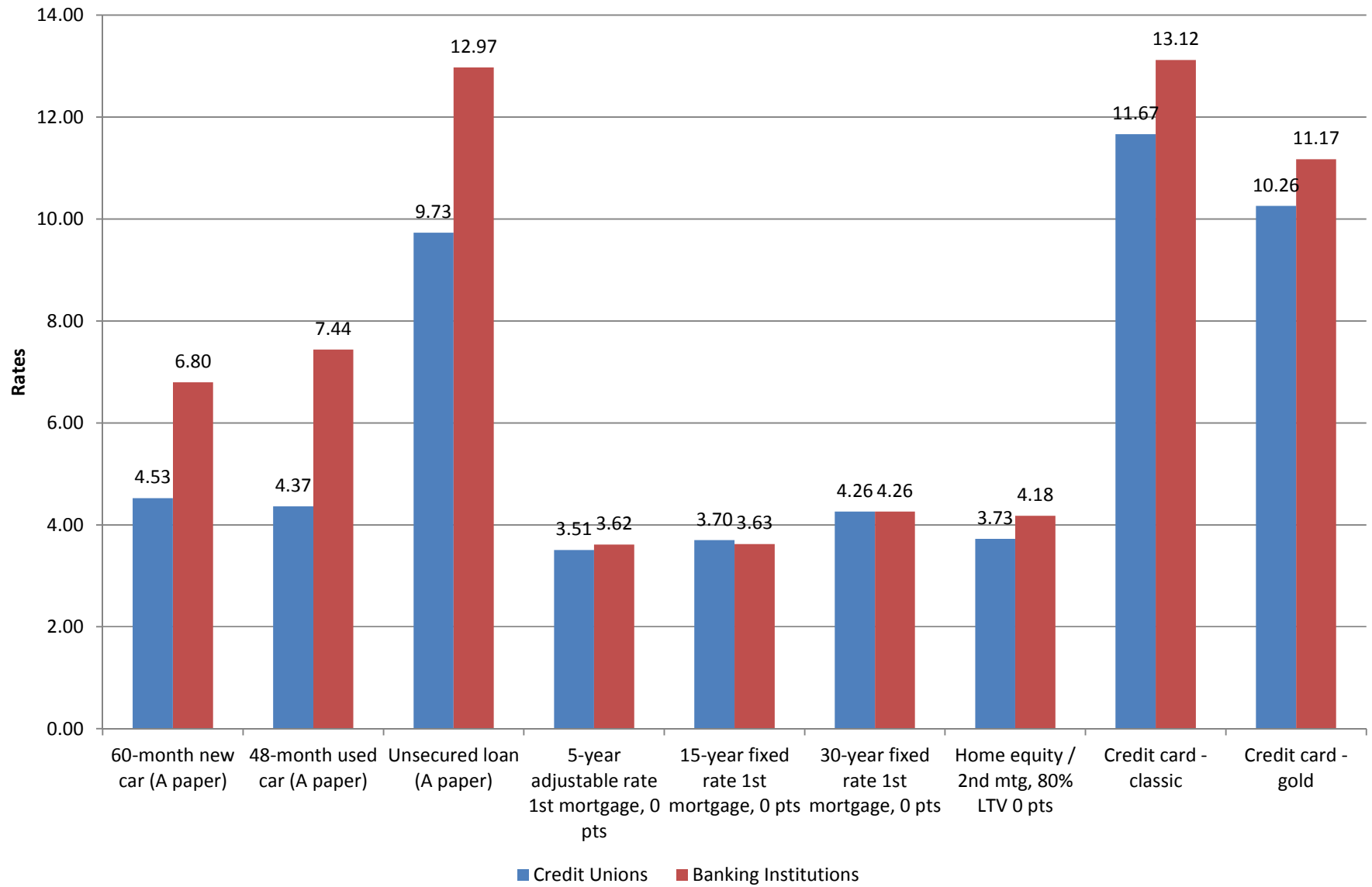
Connecticut credit unions excel in providing member benefits on many loan and saving products. In particular, Connecticut credit unions offer lower average loan rates on the following accounts: new car loans, used car loans, personal unsecured loans, first mortgage-adjustable rate, home equity loans,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

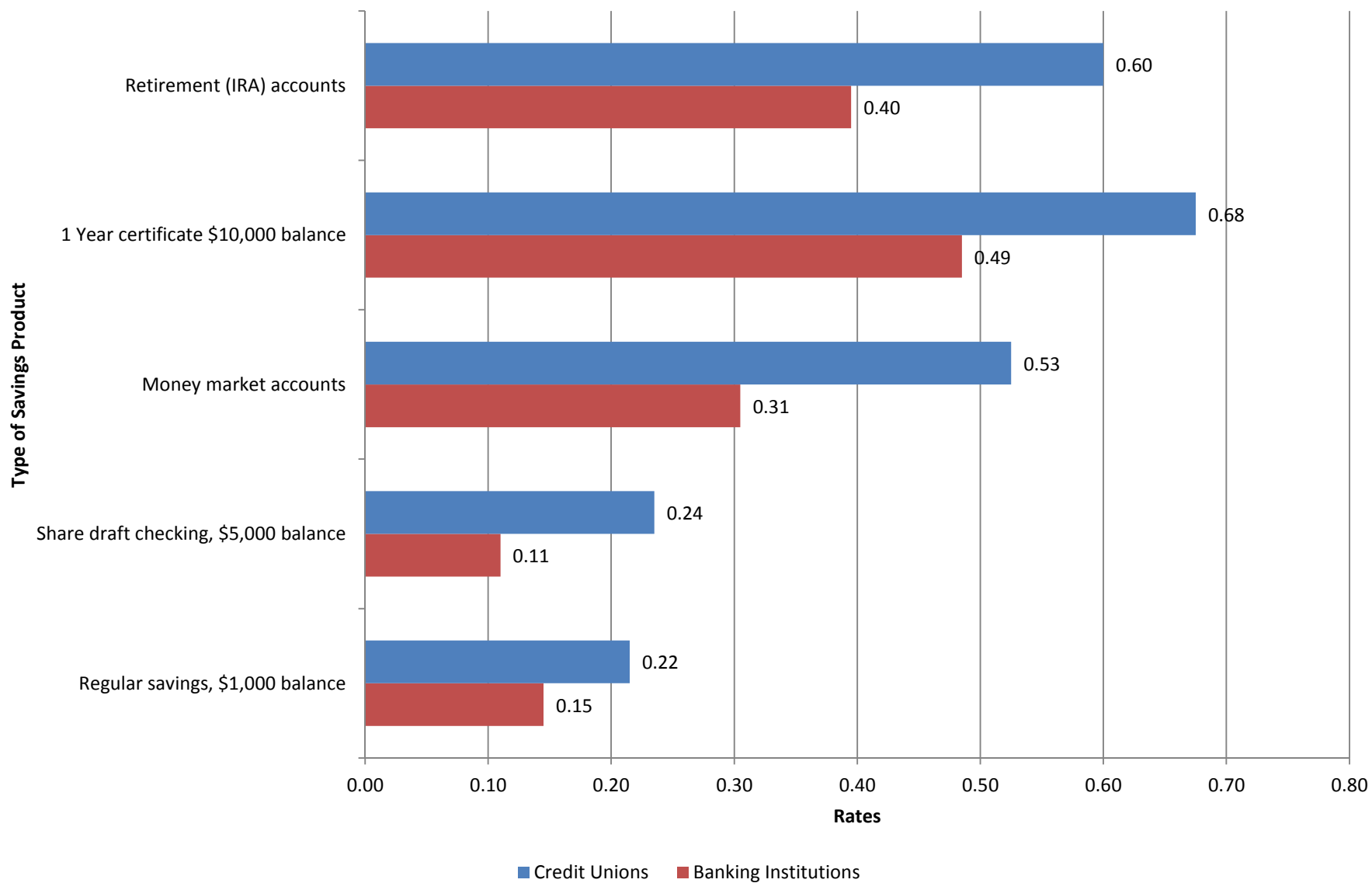


Source: Datatrac, NCUA, and CUNA.
(1) Assumes 1.9 credit union members per household.

Recent Comparative Interest Rates for Loan Products Credit Unions vs. Banking Institutions



Recent Comparative Interest Rates for Savings Products Credit Unions vs. Banking Institutions



Selected December 2011 Fees Credit Unions vs Banking Institutions

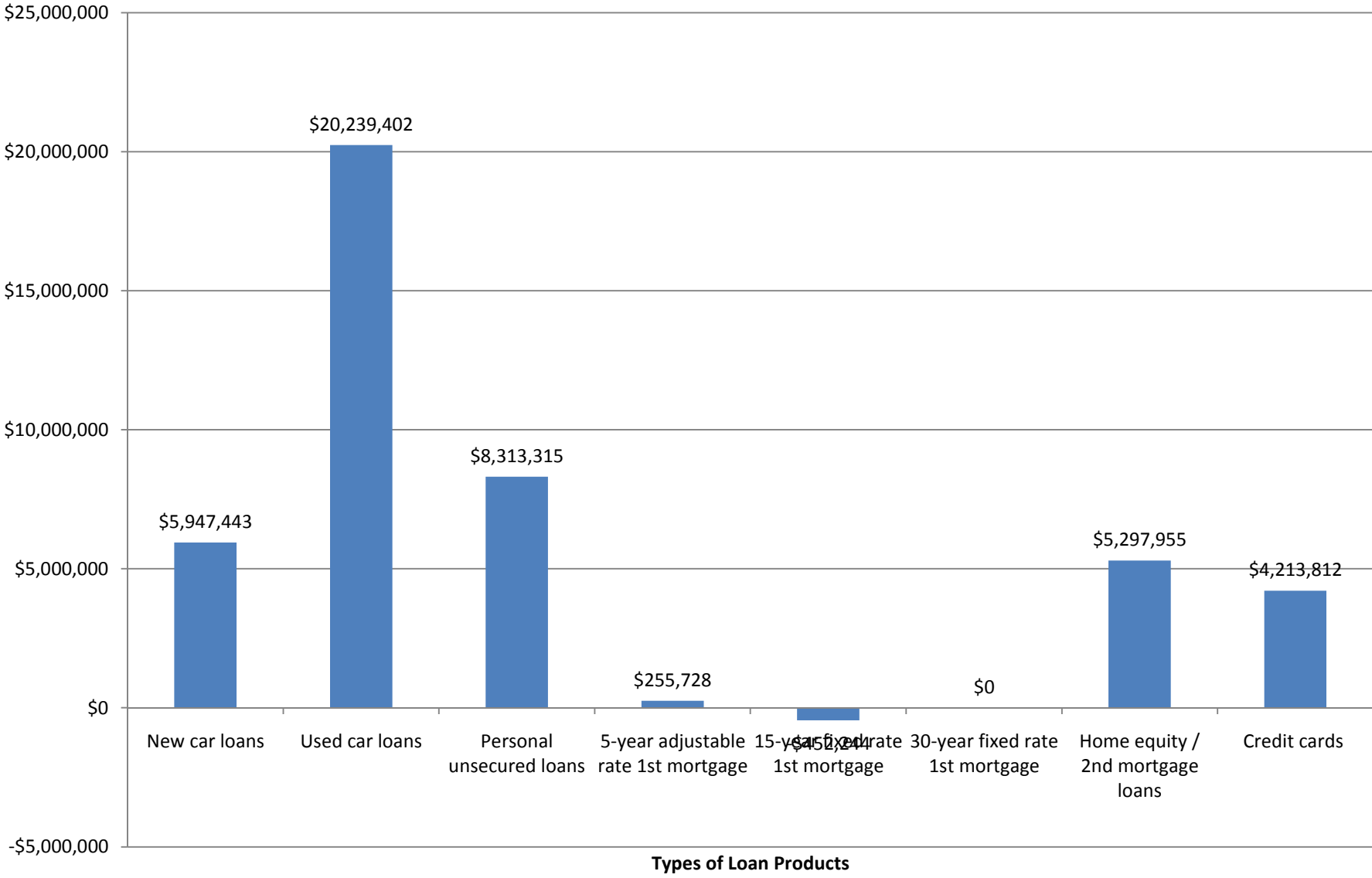


Connecticut
Credit Union and Banking Institution
Year-end 2011 Average Interest Rates and Fees

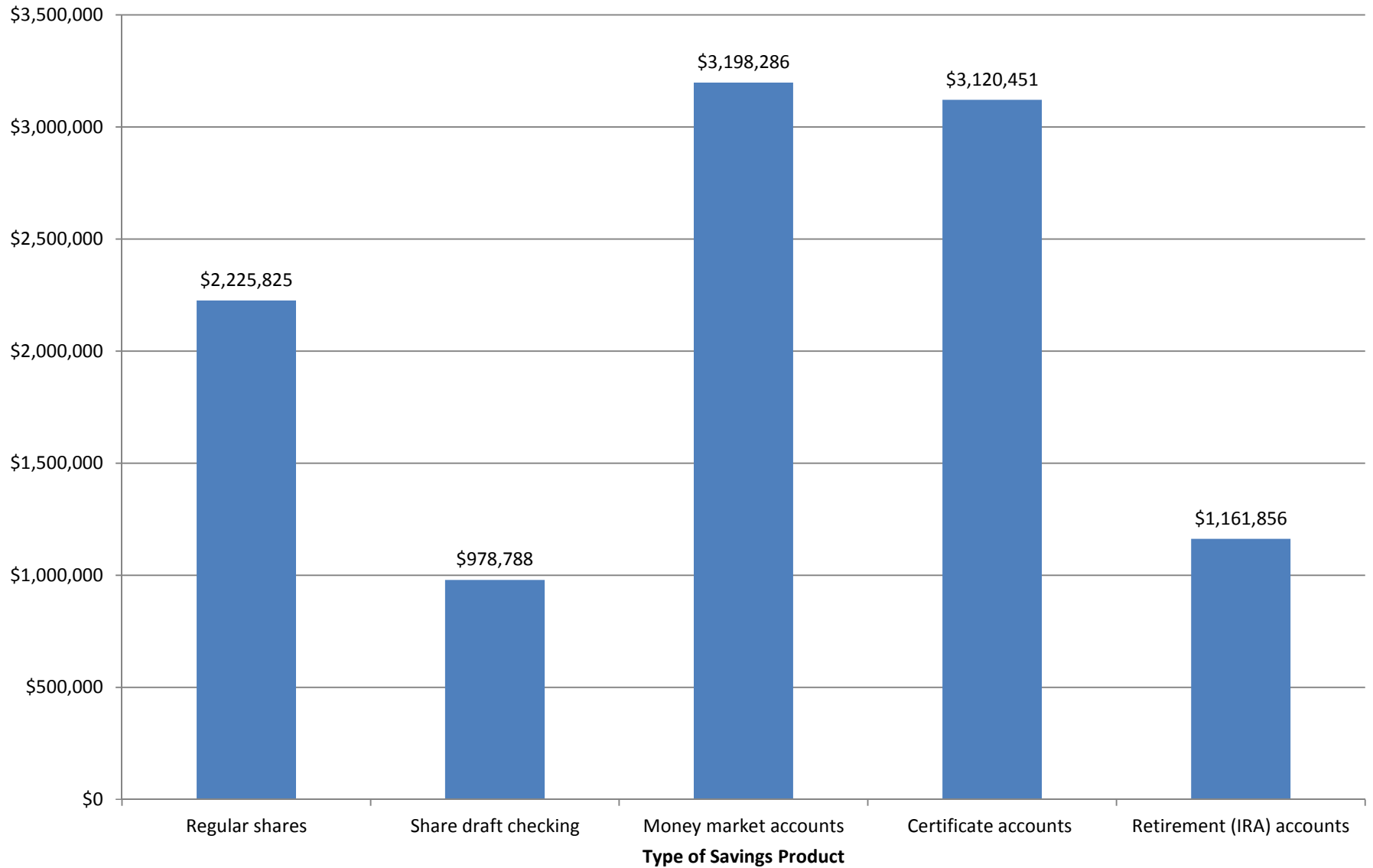
Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	4.53	6.80	-2.27
48-month used car (A paper)	4.37	7.44	-3.08
Unsecured loan (A paper)	9.73	12.97	-3.24
5-year adjustable rate 1st mortgage, 0 pts	3.51	3.62	-0.11
15-year fixed rate 1st mortgage, 0 pts	3.70	3.63	0.08
30-year fixed rate 1st mortgage, 0 pts	4.26	4.26	0.00
Home equity / 2nd mtg, 80% LTV 0 pts	3.73	4.18	-0.46
Credit card - classic	11.67	13.12	-1.46
Credit card - gold	10.26	11.17	-0.92
Savings Products			
Regular savings, \$1,000 balance	0.22	0.15	0.07
Share draft checking, \$5,000 balance	0.24	0.11	0.13
Money market accounts	0.53	0.31	0.22
1 Year certificate \$10,000 balance	0.68	0.49	0.19
Retirement (IRA) accounts	0.60	0.40	0.21
Fee Income			
Share draft checking, NSF fee	\$25.00	\$30.00	-\$5.00
Credit cards, late fee	\$20.00	\$35.00	-\$15.00
Mortgages, closing costs	\$2,280.00	\$2,309.00	-\$29.00

Source: Datatrac

Estimated Total Loan Rate Benefit Credit Unions vs Banking Institutions



Estimated Total Savings Dividend Benefit Credit Unions vs. Banking Institutions



Estimated Connecticut Credit Unions Financial Benefits Year-end 2011

Loans

	Avg. Balance at Credit Unions (1)	Rate Difference vs. Connecticut Banks (%) (2)	Total Financial Benefit to Your Members
New car loans	262,001,896	-2.27	\$5,947,443
Used car loans	658,191,921	-3.08	\$20,239,402
Personal unsecured loans	256,583,808	-3.24	\$8,313,315
5-year adjustable rate 1st mortgage	232,479,805	-0.11	\$255,728
15-year fixed rate 1st mortgage	602,992,265	0.08	-\$452,244
30-year fixed rate 1st mortgage	802,266,691	0.00	\$0
Home equity / 2nd mortgage loans	1,164,385,707	-0.46	\$5,297,955
Credit cards	319,228,177	-1.46	\$4,213,812
Interest rebates in period			\$17,637
Total CU member benefits arising from lower interest rates on loan products:			\$43,833,047

Savings

Regular shares	3,179,750,486	0.07	\$2,225,825
Share draft checking	783,030,256	0.13	\$978,788
Money market accounts	1,453,766,443	0.22	\$3,198,286
Certificate accounts	1,642,342,853	0.19	\$3,120,451
Retirement (IRA) accounts	566,758,826	0.21	\$1,161,856
Bonus dividends in period			\$0
Total CU member benefit arising from higher interest rates on saving products:			\$10,685,206

Fee Income

Total CU member benefit arising from fewer/lower fees: \$11,570,335

Total CU member benefit arising from interest rates on loan and savings products and lower fees: \$66,088,589

Total CU member benefit / member: \$77

Total CU member benefit / member household: \$145

Source: Datatrac, NCUA, and CUNA

(1) Average balance as of September 2011 and September 2010, according to the NCUA call report.; (2) Source for rates and fees: Datatrac;

**Connecticut
Performance Profile**

Demographic Information	Dec 11	Dec 10
Number of branches	286	294
Total assets (\$ mil)	8,797	8,586
Total loans (\$ mil)	4,400	4,381
Total surplus funds (\$ mil)	4,179	4,000
Total savings (\$ mil)	7,799	7,619
Total members (thousands)	866	872
Growth Rates (Trailing 12 months) *		
Total assets	2.5 %	-2.0 %
Total loans	0.4 %	-2.0 %
Total surplus funds	4.5 %	-1.7 %
Total savings	2.4 %	2.8 %
Total members	-0.6 %	-1.6 %
Earnings - Basis Pts. *		
Yield on total assets	355	389
Dividend/interest cost of assets	74	97
Fee & other income	88	89
Operating expense	311	309
Loss Provisions	23	41
Net Income (ROA) after stabilization exp	35	31
Capital adequacy		
Net worth / assets	10.0	9.9
Asset quality *		
Delinquencies / loans	1.2	1.2
Net chargeoffs / average loans	0.5	0.7
Total borrower-bankruptcies	7	8
Bankruptcies per 1000 members	1.0	1.3
Asset/Liability Management		
Loans / savings	56.4	57.5
Loans / assets	50.0	51.0
Long-term assets / assets	32.9	29.4
Core deposits/shares & borrowings	52.1	50.2
Productivity		
Members/potential members	5.0	4.8
Borrowers/members	39.9	41.1
Members/FTE	446	445
Average shares/members (\$)	9,003	8,740
Average loan balances (\$)	12,725	12,230
Salary & Benefits/FTE	69,625	68,954

* 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.