



Connecticut Membership Benefits Report

Year End 2016

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 \$73,907,021 in direct financial benefits to the state's 854,017 members during the twelve months ending December 2016.

These benefits are equivalent to \$87 per member or \$164 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 \$302 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.

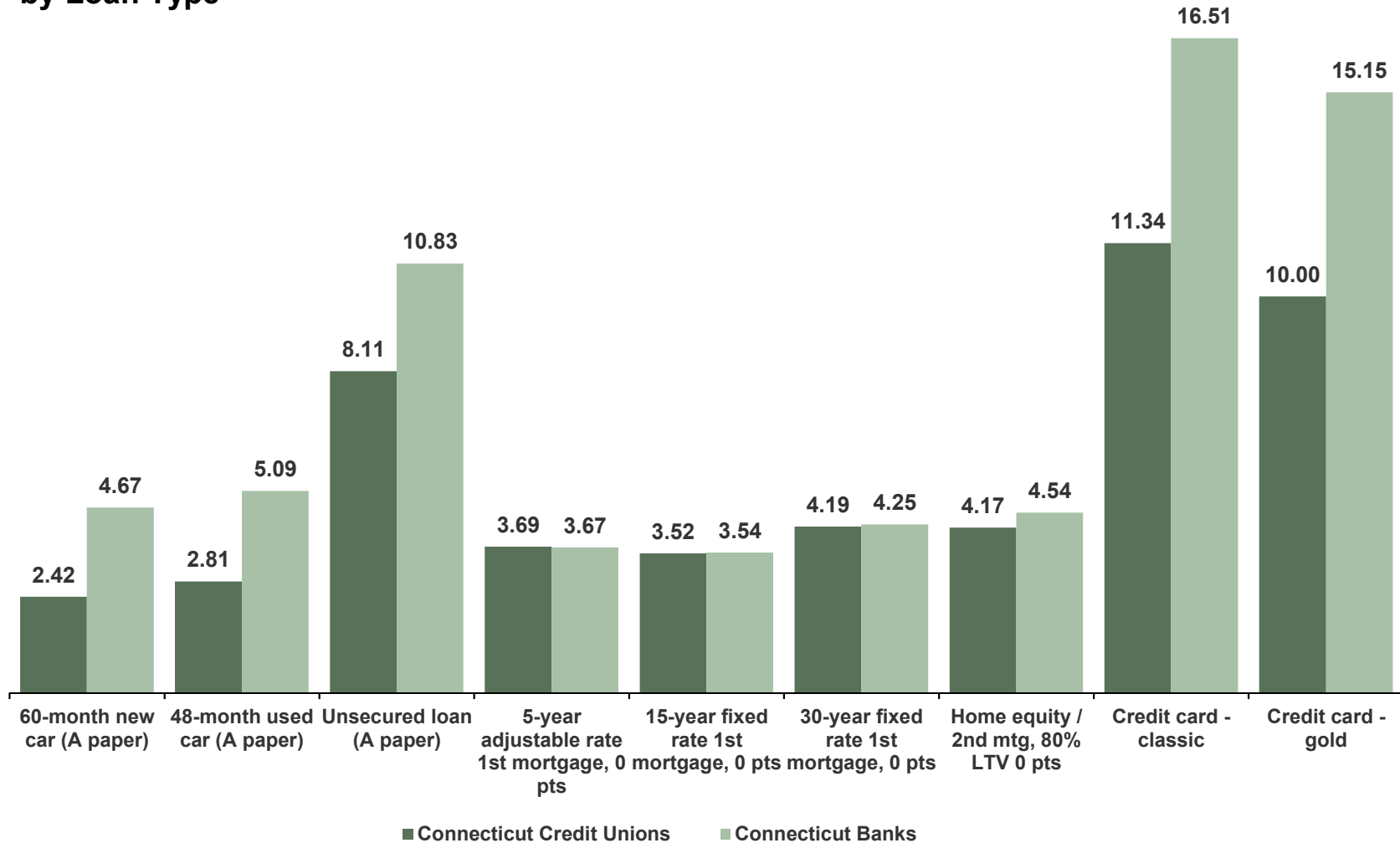
Connecticut credit unions excel in providing member benefits on many loan and savings products. In particular, Connecticut credit unions offer lower average loan rates on the following accounts: new car loans, used car loans, personal unsecured loans, first mortgage-fixed rate, home equity loans, credit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



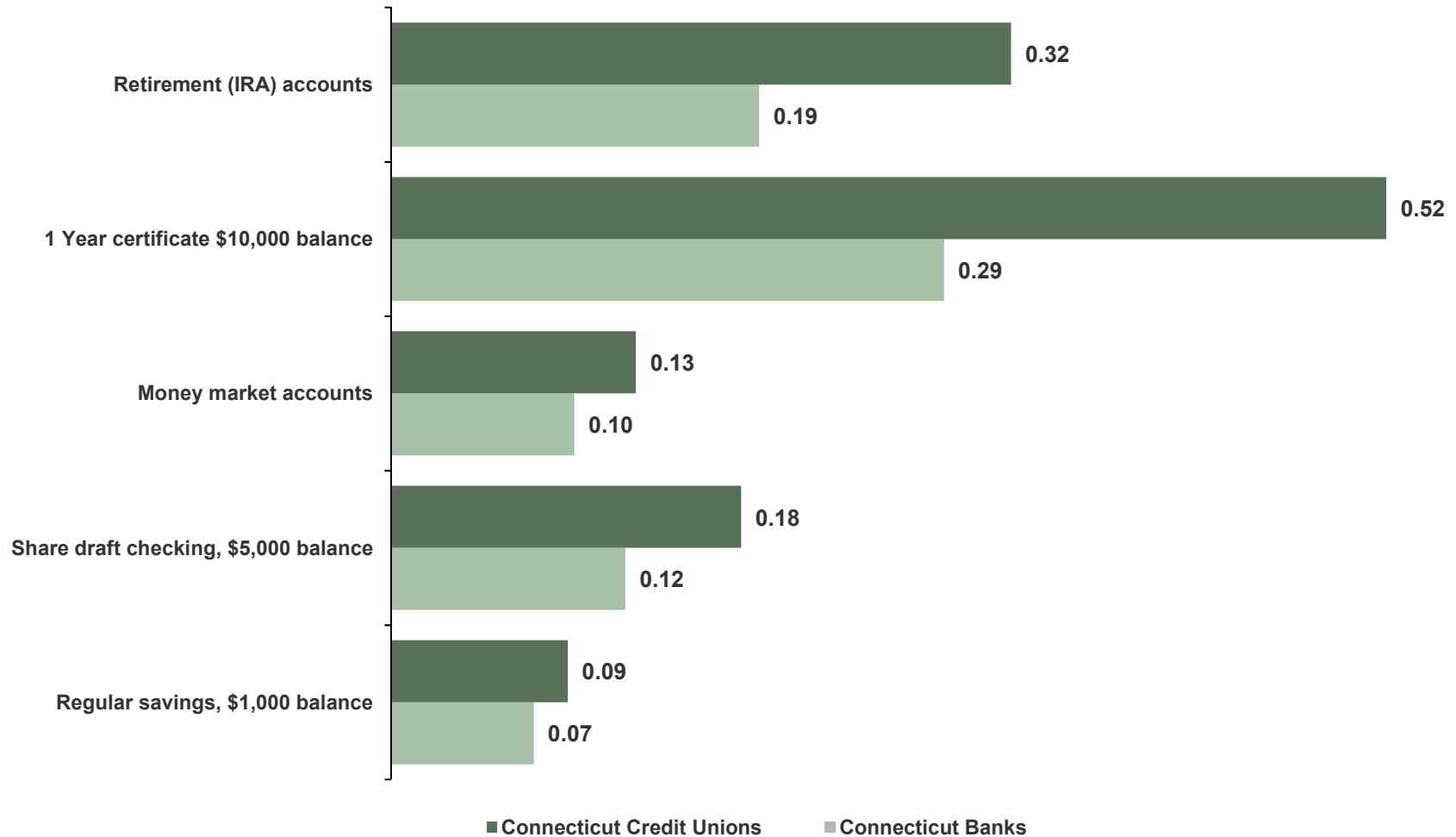
Loan Product Comparative Interest Rates (%)

by Loan Type



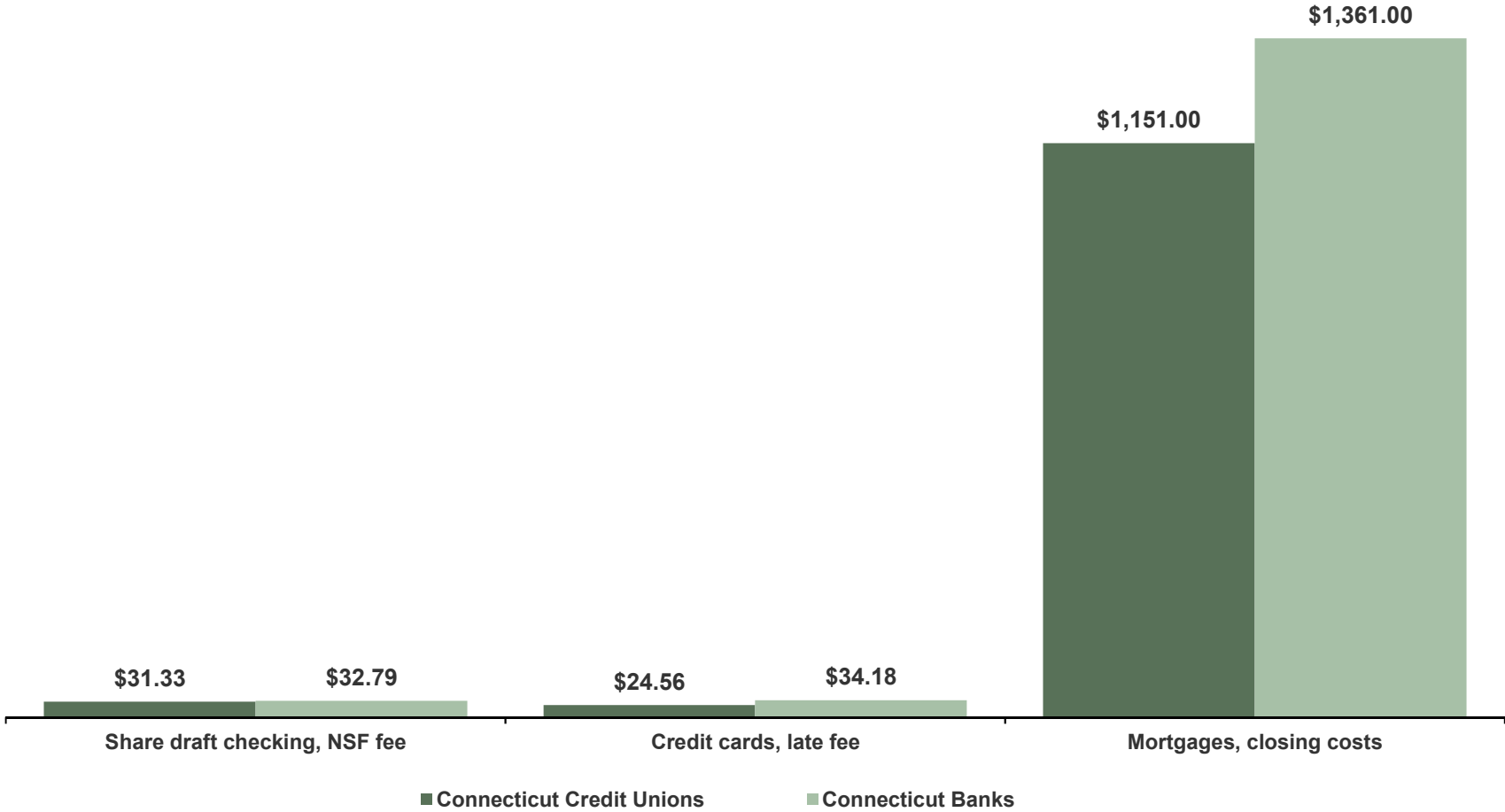
Savings Product Comparative Interest Rates (%)

by Savings Account Type



Comparative Fees

by Type



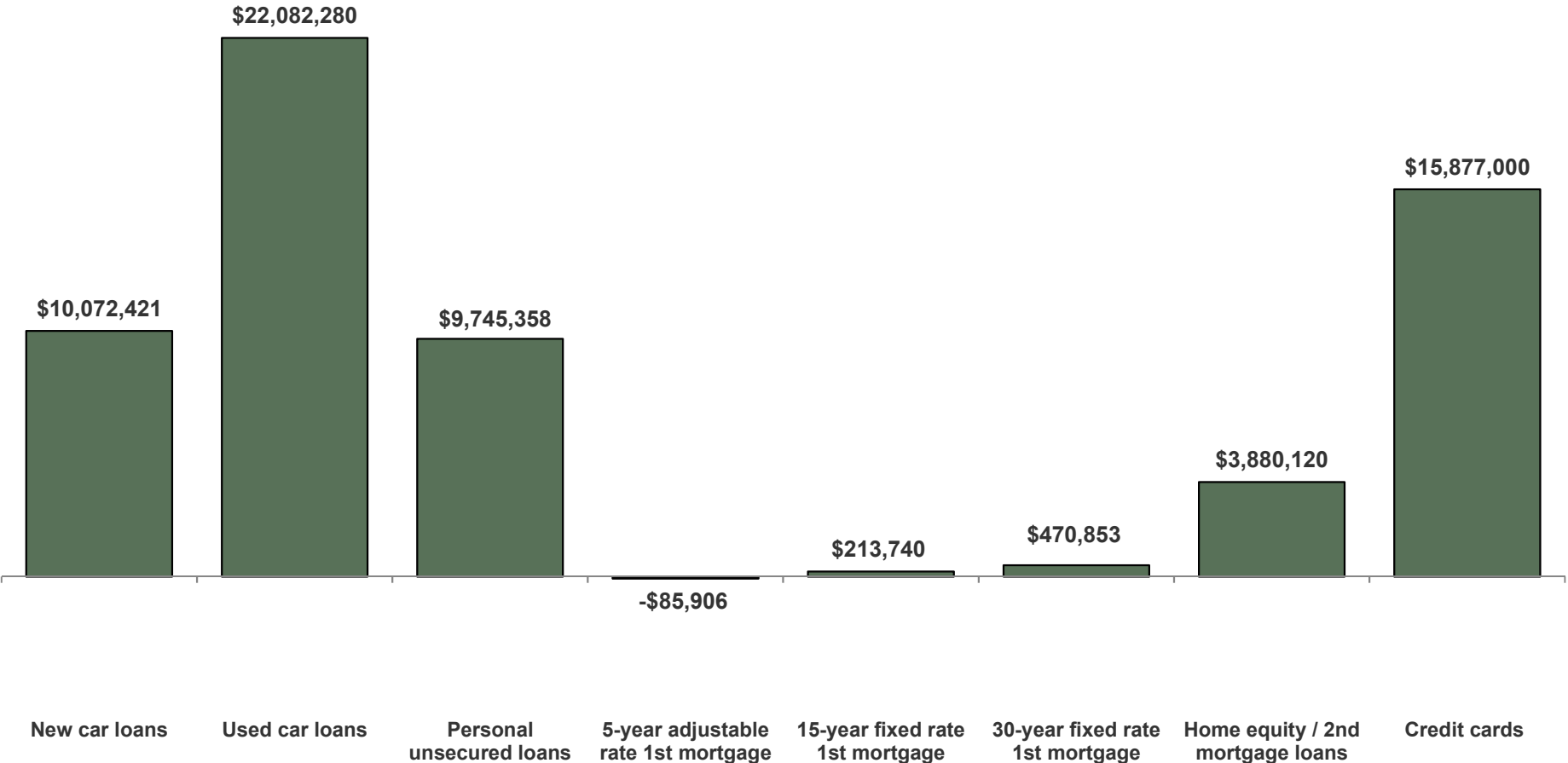
Connecticut Credit Union and Banking Institution December 2016 Average Interest Rates and Fees

Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	2.42	4.67	-2.25
48-month used car (A paper)	2.81	5.09	-2.29
Unsecured loan (A paper)	8.11	10.83	-2.72
5-year adjustable rate 1st mortgage, 0 pts	3.69	3.67	0.02
15-year fixed rate 1st mortgage, 0 pts	3.52	3.54	-0.02
30-year fixed rate 1st mortgage, 0 pts	4.19	4.25	-0.05
Home equity / 2nd mtg, 80% LTV 0 pts	4.17	4.54	-0.38
Credit card - classic	11.34	16.51	-5.17
Credit card - gold	10.00	15.15	-5.15
Savings Products			
Regular savings, \$1,000 balance	0.09	0.07	0.02
Share draft checking, \$5,000 balance	0.18	0.12	0.06
Money market accounts	0.13	0.10	0.03
1 Year certificate \$10,000 balance	0.52	0.29	0.23
Retirement (IRA) accounts	0.32	0.19	0.13
Fee Income			
Share draft checking, NSF fee	\$31.33	\$32.79	-\$1.45
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

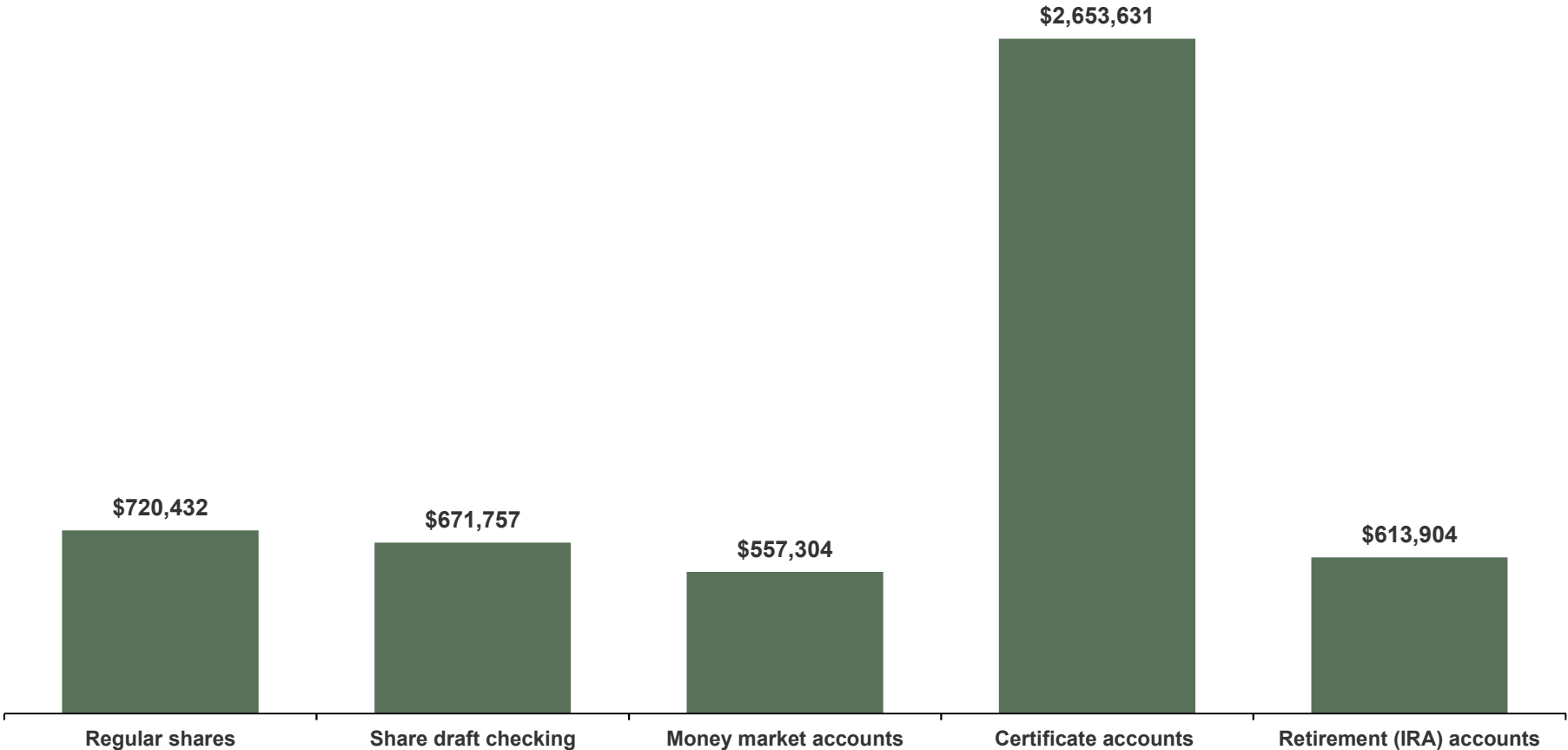
State Credit Union's Total Loan Rate Benefits

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 December 2016

Loans	Avg. Balance at Credit Unions (1)	Rate Difference vs. Connecticut Banks (%) (2)	Total Financial Benefit to Your Members
New car loans	447,663,162	-2.25	\$10,072,421
Used car loans	966,401,731	-2.29	\$22,082,280
Personal unsecured loans	358,548,862	-2.72	\$9,745,358
5-year adjustable rate 1st mortgage	452,134,832	0.02	-\$85,906
15-year fixed rate 1st mortgage	1,017,810,150	-0.02	\$213,740
30-year fixed rate 1st mortgage	888,401,506	-0.05	\$470,853
Home equity / 2nd mortgage loans	1,029,209,535	-0.38	\$3,880,120
Credit cards	307,395,928	-5.17	\$15,877,000
Interest rebates			\$56
Total CU member benefits arising from lower interest rates on loan products:			\$62,255,922
Savings			
Regular shares	4,047,852,685	0.02	\$720,432
Share draft checking	1,112,654,111	0.06	\$671,757
Money market accounts	1,738,125,401	0.03	\$557,304
Certificate accounts	1,150,151,637	0.23	\$2,653,631
Retirement (IRA) accounts	467,231,425	0.13	\$613,904
Bonus dividends in period			\$0
Total CU member benefit arising from higher interest rates on savings products:			\$5,217,029
Fee Income			
Total CU member benefit arising from fewer / lower fees:			\$6,434,070
Total CU member benefit arising from interest rates on loans, savings products and lower fees:			\$73,907,021
Total CU member benefit / member:			\$87
Total CU member benefit / member household:			\$164

Source: Informa Research Services, NCUA, and CUNA

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

Connecticut Credit Union Performance Profile

Demographic Information	Dec 16	Dec 15
Number of branches	264	264
Total assets (\$ mil)	10,026	9,643
Total loans (\$ mil)	5,879	5,376
Total surplus funds (\$ mil)	3,810	3,953
Total savings (\$ mil)	8,821	8,466
Total members (thousands)	863	852
Growth Rates (Trailing 12 months) *		
Total assets	4.6 %	4.2 %
Total loans	9.7 %	8.0 %
Total surplus funds	-2.7 %	-0.3 %
Total savings	4.8 %	3.9 %
Total members	2.2 %	1.8 %
Earnings - Basis Pts. *		
Yield on total assets	294	288
Dividend / interest cost of assets	41	40
Fee & other income	101	101
Operating expense	297	300
Loss Provisions	21	19
Net Income (ROA) after stabilization exp	35	30
Capital Adequacy		
Net worth / assets	10.1	10.2
Asset Quality *		
Delinquencies / loans	0.8	0.9
Net chargeoffs / average loans	0.3	0.4
Total borrower-bankruptcies	5	5
Bankruptcies per 1000 members	0.6	0.7
Asset/Liability Management		
Loans / savings	66.7	63.5
Loans / assets	58.6	55.8
Long-term assets / assets	34.0	34.4
Core deposits/shares & borrowings	59.6	58.4
Productivity		
Members / potential members	3.6	3.6
Borrowers / members	46.8	46.0
Members / FTE	431	428
Average shares / members (\$)	10,217	9,941
Average loan balances (\$)	14,551	13,733
Salary & Benefits / FTE	76,148	75,577

* 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.