

CUNA Connecticut
**MEMBERSHIP BENEFITS
REPORT**



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 \$89,544,740 in direct financial benefits to the state's 858,938 members during the twelve months ending June 2017.

These benefits are equivalent to \$104 per member or \$198 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 \$336 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.

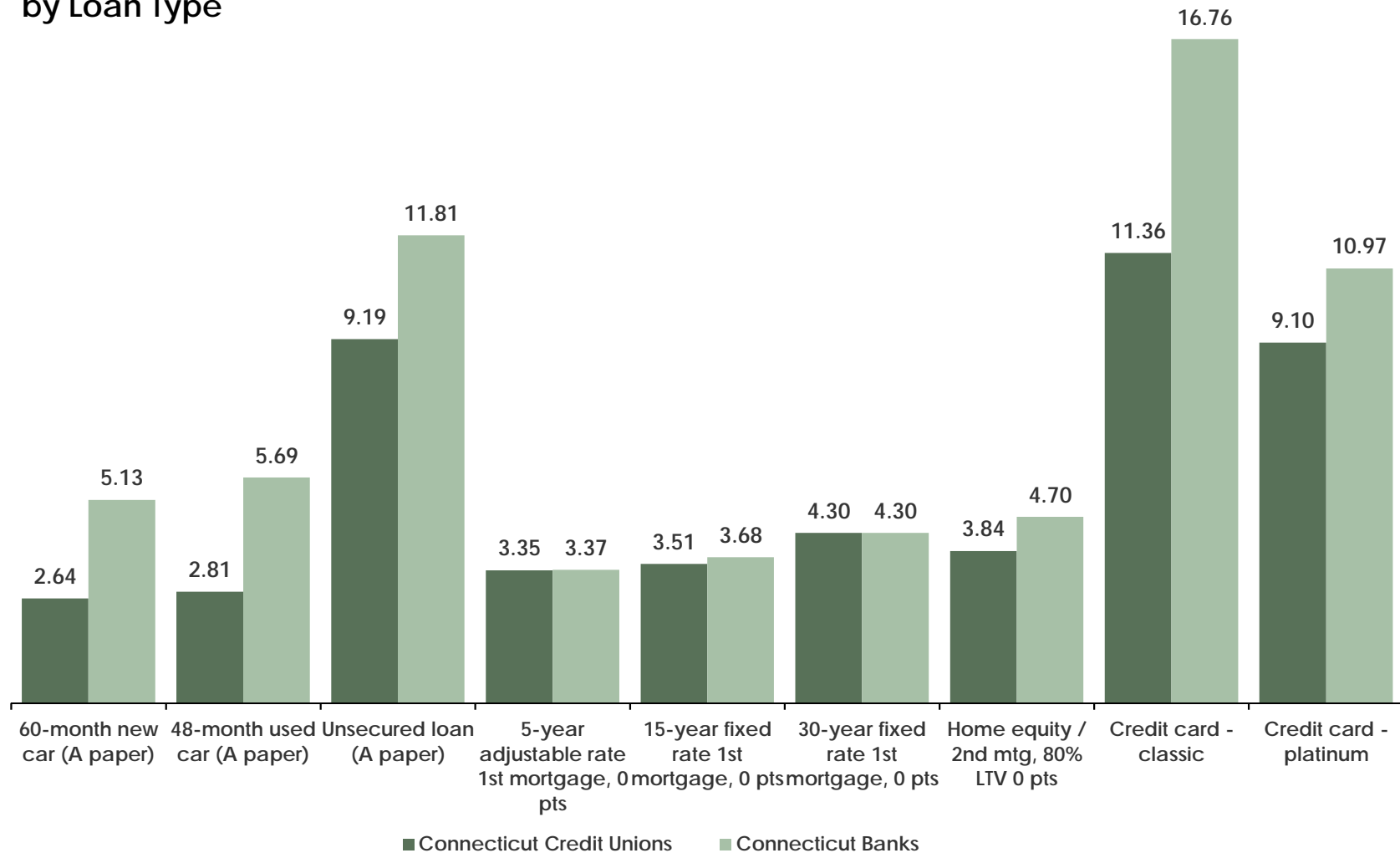
Connecticut credit unions excel in providing member benefits on many loan and savings products. In particular, Connecticut credit unions offer lower average loan rates on the following accounts: new car loans, used car loans, personal unsecured loans, first mortgage-fixed rate, first mortgage-adjustable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



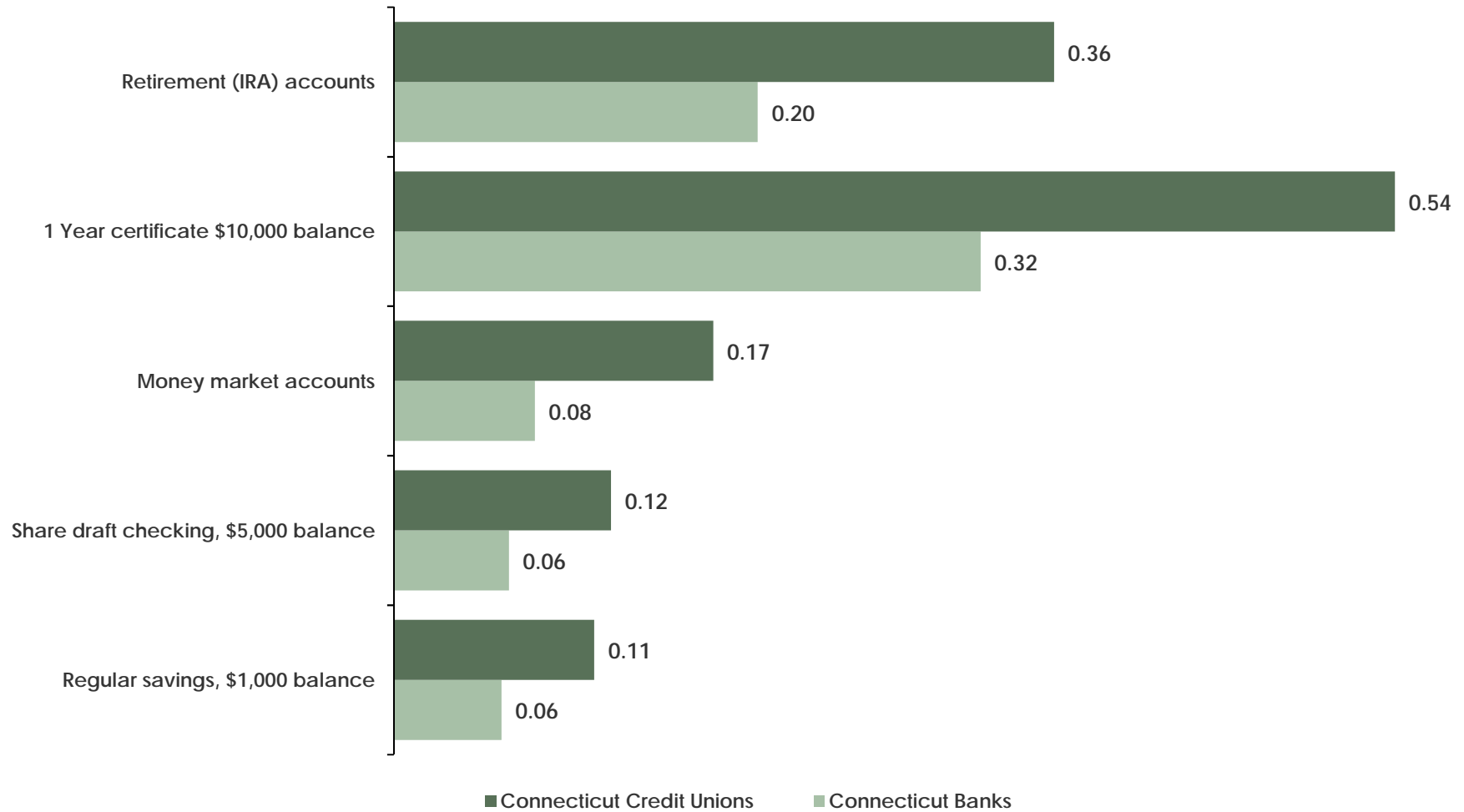
Loan Product Comparative Interest Rates (%)

by Loan Type



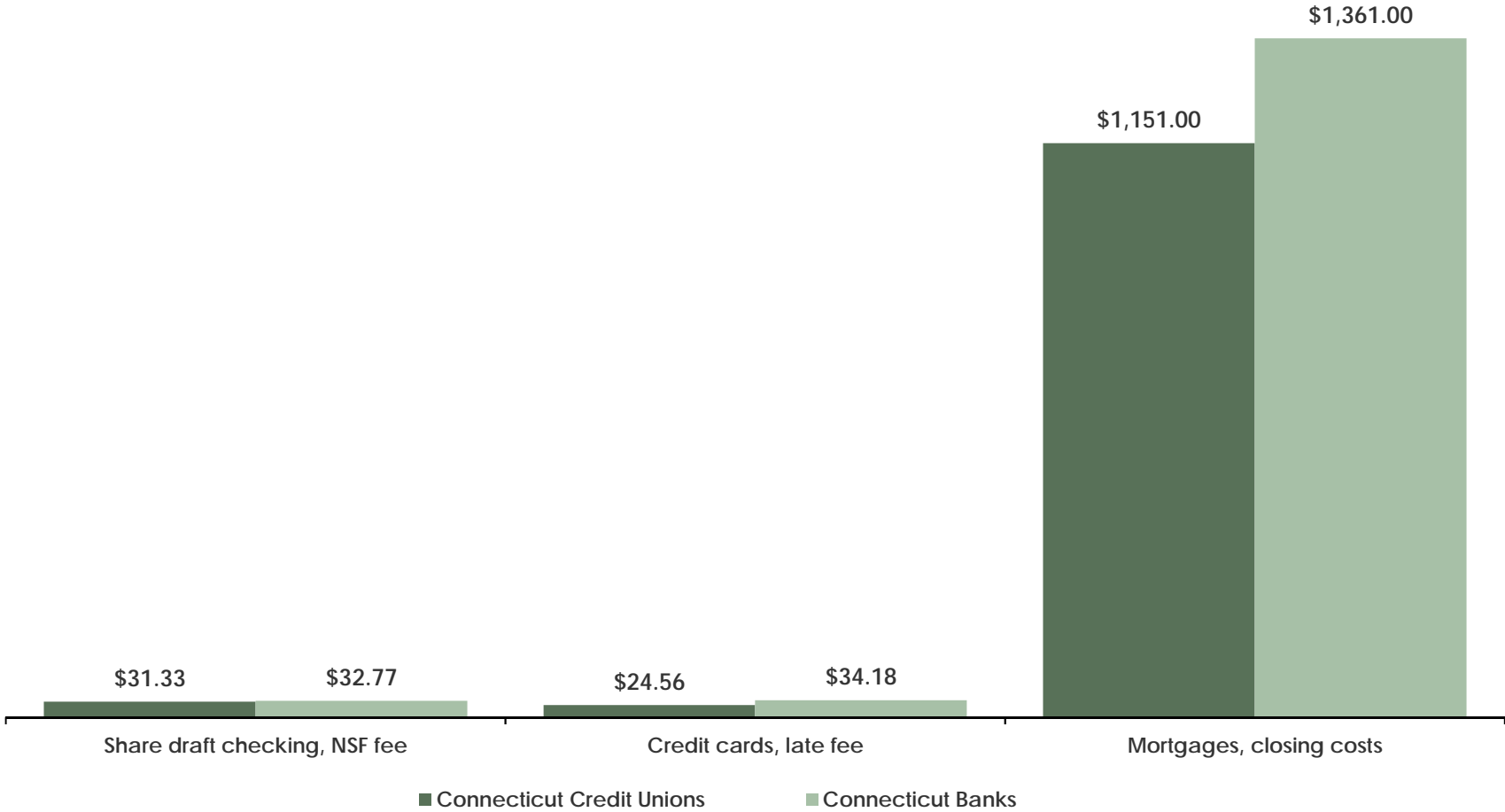
Savings Product Comparative Interest Rates (%)

by Savings Account Type



Comparative Fees

by Type



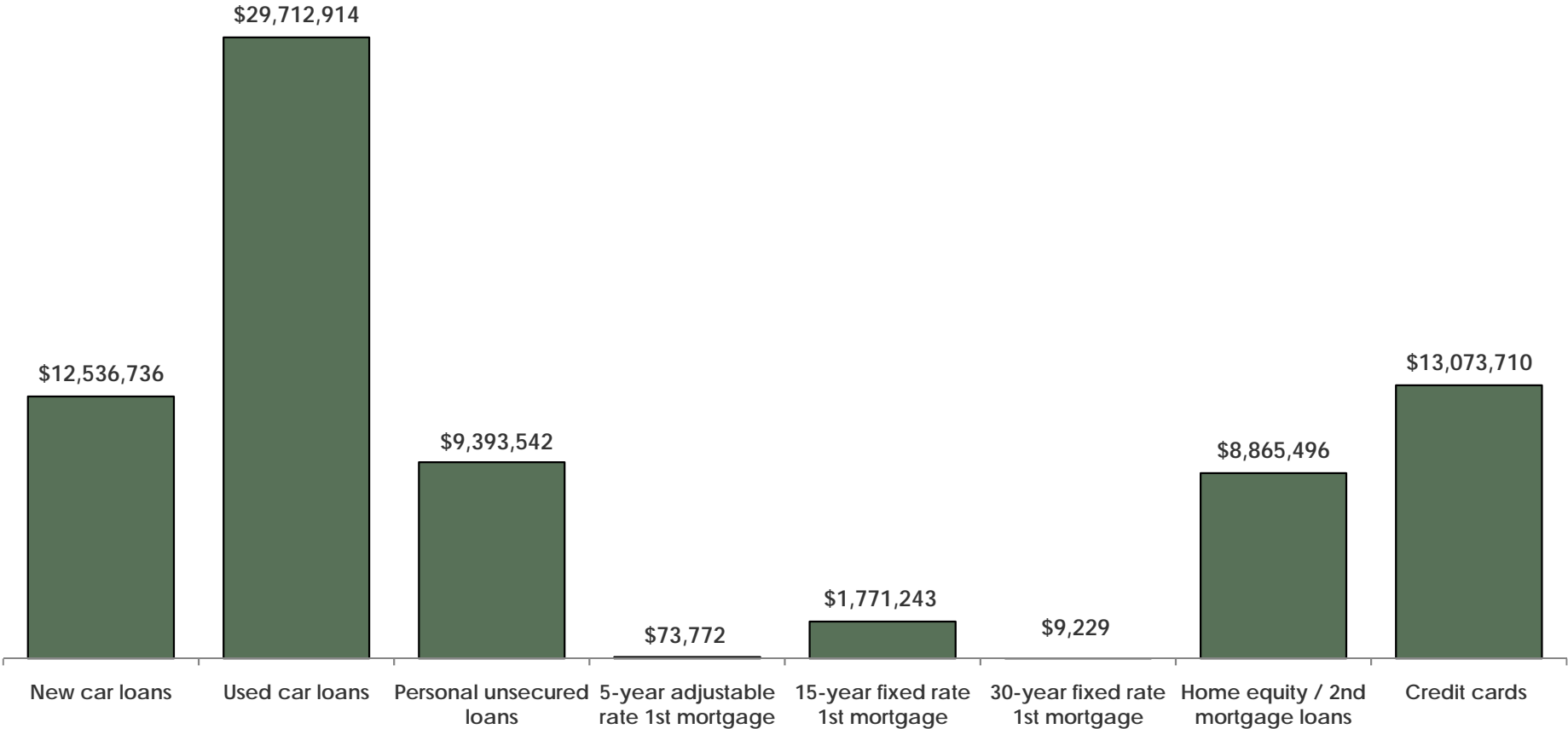
Connecticut Credit Union and Banking Institution June 2017 Average Interest Rates and Fees

Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	2.64	5.13	-2.49
48-month used car (A paper)	2.81	5.69	-2.88
Unsecured loan (A paper)	9.19	11.81	-2.62
5-year adjustable rate 1st mortgage, 0 pts	3.35	3.37	-0.02
15-year fixed rate 1st mortgage, 0 pts	3.51	3.68	-0.17
30-year fixed rate 1st mortgage, 0 pts	4.30	4.30	0.00
Home equity / 2nd mtg, 80% LTV 0 pts	3.84	4.70	-0.86
Credit card - classic	11.36	16.76	-5.40
Credit card - platinum	9.10	10.97	-1.87
Savings Products			
Regular savings, \$1,000 balance	0.11	0.06	0.05
Share draft checking, \$5,000 balance	0.12	0.06	0.06
Money market accounts	0.17	0.08	0.10
1 Year certificate \$10,000 balance	0.54	0.32	0.22
Retirement (IRA) accounts	0.36	0.20	0.16
Fee Income			
Share draft checking, NSF fee	\$31.33	\$32.77	-\$1.44
Credit cards, late fee	\$24.56	\$34.18	-\$9.62
Mortgages, closing costs	\$1,151.00	\$1,361.00	-\$210.00

Source: Datatrac

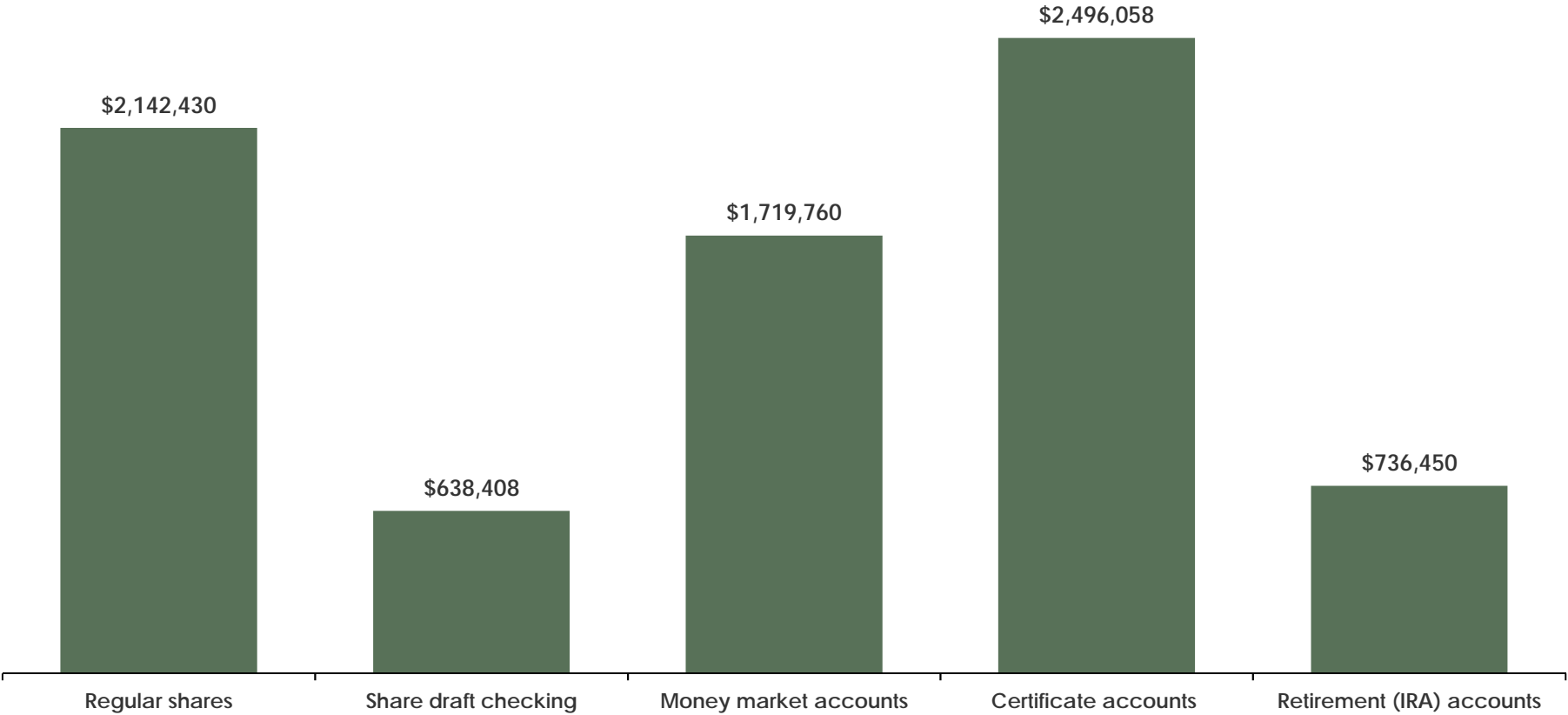
State Credit Union's Total Loan Rate Benefits

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 June 2017

Loans	Avg. Balance at Credit Unions (1)	Rate Difference vs. Connecticut Banks (%) (2)	Total Financial Benefit to Your Members
New car loans	504,293,497	-2.49	\$12,536,736
Used car loans	1,030,624,837	-2.88	\$29,712,914
Personal unsecured loans	358,395,358	-2.62	\$9,393,542
5-year adjustable rate 1st mortgage	491,810,839	-0.02	\$73,772
15-year fixed rate 1st mortgage	1,023,839,621	-0.17	\$1,771,243
30-year fixed rate 1st mortgage	922,949,928	0.00	\$9,229
Home equity / 2nd mortgage loans	1,027,288,083	-0.86	\$8,865,496
Credit cards	289,401,430	-5.40	\$13,073,710
Interest rebates			\$320
Total CU member benefits arising from lower interest rates on loan products:			\$75,436,962
<i>Savings</i>			
Regular shares	4,284,860,200	0.05	\$2,142,430
Share draft checking	1,160,741,274	0.06	\$638,408
Money market accounts	1,791,417,167	0.10	\$1,719,760
Certificate accounts	1,119,308,623	0.22	\$2,496,058
Retirement (IRA) accounts	461,723,854	0.16	\$736,450
Bonus dividends in period			\$0
Total CU member benefit arising from higher interest rates on savings products:			\$7,733,106
<i>Fee Income</i>			
Total CU member benefit arising from fewer / lower fees:			\$6,374,672
Total CU member benefit arising from interest rates on loans, savings products and lower fees:			\$89,544,740
Total CU member benefit / member:			\$104
Total CU member benefit / member household:			\$198

Source: Datatrac, NCUA, and CUNA

(1) Average balance as of June 2017 and June 2016, according to the NCUA call report.; (2) Source for rates and fees: Datatrac;

Membership Benefits Report

CUNA Economics and Statistics

Connecticut Credit Union Performance Profile

Demographic Information	Jun 17	Jun 16
Number of branches	266	265
Total assets (\$ mil)	10,375	9,901
Total loans (\$ mil)	6,096	5,539
Total surplus funds (\$ mil)	3,932	4,041
Total savings (\$ mil)	9,192	8,732
Total members (thousands)	872	855
Growth Rates (Trailing 12 months) *		
Total assets	5.6 %	4.2 %
Total loans	10.7 %	7.7 %
Total surplus funds	-1.6 %	-0.2 %
Total savings	6.1 %	3.9 %
Total members	3.0 %	2.2 %
Earnings - Basis Pts. *		
Yield on total assets	299	291
Dividend / interest cost of assets	39	40
Fee & other income	97	97
Operating expense	291	295
Loss Provisions	23	17
Net Income (ROA) after stabilization exp	42	37
Capital Adequacy		
Net worth / assets	10.0	10.1
Asset Quality *		
Delinquencies / loans	0.8	0.7
Net chargeoffs / average loans	0.3	0.3
Total borrower-bankruptcies	4	4
Bankruptcies per 1000 members	0.5	0.5
Asset/Liability Management		
Loans / savings	66.3	63.4
Loans / assets	58.8	55.9
Long-term assets / assets	34.2	33.3
Core deposits/shares & borrowings	60.9	59.8
Productivity		
Members / potential members	3.4	3.5
Borrowers / members	46.4	46.4
Members / FTE	429	424
Average shares / members (\$)	10,544	10,212
Average loan balances (\$)	15,062	13,976
Salary & Benefits / FTE	78,344	74,730

* 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.