

CUNA Vermont
**MEMBERSHIP BENEFITS
REPORT**



Vermont

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 Vermont credit unions provided \$44,010,916 in direct financial benefits to the state's 350,708 members during the twelve months ending June 2017.

These benefits are equivalent to \$125 per member or \$238 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 Vermont 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 Vermont credit unions.

Consider this:

Financing a \$25,000 new automobile for 60 months at a Vermont credit union will save members an average \$306 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.

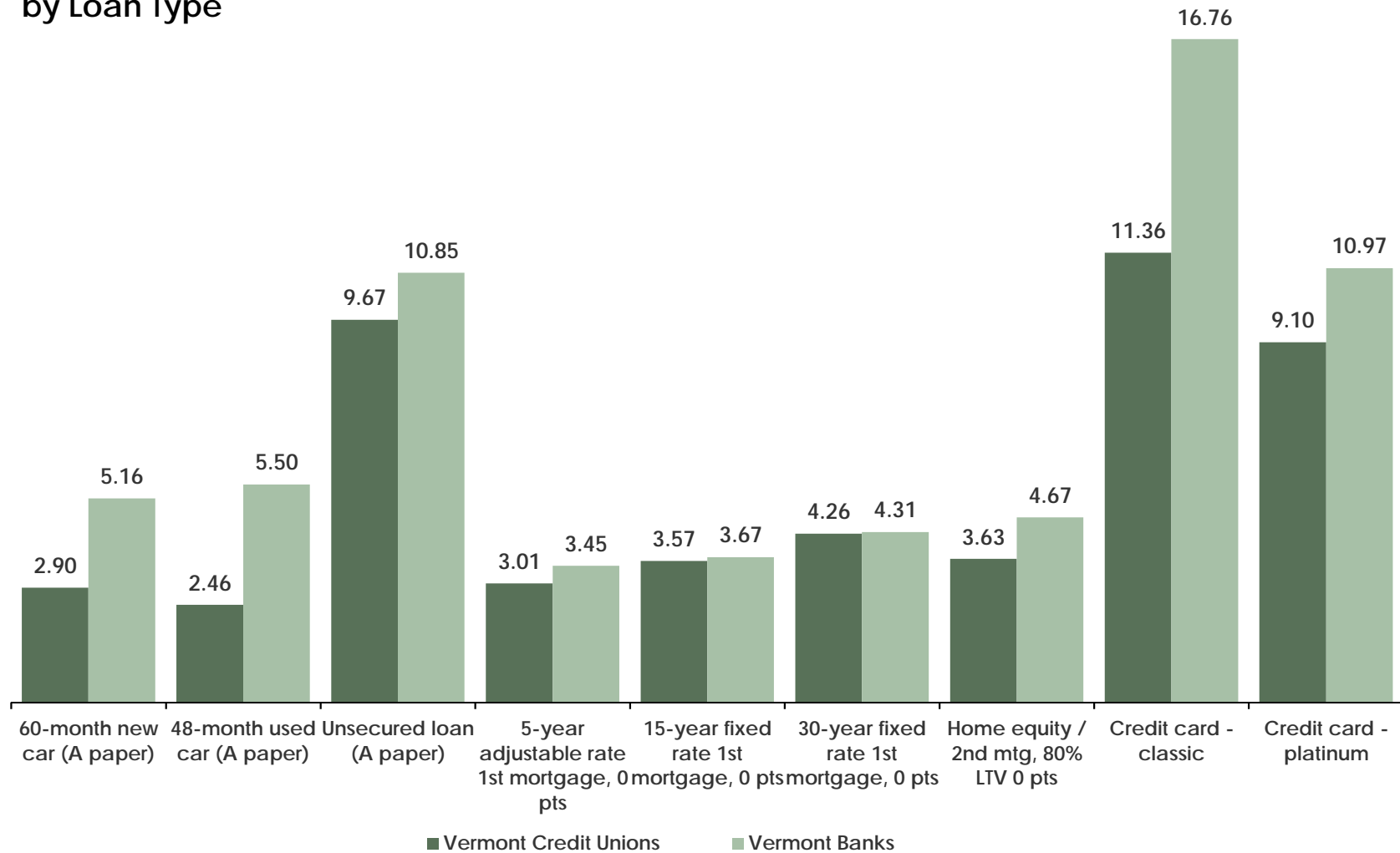
Vermont credit unions excel in providing member benefits on many loan and savings products. In particular, Vermont credit unions offer lower average loan rates on the following accounts: new car loans, used car loans, personal unsecured loans, first mortgage-fixed rate, first mortgage-adjustable rate,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

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



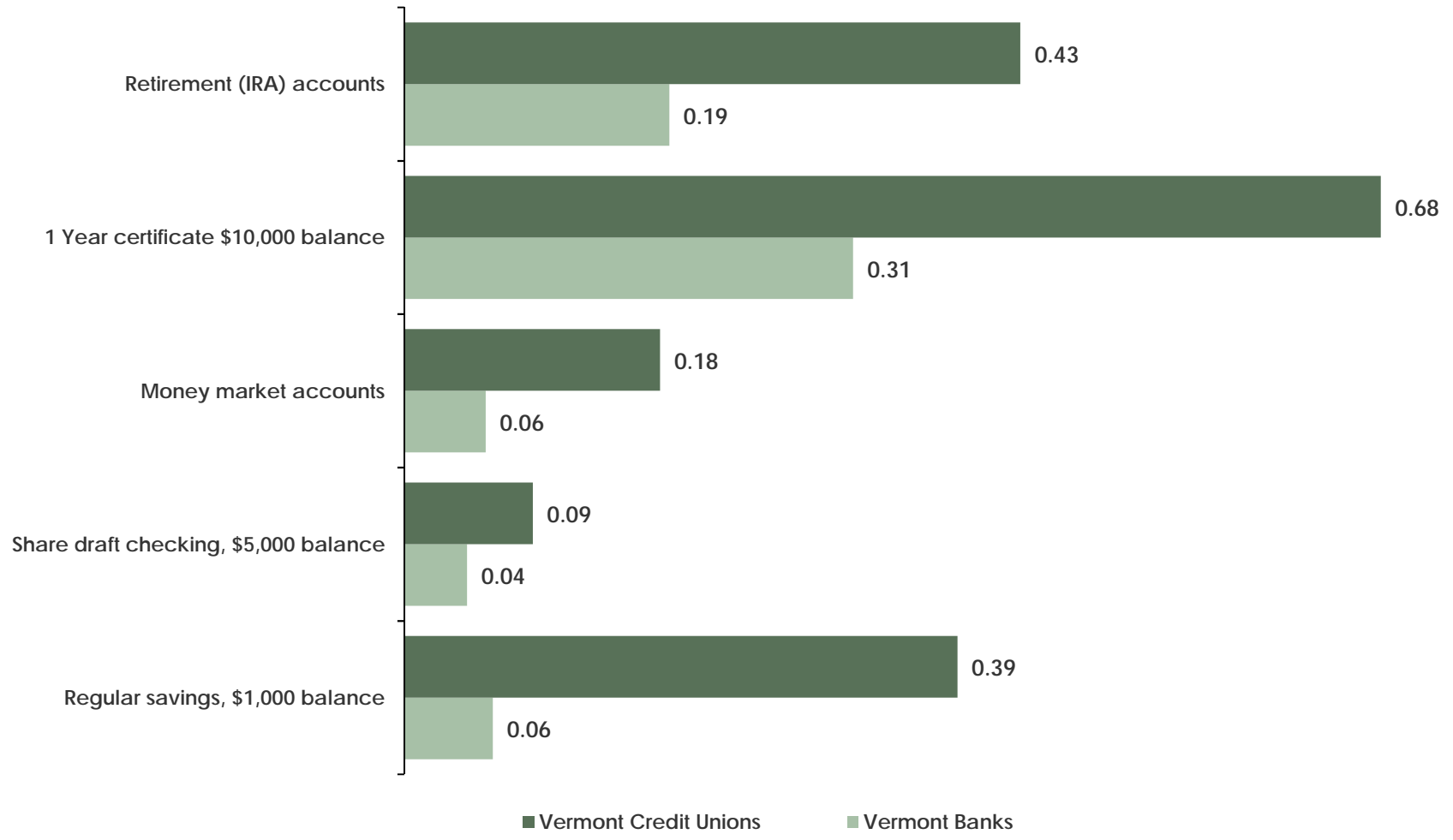
Loan Product Comparative Interest Rates (%)

by Loan Type



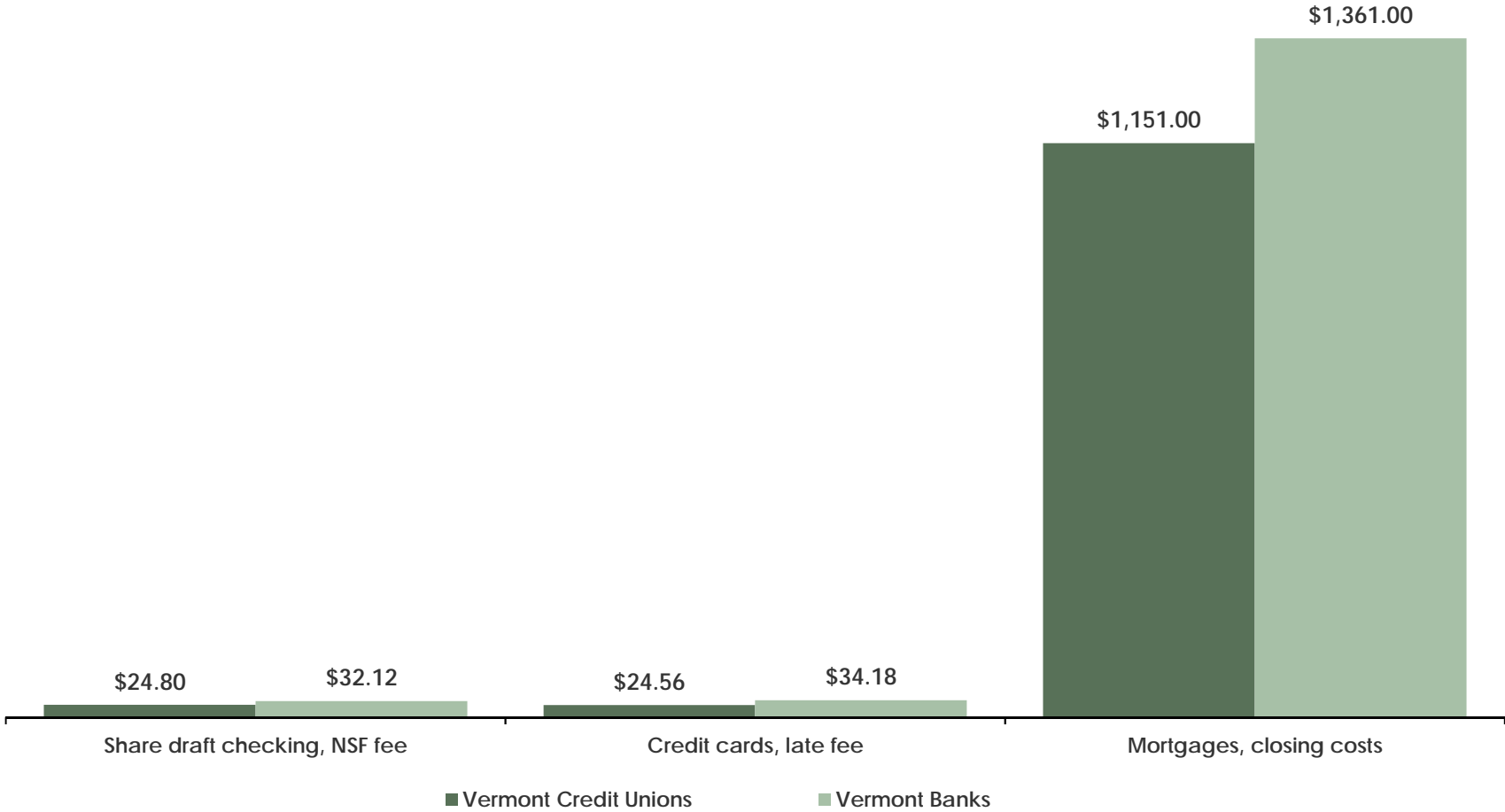
Savings Product Comparative Interest Rates (%)

by Savings Account Type



Comparative Fees

by Type



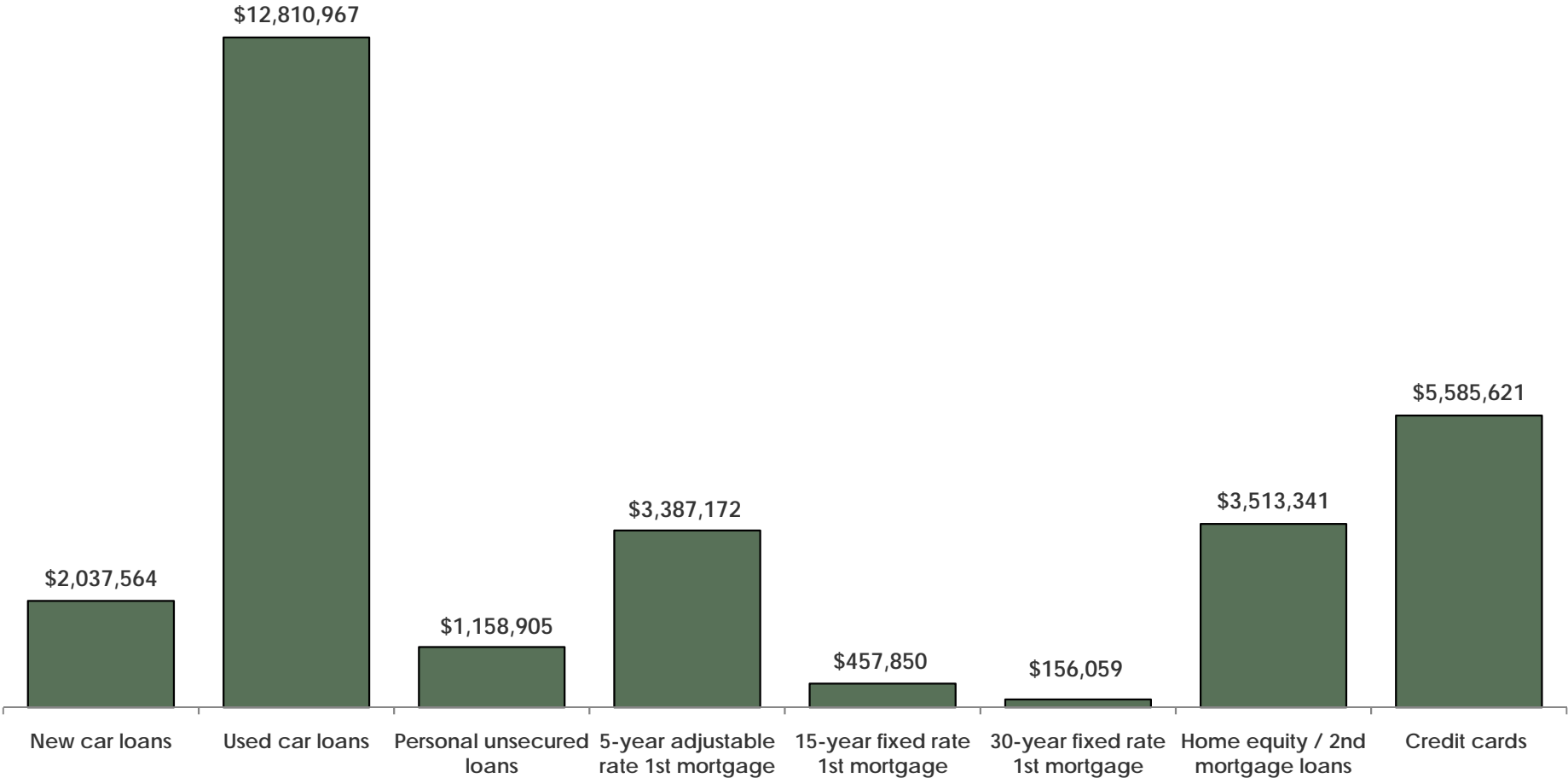
Vermont Credit Union and Banking Institution June 2017 Average Interest Rates and Fees

Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	2.90	5.16	-2.26
48-month used car (A paper)	2.46	5.50	-3.04
Unsecured loan (A paper)	9.67	10.85	-1.18
5-year adjustable rate 1st mortgage, 0 pts	3.01	3.45	-0.44
15-year fixed rate 1st mortgage, 0 pts	3.57	3.67	-0.10
30-year fixed rate 1st mortgage, 0 pts	4.26	4.31	-0.04
Home equity / 2nd mtg, 80% LTV 0 pts	3.63	4.67	-1.05
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	0.39	0.06	0.33
Share draft checking, \$5,000 balance	0.09	0.04	0.05
Money market accounts	0.18	0.06	0.12
1 Year certificate \$10,000 balance	0.68	0.31	0.37
Retirement (IRA) accounts	0.43	0.19	0.25
Fee Income			
Share draft checking, NSF fee	\$24.80	\$32.12	-\$7.32
Credit cards, late fee	\$24.56	\$34.18	-\$9.62
Mortgages, closing costs	\$1,151.00	\$1,361.00	-\$210.00

Source: Datatrac

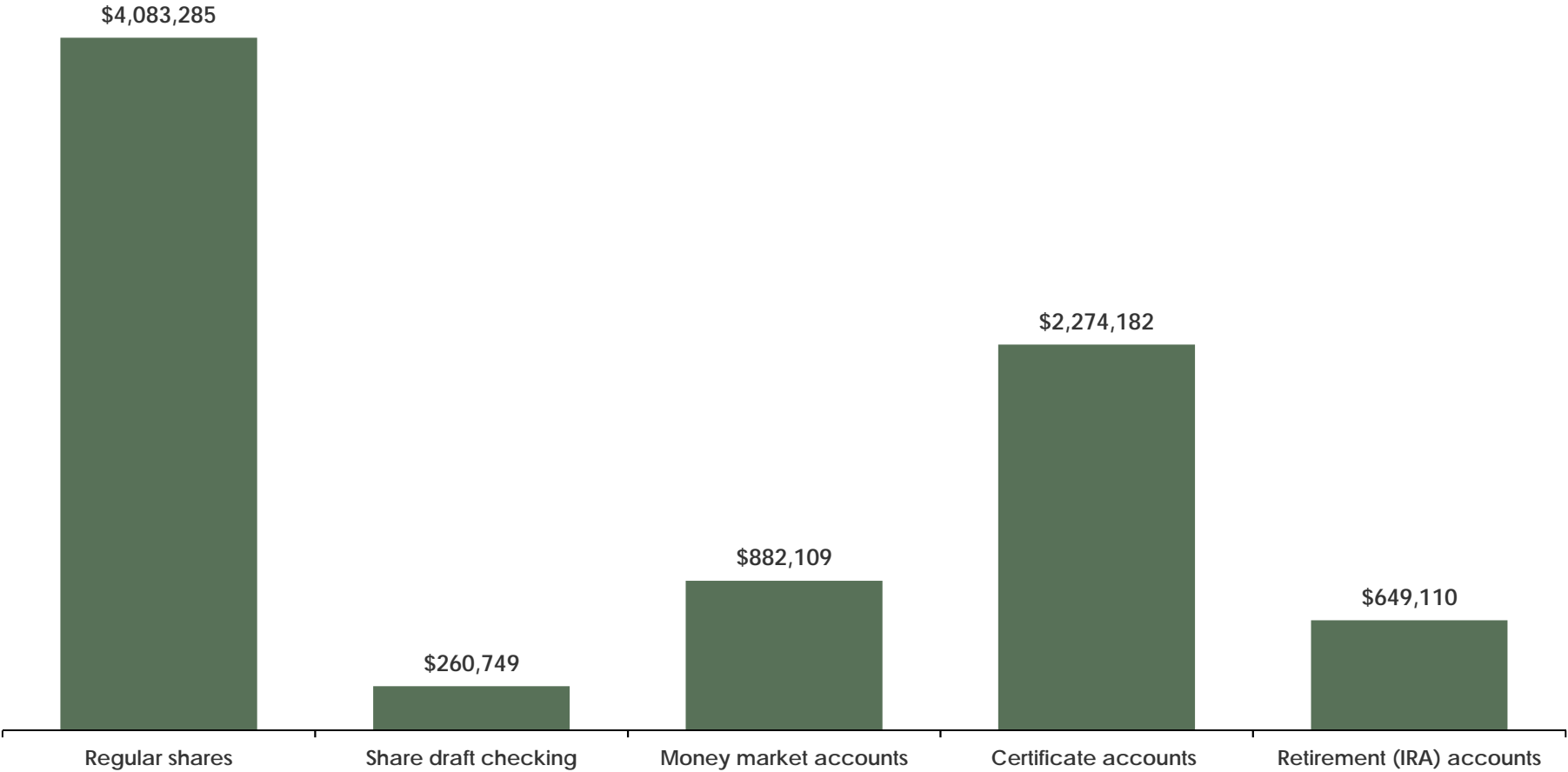
State Credit Union's Total Loan Rate Benefits

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 Vermont Credit Unions June 2017

Loans	Avg. Balance at Credit Unions (1)	Rate Difference vs. Vermont Banks (%) (2)	Total Financial Benefit to Your Members
New car loans	90,317,561	-2.26	\$2,037,564
Used car loans	421,274,820	-3.04	\$12,810,967
Personal unsecured loans	97,880,532	-1.18	\$1,158,905
5-year adjustable rate 1st mortgage	764,598,723	-0.44	\$3,387,172
15-year fixed rate 1st mortgage	457,850,320	-0.10	\$457,850
30-year fixed rate 1st mortgage	371,569,766	-0.04	\$156,059
Home equity / 2nd mortgage loans	335,242,501	-1.05	\$3,513,341
Credit cards	123,644,079	-5.40	\$5,585,621
Interest rebates			\$0
Total CU member benefits arising from lower interest rates on loan products:			\$29,107,482
Savings			
Regular shares	1,256,395,250	0.33	\$4,083,285
Share draft checking	566,845,237	0.05	\$260,749
Money market accounts	723,040,338	0.12	\$882,109
Certificate accounts	616,309,504	0.37	\$2,274,182
Retirement (IRA) accounts	264,403,085	0.25	\$649,110
Bonus dividends in period			\$0
Total CU member benefit arising from higher interest rates on savings products:			\$8,149,434
Fee Income			
Total CU member benefit arising from fewer / lower fees:			\$6,754,000
Total CU member benefit arising from interest rates on loans, savings products and lower fees:			\$44,010,916
Total CU member benefit / member:			\$125
Total CU member benefit / member household:			\$238

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

Vermont Credit Union Performance Profile

Demographic Information	Jun 17	Jun 16
Number of branches	79	81
Total assets (\$ mil)	4,127	3,882
Total loans (\$ mil)	3,065	2,786
Total surplus funds (\$ mil)	889	925
Total savings (\$ mil)	3,619	3,401
Total members (thousands)	360	348
Growth Rates (Trailing 12 months) *		
Total assets	6.5 %	6.4 %
Total loans	10.2 %	9.6 %
Total surplus funds	-3.5 %	-1.8 %
Total savings	6.6 %	6.1 %
Total members	3.6 %	4.3 %
Earnings - Basis Pts. *		
Yield on total assets	358	353
Dividend / interest cost of assets	55	52
Fee & other income	143	147
Operating expense	366	357
Loss Provisions	24	24
Net Income (ROA) after stabilization exp	57	67
Capital Adequacy		
Net worth / assets	10.1	10.1
Asset Quality *		
Delinquencies / loans	0.8	0.7
Net chargeoffs / average loans	0.3	0.3
Total borrower-bankruptcies	6	7
Bankruptcies per 1000 members	0.3	0.4
Asset/Liability Management		
Loans / savings	84.7	81.9
Loans / assets	74.3	71.8
Long-term assets / assets	39.9	40.4
Core deposits/shares & borrowings	53.0	51.5
Productivity		
Members / potential members	5.2	5.0
Borrowers / members	55.9	56.0
Members / FTE	338	339
Average shares / members (\$)	10,059	9,760
Average loan balances (\$)	15,240	14,276
Salary & Benefits / FTE	72,948	70,295

* 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.