

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 \$90,588,784 in direct financial benefits to the state's 885,915 members during the twelve months ending December 2018.

These benefits are equivalent to \$102 per member or \$215 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 \$283 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.

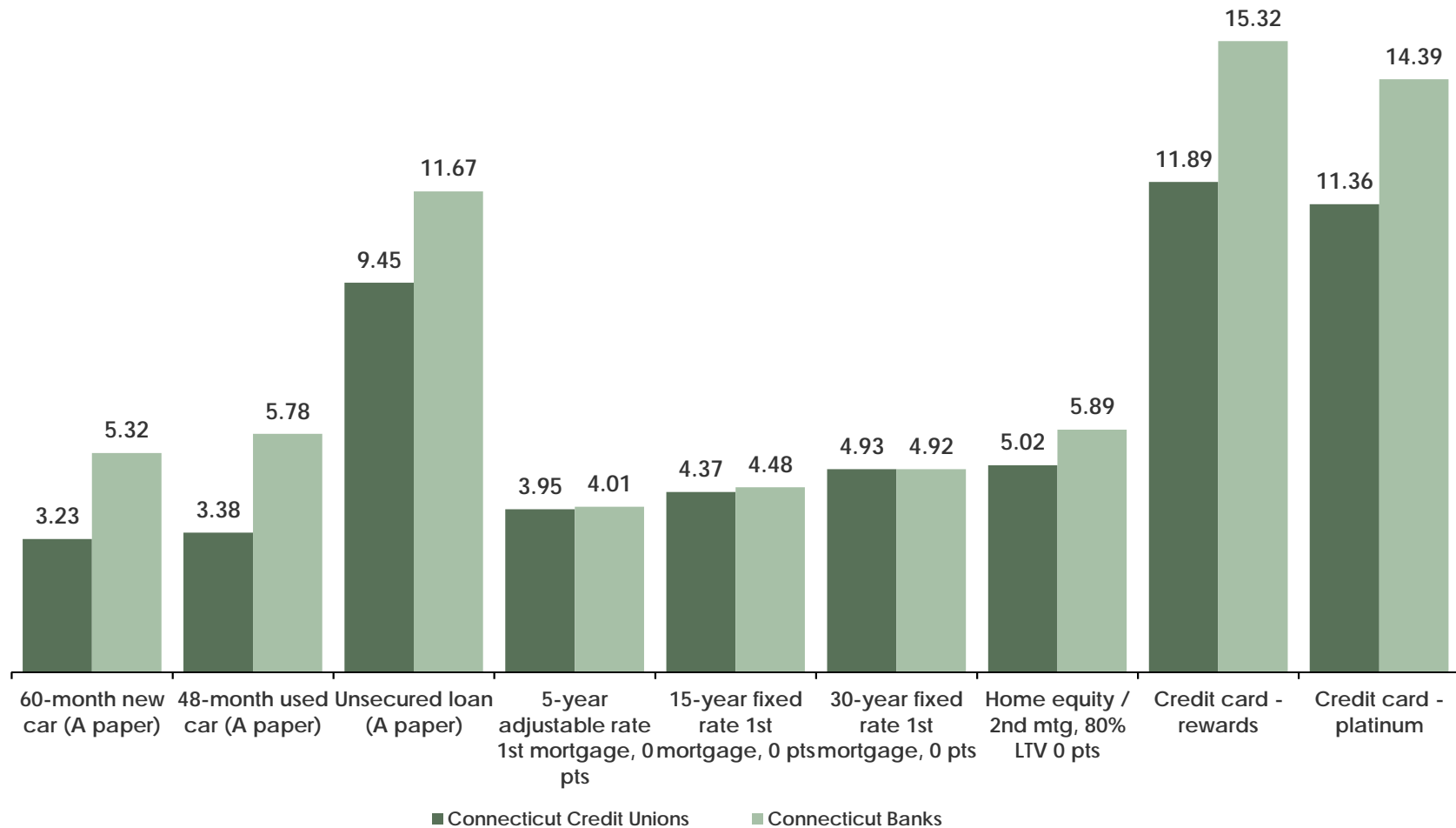
Connecticut credit unions excel in providing member benefits on many loan and savings products. In particular, Connecticut credit unions offer lower average loan rates on the following accounts: new car loans, used car loans, personal unsecured loans, first mortgage-fixed rate, first mortgage-adjustable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

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



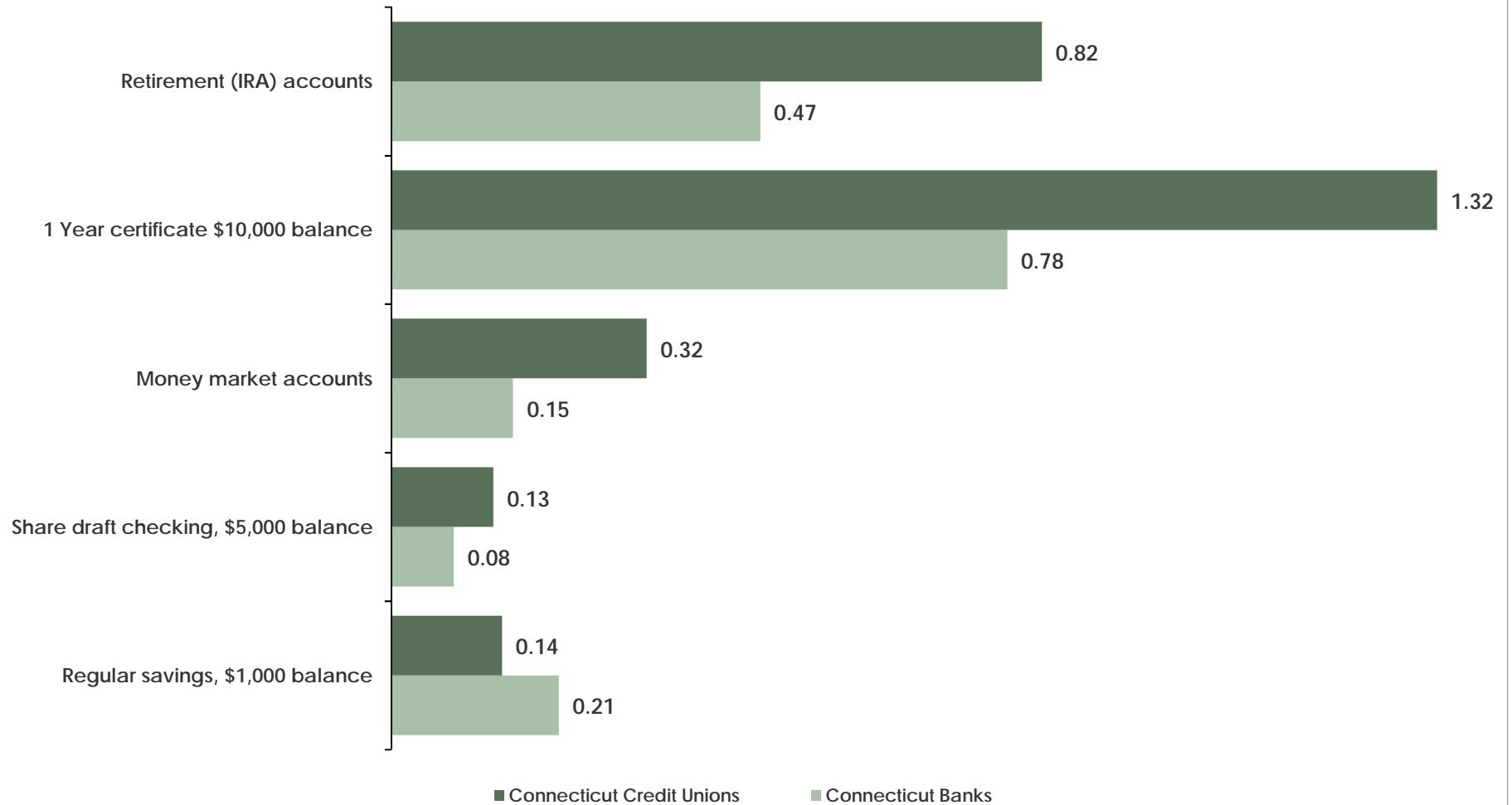
Loan Product Comparative Interest Rates (%)

by Loan Type



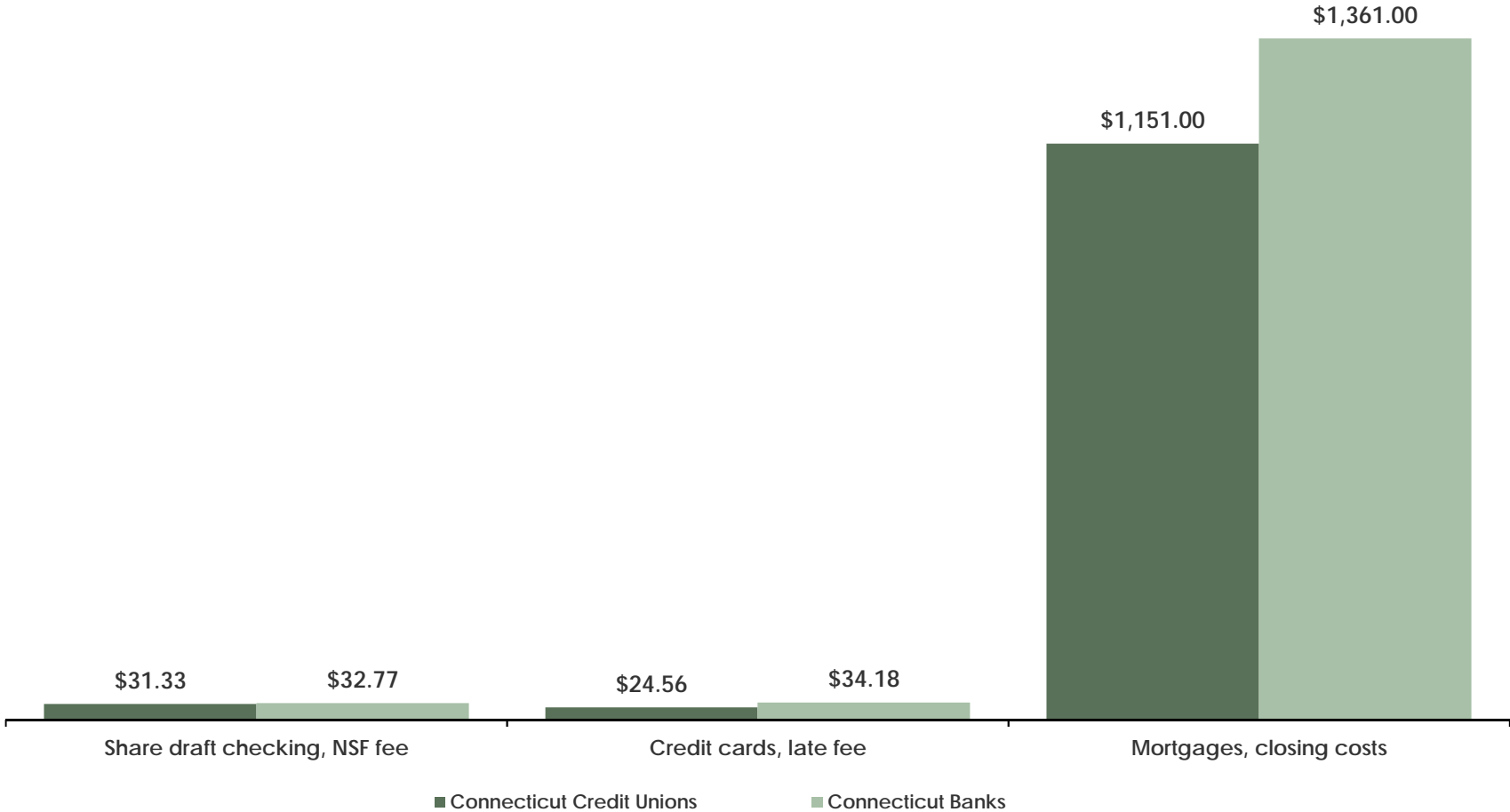
Savings Product Comparative Interest Rates (%)

by Savings Account Type



Comparative Fees

by Type



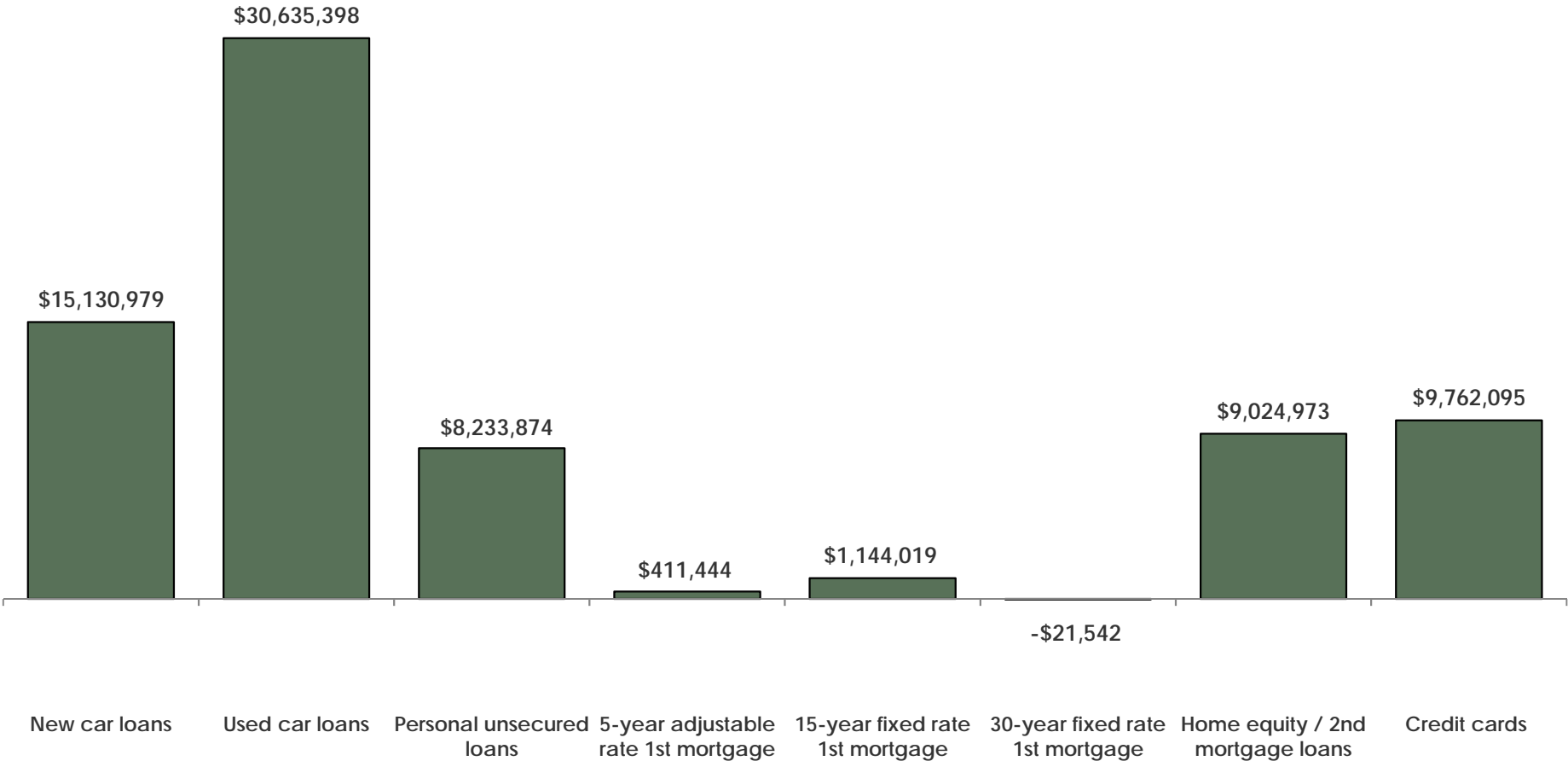
Connecticut Credit Union and Banking Institution December 2018 Average Interest Rates and Fees

Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	3.23	5.32	-2.09
48-month used car (A paper)	3.38	5.78	-2.40
Unsecured loan (A paper)	9.45	11.67	-2.22
5-year adjustable rate 1st mortgage, 0 pts	3.95	4.01	-0.07
15-year fixed rate 1st mortgage, 0 pts	4.37	4.48	-0.11
30-year fixed rate 1st mortgage, 0 pts	4.93	4.92	0.00
Home equity / 2nd mtg, 80% LTV 0 pts	5.02	5.89	-0.87
Credit card - rewards	11.89	15.32	-3.42
Credit card - platinum	11.36	14.39	-3.03
Savings Products			
Regular savings, \$1,000 balance	0.14	0.21	-0.07
Share draft checking, \$5,000 balance	0.13	0.08	0.05
Money market accounts	0.32	0.15	0.17
1 Year certificate \$10,000 balance	1.32	0.78	0.54
Retirement (IRA) accounts	0.82	0.47	0.36
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

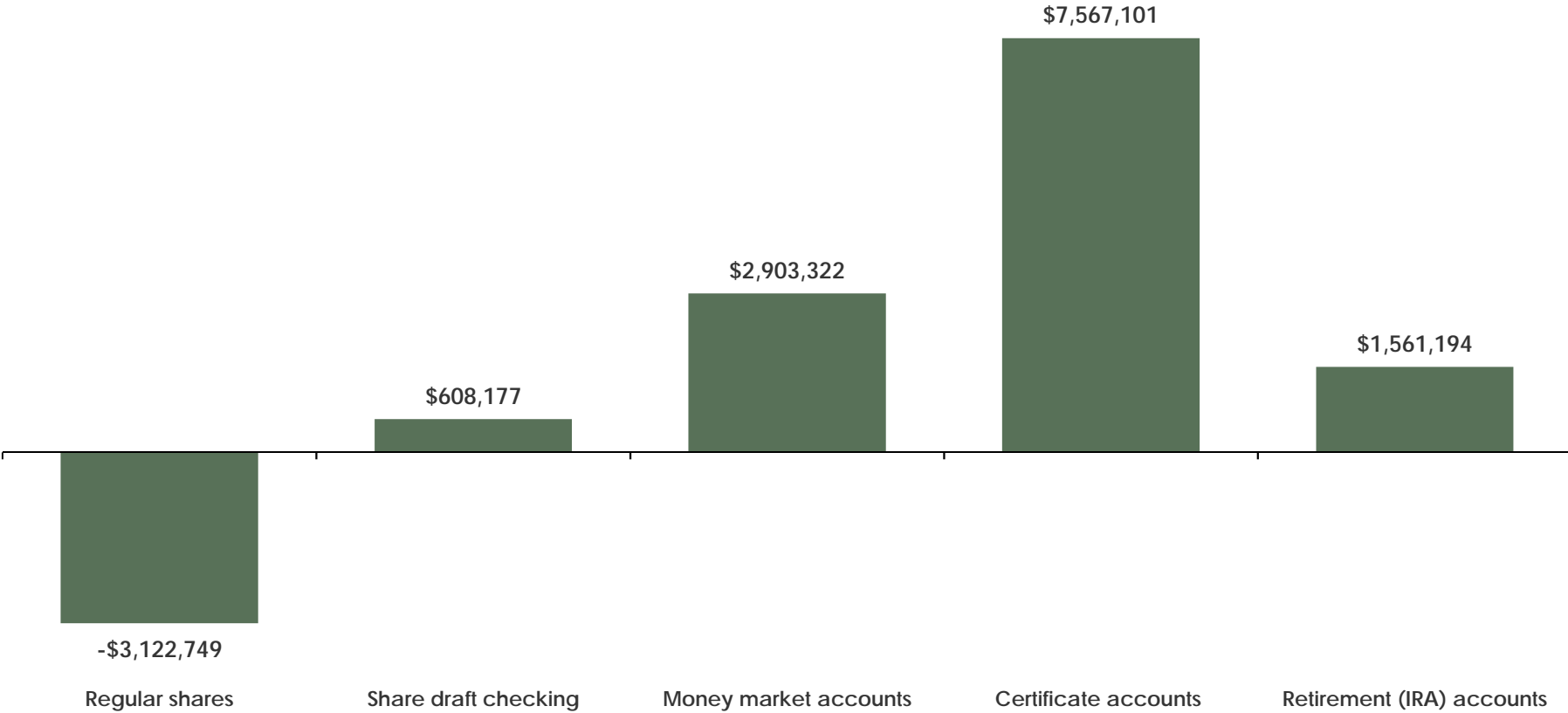
State Credit Union's Total Loan Rate Benefits

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 December 2018

Loans	Avg. Balance at Credit Unions (1)	Rate Difference vs. Connecticut Banks (%) (2)	Total Financial Benefit to Your Members
New car loans	725,706,443	-2.09	\$15,130,979
Used car loans	1,277,539,553	-2.40	\$30,635,398
Personal unsecured loans	370,561,372	-2.22	\$8,233,874
5-year adjustable rate 1st mortgage	623,399,666	-0.07	\$411,444
15-year fixed rate 1st mortgage	1,021,445,577	-0.11	\$1,144,019
30-year fixed rate 1st mortgage	1,077,098,574	0.00	-\$21,542
Home equity / 2nd mortgage loans	1,040,942,685	-0.87	\$9,024,973
Credit cards	293,574,760	-3.42	\$9,762,095
Interest rebates			\$383
Total CU member benefits arising from lower interest rates on loan products:			\$74,321,623
Savings			
Regular shares	4,337,151,933	-0.07	-\$3,122,749
Share draft checking	1,216,354,013	0.05	\$608,177
Money market accounts	1,717,941,941	0.17	\$2,903,322
Certificate accounts	1,393,572,927	0.54	\$7,567,101
Retirement (IRA) accounts	438,537,512	0.36	\$1,561,194
Bonus dividends in period			\$0
Total CU member benefit arising from higher interest rates on savings products:			\$9,517,044
Fee Income			
Total CU member benefit arising from fewer / lower fees:			\$6,750,117
Total CU member benefit arising from interest rates on loans, savings products and lower fees:			\$90,588,784
Total CU member benefit / member:			\$102
Total CU member benefit / member household:			\$215

Source: Datatrac, NCUA, and CUNA

(1) Average balance as of December 2018 and December 2017, according to the NCUA call report.; (2) Source for rates and fees: Datatrac;

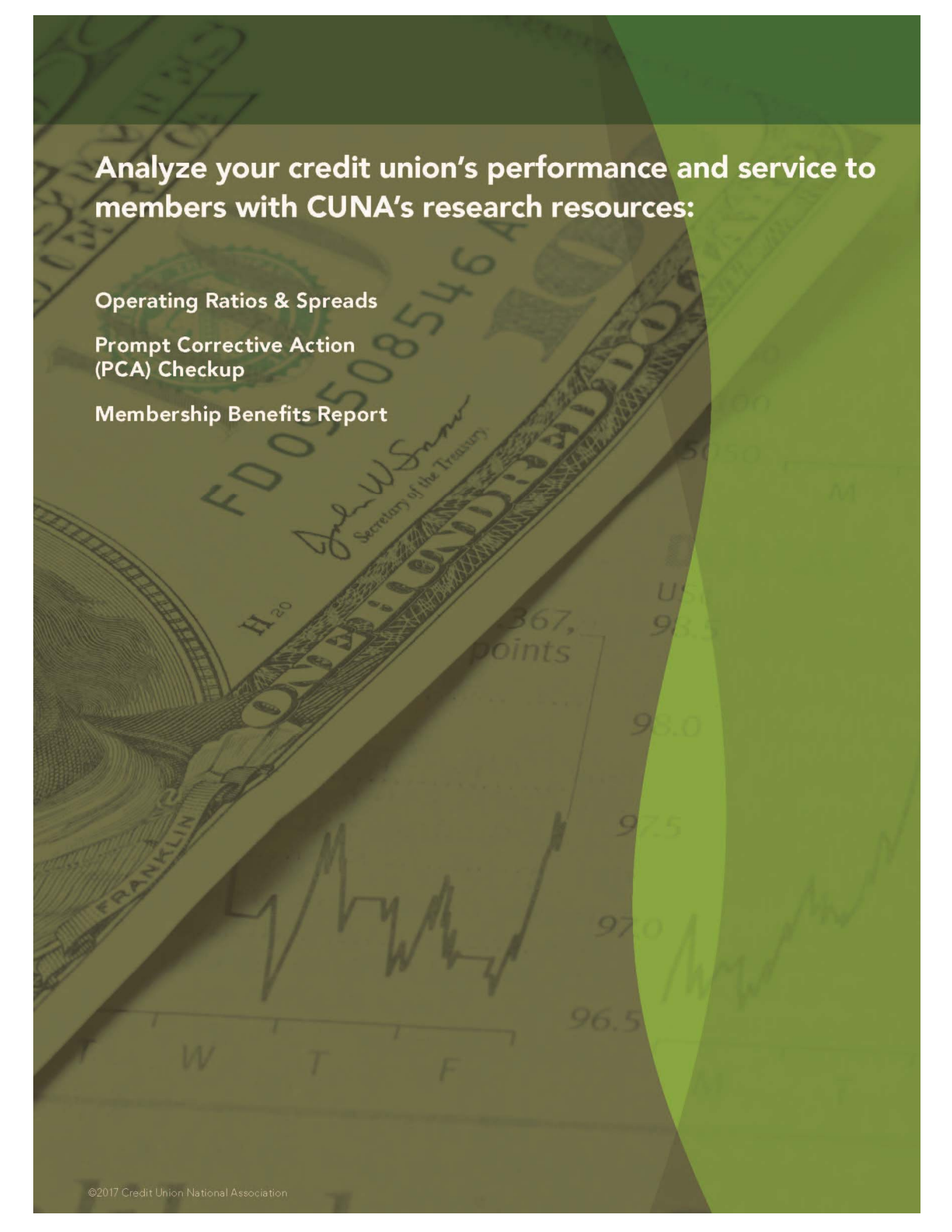
Membership Benefits Report

CUNA Economics and Statistics

Connecticut Credit Union Performance Profile

Demographic Information	Dec 18	Dec 17
Number of branches	265	265
Total assets (\$ mil)	10,813	10,380
Total loans (\$ mil)	6,844	6,340
Total surplus funds (\$ mil)	3,581	3,680
Total savings (\$ mil)	9,457	9,075
Total members (thousands)	905	875
Growth Rates (Trailing 12 months) *		
Total assets	4.6 %	4.1 %
Total loans	8.3 %	8.3 %
Total surplus funds	-2.2 %	-2.7 %
Total savings	4.7 %	3.4 %
Total members	4.3 %	2.1 %
Earnings - Basis Pts. *		
Yield on total assets	330	307
Dividend / interest cost of assets	59	43
Fee & other income	106	101
Operating expense	297	295
Loss Provisions	23	30
Net Income (ROA) after stabilization exp	57	40
Capital Adequacy		
Net worth / assets	10.3	10.1
Asset Quality *		
Delinquencies / loans	0.7	0.8
Net chargeoffs / average loans	0.4	0.4
Total borrower-bankruptcies	7	6
Bankruptcies per 1000 members	0.8	0.7
Asset/Liability Management		
Loans / savings	72.4	69.9
Loans / assets	63.3	61.1
Long-term assets / assets	33.7	34.3
Core deposits/shares & borrowings	58.5	59.7
Productivity		
Members / potential members	3.5	3.4
Borrowers / members	47.3	47.2
Members / FTE	439	437
Average shares / members (\$)	10,454	10,369
Average loan balances (\$)	15,978	15,361
Salary & Benefits / FTE	80,832	79,758

* 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.



Analyze your credit union's performance and service to members with CUNA's research resources:

Operating Ratios & Spreads

Prompt Corrective Action
(PCA) Checkup

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