

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 \$44,892,694 in direct financial benefits to the state's 374,824 members during the twelve months ending December 2018.

These benefits are equivalent to \$120 per member or \$252 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 \$248 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.

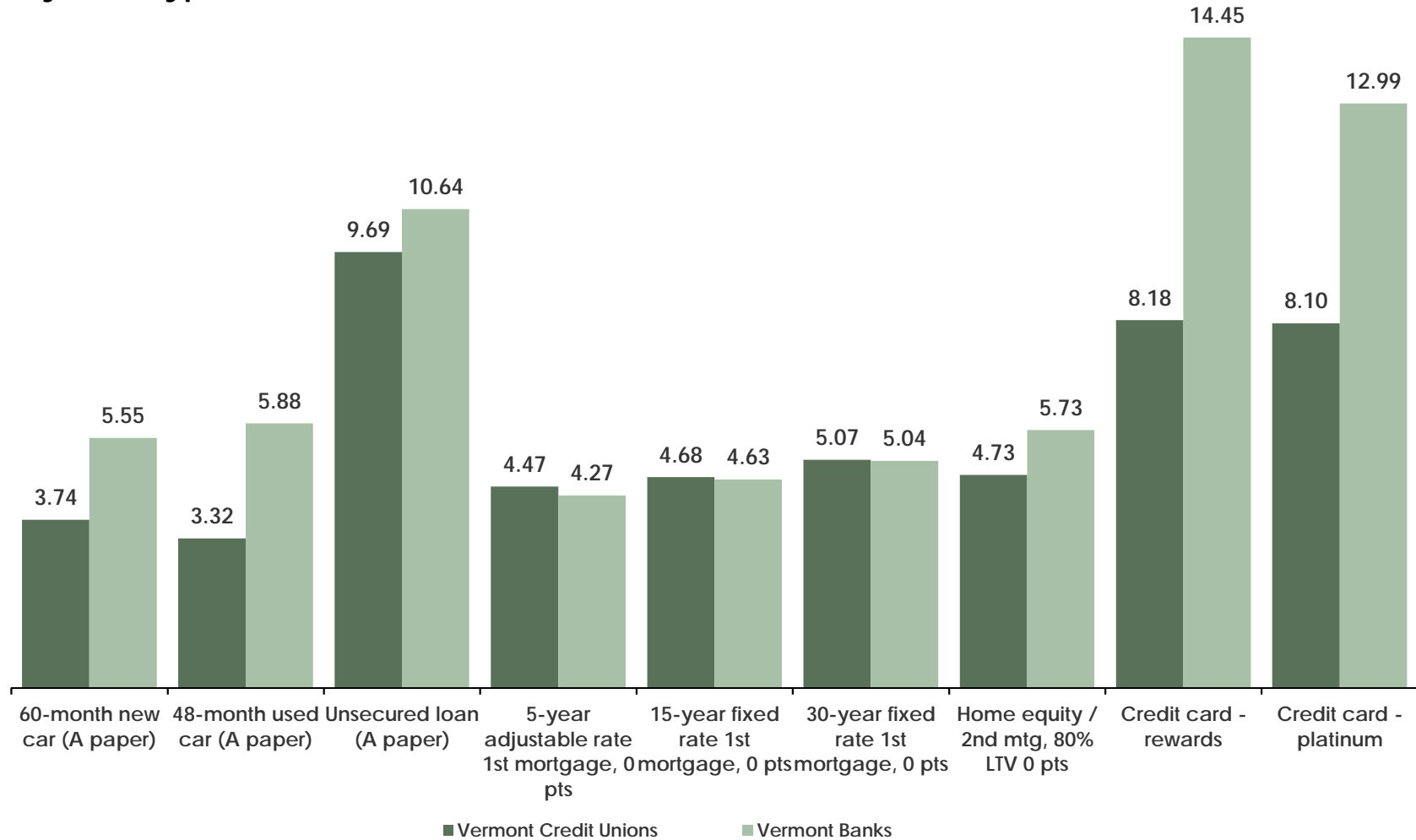
Vermont credit unions excel in providing member benefits on many loan and savings products. In particular, Vermont credit unions offer lower average loan rates on the following accounts: new car loans, used car loans, personal unsecured loans, home equity loans, credit cards loans.

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



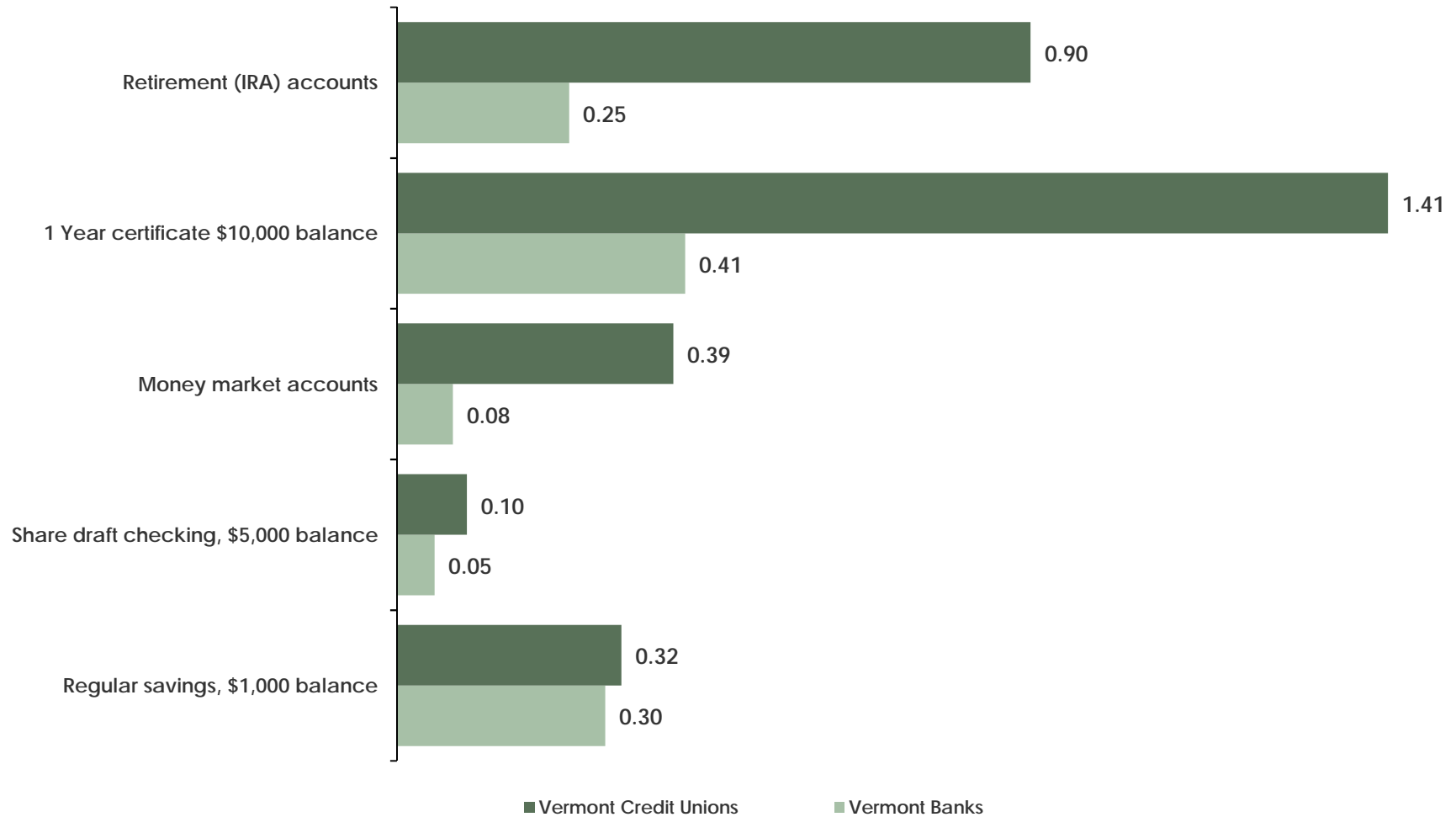
Loan Product Comparative Interest Rates (%)

by Loan Type



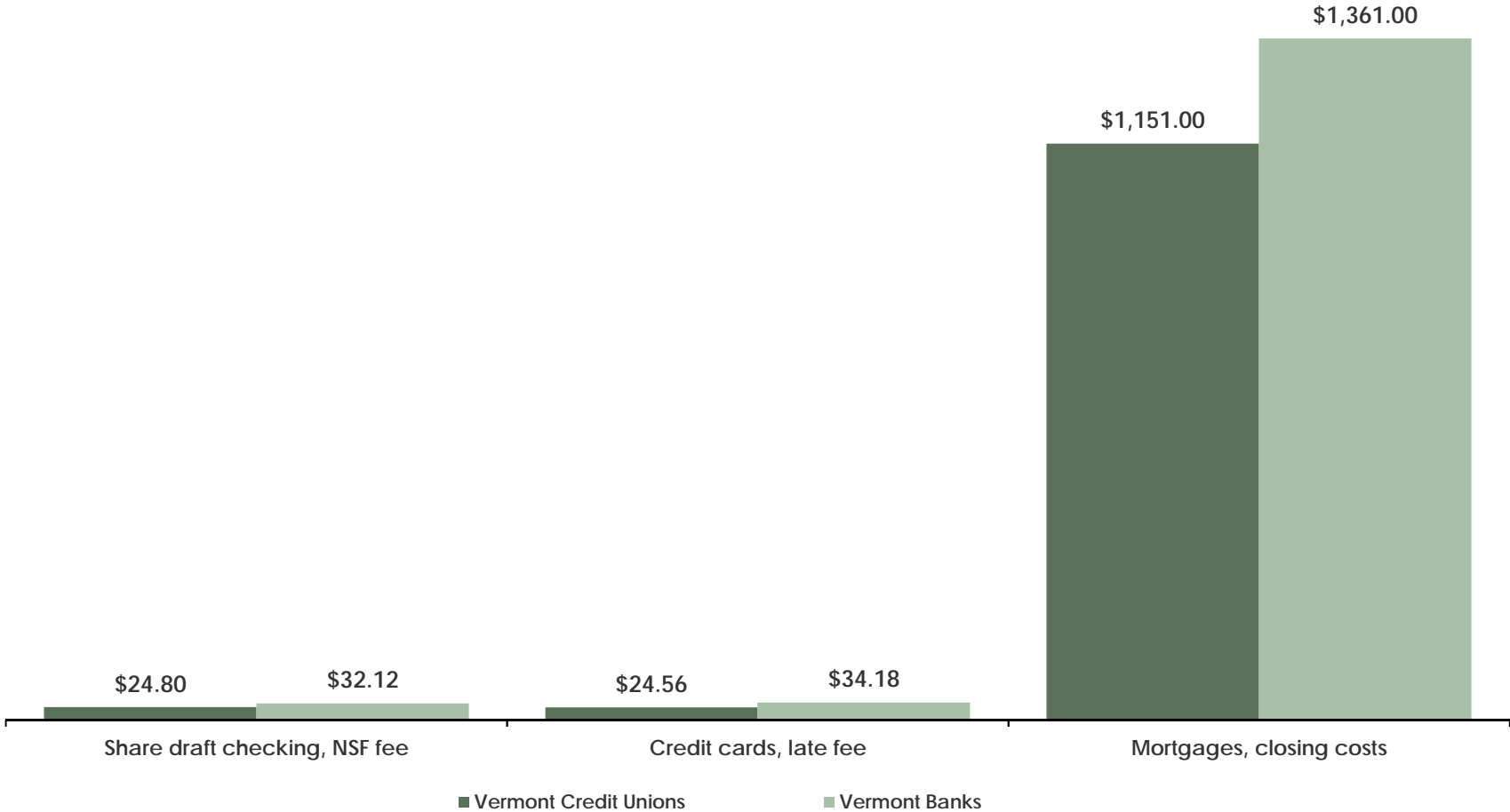
Savings Product Comparative Interest Rates (%)

by Savings Account Type



Comparative Fees

by Type



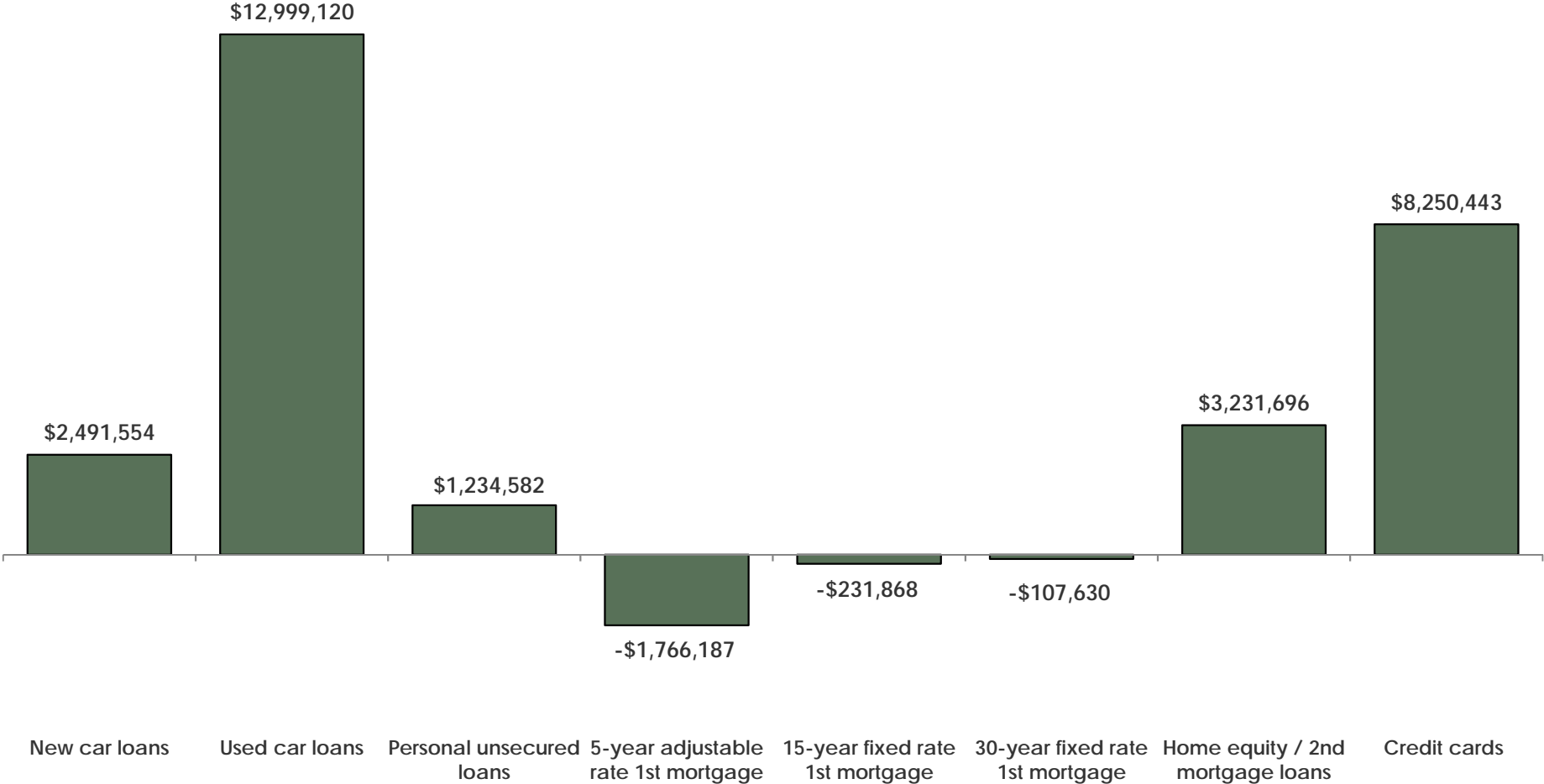
Vermont Credit Union and Banking Institution December 2018 Average Interest Rates and Fees

Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	3.74	5.55	-1.81
48-month used car (A paper)	3.32	5.88	-2.56
Unsecured loan (A paper)	9.69	10.64	-0.96
5-year adjustable rate 1st mortgage, 0 pts	4.47	4.27	0.20
15-year fixed rate 1st mortgage, 0 pts	4.68	4.63	0.05
30-year fixed rate 1st mortgage, 0 pts	5.07	5.04	0.02
Home equity / 2nd mtg, 80% LTV 0 pts	4.73	5.73	-1.00
Credit card - rewards	8.18	14.45	-6.28
Credit card - platinum	8.10	12.99	-4.89
Savings Products			
Regular savings, \$1,000 balance	0.32	0.30	0.02
Share draft checking, \$5,000 balance	0.10	0.05	0.05
Money market accounts	0.39	0.08	0.31
1 Year certificate \$10,000 balance	1.41	0.41	1.00
Retirement (IRA) accounts	0.90	0.25	0.66
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

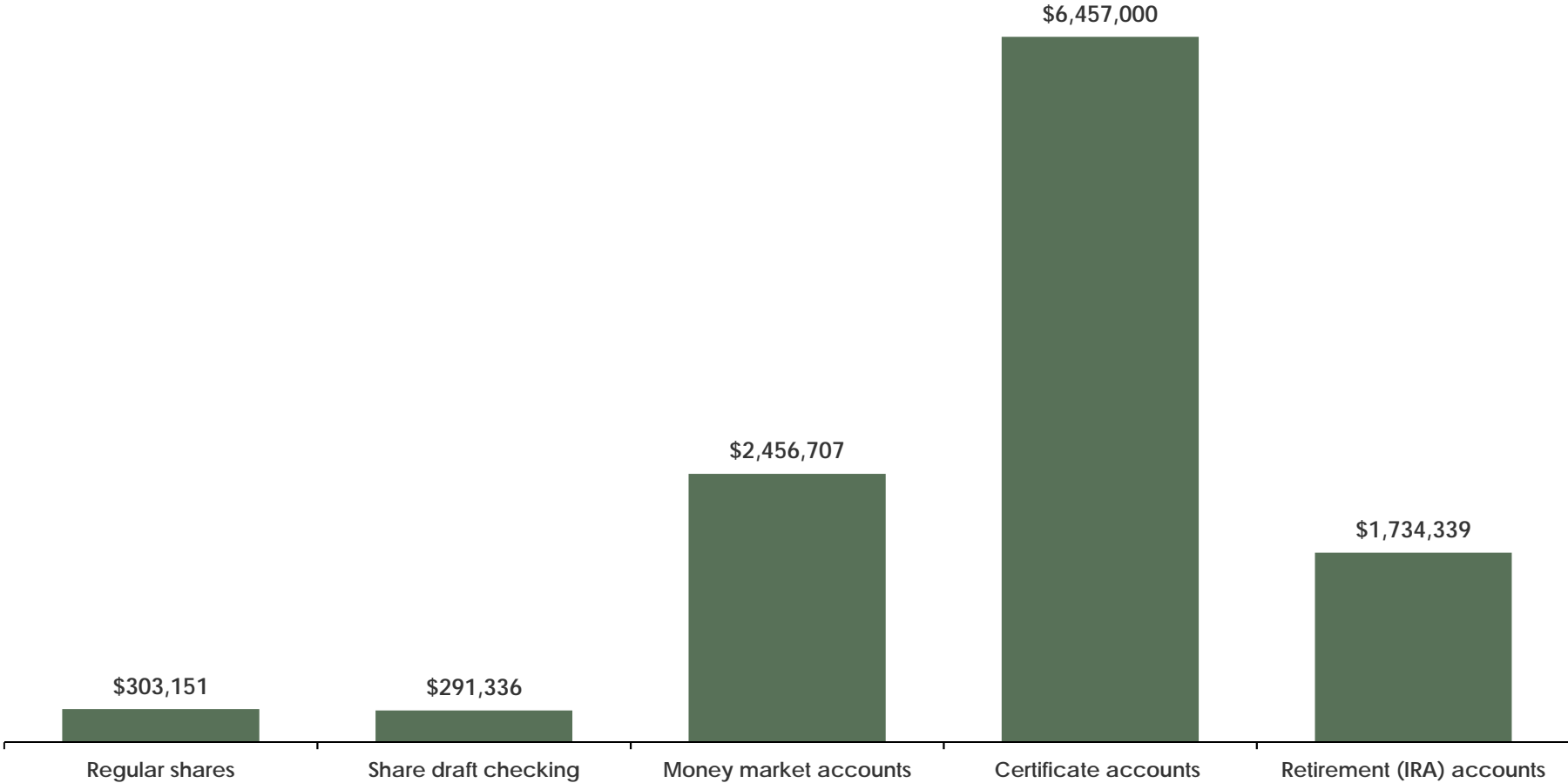
State Credit Union's Total Loan Rate Benefits

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 December 2018

Loans	Avg. Balance at Credit Unions (1)	Rate Difference vs. Vermont Banks (%) (2)	Total Financial Benefit to Your Members
New car loans	137,351,401	-1.81	\$2,491,554
Used car loans	507,976,558	-2.56	\$12,999,120
Personal unsecured loans	129,005,460	-0.96	\$1,234,582
5-year adjustable rate 1st mortgage	883,093,688	0.20	-\$1,766,187
15-year fixed rate 1st mortgage	473,200,507	0.05	-\$231,868
30-year fixed rate 1st mortgage	489,226,041	0.02	-\$107,630
Home equity / 2nd mortgage loans	322,524,549	-1.00	\$3,231,696
Credit cards	139,124,714	-6.28	\$8,250,443
Interest rebates			\$0
Total CU member benefits arising from lower interest rates on loan products:			\$26,101,711
Savings			
Regular shares	1,318,047,507	0.02	\$303,151
Share draft checking	633,338,087	0.05	\$291,336
Money market accounts	782,390,768	0.31	\$2,456,707
Certificate accounts	645,054,922	1.00	\$6,457,000
Retirement (IRA) accounts	263,777,781	0.66	\$1,734,339
Bonus dividends in period			\$0
Total CU member benefit arising from higher interest rates on savings products:			\$11,242,532
Fee Income			
Total CU member benefit arising from fewer / lower fees:			\$7,548,451
Total CU member benefit arising from interest rates on loans, savings products and lower fees:			\$44,892,694
Total CU member benefit / member:			\$120
Total CU member benefit / member household:			\$252

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;

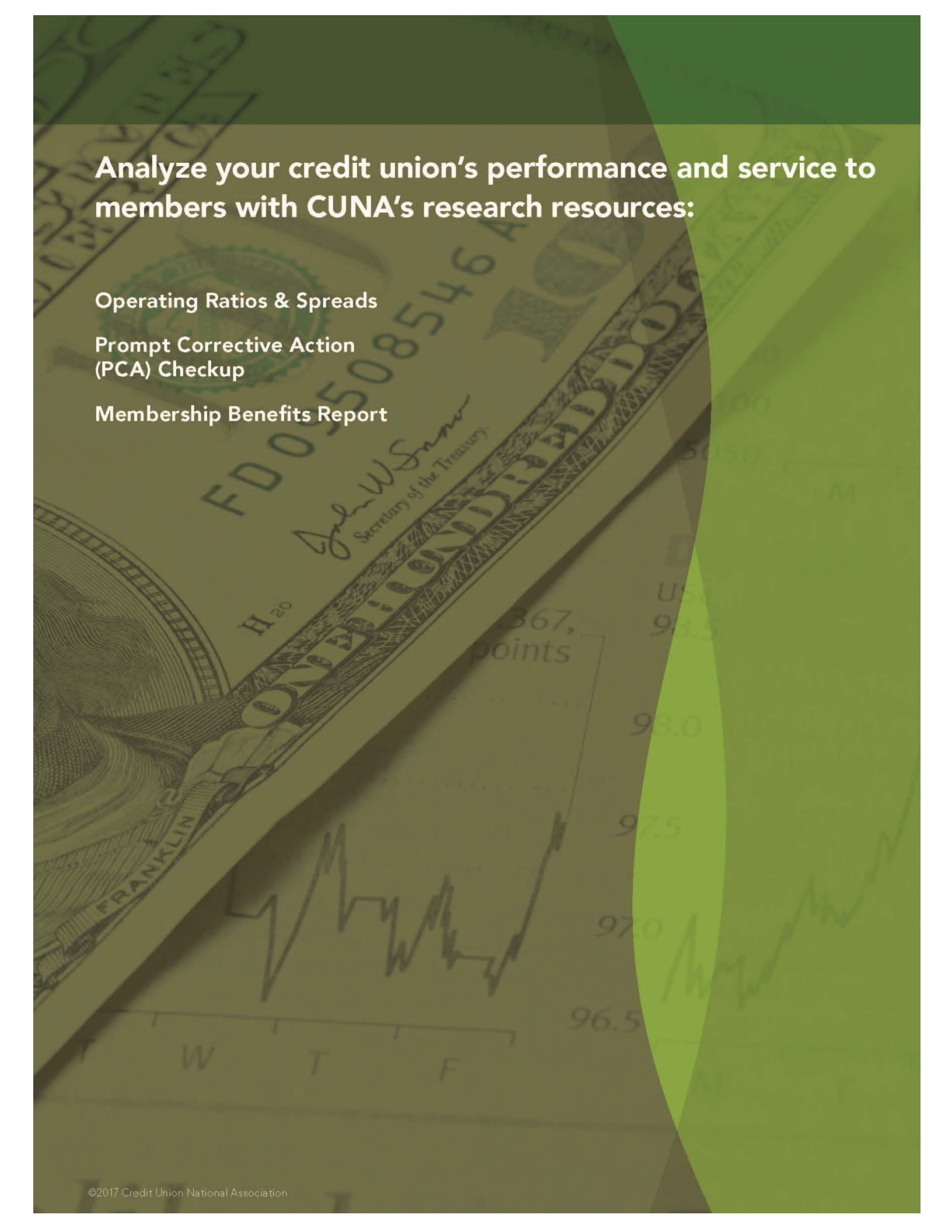
Membership Benefits Report

CUNA Economics and Statistics

Vermont Credit Union Performance Profile

Demographic Information	Dec 18	Dec 17
Number of branches	84	80
Total assets (\$ mil)	4,385	4,191
Total loans (\$ mil)	3,440	3,247
Total surplus funds (\$ mil)	740	765
Total savings (\$ mil)	3,778	3,632
Total members (thousands)	382	368
Growth Rates (Trailing 12 months) *		
Total assets	4.6 %	7.0 %
Total loans	5.9 %	11.1 %
Total surplus funds	-3.2 %	-7.2 %
Total savings	4.0 %	6.3 %
Total members	3.9 %	5.4 %
Earnings - Basis Pts. *		
Yield on total assets	396	369
Dividend / interest cost of assets	64	51
Fee & other income	155	147
Operating expense	377	370
Loss Provisions	30	25
Net Income (ROA) after stabilization exp	81	70
Capital Adequacy		
Net worth / assets	10.7	10.4
Asset Quality *		
Delinquencies / loans	0.8	0.9
Net chargeoffs / average loans	0.3	0.3
Total borrower-bankruptcies	14	13
Bankruptcies per 1000 members	0.7	0.6
Asset/Liability Management		
Loans / savings	91.1	89.4
Loans / assets	78.4	77.5
Long-term assets / assets	38.5	38.0
Core deposits/shares & borrowings	51.4	51.9
Productivity		
Members / potential members	5.2	5.3
Borrowers / members	57.6	56.2
Members / FTE	337	334
Average shares / members (\$)	9,890	9,880
Average loan balances (\$)	15,632	15,710
Salary & Benefits / FTE	74,096	71,831

* 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

Membership Benefits Report