The Benefits of Membership

Customized Analysis of Member Benefits For:

Delaware

March 2015

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AMERICA'S CREDIT UNIONS™

Delaware

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 Delaware credit unions provided $14,814,386 in direct financial benefits to the state's 220,529 members during the twelve months ending March 2015.

These benefits are equivalent to $67 per member or $128 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 Delaware 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 Delaware credit unions.

Consider this:

Financing a $25,000 new automobile for 60 months at a Delaware credit union will save members an average $217 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.

Delaware credit unions excel in providing member benefits on many loan and savings products. In particular, Delaware 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.

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

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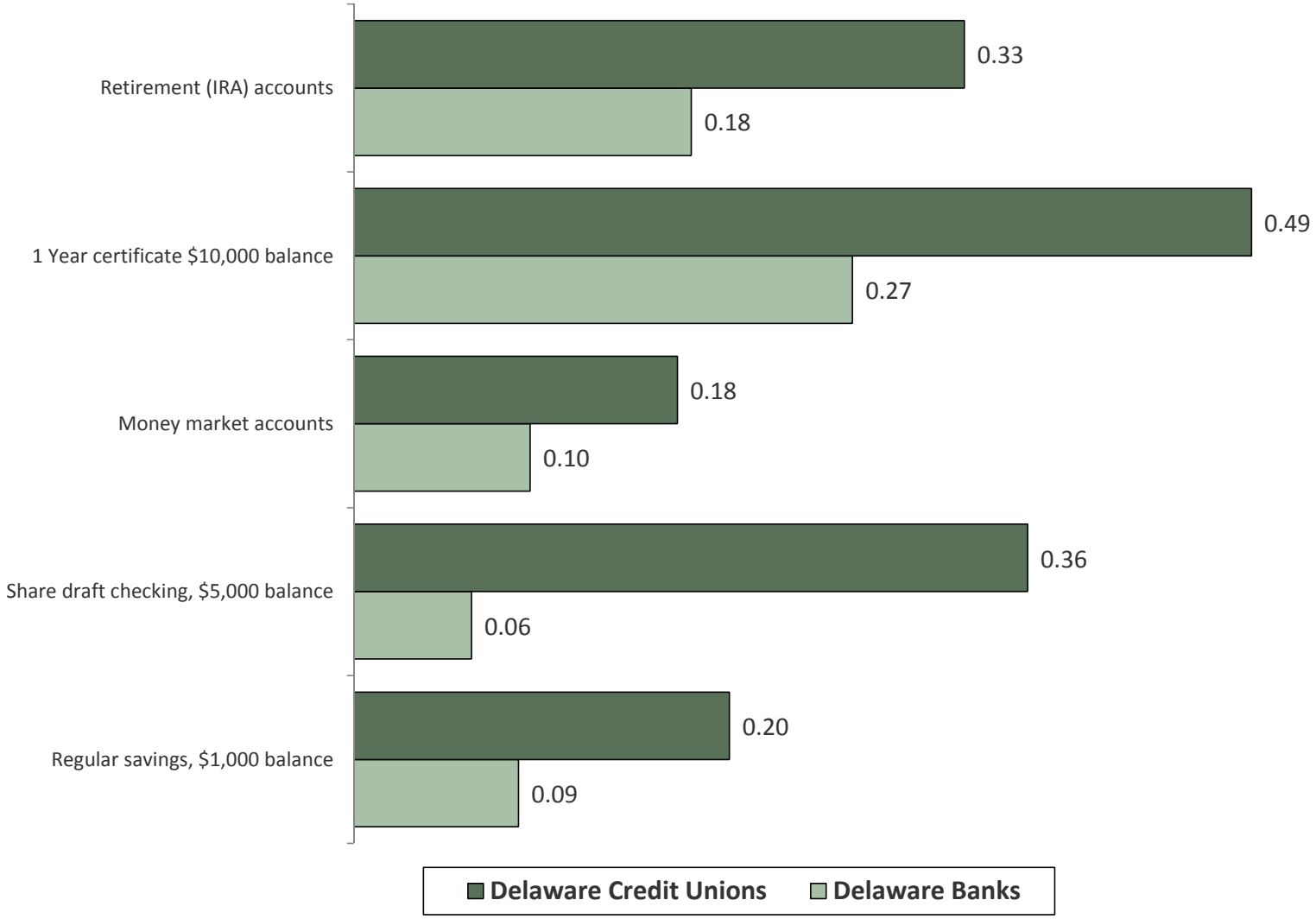
Source: Informa Research Services, NCUA, and CUNA.
(1)Assumes 1.9 credit union members per household.

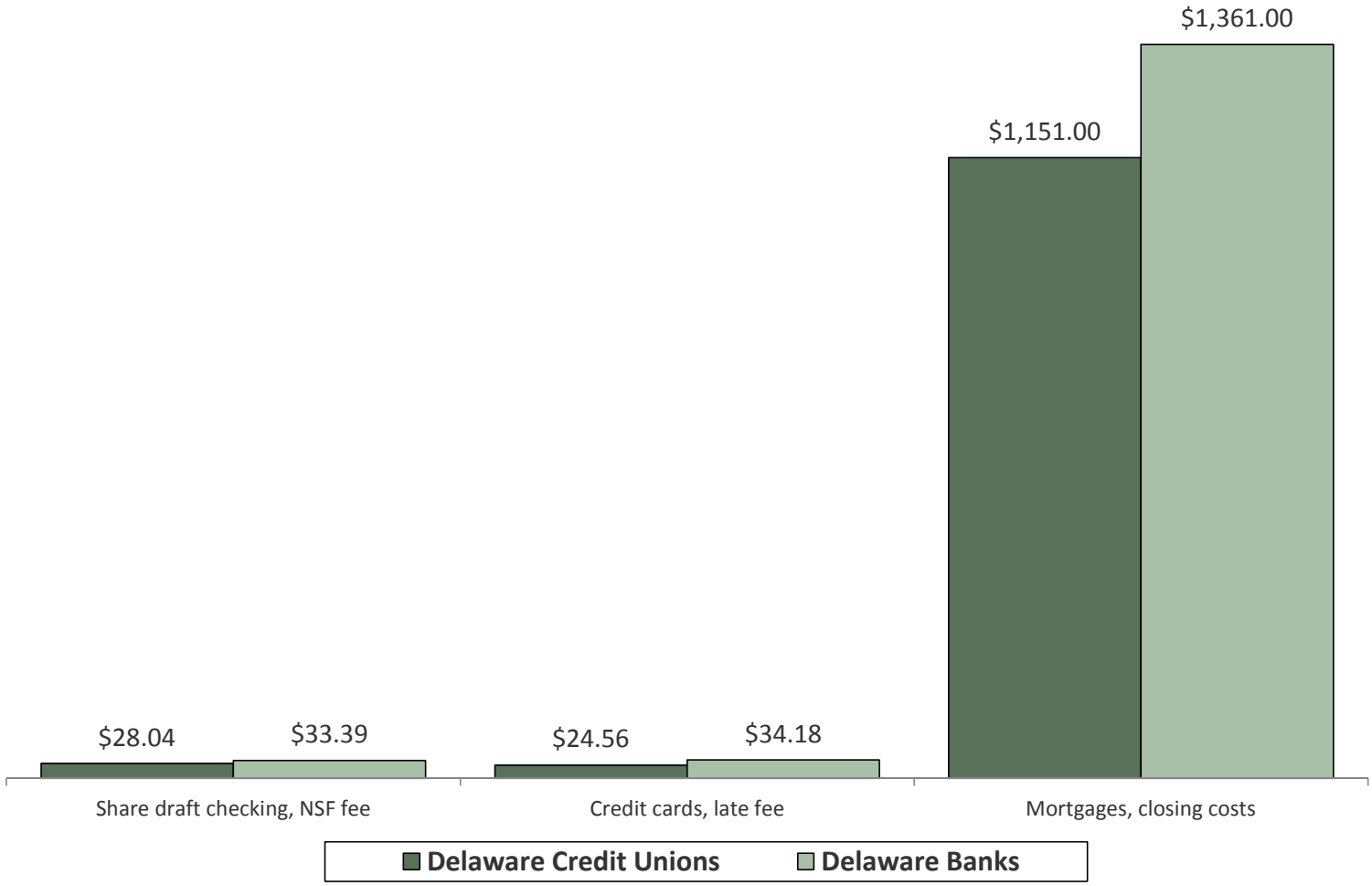
Savings Products Comparative Interest Rates(%)

By Savings Account Type



Comparative Fees

By Type



Delaware

Credit Union and Banking Institution

First-Quarter 2015 Average Interest Rates and Fees

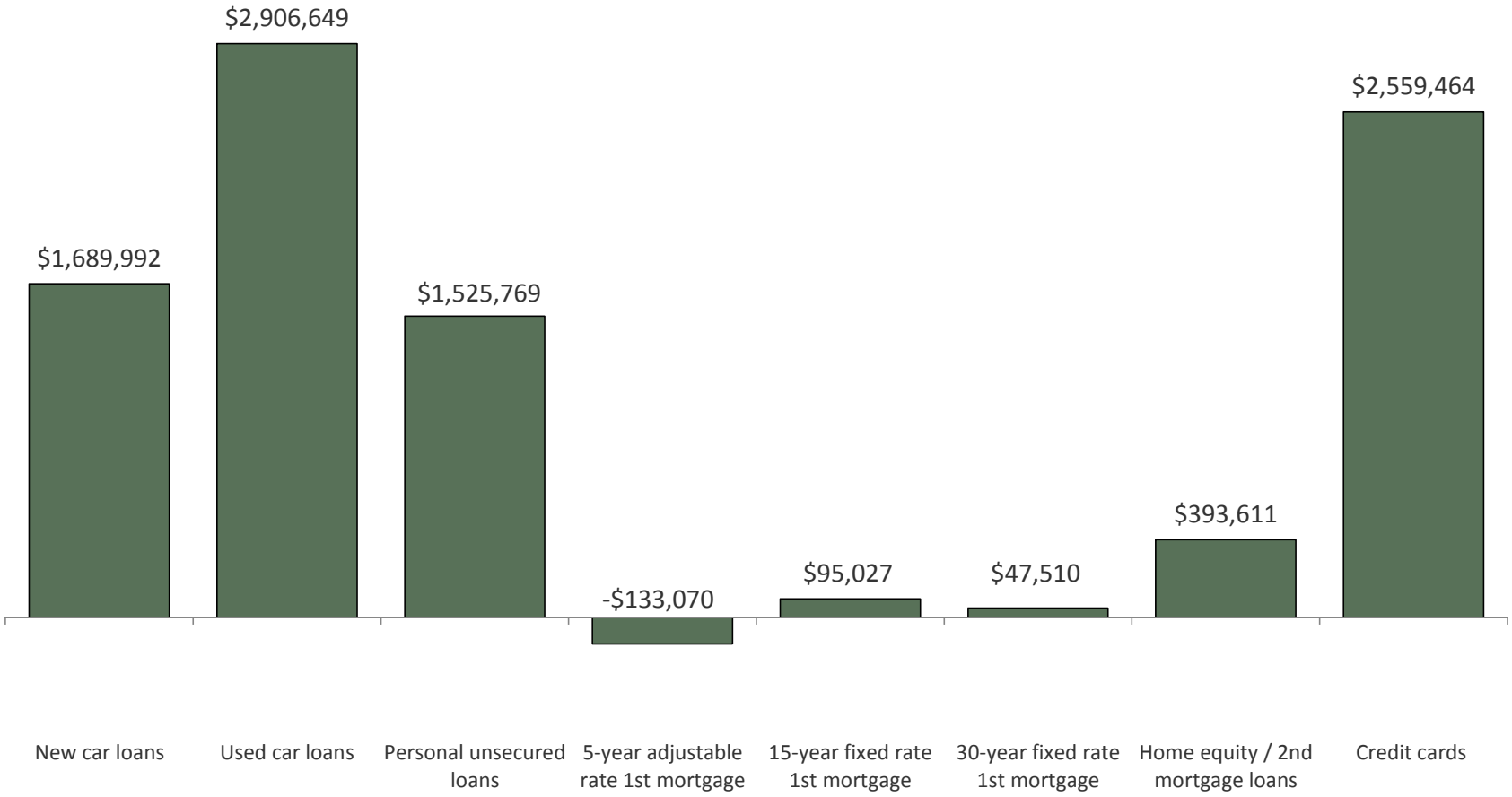
Loan Products	***Average Rate at Credit Unions (%)***	***Average Rate at Banks (%)***	***Rate Difference vs. Banks (%)***
60-month new car (A paper)	2.12	3.75	-1.63
48-month used car (A paper)	2.61	4.20	-1.60
Unsecured loan (A paper)	9.99	11.65	-1.66
5-year adjustable rate 1st mortgage, 0 pts	3.05	2.92	0.13
15-year fixed rate 1st mortgage, 0 pts	3.05	3.15	-0.10
30-year fixed rate 1st mortgage, 0 pts	3.72	3.77	-0.05
Home equity / 2nd mtg, 80% LTV 0 pts	4.16	4.43	-0.27
Credit card - classic	11.81	15.77	-3.96
Credit card - gold	10.51	14.46	-3.95
Savings Products			
Regular savings, $1,000 balance	0.20	0.09	0.11
Share draft checking, $5,000 balance	0.36	0.06	0.30
Money market accounts	0.18	0.10	0.08
1 Year certificate $10,000 balance	0.49	0.27	0.22
Retirement (IRA) accounts	0.33	0.18	0.15
Fee Income			
Share draft checking, NSF fee	$28.04	$33.39	-$5.35
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 Unions' Total Loan Rate Benefits

Compared to State Banking Institutions

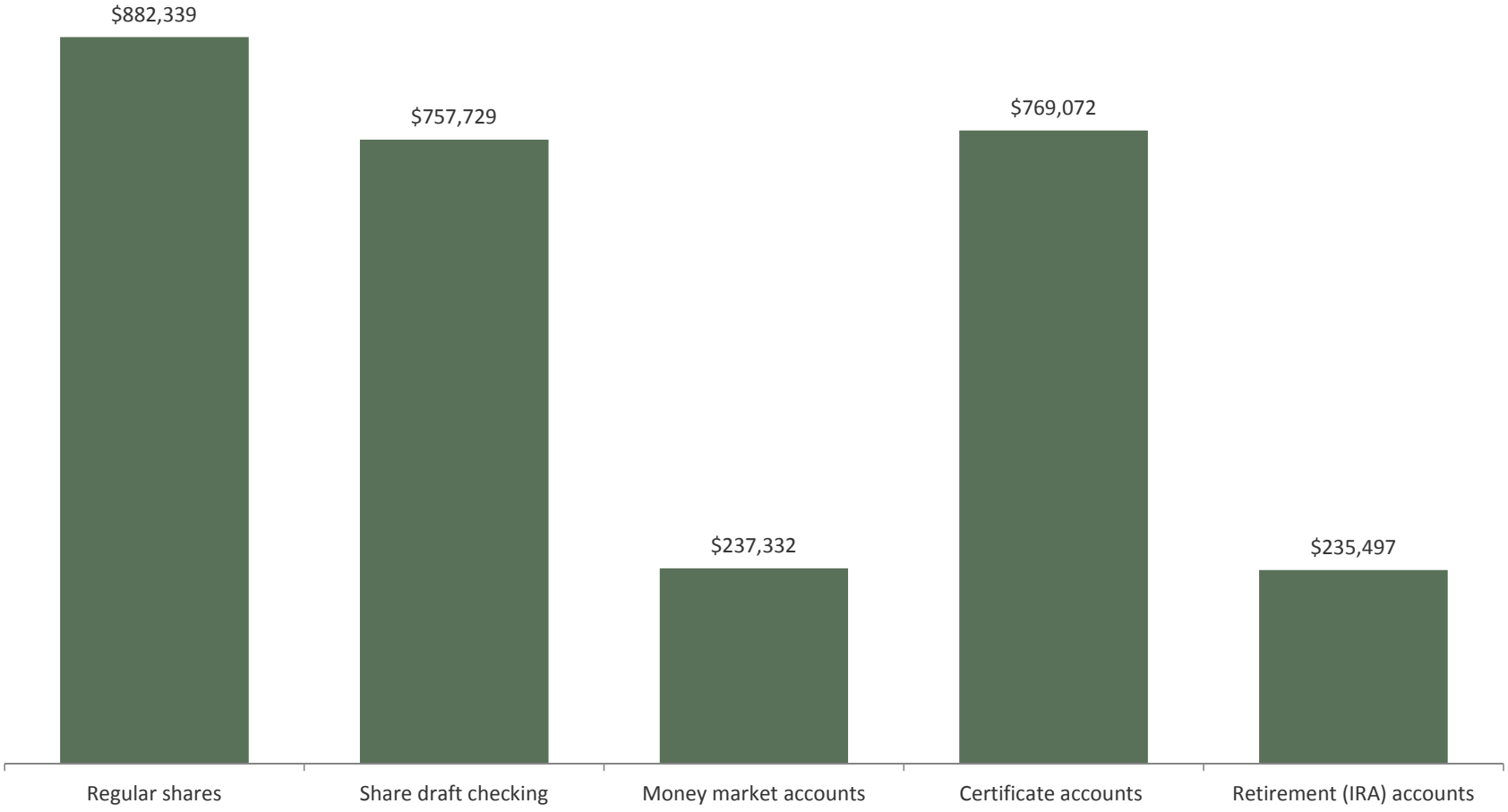
by Loan Type



State Credit Unions' Total Savings Dividend Benefits

Compared to State Banking Institutions

by Account Type



Estimated Financial Benefits for Delaware Credit Unions

First-Quarter 2015

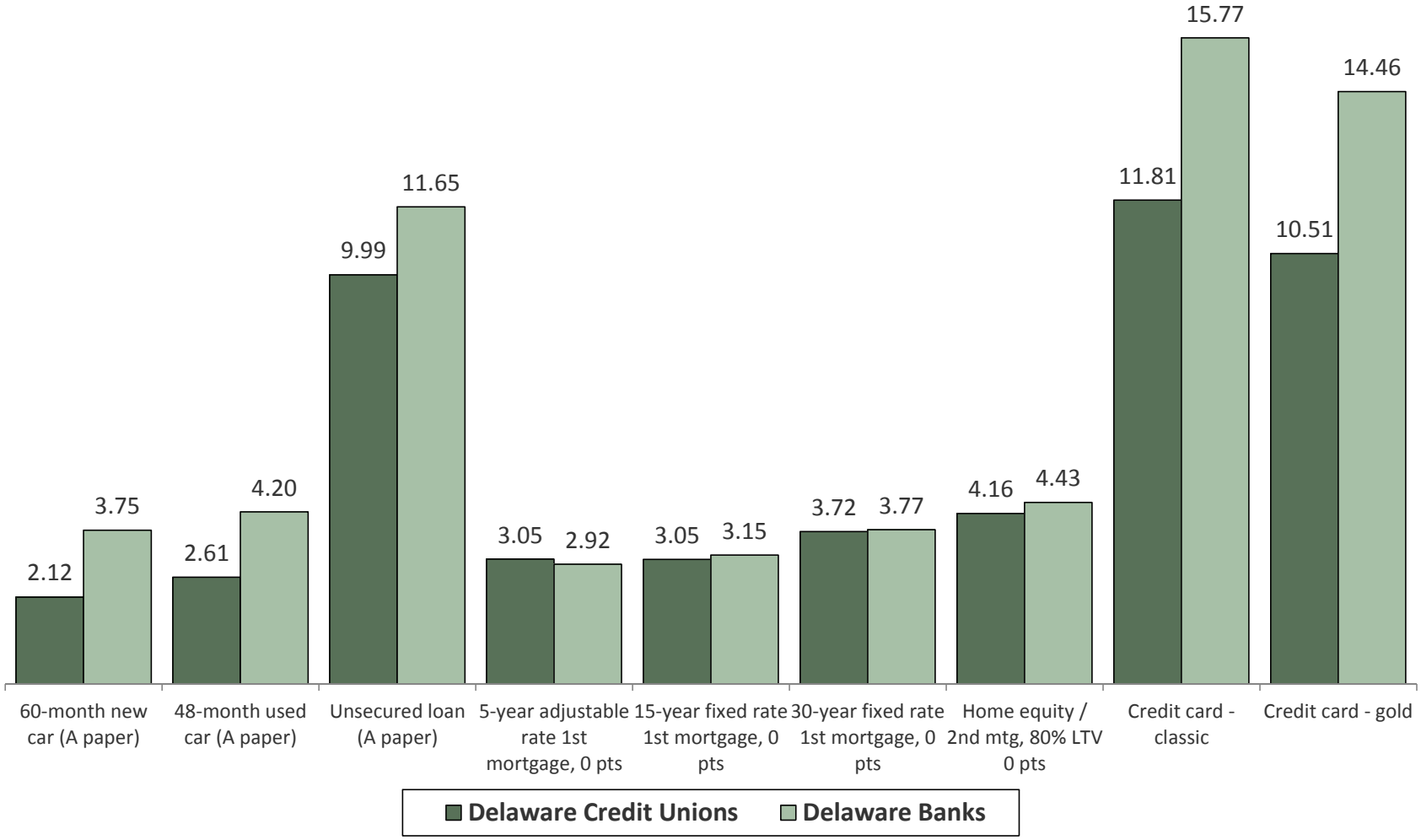
Loans	Avg. Balance at Credit Unions (1)	Rate Difference vs. Delaware Banks (%) (2)	Total Financial Benefit to Your Members
New car loans	103,680,484	-1.63	$1,689,992
Used car loans	182,235,024	-1.60	$2,906,649
Personal unsecured loans	92,191,457	-1.66	$1,525,769
5-year adjustable rate 1st mortgage	103,960,884	0.13	-$133,070
15-year fixed rate 1st mortgage	93,163,897	-0.10	$95,027
30-year fixed rate 1st mortgage	101,084,830	-0.05	$47,510
Home equity / 2nd mortgage loans	147,419,698	-0.27	$393,611
Credit cards	64,673,765	-3.96	$2,559,464
Interest rebates in period			$0
Total CU member benefits arising from lower interest rates on loan products:			$9,084,951
Savings			
Regular shares	771,916,300	0.11	$882,339
Share draft checking	251,622,941	0.30	$757,729
Money market accounts	297,673,186	0.08	$237,332
Certificate accounts	355,885,762	0.22	$769,072
Retirement (IRA) accounts	159,211,217	0.15	$235,497
Bonus dividends in period			$0
Total CU member benefit arising from higher interest rates on savings products:			$2,881,969
Fee Income			
Total CU member benefit arising from fewer / lower fees:			$2,847,466
Total CU member benefit arising from interest rates on loans, savings products and lower fees:			$14,814,386
Total CU member benefit / member:			$67
Total CU member benefit / member household:			$128

Source: Informa Research Services, NCUA, and CUNA

(1) Average balance as of first-quarter 2015 and first-quarter 2014, according to the NCUA call report.; (2) Source for rates and fees: Informa Research Services;

Loan Product Comparative Interest Rates (%)

By Loan Type



Delaware
Performance Profile

Demographic Information	Mar 15	Mar 14
Number of branches	66	66
Total assets ($ mil)	2,098	2,074
Total loans ($ mil)	983	874
Total surplus funds ($ mil)	1,020	1,105
Total savings ($ mil)	1,873	1,862
Total members (thousands)	224	221
Growth Rates (Trailing 12 months) *		
Total assets	2.4 %	1.5 %
Total loans	13.0 %	7.7 %
Total surplus funds	-6.0 %	-3.0 %
Total savings	1.9 %	2.3 %
Total members	3.1 %	4.2 %
Earnings - Basis Pts. *		
Yield on total assets	319	321
Dividend / interest cost of assets	39	43
Fee & other income	117	117
Operating expense	325	315
Loss Provisions	31	29
Net Income (ROA) after stabilization exp	42	50
Capital adequacy		
Net worth / assets	10.6	10.3
Asset quality *		
Delinquencies / loans	1.3	1.6
Net chargeoffs / average loans	0.5	1.0
Total borrower-bankruptcies	9	5
Bankruptcies per 1000 members	1.0	0.5
Asset/Liability Management		
Loans / savings	52.5	46.9
Loans / assets	46.8	42.2
Long-term assets / assets	33.2	43.5
Core deposits/shares & borrowings	56.7	53.7
Productivity		
Members / potential members	11.2	9.9
Borrowers / members	44.6	38.2
Members / FTE	437	430
Average shares / members ($)	8,366	8,440
Average loan balances ($)	9,830	10,360
Salary & Benefits / FTE	58,587	56,745

*** 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.**