

CUNA Delaware
**MEMBERSHIP BENEFITS
REPORT**



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 \$16,769,329 in direct financial benefits to the state's 239,983 members during the twelve months ending June 2017.

These benefits are equivalent to \$70 per member or \$133 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 \$118 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.

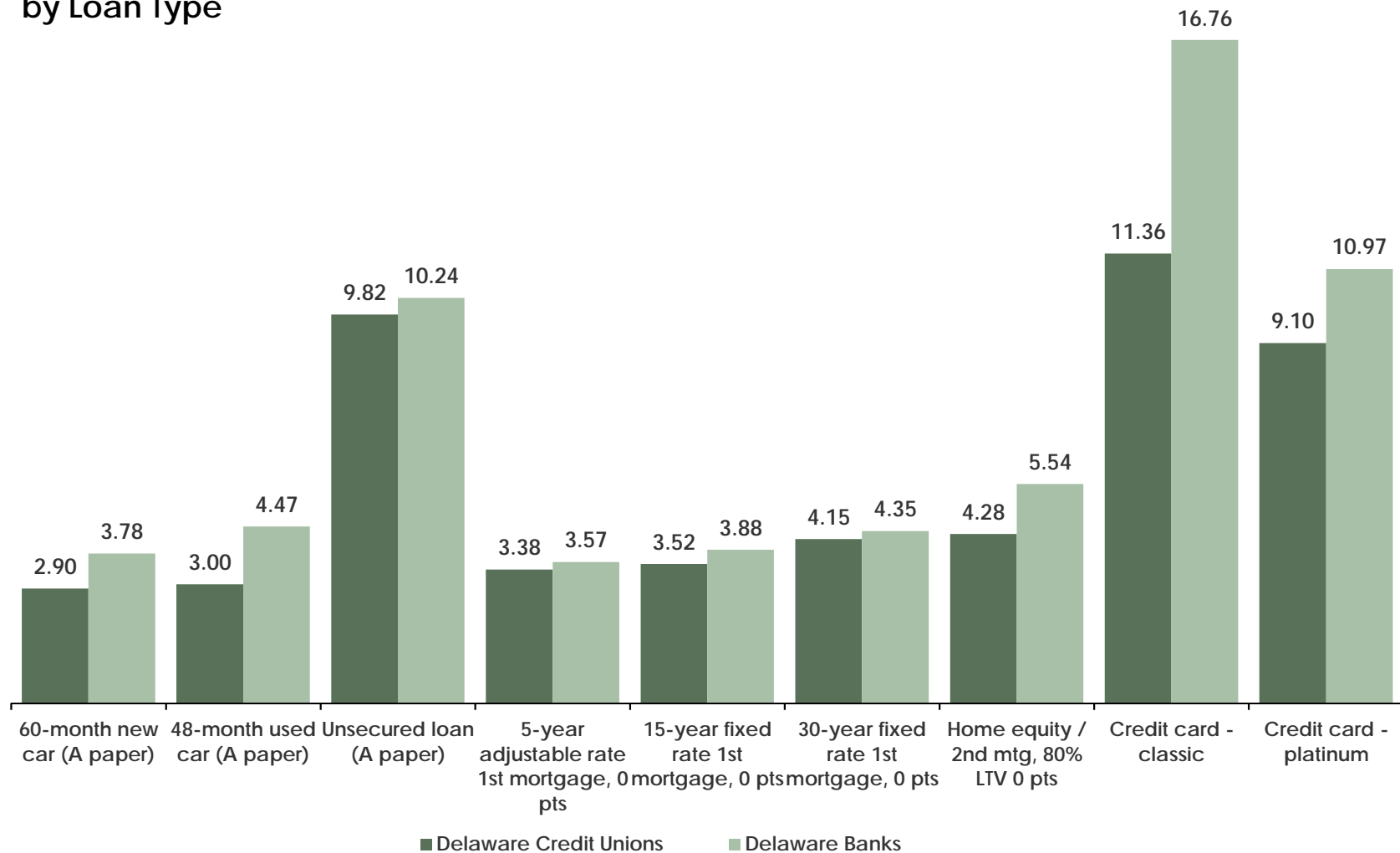
Delaware credit unions excel in providing member benefits on many loan and savings products. In particular, Delaware credit unions offer lower average loan rates on the following accounts: new car loans, used car loans, personal unsecured loans, first mortgage-fixed rate, **first mortgage-adjustable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

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



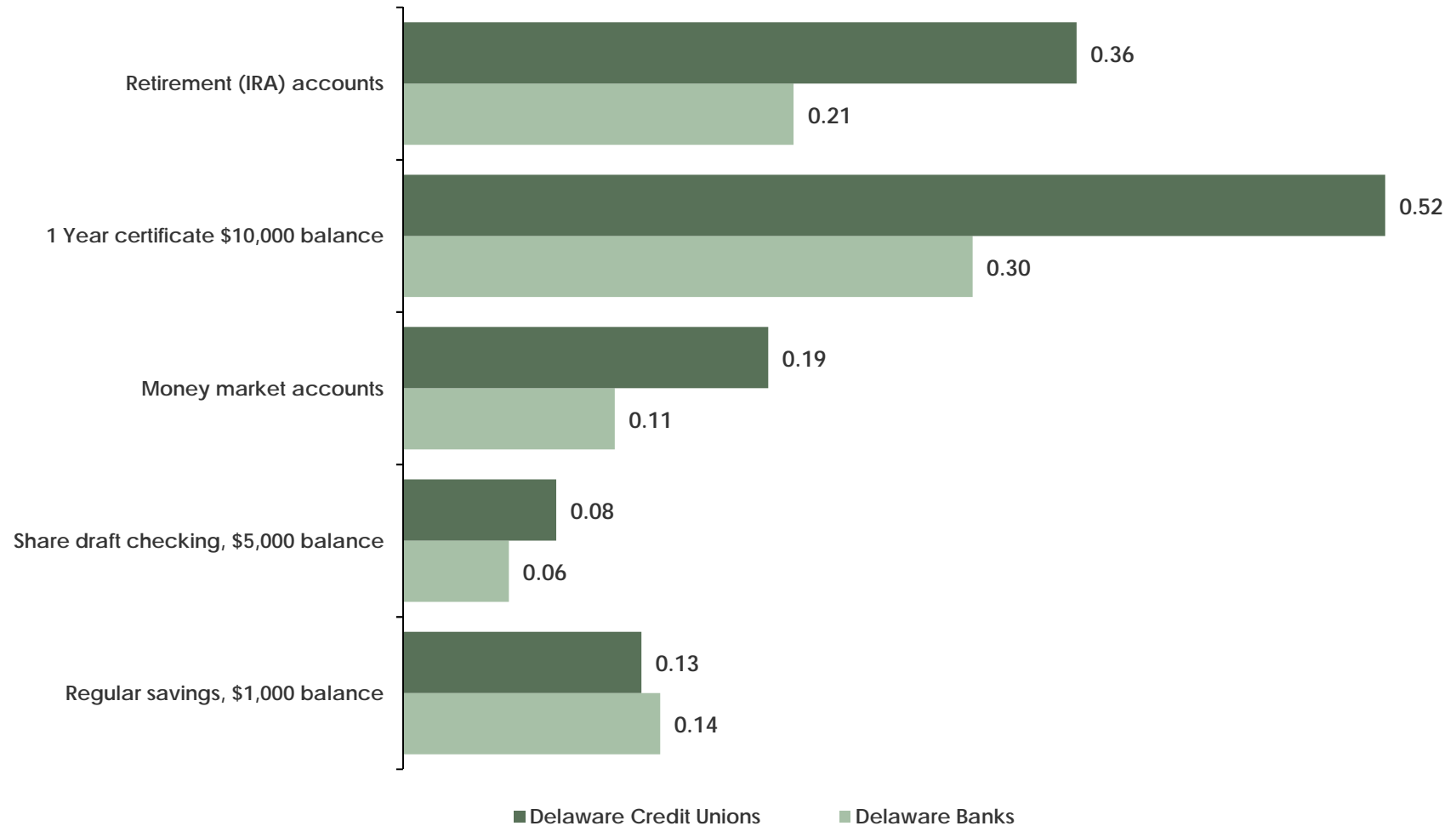
Loan Product Comparative Interest Rates (%)

by Loan Type



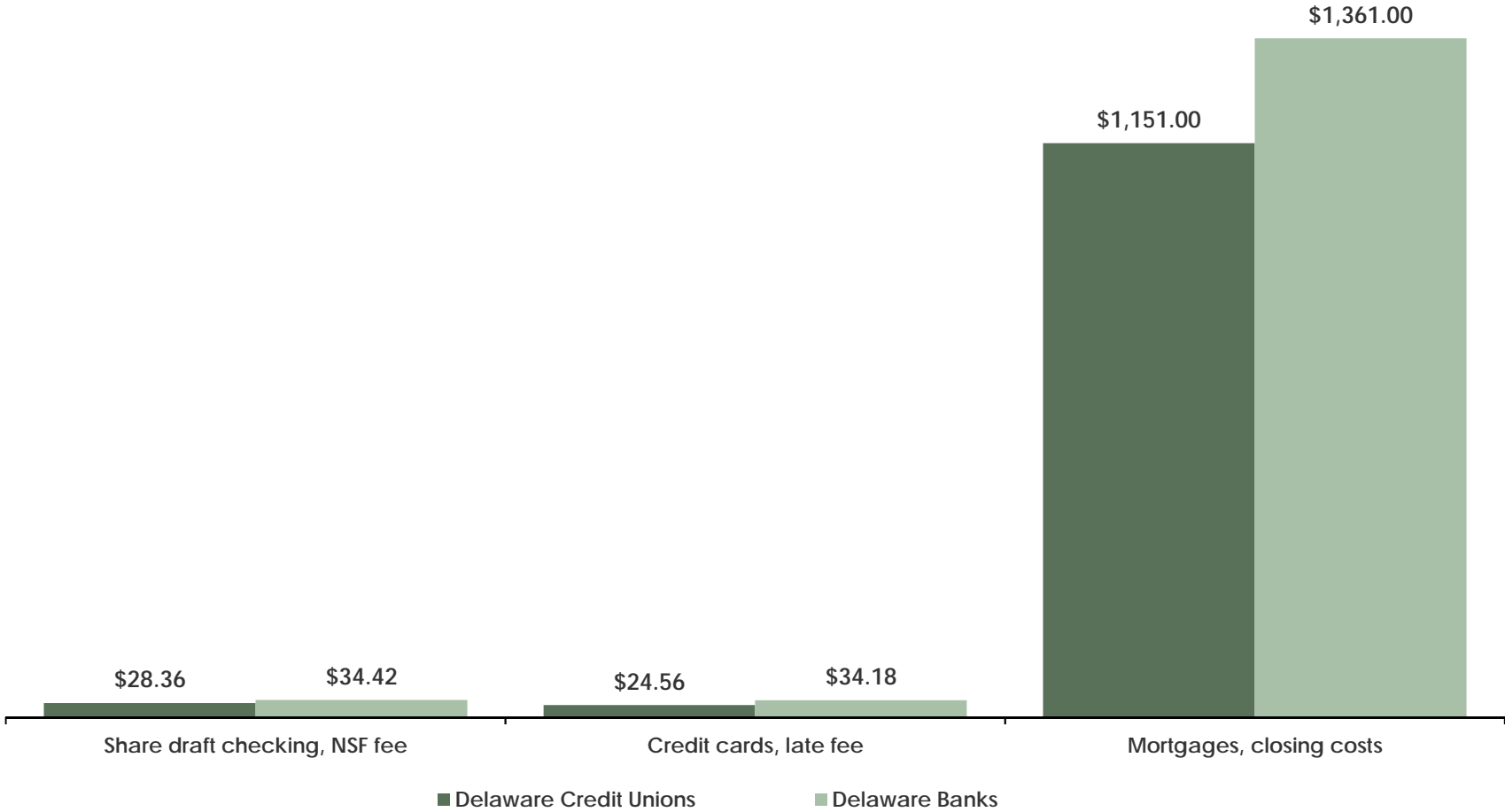
Savings Product Comparative Interest Rates (%)

by Savings Account Type



Comparative Fees

by Type



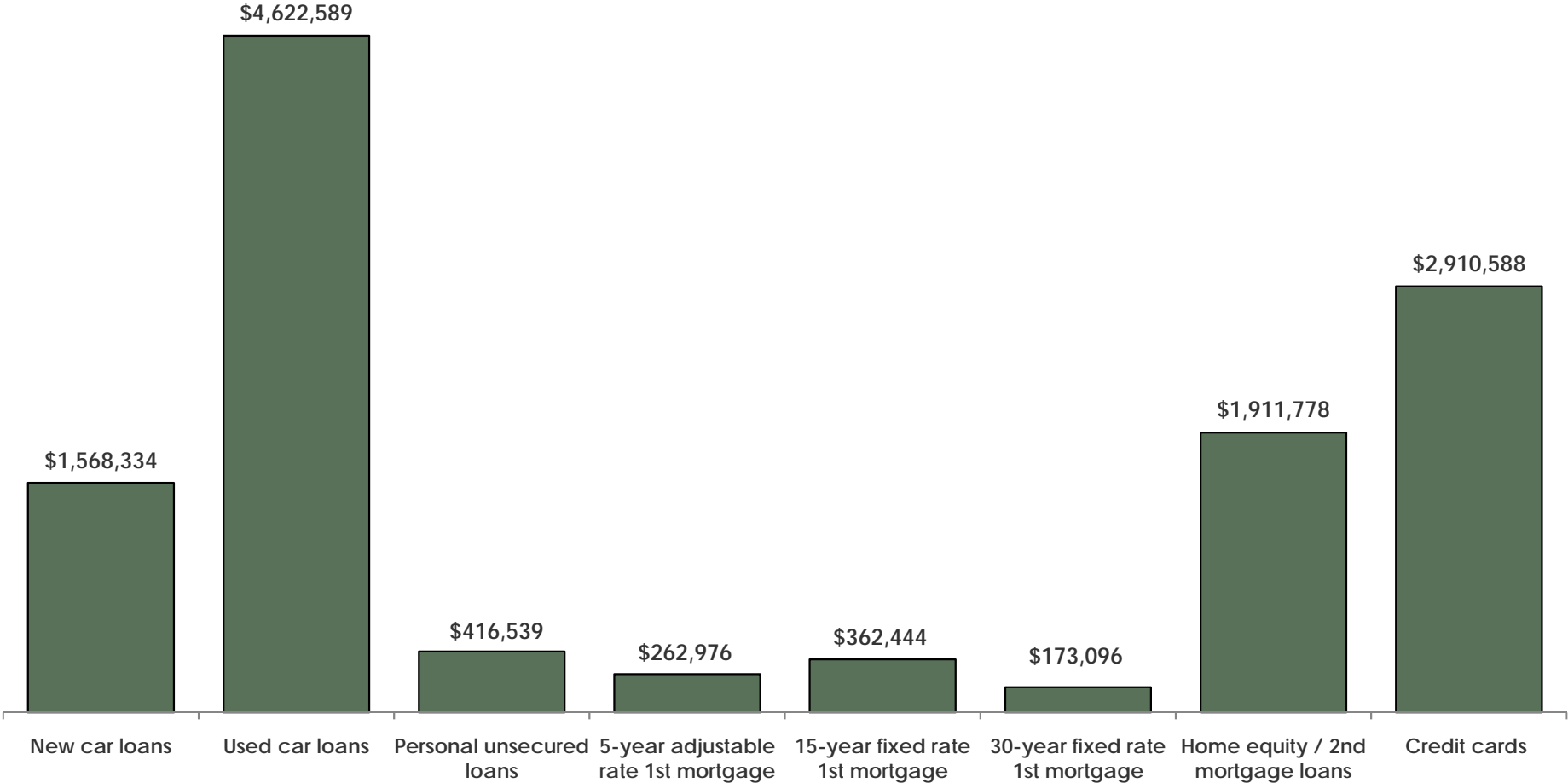
Delaware Credit Union and Banking Institution June 2017 Average Interest Rates and Fees

Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	2.90	3.78	-0.88
48-month used car (A paper)	3.00	4.47	-1.46
Unsecured loan (A paper)	9.82	10.24	-0.42
5-year adjustable rate 1st mortgage, 0 pts	3.38	3.57	-0.19
15-year fixed rate 1st mortgage, 0 pts	3.52	3.88	-0.36
30-year fixed rate 1st mortgage, 0 pts	4.15	4.35	-0.20
Home equity / 2nd mtg, 80% LTV 0 pts	4.28	5.54	-1.26
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	0.13	0.14	-0.01
Share draft checking, \$5,000 balance	0.08	0.06	0.03
Money market accounts	0.19	0.11	0.08
1 Year certificate \$10,000 balance	0.52	0.30	0.22
Retirement (IRA) accounts	0.36	0.21	0.15
Fee Income			
Share draft checking, NSF fee	\$28.36	\$34.42	-\$6.06
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 Delaware Credit Unions June 2017

Loans	Avg. Balance at Credit Unions (1)	Rate Difference vs. Delaware Banks (%) (2)	Total Financial Benefit to Your Members
New car loans	177,413,377	-0.88	\$1,568,334
Used car loans	316,398,954	-1.46	\$4,622,589
Personal unsecured loans	98,705,867	-0.42	\$416,539
5-year adjustable rate 1st mortgage	139,881,000	-0.19	\$262,976
15-year fixed rate 1st mortgage	100,959,410	-0.36	\$362,444
30-year fixed rate 1st mortgage	86,548,012	-0.20	\$173,096
Home equity / 2nd mortgage loans	151,248,258	-1.26	\$1,911,778
Credit cards	64,429,174	-5.40	\$2,910,588
Interest rebates			\$0
Total CU member benefits arising from lower interest rates on loan products:			\$12,228,344
<i>Savings</i>			
Regular shares	857,905,405	-0.01	-\$85,791
Share draft checking	309,721,034	0.03	\$77,430
Money market accounts	309,578,334	0.08	\$250,758
Certificate accounts	321,657,678	0.22	\$701,214
Retirement (IRA) accounts	148,619,338	0.15	\$222,186
Bonus dividends in period			\$0
Total CU member benefit arising from higher interest rates on savings products:			\$1,165,798
<i>Fee Income</i>			
Total CU member benefit arising from fewer / lower fees:			\$3,375,187
Total CU member benefit arising from interest rates on loans, savings products and lower fees:			\$16,769,329
Total CU member benefit / member:			\$70
Total CU member benefit / member household:			\$133

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

Delaware Credit Union Performance Profile

Demographic Information	Jun 17	Jun 16
Number of branches	67	65
Total assets (\$ mil)	2,268	2,169
Total loans (\$ mil)	1,226	1,137
Total surplus funds (\$ mil)	932	924
Total savings (\$ mil)	2,008	1,921
Total members (thousands)	243	237
Growth Rates (Trailing 12 months) *		
Total assets	4.8 %	7.6 %
Total loans	7.9 %	13.8 %
Total surplus funds	1.4 %	0.2 %
Total savings	4.8 %	7.2 %
Total members	2.7 %	9.9 %
Earnings - Basis Pts. *		
Yield on total assets	348	348
Dividend / interest cost of assets	39	41
Fee & other income	128	133
Operating expense	359	347
Loss Provisions	40	41
Net Income (ROA) after stabilization exp	38	53
Capital Adequacy		
Net worth / assets	10.5	10.9
Asset Quality *		
Delinquencies / loans	1.2	1.5
Net chargeoffs / average loans	0.9	0.7
Total borrower-bankruptcies	8	6
Bankruptcies per 1000 members	0.7	0.5
Asset/Liability Management		
Loans / savings	61.0	59.2
Loans / assets	54.1	52.4
Long-term assets / assets	31.7	30.1
Core deposits/shares & borrowings	60.7	58.3
Productivity		
Members / potential members	6.8	6.7
Borrowers / members	43.4	43.4
Members / FTE	439	444
Average shares / members (\$)	8,260	8,093
Average loan balances (\$)	11,622	11,043
Salary & Benefits / FTE	62,848	57,274

* 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.