

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 \$17,113,830 in direct financial benefits to the state's 245,208 members during the twelve months ending September 2018.

These benefits are equivalent to \$70 per member or \$147 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 \$88 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.

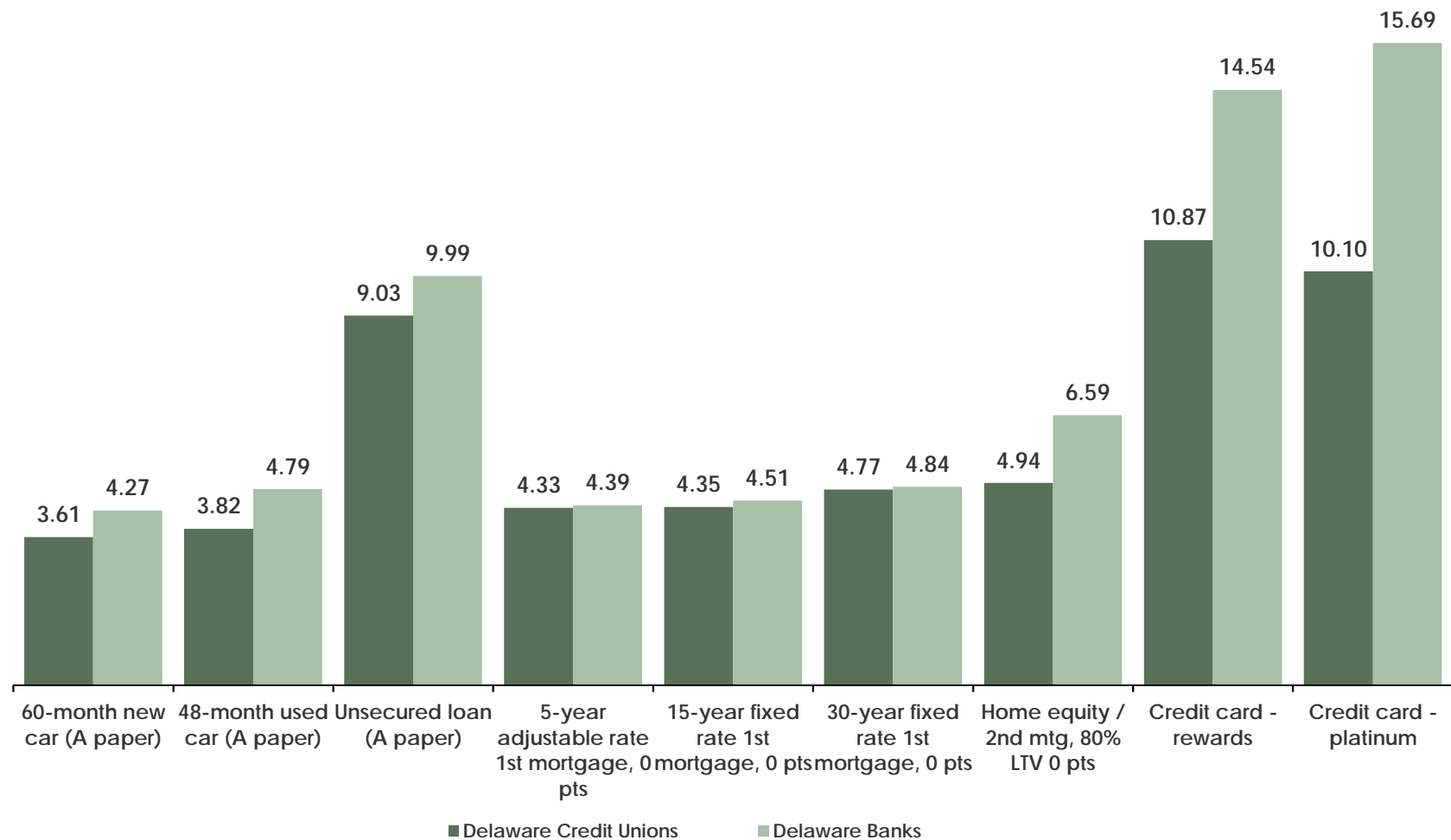
Delaware credit unions excel in providing member benefits on many loan and savings products. In particular, Delaware credit unions offer lower average loan rates on the following accounts: new car loans, used car loans, personal unsecured loans, first mortgage-fixed rate, first mortgage-adjustable rate,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



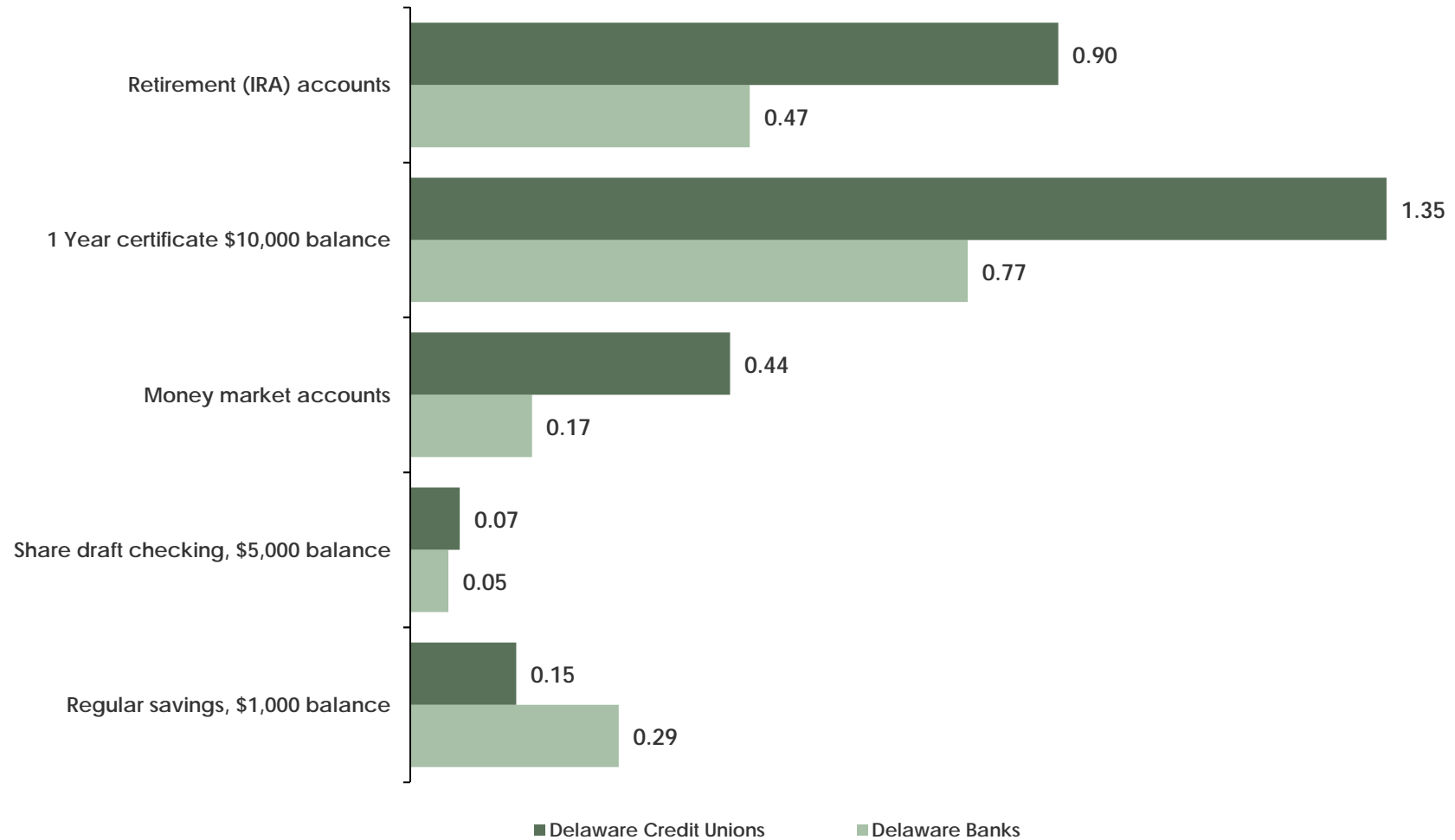
Loan Product Comparative Interest Rates (%)

by Loan Type



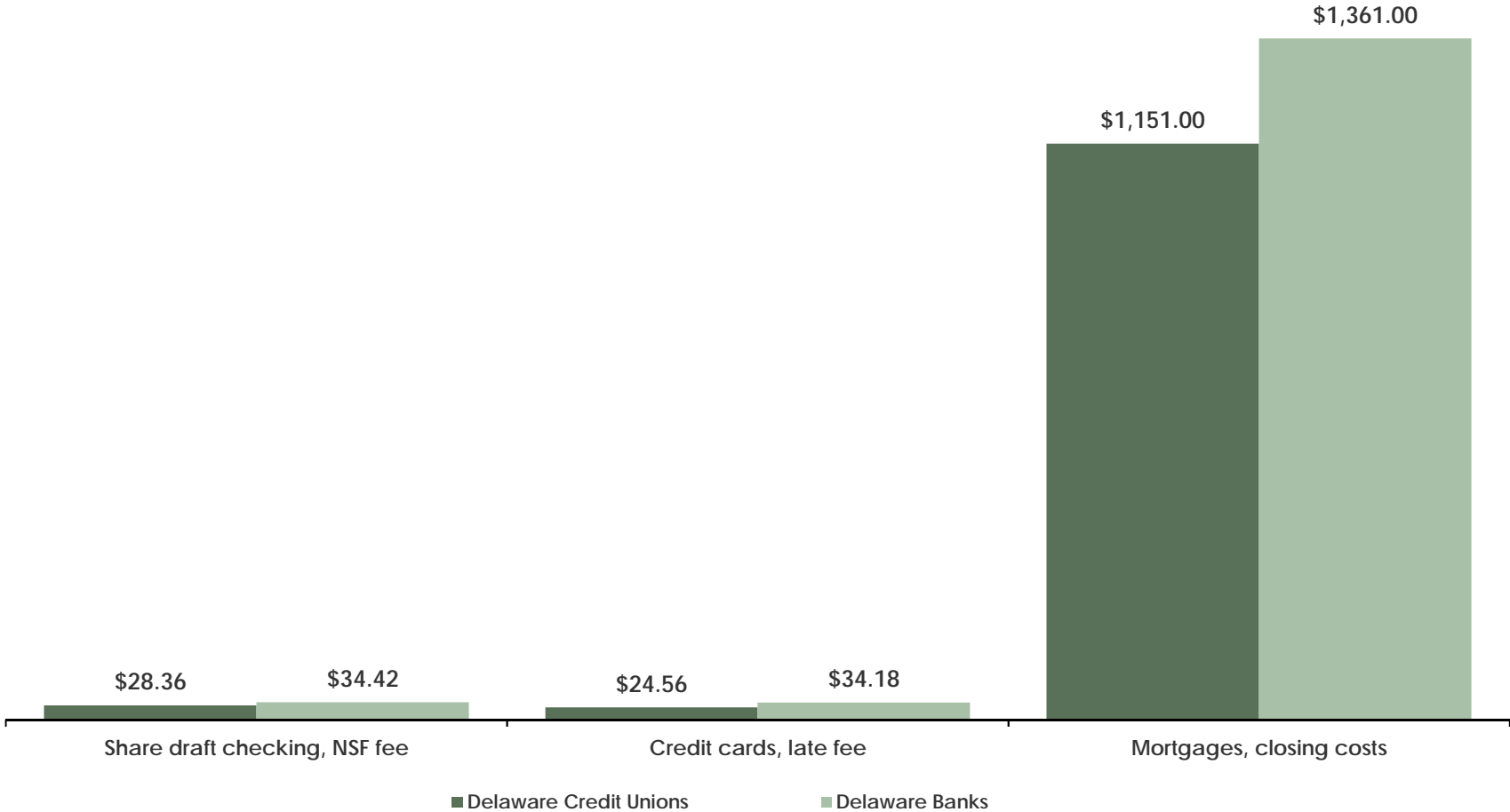
Savings Product Comparative Interest Rates (%)

by Savings Account Type



Comparative Fees

by Type



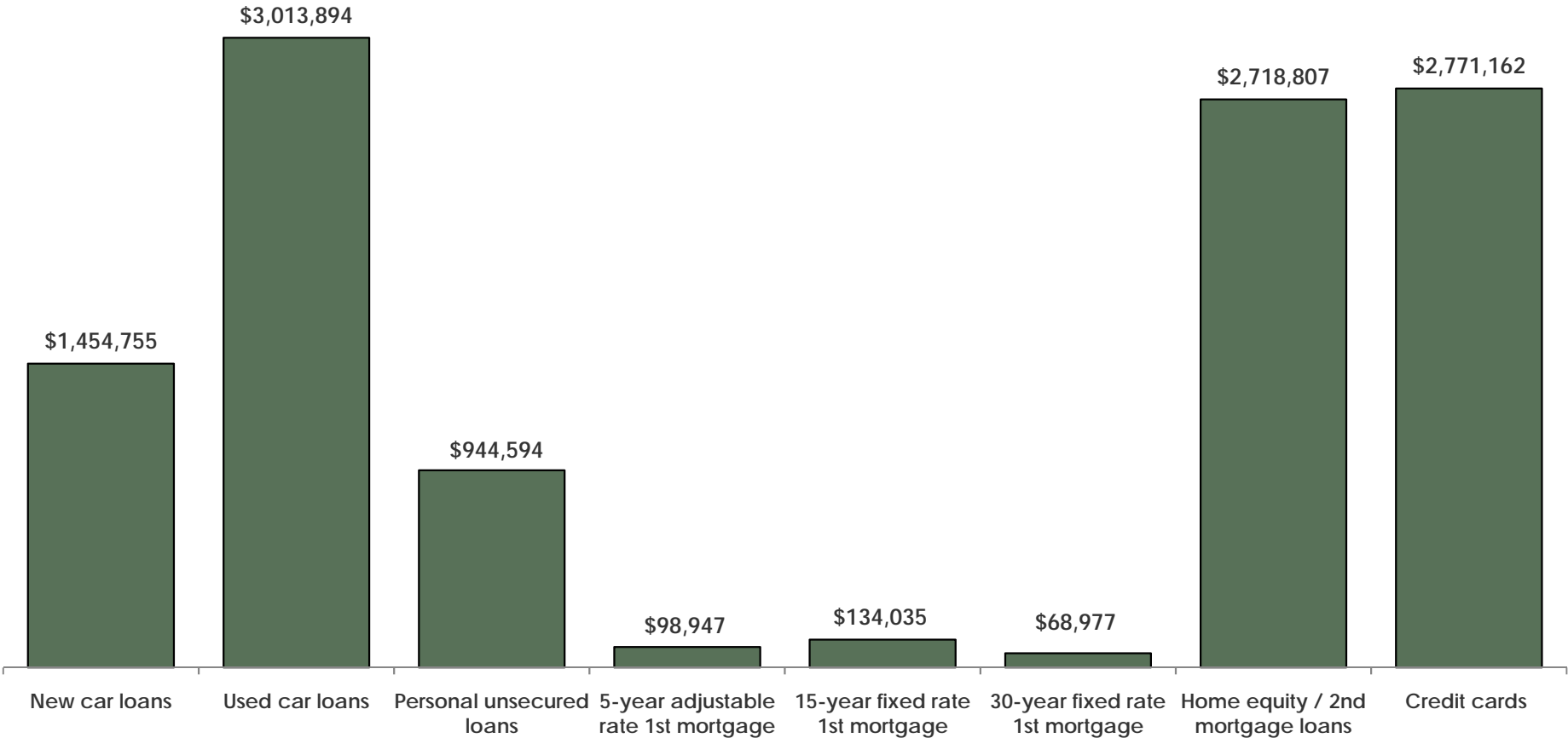
Delaware Credit Union and Banking Institution September 2018 Average Interest Rates and Fees

Loan Products	Average Rate at Credit Unions (%)	Average Rate at Banks (%)	Rate Difference vs. Banks (%)
60-month new car (A paper)	3.61	4.27	-0.65
48-month used car (A paper)	3.82	4.79	-0.97
Unsecured loan (A paper)	9.03	9.99	-0.97
5-year adjustable rate 1st mortgage, 0 pts	4.33	4.39	-0.06
15-year fixed rate 1st mortgage, 0 pts	4.35	4.51	-0.16
30-year fixed rate 1st mortgage, 0 pts	4.77	4.84	-0.07
Home equity / 2nd mtg, 80% LTV 0 pts	4.94	6.59	-1.65
Credit card - rewards	10.87	14.54	-3.67
Credit card - platinum	10.10	15.69	-5.59
Savings Products			
Regular savings, \$1,000 balance	0.15	0.29	-0.14
Share draft checking, \$5,000 balance	0.07	0.05	0.02
Money market accounts	0.44	0.17	0.27
1 Year certificate \$10,000 balance	1.35	0.77	0.58
Retirement (IRA) accounts	0.90	0.47	0.43
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

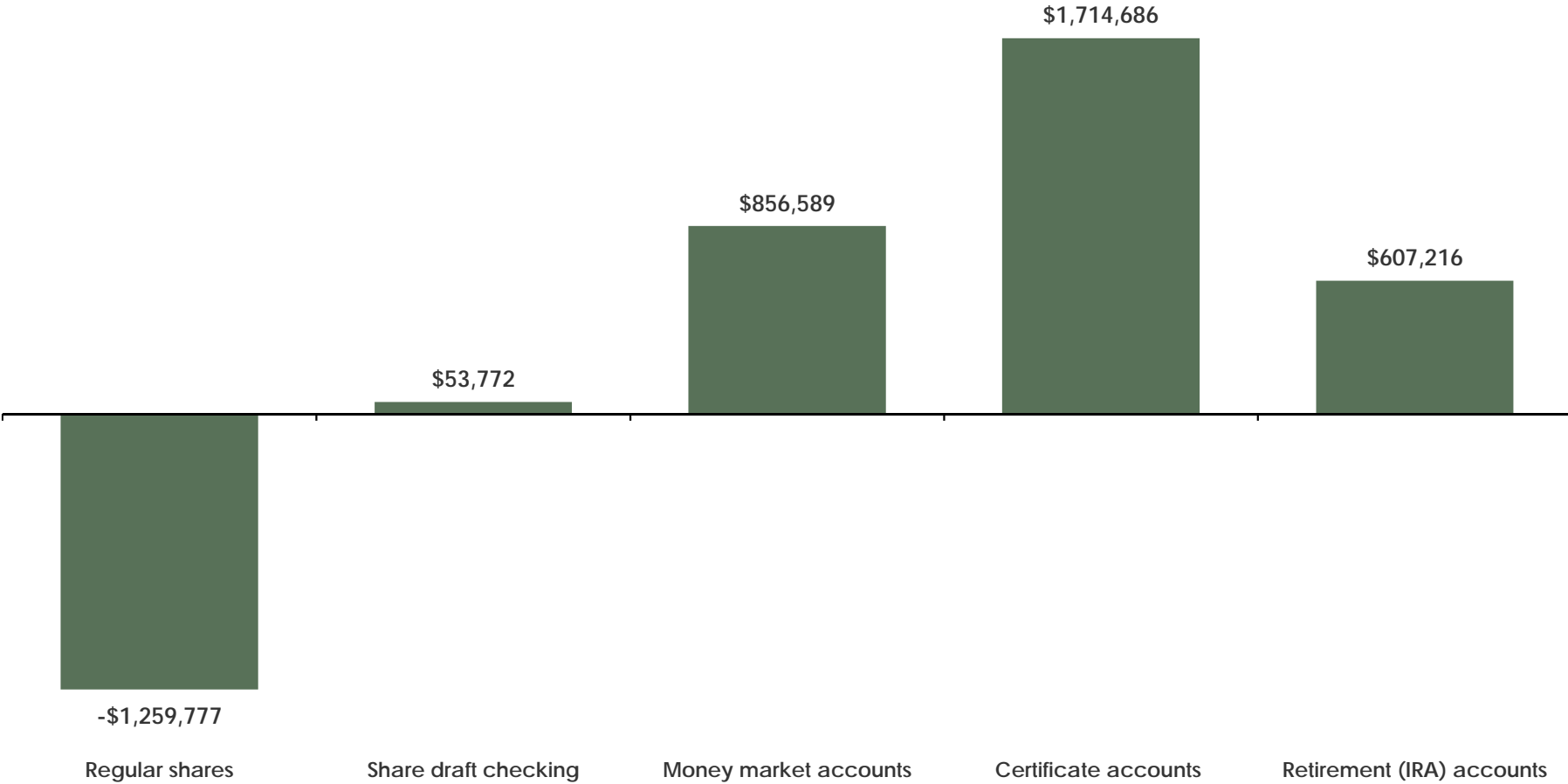
State Credit Union's Total Loan Rate Benefits

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 September 2018

Loans	Avg. Balance at Credit Unions (1)	Rate Difference vs. Delaware Banks (%) (2)	Total Financial Benefit to Your Members
New car loans	222,780,219	-0.65	\$1,454,755
Used car loans	310,710,703	-0.97	\$3,013,894
Personal unsecured loans	97,581,978	-0.97	\$944,594
5-year adjustable rate 1st mortgage	164,911,022	-0.06	\$98,947
15-year fixed rate 1st mortgage	85,372,342	-0.16	\$134,035
30-year fixed rate 1st mortgage	101,436,466	-0.07	\$68,977
Home equity / 2nd mortgage loans	164,377,718	-1.65	\$2,718,807
Credit cards	66,783,046	-3.67	\$2,771,162
Interest rebates			\$0
Total CU member benefits arising from lower interest rates on loan products:			\$11,205,170
Savings			
Regular shares	887,167,075	-0.14	-\$1,259,777
Share draft checking	336,072,662	0.02	\$53,772
Money market accounts	312,623,721	0.27	\$856,589
Certificate accounts	295,635,488	0.58	\$1,714,686
Retirement (IRA) accounts	142,205,181	0.43	\$607,216
Bonus dividends in period			\$0
Total CU member benefit arising from higher interest rates on savings products:			\$1,972,485
Fee Income			
Total CU member benefit arising from fewer / lower fees:			\$3,936,175
Total CU member benefit arising from interest rates on loans, savings products and lower fees:			\$17,113,830
Total CU member benefit / member:			\$70
Total CU member benefit / member household:			\$147

Source: Datatrac, NCUA, and CUNA

(1) Average balance as of September 2018 and September 2017, 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	Sep 18	Sep 17
Number of branches	67	67
Total assets (\$ mil)	2,256	2,244
Total loans (\$ mil)	1,294	1,238
Total surplus funds (\$ mil)	836	894
Total savings (\$ mil)	1,999	1,985
Total members (thousands)	246	245
Growth Rates (Trailing 12 months) *		
Total assets	0.7 %	2.0 %
Total loans	4.7 %	4.4 %
Total surplus funds	-6.3 %	-0.9 %
Total savings	0.9 %	2.7 %
Total members	0.7 %	2.6 %
Earnings - Basis Pts. *		
Yield on total assets	368	353
Dividend / interest cost of assets	42	39
Fee & other income	149	130
Operating expense	371	362
Loss Provisions	43	46
Net Income (ROA) after stabilization exp	61	36
Capital Adequacy		
Net worth / assets	11.1	10.6
Asset Quality *		
Delinquencies / loans	1.1	1.2
Net chargeoffs / average loans	1.0	0.9
Total borrower-bankruptcies	12	16
Bankruptcies per 1000 members	0.8	1.1
Asset/Liability Management		
Loans / savings	64.7	62.4
Loans / assets	57.4	55.2
Long-term assets / assets	32.3	31.6
Core deposits/shares & borrowings	62.2	60.8
Productivity		
Members / potential members	6.7	6.8
Borrowers / members	43.7	43.7
Members / FTE	423	439
Average shares / members (\$)	8,127	8,090
Average loan balances (\$)	12,034	11,546
Salary & Benefits / FTE	63,854	61,947

* 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.