



Delta Community[®]
CREDIT UNION

ANNUAL REPORT 2015

MAKING the
Difference

Our Purpose

We are in the business to help people get more out of their finances throughout their lives. We focus on offering trusted advice and better value on the financial services people use every day.

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Letter from the Chairman

Member-owned, not-for-profit credit unions leverage their earnings for the benefit of their members. Delta Community uses those earnings to provide its members with highly competitive deposit and loan rates, modest fees, free conveniences and personalized, caring service.

One of the great benefits of banking with member-owned, not-for-profit credit unions is we leverage our earnings for the benefit of you, our members, not outside investors.

Delta Community achieved record financial performance again in 2015 and used those earnings to provide you with highly competitive deposit and loan rates, modest fees, free conveniences and personalized, caring service. We also continued to focus on evolving our products and support channels to save you time and money. For example, we introduced new online and mobile banking platforms last year, which included an application to deposit checks by picture with a smart phone; budgeting and expense tracking tools; and an ongoing program to receive discounts from local merchants on debit card purchases.

Management also reserved part of the earnings to further strengthen Delta Community's balance sheet by increasing the Credit Union's net worth ratio. As you likely know, this ratio is a measure of retained earnings to total assets. A heightened level of equity better prepares us to operate effectively and sustain the value we offer through economic downturns.

Our member growth rate outpaced the industry average, too. We welcome this growth and view it as a win-win. It allows us to generate additional revenue and help consumers who previously did not belong to a credit union or have easy access to one. Many of our new members are younger and part of the "Millennials" or Gen Y segment. These consumers bank predominantly online or through mobile devices, and the progress we have made with these channels appeals to them.

Delta Community also maintained its commitment to be a good corporate citizen as we recognize our ongoing success depends greatly on the health and prosperity of our local communities. Over the course of the year, we invested more than \$680,000 and our employees donated hundreds of hours



of volunteer time. Our contributions included participation in 14 chambers of commerce, sponsorship of more than 180 local events and support of many financial literacy and scholarship programs. In terms of the latter, we provided lesson plans to teachers in 122 high schools, awarded \$27,500 in college scholarships and partnered with Junior Achievement on its new Discovery Center in Gwinnett County. Approximately 25,000 middle school students will visit this interactive, learning center each year, and our employees will have the opportunity to educate them on the credit union difference.

At the end of the year, we learned *Consumer Reports* mentioned us in a feature entitled "Choose the Best Bank for You" in its January 2016 issue. We appeared on a list of 200 financial services providers from across the U.S. The list was compiled from a national consumer survey, and our aggregate score ranked among the best. This recognition is significant since it is based on member feedback, and we interpret it as a sign that you and our other members continue to derive meaningful value from our efforts. We know it is only a point in time and will never take your satisfaction for granted. Given the rapidly changing marketplace, we realize we must work harder than ever to understand your preferences and focus our attention and investments accordingly.

On behalf of the other professionals who serve on Delta Community's Board of Directors and Supervisory Committee, allow me to thank you for your support. We are committed and honored to represent you and guide the direction of our Credit Union.

A handwritten signature in black ink that reads "Jim Diffley".

Jim Diffley



Letter from the CEO

2015 was another successful year for Delta Community Credit Union. The \$52 million in net income generated surpasses 2014's record of \$46 million. Such consistently strong, sustained financial performance underscores how well we are managing the business and the capital we are generating to invest in the membership.

Delta Community had a remarkable year in 2015. We achieved record financial results, delivered exceptional value and service to members and marked our 75th anniversary in the process.

In summarizing last year's performance, I want to highlight three areas of success:

1) Financial Strength. We generated \$52.4 million in net income, \$6.1 million or 13.1% above the prior high from 2014. We finished the year with \$4.9 billion in assets and a net worth ratio of 11.67%, representing a year-over-year increase of 57 basis points in this critical metric and well in excess of the 7.00% regulatory threshold to be considered "Well Capitalized."

It may seem odd for me to emphasize earnings since Delta Community operates on a not-for-profit basis, but our bottom-line performance is as important as that of any company. The best way for us to serve members is to keep the Credit Union financially strong and able to respond effectively to economic challenges and/or innovation in the marketplace. We need net income to build sufficient reserves and to fund large, long-term investments that enable us to better serve you.

In September 2015, Raddon Financial Group, a subsidiary of Fiserv (NASDAQ: FISV) and a leading analytical firm, honored us with a Crystal Performance award. This award is based on a balanced-scorecard approach and requires excellence across several metrics. Delta Community was one of only 22 credit unions to earn this distinction among the more than 500 tracked by Raddon.

2) Member Value. We maintained low fees and highly competitive deposit and loan rates. We are one of the few providers to still offer a free checking account with a debit rewards program. We also priced our car loans as low as 1.75% during 2015, almost a half of a percentage point

below the market average, because members told us they were feeling more confident in the economy and interested in buying new cars, which they previously delayed.

Both existing and new members responded to this value. Our deposit balances grew by \$172 million or 4.2%, and our direct loan balances increased by \$267 million or 12.15%. To put this in perspective, we made more than 41,000 loans to our members. These included personal loans, car loans and mortgages at highly competitive rates. We also added more than 21,000 net new members. This growth benefits the entire membership because it allows us to better leverage our fixed operating expense through economies of scale, and these consumers are likely to deepen their relationship with us over time.

3) Workplace Culture. We want Delta Community to be a great place to develop a long-term career so we can attract the best and brightest. We are blessed with a compelling mission, namely helping you get more out of your finances. Our strategy is to couple this with an environment where employees receive ongoing training, have the opportunity to share their ideas and are rewarded for their efforts. Last year, our employees voted us a "Best Place to Work" in the *Atlanta Business Chronicle's* annual survey that evaluates employee engagement and satisfaction at local companies.

The eight Delta Air Lines employees who organized our Credit Union in 1940 would be astounded to know the impact they have had. Their effort to foster thrift and provide their peers and neighbors access to fair and affordable credit remains as relevant as ever. It is a purpose Delta Community's 860 employees take seriously and proudly carry on.

Thank you for your ongoing support and loyalty.

Hank Halter

Supervisory Committee Report

The Supervisory Committee has two primary responsibilities:

1. To ensure that a comprehensive financial audit of the Credit Union is performed at least annually; and
2. To monitor the Credit Union's internal controls to help assure compliance with applicable laws, regulations and the Credit Union's policies.



The Committee has engaged CliftonLarsonAllen, LLP, an independent public accounting firm, to perform the financial audit for calendar year 2015. The final 2015 report is expected by the end of April 2016. Additionally, examiners from the Georgia Department of Banking and Finance and the National Credit Union Administration (NCUA), a federal regulatory agency, conduct separate annual reviews of the Credit Union to evaluate the financial condition, the safety and soundness of the Credit Union, and compliance with applicable laws and regulations.

As part of its responsibility to monitor the Credit Union's internal controls and compliance, the Committee oversees the internal audit and risk management functions of the Credit Union. Working on the Committee's behalf, the Corporate Audit department performs auditing procedures to obtain reasonable assurance that internal controls are in place and are followed to protect member assets. Corporate Audit reviews and tests operational controls for adequate security and verifies Delta Community's compliance with state, federal and NCUA regulations and adherence to Delta Community's own written policies and procedures. Management and the Supervisory Committee periodically review the Credit Union's internal audit plan to assess and, under the guidance of the regulatory agencies, oversee the remediation of potential risks to the Credit Union's network, system and data security, privacy policies, business continuity, risk management and related matters.

As a result of the internal and external audits, regulatory examinations and meetings with the Credit Union's management and members of the Corporate Audit and Risk Management departments, we believe the Credit Union's financial condition and its internal controls and procedures are sound.

We extend our thanks to all committees and Delta Community employees for their assistance with the Credit Union's auditing and compliance functions.

A handwritten signature in black ink that reads "Walter A. Brill". The signature is fluid and cursive.

Walter A. Brill
Supervisory Committee Chairman



2015 Year in Review

January

- Reported record net income of \$46 million for 2014
- Fully implemented ACTion Loan Origination System, streamlining loan application process
- Converted first group of members to new Online and Mobile Banking System

February

- Initiated 2015 Philanthropic Fund grant awards with five check presentations
- Introduced Mobile Deposit and Tablet Banking App for iPad and Android tablets
- Conducted "Brand Camp" training for employees and introduced "Be Our Difference" philosophy

March

- Launched 2015 TV advertising campaign with new tagline "Everything Your Bank Should Be™"
- Celebrated 75th anniversary
- Recognized 10th anniversary of Scholarship program
- Featured on WXIA-TV 11Alive's "Companies that Care" program in first of four segments

April

- Added Instagram to social media platforms
- Awarded first of four scholarships totaling \$7,500 to students attending Historically Black Colleges and Universities (HBCU) in partnership with radio station KISS 104
- Won four Credit Union National Association (CUNA) Diamond Awards for excellence in Marketing and Business Development

May

- Completed Online and Mobile Banking upgrade
- Retirement & Investment Services announced partnership with LPL Financial

June

- Funded more than \$93 million in new home loans during Home Loan promotion, a record production for Real Estate Services

July

- Welcomed 18 students to High School Apprentices program
- Funded nearly \$83 million in car loans during April-June promotion, a 44% increase over the same time period in 2014
- Provided free financial education to more than 100 children and adults with Cool Cash Money Camps

August

- Reached 325,000 membership milestone
- Opened Delta Community BizTown storefront at Junior Achievement Discovery Center in Gwinnett
- Credit Unions ranked best for customer service by *Consumer Reports*

Trends at a Glance

September

- Added Apple Watch App and Touch ID for Mobile Banking on Apple phones
- Named finalist in 2015 Best Places to Work survey conducted by *Atlanta Business Chronicle*
- Recognized by Raddon Financial Group as one of the top-performing credit unions in the nation with the Crystal Performance Award

October

- 10th anniversary of offering community membership
- Cross-sold more than 4,000 new products during "Do More with Delta Community" campaign
- Awarded final Philanthropic Fund grants, investing a total of \$75,000 in 30 Atlanta-based community organizations

November

- Enhanced Online Bill Pay user interface
- Announced commitment to invest \$80,000 in 17 Atlanta-based community organizations in 2016 through Philanthropic Fund grant program

December

- Delta Community ranks among highest for service and value among 200 top institutions in a national consumer survey published by *Consumer Reports*
- Presented a check for more than \$38,000 to Children's Healthcare of Atlanta raised during Tees Up "Fore" Kids golf tournament
- Conducted first "Y2Z Think Tank" to gather feedback on banking behaviors of younger consumers
- Replaced older PCs and other computer equipment at all 26 branch locations to improve performance and member service at the branch level

Assets (\$ in 000s)

2010	\$ 3,880,700
2011	\$ 4,172,700
2012	\$ 4,365,300
2013	\$ 4,499,200
2014	\$ 4,662,300
2015	\$ 4,882,500

Loans (\$ in 000s)

2010	\$ 2,438,800
2011	\$ 2,606,200
2012	\$ 2,665,200
2013	\$ 2,745,600
2014	\$ 3,104,800
2015	\$ 3,540,800

Deposits (\$ in 000s)

2010	\$ 3,409,600
2011	\$ 3,663,400
2012	\$ 3,888,400
2013	\$ 3,986,200
2014	\$ 4,093,800
2015	\$ 4,265,800

Membership

2010	216,500
2011	240,700
2012	271,100
2013	292,000
2014	311,300
2015	332,300

Statement of Financial Condition

As of December 31, 2015
UNAUDITED

Assets (\$ in 000s)

Cash	\$	40,986
Receivables		35,079
Loans, Net		3,513,721
Net of allowances for possible loan losses & deferred income (expense) relating to mortgage originations		
Investments		1,138,558
Accrued Interest		12,025
Prepaid and Other Assets		46,533
Property, Equipment and Leasehold Improvements, at Cost, Net of accumulated depreciation and amortization		95,598
Total Assets	\$	4,882,500

Liabilities and Equity

Accounts Payable	\$	49,062
Member Deposits		4,265,822
Equity		567,616
Total Liabilities and Equity	\$	4,882,500

Statement of Operations

For the year ended December 31, 2015
UNAUDITED

Revenues (\$ in 000s)	
Interest on Loans	\$ 142,237
Interest on Investments	13,055
Fees	18,167
Miscellaneous	42,019
	\$ 215,478
Expenses	
Salaries	\$ 62,147
Training	541
Office Occupancy	5,885
Loan Servicing	16,293
Advertising	4,346
Office Expenses	8,295
Depreciation and Amortization	4,733
Checking Accounts	2,746
Debit Card	12,868
Shared Branches	1,208
Professional and Outside Services	8,759
Other Expenses	8,211
Provision for Loan Losses	12,550
	\$ 148,582
Cost of Funds	
Interest on Borrowings	\$ 54
Dividend Expenses	14,416
	\$ 14,470
Net Income	\$ 52,426

Board of Directors



Jim Diffley
Chairman

Lem Wimbish
Secretary/Treasurer

Allison Ausband
Board Director

Hank Halter
Board Director & CEO

Matthew Sullivan
Board Director

Linda O'Shea
Vice Chairman

Walter Brill
Board Director

Charlie Boyajian
Board Director

Esther Hammond
Board Director

Robin Stricklin
Board Director

Leadership



Back row from left to right:

Jay Gratwick (EVP & Chief Financial Officer)
Bob Walsh (EVP & Chief Lending Officer)
Bill Mesplay (SVP, Remote Delivery Channels)
Tim Mitchell (SVP & Chief Information Officer)
Pam Davis (SVP, Branch Delivery & Operations)
Bill Buchanan (SVP & Chief Risk Officer)
Suzanne Mitchell (SVP & Chief Human Resources Officer)

Front row from left to right:

Bob Manning (SVP & General Counsel)
Hank Halter (Chief Executive Officer)
Matthew Shepherd (EVP & Chief Operating Officer)

2015 BEST PLACES

TO WORK IN ATLANTA

(Atlanta Business Chronicle)



CRYSTAL

— Performance Award —

TOP PERFORMING CREDIT UNION IN THE NATION

(Raddon Financial Group)

2015 PLATINUM MARCOM AWARD

"Perfect Match" TV Spots

RANKED HIGHEST FOR SERVICE AND VALUE

AMONG TOP 200 INSTITUTIONS

(CONSUMER REPORTS SURVEY)



Our Vision

We want to be metro Atlanta's preferred place to bank, known for providing our members with honest value, superior service and trusted advice.

EVERYTHING YOUR BANK SHOULD BE™

DeltaCommunity[®]
CREDIT UNION

MAKING the Difference



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www.twitter.com/DeltaCommunity



www.DeltaCommunityCU.com



800.544.3328



NCUA

This credit union is federally
insured by the National Credit
Union Administration.

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