

1940-2015

75
YEARS



Delta Community[®]
CREDIT UNION

Table of Contents

- 1 Letter from the Chairman
- 2 Letter from the CEO
- 3 Supervisory Committee Report
- 4 2014 Year in Review and Trends at a Glance
- 6 Statement of Financial Condition
- 7 Statement of Operations
- 8 Leadership

Our Purpose

We are in 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.

Letter from the Chairman



In 1934, during the Great Depression, President Franklin Delano Roosevelt signed into law the Federal Credit Union Act. Credit was difficult to secure and many people were struggling financially. The law authorized credit unions to make credit available to help people financially.

Helping people reach, maintain and enjoy financial success has always been the credit union mission. As not-for-profit, member-owned and operated financial cooperatives, credit unions are able to share their earnings directly with members rather than outside investors. Because of this unique structure, credit unions can return value to members in the form of competitive rates, lower fees and more personalized service.

Delta Community Credit Union began serving members in 1940, just six years after the Federal Credit Union Act became law. With \$45 in capital, eight employees set forth to help their peers achieve financial success. From these humble beginnings, Delta Community today has \$4.7 billion in assets and is the largest credit union in Georgia.

2015 marks our 75th anniversary. Throughout our history, we have found great pride in offering members superior service, helpful, trusted advice and financial products suited for their individual needs. Our success has enabled us to offer members access to a variety of financial products and services – from early youth with a Sandy Savers Account, to a full-service financial institution offering free checking with rewards, credit cards, car loans, mortgages, insurance, retirement planning and more.

There have been many changes in the world since we first started serving members 75 years ago. In 1940, our service delivery was very different than it is today. Few could have imagined an iPad or smartphone. Emerging technology is not

only changing the way we do business, but allowing us to provide members better service and more value. For example, recent enhancements to our Online and Mobile Banking system include additional convenient services such as Mobile Deposit, upgraded apps for mobile devices and a new tablet app.

Looking ahead, we will continue to use available technology to simplify your banking experience. This will position Delta Community to grow even more within our competitive marketplace, while also attracting – and keeping – new members; something we must do to be successful in the future.

It has truly been our privilege to serve the employees and family members of our founding sponsor, Delta Air Lines, as well as individuals, families and businesses within metro Atlanta and through our out-of-state branches during the past 75 years.

On behalf of the Board of Directors and our team of dedicated employees, thank you for making us your financial home. Remember, we are here to help you get more out of your finances.

With much appreciation for your continuing loyalty, trust and support,

A handwritten signature in black ink that reads "Jim Duffley". The signature is written in a cursive, flowing style.

Jim Duffley



Letter from the CEO

2014 was a remarkably successful year for Delta Community Credit Union. The \$46 million generated in net income surpasses 2013's record of \$42 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.

We ended 2014 with 11% direct loan growth, 2.7% deposit growth, \$4.7 billion in assets and a capital ratio, or net worth ratio of 11.10%. Our regulators define well-capitalized generally as 7.0%, so Delta Community remains well above this threshold. Maintaining substantial net worth helps to ensure we have ample reserves to operate through difficult economic cycles so that we're better positioned to protect the value we offer members.

In addition to our solid financial performance, Delta Community's membership growth remained strong at 7%. In a historic achievement, we reached the 300,000 member milestone in July and ended 2014 with more than 311,000 members. To put this in perspective, we had 161,000 members in 2005 when we expanded our field of membership. Since then, we have added almost as many members as we had in the first 65 years of the Credit Union's history. Such growth benefits all members by broadening and diversifying our revenue sources.

Operationally, we upgraded our Online and Mobile Banking platform to improve the user experience. Members can now create a customizable login, conveniently deposit checks with Mobile Deposit and access a new Mobile Banking app, now available for tablets as well. The introduction of a new Interactive Voice Response telephone system gives members quick, secure access to automated answers to commonly asked account-related questions. We also implemented a new Loan Origination System, resulting in faster loan decisions and a more convenient way to "sign" and deliver loan documentation.

With the establishment of the Philanthropic Fund, our efforts to ensure the communities we serve are great places to work, live and raise families continued in 2014. We awarded \$70,000 in grants to 15 non-profit organizations that help families manage their household finances and improve the physical and financial well-being of young people. This great program will help build better communities and have a positive impact on those in need.

We also provided \$174,000 in support of local schools and sponsored financial literacy programs at 150 elementary and high schools through our highly successful partnership with the brass | MEDIA Student Program. Including the Philanthropic Fund, our contributions to community and charitable organizations totaled \$625,000.

I am privileged to see firsthand how this Credit Union invests in communities and helps our members enjoy a better financial life. Building on our 75 years of service, we will continue to be an honest, trustworthy partner invested in helping our members get more out of their finances.

Any success we have enjoyed in the past, however, is not guaranteed in the future. In the years ahead, we must adapt to new technologies, appeal to new members and keep pace with rapidly changing consumer priorities.

With your continuing loyalty and support, Delta Community will be able to respond to these challenges as we seek to become metro Atlanta's preferred place to bank.

A handwritten signature in black ink that reads "Hank Halter". The signature is written in a cursive, flowing style.

Hank Halter



Supervisory Committee Report

The Supervisory Committee has two primary responsibilities:

1. To ensure that a comprehensive independent financial audit of the Credit Union is preformed 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 2014. The final 2014 report is expected by the end of April 2015. 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 the 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 compliance function 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 department, 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 written in a cursive style.

Walter A. Brill

2014 Year in Review

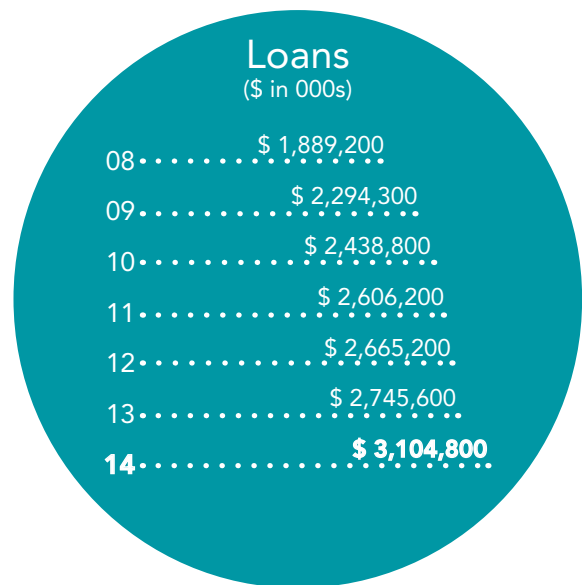
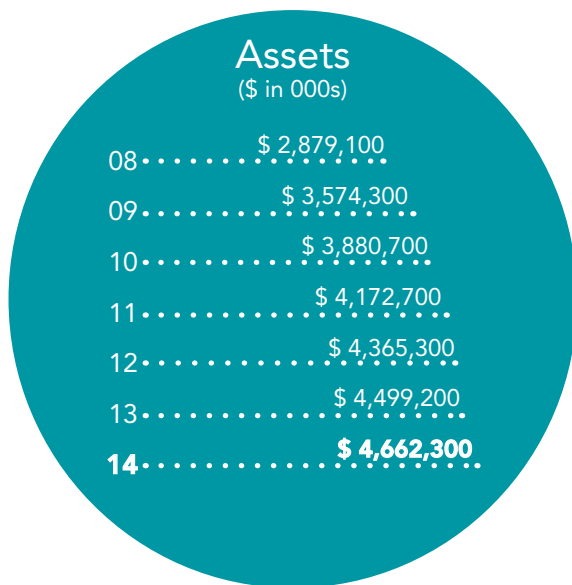
Financial Performance

- Generated record net income of \$46 million
- Funded 527 auto loans with total balances of \$9.2 million through Spring Car Sale and related auto loan promotions
- Generated 148 mortgage loans with total balances of \$19 million through Spring Home Loan promotion
- Produced record consumer loans of \$46 million in October, with \$37 million in auto loans from “Trick or Treat” promotion
- Funded \$727 million in new consumer and real estate loans, a 10% increase over 2013 totals
- Generated \$28 million in new commercial loans
- Members Insurance Advisors, our wholly owned subsidiary, generated \$3 million in revenue, returning \$776,000 in net income to Delta Community
- Generated more than \$2 million in revenue through our Retirement & Investment Services division, while their assets under management grew to \$265 million

Member Service Enhancements

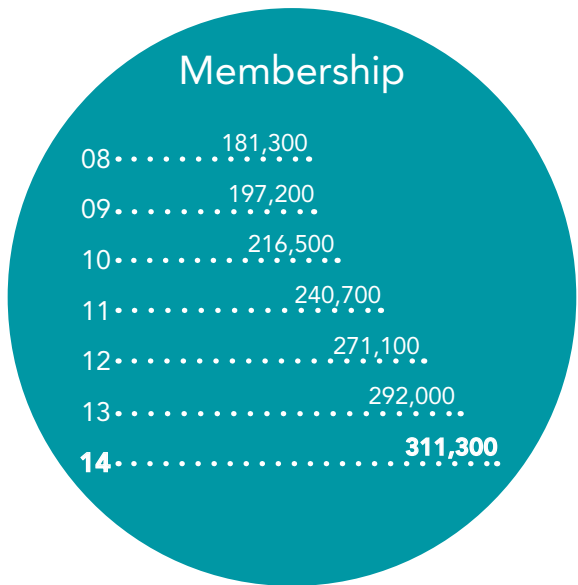
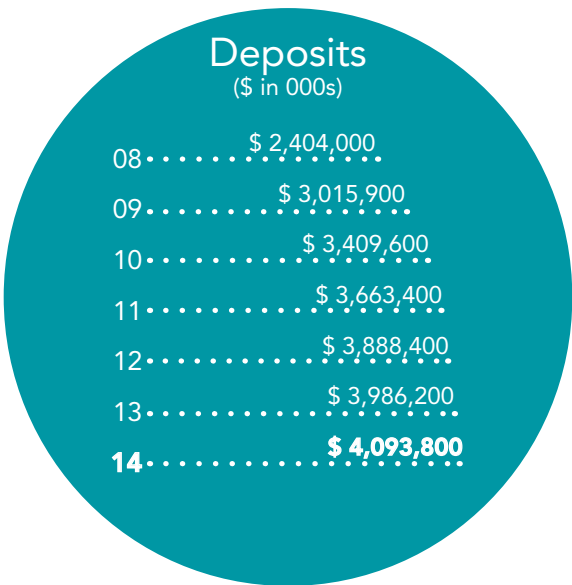
- Reduced paperwork for loan applicants with new Loan Origination System
- Introduced new Interactive Voice Response system to answer members’ account questions automatically
- Upgraded Online and Mobile Banking to improve user experience, providing customizable login, purchase rewards, budgeting tools, mobile deposit and new tablet app
- Signed onto Visa® Checkout program, simplifying online purchasing process at major online retailers
- Answered more than 580,000 member phone calls and emails through our Member Care Center
- Reached 300,000 membership milestone in July, finishing the year with more than 311,000 members

Trends at a Glance



Community Investment

- Sponsored 107 community events, including Delta Block Parties, the Duluth Fall Festival and Fayette Rotary Grand Prix School 5K Run/Walks
- Provided more than \$82,000 to local financial literacy programs, including more than 150 registered schools, through our partnership with the brass MEDIA | Student Program
- Shared nearly \$90,000 through our Serve & Deserve High School and Partners in Education programs
- Introduced our Philanthropic Fund and granted awards of \$70,000 to 15 local charitable organizations
- Contributed \$119,000 to metro Atlanta Chambers of Commerce and more than \$55,000 to community sponsorships
- Overall, invested a total of \$625,000 in community organizations, schools, chambers of commerce and non-profit organizations, such as Children’s Healthcare of Atlanta
- Formed Speakers Bureau, providing access to Delta Community subject matter experts



Statement of Financial Condition

As of December 31, 2014

UNAUDITED

Assets (\$ in 000s)

| | | |
|---|-----------|------------------|
| Cash | \$ | 38,603 |
| Receivables | | 32,795 |
| Loans, Net | | 3,074,114 |
| Net of allowances for possible loan losses & deferred income (expense) relating to mortgage originations | | |
| Investments | | 1,347,570 |
| Accrued Interest | | 11,889 |
| Prepaid and Other Assets | | 46,634 |
| Property, Equipment and Leasehold Improvements, at Cost, Net of accumulated depreciation and amortization | | 110,661 |
| Total Assets | \$ | 4,662,266 |

Liabilities and Equity

| | | |
|-------------------------------------|-----------|------------------|
| Accounts Payable | \$ | 51,583 |
| Member Deposits | | 4,093,808 |
| Equity | | 516,875 |
| Total Liabilities and Equity | \$ | 4,662,266 |

Statement of Operations

For the year ended December 31, 2014

UNAUDITED

| | |
|-----------------------------------|-------------------|
| Revenues (\$ in 000s) | |
| Interest on Loans | \$ 133,506 |
| Interest on Investments | 13,265 |
| Fees | 16,808 |
| Miscellaneous | 38,335 |
| | \$ 201,914 |
| Expenses | |
| Salaries | \$ 63,159 |
| Training | 430 |
| Office Occupancy | 5,282 |
| Loan Servicing | 13,682 |
| Advertising | 4,237 |
| Office Expenses | 6,074 |
| Depreciation and Amortization | 5,029 |
| Checking Accounts | 2,821 |
| Debit Card | 10,912 |
| Shared Branches | 1,180 |
| Professional and Outside Services | 5,666 |
| Other Expenses | 5,806 |
| Provision for Loan Losses | 15,200 |
| | \$ 139,478 |
| Cost of Funds | |
| Interest on Borrowings | \$ 14 |
| Dividend Expenses | 16,062 |
| | \$ 16,076 |
| Net Income | \$ 46,360 |

Board of Directors



Jim Diffley
Chairman

Lem Wimbish
Secretary/Treasurer

Allison Ausband
Board Director

Hank Halter
Board Director & CEO

Robin Stricklin
Board Director

Linda O'Shea
Vice Chairman

Walter Brill
Board Director

Charlie Boyajian
Board Director

Esther Hammond
Board Director

Leadership

Hank Halter
Chief Executive Officer

Jay Gratwick
EVP & Chief Financial Officer

Suzanne Mitchell
SVP & Chief Human
Resources Officer

Matthew Shepherd
EVP & Chief Operating Officer

Tim Mitchell
SVP & Chief Information Officer

Bill Buchanan
SVP & Chief Risk Officer

Carol Sundberg
SVP, Payments &
Member Service

Bob Manning
SVP & General Counsel

Bob Walsh
SVP & Chief Lending
Officer

Bill Mesplay
SVP, Remote Delivery

PETITION OF INCORPORATION

TO THE SECRETARY OF STATE, OF THE
STATE OF GEORGIA:

We, the undersigned, residents of the State of Georgia, do hereby apply for permission to organize a Credit Union, and do hereby bind ourselves to comply with this Petition of Incorporation, and with all laws, rules and regulations applicable to Credit Unions in Georgia; and hereby certify as follows:

(1) The name of the proposed Credit Union is.....

.....DELTA EMPLOYEES.....CREDIT UNION.

(2) Incorporation is desired in accordance with the provisions of the Act entitled "An Act to provide for the incorporation, operation and supervision of Credit Unions, to define their rights, powers and duties, and for other purposes," approved by the Legislature August 27, 1925.

(3) The principal office of this Credit Union shall be at.....Candler Field.....

.....Hapeville, Ga.....

(4) The par value of the shares.....

(5) The names and addresses of the persons who have subscribed to this Petition of Incorporation, and the number of shares subscribed by each are as follows:

| Name (Print or type) | Shares Subscribed |
|----------------------|-------------------|
| 1. W. C. Miles | 2 |
| 2. H. L. Millican | 1 |
| 3. C. E. Bradley | 1 |
| 4. W. D. Coats | 1 |
| 5. Wm. L. Bernard | 1 |
| 6. C. B. Deere | 1 |
| 7. R. D. Poole | 1 |
| 8. H. G. Valentine | 1 |



IN WITNESS WHEREOF, WE HAVE hereunto subscribed our names and acknowledged this Petition of Incorporation

and Agreement in triplicate this 24th day of February, 1940.

(Sign in Ink)

| | |
|-------------------------|--------------------------|
| 1. <i>W.C. Miles</i> | 5. <i>Wm. L. Bernard</i> |
| 2. <i>H.L. Millican</i> | 6. <i>C.B. Deere</i> |
| 3. <i>C.E. Bradley</i> | 7. <i>R.D. Poole</i> |
| 4. <i>W.D. Coats</i> | 8. <i>H.G. Valentine</i> |

STATE OF GEORGIA,
COUNTY OF Fulton

Before me, the undersigned, a Notary Public in and for said personally appeared the above-named persons and severally acknowledged the foregoing Petition of Incorporation.

www.DeltaCommunityCU.com
800.544.3328

Witness my hand and notarial seal this 24th day of February, 1940.

SEAL)



www.facebook.com/DeltaCommunity



www.twitter.com/DeltaCommunity



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

Notary Public.

My Commission Expires

