

OUR PURPOSE

We're 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.

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LETTER FROM THE CHAIRMAN

DELTA COMMUNITY CREDIT UNION IS A FISCALLY SOUND FINANCIAL INSTITUTION WITH A FOCUS ON SERVING OUR MEMBERS' FINANCIAL NEEDS. WE HAVE A LONG HISTORY OF SOLID FINANCIAL PERFORMANCE, AND I'M PLEASED TO REPORT THAT TREND CONTINUED IN 2013.



The Credit Union generated over \$42 million in net income for the year, a remarkable achievement considering the tough economic times and other challenges the financial services industry has faced recently. As a not-for-profit financial cooperative, we have the unique opportunity to reinvest our earnings in our valued members and the communities we're privileged to serve. I encourage you to read more about the Credit Union's 2013 financial performance in the letter from Hank Halter, our chief executive officer, and other pages that follow within this report. You'll also find an insert highlighting how the Credit Union and our employees gave back to our local communities through grants, charitable donations and other initiatives during 2013.

Delta Community Credit Union is dedicated to serving your financial needs and returning value to you in the form of meaningful financial products and services that can save you both time and money. Our 26 branch locations and Online and Mobile Banking services also make it convenient and easy for you to conduct your financial business with us. Because we're your Credit Union, our focus is to impact your financial life in positive ways.

Credit unions have been able to make a difference in the financial lives of our members because we are structured differently than banks. Your voice as an advocate and supporter of credit unions is needed today, perhaps more so than ever before. You may have heard about the *Don't Tax My Credit Union* initiative, which began last year. This national credit union campaign is intended to offset growing momentum in Congress to eliminate the tax exempt status credit unions enjoy today. Of course, big banks

have been pushing this for years, but now the threat is a serious concern as Congress considers tax reform. Losing our tax exempt status would have a negative impact on our ability to provide you with the superior service and value you've come to enjoy and appreciate as a member of Delta Community.

One of the ways we engage our elected officials each year is by sending representatives from Delta Community and other credit unions to Washington for face-to-face meetings with our elected officials in both the House of Representatives and Senate. These "Hike the Hill" campaigns provide us and other credit unions with a powerful forum to discuss important industry-related issues of the day, such as the *Don't Tax My Credit Union* initiative previously mentioned. We know from these meetings that the cards you filled out at our branches, the phone calls you made and the emails you sent in support of credit unions maintaining our tax exemption were impactful and demonstrated just how important this issue is to large numbers of their constituents.

It's no secret that credit unions have enjoyed tremendous growth over the past few years. Consumer frustration with big banks, prompted by the ever-increasing fees levied on them, resulted in record membership growth for credit unions across the country. Because of our positive business reputation and status as Georgia's largest credit union, we were an attractive option for consumers in metro Atlanta looking to move their financial business to a new provider. We benefited greatly from this good fortune, but discontent with big banks has since subsided, resulting in consumers being less inclined to put forth the effort to switch to a credit union for their financial needs today. Despite this trend, Delta Community welcomed more than 20,000 new members in 2013, bringing our total membership number to just over 291,000 at year-end.

Going forward, it will be vital for us to attract new members to Delta Community to strengthen our cooperative for the future. One of the most effective ways we can do this is for you to introduce your family, children, grandchildren, friends and neighbors to the Credit Union. We're committed to improving the financial lives of all those we serve, so tell them about how we've done this for you.

We are successful because of your loyalty and support. On behalf of the board of directors and our wonderful employees, thank you for making Delta Community Credit Union your preferred way to bank.

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

Jim Duffley



DELTA COMMUNITY CREDIT UNION DELIVERED RECORD EARNINGS IN 2013, WITH UNAUDITED NET INCOME TOTALING \$42 MILLION. THESE ARE IMPRESSIVE RESULTS THAT EXCEEDED THE RECORD INCOME WE GENERATED IN 2012. THESE EARNINGS ENABLED US TO STRENGTHEN OUR BALANCE SHEET AND IMPROVE OUR CAPITAL POSITION, WHICH WE SET OUT TO DO AT THE BEGINNING OF THE YEAR.

The fact we've been able to consistently perform at such a high level over the past few years is a testament to the strength of this Credit Union, the dedicated efforts of our employees and the trust you've placed in us to serve your financial needs. 2013's strong financial performance is also significant in light of the ongoing revenue margin pressures facing Delta Community and other financial service providers today.

We and all financial institutions are struggling with narrow income margins due to the ongoing low interest rate environment. Loan demand has also been constrained as consumers have been paying down existing debt for the past few years, which further impacts revenue. In 2013, members responded enthusiastically

to our invitation to finance a loan with us or refinance an existing loan held with another financial institution. We generated \$642 million in new loans for the year, a 34% increase over 2012. Our employees did a remarkable job of reaching out to and working with members on an individual basis, and this success is attributable to their effort.

Delta Community entered 2013 in sound financial condition, and our solid performance in 2013 enhanced that position. At year end, our balance sheet totaled \$4.5 billion in assets. Surveys, comment cards and other feedback show that you prefer Delta Community Credit Union over other financial institutions, and we believe this was reflected in the additional business we received during the year from existing and new members.

As Georgia's largest credit union, we're always looking for ways to bring more value to our membership. In 2013, we introduced Quarterlife, a financial program for young adults, and we began a partnership with Brass Media to promote financial literacy with high school students in metro Atlanta. Working with Brass Media, we provide teachers with financial resources and information to give students a better understanding of how to manage their financial lives. It also encourages them to begin banking with credit unions early. This greatly benefits young consumers and will strengthen the Credit Union in the years ahead, so it will continue to be an important strategic focus.

As I mentioned previously, improving our capital position was a top priority for us last year. I'm pleased to report that our net worth ratio climbed to 10.47% in 2013. Improvements to our capital ratio enhance our ability to protect the value we offer you and all members of the Credit Union. For example, unlike many of our competitors, we continue to provide free checking and a free debit card with a reward points program. We also offer competitive rates on deposit and loan products and low or no fees. Many consumers have forgotten how quickly big banks raised fees and modified or eliminated popular products and services in order to protect revenue and compensate shareholders. As not-for-profit institutions, credit unions are focused on serving the financial needs of our members.

By proactively managing the quality of our balance sheet, we're working to ensure the long-term stability of Delta Community. The national economy showed some signs of sustained improvement last year, and we're certainly hopeful this continues in 2014. But the capital improvements we made in 2013 mean we now have even more reserves on hand, which better prepare us to weather whatever economic environment we may face in the future.

What a privilege it is to serve as your CEO. I am deeply committed to our mission to improve the financial lives of our members, and it has been most gratifying in my role to see and hear all the wonderful stories of how this Credit Union is able to do this. I sincerely hope we were able to help you and your family in some way this past year.

Thank you for making 2013 such a great year for Delta Community and our members. Your membership, support and loyalty are much appreciated. Serving you is our main focus, and we will continue to work hard to keep and earn more of your business.

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

Hank Halter

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 2013. The final 2013 report is expected by the end of April 2014. 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 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 the Credit Union's compliance with state, federal and NCUA regulations and adherence to the Credit Union'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 Credit Union 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

2013 OPERATIONAL HIGHLIGHTS

AT \$42 MILLION, OUR EARNINGS SURPASSED THE RECORD INCOME WE GENERATED IN 2012. FOR 2013, DEPOSIT GROWTH REMAINED STEADY AT 2.5%, MEMBERSHIP GROWTH HELD STRONG AT 7.3% AND DIRECT LOAN GROWTH IMPROVED TO 7.6%.

PRODUCTS & SERVICES

Branch employees posted more than 3.5 million transactions in 2013, an increase of 218,000 from 2012. At the branch level, we served our members' lending needs by funding more than 20,900 loans, totaling over \$186 million. The High School Apprentice Program, which started in 2006 with two students for Fayette County branches, continues to be a great success. To date, 38 students have worked in the program, which allows us to give back to the communities we serve by affording young students the opportunity to learn responsibility and gain valuable experience by working in select branches. Seven former students have converted to full-time positions.

Our mystery shop program continues to help us define and improve our service standards. More than 2,000 members are now enrolled in the program. In 2013, members gave us very high scores on key metrics, such as likelihood to give us future business or refer someone to the Credit Union, as well as how valued and appreciated they feel based on the service provided by our employees.

In 2013, we enhanced our online membership application by implementing seamless account decisioning, opening and funding for Money Market Accounts and Certificates of Deposit. We also introduced a centralized member feedback management system, which allows us to capture, store, manage and trend member feedback more effectively.

As part of our plan to restore our capital ratio to above 10%, we slowed deposit growth and reduced operating expenses. We also evaluated our ATM network, debit rewards program and other products and services, making changes as needed to reduce expense while protecting the value we offer members.

Working with Car Solutions, our car buying service, we offered members access to great auto financing and a variety of new and used vehicles at our spring and fall car sales. We closed 82 vehicle sales, totaling \$1.28 million at the spring car sale, and an additional 52 vehicles, totaling over \$883,00 at the fall car sale. 2013 was also a record-breaking year for our Consumer Credit Services (CCS) department, which closed more than 33,000 loans totaling \$273 million. CCS migrated from an open-ended loan process to closed-end lending, reducing risk for Delta Community and improving service to members.

During 2013, Real Estate Services increased our overall mortgage portfolio by 9%, bringing the total to over \$1.3 billion. In December, the team closed more than \$41 million in first and second mortgage loans, a record high for the year.

The Member Care Center (MCC) continued to grow in 2013 with a focus on world-class service and the financial education of our membership. The MCC responded to more than 565,000 calls, an increase of 12% from 2012. This was accomplished with a first contact resolution rate of 90%. Additionally, the MCC implemented Work at Home technology, helping the Credit Union reduce overhead expenses while improving productivity and business continuity capabilities. The MCC's Quality Assurance Team also reviewed more than 3,800 calls across the organization to ensure we are consistently meeting our goal to offer members a world-class service experience within the phone channel.

Assets under management within Delta Community Retirement & Investment Services exceeded \$220 million. They also offered 30 educational workshops, presenting to more than 1,000 members through our corporate partners and community outreach efforts. And Members Insurance Advisors, our wholly owned subsidiary, increased property and casualty revenue by 28%, resulting in a 158% increase in net income.

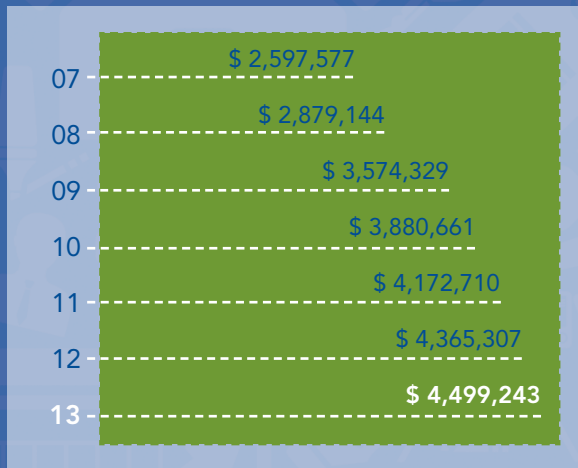
We continued our community involvement efforts in 2013 by investing more than \$650,000 to foster growth and prosperity in the communities we serve. We provided meaningful support to Children's Healthcare of Atlanta, 14 different chambers of commerce, more than 100 schools and various non-profit organizations focused on the financial and physical well-being of children.

MARKETING & PROMOTIONAL EFFORTS

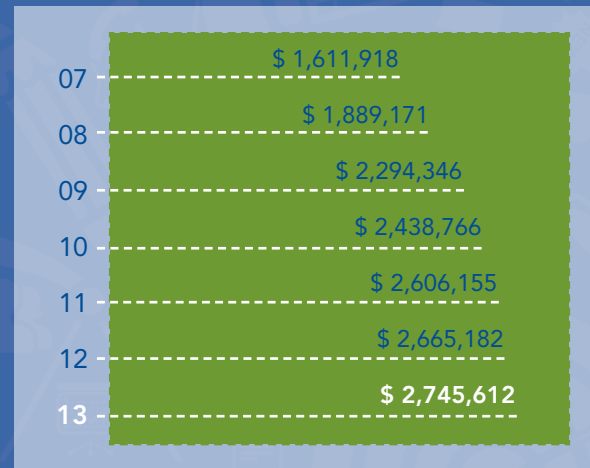
Quarterlife, our financial program for young adults featuring unique marketing collateral and an interactive website, was introduced in early 2013. This program helps younger members build better financial lives and will strengthen the Credit Union's awareness among this key market segment.

Our Switch & Save campaign generated more than \$64 million in new consumer loans between July and September, the highest loan total ever recorded for this three-month period. In 2013, we extended our social media presence, particularly on Facebook, reaching 10,000 followers. Delta Community was also ranked in the top 100 (48th) among credit unions worldwide that maintain a Twitter profile, according to *The Financial Brand*.

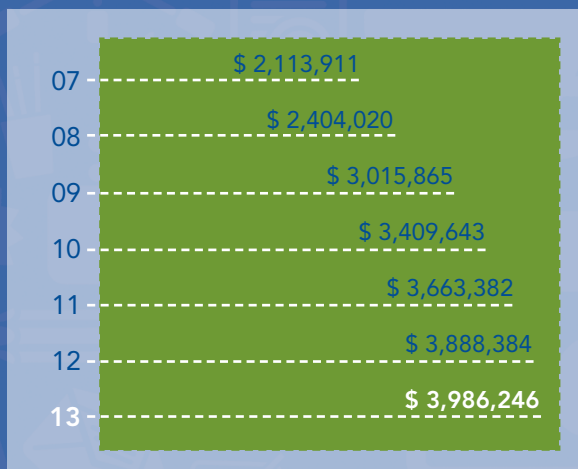
TRENDS AT A GLANCE



ASSETS (\$ in 000s)



LOANS (\$ in 000s)



DEPOSITS (\$ in 000s)



MEMBERSHIP

STATEMENT OF FINANCIAL CONDITION

as of December 31, 2013 (unaudited)

ASSETS (\$ in 000s)

Cash and Equivalents	\$	36,546
Receivables		30,990
Loans, Net Net of allowances for possible loan losses & deferred income (expense) relating to mortgage originations		2,713,109
Investments		1,546,711
Accrued Interest		12,145
Prepaid and Other Assets		45,556
Property, Equipment and Leasehold Improvements, at Cost, Net of accumulated depreciation and amortization		114,186
Total Assets	\$	4,499,243

LIABILITIES AND EQUITY

Accounts Payable	\$	47,154
Member Deposits		3,986,246
Equity		465,843
Total Liabilities and Equity	\$	4,499,243

STATEMENT OF OPERATIONS

for the year ended December 31, 2013 (unaudited)

REVENUES (\$ in 000s)

Interest on Loans	\$	133,470
Interest on Investments		9,155
Fees		14,793
Miscellaneous		35,359
	\$	192,777

EXPENSES

Salaries	\$	54,706
Training		388
Office Occupancy		5,246
Loan Servicing		14,103
Advertising		4,171
Office Expenses		6,099
Depreciation and Amortization		5,532
Checking Accounts		2,800
Debit Card		9,185
Shared Branches		1,140
Professional and Outside Services		3,223
Other Expenses		4,463
Provision for Loan Losses		18,650
	\$	129,706

COST OF FUNDS

Dividend Expenses	\$	17,749
	\$	17,749
Operating Net Income	\$	45,322

EXTRAORDINARY ITEMS

NCUA Assessment	\$	(3,053)
Net Income	\$	42,269

BOARD OF DIRECTORS

Jim Diffley
CHAIRMAN

Linda O'Shea
VICE CHAIRMAN

Lem Wimbish
SECRETARY/TREASURER

Walter Brill
SUPERVISORY
COMMITTEE CHAIRMAN

Allison Ausband
DIRECTOR

Charlie Boyajian
DIRECTOR

Hank Halter
DIRECTOR & CHIEF
EXECUTIVE OFFICER

Esther Hammond
DIRECTOR

Robin Stricklin
DIRECTOR

LEADERSHIP

Hank Halter
CHIEF EXECUTIVE OFFICER

Jay Gratwick
EVP, CHIEF
FINANCIAL OFFICER

Matthew Shepherd
EVP, CHIEF OPERATING
OFFICER

Bill Buchanan
SVP, CHIEF RISK OFFICER

Bob Manning
SVP & GENERAL COUNSEL

Bill Mesplay
SVP, CHIEF
INFORMATION OFFICER

Carol Sundberg
SVP, PAYMENTS &
MEMBER SERVICE

Bob Walsh
SVP, CHIEF LENDING
OFFICER

Suzanne Mitchell
VP, HUMAN RESOURCES
& TRAINING

50 YEARS OF SERVICE



Jim Diffley
CHAIRMAN

CONGRATULATIONS AND THANK YOU TO JIM DIFFLEY

Jim has served Delta Community for 50 years. He was hired at Delta Air Lines in July 1959 and became a member of the Credit Committee of Delta Employees Credit Union in January 1964. He was elected to the Board of Directors in January 1983 and appointed Chairman in February 1986.

Jim's service is truly exemplary. He is an effective leader who has inspired Delta Community's employees through his work ethic, intellect and commitment to the credit union philosophy of "people helping people." He participates regularly in the Governmental Affairs Conference and other industry events. He helped establish the Georgia-Polish Credit Union partnership and serves as a mentor to our sister credit union, Skok Jaworzno.

In 2008, the Georgia Credit Union Affiliates awarded Jim the state's highest honor for credit union volunteers, the Moses C. Davis Volunteer of the Year Award.

FROM A NEW MEMBER OF
DELTA COMMUNITY CREDIT UNION...

“ I recently joined Delta Community Credit Union.
My experience with your employees was
so impressive that I don't know if I could express
my satisfaction properly ... The representative that
handled my business at your Johnson Ferry branch
was absolutely superb. My sincere compliments
on the way she and Delta Community Credit Union
handled my financial needs.”

Denver C.

www.deltacommunitycu.com

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

