



Note from the President

Message From Delaware First Federal Credit Union President

Delaware First Federal Credit Union is **Healthy**.

As you watch or read the financial news of the past few days, it would be understandable to question the soundness of all financial institutions. As previous credit union communications have stated, the financial news from Delaware First is very positive. While some other institutions are being severely tested, Delaware First is reporting good earnings and core financial strength. As a federally insured credit union, Delaware First is restricted to federally insured or backed investments. Federally backed securities are considered the most secure of all investments. As a federally insured credit union, Delaware First is restricted to federally insured or backed investments. Federally backed securities are considered the most secure of all investments.

I'm proud to report that our members continue to repay their loans at record rates in spite of a challenging economy. The quality of a consumer loan portfolio like ours is largely measured by its overall delinquency. With only 2% of our loans in delinquency, that means that 98% of all loans are sound. Thanks to all of our members for honoring their borrowing agreements with us.

The shares in your credit union are insured by the National Credit Union Share Insurance Fund (NCUSIF), which is backed by the full faith and credit of the United States Government. Established by Congress in 1970 to insure member share accounts at federally insured credit unions, the NCUSIF is managed by NCUA under the direction of the three-person NCUA Board. Your share insurance is similar to the deposit insurance protection offered by the Federal Deposit Insurance Corporation (FDIC).

The Emergency Economic Stabilization Act of 2008, signed into law on October 3, 2008, increased the insurance coverage on all accounts up to \$250,000 through December 31, 2009. To learn more about the soundness of the NCUA, go to <http://webapps.ncua.gov/ins>. For more information on federal share insurance, see the NCUA brochure "Your Insured Funds", available at http://www.ncua.gov/Publications/brochures/insured_funds/funds.pdf.

In closing, I'd like to assure you that, your credit union is financially strong. Our Net Worth or Capital Ratio is 15.74% which is much stronger than the minimum requirement of 7% to be a Well Capitalized Credit Union.

This is certainly a challenging time and is likely to get more challenging in the months ahead. The good news for our credit union members is that we remain strong and very capable of navigating these difficult waters.

Sincerely,

A handwritten signature in cursive script that reads "Sharon A. Schaeffer".

President/CEO