

Report of the Treasurer

During the year 2010 DEXSTA was able to post a modest net income despite the lingering affects of the recession and the mortgage crisis. Credit unions were again assessed fees to replenish the National Credit Union Share Insurance Fund which will continue for several years. Although the entire financial industry endured losses over the past few years, credit unions will be able to absorb our portion of the losses through the assessments without an impact on tax payers. These assessments enable the credit union movement to replenish the insurance fund to statutory limits. Other notable influences on operating results are a low demand for loans and a low return on investments. DEXSTA continues its commitment to fully serve its membership.

Delinquencies, charged off loans and the resulting provision for loan losses declined during 2010. These factors resulted in a net income. Through sound and careful management the credit union maintained capital at \$14,405,000 with a capital ratio of 8.54%. This classifies DEXSTA as a well capitalized credit union and in a sound position to protect member's assets and continue to deliver superior services in these challenging times.

The tables below reflect some of the key financial statistics and ratios for the past two years.

All values are in thousands of dollars

Growth Analysis	2009	2010	Change
Loans	\$72,684	\$ 69,041	-5.01%
Shares	\$156,809	\$ 153,859	-1.88%
Assets	\$171,809	\$ 168,651	-1.84%
Net Income	(\$1,402)	\$ 21	
Expenses – Including PLL	\$8,341	\$8,280	-0.73%
Capital	\$14,384	\$ 14,405	0.15%
Return on Average Assets	(0.81%)	0.01%	

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Delinquency Analysis	2009	2010	Change
Provision for Loan Losses	\$1,511	\$ 1,171	-22.50%
As % of Loans	2.08%	1.70%	
Delinquent – Two or More Months	\$1,053	\$ 982	-6.74%
As % of Loans	1.45%	1.42%	
Loans Charged Off	\$1,733	\$ 1,247	-28.04%
As % of Loans	2.38%	1.81%	
Allowance for Loan Losses	\$1,011	\$ 1,167	15.43%
Allowance as % of Delinquent Loans	96%	119%	

DEXSTA is on sound financial footing to grow in members and services to meet the needs of the New Castle County community. The Board, Management, and Staff look forward to servicing all of your financial needs in the coming year.



Submitted by,

A handwritten signature in cursive script that reads "David S. Marianelli".

David S Marianelli
Treasurer of the Board