

A man with curly hair and sunglasses on the left, and a woman with blonde hair and sunglasses on the right, both looking at a smartphone held by the man. The background is a blurred outdoor setting. The text is overlaid on the image.

STAYING CONNECTED

GEORGIA'S OWN CREDIT UNION

2016 ANNUAL REPORT



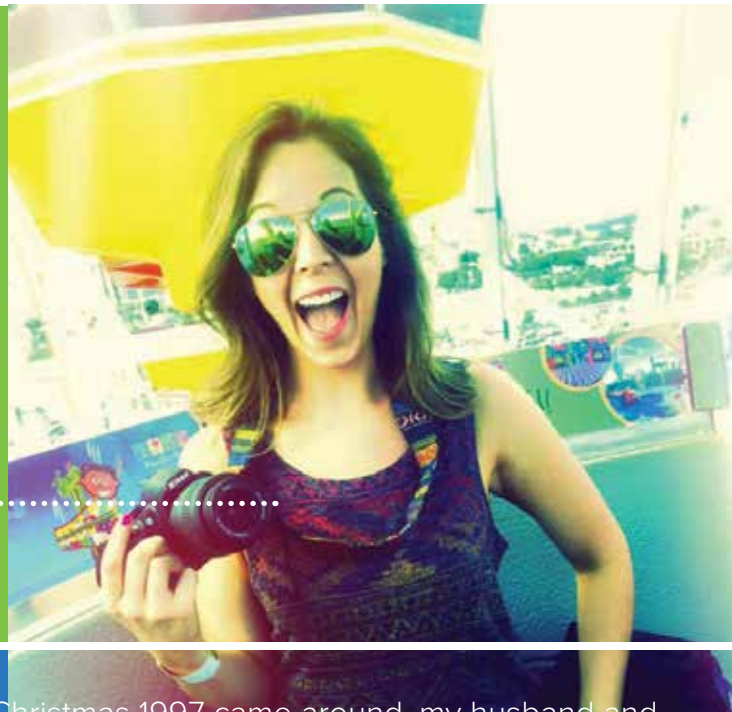


I truly believe Georgia's Own stands behind their philosophy of people helping people, because I'm one of those people. As a college student who is about to be married, I'm on a tight budget and Georgia's Own has helped both my fiancée and me manage our debt and build our credit. Every interaction I've had at the Credit Union has been incredible and consistently helpful, and thanks to the scholarship from Georgia's Own, I can pursue my dream of becoming an RN, allowing me to help other people.

— **MARCUS I.**, *DOUGLASVILLE*

I had just moved back to Atlanta a few months ago, and was working on getting my finances back in order when a few of my friends and I heard about a contest on the radio. I still can't believe out of everyone who entered the contest, I ended up winning the grand prize of \$20,000! It was unreal! Thanks to Q100 and Georgia's Own, getting back on track after the expense of moving was even easier. I was even able to purchase a new car to help me get around. It was definitely a great "welcome back" to the city.

— **LAUREN M.**, *ATLANTA*



When Christmas 1997 came around, my husband and I started thinking about adoption after recently losing two family members at a young age. At age 43, I still held to my belief that there are so many children in the world who need homes, why not adopt? We started the adoption process in February 1998. Altogether it would cost us \$15,000, so I approached Georgia's Own for a \$10,000 loan. By July 1998, we had a son – a 14-month-old boy from Moscow – to love and care for. Thank you Georgia's Own Credit Union for helping us become a family.

— **PENNY C.**, *HOSCHTON*





#WELOVEATL

Atlanta will always be our home. Downtown Atlanta is where it all began for us more than 82 years ago, and in 2017, we will join Atlanta's skyline as we begin to move our headquarters to the iconic Equitable Building.

We love being a part of such an amazing state. Our focus has always been local, and we believe in doing what's right – for you and for the communities we serve here in Georgia. That's why **staying connected** is so important.



AT A GLANCE

186,028

FIELD OF MEMBERSHIP



INCREASE IN ASSETS



NET WORTH CAPITAL RATIO



ORGANIC LOAN GROWTH

ADDED
21 PREMIER PARTNERS

COMPLETED A SUCCESSFUL SYSTEM UPGRADE

CONTINUED OUR PROUD PARTNERSHIPS WITH THE ATLANTA HAWKS AND GEORGIA STATE UNIVERSITY ATHLETICS

ANNOUNCED OUR HEADQUARTERS MOVE TO DOWNTOWN ATLANTA

ESTABLISHED THE **GEORGIA'S OWN FOUNDATION** TO FURTHER OUR COMMUNITY PARTNERSHIPS THROUGH NON-PROFIT DONATIONS

OPENED A STATE-OF-THE-ART BRANCH IN ROSWELL, GA

ANNOUNCED OUR SPONSORSHIP OF RELAY, ATLANTA'S BIKE SHARE PROGRAM

\$225,000 CONTRIBUTED TO CHARITABLE CAUSES THROUGH SPONSORSHIPS & DONATIONS

27,000 TRAINING HOURS

AWARDED **\$15,000** IN SCHOLARSHIPS

LETTER TO MEMBERS

In a world of changing technology, it becomes both easier and harder to stay connected. The impact of a connected world gives us the means to expand our knowledge, change communication, and foster a better quality of life. But, it comes with its costs as well. The work we have accomplished in the past year and the roadmap in front of us shows how far we have come and where we are poised to go.

MOBILE & ELECTRONIC CONNECTION

Today, businesses face countless opportunities and challenges. Working to unlock business insights from a world of data, deciding which solutions will enhance the member and employee experience, and securing information across

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a growing number of devices is not an easy undertaking, but one we faced head-on in 2016.

We ended 2016 with the completion of a successful system upgrade, and are proud to now operate on one of the most cutting-edge platforms available. In preparation for this, the Credit Union embarked on a number of process improvements to not only save

time and money, but to guarantee a smooth transition to our new core processor. This upgrade would not have been successful without the hard work of our staff and patience of our members.

While our primary focus was our system upgrade, we continued to make enhancements to drive our digital strategy forward. We added Apple Pay, Samsung Pay and Android Pay to our product offerings. Through the use of EMV technology, we made our credit and debit cards more secure by converting all magstripe cards to chip-enabled cards. We increased efficiency by growing the number of mobile check deposits received. In 2016, we averaged over 13,000 mobile check deposits per month. Additionally, we grew our social media presence and made the Financial Brand Power 100 list for Credit Unions on Facebook.

COMMUNITY CONNECTION

As a company engrained in our local communities, we strengthened our connections in the areas we serve. We established the Georgia's Own Foundation for charitable giving to further our community outreach through non-profit donations. We became the presenting sponsor of Atlanta's Relay Bike Share program. We continued to work with a number of key partners, including Philips Arena/Atlanta Hawks, University of Georgia Football, Georgia State University Athletics, and the Atlanta Braves, to foster our local presence in Georgia.

In 2016, community involvement remained an ongoing focus. We held our annual charity golf tournament and were once again able to raise \$100,000 to benefit L.E.A.D. Other organizations that we were honored to support include Action Ministries, the Brian Jordan Foundation, Free Bikes 4 Kids, and Children's Miracle Network, giving back

nearly \$225,000 in 2016. Additionally, we awarded \$15,000 to three exceptional students through our scholarship program, and boasted a total of 245 paid volunteer hours logged by our staff.

HUMAN CONNECTION

Successful companies start with people. While we strive to stay connected through technology, we have not forgotten that human connection, specifically with our members, is what drives our business. An indicator of success in this area is our growth.

In a world of changing technology, it becomes both easier and harder to stay connected. The impact of a connected world gives us the means to expand our knowledge, change communication, and foster a better quality of life.

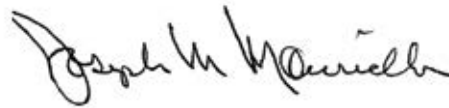
Last year we delivered strong results, leveraged competitive products, and positioned ourselves for a bright future. In 2016, our membership grew to 186,028, a steady increase over the previous year. The Credit Union's assets rose 4.5% over 2015, ending the year at \$2,139,644,896. Our loan portfolio increased throughout the year as well, increasing \$94.2 million for 5.9% growth. Similarly, members' share accounts increased to a record \$695.8 million, a 9.3% increase. Checking, as well as Money Market accounts, remained strong, representing approximately \$31.0 million and \$23.0 million in growth, respectively. In addition, we added two new products, a first-time home buyers and first-time auto buyers loan, aimed at providing our younger members with a smart financial start.

Part of our continued growth included the addition

of 21 new Premier Partners, including UPS, Six Flags® Over Georgia, and Kabota, GA. In addition, we opened a new, state-of-the-art branch in Roswell in October 2016.

2016 has been a monumental year, and we are committed to ensuring Georgia's Own makes the most of this landmark moment. With multiple challenges and substantial transformation behind us, we remain positioned to serve our members better than ever before. We would like to thank our board, our staff, and, most importantly, our members, for their continued trust in us. We thank you for an outstanding year, and look forward to an even more promising 2017.

Sincerely,



Joseph M. Mauriello, Chairperson



David A. Preter, President/CEO





STAYING CONNECTED

BOARD OF DIRECTORS

David A. Preter | President/CEO

Joseph M. Mauriello | Chairman

Michael W. Baumgartner | Vice Chairman

Patrick H. Casey | Treasurer

Joan K. Sims | Secretary

Richard E. Burns

William E. Conine

David Dickey

James Larry Fowler

Gary Ludgood

Mollie Bell

Ervin M. Walker

C. Edward Heath | Director Emeritus

SENIOR EXECUTIVES

Cindy Boyles | SVP, Organizational Development

Eric Broome | SVP, Enterprise Risk Management & General Counsel

John Carew | SVP, Strategy

Kelly Garmon, Ph.D. | Chief Membership Officer

Greg Gibson | Chief Financial Officer

Bonnie Kimmey | Chief Operating Officer

FINANCIALS

Statement of Financial Condition

December 31, 2016

Assets

Cash and cash equivalents	\$	92,342,739
Securities - available for sale		256,799,980
Other investments		11,679,552
Loans held for sale		2,106,200
Loans - gross		1,684,310,367
Allowance for loan losses		(19,143,667)
Loans - net		<u>1,665,166,700</u>
Accrued interest receivable		6,225,400
Foreclosed and repossessed assets		1,057,889
Premises and equipment, net		24,048,361
NCUSIF insurance deposit		16,879,690
Other assets		<u>63,338,385</u>
Total Assets	\$	<u>2,139,644,896</u>

Liabilities and Members' Equity

Checking accounts	\$	336,955,695
Share accounts		695,797,987
Money market accounts		348,552,006
IRA accounts		12,641,517
Share and IRA certificates		<u>366,895,199</u>
Members' share and savings accounts		1,760,842,404
Borrowed Funds		129,039,000
Accrued interest payable		66,904
Accrued expenses and other liabilities		<u>27,121,755</u>
Total Liabilities		<u>1,917,070,063</u>
Regular reserves		29,222,710
Undivided earnings		199,372,212
Accumulated other comprehensive loss		<u>(6,020,089)</u>
Total Members' Equity		<u>222,574,833</u>
Total Liabilities and Members' Equity	\$	<u>2,139,644,896</u>

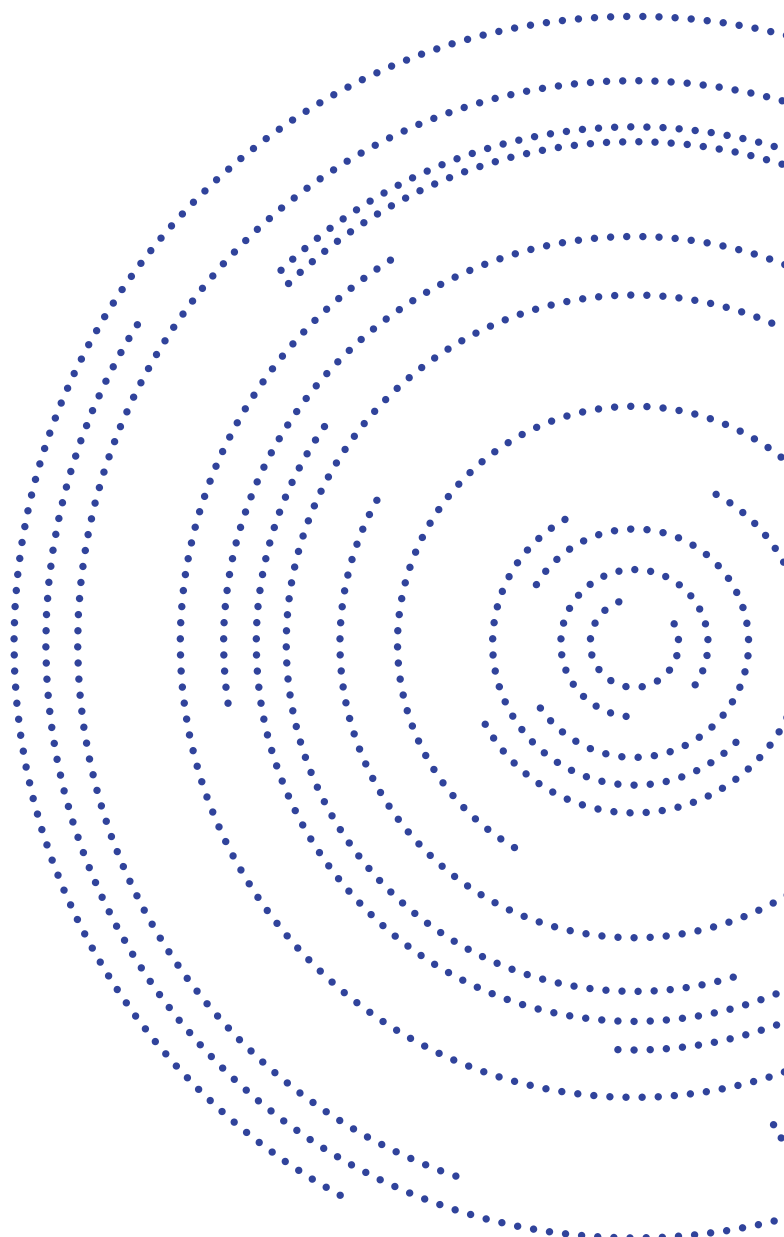
Statement of Income

Year Ended December 31, 2016

Interest Income	
Loans	\$ 62,656,154
Securities, deposits, and cash equivalents	5,436,400
Total Interest Income	<u>68,092,554</u>
Interest Expense	
Members' share and savings accounts	4,455,412
Borrowed funds	442,770
Total Interest Expense	<u>4,898,182</u>
Net Interest Income	63,194,372
Provision for Loan Losses	<u>11,050,000</u>
Net Interest Income after Provision for Loan Losses	<u>52,144,372</u>
Non-interest Income	
Service charges and fees	12,746,390
Other non-interest income	20,315,095
Net gain on sale of investments	121,687
Total Noninterest Income	<u>33,183,172</u>
Non-interest Expense	
Employee compensation and benefits	37,181,427
Office occupancy and operations	20,318,643
Other operating expenses	19,203,824
Impairment Loss on Foreclosed Assets	379,732
Net loss on sale of assets	178,697
Total Operating Expenses	<u>77,262,323</u>
Net Income	<u>\$ 8,065,221</u>

Statement of Members' Equity

Year Ended December 31, 2016	Regular Reserves	Undivided Earnings	Accumulated Other Comprehensive Income (Loss)	Total
Balance, December 31, 2015	\$29,222,710	\$ 191,306,991	\$ (21,613,349)	\$ 198,916,352
Net income		8,065,221		8,065,221
Other comprehensive gain			15,593,260	15,593,260
Acquired Equity				-
Balance at December 31, 2016	<u>\$29,222,710</u>	<u>\$ 199,372,212</u>	<u>\$ (6,020,089)</u>	<u>\$ 222,574,833</u>



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