

Mikhail | Member since 2012



GEORGIA'S OWN
CREDIT UNION

ANNUAL REPORT | 2020
EMERGING STRONGER

Georgia's Own Credit Union



Jennifer | Member since 2004

2020

AT A GLANCE

Total Members

203,602

Asset Size

\$2,934,363,474

Better Business Bureau

A+ Rating

29



Branches serving our members throughout the state



74.50%

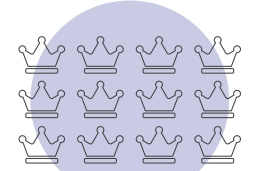
Efficiency Ratio



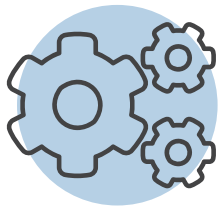
10.09%

Net Worth Ratio

12



New Premier Partners



68

Process Improvements

580

Volunteer Hours



1,433

Personal Wellness Time Off Hours



48

Counties Served



\$27,330,990*

Amount returned to our members in the form of better rates and fewer fees



\$50,000

Awarded in scholarships

3rd

Largest Credit Union in Georgia



Continued proud sponsorships with the Atlanta Hawks, the Atlanta Dream, Flint River Entertainment Complex, Six Flags Over Georgia, Relay Bike Share program, and others



*Source: Credit Union National Association, data current as of September 2020

Letter from our President/CEO and Chairman

While 2020 wasn't the year we had planned, we emerged from it stronger, smarter, and more resilient. We reimagined what business continuity looked like and continued to be agile in an unprecedented environment. Most importantly, we gained a new and critical perspective that will forever change the way we do business. Through it all, we remained focused on our members' needs.

Maintained Business Continuity

Our preparedness and ability to be nimble served us well. This included a swift transition to a predominantly remote workforce, shifting more than 90% of our back-office staff remote within the first two weeks of the nationwide quarantine. We provided tools and resources to help members transact their business digitally, creating a dramatic increase in self-service adoption. We saw a 45% increase in our online account opening tool, reducing the need for manual account opening. Online banking enrollment increased 14%, and mobile deposit usage increased 24%. We moved our Perimeter branch to a new, more convenient location and began work on a highly automated Midtown location, which will open in 2021. Twelve new companies joined our field of membership, including Cobb County Water and Fastenal. We successfully onboarded more than 35,000 members through the DOCO Credit Union and Three Rivers Credit Union mergers, making us the third largest credit union in Georgia.

We invested heavily in our digital channels. We continued to enhance our telephone platform to offer additional self-serve options to members. We furthered our investment in Constellation, a platform that will allow us to enhance our digital interfaces. This included launching a digital lab for testing. We implemented new analytics software to better serve our members and began implementation of an automated platform for lending pre-approvals. We added free student loan and wealth management webinars to help our members succeed. Finally, we rolled out the Georgia's Own Card Manager app, giving members access to enhanced fraud controls and alerts, including the ability to lock their card if it is lost or stolen. Part of business continuity meant protecting our members and our staff. Our top priority was the safety and well-being of our employees and the people

we serve. Because of this, we put stringent guidelines in place, including: maintaining rigorous cleaning procedures, posting signage at our branches and main office to ensure people adhered to social distancing guidelines, installing plexiglass at our teller windows, making masks mandatory for staff and members, and switching to drive-thru only service at our branches when necessary.

Remained Financially Strong

Through an economic downturn, Georgia's Own continued to see sound financial performance. Our net worth remained strong at 10.09%. Largely in part to our mergers with DOCO and Three Rivers Credit Unions, our membership grew to 203,602, an 11% increase over last year.* We also saw a significant increase in assets, ending the year at over \$2.9 billion, an increase of nearly 18% over 2019.* The mortgage market saw rates at all-time lows, giving us our largest annual production to date at more than 1,100 mortgages generated for approximately \$277 million. Similarly, our loan portfolio, including loans held for sale, increased, ending the year with \$2.1 billion. Member deposits also increased, ending the year at nearly \$2.6 billion.

To compensate for an unfavorable economic market due to the pandemic, Georgia's Own successfully reduced expenses. As a result, our efficiency ratio was 74.50% and non-interest expenses were \$15.2 million under budget at year end. We achieved Low-income designation status from the Georgia Department of Banking and Finance (GADB&F) and NCUA, significantly boosting the Credit Union's ability to assist underserved/underbanked current and future members, as well as boosting our ability to assist more business members through increased member business lending. In preparation for the 2021 environment, credit union management expensed an additional \$43.9 million in 2020 for possible future COVID-related credit losses. This unprecedented high level of provision expense negatively impacted 2020 earnings resulting in a loss of \$10 million for the year. However, it positioned your Credit Union for continued safety and soundness and a return to profitability in 2021.

Enhanced Our Product Offerings

The breadth and depth of the knowledge we have and our ability to provide a comprehensive range of products and services has never been more important. Despite a challenging environment, we enhanced our product offerings. We were proud to upgrade to a contactless credit card in August

*Growth percentages are based on year-over-year growth for Georgia's Own Credit Union and do not include prior DOCO or Three Rivers Credit Union data.

2020, giving members a safer and more convenient way to pay. We rebranded and enhanced our free financial education modules in a critical time of need. We acquired an ownership stake in Member First Mortgage, significantly increasing operational efficiency and improving the mortgage experience for our members. We introduced four new, in-house originated mortgage products to offer members more financing flexibility, including two low down-payment loans. As a result of our efforts, we were able to maintain our A+ rating with the Better Business Bureau.

Provided Relief for Members

The values Georgia's Own has upheld for more than 85 years did not waver in 2020. Many members have lost jobs and loved ones, and by continuing to put people before profit, we were able to offer relief to those who needed it most. We created an emergency relief loan, helping more than 900 members with loan assistance for \$1.6 million. We created more than 50 educational tools and resources to assist our members during the pandemic. We offered a number of financial resources, including payment deferrals and loan forbearance, to our members. Georgia's Own provided more than \$19.1 million in mortgage forbearance alone, and waived more than \$200,000 in fees. For small business, we provided more than \$8.5 million in relief to more than 300 businesses through Paycheck Protection Program (PPP) loans.

Credit unions continue to save Georgians money, and 2020 was no exception. We are proud to report that Georgia's Own provided an estimated total of \$27,330,990 to our members in the form of lower rates and fewer fees, which is equivalent to \$141 per member or \$295 per

household.** According to the Credit Union National Association, Georgia's Own delivered loyal, high-use households \$2,095 in direct financial benefits.

Remained Committed to Our Community

In addition to providing relief for members, we worked to support and lift our communities. In 2020, the Georgia's Own Foundation held its 11th annual Georgia's Own Golf Challenge at the Golf Club of Georgia in Alpharetta. Despite the unexpected challenges of event planning in the COVID-19 environment, the event procured 52 sponsors, 123 golfers, and raised \$80,000 for L.E.A.D., a local organization which helps at-risk, inner-city youth with the tools needed to succeed. To meet the extreme needs of those in our community affected by the economic hardships of COVID-19, we undertook a number of fundraising efforts to provide meals for this population. We held drives in March and June to raise funds and collectively contributed a total of \$62,000 from Georgia's Own and the Georgia's Own Foundation towards this cause. The Foundation partnered with the City of Atlanta in distributing \$1.5 million in the form of \$2,000 grants to 750 city contract employees who had been hardest hit by COVID-19. Finally, the Credit Union and the Georgia's Own Foundation granted a combined total of \$50,000 in college scholarships in 2020.

We continued to highlight events that were important to the community on the Georgia's Own Sign and were honored to recognize local graduating seniors, healthcare workers, teachers, and veterans. Additionally, we featured tributes for the late Kobe Bryant and John Lewis and displayed messaging around breast cancer awareness, early voting, and hunger action month.

Invested in Our Staff

We continued to foster a culture where everyone feels valued, respected, and has the opportunity to grow and succeed. As part of our diversity and inclusion program, we worked to create a process to request, approve, and implement employee resource groups. This is truly an employee-led initiative. Three groups were requested and approved in 2020. Additionally, our first class of Emerging Leaders completed their curriculum this past year. Georgia's Own had 17 exemplary employees complete this two-year program in late 2020. Finally, we furthered our dedication to employee wellness and volunteerism—employees logged more than 1,430 hours for personal wellness and nearly 580 hours for volunteer time off.

This past year brought us unexpected challenges. However, it forced us to rethink, reconfigure, and reimagine the future. As a result, we are better positioned to serve our members than ever before. We thank our staff, our board, and our members for the fortitude and support they have given this year. We also thank our healthcare workers and communities for the sacrifices they have made. Whatever the future brings, Georgia's Own will continue to stand strong and uphold our steadfast commitment of *Banking on Purpose*.



David A. Preter

David A. Preter
President & CEO



Michael W. Baumgartner

Michael W. Baumgartner
Chairperson

**Source: Credit Union National Association, data current as of September 2020

5,600+

Consumer Loan Payment
Deferrals Processed



6.49

Member Satisfaction Rating

\$19.1 million

in First Mortgage Forbearance

912

Relief Loans Funded
Totaling \$1.6 Million

\$200,000+

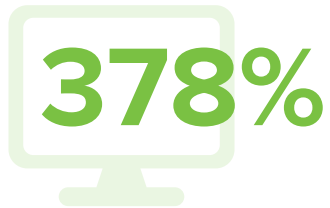
in Fees Waived for Members

31,000

Outreach Phone Calls Made
to Our Members

325

Number of Employees Working
Remotely



Increase in Website Page Views

24%

Increase in Remote
Deposits Received

182%

Increase in Online Banking
Self-Enrollment

17%

Increase in Online Applications
for New Accounts, Loans, Etc.

308

Payroll Protection Loans
for Businesses in Our Communities
Totaling \$8.5+ million

1,000+ **Stimulus Payment
Adjustments**

Giving Those Members in Need Access to
100% of Their Government Relief Funds

890 **Meals Provided**

to Healthcare Workers and Others in Need
through the Georgia's Own Foundation

750

City of Atlanta Grants

Processed and Disbursed from
\$1.5 Million of City Funds through the
Georgia's Own Foundation

17%

Increase in Number of Calls to
Our Call Center



Processes Made Virtual or Removed Need
for Face-to-Face Interaction



THANKS FRONTLINE WORKERS

.....
COVID-19
RELIEF EFFORTS
.....

Financials

[Statement of Financial Condition]

DECEMBER 31, 2020

ASSETS

Cash and cash equivalents	\$ 542,834,652
Deposits in other financial institutions	3,392,000
Securities available-for-sale	127,944,483
Other investments	21,929,220
Loans held-for-sale	5,230,121
Total loans	2,090,439,525
Allowance for loan losses	(48,277,202)
Loans, net	<u>2,042,162,323</u>
Accrued interest receivable	8,792,125
Foreclosed and repossessed assets	637,999
Premises and equipment, net	48,531,399
NCUSIF deposit	23,972,546
Other assets	<u>108,936,606</u>
Total Assets	<u>\$ 2,934,363,474</u>

LIABILITIES AND MEMBERS' EQUITY

Checking accounts	\$ 588,366,840
Share accounts	1,015,017,689
Money market accounts	473,107,924
IRA accounts	18,459,809
Share and IRA certificates	<u>500,324,267</u>
Members' share and savings accounts	2,595,276,529
Nonmember deposit accounts	<u>22,798,000</u>
Total Shares and Deposits	2,618,074,529
Borrowed funds	1,289,000
Accrued interest payable	51,496
Accrued expenses and other liabilities	<u>29,024,388</u>
Total Liabilities	<u>2,648,439,413</u>
Regular reserves	29,222,710
Undivided earnings and acquired equity	266,979,221
Accumulated other comprehensive loss	<u>(10,277,870)</u>
Total Members' Equity	<u>285,924,061</u>
Total Liabilities and Members' Equity	<u>\$ 2,934,363,474</u>

[Statement of Income]

YEAR ENDED DECEMBER 31, 2020

INTEREST INCOME

Loans	\$ 97,405,302
Securities, deposits, and cash equivalents	4,921,959
Total Interest Income	102,327,261

INTEREST EXPENSE

Members' share and savings accounts	12,095,188
Nonmember deposit accounts	1,815,177
Borrowed funds	2,568,094
Total Interest Expense	16,478,459
Net Interest Income	85,848,802

PROVISION FOR LOAN LOSSES

	43,852,698
Net Interest Income after Provision for Loan Losses	41,996,104

NONINTEREST INCOME

Service charges and fees	\$ 14,335,730
Other noninterest income	33,604,392
M&A gain on bargain purchase	827,625
Net gain on sale of assets	688,806
Total Noninterest Income	49,456,553

NONINTEREST EXPENSE

Employee compensation and benefits	51,719,096
Office occupancy and operations	26,942,870
Other operating expenses	22,790,691
Total Noninterest Expense	101,452,657

Net Loss	\$ (10,000,000)
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[Statement of Member's Equity]

YEAR ENDED DECEMBER 31, 2020

	REGULAR RESERVES	UNDIVIDED EARNINGS	ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)	TOTAL
Balance at December 31, 2019	\$ 29,222,710	\$ 256,314,565	\$ (13,847,894)	\$ 271,689,381
Net income		(10,000,000)		(10,000,000)
Other comprehensive income			3,570,024	3,570,024
Equity acquired in merger		20,664,656		20,664,656
Balance at December 31, 2020	\$ 29,222,710	\$ 266,979,221	\$ (10,277,870)	\$ 285,924,061

[We're Georgia's Own]

Southwest Georgia

Despite extraordinary challenges, 2020 was a time for growth. We were proud to welcome the 35,500 members of DOCO Credit Union and Three Rivers Credit Union into our field of membership. These mergers extended our footprint into Southwest Georgia, adding nine new branches and 91 new employees. In addition to expanding the

products and services offered to DOCO and Three Rivers Credit Union, these mergers provided an opportunity to advance our regionalization model. Through the collective history of these three credit unions and our unwavering commitment to Banking on Purpose, we have created an even better, combined Credit Union.



Board of Directors

David Preter | President/CEO

Michael Baumgartner | Chairperson

Patrick Casey | Treasurer

Joan Sims | Secretary

Richard Burns

William Conine

David Dickey

James Larry Fowler

Gary Ludgood

Thomas H. Pollock

Ervin Walker

Senior Staff Members

Cindy Boyles | Chief Talent Officer

Eric Broome | Chief Operating Officer

John Carew | Chief Strategic Officer

Kelly Garmon, Ph.D. | Chief Marketing Officer

Greg Gibson | Chief Financial Officer

Barry Heape | Southwest Regional President

Drew Putt | Chief Commercial Officer





GEORGIA'S OWN
CREDIT UNION

100 Peachtree St NW | Atlanta, GA 30303

