

Annual Report | 2015



# TRANSFORMATION



## Business



*"Rapid changes in technology have changed the way that we do business. Consequently, business transformation was a major focus in 2015."*



## Wellness

*"Georgia's Own has always placed a tremendous importance on wellness, especially the financial wellness of our members."*

## Culture

*"Building a world-class culture is our passion, and an integral part of being one of Georgia's Own is constantly finding elevated ways to serve our members and the communities we represent."*





# TRANSFORMATION

Looking back at 2015, it is clear that it was a pivotal year of transformation. From the infusion of more intuitive technology and a focus on overall wellness to a relentless passion for our world-class culture, Georgia's Own leveraged opportunities throughout the year to transform our business and position ourselves for a strong future.

## Business

Rapid changes in technology have created innovative opportunities to better serve our members. Consequently, business transformation was a major focus in 2015. During the year, we implemented numerous strategic initiatives to improve performance, enhance growth and drive long-term value for our members. This includes transforming our products and processes, enhancing our digital channels, and furthering our strategic roadmap for branches.

In 2015, we added the ability to make Member-to-Member transfers through our online banking system. In addition, we worked with our credit and debit card providers to prepare for the launch of chip card technology. By the end of 2016, all Georgia's Own Credit and Debit cards will contain chip-enabled security. The Guaranteed Asset Protection product for automobile loans was enhanced, and now helps pay the collision deductible. We also added

30-year, fixed-rate jumbo mortgage loans to our product offering. Finally, we created an onboarding department to welcome new members to the Credit Union.

We also transformed our physical footprint. Part of our continued growth included adding the residents of Paulding and Fayette Counties to our field of membership. In addition, we opened a new, state-of-the-art branch in Conyers and began construction on our much-anticipated Roswell branch, which will open in 2016. Finally, we expanded our Field of Membership with the addition of 21 new Premier Partners.

Our business transformation efforts are already yielding strong results and are demonstrated in our numbers. In 2015, Georgia's Own hit a milestone by crossing the \$2 billion asset threshold, ending the year at \$2,047,209,143. Our membership grew to 184,515, a steady 3.63% increase over the previous year. Our loan portfolio increased throughout the year as well. Organic loan balances increased by \$106.4 million for 11.24% growth. Similarly, members' share accounts increased to a record \$636.3 million. Checking, as well as Money Market accounts remained strong, representing \$50 million and \$9.5 million in growth, respectively.

## Wellness

Georgia's Own has always placed a tremendous importance on wellness, especially the financial wellness of our

members. Programs like Balance Financial Fitness, Georgia's Own Investment and Retirement Services, our seminar series for Premier Partner companies, and our scholarship program with which we granted \$15,000 to college students in 2015 are just a few examples of how we invest in our members.

While financial wellness is our business, employee wellness is equally important and we made great strides in providing ample wellness opportunities to our staff. In 2015, we held our first wellness fair. Additionally, we added paid time-off for wellness to our employee benefits plan. Similarly, we offered numerous ways for employees to get fit in 2015.

## Culture

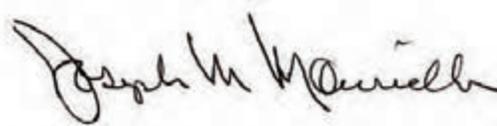
The Georgia's Own culture is one of positive energy and an unwavering quest for creating better ways for our members to bank. One way we worked toward this is through our sales and service initiative, which is intended to strengthen our commitment to continually enrich the experience we deliver to our members. As part of this program, we created a President's Club and inducted our first group of ten employees in 2015. This group has set the bar for exceptional service and performance standards within our organization.

We also continued our cultural emphasis on collaboration within the organization through company-wide events and sponsorships, including our 6th annual GOCYou Day. As part of our GOCYou Day event, in conjunction with Stop Hunger Now, we succeeded in packaging 268,488 individual meals for primary and middle school children in Zambia. Other organizations that we were proud to support included Junior Achievement of Georgia, Action Ministries' Women's Kitchen, Feed the Hungry, Children's Miracle Network, Action Ministries' summer hunger program, Smart Lunch, Smart Kid, and the United Way Shoebox Project. Additionally, we held our annual charity golf tournament and were once again able to raise \$100,000 to benefit L.E.A.D., an organization that is changing the lives of

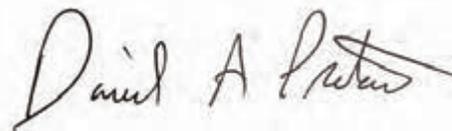
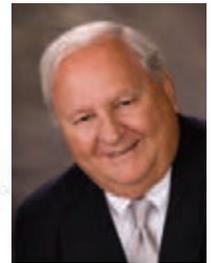
at-risk young men in Atlanta. In view of our ongoing philanthropic efforts, Georgia's Own began the creation of a foundation for charitable giving, which will enable Georgia's Own to further our community partnerships through nonprofit donations.

2015 was a year of transformation, but no matter what changes lie ahead, we will always remain committed to you, our members. As we look forward to 2016, we see enormous opportunity to leverage our 80 plus years of experience and channel the skills and creativity of our people to develop innovative solutions, deliver greater member value and help our business flourish. We look forward to another year of growth and possibilities, and thank you for being one of Georgia's Own.

Sincerely,



Joseph M. Mauriello, Chairperson



David A. Preter, President/CEO





GEORGIA'S  
VISA

# 2015 AT A GLANCE

Grew to 184,515 members by providing unmatched value and service

Reached more than \$2 billion in assets, ending the year at \$2,047,209,143, which was up 11.95% over 2014

Maintained a healthy net worth capital ratio of 10.77% as of December 31, 2015, well above what regulators consider well-capitalized

Returned nearly \$5.2 million in dividends and interest to members

Increased our organic loan balances by \$106.4 million for 11.24% growth

Enhanced our protection product for automobile loans and added Member-to-Member transfers and 30-year, fixed-rate jumbo mortgage loans to our product offerings

Created an onboarding department to welcome new members to the Credit Union

Opened a state-of-the-art branch in Conyers and began construction on a new branch in Roswell, Ga

Welcomed the residents of Fayette and Paulding Counties into our field of membership

Added 21 Premier Partners to our field of membership

Awarded \$15,000 in college scholarships

Created a President's Club and inducted our first group of ten employees in 2015

Began the creation of a foundation for charitable giving to further our community partnerships through non-profit donations

Participated in and donated to various community and charitable causes, including: Stop Hunger Now, L.E.A.D., Junior Achievement of Georgia, Action Ministries' Women's Kitchen, Feed the Hungry, Children's Miracle Network, Action Ministries' summer hunger program, Smart Lunch, Smart Kid and the United Way Shoebox Project

Contributed nearly \$325,000 to charitable causes through sponsorships and donations

Volunteered more than 3,700 hours in time to community involvement efforts

Maintained our official partnership with Junior Achievement of Georgia

Remained the Official Credit Union of Georgia State University Athletics

Continued our proud partnership of the Atlanta Braves, Philips Arena/Atlanta Hawks, and University of Georgia Football

# 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**

**Ervin M. Walker**

**C. Edward Heath** | Director Emeritus

**John White** | Director Emeritus

# Senior Executives

**Cindy Boyles** | SVP Organizational Development

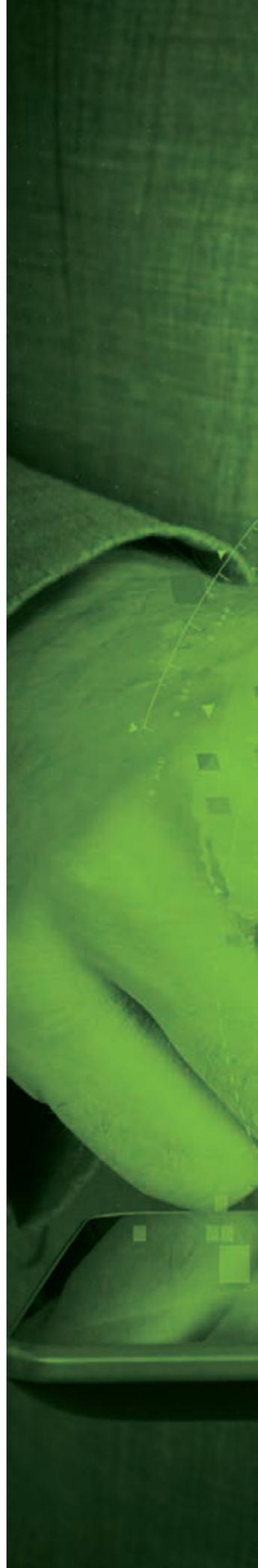
**Eric Broome** | SVP Enterprise Risk Management & General Counsel

**John Carew** | SVP Strategy

**Kelly Garmon, Ph.D.** | Chief Membership Officer

**Greg Gibson** | Chief Financial Officer

**Bonnie Kimmey** | Chief Operations Officer





# Financials

## Statement of Financial Condition

December 31, 2015

### Assets

Cash and cash equivalents	\$	138,666,305
Securities - available for sale		219,009,071
Other investments		11,010,292
Loans - gross		1,592,221,212
Allowance for loan losses		(15,413,013)
Loans - net		1,576,808,199
Accrued interest receivable		4,834,604
Foreclosed and repossessed assets		330,261
Premises and equipment, net		19,795,570
NCUSIF insurance deposit		16,201,404
Other assets		60,553,437
<b>Total Assets</b>	<b>\$</b>	<b>2,047,209,143</b>

### Liabilities and Members' Equity

Checking accounts	\$	305,919,028
Share accounts		636,392,880
Money market accounts		325,568,843
IRA accounts		13,188,691
Share and IRA certificates		410,640,843
Members' share and savings accounts		1,691,710,285
Borrowed Funds		123,191,001
Accrued interest payable		15,465
Accrued expenses and other liabilities		33,376,040
<b>Total Liabilities</b>		<b>1,848,292,791</b>
Regular reserves		29,222,710
Undivided earnings		191,306,991
Accumulated other comprehensive loss		(21,613,349)
<b>Total Members' Equity</b>		<b>198,916,352</b>
<b>Total Liabilities and Members' Equity</b>	<b>\$</b>	<b>2,047,209,143</b>

# Statement of Income

Year Ended December 31, 2015

<b>Interest Income</b>	
Loans	\$ 55,387,348
Securities, deposits, and cash equivalents	4,367,677
<b>Total Interest Income</b>	<u>59,755,025</u>
<b>Interest Expense</b>	
Members' share and savings accounts	5,148,256
Borrowed funds	18,818
<b>Total Interest Expense</b>	<u>5,167,074</u>
<b>Net Interest Income</b>	54,587,951
<b>Provision for Loan Losses</b>	<u>5,398,960</u>
<b>Net Interest Income after Provision for Loan Losses</b>	<u>49,188,991</u>
<b>Non-interest Income</b>	
Service charges and fees	11,702,902
Other non-interest income	18,440,496
Net gain on sale of investments	357,374
<b>Total Noninterest Income</b>	<u>30,500,772</u>
<b>Non-interest Expense</b>	
Employee compensation and benefits	34,764,788
Office occupancy and operations	18,845,048
Other operating expenses	18,625,683
Impairment Loss on Foreclosed Assets	90,100
Net loss on sale of assets	71,684
<b>Total Operating Expenses</b>	<u>72,397,303</u>
<b>Net Income</b>	<u>\$ 7,292,460</u>

# Statement of Members' Equity

Year Ended December 31, 2015	Regular Reserves	Undivided Earnings	Accumulated Other Comprehensive Income (Loss)	Total
Balance, December 31, 2014	\$29,222,710	\$ 183,942,575	\$ (18,530,218)	\$ 194,635,067
Net income	-	7,292,455	-	7,292,455
Other comprehensive loss	-	-	(3,083,131)	(3,083,131)
Acquired Equity	-	71,956	-	71,956
Balance at December 31, 2015	<u>\$29,222,710</u>	<u>\$ 191,306,986</u>	<u>\$ (21,613,349)</u>	<u>\$ 198,916,347</u>



[georgiasown.org](http://georgiasown.org)

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