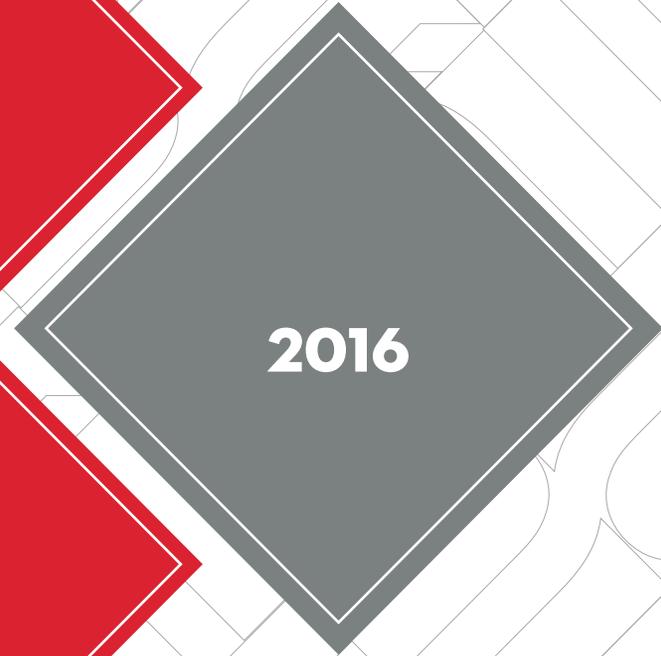
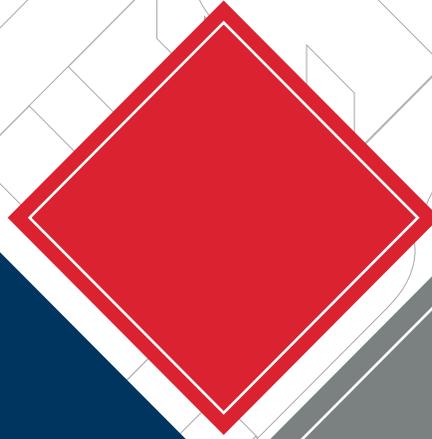




**GEORGIAUNITED<sup>®</sup>**  
CREDIT UNION



*We are*  
**YOUnited**



**2016**

**ANNUAL REPORT**



***SHARED STRENGTH***, looking out for one another is not just the right way, but the only way.

Georgia United McDonough Branch serving our members.

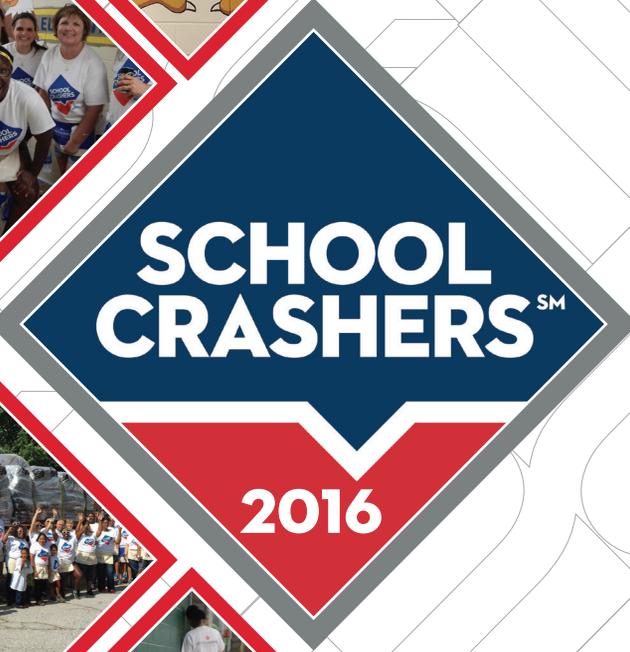
# *We are* **YOU**United together

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We would like to thank each of **YOU**, our member-owners, for your business, your support and, most of all, your continued loyalty. We exist to serve **YOU** and are grateful that you chose us for your everyday banking needs. Our success is tied directly to how well we serve **YOU**. As a not-for-profit, our earnings are reinvested into the great rates, products and services **YOU** enjoy. We also utilize earnings to invest in technology, member services and giving back to our local communities and schools.

This annual report will help **YOU** better understand the activities of your credit union during 2016, and the progress that's been made to provide **YOU** with convenient and valued financial services and solutions. By making the needs of our members, team members and communities the center of every decision we make, we ensure our resources directly help **YOU** reach your financial goals.

That's ***SHARED STRENGTH*** in action.



# SCHOOL CRASHERS

## PRESIDENT'S REPORT | PLATINUM SERVICE IS AT OUR CORE

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I am very pleased with our progress in 2016 and excited about our future. Our success has been the direct result of our members' choice to bank with us and the dedication of our hard-working team members. Our number one goal continues to be serving our members better than ever.

In order to ensure we provide consistent **"Platinum Service"** to each of our members, we have invested significant resources in training our team members, building feedback protocols, upgrading technology and enhancing the service experience. These investments will continue in 2017 and beyond.

At the end of 2016, Georgia United's total assets were \$1.2 billion and grew 10.5% over the end of 2015. This growth was fueled by our members' continued trust in Georgia United as one of the safest financial institutions in Georgia. Member deposits grew almost \$75 million, or 8%, to total over \$1 billion at the end of the year. We utilized these deposits to fund a record number of loans for our members – over \$321 million, which eclipsed the previous 2015 record of \$247 million. At the end of 2016, total loans were over \$800 million and grew 25.3% over the prior year end.

We are excited about the partnership we began with Voyager Alliance, a credit union based in Manchester, United Kingdom (UK). In mid-2016, ten Georgia-based credit unions announced the formation of a mutual learning partnership in connection with the World Council of Credit Unions, the Georgia Credit Union Affiliates and the Association of British Credit Unions Limited. Only 8% of UK residents have heard of a credit union. This partnership serves to share best practices and build collaboration to help expand the reach of credit unions in the UK. We've already seen great benefits through the solid relationships built during Voyager Alliance's visit to Georgia.

Above all else, our commitment is to positively impact the lives of our members, team members and the communities we serve to help people live happier, more financially stable lives. In this Annual Report, we will show the impact we've

made with each of these three groups of stakeholders.

Thank you to our members, team members and communities for a great year. Your loyalty and support has helped us achieve remarkable success. Going forward, we will continue the focus of **Platinum Service** as the core of our culture. Through our Shared Strength and the counsel of our dedicated Board of Directors, our future is bright.

# MEMBERS | LOYALTY IS EARNED

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Georgia United brings together more than 150,000 member-owners to provide better rates, lower fees, greater savings and exceptional value. We provide access to the financial tools and resources that can help you reach your goals. We can only earn your loyalty when we consistently serve you with our ***“Platinum Service”***.

The small group of educators who founded our credit union in 1958 envisioned a different kind of financial cooperative than the commercial banks of their day. Today, we continue to strive to deliver personal service of the highest level – as outlined in our mission statement. Our mission is to positively impact the lives of our members, team members, and the communities we serve through our Shared Strength. We aim to be a convenient financial institution that offers compelling products and serves our members and team members with care.

Member Service at Georgia United is based on four business principles:

First, we promise to have **knowledgeable team members** that are trained to answer your questions and provide financial solutions through our products and services. The creation of an internal help desk has become a vital resource for team members to better serve you.

Second, we promise to pay attention to the smallest details and provide **exceptional service** to both our members and team members. We utilize Member Loyalty surveys to gain valuable feedback and will launch internal departmental surveys in 2017.

Third, we deliver **innovative** ways to serve our members and team members. We continue to enhance e-services, our credit card products, mobile banking and online payments.

And fourth, we promise to promote **financial strength** by making sound decisions regarding business issues, lending and the overall growth of the credit union.

Thank you to all of our members for your earned loyalty. Whether you are a community member, a county or state agency employee, Board of Regents employee, part of a county school system or any of our partner companies, we are proud to count you as part of the Georgia United community.



**UNIVERSITY OF GEORGIA  
GYMNASTICS SPONSOR**



**GWINNETT GLADIATORS  
TEDDY BEAR TOSS SPONSOR**



**GEORGIA TECH  
CASH FOR CLUBS SPONSOR**

## TEAM MEMBERS | OUR STRENGTH

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Each year the Atlanta Journal Constitution names the area's Top 150 Workplaces – based solely upon annual surveys completed by employees. We are proud that in 2016 Georgia United was listed as a Top Workplace within the mid-size company category for the second year in a row. Even through fast-paced internal and external change, our team members remain engaged and are a key reason for our continued success.

In 2016, our team members grew by 11% due to continued growth and focus on member service. Our goal is to listen to our incredibly talented team and focus on their feedback. As

a result of our 2016 team member engagement survey, we received over 500 comments! Our team members really care about Georgia United and we will continue to seek out their ideas to make a great work environment even better.

When our team members are engaged and feel that the leadership team truly cares about them, they will in turn, truly care about the well-being of our members. That is Shared Strength in action.

In 2017, we will unveil new communication tools with interactive web-based platforms to both enhance

our daily interactions with each other and provide recognition in a fun way.

Our strength is in our team members, who will continue to emphasize our commitment to providing exceptional service both internally and externally with our members.

### WHAT OUR TEAM MEMBERS ARE SAYING ABOUT US:

*"I get to make a meaningful contribution to our growing organization by improving our products and processes which helps our members become more financially independent."*

*"I love how Georgia United not only keeps the members first, but also keeps team members' interests at heart."*

*"I love my work family and the environment of Georgia United."*

## BUTTON DOWN DASH



## CAN HUNGER



## MEMBER APPRECIATION EVENT



## BLOOD DRIVE



## RETIREMENT SEMINAR



# JUNIOR ACHIEVEMENT

## COMMUNITY | FOCUSED ON LEARNING

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We believe that teaching youth how to save and spend wisely is an important step in preparing them for financial responsibility that will last a lifetime. Georgia United offers specific programs that help our young members develop good financial habits early - like our fun and educational **Money Mammals Savings Club** for children and **Money Masters Club** for teens.

Through local school systems, we offer the Banzai program that allows teachers to teach real-world financial literacy in the classroom. This year, we sponsored Banzai in 92 classrooms that reached 5,480 middle and high school students.

One of our largest financial education initiatives is our partnership with Junior Achievement (JA) of Georgia to educate middle school students about workforce readiness, entrepreneurship and financial literacy through experiential,

hands-on programs. We believe the JA partnership is a natural fit. As one of Georgia's largest educators' credit unions, we want to empower students to be successful, productive citizens, so together we can build stronger communities.

In the collaborative spirit of credit unions, we jointly sponsor a BizTown® storefront at the JA Gwinnett Discovery Center with Delta Community Credit Union. BizTown is a town simulation comprised of businesses that participate in a simulated economy with financial services, retail, utilities, manufacturing and other professional services. During 2016, we had 141 team members donate over 1,100 hours working with students at BizTown.

We also sponsored JA Personal Finance classes at Dalton High School and financial literacy curriculum for the Summer 500 intern program in Savannah, Georgia.

In January 2016, our first in-school branch opened within the Academy for Advanced Studies (AAS), which is part of the Henry County High School campus in McDonough, Georgia. We worked with AAS and the Henry County Board of Education to create this fully functional branch, supported by work-based learning students. We continue to look for other markets to provide youth educational activities.

Providing financial literacy continues to be important to us. Through our financial seminar series, we strive to enhance financial well-being through money management, budgeting and wise use of credit programs. We also held seminars and provided special, low-cost financing for University of Georgia, Georgia Tech and Dalton State College staff related to the 2016 Fair Labor Standards Act.

# SHARED STRENGTH

## JACKET 2 JACKET



Students in  
**34** participating  
schools read over  
**2 MILLION**  
pages

## CMN BOWL-A-THON



Georgia United  
helped raise  
**\$42,800**  
for Children's Miracle  
Network of Atlanta

## JUNIOR ACHIEVEMENT



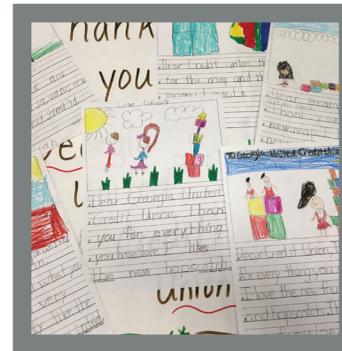
Helped  
**30,000**  
students learn about  
financial education

## CMN RADIO-A-THON



Georgia United  
matched donations  
and helped raise  
**\$32,000**  
for Children's Miracle  
Network of Atlanta in  
one hour

## BERT'S BIG THANK YOU



Georgia United helped  
collect over  
**190,000**  
letters for  
troops overseas

# #GUCUcares

## SEMINARS



Conducted **15**  
retirement seminars

## CAN HUNGER



Collected  
**26**  
tons of food

## SCHOOL CRASHERS<sup>SM</sup>



**2,180+**  
volunteer hours  
were donated to  
improve five schools  
throughout Georgia

## VITA



Volunteer Income Tax  
Assistance prepared  
**2,587**  
tax returns

## WISH TREE



**1,391** gifts  
were collected and  
delivered to local  
foster children

# 2016 HIGHLIGHTS

## CON I

- Surpassed \$1.2 billion in assets
- Added over 12,000 new members
- Originated \$321 million in member loans

## EXPANDED LEN I

- Added electronic loan documents
- First-Time Homebuyers Program
- Second Chance Vehicle Loan Program
- On-going credit card promotions

## ENHANCED MEMBER SER I

- New leadership position focused on member experience
- Redesigned Account Statements
- New phone system
- Streamlined over 100 steps on the front line

## UPDATED TECHNOLOGY

- Added Android Pay
- Enhanced Mobile Banking features and functionality
- ID Scanning at teller line
- Advanced queuing collection system

# 2017 INITIATIVES

## ADDED MEMBER VALUE

- Launching new, ultra-competitive, no fee checking account with several perks
- Expanded deposit and payment products
- Further enhancements to member experience
- New business lending program
- Instant issue Debit Cards in branches

## GREATER ACCESS

- Converting online and mobile banking platforms
- Expanding Member Care Center hours
- Planning expansion into the Savannah market
- Building new, convenient branch in Stockbridge, GA
- Requesting new community charters



### GEORGIA UNITED'S EXECUTIVE TEAM:

**Standing:** Cynthia Gore, Chief People Officer;  
Mark Bartholomew, Chief Information Officer;  
Mike London, SVP of Lending;  
Eric Jenkins, SVP of Operations;  
Todd Gustafson, EVP

**Bottom Row:** Bob Bogart, CFO;  
Debbie Smith, CEO & President;  
Shawn Turpin, SVP of Sales & Service

# DIRECTOR'S REPORT

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As members of the Board of Directors, our main priority is to ensure your best interests are at the forefront of every key decision we make. We are volunteers and consider it a privilege to serve on the Board and represent each of you. We work closely with the credit union's leadership team to set policy, monitor risk and guide the execution of strategies. Above all, our goal is to continue the advancement of Georgia United, while assuring that our values remain at the core of how we serve you.

In 2016, there were many accomplishments to celebrate, including the attainment of key loan and deposit growth milestones. We also made significant investments to further enhance both member service initiatives and our team members' work lives. We are also happy with the building transformation that took place in the Sugarloaf main office. An open, collaborative environment was created for our team members that better aligns with our culture: more natural sunlight, new workstations, lighting, carpet, technology and added capacity for growth.

The past year was also a year of reflection, as we were saddened by the passing of two former Board members who dedicated decades of service to our credit union – Polly Hinde and Geraldine Tilson. Dot Dusenberry, our former Secretary and Board Member, also retired after more than 40 years of service. In honor of their service, three scholarships from our 23rd Annual Scholarship Competition were named after them. Georgia United would not be where we are today without the vision and guidance of these ladies throughout the past 58 years.

Moving forward, we are committed to making Georgia United even more convenient and secure, while continuing to create further value for you as a loyal member. In this regard, we are excited about an important investment that will convert our online and mobile banking system to a new, "best in breed" solution later in 2017. There are also other product and service enhancements planned for 2017.

As Chairman of the Board, I want to thank each of our dedicated Board of Directors and Supervisory Committee members for volunteering their time, wise counsel and direction. We also very much appreciate all the efforts and passion our leaders and team members display each day as they go about serving our members. I am looking forward to the future, as there are great things in store for our members.



**GEORGIA UNITED'S BOARD OF DIRECTORS:**

**Standing:** Tom Cochran, Secretary;  
Monsignor Churchwell, Director;  
Dr. James Williams, Vice Chairman;  
Dr. Steven Whatley, Director;  
Randy Dennis, Treasurer

**Bottom Row:** Tom Dickson, Chairman;  
Dan Jones, Supervisory Committee Chairman;  
Frank Thach, Director

# SUPERVISORY COMMITTEE REPORT

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The Supervisory Committee is appointed by the Board of Directors to provide an independent appraisal of the safety and soundness of the operations and activities of the credit union. Our role is to protect Georgia United's assets and to monitor compliance with applicable laws and regulations. We oversee the activities of the Internal Audit Department to ensure the accuracy of record-keeping, the maintenance of sound internal controls and the compliance with laws and regulations.

To aid our efforts, we are also responsible for selecting an independent public accounting firm. We selected the firm of Porter Keadle Moore, LLC to perform the 2016 annual audit and provide an opinion on the audited financial statements, in conformity with generally acceptable accounting standards. The Committee

meets with this firm to review audited financial statements, discuss audit results and recommendations for improvement. A copy of the audited financial statements is available upon request.

The Georgia Department of Banking & Finance and the National Credit Union Administration also periodically perform supervisory examinations. They assess Georgia United's financial condition, compliance with regulations and safety and soundness. The Supervisory Committee is pleased to report that the most recent regulatory examination once again validated the financial strength, safety and soundness of the credit union.



**GEORGIA UNITED'S SUPERVISORY COMMITTEE:**  
**Standing:** Christy Willis, Committee Member  
**Bottom Row:** Dan Jones, Chairman;  
Ray Caldwell, Committee Member

# TREASURER'S REPORT

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Georgia United's financial position is strong as a result of continued solid earnings, a strong balance sheet and further capital growth. With several years of record loan growth, 2016 also served as another year of investing in enhanced product and service offerings to better serve our members.

Net income in 2016 totaled \$8.3 million as compared with \$9.9 million in 2015. Increases in net interest income, non-interest income and a decline in loan losses were more than offset by increases in operations expense. The Return on Assets, or ROA, for 2016 was 0.73% as compared to 0.96% in 2015. In 2016, operating expenses increased as investments were made in our infrastructure to improve member service, add talent, expand product offerings and invest in technology.

Total members' equity grew to over \$139 million at the end of 2016, an \$8.5 million, or 6.5%, increase when compared with the end of 2015. The capital ratio ended 2016 at 12.64% versus 13.01% a year earlier, still well above the highest regulatory capital minimum of 7.00%.

Member shares totaled \$1.0 billion at the end of 2016 and grew almost \$75 million, or 8.0%, over the prior year-end. This deposit growth elevated the total asset level to \$1.2 billion at the end of 2016 and helped fund more loans to our members. Total loan balances rose almost \$162 million, or 25%, when compared with the end of 2015 and totaled \$802 million at the 2016 year-end.

Your Board of Directors is dedicated to providing financial services that create value for our members. We will continue

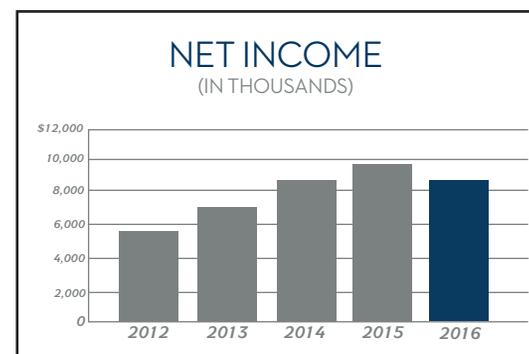
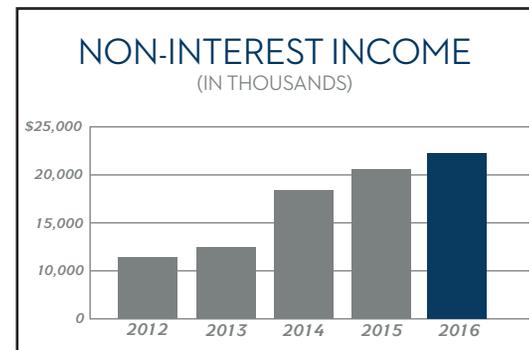
to focus our efforts on employing prudent risk management disciplines to maintain the safety and liquidity of our members' deposits and in effectively managing the balance sheet. While the objective is to sustain financial strength, we will also maintain the ability to invest in new products, talent and technology, with the ultimate goal of providing the best products and services possible.

# CONDENSED STATEMENTS OF INCOME

years ended December 31, 2016 and 2015 (unaudited)

(\$ AMOUNTS IN THOUSANDS)

	2016	2015
<b>Interest Income</b>		
Interest income on loans	\$28,653	\$26,423
Interest on securities and interest bearing deposits	4,582	4,888
<b>Total interest income</b>	<b>33,235</b>	<b>31,311</b>
<b>Interest Expense</b>		
Dividends on shares	3,019	3,000
Interest paid on borrowings	115	-
<b>Total interest expense</b>	<b>3,134</b>	<b>3,000</b>
<b>Net Interest Income</b>	<b>30,101</b>	<b>28,311</b>
Provision for possible loan losses	800	1,500
<b>Net interest income after provision for possible loan losses</b>	<b>29,301</b>	<b>26,811</b>
<b>Non-Interest Income</b>		
Interchange income	7,177	6,411
Checking and other share fees	10,013	9,888
Mortgage and other loan-related revenues	1,645	1,216
Other	3,164	3,511
<b>Total non-interest income</b>	<b>21,999</b>	<b>21,026</b>
<b>Non-Interest Expense</b>		
Salaries and employee benefits	22,841	19,495
Office operations and occupancy	12,038	11,220
Advertising and business development	2,214	2,025
Other	5,954	5,240
<b>Total non-interest expense</b>	<b>43,047</b>	<b>37,980</b>
<b>Net income</b>	<b>\$8,253</b>	<b>\$9,857</b>



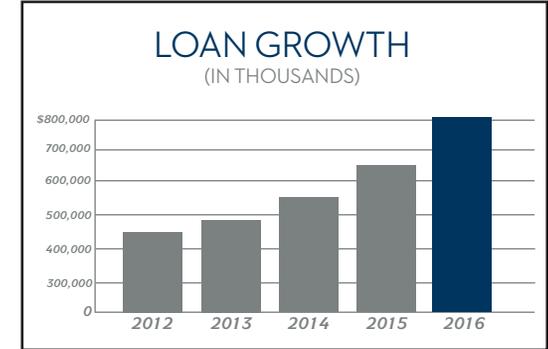
\*Audited Financial Statements Available Upon Request

# CONDENSED BALANCE SHEET: ASSETS

(\$ AMOUNTS IN THOUSANDS)

as of December 31, 2016 and 2015 (unaudited)

	2016	2015
<b>Loans</b>		
Auto	\$337,282	\$270,025
Real estate	337,177	244,222
Member business	51,507	50,698
Other	75,807	74,960
<b>Total loans</b>	<b>801,773</b>	<b>639,905</b>
Less: Allowance for possible loan losses	(4,804)	(5,009)
<b>Net loans</b>	<b>796,969</b>	<b>634,896</b>
Cash and due from banks	33,782	29,235
Securities and interest bearing deposits	279,303	341,627
Other assets	90,080	80,766
<b>Total Assets</b>	<b>\$1,200,134</b>	<b>\$1,086,524</b>



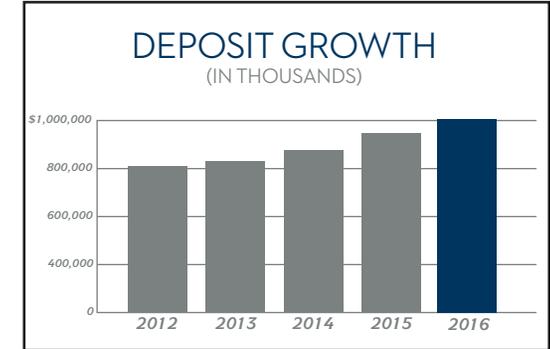
\*Audited Financial Statements Available Upon Request

# CONDENSED BALANCE SHEET: SHARES, LIABILITIES AND MEMBERS' EQUITY

as of December 31, 2016 and 2015 (unaudited)

(\$ AMOUNTS IN THOUSANDS)

	2016	2015
<b>Shares</b>		
Checking	\$172,026	\$153,351
Savings and money market	671,163	608,604
Certificates	171,869	178,259
<b>Total shares</b>	<b>1,015,058</b>	<b>940,214</b>
Borrowings	25,000	-
Other liabilities	20,770	15,478
<b>Total Shares and Liabilities</b>	<b>1,060,828</b>	<b>955,692</b>
<b>Members' Equity</b>		
Regular reserves and undivided earnings	118,080	109,765
Equity acquired in merger	22,629	22,629
Accumulated other comprehensive income (loss)	(1,403)	(1,562)
<b>Total Members' Equity</b>	<b>139,306</b>	<b>130,832</b>
<b>Total Shares, Liabilities and Members' Equity</b>	<b>\$1,200,134</b>	<b>\$1,086,524</b>



\*Audited Financial Statements Available Upon Request

SHARED STRENGTH



**WE LOOK FORWARD TO  
SERVING IN 2017**

By actively and respectfully caring for our members, team members and communities, **GEORGIA UNITED** is more than a credit union. We are the *SHARED STRENGTH* of our entire community.





**GEORGIAUNITED®**

CREDIT UNION

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



Insured by NCUA.