

PROVING WHAT'S POSSIBLE



2020 ANNUAL REPORT



Delta Community[®]
CREDIT UNION

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OUR PURPOSE



We are in business to help people get more out of their finances throughout their lives. We focus on offering trusted advice and better value on the financial services people use every day.

LETTER FROM THE CHAIRMAN



2020 was truly an unforgettable year, filled with great challenges for many in our country and throughout the world. The COVID-19 virus has claimed millions of lives worldwide and almost 350,000 in the U.S. alone in 2020.

The financial fallout from the COVID-19 pandemic has been catastrophic for many businesses and households with an economic downturn rivalling the Great Depression. While a recovery is now slowly underway, it is fragile and will take time to fully return the economy to its robust levels prior to the pandemic.

As part of the credit union industry, Delta Community operates as a not-for-profit, member-owned and operated financial cooperative, committed to helping its members get the most out of their finances. So, despite the disruptions to our everyday lives in ways we could have hardly imagined, we have continued to serve our members and provide much needed financial assistance to those struggling due to business closures, job losses and other difficult economic situations.

We chose to keep most of our branches open during the year, even if, for periods of time, it was for appointment-only and drive-through service, so we could remain continually accessible and provide in-person service for our members.

While I encourage you to read this annual report to learn more about the Credit Union's financial performance and operational highlights this year, I would like to focus on our ongoing commitment to support the communities where we live, work and are privileged to serve our members, especially in this year of great need.

In 2020, we invested nearly \$900,000 in our local communities through sponsorships, donations and civic support. This

included our Philanthropic Fund, now in its eighth year, which awarded 18 grants totaling \$100,000 to metro Atlanta non-profit organizations in support of educational opportunities, job and career training and other valuable services. We awarded \$37,500 in college scholarships and continued our long-time support of Children's Healthcare of Atlanta. In addition, we confronted the devastating financial fallout from the health crisis in our communities and provided more than \$200,000 to local charitable and worthwhile organizations through our COVID-19 Special Relief Fund.

Also, through our industry-leading, comprehensive Financial Education Center (FEC), now in its fifth year, we presented more than 180 free financial education workshops on a variety of timely financial topics to more than 7,000 participants. Most were adapted to on-demand webinars in response to the pandemic.

For a fourth consecutive year, our FEC was honored among Georgia credit unions with the Desjardins Adult Financial Education Award, and for a third consecutive year with the Desjardins Youth Financial Education Award. These awards are presented to credit unions that show leadership in adult and youth financial literacy education and initiatives.

As I reflect on the past year, I know that the COVID-19 health crisis has changed many things in the banking industry, as well as our lives, but it will never change our shared purpose and unrelenting resolve to meet your banking needs. Providing you with safe, convenient and secure banking options remains our top priority.

I have seen this great Credit Union implement many positive changes in response to challenging situations over the years, both as a member and as Chairman of your Board of Directors. I am proud of how Delta Community responded to the difficulties of last year. While we can expect more in the days ahead, I know that we remain poised for continued growth and success moving forward.

Our success in 2020 was a testament to your loyalty and continued support and to the dedication and focus of our employees who are committed to "Proving What's Possible." On behalf of your Board of Directors, and all Delta Community employees, thank you for trusting us to safely serve your financial needs, especially during these uncertain times.

A handwritten signature in black ink that reads "Jim Duffley". The signature is written in a cursive, flowing style.

Jim Duffley

LETTER FROM THE CEO



I am pleased to report that Delta Community was able to record a strong year for you, our members, both financially and operationally in 2020. This was a particularly positive development in light of the unprecedented challenges posed by the COVID-19 pandemic and resulting recession, the worst since the Great Depression of the 1930s.

Despite a Georgia state-mandated shutdown of many business and personal activities for several weeks early in the year, and the subsequent coronavirus restrictions that were implemented for the remainder of the year, the Credit Union generated solid net income of \$45 million for the year.

At the same time, our assets grew to \$7.7 billion, and while our net worth decreased to 10.83 percent at year-end, it remains significantly higher than the 7.0 percent defined by our regulators as being well capitalized. The change in net worth was partially caused by a record 31 percent deposit growth of \$1.6 billion in 2020, as members continued to entrust Delta Community with their savings during the economic downturn.

The continued good financial results for 2020, combined with our consistently strong results over the past several years, demonstrate how we are effectively managing the business and balance sheet in a fiscally responsible way, generating capital, and improving the long-term stability of the Credit Union. This protects the value we offer you through challenging economic cycles, such as we experienced in 2020, and enables us to maintain low fees, competitive deposit and loan rates, and superior service.

Even during the economic disruptions, we attracted more than 17,000 net new members, bringing our membership to more than 430,000 at year's end. The annual member growth of more

than four percent was over one point higher than the national credit union average rate of three percent.

Our ongoing commitment to expansion in metro Atlanta continues to help drive our member growth. In June, we relocated our Decatur branch just two blocks to a larger, more prominent and convenient site for our members with expansive, covered parking, drive-through service lanes, more ATMs and increased services. And November saw the opening of our new branch in Cumming, our first in Forsyth County and 26th in the Atlanta area. We look forward to serving our current members in the area and adding new members who live and work in this rapidly-growing community.

Direct loan growth reached almost 10 percent in 2020, while adding more than \$1.6 billion in new residential, consumer and commercial loans, which included several record months of residential lending during the year. In addition, our Commercial Lending department took steps to become a Small Business Administration loan provider, so we could assist our business members during their times of need by participating in the Paycheck Protection Program, as part of the CARES Act passed by Congress in March. We funded more than 700 loans to our business members under this program, the most of any credit union in Georgia.

Throughout the year we remained focused on member and employee satisfaction, two important performance indicators that measure our success in meaningful ways. In 2020, Delta Community was ranked in the top one percent of participating credit unions in a national member relationship survey for member satisfaction for the second consecutive year.

And, once again, we were also recognized by the *Atlanta Business Chronicle* in their annual survey as one of the "Best Places to Work in Atlanta," for the sixth consecutive year. This comprehensive survey measures our employees' feedback, gauges their engagement and satisfaction at working at Delta Community, and reflects their pride and commitment in offering the superior member service that leads the nation.

Finally, I want to personally thank you on behalf of our committed Board of Directors and our 1,200 dedicated employees for your ongoing loyalty and for allowing us to serve your financial needs, particularly in these difficult times, which has made possible another successful year at the Credit Union.

A handwritten signature in black ink that reads "Hank Halter". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Hank Halter

AUDIT COMMITTEE REPORT



The Audit Committee has two primary responsibilities:

- 1** To ensure that a comprehensive financial audit of the Credit Union is performed at least annually; and
- 2** To monitor the Credit Union's internal controls to ensure compliance with applicable laws, regulations, and the Credit Union's policies.

The Committee has engaged CliftonLarsonAllen, LLP, an independent public accounting firm, to perform the financial audit for calendar year 2020. The final 2020 report is expected by the end of April 2021. Additionally, examiners from the Georgia Department of Banking and Finance and the National Credit Union Administration (NCUA), a federal regulatory agency, conduct independent annual reviews of the Credit Union to evaluate the financial condition; the safety, and the soundness of the Credit Union; and compliance with applicable laws and regulations.

As part of its responsibility to monitor the Credit Union's internal controls and compliance, the Committee oversees the internal audit function of the Credit Union. Working on the Committee's behalf, the Corporate Audit department performs auditing procedures to obtain reasonable assurance that internal controls are in place and are followed to protect member assets. Corporate Audit reviews and tests operational controls for

adequate security and verifies Delta Community's compliance with state, federal, and NCUA regulations and adherence to Delta Community's written policies and procedures. Management and the Audit Committee periodically review the Credit Union's internal audit plan to assess and, under the guidance of the regulatory agencies, oversee the remediation of potential risks to the Credit Union's network; system and data security; privacy policies; business continuity; risk management; and related matters.

As a result of the internal and external audits, regulatory examinations, and meetings with the Credit Union's management and members of the Corporate Audit department, we believe the Credit Union's financial condition and its internal controls and procedures are sound.

We extend our thanks to all committees and Delta Community employees for their assistance with the Credit Union's auditing and compliance functions.

Esther L. Hammond

Esther L. Hammond
Audit Committee Chairwoman

YEAR IN REVIEW

JANUARY

- Launched Zelle® person-to-person money transfer service for members
- Atlanta magazine named Hank Halter, CEO, and Jai Rogers, VP of Business and Community Development, among “Top 500 Business Leaders”

FEBRUARY

- Presented the first of four quarterly scholarships of \$2,500 to a student at a Georgia Historically Black College or University (HBCU)

MARCH

- Celebrated Delta Community's 80th Anniversary

APRIL

- Mobile banking app ranked first in nation for credit unions, banks and financial institutions by MagnifyMoney
- Participated in Small Business Administration's Paycheck Protection Program under CARES Act
- Awarded a total of \$25,000 to five Scholarship Program winners in 15th annual Scholarship Program

MAY

- Earned highest Member Satisfaction rating on the annual Member Relationship Survey conducted by the Raddon Financial Group, placing Delta Community in the top one percent of participating credit unions in the nation

- Launched refreshed company website featuring more streamlined navigation and cross-linking for relevant information, faster page load times and optimal viewing on large and small screens, including tablets and mobile phones
- Launched Member Offer Platform which provides more relevant, personalized product and service offers to members to meet their financial needs

JUNE

- Won four Credit Union National Association (CUNA) Diamond Awards for creative excellence and outstanding results in marketing and advertising
- Relocated Decatur branch in DeKalb County
- Launched Product Origination Platform which offers consumers, including members, a streamlined, efficient online account opening process, combining deposit and loan product applications

JULY

- More than 360 children aged 7-14 attended the seventh annual series of Cool Cash Money Camps, held virtually
- Celebrated 10th anniversary of Gainesville branch

AUGUST

- Awarded final grants of 2020 Philanthropic Fund, benefiting 18 metro Atlanta charitable organizations with \$100,000 in total

- Financial Education Center named by the League of Southeastern Credit Unions and Affiliates as the state winner of the 2020 Desjardins Financial Education Award in both the Youth and Adult categories

SEPTEMBER

- Named as one of Atlanta Business Chronicle's "Best Places to Work in Atlanta" for sixth consecutive year

OCTOBER

- Celebrated 10th anniversary of Decatur branch
- Relocated Salt Lake City branch within airport

NOVEMBER

- Opened Cumming branch, first in Forsyth County, Delta Community's 29th branch and 26th in metro Atlanta
- Awarded \$10,000 to Lambert High School in Forsyth County in third annual "Give Back Giveaway" contest, recognizing student-led community service projects, and \$5,000 awarded to four schools as runners up

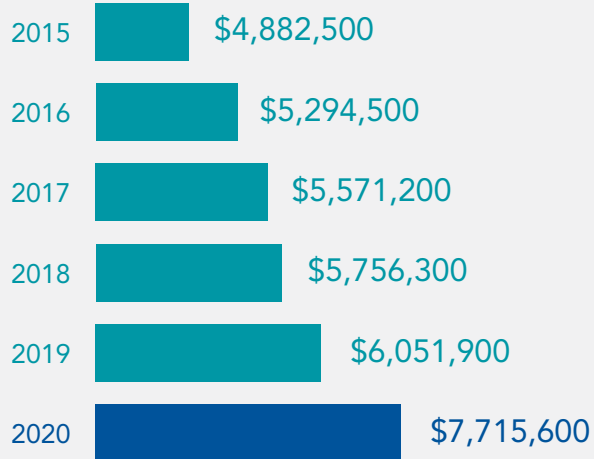
DECEMBER

- Announced 2021 Philanthropic Fund grant recipients to 20 metro Atlanta charitable organizations totaling \$125,000

TRENDS AT A GLANCE

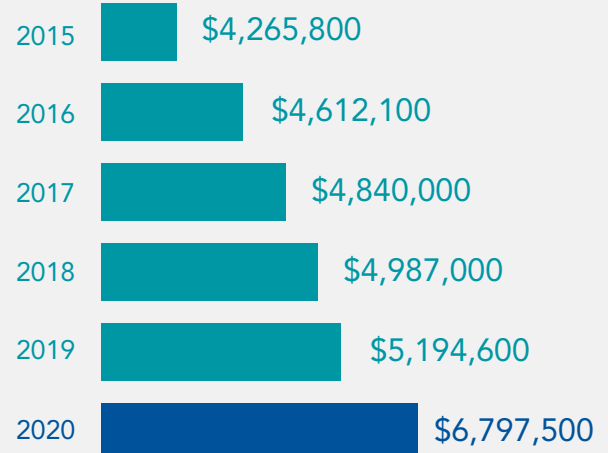
ASSETS

(\$ in 000s)



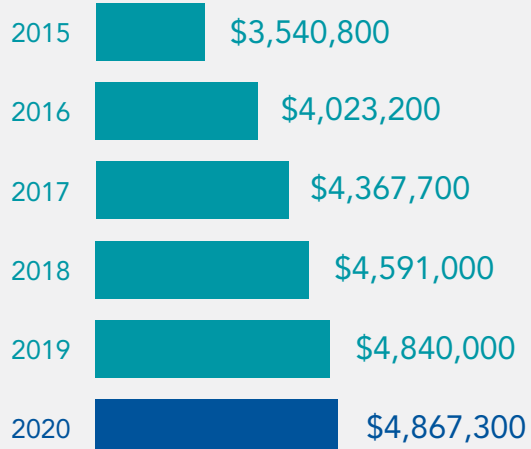
DEPOSITS

(\$ in 000s)

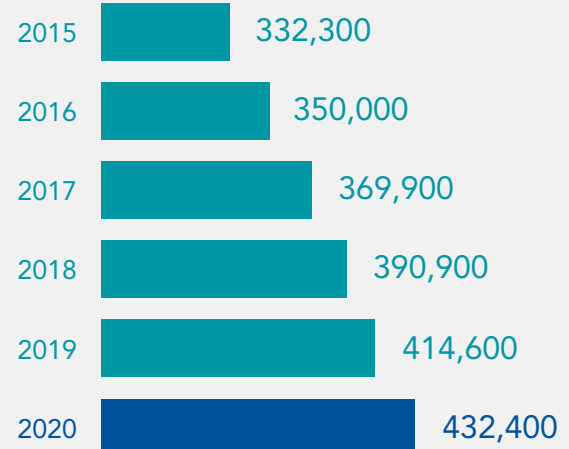


LOANS

(\$ in 000s)



MEMBERS



STATEMENT OF FINANCIAL CONDITION

AS OF DECEMBER 31, 2020
UNAUDITED

Assets (\$ in 000s)	2020	2019
Cash	\$ 65,605	\$ 59,823
Receivables	52,638	47,742
Loans, net of allowances for possible loan losses & deferred income (expense) relating to mortgage originations	4,816,715	4,804,603
Investments	2,578,496	947,607
Accrued Interest	16,424	15,608
Prepaid and Other Assets	98,516	89,377
Property, Equipment and Leasehold Improvements, at cost, net of accumulated depreciation and amortization	87,235	87,100
Total Assets	\$ 7,715,629	\$ 6,051,860

Liabilities and Equity (\$ in 000s)	2020	2019
Accounts Payable	\$ 72,404	\$ 64,571
Member Deposits	6,797,532	5,194,578
Equity	845,693	792,711
Total Liabilities and Equity	\$ 7,715,629	\$ 6,051,860

STATEMENT OF OPERATIONS

AS OF DECEMBER 31, 2020
UNAUDITED

Revenues (\$ in 000s)	2020	2019
Interest on Loans	\$ 204,279	\$ 209,354
Interest on Investments	16,340	21,306
Fees	17,597	22,244
Miscellaneous	62,009	56,938
	<u>\$ 300,225</u>	<u>\$ 309,842</u>

Expenses (\$ in 000s)	2020	2019
Salaries	\$ 107,833	\$ 98,129
Training	406	1,508
Office Occupancy	12,242	11,330
Loan Servicing	11,333	11,820
Advertising	5,923	6,643
Office Expenses	9,678	8,915
Depreciation and Amortization	7,862	7,239
Checking Accounts	4,590	5,597
Debit Card	12,337	13,540
Shared Branches	666	1,107
Professional and Outside Services	8,163	9,352
Other Expenses	15,050	12,297
Provision for Loan Loss	30,650	23,100
	<u>\$ 226,733</u>	<u>\$ 210,577</u>

Cost of Funds (\$ in 000s)	2020	2019
Interest on Borrowings	\$ 0	\$ 20
Dividend Expenses	28,494	30,363
	<u>\$ 28,494</u>	<u>\$ 30,383</u>
Net Income	\$ 44,998	\$ 68,882

BOARD OF DIRECTORS



JIM DIFFLEY
Chairman



LINDA O'SHEA
Vice Chairwoman



LEM WIMBISH
Secretary/Treasurer



HANK HALTER
Board Director & CEO



ALAN ARNOLD
Board Director



ALLISON AUSBUND
Board Director



CHARLIE BOYAJIAN
Board Director



ESTHER HAMMOND
Board Director



ROBIN STRICKLIN
Board Director



MATTHEW SULLIVAN
Board Director

EXECUTIVE MANAGEMENT



back row from left to right

JAY GRATWICK
EVP & Chief
Financial
Officer

BOB WALSH
EVP & Chief
Lending Officer

BILL MESPLAY
SVP, Remote
Delivery
Channels

TIM MITCHELL
SVP & Chief
Information
Officer

PAM DAVIS
SVP, Branch
Delivery &
Operations

BILL BUCHANAN
SVP & Chief
Risk Officer

**SUZANNE
MITCHELL**
SVP & Chief
Human Resources
Officer

front row from left to right

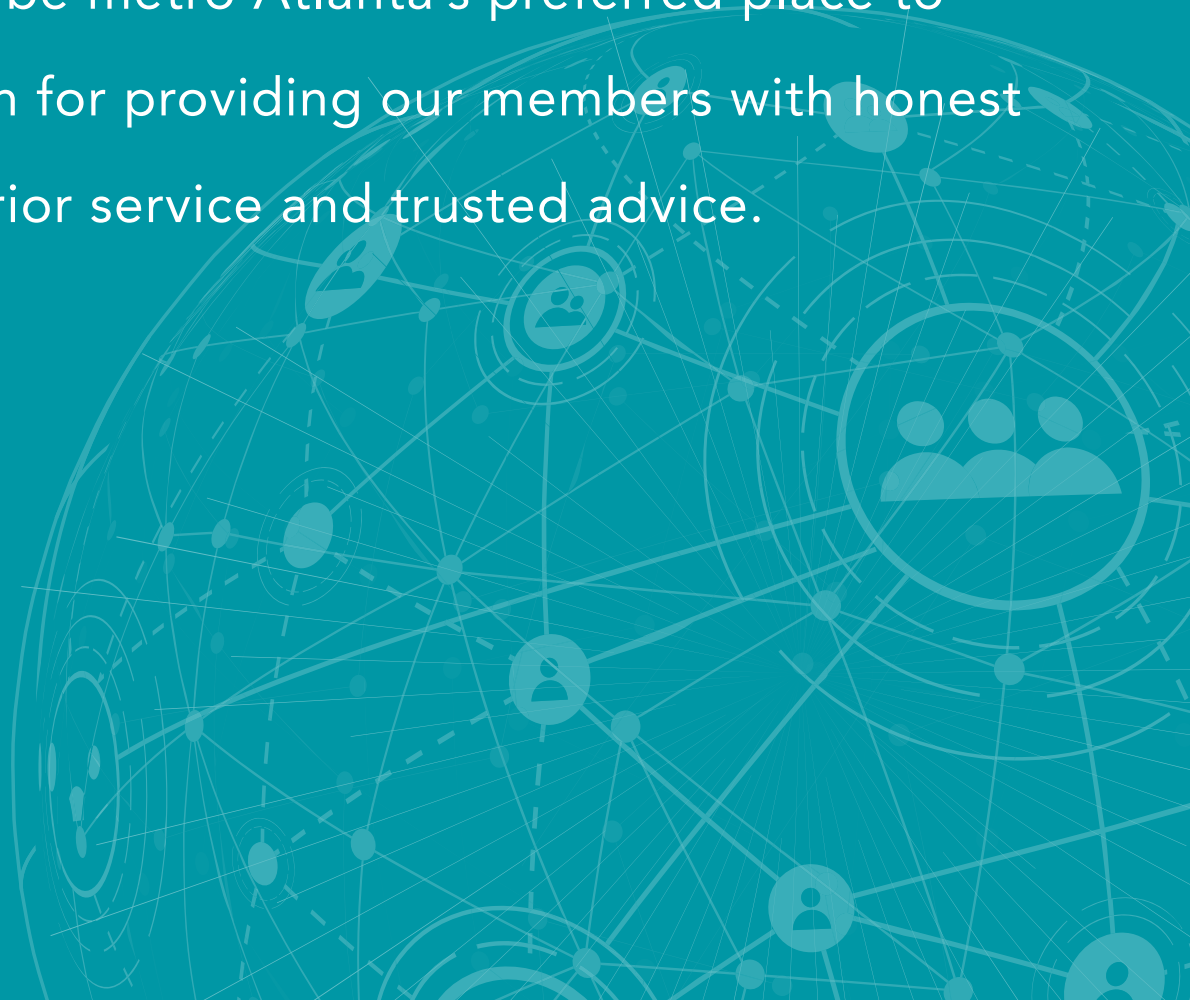
BOB MANNING
SVP & General Counsel

HANK HALTER
Chief Executive Officer

MATTHEW SHEPHERD
EVP & Chief Operating Officer

OUR VISION

We want to be metro Atlanta's preferred place to bank, known for providing our members with honest value, superior service and trusted advice.






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 [@DeltaCommunity](https://instagram.com/DeltaCommunity)

 DeltaCommunityCU.com

 800-544-3328



NCUA
This credit union is federally
insured by the National Credit
Union Administration.