



Connecting With

IMPACT

2023 ANNUAL REPORT



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.

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LETTER FROM THE CHAIRMAN

Throughout their 160-year history, credit unions have served the people. They were started by tradespeople and community leaders in the spirit of service and cooperation. By combining resources, these groups could ensure their constituents were able to save for the future and gain access to fairly priced credit during good and bad economic times.

The mission of not-for profit, member-owned financial cooperatives remains as compelling and necessary as ever. While the past few years have been full of unprecedented economic uncertainty and social challenges, one thing remains constant: Credit unions have continued to provide their members higher-quality, personalized service; more attractive deposit and loan rates; and fewer fees. Credit unions reinvest earnings for the benefit of all members, while for-profit banks use earnings to create wealth for institutional or individual stock holders.

In 2023, as the state of emergency surrounding the COVID-19 pandemic ended, Delta Community experienced another successful year, as you will read throughout this report. But, more importantly, it stayed true to the credit union spirit by continuing to support its members and local communities.

Since its founding in 1940, when eight Delta Air Lines employees raised \$45 in capital to secure an organizational charter, Delta Community has grown into Georgia's largest credit union and one of the biggest in the country—finishing 2023 with nearly 500,000 members and assets of \$8.7 billion. Our impact on the 16 counties in metro Atlanta where we operate today is also worthy of mention and likely beyond what our founders imagined. We invested more than \$1 million in various philanthropic, educational and community initiatives during 2023.

Now in its 10th year, our Philanthropic Fund awarded a total of \$150,000 last year to 20 deserving metro Atlanta nonprofit organizations that support health and human services; financial literacy; and STEM/STEAM education. The Philanthropic Fund has distributed more than \$1 million to 208 Atlanta-area nonprofits since launching in 2014. These worthy charitable organizations are chosen by a different committee of volunteer employees each year with, so far, more than 100 employees being involved in the review process.



Last year, our highly successful Financial Education Center facilitated 172 free webinars and workshops, delivering valuable instruction to more than 9,000 participants on 53 separate topics. In recognition of its impressive reach and service, the Financial Education Center was honored once again by the League of Southeastern Credit Unions with two Desjardins Awards for financial literacy. It received the statewide award for Adult Financial Education for the seventh consecutive year, and the award for Youth Financial Education for the sixth straight year. At the national level, the Credit Union National Association honored us with a third-place prize in the youth category.

As our reputation, membership and geographic footprint continues to grow, our purpose always remains the same: To help our members get more out of their finances throughout their lives by providing the products and services they need most through in-person service in any of our 32 branches, our Member Care Center or via our convenient online and mobile banking access.

On behalf of the Board of Directors and Delta Community's dedicated employees, I want to thank you for being a member. You can rest assured of our commitment to serve you as well as to sustain sound, trustworthy business practices.

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

Jim Diffley

LETTER FROM THE CEO



2023 proved one of the most challenging years in recent memory for the financial industry in terms of the nation's economic environment, which experienced sustained high interest rates imposed by the Federal Reserve Board's monetary policy in an attempt to curb inflationary pressures. This was exacerbated by uncertainty in the financial markets with three major banks collapsing early in the year.

Delta Community was not immune from these market pressures, yet continued to deliver consistent, solid operational and financial results for the year, demonstrating our conservative approach to balance sheet management.

The COVID-19 health issue also continued its impact, but eased slightly after May when it was reclassified as endemic rather than a pandemic. This allowed us greater flexibility in the workplace, resulting in an increased ability to handle our members' needs more efficiently and effectively.

In summary, we recorded positive key financial and operational results as follows:

- Our earnings totaled \$36.7 million in 2023, a reduction of more than \$30 million from 2022, but regarded as solid in light of the external pressures all financial institutions experienced during the year.
- Our assets decreased to \$8.7 billion, down 6.4 percent from 2022, reflecting a reduction in deposit balances that had significantly increased during the COVID-19 pandemic years, which had been caused by reduced consumer spending and government stimulus.
- Our net worth ratio was 11.38 percent at year's end, far above the 7.0 percent threshold to be considered "Well Capitalized" from a regulatory standpoint.

- We added almost 19,000 net new members for a growth rate of 3.95 percent, which exceeded both the national and local peer credit union averages and raised our total membership to just below 500,000 at year's end.
- Direct loan growth registered at 7.9 percent, a little more than six-point reduction from 2022 as higher interest rates and industry liquidity pressures affected loan demand and production, respectively.
- Our member satisfaction score again ranked highest in the nation among credit unions that participate in an annual benchmarking study conducted by Raddon Financial Group, a subsidiary of Fiserv.

In June, we relocated our Midtown branch on Peachtree Place in Atlanta to 1745 Peachtree Street, Atlanta, and renamed it the Buckhead-Midtown branch. The new branch offers a convenient location, larger space, increased parking facilities and expanded financial services. And, in December, we signed a contract to construct a new branch in Locust Grove in Henry County with a planned opening in early 2025. This will be Delta Community's 30th branch in metro Atlanta and 33rd overall.

Having weathered the various and substantial financial, social, health and geopolitical pressures over the past four years, I believe this year's collective results continue to reflect the superior service, support and added value our Credit Union and employees provide our members each and every day.

This is best demonstrated by Delta Community's nomination as a "Best Place to Work" in the *Atlanta Business Chronicle's* annual survey for the ninth consecutive year. More importantly, in 2023, we were honored to earn the top spot in the Extra-Large Company category for the first time.

I am proud of the designation as it reflects Delta Community's positive corporate culture. Companies included on the list have highly engaged employees who believe in the company's purpose and are gratified by their work as measured through an independent evaluation.

It is therefore my distinct privilege to continue to lead our 1,300 motivated employees and, on behalf of them and our dedicated Board of Directors, to thank you for choosing Delta Community for your banking needs.

It is your ongoing loyalty and support that help make this Credit Union so successful year after year.

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

Hank Halter

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 2023. The final 2023 report is expected by the end of April 2024. 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 conclude that the Credit Union's financial condition and its internal controls and procedures are sound.

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

A handwritten signature in black ink that reads "Esther L. Hammond". The signature is written in a cursive, flowing style.

Esther L. Hammond
Audit Committee Chairwoman

2023 YEAR IN REVIEW

JANUARY

Atlanta Magazine named Hank Halter, CEO, and Jai Rogers, VP of Business and Community Development, among “Top 500 Business Leaders”

FEBRUARY

Presented the first four Philanthropic Fund awards to metro Atlanta charitable organizations, out of 20 grants awarded in 2023, totaling \$125,000; and celebrated 10th year of program

MARCH

Won four Credit Union National Association (CUNA) Diamond Awards for creative excellence and outstanding results in the following categories: Point of Sale Display & Retail Merchandising (named as category best); Direct Mail—Single or Series; Complete Campaign; and Business Development Efforts

APRIL

Awarded a total of \$25,000 to five Scholarship Program winners in 17th annual Scholarship Program

MAY

Earned industry-leading Member Satisfaction rating for fourth consecutive year in the annual Member Relationship Survey conducted by the Raddon Financial Group, placing Delta Community in the top percentile of participating credit unions nationally

JUNE

Relocated our Midtown branch in Atlanta from Peachtree Place to 1745 Peachtree Street; renamed as the Buckhead-Midtown branch

Released three of five new videos as part of the 2023 series of our Executive Insights program within the Financial Education Center

JULY

Onboarded 21 students through our annual High School Apprentice Program

AUGUST

Financial Education Center earned first place honors at the state level in both the Youth and Adult categories of the 2023 Desjardins Financial Education Awards with the League of Southeastern Credit Unions; these awards marked our sixth consecutive win for youth education and seventh consecutive win for adult education

SEPTEMBER

Named as one of *Atlanta Business Chronicle's* “Best Places to Work in Atlanta” for ninth consecutive year and earned the #1 ranking for the first time in the extra-large company category

Replaced the Visa PIN Mailer, programming our Interactive Voice Response (IVR) unit to enable members to set the Personal Identification Number or PIN on new debit and credit cards fulfilled by mail

OCTOBER

Relocated the Salt Lake City branch to its permanent location, behind the security checkpoints at the recently expanded Salt Lake City airport

Completed the renovations at our Administrative Center on Wisdom Road in Peachtree City

NOVEMBER

Financial Education Center earned third place at the national level in the Youth Category of the 2023 Desjardins Financial Education Awards by CUNA

Awarded \$10,000 to Bowden Elementary School in seventh annual Give Back Giveaway contest, recognizing student-led community service projects, and \$5,000 awarded to four schools as runners up

DECEMBER

Presented the final two of our four annual \$5,000 scholarships to students who attend a Historically Black College or University

Financial Education Center provided the last of its 172 free personal financial education workshops and webinars, serving a total of more than 9,000 attendees on 53 separate topics during the year

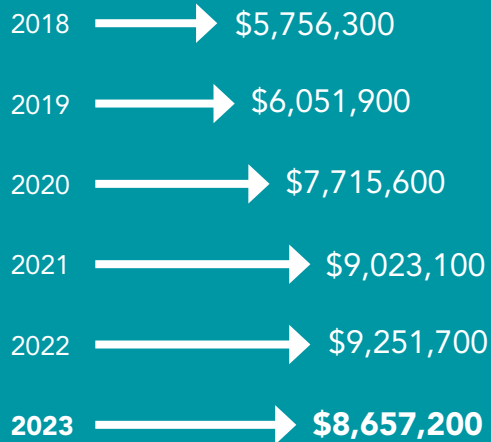
Announced 2024 Philanthropic Fund grant recipients to 20 metro Atlanta charitable organizations totaling \$150,000

Completed contracts for new Locust Grove branch in December, our 33rd branch, 30th in metro Atlanta and fourth in Henry County, due to open in early 2025

TRENDS AT A GLANCE

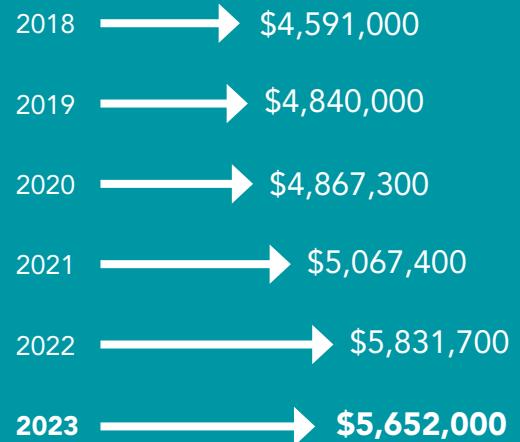
ASSETS

(\$ in 000s)



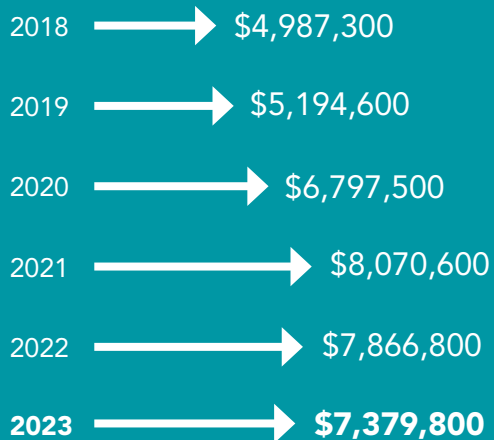
LOANS

(\$ in 000s)

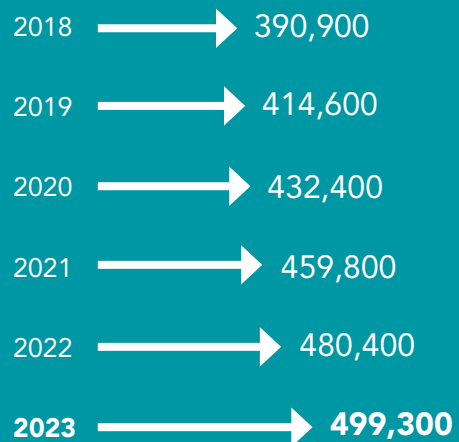


DEPOSITS

(\$ in 000s)



MEMBERS



STATEMENT OF FINANCIAL CONDITION

As of December 31, 2023 (\$ in 000s)

UNAUDITED

ASSETS	2023	2022
Cash	\$ 166,806	\$ 170,155
Receivables	48,236	61,506
Loans, net of allowances for possible credit losses and deferred income (expense) relating to mortgage originations	5,585,044	5,778,425
Investments		
Available-for-sale	2,526,763	2,893,185
Other	27,020	49,845
Accrued Interest	25,649	23,347
Prepaid and Other Assets	194,727	191,749
Property, Equipment and Leasehold Improvements, at cost, net of accumulated depreciation and amortization	83,000	83,507
Total Assets	\$ 8,657,245	\$ 9,251,719
LIABILITIES AND EQUITY		
Accounts Payable	\$ 139,942	\$ 129,747
Notes and Related Interest Payable	413,237	630,815
Member Deposits	7,379,781	7,866,849
Equity	724,285	624,308
Total Liabilities and Equity	\$ 8,657,245	\$ 9,251,719

STATEMENT OF OPERATIONS

As of December 31, 2023 (\$ in 000s)

UNAUDITED

REVENUES	2023	2022
Interest on Loans	\$ 255,920	\$ 205,082
Interest on Investments	51,886	41,225
Fees	30,581	27,525
Miscellaneous	67,719	73,361
	\$ 406,106	\$ 347,193
EXPENSES		
Salaries and Benefits	\$ 142,822	\$ 128,016
Training	1,066	1,009
Office Occupancy	12,430	12,836
Loan Servicing	12,470	11,599
Advertising	8,544	7,095
Office Expenses	11,106	11,071
Depreciation and Amortization	7,161	7,432
Checking Accounts	7,298	8,180
Debit Card	16,219	15,218
Shared Branches	666	583
Professional and Outside Services	8,706	9,431
Other Expenses	24,119	21,137
Provision for Credit Loss	28,424	16,500
	\$ 281,031	\$ 250,107
COST OF FUNDS		
Interest on Borrowings	\$ 28,759	\$ 6,933
Dividend Expenses	59,577	22,871
	\$ 88,336	\$ 29,804
Net Income	\$ 36,739	\$ 67,282



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 AUSBAND
BOARD DIRECTOR



CHARLIE BOYAJIAN
BOARD DIRECTOR



ESTHER HAMMOND
BOARD DIRECTOR



ROBIN STRICKLIN
BOARD DIRECTOR



MATT SULLIVAN
BOARD DIRECTOR

EXECUTIVE MANAGEMENT



Back row from left to right

JAY GRATWICK
EVP & CHIEF
FINANCIAL
OFFICER

SUZANNE MITCHELL
SVP & CHIEF
HUMAN RESOURCES
OFFICER

BILL MESPLAY
SVP, REMOTE
DELIVERY
CHANNELS

BOB WALSH
EVP & CHIEF
LENDING OFFICER

TIM MITCHELL
SVP & CHIEF
INFORMATION
OFFICER

PAM DAVIS
SVP, BRANCH
DELIVERY &
OPERATIONS

BILL BUCHANAN
SVP & CHIEF
RISK OFFICER

Front row from left to right

MATTHEW SHEPHERD
EVP & CHIEF OPERATING OFFICER

HANK HALTER
CHIEF EXECUTIVE OFFICER

BOB MANNING
SVP & GENERAL COUNSEL

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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