



2024+  
Strategic Business Plan

**Always local. All ways.**

# Table of Contents

- 1 Our mission
- 3 Who we are & How we started
- 4 Civic timeline
- 5 Where we're headed & The bigger picture: Our why
- 6 Guiding our direction
- 7 The company we keep
- 8 How our values drive us
- 10 Values-based banking and the Real Economy
- 11 Banking on values
- 14 Strategic position
- 16 Ultimate priority
- 17 Our influences

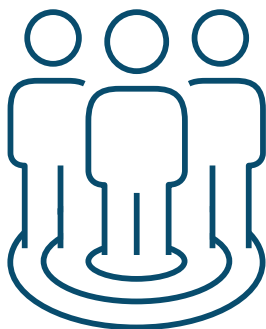
**CIVIC** [SIV·IK] *Adjective.* Relating to a city or town, especially its administration; municipal. Relating to the duties or activities of people in relation to their town, city, or local area.

▶ MISSION:

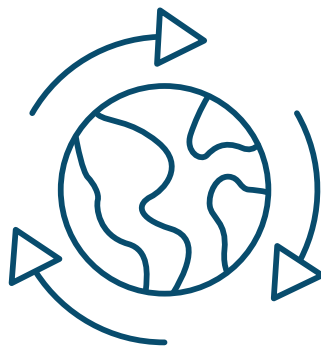
TO IMPROVE THE LIVES  
OF OUR MEMBERS

VALUES-BASED BANKING

Finance in service to people and the planet



PEOPLE



PLANET



PROSPERITY

Civic Federal Credit Union was created by the staff and volunteers of Local Government Federal Credit Union (LGFCU) to serve local government members and small businesses, providing exceptional service and an individualized experience.

We believe local government employees and their partners are true “servant leaders” to their families, work, communities and Civic. They are focused on the personal growth and the well-being of people and the communities to which they belong or serve.

- Our staff and volunteers will emulate the leadership model members provide.
- Servant leadership and selfless actions will drive us, recognizing and relying on each other’s strengths.
- We all shall serve in any capacity to ensure independence of our allied credit union, LGFCU.
- We empower employees at all levels to contribute their strengths toward the mission of improving members’ lives.

We’re evolving the organizational structure to align activity toward direct service to our members.

- Departments deliberately work collaboratively, increasing efficiency and improving outcomes rather than fostering independent efforts and successes.
- Everyone in our organizations demonstrates to each other and our membership an authentic representation of our values.
- Our differences make us stronger, and every staff member is welcomed as an individual contributor. Diversity, equity and inclusion (DEI) are baked into who we are and what we do, and we’re working to be better.
- We’ve built teams with the most experienced talent to create a financial institution of the future.

We have created a new credit union with no peers in purpose and innovation.

- We have launched integrations that optimize member experiences and prioritize rapid delivery of new services that empower our members to build wealth and give them back some of their precious time.
- We’re scaling technology and talent to launch the premier financial services infrastructure and business model.

We tirelessly work to position Civic as the financial institution of the future. Civic will flourish by leveraging the strengths of our members and employees to co-create an unimaginable impact on everyone who touches our organization.

We hope the following material helps you identify with the important role we play in the lives of our members and North Carolina communities, and how our two credit unions together will meet the needs of local government in ways no others can or will. Thank you for your involvement, membership and support of our financial cooperatives.

## WHO WE ARE

November 13, 2018 may not be a memorable date for some of us. But the world shifted that day for Civic Federal Credit Union, when the first member opened a Civic account.

Since then, Civic has become known throughout North Carolina as a symbol of aspiration and innovation. Our 7,000+ members are served by robust digital channels and an ambitious North Carolina-based contact team responding to phone, web and chat inquiries. That's moving fast. And with nearly \$120 million in assets, we're just getting started.

We fervently believe that we can all do well by doing good. Civic was founded on the conviction that banking can work in service to people and the planet, striving for prosperity for all. We work toward this every day.

But before we look forward, we should look back.

## HOW WE STARTED

Civic is the next step for our other credit union — Local Government Federal Credit Union, or LGFCU. Founded in 1983, LGFCU today serves more than 405,000 North Carolinians. At its birth, LGFCU partnered with NC local government leadership and State Employees' Credit Union (SECU) to serve members across the state using SECU branches. This partnership has a range of complex operational requirements, and as both credit unions evolved, it was clear that updating technologies on both sides would be challenging if the partnership remained intact.

In addition, SECU was not able to continue serving our small business and member organizations — largely, volunteer fire departments across the state — which hastened the immediate need for a credit union with separate technology and operations.

And so, work on Civic began in 2014 to serve members who work in and support local government and communities across North Carolina, small business owners and nonprofits. We also welcome volunteers, members' families, and other citizens who embrace the culture of building a better world. It will take many of us to create and sustain thriving communities.



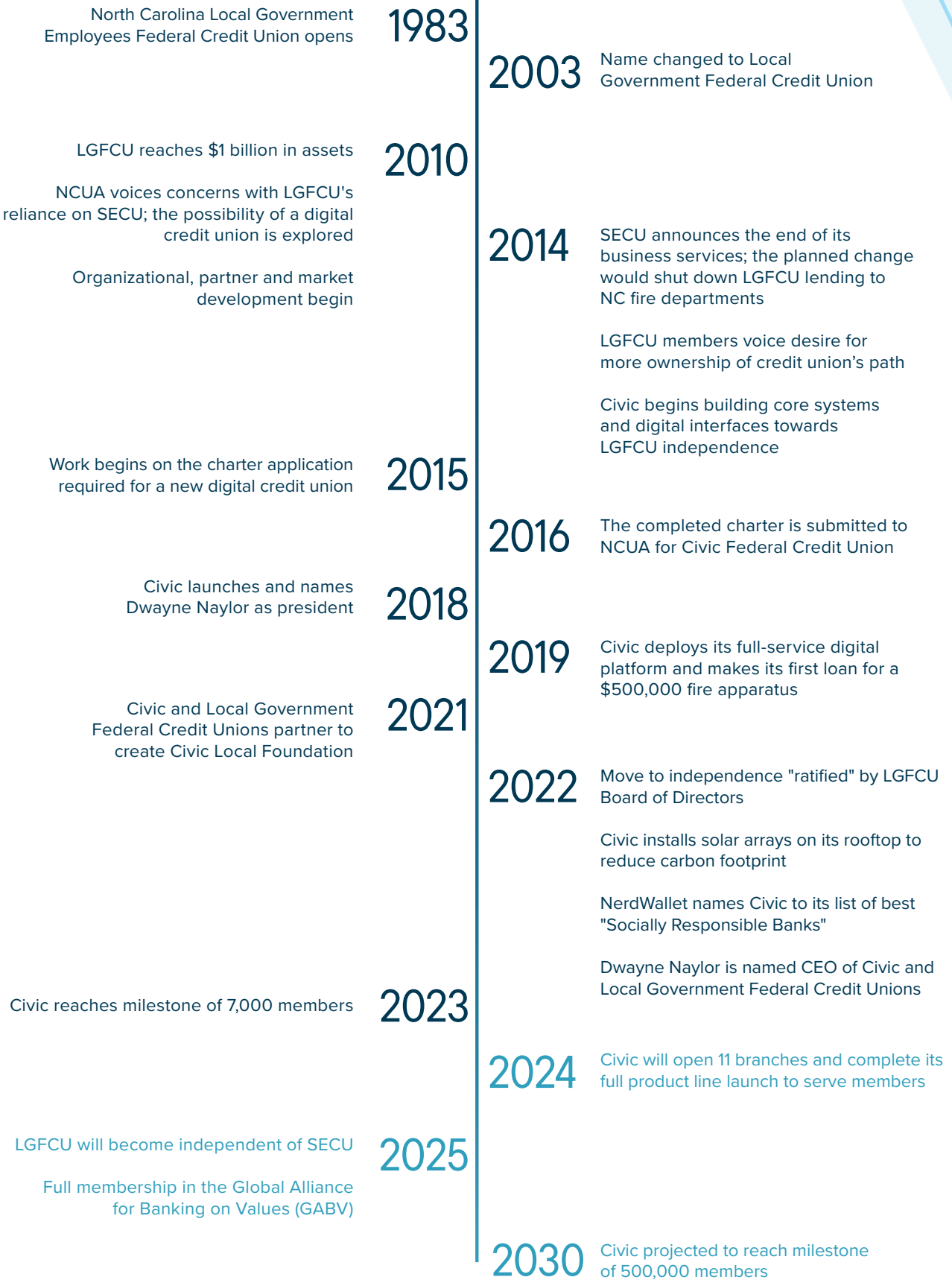
[Civic is] here to help the people.”

- **Michael S.**

Detention Sergeant,

Transylvania County Sheriff's Office

# CIVIC TIMELINE



## WHERE WE'RE HEADED

Civic isn't just serving members; we're building a community of people united in their desire to make a positive impact on North Carolina, culture and the environment. Our strategy is rooted in financial inclusion and community development, both of which are sustainable activities and drivers of growth and relevance.

Local government employees directly impact the quality of life for citizens in our communities, and our communities are essential to building a strong local economy, increasing the standard of living in North Carolina.

At our core, we care about your future. Our future. We'll work hard to see things from different perspectives and take an honest look at who we are, what we do, and how we do it. But before we make decisions, we start with questions like these:

**Whom or what does this help, and whom or what might it hurt?**

**What is the actual environmental, social, and economic impact?**

**How will this be sustained, for how long and to what result?**

Our journey toward a local, digital credit union has been guided by the basic premise that this credit union exists to serve the members who have entrusted their resources to us. Our duty demands that we respond to external forces and disruptions that could negatively impact members.

## THE BIGGER PICTURE: OUR WHY

First and foremost, our Board and our leadership have a non-negotiable obligation to our membership: It's crucial that we ensure the safety and soundness of this credit union, and foster the right conditions for the credit union to thrive, to continue offering the financial products and services that help members achieve their financial goals and prosper.

LGFCU will separate from State Employees' Credit Union (SECU) on June 1, 2025, and Civic's technology, channels and staff will serve members after separation. There are several reasons for this change.

1. The financial services industry is being flipped on its head. The traditional model is no longer feasible in the face of competition from Google, Venmo, Apple, Amazon, Walmart, and Square, to name a few.
2. At the same time, members have consistently shared that better rates are key to living a better financial life, and we agree. But no one will be able to pay higher rates on a traditional branch model, invest in technology, and create a better individualized experience. Our data show a growing portion of our members are turning to online financial providers, which offer better rates because of their "limited overhead" model.
3. Our members are telling us they want more, and about 83% of the time, they're choosing non-branch transactions to manage their money.
4. If we do not adapt and evolve, our members will not be served as well as they should be.
5. This path is not new. It was always considered inevitable when we built LGFCU. And now we're here.

## GUIDING OUR DIRECTION

LGFCU's Advisory Council, made up of 600+ members, has helped to guide the direction for this journey. We are indebted to their thoughtful feedback and their representation in our decision-making, and they will continue to guide us as we evolve. This group of volunteers is growing, with much of the interest generated through word of mouth. Our members are excited about co-creating this credit union with us, grateful that they're being heard and optimistic about our shared future.



We've also had feedback from the National Credit Union Administration (NCUA), the government agency overseeing member accounts at thousands of credit unions. The NCUA has stated that LGFCU's separation from SECU is crucial so that both credit unions can continue to serve members and provide the products and services members need without reliance on another institution.



Civic wants to focus on local government employees, and it offers products that we didn't have as LGFCU. You own a piece of the [credit union], and that gives you power and a voice."

- **Addie W.**

Human Resources Analyst, City of Newton

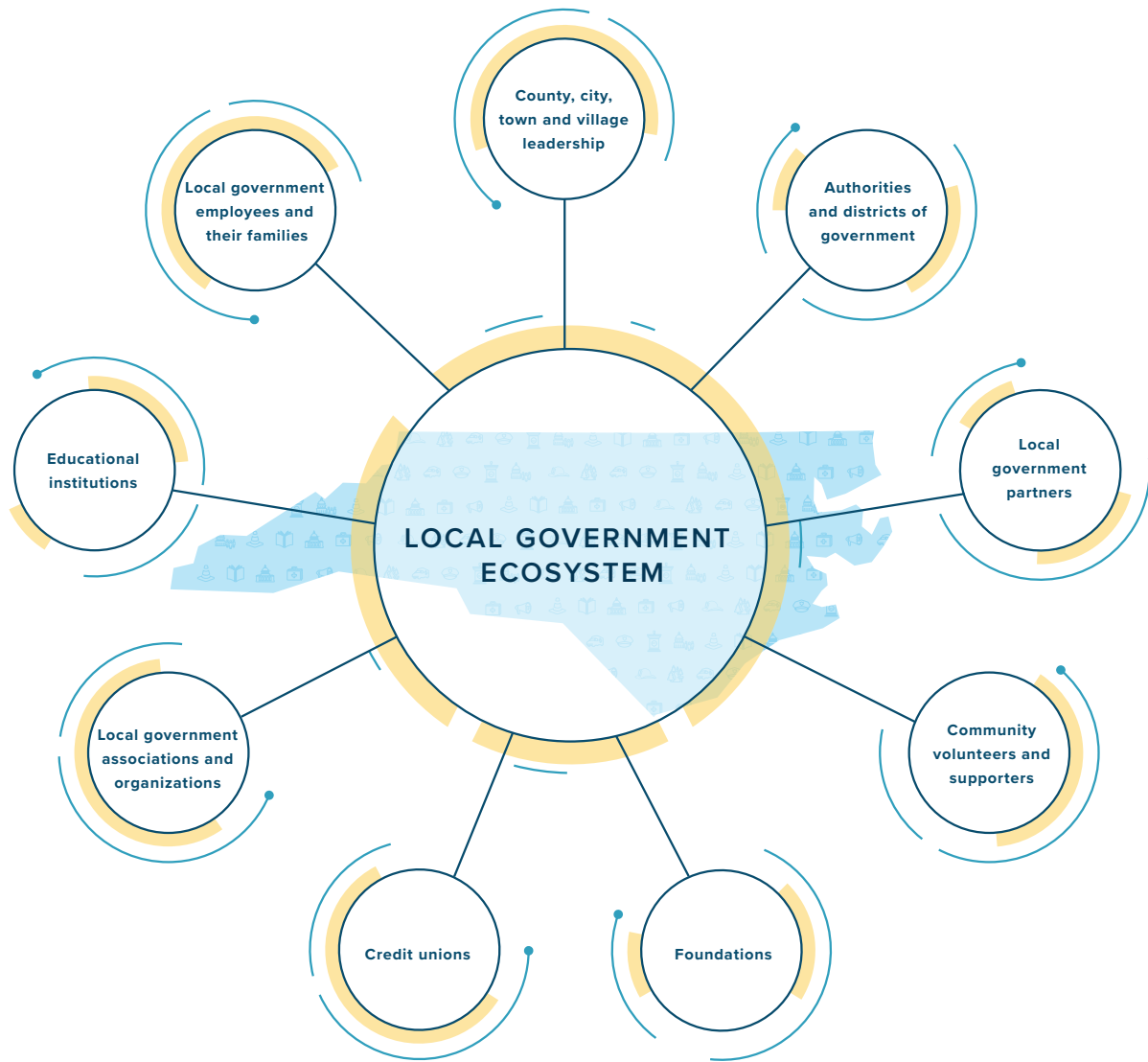


Civic meets me where I am and that's what makes it so nice."

- **Brian K.**

President, NC Fire Marshals' Association; small business owner





## THE COMPANY WE KEEP

We are not a vendor to local government or our cities, counties and towns, and we don't aspire to serve as a commodity for members. We are an integral part of North Carolina communities, and in fact, the very name "Civic" suggests our proximity to community and municipal affairs. We engage our stakeholders deeply and passionately, including the members we serve and the partnerships we foster to help us embed value in communities across the state.

Our partners are educational institutions, local government agencies and associations, and other organizations committed to building thriving communities and a more sustainable world.

This is the ecosystem of local government in North Carolina, a model anchored by our credit unions and grounded in a platform of using finance for good.

## HOW OUR VALUES DRIVE US

You may have noted that we're not an average credit union, and this is not just about fairly-priced products and services. Yes, our members come first. They always will, but we need to go further. At Civic, that means we live by a "triple bottom line," summarized as a focus on "people, planet and prosperity."

The people — including our members — make North Carolina one of our country's most desirable states in which to live and work. They are locally engaged individuals, striving to build vibrant communities. But not every individual is well served by the financial industry, and that's why financial inclusion is a significant part of our DNA. This means we're dedicated to expanding access to financial services and opportunities to help bring people into the financial mainstream.

Another part of the "people" equation is our staff, deeply dedicated people committed to our values in support of our members, their communities and the exceptional state of North Carolina. Our "people first" model invites all voices to be heard at the table.

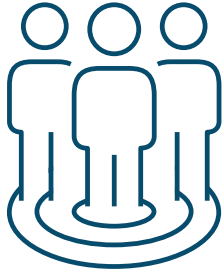
We share the planet with billions of other people. Even though we are a North Carolina-based credit union following the lead of local government leadership, we know our impact is felt far and wide, ripples across water. As a financial cooperative with a deliberate focus on local government and the communities of this state, we strive to lessen our environmental impact, learn from our members, follow the lead of local governments, and identify our role in supporting a healthy environment for ourselves and for the generations to come. That's our obligation when we consider the future of our beautiful state and of this world.



*Civic's campus includes planet-friendly features, like a large rooftop solar array that helps offset our carbon footprint and several electric vehicle chargers for public use.*

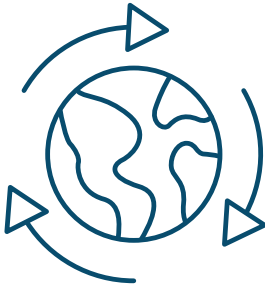
Prosperity is our aspiration for all of us; we work to help all people prosper in the capacity that suits them as individuals with unique, valid and respected needs. We're focused on helping North Carolinians build wealth, with a wide lens on who we can serve. We believe our differences don't separate us — they unite and make us stronger.

We'll always prioritize people and our planet, actively engaging our communities to promote prosperity for all, and to minimize our environmental footprint and strengthen, develop and establish new local government ecosystems in service to our communities.



### People first

- Focus on people before profit
- Provide equitable access to resources
- Create member-centric products and services
- Advocate for member success
- Assure operational transparency
- Commit to a diverse staff with equitable compensation and inclusive opportunities



### Planet always

- Identify and implement ways to help reduce energy use/ carbon footprint
- Drive innovation to reduce consumption
- Maintain carbon neutrality for all office locations
- Evaluate our operations and vendor relationships for low-impact means and methods
- Achieve Platinum LEED certification
- Explore opportunities to support government efforts in alternative energies



### Prosperity for all

- Serve the underserved, identifying members in economically distressed communities
- Improve members' lives and build strong communities
- Work in the interest of all, so that every life is better for being a part of our credit union
- Consistently develop member-centric financial solutions, like sustainable lending and development and affordable housing
- Explore needs of new types of small business
- Support local nonprofits that work to close human service gaps

# VALUES-BASED BANKING AND THE REAL ECONOMY

Values-based banking serves to ensure we have the resources we need for today and tomorrow. And by “we,” we mean everyone. This form of sustainability simultaneously delivers economic, social, and environmental benefits to all stakeholders — the triple bottom line model.

By implementing values-based banking, we keep money close to home and invest locally. This ecosystem for circular investment in the towns, cities and counties that we serve is known as the “Real Economy.” Through this business model, members do good for themselves and the communities around them.



The most visible example of how we serve the “Real Economy” is our dedication to the first responder community. Civic was built specifically to serve this unique group when their financial needs were no longer being met through other credit union channels. For more than a decade, we have built relationships, supported the fire community and provided sound lending that gives fire, rescue and Emergency Medical Services (EMS) a fair deal. As of November 2023, we have underwritten a total of \$327 million in loans for fire departments across the state. These loans allow the first responder community to get what they need to save lives, keep communities safe, and retain affordable homeowner insurance costs.

Think globally, act locally.

## BANKING ON VALUES



Our plan isn't solely about offering members new opportunities for transactions. This is much bigger: We're part of a movement of leading purpose-driven banks, an elite group that stimulates growth for thriving communities and helps foster prosperity for members. Simply put, we're using finance to build a better world."

- **Dwayne Naylor**, CEO of Civic and  
Local Government Federal Credit Unions

Finance plays a pivotal role in shaping our society. Every loan and investment impacts our communities, environment, and economic future, for better or worse. Many people depend on access to finance to live up to their full potential and enjoy a decent and dignified life.

Banking and finance, therefore, come with great responsibility. Banks are not simply neutral brokers of money. They are often creators of money. By deciding how to allocate money, banks are important agents of change.

With that in mind, there's a growing number of pioneers and banking leaders from around the world with a values-driven approach to banking. They have joined forces with a shared mission to put finance at the service of people and the planet.



**Global Alliance for  
Banking on Values**

We call them values-based banks, and they form the Global Alliance for Banking on Values (GABV). As part of our values-based banking platform, Civic joined the Global Alliance for Banking on Values (GABV) in 2021 as an Associate Member. Among these international leaders, we are learning, collaborating, and doing our part in North Carolina to build a more sustainable world. We're raising the bar for financial institutions everywhere, encouraging our peers to invest in the communities they serve.

“

We’re setting a new standard for financial institutions in North Carolina — one that delivers positive change for local communities and improves our corner of the world.”

- **Ken Noland**, LGFCU Board Chair

To help us better understand some aspects of our state’s solar energy market, we have underwritten four solar loans for North Carolina businesses. This involvement allows us to indirectly support a sustainable initiative and learn what works for North Carolina. According to the U.S. Energy Information Administration, North Carolina ranks No. 3 in the U.S. for solar energy production.



## OUR VISION

People and communities will be empowered to reach their own vision of prosperity when their decisions aren't driven by money.

## OUR MISSION

To improve the lives of our members.

Our mission sets the overall direction for our organizations. It endures and remains unchanged throughout business cycles.



Civic is 100% customer-centric.  
Civic is not about making money;  
it's about helping their customers  
make money. They're looking out  
for my best interests.”

- **Rocco R.**

Owner, Bounce to You LLC,  
Graham NC



## STRATEGIC POSITION

We embrace values-based banking, putting capital to work to benefit people, planet and prosperity, grounded in communities and serving the Real Economy. We are focused on members and their needs; financially resilient and self-sustaining; transparent and inclusive. These tenets are embedded in who we are, and form the strategy that gives us a competitive edge.

## PRIORITIES FOR 2024+

### CO-CREATING A NEW CREDIT UNION

- Schedule two-way communication with members through in-person summits and online conversations
- Double the number of Advisory Council volunteers
- Establish an Executive Advisory Council of volunteers
- Distribute “On Purpose,” a biweekly emailed communication sharing updates

### IMPROVING EXPERIENCES

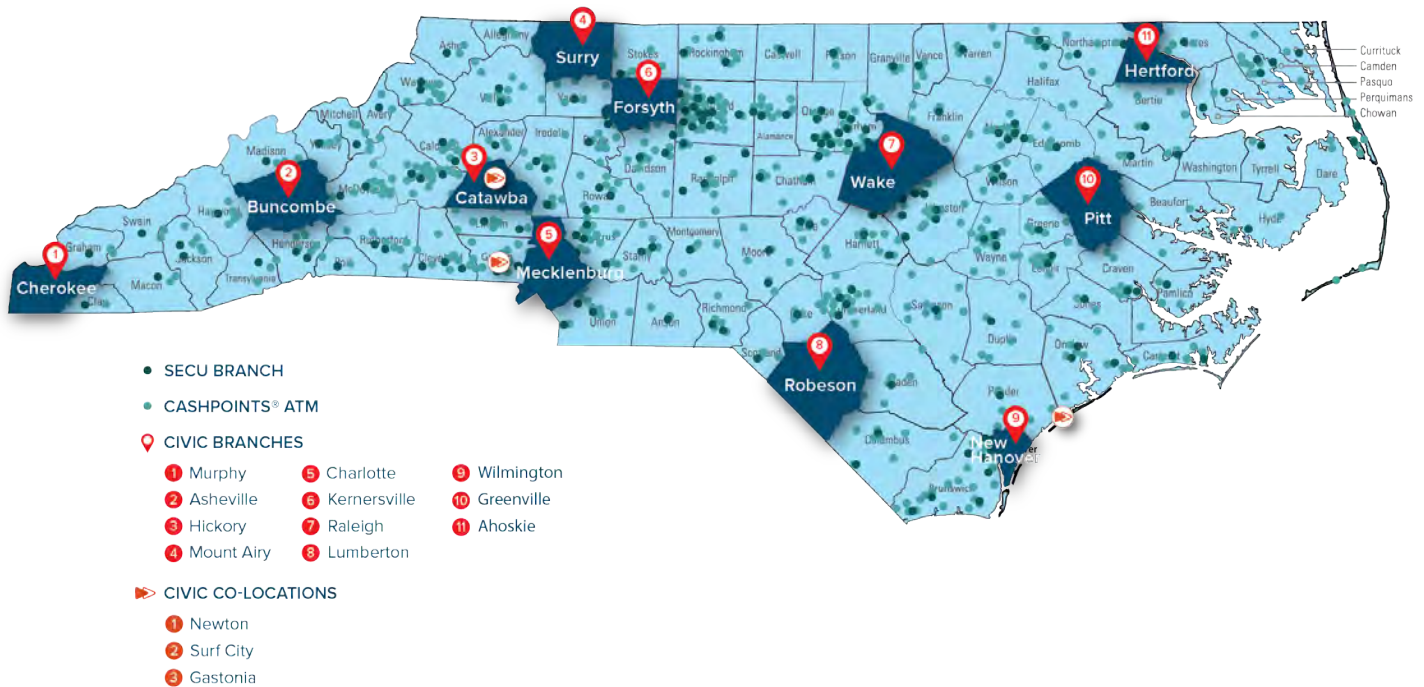
- Refine products and services to meet member needs for 2025 conversion
- Ongoing development of Values-Based Banking model
- Enhance digital experience for member interactions
- Create more products and services to meet needs of underserved
- Green or alternative energy lending (e.g., electric vehicle, solar, wind)
- Active participation in affordable housing
- Differentiated, personalized member experience
- New and enhanced member communication channels
- Learn from advances in local government on critical issues





## REACHING CONSUMERS

- Open 11 branches in 2024, offering in-person member support and demonstrating ease of digital access
- Advocate for broadband accessibility
- Add more virtual and community meetings to learn from members
- Create more accessible financial literacy programs
- Grow small business and nonprofit services



## EXPANDING OPPORTUNITIES

- Work with local government leadership to address some of North Carolina's most difficult challenges
- Think tank to drive integration between academia and real-world applications
- Activate participation in federal and state programs for rural economic development
- New technology integrations across channels
- Share our learnings in triple bottom line operations
- Investigate alternative energy lending
- Explore eco-friendly housing projects

## ULTIMATE PRIORITY

You own this credit union, and you helped us build it. Your feedback told us that you want fairly-priced products and easy and convenient access to your money. And we hear you when you say that you want financial solutions that meet your tomorrow needs, today.

You also told us you value your colleagues and fellow members, you appreciate others' differences, and you want your local communities to be safe, prosperous and supported.

You've said that you want a world that's clean and protected for today and for generations to come.

So when we say that we prioritize people, planet and prosperity, what we're really saying is: Our ultimate priority is you.

## OUR INFLUENCES

This plan would not be complete if we didn't include a brief list of the partners, organizations, and principles that help guide us in our ongoing journey to serve members and build thriving communities.

### NORTH CAROLINA COMMUNITY PARTNERS

- Institute for Emerging Issues
- North Carolina Association of County Commissioners
- North Carolina Association of Rescue and Emergency Medical Services
- North Carolina City and County Management Association
- North Carolina League of Municipalities
- North Carolina Public Sector Human Resources Association
- North Carolina Recreation and Park Association
- North Carolina Sheriffs' Association
- North Carolina State Firefighters' Association
- North Carolina State University
- UNC School of Government

### CREDIT UNION INDUSTRY PARTNERS

- African-American Credit Union Coalition
- Carolinas Credit Union League
- Credit Union National Association
- National Credit Union Administration
- World Council of Credit Unions
- Inclusiv Credit Union Network
- Opportunity Finance Network
- Filene Research Institute

### VALUES AND SUSTAINABILITY ORGANIZATIONS

- EarthShare NC
- NCForever
- North Carolina Sustainable Energy Association
- Global Alliance for Banking on Values

### MODELS AND PRINCIPLES

- Cooperative Principles
- Values-Based Banking Model
- Triple Bottom Line
- Principles of Sustainable Banking
- United Nations Sustainability Development Goals