CIVIC®

CREDIT UNION

Proudly serving North Carolina local government

2025+

Strategic Business Plan

Always Local. All Ways.

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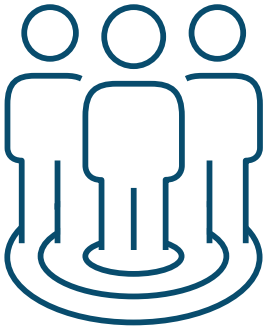
CIVIC [SIV•IK] *Adjective.* Relating to a city or town, especially its administration; municipal. Relating to the duties or activities of people in relation to their town, city, or local area.

MISSION:

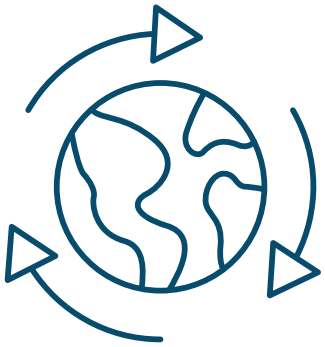
TO IMPROVE THE LIVES OF OUR MEMBERS

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 North Carolina 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 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 organization 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 credit union will meet the needs of NC local government in ways no others can or will. Thank you for your involvement, membership and support of our financial cooperative.

LGFCU & CIVIC STORY

From the start, LGFCU was innovative. The credit union was created to serve local government employees, using the branch network and infrastructure of State Employees' Credit Union (SECU). This unique arrangement had constraints, which became more prominent when SECU advised LGFCU leadership that they would no longer support organizational and small business accounts in 2013. Also during this time, disruption within the financial services industry began to accelerate, and members requested more and different innovative products and services.

The first order of business in 2013 was to lay the groundwork for a separate credit union to provide financial services to local government and small businesses. That allowed the credit union to continue to serve local government organizations and North Carolina volunteer fire departments. This would prove to be critical for the first responder community, since NC fire departments relied on affordable loans from the new credit union for much-needed fire trucks, life-saving equipment and even fire stations.

Next, we identified and hired teams to build the new credit union. Incoming staff worked and trained alongside our leadership and staff, building the infrastructure, developing technology solutions, and creating member-requested products and services.

In 2014, the investment in technology, talent and creating a financial cooperative for the future positioned LGFCU for autonomy. At this time, it was not known when this autonomy would occur. Our Board was committed that when we reached the point that our core competencies, consumer behavioral shifts and technology allowed greater value to the members, we would know that it was time.

In 2018, the new credit union received its charter from the National Credit Union Administration and began serving local government, with robust digital channels and field teams.

The new credit union was called "Civic."

In early 2023, LGFCU leadership recognized that a shift was required, and autonomy was the solution. An independent LGFCU would serve members directly for the first time, bringing new products, services, advanced technology and innovation — none of which could be developed within the current partnership with SECU.

Once this decision was made by LGFCU's volunteer Board of Directors, the question became how to execute the plan to change.

The platform created for independence provided the opportunity to co-create a financial cooperative that would be the pride of North Carolina local government. At its core, Civic was built as a future-driven tool created by LGFCU for independence. But because Civic was built on LGFCU's foundation, LGFCU is the enduring credit union. Even the LGFCU charter — the license to operate a credit union — remains intact and is the guiding charter. Yes, LGFCU is leveraging Civic's new service delivery channels and updated technology. And we are also adopting the name "Civic", as a reminder of the credit union's historic commitment to local government and North Carolina's cities, towns and counties.

But Civic was an entity intended from the start to merge into LGFCU, created for and led by the dedicated volunteers, members and staff of the credit union to ensure LGFCU's future.

CIVIC TIMELINE

2031
Civic projected to reach milestone of 1 million members

2025
LGFCU will become independent of SECU

2024
Civic opens 11 branches and completes its full product line launch to serve members

Civic members vote to merge Civic into LGFCU, paving the way for LGFCU to use Civic's service delivery channels and branding, while retaining the LGFCU charter

2023
Civic reaches milestone of 7,000 members

2022
Move to independence "ratified" by LGFCU Board of Directors

Civic installs solar arrays on its rooftop to reduce carbon footprint

NerdWallet names Civic to its list of best "Socially Responsible Banks"

Dwayne Naylor is named CEO of Civic and Local Government Federal Credit Unions

2021
Civic and Local Government Federal Credit Unions partner to create Civic Local Foundation

2019
Civic makes its first loan for a $500,000 fire apparatus

2018
Civic launches and names Dwayne Naylor as president

2016
The completed charter is submitted to NCUA for Civic Federal Credit Union

2015
Work begins on the charter application required for a new digital credit union

2013
SECU announces the end of its business services; the planned change would shut down LGFCU lending to NC fire departments

LGFCU members voice desire for more ownership of credit union's path

Civic begins building core systems and digital interfaces toward LGFCU independence

2010
LGFCU reaches $1 billion in assets

NCUA voices concerns with LGFCU's reliance on SECU; the possibility of a digital credit union is explored

2003
Name changed to Local Government Federal Credit Union

1983
North Carolina Local Government Employees Federal Credit Union opens

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 the heart of all we do is the way we serve our members, and the fact that we care deeply about the future we all share. 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) in June 2025, and Civic's technology and service delivery channels will be leveraged to support members. LGFCU longtime employees will continue to 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 and more convenient services 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 - VOLUNTEERS

LGFCU's Advisory Council, made up of 1,000+ 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.

MEMBERS

VOLUNTEER GROUPS

BOARD OF DIRECTORS / 9 MEMBERS

ADVISORY COUNCIL / 1011 MEMBERS

FIRE ADVISORS / 10 MEMBERS

EXECUTIVE ADVISORY COUNCIL / 10 MEMBERS

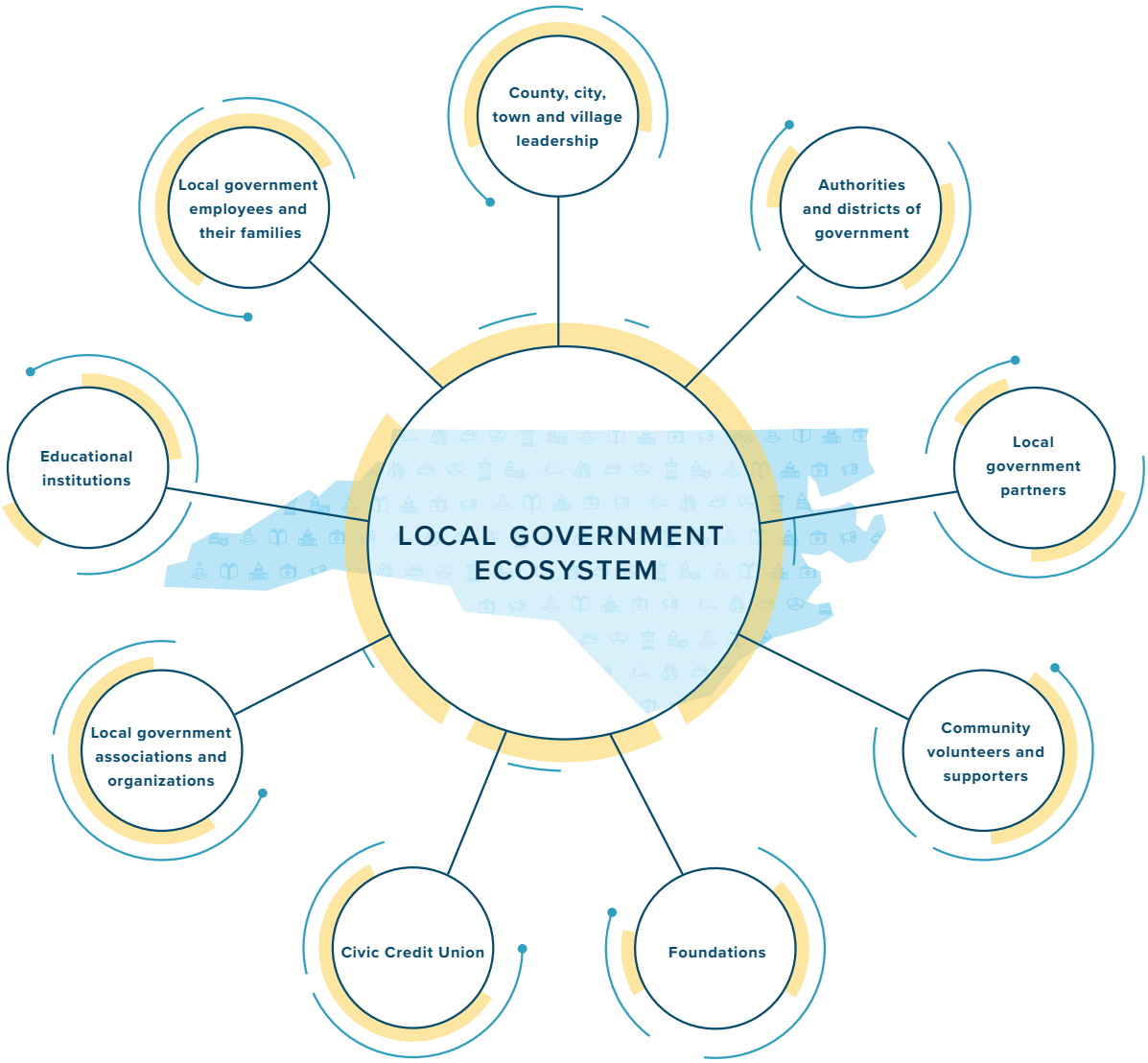
We've also had feedback from the National Credit Union Administration (NCUA), the government agency overseeing member accounts at thousands of credit unions. The NCUA has stated that LGFCU's separation from SECU is crucial so that both credit unions can continue to serve members and provide the products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

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

- Brian K.
President, NC Fire Marshals' Association; small business owner

"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



OUR COMMUNITY PARTNERSHIPS

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 Civic Credit Union 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.

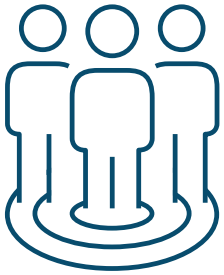




Civic's campus includes planet-friendly features, like a large rooftop solar array that helps offset our carbon footprint and several electric vehicle chargers for public use.

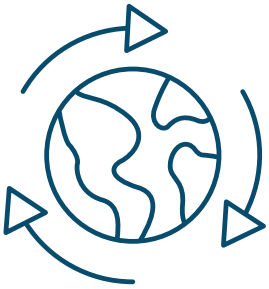
Prosperity is our aspiration for all of us; we work to help all people prosper in the capacity that suits them as individuals with unique, valid and respected needs. We're focused on helping North Carolinians build wealth, with a wide lens on who we can serve. We believe our differences don't separate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

MAKING GOOD MONEY

> 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 Credit Union

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.

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,** 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

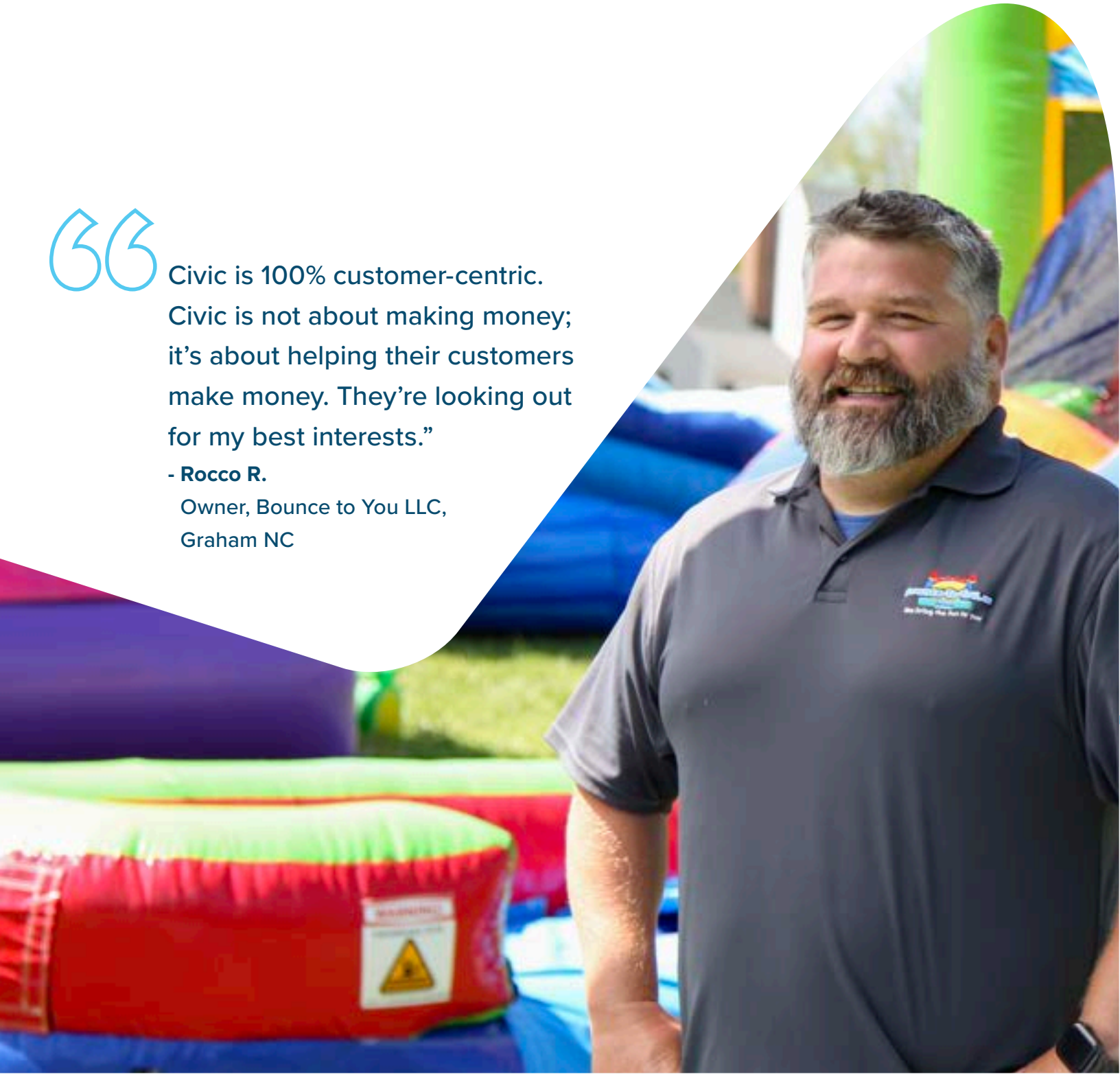
People and communities will be empowered to reach their own vision of prosperity when their decisions aren't driven by money.

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 2025+

CO-CREATING A NEW CREDIT UNION

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

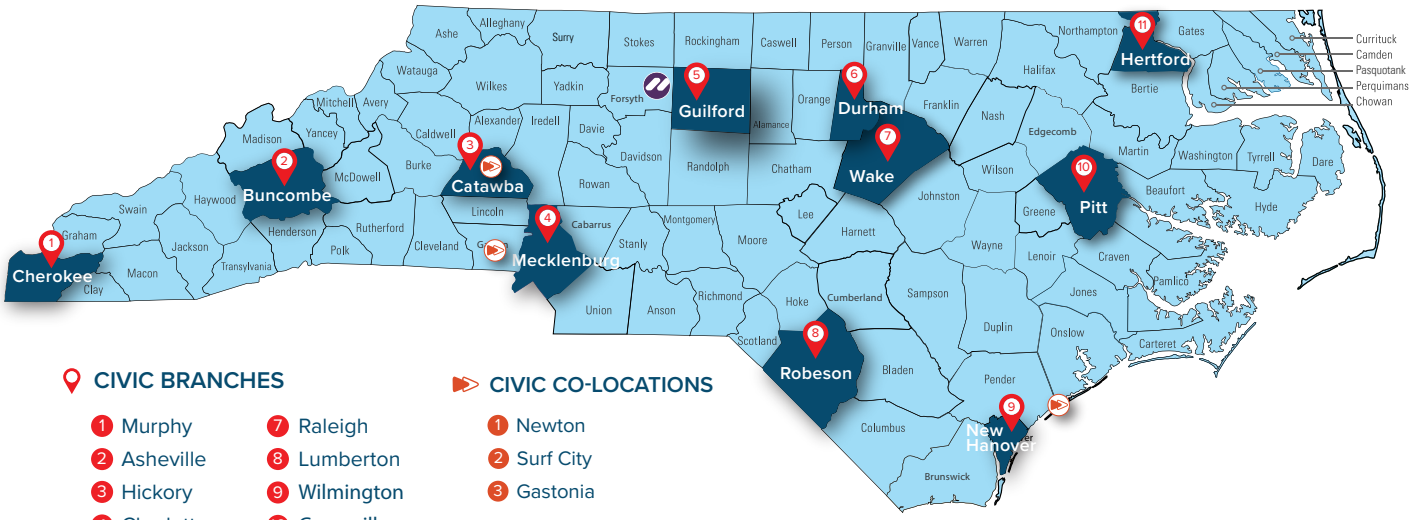
IMPROVING EXPERIENCES

- 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

- Build community around our 11 branches, 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
- Expand Civic ATM network in the US and beyond
- Provide access to 120+ shared branches across NC, and 5,400 nationwide
- Create a solution for cash deposits using a retail network of 3,400 locations in NC



CIVIC BRANCHES

1. Murphy
2. Asheville
3. Hickory
4. Charlotte
5. Greensboro
6. Durham
7. Raleigh
8. Lumberton
9. Wilmington
10. Greenville
11. Ahoskie

CIVIC CO-LOCATIONS

1. Newton
2. Surf City
3. Gastonia

CIVIC FUTURE PARTNERSHIPS

6. Kernersville

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 shared that your pride in local government was amplified by your connection to a credit union built for and by those who work in our communities.

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 Chiefs of Police
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