

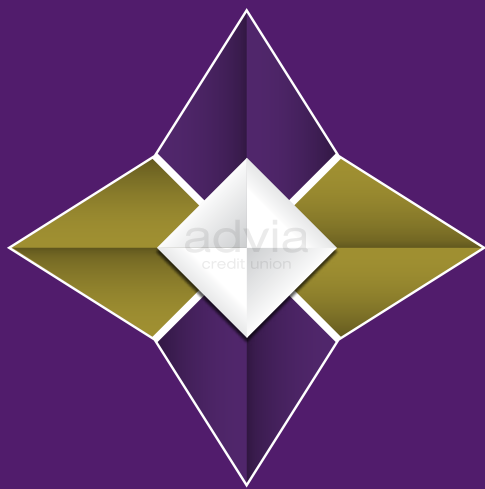
advia

credit union

Real Advantages for Real People.™

Providing Financial Advantages

2022 Financial Condition Reporting of Advia Credit Union





Message from our Board Chair, **Nicole Kalmbach**

I'm pleased to report that Advia Credit Union is financially sound and continues to grow stronger. You'll see within this annual report that Advia's net income for 2022 is well positioned, and that is based on a prudently managed and member-centric approach to being prepared to weather turbulent economic conditions. We experienced nearly 5% growth in membership, over 13% growth in loans held by members, and over 7% growth in total assets.

In 2022, we underwent a leadership transition, welcoming Jeff Fielder as our new President & CEO following the retirement of long-time President & CEO, Cheryl DeBoer. We will miss Cheryl and wish her all the very best in her well-deserved retirement. We know that under Jeff's leadership, the team and value of membership will continue to thrive.

On behalf of the other volunteer Board members of Advia, I thank you for your ongoing membership, and encourage you to share with others to consider Advia for their financial needs.



Message from our President & CEO, **Jeff Fielder**

In 2022, I was honored to become the President & CEO of Advia Credit Union following the retirement of Cheryl DeBoer. Prior to that, I had been with Advia for over fifteen years, most recently serving as Chief Financial Officer. This past year has provided incredible opportunity for growth – for Advia, our team, and for me. I am very excited to present this organizational and financial performance report with confidence that we are continuing in our mission to provide financial advantages for our membership.

In January of 2022, we officially moved into our new headquarters in Oshtemo, Michigan. This also allowed us to open a new branch to serve the community. Our building represents our commitment to the local area as well as our thriving membership on the east side of Michigan, Illinois, and Wisconsin. We're proud to have hosted numerous community partners within our community rooms located within our headquarters.

Providing new innovative financial solutions is key to our ongoing success. In 2022, we enhanced our video teller machine (VTM) technology, allowing members to access 24-hour ATM features as well as personal one-to-one conversations and support from our member service team.

Advia was active within our communities in 2022, volunteering nearly 1,300 hours, participating in over 200 community events, and providing nearly \$125,000 in youth scholarships, Advancing Lives Grants, and other donations to area non-profit organizations.

As a nation, we experienced economic volatility throughout 2022, resulting in inflation and rapidly changing interest rates for both deposits and loans. Advia worked to provide competitive solutions for our members such as low-cost access to transaction tools, great rates on checking, savings and certificates of deposits, new adjustable-rate mortgage options, low-introductory rates on home equity lines of credit, and special cash-back offers when using our rewards credit card. We are proud to report another year of helping members save over \$12 million in reduced interest rates by transferring higher rate loans to Advia.

As we introduce 2023, I am very excited to oversee an incredible team who are dedicated to being active in our communities and helping our members improve their financial well-being. I want to thank you for choosing Advia. Our ongoing strength is a direct result of your loyalty and confidence.

Report of the Search Committee

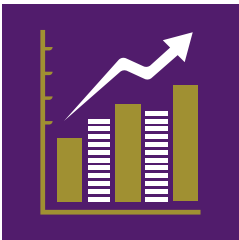
In accordance with the Board Nomination Policy, the following incumbents were nominated for Board of Director positions within Advia Credit Union. No additional petitions were received.

Donna Kalmeta – Donna has served as an Advia Board Director since 2008 and is the current Board Secretary. Donna is a graduate of Central Michigan University, worked for Xerox Corporation for 13 years, co-owned Prime Office Innovations for 16 years, worked for Marco Technology as a Major Account Manager, and is recently retired. She lives in Marine City, MI.

Jim Bouma – Jim has served as an Advia Board Director since 2019. Previously, he served as the Chairperson of our Supervisory Committee. He holds both an associate degree and a bachelor's degree in Business Administration. Jim is certified by CUNA as a Board of Director and Supervisory Committee Volunteer. He is a long-time member of Advia and is retired.

All members of Advia Credit Union's Board of Directors are volunteer representatives of our membership and serve without compensation.

Treasurer's Report, Mike Segal



Advia Credit Union is financially strong, positioned within the top 10 credit unions in Michigan, and within the top 3% of credit unions in the United States in terms of asset size. Total assets increased by nearly \$200 Million in 2022, which equates to over 7% annual growth. By year end, our assets were nearly \$2.9 Billion.

For the year, we recorded a Return on Average Assets (ROAA) of 1.14%. At year end, our regulatory net worth ratio was 9.77%, which is above the amount required to be classified as "Well Capitalized".

We continue to remain focused on providing the best possible return to our members in the form of competitive deposits, low personal and business loan rates, soundness and integrity in our financial operations, and with a commitment to future growth to maintain sustainability within our regions.

Volunteer Board of Directors

Nicole Kalmbach, Board Chair

Marty Doorn, Vice Chair

Donna Kalmeta, Secretary

Mike Segal, Treasurer

Rich Seim, Director

Jim Bouma, Director

Executive Team

Jeff Fielder

President & CEO

Ray Black

Chief Operating Officer

Tim Merwin

Chief Lending Officer

Dustin Adams

Chief Financial Officer

Statement of Financial Condition: December 31, 2022 and 2021

ASSETS	2022	2021
Cash and Cash Equivalents	\$134,232,420	\$193,827,560
Investments	443,239,568	455,284,893
Loans, Net of Loan Loss Allowance	2,161,311,881	1,901,041,704
Accrued Interest Receivable	8,355,726	5,971,544
Property & Equipment, Net of Depreciation	71,251,725	69,276,266
National Credit Union Share Insurance Fund Deposit	21,789,685	20,147,253
Other Assets	52,157,082	49,056,846
TOTAL ASSETS	\$2,892,338,087	\$2,694,606,066

LIABILITIES, MEMBERS' SHARES & MEMBERS' EQUITY	2022	2021
Accounts Payable	\$12,273,043	\$13,275,448
Dividends Payable	134	123
Accrued Expenses	7,071,913	4,384,303
Borrowings	165,000,000	15,000,000
Other Liabilities	13,868,554	10,312,340
Total Liabilities	\$198,213,644	\$42,972,214
Members' Shares		
Shares	\$2,002,848,036	\$2,111,516,358
Certificates	449,256,560	297,576,249
Total Members' Shares	\$2,452,104,596	\$2,409,092,607
Members' Equity		
Undivided Earnings	\$224,680,923	\$192,914,650
Regular Reserves and Capital Acquired in Mergers	51,269,830	51,269,830
Other Comprehensive Income	(33,930,906)	(1,643,235)
Total Members' Equity	\$242,019,847	242,541,245
TOTAL LIABILITIES & EQUITY	\$2,892,338,087	\$2,694,606,066

Regulatory Capital Adequacy - December 31, 2022

GENERAL CAPITAL REQUIREMENTS	AMOUNT	RATIO
Amount Required to Be Classified as "Adequately Capitalized"	\$173,540,285	6.00%
ACTUAL REGULATORY NET WORTH	\$282,724,820	9.77%

OTHER RATIOS	RATIO
Delinquency Ratio	0.55%

Statement of Income for the Years Ended: **December 31, 2022 and 2021**

INTEREST INCOME	2022	2021
Interest on Loans	\$82,334,938	\$74,094,155
Interest on Investments and Cash Equivalents	19,219,293	5,983,669
Total Interest Income	\$101,554,232	\$80,077,824

INTEREST EXPENSE	2022	2021
Dividends Paid	\$13,891,790	\$12,548,650
Interest on Borrowed Money	12,139,283	568,694
Total Interest Expense	\$26,031,073	\$13,117,344
Net Interest Income	\$75,523,159	\$66,960,480
Provision for Loan Losses	(4,642,038)	(766,361)
Net Interest Income After Loan Loss Provision	\$80,165,197	\$67,726,841
Other Non-Interest and Fee Income	36,058,497	34,210,468
TOTAL NET INTEREST AND FEE INCOME	\$116,223,694	\$101,937,309

GENERAL AND ADMINISTRATIVE EXPENSES	2022	2021
Compensation and Benefits	\$43,067,202	\$37,922,726
Office Operations	33,831,498	30,108,568
Office Occupancy	7,137,441	5,002,551
Total Operating Expense	\$84,036,141	\$73,033,845
Net Income from Operations	\$32,187,552	\$28,903,464
Non-Operating Gain (Loss)	(421,280)	2,927,235
TOTAL NET INCOME	\$31,766,272	\$31,830,699

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Contact Information

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adviacu.org

Federally Insured by NCUA.