

In 2022 the world began to see an end to the daily, life-altering disruptions caused by the multi-year COVID-19 pandemic. Life began to return to normal for most of us. For AdelFi, 2022 was a year marked by strong financial performance and continued membership growth. Here are some highlights:

- Our new name and brand (launched in February 2022) were widely accepted by existing members and prospective members, as evidenced by total membership growth of 7.7% and brand launch video views (YouTube) of over 3 million.
 - Why did we change our name? 1) Most people do not understand what a credit union is, so we removed the term from our brand, and 2) The term 'evangelical' has been redefined in modern culture to mean something different than the original intent of spreading the Gospel. We can better control the definition of our new name, AdelFi-- Brothers and sisters in Christ united in God-honoring stewardship.
- Commercial lending for Christian real estate investors was launched and grew to 27.3% of total assets.
- Consumer auto lending grew by over 43%.
- We helped fully insure approx. \$140 million in deposits for our commercial members, which would otherwise have been uninsured, through our deposit sweep product that launched in 2020.
- We sold the Brea, California campus that we owned outright and realized a \$29.6 million gain on the sale.
 - Why did we sell the campus? 1) To unlock the equity in the asset and put it to use serving AdelFi membership, 2) to eliminate the exposure to further declines in occupancy and property values in the commercial office space market, and 3) to invest the proceeds in better-performing assets.
 - We tithed \$2.96 million on the campus gain on sale and established a donor-advised fund to create a perpetual fund from which to donate to Christ-centered ministries annually.
- We generated \$2.9 million in net income for the year (excluding the campus sale) after contributing an additional \$576,000 to Christ-centered ministries.
- Our Net Worth grew to 15.75%, placing AdelFi in the top 6% of federally insured credit unions with assets of more than \$500 million.

In short, last year the Lord allowed us to build an even stronger, more resilient balance sheet and organization designed to weather future economic and market uncertainties by:

1. Further diversifying our revenue streams across consumer, for-profit commercial, and non-profit commercial assets;
2. Maintaining a conservative, long-term view of our lending and risk management practices; and
3. Generating consistent and reliable earnings regardless of the economic climate.

On behalf of the Board of Directors and staff at AdelFi, I want to say what a pleasure and honor it is to serve you--our members. Each of you makes up the Body of Christ, and as we serve you, we serve our Lord. And by partnering together, through the use of products and services at AdelFi, we can continue to tithe to worthy ministries that share the hope of Christ with a lost world. I am excited for the future that God is unfolding before us.

'For I am about to do something new. See, I have already begun! Do you not see it? I will make a pathway through the wilderness. I will create rivers in the dry wasteland.' Isaiah 43:19 NLT

God bless,

Abel Pomar
President and Chief Executive Officer

Year-End Financial Statements

Statements of Financial Condition

as of December 31, 2022 and 2021

Assets	2022	2021
Cash and cash equivalents.....	\$ 26,155,364	\$ 22,514,655
Investment securities.....	53,751,559	77,328,599
Loans, net (net of allowance for loan losses of \$5,135,626 and \$6,289,360 as of December 31, 2022 and 2021 respectively).....	468,216,685	408,567,376
National Credit Union Share Insurance Fund (NCUSIF) deposit.....	3,929,664	3,867,742
FHLB stock.....	2,589,800	2,948,500
Premises, property and equipment (net).....	1,987,018	42,361,519
Other assets.....	17,499,839	24,037,894
Total Assets.....	\$ 574,129,929	\$ 581,626,285
 Liabilities and Members' Equity		
LIABILITIES		
Members' share accounts.....	\$ 472,244,176	\$ 505,755,518
Borrowed funds.....	-	5,000,000
Accrued expenses and other liabilities.....	12,638,160	9,325,147
Total Liabilities.....	\$ 484,882,336	\$ 520,080,665
EQUITY		
Reserve & Undivided Earnings.....	\$ 90,426,130	61,188,527
Other comprehensive income (Loss).....	(1,178,537)	357,093
Total Equity.....	\$ 89,247,593	\$ 61,545,620
Total Liabilities and Members' Equity.....	\$ 574,129,929	\$ 581,626,285

Statements of Operations

for the Twelve Months Ended December 31, 2022 and 2021

Interest Income	2022	2021
Loans.....	\$ 17,083,049	\$ 16,379,698
Investments.....	1,976,280	1,104,978
Total Interest Income.....	\$ 19,059,329	\$ 17,484,676
Interest Expense		
Members' share accounts.....	\$ 2,161,712	1,996,625
Borrowed funds.....	467,626	20,020
Total Interest Expense.....	\$ 2,629,338	\$ 2,016,645
Net Interest Income before Provision for Loan Losses.....	\$ 16,429,991	\$ 15,468,031
Provision for loan losses.....	(577,581)	(3,333,373)
Net Interest Income after Provision for Loan Losses.....	\$ 17,007,572	\$ 18,801,404
Non-Interest Income		
Loan servicing fees.....	\$ 1,473,456	1,815,784
Other fees and charges.....	4,533,215	2,029,768
Gain on sale of building.....	29,599,894	-
Other.....	1,259,211	7,503,666
Total Non-Interest Income.....	\$ 36,865,776	\$ 11,349,218
Non-Interest Expense		
Salaries and benefits.....	\$ 11,999,177	13,707,274
Tithes and Contributions.....	3,536,606	194,200
Other operating expenses.....	9,099,962	10,445,120
Total Non-Interest Expense.....	\$ 24,635,745	\$ 24,346,594
Net Income (Loss).....	\$ 29,237,603	\$ 5,804,028

The information above has been derived from AdelFi's audited financial statements.

To request the audited financial statements, call 800-634-3228.

The AdelFi Supervisory Committee serves members by reviewing the credit union's financial operations. The Committee monitors AdelFi policies and practices as needed to protect member accounts. To do this, the Committee engages multiple independent experts to audit accounts, review internal controls, and monitor compliance with applicable laws and regulations. The Committee meets regularly to receive and evaluate the reports of these experts.

Based on the unmodified opinion of AdelFi's independent external auditors, Moss Adams LLP, the Supervisory Committee has determined that AdelFi's 2022 financial statements fairly present, in all material respects, the credit union's financial position, results of operations, and cash flows.

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