



2022 ANNUAL REPORT



PRESIDENT'S REPORT

Robert Grech

We're excited to share with you highlights of the past year. It was another outstanding year for Alliance Catholic Credit Union. Our organizational performance remains strong and financially secure. We continued to find ways to enrich our communities through charitable service and to enhance the lives of our members with meaningful financial solutions.

Notable achievements include:

Financial Growth and Stability. We continued to maintain a healthy financial position for our members. Earnings remained strong. We saw another record growth in new members and deposits. We were able to serve the variety of needs of our members, including increasing the dividend paid on Alliance Checking and closing a record amount of loans. We were able to do this because our capital position and return on assets remain favorable, allowing us to deliver on our promise to offer better rates and improved services to our members. Our commitment to maintaining financial stability drives our decisions and continues to receive our utmost attention. This dedication allows us to advance our strategic plan for the ongoing benefit of our members.

Community Support. Living our Catholic identity by supporting Catholic schools, parishes and organizations continues to be a hallmark of our business. You likely saw our staff and were able to capture a memory with our Selfie Station at numerous Catholic school events, parish picnics and galas. We built on our strong relationship with the Archdiocese of Detroit, supporting many of their wide-reaching activities and events, including the Mission Partner Expo gathering of AOD organizations, the annual Unleash the Gospel Conference for parishes, the Catholic Schools Principals Meeting, the RISE Youth Conference and the Hispanic Youth Conference. We were also a proud sponsor of the Catholic High School League for the 7th year in a row. In addition, we invited our members to join our staff in supporting the Pope Francis Center through an annual coat drive, and Catholic Charities of Southeast Michigan through their Walking with Moms in Need drive collecting critical resources for new families. We continued to build new relationships with Catholic organizations throughout our community, for example, our work with Ascension Hospital and the Ascension Foundation. Through it all, we contributed over \$200,000 to Catholic parishes, schools and organizations across the area.

Member Experience. We continue to look for ways to evolve and enhance our branches, so our members can have the best possible experience when visiting our locations. In this spirit, we relocated our Melvindale branch to a new, modern facility less than two miles away in Allen Park. We also opened a new branch on the campus of Madonna University in Livonia. Both locations, as well as our Rochester location, have been equipped with new state-of-the-art Interactive Teller Machines. These machines provide all the functionality of ATMs, while also providing the option for members to interact with a live member service specialist to handle more detailed needs. By the end of the year, we were excited to have welcomed over 2,900 new members to the Alliance Catholic family.

As you'll see in the financial report, Alliance Catholic Credit Union had another very successful year, staying on target with our goals. The entire team remains dedicated to our vision of providing innovative financial solutions for Catholics and the neighbors we serve delivered with personal, trusted service every time.

In this spirit, we will continue to seek, design, and deliver solutions to meet your needs. We are working diligently to identify and implement ways to make the member experience exceptional and confirm our dedication to exceeding your expectations every day.

We are honored to have you as our member.

A handwritten signature in black ink, appearing to read "Robt Grech", written in a cursive style.

ALLIANCE CATHOLIC CREDIT UNION FINANCIAL STATEMENT

STATEMENT OF FINANCIAL CONDITION

ASSETS	12/31/22	12/31/21
Loans		
Consumer	\$ 89,034,090	\$ 61,260,396
Real Estate	61,422,706	52,742,644
Credit Card	15,214,938	12,094,821
Business	101,643,607	81,139,217
Total Gross Loans	267,315,341	207,237,078
Allowance for Loan Losses	(1,379,829)	(1,910,989)
Total Net Loans	265,935,512	205,326,089
Investments		
Investments	323,589,408	321,994,920
Market Value Adjustments	(24,469,424)	(288,548)
Net Investments	299,119,984	321,706,372
Other Assets		
Cash and Equivalents	24,441,135	46,508,767
Land & Building	14,970,719	10,611,016
Other Fixed Assets	3,055,761	7,099,604
Other Real Estate Owned (OREO)	-	-
Other Assets	31,096,396	28,358,736
Total Other Assets	73,564,010	92,578,124
Total Assets	\$ 638,619,506	\$ 619,610,585

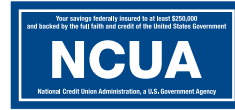
LIABILITIES & EQUITY

	12/31/22	12/31/21
Liabilities		
Accounts Payable & Other Liabilities	\$ 5,729,387	\$ 3,383,751
Borrowed Funds	-	-
Total Liabilities	5,729,387	3,383,751
Shares And Deposits		
Regular Shares & Club Accounts	226,771,188	230,454,137
IRA Accounts	17,613,930	16,712,799
Money Market	125,001,204	131,277,112
Share Draft	144,520,663	142,670,765
Certificates	72,616,391	26,115,774
Total Member Shares	586,523,376	547,230,586
Equity		
Regular Reserves	5,635,962	5,635,962
Undivided Earnings	56,495,442	54,944,070
Unrealized Holding Gains/Losses	(24,469,424)	(288,548)
Capital Acquired in Merger	8,704,764	8,704,764
Total Equity	46,366,743	68,996,248
Total Liabilities & Equity	\$ 638,619,506	\$ 619,610,585

STATEMENT OF INCOME & EXPENSES

	12/31/22	12/31/21
Interest Income		
Interest on Loans	\$ 11,152,888	\$ 9,632,439
Investment Income	3,794,841	4,853,312
Total Interest Income	14,947,730	14,485,751
Interest Expense		
Dividends Paid to Members	1,313,138	1,119,099
Interest on Borrowed Funds	144,027	-
Total Interest Expense	1,457,165	1,119,099
Net Interest Income	13,490,565	13,366,652
Provision for Loan Losses	(343,374)	(89,254)
Net Interest Income after Provision for Loan Losses	13,833,939	13,455,906
Non-Interest Income		
Fees & Charges	6,201,942	5,993,965
Non-Operating Income/(Expense)	2,029,456	2,969,305
Total Non-Interest Income	8,231,398	8,963,271
Operating Expenses		
Employee Comp/Benefits	9,866,866	10,360,909
Office Occupancy Expenses	1,622,653	1,632,491
Office Operations Expenses	4,553,232	4,292,317
Marketing Expenses	706,992	582,548
Loan Servicing Expenses	1,532,005	1,324,344
Professional & Outside Services	1,740,674	1,667,538
Miscellaneous Expenses	491,544	333,327
Total Operating Expenses	20,513,965	20,193,474
Net Income	\$ 1,551,371	\$ 2,225,703

Federally Insured by NCUA.



Empowered by Faith. Inspired by You.



TREASURER'S REPORT

Phil Morey

Alliance Catholic Credit Union continued with another year of financial strength in 2022. Even with rapid deposit growth fueled by the trust of our members, the credit union maintained a solid Net Worth ratio and low credit risk while operating in a low interest rate environment for the majority of the year.

Alliance Catholic Credit Union provides members the peace-of-mind they seek through member-focused lending and account services and prudent investment practices. Maintaining sound financial management practices allows us the ability to continue to develop and deliver solutions that help you maximize your money and realize your financial goals.

Financial Highlights:

- **Net Worth:** The Net Worth ratio ended the year at 11.09%, a strong capital position but a slight decline compared to the end of 2021 when the ratio was at 11.18% due to continued asset growth of \$19 million.
- **Loans:** Total loans grew an amazing 29% in 2022 to just over \$267 million due to record new loan originations offset by payoffs of existing loans. Net Charge-offs were a mere 0.08%, well below similar sized credit unions.
- **Deposits:** Total deposits increased 7% in 2022 to just over \$586 million through increases in account balances from both new and existing members. This growth demonstrates how our members trust the Credit Union with their money.
- **Return on Assets:** Return on Assets finished at 0.25% in 2022 despite the ultra-low interest rate environment and awaiting returns on investments back into the Credit Union.
- **Operating Expenses:** Expenses continued to be managed closely, while making significant investments to strengthen the Credit Union for the future. At 3.26%, operating expenses remained below similar sized credit unions.



CREDIT COMMITTEE REPORT

Randy Richmond

Lending Overview

The Credit Committee manages credit risk by ensuring policies are current and relative in today's economic environment. The Credit Committee further helps to establish:

- Analytical oversight to ensure alignment with lending standards
- Qualitative credit policies and procedures
- Authorization structure for approval in accordance with underwriting guidelines
- Review and assessment of credit risk
- Limited concentrations of exposure
- Assured compliance with Credit Union policies and regulation

In 2022, membership benefited from a low interest rate environment. As a result, Alliance Catholic Credit Union processed 3,864 new loans for our members totaling \$123,657,137.00.



CHAIRPERSON'S REPORT

Joe Valentic

Serving Our Members

We are pleased to report that Alliance Catholic Credit Union remains the largest Catholic Credit Union in the state of Michigan, thanks to you, our loyal members. Our number one priority is people, not profits—and each year our goal is to ensure we have your vote of confidence by exceeding your expectations. We value your membership and are always seeking new opportunities to enhance your financial well-being. We are committed to treating everyone with mercy, grace and charity, seeking to truly know you, so we can provide you with solutions that meet your needs.

Serving Our Community

In addition to providing trusted financial services, our Catholic identity drives our mission to actively support our neighbors and the communities we serve. This was once again evident in our annual Heart for the Holidays campaign which generated over \$39,000! Staff from across the organization, including from each branch, volunteered their time to shop, wrap and deliver presents providing a special Christmas to thirteen families in need.

In addition, I'd like to highlight the Alliance Catholic Foundation which continues to grow in size and influence. In 2022, Foundation giving totaled over \$55,000, including scholarships, grants and community donations. In total, over 15,000 members of our community were impacted by the Foundation's efforts. Support went to Christ-centered organizations such as Mary's Mantle, Shrine of Jesus the Divine Mercy, Mother's and Unborn Baby Care, Friends of the Master, Team Suzy, the Latino Press Foundation, and the Open Door Outreach Center. In addition, twenty families were supported in their efforts to pursue a Catholic education. You can learn more about all the great things Alliance Catholic Foundation is doing at AllianceCatholicFoundation.org. You can also make a personal donation on the website or at any Alliance Catholic Credit Union branch.

Finally, financial literacy continues to be a primary area of focus. Our school financial literacy program continues to provide Catholic elementary and high school teachers with a free platform to teach their students about saving, budgeting and responsibly managing money. In total, 50 teachers took advantage of the program last year helping over 2,000 students. We also worked with community groups and university partners to provide 25 in-person and virtual financial wellness seminars in both English and Spanish.

Serving Our Mission

Our Board of Directors is comprised of experienced member volunteers with diverse backgrounds, who actively serve to develop and enhance the Credit Union experience with its members. Our organization-wide collaboration aligns with our mission to provide trusted financial services, inspired by Catholic values and traditions, to enhance the financial well-being of our Catholic communities and the neighbors we serve.

Recognizing Our Team

On behalf of the Board of Director's and all the members of the Credit Union, I want to extend our personal and heartfelt thanks to our Leadership and Staff for the incredible job they continue to do despite regardless of the uncertainties and challenges they face. Their service truly embodies the values of our Catholic faith and the core values of the Credit Union. The Board is truly proud to work with such an incredible team. Thank you and may God Bless you all.

Alliance Catholic Credit Union membership is available to CATHOLICS ACROSS MICHIGAN*



Let your friends and family statewide know they can enjoy Alliance Catholic Credit Union membership.

We offer membership to:

- Any person of the Catholic faith living, working, attending school or worshipping in the state of Michigan.
- An employee, or pensioner of parishes, or organizations associated with the Catholic Church, which are in the state of Michigan.
- Students, faculty and alumni of Catholic Universities that are located within the State of Michigan
- Employees or pensioners of Catholic health care systems that are located within the State of Michigan
- Retirees living in Genesee, Lapeer, Livingston, Macomb, Monroe, Oakland, St. Clair, Washtenaw or Wayne counties.
- Persons of the Catholic faith who reside, work, attend school or worship within the Texas counties that comprise the Diocese of Tyler, Texas or the Diocese of Austin, Texas
- A relative of an existing Alliance Catholic Credit Union member.
- Employed by a Select Employer Group (SEG) affiliated with Alliance Catholic Credit Union. See employer to confirm if eligible.

AllianceCatholic.com • 877.950.2228



*Primary Savings account, minimum balance required of \$5.00. Annual Percentage Yield (APY) 0.05% (as of 8/1/2018).