

■ 2022

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# Annual Report

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ARDENT.<sup>TM</sup>  
CREDIT UNION

# Chairperson/CEO Report

In 2022, we started to see hopeful signs that the pandemic was waning. More people returned to the workplace, in-person meetings resumed and branch traffic increased during the year. It was great to finally see our members, volunteers and staff in-person again.

With increasing economic activity and mid-year inflation exceeding 9%, the Fed took aggressive action to boost rates in the second half of 2022 and into 2023. This impacted the markets by increasing the costs of borrowing, which cooled the refinance and housing boom of the previous two years. Meanwhile, savers benefited from higher rates on all the savings products.

Despite inflation and rapid rise in interest rates, the Treasurer's Report shows we had a strong year financially with net worth remaining significantly above the threshold to be considered "well-capitalized." We ended the year with over \$850 million in assets

and enjoyed growth in both mortgage and consumer loans. Total loans booked exceeded \$145 million.

We know the importance of being ready to help our members navigate both large and small financial decisions, especially during such unprecedented times. Our unique concierge services offered unparalleled support for members when they needed it most, whether purchasing a car or a first home.

We recognize there is always more we can do to improve the member experience, whether in the branches, on the phone or electronically. In 2022, we opened our eighth branch in King of Prussia, a busy, central retail hub in the region. That location has already welcomed many new members and will serve as an added convenience for the members who live, work and shop there.

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# Chairperson/CEO Report (continued)

Technological innovation helps drive our ability to provide best-in-class service. In October, we launched a new chat feature that allows members to securely connect with our Team to answer questions. Members have quickly and enthusiastically embraced this new channel.

We are very excited about several other new branch and technological solutions coming in 2023. We will be launching our new credit cards and rewards program, opening our ninth branch (Havertown) and moving our corporate headquarters in Philadelphia. We'll announce more details about these exciting initiatives over the next few months.

Your credit union is financially strong with good earnings, an abundance of capital and a well-performing loan portfolio. This allows us to continue to keep our fees and costs low for members and offer competitive rates on loans and deposits. We remain committed to the credit union model and to operate fully as a financial cooperative and earn your respect and business every day.

None of the success of 2022 would be possible without the amazing dedication of our entire team. We thank them all for their focus on furthering our mission of empowering people and strengthening our community. We would also like to thank our volunteer Board of Directors and Supervisory Committee for their leadership and shared vision of all that is possible at Ardent.

We deeply appreciate your ongoing support as we strive to better serve you and thank you for your loyalty and membership.

Gloria Wilson  
Chairperson of the Board

Rob Werner  
President / CEO

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# Treasurer's Report

As the Treasurer of Ardent Credit Union, I closely monitor the financial decisions made throughout the year on behalf of the Credit Union's membership. I am pleased to report that the financial performance of Ardent remained strong in 2022, despite the significant challenges we've all faced in these uncertain times.

Volatility was a defining feature of the markets in 2022, as higher interest rates and inflation, Russia's war in Ukraine, and recession fears sent markets tumbling. However, calmer waters lie ahead for investors. Inflation is falling, the Fed is nearing the end its tightening cycle, and much of the expected weakness in economic growth is already reflected in market valuations. Despite these challenges, your credit union remains strong and committed to serving all your financial needs.

The regulatory net worth of Ardent Credit Union increased to \$87.9 million for the period ended December 31, 2022, up from \$83.7 million at the end of the previous year. Our Net Worth Ratio stands at 10.32%, well above the 7.0% required to be considered "well-capitalized" by the National Credit Union Administration.

Ardent's assets increased by \$53.0 million, or 6.6% to \$852.1 million in 2022, as growth in loans and investment securities was funded by deposit growth. Net loans grew a solid \$54.5 million, or 10.1% as we increased first mortgage and consumer loans. Deposit balances rose modestly, up 2.6% to \$731.6 million. Our Credit Union reported net income of \$4.2 million in 2022.

As we look forward to brighter days ahead, please know that through good times and bad, the volunteers, management team and staff of Ardent are committed to building lasting relationships that will sustain the long-term value of membership.

Audrey Klijian  
Treasurer

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# Statement of Financial Condition

## Ardent Federal Credit Union

### Statement of Financial Condition

	December 31,	
	2022	2021
<b>Assets</b>		
Net loans to members	\$592,136,524	\$537,650,259
Cash and cash equivalents	13,297,659	37,109,344
Investments	193,979,619	182,110,266
Other assets	52,706,464	42,261,653
<b>Total Assets</b>	<b>852,120,266</b>	<b>799,131,522</b>
<b>Liabilities and Members' Equity</b>		
<b>Liabilities</b>		
Members' deposits	731,592,619	713,312,457
Borrowings	46,000,000	-
Other liabilities	9,104,656	3,085,881
<b>Total Liabilities</b>	<b>786,697,275</b>	<b>716,398,338</b>
<b>Members' Equity</b>		
Retained earnings (Net worth)	87,908,477	83,659,312
Accumulated other comprehensive loss	(22,485,486)	(926,128)
<b>Total Members' Equity</b>	<b>65,422,991</b>	<b>82,733,184</b>
<b>Total Liabilities and Members' Equity</b>	<b>\$852,120,266</b>	<b>\$799,131,522</b>

# Income Statement

## Ardent Federal Credit Union

### Statement of Income

	For the Years Ended December 31,	
	2022	2021
<b>Interest Income</b>		
Loans to members	\$22,797,688	\$20,361,727
Investment securities	3,438,529	2,675,588
<b>Total Interest Income</b>	<b>\$26,236,217</b>	<b>\$23,037,315</b>
<b>Interest Expense</b>		
Members' deposit accounts	3,690,175	2,801,469
Borrowed funds	730,486	1,135
<b>Total interest expense</b>	<b>4,420,661</b>	<b>2,802,604</b>
<b>Net Interest Income</b>	<b>21,815,556</b>	<b>20,234,711</b>
<b>Provision for Loan Losses</b>	<b>-</b>	<b>250,000</b>
<b>Non-Interest Income</b>	<b>6,039,869</b>	<b>5,823,584</b>
<b>Non-Interest Expense</b>	<b>23,606,260</b>	<b>21,112,505</b>
<b>Net Income</b>	<b>\$4,249,165</b>	<b>\$4,695,790</b>

# Supervisory Committee Report

Ardent Credit Union's Supervisory Committee is appointed by the Board of Directors and represents the best interest of the membership by providing oversight of the Board of Directors, and ensuring that the operations of the Credit Union are carried out in compliance with the Federal Credit Union Act, the rules and regulations of the National Credit Union Administration, and the policies established by our Board of Directors. We do this by working with both internal and external auditors to provide these assurances through regular evaluation, monitoring, and strengthening of Ardent's internal control framework, and through an annual audit of Ardent's financial statements.

Cherry Bekaert, formally Accume Partners, performs certain internal audit functions, and submits its quarterly audit results to the Committee, with all observations and recommendations documented and monitored for completion by the Credit Union's compliance officer. We are pleased to report that the business affairs of your Credit Union are managed accurately and in compliance with state and federal regulations.

We also engaged Doeren Mayhew CPAs and Advisors, a certified public accounting firm, to audit the financial statements of the Credit Union. Doeren Mayhew's opinion was that the Credit Union's financial statements for the year ended December 31, 2022 are presented fairly in all material respects, and that there were no weaknesses or material deficiencies in Ardent's controls over financial reporting. In other words, you can rest assured that Ardent is practicing sound fiscal stewardship over your assets.

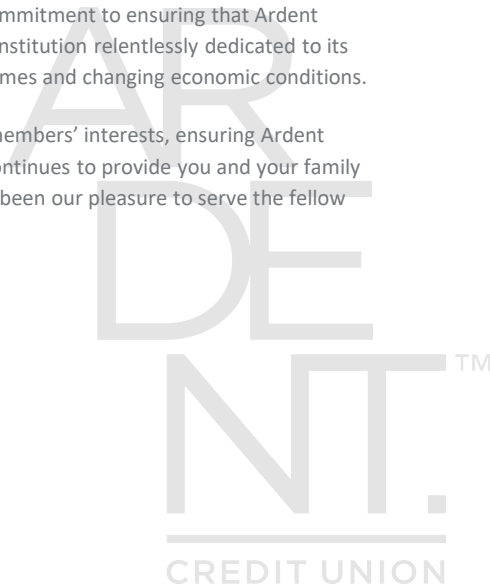
Based on these audits and our own observations, we are pleased to report that Ardent is well-managed and financially sound. Your Credit Union continues to maintain a high level of financial safety and compliance with laws and regulations – and most importantly, strives to make every effort to ensure that your assets are properly safeguarded.

On behalf of the entire Supervisory Committee, I'd like to thank the Board of Directors and Ardent's management and staff for their commitment to ensuring that Ardent remains a financially strong and well-managed institution relentlessly dedicated to its membership, through the most challenging of times and changing economic conditions.

We will remain vigilant representatives of our members' interests, ensuring Ardent Credit Union's financial soundness, as Ardent continues to provide you and your family with the highest level of member service. It has been our pleasure to serve the fellow member-owners of Ardent Credit Union.

Mitul Shah  
Supervisory Committee Chair

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# ■ Election of Directors

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Adrienne Gittens  
Scott Klesmer  
Audrey Klijian

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