



**ATLANTIC FINANCIAL**  
FEDERAL CREDIT UNION

*Where you matter*

**2022**

ANNUAL REPORT



# President and Chairperson's Report

## Moving Past Challenges, Moving Toward Growth

Dear Members of Atlantic Financial Federal Credit Union,

It is our distinct pleasure to present to you the 2022 annual report. This past year has been marked by unprecedented challenges and changes in the financial industry, yet our credit union has remained steadfast in our commitment to serving our members and helping them achieve their financial goals.

## Where You Matter

As we reflect on the past year, we are proud of the progress we have made in enhancing our products and services, improving our operations, expanding our membership base, and continuing to be well-capitalized for a credit union of our size. The full details of AFFCU's financial condition are highlighted in the Treasurer's Report.

We have continued to invest in technology that will enhance the member experience, while also increasing our focus on financial education and literacy initiatives to empower our members to make informed decisions about their financial future.

Throughout the year, we have remained dedicated to providing personalized service and support to our members, and we are grateful for the trust and confidence you have placed in us. As a member-owned financial cooperative, we are committed to putting our members first in all that we do, and we will continue to work hard to earn your loyalty and trust.

## Growth In New Areas

Looking ahead, we remain optimistic about the future and the opportunities that lie ahead. We will continue to innovate and evolve to meet the changing needs of our members, while remaining true to our mission and values. In 2023, we look forward to opening a new Atlantic Financial branch in Pikesville, and are eager to welcome members to this new location!

We continue to seek expansion in our membership base through our community charter, which was approved in 2021. To grow, marketing the Atlantic Financial FCU brand will be of utmost importance. We are currently undertaking a massive market research project to better understand our new markets and the people who live in them.

Although we faced many challenges in 2022, we would like to thank our dedicated staff, volunteers, and board of directors for their hard work and commitment to our credit union. Together, we will continue to build a strong and vibrant financial cooperative that serves the best interests of our members.

Thank you,  
Matthew Piazza, CPA, President & CEO  
Wade Walters, Board Chairman

2022 OVERVIEW







## Growth Report and Aspirations

After introducing the expanded community charter in 2021, Atlantic Financial Federal Credit Union (AFFCU) is poised for new growth and expansion with the addition of the new Pikesville branch. The credit union, which has been serving members since 1950, has a history of strong community involvement and remains committed to providing excellent financial services.

The Pikesville branch, which is set to open in March 2023, is located in a high-traffic area. This setting makes it easy for AFFCU members to stop into the branch while also running errands at other shops in the area. We look forward to offering the best in banking technology and member service in our new location.

Atlantic Financial's expanded community charter is an exciting development in other ways, too. The expansion has allowed the credit union to serve a wider range of members, including those who live, work, worship, volunteer, attend school, or volunteer in Baltimore City, Baltimore County, Carroll County, and Harford County. In 2023, Atlantic Financial will be marketing to consumers in these markets to give them more access to the credit union's competitive rates, low fees, and exceptional customer service.

The credit union's commitment to community involvement will continue to be a cornerstone of its growth and expansion. The credit union has a long history of supporting local organizations, volunteering time and resources, and providing financial education to members of all ages. This dedication to the community will be reflected in the new branch and expanded community charter, as AFFCU continues to build strong relationships with members and community partners.

Atlantic Financial Federal Credit Union's growth and expansion is an exciting development for the credit union and its members. AFFCU's commitment to providing exceptional financial services, its strong community involvement, and its focus on meeting the evolving needs of its members make it an excellent choice for anyone looking for a financial institution that truly cares about its members and the community.

LOOKING FORWARD

## OUR MISSION

To enrich our members' lives through consistent, exceptional member experiences.

## OUR VISION

To be our members' financial institution of choice.

## OUR VALUES

Our core guiding values define the **STRONG** foundation by which we operate and serve one another every day.

**S - Service**

**T - Trust**

**R - Reliable**

**O - Open-Minded**

**N - Nimble**

**G - Genuine**



## Supervisory Report

Atlantic Financial Federal Credit Union's Supervisory Committee has the responsibility of ensuring that AFFCU is operating in a safe and prudent manner and in the best interests of our members.

To help fulfill this oversight we engage an outside auditing firm, CliftonLarsonAllen, LLP, to perform the annual opinion audit and to verify member accounts, as well as other required NCUA procedures. We also undertake a federally mandated annual NCUA examination.

The Supervisory Committee is happy to confirm that under the leadership of our President and CEO, Atlantic Financial Federal Credit Union continues to meet its obligation of operating in an efficient and responsible manner that confirms its financial stability and soundness. The continuous monitoring and review of its operations, procedures, and controls ensures the safeguarding of the credit unions assets. These controls and processes were examined by NCUA and our independent CPA audit, both yielding no issues of concern for the credit union. The Supervisory Committee will continue to ensure that AFFCU remains a safe and financially sound institution, ready to meet your financial needs.

Respectfully,

The Supervisory Committee

**SUPERVISORY REPORT**





## Treasurers Report

The Board of Directors approves the annual budget prepared by AFFCU's management. Included in the budget process is setting goals for key performance factors and then tracking them throughout the year. Year-end 2022 results for these key performance factors are reported as follows:

<b>NET WORTH</b>	11.01%
<b>CHARGE-OFFS</b>	0.69%
<b>LOAN TO SHARE RATIO</b>	72.07%
<b>ASSET GROWTH</b>	-4.54%

<b>DELINQUENCIES</b>	1.63%
<b>EFFICIENCY RATIO</b>	81.41%
<b>RETURN ON ASSETS</b>	-0.01%
<b>LOAN GROWTH</b>	-0.45%

The 2022 budgeted goal for net worth was 9.90%. At year-end, AFFCU's net worth was 11.01%, above the level required by federal regulators to be classified as a "well-capitalized" credit union. AFFCU reported net loss of \$1,197 (or return on assets of -0.01%) for the year ending December 31, 2022. This is a decrease of \$317,443 or 100.4% below net income of \$316,246 reported for the year ending December 31, 2021. This was a challenging year with rising interest hikes and cooling real estate market. Additionally, investments were made to provide additional value to our membership through updated digital banking experience. These investments confirm your credit union continues to be financially strong, and well-managed. The board and AFFCU management remain committed to goals that consistently strengthen the organization.

Respectfully,  
Francis "Fran" Reinhardt  
Treasurer

TREASURERS REPORT

# FINANCIAL STATEMENT

## Statement of Financial Condition - 2022

BALANCE SHEET		
	December 2022	December 2021
ASSETS		
Cash and Cash Equivalents	5,392,586	8,610,549
Investments	27,236,700	28,961,954
Loans – less allowance for loan loss	67,190,270	67,497,573
Premises and Equipment	1,783,888	1,553,080
Other Assets	1,665,001	1,555,925
Total Assets	103,268,445	108,179,081
LIABILITIES		
Members' Share and Savings	94,078,497	96,585,425
Other Liabilities	580,378	504,254
Total Liabilities	94,658,875	97,089,679
MEMBERS' EQUITY		
Total Members' Equity	8,609,570	11,089,372
Total Liabilities and Members' Equity	103,268,445	108,179,051
INCOME STATEMENT		
	December 2022	December 2021
Interest Income	3,593,406	3,589,357
Interest Expense	(506,228)	(570,517)
Provision for Loan Losses	(469,902)	(311,953)
Non-Interest Income	1,652,379	1,606,144
Non-Interest Expenses	(4,270,852)	(4,050,289)
Net Income	(1,197)	262,742







## BOARD OF DIRECTORS

Wade Walters, Chairman

Michael Spencer, Vice Chairman

Francis “Fran” Reinhardt, Treasurer

Barbara Byrnes, Secretary

Romelle Bacon

James Crogan

James Haenlein

Stacy Purnell

Trista Nachodsky

## COMMITTEE VOLUNTEERS

### SUPERVISORY COMMITTEE

James Haenlein, Committee Chair

Tonya Hicks

Femi Olawuyi

Christopher Perez

Brian Shepley















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FEDERAL CREDIT UNION

*Where you matter*

**HUNT VALLEY BRANCH**

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**PIKESVILLE BRANCH**

1809 Reisterstown Road, Suite 151, Pikesville, MD 21208

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