OUR MISSION
To welcome all regardless of wealth; provide outstanding value and exceptional service; work with members experiencing financial challenge; and remain financially strong.

2022 ANNUAL REPORT
CEO & Board Chair Message

We’ve always felt that the mission-focused work CoVantage does benefits member-owners, employees, and the communities we serve. CoVantage now has the good fortune to serve 20 communities in Wisconsin, Michigan, and Illinois. In the majority of the communities we serve, we serve more people and businesses than any other financial institution. In fact, as many financial institutions continue to close branch locations especially in rural communities, we are not only the compelling option, in some cases we have the last financial institution branch standing. While I realize the economics of banking and branch locations continues to toughen, the loyalty of our member-owners has allowed us to not close any locations. To the contrary, we continue to grow.

And grow we did in 2022...We welcomed over 10,000 net new members in 2022 and grew member-owners in every community we serve. It's fairly remarkable to grow like this when the truth is, most of the communities we serve have less than 10,000 people in the entire community. We now have the good fortune of serving over 150,000 member-owners. As of year-end, our individual and business members collectively held almost $3 billion in assets at their credit union. Our members rated us the best in-state credit union headquartered in Wisconsin per Forbes’ annual survey of members, and this year you gave us the best score of any credit union nationally. This is noteworthy because there are a little under 5,000 credit unions in the country.

We’d like to take a moment to thank our staff who continue to amaze us. CoVantage staff are simply the best-of-the-best, and we could not be the mission-focused cooperative we are without such a great team.

In 2022, we provided a record of over $1 million to worthy not-for-profits between CoVantage Credit Union and CoVantage Cares Foundation. Before continuing, we need to acknowledge the generosity of member-owners, employees, and community members in supporting our Foundation and our annual Giving Tuesday campaign. This year over $430,000 was provided to non-profits as a result of your generosity and the Foundation’s match. Further, our mission begins with welcoming all regardless of wealth, and in 2022 we provided a record of over 19,000 loans of $1,000 or less. These loans are not about profit, but about benefitting the individuals and communities we serve through no fee loans with favorable terms. We also charge no overdraft fees with no gotchas or gimmicks. As the Federal Reserve rapidly increased rates, CoVantage rewarded depositors with higher deposit rates. In fact, we have some annual percentage yields on deposits in excess of 4%. We also increased our savings rate to 1% APY regardless of balance. Believe it or not, at a recent financial institution conference, a number of executives from other financial institutions asked us why CoVantage is paying 1% APY on a savings. It was fun to explain that CoVantage doesn’t provide outstanding value because it maximizes short-term profit, we provide outstanding value because it is our mission. And in sticking to the mission, for the 42nd consecutive year, the CoVantage Credit Union Board of Directors authorized patronage and this year’s patronage returned $5 million!

Our net income was down in 2022 as compared to 2021, this was mostly because of the rapid increase in rates. But thankfully we grew deposits and loans very well and remain financially strong during a time when many individuals and businesses are being pinched by inflation. This is important because the last line in our mission is to remain financially strong.

In closing, thank you for your loyalty that allows CoVantage Credit Union to continue to make a positive impact across 20 communities. We’re humbled and honored to serve you and your businesses.

Charlie Zanayed, President/CEO

Susan Gitzlaff, Board Chair
2022 At-A-Glance

$5 Million
Patronage paid in the form of a savings and bonus and loan interest rebate

Best Credit Union
Ranked #1 in Wisconsin and in the United States by Forbes, and ranked #3 in the U.S. in member value by Callahan & Associates

88
Average Net Promoter Score rating by member-owners

150,000
Member-owners we serve in 20 communities in Wisconsin, Michigan, and Illinois

Community Support
Over $1 million was given back to communities by CoVantage Credit Union and through the CoVantage Cares Foundation

445
Staff members who make up our credit union family and work daily to live out CoVantage’s mission
# STATEMENT OF FINANCIAL CONDITION

As of December 31, 2022

In Thousands ($)

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$154,214</td>
</tr>
<tr>
<td>Investment Securities</td>
<td>303,924</td>
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<tr>
<td>Other Investments</td>
<td>8,112</td>
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<tr>
<td>Loans:</td>
<td></td>
</tr>
<tr>
<td>Consumer</td>
<td>877,376</td>
</tr>
<tr>
<td>Real Estate</td>
<td>1,107,967</td>
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<tr>
<td>Commercial</td>
<td>373,778</td>
</tr>
<tr>
<td>TOTAL LOANS</td>
<td>2,359,121</td>
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<tr>
<td>Allowance for Loan Losses</td>
<td>(16,764)</td>
</tr>
<tr>
<td>Loans Held for Sale</td>
<td>2,547</td>
</tr>
<tr>
<td>Premises and Equipment, Net</td>
<td>52,481</td>
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<tr>
<td>Foreclosed and Repossessed Assets</td>
<td>0</td>
</tr>
<tr>
<td>Other Assets</td>
<td>100,252</td>
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<tr>
<td>TOTAL ASSETS</td>
<td>$2,963,887</td>
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</table>

<table>
<thead>
<tr>
<th>Liabilities</th>
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<tbody>
<tr>
<td>Liabilities</td>
<td>$29,445</td>
</tr>
<tr>
<td>Borrowings</td>
<td>$75,000</td>
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<table>
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<tr>
<th>Deposits</th>
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<tbody>
<tr>
<td>Savings</td>
<td>861,066</td>
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<td>Checking</td>
<td>395,569</td>
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<tr>
<td>Money Market</td>
<td>681,335</td>
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<td>Term Share Certificates</td>
<td>647,267</td>
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<tr>
<td>TOTAL DEPOSITS</td>
<td>2,585,237</td>
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<table>
<thead>
<tr>
<th>Reserves</th>
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<tbody>
<tr>
<td>Members Equity</td>
<td>274,205</td>
</tr>
<tr>
<td>TOTAL LIABILITIES AND RESERVES</td>
<td>$2,963,887</td>
</tr>
</tbody>
</table>

## AUDIT COMMITTEE REPORT

To the Board of Directors and Membership of CoVantage Credit Union:

We have retained Wipfli LLP to perform a financial statement audit of CoVantage Credit Union as of December 31, 2022.

The audit has been performed in accordance with auditing standards generally accepted in the United States and is performed to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The final audit report will be on file at the credit union in February 2023, and copies will be available for inspection during regular business hours.

Sincerely,

Dennis Haltinner
Audit Committee Chair
## STATEMENT OF INCOME

For the year ending December 31, 2022

In Thousands ($)

### INTEREST INCOME
- Interest on Loans: $87,039
- Members’ Patronage Loan Dividend: $(4,497)
- Interest on Investments: $15,164
  - TOTAL INTEREST INCOME: $97,706

### INTEREST EXPENSE
- Interest on Members’ Deposit Accounts: $18,773
- Members’ Patronage Deposit Dividend: $792
- Interest on Borrowings: $7,129
  - TOTAL INTEREST EXPENSE: $26,694

- NET INTEREST INCOME: $71,012
- Provision for Loan Losses: $4,600
- NET INTEREST INCOME AFTER LOAN LOSSES: $66,412

### NON-INTEREST INCOME
- Service Charges & Fees: $1,826
- Other Non-Interest Income: $22,197
  - TOTAL NON-INTEREST INCOME: $24,023

### NON-INTEREST EXPENSE
- Compensation and Benefits: $34,782
- Office Occupancy and Operations: $4,152
- Other Operating Expenses: $12,722
- Other Noninterest Expense: $16,047
  - TOTAL NON-INTEREST EXPENSE: $67,703

### NET INCOME (Transferred to Reserves): $22,732
INTERESTING FACTS FROM 2022

Number of Members .................................................................................................................................. 151,494
New Members .............................................................................................................................................. 17,962
Number (Count) of Patronage Loan Dividends Paid ................................................................................ 60,641
Number (Count) of Patronage Deposit Dividends Paid ............................................................................... 14,042
Number of Calls Received by Contact Center ......................................................................................... 450,034
Number of Debit Card Transactions ........................................................................................................ 23,213,483
Number of ATM & ITM Transactions ....................................................................................................... 553,143
Number of MyCoVantage Logins .............................................................................................................. 21,791,120
Number of Active MyCoVantage Mobile Accounts ................................................................................. 65,393
Number of Employees ............................................................................................................................. 445

BOARD OF DIRECTORS

Susan Gitzlaff, Chairperson
Dennis Haltinner, Vice Chairperson
Willis Qualheim, Treasurer
Mike Windberg, Secretary
Julie Berndt, Director

Matt Kolling, Director
Paul Payant, Director
Eugene Shawano, Director
Lee Siler, Director
LOCATIONS

**Wisconsin:**

- Antigo: 723 Sixth Avenue, 715-627-4336
  - 432 Clermont Street, 715-627-4336
  - 2209 Progress Boulevard, 715-627-4336
- Appleton: 665 West Ridgeview Drive, 920-731-0300
- Crandon: 502 West Pioneer Street, 715-478-5100
- Elcho: N11333 Antigo Street, 715-275-3742
- Menasha: 1305 Oneida Street, 920-727-0840
- Neenah: 625 Deerwood Avenue, 920-720-2572
- Plover: 2931 Post Road, 715-343-0601
- Rhinelander: 905 Boyce Drive, 715-369-3330
- Rib Mountain: 151220 Baltimore Lane, 715-842-8469
- Rothschild: 1585 County Road XX, 715-359-0488
- Shawano: 911 East Green Bay Street, 715-524-8200
  - 604 South Main Street, 715-524-8200
- Stevens Point: 1200 Badger Avenue, 715-344-2110
- Suamico: 1670 Sunset Beach Road, 920-401-4013
- Wausau: 303 South 1st Avenue, 715-845-4351
- Weston: 4903 Schofield Avenue, 715-359-3994

**Michigan:**

- Crystal Falls: 1 Credit Union Way, 906-875-6686
- Iron River: 303 Fourth Avenue, 906-265-5147
- Menominee: 1011 23rd Avenue, 906-863-3854

**Illinois:**

- New Lenox: 1000 East Lincoln Highway, 815-462-4300
- Mokena: 19102 88th Avenue, 708-326-8300