

Advantis
credit union

WITH US YOU CAN

ANNUAL REPORT
2020

A YEAR OF
PEOPLE
HELPING
PEOPLE



Federally insured by NCUA

REPORT OF THE CHAIR & PRESIDENT

2020: A Year of People Helping People

It was a year few could have imagined, and even fewer would choose to repeat. And while 2020 brought everything from inconvenience to devastation, it also delivered signs of hope, generosity, and kindness. In big ways and small, Advantis employees and our members had each other's back. Throughout this difficult year, we were guided by our founding principle of "people helping people".

As the pandemic unfolded in March, Advantis responded with new programs to help members experiencing hardship. We took similar action in September when the tragic wildfires impacted our communities. All told, we provided over a half-million dollars in emergency loans, and enabled members to skip over 3,500 loan payments and defer over 300 mortgage payments. Our staff spent many of their days on the phones and across the desk from our members, offering a kind ear and real solutions to help with each member's unique financial challenges.

Additionally, we responded to the far-reaching community effects of the pandemic through Grow: The Advantis Community Fund. In May, we doubled our commitment to our Grow fund, awarding \$100,000 to five local nonprofits that provided essential services like food, utility assistance, and medical care. Advantis also donated \$15,000 to the Red Cross Cascades Region to help those impacted by the wildfires.

Our Cooperative Remains Resilient

As much as the credit union gave to members this year, members also gave back to the

cooperative - turning to Advantis more than ever to save and borrow for their financial needs and life goals. We were humbled by the trust our members placed in us, evidenced by our sustained growth and financial strength during such a tumultuous year.

Advantis produced net income of \$13.4 million, a solid return of 0.82% on average assets. We ended the year with a net worth ratio of 10.4%, well above the regulatory standard for well-capitalized credit unions. Advantis has maintained a strong capital position (or "rainy day" fund) for many years, helping us to safely weather 2020, as well as stormy years that may lie ahead. We also continued to carefully manage our operational expenses, which were 20% lower than our peer average, allowing us to return more value to our members. We achieved strong deposit growth of 25.3% and asset growth of 22.1%.

Despite the year's challenges, thousands of members turned to us to help achieve a brighter financial future. We helped 1,250 members refinance and buy new homes (with mortgage loans totaling \$367 million), twice that of 2019 and a record-breaking year for Advantis. We also helped members purchase a new car, pay down debt, and complete home improvements by funding 5,100 auto loans, 1,450 personal loans, and 500 home equity loans.

As big banks closed branches, we not only stayed open, but expanded our locations to serve you. In late 2019, we added a convenient location in Gresham, which was greeted enthusiastically by area members.

Since our doors opened, we have welcomed over 400 new members at this location alone.

Diversity, Equity, & Inclusion

The tragic death of George Floyd, and the resulting social justice movement of 2020, have led many of us to want to do more to enact real change. We pledge to serve as steadfast allies for underrepresented communities. We're listening and learning to find meaningful ways to help, and we have made this a focus in all parts of our organization. As a first step, Advantis founded its new Allies for Good Community Fund in late 2020, dedicating one-third of our ongoing philanthropy budget to supporting communities that have faced exclusion and underrepresentation.

A Warm Welcome & Fond Farewell

In August of 2020, Advantis welcomed Jason Werts as our new President and CEO. Jason replaced Bob Corwin, who announced his retirement in February, following eight years leading Advantis. Much like Bob, Jason has brought a true passion for credit union values, and has ensured that our members remain the central focus in everything we do. We'll truly miss Bob's strong leadership and genuine kindness. We thank him for his years of dedication and fondly wish him all the best in his retirement years.

In addition, long-time board member Roger Hediger retired after 34 years of service. Roger served on nearly every committee and in every leadership position on the board during his time with Advantis. Roger mentored many of the current board members and was part of the selection

committee for the past three CEOs. He has truly helped shape Advantis, and his impact will be felt for years to come.

Looking Ahead

As we enter 2021, we're optimistic for the future of our cooperative and our members. We will launch new and innovative ways for you to securely access your accounts, pay friends and family with a tap of your phone, and add chat functionality to the growing number of ways members can engage with Advantis staff. Later in the year, you'll also enjoy a new suite of credit card choices featuring greater rewards, seamless card controls, and other exciting benefits.

We thank our board of directors for their service and unwavering commitment to serve the best interests of our members. We'd also like to thank our staff, who serve as passionate advocates for our members. And most importantly, we want to thank our members for your ongoing loyalty and support.



A handwritten signature in black ink that reads "Jake Jensen".

Jake Jensen
CHAIR, BOARD OF DIRECTORS



A handwritten signature in black ink that reads "J. T. Werts".

Jason Werts
PRESIDENT/CEO

ADVANTIS IN THE COMMUNITY

When you bank with Advantis you add value to the local community. As a not-for-profit cooperative we not only return financial value to you through great rates and more free services, but also donate time and resources to help our local communities grow stronger. The more our cooperative grows, the more we can return to our community.

2020 Community Giving:



\$15,000
CONTRIBUTED

to the Red Cross Cascades Region for Oregon wildfire relief



347
HOURS

volunteered by our employees in the community



\$54,132
CONTRIBUTED

through event sponsorships for charitable causes



\$78,982
DONATED

to nonprofit organizations through corporate donations and employee match donations



\$100,000
GRANTED

through Grow: The Advantis Community Fund to five local nonprofits that provided support to those affected by COVID-19



Advantis volunteers spent an afternoon stocking the warehouse at Birch Community Services.



Advantis volunteers supporting the Children's Healing Art Project (CHAP).



Human Solutions received a Grow grant to support their rent and utility assistance programs for local families. Photo: Christine Dong.

Grow: The Advantis Community Fund is our annual \$50,000 grant fund designed to provide nonprofit organizations with financial resources to address a wide range of needs in our community. Since its launch in 2011, our grant fund has contributed over a half million dollars to local organizations and funded 62 projects.

This past year was unlike any in the history of Grow. To immediately address the critical needs of our community—and in recognition of the 10th anniversary of Grow—we doubled our grant fund and awarded \$100,000, divided equally among five local nonprofits providing immediate assistance to those experiencing hardship as a result of COVID-19. We were proud to provide help to Human Solutions, Impact Northwest, Store to Door, Sunshine Division, and Outside In.



Store to Door supports independent living for Portland-area seniors and people with disabilities. Our Grow grant helped the nonprofit maintain existing services and expand its reach to deliver food and groceries to particularly vulnerable populations in the Portland

STATEMENTS OF FINANCIAL CONDITION

As of December 31, 2020 and 2019

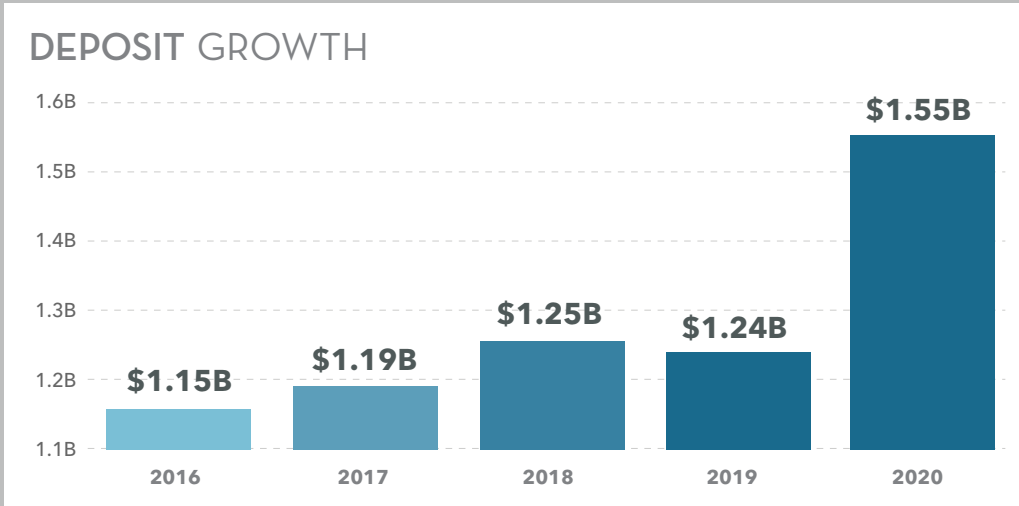
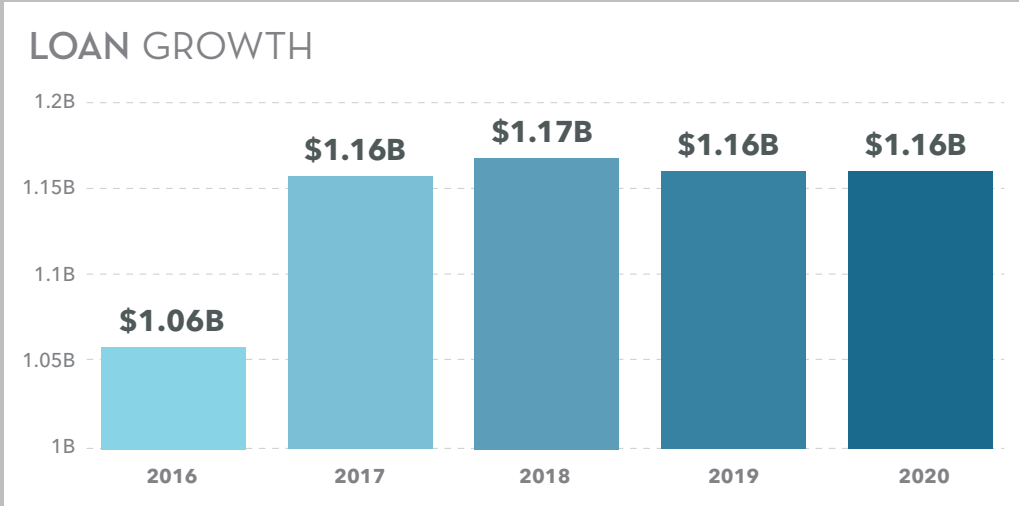
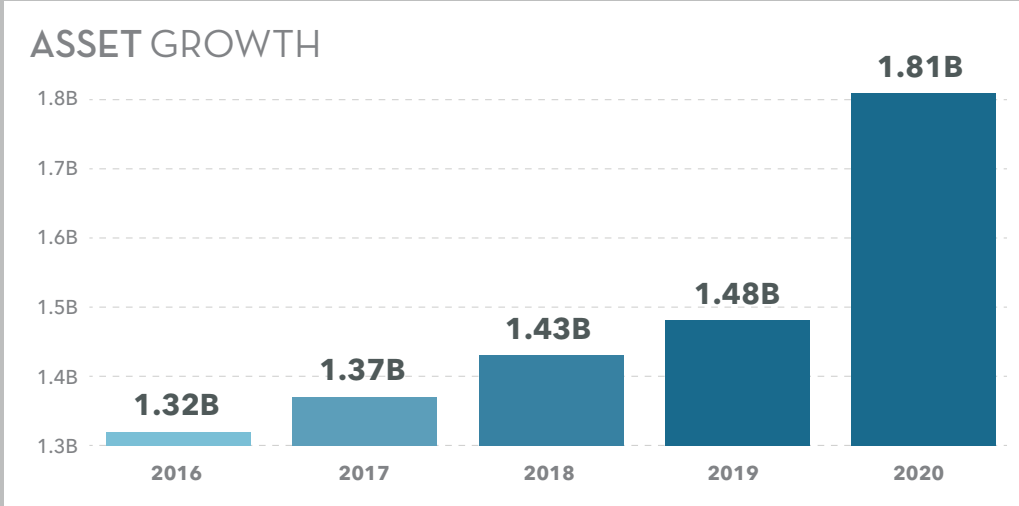
ASSETS	2020	2019
Cash and cash equivalents	\$554,079,358	\$215,672,273
Investments	19,172,666	27,038,355
Loans to members, net of allowance for loan loss	1,159,968,128	1,164,166,478
Property & equipment	9,560,603	10,853,604
National Credit Union Share Insurance Fund Deposit	12,868,682	11,671,277
Other assets	51,431,839	49,410,318
TOTAL ASSETS	\$1,807,081,276	\$1,478,812,305
LIABILITIES AND EQUITY		
LIABILITIES		
Members' shares	\$1,554,144,557	\$1,240,764,681
Accrued expenses and other liabilities	14,873,555	13,667,999
Borrowed funds	\$50,000,000	\$50,000,000
Total Liabilities	1,619,018,112	1,304,432,680
EQUITY		
Regular reserves	16,965,039	16,965,039
Retained earnings	170,579,406	157,165,239
Accumulated other comprehensive income	518,719	249,347
Total Equity	188,063,164	174,379,625
TOTAL LIABILITIES & EQUITY	\$1,807,081,276	\$1,478,812,305

STATEMENTS OF INCOME

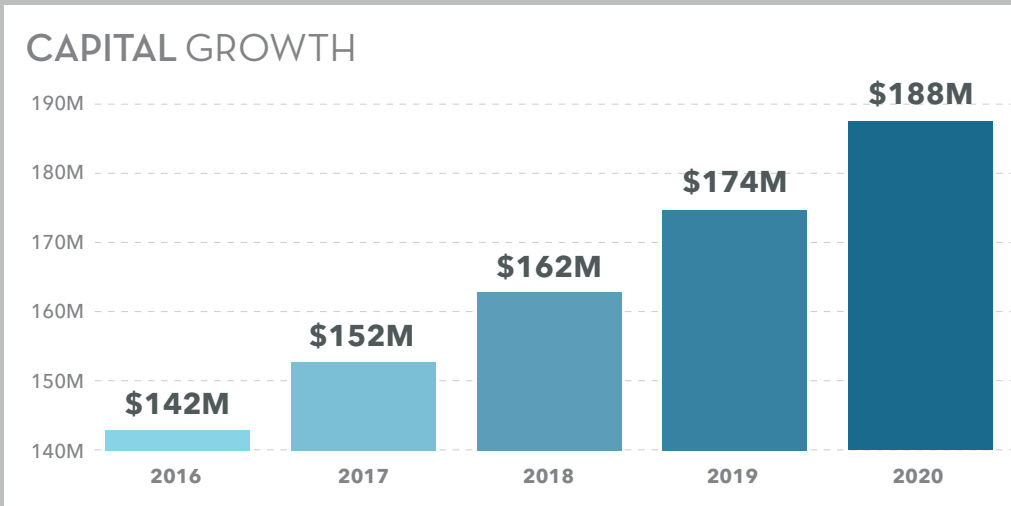
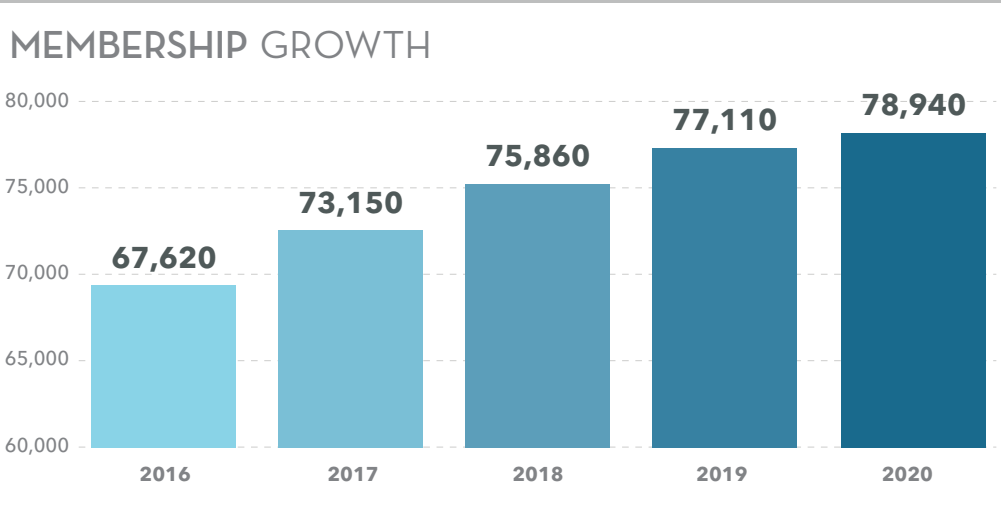
For the years ending December 31, 2020 and 2019

NET INTEREST INCOME	2020	2019
Interest on loans	\$55,447,905	\$55,946,105
Interest on investments and cash equivalents	1,676,862	4,895,659
Dividend expense	11,656,000	13,383,737
Interest expense on borrowed funds	887,550	201,276
Provision expense for loan losses	8,655,212	5,238,443
Net interest income after provision expense	\$35,926,005	\$42,018,308
OTHER INCOME	19,307,650	7,722,157
OPERATING EXPENSES		
Salaries & Benefits	22,718,633	20,263,509
Operations and Occupancy	19,100,855	17,819,332
Total operating expenses	41,819,488	38,082,841
NET INCOME	\$13,414,167	\$11,657,624

FINANCIAL TRENDS



FINANCIAL TRENDS



78,940
Members Strong

As of December 31st	2020
Assets	\$1,807,000,000
Deposits	\$1,554,000,000
Loans	\$1,160,000,000

Audit Committee Report

The Advantis Credit Union Audit Committee is a team of five members appointed by the board of directors and is responsible for ensuring that the credit union safeguards its assets, complies with regulatory requirements, and maintains adequate systems of internal control and financial reporting. In 2020, the Committee held quarterly meetings with Advantis' Senior Audit Officer, participated in all monthly meetings of the board of directors, and examined the credit union's monthly financial reports.

In fulfilling statutory duties and obligations to safeguard member assets, the Audit Committee's primary responsibilities includes strategic oversight of (1) the independent external financial audit of the financial statements and records, (2) internal assessments of the control structures for the credit union, (3) the verification of members' accounts, (4) the ongoing reviews of closed accounts, (5) the internal audit function.

To accomplish these responsibilities, the Audit Committee retained the services of Moss Adams, LLP, an independent external auditor, to perform an audit of the credit union's financial statements for the year ended December 31, 2020. Additionally, the Committee retained the services of Doeren Mayhew, an independent external auditor, to perform various audits of the credit union's operations in tandem with the credit union's internal audit staff.

The credit union was also examined by its government regulators during 2020, the Division of Credit Unions of the State of Oregon Department of Consumer and Business Services, Division of Financial Regulation, and the National Credit Union Administration (NCUA).

It is the conclusion of the Audit Committee that Advantis Credit Union is operated in a safe and sound financial manner and the assets of the membership are being effectively safeguarded.

We appreciate the opportunity to serve the Advantis family in this capacity.



Brandon Lepley
Audit Committee Chair
4/15/2020

Board of Directors

Jake Jensen – Chair
Tammy Teske – Vice Chair
Tarun Gudz – Secretary/Treasurer
Andy Dolberg
Frederic Dupeyroux
Patrick Hager
Renee Halpern
Amanda Owings
Bryan Sims

Associate Directors

William Knuths

Audit Committee

Brandon Lepley – Chair
Kellan Davis
Liz Good
Tom Hoang
Ross Wescott

Branch Locations

Belmont
3010 SE Belmont St.
Portland, OR 97214

Downtown
120 SW Taylor St.
Portland, OR 97204

Fremont
3515 NE 15th Ave.
Portland, OR 97212

Gresham
2229 NE Burnside Rd.
Gresham, OR 97030

Hillsboro
7387 NE Butler St.
Hillsboro, OR 97124

Lloyd Center
825 NE Multnomah St., Suite 110
Portland, OR 97232

Scholls Ferry
12262 SW Scholls Ferry Rd.
Tigard, OR 97223

West Linn
21900 Willamette Dr., Suite 204
West Linn, OR 97068

Woodstock
4235 SE Woodstock Blvd.
Portland, OR 97206

Executive Leadership Team

Jason Werts
President/CEO
Tim Clouse
SVP/Chief Innovation Officer
Wendy Edwards
SVP/Chief Administrative Officer
Chris Groshko
SVP/Chief Retail Officer
Keli Myers
SVP/Chief Credit Officer
John Nichols
Vice President of Marketing
Laurie Wilson
SVP/Chief Financial Officer

Administration Office

9200 SE Sunnybrook Blvd., Suite 300
Clackamas, OR 97015

Contact Us

P.O. Box 14220
Portland, OR 97293-0220
503-785-2528
800-547-5532
www.advantiscu.org

