



*“Intelligence is the ability
to adapt to change.”*

~ Stephen Hawking



2021 Annual
REPORT

Values

Our core foundation

People

Simply Said - People First

Community

We accept our responsibility for the economic social well being of our communities.

Excellence

We strive for excellence in all we do through innovation, education and continuous improvement.

Accountability

We choose to be accountable for our actions.

Integrity

Integrity will guide our business practices and our relationships with our employees, our members and our communities.

Vision

A shared aspiration

We will be a leader that enriches the lives of our members, employees and the communities we serve.

Mission

Why we exist

We are a progressive, member-driven provider of quality financial services to the citizens of our communities.

TABLE OF CONTENTS

Our Staff	3
Board of Directors.....	4
Chair & CEO’s Report.....	5
Audit Committee Report.....	7
5-Year Key Results	8
Community Involvement.....	10
Celebrations & Awards	17
Management’s Responsibility for Financial Statements.....	18
Recommendations of the Board of Directors	19



OUR STAFF

Administration & Corporate Office

Derek Ellard, Chief Executive Officer
Cathy Leger, Vice President, Finance and Risk
Justin Mury, Director, Service Delivery
Cathy Darland, Manager, Community Engagement
Marie-Julie Bourque, Executive Assistant
Jeff Melvin, Manager, Information Technology
Spencer MacCallum, Information Technology Specialist
Christina Ellard, Benefit and Operations Associate
Christa Sceles, Financial Services Officer, Brokerage
Shelley MacKinnon, Loans Administration Officer
Alain Daigle, Loans Administration Officer
Kendra Thompson, Loans Administration Officer
Johanne Robertson, Compliance Officer
Denise Furze, Administration Officer
Carolynn Thibodeau, Administration Officer
Sue Ann Robichaud, Administration Officer
Jocelyn Vasseur, Administration Officer

Commercial Department

Don Bourque, Senior Director, Commercial Banking
Mike Crofts, Senior Commercial Account Manager
Nick Landry, Senior Commercial Account Manager
Jenna McEwen, Commercial Account Officer
Vicky Barton, Commercial Banking Assistant

Riverview

Arlene Steeves, Branch Manager
Ann Walters, Financial Services Officer
Vicmar eli Salise, Financial Services Officer
Carolyn Collier, Member Service Supervisor
Judy Lounsbury, Member Service Supervisor
Natalie Moase, Member Service Representative
Sharon Cooper, Member Service Representative
Karen Edwards, Member Service Representative

Local Support Team

Mary Lou Warren Lewis, Member Service Supervisor
Kristina Petten, Member Service Representative
Tianna Guitard-Caplin, Member Service Representative
Karla Robinson, Member Service Representative
Lisa Kaster, Member Service Representative

Petitcodiac

Maxine Rice, Branch Manager
Cora Kaye, Financial Services Officer
Donna Thompson-Dalling, Member Service Supervisor
Carrie Paterson, Member Service Representative
Margo Marshall, Member Service Representative
Shawna Collins, Member Service Representative
Jessica Prosser, Member Service Representative

Rexton

Donna Jones, Branch Manager
Pauline Whalen, Financial Services Officer
Tanya Hannay, Member Service Supervisor
Faye Arsenault, Member Service Representative
Darlene Mourant, Member Service Representative
Jan Parkhill, Member Service Representative

Moncton

Tracy Henderson, Branch Manager
Joyce Babkirk, Financial Services Officer
Lisa Gri, Financial Services Officer
Juli Lackie, Member Service Supervisor
Shelley Farrell, Member Service Representative
April Hansen, Member Service Representative
Leah Kelm, Member Service Representative
Tracy Melanson, Member Service Representative



BOARD OF DIRECTORS



Petitcodiac Branch



Rexton Branch



Riverview Branch



Moncton Branch

2021 Board of Directors

Advance Savings continues to have the privilege of having an incredibly dedicated, hard-working and supportive board of directors. These directors are elected by the membership and play a vital role in leading the way to our success and guiding an innovative, sustainable and caring organization. Their leadership and guidance are critical in making sure we stay on track with those important steps that will help us reach our goals.

We would like to take this opportunity to thank and acknowledge every member of the board who has guided us in 2021. We had another successful year, and they all played a key part of that success.

Here is a list of our board members for 2021:

Anthony Goodwin:

Chair of the board and audit committee member

Benjamin Allerston

Chair of the audit committee and vice chair of the board

Garry Miles

Secretary and audit committee member

Nancy Cail

Board member

Ryan Gillespie

Board member

Brian Johnson

Board member

David MacQuarrie

Board member

Teri McMackin

Board member

Barry Spencer

Board and audit committee member



CHAIR & CEO'S REPORT

It is once again our pleasure to report on the operations of Advance Savings Credit Union. The impacts of the pandemic in 2020 were unprecedented, but despite that, we hoped that 2021 would see a return closer to "normal". Unfortunately, in many ways, this past year was more challenging; cases soared and dropped, and restrictions were loosened only to be tightened back again several times. This created doubt, uncertainty, frustration and division amongst all. In keeping with our values, we knew we had to step up, as we have before, to be there for our members, for our communities and for each other. That is exactly what our amazing team did.

In the financial sector, we continued to face uncertainty. Interest rates remained at all time lows, the New Brunswick housing market tightened above what was expected, and consumers and people changed how they do business. Advance Savings Credit Union, as in previous years, dealt with those uncertainties while ensuring we were there for our members every step of the way. For the 17th year in a row, credit unions ranked first among all Canadian financial institutions in customer service in the annual Ipsos Financial Service Excellence award. In addition, the Atlantic Business Magazine named credit unions the Best Financial Institution in Atlantic Canada.

Financial strength

Advance Savings Credit Union's results for 2021 far exceeded our expectations. While these results are impressive, the part we are most proud of is in how we achieved them. Unlike the majority of our competitors, who time and time again achieve strong financial results, it was not on the backs of our members. For example, during the pandemic, banks increased their service charges and reduced their deposit interest rates to all-time lows; Advance Savings Credit Union, however, continued to offer top of market rates to our members on deposits and lending and, in fact, reduced our service charges and fees.

As mentioned, 2021 far exceeded our expectations, shattering old records in many key metrics. Assets grew by \$23.3 million (11.2%) to \$231 million. Unlike 2020, where most of our growth was derived from member deposits, in 2021, we achieved tremendous growth in both our loan and deposit portfolios. This past year, member deposits grew by \$22.7 million (11.7%) and we achieved record growth in our

retail credit portfolio and very strong growth in commercial. Despite an increase in retained earnings – by \$1.1 million (17%) to be exact – this record growth put downward pressure on capital (equity) decreasing it to 5.86% from 6.11%. However, this is still beyond the regulatory minimum of 5%. Our pre-tax surplus for 2021 totalled \$1.44 million, overcoming our previous record of \$1.1 million.

Because of the tremendous uncertainty around credit default and losses since the beginning of the pandemic, Advance Savings Credit Union planned for increased levels of delinquency. Those elevated levels of default did not materialize, demonstrating the quality of our underwriting practices and the dedication and commitment of our members. Our write-offs for 2021 totalled \$61,442 (0.03%), down from \$155,167 (0.09%) in 2020. This is well below the benchmark of 0.25% and is among the lowest in Atlantic Canada. Furthermore, our total delinquency at the end of 2021 was 0.02% (0.108% in 2020), which is significantly lower than the benchmark of 1%. While the financial impacts of the pandemic continue to be felt by our members and our communities, we will continue to provide support whenever and wherever possible.

Commitment to members and communities

Financial results are always impressive, but none of it matters unless we continue to meet our commitment to enrich the lives of our members, employees and the communities we serve. Because of the pandemic, we could have reasonably pulled back; instead, we stepped up once again. We continued to help countless people and organizations, many of which you will see in the annual report. Why? The answer is simple. It is part of our core values; it is what differentiates us. This past year, we contributed more than \$50,000 of our pre-tax profits to our members and communities in need. We supported literacy programs, school and breakfast programs, and financial literacy programs, just to name a few. We also continued to provide financial assistance to our members and communities in a variety of ways to help them navigate through the pandemic. The commitment to our members and the communities we serve is what we take the most pride in every year.



CHAIR & CEO'S REPORT CONTINUED



Change

Change was not halted during the pandemic. In fact, the pace of change accelerated to a breakneck pace. How people do business with us, the unprecedented real estate market, technology and cybersecurity are a small sampling of areas that saw tremendous change over the last year. Our commitment, our financial strength, and our stability enabled us to continue to invest in our business to ensure we can meet the needs of our current and future members in a safe and secure way.

Our people

None of the success we have achieved would be possible without our people. Our people consist of two very distinct but important groups: our staff and our board of directors. Firstly, we need to acknowledge our appreciation for the group of people that we have the privilege of working with every day. Even during the pandemic, they continued to show up and support our members and our communities. They are truly an inspiration. We are very proud to work with them and there are not enough words to express how grateful we are for their commitment, dedication and drive to go above and beyond for our members and each other. ("Thank you!")

Secondly, the other group that we need to recognize is the members of our board of directors. They continued to accept the challenge of oversight in an ever-changing financial market with increased complexity. We are truly grateful for their help in leading us through these challenging times. Your leadership, support and guidance are key components of why we are the growing, strong and stable credit union we are today.

Positioning for the future

As we enter 2022, Advance Savings Credit Union has many large projects to better position us for the future and, ultimately, to benefit our current and future members:

- Advance Savings Credit Union must ensure that the digital and technological needs of our members are met. These constant improvements and innovation are critical and, as such, we will continue to invest heavily in these areas and to work closely with our

partners (League Data, Atlantic Central) to meet these demands.

- Cybersecurity remains among the very highest priorities for Advance Savings Credit Union, and we will continue to invest heavily in this area to ensure that regardless of how our members do business, they can do it safely and securely.
- More than any other time in our history, the importance of credit unions working together cannot be understated. We will continue to work with other credit unions and trade industry partners to share services and find efficiencies to better meet members' needs.

In closing, we would like to send our sincerest appreciation to you, our members, for your continued commitment to Advance Savings Credit Union. We truly admire your resiliency during these challenging times and look forward to continuing to support you going forward. Advance Savings Credit Union truly appreciates your business and we would like to thank you for your loyalty, your trust, and your choice to bank local.

Anthony Goodwin,
Chair

Derek Ellard,
Chief Executive Officer



AUDIT COMMITTEE REPORT

The audit committee's principal role is to make certain that due diligence is directed toward ensuring that an effective risk management and control framework has been implemented by management in accordance with Credit Union Regulations. The audit committee receives direct reporting from senior management and is responsible for monitoring the risk management framework and making recommendations to the board of directors regarding acceptable levels of risk. The committee is also responsible to provide oversight to the external and internal audit process and the adequacy of internal controls. The committee confirms that effective internal practices are in place and ensures corrective measures are taken to address any deficiencies identified in audit reports.

This framework is to provide reasonable assurance that the financial, operational and regulatory objectives of the credit union are achieved and that governance responsibilities of the board and management are met. The committee undertakes responsibility for the oversight of the design and implementation of the internal controls to support the risk management, the integrity of financial reporting, and compliance with regulatory matters.

The committee received the financial statements that you see before you from our external auditors. The auditors were questioned in depth on a number of items and questions were answered to our satisfaction. An "in camera" session was held with the auditors, without management present. The

financial statements and the accompanying notes to the financial statements were recommended to the board for approval by the committee. Board approval was given.

The audit committee met seven times in 2021 and has fulfilled its mandate. The audits (FCNB and Baker Tilly GMP LLP) that were conducted in 2021 brought very little material content to the committee's attention and we are satisfied that the internal policies and procedures are effective and working well. In closing, I want to thank the staff of Advance Savings Credit Union for their dedication and commitment. I would also like to thank the other members of the audit committee: Tony Goodwin, Garry Miles and Barry Spencer.

Respectfully submitted,

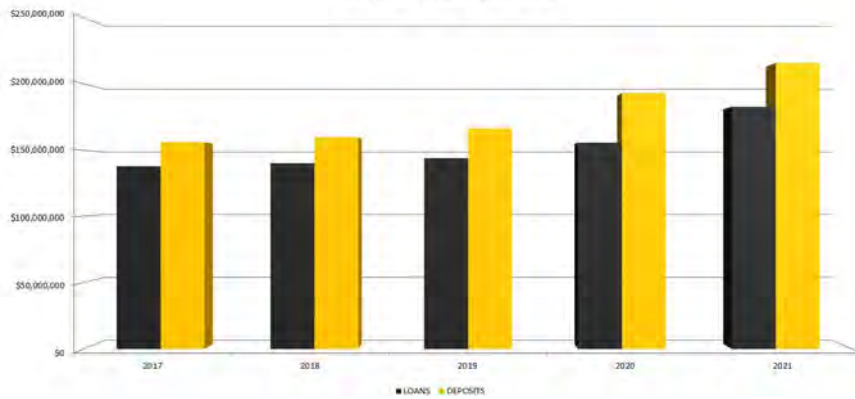


Benjamin Allerston
Chair
On behalf of the audit committee

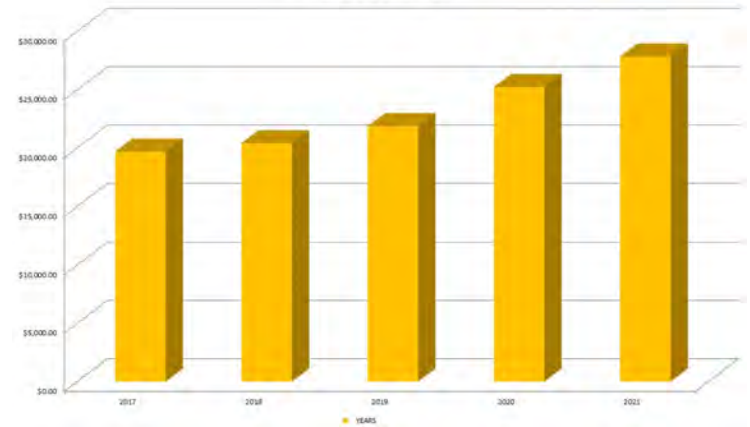


5-YEAR KEY RESULTS

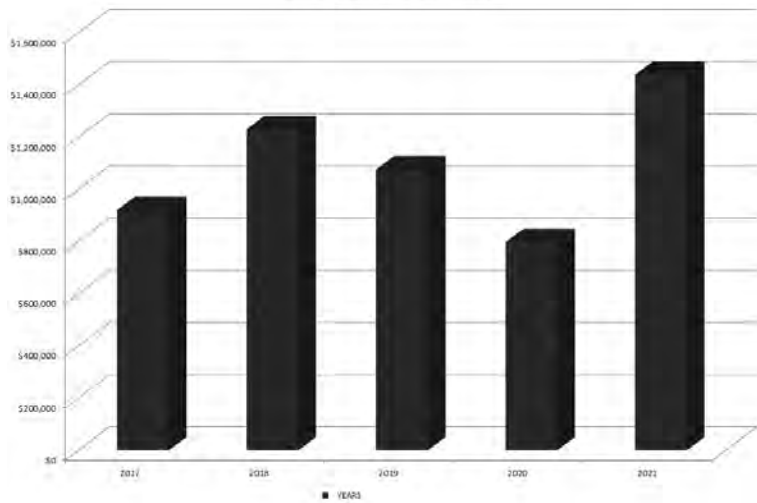
LOANS AND DEPOSITS



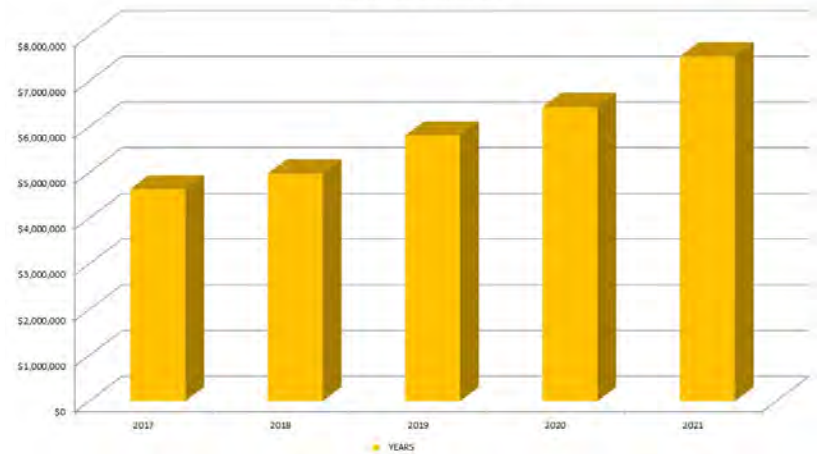
ASSETS PER MEMBER

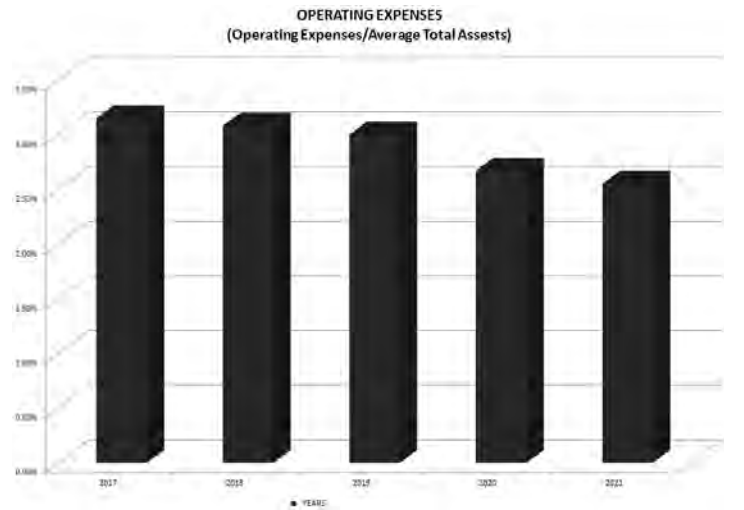
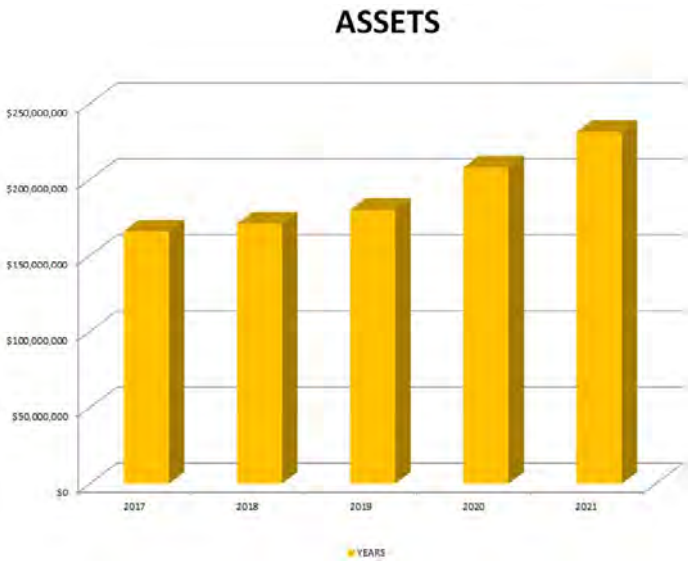
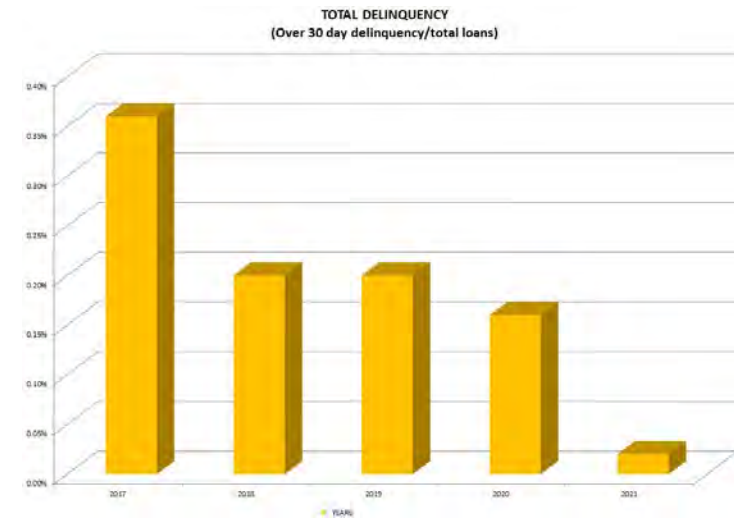
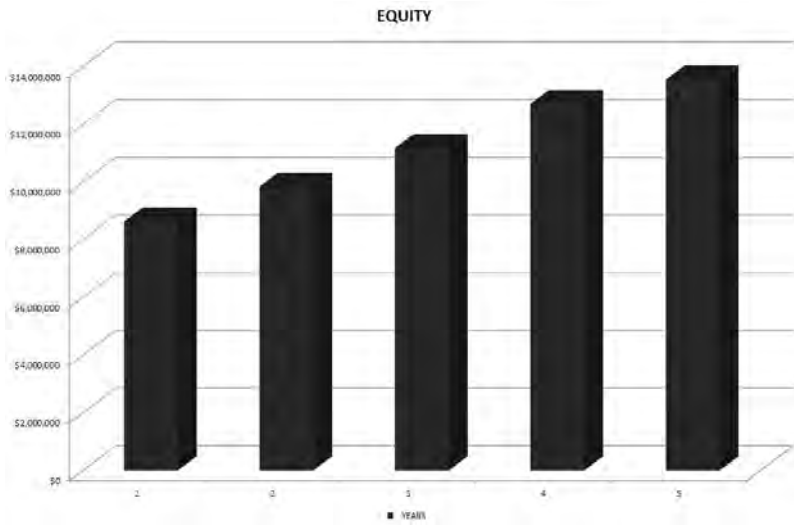


TOTAL INCOME BEFORE TAXES



RETAINED EARNINGS





COMMUNITY INVOLVEMENT

Riverview

2021 Donations and Sponsorships:

Riverview Fire and Rescue Safety Net

Riverview Boys and Girls Club

Knights of Columbus

PRO Kids

Moncton High Purple Knights Girls Hockey

Salisbury Elementary School

West Riverview School

Hillsborough School

Port Elgin School

Albert County Food Bank

Participation and Support:

Riverview Christmas Brilliance Decoration

Anti Bully Day

Kraft Hockeyville - Elsipogtog Support Day

Pink Shirt Day Breast Cancer Awareness

#CULoyal2Local

Elder Abuse Awareness Day

National Indigenous Peoples Day

Credit Union Day

#Loyal2LocalChallenge

Member Appreciation:

Christmas Wreaths



COMMUNITY INVOLVEMENT

Rexton

2021 Donations and Sponsorships:

- Bonar Law Class of 2021
- Royal Canadian Legion
- EWG Food Services
- Santa's Helpers of Kent
- Kent County Food Bank
- Upriver Country Market
- Kent County Ducks Unlimited
- EWG School Fundraiser
- Friends of the Bengals Cafeteria
- Community Garden (purchase of 3 raised beds)

Participation and Support:

- Kraft Hockeyville - Elsipogtog Support Day
- #Loyal2LocalChallenge
- National Indigenous Peoples Day
- Elsipogtog Pride Parade
- Credit Union Day
- #CUPayItForward

Member Appreciation:

- \$50 Gift Cards
- Christmas Wreaths



COMMUNITY INVOLVEMENT



Books for Bikes - The Grand Lodge of New Brunswick

Trojan Trek
Harrison Trimble High School

Coldest Night of the Year Walk
Youth Impact Jeunesse

Moncton Christian Academy

Playground Fundraiser
Elgin Eco Association

Goshen Snowmobile Club

Petitcodiac Valley Golf Club

Dieppe-Memramcook Hockey Association
Midget AA
Nicolas Papillon

Rotary Club of Moncton West & Riverview



Petitcodiac

2021 Donations and Support:

Moncton Pregnancy & Wellness Center

Royal Canadian Legion Branch #41

Havelock Elementary School

Petitcodiac Arena

Petitcodiac Golf & Country Club

SPOT Petitcodiac

Petitcodiac Auto Fest

Food Bank

Petitcodiac Regional School

Maritime Motorsports Hall of Fame

Westmorland County Agricultural Fair

Petitcodiac Baptist Church

Afternoon in the Garden
Ice Cream Social

Participation and Support:

#Loyal2LocalChallenge

Petitcodiac Community Garden

Credit Union Day

#CUPayItForward



COMMUNITY INVOLVEMENT

Moncton

2021 Donations and Sponsorships:

Humanity Project

JJ Wandering Fund

JJ's 5400 Hospital Fundraiser

Calendars for John St Residents

Atlantic Wellness Centre

30 Days of Community Caring - Christmas

Food Box Campaign

Karing Kitchen

Sue Stultz Turkey Drive

Calendars to Seniors Home

Helping Hands Food Bank

Moncton Boys & Girls Club Van Fundraiser

Participation and Support:

Anti Bully Day

Kraft Hockeyville - Elsipogtog Support Day

#Loyal2LocalChallenge

Elder Abuse Awareness Day

National Indigenous Peoples Day

Credit Union Day

#CUPayItForward



Member Appreciation:

30 Days of Community Caring - 12 Member Draws



COMMUNITY INVOLVEMENT

\$5,000 donated
to J.M.A. Armstrong/
Salisbury Middle
School Playground
Project



Corporate Donations & Sponsorships:

Riverview Arts Centre

J.M.A. Armstrong/Salisbury Middle School Playground Project

NB Environmental Network

Food Depot Alimentaire

Frank L. Bowser Elementary School

Westmorland County Agricultural Fair - Kids Day

Petitcodiac Sportsman Club

Dialogue NB - Presenting Sponsors of Jeremy Dutcher

First Moncton BPSA Traditional Scouting

Thomas Dunn Hockey

Helping Hands Food Bank Salisbury

Kent Food Bank

Albert County Christmas Aid

ASCU Challenge Cup
Moncton Minor Hockey Association

Participation and Support:

Older Adults Activity Fair in Riverview

Moncton High School Financial Literacy Interview

#Loyal2LocalChallenge

#CUPayItForward

COMMUNITY INVOLVEMENT



KRAFT HOCKEYVILLE - ELSIPOGTOG SUPPORT DAY!



COMMUNITY INVOLVEMENT



Elsipogtog Pride Parade



Elder Abuse Awareness Day



National Indigenous Peoples Day



Credit Union Day



Food Depot Alimentaire



#CUPayItForward



Sue Stultz Turkey Drive



12 Days of Gifts



CELEBRATIONS & AWARDS

Celebrations & Awards

The Key to our Success: Our Valuable Employees

Employee talent, loyalty, and dedication are the foundation upon which every great company is built. Our employees provide invaluable contributions to the success of our members and to Advance Savings' growth as a leader in the financial services industry. Each year, Advance Savings recognizes employee accomplishments and contributions by celebrating credit union service milestones from the past year.

EXCELLENCE

We strive for excellence in all we do through innovation, education and continuous improvement.

The following employees will be receiving service awards for their service as of Dec 31, 2021:

5 Year of Service

Margo Marshall

Kristina Petten

10 Years of Service

Denise Furze

Carrie Paterson

15 Years of Service

Jeff Melvin

Donna Thompson-Dalling

20 Years of Service

Lisa Gri

25 Years of Service

Cathy Leger

30 Years of Service

Darlene Mourant

Tanya Hannay

Other Awards

Justin Mury -
PROSCI Change
Management
Certification



MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS



Management is responsible for the preparation, presentation, and consistency of financial information and discussion contained in this Annual Report. The financial statements and accompanying notes, prepared in accordance with generally accepted accounting principles, are considered by the board and management to be fairly presented. In preparing the financial statements, management has exercised judgement in the selection of significant accounting policies and the determination of reasonable estimates which are reflected therein.

Management has developed and maintains the necessary systems of internal controls to provide reasonable assurance that transactions are authorized, assets safeguarded, and proper records maintained.

The audit committee of the board of directors meets periodically with the Credit Union's management and external auditors to review matters relating to the quality of financial reporting and internal accounting controls and nature, extent and results of the audits. In addition, this committee recommends the engagement of external auditors and reviews and reports on the Credit Union's financial statements to the board of directors.

The board of directors oversees management's performance of its financial reporting responsibilities and meets monthly to approve the Chief Executive Officer's report containing the financial statements and other financial information. New Brunswick Financial and Consumer Services Commission (FCNB) conducts periodic inspections of Advance Savings Credit Union Limited to ensure compliance with the Credit Unions Act and Regulations.

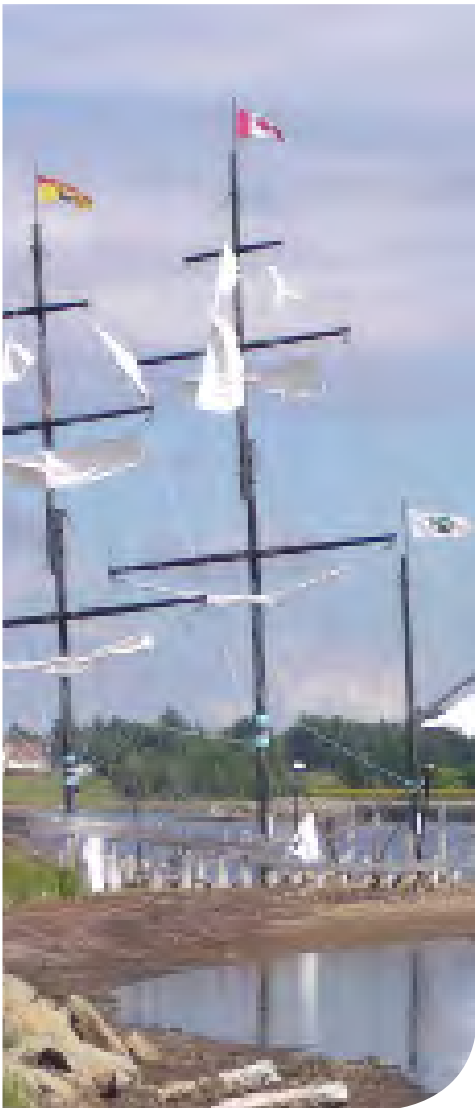
Independent external auditors, appointed by the members of the Credit Union, examine our financial statements in accordance with generally accepted auditing standards. The auditors have free and independent access to the audit committee and meets with the committee and with management to consider matters relating to financial statement presentation, internal controls, and audit procedures.

Anthony Goodwin,
Chair

Derek Ellard,
Chief Executive Officer



RECOMMENDATIONS OF THE BOARD OF DIRECTORS



Recommendation 1

Appointment of Auditors

It is the recommendation of the board of directors that “the firm of Baker Tilly GMA LLP (formerly AC Stevenson & Partners CPA LLP) be appointed as our auditors for the 2022 fiscal year”.

Recommendation 2

Appointment of Representatives to Atlantic Central Meetings

It is recommended that “the board of directors of Advance Savings Credit Union Limited be empowered to appoint the representatives to any general meeting of Atlantic Central, or any regular or special meeting of Atlantic Central”.

Recommendation 3

Board Remuneration

It is recommended that “the maximum aggregate amount to be paid to all directors as remuneration for the performance of their duties during 2022 be set at \$25,000”.



Credit Union System

The expanding influence and success of the credit union system is built upon a strong foundation. Credit unions continue to work together for the benefit of all members. Whether building on shared strengths or developing new and innovative services, a strong, vital credit union network ensures that members will continue to benefit from this unique relationship.

Credit Unions in Canada

219 Credit Unions

Over 1,689 Branches

5.9 Million Members

280 Billion in Assets

2,400 Ding Free ATMs





ADVANCE SAVINGS

Moncton Community Branch

141 Weldon Street
Moncton, NB E1C 5W1

Phone: 506-853-8881

Fax: 506-856-8492

Petitcodiac Community Branch

47 Main Street
Petitcodiac, NB E4Z 4L9

Phone: 506-756-3331

Fax: 506-756-8596

Rexton Community Branch

5 Brait Street
Rexton, NB E4W 1V9

Phone: 506-523-8020

Fax: 506-523-8190

Riverview Community Branch

1120 Findlay Blvd, Unit 0100
Riverview, NB E1B 0J6

Phone: 506-386-2830

Fax: 506-386-2833

advancesavings.ca