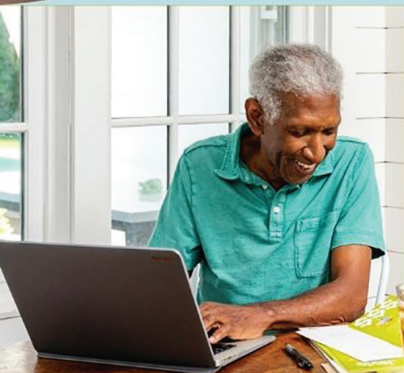


2022

ANNUAL REPORT

Limitless Commitment



jovia | Financial
Credit Union

MESSAGE FROM THE PRESIDENT

LIMITLESS DEDICATION TO INNOVATION



When I reflect upon last year, one of the main thoughts that comes to mind is our dedication to innovation and how we're driven to continually deliver beyond member expectations. Jeff Bezos once said that we innovate by starting with the customer and working backwards, and nothing could be truer when it comes to Jovia's limitless dedication to creating new ways to help our members save money and enjoy a more convenient and unique banking experience.

2022 was quite a year as we all saw considerable price increases on everything from groceries, clothes, automobiles, subscription fees, as well as everyday purchases. People were looking for a break somewhere, and Jovia members found it here with us. We officially became the first local credit union to eliminate overdraft and nonsufficient funds fees when we launched our Carefree Checking product in early 2022. Another way we sought to ease the financial burdens faced by members is through our newly launched Jovia Brokerage Services, which offers the convenience of online shopping for better policy quotes for coverage including renters, home, life, auto, and business insurance. We also introduced the Jovia Health Savings Account (HSA) in 2022, a way to help members conveniently save more money by setting aside pre-tax dollars to pay for qualified medical expenses and health care costs like doctor visits, prescriptions, and dental care.

Despite rising interest rates, the real estate market remained strong in 2022, with home sale prices hitting new highs in Nassau and Suffolk counties. Recognizing that this could stand in the way of many people looking to fulfill their dream of home ownership, we expanded Jovia's mortgage options with new and innovative lending products to meet a wider range of borrower needs,

including fixed, adjustable, and jumbo mortgages with low rates and no-closing cost options. We also continued to expand our Mortgage Knowledge Center to equip borrowers with the tools they need to alleviate the stresses that often accompany the home-buying process.

Education has always been at our core, and our commitment to finding new ways that promote financial literacy and help Long Islanders make smart financial choices remained unwavering in 2022. Our award-winning social video series was established to offer real-world advice on a range of topics such as understanding the differences between a credit union and bank, whether to lease or buy your next car, and practical ways to implement – and stick to – a budget.

Speaking of limitless innovation when it comes to education, we know it's never too early to learn how to manage money responsibly. That's why we introduced Curio, Jovia's exclusive app offering a fun way to teach kids how to spend and save money. Paired with our Youth Accounts, Curio provides families with a financial tool as well as a reward system and motivator for young members to make smart financial decisions.

Jovia answered the call for a faster and easier way to pay for goods and services with our contactless credit and debit cards. Members can simply tap their credit or debit card and be on their way, with the added bonus that contactless cards are the cleaner way to pay. After all, less touching means less germ spreading, which is good for everyone.

In our ongoing quest to bring members the convenience of banking at their fingertips, we launched Jovia's Virtual Branch in 2022.

When you aren't able to visit a branch in person, you now have limitless options to bank from anywhere. You can grab your computer, phone, or tablet and easily chat with a branch assistant by text, audio, or video. In addition to live representatives, we now have an online chat bot, an innovative technology for members to chat with Via, our Virtual Interactive Assistant, to get answers to basic banking questions anytime, anywhere.

Here at Jovia, we've enjoyed being your banking partner, and in 2022 we opened yet another state-of-the-art branch location in Suffolk County. Local residents and business owners of Nesconset warmly received Jovia when we officially opened our 22nd Long Island branch location this past fall. We've already welcomed many new members from that area to the Jovia family and look forward to serving this community for many years to come.

We've certainly made great advancements in 2022, and this year marks our 85th anniversary...a prideful milestone in our storied history. As our members' needs and expectations evolve, we'll be with them every step of the way. There are no limits to what we can achieve together, and we're always looking for new and innovative ways to utilize the latest technologies and financial products to provide superior value, attentive service, unrivaled convenience, and an overall better and safer banking experience well into the future.

John A. Deieso

President and Chief Executive Officer



MESSAGE FROM THE CHAIRMAN

LIMITLESS PRIDE IN HELPING OUR COMMUNITY

Our desire to help our community grows deeper with each passing year, and we're overflowing with pride for this great place that we call home. Since our humble beginnings as the banking venture for a few Valley Stream school employees way back in 1938, we've grown by leaps and bounds now with 22 branches and 200,000 plus members. We're prideful in our accomplishments and to serve this community with limitless innovation and inclusivity, as well as providing education and good will.

In a year that found members hit hard by rising prices and interest rates from 40-year inflation highs, Jovia sought to raise spirits and bring people together. From east to west, shore to shore, we celebrated milestones, made new connections, and strengthened existing ones.

In March, Jovia was selected by Long Island Business News (LIBN) as the recipient of their 2022 Diversity in Business Award for Commitment to Opportunity. Our ongoing dedication to celebrating and sustaining everyone's distinctiveness with humanity and equality made this recognition possible.

In continuance of annual traditions, we cheered for all those that participated in the Jovia Long Island Marathon. We take great pride in embracing our Independence, and we did it in spectacular fashion at our Fireworks Spectacular at Jones Beach State Park on July 4th. We continued bringing people together throughout the summer for the love of live music with Jovia's sponsorship of Nassau County's free summer concert series at Eisenhower Park.

In August, Jovia had the distinct honor of being voted Top Winner in the 2022 LIBN Reader Rankings category for "Best Credit

Union." We ended the summer on another high note by co-hosting a day of fun at Splish Splash Water Park. Jovia volunteers were on hand to help 100 underserved and health-challenged families take a break from their everyday stresses and create unforgettable memories together with free admission, parking, and lunch.

Jovia teamed up with the LI Nets to provide underserved students with new backpacks and other essential school supplies for the start of the school year. We also hosted financial literacy seminars for middle school students and helped sponsor the LI Nets' award-winning Team Up for Unity program, which strives to eliminate racism in high school sports.

We were further honored in the Fall when Jovia was named a Diversity, Equity & Inclusion finalist in The Credit Union Times LUMINARIES national awards program for 2022. Being recognized by a leading trade publication bolstered our commitment to maintaining a culture of inclusion with the highest ethical standards, service, and excellence.

Speaking of strengthening our existing relationships, in October we stood side-by-side with Commerce Plaza as it re-opened to 100 percent capacity, working together to promote financial literacy with school districts across Nassau and Suffolk Counties. During the re-opening ceremony, we introduced young students and their families to Curio, Jovia's new financial education program and mobile app developed to incentivize youth with banking features and rewards.

During the holiday season, we sponsored the second annual toy drive held by La Liga de Justicia and Latino Mixx Radio, helping

to put smiles on the faces of all those that attend the event.

Education is at the forefront of everything we do here at Jovia. Over the years we've awarded scholarships and grants to high school and college students. We kept this going through 2022 and since the program began, we've hit the \$2 million milestone mark. Additionally, we closed out a momentous year by solidifying our partnership with Adelphi University, highlighted by creating a new program, Jovia Mentoring: Guiding and Inspiring Student Success. This is one of many interactive and engaging participation programs we'll share with the University.

As an integral part of the communities we serve, we'll keep finding ways to support financial literacy now and for future generations. Our staff touched many lives this past year by developing educational programs, participating in charitable events, and volunteering. We'll reflect on the countless memories that were made, smiles that were shared, and moments of limitless pride that we experienced together throughout 2022.

George Plevretes

Chairman of the Board of Directors

TREASURER'S REPORT



A summary of the financial statements audited by independent auditors begins on the bottom of this page and reflects our financial position with total assets at year-end of \$4.23 billion.

Rules and regulations for the operation of our credit union are prescribed by the National Credit Union Administration (NCUA), which is part of the Executive Branch of the Federal Government. The National Credit Union Share Insurance Fund (NCUSIF), established by Congress, insures our share deposits. This fund is managed under the direction of the NCUA Board.

Our credit union's soundness and competitive rates encouraged deposits to grow to \$3.73 billion.

By December of 2022, our membership reached 208,789 with Jovia members receiving \$27.7 million in dividends.

Our 2022 income totaled \$24 million, or 0.59% of assets. Capital decreased to \$257 million, yielding a capital to assets ratio of 9.14% at year end.

Loans and investments are the credit union's primary source of earnings; last year's total gross loans increased to \$3.25 billion with delinquencies at 0.55% of total loans.

It has been a pleasure working with the Investment Committee, Management, and my fellow Directors.

George Zweier
Board Treasurer

FINANCIAL HIGHLIGHTS (dollars in the thousands)

As of December 31,	2022	2021	2020
Assets	\$ 4,230,638	\$ 3,961,334	\$ 3,747,723
Deposits	\$ 3,732,256	\$ 3,582,387	\$ 3,379,652
Gross Loans	\$ 3,250,793	\$ 2,839,227	\$ 2,962,742
Capital	\$ 257,027	\$ 337,790	\$ 332,468
Dividends	\$ 27,695	\$ 25,439	\$ 38,143
Members	208,789	206,572	200,958
Loans to Deposits	87.10%	79.26%	87.66 %
Net Worth to Assets	9.14%	9.14%	9.05 %
Delinquent Loans to Total Loans	0.55%	1.76%	1.46 %



SUPERVISORY COMMITTEE REPORT

The Supervisory Committee is a volunteer group of Jovia members appointed by the Board of Directors. We are responsible for ensuring the soundness of the credit union's operations and the compliance of credit union policies with state and federal regulations. We oversee the credit union's internal audit function. In addition, the Committee has regular contact with membership to ensure that member requests have been properly addressed.

The Supervisory Committee engaged our auditors, to perform an independent audit of Jovia's 2022 financial statements. The 2022 audited financial statements of the credit union are available upon request. The audit was conducted in accordance with auditing standards generally accepted in the United States of America, and the results of the audit

determined that Jovia's 2022 financial statements were fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America.

At this time, the Supervisory Committee can report that Jovia has effective internal controls and continues to follow established policies and procedures in compliance with state and federal regulations.

A handwritten signature in black ink, appearing to read 'Harry Peltz'.

Harry Peltz
Chair of the Supervisory Committee



STATEMENTS OF FINANCIAL CONDITION

(dollars in thousands)

As of December 31,

	2022	2021
ASSETS		
Cash and cash equivalents	\$ 144,280	\$ 223,006
Available for sale securities	722,482	806,060
Other investments	5,706	5,448
Loans held for sale	400	277
Net loans to members	3,231,710	2,809,969
Accrued interest receivable	16,065	13,194
Deposit in National Credit Union Share Insurance Fund	33,556	32,931
Property and equipment, net	28,521	28,301
Prepaid expenses and other assets	47,918	42,148
Total Assets	\$ 4,230,638	\$ 3,961,334
LIABILITIES AND MEMBERS' EQUITY LIABILITIES		
Members' share accounts	\$ 3,732,256	\$ 3,582,387
Accrued expenses and other liabilities	61,223	41,157
Borrowed Funds	180,132	
Total Liabilities	\$ 3,973,611	\$ 3,623,544
MEMBERS' EQUITY		
Retained earnings	\$ 386,556	\$ 362,187
Accumulated other comprehensive income	(129,529)	(24,397)
Total Members' Equity	\$ 257,027	\$ 337,790
Total Liabilities and Members' Equity	\$ 4,230,638	\$ 3,961,334

STATEMENTS OF INCOME

(dollars in thousands)

For the year ended December 31,

	2022	2021
INTEREST INCOME		
Interest and fees on loans	\$ 115,395	\$ 104,253
Interest on investments	15,667	9,514
Total Interest Income	131,062	113,767
INTEREST EXPENSE	30,715	25,439
Net Interest Income	100,347	88,328
PROVISION FOR LOAN LOSSES	4,580	12,542
Net interest income after provision for loan losses	95,767	75,786
NON-INTEREST INCOME	22,403	31,537
NON-INTEREST EXPENSES		
Compensation	34,031	29,579
Employee benefits	12,412	11,257
Office occupancy	7,626	7,431
Office operations	9,647	9,343
Plastic card	5,455	5,290
Member service	12,073	10,887
Marketing and membership development	8,992	7,960
General and administrative	3,565	2,678
Total Non-Interest Expense	93,801	84,425
NET INCOME	\$ 24,369	\$ 22,898

CORPORATE INFORMATION

BOARD OF DIRECTORS

George P. Plevretes, JD, MBA, Chairman of the Board
Dr. George J. Papaioannou, First Vice Chair
Louis Fiore, Second Vice Chair
George Zweier, Treasurer
Victor Patino, Secretary
Catherine T. Banigo, Director
James Campbell, Director
Kamille Wolff Dean, Director
Matthew McDonough, Director
Michael Ippolito, Associate Director
Francis A. De Mita, Chairman Emeritus
Madeleine Sewell, Supervisory Committee Chair Emeritus

SUPERVISORY COMMITTEE

Harry Peltz, Chairperson
Carlo Crudele, Vice-Chair
Eileen Aliani, Secretary
Arthur Cole, Member
Roberta Schroder, Member
Chantel Austin, Associate Member
Dr. Ahmet K. Karagozoglu, Associate Member
John E. Linzey, Associate Member

EXECUTIVE MANAGEMENT

John A. Deieso, President & CEO
Renu Dalessandro, Chief Marketing Officer
Daniel R. Ford, Chief Information Security Officer
Dennis Klemenz, Chief Technology Officer
Casey Mauldin, Chief Revenue/Lending Officer
Karen Smith, Chief Financial Officer
Nina Smith, Chief Operations Officer
Robert Zotti, Chief Strategy Officer

BRANCHES

Bay Shore - 2 East Main Street
Commack - 40 Veterans Memorial Hwy
Deer Park - 1934 Deer Park Ave
Franklin Square - 648 Hempstead Turnpike
Greenvale - 90 Northern Boulevard
Hempstead - 1A Front Street
Huntington Station - 721 East Jericho Turnpike
Huntington Village - 356 New York Avenue
Levittown - 3359 Hempstead Turnpike
Massapequa - 5455 Merrick Road
Merrick - 2005 Merrick Road
Nesconset - 235 Smithtown Blvd.
New Hyde Park - 1636 Marcus Avenue
Northport - 830 Fort Solonga Road
Oceanside - 3195 Long Beach Road
Plainview - 525 Old Country Road
Rockville Centre - 556 Merrick Road
Syosset - 103 Jackson Avenue
Uniondale - 51 Charles Lindbergh Blvd
Valley Stream - 264 East Merrick Road
Wantagh - 1157 Wantagh Avenue
Westbury - 1000 Corporate Drive



1000 Corporate Drive, Westbury, NY 11590

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jovia.org

NMLS#543667

Equal Opportunity Lender
We make loans without regard to race,
color, religion, sex or national origin.



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