



**LIBERTY BAY**  
CREDIT UNION



# 2022 Annual Report

# Values That Drive Us

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## Members First

At Liberty Bay, we believe in putting members first and creating exceptional experiences. We're not just committed to serving our members through a range of financial services; we're committed to finding the right services for you and giving you the tools you need to achieve your goals time and time again.

## Community First

Through volunteering, partnering with local non-profits, and providing financial support for causes that impact our communities, Liberty Bay strives to strengthen the communities our members and employees call home. Liberty Bay Credit Union is committed to the communities we serve, and we are proud of our mission to encourage giving, inspire volunteerism, and to provide the tools for our employees to come together for a cause.

## Digital First

Whether you're at home, at work, or on the road, Liberty Bay is there for you 24 hours a day, 7 days a week. With our digital banking services, you decide when and how you'd like to interact with us. Managing your money wisely is easy with our complete set of remote access points.



# 2022 Year in Review



## New Members

**965 new members**  
welcomed in 2022



## Business Loans

79 loans totaling  
**\$34,351,037**



## Home Loans

136 loans totaling  
**\$56,586,721**



## Home Equity Loans

248 loans totaling  
**\$31,969,766**



## Personal Loans

1,524 loans totaling  
**\$35,829,048**



'OUR VALUR PROPOSITION TO OUR MEMBERS REMAINS STRONG ...WE WILL CONTINUE TO INVEST IN OUR BUSINESS, PARTICULARLY IN TECHNOLOGY AND DIGITAL SERVICES,TO PROVIDE THE EXPERIENCE CONSUMERS AND BUSINESSES HAVE COME TO EXPECT FROM A MODERN FINANCIAL SERVICES ORGANIZATION. '

"WE REMAIN STEADFAST IN OUR EFFORTS TO BE CAREFUL STEWARDS OF THE CREDIT UNION'S CAPITAL - YOUR CAPITAL."

## A MESSAGE FROM the Chairman of the Board & the President & CEO

On behalf of the Board of Directors and the Liberty Bay management team, we are pleased to present the financial results for 2022. We continue to improve our operations by eliminating waste and focusing on fundamentals, including asset and liability management and prudent capital allocation. Our 2022 net income was at \$6.8 million and our 2022 return on average assets was 0.93%, representing a nearly 550% improvement over 2021, and was more than the total for the years 2017-2021 combined. Our total assets as of December 31, 2022, reached \$744 million.

Our success was fueled by strong growth in loan originations, the rising rate environment, and our expense management and digital-first efforts. These accomplishments resulted in a drop in non-interest expense of more than \$3 million from the prior year.

Our value proposition to our members remains strong. We are committed to maintaining competitive deposit and loan rates, lower fees, and providing credit to our existing members, new members, and the underserved. We will continue to reinvest in our business, particularly in technology and digital services, to provide the experience consumers and businesses have come to expect from a modern financial services organization.

While we are poised for ongoing and future success, we expect 2023 will bring challenges and may not produce the same results as 2022. As the rate of inflation remains high it has reduced spending power and personal savings. Personal debt remains high as does the likelihood of loan delinquencies and defaults, particularly in the loan segments that provide help to those most in need. The cost of deposits has increased as a result of the rising rate environment at precisely the same time households are having to spend their savings to help make ends meet. Higher costs of funds to fund our loan operation and a slowdown of real estate and personal asset purchases may result in lower net income. Our capital strength, credit quality, and expense management practices allow us to be more durable than others during a downturn in credit and economic cycles, and we are well-positioned to continue to help members in need.

We remain steadfast in our efforts to be careful stewards of the Credit Union's capital - your capital. Our employees are committed to providing you with excellent service through all of our channels. We continue to be ever grateful for our loyal members and supportive of our local communities. In these pages, you will see examples of the organizations we supported in 2022. While 2023 may bring some headwinds, the future is bright for Liberty Bay Credit Union.

We thank you for entrusting the care of this organization to us.

Sincerely,



**Peter Lincoln**  
Chairman of the Board

Sincerely,



**John M. Parillo**  
President & CEO

# What Our Members Are Saying

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In the five years since becoming a member of the Liberty Bay Credit Union, our family's financial needs have grown and Liberty Bay has worked with us every step of the way. Every member of the mortgage team made the first time home buying process feel approachable, so much so that we felt confident working with Liberty Bay again when the time came to move to our second home. Navigating the home buying process in April of 2020 could have been overwhelming, but once again the mortgage team was there for us and made it a seamless experience. We have come to rely on LBCU for auto loans and banking, and the customer service and online banking features continue to make us feel supported with our financial goals in the years to come.

Jackie A.

In 2022, we transitioned all of our business banking including our commercial loans to Liberty Bay. The move from a national bank to a local credit union has been great. We've experienced improvements, fewer issues, and greater efficiency without a single sacrifice. Since day one, LBCU has been attentive, accommodating, and consistently reliable.

Mark P.

Liberty Bay Credit Union was there for us when we needed them the most. We are extremely happy with the level of support for our two companies, including much-needed equipment funding, a revolving line of credit, and everyday banking. We couldn't be happier with our banking partnership.

Josh S



SOME OF THE  
ORGANIZATIONS WE  
SUPPORTED

- Braintree High School Credit for Life
- Marissa’s Mission
- Italian Home for Children
- Old Colony Hospice
- Cornhole for Kitt
- Old Colony YMCA
- Pan-Mass Challenge
- Braintree Police Association
- Joseph ‘Dodo’ Nee Foundation
- Cohasset Firefighters Safety Guide
- Nelson Chin Memorial Fund
- Braintree Football Booster Club
- Kyle’s Klassic
- Weymouth Youth Street Hockey



Through volunteering, partnering with local non-profits, developing financial education programs, and providing financial support for causes that impact our communities, our Community Matters team strives to strengthen the communities our members and employees call home.

In 2022 Liberty Bay Credit Union donated over \$80,000 to 58 local organizations whose purpose aligns with our three pillars of stewardship. In addition to this, in 2022, we awarded 12 scholarships to local students totaling \$13,000.

As we direct our time and dollars, Community Matters is focused on supporting organizations whose purpose aligns with our three pillars of stewardship: Educate, Empower, and Enrich.



# Liberty Bay's 2023 Scholarship Winners

## MEET THE WINNERS

Liberty Bay Credit Union offers congratulations and best wishes to our 2023 scholarship winners! We are proud to support these hardworking scholars as they pursue their education and dreams.

### **Anthony Vitelli**

JANE B. CELLA COMMUNITY SERVICE AWARD

### **Riley Bonner**

WINIFRED BOLTER COMMUNITY SERVICE AWARD

### **Jeremy Wilson**

THOMAS B. NORTON SCHOLARSHIP

### **John Fahie**

ARTHUR T. HOWELL SCHOLARSHIP

### **Caitlin Dumouchel**

MICHAEL J. MCCARTHY SCHOLARSHIP

### **Jack Iannibelli**

FRANCIS SYLVESTER SCHOLARSHIP

### **Michael McCarthy**

RONAN JAMES MCCARTHY SCHOLARSHIP

### **Emily Johnson**

ARTHUR W. LEARY SCHOLARSHIP

### **Sarah Looney**

LOUIS RAFFIO SCHOLARSHIP

### **Brady O'Connor**

JOHN C. GRONBERG SCHOLARSHIP

### **Aine Powell**

JOHN F. MONOHAN JR. SCHOLARSHIP

### **Eva Pastore**

KEVIN F. MCCONE SCHOLARSHIP

## VOLUNTEER TIME OFF

Liberty Bay and our employees have a long and proud tradition of supporting and volunteering in the communities in which we serve. This spirit of volunteerism is a guiding principle. To foster and acknowledge this spirit of giving and continued participation in community-oriented events employees are eligible for our Volunteer Time Off (VTO) program. Liberty Bay supports a wide variety of non-profit organizations who provide vital services to our communities. Volunteer Time Off rewards employees for volunteering after work and on weekends to support a Liberty Bay sponsored event. Employees will earn up to 2 days a year in VTO.

# Performance Matters

## BALANCE SHEETS

Years Ended December 31,  
(IN THOUSANDS)

	2022	2021
<b>ASSETS</b>		
Cash & Cash Due from Banks	\$ 17,067	\$ 28,492
Investments	142,541	172,515
Loans, Gross	553,966	489,515
Less: Allowance for Loan Losses	(2,646)	(4,025)
Loans, Net of Allowance for Loan Losses	551,320	485,490
Other Assets	33,067	28,168
<b>TOTAL ASSETS</b>	<b>\$ 743,995</b>	<b>\$ 714,665</b>
<b>LIABILITIES</b>		
Member Shares	\$ 402,781	\$ 421,326
Member Term Shares	154,048	156,454
Borrowings	84,000	27,000
Other Liabilities	9,115	5,818
<b>Total Liabilities</b>	<b>649,944</b>	<b>610,598</b>
<b>EQUITY</b>		
Undivided Earnings	108,301	101,517
Equity Acquired in Merger	3,667	3,667
Accumulated Other		
Comprehensive Income (Loss)	(17,917)	1,117
<b>Total Equity</b>	<b>94,051</b>	<b>104,067</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$ 743,995</b>	<b>\$ 714,665</b>

## STATEMENTS OF INCOME & EXPENSES

Years Ended December 31,  
(IN THOUSANDS)

	2022	2021
Interest Income on Loans	\$ 19,969	\$ 17,986
Interest Income on Investments	2,988	2,344
Total Interest Income	22,957	20,330
Dividends on Shares	1,960	2,036
Interest on Borrowings	1,050	106
Total Interest Expense	3,010	2,142
<b>Net Interest Income</b>	<b>19,947</b>	<b>18,188</b>
Provision for Loan Losses	(1,431)	425
<b>Net Interest Income, after Provision</b>	<b>21,378</b>	<b>17,763</b>
Fee Income	1,210	1,330
Other Operating Income	1,611	2,120
Net Gain (Loss) on Sales of Assets	-	8
Net Gain (Loss) on Disposition of Assets	(263)	1
<b>Total Non-interest Income</b>	<b>2,558</b>	<b>3,459</b>
Employee Compensation	9,407	12,190
Office Occupancy & Operations	4,014	4,306
Professional & Outside Services	1,292	1,187
All Other Operating	2,441	2,495
<b>Total Non-interest Expense</b>	<b>17,154</b>	<b>20,178</b>
<b>NET INCOME</b>	<b>\$ 6,782</b>	<b>\$ 1,044</b>

Unaudited interim financial statements for the twelve months ended December 31, 2022 and December 31, 2021





## LEADERSHIP

**John M. Parillo**  
*President and CEO*

**Joseph Bears**  
*Senior Vice President  
Chief Information Officer*

**Paul Gravellese**  
*Senior Vice President  
Chief Lending Officer*

**George Kelly**  
*Senior Vice President,  
Chief Strategy Officer*

**Kathy Peila**  
*Senior Vice President,  
Chief Administrative Officer*

**Fred Williams**  
*Senior Vice President,  
Chief Financial Officer*

## BOARD OF DIRECTORS

**Peter S. Lincoln**  
*Chairman of the Board  
Chairman of Audit, Investment,  
and IT Steering Committees*

**Patrick J. Foley**  
*1st Vice Chairman,  
ALCO Committee*

**Stephen J. Kelley,**  
*2nd Vice Chairman,  
Audit Committee*

**Robert B. Foley, Jr.**  
*Treasurer, Audit Committee Chair*

**Sean J. Cashman**  
*Clerk/Secretary,  
Investment Committee*

**Edward R. Foley**  
*Credit Committee*

**Edward J. McColgan**  
*Investment and Audit Committees*

**Gerard L. Burn**  
*Credit Committee Chair*

**Thomas J. Flynn**  
*Investment Committee Chair*

**Eugene T. Leahy**  
*Credit Committee*

**Michael F. McCarthy**  
*Audit Committee*

**Robert J. Mitchell**  
*Credit Committee*

**William T. Murphy**  
*Credit Committee*



#### **Braintree**

*300 Granite Street  
Braintree, MA 02184*

#### **Scituate**

*9 Brook Street  
Scituate, MA 02066*

#### **Hingham**

*10 Downer Avenue  
Hingham, MA 02043*