



**LIBERTY BAY**  
CREDIT UNION



# 2023 Annual Report

# Values That Drive Us

## *Members First*

Our values revolve around prioritizing our members and crafting unparalleled experiences. Beyond merely offering a suite of financial services, we dedicate ourselves to understanding your unique needs and aspirations. Our commitment lies in not just providing services, but in empowering you with the necessary tools to consistently reach your objectives. With Liberty Bay, your financial journey is not just a transaction; it's a partnership built on trust and support, ensuring your success time and time again.

## *Community First*

We take pride in our mission to foster a culture of giving, ignite a spirit of volunteerism, and equip our employees with the resources to unite for meaningful causes. Through these initiatives, we aim to create lasting positive change and contribute to the growth and vitality of our communities. At Liberty Bay Credit Union, community empowerment isn't just a slogan; it's a core principle that guides everything we do.

## *Digital First*

We understand that life doesn't adhere to traditional banking hours. That's why we're dedicated to providing seamless access to our services whenever and wherever you need them. Whether you're at home, in the office, or on the go, our digital banking services ensure that managing your finances is convenient and efficient. With our 24/7 digital availability, you have the freedom to choose how and when you interact with us. From online banking to mobile apps, we offer a range of digital tools designed to make managing your finances a breeze.

# 2023 Year in Review

## New Members

**894** new members  
welcomed in 2023



## Business Loans

65 loans totaling  
**\$36,615,802**



## Home Loans

82 loans totaling  
**\$37,049,890**



## Home Equity Loans

266 loans totaling  
**\$37,314,351**



## Personal Loans

1391 loans totaling  
**\$32,897,436**



## A MESSAGE FROM

# the Chairman of the Board & the President & CEO

“WE CONSISTENTLY DEMONSTRATE OUR VALUE TO OUR MEMBERS BY MAINTAINING COMPETITIVE RATES ON DEPOSITS AND LOANS, MINIMIZING FEES, AND BROADENING CREDIT ACCESS TO NEW AND EXISTING MEMBERS, ESPECIALLY TARGETING THE UNDERSERVED.”

“WE ARE DEEPLY THANKFUL TO OUR DEVOTED MEMBERS AND ARE COMMITTED TO SUPPORTING OUR COMMUNITY. IN 2023, WE SUBSTANTIALLY INCREASED OUR CONTRIBUTIONS TO CHARITABLE CAUSES AND INDIVIDUALS IN NEED, INCREASING DONATIONS AND THOSE HELPED BY 25% AND 40%, RESPECTIVELY.”

The Board of Directors and the management team of Liberty Bay Credit Union are delighted to share the credit union's financial achievements in 2023. Our unwavering commitment to refining our operations, which involved improving efficiency, focused asset and liability management, and intelligent capital allocation, has yielded great results. We achieved lending growth of \$57 million, representing a commendable 10% increase in our loan portfolio without increasing credit risk. Furthermore, our total assets grew by \$42 million, rising from \$744 million at the end of 2022 to \$786 million by the close of 2023, a 5% annualized growth. Our net worth ratio impressively stood at 14.7%, placing us among the industry leaders nationwide. The year concluded with net income of \$3.4 million and a return on average assets of 0.46%, demonstrating our ability to sustain strong earnings despite challenging economic conditions. Our financial performance underscores our resilience.

This year's progress was driven by heightened loan originations and prudent expense management, paired with a forward-thinking, digital-first strategy. We consistently demonstrate our value to our members by maintaining competitive rates on deposits and loans, minimizing fees, and broadening credit access to new and existing members, especially targeting the underserved. Our continued investment in the credit union, focusing on technology and digital services, meets the modern expectations of consumers needing financial services.

At Liberty Bay's core, the principles of service, trust, and stability guide our mission. Our solid capital structure is a testament to our commitment to the credit union's safety and dependability, securing our members' confidence. Liberty Bay is a well-managed institution with a robust balance sheet and significant financial reserves, adept at navigating market fluctuations where trust in financial institutions might be tested.

Our growth is enhanced by learning from and engaging with individuals at leading organizations, particularly in the financial services and technology sectors, with a focus on data science and artificial intelligence. This learning enriches our strategic and operational approaches and assists with innovation and corporate entrepreneurship efforts.

This year, we dedicated ourselves to documenting standard procedures across all business and operational areas, a testament to our belief that progress cannot be made without clear standards. Our aim to improve efficiency goes beyond short-term cost savings, focusing instead on our operations' continuous and systematic enhancement for gradual, sustained benefits. A deep understanding of our processes and their rationales enables us to improve our member services, refine our strategic objectives, and embrace technology that aids our efficiency and service improvement efforts.

We are careful stewards of the Credit Union's capital—your capital. Our team is dedicated to providing outstanding service through all delivery channels at every interaction. We are deeply thankful to our devoted members and are committed to supporting our community. In 2023, we substantially increased our contributions to charitable causes and individuals in need, increasing donations and those helped by 25% and 40%, respectively. The upcoming sections will highlight some of the organizations we supported this year, demonstrating our commitment to positively impacting our community.

We are grateful for your trust in us to guide your credit union.

Sincerely,



Peter Lincoln  
Chairman of the Board

Sincerely,



John M. Parillo  
President & CEO

# Liberty Bay in the Community



## SOME OF THE ORGANIZATIONS WE SUPPORTED

- South Shore Food Bank
- Marissa's Mission
- Scituate Community Christmas
- Weymouth Irish Heritage Day
- Italian Home for Children
- Marge Crispin Center
- Old Colony Hospice
- Road to Responsibility
- South Shore Elder Services
- NeighborWorks
- Old Colony YMCA
- Pan-Mass Challenge
- Braintree Police Association
- Joseph 'Dodo' Nee Foundation
- Cohasset Firefighters Safety Guide
- Kyle's Klassic

Our Community Matters team is dedicated to improving the well-being of our members and employees in the communities in which they live. We demonstrate this dedication by participating in volunteer projects, partnering with local non-profit organizations, developing financial literacy programs, and providing financial support to community-enriching projects. This holistic approach to community involvement helps build trust, strengthen relationships, and make a lasting difference in the lives of individuals and families within the local area.

In 2023, Liberty Bay Credit Union demonstrated its commitment to the community by donating over \$100,000 to 92 local groups. Moreover, the institution awarded 12 scholarships amounting to \$13,000 to talented local students. These initiatives play a crucial role in building a stronger and more vibrant community.



# Celebrating Our Employees

We believe that our employees are our greatest asset, and we take pride in celebrating their contributions and achievements. We recognize that their dedication and hard work are essential to our success as an organization and to the exceptional experiences we provide to our members.



# Liberty Bay's 2024 Scholarship Winners

## MEET THE WINNERS

Liberty Bay Credit Union offers congratulations and best wishes to our 2024 scholarship winners! We are proud to support these hardworking scholars as they pursue their education and dreams.

### **Molly Sheehan**

JANE B. CELLA COMMUNITY SERVICE AWARD

### **Matthew Coveno**

WINIFRED BOLTER COMMUNITY SERVICE AWARD

### **Rebecca Brooks**

THOMAS B. NORTON SCHOLARSHIP

### **Michelle Cullen**

ARTHUR T. HOWELL SCHOLARSHIP

### **Abigail Hart**

MICHAEL J. MCCARTHY SCHOLARSHIP

### **Thomas McCarthy**

FRANCIS SYLVESTER SCHOLARSHIP

### **Alyson Mantville**

RONAN JAMES MCCARTHY SCHOLARSHIP

### **Caitlan McCarthy**

ARTHUR W. LEARY SCHOLARSHIP

### **Victoria Harte**

LOUIS RAFFIO SCHOLARSHIP

### **Eva Pastore**

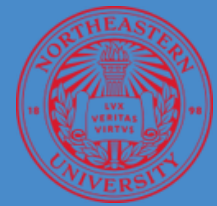
JOHN C. GRONBERG SCHOLARSHIP

### **Christopher Raney**

JOHN F. MONOHAN JR. SCHOLARSHIP

### **Jack Iannibelli**

KEVIN F. MCCONE SCHOLARSHIP



STONEHILL COLLEGE



WISCONSIN UNIVERSITY OF WISCONSIN-MADISON



BELMONT UNIVERSITY



PROVIDENCE COLLEGE



# Financial Highlights

BALANCE SHEETS	December 31, 2023		December 31, 2022	
	(in thousands)			
<b>ASSETS</b>				
Cash & Cash Due from Banks	\$	24,395	\$	17,067
Investments		123,012		142,541
Loans, Gross		611,440		553,966
Less: Allowance for Loan Losses		(3,233)		(2,646)
Loans, Net of Allowance for Loan Losses		608,207		551,320
Other Assets		30,538		33,067
<b>TOTAL ASSETS</b>	<b>\$</b>	<b>786,152</b>	<b>\$</b>	<b>743,995</b>
<b>LIABILITIES</b>				
Member Shares	\$	342,868	\$	402,781
Member Term Shares		194,348		154,048
Non-member Shares		498		-
Borrowings		139,000		84,000
Other Liabilities		8,971		9,115
<b>Total Liabilities</b>		<b>685,685</b>		<b>649,944</b>
<b>EQUITY</b>				
Undivided Earnings		111,759		108,301
Equity Acquired in Merger		3,667		3,667
Accumulated Other Comprehensive Income (Loss)		(14,959)		(17,917)
<b>Total Equity</b>		<b>100,467</b>		<b>94,051</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$</b>	<b>786,152</b>	<b>\$</b>	<b>743,995</b>

STATEMENTS OF INCOME & EXPENSES	December 31, 2023		December 31, 2022	
	(in thousands)			
Interest Income on Loans	\$	26,078	\$	19,969
Interest Income on Investments		4,304		2,988
<b>Total Interest Income</b>		<b>30,382</b>		<b>22,957</b>
Dividends on Shares		5,736		1,960
Interest on Borrowings		5,547		1,050
<b>Total Interest Expense</b>		<b>11,283</b>		<b>3,010</b>
<b>Net Interest Income</b>		<b>19,099</b>		<b>19,947</b>
Provision for Loan Losses		772		(1,431)
<b>Net Interest Income, after Provision</b>		<b>18,327</b>		<b>21,378</b>
Fee Income		1,115		1,210
Other Operating Income		1,854		1,611
Net Gain (Loss) on Disposition of Assets		(58)		(263)
<b>Total Non-interest Income</b>		<b>2,911</b>		<b>2,558</b>
Employee Compensation		10,766		9,407
Office Occupancy & Operations		3,700		4,014
Professional & Outside Services		1,316		1,292
All Other Operating		2,018		2,441



## LEADERSHIP

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

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

**Mark W. Constable**  
*Senior Vice President  
Chief Compliance and  
CRA Officer*

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

**Brenda M. McGillicuddy**  
*Senior Vice President  
People Operations*

**Katherine J. Peila**  
*Senior Vice President,  
Chief Administrative Officer*

**Frederick C. Williams, Jr.**  
*Senior Vice President,  
Chief Financial Officer*

## BOARD OF DIRECTORS

**Peter S. Lincoln**  
*Chairman of the Board*

**Patrick J. Foley**  
*Vice Chairman*

**Stephen J. Kelley, Sr.**  
*Second Vice Chairman*

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

**Sean J. Cashman**  
*Clerk*

**Gerard L. Burm**  
*Credit Committee Chair*

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

**Edward R. Foley**  
*Director*

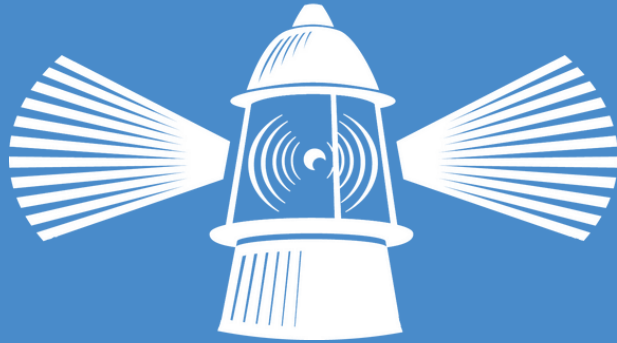
**Eugene T. Leahy**  
*Director*

**Edward J. McColgan**  
*Director*

**Michael F. McCarthy**  
*Director*

**Robert J. Mitchell**  
*Director*

**William T. Murphy**  
*Director*



**Braintree**

*300 Granite Street  
Braintree, MA 02184*

**Scituate**

*9 Brook Street  
Scituate, MA 02066*

**Hingham**

*10 Downer Avenue  
Hingham, MA 02043*

