



LIBERTY BAY
CREDIT UNION

2021 ANNUAL REPORT



Values That Drive Us

Members First

Uncommon Courtesy is predicated on the impact of how Liberty Bay goes the extra mile to help our members succeed. From offering financial education to using technology to make banking more convenient, to taking the time to know them by name, we believe in putting members first and creating exceptional experiences.

Do The Right Thing

In every decision we make we ask ourselves: “Is it the right thing for our members?” In our actions, we aim to build better banking relationships, to make personal loans more personal, and home mortgages more manageable.

Make a Difference

To be uncommonly courteous is to recognize that the little things are a big deal. To know the impact a friendly “hello” or a helping hand can have on a person’s life. Uncommon Courtesy means treating others as you would like to be treated. It’s a simple idea, and it’s at the heart of how we do business.

2021 Year in Review



New Members

918 new members

welcomed in 2021



Business Loans

87 loans totaling
\$29,361,874



Home Loans

327 loans totaling
\$115,710,334



Home Equity
Loans

168 loans totaling
\$19,312,935



Personal Loans

1,425 loans totaling
\$30,515,146

A MESSAGE FROM

the Chairman of the Board & the President & CEO

“2022 WILL BRING FURTHER
INVESTMENTS...TO OFFER
BEST-IN-CLASS DIGITAL
PRODUCTS TO OUR MEMBERS
AND STREAMLINE BACK-OFFICE
OPERATIONS.”

“WE ARE STEADFAST IN OUR
COMMITMENTS TO SERVING THE
UNDERSERVED, SUPPORTING
THE CREDIT UNION PHILOSOPHY
OF PEOPLE HELPING PEOPLE,
AND TO OUR MEMBERS AS THEIR
FINANCIAL STEWARDS.”

On behalf of the Board of Directors and management of Liberty Bay Credit Union, we are pleased to share with you our 2021 annual report and financial performance, which continues to strengthen. Some of the highlights include an increase in our total assets of \$14 million, from \$701 million on December 31, 2020, to \$715 million on December 31, 2021, and an increase in our deposit portfolio of \$48 million in the same timeframe. The increase in total assets was due primarily to an increase in loans, a result of robust loan originations, net of principal pay-downs, amortization of deferred loan origination costs, and sales of \$19 million. The most significant increases were organic first mortgages of \$36 million and business loans of \$16 million, offset in part by pay-downs on participation loans of \$15 million, consumer loans of \$9 million and USDA/SBA loans of \$4 million. The decrease in cash and cash equivalents was used to fund loan growth. It has been our goal and our practice to put deposits to work to support member borrowing needs.

We are encouraged by our history and loyal members, who have allowed us to continue to serve them and have afforded us the ability to grow despite the change and disruption our communities have endured over the past two years. Our residential mortgage business, for the second straight year, vastly outpaced our pre-Covid levels as borrowers capitalized on the record low interest rates to either purchase new homes or refinance existing mortgages. Members who had requested assistance with their loans due to COVID got back on their feet and stayed in their homes. Our member business partners who accessed Payroll Protection Program loans remained solvent and were successful in obtaining federal loan forgiveness.

In 2021, we started the process of enterprise architecture (EA) - aligning our IT infrastructure with our business strategies. We began projects to enhance our IT infrastructure by upgrading our network and moving to cloud-based internal applications and software-as-a-service (SaaS). We started an organization-wide project to improve user experience across digital channels so that our members can open accounts, apply for loans, and process transactions as easily as possible. 2022 will bring further investments in this area as we continue to improve our digital services via Application Programming Interfaces (API) to offer best-in-class digital products to our members and streamline back-office operations. Our focus on information technology and digital-first strategies will increase our agility and strengthen our security while expanding the products and services we offer to our consumer and business members. In addition, we began projects to improve our operating efficiency and eliminate non-value-added tasks, the results of which will provide us with additional capital to reinvest in our business, our members, and the communities we serve. We are steadfast in our commitments to serving the underserved, supporting the credit union philosophy of people helping people, and to our members as their financial stewards.

This past year validated, as did the prior year, our efforts to become more resilient, flexible, and nimble. It reminded us of the importance of remaining true to our core values and to serve our members, our employees, and our communities with only the highest of standards. We will continue to meet the evolving needs of our stakeholders while maintaining strong financial discipline to ensure we are good caretakers of the credit union's capital, which is your capital.

Sincerely,



Peter Lincoln
Chairman of the Board

Sincerely,



John M. Parillo
President & CEO

What Our Members Are Saying

We had a lot of challenges finding a lender who could support our mission and values. The team at Liberty Bay CU listened, took time to understand our business, and came up with creative solutions in a very timely manner. We are so grateful for this partnership and will continue to use Liberty Bay CU in the future.

Jeffrey M.

I have been a member of Liberty Bay Credit Union for over 8 years with both personal and business accounts. It has been a pleasure working with all the staff members who are competent, friendly, and attentive to my needs. I'm truly satisfied with the level of service and prompt assistance that I get every time I contact the credit union. I look forward to a long relationship with LBCU.

David F.

Liberty Bay has played an integral role in the success of our company. Their team is knowledgeable and available when we need them most. When the pandemic hit, we were nervous about the uncertainty of our business. The Credit Union was there for us along the way and helped navigate us through the entire PPP process when most institutions didn't have a plan in place. For that we are thankful and will always be loyal to LBCU.

Glenn P.



Community
MATTERS

ORGANIZATIONS WE SUPPORTED

Boston Higashi School

UMass Women's Ice Hockey

Weymouth Food Pantry

Boston Building Resources

Weymouth Youth Football

Pedal Me a Cure – Pan Mass Challenge

Kyle's Klassic

Braintree Fire Department Local 920

The McCourt Foundation

Nelson Chin Memorial Fund

Old Colony YMCA

Marge Crispin Center

Italian Home for Children

Veterans Legal Services

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.

Since 2020, Liberty Bay Credit Union has donated over \$100,000 to local organizations whose purpose aligns with our three pillars of stewardship. In addition to this, in 2021, we awarded 11 scholarships to local students totaling \$11,500.

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, Enrich.



Liberty Bay's 2021 Scholarship Winners

MEET THE WINNERS

Liberty Bay Credit Union offers congratulations and best wishes to our 2021 scholarship winners! We are proud to support these hardworking scholars as they pursue their education and dreams.

Taylor Murray

JANE B. CELLA COMMUNITY SERVICE AWARD

Kyle Gordon

THOMAS B. NORTON SCHOLARSHIP

Jalia Nakayiza

ARTHUR T. HOWELL SCHOLARSHIP

Hannah Guthrie

MICHAEL J. MCCARTHY SCHOLARSHIP

Sophia Catalano

FRANCIS SYLVESTER SCHOLARSHIP

Karina Lam

RONAN JAMES MCCARTHY SCHOLARSHIP

Hellen Yegon

ARTHUR W. LEARY SCHOLARSHIP

Matthew Haraden

LOUIS RAFFIO SCHOLARSHIP

Jack Holland

JOHN C. GRONBERG SCHOLARSHIP

Timothy Dowd

JOHN F. MONOHAN JR. SCHOLARSHIP

Aine Powell

KEVIN F. MCCONE SCHOLARSHIP

Nicole Cowan

WINIFRED BOLTER 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, in 2021 we implemented a new program, Volunteer Time Off (VTO). Liberty Bay supports a wide variety of non-profit organizations who provide vital services to our communities. Volunteer Time Off will reward 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)

	2021	2020
ASSETS		
Cash & Cash Due from Banks	\$ 28,492	\$ 38,297
Investments	172,515	172,244
Loans, Gross	489,515	466,025
Less: Allowance for Loan Losses	(4,025)	(3,601)
Loans, Net of Allowance for Loan Losses	485,490	462,424
Other Assets	28,168	28,167
TOTAL ASSETS	\$ 714,665	\$ 701,132
LIABILITIES		
Member Shares	\$ 421,326	\$ 373,513
Member Term Shares	156,454	156,532
Borrowings	27,000	60,000
Other Liabilities	5,818	4,200
Total Liabilities	610,598	594,245
EQUITY		
Regular Reserves	12,891	12,891
Undivided Earnings	92,293	91,249
Accumulated Other		
Comprehensive Income (Loss)	(1,117)	2,747
Total Equity	104,067	106,887
TOTAL LIABILITIES & EQUITY	\$ 714,665	\$ 701,132

STATEMENTS OF INCOME & EXPENSES

Years Ended December 31,
(IN THOUSANDS)

	2021	2020
Interest Income on Loans	\$17,986	\$ 18,355
Interest Income on Investments	2,344	2,905
Total Interest Income	20,330	21,260
Dividends on Shares	2,036	2,958
Interest on Borrowings	106	593
Total Interest Expense	2,142	3,551
Net Interest Income	18,188	17,709
Provision for Loan Losses	425	1,610
Net Interest Income, after Provision	17,763	16,099
Fee Income	1,330	1,278
Other Operating Income	2,120	2,366
Net Gain (Loss) on Sales of Assets	8	434
Net Gain (Loss) on Repossessed Assets	1	2
Total Non-Interest Income	3,459	4,080
Employee Compensation	12,190	11,007
Office Occupancy & Operations	4,306	4,305
Professional & Outside Services	1,187	1,172
All Other Operating	2,495	2,362
Total Non-interest Expense	20,178	18,846
NET INCOME	\$1,044	\$ 1,333

Unaudited interim financial statements for the twelve months ended December 31, 2021 and December 31, 2020



LEADERSHIP

John M. Parillo
President and CEO

Kathy Peila
*Senior Vice President,
Chief Administrative Officer*

George Kelly
*Senior Vice President,
Chief Strategy Officer*

Fred Williams
*Senior Vice President,
Chief Financial Officer*

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

Joseph Bears
*Senior Vice President,
Chief Information Officer*

BOARD OF DIRECTORS

Peter S. Lincoln
*Chairman of the Board &
IT Steering Committee*

Patrick Foley
*1st Vice Chairman, ALCO
Committee*

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

Robert 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 Burn
Credit Committee Chair

Thomas Flynn
Investment Committee Chair

Eugene Leahy
Credit Committee

Michael F. McCarthy
Audit Committee

Robert Mitchell
Credit Committee

William Murphy
Credit Committee

Uncommon Courtesy

We stand for small gestures. For holding doors for others. And smiling at strangers. We believe in not-so-random acts of kindness. And a daily dose of doing good.

We hail helpful hands and fight for friendliness. We believe in better banking relationships. In making personal loans more personal. And home mortgages more manageable.

We believe in providing financial education for all, and an enhanced member experience. We believe financial peace of mind leads to a better life. And better lives lead to better communities.

We are Liberty Bay Credit Union. And we believe in Uncommon Courtesy.

Braintree, Headquarters

*300 Granite Street
Braintree, MA 02184*

Scituate

*9 Brook Street
Scituate, MA 02066*

Hingham

*10 Downer Ave
Hingham, MA 02043*

Woburn

*300 Trade Center, Suite 1740
Woburn, MA 01801*



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