

PRESIDENT'S REPORT

If there is one word that best describes the year 2022 at Freedom Credit Union, it is "celebration." That's because all year long, we were **celebrating a century** of what we like to call "unbanking." As we enter the next 100 years, we remain committed to our mission-inspired motto: "People Helping People." We treat every member as an individual, not a number. And we embody a cooperative spirit, rather than a corporate one, with products, programs and perks that benefit you. That's the credit union difference. That's unbanking.

You'll see in the following pages some of the many ways we commemorated our milestone anniversary, including our "100 Days of Summer" Food Drive, ice cream socials at each branch, special anniversary rates and raffles for cool prizes.

In addition to a lot of fun, we were also hard at work. Some of our major accomplishments included the opening of a loan production office in Enfield, Connecticut—our first brick-and-mortar location in that state. This new office has both a full-time mortgage loan originator and a business lender on site.

We also introduced a new Cannabis Business Service, which offers expertise in the intricacies of banking for growers, processors, dispensaries or transporters. Our team offers customized solutions to safely manage the specialized, day-to-day financial needs of these businesses.

Given the challenging economy, we were very excited to launch our new checking product and rewards system. Advantage Checking, Powered by BaZing offers a variety of benefits that allow members to save money and lower their bills, including a fuel benefit that can help members save at the pump, a health savings card, merchant discounts and more.

Of course, we continued to provide support to a diverse range of community nonprofits that offer vital services to those who need it most. In 2022, this included, among many others, The Gray House in Springfield, The Food Bank of Western Massachusetts, Pioneer Valley USO at Westover Air Reserve Base, Foundation for TJO Animals, Franklin County Regional Dog Shelter and Dakin Humane Society.

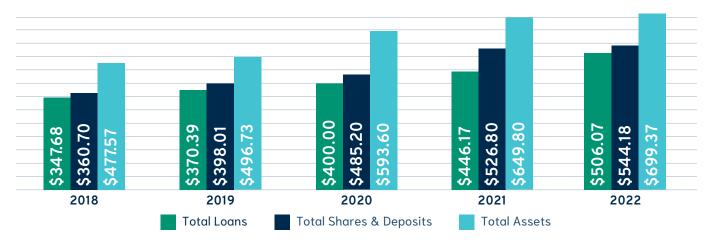
As a member-owned institution, we work with our members and community to adapt to the ever-changing times, providing services, care and expertise for a bright future. Thank you for helping us celebrate our momentous milestone in 2022, and for your continued trust and patronage in the next century.

GLENN S. WELCH
President and CEO

LOUIS G. GUILLETTE Chairman, Board of Directors

HIGHLIGHTS FROM 2022

FREEDOM'S FINANCIAL PERFORMANCE In Millions



FINANCES

- 2022 marked another impressive year for earnings, which amounted to \$4.4 million of operating income, which exceeded budget by \$2.7 million. Increases in interest rates in 2022 aided in expanding our net interest margin by more than \$1.0 million versus budget.
- As of December 31, 2022, total credit union assets were \$699.4 million. This reflects an increase over last year of \$49.5 million or 7.6%.
- The loan portfolio maintained \$506.1 million as of yearend. This total represents an increase over last year of \$59.9 million or 13.4%. The largest increase in dollars was reflected in fixed rate real estate loans at \$23.9 million. The largest increase from a percentage perspective occurred in commercial loans at 18.3%.
- The investment portfolio stands at \$145.4 million as of yearend, reflecting a decrease of \$12.1 million.
- Total deposits increased over last year by \$17.3 million or 3.3%. Making up the majority of this increase were share accounts at \$6.7 million and total commercial accounts at \$5.7 million.



LENDING

- Personal loans up 45%
- Auto loans up 42%; all-time high loan volume of \$24.6 million
- Home equity loans up 12%; all-time high loan volume of \$26.8 million
- Business loans up 74%; all-time high loan volume of \$47.2 million
- Loan delinquency below 0.50%
- Freedom ranked #5 in Pioneer Valley mortgage market share for local institutions
- Internet applications available on credit union website for business loans
- MSIC expanded processing, underwriting and closing to home equity loans
- Brand new consumer loan application experience for members

OPERATIONS

- Upgraded mobile banking for more enhanced user-friendly experience
- Partnered with PSCU for our debit and credit card programs and ATM/ITM support to provide more enhanced features and benefits for our members
- Introduced enhanced digital wallets—Samsung Pay and Garmin Pay—as part of the PSCU partnership
- Introduced EReceipts to reduce our carbon footprint, eliminate paper documents and provide members with emailed receipts



CONSOLIDATED STATEMENTS

OF FINANCIAL CONDITION

As of December 31, 2022 and 2021

ASSETS	2022 2021				
		(In Thousands)			
Cash and cash equivalents		\$	3,864	\$	2,423
Interest bearing deposits			2,770		1,769
Securities available for sale, at fair value			120,523		134,849
Securities held to maturity, at amortized cost			7,034		5,164
Marketable equity securities, at fair value			8,058		8,058
Loans to members, net of allowance for loan los	ses of				
\$3,098 and \$2,716 respectively			502,970		443,457
Factoring receivable			9,434 9,308		9,308
Accrued interest and fees receivable			2,939 2,390		
Property and equipment, net of accumulated de	epreciation	5,464 5,832		5,832	
Federal Home Loan Bank of Boston Stock, at co	st	2,980 1,806		1,806	
Other real estate owned			-		465
NCUSIF deposit			4,939		4,870
Investment in life insurance			25,136		24,535
Prepaid expenses and other assets			<u>3,256</u>		<u>4,900</u>
Total assets		<u>\$</u>	699,367	\$	649,826
LIABILITIES AND MEMBERS' EQUITY					
Liabilities:					
Members' shares and savings accounts		\$	544,184	\$	526,850
Borrowings		Ψ	68,041	Ψ	26,314
Accounts payable and accrued expenses			<u>6,326</u>		6,448
, toosante payasis and deer dea expenses			<u> </u>		<u>0,</u>
Total liabilities		\$	618,551	\$	559,612
Mambara' Equitor					
Members' Equity: Regular reserves		\$	8,264		8,264
		Ф	83,811		
Members' equity			2,366		80,186 2,366
Equity acquired through merger Accumulated other comprehensive income (exp	onco)		2,366 (13,625)		(602)
Accumulated other comprehensive income (exp	ense <i>)</i>		(10,020)		(002)
Total members' equity	1	\$	80,816	\$	90,214
Total liabilities and m	embers' equity	<u>\$</u> _	<u>699,367</u>	\$	<u>649,826</u>



CONSOLIDATED STATEMENTS

OF INCOME

For the years ended December 31, 2022 and 2021

	2022 2021 (In Thousands)		
Interest income:			
Interest on loans	\$ 17,683	\$	16,282
Interest on investments	<u>2,799</u>		<u>1,717</u>
Total interest income	\$ 20,482	\$	17,999
Interest expense:			
Dividends on shares and savings accounts	1,333		1,781
Interest on borrowed funds	<u>769</u>		<u>174</u>
Total interest expense	\$ 2,102	<u>\$</u>	1,955
Net interest income	18,380		16,044
Provision for loan losses	420		420
Net interest income, after provision for loan losses	<u>17,960</u>		<u>15,624</u>
Non-interest income:			
Member service fees	3,642		2,077
Net gain on debt and equity securities	738		1,143
Mortgage banking income	295		262
Increase in value of life insurance assets	601		1,061
NCUA assessment refund	99		401
Other non-interest income	<u>1,137</u>		<u>3,249</u>
Total non-interest income	\$ 6,512	\$	8,193
Operating expenses:			
Compensation and benefits	\$ 9,547	\$	9,333
Office occupancy and operations	4,339		4,024
Education and promotion	1,381		1,156
Loan service expense	827		1,030
Professional and outside services	3,876		3,574
Travel and conferences	185		88
Other	<u>692</u>		<u>307</u>
Total operating expenses	\$ 20,847	\$	19,512
Net income	\$ <u>3,625</u>	\$	4,305

COMMUNITY SUPPORT

As we entered our second century in 2022, we recommitted to our mission-inspired motto: "People Helping People." We treat every member as an individual, not a number. We embody a cooperative spirit, rather than a corporate one, with products, programs and perks that benefit you and the community we are a part of. We celebrated our 100-year history of "unbanking" with activities and events throughout the year.



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- 1. For 100 days—from Memorial Day on May 31 until Labor Day on September 5—we accepted cash donations at all our branch locations to benefit The Food Bank of Western Massachusetts. We raised more than \$4,000 for this worthy cause!
- **2.** In July, we treated our members and staff at all our branches to sweet treats from Batch Ice Cream.
- **3.** We were proud to be among the amazing local businesses honored in our region's Super 60 for 2022, the Springfield Regional Chamber's annual celebration of thriving companies in western Massachusetts. Everything we do is for the benefit of our members, so we thank you and our amazing staff for your trust, support and engagement.











- **4.** Congratulations to all the Freedom members who walked away with great gifts as part of our 100th Anniversary Raffles, including our grand prize winner Robert Taylor, who received a \$2,000 travel package!
- **5.** We celebrated the great work done at The Gray House by sponsoring and attending their annual (delicious) Spaghetti Supper. The Gray House helps its North End neighbors who are facing hardships with things like food, adult education and childcare, growth and development.

COMMUNITY SUPPORT CONTINUED



- 6. We were a proud sponsor of the Springfield Puerto Rican Parade and were excited to be able to march again after a two-year hiatus due to the pandemic. We enjoyed celebrating with our friends and neighbors. Muchas gracias to all the Freedom Credit Union staff and their families who joined in the fun!
- 7. Thanks to the tremendous generosity of our members and staff, we collected 930 pounds of food for The Gray House in Springfield. Kristen McClintock, executive director, said it felt "like Christmas in September at The Gray House!"
- **8.** We loved ending this special year by sponsoring and volunteering for the annual Festival of Trees at the MassMutual Center presented by the Boys & Girls Clubs of Springfield.







AWARD-WINNING EMPLOYEES

At our Annual Holiday Dinner in 2022, President and CEO Glenn Welch bestowed the distinguished President's Award to Eric Garcia, Assistant Branch Officer in our main office. The President's Award honors an employee who is committed to professional excellence, takes pride in the credit union and in him or herself, is a strong team player and communicator, motivates others and represents the credit union with an overall sense of integrity.

Here is a portion of Eric's nomination:

"Within three months of Eric's promotion, we suffered the unimaginable loss of Melin Menas, Branch Officer. During this difficult time, Eric showed his strength in management, remaining sensitive to employee struggles while continuing to effectively serve members and navigate his new role. Today, Eric remains a team player who is always ready to assist other branches with coverage, help the consumer lending department and support his new branch officer."

In 2017, Freedom Credit Union implemented the GEM (Going the Extra Mile) Recognition Program. The following employees received Certificates of GEM Acknowledgment for their out-of-the-ordinary acts of kindness, bright ideas and/or great suggestions. Congratulations to all—and let's keep identifying those GEMs among us!



Glenn Welch with President's Award winner, Eric Garcia.

2022 GEM Recipients



Belinda LaRochelle Assistant Branch Officer, Northampton



Eric Garcia Assistant Branch Officer, Springfield Main Office



Bobbi Brouillette Senior Operations Associate, Operations Dept., Boylston



OUR LEADERSHIP

BOARD OF DIRECTORS

Louis G. Guillette, Chairman

William T. Carey, Vice Chairman

Brian D. Harrington, Treasurer

John R. Reigner, Security Officer Past Chairman, 2009–2012

Lawrence Bouley, Director Past Chairman, 2015–2018

Donald C. Emerson, Director Past Chairman, 2018–2021

William Flaherty, Director Board of Directors, Vice President, West Springfield Federal Credit Union, 2011–2019

William G. O'Brien, Director Past Chairman, 2006–2009

F. Rory Santaniello, Director

Donald R. Senecal, Director

Daniel Reigner, Director

AVERAGE COST OF A WEDDING 1922: \$400 2022: \$28,000

SENIOR MANAGEMENT

Glenn S. Welch
President & Chief Executive Officer

Louis "Jay" Scungio Senior Vice President & Chief Financial Officer

Gina Noblit Giannetti Vice President, Human Resources

Kara B. Herman
Vice President, Retail Administration

Cheryl L. Podgorski Vice President, Operations

Jeffrey M. Smith
Vice President & Chief Loan Officer

BRANCH OFFICERS

Bryan Alvarado Main Office

Michelle Caron Feeding Hills

Angela Gotay-Cheverez Chicopee

Carla Banas Ludlow

Jamie Convery Sixteen Acres

Debra Mainolfi West Springfield

Rae Brown Northampton

Kriste Joy Greenfield and Turners Falls





BRANCH LOCATIONS



Hampden County

Chicopee 1976 Memorial Drive (413) 532-5085

Ludlow 645 Center Street (413) 505-5800

Springfield, Downtown 1976 Main Street (413) 739-6961

Springfield, 16 Acres 296 Cooley Street (413) 505-5700

Feeding Hills 959 Springfield Street (413) 786-6200

West Springfield 58 Union Street (413) 733-6108

Hampshire County

Northampton 226 King Street (413) 586-3590

Franklin County

Greenfield 74 Main Street (413) 774-4182

Turners Falls 191 Avenue A (413) 774-9909

MEMBER CONTACT CENTER

(413) 739-6961 (800) 821-0160

Hours*

Monday, Tuesday, Wednesday	8:00 AM-4:30 PM
Thursday, Friday	8:00 AM-5:00 PM
Saturday	9:00 AM-12:00 PM

^{*}After-hours support is available.





Freedom is yours.













