

# GROW



**John L. Bissell**  
*President and  
Chief Executive Officer*

## ANNUAL REPORT --- 2022

### Message from the President

I want to thank our 330 employees for their outstanding work in 2022, and for being such amazing financial first responders during these past three years of challenges and opportunities. Our Greylock team is truly second to none!

Thanks to their hard work, Greylock remains focused on our core mission to educate, inspire and create opportunities to grow across the entire community. In 2022:

- Greylock employed 31 Certified Credit Union Financial Counselors across our branches that provided free private coaching sessions to give individuals the skills needed to improve their financial stability;
  - over 3,500 area students learned to navigate personal finances through free access to online and in-class learning tools and the public attended 118 seminars hosted by our Community Empowerment Center;
  - our employees, with the help of our interpretation service, provided 1,825 hours of translation in 14 different languages making sure that Greylock was accessible to everyone; and
- we commissioned a deep dive into the history of financial inequities right in the heart of Pittsfield. By identifying historic redlining practices, we can work to provide generational wealth for all.

Thank you again for your Membership and partnership with Greylock.



***"Together, we create opportunities  
for everyone to grow and thrive."***





## Stanley B. Walczyk

*Chairperson  
Board of Directors*

### Volunteer Board of Directors

Stanley B. Walczyk  
*Chairperson*

John C. Law  
*Vice Chairperson*

Peter T. Lopez  
*Clerk/Treasurer*

JamieEllen Moncecchi  
*Assistant Clerk/  
Recording Officer*

Krystle A. Blake  
Gerard E. Burke

Tyrone A. Jackson

Kelly J. Krok

Sheila A. LaBarbera

Anthony J. Rinaldi, Jr.

### Supervisory Committee

Allison L. Bedard,  
*Chairperson*

Krystle A. Blake

Lori E. Broderick-Bean

Bryan E. House

Catheryn Chacon Ortega

### Directors Emeriti

Richard DeFazio

Jean Doak

Daniel Donovan

J. Paul Dube

Alfred Shogry

Marilyn Sperling

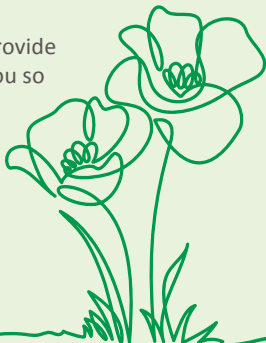
## Report of the Chairperson

This Credit Union is more than just a business — it's a community hub and an economic engine for the region. I believe that our greatest strength is our people. They are all so dedicated and passionate about providing you with access to critical financial services.

As my tenure as Chair comes to an end, I wish to reflect back on our accomplishments of the last few years:

- Building upon our legacy of strong governance and robust internal controls with high marks year after year from our auditors and regulatory reviewers;
- developing Greylock's core commitment to Inclusion, Diversity, Equity and Accessibility for all;
- opening our first Community Empowerment Center within our Kellogg Street branch in Pittsfield;
- building our first branch in Greenport/Hudson New York to help serve our Columbia County Members better;
- renovating our Allendale Operations Center in Pittsfield to have a state-of-the-art full-service branch where we also launched our latest initiative, Video Teller Services;
- welcoming the staff and Members of Credit Union of the Berkshires into the Greylock family; and
- keeping our employees safe while still serving our Members throughout the pandemic.

We will continue to provide excellent service to you so that you can focus on what matters most: ***your family, your friends, and your community.***





## Michael R. Stoddard

*Executive Vice President and  
Chief Financial Officer*

### Financial Statement Highlights

- After experiencing very strong asset growth of 13% and 10% during 2020 and 2021, assets remained flat in 2022
- Loans grew by 12% or \$133 million
- Deposits showed a modest 1% growth of \$15 million
- Regulatory capital grew from 10.12% to 10.74%
- 60-day past due loans reduced from 0.59% to 0.46% of total loans
- Net loan charge-offs decreased from 0.09% to 0.04% of total loans
- Net income equaled \$9.4 million, a return on assets of 0.60%
- Net interest margin improved from 3.02% to 3.05%

Financial information contained in this report may be subject to adjustments following the completion of Greylock's annual audit.

## Report of the Chief Financial Officer

Loan growth was the major story in 2022 for Greylock's balance sheet as we experienced an increase of \$133 million, or 12%, during the year. We saw growth across all major loan categories, especially in residential mortgage and consumer lending as total loan balances grew to \$1.2 billion as of December 31, 2022.

At the same time, our loan quality improved again this past year with loans 60 days or more past due falling from 0.59% of total loans to 0.46%, our lowest level since 2006. Net loans charged-off reduced from 0.09% of average total loans to 0.04%, the lowest level we have achieved in more than 30 years.

The increase in lending was funded by utilizing cash and cash equivalents, which came down to more normal levels. Overall, total assets remained flat at \$1.5 billion.

On the funding side, deposits grew by \$15 million, or 1%, over the course of the year and totaled \$1.4 billion at the end of 2022. This modest deposit growth was somewhat surprising, as many financial institutions have experienced a reduction in deposit balances during a period of high inflation.

With another solid year of earnings, and assets remaining flat compared to last year, we saw a healthy jump in our regulatory capital, which increased from 10.12% to 10.74%. Like all financial institutions, we did see a large increase in our unrealized losses in our available for sale investment securities portfolio, which happens during rising interest rate cycles. We continually monitor the portfolio and feel that these unrealized losses will begin to reduce over the next few years as many of these investments will be maturing.

Net income for 2022 equaled \$9.4 million compared to \$12.7 million in 2021. This past year's net income represented a solid earnings year

while 2021 net income was an all-time high for us. Strong loan portfolio growth and rapidly rising interest rates driven by the Federal Reserve's desire to get inflation under control increased our net interest income by \$4.5 million. On the other hand, bringing staffing levels back up to fully reopen our branches and to keep up with the strong balance sheet growth we experienced in 2020 and 2021, as well as the significantly rising wage pressures, offset most of the increase in net interest income. Also, lower loan sale and security gains in 2022, in addition to reducing overdraft fees from \$30 to \$15 in early 2022, are the primary reasons for the drop in net income from the level recorded in 2021.

Plenty of economic uncertainty remains as we make our way into 2023 with the Federal Reserve determined to raise interest rates until inflation is under control and the prospect of a looming recession in the near future. Our strong balance sheet, increasing capital position and our solid earnings stream put us in great shape to serve our membership even if we together face some tough economic times. Our Board of Directors and our experienced management team are committed to meeting your financial needs while keeping your Credit Union in great shape for the long-term.

## STATEMENTS OF CHANGES IN EQUITY

*Dollars in Thousands*

	<u>Retained Earnings</u>	<u>Accumulated Other Comprehensive Income (loss)</u>	<u>Total Equity</u>
<b>Balance at December 31, 2020</b>	<b>\$ 140,999</b>	<b>\$ 4,074</b>	<b>\$ 145,073</b>
Net income	12,665		12,665
Retained earnings acquired through business combination	2,644		2,644
Change in net unrealized gain (loss) on securities available for sale		(6,404)	(6,404)
<b>Balance at December 31, 2021</b>	<b>\$ 156,308</b>	<b>\$ (2,330)</b>	<b>\$ 153,978</b>
Net income	9,422		9,422
Change in net unrealized gain (loss) on securities available for sale		(31,522)	(31,522)
<b>Balance at December 31, 2022</b>	<b>\$ 165,730</b>	<b>\$ (33,852)</b>	<b>\$ 131,878</b>

# STATEMENTS OF CONDITION

*Dollars in Thousands*

## ASSETS

<i>At December 31,</i>	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 32,983	\$ 186,378
Investment securities	254,243	241,953
Loans held for sale	105	2,199
Loans	1,215,261	1,081,768
Less: Allowance for loan losses	<u>(5,366)</u>	<u>(6,305)</u>
Loans, net	1,209,895	1,075,463
Property and equipment, net	17,853	19,149
Other assets	36,462	31,655
<b>Total Assets</b>	<b><u>\$ 1,551,541</u></b>	<b><u>\$ 1,556,797</u></b>

## LIABILITIES AND EQUITY

<i>At December 31,</i>	<u>2022</u>	<u>2021</u>
Deposits	\$ 1,401,514	\$ 1,386,488
Borrowings	250	450
Accrued expenses and other liabilities	<u>17,899</u>	<u>15,881</u>
Total Liabilities	1,419,663	1,402,819
Total Equity	131,878	153,978
<b>Total Liabilities and Equity</b>	<b><u>\$ 1,551,541</u></b>	<b><u>\$ 1,556,797</u></b>

# STATEMENTS OF INCOME

*Dollars in Thousands*

<i>Years ended December 31,</i>	<u>2022</u>	<u>2021</u>
Interest and dividend income:		
Loans	\$ 43,879	\$ 42,794
Investments and Fed Funds	<u>5,359</u>	<u>2,962</u>
Total interest and dividend income	49,238	45,756
Interest expense:		
Deposits	3,658	4,644
Borrowings	<u>5</u>	<u>54</u>
Total interest expense	3,663	4,698
Net interest income	45,575	41,058
Provision for loan losses	(510)	(1,125)
Other income	17,551	20,229
Operating expenses:		
Salaries and employee benefits	32,227	28,145
Occupancy (includes depreciation expense)	4,867	5,254
Loan servicing	1,484	1,873
Data processing	8,226	7,354
Other general and administrative	<u>7,410</u>	<u>7,121</u>
Total operating expenses	54,214	49,747
<b>Net Income</b>	<b><u>\$ 9,422</u></b>	<b><u>\$ 12,665</u></b>

# Greylock Branch & ATM Locations

Please visit [www.greylock.org/locations](http://www.greylock.org/locations) for current hours of operation.

## PITTSFIELD, MA

150 West St. • (413) 236-4000  
71 Elm St. • (413) 997-4400  
75 Kellogg St. • (413) 443-5114  
5 Cheshire Rd., Ste. 26 • (413) 445-5555  
Berkshire Medical Center  
725 North St. • (413) 997-6300  
General Dynamics (*employees only*)  
100 Plastics Ave. • (413) 443-0554

## ADAMS, MA

2 Park St. • (413) 743-7333

## GREAT BARRINGTON, MA

250 Stockbridge Rd. • (413) 644-9234

## LANESBOROUGH, MA

1664 North St. • (413) 997-4888

## LEE, MA

47 Main St. • (413) 243-2121

## LENOX, MA

68 Main St. • (413) 637-4999

## NORTH ADAMS, MA

131 Ashland St. • (413) 664-4477

## WILLIAMSTOWN, MA

455 Main St. • (413) 458-4441

## GREENPORT/HUDSON, NY

464 Fairview Ave. • (518) 660-7650

## Additional Greylock ATM Locations

Pittsfield • 188 Elm St.  
Pittsfield • 777 North St.  
Dalton • 633 Main St.

Great Barrington • 29 Lewis Ave.  
Lenox • 444 Pittsfield Rd.  
North Adams • 71 Hospital Rd.

Greylock now offers Video Teller Services at many ATM locations.  
Please check our website for the location and hours of our Video Teller team.  
[www.greylock.org/VTS](http://www.greylock.org/VTS)



150 West Street, Pittsfield, MA 01201-9114  
(413) 236-4000 • [www.greylock.org](http://www.greylock.org)

