

Annual Report



2022

People are Our Passion



Photo by Matt Culllory

Message from the President & CEO

To Our Valued Members,

What a tremendous year it has been for our credit union community. As we navigated a complicated economy, our financial institution managed to thrive thanks to the loyalty of our members and the hard work of our outstanding teammates. In 2022, we had great success assisting our members with a variety of financial needs, offering new and improved financial services and expanding our community outreach. I want to thank our members for trusting us each day with such an important responsibility. At MVCU, we are truly passionate about what we do and the members we serve. This passion is what motivates us to be the greatest place anyone has ever worked and the greatest place anyone has ever banked.

Throughout 2022, we prioritized the reinforcing of our “OneTeam” culture both internally with my teammates and externally with our members. At MVCU, we consider ourselves a part of OneTeam made up of many branches, many team members and many members who support and uplift each other. Our team embodies the values of a community: having each other’s backs, collaborating daily and selflessly operating with each member’s best interest at heart.

My teammates have often heard me compare our OneTeam culture to a river. When a new teammate enters our river culture, that culture is a force that sweeps them off their feet. They will struggle if they try to swim against or resist it. And they will thrive if they join in, participate and contribute. Each day we work towards strengthening our positive and collaborative environment. We are always evolving, but doing so while promoting the values of community service that we live and believe in. I am so proud to lead this incredible team.

As we look forward to the coming year, I am so excited for the potential of Merrimack Valley Credit Union. Our financial outlook remains excellent as we grow into a financial institution with more than \$2.4 billion in assets. Our proposed merger with RTN Federal Credit Union will help us continue to be a competitive credit union while offering our members exciting new services that will make it easier than ever to bank with us throughout the country utilizing shared branching.

Thank you to all of our members for your continued support and to our teammates for their hard work and dedication to our mission. I also want to send a special thank you to our volunteer Board of Directors, who provide this institution with the governance and guidance that keep us moving forward.

We are thrilled to continue meeting all of your financial needs, for this year and many years to come.

Kind regards,



John J. Howard
President/CEO

Year in Review

2022 was a strong year at MVCU thanks to our financial performance and the new products and services introduced to our members.

The challenges presented by the post-pandemic economy were many, yet the MVCU team responded by more than doubling our Net Income from 2021. Membership grew by more than 3%, our return on assets more than doubled, and total assets grew over 6%—all while our expense ratio barely grew. Most impressively, our total loans increased by more than \$100 million year over year. These results reflect the hard work of all MVCU team members, and the innovation in the new products and services introduced throughout the year. These include:

- A partnership with East Commerce Solutions that offers affordable and reliable merchant services for our small business members.
- A new business vehicle and equipment loan product.
- Live video chat and banking on our website.
- The upgrade of 11 ATMs.
- A new construction mortgage loan product.
- An online skip-a-pay feature available through online and mobile banking.
- A Take-Back consumer loan.
- A new consumer website.

MVCU's commitment to the communities in which we serve continued as well, with more than \$128,000 donated to community and charitable organizations throughout the year. In addition to providing needed funding, MVCU teammates continue to be personally involved in efforts to improve our community.

In the spring, we supported the financial education of local graduating seniors by participating in the annual Credit for Life Fair at Methuen High School. That was followed by our scholarship program where we awarded over \$16,000 in scholarships to high school seniors. Team members served meals to those in need at the Haverhill Citizen's Center in July and hosted a block party during the grand opening of the new Plymouth branch; Shred-It events were held in Plymouth and North Andover in September; food and toy drives were held in November and December, and member holiday parties were hosted in December at the Lawrence and Bridgewater offices.

The year was capped off by the announcement of the planned merger between MVCU and RTN Federal Credit Union.



\$1.35B

Total Assets



\$923.26M

Total Loans



\$1.18B

Total Shares



\$6.65M

Net Income



14.21%

Loan Growth



75,795

Total Members



8.52%

Net Worth



68.18%

Loans to Assets



3.48%

Member Growth



0.51%

Return on Assets



0.51%

Delinquency Rate



2.59%

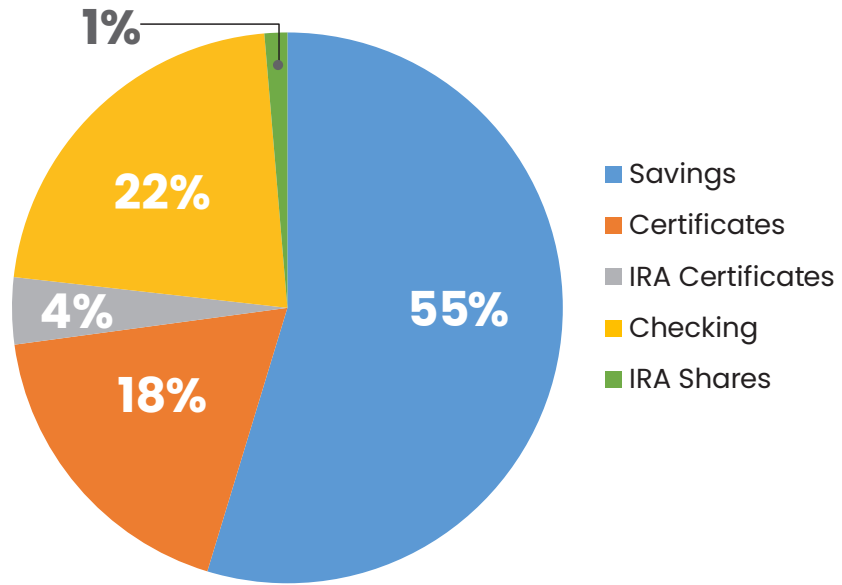
Expense Ratio

Financial Results

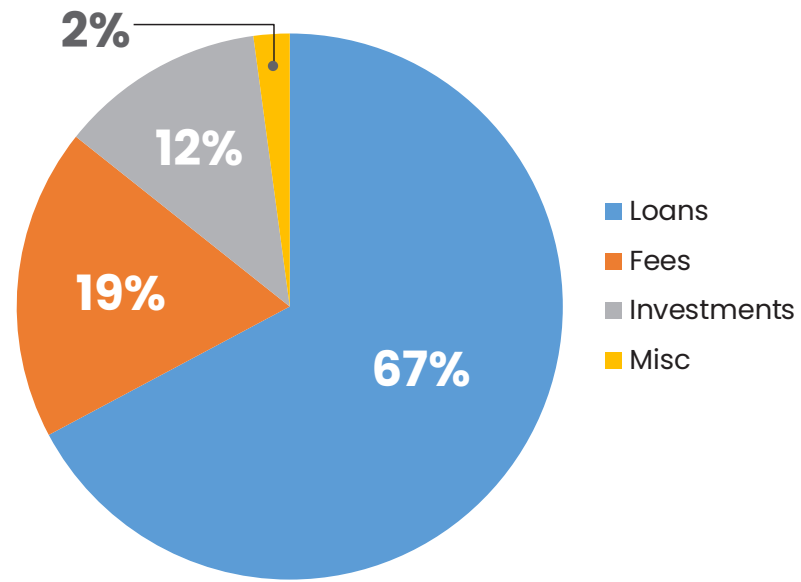
Unaudited financials

	2021	2022
ASSETS		
Loans	\$ 808,360,890	\$ 923,261,183
Loan Loss Allowance	(6,464,930)	(7,938,316)
Notes Receivable	24,992,936	25,330,770
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Net Loans	\$ 826,888,896	\$ 940,653,637
Cash & Cash Equivalents	\$ 62,735,320	\$ 76,983,635
Investments	348,741,200	292,189,971
Fixed Assets (Net)	14,215,353	16,057,876
Deposit in NCUSIF	10,633,149	10,935,915
Other Assets	9,195,960	17,320,942
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TOTAL ASSETS	\$ 1,272,409,877	\$ 1,354,141,978
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LIABILITIES AND EQUITY		
FHLB Borrowings	\$ 25,000,000	\$ 80,000,000
Other Liabilities	4,598,384	15,421,569
Shares	1,136,240,614	1,181,732,769
Total Equity	106,570,879	76,987,640
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Total Liabilities and Equity	\$ 1,272,409,877	\$ 1,354,141,978
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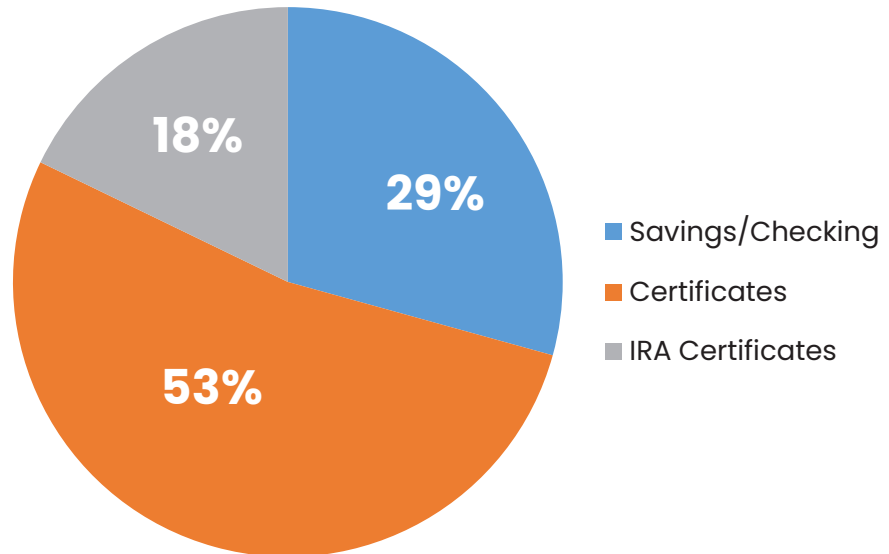
Deposit Accounts



Operating Income



Dividends Paid

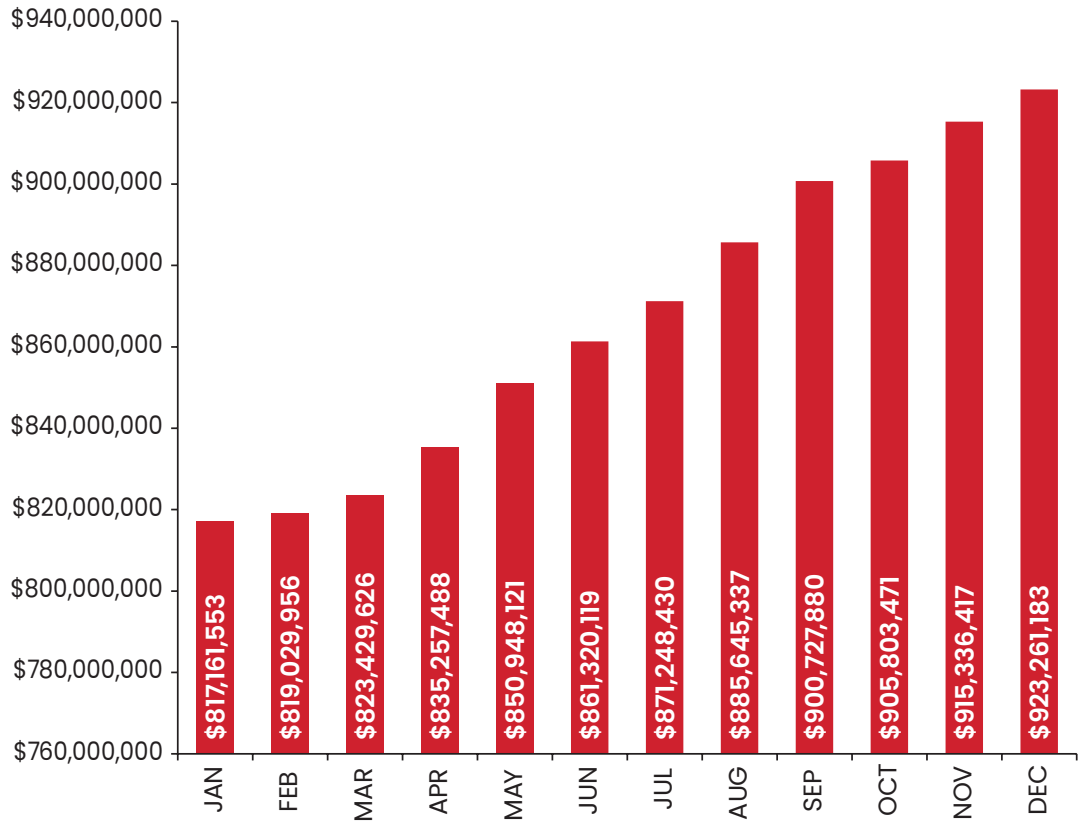


Financial Results

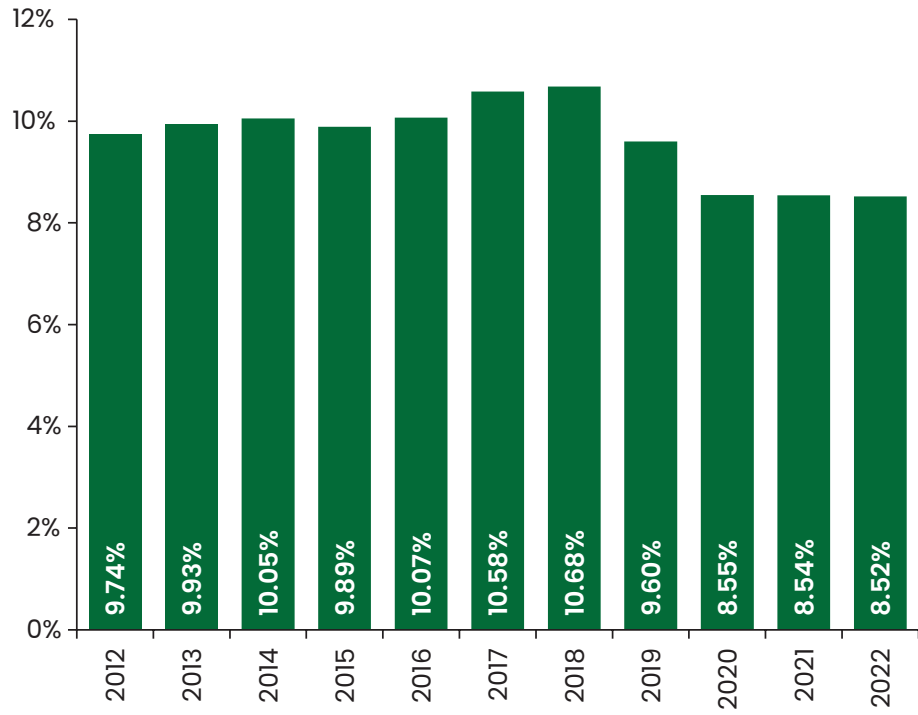
Unaudited financials

	2021	2022
OPERATING INCOME		
Interest on Loans	\$ 28,789,972	\$ 30,705,121
Income from Investments	4,456,876	5,565,050
Fees and Charges	7,314,612	8,441,353
Misc. Operating Income	332,055	974,895
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Total Operating Income	\$ 40,893,515	\$ 45,686,418
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OPERATING EXPENSES		
Compensation & Benefits	\$ 16,296,523	\$ 18,799,014
Office Occupancy Exp	2,920,272	3,330,719
Office Operation Exp	6,539,419	7,311,832
Loan Servicing Exp	1,110,965	1,437,478
Prof. & Outside Services	2,192,073	1,781,620
Prov. for Loan Losses	2,200,000	1,650,000
Other Expenses	1,695,665	917,481
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Total Operating Expense	\$ 32,954,918	\$ 35,228,143
NON-OPERATING EXPENSES		
Interest on Borrowings	680,397	1,057,141
Other Non-Operating (Income)/Expenses	64,039	(484,377)
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Total Non Operating Expenses	\$ 744,436	\$ 572,764
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Income Before Dividends	7,194,162	9,885,511
Dividends Expense	4,075,813	3,231,101
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NET INCOME	\$ 3,118,348	\$ 6,654,410
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Total Loans



Net Worth Ratio



Member Engagement

MHS Credit For Life Fair

The third annual Credit for Life fair at Methuen High School created a “financial reality” for seniors by having them select a career that aligns with their post-graduation plans. The students were then given a budget based on their salary and desired lifestyle and visited 15 different booths, each representing a financial decision that they would encounter as adults. Participating in this fair is part of MVCU’s mission to improve students’ financial literacy, using real-world scenarios and guidance from knowledgeable volunteers to help prepare students for the financial challenges they will face in the future.



Holiday Parties

In December, an exciting MVCU tradition returned: holiday celebrations at our corporate offices! After a two-year hiatus, MVCU teammates decorated the Lawrence and Bridgewater offices and invited members to come by for a weekend of holiday activities for the whole family to enjoy. The Lawrence corporate office was transformed into a sparkling winter wonderland, and the Bridgewater office turned into the wizarding world of Harry Potter! Special guests Santa and Mrs. Claus attended both parties.

2022 Annual Golf Tournament

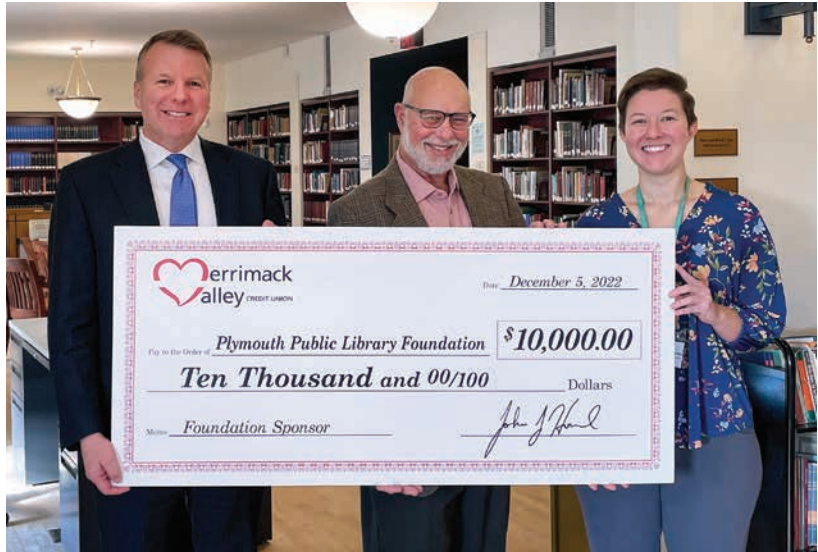


After a two-year hiatus, the MVCU Charity Golf Tournament returned to the beautiful Atkinson Country Club in early June. More than 135 golfers hit the links on a sunny Monday afternoon to raise money for MVCU charities, raising nearly \$50,000 for a variety of worthy and local community organizations. Beneficiaries included Emmaus, Inc. in Haverhill, Lazarus House in Lawrence, Plymouth Public Library Foundation, Family Services of the Merrimack Valley, and many more.

Community Engagement

Plymouth Public Library Donation

MVCU established a community partnership with the Plymouth Public Library Foundation in 2022, making a \$10,000 donation that will support the foundation's public events through the end of 2023, including its golf tournament and arts & crafts festival. The partnership will also include the creation of a financial literacy program that MVCU will provide free of charge to Plymouth Public Library members. MVCU is committed to providing financial education to organizations throughout our field of membership so that their members and participants can better understand financial concepts and personal best practices.



MVCU Scholarship Awards

In June of 2022, MVCU awarded a total of \$16,500 in scholarships to 15 high school students from New Hampshire and Massachusetts. Nina Tiani, a graduate of Hull High School, was the inaugural recipient of the Lisa Lewis Goodman Community Spirit Award of \$2,500. The other 14 recipients received \$1,000 scholarships. Students' applications were scored on their academic performance, school and community involvement, work experience, letters of recommendation and their essays that answered the prompt: "If I ran the Credit Union, I would..."



Holiday Food and Toy Drives



To celebrate the season of giving, MVCU held food and toy drives at each of its ten branch locations to support local families in need. In November, MVCU members and employees generously donated boxed, canned and non-perishable goods including stuffing, potatoes, cranberry sauce, peanut butter, hot cocoa and much more. In total, 720 pounds of food were donated to the Merrimack Valley Food Bank in Lowell. The following month, the branches collected new, unwrapped toys to be donated to various organizations throughout Massachusetts and southern New Hampshire.

Team Engagement

Kasasa Kickoff

November marked the launch of MVCU's exciting new partnership with Kasasa®, which allows the credit union to offer rewards checking accounts and a Take-Back Loan. To celebrate this partnership, over 70 MVCU branch teammates joined members of our senior management team and Kasasa leaders for a superhero-themed pep rally complete with posters (decorated by teammates from each branch), capes, pom poms, confetti, activities, contests and cash prizes. Teammates even competed in a boisterous cheering competition to embrace the spirit.



Halloween Contest

MVCU teammates celebrated the spooky season by holding a potluck and company-wide costume contest in each of the branches on Halloween. Teammates dressed up, decorated the branches and brought in delicious homemade food for everyone to share. The winning costumes included storybook villains, lederhosen, a voodoo priestess and a wicked witch. This contest was organized by MVCU's Passion Committee, a group of volunteer teammates who organize engaging events for their coworkers.

CU Day Out at Kimball Farm



In September, MVCU treated its teammates and their families to an exciting day out at Kimball Farm in Westford, Massachusetts. The event, known as MVCU's "CU Day Out" was attended by more than 400 team members and their families. They enjoyed zipline rides, facepainting, summer BBQ indulgences, arcade games, a driving range and much more. The day served as a thank you to all of our team members for the hard work they do each day.

Executive/Senior Management

John J. Howard, President/Chief Executive Officer

Michael E. Valley, Executive Vice President, Chief Financial Officer/Chief Operating Officer

Bradford Egan, Executive Vice President, Chief Lending Officer & Corporate Strategy

Stephen Lynch, Senior Vice President, Chief Information Officer

Yean-Ai Long, Senior Vice President, Marketing

Anthony Marino, Senior Vice President, Organizational Development

Anita Parker, Vice President, Risk Management

Annette Yee, Vice President, Project Development & CRA Officer

Christine Ronca, Vice President, Retail Banking

Dante DiMassa, Vice President, Residential Lending

Glenn Prezzano, Vice President, Corporate Communications
& Community Relations

John Himmel, Vice President, Collections

John MacKenzie, Vice President, Finance

Louis Serio, Vice President, Information Technology

Robert Cabral, Vice President, Consumer Lending

Robert Piepenburg, Vice President, Commercial Lending

Stephanie Lee, Vice President, Operations

Theresa Hayes, Vice President, Digital Channels

Tracy Mermet, Vice President, Human Resources

Cheryl A. Crowley, Senior Executive Assistant to the Board of Directors

Brenda Peterson, Executive Assistant to the President/CEO

Board of Directors

Domenic Mazzocco, Board Chairman

Bernard J. Mulholland, 1st Vice Chairman

Arthur O’Dea, 2nd Vice Chairman

Maureen Ronayne, Clerk

Mukesh Davé, Treasurer

David London, Assistant Treasurer

Alexander Oski, Director

Catherine M. DeBurro, Director

Leon M. Pratt, Director

Mary K. Briand, Director

Peter Mills, Director

Ronald J. Guilmette, Director

Stephanie Sousa, Director

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Looking Forward

There are many reasons for the MVCU family to be optimistic about the future, but undoubtedly the most exciting reason in 2023 will be our proposed merger with RTN Federal Credit Union. This proposed merger will grow MVCU into one of the five largest credit unions in Massachusetts with more than \$2.4 billion in assets and over 100,000 members.

When MVCU and RTN officially finalize this merger in early June 2023, the combined credit union will have a total of 28 branches and provide its members with shared branching services at credit unions throughout the U.S.A. The merged credit union will also result in the expansion of community support programs, the introduction of new products and services, and a call center that is available 24 hours per day, 365 days per year.

There's even more to look forward to as we plan to open a new branch location in Hanover, Massachusetts, in the summer of 2023. MVCU teammates are working diligently to create a contemporary new branch and look forward to welcoming members from Hanover and the surrounding communities.

New products in the pipeline for 2023 include an online business lending platform, a Text To Pay product and a high yield savings account. Plus, all member deposits will continue to be 100% insured through the National Credit Union Administration and the Massachusetts Share Insurance Corporation.

2023 will also mark the launch of MVCU's financial literacy program that is being developed in partnership with Banzai!, a national financial training organization that partners with credit unions around the country. This new program will sponsor financial education in schools throughout our field of membership and also allow MVCU the opportunity to share the program with our community partners, such as the Plymouth Public Library where it will launch.

MVCU is thrilled to continue offering our members high-quality financial services and products. We look forward to our continued growth, prosperity and the strengthening of our community bonds.



Lawrence Riverwalk Branch

500A Merrimack Street

Lawrence, MA 01843

Phone: (800) 356-0067

Fax: (978) 682-1623

Seabrook Commons

700 Lafayette Rd, Unit 103A

Seabrook, NH 03874

Phone: (800) 356-0067

Fax: (603) 468-3087

North Andover Mall Branch

350 Winthrop Ave., Rte 114

North Andover, MA 01845

Phone: (800) 356-0067

Fax: (978) 685-2584

Quincy Branch

213 Independence Avenue

Quincy, MA 02169

Phone: (800) 356-0067

Fax: (617) 990-3726

Methuen Village Mall Branch

436 Broadway

Methuen, MA 01844

Phone: (800) 356-0067

Fax: (978) 685-4629

Bridgewater Branch

75 Main Street

Bridgewater, MA 02324

Phone: (800) 356-0067

Fax: (508) 697-8110

Haverhill Central Plaza Branch

2 Water Street

Haverhill, MA 01830

Phone: (800) 356-0067

Fax: (978) 521-4389

Plymouth Branch

39 Home Depot Drive

Plymouth, MA 02360

Phone: (800) 356-0067

Fax: (508) 732-4106

Plaistow Ethan Allen Plaza Branch

24 Plaistow Road

Plaistow, NH 03865

Phone: (800) 356-0067

Fax: (603) 382-7108

Fairhaven Branch

41 Fairhaven Commons Way

Fairhaven, MA 02719

Phone: (800) 356-0067

Fax: (508) 625-7997

