



John L. Bissell

*President and
Chief Executive Officer*

Message from the President

First, I want to acknowledge the pain and loss experienced by so many in our community and in our organization. The loss of life, the economic hardship, the stress and the strain of this pandemic, have tried us all.

While these are certainly challenging times, there have also been a few positive notes. For example, even when our branch lobbies were not available due to COVID, we still managed to serve our members' needs through increased use of online, mobile and telephone banking, drive-through lines and even drop boxes. Our Contact Center even fielded over 145,646 calls, while mostly working from home.

Fortunately, Greylock's strong financial position, thoughtful investments, and clear priorities allowed us to focus on your needs, despite the chaos and uncertainty of 2020. To better understand the scope of the work we do, this Annual Report is being supplemented with our first ever Impact Report, published separately. Here's a taste of what we did during the pandemic.

Greylock has:

- waived hundreds of thousands of dollars in penalties and fees.
- paused payments for more than \$200 million in loans.
- provided \$2.5 million in emergency loans for first responders.
- provided more than \$40 million dollars in forgivable Paycheck Protection Program Loans, saving more than 5,000 local jobs, from Hudson to Pittsfield, Williamstown to Great Barrington between 2020 and early 2021.

Greylock finds solutions. Greylock creates opportunities. Greylock makes an impact on the daily lives of our members and our community as a whole.

Why do we do this? Because we are more than just a financial institution; we are a cooperative dedicated to community development and financial equity. Our entire staff is committed to helping all members thrive. I have the honor and privilege to lead us forward in that mission. I work with one of the most dedicated teams of community advocates in the region. And when I say 'team', I mean our employees and volunteer Board of Directors, and you, our members. Your participation in the cooperative credit union movement makes it possible for Greylock to do everything we do.

Thank you for being a part of this tremendous organization—and for making a difference one person at a time.



Michael R. Stoddard

*Executive Vice President and
Chief Financial Officer*

Financial Statement Highlights

- Total assets grew by \$165 million or 13%
- Loan growth of \$40 million or 4%
- Deposit growth of \$163 million or 15%
- Regulatory capital declined from 10.66% to 9.93%
- 60-day past due loans reduced from 0.92% to 0.72% of total loans
- Net loan charge-offs reduced from 0.25% to 0.14%
- Net income equaled \$8.5 million, which equals a return on assets of 0.61%
- Net interest margin declined from 3.14% to 2.83%

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

Even though we have seen significant economic volatility during 2020, the credit union's solid balance sheet enabled us to meet the financial needs of our members at a time when it was most needed. Strong capital and stable core earnings meant we had the capacity to fund substantial loan demand, emergency loan and payment deferral programs, temporarily eliminate several types of fees and handle the largest annual growth in deposits in our history.

In more detail, loans and deposits grew in 2020 by \$40 million and \$163 million, respectively, which represented annual growth of 4% for loans and a record 15% for deposits. Residential mortgage lending fueled a portion of the loan growth while government pandemic stimulus in the form of the Paycheck Protection Program (PPP) and stimulus checks to our members provided both loan and deposit growth. This combination grew total assets to more than \$1.4 billion, which was 13% over 2019.

The strong growth in assets reduced regulatory capital ratio from 10.66% to 9.93%, which is significantly higher than the regulatory minimum of 7.00% to be considered well capitalized. The quality of our loan portfolios also continued to improve as evidenced by our net loan charge off, which reduced from 0.25% to 0.14%, the lowest recorded by Greylock since 1995. Our 60 day+ loan delinquency percentage also declined from 0.92% to 0.72%, our lowest since 2006.

Net income increased from \$7.6 million in 2019 to \$8.5 million in 2020. The credit union recorded a one-time gain from the sale of its Visa Class B shares that were issued to Visa card issuers like Greylock back in 2008 as part of Visa's public offering. The gain on the sale during 2020 was \$2.2 million. Without this sale gain, Greylock's core net income would have been \$6.3 million, which was \$1.2 million lower than the \$7.5 million comparable earnings in 2019. The reduction in core earnings, mostly pandemic related, includes an increase in provision for loan losses, reduced fee income, higher expenses for facilities cleaning, work from home setups, and other expenses to keep employees and members safe.

Construction on our new Greenport/Hudson branch was completed at the end of 2020 and the facility opened on February 1st of 2021. We are in the process of moving our Merrill Road location in Pittsfield to the nearby Allendale Plaza in the same facility as our Greylock Insurance Office and our operations center. And, at the end of the year we purchased The Roger Butler Insurance Agency located in

Westfield to join our growing Greylock Insurance Agency.

As we go into 2021, we will continue to focus on keeping our employees and members safe as we navigate our way through this COVID-19 environment. It is important to us to keep the focus on meeting the needs our members and community, especially during these uncertain times.

THRIVE

STATEMENTS OF CHANGES IN EQUITY

Dollars in Thousands

	Retained Earnings	Accumulated Other Comprehensive Income (loss)	Total Equity
Balance at December 31, 2018	\$ 124,914	\$ (1,517)	\$ 123,397
Net income	7,585		7,585
Change in net unrealized gain (loss) on securities available for sale		<u>2,422</u>	<u>2,422</u>
Total comprehensive income			10,007
Balance at December 31, 2019	\$ 132,499	\$ 905	\$ 133,404
Net income	8,500		8,500
Change in net unrealized gain (loss) on securities available for sale		<u>3,169</u>	<u>3,169</u>
Total comprehensive income			11,669
Balance at December 31, 2020	\$ <u>140,999</u>	\$ <u>4,074</u>	\$ <u>145,073</u>

STATEMENTS OF CONDITION

Dollars in Thousands

ASSETS

<i>At December 31,</i>	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 93,736	\$ 27,611
Investment securities	167,433	123,801
Loans held for sale	11,431	3,299
Loans	1,107,280	1,067,469
Less: Allowance for loan losses	<u>(8,414)</u>	<u>(7,599)</u>
Loans, net	1,098,866	1,059,870
Property and equipment, net	19,166	16,614
Other assets	29,817	24,231
Total Assets	<u>\$ 1,420,449</u>	<u>\$ 1,255,426</u>

LIABILITIES AND EQUITY

<i>At December 31,</i>	<u>2020</u>	<u>2019</u>
Deposits	\$ 1,241,357	\$ 1,078,429
Borrowings	18,650	31,600
Accrued expenses and other liabilities	<u>15,369</u>	<u>11,993</u>
Total Liabilities	1,275,376	1,122,022
Total Equity	145,073	133,404
Total Liabilities and Equity	<u>\$ 1,420,449</u>	<u>\$ 1,255,426</u>

STATEMENTS OF INCOME

Dollars in Thousands

<i>Years ended December 31,</i>	<u>2020</u>	<u>2019</u>
Interest and dividend income:		
Loans	\$ 42,852	\$ 43,758
Investments and Fed Funds	<u>3,468</u>	<u>3,165</u>
Total interest and dividend income	46,320	46,923
Interest expense:		
Deposits	8,003	8,799
Borrowings	<u>1,099</u>	<u>1,073</u>
Total interest expense	9,102	9,872
Net interest income	37,218	37,051
Provision for loan losses	2,330	1,655
Other income	18,519	14,569
Operating expenses:		
Salaries and employee benefits	25,725	24,864
Occupancy (includes depreciation expense)	5,043	4,571
Loan servicing	1,856	1,172
Data processing	6,263	5,315
Other general and administrative	<u>6,020</u>	<u>6,458</u>
Total operating expenses	44,907	42,380
Net Income	<u>\$ 8,500</u>	<u>\$ 7,585</u>



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*

John L. Bissell

Krystle A. Blake

Gerard E. Burke

Colleen W. Holmes

Tyrone A. Jackson

Kelly J. Krok

Sheila A. LaBarbera

Anthony J. Rinaldi, Jr.

Supervisory Committee

Ozias C. Vincelette
Chairperson

Allison L. Bedard

Krystle A. Blake

Angelo Borsello, Jr.

Lori E. Broderick-Bean

Report of the Chairperson

I am honored to have served as Chairman of Greylock's all-volunteer Board of Directors for the past three years. We are so fortunate to have a dynamic group of community leaders serving on the Board and the Supervisory Committee. Their backgrounds cover education, health care, management, IT, human resources, finance, accounting, community development and much more. It is this level of diversity that ensures the integrity of our credit union as we continue to move forward.

This last year was challenging in so many ways, yet there were also many bright spots. Our community pulled together to support each other through volunteering, shopping local, donating more than usual, and supporting our friends and neighbors as they navigated through this pandemic. Greylock stepped up, too. Our commitment to the community is deeper than ever, thanks in part to a solid fiscal performance in 2020.

New this year, we are publishing our first ever Impact Report. I invite you to look over this companion report because none of this would be possible without you, our members. As a non-profit cooperative, our work in the community is at the center of all we do. Greylock membership has a profound impact on our friends and neighbors and I hope this report brings you joy in knowing you are part of something so meaningful.

This report shows that Greylock is secure and able to weather these challenging times. Our strong financial position is a great feat that reflects the skill and agility of the entire Greylock team. Our team created solutions to unique challenges with compassion and expertise. My hat goes off to all of them and to all of you for your support as partners in Greylock's mission.

Vision

Our vision is to enable our community to thrive.

Mission

Our mission is to be a community credit union that partners with you and provides the keys to enrich your life.

Values

Integrity • Passion • Creativity
Compassion • Stewardship
Fiscal Responsibility

Greylock Branch & ATM Locations

PITTSFIELD, MA

150 West St. • (413) 236-4000

71 Elm St. • (413) 997-4400

75 Kellogg St. • (413) 443-5114

660 Merrill Rd. • (413) 445-5555

Berkshire Medical Center

725 North St. • (413) 395-7699

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., Rte. 7

(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

Due to the pandemic, branch accessibility may vary.
Please visit www.greylock.org for current hours of operation.

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.,
Routes 7&20

North Adams • 71 Hospital Rd.



Opportunity Grows Here

150 West Street, Pittsfield, MA 01201-9114
(413) 236-4000 • www.greylock.org