



**Gerard E. Burke**  
*Chairman of the Board*

## Report of the Chairman

Reflecting on 2016, I am pleased to report that your Credit Union's financial health has never been better. I believe that Greylock mirrors the County as a whole, and I am encouraged by the positive news I continue to hear. Member demand for our services has been growing. The numbers for auto loans, mortgages, business loans, and insurance increased over the past year. This activity illustrates county-wide optimism and economic growth—more housing starts, people are buying autos to get to jobs, and businesses are starting and expanding.

I am encouraged to see talented young people moving back to the Berkshires, contributing to our community and creating a strong foundation for our future. Planners tracking the population report a small but meaningful increase in millennials choosing to stay or settle in one of our Berkshire communities. Clearly, young people see this beautiful region as a great place to build their futures.

Finally, I offer a heartfelt thank-you to the volunteer Board of Directors for all their hard work and commitment. For the past four years, their diversity of talents and their dedication to the best interests of our members have been a continuous source of support for me in my role as Chairman. I could not have done my job without their devotion and commitment.

## Volunteer Board of Directors

Gerard E. Burke  
*Chairman*  
Ann D. Deely  
*Vice Chairman*  
Stanley B. Walczyk  
*Clerk /Treasurer*  
JamieEllen Moncecchi  
*Assistant Clerk/Recording Officer*

Angelo Borsello, Jr.  
Tyrone A. Jackson  
Kelly J. Krok  
Sheila LaBarbera  
John C. Law  
Pete Lopez  
Kimberly A. Mathews  
Anthony J. Rinaldi, Jr.

## Supervisory Committee

Ozias C. Vincelette  
*Chairman*  
Isa F. Ali

Lori Broderick-Bean  
Allison L. Bedard  
Kimberly A. Mathews

## Greylock Branches with ATMs

### PITTSFIELD

150 West Street • (413) 236-4000  
71 Elm Street • (413) 997-4400  
75 Kellogg Street • (413) 443-5114  
660 Merrill Road • (413) 445-5555

Berkshire Medical Center  
725 North Street • (413) 329-7699

General Dynamics (*employees only*)  
100 Plastics Avenue • (413) 443-0554

### ADAMS

2 Park Street • (413) 743-7333

### GREAT BARRINGTON

250 Stockbridge Rd • (413) 644-9234

### LANESBOROUGH

Route 7 • (413) 997-4888

### LEE

47 Main Street • (413) 243-2121

### LENOX

68 Main Street • (413) 637-4999

### NORTH ADAMS

66 Main Street • (413) 664-4477

### WILLIAMSTOWN

455 Main Street • (413) 458-4441

## Greylock ATM Locations

Pittsfield • 188 Elm Street  
Pittsfield • 777 North Street

Dalton • 633 Main Street  
Lenox • 444 Pittsfield Road

*At Greylock our goal is to treat every member better than they expect. You can also feel good knowing that Greylock is committed to giving back to the community. When you bank with Greylock, you invest in a stronger Berkshire County.*



**Greylock  
Federal  
Credit Union**

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

## Vision

*Our vision is to enable our community to thrive.*

## Values

*Integrity • Passion • Compassion • Creativity  
Stewardship • Fiscal Responsibility*

## Mission

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



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

## Message from the President

Your volunteer Board of Directors recently adopted a new Vision Statement for the Credit Union which states that Greylock's long-term goal is 'to enable our community to thrive.' This compelling statement will mean different things for different people.

For some members 'thriving' could mean saving for a secure retirement, or putting a down payment on a condo in a nice warm climate. For lower-income members 'thriving' might mean simply achieving financial stability, ensuring there is food on the table and some money saved up for emergencies. And younger members of the millennial generation might equate 'thriving' with having fast, convenient access to mobile financial tools that support their active lifestyles.

While serving all of these diverse needs is no easy task, our employees have embraced this new Vision Statement. We are working hard to raise awareness of our Greylock Investment Group, which helps hundreds of members make smarter long-term investment decisions. We have strengthened our Community Development focus, creating a network of financial counselors and partners to enable financial inclusion for lower-income households. And we have created a Millennial Steering Committee of younger employees who are developing recommendations for new products and services to meet the needs of their generation.

No matter how you define 'community' or 'thrive,' we want you to know that Greylock is here to help, and that we are grateful for the opportunity to serve as your trusted financial partner.



**ANNUAL  
REPORT  
2016**

Federally Insured by NCUA



**Michael R. Stoddard**  
Executive Vice President and  
Chief Financial Officer

## Report of the Chief Financial Officer

In 2016, we experienced strong loan and deposit growth of \$28 million and \$15 million, respectively, bringing total loans to \$894 million and total deposits to \$979 million. At the same time, we grew our capital ratio to 9.94%, achieving our long-term regulatory capital target.

We also implemented an asset quality improvement plan that has resulted in bringing our past-due loan levels in line with industry averages. Our 0.66% sixty-day loan delinquency rate is the lowest level we have experienced since before the Great Recession. At the same time, we maintained a healthy allowance for loan losses to loan ratio of 1.26%.

We continued to improve our earnings capacity which represents our sole method of raising capital to support growing future member loans and deposits. When excluding non-recurring security gains and provision for loan losses related to balance sheet restructuring initiatives, net income would have been \$4.7 million in 2016 compared to \$3.2 million in 2015.

The improvement in recurring net income resulted from a net interest margin that rose from 2.75% to 2.79% and from expense reductions of 2.1% during the year. We were also able to maintain non-interest income levels through growth in insurance and other services, which enabled us to eliminate a number of member fees related to debit card and ATM usage.

In 2016, we welcomed the members of Hurlbut Employees' Federal Credit Union into the Greylock family through a merger completed in the fall. And we look forward to the members of Landmark Credit Union joining the team, expected in the first half of 2017.

As we go forward into 2017, we will continue to focus on strengthening your Credit Union's balance sheet and income statement while meeting members' financial needs and improving convenience and access to our services.

### Statements of Condition Highlights

- Loan growth of \$28 million to \$894 million
- Deposit growth of \$15 million to \$979 million
- Regulatory capital improved to 9.94% from 9.70% and now totals \$107 million
- 60-day past due loan ratio reduced to 0.66% from 2.18%
- Allowance for loan losses to loan ratio of 1.26%
- Total assets increased by \$18.4 million during the year and equals \$1.1 billion

### Statements of Income Highlights

- Net income equaled \$2.2 million or \$4.7 million when excluding non-recurring items
- Net interest margin increased to 2.79% from 2.75%
- Increased insurance and other service revenue while eliminating member debit card and ATM fees
- Reduced expenses by 2.1% during 2016

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

## STATEMENTS OF CHANGES IN EQUITY

Dollars in Thousands

	Retained Earnings	Accumulated Other Comprehensive Income (loss)	Total Equity
<b>Balance at December 31, 2014</b>	<b>\$ 101,181</b>	<b>\$ 1,784</b>	<b>\$ 102,965</b>
Equity acquired in merger	215		215
Net income	3,248		3,248
Change in net unrealized gain (loss) on securities available for sale		(576)	(576)
<b>Total comprehensive income</b>			<b>2,672</b>
<b>Balance at December 31, 2015</b>	<b>\$ 104,644</b>	<b>\$ 1,208</b>	<b>\$ 105,852</b>
Equity acquired in merger	167		167
Net income	2,226		2,226
Change in net unrealized gain (loss) on securities available for sale		(1,369)	(1,369)
<b>Total comprehensive income</b>			<b>857</b>
<b>Balance at December 31, 2016</b>	<b>\$ 107,037</b>	<b>\$ (161)</b>	<b>\$ 106,876</b>

## STATEMENTS OF CONDITION

Dollars in Thousands

ASSETS	2016	2015
At December 31,		
Cash and cash equivalents	\$ 39,219	\$ 32,027
Investment securities	116,390	135,045
Loans held for sale	1,970	300
Loans	894,298	866,232
Less: Allowance for Loan Losses	(11,293)	(11,845)
Loans, net	883,005	854,387
Property and equipment, net	9,854	10,746
Other assets	46,899	46,482

**Total Assets** **\$ 1,097,337** **\$ 1,078,987**

### LIABILITIES AND EQUITY

	2016	2015
At December 31,		
Deposits	\$ 978,694	\$ 962,547
Borrowings	1,000	—
Accrued expenses and other liabilities	10,767	10,588
<b>Total Liabilities</b>	<b>990,461</b>	<b>973,135</b>
<b>Total Equity</b>	<b>106,876</b>	<b>105,852</b>

**Total Liabilities and Equity** **\$ 1,097,337** **\$ 1,078,987**

## STATEMENTS OF INCOME

Dollars in Thousands

Years ended December 31,	2016	2015
Interest and dividend income:		
Loans	\$ 30,336	\$ 29,826
Investments and Fed Funds	2,193	2,803
<b>Total interest and dividend income</b>	<b>32,529</b>	<b>32,629</b>
Interest expense:		
Deposits	3,974	4,643
Borrowings	11	—
<b>Total interest expense</b>	<b>3,985</b>	<b>4,643</b>
<b>Net interest income</b>	<b>28,544</b>	<b>27,986</b>
Provision for loan losses	6,351	3,651
Other income	13,765	13,386
Operating expenses:		
Salaries and employee benefits	19,692	19,292
Occupancy (includes depreciation expense)	4,337	4,483
Loan servicing	1,077	1,765
Data processing	3,059	2,986
Other general and administrative	5,567	5,947
<b>Total operating expenses</b>	<b>33,732</b>	<b>34,473</b>

**Net Income** **\$ 2,226** **\$ 3,248**