

2022 Annual Report

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Joint Report from the Chairman and President

For MIT Federal Credit Union, 2022 has been an exciting year in which we fully embraced and finalized our new way of working and living. We readily adapted to our new work environment and fully supported an employee-first organization, focused on strengthening our relationships with our members. We also strengthened our foundation by building relationships between team members with Diversity, Equity & Inclusion (DEI) training, positively impacting our work environment and service as an essential part of the MIT Community. We developed an in-house mortgage department and made member-to-member transfers in our online banking platform possible, both goals we set and achieved with excellent results. Along with these significant accomplishments, as an organization, we developed a strategic plan with a strong focus on the future.

New Purpose, Mission, and Vision

Credit Unions are uniquely positioned to make a difference in the lives of others. At MIT FCU, we embrace opportunities to impact positive change in the community we proudly serve. In 2022 we attended events and educational opportunities to help us better understand our members' changing needs, grew our Diversity, Equity, and Inclusion (DEI) program, strengthened our ties with contacts in the MIT community, and encouraged our team members to volunteer their time. Through our outreach to the MIT community, we realized the need to

revisit our mission, vision, and purpose. Our core values must guide and remind us to make a difference, and in 2023 we will announce our revised values. We are assembling a team of employees and board members to find a new mission and purpose we can all be proud of and will lead the Credit Union to a sustainable future focused on our members' needs. This four-month process will culminate in approval by our board and remind members what they are a part of, and push us towards continued growth and success.



Photo by MIT Image Library

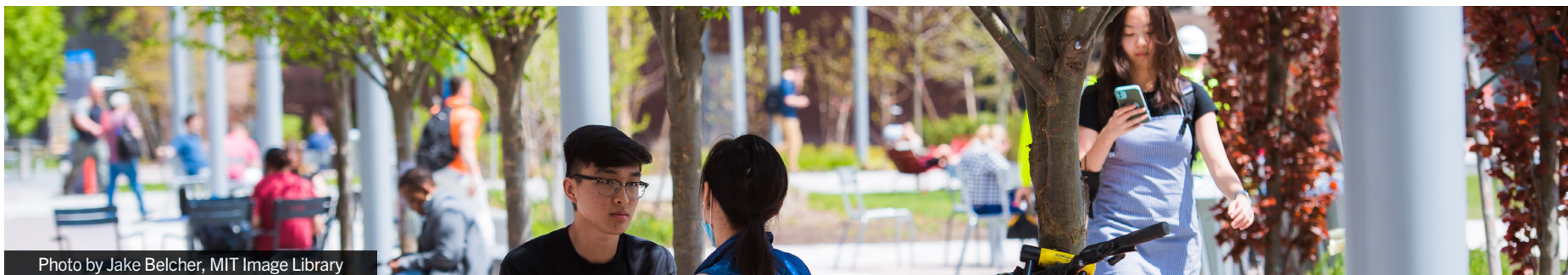


Photo by Jake Belcher, MIT Image Library

Improved Member Experience

Digital channels have become the most important way to deliver our products to our members. Whether members use the online chat or the Virtual Teller Machines (VTMs), we strive to ensure the member experience is seamless, efficient, and easy to use, allowing our employees more time to focus on members' needs. In 2022 we noticed fewer members coming to the branch in favor of online banking. To keep up with our members' needs, we decided to reassess our current technologies and take advantage of emerging solutions to benefit our members and improve their overall experience. In 2023, our focus is to enhance online chat and Contact Center functionality, introduce artificial intelligence capability as another means to assist our members, and add contact points, such as our new VTM location, which offers our members access to their

account 24 hours a day, seven days a week. In addition, we will continue providing tools and training to our employees to enhance product and service delivery for our members.

Financial Stability and Growth

We have the fiduciary responsibility to ensure the credit union is financially sound, provides channels for communication, invests in employees, and focuses on growth and development. In 2022 we improved our earnings significantly and anticipated this trend to continue into 2023. To help this, we will continue deploying strategies to benefit our financial growth, including but not limited to reassessing risks and key trends in the credit union industry and the economy for the coming years.

Looking forward, I am most excited this year to work with our dedicated staff and Board of Directors to reevaluate and introduce our new values and vision statements. I am incredibly grateful for our staff and Board of Directors, as they constantly work to meet and exceed goals for each other. 2022 was an exciting year for MIT Federal Credit Union, and I eagerly look forward to all that 2023 will bring.

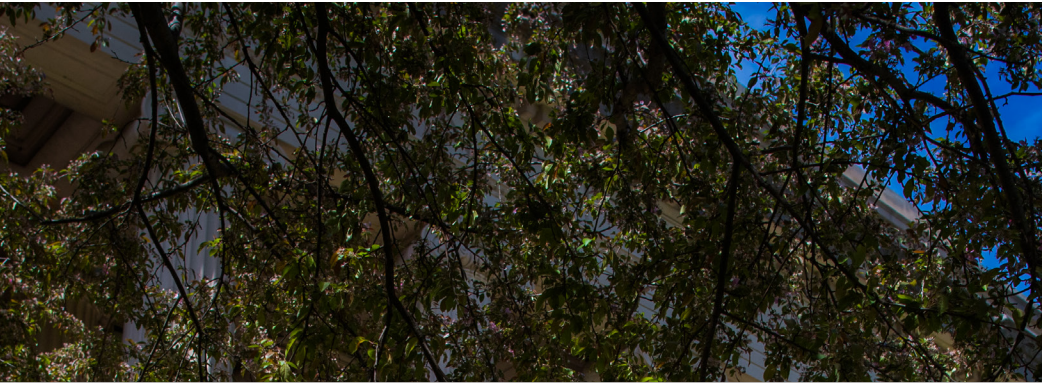
Rui F. Domingos
President/Chief Executive Officer



Rui F. Domingos
President/Chief Executive Officer



Clinton Blackburn
Chair of the Board



People Helping People

The 2023 People Helping People Award is presented to a current member of both the MIT Community and MIT Federal Credit Union. The recipient exemplifies compassion, commitment to helping others, and a sense of social justice. The award recipient will receive \$2,000, and a charity of the winner's choice will receive an additional \$2,000 donation.



Lisa Lozano



Photo by Gretchen Ertl, MIT Image Library

MIT FCU Community

Memorial Scholarship

Each year, MIT Federal Credit Union recognizes outstanding student members through our Memorial Scholarship Program. Recipients were selected based on grades, extracurricular activities, and their response to an essay question. For the 2023-2024 academic year, MIT Federal Credit Union is proud to award \$1,000 college scholarships.



Charles Bales



Ryan McMahon



Ryan Miles



Simara Salwan



Benjamin Tytell

Charitable Giving

MIT FCU is happy to see things on the upswing despite all that is going on in the world today. One thing we've learned over the past year is that there is always opportunity to give, and our goal in the coming year will be to take advantage of that opportunity as often as we can.

- Cambridge Family and Children's Services
- Camp Kesem-MIT-PHP Winner Charity 2021
- Community Tech Care Corporation
- CUKids at Heart
- Massachusetts Alliance of Portuguese Speakers
- Memorial Scholarship Program
- MIT Women's League
- My Brother's Table
- The Salvation Army
- Cooperative Credit Union Association (CCUA)
 - Stephen D. Jones Charity Golf Tournament
 - Children's Book Drive
- Massachusetts' Coalition for the Homeless – A Bed for Every Child



“MIT FCU gives the best care and service to its members. I feel like I can always depend on the Credit Union.”

- Paulette (MIT FCU member)

Photo by Jake Belcher, MIT Image Library

Supervisory Report

The Supervisory Committee continues to perform its charter to ensure that the financial reporting requirements are properly completed, and the credit union has effective procedures to safeguard members' assets. The committee meets monthly to review the financial and internal control audits as well as other operational topics of interest. We are assisted in our efforts by outside firms that provide audit support of the credit union's finances, policies, and procedures.

Internal audits continued to receive significant attention during 2023. Wolf & Company, P.C. performed ten planned internal audits during the year to test credit union procedures

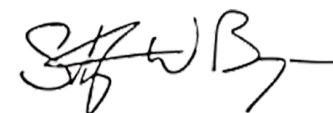
and controls in various areas including Operations, Risk Assessment, and Lending. We are happy to report that the findings were all positive and MIT FCU is in good standing.

Focus on information technology continued this year due to increasing occurrences of security breaches throughout the world. The threat of cyber-attacks, directly, through third-party vendors, or social engineering remain ever present. The committee reviewed the findings and management's responses, and actively worked with Wolf & Company, P.C. and MIT FCU management on the suggested areas for improving procedures, security, and controls.

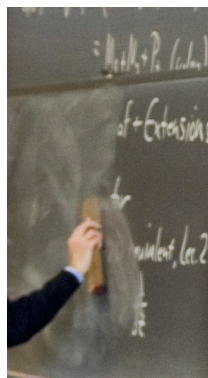
The committee continued to partner with an external auditor for our annual audit. The audit firm was engaged to perform our financial statements audit, which also included a review of internal controls. The committee met with the audit manager to review the scope, methods, and findings of their audit work.

The committee believes the financial statements, in all material respects, fairly present the financial position of MIT FCU. The Supervisory Committee is charged to investigate and respond to unresolved member complaints against credit union management, as well as whistleblower allegations. There were no such allegations this year.

One student associate committee member, Ina Benjamin, left this past year. The committee has begun a recruitment campaign for a new student associate member. We proudly volunteer for this committee and look forward to serving the MIT FCU community in 2024.



**Stephen W. Boyer, Chair
Supervisory Committee**



“Very responsive, very clear, super available to help. The whole process was easier than expected.”

- Elena (MIT FCU member)

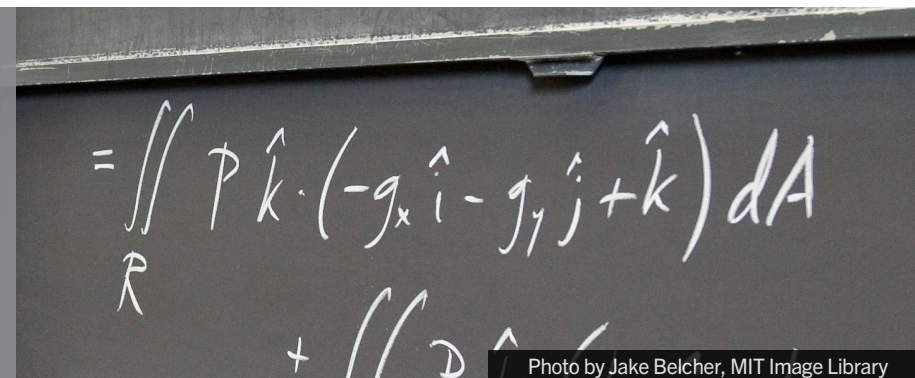


Photo by Jake Belcher, MIT Image Library



Photo by Gretchen Ertl, MIT Image Library

“Ben (and others) were exceptionally helpful (literally went above and beyond) for an issue I had and even a past issue that will help me rebuild.”

- Stephanie (MIT FCU member)

Treasurer’s Report

Our credit union completed another strong year! Total Assets were \$732,193,717. Loan Balances were \$610,526,722. Loan Growth was 21.15% far exceeding our estimates. This was due in part to the establishment of our Mortgage Origination Department which provided enhanced services to our members.

Net Income was \$4,936,244. These strong results helped us to be able to add to our reserves, improve our Capital and exceed the National Credit Union Administration (NCUA) requirements, as well as the ability to offer our members attractive Savings and CD rates.

As we look forward to our 83rd year in operation in 2023, we would like to thank our members for their continued support in achieving all that we have accomplished. We would also like to thank our Board of Directors, Supervisory Audit Committee, and the employees of the Credit Union for their support.

Robert M. Dankese, Treasurer

Key Financials

Statement of Financial Condition

	2022	2021
Assets		
Cash & Cash Equivalents	\$20,889,934	\$167,209,967
Loans, Net	\$604,305,919	\$496,555,302
Investment Securities	\$72,172,467	\$80,508,817
All Other Assets	\$34,825,397	\$26,843,035
Total Assets	\$732,193,717	\$771,117,121
Liabilities		
Member Shares & Deposits	\$668,386,635	\$716,414,557
Accounts Payable & Other Liabilities	\$16,242,499	\$5,661,561
Total Liabilities	\$684,629,134	\$722,076,118
Retained Earnings		
Regular & Undivided Earnings	\$54,648,569	\$49,712,326
Unrealized Gain (Loss) on Investments	\$(7,083,986)	\$(671,323)
Total Retained Earnings	\$47,564,583	\$49,041,003
Total Liabilities & Retained Earnings	\$732,193,717	\$771,117,121

Statement of Income & Expense

Income		
Interest on Loans & Investments	\$19,230,309	\$17,283,135
Gain on Sale of Loan Portfolio	-	-
Fees & Other Income	\$3,679,939	\$4,130,410
Total Income	\$22,910,248	\$21,413,545
Expenses		
Operating Expenses	\$16,961,418	\$15,072,096
Provision for Loan Loss	-	\$100,000
Dividend Expense	\$840,293	\$1,070,051
Interest on Borrowings	\$172,293	-
Total Expenses	\$17,974,004	\$16,242,147
Net Income	\$4,936,244	\$5,171,398

Credit Union Leadership

Board of Directors

Clinton Blackburn, Chair
Steven Winig, Vice Chair
Robert M. Dankese, Treasurer
John Kendall Nowocin, Secretary
John M. McDonald, Director
C.J. Whelan, Director
Jack Wolfe, Director
Vipul Bhushan, Director
Cheryl Clarkson, Director
Paula Collins, Associate Director
John Gianfrancesco, Associate Director
Laura R. Zhivich, Associate Director

Senior Management

Rui F. Domingos, President/Chief Executive Officer
Nancy J. Fales, Senior Vice President, Lending
Cynthia M. Hudson, Senior Vice President, Chief Financial Officer
Christian Lazowy, Senior Vice President, Member Services
Lisa Mandel, Senior Vice President, Information Technology & Operations
Leroy Mahoney, Vice President, Information Technology
Dmitriy Banar, Vice President, Mortgage Operations
John Billings, Vice President, Marketing

Supervisory Committee

Stephen W. Boyer, Chair
Jordan B. Lewis, Secretary
Steven Winig, Director
Theresa Howell, Member
Karon McCollin, Member
Ina Kundu Benjamin, Associate Member



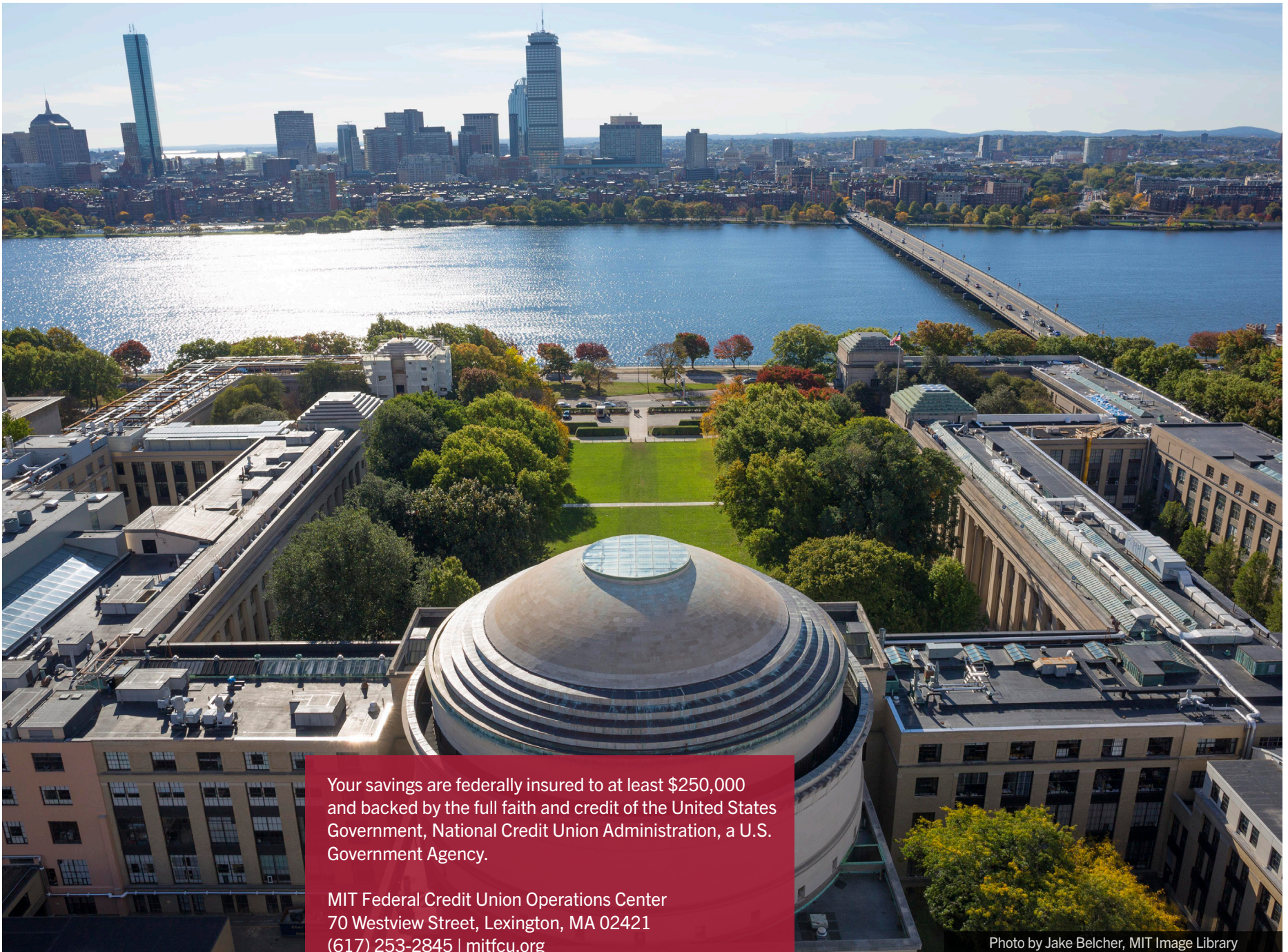
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Your savings are federally insured to at least \$250,000 and backed by the full faith and credit of the United States Government, National Credit Union Administration, a U.S. Government Agency.

MIT Federal Credit Union Operations Center
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(617) 253-2845 | mitfcu.org

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