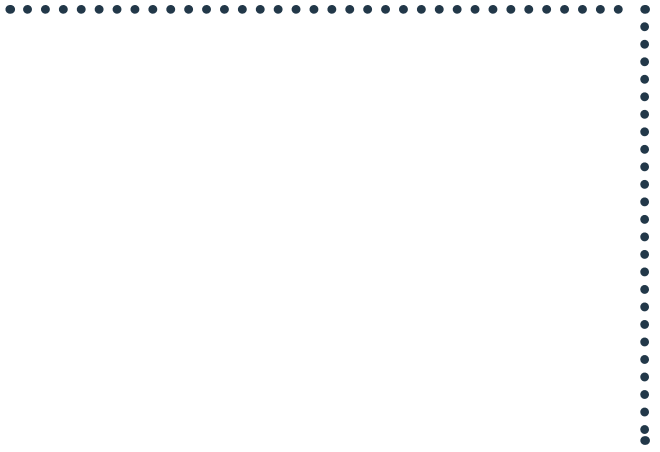


Southern Mass Credit Union Annual Report



99th Annual Meeting
Friday, March 26, 2021



SOUTHERN MASS CREDIT UNION

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BOARD OF DIRECTORS

Mark D. Sylvia Chairman
Robert Wallace2nd Vice Chairman
Richard E. Ellis Clerk/Treasurer
Alfred J. PecciniAssistant Clerk/Treasurer
Darlene Alferes
Pamela Bourgault
David S. Darmofal
Mark Morris
Charles Murphy
Kristen Sniezek
Paul Sylvia
Sandra Tynan

SENIOR MANAGEMENT TEAM

EXECUTIVE OFFICERS

Carmen F. Sylvester President and CEO
Michael Gago Chief Lending Officer
Jackie Bobola Chief Financial Officer

SENIOR MANAGEMENT TEAM

Nicole Fortier Senior Vice President Branch Administration
Kimberly Trahan Senior Vice President Human Resources

Suzanne CatraioVice President Marketing
Stephanie MedeirosVice President Operations
Susan St. PierreVice President Information Technology

MESSAGE FROM THE BOARD CHAIRMAN AND THE PRESIDENT/CEO

As we navigated the challenges of 2020, it was clear that the pandemic affected every member of the Southern Mass Credit Union community in some way. Our members and staff faced significant and unique challenges. In the span of a few days in March, numerous decisions were made to keep members and staff safe – our #1 priority. Social distancing and other CDC guidelines were followed; decisions to close the branch lobbies, reduce hours, and institute by-appointment-only services were difficult but necessary. We also could not avoid the staffing challenges due to the pandemic.

Although we had these challenges, I am pleased to announce that 2020 was a very successful year for Southern Mass Credit Union. All our business lines – residential loans, commercial loans, and deposits - experienced substantial growth. We launched online account opening to assist our members in opening an account from the comfort of their home or office.

Even with our lobbies closed, our team was working hard behind the scenes as we continued to lay the foundation for an exciting 2021.

- Fairhaven office remodel
- New Seekonk office location
- Enhanced product offerings and business accounts
- Re-branding
- Our new core system Corelation will be live in February 2022

Due to the events in 2020, we were unable to support our communities through traditional events. We are looking forward to sponsoring and attending community events once again soon!

Over the next year, we will engage our members more deeply, discover their needs and wants and offer products and services that streamline and enhance their banking experience. We will improve our technology, expand our geographical reach while carefully managing risk.

I would like to express my sincere gratitude to our employees for their hard work and dedication, to our Board of Directors for their guidance and support, and to our members who are on this journey with us together.

Thank you for allowing us to serve you,

David S. Darmofal
Chairman, Board of Directors

Carmen F. Sylvester
President & CEO

CREDIT COMMITTEE REPORT

The Credit Committee reviews current Credit Union loan policies to ensure the safety and soundness of the Credit Union and is responsible for ensuring prudent loan policies are followed without bias or discrimination. The following loans were issued by Southern Mass Credit Union during 2020:

Program	2020 Units	2020 Total	2019 Units	2019 Total
Mortgage	709	\$29,949,749	186	\$ 45,839,150
Home Equity	108	\$8,678,576	79	\$ 5,244,537
Consumer	305	\$3,845,871	542	\$ 7,351,412
Commercial	18	\$5,747,722	6	\$ 811,186
Student Loan	18	\$125,770	2	\$ 31,170
Loan Purchases - Mortgage	36	\$35,385,519	79	\$ 31,635,922
Loan Purchases - Commercial	30	\$27,033,612	\$ -	\$ -
Total	1,224	\$110,766,818	894	\$ 90,913,377

Gain on Sale	2020 \$	2020 Amt Sold	2019 \$	2019 Amt Sold
Mortgage	\$4,598,572	\$171,865,029	\$404,081	\$ 18,127,073
Home Equity	\$ -		\$ 0	\$ 0
Commercial	\$ -		\$ 0	\$ 0
Total	\$4,598,572	\$171,865,029	\$404,081	\$ 18,127,073

Respectfully submitted,

Richard E. Ellis
Chairperson

TREASURER'S REPORT

I am pleased to present the following report on the financial condition of Southern Mass Credit Union as of December 31, 2020 along with the accompanying balance sheet and income statement.

The Credit Union ended 2020 with total assets of \$293 million, representing an increase of 16.7% from 2019 levels. Loans outstanding to members totaled \$238.2 million, net of reserves of \$551 thousand. This represents an increase of 17.6%. The investment portfolio totaled \$15.8 million, representing a decrease of -33.0%.

Member deposits totaled \$244.1 million, representing an increase of 15.8%.

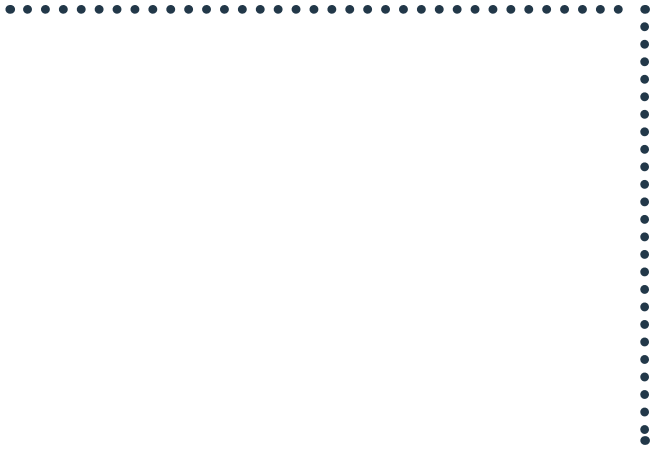
For the fiscal year 2020, the Credit Union realized net income of \$3 million versus -\$335 thousand in 2019. This represents an increase of 997.7%.

Member's equity increased 12.2% to \$27.8 million. The Credit Union's regulatory capital ratio remains "well-capitalized" at 9.47%.

Respectfully submitted,

Richard E. Ellis

Treasurer



STATEMENT OF FINANCIAL CONDITION

AS OF DECEMBER 31, 2020

unaudited

	2020	2019	% change
MEMBERS	14,291	14,953	-4.4%
ASSETS			
Cash	26,318,144.26	14,440,000.00	82.3%
Investments	15,818,820.12	23,598,618.00	-33.0%
Net Loans	238,205,448.94	202,611,415.00	17.6%
NCUA Share Insurance Deposit	2,221,137.74	1,832,801.00	21.2%
Fixed Assets, Net	5,360,422.85	4,252,656.00	26.0%
Other Assets	5,110,012.16	4,457,583.00	14.6%
Total Assets	293,033,986.07	251,193,073.00	16.7%
LIABILITIES & MEMBERS' EQUITY			
Members' Shares and Deposits	244,091,697.41	210,778,992.00	15.8%
Liabilities	21,185,755.54	15,665,067.00	35.2%
Members' Equity	27,756,533.12	24,749,014.00	12.2%
Total Liabilities and Members' Equity	293,033,986.07	251,193,073.00	16.7%
INCOME AND EXPENSE STATEMENT			
Total Income	14,062,099.00	10,285,943.00	36.7%
Operating Expenses	(8,389,521.33)	(8,070,634.08)	4.0%
Provision for Loan Losses	(163,727.00)	(40,000.00)	309.3%
Interest and Dividends Expense	(2,371,907.00)	(2,171,975.00)	9.2%
Non-Operating Income/Expense	(129,424.63)	(338,369.92)	-61.8%
Net Income	3,007,519.04	(335,036.00)	997.7%

COMMUNITY EVENTS

2020 was a turbulent year and many of the usual events the Credit Union supports and attends were canceled. While all of us were upset to see this, keeping our employees and the people in our communities safe and healthy was far more important. However, the canceling of events didn't stop us from participating and supporting our communities in other ways. The Credit Union's charitable giving continued, we again awarded five \$1,000 Scholarships, and our Employee Jean Day donations continued as well. Here's how we were able to reinvest back into our communities during a pandemic.

Annual Scholarships

Southern Mass awarded five \$1,000 Scholarships to eligible Credit Union members entering college as a freshman.

Charitable Donations

The Credit Union donates every year to various organizations in our communities. These are just some of the organizations the Credit Union sponsored in 2020: Boys & Girls Club of Fall River, Children's Advocacy Center of Bristol County, A Bed for Every Child, Junior Achievement of Southern Massachusetts, and the Whaling City Youth Baseball League.

Jean Days

Credit Union employees donate each month to dress in jeans and funds are donated to local, employee chosen organizations. Some of the charities the employees supported in 2020 were the Fairhaven Animal Shelter, M O Life Food Pantry, Saint Vincents, Veterans Transition House, Gifts to Give, A Shepard's Pantry, United Way of Greater New Bedford, American Cancer Society, Ronald McDonald House, Meeting Street, Gloria Gemma Breast Cancer Foundation to name just a few.

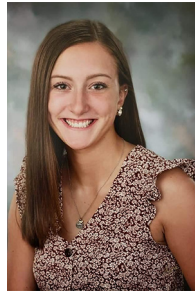
2020 SCHOLARSHIP RECIPIENTS

Southern Mass Credit Union awarded scholarships in the amount of \$1,000 each to five graduating high school credit union members that were entering college as freshmen in the Fall of 2020.

- Avia Fraine, Apponequet Regional High School
- Grace Hubert, Fairhaven High School
- Victoria Kalisz, Fairhaven High School
- Danielle Nutter, Old Rochester Regional High School
- Kelsey Rezendes, New Bedford High School



Avia Fraine



Grace Hubert



Victoria Kalisz



Danielle Nutter

Not pictured: Kelsey Rezendes



508-994-9971 | www.southernmass.com

LOCATIONS

Fairhaven

123 Alden Rd, Fairhaven, MA 02719

Fall River

1101 Stafford Rd, Fall River, MA 02721

New Bedford

2926 Acushnet Ave, New Bedford, MA 02745



NMLS # 422864