



2022 ANNUAL REPORT

To our valued Hudson Valley Credit Union Members,

Since joining the HVCU team in September, I have had the honor of meeting many new people and learning about the strong tradition of trust that members place in our cooperative. Hudson Valley Credit Union's steady, stable growth as a member-centered financial cooperative is a testament to your valued membership and **our dedicated team of more than 850 employees and volunteers** across 12 counties – all of whom live our mission every day ***"to create successful futures for members, employees, and communities, one relationship at a time."***

As we look to the future with great optimism and enthusiasm, I extend my sincere gratitude for your ongoing support of our community credit union. Together, we will continue to strengthen our shared connections, knowledge and experience to create even greater success for HVCU well into the future.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jonathan W. Roberts', with a stylized, sweeping flourish.

Jonathan W. Roberts
President and Chief Executive Officer

Chair and President's Report

As we celebrate our Diamond Jubilee, Hudson Valley Credit Union is stronger than ever. Membership, savings, loan and asset growth all saw positive gains during 2022, and we are pleased to report that HVCU remains the safe, stable credit union you have relied on for 60 years. We are also proud that a record number of new members—more than 21,300 of our friends, neighbors, and local businesses—joined our cooperative in 2022.

Our mission to create successful futures for members, employees and our community is lived in many ways. As a financial cooperative, we fund loans and mortgages to members with the deposits you trust us to hold. Our primary focus is and always has been the members and small businesses in our community who need access to high-earning deposit accounts, such as our Flex Rate Certificate, as well as affordable auto loans, mortgages and personal loans.

Creating community opportunity is another way we live our mission. In 2022, we increased our community donations by 15% as well as expanded the number of non-profit recipients of those funds by 15%. In addition to grants and sponsorships - including our successful Holiday "Loan that Gives Back" program where members directed donations to specific non-profits - we continued to encourage our staff to become involved in their communities. We are proud to say that of the thousands of hours of community service they gave, 86% was their personal time. Our team has amazing leadership skills as well as compassion for those in need, and we hear time and again how grateful local non-profits are when HVCU staff become involved in helping them succeed.

Our Cortlandt Manor branch staff are great examples of this community service in action. Our 21st branch

and first in Westchester County opened in September, and within weeks our team was not only welcoming members at the branch, but also attending charity walks and town celebrations where they could meet our new members. If you have not had a chance to visit this new location at the Cortlandt Crossing Plaza just in front of Shop Rite, Branch Manager Ana Mercado and her team would be pleased to give you a tour.

Our entire team is committed to making HVCU's mission come alive. **From our volunteer Board and Committee members who provide governance, to our staff who provide excellent service every day, we all understand the importance of "people helping people," our industry's motto.** We are so grateful for our staff's dedication, and are committed to being one of the region's top employers by offering highly competitive wages and benefits, as well as challenging career opportunities, which enables HVCU to attract and retain the top talent in the Hudson Valley.

In 2022, we continued to invest in our employees, members and communities through initiatives that achieve our vision of creating financial stability and a better quality of life. We strive to embody "The Credit Union Difference" in all we do—placing people before profits while providing the safety and security that our members deserve. We appreciate the trust you place in us, and we pledge to continue keeping our focus on people, soundness and growth, which have been hallmarks of HVCU's 60 years of success.



Jonathan W. Roberts
President and
Chief Executive Officer



Nancy Kappler-Foster
Chair of the Board



Treasurer's Report

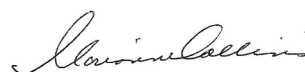
Year-end assets of \$6.7 billion. Record loan growth of 19.6%. Strong deposit growth of 5%. Annual membership growth of 6.7%. The numbers could speak for themselves, but there is so much more to our story.

The year 2022 was a balance of providing loans to accommodate the pent-up demand, while also providing members unique opportunities to protect their hard-earned money. Our Flex Certificate Accounts were, and continue to be, extremely popular. This unique product offers the ability to earn more on a 12-month certificate, should interest rates rise. Our business model relies entirely on meeting the savings and borrowing needs of members, and we are proud when members turn to us for all their financial needs.

For several years, we have reinforced the importance of our Net Worth —the capital HVCU has built to

weather challenges and remain safe and secure. In 2022, our Net Worth ratio grew by 100 basis points to a very strong 12.28%. Because of this, HVCU is able to invest in our people, technology, and services to serve you better.

For the past 60 years, Hudson Valley Credit Union has created a financial cooperative that our friends and neighbors rely on to provide the tools they need to succeed, and I am pleased to report that our strength and soundness continues. Thank you for your membership and your continued faith in us.



Marianne Collins
Treasurer



Key Measurements

	2022	2021	Growth
Total Assets	\$6.692 B	\$6.467 B	3.5%
Member Savings	\$5.840 B	\$5.564 B	5.0%
Member Loans	\$3.868 B	\$3.234 B	19.6%
Member Growth	339,635	318,322	6.7%

B = Billion

Net Worth
12.28%
of total assets
for 2022

Supervisory Committee Report

Hudson Valley Credit Union's Supervisory Committee, an independent committee of the Board of Directors, ensures that the Board and management have established effective practices, procedures, and controls sufficient to safeguard members' assets. The Committee's four members also ensure the completion of an annual external financial audit and serve as advocates for our members.

As in past years, HVCU's Supervisory Committee engaged an independent firm to audit HVCU as of December 31, 2022. They concluded the financial statements present fairly the results of HVCU's operations and its financial position according to generally accepted accounting principles as an unmodified opinion. HVCU also worked with the New York State Department of Financial Services and NCUA to complete our annual required supervisory examinations.

During the year, the Committee received full cooperation and support from management to maintain the quality of financial reporting to the members and enhancing the overall control structure of HVCU. We appreciate their time spent helping to make our members' experiences excellent ones. On behalf of the entire Supervisory Committee, thank you for your continued support of our financial cooperative. We are proud of the safety and soundness our credit union maintains.



Allen Olsen
Supervisory Committee Chair



2023 Annual Meeting

Monday, June 26, 2023

Boardman Road Library,
141 Boardman Road, Poughkeepsie

Beginning promptly at 5 pm ET

Our Annual Meeting will feature a brief message from our Chair of the Board as well as results of the Board of Directors' election. Members wishing to attend are asked to register before 12 pm ET on Friday, June 23 by visiting hvcu.org/annualmeeting.

Consolidated Statements of Financial Condition

December 31,	2022	2021
ASSETS		
Cash and cash equivalents	\$449,972,153	\$315,090,224
Investments	2,168,720,025	2,731,151,339
Loans to members		
Real Estate loans	1,397,586,758	1,273,211,791
Consumer loans	2,032,711,418	1,616,559,491
Member Business loans	438,144,041	344,499,025
Total loans to members	3,868,442,217	3,234,270,307
Allowance for loan losses	(47,978,162)	(42,986,623)
Accrued interest receivable	19,134,217	18,435,905
Prepaid expenses	5,889,869	5,028,338
Property and equipment, net	97,445,673	84,371,334
NCUSIF deposit	49,247,998	48,114,525
Other assets	81,013,153	73,161,061
TOTAL ASSETS	\$6,691,887,143	\$6,466,636,410
LIABILITIES AND MEMBERS' EQUITY		
Members' savings accounts		
Regular Savings	\$1,906,147,824	\$1,940,739,133
Checking	1,064,306,358	1,044,534,360
Money Market	832,848,895	966,595,097
IRAs	236,581,420	227,898,959
Certificate Accounts	1,480,548,358	1,074,846,630
Business Accounts	319,598,849	309,316,841
Total members' savings accounts	5,840,031,704	5,563,931,020
Borrowed Funds	450,000,000	150,000,000
Accrued expenses and other liabilities	63,074,081	47,355,515
TOTAL LIABILITIES AND SAVINGS	6,353,105,785	5,761,286,535
Members' equity, substantially restricted	338,781,358	705,349,875
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$6,691,887,143	\$6,466,636,410

Consolidated Statements of Income

Years Ended December 31,	2022	2021
INTEREST INCOME		
Loans	\$151,785,848	\$132,050,681
Investments	58,503,158	52,974,012
Total interest income	210,289,006	185,024,693
INTEREST EXPENSE		
Members' savings accounts	22,062,885	20,392,551
Borrowed funds	5,769,515	296,955
Total interest expense	27,832,400	20,689,506
Net interest income	182,456,606	164,335,187
PROVISION FOR LOAN LOSSES	14,158,217	(12,499,730)
Net interest income after provision for loan losses	168,298,389	176,834,917
NON-INTEREST INCOME		
Gain on sale of assets	2,074,825	13,125,831
HVCU Wealth Management Income	5,972,499	6,110,770
HVCU Insurance Services Income	667,458	644,408
Other	53,667,768	50,541,695
Total non-interest income	62,382,550	70,422,704
NON-INTEREST EXPENSES		
Compensation	57,912,719	50,229,848
Office operations	33,285,613	31,380,805
Employee benefits	25,537,207	29,378,849
Loan servicing	24,139,483	21,554,135
Office occupancy	6,835,257	6,719,444
Marketing	5,300,263	5,337,696
Professional and outside services	4,656,195	4,875,202
Travel, conferences and training	490,230	293,373
Association dues	415,867	400,720
Members' insurance	325,187	369,350
Operating fee	155,869	164,289
Annual meeting/election	96,137	1,129
Directors/Volunteers expense	48,732	23,534
Cash over and short	33,682	8,122
Miscellaneous	30,598	(149,938)
Total non-interest expenses	159,263,039	150,586,558
NET INCOME	\$71,417,900	\$96,671,063

Board of Directors



Nancy Kappler-Foster
Chair of the Board



Keith Baskett
Vice Chair



Alisa Swire
Secretary



Marianne Collins
Treasurer



Noreen Hennessy
Director



Wesley J. Lee
Director



Karen McFarlane
Director



Jay Pantaleo
Director



Benjamin Smith
Director

Directors Emeriti

Joseph E. Eppich
Jan Mahar Sturdevant

Executive Management

Jonathan W. Roberts, *President and Chief Executive Officer*
Anton L. Rohrmeier, *Executive Vice President and Chief Operations Officer*
Scott VanZandt, *Executive Vice President and Chief Financial Officer*
Diane M. Allenbaugh, *Executive Vice President and Chief People Officer*
Mark D. Timmerman, *Senior Vice President and Chief Risk Officer/General Counsel*

Committees

Finance Committee

Marianne Collins, *Chair*
Keith Baskett
Jay Pantaleo
Nancy Kappler-Foster*
Jonathan W. Roberts*
Scott VanZandt*

Compensation & Benefits Committee

Marianne Collins, *Chair*
Wesley J. Lee
Jay Pantaleo
Lauren Gillett
Nancy Kappler-Foster*
Diane Allenbaugh*
Jonathan W. Roberts*

Governance and Nominations Committee

Alisa Swire, *Chair*
Keith Baskett*
Marianne Collins
Karen McFarlane
Benjamin Smith*
Nancy Kappler-Foster**
Jonathan W. Roberts**

Nominations Subcommittee:
Paul Anderson, *Chair*
Stephanie McCaine
Vanessa S. Primus
Judy Schwab
Jennifer Shore

Supervisory Committee

Allen Olsen, *Chair*
Orlando Torres, *Secretary*
Jean-Claude Kallab, *Member*
Laurèn Hobler, *Associate Member**

CUSERVE Board of Directors

Ken Muckenhaupt, *Chair*
Noreen Hennessy, *Vice Chair*
Jonathan W. Roberts

*Non-voting

**Also Nominations Subcommittee

Securities and advisory services are offered through LPL Financial (LPL), a registered investment advisor and broker-dealer (member FINRA /SIPC). Insurance products are offered through LPL or its licensed affiliates. Hudson Valley Credit Union and Wealth Management at Hudson Valley Credit Union are not registered as a broker-dealer or investment advisor. Registered representatives of LPL offer products and services using Wealth Management at Hudson Valley Credit Union, and may also be employees of Hudson Valley Credit Union. These products and services are being offered through LPL or its affiliates, which are separate entities from, and not affiliates of, Hudson Valley Credit Union or Wealth Management at Hudson Valley Credit Union. Securities and insurance offered through LPL or its affiliates are:

Not Insured by NCUA or Any Other Government Agency | Not Credit Union Guaranteed |
Not Credit Union Deposit or Obligations | May Lose Value

Insurance products: Are not NCUA/NCUSIF insured | Are not obligations of HVCU | Are not guaranteed by HVCU



Federally insured by the NCUA

