



**FREEDOM FEDERAL CREDIT UNION
MINUTES OF THE 70TH ANNUAL MEMBERSHIP MEETING
APRIL 18, 2023**

DIRECTORS PRESENT

Lisa Ermatinger (Chair), Rick Gerety (Vice Chair), George Heidelmaier (Secretary), Ben Casole (Treasurer), Mike Kaiser, Ronnie Davis, Aaron Piccirilli

VOLUNTEERS PRESENT

Supervisory Committee: Jim Church

OTHERS PRESENT

Mike MacPherson, Freedom's President/CEO, Michele Young, EVP/COO, Keith Gill, CFO, and Freedom's Senior Management Team

ASCERTAINMENT THAT A QUORUM IS PRESENT

The Secretary called the meeting to order after ascertaining that a quorum was present.

INTRODUCTIONS

Mr. MacPherson introduced Freedom's Board of Directors, Senior Management Staff and Guests.

APPROVAL OF THE MINUTES OF THE LAST ANNUAL MEETING

The minutes of the 69th Annual Meeting were approved by the membership as presented.

ANNUAL REPORTS

Mr. Heidelmaier asked the Chairman's Report, President/Chief Executive Officer's Report, Supervisory Committee Report, and Report of the Independent Auditors be accepted by the membership. The reports were accepted by the membership as presented at the 70th Annual Meeting.

ELECTIONS

On behalf of the Nominating Committee, Mr. Casole stated that the Nominating Committee forwarded the following candidates to the Board of Directors.

Board Membership:

- Ronnie Davis – 3-year term
- Michael Kaiser – 3-year term

The above slate was elected by acclamation.

VICE-CHAIRMAN'S REPORT

Mr. Rick Gerety, the Vice Chair, began his comments by sharing in April of 1953, nine determined people created a more personalized way to bank, pooling their money together to form a credit union that served the military and civilian employees of Chemical Corps Materiel Command. By the end of 1953, there were 169 members and assets of \$9,267. Thanks to their determination and the tenacity of those who came in the years after them, Freedom Federal Credit Union has grown to become one of the most respected financial institutions in Maryland today. The Credit

Union's nine founders would be amazed by how far we have come in 70 years. Freedom has grown into a premier financial institution open to all Baltimore County and Harford County communities, with 34,000 members and nearly \$440M in assets.

2022 was a year for the record books for Freedom, a year defined by strong financial performance, growth, and success. The Credit Union also continued to grow as a safe and sound financial institution, with a continued focus on meeting and caring for members' needs. The financial health of the Credit Union is one of the best indicators of our organizational strength. In a strong year for revenue growth, we increased our total assets by \$27.6M or 6.7% over 2021. Loans were \$47.6M, or a 14% increase compared to the previous year, and Deposits were \$13.5M, or a 3.6% increase compared to last year.

Strong financial growth also ensures that the Credit Union can continue to live up to the commitment to social responsibility towards shared communities. As a result, Freedom was able to give back, and financially support over 80 charities, non-profits, and businesses throughout Harford and Baltimore Counties. Among the many accolades Freedom achieved in 2022: Harford Magazine named Freedom the "Best Of" winner in the Banks/Credit Unions category. The Baltimore Sun named Freedom the "Best of Baltimore" for Banks and Credit Unions. And Harford County Living selected Freedom as "Favorite Local Financial Institution" and "Favorite Mortgage Lender".

As a member of Freedom Federal Credit Union, you are a part of something truly outstanding. The more the Credit Union grows, and the more the members utilize Freedom as their financial and banking partner, the more opportunity there is to give back and make a difference. Mr. Gerety thanked all members for their support in helping Freedom meet the commitment to people helping people.

Mr. Gerety recognized Freedom's Board of Directors, the Leadership Team, and the Supervisory Committee for their ongoing service, and for their time, commitment, and dedication to always looking first at what is in the best interest of the membership, the communities we serve, and the Credit Union as a whole. Mr. Gerety thanked all Freedom employees for always putting the Credit Union members' needs first and doing banking the right way. Finally, Mr. Gerety thanked Freedom's loyal members for their ongoing trust and confidence. It is because of your partnership that our success is possible. Please know we are always here for you whenever you need us.

Freedom Federal Credit Union was founded 70 years ago on principles that people deserved a better banking alternative, coupled with a desire to serve our local community. As our 2022 results indicate, we continue to redefine what it means to be a successful financial institution and community leader. And I can't wait to see what the next 70 years have in store for us. Mr. Gerety took the opportunity to thank fellow Board Members, the Leadership Team, the Supervisory Committee, and all Freedom employees for their commitment in the care and support of each of our members. Mr. Gerety also thanked Freedom's members for their trust and confidence, as well as being such a big part of the Credit Union's success to date. Mr. Gerety turned over the meeting over to the President and CEO, Mike MacPherson.

PRESIDENT/CHIEF EXECUTIVE OFFICER'S REPORT

Mr. MacPherson shared Freedom begins its 70th anniversary, from very humble beginnings in 1953, to the Credit Union has become today: 34,000 members strong with nearly \$440M in assets. Even with such exponential growth in our seven decades, we have never lost sight of why we do what we do and why we exist.

Freedom continues to be a financial institution committed to the financial wellness of our members and our communities. Financially, 2022 was one of the best years in the Credit Union's history. Net Income for 2022 was \$2.36M, the most we have ever had. Assets grew to \$438.8M at year end, a 6.7% increase over 2021. Deposits grew to \$389.6M for the year, a 3.6% increase over 2021. And Loan volume grew to \$382.4M for the year, a 13.9% increase over 2021. 4,100 new members were welcomed to Freedom in 2022, which included new members from both Harford County and Baltimore County. Mr. MacPherson welcomed welcome all new members, and shared that the Freedom team looks forward to gaining the trust and relationship with the membership.

The most important measurement of a credit union's soundness is its capital ratio. Freedom's year-end Capital Ratio was 7.96%, which makes the Credit Union very healthy and well-capitalized financial institution. We also funded nearly \$30M in Mortgages and Home Equity Loans. We provided 3,171 members with \$120.6M in auto loans. Freedom continues to be a strong supporter of the Baltimore and Harford County business communities, supporting 92 local businesses and providing \$16.5M in loans to Business members. But Freedom's financial performance extends beyond these numbers.

The Credit Union's success also allowed to provide over \$220,000 in annual giving to Baltimore and Harford County community organizations through donations, sponsorships, scholarships, financial education programs, grants, and more. The strength of our Credit Union is built upon the foundation of our past and continues forward with the progress and vision for our future.

In 2023, the Credit Union will continue to keep the financial health and wellbeing of members and employees as a top priority. In fact, the Member Experience and Employee Experience are the two critical pillars of our new three-year strategic plan, which will help guide our growth in the coming years. Freedom will expand our reach and resources, be creative and innovative, and make prudent, thoughtful investments to create greater value for our members and communities. We will continue to enhance and build upon our digital banking technology to create a more seamless and more convenient online and mobile experience.

But even as technology continues to make access to banking easier and more available from anywhere, the Credit Union will not lose sight of the importance of the human connection. In consideration of this, Freedom will continue to invest in resources and technology that supports safe human interaction. Additionally, we will ensure that employees consider Freedom a meaningful and valued place to work, so members continue to have the best face-to-face banking.

Looking ahead, the Credit Union is confident that the combination of leadership, planning, execution, and financial strength have positioned Freedom for continued growth, the implementation of new technologies, and exceptional member experiences. The remarkable success over the past seven decades is the result of the hard work, vision, and commitment of the Board of Directors, Leadership Team, and Employees. Their dedication has led Freedom to be ranked among the very best. Mr. MacPherson thanked all of their efforts and for the support of our loyal members who have made Freedom the respected and trusted organization it is today.

QUESTION AND ANSWER PERIOD

There were no questions submitted as part of the question-and-answer period.

ADJOURNMENT: The meeting was adjourned at 5:05 pm.