



2022 Annual Report

empowerfcu.com | 800.462.5000 | Insured by NCUA



Leadership Message

2022 was a year of transition and growth for our organization. This transition allowed us to add new leadership and skillsets to the team to help us do more for our members. Empower Federal Credit Union remains in an excellent position to enhance growth and services to our members. As we look to 2023, you will see a focus on positively impacting members lives through providing affordable financial services and improved member experiences.

We are proud to report that your credit union continued to thrive in 2022. With all that has transpired in the financial services industry over the last year, you can feel confident that Empower Federal Credit Union and your deposits are safe and secure.

The credit union originated \$930 million in loans throughout 2022. Of that amount, approximately \$218 million was in mortgage loans with \$612 million in consumer loans and \$100 million in member business loans. During 2022 your credit union also worked hard to improve and offer relevant products. Improvements included several financial wellness offerings, a fixed-rate student loan, multiple green loan options and enhancements to our auto loan programs. Our share products were expanded to include 9-month and 15-month term certificate options to help our members. Throughout the year, we were responsive to the rising interest rate environment, staying competitive and in many instances market leading. Beyond our banking services, Empower understands the need to add value to our communities. Through volunteering, donations, and sponsorship of events, we supported over 90 different community organizations in 2022.

On behalf of our Board of Directors, volunteers, and over 650 employees, we thank you for your membership, business, and continued trust in Empower.

Empower Federal Credit Union has been serving our community since 1939, and we will be here to support you long into the future.

Respectfully,



Patrick Piscitelli, Chair, Board of Directors



Ryan McIntyre, President/CEO

2022 in Review

Total Teller Transactions:	1.7 Mil
Total Branch Visits:	1.9 Mil
Online Banking Interactions:	13.8 Mil
Call Center Answered Calls:	314K

Total Shares last year increased by \$100.1 million to \$2.66 billion for an annual growth rate of:

3.9%



Member Growth:

237,071

Members in 2021

250,150

Members in 2022



\$4.5 Million
2022 Member Giveback

Total Assets
\$3.19 Billion

End of December 2022



Total Shares:
\$2.66 Billion

End of December 2022

\$2.43

Billion Loans

Loans outstanding grew by \$448.5 million or 23%

Fastest Growing Loans:

Mortgages

Auto

Member Business

Net Worth:
9.68%

Board Members



Patrick Piscitelli
Chair



Katherine Rossler
Vice Chair



Greg Gorea
Secretary



Jayant Datta
Treasurer



Robert Cummings
Board Member



David Cusano
Board Member



Jan Mileskey
Board Member



Nancy Pizzuti
Board Member



Robert Wierman
Board Member



David Wolf
Board Member

Senior Leadership



Ryan McIntyre
President/CEO



Brenda Carhart
EVP/Chief Member
Experience Officer



Erin Fuller
Chief People Officer



Chip Harwood
Chief Financial Officer



Chris Keller
Chief Marketing Officer



Neekia McCoy
Chief Lending Officer



Lori Verzillo
Chief Retail Officer



Jennifer Wolfe
Chief Information Officer

Coming Up...

The Future of Empower

Financial Outlook

Our financial outlook for 2023 is strong and will include many new initiatives with the focus being on reinvesting and driving technology, improving processes and improved member and employee experiences. We will continue to provide market competitive loan and share rates throughout our footprint offering a variety of terms to help our members meet their financial goals.

Introducing the Member Contact Center

Empower will be investing in new technologies to enhance our member experience when we are contacted. You may have already experienced our security enhancement with the addition of one-time pass codes. More technology enhancements are coming to reduce your wait time, increase efficiency, and improve the overall member experience.

Improving our ATM Network & Locations

Improving the ATM experience for members is another initiative in 2023. We have already begun work on reviewing our entire ATM fleet and will be investing in updated equipment, technologies and will also increase the number of Empower ATM locations. These updates will not only add convenience but will allow our equipment to better serve members.

Member Experience Feedback

Listening to our members is key. We will be continuously seeking member feedback to review for improvement. We will be deploying new technology utilizing surveys to provide members the voice they deserve.

Investing in Technology

Whether in a branch, on a phone, online, or through one of our contact centers, our members will experience a new and improved Empower as we continue to invest in technologies that will enhance the member experience. We have hit the ground running in 2023 as we place improved technology in all our branches including guest wireless access, new computers, signature pads, and ID scanners so our staff can serve our members faster and more efficiently. We will continue to automate and provide self-service options by increasing the availability of e-documents and e-forms, optimizing our new account opening process and adding the ability to open Certificate of Deposit accounts online. Additionally, we are prioritizing a focused effort in 2023 and into 2024 to identify and install new technology in our Member Contact Center to optimize that member communication channel.

New Products to Meet Member Needs

Members will see an expansion of products to improve their financial well-being. We will expand our Real Estate First Loan program to include additional states like South Carolina and Tennessee. We are enhancing technology to streamline the process and improve the lending experience.

Investing in our Communities

2023 will mark a new and increased commitment to the communities we serve. We will create shared value through financial support, volunteerism and strategic community partnerships in order to become a greater asset to our communities.

Enhanced Security Features

Empower is constantly working to better protect you. Early in 2023, we implemented SMS verification codes for Call Center verification, and we have been educating our members on the most secure choices with two-factor authentication for online banking. Behind the scenes our systems and expert staff are constantly evolving to combat fraud and keep your personal data safe.

We've Got A Lot To Be Proud Of

The way in which we treat each other creates an employee experience founded on compassion and is what truly makes us great. Our approach is to lead from the inside out, with a solid foundation tailored to create an environment where our employees can thrive. Our culture values and celebrates diversity, with a commitment to build equitable and inclusive environments for employees and members.

Empower takes pride in creating a healthy workplace where employees can truly enjoy their work, the impact it makes, and create a significant difference in our members' lives.



“Empower champions in creating a safe environment which fosters inclusivity and equity for all employees while celebrating their diversity.”

Ebony King

Diversity Equity Inclusion Officer



Best Companies to Work for in NYS



**Bauer Financial Inc.
5 Star Rating**

Bauer Financial, Inc., the Nation's Premier Credit Union and Bank Rating Firm, has once again awarded Empower Federal Credit Union its top (5-Star) rating.



**Reader's Choice Award,
Syracuse.com**

2022 Readers' Choice Awards recognizes outstanding local businesses that serve the Central New York community.

The New York State Council of the Society for Human Resource Management, Best Companies Group and Rochester Business Journal have named Empower Federal Credit Union as one of the Best Companies to Work for in New York.

EMPOWER SUPPORT

We are honored to partner with many organizations within our community who have laid the groundwork to do good. Here are some of the organizations we work with to achieve this:

- GSAR
- Syracuse Auto Dealers (SADA)
- Mohawk Valley Diamond Dawgs
- Elmira Downtown Development
- Binghamton Rumble Ponies
- Auburn Community Hospital
- Westhill Education Foundation
- YWCA Broome County
- Vietnamese Community of Syracuse
- VA Employees Association-Syracuse
- ACR Health
- Baldwinsville Chamber of Commerce
- Chemung County Chamber of Commerce
- Greater Sullivan Chamber of Commerce
- Operation Northern Comfort




**We supported over
90 organizations
in our community
throughout 2022.**

Supervisory Committee Report for Year-End 2022

The firm of Firley, Moran, Freer & Eassa, P.C. performed an audit of the financial statements of Empower Federal Credit Union, for the year ending December 31, 2022. The audit was completed in conformity with generally accepted auditing standards. Empower received an unqualified opinion.

I would like to thank the Internal Audit Department for their efforts during the past year in assisting the Supervisory Committee to reach their objectives.

Respectfully,



David Cusano, Chair, Supervisory Committee

Supervisory Committee Members:

David Cusano

Chair

Dan Dupee

Committee Member

Greg Fernandez

Committee Member

Sue Swanson

Committee Member

Jim Fletcher

Committee Member

The objectives of the Supervisory Committee include the following:

Determine that established internal controls are effectively maintained and adequately protect the credit union and its members.

Determine that accounting records and reports are prepared and accurately reflect credit union operations.

Ensure that the policies and procedures of each functional department are adhered to.

The Supervisory Committee accomplishes these objectives in three primary ways:

Oversight of the Internal Audit Department including reviews of Internal Audit reports and monitoring and tracking of audit recommendations.

Engaging an independent public accounting firm to complete a comprehensive year-end audit of the credit union's financial statements.

Review of examinations performed by the NCUA's Federal Examiners.

Treasurer's Report

Empower Federal Credit Union had another strong year of financial performance. Our healthy financial results, combined with our strong net worth, provided Empower the ability to continue to deliver superior value to our members.

Earnings in 2022 before the member giveback were \$38.9 million, a \$1.9 million, or 5%, increase over 2021. Our overall performance was very positive, and we were able to declare a member giveback of \$4.5 million. This was consistent with 2021 and represented the fifteenth consecutive year we've awarded a year-end interest rebate and bonus dividend. Net income after the member giveback was \$34.4 million. Non-Interest Income was \$58.0 million for the year and demonstrates strong product usage by our members. Non-interest expense increased \$7.0 million or 6.8% as we continue to make investments in the credit union to ensure we maintain high levels of service to our members.

Loans to members increased by \$446.8 million or 22.5% in 2022 and deposits also increased by \$100.1 million, or 3.9%. This growth was concentrated in money market share accounts and certificates. Total assets grew \$255.1 million or 8.7% to \$3.19 billion, reflecting strong usage of our products and services by our members.

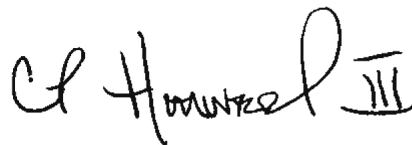
One of the most important metrics is net worth. This provides a proper level of safety and soundness as well as the capacity to offer new and enhanced products and services. The ability to grow net worth and maintain an appropriate level is critical to a growing financial institution. Empower ended 2022 with net worth of \$309.0 million, a \$34.4 million increase over 2021. Our net worth as a percentage of total assets is a very healthy 9.68% and was 9.35% one year ago. We continually monitor and evaluate this position to ensure continued safety and soundness while balancing the needs of our members.

Empower Federal Credit Union continues to maintain the financial strength to ensure our members' trust and continued participation in our products and services. Empower is financially secure and well-positioned for future growth and well-prepared to continue to deliver superior value to our members.

Respectfully,



Jayant Datta, Treasurer, Board of Directors



Chip Harwood, Chief Financial Officer

Statements of Financial Condition

Empower Federal Credit Union

As of December 31, 2022

Dollars in Thousands

Assets:	2022	2021
Cash and Cash Equivalents	\$197,923	\$394,718
Total Investments	484,516	481,401
Total Loans & Leases	2,430,039	1,983,237
Less: Allowance for Loan & Lease Losses	(31,104)	(32,822)
Net Loans	2,398,935	1,950,416
Total Other Assets	112,299	112,027
Total Assets	\$3,193,673	\$2,938,561
Liabilities:		
Notes Payable	\$225,000	\$63,664
Total Liabilities	52,408	41,162
Total Shares	2,661,301	2,561,154
Member Equity	309,048	274,675
Unrealized Gains (Losses) on Investments	(54,083)	(2,094)
Total Liabilities, Shares and Equity	\$3,193,673	\$2,938,561

Statements of Income

Empower Federal Credit Union

For the Year Ended December 31, 2022

Dollars in Thousands

Interest Income:	2022	2021
Interest on Loans	\$102,887	\$86,931
Less: Interest Refunded	(3,612)	(3,661)
Income on Investments	10,239	4,382
Total Interest Income	\$109,514	\$87,652
Interest Expense:		
Dividends on Shares	\$12,554	\$8,765
Bonus Dividend	910	890
Interest on Borrowed Money	1,595	47
Total Interest Expense	\$15,059	\$9,702
Net Interest Income	94,455	77,950
Provision for Loan and Lease Losses	7,730	8,083
Net Interest Income after Provision for Loan Losses	86,725	69,867
Total Non-Interest Income	\$57,990	\$63,648
Non-Interest Expense:		
Compensation and Benefits	\$53,199	\$49,762
Office Operations and Occupancy	19,401	18,355
Loan Servicing	14,121	10,611
Professional and Outside Services	20,530	21,692
Education and Promotion	3,091	2,891
Total Non-Interest Expense	\$110,342	\$103,311
Income (Loss) before Non-Operating Income (Loss)	34,373	30,205
Non-Operating Income (Loss):		
Gain on Credit Union Merger	-	2,221
Net Income (Loss)	\$34,373	\$32,426



Branches

Auburn
65 State Street
Auburn, NY 13021

Baldwinsville
15 East Genesee Street
Suite 110
Baldwinsville, NY 13027

Binghamton
120 Main Street
Binghamton, NY 13905

Binghamton - Exchange St.
55 Exchange Street
Binghamton, NY 13901

Canandaigua
400 Fort Hill Avenue
Building 7
Canandaigua, NY 14424

Central Square
3056 East Ave/Route 49
Central Square, NY 13036

Cheektowaga
2690 Walden Avenue
Cheektowaga, NY 14225

Chittenango
278 Genesee Street
Chittenango, NY 13037

Cicero
5791 Route 31
(Corner of Route 31 & 11)
Cicero, NY 13039

East Syracuse
900 Kinne Street
East Syracuse, NY 13057

Elmira
351 North Main Street
Elmira, NY 14901

Endwell
519 Hooper Rd.
Endwell, NY 13760

Fairmount
3700 W. Genesee Street
Syracuse, NY 13219

Fayetteville
7320 E. Genesee Street
Fayetteville, NY 13066

Fulton (West)
722 W. Broadway
Fulton, NY 13069

Fulton (East)
520 S. 2nd Street
Fulton, NY 13069

Johnson City
760 Harry L Drive
Johnson City, NY 13790

Lakeland
963 State Fair Blvd.
Syracuse, NY 13209

Liverpool
7670 Morgan Road
Liverpool, NY 13090

North Medical Center
5112 W. Taft Road
Suite B
Liverpool, NY 13088

Oswego
100 George Street
Oswego, NY 13126

Palatine Bridge
121 Palatine Plaza
Palatine Bridge, NY 13428

Syracuse-Green Hills Farms
5933 South Salina Street
Syracuse, NY 13205

Syracuse-515 Erie Blvd.
515 Erie Boulevard West
Syracuse, NY 13204

Syracuse-VA Medical Branch
800 Irving Avenue
Syracuse, NY 13210
(VA Employee Access Only)

Syracuse - Western Lights 4729
Onondaga Blvd.
Syracuse, N.Y. 13219

Utica
1928 Genesee Street
Utica, NY 13502

Vestal
3701 Vestal Parkway East
Vestal, NY 13850