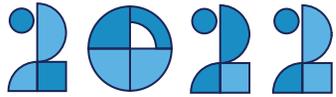




ANNUAL REPORT



A Message to Our Members

BCU has a long history of differentiating itself in the financial services industry by providing unparalleled value, unique products, and extraordinary service to its members, company partners and employees. We are proud to continue that trend especially as post-pandemic economic uncertainty amplifies consumer financial stress. 2022 was a challenging year in our industry, and a deeply rewarding one for BCU. We found strength in putting our Purpose into practice, and joy in helping one another thrive. BCU is *Here Today For Your Tomorrow*, and we're always honored to be a part of your financial lives.

Closing in on \$6 billion in assets, BCU continues its focus on operational efficiency, scalable growth, and exceptional service. In 2022, membership grew by 9.84% and assets grew by 13.38%. That growth, combined with 1.09% return on assets, and 10.02% capital ratio are strong indicators that BCU is a healthy and thriving institution. While many consumers manage their busy lives with convenient digital tools, our members also value face-to-face interaction with friendly, knowledgeable representatives, and so do we! In April, BCU increased its community footprint by welcoming members to its newest branch in Libertyville, Illinois. With over 55 Branches across the US and Puerto Rico, we are committed to meeting members where they are by continuing to invest in digital technology and expanding physical access.

Over 340,000 members across the US and Puerto Rico are empowered to securely manage their money anytime, anywhere with BCU's enhanced Digital Banking platform. In July, the elevated banking experience was introduced to the nearly 86% of BCU members who utilize Digital Banking, enabling easier money movement, greater personalization, advanced security, faster navigation, and much more. Many of these enhancements were the result of member feedback. With 79,000 reviewers giving the mobile app a 4.9-star rating, all signs point to BCU's Digital Banking being a fan favorite.

BCU strives to deliver extraordinary experiences no matter how members choose to connect with us. Using Net Promoter Score (NPS) to measure member

experience success, the Credit Union surpassed this year's goal to end the year with an NPS of 79.16. Member experience is something everyone at BCU owns, and we're extremely proud of our ability to consistently maintain an NPS nearly double that of large national banks. BCU was also recognized for our dedication to members at the industry level, receiving Tethr's 2022 CXcellence Award for Member Experience. In November, BCU was named to CNET's list of Best Credit Unions of 2022. With inflation affecting every member household, we strive to create increased value for members when they need it most. On December 1, 2022, BCU effectively doubled the rate of return on its PowerPlus™ Checking account, providing account holders the opportunity to earn up to 4.00% APY while still enjoying unlimited ATM fee reimbursements and no hidden fees. Collectively, PowerPlus Checking account holders earned nearly \$7.5 million in interest and were reimbursed over \$2 million in fees. Contributing to a portfolio increase of \$125 million along with PowerPlus Checking is the improved earning potential on BCU's Rainy Day Savings account, now earning members up to 2.50% APY.

Rapidly rising mortgage rates, low inventory, and a generally uncertain housing market presented challenges for buyers, sellers, and lenders. The BCU team was there to help every step of the way, writing over \$655.6 million in new home loans in 2022. Always an advocate for simplifying complex financial transactions, BCU introduced new home loan products and assisted members through turbulent scenarios. Hundreds of members received a cumulative \$780,000 in cash rebates on the sale or purchase of their homes using BCU's HomeAdvantage® program. We are proud to have expanded our homebuying services this year with the introduction of various down payment assistance programs, making homeownership more attainable for eligible low- to moderate-income buyers. On other purchases, BCU members cashed in at every checkout, receiving over \$7 million in cash back with the Cash Rewards Visa® and earning over 700 million Travel Rewards Points with the Travel Rewards Visa®. BCU's Auto Buying Service also helped pave the road to financial freedom for many members, saving them a total of \$1.3 million on the purchase of their new or used vehicle.

In our ongoing pursuit of Empowering People to Discover Financial Freedom, we were proud to announce the evolution of our proprietary financial well-being program, Life. Money. You.® (LMY), as a Credit Union Service Organization (CUSO), and ability to deliver financial help to an even broader audience with an expanded field of membership through the addition of an Associational Charter. LMY will now be able to reach new communities and expand Credit Union membership opportunities with MoneyTracks™, a mobile app to put users on a path to financial confidence. LMY, provided by BCU, also offers free access to 130 certified financial counselors or *Goal Consultants*. In nearly 1,500 appointments this year, members received personalized advice on everything from reducing debt to buying a home; and took action to join the Credit Union, establish an

emergency savings account, and more. An additional 36,000 members began using SavvyMoney, gaining free access to their credit score right within Digital Banking. The smallest actions often have the greatest impact. Members who paired working with a *Goal Consultant* and SavvyMoney's credit monitoring increased their credit score by an average of 66 points!

To do good, purposeful work that empowers people at any stage in their financial journey, we must focus on community and inclusion. BCU's ninth annual Scholarship Program awarded nearly 30 students with scholarships totaling \$93,500, including a new award that will be given each year to a deserving student from Puerto Rico. For every completed Scholarship application, BCU donated to UNICEF Ukraine as part of our ongoing humanitarian relief efforts. Just months after celebrating the expansion of BCU's Bianca Branch facility in Puerto Rico, Hurricane Fiona struck the island. Equipped with a reliable business continuity plan and triple redundancies, the Credit Union was able to serve members through and beyond the storm without interruption. In addition to our long-standing partnership with Jean Chatzky, BCU invited author and activist Tiffany Aliche, a/k/a "The Budgetnista," to join our money management content series. Tiffany hosted a financial wellness livestream event and consulted with BCU to address ways we can better serve members and eligible non-members from a variety of diverse backgrounds. To enable BCU employees to bring their best, most fulfilled selves to work, leadership introduced a new way to use paid volunteer time to focus on career, social, financial, physical and community well-being. Employees spent over 300 hours participating in approved "*thrive! time*" activities that boosted their well-being and logged 1,460 hours of volunteer work aimed at bettering their communities. To strengthen our own community, BCU launched an internal DEI Council, comprised of 14 diverse employees to be the voice of their peers and advance BCU's DEI initiatives.

We extend our deepest appreciation to BCU employees who bring BCU's Purpose to life through every member interaction. We thank our Board of Directors for their guidance and support every step of the way, and our Company Partners for trusting us with the honor of serving their employees. Finally, we are immensely grateful to our members for allowing us to help fulfill your financial dreams. We look forward to continuing to grow and thrive with you in 2023.

Michael Valentine
President/Chief Executive Officer

Michael Curran
Chairman



Interact with BCU's Year In Review: [BCU.org/2022](https://www.bcu.org/2022)

BOARD OF DIRECTORS, COMMITTEES & OFFICERS

Board of Directors

Michael Curran*
William Costa
Brett Craig
Christine Fleming
Betty Larson
Paul Martin
Christine McCauley
Alfred Nietzel
Ola Snow
David Strauss
Michael Valentine

Chairperson Emeritus

Thomas Hodson

Executive Committee

Michael Curran*
Christine Fleming
Paul Martin
Christine McCauley
Alfred Nietzel

Supervisory Committee

Christine Fleming*
Brett Craig
Alfred Nietzel
Ola Snow
Robyn Wells

Nominating Governance Committee

Christine McCauley*
William Costa
Betty Larson
David Strauss

Officers

Michael Valentine
President, Chief Executive Officer, Treasurer

Michael Curran
Chairman

Paul Martin
Vice Chairman

Betty Larson
Secretary

Carl Presto
Executive Vice President, Chief Financial Officer, Assistant Treasurer

Lisa Baron
Executive Vice President, Chief Human Resources Officer

James Block
Executive Vice President, Chief Operating Officer

David Blum
Executive Vice President, Relationships and Service Delivery

David Brydun
Senior Vice President, Chief Lending Officer

Daniel Parsons
Senior Vice President, US & PR Branch Operations

Jill Sammons
Senior Vice President, Marketing, Well-being, and Wealth Advisory

Scott Zulpo
Senior Vice President, Chief Technology Officer

Davi Allen
Vice President, Consumer Lending

Dan Cook
Vice President, US Retail Branches

Brett Engel
Vice President, Finance & Risk

Maggie Garcia
Vice President, Deposit & Payments

Joe McCarthy
Vice President, Real Estate Lending

Kerriann Mills
Vice President, General Counsel, Assistant Secretary

John Sahagian
Vice President, Chief Data Officer

Chuck Smith
Vice President, Controller

Stephanie Southard
Vice President, Chief Information Security Officer

Anita Wilson Wellen
Vice President, Talent Management

Douglas Wright
Vice President, Audit/Compliance

*Chairperson





STATEMENTS OF INCOME		
(in thousands)	2022	2021
Interest Income		
Interest on loans to members	\$ 198,371	\$ 163,077
Interest on investments and cash equivalents	33,786	9,791
Total interest income	232,157	172,868
Interest Expense		
Dividends on members' shares	31,292	23,339
Interest on borrowed funds	29,456	5,601
Total interest expense	60,748	28,940
Net interest income	171,409	143,928
Provision for loan losses	11,900	11,900
Net interest income after provision for loan losses	159,509	132,028
Non-Interest Income		
Service charges and other fees	31,977	28,322
Interchange income	43,028	39,417
Other mortgage income	7,560	10,710
Net gain on sale of loans	6,742	35,605
Other non-interest income	29,014	33,121
Gain (loss) on assets at fair value, net	(37)	(3,875)
Total non-interest income	118,284	143,300
Non-Interest Expense		
Salaries and benefits	98,057	93,421
Loan costs	36,120	32,522
Equipment and data processing	25,508	23,849
Occupancy	6,716	8,314
Other operating costs	54,055	41,462
Total non-interest expense	220,456	199,568
Net Income	\$ 57,337	\$ 75,760

STATEMENTS OF FINANCIAL CONDITION		
(in thousands)	2022	2021
ASSETS		
Cash and cash equivalents	\$ 348,601	\$ 396,992
Investments		
Trading, at fair value	0	1,391
Available-for-sale, at fair value	246,749	302,151
Mutual Funds	30,756	35,741
Other	97,316	88,029
Mortgage loans held for sale	2,767	23,654
Loans to members, net	4,794,876	4,072,448
<small>(including \$0 and \$1,213,179 at fair value as of December 31, 2022 and 2021, respectively)</small>		
Accrued interest receivable	14,553	9,814
Property and equipment, net	110,625	51,257
NCUSIF deposit	39,835	37,121
Mortgage servicing rights at fair value	34,086	25,669
Other assets	31,320	27,956
Total Assets	\$5,751,484	\$5,072,223
LIABILITIES AND MEMBERS' EQUITY		
Liabilities		
Members' shares	\$4,339,225	\$4,383,102
Non Members' Shares	170,189	0
Borrowed funds	665,000	135,000
Accrued expenses and other liabilities	72,318	66,165
Total Liabilities	\$5,246,732	\$4,584,267
Members' Equity		
Retained earnings, substantially restricted	\$ 546,185	\$ 488,848
Accumulated other comprehensive loss	(41,433)	(892)
Total members' equity	504,752	487,956
Total Liabilities and Members' Equity	\$5,751,484	\$5,072,223

REMUNERATION EXPENSES	
The following chart includes total and individual compensation for directors and committee members for 2022.	
William Costa	\$ 30,750
Brett Craig	30,750
Mike Curran	46,125
Christine Fleming	35,875
Betty Larson	30,750
Paul Martin	35,875
Christine McCauley	25,875
Alfred Nietzel	30,750
Mark Rosenbaum	15,000
Ola Snow	30,750
David Strauss	30,750
Robyn Wells	15,375
Total	\$358,625