



ANNUAL REPORT



A Message to Our Members

In 1981, BCU embarked on a bold journey to Empower People to Discover Financial Freedom. As the Credit Union celebrated its 40th anniversary in 2021, we also celebrated a renewed commitment to make our best even better for you, our employees, and our Company Partners. As the pandemic persisted and uncertainty became all-too familiar, we held steadfast to our shared values and remained grounded in doing the right thing for members. We persevered to help the communities, companies, employees, and individuals we serve by returning the greatest value for all members in what would become one of the Credit Union's best years to date, with 13.3% asset growth, a 9.81% capital ratio, and 1.58% return on assets. BCU upheld its long-standing reputation as a leader in the industry, being named a ComputerWorld Best Place to Work in IT, performing in the top quartile among our peers for Net Promoter Scores, and near top quartile for Employee Engagement, according to Gallup. From small wins to significant milestones – our success is your success.

BCU total assets eclipsed \$5 billion, allowing the Credit Union to further invest in empowering financial freedom for others – through improved experiences, new technology, historically low mortgage rates, top of the market deposit rates, and a competitive product suite. Another highlight of the year was the addition of HCA Healthcare® and GlaxoSmithKline to the growing family of Fortune 100 companies we are proud to partner with – offering the exclusive benefit of financial well-being to employees and families of America's best workplaces. Welcoming nearly 40,000 new members in 2021, BCU now serves over 300,000 members in the U.S. and Puerto Rico. Member feedback fueled our partnership with Zelle® to bring yet another fast, safe, and easy way to send and receive money among trusted friends, family, and eligible businesses.

Since its launch in September, over 35,000 members are enjoying the convenience of having Zelle® available in BCU's Digital Banking. Introducing a new Member Application platform was another stride toward improved member experience. New Credit Union members are now welcomed with an even more intuitive onboarding process.

Quick and secure access to your accounts anytime, anywhere remained a necessity in 2021, as is evidenced by 66 million Digital Banking logins – a 22% increase from 2020 – with 78% of all activity on a mobile device. Almost 88,000 members took advantage of Deposit Anywhere, cashing over 700,000 checks from the comfort of home. PowerPlus™ Checking account holders earned \$7.1 million in interest and \$2 million in reimbursed ATM fees with this unbeatable product that provides members 2.00% APY, unlimited ATM refunds and no minimums or penalties. PowerPlus Checking, along with BCU's other high-yield deposit products, contributed to a deposit portfolio increase of nearly \$550 million.

Our lending programs continued to provide strong value to our members. The Auto Buying Service not only simplified the car buying process and provided members a total of \$6.5 million in price discounts on the purchase of their new or used vehicle, but also helped them find the vehicle of their dreams against the nationwide backdrop of low dealership inventory. Our HomeAdvantage® realtor program gave members everything they needed to search, buy, sell, and save in an increasingly competitive housing market, earning members close to \$1 million in realtor commission rebates on the sale or purchase of their home, and close to \$6 million in realtor commission rebates since the inception of the HomeAdvantage® program. With BCU's credit card products, our members earned while they spent, receiving \$7.3 million in cash back with the Cash Rewards Visa®. Travel Rewards Visa® cardholders earned over 950 million travel rewards points.

Financial well-being remains core to everything BCU stands for. In 2021, over 14,000 members took the Financial Checkup, receiving a FinHealth Score® and personalized advice to help them understand their financial strengths and opportunities. On average, BCU member FinHealth Scores are above the national benchmark. Even more well-being features were introduced in the My Money Health widget in Digital Banking, and over 120 Credit Union employees now serve as certified Goal Consultants. Because

of their outstanding performance and dedication to customized wealth management, BCU Wealth Advisors, LLC was selected as a recipient of the Kehrer Bielan Research & Consulting Top Program Award.

We believe in the importance of not only doing well as an organization, but in doing good for the communities where our members and employees work and live to help empower the discovery of financial freedom. This past year, BCU empowered 28 college-bound or college-aged students with \$88,500 to further their education. Recipients represented 12 states across the U.S., with interests in Kinesiology, Accountancy, Graphic Communications, Forensics, Meteorology, and more. Among the scholarship awards were the Leaders of Tomorrow and Samuel G. O'Kelly Memorial Scholarships, created to honor some of the brightest students in the name of past leaders and changemakers in the Credit Union's history. BCU also donated \$375,000 of net income to charitable partners such as the Special Olympics, the Multiple Myeloma Research Foundation, the Ronald McDonald House Charities®, and Camp Kesem. Gently used furniture from BCU's decommissioned Naperville office was donated to Waukegan-based, minority-owned organization, The Community Works. Credit Union employees also participated in over 4,500 volunteer hours, giving new meaning to our promise to be Here Today For Your Tomorrow.

To each and every employee, our Board of Directors, and Company Partners, we express profound gratitude for the choices you make daily that enable BCU to achieve our Purpose. To our members, each year we are grateful for your unwavering loyalty and support. Your happiness, success, and freedom are at the forefront of every decision the Credit Union makes, every experience we enhance, and every milestone we achieve. Thank you for giving us the opportunity to wow you in 2021 – and the honor to empower you to thrive in 2022 and beyond.

Michael Valentine
President/Chief Executive Officer

Michael Curran
Chairman



Interact with BCU's Year In Review: [BCU.org/2021](https://www.bcu.org/2021)

BOARD OF DIRECTORS, COMMITTEES & OFFICERS

Board of Directors

Michael Curran*
William Costa
Brett Craig
Christine Fleming
Betty Larson
Paul Martin
Christine McCauley
Alfred Nietzel
Mark Rosenbaum
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
John McCoy
Alfred Nietzel
Ola Snow
Robyn Wells

Nominating Governance Committee

Christine McCauley*
William Costa
Betty Larson
Mark Rosenbaum
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 Secretary

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

Jeffrey Johnson

Senior Vice President/Chief
Partnerships & Strategy Officer

Carey Price

Senior Vice President/Digital
Strategy & Delivery

Jill Sammons

Senior Vice President/Marketing &
Communications

Scott Zulp

Senior Vice President/Chief
Technology Officer

Davi Allen

Vice President/Consumer Lending

Jose Cajigas

Vice President/Puerto Rico
Operations

Brett Engel

Vice President, Finance & Risk

Kenneth Dryfhout

Vice President/Strategy & Growth/
Wealth Advisors

Maggie Garcia

Vice President/Deposit & Payment
Operations

Kerriann Mills

Vice President/General Counsel

Daniel Parsons

Vice President/US & PR Branch
Operations

John Sahagian

Vice President/Chief Data Officer

Chuck Smith

Vice President/Controller

Stephanie Southard

Vice President/Chief Information
Security Officer

Suzanne Thomas

Vice President/Mortgage Lending

Anita Wilson Wellen

Vice President/Talent Management

Douglas Wright

Vice President/Audit/Compliance

*Chairperson





STATEMENTS OF INCOME		
(in thousands)	2021	2020
Interest Income		
Interest on loans to members	\$ 163,077	\$ 158,994
Interest on investments and cash equivalents	9,791	7,165
Total interest income	172,868	166,159
Interest Expense		
Dividends on members' shares	23,339	32,273
Interest on borrowed funds	5,601	7,971
Total interest expense	28,940	40,244
Net interest income	143,928	125,915
Provision for loan losses	11,900	32,937
Net interest income after provision for loan losses	132,028	92,978
Non-Interest Income		
Service charges and other fees	28,322	24,780
Interchange income	39,417	31,177
Other mortgage income	10,710	10,437
Net gain on sale of loans	35,605	31,377
Other non-interest income	33,121	21,707
Gain (loss) on assets at fair value, net	(3,875)	(11,606)
Total non-interest income	143,300	107,872
Non-Interest Expense		
Salaries and benefits	93,421	77,099
Loan costs	32,522	24,395
Equipment and data processing	23,849	18,703
Occupancy	8,314	8,287
Other operating costs	41,462	38,213
Total non-interest expense	199,568	166,697
Net Income	\$ 75,760	\$ 34,153

STATEMENTS OF FINANCIAL CONDITION		
(in thousands)	2021	2020
ASSETS		
Cash and cash equivalents	\$ 396,992	\$ 262,648
Investments		
Trading, at fair value	1,391	7,200
Available-for-sale, at fair value	302,151	88,484
Mutual Funds	35,741	0
Other	88,029	78,267
Mortgage loans held for sale	23,654	82,051
Loans to members, net	4,072,448	3,819,798
(including \$1,213 and \$1,946 at fair value as of December 31, 2021 and 2020 respectively)		
Accrued interest receivable	9,814	11,312
Property and equipment, net	51,257	47,142
NCUSIF deposit	37,121	32,808
Mortgage servicing rights at fair value	25,669	18,130
Other assets	27,956	28,770
Total Assets	\$5,072,223	\$4,476,610
LIABILITIES AND MEMBERS' EQUITY		
Liabilities		
Members' shares	\$4,383,102	\$3,833,057
Borrowed funds	135,000	164,000
Accrued expenses and other liabilities	66,165	64,129
Total Liabilities	\$4,584,267	\$4,061,186
Members' Equity		
Retained earnings, substantially restricted	488,848	413,088
Accumulated other comprehensive loss	(892)	2,336
Total members' equity	487,956	415,424
Total Liabilities and Members' Equity	\$5,072,223	\$4,476,610

REMUNERATION EXPENSES	
The following chart includes total and individual compensation for directors and committee members for 2021.	
William Costa	\$ 36,833
Brett Craig	53,500
Michael Curran	79,750
Christine Fleming	62,250
Thomas Hodson	21,667
Betty Larson	48,500
Paul Martin	62,250
Christine McCauley	62,250
John McCoy	22,500
Alfred Nietzel	53,500
Mark Rosenbaum	38,500
Ola Snow	53,500
David Strauss	38,500
Robyn Wells	15,417
Total	\$648,917