



ANNUAL REPORT



A Message to Our Members

Throughout 2023, BCU continued its longstanding tradition of delivering unmatched value, unique products, and exceptional service to its members and Company Partners. As challenging economic conditions persisted, the Credit Union rallied around its Purpose of Empowering People to Discover Financial Freedom to alleviate member stress and be a trusted partner for everyone we serve. This consistent “member first” approach sets BCU apart and instills pride in employees who are committed to making people’s financial dreams a reality and continuing the success of our member-owned institution.

Approaching \$6 billion in assets, BCU remains keenly focused on operational efficiency, scalable growth, and extraordinary service delivery. That focus helped the organization add nearly 46,000 new members and grow assets by 2.4% in 2023. Member and asset growth, a 0.69% return on assets, and a 9.81% capital ratio are strong indicators that BCU is a healthy, thriving institution.

Early in the year, the failure of several large banks sent shockwaves throughout the industry. BCU immediately communicated with all members, offering peace of mind and reassurance that their deposits are safe with BCU, a Credit Union that is well-capitalized and federally insured.

We take pride in delivering extraordinary experiences, no matter how members choose to connect with us. Using Net Promoter Score (NPS) to measure member experience success, the Credit Union earned a year-end NPS of 78.62, nearly double that of large national banks. In recognition of BCU’s commitment to employee well-being, we are proud and humbled to have earned Foundry’s Computerworld Best Places to Work in IT award and to have been named a 2023 Gallup® Exceptional Workplace.

In a mobile-first society, BCU combines high-tech and high-touch with easy-to-use digital tools and personal connections. More than 75% of all members securely manage their money anytime, anywhere, using BCU’s Digital Banking platform. With 54 Branches across the US and Puerto

Rico, we remain committed to deepening member relationships, ongoing investments in technology, and the strategic expansion of physical access points. In February, BCU increased its footprint in the Twin Cities by welcoming members and eligible non-members to its newest Branch in Golden Valley, Minnesota.

Meeting members where they are goes beyond geographic proximity; it involves delivering products and services that increase financial confidence. PowerPlus™ Checking allows account holders to earn up to 4.00% APY* while enjoying unlimited ATM fee reimbursement and no hidden fees. In 2023, PowerPlus Checking account holders earned \$11 million in dividends and were reimbursed for \$1.6 million in ATM fees. Certificates of Deposit (CDs) offered increasingly competitive rates and a guaranteed return on secure investments. Over the last twelve months, 20,000 members grew their savings with a new deposit product at the Credit Union.

Amidst housing market uncertainty, BCU lends support to members every step of the way, facilitating the origination of nearly \$520 million in new home loans and outperforming peers on sold mortgage originations and second mortgage origination growth. In addition, BCU introduced a new FHA loan, enabling even more members an affordable opportunity to realize their dream of homeownership. Hundreds of members benefited from almost \$400,000 in cash rebates on the sale or purchase of their homes using BCU’s HomeAdvantage® program. Existing homeowners made the most of their real estate investment by leveraging their home’s equity, as evidenced by 25% growth in Home Equity loan balances.

BCU cardholders cashed in with every purchase, receiving over \$7 million in cash back with the Cash Rewards Visa® and earning nearly 700 million Travel Reward Points with the Travel Rewards Visa®. The Auto Buying Service also supported members’ financial freedom, offering a collective savings of over \$1.1 million on new or used vehicle purchases.

Following the 2022 launch of BCU’s proprietary financial well-being program, Life. Money. You.® (LMY), LLC added 7,900 subscribers, 30% of whom also became Credit Union members. Subscribers unlocked their discovery of financial freedom with the Life. Money. You.® mobile app and conducted over 3,000 appointments with one of BCU’s Certified Financial Coaches. Those who worked with a Financial Coach and managed their credit score using SavvyMoney, conveniently accessed through Digital Banking, increased their credit score by an average of 66 points. In a strategic move to enhance the client experience and maintain a state-of-the-art Registered Investment Advisor (RIA), BCU Wealth Advisors, LLC successfully transitioned to nationally recognized custodian LPL Financial. This transition provides advanced account security and makes single-platform functionality available

for the optimal wealth management experience.

To do good, purposeful work that supports people at any stage in their financial journey, the Credit Union focuses on community and inclusion. In addition to donating 1% of BCU’s net income to charitable causes, our 10th annual Scholarship Program provided 29 outstanding students throughout the US and Puerto Rico with cash awards to empower their academic futures. BCU’s inaugural Diversity, Equity, and Inclusion (DEI) Council launched its mission to drive change from within, fostering an environment where employees bring their authentic selves to the workplace. 85% of all BCU people-leaders each participated in four or more hours of DEI training, totaling over 700 hours of education completed by the end of 2023. Additionally, the Kehler Group recognized BCU Wealth Advisors as number 4 in the nation among Women-Led Firms. The Credit Union’s internal “thrive! time” initiative empowers employees to prioritize their physical, emotional, and financial well-being. Over the course of the year, employees completed more than 530 hours of approved “thrive! time” activities and devoted almost 2,500 hours to volunteering in their local communities.

We extend our heartfelt thanks to the loyal employees who breathe life into BCU’s Purpose every day. To our Board of Directors, we are deeply grateful for your unwavering support and infinite wisdom, and to our esteemed Company Partners — thank you for entrusting us with the privilege of serving your employees.

Above all, we extend immeasurable gratitude to our members for allowing us to contribute to your financial success. With eager anticipation for the journey ahead, we look forward to growing alongside you throughout 2024 and beyond.

Michael Valentine
President/Chief Executive Officer

Michael Curran
Chairperson of the Board



Interact with
BCU’s Year In Review:
[BCU.org/2023](https://www.bcu.org/2023)

*Disclosure can be found at [BCU.org/2023](https://www.bcu.org/2023)

Board of Directors, Committees & Officers

Board of Directors

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

Chairperson Emeritus

Thomas Hodson

Executive Committee

- Michael Curran*
- Paul Martin
- Christine Fleming
- Christine McCauley
- Alfred Nietzel

Supervisory Committee

- Christine Fleming*
- William Costa
- Brett Craig
- Alfred Nietzel
- Ola Snow
- Robyn Wells

Nominating Governance Committee

- Christine McCauley*
- Betty Larson
- David Strauss

Officers

- Michael Valentine
President, Chief Executive Officer, Treasurer
- Michael Curran
Chairperson
- Paul Martin
Vice-Chairperson
- 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*

Maggie Garcia — *Senior Vice President, Deposit and Call Center Operations*

Bhavna Guglani — *Senior Vice President, Chief Digital Officer*

Kerriann Mills — *Senior Vice President, Chief Legal Officer, Assistant Secretary*

Daniel Parsons — *Senior Vice President, US & PR Branch Operations*

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

Chuck Smith — *Senior Vice President, Controller*

Stephenie Southard — *Senior Vice President, Chief Security Officer*

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 and Risk*

Joe McCarthy — *Vice President, Real Estate Lending*

Jordan Mueller — *Vice President, Program Delivery*

Keith Parris — *Vice President, Contact Center Operations and Technology*

Harvey Rindt — *Vice President, Compliance*

John Sahagian — *Vice President, Chief Data Officer*

Doug Wright — *Vice President, Audit/Compliance*

*Chairperson



Statements of Income

(in thousands)	2023 PRELIMINARY	2022
Interest Income		
Interest on loans to members	\$ 258,156	\$ 198,371
Interest on investments and cash equivalents	64,002	33,786
Total interest income	322,158	232,157
Interest Expense		
Dividends on members' shares	76,203	31,292
Interest on borrowed funds	64,734	29,456
Total interest expense	140,937	60,748
Net interest income	181,221	171,409
Provision for loan losses	38,800	11,900
Net interest income after provision for loan losses	142,421	159,509
Non-Interest Income		
Service charges and other fees	36,402	31,977
Interchange income	43,976	43,028
Other mortgage income	7,529	7,560
Net gain on sale of loans	4,822	6,742
Other non-interest income	30,148	29,014
Gain (loss) on assets at fair value, net	(1,160)	(37)
Total non-interest income	121,717	118,284
Non-Interest Expense		
Salaries and benefits	107,012	98,057
Loan costs	35,301	36,120
Equipment and data processing	26,699	25,508
Occupancy	7,065	6,716
Other operating costs	48,742	54,055
Total non-interest expense	224,819	220,456
Net Income	\$ 39,319	\$ 57,337

Statements of Financial Condition

(in thousands)	2023 PRELIMINARY	2022
Assets		
Cash and cash equivalents	\$ 415,291	\$ 348,601
Investments		
Available-for-sale, at fair value	225,557	246,749
Mutual Funds	0	30,756
Other	86,362	97,316
Mortgage loans held for sale	7,985	2,767
Loans to members, net	4,850,577	4,794,876
Accrued interest receivable	17,694	14,553
Property and equipment, net	112,409	110,625
NCUSIF deposit	39,873	39,835
Mortgage servicing rights at fair value	34,415	34,086
Other assets	105,009	31,320
Total Assets	\$5,895,172	\$5,751,484
Liabilities and Members' Equity		
Liabilities		
Members' shares	\$4,245,040	\$4,339,225
Non Members' Shares	264,029	170,189
Borrowed funds	775,000	665,000
Accrued expenses and other liabilities	85,718	72,318
Total Liabilities	\$5,369,787	\$5,246,732
Members' Equity		
Retained earnings, substantially restricted	\$ 559,189	\$ 546,185
Accumulated other comprehensive loss	(33,804)	(41,433)
Total members' equity	525,385	504,752
Total Liabilities and Members' Equity	\$5,895,172	\$5,751,484

Remuneration Expenses

The following chart includes total and individual compensation for directors and committee members for 2023.

William Costa	\$ 33,000
Brett Craig	33,000
Mike Curran	49,500
Christine Fleming	38,500
Betty Larson	33,000
Paul Martin	38,500
Christine McCauley	38,500
Alfred Nietzel	33,000
Ola Snow	33,000
David Strauss	33,000
Robyn Wells	16,500
Total	\$379,500