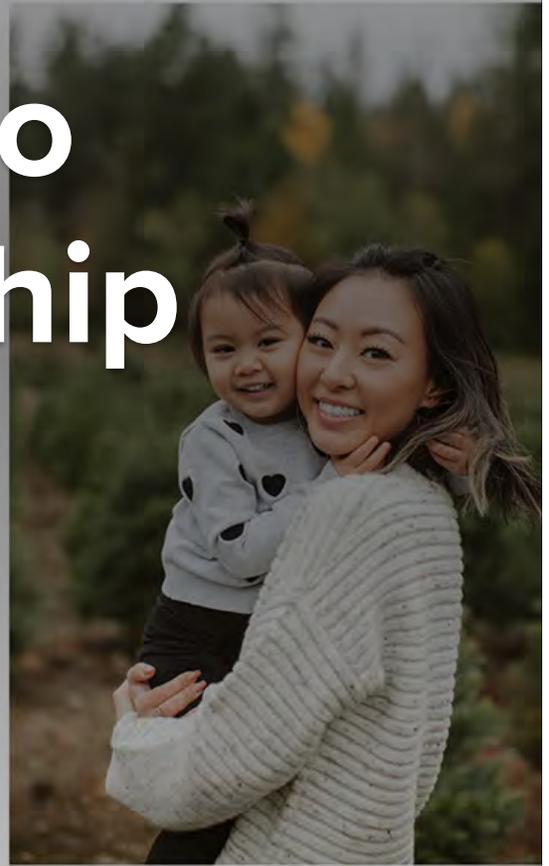




Report to Membership 2021



To our members,

We are emerging from the second year of COVID-19, which affected us all in different but profound ways. Everyone at BECU has learned so much during this time as we listened to stories from you—our members—and found new ways of working with one another. We continued to evolve in how we serve our membership and our communities, remaining focused on our purpose: *As a cooperative, we bring people together to improve the financial well-being of our members and their communities.*

Since our founding in 1935 during the Great Depression, we're no stranger to tough times. We've supported members through the difficulties of war, inflation and challenging personal circumstances, always dedicated to our "People Helping People" philosophy. We've also helped members through baby booms, thriving stock markets, the dawn of technology and more. No matter what, we're relentlessly focused on your financial well-being, the safety and soundness of the cooperative and giving back to the communities we call home.

BECU is now helping even more people, serving over 1.3 million member-owners across the Pacific Northwest and the country, up 4.5% in 2021. We welcomed over 109,500 new members last year. And as the pandemic accelerated virtual access, more members—more than 17,600 in total—joined the credit union via our website, BECU.org.

Along with our membership, member deposits kept growing, setting new records for the second year in a row. New loans reached unprecedented levels exceeding our expectations and we've been able to keep our operating expenses as planned. Thanks to this solid financial footing, our teams can help members navigate this constantly changing economic environment. In fact, BECU members earned and saved an estimated \$322.7 million—an average of \$245 per member—in the form of better rates and lower fees when compared to an average bank.

We're proud to see our overall efforts making positive impacts, as shown by our 2021 BECU Member Financial Survey. BECU members reported feeling financially

healthier in 2021 than 2020 and at higher percentages than national averages. Additionally, more of you felt like you can manage a budget, save for a rainy day and save even more for important financial milestones, such as a down payment on a home, college tuition or retirement.

Our 2021 annual report highlights our efforts from the past year, including new initiatives demonstrating how we responsibly manage the money you entrust with us. Some of you joined BECU because we are member-owned and share our profits amongst our members by providing better rates and fewer-to-no fees. Others joined to help support the communities we live in, knowing we give a greater percentage to philanthropic and educational efforts than the standard financial institution.

A leading BECU value is "Do the Right Thing." In 2021, we made additional strides in our journey toward becoming a more inclusive, equitable organization. We increased philanthropic giving and introduced employee and leadership councils to develop new structures and programs embedding equity and inclusion

into everything we do. Employees, members and the community all benefit from having access to financial services while feeling included, fairly treated and set up to thrive.

We're rooted in our foundation while growing through our purpose. These difficult times have made us more robust, more unified, and increasingly dedicated to you and our goal of improving the financial well-being of those around us. At BECU, we look forward to a more hopeful future while bringing the lessons of the past with us. We're honored to be on this journey with you.

Debra Somberg, *Chair, BECU Board of Directors*

Benson Porter, *President & Chief Executive Officer*

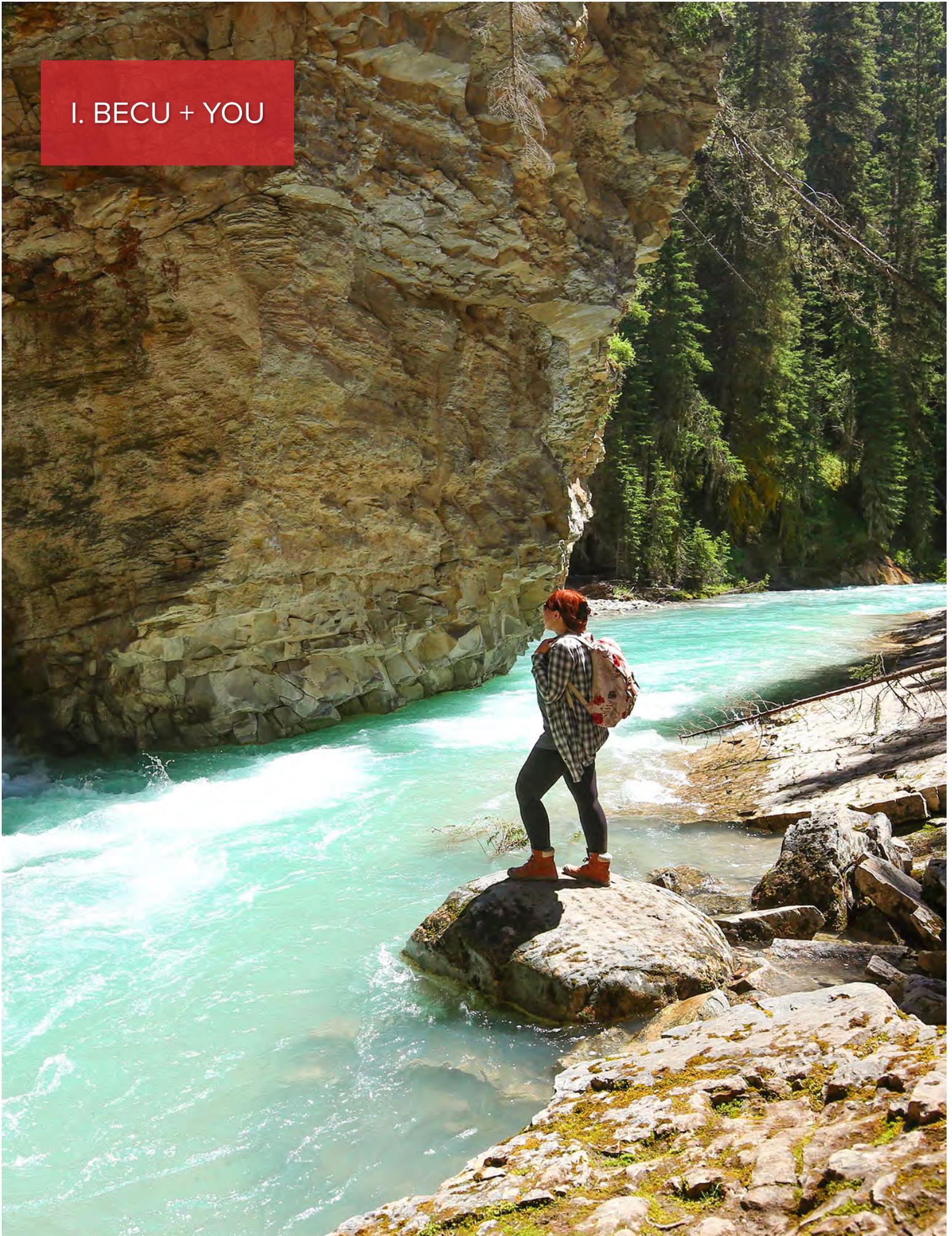
**Continue to other sections of our 2021
Annual Report:**

II. BECU + COMMUNITY

III. BECU + CREW

IV. BY THE NUMBERS

I. BECU + YOU



While 2021 wasn't easy for anyone, our members' resourcefulness continued to serve as our inspiration. Our purpose guided us forward, while our strong financial position enabled us to help members. As a cooperative, we bring people together based on shared values and goals. We are proud to do so while aspiring to improve our members' and communities' financial well-being.

Finding Fundamental Strengths

The strength of a cooperative is directly tied to the level of engagement of our members and the ability to attract new members. Over the course of 2021, BECU members increased their deposit and loan activity and grew our membership. We're glad you put your trust in BECU services, and please keep recommending us to family, friends—and basically, anyone you like a lot.



Whether allowance-saving kids, mom 'n' pop shops, or young people buying a first home, we delight in new members. Our membership in 2021 grew by 4.5%. We welcomed more than 109,500 members and 11,600 business members. We now have a little over 1.3 million BECU members and over 68,600 business members.

This year, more of you entered as members and applied for loans through BECU's virtual doorways. Over 17,600 members joined using online tools, a growth of 21.2% from 2020. In 2021, members received more than \$1 billion in loans by applying online at BECU.org for a 60% year-over-year growth.

Our members saw BECU as a trusted partner for savings and new deposits. The credit union now holds assets of \$30.2 billion, around a 12.7% increase since 2020. For the second year, deposits increased significantly and ended up 16% over 2020 to \$26.1 billion.

Our Field of Membership defines who can join BECU. At this point, that's anyone living, working, worshipping, or going to school in Washington state and residents of 10 Idaho counties and 11 Oregon counties. But we don't like leaving anyone behind when it comes to our great rates and service. So, say "Hi" to Oregon's Deschutes County, our newest membership region and home to Bend, a regional powerhouse for powder and fun in the sun.



Count On Us

Whether from Sequim, Spokane or Salem, we welcome your thoughts and questions, and are here to help. Stop in and chat—we love to talk money.

Ways You Counted on Us in 2021:

1.2
MILLION+

Neighborhood Financial Center
in-person interactions

4
MILLION+

Emails, phone calls and
messenger chats

12.9
MILLION

ATM transactions

256
MILLION

BECU.org online banking logins

124
MILLION+

BECU mobile app logins

Our members signal their customer loyalty and experiences via Net Promoter Scores (NPS). To gather NPS, we asked members: "How likely is it that you would recommend our company/product/service to a friend or colleague?" A score of 50% or more is considered excellent. In 2021, we earned an average NPS of 68.85%, well-above averages in the financial industry.



More Money for Members

We're here to improve the financial well-being of our members and their communities. That's why BECU returns profits to members and rewards good financial habits.

Return to Member

Like other financial institutions, it is important to make a profit. Unlike many other institutions, we return a significant amount of those profits to you—not stockholders—in the form of better rates and lower fees. This allows you to keep more cash for saving, spending and investing in your future and community. In 2021, compared to an average bank, BECU members earned and saved an estimated \$322.7 million—averaging \$245 in each member's wallet.

\$245
ON AVERAGE
PER MEMBER



Our Reprice Program demonstrates how we reward good financial habits. More than 48,000 members saved an estimated \$2.2 million last year by improving their credit scores or financial practices. The program automatically lowers a member's loan rate if their credit score improved over the last year and if they are not already paying the lowest rates.

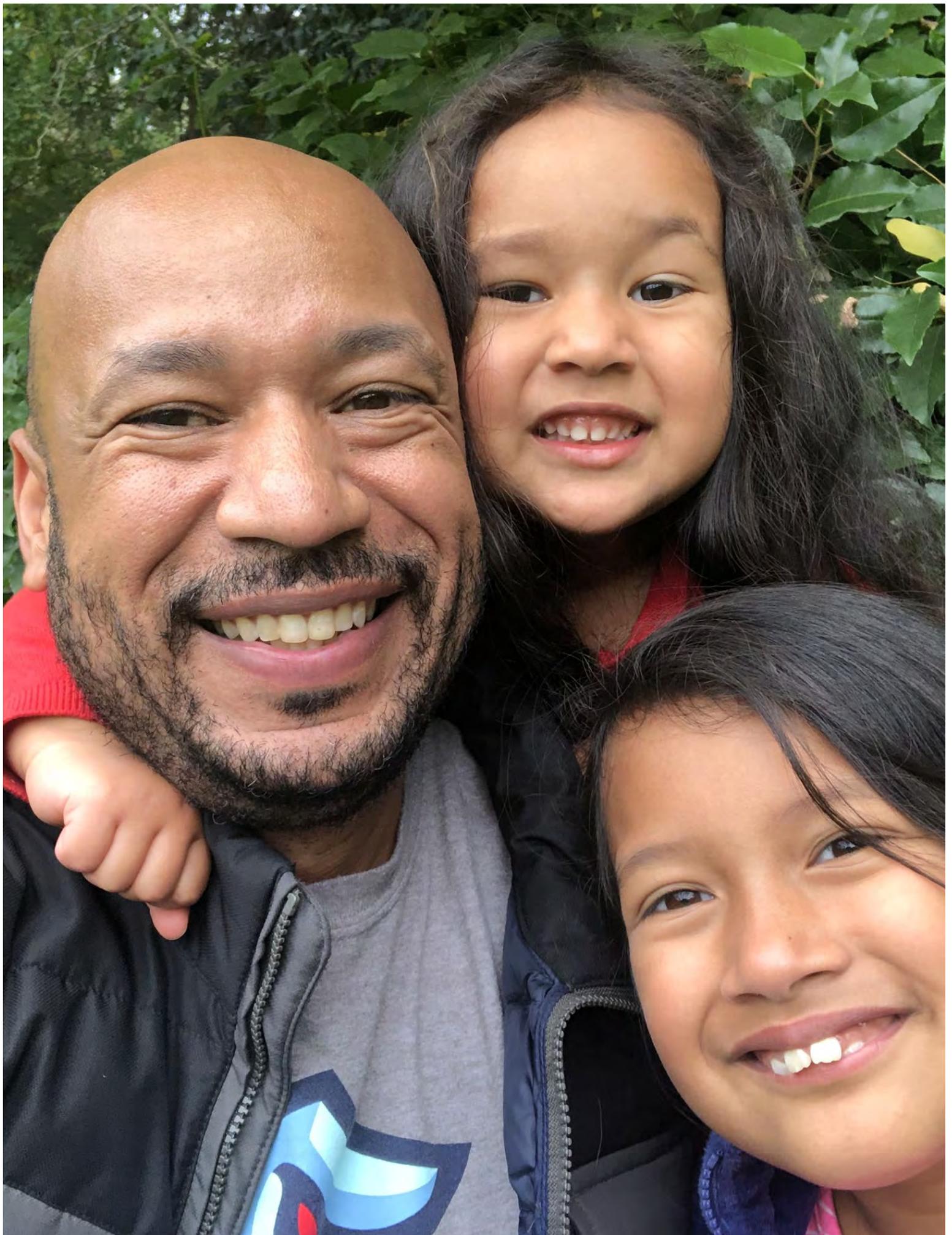


Member Assistance Relief Programs

In 2021, more than 2,100 payment relief actions helped ease member pandemic impacts by waiving fees and offering deferred payments for members with a balance of \$35.3 million.



BECU's efforts to increase and sustain your financial well-being seem to be paying off. In our second annual BECU Member Financial Survey, respondents said they're **financially healthier in 2021** at a rate higher than the national average. More BECU members indicated they're saving, too. As a result, our members said they could pursue financial plans and prepare for an emergency or big purchase. Well done.



Building Financial Fitness

Getting fit takes ongoing commitment. We empower members with the necessary financial equipment and coaching you need to go farther and faster.

BECU coached, educated and encouraged 13,100 community and BECU members last year through free programs improving financial well-being today and into the future. More than 1,000 members spoke with trained BECU specialists for a free, confidential [Financial Health Check](#).

Members reviewed accounts and personal goals and set up automatic payments and saving transfers to stave off fees, repay debt faster and build rainy-day funds.

13,100+ 
FINANCIAL HEALTH PARTICIPANTS

GreenPath Financial Wellness provided free one-on-one financial counseling to BECU members. More than 3,700 members used GreenPath Credit and Debt Counseling services, including members who enrolled in debt management plans to repay over \$5.4 million in debt.





My counselor with
GreenPath Financial
Services was wonderful!
They gave me hope and
treated me with respect
and never made me feel
bad about my situation.” —
BECU Member

We focus on financial health year-round, but from October 4 to November 12, 2021, our **Fall Financial Health Campaign** spotlighted products and programs to achieve money wellness. Nearly 29,000 members signed up or applied for programs such as financial counseling, a Financial Health Check, no-fee 12-year fixed mortgage refinancing and automated savings.

Spotlight: 2021 Financial
Health Month



Our **2021 Financial Health Month** didn't just help members, but their communities, too. As a result of the campaign's success, BECU donated \$10,000 to the following five nonprofit organizations to support financial literacy and well-being:

- **SNAP (Spokane Neighborhood Action Partners):** For financial literacy, women's entrepreneurial, affordable housing and workforce development programs
- **Housing Hope/HopeWorks (Snohomish County):** Affordable housing and workforce development programs
- **Business Impact NW (King County):** Entrepreneurial programs for women, veteran and minority-owned business owners
- **Trident United Way (South Carolina):** Financial wellness programs
- **Opportunity Council (Whatcom County):** Financial literacy and affordable housing programs





New Tools

We're not content to rest. We're constantly tweaking, innovating and improving our tools, services and products to serve you better. Here are new features rolled out in 2021:

If you're familiar with the envelope budgeting system, we're testing a new **BECU Envelopes** digital tool. This tool helps members build emergency funds or save for that new car or home. BECU Envelopes help organize member savings into differently named digital containers. Members can create up to 12 envelopes, each dedicated to an individual savings goal within their BECU savings or Money Market accounts. A team of employees across the credit union is improving the tool based upon member feedback (so far, so good!). We hope to launch Envelopes to all members later this year.

Our team is constantly working to improve the online and mobile experience and members' suggestions drive many

improvements. All in all, our goal is to make it easier for you to bank with us digitally.

Mobile app enhancements include adding pending debit transactions, making “Make a Payment Now” available and displaying more credit card payment information, including due dates and minimum payment amounts. For additional security, we introduced automated fraud alerts.



Next time you use Messenger in Online Banking, you may meet our upgraded **Virtual Assistant**, a new member of the BECU team. The Virtual Assistant helps members get support 24 hours a day, seven days a week, for questions like: How do I set up direct deposit? Which branch is

closest to me? Which credit card is best for me?

When members opt to use **Bill Discovery**, BECU finds billers through a network search or optional soft pull of your credit report, which doesn't impact credit scores. Members can automatically add a biller's information to their Bill Payment account from the search results. Bill Discovery saves time and makes healthier financial habits even more effortless.

BECU Visa credit cardholders can now view both **completed and pending credit card transactions** in Online Banking, which can help members better manage their budgets and avoid accidentally going over their credit limit.

We're always finding a way to make financial access more accessible. Our new **braille and raised, embossed credit cards** for sight-impaired members—for both consumer and business accounts were some of the first among regional banks and credit unions. In addition, after a fresh redesign, our online **Money Manager** tool

meets the needs of our blind and visually impaired members.



A simple phone call can lead to a great new BECU tool. One day last year, BECU Employee Jeanie S. followed up with a member who had called asking, “Can BECU produce a Braille credit card?” She describes it as an "Aha!" moment.

Our vendor partner PSCU produced embossed, raised print Braille cards in response. These cards provide additional independence to blind and visually impaired members. As it happens, the member with the great question has deep BECU roots. Her grandmother was a BECU

member going back to World War II, when she worked on the Boeing factory floor. The takeaway: We want to hear your questions and suggestions—you just never know what may be available as a result.



New Services

Creating an accessible approach to money is baked into everything we do—it's just who we are. Here are new BECU services designed to increase ease.

We **expanded our loan payment window** from 12 to 27 days, simplifying the process for early member loan payments. This new time window allows members to make convenient and budget-friendly payments before the due date, reducing late and misapplied payments. Small change, big member-experience payoff.

We piloted newly **expanded access to BECU essential member banking services** for people that have been unable to join BECU in the past. More than 3,700 people joined BECU as a result, and we hope to use what we've learned for more accessible products and programs in the future.

Secured credit cards help build credit or re-establish credit history. A secured credit card looks and works like a regular credit

card but requires a cash security deposit. The lender holds the deposit to ensure repayment. This year, we **changed secured credit card cash limits and deposit requirements**. Now, BECU members can start or improve a credit history with as little as \$250.



Creating an Inclusive BECU

We are committed to ensuring an equitable experience for our employees, members and communities. This includes supporting the financial well-being of all—with a focus on addressing financial and racial disparities adversely impacting Black, Indigenous and People of Color (BIPOC) communities.

We aim to embed equity and inclusion into every aspect of the way we operate by building structures that look to not only change internal policies and practices, but externally to create more access and inclusion for our members and community. In 2021, we developed councils, policies and programs to advance our equity commitments for employees, members and community.

MEMBER EQUITY COMMITMENT

We provide greater access to banking services in BIPOC communities to support healthy financial futures for all.



Learning Together. In addition to recognizing history heritage months, we introduced ways for employees and members to learn from community leaders internally and externally. Topics included understanding racial and economic disparities impacting diverse communities and celebrating the accomplishments of key financial leaders throughout history.

We celebrated 10 Black Financial Leaders for their contributions in our industry during Black History Month and heard from four female leaders about increasing opportunities for women and working toward an equitable future during Women's History Month. In June, we joined other credit unions in **recognizing Juneteenth** as an official credit union holiday.

At the 2021 BECU annual Member Summit, “Decolonizing Wealth” author Edgar Villanueva described money's role in the racial justice healing and recovery process.

Equity In Action. In December, we launched a partnership with the Intentionalist for our “Equity in Action: It's On Us” initiative to encourage spending and investment in BIPOC-owned small businesses. Through this initiative, BECU opened tabs at 10 local restaurants, cafes and shops in our service area, so members and employees could drop in and try a tasty treat on us. During our History Heritage months in 2022, watch for more opportunities to try a treat on BECU’s tab, developed with [Intentionalist.com](https://intentionalist.com), a site focused on supporting local small businesses and diverse owners.



Embracing Respect: We reinforced our 2020 Member Code of Conduct to create a safe, courteous environment for members and employees alike.



Key Partnerships

BECU partners with institutions, organizations and nonprofits sharing our values. We seek out deals and discounts for members and offer members additional ways to give back. The bottom line: Whether you support the Seahawks or Storm, Cougars or Huskies, we support you.

In November 2021, BECU started supporting **Gonzaga University's** men's and women's basketball programs with in-arena signage, giveaways and a booth to promote the credit union.



As the Official Credit Union of the **Seattle Seahawks**, BECU offers members a booth

in Touchdown City to promote the credit union, the chance to win VIP packages and more perks—including the Seahawks Debit Mastercard.



As the Official Credit Union of the Seattle Storm, we donated \$1,000 for every 50 Storm assists during games through **Seattle Storm's Force4Change**, a social justice campaign. Collectively, we helped raise \$10,000 for Young Women Empowered (YWE), a Seattle-area mentorship-based program serving diverse young women ages 13-26.



BECU sponsors various **University of Washington** and **Washington State University** scholarships for BECU members and year-round student activities that promote diversity, community and inclusion, including financial education for student athletes.



At **Western Washington University (WWU)**, we alleviate financial hardship with the Student Emergency Fund collaboration. We

also fund five \$2,000 BECU Inclusiveness in Education scholarships (with preference given to students demonstrating a commitment to diversity, equity and inclusion) and support the development of WWU College of Business and Economics' financial literacy program. At **Eastern Washington University**, we support the BECU Black Entrepreneur Opportunity Fellows Program.



In 2021, BECU joined **PCC Community Markets'** Partner Program to provide co-op members with financial education, a new-member bonus and special offers on credit cards, HELOC loans and mortgages.



We have a lot in common with one of Seattle's favorite radio stations, **KEXP**. For starters, they're listener-powered and we're member-powered. And now, we've got one of the best collaborations going. You helped us drum up \$273,000 in donations for KEXP through transactions from the more than 100,000 branded tape-cassette replica debit cards. That's music to our ears.



BECU loves our Oregon members, so we found an organization as passionate about Portland as we are. In 2021, BECU became an official sponsor of the **Portland Timbers** soccer club and their Timbers Army. Next time you're at Portland's Providence Park, look for the BECU sign and LED field signage. BECU partners with the Timbers to improve Portland metro K-5 PE program equipment through their Champions of Play initiative.



BECU and the **University of Washington's CoMotion** provide support, mentorship, and incubation space to startups selected for the year-long FinTech Incubator program. Winners for 2021:

- **Bumper:** An app to create accessible, engaging long-term investing for Gen Z teenagers. With just \$1 and an adult account sponsor, teens learn about finance, the stock market and investing through hundreds of interactive educational mini-modules.
- **Joola:** Members create or join an existing co-savings group with this app. Every group member makes an equal contribution, with one member receiving a lump sum after every cycle.

The co-savings group ends when everyone receives payouts.

- **Pay Your Tuition:** Connects families with innovative tech-based college-funding solutions, including private microloans, crowdfunding and work gigs. PYT students are near graduation and need a small amount of additional help after exhausting other options.
- **Stack:** Teaching teens how to responsibly invest with crypto by introducing them to the app platform through their family. Built at the cross-section of video game culture and financial education, Stack tailored the user experience to be approachable at the beginning of anyone's financial journey.







Advocating for You

We regularly work with local, state and federal legislators, advocating on issues important to our membership and organization.

Alongside regulators and policymakers, BECU helps create a financial services environment fair to credit unions and our members. We advocate on issues like protecting consumer data, providing access to homeownership and affordable housing and preserving the credit union tax preferences that help us return profits to members.

In 2021, BECU built better government relations by engaging with elected officials and key partners beyond the credit union movement. We shared our not-for-profit financial cooperative's intrinsic value, ensured equitable business and market opportunity leading to growth, and increased banking service access, as more

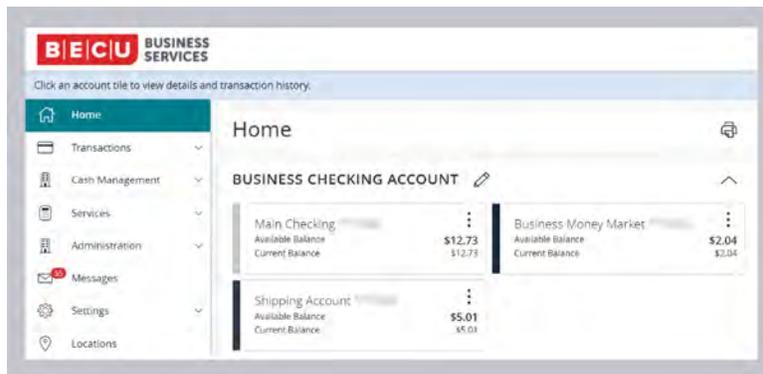
consumers choose to call credit unions
home.



Business and BECU

BECU membership supports local, small and family-owned businesses in our communities. Our banking, merchant and lending services assist our 68,600+ business members in growing their shops and factories, boutiques and businesses, and we're focused on financing solutions to our region's housing crisis.

We helped 38,000 LLCs, corporations, and partnerships enroll in our new Business Online Banking platform, with products such as a customizable banking dashboard, business bill pay and entitlement management, which authorizes technology access.



More businesses stayed open and more employees remained on the job, thanks to the **U.S. Small Business Administration's Paycheck Protection Program (PPP)**. We funded 2,500 PPP loans for a total of 70.6 million. Each loan—averaging around \$28,800—kept 7,800 jobs on the payroll last year.

“ I want to thank you for all the effort you and the rest of BECU have put into our PPP experience. You have made a terrifying experience throughout the pandemic much more

tolerable for our company,
and all of our employees.”
—Luke Baugh, Executive
Director of Triad River
Tours, Minimalist Rafting
with Expert Guides in
Washington State and
BECU Business Member

Our expanded **Affordable Housing Loan Program** funded more than \$19 million in loans and helped create 340+ affordable housing units. The program provides commercial refinancing and rehabilitation loans for leased multi-family units serving low-income tenants (up to 60% area median income) and/or workforce housing tenants (those earning approximately 80%–125% area median income). For example, we helped Bellwether Housing refinance two large apartment buildings in Seattle's South Lake Union area, providing funding to rehabilitate and update 121 affordable housing units.

Additionally, BECU's **Social Investments Program** supports nonprofit organizations

meeting housing needs in Puget Sound.
One example: The 2021 groundbreaking at
686-unit Solera Complex, a mixed-income
property in the Renton Highlands.

Townhomes, rental apartments, childcare,
and retail space will construct an exciting
new community. The complex is financed
through the Evergreen Impact Housing
Fund (EIHF), a public-private collaboration
between BECU, four area credit unions, and
The Seattle Foundation.

Continue to the next section:

II. BECU + COMMUNITY

**Read other sections of the 2020 Annual
Report:**

III. BECU + CREW

IV. BECU By the Numbers



Federally insured by NCUA

II. BECU + COMMUNITY



We don't just offer deposit accounts and financial services. We invest in the communities where our members live, work and play. We invest in community economic well-being through strategic philanthropic efforts, which pay dividends for generations.

Financial Education

While BECU members can take advantage of expanded financial fitness options, our financial health resources and education programs also serve the wider community. More than 13,100 people used our financial health programs, including seminars, webinars and other educational materials, to slash debt, build credit and learn about first-time homeownership:

13,100+ 
FINANCIAL HEALTH PARTICIPANTS

Nearly 6,700 high school students **learned about basic money-management skills and strategies** through a BECU seminar or webinar, Financial Reality Fair, or EVERFI's digital education platform.

Another 1,700 curious folks attended free, online financial education and wealth management seminars and webinars open to members and the general public. BECU employees, BECU Investment Services, and advisors such as Russell Investments, BlackRock, and Hartford Funds offered presentations. Sample 2021 topics included:

- 10 Tips to Reduce Debt
- Protecting Yourself Against Fraud
- Budgeting Tips, Tricks and Tools

- Building Credit
- First-Time Home Buyer
- How to Read Your Credit Report



I really enjoyed the Financial Reality Fair and found the game to be fun and interactive, even online. The speaker did a great job of explaining everything and keeping us all engaged.” —BECU Student Member



Corporate Giving

In 2021, we demonstrated our commitment to financial well-being through education, programs and \$5.8 million of funding to community partners:



44%	FINANCIAL WELL-BEING
19%	BLACK COMMUNITY DEVELOPMENT PROJECT & DEI DONATIONS
14%	EMPLOYEE-INSPIRED GIVING
9%	MEMBER-INSPIRED GIVING
7%	BECU FOUNDATION
3%	CREDIT UNIONS & CO-OPS
2%	GOOD NEIGHBOR
2%	HOUSING AND HOMEOWNERSHIP

In 2021, our newly promoted BECU Philanthropy Director and BECU Foundation Executive Director Gloria Dixon led work to realign our philanthropy strategy with financial well-being, supporting untapped communities and expanding the BECU Foundation's focus. BECU will kick off this new nonprofit partner strategy in 2022.

Here's how 2021's dollars transformed BECU's intent into real-world impact.

We Support Financial Health

To create financially healthy communities, we offer money-wise education and training, workforce and entrepreneur development, and safe, affordable financial service access, among other strategies across all of the communities we serve. Shining examples of the various supports:

Every \$1 invested in a Big Brothers Big Sisters program returns \$18 to society. South Carolina's **Big Brothers Big Sisters of**

Low Country creates and supports one-to-one, expertly matched mentoring relationships. A Big Sister or Big Brother helps youth ages 7-21 discover innate potential and overcome barriers like poverty, lack of opportunity, isolation and negative childhood experiences. In addition, the organization's Youth Postsecondary Education and Workforce Development prep youth for future earnings and financial success.



Over the summer of 2021, locals and visitors flocked to downtown Bellingham for live music and DJs, yoga and tango classes, screen-printing and mural painting—and we're sad if you missed Disco Day. In conjunction with the Downtown Bellingham Partnership, BECU contributed to **Summer Activation Grants** to jazz up the downtown streets of Seattle's northern neighbor. Downtown businesses and organizations

could request \$500 micro-grants to host local talent to attract and entertain passersby.



Equitable access to job training and workforce experiences provides stability for individuals, families and entire communities. In Seattle, the nonprofit **FareStart** guides adults and youth—most impacted by poverty, racial and societal inequities, food insecurity and barriers to employment—with job skills, support services and employment opportunities in the culinary industry and beyond. Last year, all participants in FareStart’s comprehensive job training programs received financial literacy training made possible by BECU’s support.

With **SNAP (Spokane Neighborhood Action Partners)**, BECU helps serve low-income entrepreneurs and households in

Spokane. SNAP offers financial education efforts to the community, and the Women's Business Center provides one-on-one business consulting, credit building and business financing. In 2021, BECU also contributed flexible funds to meet SNAP's emergent and existing organizational needs.

Spotlight: SNAP Spokane
Valley

Irishable
Flowers & Gifts



In Spokane Valley, Andrea turned to SNAP's support when COVID-19 hit, and her brick-and-mortar floral business closed for six months. Andrea received business coaching, e-commerce and digital marketing and now hires and mentors stay-at-home moms and minors. SNAP continues to help Andrea with new business ideas and supports her as she navigates the pandemic challenges.



Since establishing a vibrant presence in the Spokane market, BECU has been an amazing SNAP partner...These organizational resilience funds helped SNAP and the clients we serve weather some turbulent economic times”—Julie Honekamp, CEO SNAP

We Support Racial Equity

Our internal committees worked to fold equity and inclusion into everything we do this year. Our new community equity commitment prioritizes racial equity-focused investments to address financial and racial inequities in our communities.

In 2021, we developed initiatives to advance our equity commitments for employees, members, and community and embed them structurally in our organization.

COMMUNITY EQUITY COMMITMENT

We prioritize community investment with a racial equity focus to address financial and racial inequities in our communities.



Black Community Development Project (BCDP)

This is the second year of our five-year \$5 million commitment to support nonprofit partnerships that improve the Black community's overall emotional, physical, and financial health and well-being. A Black leader heads each nonprofit and employs a multicultural staff representative of the communities served. Here are this year's BCDP recipients:

Community impact grants (invitation-only).

Two years of funding (\$72,500 per year) toward reducing barriers and creating opportunities to improve Black community financial health. These approaches include education/workforce development, encouraging entrepreneurship and homeownership, credit repair and wealth building, or supporting unbanked or underbanked communities:



Nonprofit capacity-building donations.

Seven member-nominated grassroots nonprofits received \$150,000 during the People Helping People Awards. The 2021 recipients in each category include:



Corporate social and credit union-inspired projects. In 2021, our Black Future Co-op Fund partnered with the Seattle Foundation,

giving \$200,000 to a statewide collective effort. This effort aims to eradicate poverty, support criminal justice reform, build generational wealth, preserve Black culture and celebrate the Washington Black community's incredible resilience. For the second year in a row, we also granted \$100,000 to the African-American Credit Union Coalition (AACUC), a nonprofit organization comprised of African-American professionals, volunteers and members working to increase diversity within the credit union community.



BECU made it possible for us to significantly expand our DEI programming. Plus, your generous support also allowed us to create a significant

footprint in the credit union movement as we respond as a nation on multiple fronts: the COVID-19 health crisis, the resulting economic crisis, and the call for racial justice and healing.”—Renee Sattiewhite, CEO African-American Credit Union Coalition

Black Business. For the 2021-2022 school year, we announced two new partnerships with Eastern Washington University in Cheney, Washington. Our new BECU Black Entrepreneur Opportunity Fellows Program awards \$15,000 to one student to attend conferences, fund individual and group projects and receive scholarship support. A \$15,000/year, four-year commitment to the new BECU Student Business Development Fund accelerates campus-wide student businesses.

DEI Donations

Our Employee Resource Groups inspired giving \$110,000 to organizations supporting Black, Indigenous and People of Color (BIPOC) communities, including:

\$5,000: The Seattle Chinatown International District Preservation and Development Authority (SCIDpda) | Interim CDA (Chinatown District Association) | El Centro de la Raza | Casa Latina



\$10,000: API Chaya: a survivor-led organization focused on providing free, confidential services to survivors of sexual violence, human trafficking, and domestic violence from Pacific Islander, Native Hawaiian, Asian and South Asian communities.



\$30,000: Asia Pacific Cultural Center:
APCC represents 47 Asian identified countries and cultures, honoring their distinct artistry, business protocols, history and social practices. Programs and services include summer camps, cooking classes, cultural days and celebrations, an artist gallery and receptions, youth mentoring and tutoring, ESL classes and more.



Spotlight: Emerald Cities



We gave \$50,000 to the Puget Sound division of the national nonprofit network **Emerald Cities Collaborative**, which develops clean energy, climate resilience, green infrastructure and other sustainable projects. Emerald Cities creates infrastructures for family-supporting wages and career paths for low-income communities of color, women, veterans and disabled individuals. In addition, the organization promotes contracting opportunities for women, BIPOC and other disadvantaged businesses.

We Support Member Giving



Our 2021 People Helping People Awards (PHPA) ceremony may have been virtual, but BECU's annual awards program created a real-world impact. BECU members nominated more than 650 organizations in the Puget Sound region and Spokane, Washington, Oregon and Charleston, South Carolina. Since 2013, BECU's PHPA program has donated \$3 million to 120 local nonprofits. We're excited to give even more. In 2021, we increased our People's Choice Winner award from \$40,000 to \$50,000.



\$50,000

MEMBER VOLUNTEER OF THE YEAR



John Vogan was selected for his service on The QLAW Foundation of Washington board of directors.

\$50,000

PEOPLE'S CHOICE



Community popular vote selected Bonney Lake Food Bank.

\$30,000

EMPLOYEES' CHOICE WINNER



BECU employees chose Project Girl Mentoring by popular vote.

\$30,000

PAST RECIPIENTS' CHOICE WINNER



Past PHPA recipients voted to award Camp Agape Northwest this honor.

\$15,000

COMMUNITY BENEFIT WINNERS



Community Benefit Winners were all PHPA Awards finalists nominated by you, our members.

In addition, all 2020 and 2021 award recipients receive a two-year grant of \$2,500 following their initial award.

\$25,000

COLLABORATION GRANTS

CITY  **fruit** +



Everyone For Veterans

+



 **OPEN DOORS**
for MULTICULTURAL FAMILIES

+

BLC Benefits Law Center
Social Security Advocacy

For previous award recipients participating in a joint multi-organization project:

- **City Fruit and Young Women**
Empowered: Educating young women on environmental stewardship and food justice through workshops focused on fruit tree care and Seattle’s local food system.
- **Everyone for Veterans and The Beyond Project:** Empowering the lives of combat veterans and their families

with access to haircuts, dental services, mental health support, a professional headshot and resume workshops.

- **Open Doors for Multicultural Families and Benefits Law Center:** Offering case management and legal support to lower barriers to physical and mental healthcare, Social Security, civil legal matters, housing and more.

“Camp Agape Northwest is such a deserving and wonderful organization. Thank you, BECU!” — Priscilla R., BECU Member



PEOPLE HELPING PEOPLE AWARDS



In 2021

ORGANIZATIONS
IMPACTED:

60*



Funds Awarded: **\$535K**

*Includes recipients of the following: Community Benefit Awards, Featured Awards, Glidepath Funding and Collaboration Grants.



BECU Foundation

In addition to providing either \$2,500 or \$3,500 scholarships to 25 students and renewed scholarships for 67 recipients, the Momentum Grants created the 2020 partnership between the BECU Foundation and the Mastercard Center for Inclusive Growth. These \$50,000 grants help nonprofits and micro-to-midsized businesses recover from the COVID-19 pandemic and expand offerings. In 2021, all eight Momentum Grant Awardees received a second year of funding. Here are a few examples of nonprofit and small-biz fund use:

- **Business Impact NW:** Offers loans and technical assistance to small business owners, focusing on low-to-moderate income individuals, people of color, women, veterans, LGBTQ+ and immigrants
- **WA Small Business Development Center (SBDC):** Increases capacity and builds momentum for access to capital

among underserved communities, including low-to-moderate income individuals (LMI), BIPOC, women-owned and veteran-owned entrepreneurs.

- **Ventures:** Loans to small, start-up businesses in the Seattle area, with an estimated 94% percent to diverse small businesses emphasizing Black and Latinx communities.
- **Community Credit Lab:** Lending at 0% interest to support people facing discrimination to access affordable resources, achieve their goals and participate in an inclusive, equitable economic recovery in the wake of COVID-19.
- **NW Innovation Resource Center:** Offers resources and technical assistance for small businesses and start-ups needing to pivot strategy and reinvent in the wake of COVID-19, often utilizing dislocated workforce.



Nurtured Sustainability

Our community commitments aren't just financial in nature but are nature-based too. Since 2013, our Annual Report to Members' financial highlights section includes our greenhouse gas emissions for the current and previous years. We've improved our operations, reduced waste, and started addressing our carbon footprint while incorporating sustainable solutions, environmental justice and partnerships.

Here's what we accomplished in 2021:

Our **BECU Carbon Footprint Report** shows that we reduced our carbon footprint by three tons, thanks to employees staying home, using less electricity at headquarters and cutting business travel. Electricity consumption and staff commuting make up 95% of our total carbon footprint in an average year.

As we prepare to return to work with a hybrid model, we look forward to discovering and implementing future **carbon savings strategies**. This includes our EV charging stations for electric vehicles, Orca cards to encourage employee use of mass transportation and the Last Mile Lyft Program to help employees get to work from any mass transit locations under three miles away.

BECU supports local forest restoration projects through Forterra's **Evergreen Carbon Capture Program**. With our contributions, over 530 trees were planted across Washington state, offsetting 2,670 tons of carbon over their lifetimes.

Our employees got their hands dirty with the annual **Earth Day Volunteer Project** at the Duwamish Hill Preserve in Tukwila. We removed harmful, invasive weeds threatening the health of this urban forest, an undeveloped parcel of land on the beautiful Duwamish River.

Our annual **BECU Shred & E-Cycle Event** encouraged members to bring sensitive

documents for contactless shredding and old TVs, CPUs, laptops and cellphones for e-cycling. While on-site, members made cash or nonperishable food donations destined for local food banks. Bike Works collected used bicycles for the Bikes-for-All! program, providing free rebuilt bicycles and helmets to Southeast Seattle youth, adults and families facing barriers.



SHREDDING & E-CYCLING EVENT

2021 TOTALS

 LOCATION	 VEHICLES	 SHRED	 E-CYCLE	 FOOD BANK DONATIONS
EVERETT	2,190	52,369	26,080	Over 12,700 pounds of food and \$14,711 in cash donated to local food banks
TUKWILA	2,222	61,903	23,911	
FEDERAL WAY	1,977	26,680	17,716	
SPOKANE	1,574	19,995	12,693	
TOTAL	7,763 <small>cars</small>	160,947 <small>lbs.</small>	80,400 <small>lbs.</small>	

Continue to the next section:

III. BECU + CREW

**Read other sections of our 2020 Annual
Report:**

I: BECU + YOU

IV: BECU By the Numbers



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III. BECU + CREW

Our values-based work culture stands out from the financial-services crowd, and our employees inspire us daily as an organization. We're committed to the financial health of our over 2,600 employees and their overall well-being, feeling of belonging and professional fulfillment. Here's what we achieved together to make BECU—and the world—a better place in 2021.

Elevated Exceptional Employees

To attract and retain excellence, BECU offers work-life balance, great benefits and a culture that values unique skills and talent, equity and inclusion. Thanks to our employees, we're a national leader among credit unions. A few 2021 examples of how we hired, encouraged, celebrated and nurtured our employees from hiring to promotion:

We welcomed 650 new employees to BECU with our **New Employee Virtual Onboarding**. Employees attended a virtual orientation regarding BECU's story and benefits, then delved into e-learning courses on credit union philosophy, BECU culture and core values, performance expectations and more.



The sixth-annual **Being BECU Awards** recognized 16 employees who significantly impacted members, the community, or BECU. The nearly 240 employee nominations shared inspiring member-focused and inclusivity stories. Awardees spanned multiple departments—including legal, member service and technical support—and continue to elevate us by embodying BECU values.



We're shaping the next generation of dedicated and thoughtful credit union leaders. This year marks our first-ever virtual summer internship as part of our 14-year **summer internship program**. In 2021, our 16 interns learned about cybersecurity risk management, credit systems analysis, enterprise fraud and public relations while providing member value. Five of the 16 interns continued with full-time BECU roles.



“ Interning at BECU was a transformative experience as I got to immerse myself in a professional work environment and truly got to understand what it’s like to work at a company with amazing people and culture.” —Rena K., 2021 Summer Intern



BECU is lucky to have intelligent, creative employees with great ideas. In the past several years, employees have advocated for alternative ways to use paid time off (PTO). Our new **PTO Exchange** program offers new ways for employees to recharge and renew, including:

- Reimbursement for qualified education expenses
- Funds to pay down student debt
- Cash to build up emergency savings

In this second year of the COVID-19 pandemic, around 70% of employees worked at home to serve members virtually and by phone. We also **protected the health and safety** of everyone visiting and working at Neighborhood Financial Centers by providing personal protective equipment and following CDC guidance and state and federal requirements.



Rewarded Employee- Inspired Giving

Our BECU Cares program encourages employee giving and volunteering through matching donations, paid time off and more—just some examples of demonstrating our values. In 2021, over 500 BECU employees contributed to nonprofit organizations they care about by donating \$457,000 to 880 causes. And that was just the beginning.

Gift Match. BECU matches employee charitable giving to eligible organizations, showing our shared commitment to causes our compassionate employees care about. BECU donated over \$690,000 to nonprofits on behalf of employees through our gift-match and rewards program. Example nonprofits include:

- Hunger-relief organization Northwest Harvest
- Education-focused Seattle Colleges Foundation

- Homebuilding nonprofit Habitat for Humanity Seattle—King and Kittitas County
- Real Rent Duwamish, supporting the Duwamish Tribe
- South-Sound-based Raising Girls, providing necessary hygiene products to girls in Western Washington

Community Time Off. BECU employees get up to 24 hours of paid time off annually to volunteer. We're proud that employees volunteered more than 12,000 hours with 355 causes in total last year through the program and in their personal time—a vital, hands-on contribution in a challenging year.



BEUCares Day. On one day, nearly 2,500 BECU employees assembled 26,000 kits for nine Washington and South Carolina organizations. Kits included school supplies

for underserved Washington students, new-home kits for Habitat for Humanity of King County homeowners and personal care kits for a number of organizations, including South Carolina's largest homeless service providers.



“ Our BECU Cares Day is a way for employees to live out our values and give back to local nonprofits that are making significant differences in our communities. While much

has changed in recent years, the credit union philosophy of ‘people helping people’ is as strong as ever.” —Benson Porter, BECU’s chief executive officer





enjoy
SCHOOL and KEEP
MAKING NEW
friends

SINCERELY,
VDEE, BECU EMPLOYEE



YOU'RE
GOING TO DO
GREAT
THIS year

SINCERELY,
VDEE (BECU EMPLOYEE)



THIS
USED
TO BE
A GREAT
YEAR

SINCERELY,
VDEE EMPLOYEE



70
SHEETS

GOING TO DO



Created a More Diverse, Equitable and Inclusive BECU

Embracing diversity, equity and inclusion improves BECU, provides better member service, and creates a positive community impact and sense of belonging for all our employees at BECU.

As we continue our journey, our **Equity & Inclusion Working Councils** focus on membership, community engagement, employees, and culture and communication. In 2021, we developed structures to advance our equity commitments for employees, members and the community.

EMPLOYEES & CULTURE EQUITY COMMITMENT

We embrace organizational and cultural change toward becoming an inclusive and equitable organization.



Last year, we took meaningful action in the following ways:

BECU employees expanded their learning through over **80 enlightening and educational events**, including Employee Resource Groups, equity-focused working councils, training and programs to encourage leadership.

During 2021, we officially created the **Office of Equity & Inclusion**—solidifying our commitment. We expanded this team to include a vice president and director, who work with key partners across BECU to embed equity and inclusion in all areas of work.

We expanded our **Employee Resource Groups (ERG)**, which aim to garner great inclusion, create community, celebrate shared cultures and histories and offer resources to all our employees. More than 1,000 employees participate in educational discussions, career development, networking and volunteering opportunities through our ERGs. This year we added four new groups, which resulted in a total of nine ERGs:

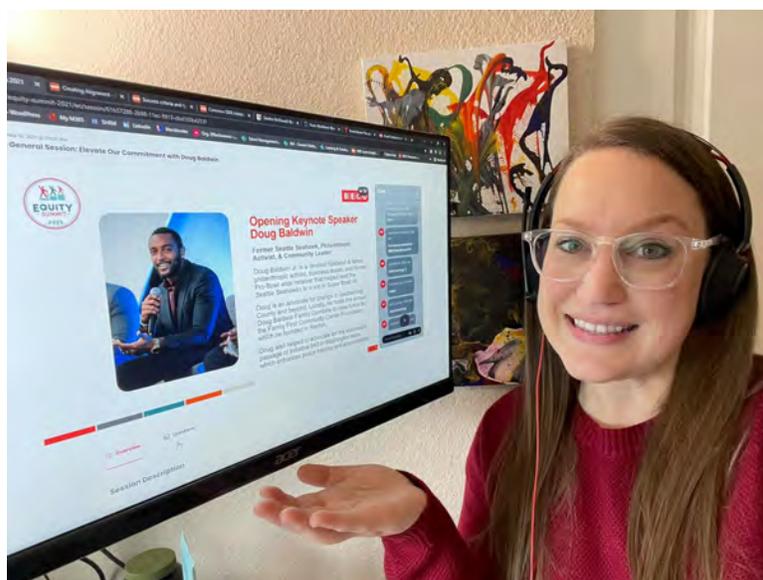




“ I’m so thrilled to be part of wonderful Employee Resource Groups and look forward to all of the impact we can collectively make.”
—Shelby D., BECU Employee

Throughout the year, we offered learning opportunities for our employees to grow in their personal equity and inclusion learning journey:

- In November, 270 employees participated in our inaugural **Equity Summit**. The event showcased influential keynote speakers and workshops on industry-wide equity and inclusion best practices. Keynotes included: Former Seattle Seahawk and community leader Doug Baldwin who spoke to us about grounding our work from a place of humanity and love; and Mehrsa Baradaran, author of “The Color of Money,” who challenged BECU to consider the racial wealth gap and offered credit unions ways to address long-lasting inequities.



- Our new **Equity and Inclusion Speaker Series** hosted social justice thought leaders to help educate and create an open space for discussions on race, racial identity, allyship and anti-racism for our leaders and professionals.



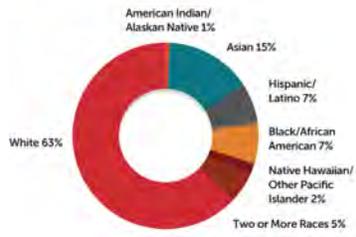
Beginning in October, Neighborhood Financial Center employees can now choose to pin on new **BECU-branded pronoun buttons**. The red and white buttons have four options: she/her, he/him, they/them and "My pronouns are ____" for pronouns. BECU joins several other companies offering employee pronoun

buttons, such as Nordstrom, Walmart, Netflix and Mayo Clinic.

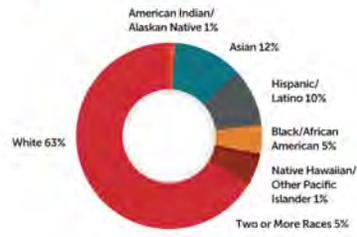


We are committed to reflecting the diversity of our membership and our local areas and to providing equitable access to all employees. We welcome all employees who are committed to the financial well-being of our members and our communities. In our **internal dashboard**, we compare the demographics of our employees to the counties we serve to find opportunities to further expand our commitment. Overall, BECU closely reflects our communities based on race and gender. Yet, we recognize we have opportunities to ensure we reflect diversity at all levels of the credit union.

BECU



Operating Counties



Continue to the next section:

IV. BECU By the Numbers

**Read other sections of our 2020 Annual
Report:**

I. BECU + YOU

II. BECU + COMMUNITY



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IV. By the Numbers

2021 Financials

The Audit Committee held seven meetings during 2021. The Audit Committee retained the independent public accounting firm of Crowe LLP to perform the audit of BECU's 2021 financial statements. The Audit Committee has reviewed and discussed BECU's 2021 audited financial statements with Crowe, the credit union's Chief Audit Executive and management. In carrying out its responsibilities, the Audit Committee believes that appropriate internal controls are in place at BECU and that the 2021 financial statements accurately reflect the strong financial position of the credit union.

John McMurray, *Chairperson, BECU Audit Committee*

Financial Highlights

BEUCU AT A GLANCE	2021	2020	%CHANGE
Members (Total)	1,341,092	1,283,946	4.5%
Assets	\$30.2B	\$26.8B	12.7%
Cooperative Equity	\$2.8B	\$2.7B	3.7%
Return to Membership Total	\$322.7M	\$372.1M	-13.3%
Return per Member	\$245	\$294	-16.7%
Member Advantage Savings Accounts	\$681,688	\$649,430	5.0%
Number of Retail Locations	60	60	0.0%
Philanthropic Donations	\$5.8M	\$6.4M	-9.4%
Greenhouse Gas Emissions	5,643 M/T	6,440 M/T	-12.4%
Employees	2,605	2,490	4.6%

MEMBER LENDING	2021	2020	%CHANGE
Loans Originated	150,838	131,152	15.0%
Dollars of Loans Originated	\$7.7B	\$6.2B	24.2%
Home Loans Originated	9,861	8,466	16.5%
Dollars of Home Loans Originated	\$3.1B	\$2.6B	19.2%
Home Loans in Servicing Portfolio	39,167	40,414	-3.1%
Dollars of Home Loans in Servicing Portfolio	\$8.8B	\$8.6B	2.3%

NET PROMOTER SCORE	2021	2020
Annual Target	70%	70%
Annual Actual	68.85%	69.99%

Net Promoter Score is a measure of customer loyalty and is based on the following question:
 "How likely is it that you would recommend our company's product/service to a friend or colleague?"
 Scores can range from -100% to +100%; a score of +50% is considered excellent.

INCOME FOR THE YEARS ENDED DECEMBER 31 (in thousands)	2021	2020
Interest Income	\$621,650	\$695,877
Dividend & Interest Expense	59,489	95,802
Net Interest Income	562,161	600,075
(Recovery of) Provision For Loan Losses	(18,122)	76,403
Net Interest Income After Provision For Loan Losses	580,283	523,672
Service Fees & Non-Interest Income	314,750	249,752
Non-Interest Expense		
Compensation & Benefits	333,973	295,378
Product Servicing	114,215	98,491
Other Operating Expense	49,522	46,423
Occupancy & Equipment	100,112	101,580
General & Administrative	39,696	57,611
Total Non-Interest Expense	\$637,518	\$599,483
Net Income	\$257,515	\$173,941

FINANCIAL POSITION
FOR THE YEARS ENDED DECEMBER 31
(In thousands)

2021

2020

ASSETS

Cash & Cash Equivalents	\$5,840,449	\$4,726,554
Loans, Net	13,242,656	12,942,499
Investments	10,300,496	8,370,513
Interest-Bearing Deposits & FHLB Stock	54,274	58,807
Interest Receivable	59,119	60,761
Premises & Equipment, Net	131,795	158,667
Real Estate Held for Sale	16,226	—
NCUSIF Deposit	226,337	192,766
NCU Central Liquidity Facility Stock	57,042	49,855
Other Assets	228,305	190,605
TOTAL ASSETS	\$30,156,699	\$26,751,027

LIABILITIES & COOPERATIVE EQUITY

Liabilities

Member Share Accounts	\$26,057,531	\$22,471,891
Dividends & Interest Payable	1,100	1,924
Federal Home Loan Bank Advances	1,075,185	1,188,559
Other Liabilities	225,134	381,956
TOTAL LIABILITIES	\$27,358,950	\$24,044,330

Cooperative Equity

Regular and Undivided Reserves	\$2,962,179	\$2,704,664
Accumulated Other Comprehensive (Loss) Income	(164,430)	2,033
Total Cooperative Equity	\$2,797,749	\$2,706,697
TOTAL LIABILITIES & COOPERATIVE EQUITY	\$30,156,699	\$26,751,027

COOPERATIVE EQUITY (in thousands)

Balance at January 1, 2020	\$2,453,496
Net Income For 2020	173,941
Unrealized Gain on Available-For-Sale Debt Securities	118,711
Change In Obligation For Benefit Plans	(39,451)
Balance at December 31, 2020	\$2,706,697
Net Income For 2021	257,515
Unrealized Loss on Available-For-Sale Debt Securities	(197,826)
Change In Obligation For Benefit Plans	31,363
Balance at December 31, 2021	\$2,797,749



BECU INVESTMENT PORTFOLIO

(in thousands)

54%	\$5,182,223	AGENCY COLLATERALIZED MORTGAGE OBLIGATION
25%	\$2,386,043	AGENCY MORTGAGE BACKED SECURITIES
9%	\$839,411	SUPRANATIONAL BONDS
4%	\$465,452	AGENCY DEBENTURES
4%	\$432,114	CORPORATE BONDS
2%	\$179,048	MUNICIPAL BONDS
1%	\$110,671	GOVERNMENT GUARANTEED BONDS
1%	\$65,716	MUTUAL FUNDS
	<u>\$9,660,678</u>	

EMPLOYEE BENEFIT FUNDING TRUSTS \$509,676

CHARITABLE DONATION ACCOUNT \$130,142

Agency investments include securities issued or guaranteed by U.S. federal government agencies; and securities issued by government-sponsored enterprises (GSEs). BECU's investments primarily comprise fixed income securities issued or guaranteed by U.S. Government or its agencies with an exception that the credit union can, within certain limitations, invest in equity securities (index funds) through its Employee Benefit Funding Trust and Charitable Donation Account.



**BECU
LENDING
PORTFOLIO**
(in thousands)

33%	\$4,444,924	SINGLE-FAMILY RESIDENTIAL MORTGAGE
20%	\$2,610,171	AUTOMOBILE
18%	\$2,338,705	BUSINESS LOANS
16%	\$2,101,842	HOME EQUITY
9%	\$1,136,021	CREDIT CARD
2%	\$330,729	OTHER SECURED
2%	\$318,732	OTHER UNSECURED
	<u>\$13,281,124</u>	

Net costs deferred under generally accepted accounting principles **\$67,339**
 Allowance for loan losses **\$(105,807)**

Home equity loans include those secured by first liens. Business loans include credit card loans to business members. Single-family residential mortgages of \$350,838 are reported at fair value.

2021 Board of Directors

As a member-owned cooperative, BECU is governed by a Board of Directors that is responsible for guiding the general

direction of the credit union in the best interests of the membership and in accordance with BECU Bylaws. We are proud to have this group of qualified professionals dedicate their time to serve BECU.



DEBRA SOMBERG
Board Chair



JESSIE WOOLLEY-WILSON



JOHN McMURRAY



WILL DAUGHERTY



MANOLO SANCHEZ



DENIS FARMER



MATTHEW OPPENHEIMER



SUSAN EHRlich



DAVID YONCE



BILL LONGBRAKE

2021 Audit Committee

The Audit Committee provides oversight of the audit function of the credit union, as well as the safety and soundness of the credit union, through monitoring risks and controls associated with its business objectives, strategies and plans.



JOHN McMURRAY
Audit Committee
Chair



DREW WOLFF



VANESSA PEGUEROS



DENIS FARMER

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