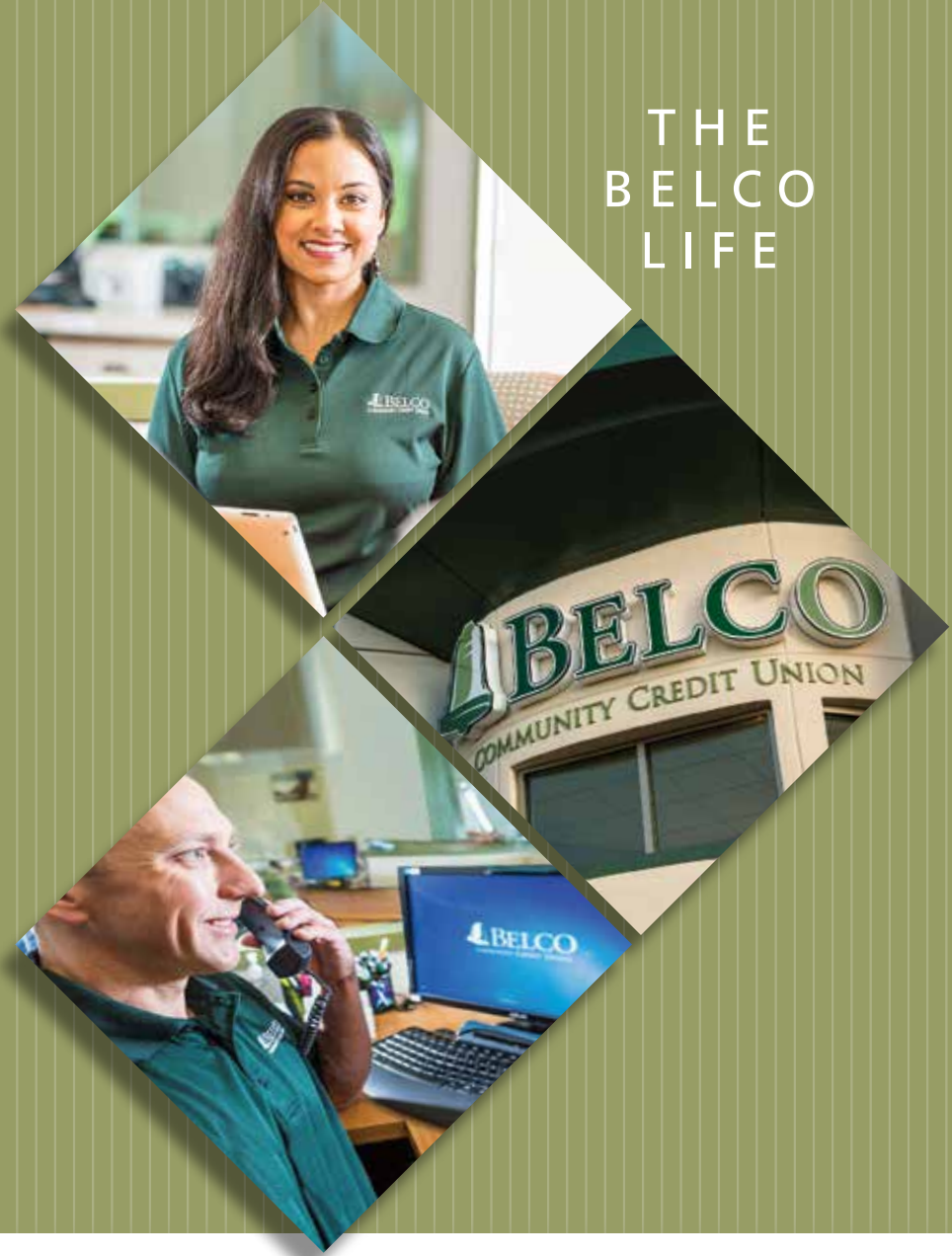


THE
BELCO
LIFE



449 Eisenhower Blvd., Harrisburg, PA 17111
www.belco.org



2019 YEAR IN REVIEW

In 2019, we continued to define The Belco Life as our internal culture of the credit union. We know what is important to our members in our everyday interactions. Members want convenient, fast, and friendly service that is accurate. Above all, we value relationships with each other and our members. The way we do business is guided by our “why”. Why we exist is to better



people’s lives personally, professionally, and financially. These guiding principles are evident in our mission and vision. Our commitment to member service is clear; we believe in helping our members achieve their financial goals one member at a time with consistency and constancy of service. We believe in providing outstanding member service one member at a time, every time.

Every member’s expectation of service is important to us, and building trust and creating relationships that last a lifetime are hallmarks of our past 81 years in business. We want you to be a member for life and to fully experience The Belco Life for yourself when you interact with our people, our technology and our products.

CULTURE OF SERVICE

We thought the 2018 member satisfaction survey results were going to be tough to beat. In 2019, we again increased our response rates and rating. Of 15,000 members surveyed, 18% responded, up from 11% in 2018. Again, more members responded to the survey than ever before, which provides us with the feedback we need to continue to grow membership. We take this information very seriously, and use it in our strategic planning for changes, system improvements, and setting direction to meet member expectations. Belco members remain loyal, as evidenced by our loyalty rating, which ranks among that of high performing credit unions.

Of 15,000 members surveyed, 18% responded, up from 11% in 2018.

We have continually made changes and invested in additional resources to raise the level of member service with each passing year, and 2019 was no exception.

Our delivery of loan products has been streamlined with a centralized lending area equipped to handle phone applications and online applications quickly and efficiently. Members no longer need to visit a branch to sign for a loan or open a new membership account. All loan and new membership enrollment can be done electronically, with as much or little of the process being done in person as the member would like.

The Service Center is the area of the credit union that handles all of our incoming phone calls. We have invested in additional agents to assist members on the phone, and also reduced overflow calls to a third party. We

are consistently reevaluating the phone tree to route calls to the person with the knowledge and skills to handle requests. Cash recyclers are used in all branches to reduce cash handling for staff and improve accuracy and speed of transactions.

For several years, we have been evaluating and planning to introduce interactive teller machines (ITM) in our branches and drive-thru areas. In 2020, our first ITMs will be purchased, implemented, tested and deployed in a live environment. Members will not experience this change until we have fully tested the technology successfully. Be on the lookout for new technology and self-service options coming to a branch near you. Until then, you can continue to benefit from the online and mobile services that we continuously enhance to ensure safety and security of your data and information. As an example, mobile deposit allows you to deposit a check using your phone without visiting the branch.

We are also planning for changes to our branch structure. Some branches are slated for a relocation, while other new locations are being evaluated. In 2020, our Lebanon and Allentown Boulevard branches are being relocated to existing space in close proximity. The new spaces are easily transformed to the Belco branch look and feel, and will offer improved layouts and more accommodating parking.

The new spaces are easily transformed to the Belco branch look.

In addition, Belco Mortgage Services (BMS) and Belco Retirement and Investment Services (BRIS) have expanded their staff. This translates to more professionals to meet the needs of our growing membership. Look for additional home



buying seminars and investment information sessions coming soon. Home ownership and retirement preparation are two important needs common to every member. With these additional staff and resources, we are demonstrating our commitment to helping more members achieve these goals and build a strong financial future.

We have also added staff in our Account Resolution and Visa Services areas to help with risk mitigation and fraud prevention. In today’s environment, we recognize that account safety and security is a high priority for members. Our staff is specialized in fraud prevention and detection, and take prompt, necessary steps each time we learn of retailers experiencing data breaches. Your accounts are safe with Belco. We will keep you informed, and take swift action to reissue cards when risks are detected.

LEADERSHIP EXCELLENCE

We continue our internal workforce planning process to provide a framework from which to grow the credit union. We are providing employees with industry specific training opportunities, and tuition reimbursement aids those who choose to pursue continued education. We continue to support promotion from within, so that every employee who wants a career with the credit union has a clear pathway to achieve more advanced roles or

greater specialization. Our turnover rates are the lowest our credit union has experienced in over a decade. Many employees are long tenured and are enjoying rewarding careers with the credit union.

FOSTERING SUSTAINABLE GROWTH

Belco grew to an asset size of over \$633 million in 2019. In addition, our capital grew to over \$67.5 million. Safety and soundness of Belco is solid, with a foundation that is sustainable and positioned to grow in the central Pennsylvania communities we serve. Our commitment to members and employees is foundational to our success. We intend to continue meeting and exceeding your expectations in the coming year.

Belco grew to an asset size of over \$633 million in 2019.

Our volunteer board of directors remain dedicated to the governance of Belco. We are grateful for their continued service and celebrate their experience and tenure. We are also excited to see more members interested in learning about and pursuing board involvement. We welcome members with interest to learn more about our board and governance by visiting our website and getting involved.



We are grateful for the opportunity to serve our members, and are humbled by your belief in Belco. We exist for the benefit of our members, member businesses, and community partners. It is only through your engagement with the credit union that we are successful, thriving, and growing. The more you use the credit union’s products and services, the more you will benefit and share in the value of Belco. This is a cooperative financial institution, and it is this partnership that sets us apart from other financial institutions. Thank you for choosing Belco as your financial partner.

We look forward to another successful year in 2020. Thank you for believing in Belco, where we believe in you.

Sincerely,



Amey R. Sgrignoli
President/CEO



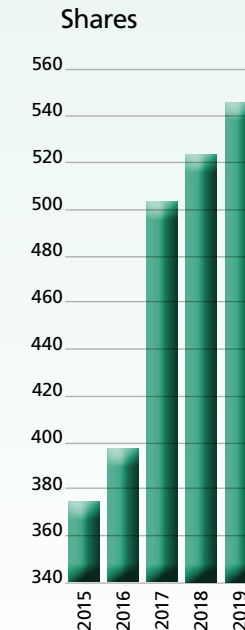
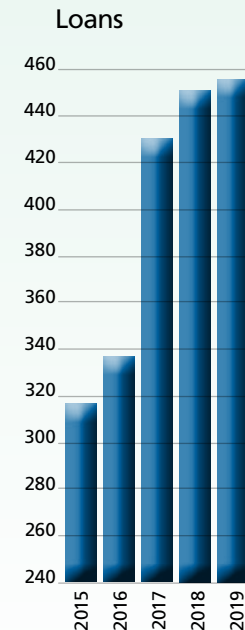
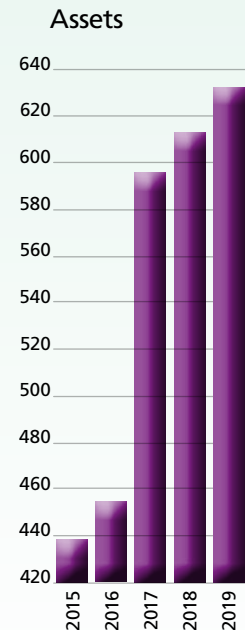
Stephanie F. Miller
Board Chair

STATEMENTS OF FINANCIAL CONDITION DECEMBER 31, 2019 AND 2018

	2019	2018
ASSETS		
Cash on Hand	7,745,574	7,531,893
Cash on Deposit	13,433,707	17,845,387
Cash Equivalents	0	0
Trading Securities	1,023,725	0
Available for Sale	80,882,020	64,407,600
Held to Maturity Securities	0	0
Deposits in Banks/S&Ls	0	0
Mbrshp Capital at Corp CUs	1,971,760	1,971,760
Paid in Capital at Corp CUs	0	0
All Other Invest in Corp CUs	11,896,826	16,436,564
All Other Investments	0	0
TOTAL INVESTMENTS	95,774,330	82,815,924
LOANS HELD FOR SALE		
Unsecured Credit Card Loans	40,567,132	41,106,283
All Other Unsecured L/C	16,384,985	15,602,577
New Vehicle Loans	71,699,888	72,725,639
Used Vehicle Loans	84,000,285	82,622,954
Loan Participations	2,279,239	0
Prem/Disc Participations	32,083	0
Total 1st Mortgage/Re-Fixed	11,814,044	14,114,349
Mortgage Loans Svc	22,543,600	19,910,844
Prem/Disc Mortg Svc	84,234	84,421
Total 1st Mortgage/Re-Var	784,409	398,126
Total Other Real Estate Loan	117,441,033	114,195,817
Leases Receivable	0	0
Total All Other Loans/Lines	19,289,439	24,887,926
Total Mbr Bus/Comm Loans	69,257,597	65,598,197
TOTAL LOANS	456,177,967	451,247,134
Less Allow Loan Losses	-3,425,025	-3,897,384
Other Real Estate Owned	245,000	722,158
Repossessed Autos	47,046	176,226
Land & Building	24,864,501	23,504,396
Other Fixed Assets	2,159,856	1,976,202
Lease Improvements	0	0
Ncua Share Insurance	5,314,235	5,056,384
Other Assets	31,001,855	26,650,055
TOTAL ASSETS	633,339,046	613,628,375

LIABILITIES & MEMBER EQUITY

	2019	2018
Total Borrowings	18,628,967	30,500,000
Accrued Div Payable	0	0
Accounts Payable	4,468,985	3,829,186
TOTAL LIABILITIES	23,097,951	34,329,186
MEMBER EQUITY		
Share Draft	135,143,739	125,707,000
Regular Shares	185,904,189	178,809,051
All Other Shares	224,975,431	217,792,625
TOTAL SHARES	546,023,359	522,308,676
Undivided Earnings	44,628,937	40,089,584
Regular Reserve	16,743,110	16,743,110
Other Reserves	0	0
Loss/Gain Investments	3,914,333	1,528,009
Other Comprehensive Income	-7,511,448	-5,909,544
Net Income (Loss)	6,442,803	4,539,353
TOTAL LIABILITY AND EQUITY	633,339,046	613,628,375



STATEMENTS OF INCOME YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
INCOME		
Interest On Loans	23,621,926.88	22,180,055.85
Income On Investments	2,588,880.35	2,147,513.08
TOTAL INTEREST INCOME	26,210,807.23	24,327,568.93
Dividends on Shares & Certificates	0	0
Interest on Deposits	3,407,695.17	2,450,917.09
Interest on Borrowed Money	397,101.41	704,692.69
TOTAL INTEREST EXPENSE	3,804,796.58	3,155,609.78
Provision For Loan Losses	2,528,403.64	3,136,754.10
NET INTEREST INCOME AFTER PROVISION	19,877,607.01	18,035,205.05
Fee Income	6,467,095.98	5,651,850.97
Other Operating Income	4,235,970.80	4,187,020.57
Gain (Loss) Investments	-1,309.56	-3,616.88
Gain (Loss) Disposition Asset	-90,704.72	-337,902.51
Other Non-Operating Income	1,513,409.66	1,303,857.14
TOTAL NON-OPERATING INCOME	1,421,395.38	962,337.75
EXPENSE		
Employee Compensation & Benefits	12,843,742.98	11,768,968.45
Travel & Conference Expense	344,110.90	278,888.66
Office Occupancy Expense	2,021,848.33	2,106,984.59
Office Operations Expense	2,225,727.65	2,212,029.18
Educational & Promotions	1,613,688.40	1,278,075.56
Loan Servicing Expense	2,309,724.03	2,510,730.75
Professional & Outside Services	3,367,549.72	2,995,219.92
Member Insurance	0.00	0.00
Operating Fees (Examination)	132,144.00	133,120.05
Miscellaneous Operating Expenses	700,730.21	1,013,043.70
TOTAL NON-INTEREST EXPENSE	25,559,266.22	24,297,060.86
NET INCOME (LOSS)	6,442,802.95	4,539,353.48

Belco Community Credit Union would like to thank the dedicated team of volunteer officials on our Board of Directors and Supervisory Committee for their tireless commitment to making our credit union the best it can be.

In 2019, these individuals supported our many efforts, both internally and externally, to grow the credit union and position us as a service-focused financial institution. Each also played a key role in several endeavors to enhance member service, including the streamlining of our loan delivery process and the plan to implement our first interactive teller machines (ITM) in our branches.

While focusing on our Mission – We are a locally based, not-for-profit credit union dedicated to meeting the financial service needs of our members and communities with competitive products and services – they remain committed to our Brand Vision – We believe in every person, every dream, every time.

BOARD OF DIRECTORS

Stephanie F. Miller, *Chair*
 Terry M. Hessler, *Vice Chair*
 Lavern R. Shearer, *Secretary*
 Richard P. Myxter, *Asst. Secretary*
 Beverly A. Lilley, *Treasurer*
 Donald B. Person, *Asst. Treasurer*
 Jeffrey Cohick, *Director*
 Doug Graham, *Director*
 Richard D. Lytle, *Director*
 Margaret A. Minnich, *Director*
 William F. O'Donnell, *Director*
 Calvin C. Smith, *Director Emeritus*

SUPERVISORY COMMITTEE

Chris R. Feather, *Chair*
 Gina M. Bond, *Vice Chair*
 Nancy Clay, *Secretary*
 Allen Brewer, *Member*
 Eric E. Leidigh, *Member*

Congratulations to the past year's recipients of the Brand Ambassador Award, which recognizes an exceptional action that exemplifies one or more of the core elements of living the Belco Life: Believe, Engage, Listen, Inspire, Empower, Value or Excite. We proudly recognize all of these employees for making a difference in the lives of our members and their fellow employees.

March 2019

Andrea Greene – *Big Spring Branch*

April 2019

Cody Johnson – *Finance*

May 2019

Sara Gebhard – *Regency Square Branch*

June 2019

No winner

July 2019

Nicholas Rainville – *Member Service Center*

August 2019

Bob Hoke – *Corporate Support*

September 2019

Tricia Heisey – *Business Development*

October 2019

David Arnold – *Gettysburg Branch*

November 2019

Linda Pattison – *Eastgate Branch*

December 2019

Nohemy Herrera – *S. Duke St. Branch*

January 2020

Ashley Perry – *Consumer Lending*

February 2020

Craig Connelly – *Lebanon Branch*

