

# 2019 Annual Report. Year in review.

Enriching lives because we care.

# Message from the President.



Wayne N. Grosse

Last year was a great one for Bethpage in terms of growth and development. **We added over 55,000 new members, surpassing the 400,000 member milestone, and grew by \$799 million in deposits.** We provided more than \$1.3 billion in residential mortgages and \$1.26 billion in consumer loans. With great rates and low fees, our goal continues to be to help our members realize their dreams of a better life.

Whether members are looking to purchase a new home, refinance their existing mortgage, make improvements to their home or simply consolidate debt, Bethpage continues to be a top choice for individuals looking for an affordable mortgage or Home Equity Line of Credit. As the **#1 HELOC lender on Long Island**, and #3 in the Tri-State area, members can feel confident that Bethpage will provide them with the loan that best fits their needs.

We're extremely proud of several recognitions that we received in 2019. **Bethpage tops the list of the best credit unions in the U.S. for 2020** from GOBankingRates.com. We were also named the 3rd Best Company to Work for in New York, Newsday's #2 Long Island Workplace, and #23 Best Place to Work on Glassdoor's U.S. Small and Medium Business list for 2020. We have earned these accolades because of the hard work and commitment of our employees, who are dedicated to improving and enhancing the employee and member experiences.

As we look ahead, we are committed to making banking better and more convenient for our members by providing great rates, a truly state-of-the-art digital banking experience and exceptional service. Our goal is ultimately to enrich more lives.

Thank you for your support. We look forward to serving your financial needs in 2020 and beyond!

Sincerely,

Wayne N. Grosse  
President and CEO

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# Message from the Chair.



*Michelle*

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**Bethpage financially supported the community through \$2.4 million in charitable grants and sponsorships...**

An integral part of Bethpage Federal Credit Union's vision is to enrich lives in the communities we serve. In 2019, Bethpage continued to expand the Bethpage Cares charitable giving program, which extends across Long Island and the Tri-State area to help improve the quality of life of our neighbors.

This program, now in its 18<sup>th</sup> year, enriches lives through Housing, Youth & Family, Veterans, Education, Hunger Relief, and Diversity & Inclusion Programs – all accomplished through employee volunteers, charitable giving and lasting partnerships.

Our Bethpage teammates showed they care by **volunteering over 4,500 hours of service in 2019 for non-profit organizations**. They built homes with Habitat for Humanity, performed Spring cleaning at the Fire Island Light House, worked on home beautification projects for CDCLI and Options for Community Living, built a walking path at Pal-O-Mine, mentored students through Big Brothers Big Sisters, prepared and served food to families at Ronald McDonald House and the Mary Brennan Inn, served Sundaes on Mondays for children attending Sunrise Day Camp (a camp for kids with cancer and their siblings), and installed smoke detectors with the American Red Cross. Through our partnership with Island Harvest, we hosted our 11<sup>th</sup> annual Turkey Drive, which provided families in need with 2,900 turkeys and nearly 15,000 pounds of food to enjoy for the holiday.

In addition to employee volunteerism, our senior management serves on the boards of 26 community-based organizations throughout the Tri-State area, a further sign of our commitment to the surrounding community.

On behalf of our members, **we continue to advocate in Washington, D.C. in support of credit union legislation**. We focus on key issues, such as regulation and preserving the credit union tax status.

I would also like to mention notable achievements with three of our signature community initiatives: The Bethpage Volunteer Income Tax Assistance Program (VITA), charitable grants and sponsorships and the Bethpage Air Show at Jones Beach.

Bethpage offers the largest VITA program on Long Island, helping low-to moderate-income households prepare income tax returns free of charge. Last year, we filed nearly 2,000 tax returns, bringing over \$2 million in tax refunds back to Long Island families and our local economy.

Bethpage financially supported the community through \$2.4 million in charitable grants and sponsorships, helping organizations like the United Way, YMCA, Northwell Health, Family Service League, Mount Sinai South Nassau Hospital, UCP Long Island, Mentor NY, Cradle of Aviation Museum, CDCLI, The LGBT Network, The Inn and dozens more.

Over the last 16 years, the Bethpage Air Show at Jones Beach has become one of the largest events on Long Island. The high-flying stunts and aerial maneuvers over the Memorial Day weekend never fail to dazzle and delight! In 2019, over 300,000 people gathered to kick off summer and to honor the men and women who made the ultimate sacrifice on our nation's behalf.

I am proud to be a part of Bethpage Federal Credit Union. Thank you for your continued loyalty and support.

Sincerely,

**Dr. Michelle Nearon**  
Chair of the Board

# Consolidated Statements of Financial Condition

December 31, 2019 and 2018 (dollars in thousands)

	2019	2018
<b>Assets</b>		
Cash and cash equivalents	\$66,312	\$139,060
Marketable equity securities	500,000	370,000
Investments:		
Available-for-sale	1,943,506	1,552,499
Other	44,665	34,674
Loans held for sale	82,111	25,494
Loans receivable, net	6,523,162	5,986,847
Accrued interest receivable	29,473	27,448
Mortgage servicing rights, net	33,509	29,341
Property and equipment, net	55,749	49,221
National Credit Union Share Insurance Fund deposit	71,091	65,304
Goodwill	56,788	56,788
Other intangibles	19,722	19,900
Foreclosed and repossessed assets	5,124	7,491
Other assets	36,448	36,680
<b>Total assets</b>	<b>\$9,467,660</b>	<b>\$8,400,747</b>
<b>Liabilities and Members' Equity</b>		
<b>Liabilities</b>		
Members' shares	\$8,114,404	\$7,315,688
Borrowed funds	448,075	300,000
Accrued expenses and other liabilities	132,594	116,321
<b>Total liabilities</b>	<b>\$8,695,073</b>	<b>\$7,732,009</b>
<b>Members' Equity</b>		
Retained earnings	\$780,384	\$701,636
Equity acquired in merger	5,304	5,304
Accumulated other comprehensive loss	(13,101)	(38,202)
<b>Total members' equity</b>	<b>\$772,587</b>	<b>\$668,738</b>
<b>Total liabilities and members' equity</b>	<b>\$9,467,660</b>	<b>\$8,400,747</b>

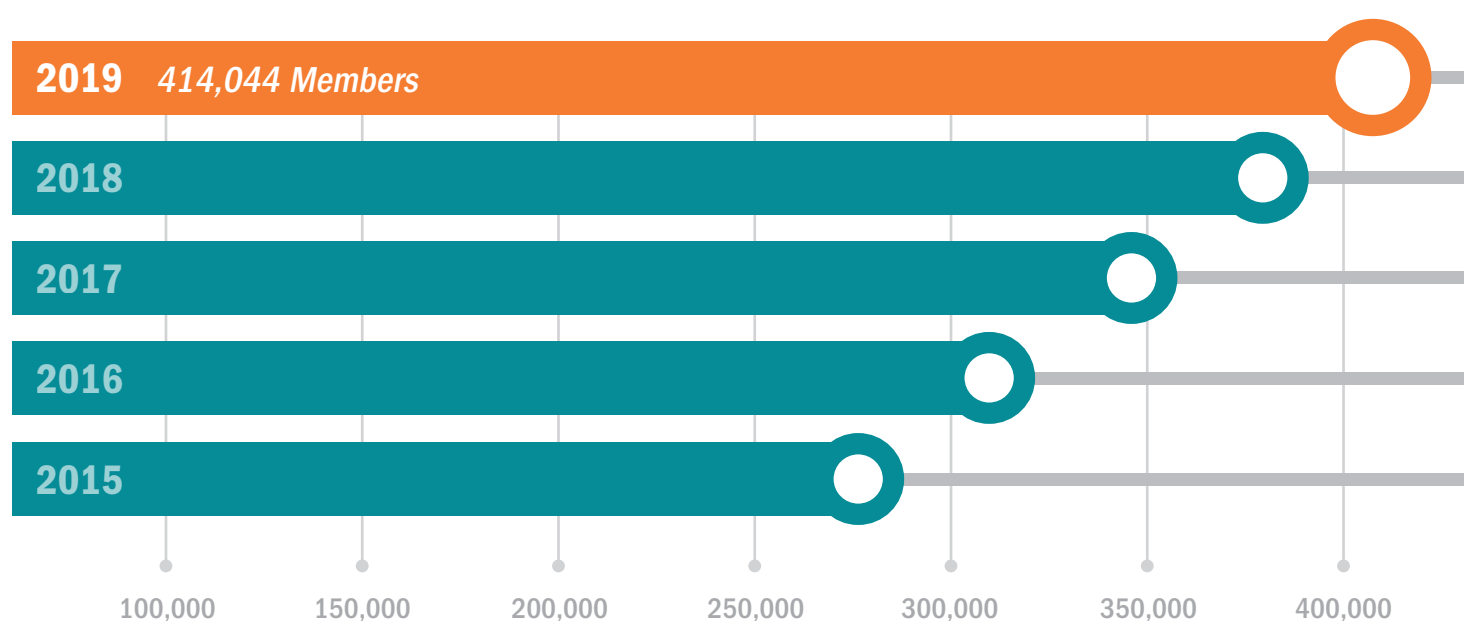
# Consolidated Statements of Income

*Year ended December 31, 2019 and 2018 (dollars in thousands)*

	2019	2018
<b>Interest Income</b>		
Interest and fees on loans receivable	\$268,443	\$233,521
Interest on investments and cash equivalents	63,535	47,189
<b>Total interest income</b>	<b>\$331,978</b>	<b>\$280,710</b>
<b>Interest Expense</b>		
Dividends on members' shares	\$114,919	\$82,977
Interest on borrowed funds	7,498	4,627
Total interest expense	122,417	87,604
Net interest income	209,561	193,106
Provision for loan losses	17,262	25,807
<b>Net interest income after provision for loan losses</b>	<b>\$192,299</b>	<b>\$167,299</b>
<b>Non-interest Income</b>		
Members' shares service charges and other fees	\$25,570	\$26,894
Gain on sale of mortgage loans	19,108	9,892
Mortgage servicing and loan fees	13,900	16,616
Investment services and insurance fees - commissions	6,836	6,703
Other non-interest income	467	4,286
Total non-interest income	\$65,881	\$64,391
Net income before expenses	\$258,180	\$231,690
<b>Non-interest Expenses</b>		
Salaries and benefits	\$69,768	\$67,752
Operations	98,166	90,474
Occupancy	11,498	10,790
Total non-interest expenses	\$179,432	\$169,016
<b>Net income</b>	<b>\$78,748</b>	<b>\$62,674</b>

# Membership Growth & Total Loans, Shares & Assets

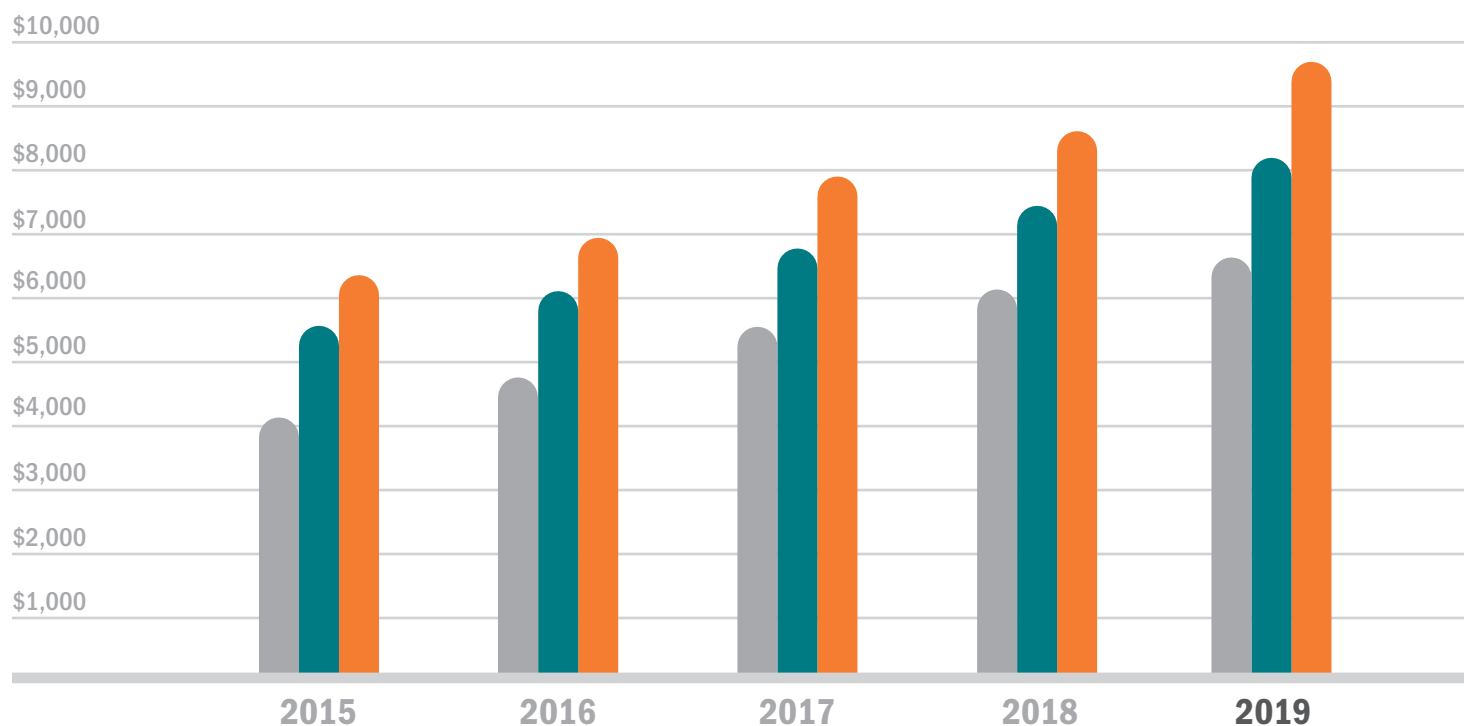
## Membership Growth



## Total Loans, Shares & Assets

As of December 31, dollar amount in millions

Loans Shares Assets





# Supervisory Committee's Report

The Supervisory Committee (the "Committee") is comprised of five independent volunteers who are primarily responsible for ensuring that the Board of Directors and Management of Bethpage Federal Credit Union ("Bethpage") meet required financial reporting objectives and establish practices and procedures sufficient to safeguard members' assets, in accordance with the Federal Credit Union Act. The Committee is fully committed to you, the members of Bethpage.

In this regard, the Committee meets at least quarterly with the Internal Audit Department and Executive Management to review, among other things, internal and external audit services, internal controls and risk management processes, and examinations by regulatory agencies. The Committee tracks the progression of any action items noted in audit reports to ensure that management has properly addressed the issues.

The Committee also appoints the independent auditor and oversees the annual audit, attends the monthly meetings of the Board of Directors, and monitors the financial reporting of management, reviews annual Information Security reports and monitors concerns of the members.

During 2019, the Committee engaged the services of Moss Adams LLP to conduct the annual audit of Bethpage's financial statements, in conformity with federal regulations. In addition, the NCUA evaluated Bethpage's financial condition, safety, soundness, and areas of regulatory compliance. Based on the results of both the Independent Auditor's Report and the Examination Report of the NCUA, it is the opinion of your Supervisory Committee that Bethpage continues to be financially strong and well managed, with sound policies and programs. The 2019 audited financial statements for Bethpage can be found at our website.

**Lawrence J. Waldman**  
Supervisory Committee Chair  
Bethpage Federal Credit Union



**...Bethpage continues to be financially strong and well managed.**

## Volunteers

### Board of Directors

Dr. Michelle Nearon, Chair  
Jorge A. Martinez,  
Vice Chair  
Vincent Scicchitano,  
Secretary  
Anne N. Brigis,  
Treasurer  
Don Balducci  
Phil Gandolfo  
Gregg Nevola  
Adam Silvers  
Richard B. Turan

### Senior Associate Director

John Komst

### Associate Directors

Danna Castiglia  
Marc Herbst  
Danielle Asher  
Ann Ledva

### Supervisory Committee

Lawrence Waldman, Chair  
Marie Ann Hoenings,  
Secretary  
Richard Cooke  
John Scano  
Sallyanne K. Ballweg

## Executive Team

Wayne N. Grossé  
President &  
Chief Executive Officer

Brian Clarke  
Executive Vice President  
& Chief Financial Officer

Kyle Markland  
Chief Operating Officer

Scott Gyllensten  
Chief Risk Officer

Doug O'Neill  
Chief Human  
Resources Officer

Lynda Nicolino  
Senior Vice President,  
General Counsel

Linda Armyn  
Senior Vice President,  
Corporate Affairs

Lawrence Jones  
Senior Vice President,  
Lending

Gerard Schmitt  
Senior Vice President,  
Marketing

David Bogdanski  
Vice President,  
Internal Audit

Brian Bugge  
Vice President,  
Accounting & Finance

George Chacon  
Vice President,  
Corporate Strategy

Melissa Feeney  
Vice President,  
Human Resources,  
Learning & Development

Cania Infante  
Vice President,  
Brand Strategy

Tara Labriola  
Vice President,  
Retail Banking

Robert Lund  
Vice President,  
Residential Mortgage Lending

Karen Sweeney  
Vice President,  
Member Experience

Larry Trivigno  
Vice President,  
Business &  
Community Development

John Witterschein  
Vice President,  
Consumer Credit

## Bethpage Branches



*Bethpage Main Office: 899 South Oyster Bay Road, Bethpage, NY 11714*

**Bethpage®**   
**Federal Credit Union**  
*We care about what you care about.®*

Everyone can bank at Bethpage.\*

\*Membership requires a \$5 minimum share account.

[lovebethpage.com](http://lovebethpage.com) | **800-628-7070**

