

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

2015 ANNUAL REPORT **The Pathway to Greatness**



MEMBER SATISFACTION FUELS GROWTH

When referring family and friends, you are introducing those you care about to join in sharing the Gold Star Experience and the value that is Belco Community Credit Union.

Credit unions operate under a cooperative business model that is unique in the financial services industry. Because we are member-owned, we exist for the benefit of our members and are dedicated to operating in their best interest.

We recently updated our Mission Statement to more clearly illustrate what we do: We are a locally based, not-for-profit credit union dedicated to meeting the needs of the communities we serve through exceptional service and financial education.

We are committed to delivering the highest level of member service, a pledge that is demonstrated by several internal programs and measurements. Part of that commitment is to ensure a Gold Star Experience at every member interaction. This series of service guarantees is integral to the sustainability and ultimately the growth of our credit union.

We utilize a program called Voice of the Member to capture the experiences of actual members who visited our branches or phoned our call center. These real interactions with members and their ratings of our service guide our decisions when identifying opportunities to improve. We extend our thanks to those members who have agreed to participate in this program by rating their service experience.

Each year, Belco also conducts a Membership Satisfaction Survey. In 2015, a sampling of 12,000 members received either a paper survey by mail or an emailed survey link. Among other things, the survey measures our Member Loyalty Index (MLI), which combines ratings in several areas – including member satisfaction, willingness to open future loan or deposit accounts, and likelihood to recommend Belco to family/friends – to determine an indicator of overall member satisfaction.

We are proud to share the results of these surveys:

- Our Voice of the Member performance score has been steadily improving since the program was introduced, with our overall score for 2015 coming in at 95.46%.
- In 2015, our MLI reached 58, a 38% increase since

In 2015, our Member Loyalty Index reached 58, a 38% increase since 2011 and its highest level in five years!

2011 and its highest level in five years! The industry average among credit unions in our peer group is 57, and it is our goal to reach high performing status of 65.

We are delighted to share these results as evidence of our success in serving you, our members. I sincerely thank each member for their continued support and engagement with our credit union. Member loyalty and satisfaction with Belco's products and our service are key components to the growth of Belco. Each member shares in the economic value being generated by our cooperative business model when using the credit union's products and services.

We take service seriously, and invite you to check out all of our offerings and take advantage of our periodic Refer-a-Friend incentive that rewards you when your friends and family become members. And be on the lookout for an exciting new promotion that will give new or existing members the chance to earn \$200 when they open a new checking account and use several associated services. When referring family and friends, you are introducing those you care about to join in sharing the Gold Star Experience and the value that is Belco Community Credit Union!

PLANNING FOR FUTURE SUCCESS

In 2016, we redefined our Pathway, focusing on growing Belco to become a one billion dollar credit union by 2025. The simple reasons are scalability and sustainability of our credit union. Our Pathway provides for modest and balanced growth of both loans and shares. We continue to incrementally grow our membership. Our Strategic Plan focuses on our three Key Result Areas that guide our focus and set the direction for the future of Belco.

Each of the Key Result Areas is considered critical as we pursue world-class service to our membership and future financial success for our credit union.

Among our 2016 goals to improve our delivery channels, products, and services are:

- Complete the conversion of our debit and credit cards to chip-enabled cards, also referred to as Europay, MasterCard, and Visa (EMV).
- Utilize the Visa Data Manager system to aid our Risk Management team in



proactively managing plastic card fraud and assisting members with credit card service issues more easily.

- Launch a fully redesigned and more user-friendly version of our Belco.org website.
- Research and select a home banking partner that will update our current online and mobile banking delivery channels.
- Continue to update facilities to provide more modernized technology, including self-service options and more functional ATMs.
- Review the location and condition of our branches and make needed improvements to add member convenience.

The Belco Employee Experience

Belco is committed to a culture focused on being a high performance workplace. Our commitment to excellent human resource practices, training, and development will continue to be a primary focus. We understand that financial success and member satisfaction are contingent upon employee satisfaction.

We invest in employee training and provide career advancement for employees who desire to grow with the credit union. Our benefits package and compensation are continually monitored for competitiveness and

fairness in the local market and within the financial services industry. Our employee tuition reimbursement program is just one example of our commitment to employee development.

We recognize that dedicated and satisfied employees are key components in providing the best possible service to our loyal members.

The Belco Member Experience

Our Gold Star Experience is an important component of our service culture; we believe it is the key to building exceptionally strong relationships with our members. Our Voice of the Member satisfaction ratings have steadily improved, as the branches and call center focus on providing the best possible service with every member interaction.

As a financial cooperative, we exist for the benefit of our members, and every member shares in the economic success of the organization.

Growth of Belco

Our goal is to continue to grow Belco at a pace that allows for safety and soundness of the credit union, but also provides financial success for all members. We will continue to ensure that member satisfaction is being met and exceeded as we grow. We will be vigilant in fiscal responsibility, and strive to serve the underserved within the communities we are located.

It's no secret that the cost of doing business continues to rise because of increased regulatory burden, the presence of data breaches and fraud, plus standard increased costs due to inflation. Belco's growth will improve our profitability and efficiency as sales volume increases to offset expenses. Our goal is to grow while improving efficiency.

In summary, we are grateful for the support that our members have given to Belco. We will continue to provide exemplary member



service by providing the best financial products and services available to you. We value the opportunity to earn more of your current and future business. Our employees are dedicated to carrying out our Mission as a locally based, not-for-profit credit union dedicated to meeting the needs of the communities we serve through exceptional service and financial education.

Sincerely,



Amey R. Sgrignoli
Amey R. Sgrignoli
President/CEO

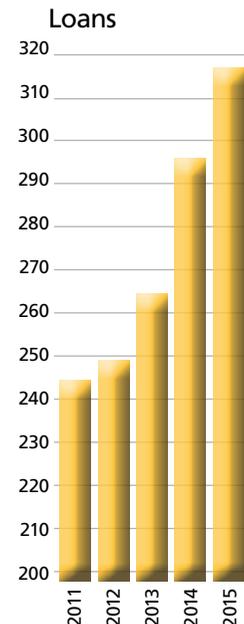
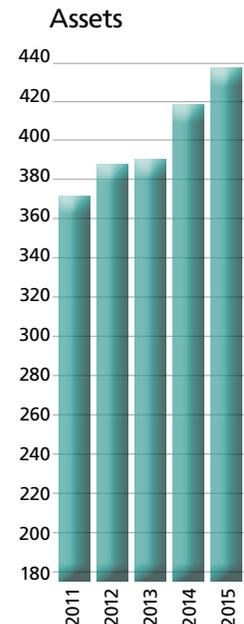


Stephanie F. Miller
Stephanie F. Miller
Chairman of the Board

**BELCO COMMUNITY CREDIT UNION
STATEMENTS OF FINANCIAL CONDITION, DECEMBER 31, 2015 AND 2014**

	2015	2014
ASSETS		
Cash on Hand	6,109,561	6,366,234
Cash on Deposit	8,536,214	10,513,164
Cash Equivalents	0	0
Trading Securities	0	0
Available for Sale	50,808,171	47,726,077
Held to Maturity Securities	0	0
Deposits in Banks/S&Ls	0	0
Mbrshp Capital at Corp CUs	1,620,260	1,527,207
Paid in Capital at Corp CUs	0	0
All Other Invest in Corp CU's	744,000	0
All Other Investments	0	0
TOTAL INVESTMENTS	53,172,431	49,253,285
LOANS HELD FOR SALE		
Unsecured Credit Card Loans	38,578,633	34,276,719
All Other Unsecured L/C	13,841,993	13,173,075
New Vehicle Loans	35,757,581	35,148,562
Used Vehicle Loans	57,558,830	47,342,807
Loan Participations	0	0
Prem/Disc Participations	0	0
Total 1st Mortgage/Re-Fixed	0	0
Mortgage Loans Svc	10,489,827	8,997,323
Prem/Disc Mortg Svc	84,482	92,893
Total 1st Mortgage/Re-Var	250,072	269,218
Total Other Real Estate Loan	92,979,831	92,190,218
Leases Receivable	0	0
Total All Other Loans/Lines	29,201,854	30,386,633
Total Mbr Bus/Comm Loans	39,154,163	34,749,190
TOTAL LOANS	317,897,267	296,626,639
Less Allow Loan Losses	-3,238,824	-2,755,889
Other Real Estate Owned	57,962	836,906
Repossessed Autos	32,095	0
Land & Building	22,766,032	24,489,205
Other Fixed Assets	2,421,001	2,582,327
Lease Improvements	16,963	35,468
NCUA Share Insurance	3,653,615	3,458,545
Other Assets	27,135,290	27,764,594
TOTAL ASSETS	438,559,606	419,170,477

	2015	2014
LIABILITIES & MEMBER EQUITY		
LIABILITIES		
Total Borrowings	21,975,000	27,048,898
Accrued Div Payable	776	492
Accounts Payable	5,171,181	3,577,252
TOTAL LIABILITIES	27,146,956	30,626,642
MEMBER EQUITY		
Share Draft	85,520,906	75,747,589
Regular Shares	115,224,377	100,536,421
All Other Shares	173,740,619	177,075,343
TOTAL SHARES	374,485,901	353,359,352
Undivided Earnings	32,865,970	30,365,795
Regular Reserve	6,690,260	4,974,647
Other Reserves	0	0
Loss/Gain Investments	773,807	420,950
Other Comprehensive Income	-5,068,274	-3,077,083
Net Income (Loss)	1,664,985	2,500,175
TOTAL LIABILITIES & EQUITY	438,559,606	419,170,477



**BELCO COMMUNITY CREDIT UNION
STATEMENTS OF INCOME, DECEMBER 31, 2015 AND 2014**

	2015	2014
INCOME		
Interest on Loans	16,005,494.14	15,080,282.14
Income on Investments	1,268,133.65	1,213,078.78
TOTAL INTEREST INCOME	17,273,627.79	16,293,360.92
Dividends on Shares & Certificates	0	0
Interest on Deposits	1,784,849.78	1,859,663.32
Interest on Borrowed Money	104,241.08	53,019.47
TOTAL INTEREST EXPENSE	1,889,090.86	1,912,682.79
Provision for Loan Losses	2,545,398.36	2,125,760.82
NET INTEREST INCOME AFTER PROVISION	12,839,138.57	12,254,917.31
Fee Income	3,789,701.69	3,499,356.61
Other Operating Income	2,717,216.64	2,555,827.44
Gain (Loss) Investments	1,353.05	207,731.68
Gain (Loss) Disposition Asset	-297,456.80	-165,865.01
Other Non-Operating Income	705,643.03	1,494,886.92
TOTAL NON-OPERATING INCOME	409,539.28	1,536,753.59
EXPENSE		
Employee Compensation & Benefits	8,296,113.39	8,232,402.62
Travel & Conference Expense	338,575.95	237,484.53
Office Occupancy Expense	1,969,960.02	1,881,536.86
Office Operations Expense	2,010,179.42	1,974,704.94
Educational & Promotions	1,146,015.57	1,027,350.74
Loan Servicing Expense	1,608,535.10	1,690,422.23
Professional outside Services	2,064,010.98	1,704,679.40
Member Insurance	0	0
Operating Fees (Examination)	85,176.34	76,892.44
Miscellaneous Operating Expenses	572,044.31	521,206.29
TOTAL NON-INTEREST EXPENSE	18,090,611.08	17,346,680.05
NET INCOME (LOSS)	1,664,985.10	2,500,174.90

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

In 2015, these individuals have supported our many efforts, both internally and externally, to grow the credit union and brand us as a service-focused financial institution. Each also played a key role in several endeavors to enhance member service, including the conversion of our debit and credit cards to chip-enabled (EMV) cards and the creation of an internal leadership development program.

While focusing on our Mission – We are a locally based, not-for-profit credit union dedicated to meeting the needs of the communities we serve through exceptional service and financial education – they remain steadfast to our Core Values – Balance, Excellence, Fun, Integrity, Social Responsibility, and Vision.



Board of Directors

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

Supervisory Committee

Jesus J. Barrera, *Chair*
 Joseph V. Giammatteo, *Vice-Chair*
 Chris R. Feather, *Secretary*
 Clemens B. Glunz, Jr., *Member*
 Richard Myxter, *Member*

March 2015

Inna Tonina – *Carlisle Pike Branch*

April 2015

Eduardo Montiel – *Risk Management*

May 2015

Elaine Knehr – *Corporate Planning & Support*

June 2015

Karen Wisniewski – *Regency Square Branch*

July 2015

Julie Bobar – *Lending*

August 2015

Jessica McDonald – *Regency Square Branch*

September 2015

Sarah Wherley – *Hanover Branch*

October 2015

Cindy Heller – *Gettysburg Branch*

November 2015

Christie Thompson – *Oregon Pike Branch*

December 2015

Holly Rubinic – *Risk Management*

January 2016

Cortney Heckman – *Sales Center*

February 2016

Blake Wise – *Human Resources*

March 2016

Amanda Hoover – *Training*

