

A smiling man and woman in professional attire standing together. The man is wearing a dark blue suit and tie, and the woman is wearing a light blue top. They are both holding a blue folder. The background is a warm, brownish-orange color.

Bethpage[®] 
Federal Credit Union
We care about what you care about.[®]

2020 Annual Report. Year in review.

Enriching lives because we care.

Message from the President.



Wayne N. Grossé

There is no doubt that 2020 was a year like no other, and the impact of the pandemic on our daily lives has been immeasurable. However, despite the disruption to our normalcy and the incredible loss so many have experienced, some remarkable things came from the challenges we faced. The heroism of all healthcare workers and first responders, the generosity of our communities, and the perseverance of every individual are all things that make the year worth remembering. I feel particularly grateful for the patience and cooperation of all Bethpage members as we adapted and learned how best to serve them under these circumstances. I am also extremely proud of the commitment and dedication of the Bethpage staff to keeping the safety and health of our members and each other our top priority.

As we were thrust into a new way of working, our frontline teammates continued to enrich our members' lives and worked in an agile fashion to serve our members successfully through fewer in-person and more virtual experiences. As our digital transformation accelerated, back-office teammates proved that they could work remotely without any disruption to productivity, project progress, and the forward momentum of our corporate strategy.

The resiliency of Bethpage and its financial strength were proven in several additional ways throughout 2020, including the following:

- *Our Residential Mortgage team funded \$1.9 billion in loans.*
- *We reached \$10 billion in assets, a huge milestone and accomplishment that only a dozen credit unions have achieved.*
- *We were able to, and will continue to, support members with businesses in our community by providing Paycheck Protection Program (PPP) loans. These loans have served as a lifeline for our members' businesses during such a difficult time.*

As we look forward, and progress is made toward returning to a new normal, we will remain diligent with our safety measures and continue to work smart. We will maintain strict adherence to all local, state, and federal policies and guidelines for reopening. We will continue to take a conservative approach to our reopening efforts and consider first the safety of our teams, members and communities. We thank you for your continued support, and we look forward to serving your financial needs in 2021 and beyond.

Sincerely,

Wayne N. Grossé
President and CEO



The heroism of all healthcare workers and first responders, the generosity of our communities, and the perseverance of every individual are all things that make the year worth remembering.

Message from the Chair.



An integral part of Bethpage Federal Credit Union's vision is to enrich lives in the communities we serve. In 2020, we were faced with the unique challenge of navigating a global pandemic. During the ongoing health crisis, we knew it was more important than ever to provide financial support to the community, while continuing to provide essential financial services. Through the **Bethpage Cares** charitable giving program (now in its 19th year) and our Community Engagement programs, we supported many COVID-19 emergency relief funds that had the ability to deliver immediate, impactful results. In addition, we provided \$1.7 million in financial support and nearly 1,500 volunteer hours to 57 charitable organizations in the areas of Education, Housing, Family Services, Food Insecurity, Diversity, Equality and Inclusion.

Bethpage's COVID-19 relief efforts were extensive and varied. We sponsored a community fundraising effort for Northwell Health's COVID-19 Emergency Fund, which provided essential support and resources for our healthcare heroes on the frontlines. In addition, we supported the Mt. Sinai South Nassau COVID-19 Support Fund and COVID-19 Education for the Tri-State community. Our pandemic support also included programs that assisted with emergency daycare for essential workers, aid for those facing food insecurity, emergency bill assistance, senior care packages, health care, mental wellness, and domestic violence.

Bethpage provided additional COVID-19 support to the United Way of Long Island and UNITED TOGETHER: A Response Fund for COVID-19, which was established to help alleviate disruptions to family life. We collaborated with Long Island Voluntary Organizations Active in Disasters (LIVOAD) and our network of nonprofit organizations in the region to assist families and individuals as they dealt with this health and economic crisis. Additionally, United Way purchased \$150,000 in Bethpage gift cards that were dispersed immediately to families in critical need of basic food and household supplies.

Despite the pandemic, we fostered our partnership with Island Harvest and helped fulfill their mission of ending hunger on Long Island through our 12th annual Bethpage Turkey Drive. Our event proved that, in the face of hardship, our community can rally together and show their overwhelming generosity. We broke all previous records by collecting 3,157 frozen turkeys and over 28,000 pounds of non-perishables, which were distributed to those in need in time for the holiday season. In addition, we raised \$38,000 through day-of and online donations.

Finally, through our Volunteer Income Tax Assistance (VITA) program, we were able to provide free, in-person tax preparation services to members up until the start of the pandemic, and then free virtual services beginning again in June. We were able to assist 1,341 members, bringing over \$1.7 million in tax refunds back to Long Island families and our local economy. Our efforts and planning in 2020 allowed us to provide a fully virtual VITA program in 2021.

I could not be more proud to be a part of Bethpage Federal Credit Union. Thank you for your continued loyalty and support.

Sincerely,

Jorge A. Martinez
Chair of the Board



... we supported many COVID-19 emergency relief funds that had the ability to deliver immediate, impactful results.

Consolidated Statements of Financial Condition

December 31, 2020 and 2019 (dollars in thousands)

	2020	2019
Assets		
Cash and cash equivalents	\$73,223	\$66,312
Mutual fund, at fair value	400,004	500,000
Investments:		
Available-for-sale, at fair value	3,137,644	1,943,506
Other	43,168	44,665
Loans held for sale	157,660	82,111
Loans receivable, net	6,242,904	6,523,162
Accrued interest receivable	28,562	29,473
Servicing rights, net	28,810	33,509
Property and equipment, net	59,912	55,749
National Credit Union Share		
Insurance Fund deposit	81,271	71,091
Goodwill	56,788	56,788
Other intangibles	19,544	19,722
Foreclosed and repossessed assets	1,863	5,124
Other assets	51,141	36,448
Total assets	\$10,382,494	\$9,467,660
Liabilities and Members' Equity		
Liabilities		
Members' shares	\$9,184,081	\$8,114,404
Borrowed funds	140,200	448,075
Accrued expenses and other liabilities	176,715	132,594
Total liabilities	\$9,500,996	\$8,695,073
Members' Equity		
Retained earnings	\$843,550	\$780,384
Equity acquired in merger	5,304	5,304
Accumulated other comprehensive income (loss)	32,644	(13,101)
Total members' equity	\$881,498	\$772,587
Total liabilities and members' equity	\$10,382,494	\$9,467,660

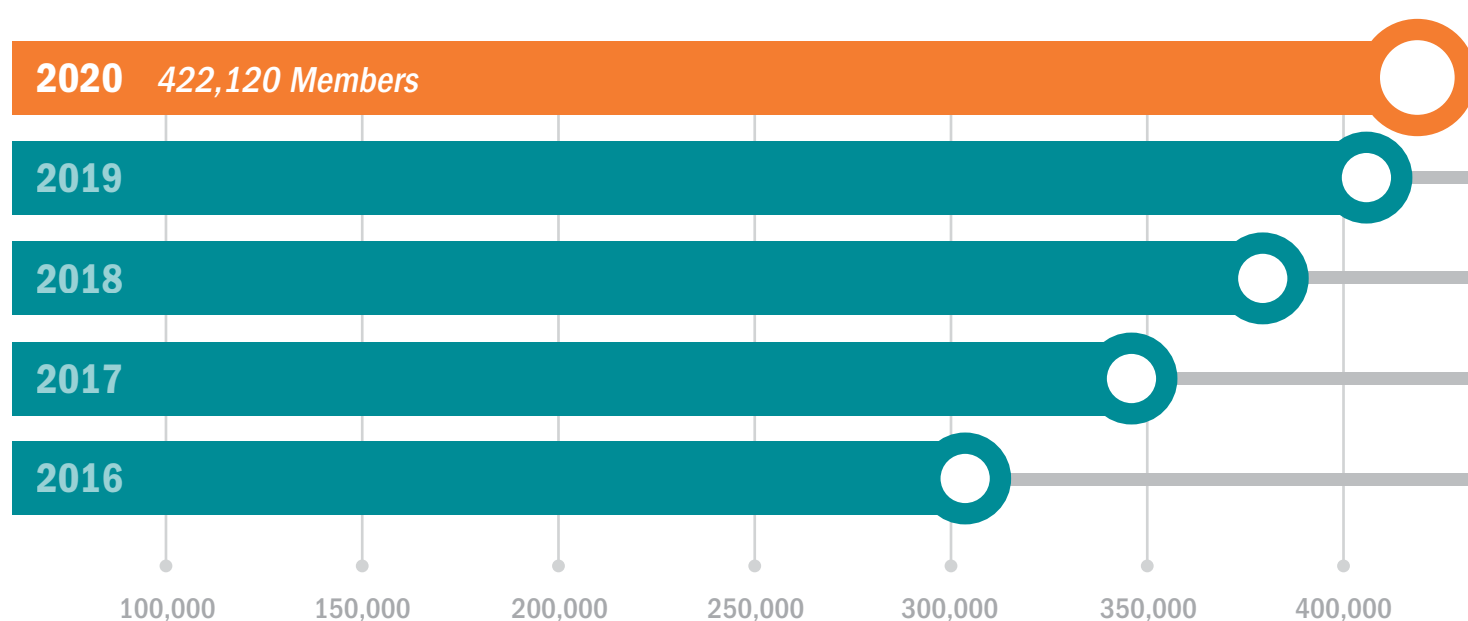
Consolidated Statements of Income

Years ended December 31, 2020 and 2019 (dollars in thousands)

	2020	2019
Interest Income		
Interest and fees on loans receivable	\$244,433	\$268,443
Interest and dividends on equity securities, investments and cash equivalents	58,424	63,535
Total interest income	\$302,857	\$331,978
Interest Expense		
Dividends on members' shares	\$80,465	\$114,919
Interest on borrowed funds	2,090	7,498
Total interest expense	\$82,555	\$122,417
Net interest income	220,302	209,561
Provision for loan losses	58,155	17,262
Net interest income after provision for loan losses	\$162,147	\$192,299
Non-interest Income		
Gain on sale of mortgage loans	\$51,449	\$19,108
Members' shares service charges and other fees	23,424	25,570
Investment services and insurance fees - commissions	7,857	6,836
Mortgage servicing and loan fees	5,028	13,900
Other non-interest (loss) income	(158)	467
Total non-interest income	\$87,600	\$65,881
Non-interest Expenses		
Operations	\$102,877	\$98,166
Salaries and benefits	71,967	69,768
Occupancy	11,737	11,498
Total non-interest expenses	\$186,581	\$179,432
Net income	\$63,166	\$78,748

Membership Growth & Total Loans, Shares & Assets

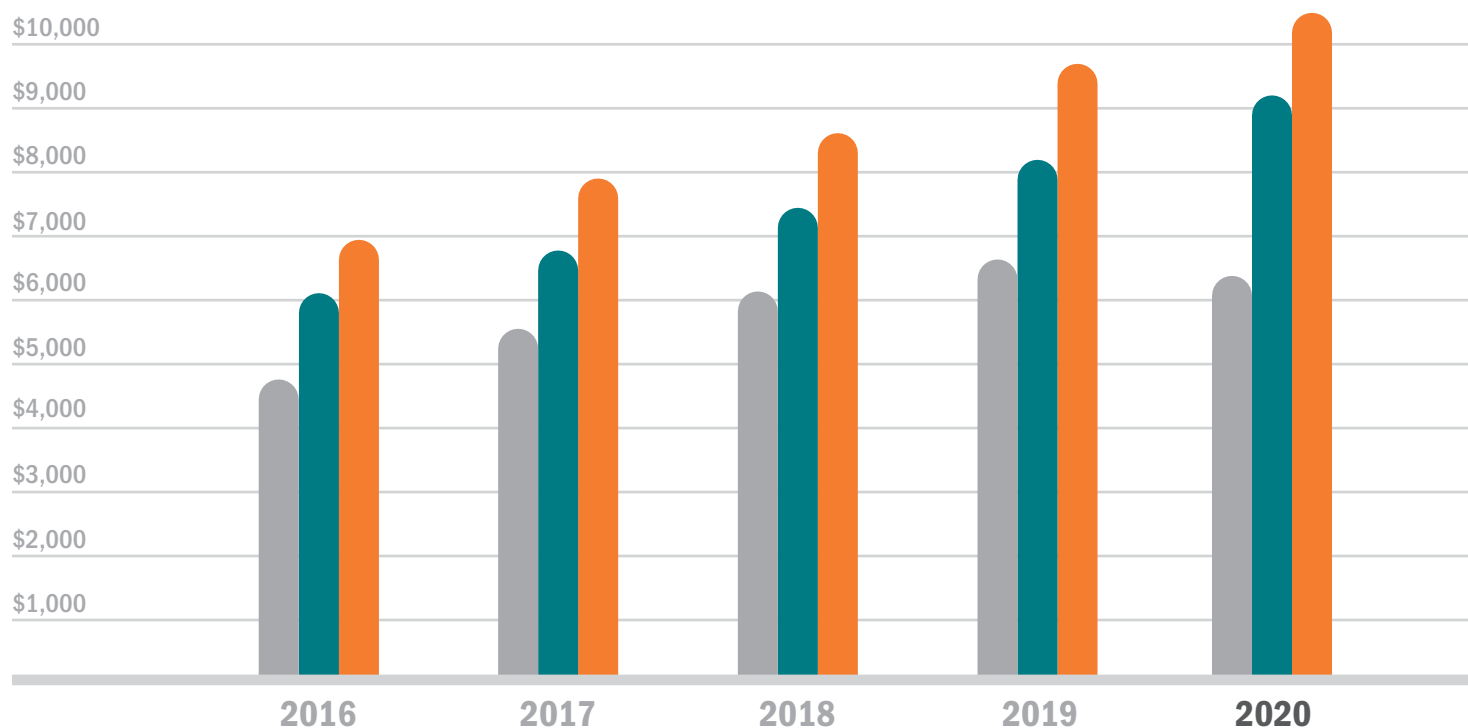
Membership Growth



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.



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

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 2020, 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 2020 audited financial statements for Bethpage can be found on our website.

Lawrence J. Waldman
Supervisory Committee Chair
Bethpage Federal Credit Union

Volunteers

Board of Directors

Jorge A. Martinez, Chair
Vincent Scicchitano, Vice Chair
Anne N. Brigis, Secretary
Gregg Nevola, Treasurer
Don Balducci
Philip Gandolfo
Michelle Nearon
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

Scott Gyllensten
Chief Risk Officer

Doug O'Neill
Chief Human Resources Officer

Lynda Nicolino
Senior Vice President,
General Counsel

Linda Armin
Senior Vice President,
Corporate Affairs

Melissa Feeney
Senior Vice President,
Human Resources

Lawrence Jones
Senior Vice President, Lending

Gerard Schmitt
Senior Vice President, Marketing

David Bogdanski
Vice President, Internal Audit

Brian Buggé
Vice President,
Accounting & Finance

George Chacon
Vice President, Corporate Strategy

Robert Fish
Vice President,
Commercial Lending

Cania Infante
Vice President, Brand Strategy

Diane Krieger
Vice President,
Organizational
Development/HCMS

Tara Labriola
Vice President, Retail Banking

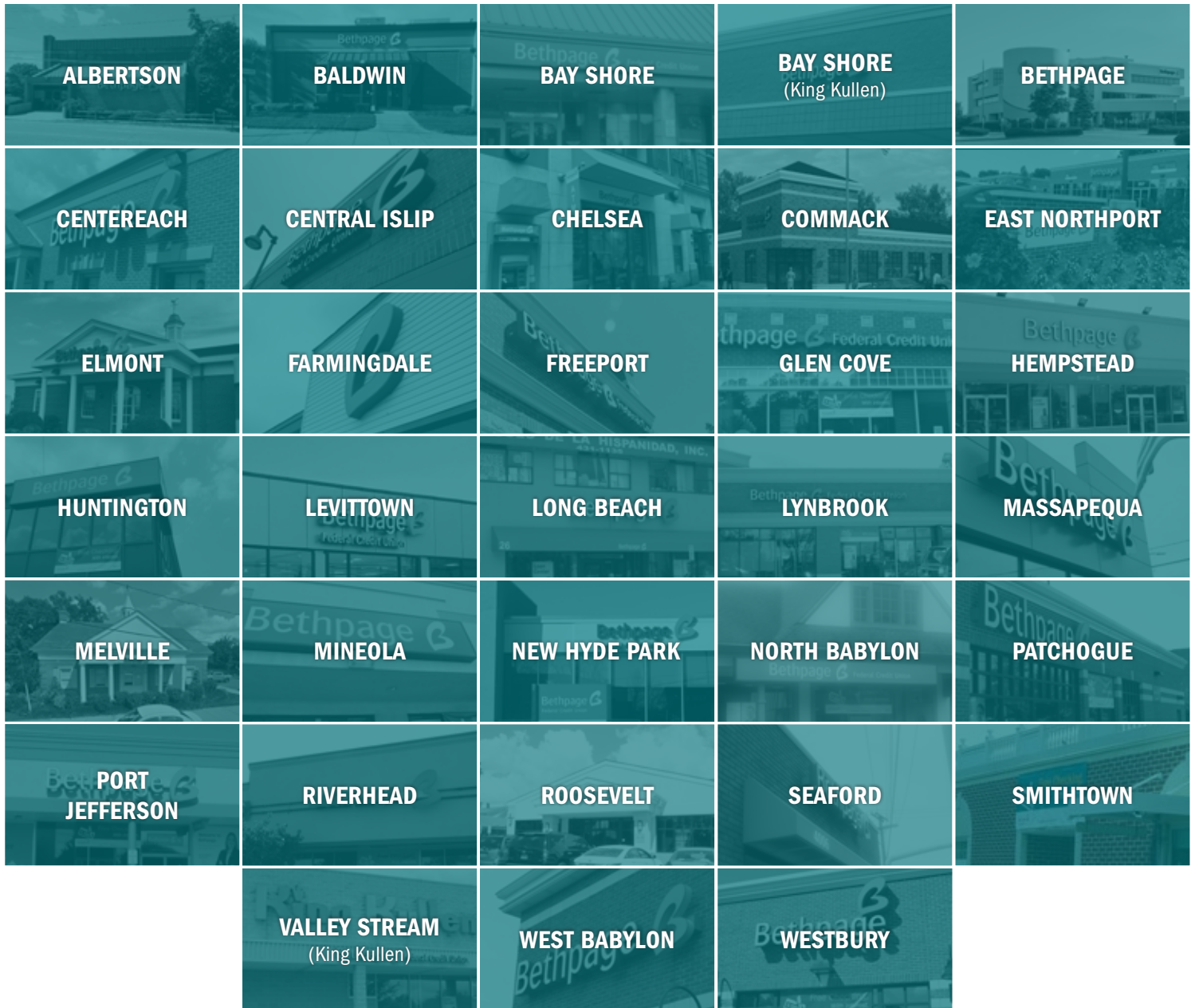
Robert Lund
Vice President,
Residential Mortgage Lending

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

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

Everyone can bank at Bethpage.*

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*Membership requires a \$5 minimum share account.

MT-999



Federally Insured
By NCUA