



Annual Chairman Report — Thaine Robinson, Chair, Board of Directors

The Board of Directors is happy to report the Credit Union is strong, stable, and economically healthy. We feel the goals and strategies of the Credit Union are moving in the right direction. Please feel comfortable knowing the Board and staff of Beehive are continually looking out for your best interests.

This year will be a milestone for Beehive. If everything goes as planned, we will reach two major benchmarks. First, we will reach 30,000 members. It is an honor to be able to help with the financial needs for all our members, as well as those who now use our mobile application services throughout the country. The second major ground-breaking plateau will be reaching a \$300 million asset value. We will continue to grow at a cautious and appropriate pace. Not too fast to damage us financially, nor too slow creating stagnation.

Because of the growth in these two areas, we are able to continue to add new services for our members. Along with our ever-popular Missionary Savings Account (3% APY), we have a new Student Savings Account (2% APY +). This year we will introduce Zelle, an application allowing for person-to-person transferring of money in real time. More information will be available about Zelle as we get closer to implementing this service. We also have a Text Chat feature allowing a member of the Beehive staff to communicate with you using the mobile application. We are confident almost every member will be able to take advantage of at least one of these new services.

Beehive has been able to create a strong relationship with our local state legislators. This relationship has existed for many years, and we are proud that many of our current local legislators from Bonneville, Jefferson, and Madison counties are members of Beehive. Even though we are a federally-chartered credit union, it is important to foster good Idaho financial guidelines. We expect this close relationship to continue in the future.

As a Board, we view the employees of Beehive to be some of the most talented, dedicated, competent, and service-oriented group of individuals compared to any other financial institution in the area. We thank them for their friendliness and willingness to help us with our monetary needs and financial goals.

2019 is expected to be a very good year for our credit union. In turn, we hope it will be a great year for you, as well.

Annual CEO Report

Shane Berger, President/CEO



Financial Strength

In each annual report I feel it is important to convey information about the strength of your credit union. Most of you

have seen our recent billboards and website banner stating that Beehive has received a five-star or superior rating from Bauer Financial for seven straight years. Bauer Financial rates the financial strength and stability of credit unions and banks across the country. Beehive has achieved a five-star rating for seven straight years and for 25 of the last 28 years dating back to 1990. Criteria used to determine the rating include, the level of reserves, profitability, loan quality, strength of investment portfolio, historical data and liquidity. In short, Beehive is extremely strong and financially stable, which is an important competitive advantage we enjoy.

Growth and Field of Membership

We ended 2018 with total assets of \$275 million; deposits of \$244 million; loans totaling \$224 million; and capital or reserves of just over \$29 million. The growth rate from 2018 was solid and sustainable. It is important for Beehive to continue to grow so we achieve economies of scale, keep the cost of services low, and be large enough to remain independent. Future growth will come from attracting and enrolling new

members. Last year we achieved nearly 1,400 more net new memberships. We will also grow by opening a future new Beehive branch. The location and timetable for the new branch will be announced later this year. Finally, we will grow by applying to expand our field of membership to include members of the Church of Jesus Christ of Latter-day Saints who live in other states. We have no plans now or in the future to expand our field of membership to other groups.

Thank You

The strength of Beehive Federal Credit Union is due to the exceptional, trustworthy and honorable members whom we serve. Your integrity in repaying loans results in extremely low delinquency and charge-off rates, much lower than our peers. Thank you for your continued membership. You are important to our collective success. In every board and staff discussion, we make decisions based on what is in the best interest of our Beehive member owners. I hope that if you live in or move to a location distant from our branches, you will remain a member. Beehive offers access to almost every imaginable financial service from anywhere and anytime. It is now possible for anyone to live in another state or location and do all their business at Beehive. We hope you will all be "Beehive Members for Life".

Beehive Local Discounts Program

From the beginning, Beehive has believed in our communities. Now, we have a new way to give back to our members and also to local businesses. Announcing, Beehive's Local Discounts

program. It is simple: visit www.beehive.org/ discounts or within Beehive's mobile app, locate the "Local Discounts" Menu, choose some of our great deals and then go and get them. When you arrive at the business, please mention to the cashier that you want the Beehive Local Discounts deal and pay with your Beehive debit or credit card. That is it—nothing to sign up for. Just simple, straightforward discounts at our local businesses.

Below are some of our participating businesses:

- Apple Tree Dental
- Arby's (Rexburg)
- Big Jud's (Archer)
- Blister's BBQ
- Circle of Love
- Da Pineapple Grill
- Deseret Book (Rexburg)
- Evans Hairstyling College
- Fat Cats (Rexburg)
- Freeman Clothing
- Gator Jacks (Rexburg)
- Gorilla Performance
- Gravity Factory
- Grease Monkey (Rexburg)
- Gringos
- Kainoa's Hawaiian Grill (Rexburg)
- Kiwi Loco (Rexburg)
- Legacy (Municipal) Golf Course
- Millhollow Restaurant
- Paramount 5 Movie Theater (Rexburg)
- Redd's Grill
- Rexburg Floral
- Salt Lake Express
- Sled Shed
- Soda Vine
- Taco Time (Rexburg)

- The Cookie Cottage
- The Cookie Place
- The Craze Funzone
- The Hickory
- Tri State Tire (Rexburg)
- Uwrench
- Weed Man (Rexburg)
- Wolfe Lighting and Accents

For more information about Beehive's Local Discounts program please contact Craig Cobia at ccobia@beehive.org or (208)656-1000 ext 1027.

Beehive Employee Anniversaries

The Beehive Board and management would like to recognize the following employees for their years of service:

- Dan Owen—35 years
- Debra Ashcraft—20 years
- Jenna Tracy—10 years
- Jocelyn Kam—10 years
- Shauna Williams—10 years
- Bart Burton—5 years
- Crystal Alsbury—5 years

Be Vigilant: Beehive eAlerts Can Help

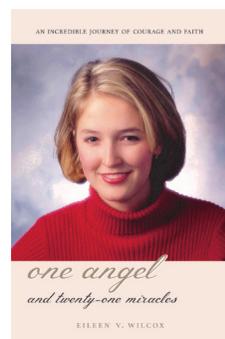
Our world today often feels like it is at our fingertips. We can shop for groceries, apply for a credit card, buy a car, and check in on our friends without even leaving our homes! All of this accessibility can sometimes give us a false sense of security and complacency. For example, did you know that you only have 45 days to report fraudulent card transactions to Beehive? One of the best defenses against fraud and account takeover is frequent and detailed review of one's accounts. Quick, timely reporting of

incorrect charges greatly increases the efficiency and speed of the solution. As the saying goes, "The sooner the better"! If you are finding the thought of checking your account more frequently as a challenge, then I recommend you looking into setting up eAlerts on our Online Banking. Once logged in, you simply go to the menu and find "eAlerts" under the Services heading. You can create and customize multiple eAlerts that can let you know when a deposit, withdrawal, loan payment, balance has occurred or is above/below a certain threshold that you set yourself. Easy to use and manage, eAlerts can help you with staying on top of your finances. So be vigilant and never hesitate to reach out to Beehive if you have any questions or concerns about transactions on your account.

Annual Summer Picnic

Beehive Federal Credit Union's Annual Summer Picnic will be on Thursday, June 27, 2019 at the Rexburg Porter Park from 4-7 p.m. As always, food is free for members, so make sure your children and grandchildren become Beehive members in time to enjoy the free food and festivities. Come join us for games, entertainment, door prizes, and more! Watch Beehive's website for coming details.

One Angel and Twenty-one Miracles



Beehive would like to provide an introduction to a book of courage and faith written by one of our longtime members, Eileen Wilcox: "One Angel and Twenty-one Miracles". It is

the story about her daughter Julene's battle for life after a terrible reaction to penicillin and the miracles she experienced. We would invite you to go the website www.oneangelandtwentyonemiracles.com to learn more about the story and also to purchase the book. Eileen will be at the Beehive Center St. Branch on Friday April 12, 2019 between 11:30 a.m. to 3:00 p.m. at which time you can purchase a signed copy of the book.

Sprint Rewards

Members get a \$100 cash reward for every new line activated with Sprint®, now on unlimited lines. No strings attached — just cash. Here's how to get cash rewards for every new line you activate with Sprint:

1. Add a line to your new or existing Sprint account and mention that you're a credit union member.
2. Register at LoveMyCreditUnion.org/SprintRewards.
3. Cash rewards will be deposited directly into your credit union account within six to eight weeks.

Already a Sprint customer? Register now to receive a \$100 loyalty cash reward every year starting one year after registration. Get cash rewards!

Visit LoveMyCreditUnion.org/Melvin to learn more.

Note: These Sprint credit union rewards may not be available with Sprint's BYU-Idaho employee plans. Restrictions apply.

Holiday Closure Schedule

Monday, May 27: Memorial Day
Thursday, July 4: Independence Day

Loan Rates

NEW/USED CAR LOAN	FROM 4.20% APR
SIGNATURE LOAN	FROM 9.60% APR
COLLATERAL LOAN	FROM 4.70% APR
VISA PLATINUM CARD	8.90% APR

APR = ANNUAL PERCENTAGE RATE

Term Share Certificates

3<6 MONTH	0.20% APY
6<12 MONTH	1.25% APY
12<18 MONTH	2.20% APY
18<24 MONTH	2.25% APY
24<36 MONTH	2.30% APY
36<48 MONTH	2.80% APY
48<60 MONTH	2.75% APY
60 MONTH+	2.80% APY

APY = ANNUAL PERCENTAGE YIELD

(RATES AS OF MARCH 15, 2019; 48-MONTH TERM OAC; SUBJECT TO CHANGE WITHOUT NOTICE; VISIT WWW.BEEHIVE.ORG FOR OUR MOST UP-TO-DATE RATES)

BEEHIVE FEDERAL CREDIT UNION | 208.656.1000 | FAX 208.656.8585 | WWW.BEEHIVE.ORG