

**STATEMENT OF FINANCIAL CONDITION**

	DECEMBER 31, 1996	DECEMBER 31, 1995
ASSETS	Thousands	Thousands
Cash	\$42,364	\$25,245
Federal Funds and Repurchase Agreements	80,000	148,000
Investments	934,114	914,966
Loans Receivable, Net	1,124,175	915,940
Interest Receivable	16,183	16,769
Premises and Equipment, Net	36,312	32,652
NCUSIF Deposit	17,100	15,904
Other Assets	4,419	5,291
<b>Total</b>	<b>\$2,254,667</b>	<b>\$2,074,767</b>
<b>LIABILITIES AND RESERVES</b>		
<b>Liabilities</b>		
Shares and Certificates:		
Shareholders Savings Deposits	\$1,112,040	\$1,010,586
Individual Retirement Accounts	437,338	421,093
Share Checking Accounts	203,876	185,416
Certificate of Deposit	271,487	251,469
	2,024,741	1,868,564
Dividends & Interest Payable	8,635	7,958
Other Liabilities	16,037	14,109
	24,672	22,067
<b>Reserves</b>		
Regular Reserves	57,398	45,978
Undivided Earnings	147,856	138,158
	205,254	184,136
<b>Total</b>	<b>\$2,254,667</b>	<b>\$2,074,767</b>

**Chairperson's Report**

In 1996 we celebrated as Boeing Employees' Credit Union reached a significant milestone: a membership size of over 200,000 people. Our 200,000th member was honored at a special event held at the Credit Union on May 9th.

The consistent growth of the Credit Union is due in large part to the value it continues to give back to its members. The tradition of offering lower loan rates and higher deposit rates dates back to our beginning in 1935. Since then, we have added a range of no-fee services unimaginable to those founding Boeing employees who gathered together to form this Credit Union. For example, early in 1996, a Windows version of BECU's popular on-line banking service, called OnLine Access, was added. This is a no fee service provided by BECU while many financial institutions charge their customers a monthly fee for similar services.

In August, BECU added a host of no-fee enhancements to its popular Visa credit card. Henceforth, when members buy travel tickets with their BECU Visa they get \$500,000 worth of travel insurance; and they can also use a range of 24-hour travel assistance services. In addition, members now also enjoy an extension to the manufacturer's warranty when they make purchases with their BECU Visa.

In September, the board of directors announced the removal of the monthly administration fee for BECU checking accounts. The monthly fee was gone but the generous dividend rate on checking account balances remained. The response from members was overwhelming. In the weeks that followed the announcement, BECU processed as many as 400 new checking account applications a day!

As you can see, BECU gives back to our members. We also give back to the community. The Community Involvement Committee (CIC) made 1996 the year of The Children's Miracle Network (CMN) at BECU. Throughout the year employees volunteered to help in money-raising activities.

They washed cars, bought bake sales and organized money raise money to help children help with medical expenses washed by BECU volunteers of the many other CIC activities help.

BECU also helped an endowment made to The one million dollars. This is scholarships to members of commitment to their community academic success. In addition students when, in October, site and a series of seminar Planning Network, a local organization.

I am pleased to re above noted ways and more communities in which we served by BECU in 1996.

In 1997, current a expect to see more improve credit card, more on-line service Internet site and more investment Credit Union's financial services (BECUFSO).

We can also expect respond to attacks that ban increasingly made on credit choice. Without credit union Americans would be paying access and credit cards. The and employees of BECU are the best, most convenient financial services to our member support is welcomed.

*Gary R. S.*  
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Chairperson