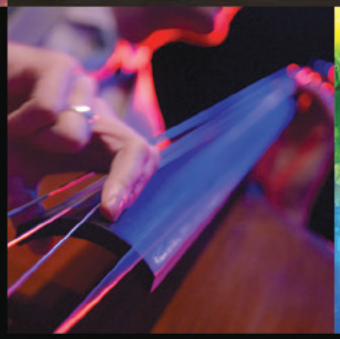






VERITY
CREDIT UNION






COMMUNITY ENGAGEMENT REPORT

2017










For our members, who make it all possible

This is a story about impact. Specifically, it's a story about the impact that *you*, and people like you, make by choosing to do business with a financial cooperative.



This character exists in an oil painting by Seattle artist Christine Olson, titled *We, the People*.

Let's call her Jane.

In 2017, Jane saved **$103** just by being a member of the Verity Credit Union cooperative.



In 2017, **31,568** Verity members like Jane created over **$58 million** in total economic impact[1] in our communities.

This impact is significant because it directly benefits the real economy,[2] meaning it helps people who live and work in our community—rather than distant stockholders.

Thanks to members like Jane, Verity held **$463 million** in deposits at year-end.

That money has benefited fellow members and the local economy alike, in the form of **$401 million** in low-interest loans.



In 2017, together with other Washington credit union members, Jane supported more than **$5.5 billion** in total economic impact.

Plus, more than **$369 million** in direct benefits to **3.58 million** WA credit union members.

But, this is not just a story. It's a great many stories—too many to fit in this little book. In the coming pages, we invite you to join us in celebrating just a few of these stories...

1. *Total economic impact* is measured annually by the NWCUA, and defined as the output, employment, or income change due to use of goods and services, including indirect and induced benefits. 2. *The real economy*, as defined by the Global Alliance for Banking on Values (GABV), is the part of the economy that is concerned with actually producing goods and services, as opposed to the part of the economy that is concerned with buying and selling on the financial markets.

cooperative communities

who dream boldly

At Verity, we strive to embolden the dreams of the communities and people we serve. We partner with neighborhood leaders, promote local artists and musicians, and drive sustainability initiatives, all to strengthen the communities in which our members thrive. We're excited to bring that passion to West Seattle in 2018. West Seattle's new branch will act as a community hub focused on expanding the depth and breadth of our social impact.

We also want to hear from you, our fellow members, because people come first, before the bottom line. We want to hear what you want in a community partner, as well as what you expect from your financial cooperative. After all, as a cooperative, your desires and expectations set the foundation for how we show up in our community. With your support and encouragement, we'll make all the communities we serve, both new and old, stronger and more vibrant in 2018.



Zachary S. Gose

Chairman of the board, 2017



Artwork courtesy of local artist, Christine Olson

01

in the community

by the comm-UNITY

for the community





doing good
in the community

We embrace the credit union principle of social responsibility. We live this principle by dedicating our time and expertise to advance the various communities we serve. Vibrant, healthy communities increase the quality of life for our membership, employees and surrounding neighborhoods. With a firm commitment, we demonstrate our belief that community engagement propels us forward.

01 (previous page) Tobias the Owl on the Verity set at Tractor Tavern, Fremont

02 Verity board members and their families explore ways to empower community at the Fremont Abbey Arts Center



02

Creating a community center to serve West Seattle

Verity is coming to the West Seattle Alaska Junction neighborhood. We are moving into the former RadioShack space at 4505 California Avenue SW, right in front of the farmers market. Construction begins in the spring, and plans are to open in the summer of 2018.

"We have wanted a West Seattle branch for quite some time," said John Zmolek, Verity CEO. "The Alaska Junction neighborhood is the perfect fit for our business model, with tight-knit neighborhoods and a strong emphasis on music, the arts, and community involvement."

The new branch, referred to as a "community center," will feature an open and flexible design, with member service consultants assisting members from wherever in the branch is most comfortable for them. The full-service location will offer new accounts, consumer and small business loans, mortgages, investment services and a 24-hour ATM.

A year of service

2,916 staff hours of community engagement:
- 375 hours on Community Service Day
- 2,015 staff volunteer hours
- 526 hours supporting community events

Over 100 entities impacted, including:
- 76 volunteer locations
- $41,572 in donations & grants, including
- $15,700 directly from Verity members who closed a mortgage loan

A place for events

Verity offers free event space to community groups and non-profit organizations, at our Northgate and Lynnwood locations. During the last year, we've hosted fundraisers for local non-profit, Special Bunny, educational lectures for Program for Early Parent Support (PEPS), scholarship interviewer orientation sessions for the Greater Seattle Business Association (GSBA), and more. Sharing resources and adding value is the Verity way.

Champions for Kids

Valuing community through children's programming is important to the Alderwood branch team. The team supported Clothes for Kids, a non-profit organization supplying school clothes to children in need, and the City of Lynnwood's Parks and Recreation Foundation, which provides financial support for children's programs. Team Alderwood: promoting strong and viable communities through those who champion for our kids.

Celebrating Ballard Arts

In 2017 we helped our community partner, Push/Pull Gallery, bring to life Ballard Night Out. The monthly event showcases local artists and local businesses. Ballard's Verity branch hosts live music and art quarterly as part of this community endeavor to invest in the Ballard arts community.

Nourishing those in need

Our Wallingford staff is driven by their desire to positively impact their community. Inspired by FamilyWorks' commitment to providing healthy food and life-skills to struggling individuals and families, the Wallingford team organized two different drives to support their efforts. The first drive gathered nourishing food and the second brought in much-needed school supplies before the beginning of the school year.



01

Serving meals to our neighbors

Supporting the Phinney Neighborhood Association (PNA) is one of our Greenwood branch team's favorite things to do. In November, the branch staff partnered with Naked City Brewery and local bands (Tangletown String band and Right as Rain), to raise $2,187 for the PNA's hot meal program. Last year, the program served 16,000 meals. Teamwork: it is the foundation for success.

01 Tangletown String band performs at a Verity sponsored fundraiser benefiting the PNA's hot meal program.



a message of hope

by the community

01



02

Impacting Seattle's music scene

One of the ways Verity supports and promotes our communities is by showcasing local musical artists in our TV and radio commercials. But it goes beyond showcasing local talent in our advertising—we want to truly promote the music community.

We've partnered with various local organizations that promote up and coming musicians, including Make Music Day Seattle, Gigs4U and NorthWest Music Scene. "The music community really loves what Verity has been doing and it has a huge impact on this region," said NorthWest Music Scene editor Glen Casebeer.

Verity is the title sponsor of NorthWest Music Scene's 100 Bands in 100 Days showcase. For each of the 100 days leading up to the end of the year, NorthWest Music Scene features a local musician in an online article.

In fact, many of the musicians that Verity has partnered with over the years have been featured, including Tobias the Owl, The Banner Days, Naomi Wachira, The Gods Themselves, Fly Moon Royalty, Charlie and the Rays, Jupe Jupe, and Red Jacket Mine.

Gigs4U connects local musicians with businesses looking for live music. They also lead the charge for Seattle's Make Music Day, the international day to celebrate music. Verity is proud to be a sponsor for the third time in 2018. Through the partnership with Gigs4U, we've showcased more than 20 different music groups through more than 40 live music events, with some of the musicians coming back to work with us three, four, and even five times.

Showcasing local artists

Ballard's and Greenwood's Verity branches feature community window display cases. Throughout the year, local artists (including members) showcase their work for the greater Ballard and Phinneywood communities. These pieces—varying from sculptures to paintings to prints to hats—attract passersby and artists have sold items directly out of the windows. Featuring local artists in these windows is just another way we showcase our commitment to our communities.

Shared musical passion

When Verity partnered with local band Tobias the Owl, we knew we had found a group that embodied what Verity stands for, especially front-man Elijah Dhavvan. Many of the group members are musicians not by trade but instead by passion. It's that kind of passion that drives Verity. In fact, because of our shared interest in promoting strong and viable communities, Elijah partnered with Verity multiple times during 2017, to provide live music for events, including our annual Greenwood Food Truck summer event and the Board of Directors retreat.

01 Paris Alexa performs her Verity television spot.

02 Tobias the Owl wraps up filming their Verity spot at Tractor Tavern

> *"The music community really loves what Verity has been doing and it has a huge impact on this region."*



01



02



03

Service day stats

Beneficiary organizations:

- FareStart
- PAWS
- Junior Achievement Finance Park
- WestSide Baby

Statistics

375 staff hours
75 staff volunteers
63% participation

Volunteerism remains a Verity staple in promoting strong and viable communities. During this year's third annual Community Service Day, 75 Verity staff members logged 375 hours of volunteer time with four area non-profit organizations: FareStart, Junior Achievement, PAWS and WestSide Baby.

Equipping FareStart to enhance lives

FareStart transforms the lives of people in poverty through various restaurant, catering and café training programs. More than 90 percent of adult graduates land jobs within 90 days of program completion. During Community Service Day, Verity volunteers painted, cleaned, organized and inventoried. The highlight of the day was meeting students in the program and getting to know a little about them and their dreams.

Making room for rescued animals

PAWS works to rehabilitate and re-home a variety of animals, from dogs and cats to bears and birds. As part of Community Service Day, Verity volunteers groomed and cleared the grounds at PAWS' Lynnwood location. The crew spent hours removing a large overgrowth of invasive blackberry bushes permeating the property. Vacating this space allowed PAWS more space for wildlife rehabilitation.

> *"Students learned the impact their decisions could have on their financial futures."*

Financial simulation for students

Junior Achievement Finance Park in Auburn, is a program which engages middle and high school students in simulated life experiences with regard to creating and maintaining a personal budget. During Community Service Day, Verity volunteers worked with groups of students, guiding and mentoring them throughout the day. Students learned the impact their decisions could have on their financial futures.

Distributing the basics for children in need

WestSide Baby is the only social service agency in the West King County area that collects, inspects and distributes free diapers, clothing, cribs and safety gear for babies and children. On Community Service Day, Verity employees sorted donations, inspected car seats and filled orders for much-needed items to support babies and children throughout the region.

01 Verity crew mentors kids on personal finances at Junior Achievement Finance Park
02 Verity staff clear blackberries at PAWS in Lynnwood
03 Verity staff refresh the computer lab at FareStart



we will...

Enhance members' lives by creating trusted relationships.

Empower their financial lives.

Promote strong and viable communities.



enhance

members' lives by creating trusted relationships

building community partnerships is a Verity hallmark. Our vision is to impact profoundly with clear and meaningful intention. We are the organization our communities can count on.

02

Financial Coaching

Financial Coaching involves assistance with every day finance management, such as budgeting, debt management, credit reports and other financial topics. Verity also partners with GreenPath Financial Wellness. GreenPath provides financial education, coaching on specialty topics such as student loans and are an alternative for members who prefer to speak anonymously about their situation. Since the inception of our Financial Coaching program in 2009, over 70% of members who experienced a financial hardship and received a mortgage modification through Verity have either remained in their homes or have successfully repaid their loan.

An invaluable service

Throughout 2017, Verity's financial coaching program helped:

89 members with over
$3 million in debt owed to Verity, at
$0 coaching cost to the members.

> *Since the inception of our Financial Coaching program in 2009, over 70% of members who experienced a financial hardship and received a mortgage modification through Verity have either remained in their homes or have successfully repaid their loan.*

Working better together

When times are tough, Verity tries hard to help. One member was struggling to make payments on his auto loan due to increased rent. We modified his payment, anticipating another rent increase, but it went higher than expected. His car payments became past due and he made the difficult decision to live homeless so he could save money to eventually move and catch up on his loan payments. Accomplishing this proved difficult, but Verity continued to help. We connected him with a community resource that provided a grant for the deposit for his new apartment! And we continue working with him on his loan. We are proud of him and were thrilled to deliver a "Welcome Home" basket at his new apartment.

Betting on a member

Several years ago our member suffered due to collapsing real estate values, a job change and a divorce—three big blows to her finances that left her unable to afford her mortgage payment. Despite being underwater on her home value, Verity found a way to modify and reduce her mortgage payment. The modification required a special agreement which involved leveraging the appreciated value of her property at the time of sale. Fast forward to 2017—she has sold the house and successfully repaid her loan! Win-win for all.

Creating solutions

Our member has owned her home for 30 years. She experienced a financial hardship and her mortgage lender started the foreclosure process while evaluating her modification request. Desperate to keep her home, she came to Verity for help. On paper, she didn't meet the initial requirements. So, we looked closely at her whole financial picture and came up with a non-conventional solution to refinance her mortgage. Due to this creative work, she remains in her home where she belongs!

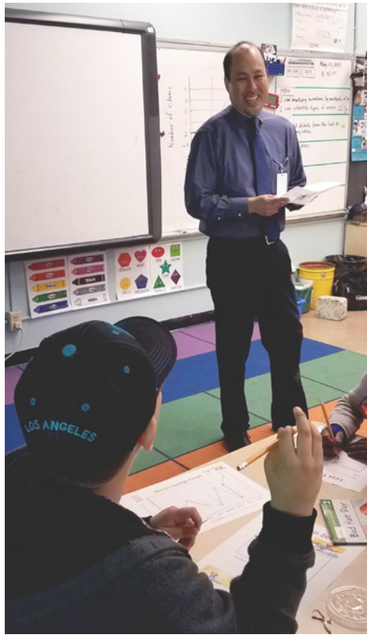
01 (previous spread) Bass guitar detail from Tobias the Owl's film session

02 Financial coach provides valuable advice and support to members



01

Verity strives to empower the financial lives of our members and communities. Our financial coach assists with everyday finances. The Wealth Management team helps members reach their long-term goals, such as retirement and higher education planning. Our volunteer initiative supports staff in teaching our youth financial fundamentals. In 2017, we expanded our commitment to empower financial lives by launching our community micro-grant program. This program will continue to help groups in our communities with a bit of financial stability to further their goals.



02

Financially supporting small businesses

Business Impact Northwest is a non-profit focused on helping small business grow so local communities thrive. Verity understands the role these businesses have in creating strong communities and is proud to provide financial support to help fund small business loans. To date, Verity has provided Business Impact Northwest with lines of credit up to $1,000,000. In addition, our CEO, John Zmolek, volunteers on their Board of Directors and we sponsor their Celebrating Dreams, Celebrating Success program.

> *This initiative supports access to local arts and music, sustainability efforts, and programs that promote stronger and more viable communities.*

Teaching financial literacy

The road to financial literacy starts early. On Teach Children to Save Day, Verity partnered with Seattle's Northgate Elementary to educate the kids on how to save, spend and share their money. This year we taught in six classrooms, ranging from second to fifth grade—it was awesome! The kids were responsive and enthusiastic, and we were excited to make a difference in our community.

Emphasizing financial fitness

Seattle Public Schools' Middle College High School (MCHS) is an alternative learning experience provided to students not thriving in their current learning environment. Students earn a high school diploma and prepare for college. Verity partnered with Northgate MCHS to discuss with students the importance of checking accounts, a good credit history and developing a relationship with a financial cooperative.

Supporting scholarship funds

Verity is proud to support the scholarship funds of two of our community partners, the North Seattle College Education Fund (NSCEF) and the Greater Seattle Business Association (GSBA). The NSCEF raised more than $100K in 2017 to support general scholarships, and the GSBA raised more than $950K to support LGBTQ and allied students.

Funding local endeavors

Verity launched its new micro-grant program. This initiative supports access to local arts and music, sustainability efforts, and programs that promote stronger and more viable communities. In 2017, five organizations were awarded grants to support efforts that empower their communities. Please join us in congratulating our inaugural recipients: The Wallingford Senior Center, PAWS, WestSide Baby, FamilyWorks, and the Japanese American Citizens League.

01 Verity presents a micro-grant to Family Works to support their Family Holiday program

02 Verity Financial Advisor teaches financial fundamentals at Northgate Elementary

03 (Next page) Verity staff promoting strong and viable communities through volunteering for WestSide Baby



promote

strong and viable communities

03

Verity takes its mission of building strong and viable communities seriously. We want to get better at it as soon as possible. With that in mind, Verity recently joined like-minded financial institutions around the world belonging to the Global Alliance for Banking on Values.

There are 46 banks, credit unions and cooperatives from more than 30 countries belonging to this values-based family. Some of these financial institutions have been working in the community space for years—we are anxious to learn from them.

Our collective goal is to make the financial system more transparent; support economic, social and environmental sustainability; and serve the real economy, not the Wall Street economy. This goal is in perfect alignment with Verity's vision for "cooperative communities who dream boldly."

One of the ways Verity is contributing to this vision is through a partnership with Business Impact Northwest. In a cooperative arrangement with other local credit unions, Verity supports a micro-loan fund that provides capital to women, veterans, communities of color, immigrants, LGBTQ, and disabled entrepreneurs who would not have access to capital from mainstream lenders.

Verity also demonstrates values-based banking through sustainable lending programs that support a strong and healthy environment. In 2017, our lending portfolio consists of over $17 million in eco loans. From bike loans and discounts on "green" vehicles loans, to loans for equipping your home with solar panels, Verity supports sustainable energy programs.

Values-based banking is critical to creating cooperative communities through long-term investing in social, environmental and economic issues. It is operating with a triple bottom-line approach: people, planet, prosperity. As a member and owner of Verity, you make a difference in the world every day by the way your credit union invests your money in community-building businesses and programs. Thank you for your membership and participation in this bold vision.



John Zmolek
Chief Executive Officer

Throughout 2017, Verity and staff partnered with many non-profits, local businesses, sponsorship and fundraising organizations, local artists and musicians, including, but not limited to: Abraham Neuwelt, Alaskan Way Stakeholder Advisory Group, American Cancer Society, American Heart Association, Anthony Garzonna, Arlington Boys & Girls Club, Auburn Valley Humane Society, Ballard Alliance, The Banner Days, Bellwether Housing, Bike Works, Billy Brandt, Boy Scouts of America, Briarcrest Elementary School, Bright Water School, Champagne Honeybee, Charlie and the Rays, Christine Olson, City Fruit, Climate Solutions, Clothes for Kids, Conspiration, Country Doctor Community Clinic, Delridge Neighborhoods District Council, Des Moines Area Food Bank, Devin Sinha, Downtown Emergency Service Center, E.R. Saba, Earthjustice, Edmonds-Woodway High School, Elijah Dhavvan, Eugenie Jones, FareStart, Federal Way Public Schools, Flying Bike Cooperative Brewery, Food Lifeline, Free Letters Home, Friends of North Creek Forest, Global Women's Leadership Network, Grapes, Paws & Hops Foundation, Greater Seattle Bureau of Fearless Ideas, Greater Seattle Business Association, Green Gables Elementary School, Green Seattle Day, Green Seattle Partnership, Habitat for Humanity, Helpline House, Hope for Today, Housing Development Consortium, Jeremiah Hammer, Jeremy Serwer, Jesse Link, Jim Marcotte, Joanne Heppert, John Osgood, Josiah Green, Junior Achievement of Washington, Kandra Scheffler, Kelly Christy, King County Chapter of Credit Unions, Kim Archer, Kitt Bender, Krisztina Zsiga, Kyle Krauskopf, Lake Forest Park Stewardship Foundation, Lara Kaminoff, LGBTQ Allyship, Levi Hastings, Lifelong AIDS Alliance, Lupus Foundation of America, Lynnwood Parks & Recreation, Maple Valley Food Bank, Marina Christopher, Mary's Place, Matthew Pritchett, Maxx Follis-Goodkind, Meals on Wheels, Mercy Corps, Metro Parks Tacoma, Middle College High School Simon Youth Academy, Naomi Wachira, National Wildlife Federation, North Seattle College Education Fund, Northgate Elementary School, Northshore Christian Academy, Northwest Raptor & Wildlife Center, Northwest Sarcoma Foundation, NW Credit Union Development Educators, Pam Wishbow, Paris Alexa, Phinney Neighborhood Association, Picnic Point Neighborhood Council, Planned Parenthood, Program for Early Parent Support, Puget Sound Labor Agency Food Bank, Push/Pull, Refugee Women's Alliance, Ridgecrest Elementary School, Ronald McDonald House Charities of Western Washington & Alaska, Roosevelt Neighborhood Association, ROOTS Young Adult Shelter, Ryan White Planning Council, St. Joseph School, St. Luke School, SCM Medical Missions, Seattle/King County Coalition on Homelessness, Seattle Children's Hospital, Seattle Neighborhood Group, Seattle Public Library, Seattle Sons of Italy, Seattle University, Seattle Works, Shorelake Soccer Club, Shorewood High School, Solar Washington, Soundview Little League, Southwest District Council, Southwest Precinct Advisory Committee, Southwest Seattle Historical Society, Streams, Sundae + Mr. Goessl, Tobias the Owl, Trails and Reforestation Stewards–Carkeek Park, Sustainable Seattle, Tilth Alliance, Trillium Employment Services, University District Food Bank, Vision House, Visualizing Increased Engagement in West Seattle, Wake the World Oregon, Wallingford Boys & Girls Club, Wallingford United Methodist Church, Washington Center for Women in Business, West Seattle Chamber of Commerce, West Seattle Food Bank, West Seattle Helpline, WestSide Baby, World Association for Children and Parents, Wounded Warrior Project, Zeno - Math Powered

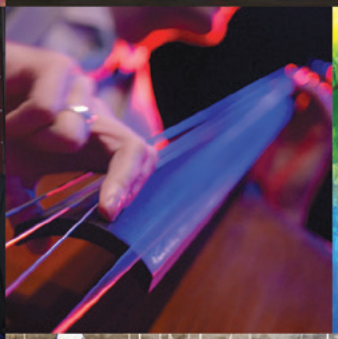
EQUAL HOUSING OPPORTUNITY

NCUA














Thank you
FOR A
great year



