

Intro: Welcome to the SeaComm Federal Credit Union podcast, your guide to financial information and what's going on at your credit union.

Jerry: Once again, we have the opportunity to speak to SeaComm President and CEO, Scott Wilson.

Scott Wilson: Good morning, Jerry. It's always a pleasure. I really, really enjoy these types of discussion.

Jerry: We had our annual meeting recently, and you gave a report to the membership. Well, this year it was virtual, but again, with our growing membership and our growing footprint, sometimes you need to go virtual.

Scott Wilson: When we were a much smaller footprint, mainly in St. Lawrence County, it was okay. Folks would come to Massena to the annual meeting. But now that we're in Plattsburgh, and Vermont, and Watertown, it really is difficult for folks to travel here. But doing it virtually gives a lot more opportunity, and actually, we get a lot of members that wouldn't have probably come if it wasn't for virtual. This was our 58th annual meeting. It was held on May 17th. Last year was a phenomenal year for us coming out of COVID in 2020. We actually did better than we expected, honestly. And our membership growth is nearly 4%, and we've been growing about 4% per year in members. Our earnings exceeded our budgeted targeted forecast, and we have a strong core profitability annually. Our undivided earnings, that's our capital position that we need to have in line to help with our strategic growth targets, \$101 million.

Scott Wilson: One of the things that I'm always proud of is the financial ratings we get from our independent rating agencies. We get a five star rating from Bauer. We have Weiss gives us an A+ rating. And Deposit Accounts said we were among the top 200 healthiest credit unions in the US and gave us an A+ health and stability rating. So those are really good indicators of where we are financially.

Jerry: Our members can depend upon us to be financially secure.

Scott Wilson: That's really what it's about is are we going to be able to sustain ourselves in the future if some sort of economic anomaly that we've seen in the past comes along, are we able to continue to serve our members?

Jerry: Well, we've been able to serve our members through a few of them, haven't we?

Scott Wilson: We have. Assets today are at \$767 million. I just thought I'd go through some really quick stats. We did \$132,729,771 worth of new loans. Today, our portfolio exceeds 351 million. Our call center answered 173,000 calls. We did on average, 12,723 average NetTeller users per month. By the way, Jerry, that's up 6% year over year. We had 11,373 on average mobile users. That's a growth of 13%. That has grown significantly each year. 91,420 check images were deposited via

mobile deposit. That was a growth of 20% year over year. One of the things that I'm most proud of is the 6.81% in overall member satisfaction out of 7. That's what our members tell us. When they get a survey, they respond and they tell us how well we've done. Getting a 6.81 out of 7 really tells that we are doing a really good job. Our members really feel that our staff is delivering what they need in terms of exceptional service.

Scott Wilson: We refunded more than \$168,565 in fees back to the members. You know, a member makes an error in their checkbook, we refund a fee. For whatever reason, we have a very liberal refund policy and we think that's a good way to give back to our members. We did 1,979 electronic loan applications. That was an 8% increase year over year. We paid nearly \$4 million in dividends back to our members. And by the way, Jerry, our CD rates for 30, 36, 48, and 60 months are better than any credit unions in our market. And we can also stack our loyalty rewards on top of that. So our members can enjoy an additional 1%, and they also can reduce the rate based on our loyalty rewards.

Scott Wilson: Bill Pay convenience. I don't know about you, Jerry, but I love Bill Pay. You set it and forget it. That cost us \$188,000 last year, and it was zero cost to the members. It's a free service.

Jerry: What I've heard, Scott, is people are so happy because they have a lot of opportunities to be served by SeaComm. If they want to see somebody, the branches are here. If they want to do it on their phone, it's a great service... state of the art. It works great. If they want to do it by telephone, they can do it by telephone. If they want to do it online, they can do it online.

Scott Wilson: A plethora of delivery channels. We gave more than \$43,000 away in our Pay-it-Forward program. Speaking of the Pay-it-Forward program, we won the Dora Maxwell Social Responsibility Community Award last year, first place presented by the New York Credit Union Association. We also rewarded first place in 2018 and '20 for that program. And CUNA gave us a MAC award in the silver category for community engagement, which was Pay-it-Forward. So really that is a strong program. It's something that we are very proud of.

Scott Wilson: Last year, we paid for pet adoptions, delivered coffee and donuts to police and fire stations, paid for car washes, bought groceries, gave school supplies and so much more. We opened our second retail location in Vermont in Essex Vermont. We have assets under management of \$57 million through our personal financial advisor services. Matt and David do a great job serving our members.

Scott Wilson: And for a second year in a row, we were named a Great Place to Work. One of the things I think is important about that is for 10 consecutive years, we were Best Companies to Work for in New York. We had to go to the Great Place to a broader survey because of our Vermont location. We wanted to have one encompassing survey, and now our employees have chosen us through our

certification process to be for a second year, as I mentioned, a Great Place to Work.

Scott Wilson: One of the things I think our members are also enjoying are talking about the delivery channels, Jerry, is our co-op ATM and shared branching network. This was an interesting number just last year. 6,974 in branch transactions were done outside of SeaComm branches in our shared branch network. So if you're traveling, let's say, to Florida, and you want to do a wire or maybe make a loan payment or take some cash out, you can walk into a shared branch in our network and do the same things you would do at SeaComm. And the nice thing about that is that you can find those locations right on our app. We have an app on our website and our mobile, where you can find that very easily to get those locations. And by the way, that's 5,538 branches available all over the US through our shared branch network and nearly 30,000 ATMs. So not only can you go into a branch, but you can go to an ATM surcharge free. So I think that's another one of those channels that we just talked about that really is a great opportunity for our membership.

Jerry: It's an opportunity to access your account basically from anywhere.

Scott Wilson: The last time I looked, Chase had 5,737 branches. So we have an access to 5,538 branches, which is really a very nice opportunity for our members.

Jerry: It is.

Scott Wilson: One of the things that we also looked at last year is how much fraud was happening. Unfortunately, that's something that we face daily. But in 2021, consumers lost more than \$5.8 billion to fraud. More than 950 accounts were breached, that included Facebook, LinkedIn, Robinhood, Panasonic, and US Cellular. During the year, our members experienced \$179,234 in fraud on debit and credit. That was up 46% from the year prior. We had to issue 2,464 new debit and credit cards due to that fraud. And how much loss to the member? Zero. We have a zero loss policy and we want to make sure that our members are taken care of and are whole at the end of the day.

Scott Wilson: So as an industry, we continue to ask Congress to pass legislation which makes retailers subject to strict data standards like financial institutions, which we have to comply with under Gramm-Leach-Bliley Act. Today, retailers are not required to come forward when they're breached. They do come forward after the fact, but if they came forward earlier, we could obviously block some of those cards and prevent some of this fraud.

Jerry: Here at SeaComm, we do everything we can to mitigate it, and I want reiterate zero loss to the members.

Scott Wilson: Absolutely, Jerry. Focus areas for 2022 and forward is a consistent strategy, responsible strategic growth and deliver increased member value through new

product and service enhancement offerings. One of the things I mentioned earlier on was our \$101 million with undivided earnings. We really are investing for long-term performance in our capital. And our capital consistently grows every year. One of the things we had to go to this year was risk-based capital. And what does that mean is that we have now a new way of looking at capital. And the NCUA, our federal regulators says we have to have 10% in risk-based capital. We have 26.03%. So we really are well above the regulatory requirement. And what does that mean? We're in it for the long haul.

Scott Wilson: So what's really next? We're going to continue to develop our mobile platform. We did some really nice enhancements over last year. Resetting a password and unlocking account, you can do that now from your mobile app. Pending ACH deposit notifications are available. New messages menu option, providing a two-way communication form to and from our help desk. Online Bill Pay users now have the ability to add new payees on their mobile. Travel notice 24/7. If you're going to go out of town, you could put a note, and our folks can make sure that you're able to use your debit card when you need to so we don't think it's fraud. So if you're going to, I don't know, to Los Angeles, California, you put a note on there, "I'm going to be traveling on these dates," and our payment operations people are making note of that.

Scott Wilson: Also, now you can search your transaction history. You sort by keywords or dates. Those are really nice enhancements. We're always looking to make sure that we're in the right space for those types of applications.

Jerry: We want to make it easy to do business with us.

Scott Wilson: Absolutely. We're enhancing our smart line integration through our call center. So what does that mean? That our call center will have the ability of a 24/7 opportunity for you to call up and say, "What is my balance today? I'd like to make a loan payment." Those are things that we recognize that people are on the move all the time and they want to be served 24/7. So at 11 o'clock at night, I'm not sure what I have for a balance, I call up and I'm able to do it through voice or text or instant message. I'm able to communicate with the credit union based on those delivery channels. So that's a really nice enhancement. That's later in the year. We're really focused on getting that integrated in 2022.

Scott Wilson: I mentioned that we had a merger last year. One year has passed. United Neighbors became SeaComm, and we're really pleased to have the members there doing business with us. So one of the focuses we had going into the new market was to build a brand new retail branch, and that's going to happen on Route 3 across from the town center, which houses Target and Petco. We're going to open a second retail branch probably at the latter part of the fall, so that's one of the focuses we have going forward, Jerry, there.

Scott Wilson: We're going to continue to focus on ensuring our members get the very best in member services, core products and diverse, updated delivery channel model. I think that the important piece of that is that we're always evolving. We're trying

to be as relevant as possible to the member who needs our services not just today, Jerry, but in the future.

Scott Wilson: Just as a recap, there was also during the annual meeting election of two directors. Patricia Dodge and Thomas Hannan were both elected to three-year terms. And ending this recap, we came off a very good year. We're off to a good start first quarter this year. And the bottom line comes down to we're here to ensure that our members' financial lives continue to be improved by our products and services.

Jerry: Thank you, Scott.

Scott Wilson: Thank you, Jerry. And I want to thank the 51,623 members who continue to have trust in our financial services.

Jerry: That's SeaComm President and CEO, Scott Wilson.

Outro: That's it for this edition of the SeaComm Federal Credit Union podcast. Thanks for joining us.