

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

Jerry: Again, we have the opportunity to speak with SeaComm President and CEO, Scott Wilson. Hi, Scott.

Scott Wilson: Good morning, Jerry.

Jerry: How are things?

Scott Wilson: I always love these chats, Jerry.

Jerry: Well, it's a good opportunity for us to talk about the credit union and let folks know. And, of course, we recently held our annual meeting virtually, and you gave a report to the membership, and perhaps you could touch on some of the highlights of that report.

Scott Wilson: Certainly, Jerry.

First of all, I'd like to talk about the virtual, the experience we had. This is the second year we've done that, and, obviously, we've grown into new markets in Vermont and now into Watertown. So, that'll continue to be our format to enable our members who can't, obviously, travel to Massena to attend an annual meeting. That will be the new format going forward, and we're really excited about that.

Jerry: It's a pretty good option for people out of town to be able to participate.

Scott Wilson: Absolutely, and even if you're in town. You don't have to leave the comfort of your home, and you can do it on your iPhone or iPad and...

Jerry: Yeah, it's pretty amazing how COVID has kind of made us do these things, and it's worked in our favor in a lot of cases.

Scott Wilson: It has. Speaking of COVID, obviously, I did do a recap of 2020 at the annual meeting and, obviously, everyone is very aware that we had an economic pause due to this coronavirus, which was a global pandemic. And we're still in it, Jerry. I mean, we're coming out of the tail end of it.

But that said, there were some challenges immediately. First quarter of last year, we had to make some adjustments to our operations. We sent some folks home because we really didn't know what was going to happen.

One of the things I will say is that we were operationally ready for that transition. Even though we hadn't planned for it, we were ready because we have all the technology in place in order to move more than 30% of our workforce home so that we can ensure there was business continuity in the

credit union kept operating with various functions, including IT and deposit operation and payment operations, et cetera.

Jerry: And, of course, it helps when you have a great staff.

Scott Wilson: We have a fantastic staff.

The other thing of planning, we had been planning financially since 2008 with the financial crisis. I'm just going to do a little recap of some of the things we did during the year, and I'll mention some of that as we go along.

One of the things that I'm really happy to report is we had a growth of three and a half percent for membership last year. Our earnings exceed our budget target forecast just over \$6 million. So even though that we had a little more difficult year and challenging year, we did meet our budget and actually exceeded it. Our capital today is \$99.9 million in equity, that keeps in line with our strategic growth targets. NCUA likes us to be above 7%, and we're over 13% today, and our assets sit at 730 million.

One of the things I did talk about, Jerry, was some of the statistics that were going on during last year. We had 501,921 teller transactions. That was down by 18% or 109,876 from the year prior. Obviously, a lot of our members went to the remote electronic delivery channels and, obviously, stopped coming in and using our tellers, honestly, to do their transactions. That shows in some of our other statistics.

We had 11,900 on average NetTeller users and 9,861 on average mobile branch users per month. That was a growth of 30% year-over-year. That's from '19 to '20. Then we had 73,417 check images, which were deposited via our mobile deposit capture. That was a growth of 30%. So you can see that we took it off the teller line, but put it into the electronic service side, and which is really a very convenient way for our members to do business.

We did \$121 million in new loans, and today our portfolio exceeds 330 million. Our call center, I got to tell you, the call center folks do a fantastic job. Other than cashing a check, you can do everything through our call center. Actually, the volume was up 23% last year, and they answered 186,807 calls. The grade of service was excellent so kudos to our CCRs in that area.

We did nearly \$18 million in total indirect loans. What does that mean? That these are the car dealers that are sending us, obviously, loans for members in the community in which we do business.

The other thing is our average member satisfaction index score was 6.81%, which is at a 7% and that's extremely high. Even with all the changes last year operationally and the things that we encountered through COVID, we maintained a high member satisfaction, and I really think that's really critical for

us in differentiating ourselves with other financial institutions. We refunded more than \$170,000 of the fees back to our members. We had 1,813 electronic loan applications, and that was up 27% year-over-year as well. So you didn't have to come into a branch and fill out a loan application with an FSR. You were able to do it online and get it funded and move on and enjoy that new car or maybe ATV.

We paid nearly \$4 million in dividends to our members. Our Bill Pay convenience, by the way, I love Bill Pay. You set it and forget it. We spent \$184,832 on that service and zero cost to our members and that, again, was up 32% year-over-year. So you didn't have to go to the post office, put a stamp on a thing and send it out. Obviously, that drives down the number of checks that are being issued, because we're paying for those, and that is a free service to our members.

Our LoanEngine, that was a new service last year, where we can send you offers, you're pre-approved for maybe an auto and RV. We did 150 loans and Visa credit cards totaling more than 1.6 million last year. So that's a new service for us, and I think that that trend will continue to increase.

Even though put a little bit of pause on pay it forward for a very short period of time, we gave more than \$25,000 away in our program. We treated the community to things like free apples and donuts, purchased Christmas trees and covered the cost of ski lift pass at Titus Mountain, paid off lay-aways at Walmart, et cetera. We did so, so much more, but those are the highlights. We gave away 10 scholarships. We opened our first retail branch in South Burlington and began the construction of our Essex branch, and we're really excited about being part of that new market.

I mentioned COVID. One of the things we did during COVID was assist our members. Obviously, if you think about March 2020, we didn't really know what was going to happen and neither did our members, and immediately we were able to say to them, "Look, we will help you through this economic pause." Some got layoffs, furloughs, obviously, downsizing happened immediately and we helped our members with loan balances totaling nearly \$20 million. Week one it was 2.6 million and week 51, it came down to 16,900. We did \$16 million total for our membership. That means that there were skips and extensions and those types of things to assist our members during a very difficult and challenging time. Also, for our small member businesses, we did more than \$13 million in the payroll protection program, and we're very proud of that effort.

Even though we were in a global pandemic, the fraudsters were out and in 2020, hackers stole more than 36 billion records with 2,935 breaches, names like Estee Lauder, Carnival Cruise Lines, Walgreens and T-Mobile, just to name a few. We had members experience \$179,234 in fraud on debit and credit. It was down a little bit from a year before, but still we had to issue 2,263 new debit and credit cards due the fraud and lost our members \$0. We're very proud to be able to say that.

As an industry, we continue to ask Congress to pass legislation, which makes retailers subject to the strict data standards like we have to do under the Gramm-Leach-Bliley Act. Today, retailers are not required to come forward when they are breached, and sometimes it's months before we hear. All of a sudden, you see all this fraud come on these cards, and, obviously, we're there for our members during that difficult time as well.

One of the services we've had for a couple of years I always like to talk about is our shared branching and ATM co-op network. We had members enjoy these services free of charge. There was 2,935 in-branch and ATM transactions from states like Arizona, Florida, Georgia, Indiana, and so on and so forth.

The one thing that's nice about that is you can go into a branch that's shared and do a wire. Just like you come into SeaComm and you can have things done, cash or check or deposit into your account, all of those. For our snowbirds in particular, or folks that are traveling and want to avoid a surcharge at an ATM can use one of our co-op ATMs. I got to tell you that we have 5,538 branches available all over the US and nearly 30,000 ATMs, so that's pretty significant. So if you don't have it, download the app and you can find the locations. You can check our website out as well.

We continued to be very community-oriented last year and gave more than \$260,000 back in direct contributions and support and sponsorships. We knew it was vital last year, and we came up and stepped up to the plate. At the end of the year, we decided to give all of the hospitals in our markets \$25,000 each, as we know that they were struggling as well. So all of those hospitals had those direct contributions right out of the gate for us, which is important to support our communities in which we do business.

Three directors were reelected to three-year terms, Gary Fuller, Wayne Duso and Robert Santamoor.

The other things that we talked about were what are we going to look for in 2021 forward? Obviously, we've been on a consistent strategy for 10 years. That isn't going to change. I really believe that staying the course is really important for an organization, and we've been able to do that. That doesn't mean we don't make minor adjustments along the way, but certainly I think what is happening is working, and we're going to continue that, and the board of directors have been very supportive of the strategies. We're going to continue our responsible strategic growth. That means that we're not going to outpace our capital in order to grow. We're going to make sure our capital is growing at the same time. We're going to continue to deliver increased member value through those new products and service offerings that we continue to have, like instant issue credit that we put in last year.

We're also going to complete, finalize the merger with United Neighbors. That actually has happened, June 1, all of the data and all the cards that they had,

debit cards from the United Neighbors now are SeaComm, and NCUA has made a final approval of our merger and so that is complete.

We're going to continue to enhance our mobile platform. You heard about the 30% growth. That is where folks like to do business, and we want to make sure that we're giving them every opportunity. So now you can pay your Visa card right online, a single sign-on versus having to go into NetTeller. There are a number of features like turning your debit card off if you want to protect it while you're traveling.

Obviously, we're going to continue to move forward with our second retail branch, which we did open in May in Essex, Vermont. So if you haven't had a chance, stop by and say hello to the folks if you're over in Vermont. We are also at 605 Coffeen Street in Watertown now. We're excited about that new location.

Other than that, Jerry, I think that I just want to thank our more than 50,000 members for the continued trust they have in us in taking care of their financial needs today and going into the future.

Jerry: You know, just a point in the members, they definitely worked with us last year because it took the partnership between us and the members to make our passage through the COVID world possible.

Scott Wilson: Absolutely. What I always tell our members, Jerry, and I expect this from all of our staff is we work for the membership. We will do whatever is necessary to ensure that they're getting the services and products that they need from us, whether it's through a COVID or normal operations. We want to make sure that they're taken care of.

Jerry: Okay. Well, Scott, I'm going to let you finish up with what you always say to us.

Scott Wilson: Clear skies and sunny.

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.