

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

Jerry: I'm joined by SeaComm President and CEO, Scott Wilson. Hi, Scott.

Scott Wilson: Hi, Jerry. I always enjoy these chats.

Jerry: As do I, and we have a lot of great stuff to talk about today.

Scott Wilson: Yes. We just finished up our Annual Meeting and I thought this would be a great opportunity to just do a recap what was discussed at it.

Jerry: Now, our Annual Meeting is virtual these days, and it's because we're so far-flung now. We've grown a lot and we cover a lot of territory, so it works out well for everybody.

Scott Wilson: It does, whether you're in South Burlington or Watertown or even in Potsdam, you'll be able to attend the Annual Meeting. So Jerry, I just wanted to start off with saying that we're still rooted in our mission, started from those early days. Actually, we're celebrating our 60th anniversary June 6th.

Jerry: Yes.

Scott Wilson: And we have the iconic toolbox in each one of our lobbies, and it's just a reminder that we still are here for the intended purpose, with those early days of Central Foundry Plant was just taking care of our members, making sure that we're meeting their financial needs.

Jerry: From what I've seen, we're helping a lot of members get vehicles these days.

Scott Wilson: It does seem that way. Obviously, the inventory's back up, and there's a big pent-up demand, and our members are out shopping. So I thought we'd just talk about the highlights of the year. I'll just go through a number of things. Membership growth, nearly 3% for 2022. Our earnings exceeded our budget, targeted forecast, strong poor profitability, Jerry of 7.1 million last year. Undivided earnings, \$105 million. That money is keeping in line with our strategic growth targets. I think that's important. That's the rainy day fund, that capital level. If there's any adverse economic anomaly that came along, are we able to sustain ourselves? And our assets today sit at \$808 million. Financially, Weiss rating gave us an A minus rating last year, Bauer gave us a five star rating, so again, very strong financially, from a rating agency's perspective.

I thought I'd go through some statistics just to flush out what our staff did last year. We had 525,948 teller transactions that increased from last year over 2021 by 3%, \$149 million in new loans. Today, our portfolio sits over \$400 million. 151,339 calls answered at our call center. That number you talked about, auto loans, nearly \$18 million in total indirect loans dispersed during 2022. 12,723 on

average NetTeller users per month. Here's an interesting thing, 14,093 on average mobile users per month. That was a growth of 24% year over year, Jerry.

Jerry: Well, you look at the numbers, Scott, and you can see that people avail themselves of all the ways to be served at SeaComm. They can come in and talk to one of our wonderful tellers, and we have wonderful tellers. And they can go online with NetTeller, they can use mobile.

Scott Wilson: And the reality is, those delivery channels you're talking about, whether it's running up and using an ATM, or as you say, coming in branch or calling in the call center, or online. You can open an account online, you can do a loan application online. We allow those delivery channels for whatever our members demand from us.

Jerry: Don't forget Enhanced SmartLine.

Scott Wilson: We'll talk about that in a few minutes.

Jerry: Okay.

Scott Wilson: 111,915 check images were deposited via our mobile deposit capture. That was a growth of nearly 23% year over year. We averaged 6.81% in overall member satisfaction. Jerry, that's the thing I'm most proud of, is that our staff takes a lot of pride in taking good care of our members. Not just meeting, but exceeding their expectations of service. We refunded more than \$224,600 in fees back to our members. Frankly, people make mistakes. There's an error here or there, and we're happy to give those back. And our staff is entrusted to do that when they talk to a member. 2,504 electronic loan applications received, that's 27% increase year over year. Again, another avenue for our members to be served. We paid over \$4 million in dividends to our members. Remember, our loyalty rate rewards are able to stack on the best CD or IRA certificate rate, and also you're able to reduce a loan rate up to 1% based on your loyalty rewards.

Bill Pay convenience. I know I love Bill Pay, you set it and forget it. That cost \$144,085 last year to SeaComm, and no cost to our members. Loan Engine, our pre-approved offers generated 540 loans totaling more than \$7 million. It's an increase of 22% year over year. More than 53,000 was given away in our Pay It Forward program, that was up nearly 20% year over year. You know, Jerry, we paid for everything from pet adoptions, delivered pizzas to local businesses, paid for library books, some tubing during the winter, school supplies, and so much more. Actually, countless things to mention.

Jerry: I have a chance to help out once in a while, and it's very gratifying to see people be surprised, and then when I tell them, "We're doing something nice for you, can you do something nice for somebody?" And they all say, "Absolutely, I will do it and I do it now."

Scott Wilson: Yeah, and we get recognized for that. I did mention at the Annual Meeting that we are going to get a first place for the Dora Maxwell Social Responsibility Award, that really recognizes the good work we do through the Pay It Forward program, but that's part of our DNA. It's not just that formal program, it's the things we do every day in order to take care of our communities in which we do business.

Jerry: And you also allow us as employees to volunteer a day of service, which is terrific.

Scott Wilson: Absolutely. I think that taking a day to volunteer at a charity of your choice, Jerry, makes much more sense, makes you as an employee much more willing to do it because it matters to you, and we're happy to do that as well. We gave away 10 scholarships to 10 high school students in the amount of \$500 each. We completed our construction, our Watertown branch, which is over on Route 3 in Watertown, up across from the town center, which houses the new Target and Petco, and numerous other retail outlets. More than \$225,400 was donated in communities in which we serve. We provided one summer business scholarship to a high school student from the Parishville Hopkinton Central School. That was really exciting for him, he was in the wood business and he needed a trailer, and this money assisted him in getting that to expand his business.

Jerry: It's a great story.

Scott Wilson: It is a great story. It was in our Advisor last year. Our members are still enjoying our CO-OP ATM and shared branching network. There are 5,538 branches available all over the US, which you can go in and make a deposit, can make a loan payment, you can do a withdrawal, whatever, in those branches that we share with all over the country, with other credit unions, and as well as nearly 30,000 ATMs. Interesting enough that there were 6,586 actually in-branch transactions last year, and more than 52,000 ATM visits. And from every state, from Arizona, Florida, Georgia, Indiana, Maine, Mississippi, Texas, and so on and so forth. And absolutely all free to our membership. We also experienced fraud last year. Unfortunately, that continues to be a topic for everyone. Just to give you some of the numbers, in 2022, consumers lost \$8.8 billion to fraud.

That was up 30% over 2021. 1,802 breaches occurred hitting over 422 million individuals impacted up from 294 million 2021. Some of the breaches that happened last year, Microsoft, T-Mobile, Red Cross, News Corp, Cash App, Nelnet, that's a student loan provider. If you have a student loan payment, you probably are paying them now or will be paying them. That's just to name a few. During 2022, our members experienced \$410,470 in fraud on their debit and credit. That was up 230% from the prior year. We issued 1,985 new debit and credit cards due to fraud, and lost to our members \$0. We take care of it. If you do experience fraud, you just come in, make a dispute, we give a provisional credit, and we go after it for the member. We don't expect the member to go looking for that themselves.

I do want to mention, as an industry, we continue to have asked Congress to pass legislation, which makes retailers subject to strict data standards like financial institutions like us under the Graham Leach Bliley Act. Today, retailers are not required to come forward when they're breached, and that's part of the problem, is that sometimes these breaches have happened and all of a sudden we start seeing fraud and that's when it comes out. And unfortunately, the members are impacted. Even though we take care of it, it's still inconvenient. Under our Personal Financial Advisor Services as of April of this year, assets under management, \$71,767,399. That's a lot of people's savings for the future, for their retirements or current retirements. And our advisors do a good job taking care of those needs, and again, free to our membership.

Jerry: Free to our members.

Scott Wilson: Again, we assist our members, Jerry, that are dealing with some financial stress in their lives. We have Green Path, which helps our members with a free service to manage some of their unsecured debt. There were 2,123 calls that are made during the year, with \$938,887 with consumer debt managed. The credit union pays for this on behalf of our membership. We also have four in-branch certified financial counselors now. Jess Roach in Watertown, Cheyenne Dibble in Malone, Brianna Uppstrom and Emily Clark here in Massena, who work with our members who experience economic difficulties, improve their financial outlook through in-person counseling.

That will be expanded this year, we have a number of other individuals who are interested in getting that certification, which is great for our membership. So some of the focus areas, Jerry, for 2023 and forward is obviously, we're going to consistently look forward for responsible strategic growth. We're going to continue to deliver increased member value through those new product and service enhancement offerings. You had mentioned that, Enhanced Smartline is one of those.

Jerry: Yes, indeed.

Scott Wilson: One of the things that we recognized is that our members want to be able to self-serve themselves. So think about this. If you call in a Monday morning after a long weekend and you didn't know what your balance was, you called the call center and they give you your balance. Now you can do that 24/7 by just using our automated telephone system. That means that Saturday night at 11 o'clock, you want to know if a check cleared or you want to know what your balance is, you want to make a payment on your loan, you're able to do that seven days a week.

Jerry: Pretty good service.

Scott Wilson: It is a nice service, and we are seeing an increased usage of that and it takes time for folks to get used to it, but at the end of the day, it is going to be

something that, instead of having to wait till Monday morning to find this out or do those things, you'll be able to take care of it yourself. Also, what's next on the horizon? Obviously we've talked a little bit about this is merger with St. Lawrence Federal Credit Union. The question comes out to, why today? The reality is that the industry, like many industries, have changed. We have seen a consolidation in the credit union space. In 2007 when I became CEO, we had 8,750 credit unions in the country, today's 4,850. By 2035, they think it's going to be around 3000.

That's happening on the bank side as well. And so we think is that, because both St. Lawrence and SeaComm have very similar cultures, we're taking care of the same community, we're very highly compatible that this makes a lot of sense for us. And Todd Mashaw and his Board of Directors are working with us through this process. Obviously there's lots of communication. If you go on our website, there's a merger page. And recently, Todd Mashaw and I did an interview with you, Jerry.

Jerry: Yes.

Scott Wilson: A video interview to talk about, why today? One of the concerns is, well, it'd be more palatable if one of us was in financial stress. That's the worst time to do a merger.

Jerry: Right.

Scott Wilson: It's really, when you're in strong positions to be able to move forward as two organizations. So if you want to learn more, please go to our website seacomm.org and look under the merger information and you'll see all sorts of information.

You certainly can call me as well and I'd be happy to talk with any member about it. What's SeaComm's value proposition? What does it mean? We're just going to continue to focus on ensuring our members get the very best in the member service, core products, and a diverse, updated delivery channel model, just as we talked about initially in this interview. We want to deliver service however our members want it, whether it's in branch, whether it's through the ATM network, or virtually. We want to be able to handle all of those particular needs. The final things that happen in the Annual Meeting, obviously the Supervisory Committee, our audit committee delivered a report that we had a clean audit, a clean opinion last year. We continue to have that, our annual audits conducted by Neiman, Maynard, and Valles, and also the three directors that were reelected and the Supervisory Committee, which is comprised of five members of the membership who sit on that audit committee were reappointed for another term.

Jerry: So a good Annual Meeting, and we look forward. Scott, it's been a pleasure.

Scott Wilson: Thank you. And thank you to the 53,380 members that continue to trust in us in taking care of their financial needs.

Jerry: SeaComm President and CEO, Scott Wilson.

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