

2022

ANNUAL REPORT



The iconic Olympia Brewery clock tower recreated at our Point Ruston Branch.

OBEE™ CREDIT UNION

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REPORT from the President and CEO



James Collins
President and CEO

We finally saw the pandemic recede in 2022, allowing space for other topics. The major news event of 2022 was inflation, peaking at 9.1% in June before settling at just above 7% by year's end. This affected everyone, but those with fixed incomes or living paycheck to paycheck were particularly vulnerable due to rising costs of essentials like food and energy. The extra savings that many households had after the COVID stimulus began being used to handle everyday expenses. Inflation also has another impact, higher loan and deposit rates. Member saw attractive CD's being offered through 2022, much to their relief after years of anemic returns.

Despite inflation and higher rates, the credit union experienced exceptional loan demand in 2022. We issued nearly 6,000 new loans totaling \$325 million, with home equity lines of credit and vehicle loans driving growth. Loans propelled our assets forward by almost \$100 million as we strived to meet demand. Savers also saw a glimmer of hope as deposit rates, primarily Certificates of Deposit, rose swiftly in 2022. Deposits ended up increasing by around \$50 million in the same timeframe.

Net income was a respectable \$2.7 million, slightly above our target. This included a \$900,000 charge for participating in some lower-rate auto loans, anticipating rate increases through 2022 and into 2023. Our net worth grew from 8.09% to 9.01% over the year.

Staffing continued to be a challenge due to a tight labor market. Nonetheless, we made key investments in operations and technology talent. A major issue was high traffic in our contact center, which saw heavy demand in 2022 and had wait times that stretched over an hour at times. We've doubled down on our work in this area and seen significant improvements in contact center wait times. We expect this to continue into 2023.

Last year, we introduced new programs and services. Most significantly, we introduced state-of-the-art Online and Mobile banking that replaced outdated systems. In addition to appearing identical on any device – from mobile phones to tablets or laptops – we can update Online and Mobile banking more quickly and easily synch it with other products. With over 200 enhancements available today, expect more features by year's end, such as refinements to business banking. We also launched the Flash Cash personal loan program. It is a smarter alternative to high-cost options like payday loans, title loans, and pawn shops and requires no credit report.

Finally, our collaboration with Community Development Financial Institution (CDFI) partners led to our participation in the innovative Washington Flex Fund Program, supporting small businesses recovering from COVID. We hope to again join our partners in 2023 when the new Flex Fund Program opens again.

Overall, 2022 marked another robust year for our credit union, maintaining our commitment to serving our members and remaining attentive to their needs. Thank you to the board, supervisory committee, management, and O Bee team for their unwavering dedication. I am looking forward to 2023.

Respectfully Submitted,

James Collins
President and CEO

REPORT from the Board Chair



Jason Gordon
Board Chair

Reflecting on 2022, there were clearly challenges for each of us. The pandemic left an indelible mark on our lives, affecting us personally and professionally in many ways. Nevertheless, O Bee remained unwavering in its commitment to serving our members with compassion and integrity. We continued to offer the financial products and services our members have come to rely on. We proactively developed and implemented innovative tools to enhance the overall member experience.

O Bee successfully maintained its financial strength and stability in a challenging year. This is a testament to the dedication and hard work of our employees, the contributions of our volunteers, and, most of all, the ongoing support of our members. Together, we emerged stronger than ever before.

As we move towards the future, we are committed to our core mission: improving the financial well-being of our members and making a lasting, positive impact on our community. We recognize that the road ahead may still present challenges. Still, we are determined to face this head-on, armed with the knowledge, experience, and resilience we have gained through overcoming adversity.

I extend my heartfelt gratitude to all those who have stood by us during these times and pledge to continue our dedication to excellence in all aspects of our organization. Together, we will foster a sense of unity and collaboration as we work towards achieving our shared goals of a more prosperous future for all.

Jason Gordon
Board Chair

“ **As we move towards the future, we are committed to our core mission: improving the financial well-being of our members and making a lasting, positive impact on our community.** ”

Best of South Sound

For the third year in a row, O Bee was recognized as the Best Credit Union in the South Sound by the readers of Showcase Magazine. Our Chief Human Resources Officer, Bryan T., happily accepted the award.



New Online and Mobile Banking

Our new online and mobile banking platforms were the most anticipated initiatives of 2022. Both platforms provide industry-leading technology, easy member-to-member money transfers, and many other state-of-the-art features.

Kindness Contest

January and February can be dreary, so we created the Kindness Contest. Members who showed kindness to our team and in our branches were entered for a chance to win \$100 each week.

We saw great results from this contest, and the kindness continues to spread!





Refer-A-Friend

Soon after introducing our Refer-A-Friend Program the referrals started flowing in. The premise is simple: Refer a friend to O Bee. If your friend opens a checking account, you receive a \$50 e-gift card from Amazon. That's all it takes. Members continue to introduce their favorite credit union to friends and family.

Unprecedented Loan Fulfillment

With lending rates at historic lows, the O Bee saw an unprecedented demand for consumer loan growth not seen in the history of the Credit Union. We saw significant increases in auto lending, home equity, and mortgage loans. The O Bee lending team worked at full capacity for most of the year to keep pace with the demand. A lot of this was fueled by inflation, sharp increases in consumer demand, and near-full employment levels that kept already cash-flush consumers spending.



Flash Cash Loans

The introduction of Flash Cash Loans helped members with little or no credit history to build credit. Funds are deposited directly into the member account with just a few clicks. The process takes less than a minute to complete, and there is no credit check required. Flash Cash Loans are a welcome alternative to high-cost options like payday loans, title loans, and pawn shops, helping members borrow wisely.

Bear Visits Return

The Berenstain Bears returned to classrooms in 2022. Once again, Brother and Sister Bear are sharing the concepts of Save, Share, Spend and Earn. They are answering questions (well, nodding yes or no, because bears can't talk after all) and handing out high-fives to students in grades K-2nd grades. O Bee has shared the Berenstain Bears Financial Literacy Program with more than 6,500 students in Pierce and Thurston County schools. We are so grateful to be back in the classrooms again after two years.



Rainier Beer Movie

In 2022, we had the opportunity to support and help fund the creation of The Rainier Beer Odyssey documentary. Brothers Robby & Justin Peterson hope to have the documentary completed by 2024. The Rainier brand is legendary; we are elated to contribute to its history.



Community Volunteers

The O Bee team donated hundreds of hours of hands-on service to the community, including volunteering at food banks, soup kitchens, K9 Search & Rescue training, Adopt-A-Road projects, Habitat for Humanity, and many other non-profit endeavors.



2022 ANNUAL REPORT

Financial Statement

BALANCE SHEET

2021
2022

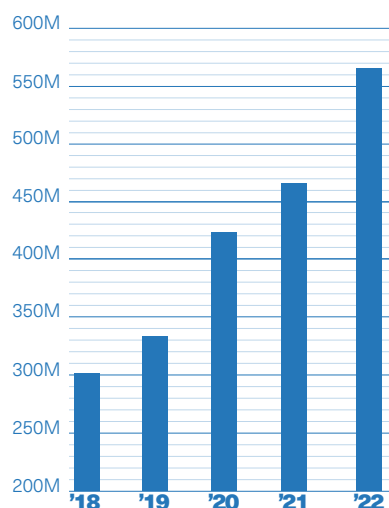
Assets

Cash and equivalents	\$93,424,954	\$48,611,644
Investments	797,082	1,560,600
Loans to Members, Net	345,807,574	481,731,470
Premises & Equipment, Net	7,571,833	8,559,041
NCUSIF Deposit	3,726,950	4,053,281
Other Assets	15,808,903	15,896,053
Total Assets	\$467,137,296	\$560,412,089

Liabilities

Shares	\$141,003,012	\$147,141,478
Share Drafts	135,742,900	132,428,303
Money Market	98,329,504	90,385,010
Share Certificates	35,095,034	82,956,509
IRA Shares & Certificates	12,377,858	13,651,776
Non-Member Deposits	0	9,877,000
Borrowings	0	24,999,999
Other Liabilities	6,801,123	8,459,282
Secondary Capital Included in Net Worth	2,000,000	12,000,000
Regular Reserves & Undivided Earnings	35,787,865	38,512,732
Total Liabilities, Shares and Equity	\$467,137,296	560,412,089

ASSETS



To view the entire report go to: www.obee.com/annualreport

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Financial Statement



INCOME STATEMENT

2021

2022

Interest Income and Expense

Interest Income	\$15,450,532	\$19,498,741
Dividend & Interest Expense	958,784	1,630,910
Net Interest Income	14,491,748	17,867,831
Provision for Loan Losses	-329,935	2,512,989
Net Interest Income after Provision for Loan Losses	14,821,683	15,354,842

Non-Interest Income and Expense

Non-Interest Income	\$11,189,482	\$9,500,235
Compensation & Benefits	9,389,192	10,874,099
Occupancy	1,671,202	1,083,534
Other Expense	7,952,937	10,172,577
Total Non-Interest Expense	\$19,013,331	22,130,210

Net Income

\$6,997,834

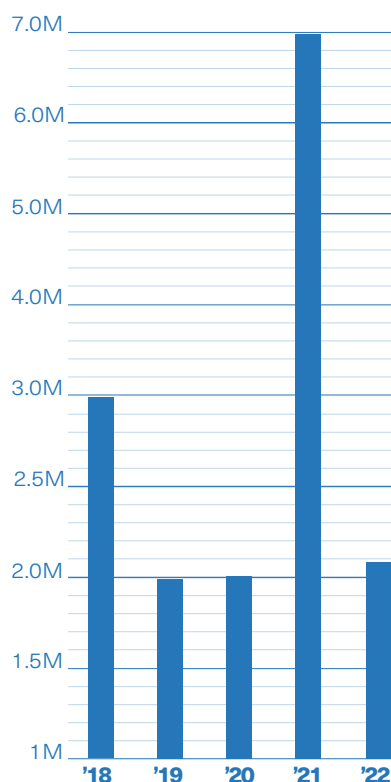
\$2,724,867

Total membership

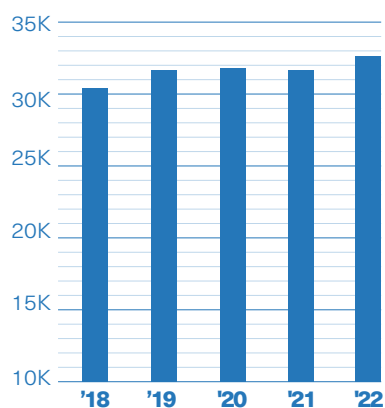
32,127

33,619

NET INCOME



MEMBERSHIP



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