

2023

ANNUAL REPORT



A stunning sunset lights up the sky above the Lacey Branch (top).



Andrew Downin, CEO, celebrates 2023 accomplishments with team members (left).

Our Point Ruston team is always ready with a smile (below).



OBEE™ CREDIT UNION

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REPORT from the President and CEO



Andrew Downin
President and CEO

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“
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”

During my first months as your new President & CEO it's been clear to see that O Bee's strength is rooted in its people. My commitment is to keep all of our people — our Members, team members, volunteers, and community partners — at the center of our decision making to ensure we deliver the greatest value and impact that we can.

And what an impact we had in 2023! According to a leading industry researcher, O Bee Members received \$10.6 million in direct financial benefits in 2023 compared to for-profit Washington banks. That works out to an average \$663 savings per Member household. These are real dollars from better rates and lower fees, put back into the pockets of each of you. As you spend with local businesses, that money then goes back into the communities we call home, leading to a ripple effect of impact across our state.

Competitive rates were especially enjoyed by those who opened high-rate CDs throughout 2023. In fact, our holiday CD promotion generated over \$17 million in new balances in one week alone! For Members seeking affordable loans when an emergency hits, we introduced our Flash Cash program. Eligible Members can apply online or through mobile banking with immediate funding, at rates far lower than payday loan companies.

O Bee's impact was also felt through our commitment to financial well-being and education. In 2023, we reached over 1,700 students through our Berenstain Bears financial literacy program for children in grades K-2nd, and our Bite of Reality financial simulations for teens.

O Bee experienced solid financial results in 2023. We ended the year with over \$602 million in assets, which is a new record. Loan balances increased by \$20 million while shares (deposits) declined by \$1 million. Despite the difficult economic conditions of the year, O Bee still generated \$2.1 million in net income which has been reinvested in the credit union for your benefit.

As we turn to 2024, O Bee will continue making investments in access, convenience, and value for our Members. We have important systems upgrades planned which will make us more resilient and introduce new efficiencies. We will expand convenient access to low-rate loans through partnerships with more auto dealers and new industries such as home improvement retailers and medical service providers. We'll also introduce new and fun ways for you to save your hard-earned money, no matter how much you have on deposit with O Bee. Because everyone in Washington deserves to save for a brighter tomorrow.

An even brighter tomorrow is exactly what's ahead at O Bee. We are poised for continued growth and greater impact on our Members and communities. I am thrilled to be a part of the O Bee family and am grateful for the commitment of our team members, Board of Directors, and Supervisory Committee members. Most of all, I am grateful for the trust and loyalty that you, O Bee's nearly 34,000 Members, have placed in your credit union. Thank you!

In Service and Cooperation,

Andrew Downin
President and CEO

REPORT from the Board Chair



Prabakar Manoharan
Board Chair



“
**Our team
is the
backbone
of what
we do.**
”

A Year of Transition and Strength

The most notable highlight of 2023 was a transition in leadership at O Bee. While change can sometimes be accompanied with uncertainty, this was an important step in our journey toward a strong and vibrant future.

We are indeed fortunate to have appointed Andrew Downin as our new CEO, a staunch advocate of the credit union movement, a natural leader, and a visionary with a warm and generous personality. Downin brings over two decades of experience in strategic planning, marketing, innovation, and product development at multi-billion-dollar institutions. His impact will be significant as we embark on impressive goals in the years to come. Andrew's focus on our Members and his deep understanding of the synergy between the credit union and the communities we serve will be fundamental to our success. He leads our talented executive team and skilled front-line and back-office teams in furthering our mission of improving Members' lives through financial well-being.

I am particularly grateful for the guidance and wisdom of trusted leaders from our board and supervisory committee who stepped forward to lend their expertise and support during this leadership transition. Their contributions played a crucial role in ensuring that our organization remained steadfast and thriving through this important period. Despite this change, we upheld excellent Member experience and preserved O Bee's supportive culture. I am filled with pride and gratitude for your extraordinary dedication.

Looking ahead, I am confident in saying that our future is bright. We have welcomed several new and talented board Members to join our existing tenured team. Each one brings excellent experience and a deep range of skills to our credit union. With their fresh perspectives and unwavering dedication, I know that we will continue to grow and flourish together.

As we embark on this new chapter together, let us remember the strength and resilience that define us as a team. I am honored to serve as your Board President, and I am inspired by the incredible passion and commitment for our Members' welfare shown by everyone who works at O Bee. Our team is the backbone of what we do. It keeps our credit union strong and adds immense value to our organization. I sincerely value your continued hard work and commitment, which greatly contributes to the success of O Bee.

Finally, I offer deep gratitude to our Members for placing your trust in us. Our goal is to ensure the highest level of Member satisfaction. O Bee cannot exist without you. Thank you for your continued support and loyalty. Here's to a bright and promising future ahead.

Warmly,

Prabakar Manoharan
Board Chair

Top Award: Best of South Sound

For the fourth consecutive year, Showcase Magazine readers honored O Bee as the Best Credit Union in the South Sound. This prestigious award highlights excellence in our region's financial institutions. We take great pride in this recognition, which reaffirms our commitment to providing outstanding products and services to our Members and the community.



Gold Winner: Best of the Pacific Northwest

"Best of the Pacific Northwest" highlights the region's most beloved businesses, services, and attractions. Readers of the Seattle Times cast more than 200,000 votes to determine the people, places, and businesses they love the most. O Bee is honored to be among the Gold Level winners as the top choice for the "Best Credit Union in the Pacific Northwest." Our marketing team was on hand to accept the award.

Elevated Member Service

Our new Member relationship management platform enhances communication with our Members. This advanced software enables our team to deliver improved support by consolidating Member history and preferences. Our teams can efficiently retrieve past interactions and promptly assist Members, regardless of the previous point of contact.



WELCOME!

OBEE™ VIP Members



Bringing Back the Member Picnic

For folks who worked at the Olympia Brewery during its heyday, summer meant the annual Olympia Brewery Family Picnic. In 2023, we brought it back! The Tumwater Artesian Brewfest provided the perfect backdrop for the inaugural O Bee Members VIP Picnic. The sold-out event was a smashing success, with 300 Members in attendance mingling in our private, air-conditioned tent. Everyone had a blast exploring Brewfest, eating BBQ, tasting beers, playing games, and enjoying freebies and fabulous raffle prizes.

Blockbuster CD Rates

The popularity of our high-yield Certificate of Deposits (CDs) in 2023 reflected the importance of these financial instruments in helping Members safely grow their wealth and achieve long-term financial objectives. O Bee was proud to offer several higher interest CD rates in 2023. By choosing to deposit funds with O Bee, Members enable the reinvestment of their money into our shared community, promoting progress and vitality.

A Safe, Secure, Guaranteed Return



Cannabis Banking

O Bee continues to be a leader and innovator in providing banking services for the cannabis industry in Washington. We're dedicated to supporting our community by providing secure banking services to cannabis producers, processors, retailers and their employees. Our cannabis team (pictured left) attended industry events and built relationships with cannabis businesses, providing customized financial solutions for their needs.



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Bear Visits Return

The Berenstain Bears (along with our Financial Literacy Coordinator, Chloe) hit the road again in 2023, sharing the concepts of Save, Share, Spend, and Earn. They continue to spread joy to our community's youth with hugs, high-fives, and the occasional dance move. Brother and Sister Bear visited 1,700 students across 29 schools in Thurston and Pierce counties.



A Legacy Continues

O Bee Founder Ted McGill likely never imagined that 68 years after he started the Credit Union, his great-granddaughter would assume the role he once held. We proudly welcomed Martha Prestin as Chief Financial Officer in 2023. With a wealth of experience in the finance industry and a proven track record of success, Prestin brings a valuable perspective to the leadership team.

Mission | Vision | Values

The Board and Executive Leadership team adopted new Mission, Vision, and Values statements, affirming our commitment to our Members, staff, and community. Our values of trust, empowerment, inclusion, integrity, and community guide our work to improve the lives of our Members through financial well-being and provide a foundation for a prosperous future.





Diversity Equity, Inclusion and Belonging

The Diversity Equity, Inclusion and Belonging (DEIB) Team marked its first year with several noteworthy accomplishments. They engaged in community events, hosted diverse celebrations, and provided resources to employees on DEIB-related issues. It's no secret that a strong workplace is a diverse one because it offers a unique range of skill sets, experiences, and backgrounds from which to pull. We are proud of the good work our team has done so far.

Community Volunteers

Service to our community is one cornerstone of our credit union values. The O Bee team once again donated hundreds of hours of hands-on service to the community, including volunteering at food banks, soup kitchens, Adopt-A-Road projects, Habitat for Humanity, shred events, and many other non-profit endeavors.



The Spirited O Bee Team

When you love your work and colleagues, every day feels like a celebration. Our team celebrates many holidays throughout the year, but our annual Halloween costume contest took creativity to new heights. We shared the hallways with characters like Beetlejuice and Spongebob Squarepants. Our Risk Team (pictured left) took home top honors for their Alice in Wonderland odyssey, complete with a Mad Hatter Tea Party.

2023 ANNUAL REPORT Financial Statement

BALANCE SHEET

	2022	2023
Assets		
Cash and equivalents	\$48,611,644	\$77,766,619
Investments	1,560,600	2,432,218
Loans to Members, Net	481,731,470	499,882,248
Premises & Equipment, Net	8,559,041	7,388,641
NCUSIF Deposit	4,053,281	4,314,897
Other Assets	15,896,053	11,148,645
Total Assets	\$560,412,089	\$602,933,268
Liabilities, Shares, and Equity		
Shares	\$147,141,478	\$109,894,279
Share Drafts	132,428,303	115,496,652
Money Market	90,385,010	74,423,253
Share Certificates	82,956,509	160,757,123
IRA Shares & Certificates	13,651,776	14,874,314
Non-Member Deposits	9,877,000	0
Borrowings	24,999,999	69,999,996
Other Liabilities	8,459,282	7,889,163
Secondary Capital Included in Net Worth	12,000,000	11,600,000
Regular Reserves & Undivided Earnings	38,512,732	37,998,488
Total Liabilities, Shares and Equity	\$560,412,089	\$602,933,268

INCOME STATEMENT

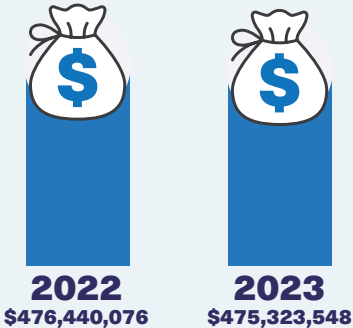
	2022	2023
Interest Income and Expense		
Interest Income	\$19,498,741	\$29,174,905
Dividend & Interest Expense	1,630,910	7,948,184
Net Interest Income	\$17,867,831	\$21,226,721
Provision for Loan Losses	2,512,989	2,507,993
Net Interest Income after Provision for Loan	\$15,354,842	\$18,718,728
Non-Interest Income and Expense		
Non-Interest Income	\$9,500,235	8,768,623
Compensation & Benefits	10,874,099	13,257,007
Occupancy	1,083,534	1,991,815
Other Expense	10,172,577	10,081,301
Total Non-Interest Expense	\$22,130,210	\$25,330,123
Net Income	\$2,724,867	\$2,157,228
Total membership	33,619	33,817

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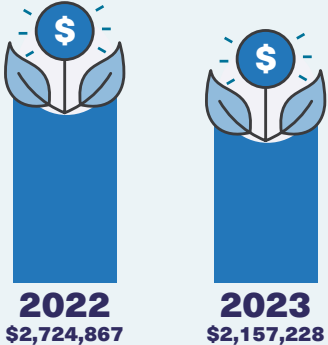
Financials-At-A-Glance



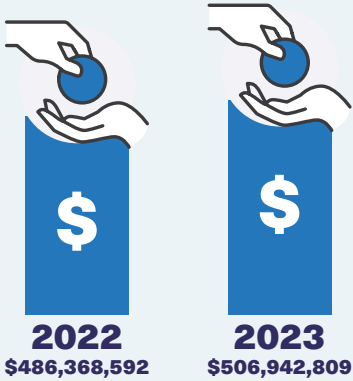
SHARES



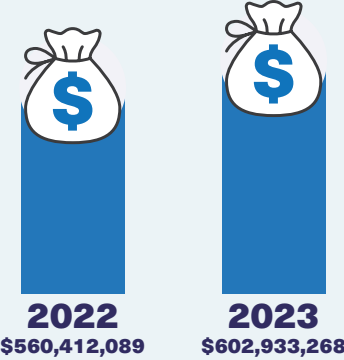
INCOME



LOANS



ASSETS



MEMBERSHIP

