

# 2021

ANNUAL REPORT



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

**OBEE**<sup>TM</sup> CREDIT UNION  
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## REPORT from the President and CEO



James Collins  
President and CEO

Pandemic-related issues continued to command our attention in 2021. Throughout, we remained successful and consistent in our core commitment to the financial well-being of our members. We navigated significant staff shortages, which disrupted service in branches and at the administrative level. Branches were further impacted as mask mandates, illness, and a general reluctance by members to congregate reduced activity. Auto loans fell dramatically due to supply chain disruption. Real estate continued its surge. Through it all, the perseverance of our staff and membership sustained us. Employees worked long hours, often from their homes, to help members. And even with the pandemic raging, O Bee staff donated hundreds of hours to the community, including volunteering at food banks, soup kitchens, K9 rescue team trainings, vaccination clinics and many other non-profit organizations.

On the financial side, 2021 was a spectacular success for O Bee. Assets increased by almost \$46M and propelled the credit union ever closer to the half-billion-dollar mark. Lending also increased by nearly \$44M. However, due to weakness in consumer loans, the increase was primarily attributable to business lending and real estate, including over \$1.6M in Paycheck Protection Program (PPP) loans to businesses in need.

Earnings doubled from 2020 to nearly \$7 million in 2021. This was primarily due to several factors: reversing over \$1 million of excess loan loss reserves booked in the prior year, lower charge-offs in general, and the receipt of a \$1.8M grant as a Community Development Financial Institution (CDFI). The CDFI funds will help us jump-start lending to those most affected by COVID.

Looking ahead to 2022, we are investing heavily in technology and will be launching our new online and mobile banking system in June/July. This new system will add popular features such as transfers to non-O Bee accounts, naming accounts, budgeting tools, and more. We have also implemented new technology in our contact and loan centers to allow employees to use chat, text, voice, and video to assist members more efficiently. As COVID proved, advanced technology is paramount in today's world. We have been partnering with other organizations to expand our lending into small business and Small Business Association (SBA) lending for business owners. In our communities, a strong need exists for these loans, as bank consolidation has left a void. There is ample opportunity for O Bee to help.

O Bee continues to adapt and remains nimble amid the ever-changing environment of this new decade. We are laser-focused on our foremost objective: the financial well-being of our members. More than ever, we embrace the cooperative spirit of the credit union movement as we work together to fortify our most important asset: our members. Thank you for your loyalty.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'J. Collins', written over a light gray background.

James Collins  
President and CEO

## REPORT from the Board Chair



Wilford "Will" Saunders  
Board Chair

This time last year, we on the Board were guardedly optimistic about the chances for significant improvement in the credit union's financials given a rampant pandemic. We focused on fundamentals and directed management to build strength in areas that would benefit our communities if and when we began to emerge from the great national emergency.

Today those fundamentals have improved substantially. It looks like there is light at the end of the COVID tunnel. O Bee has new and substantial tools at our disposal to serve the financial needs of our communities in ways we never had before. The wealth of deposits that members entrusted to the credit union are ready to go to work as loans for new and great ideas. Federal financial support programs have worked to bolster our financial numbers while management worked to get ahead of the pace of change.

This will be my last year as chair, though I'll continue to serve on the Board. We are fortunate to have a strong group of directors, and regular turnover of board roles and responsibilities is part of our practice. We were happy to welcome new directors in 2021. Ryan Bedford and Christy Kriegsman are familiar faces returning to the Board. We appreciate the depth of knowledge they both bring. Michele Fisher is our first Portland-area director. Her experience with virtual engagement has given us all a new look at how the Board can function.

In the year to come, O Bee will focus more than ever on serving the whole community. We plan to bring basic banking to more people, offer a more diverse selection of business loans, deliver better online services, and increase charitable giving. Our strategic plan directs management to focus on sustaining a strong net worth while investing in our talent, expanding services, growing membership, and increasing lending to people affected by the pandemic.

We are able to do good in the community because we are doing well financially. That is thanks to you, our members. When you bank with us today, you enable us to make the most of the future for all of us.

A handwritten signature in black ink, appearing to read "Will Saunders".

Wilford "Will" Saunders  
Board Chair

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**O Bee has new and substantial tools at our disposal to serve the financial needs of our communities in ways we never had before.**

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## Remote Work Continues

Amid the ongoing pandemic, many of our employees continued to work remotely. Members continued to receive exceptional service.



## Paycheck Protection Program

O Bee funded over \$1.6M in Paycheck Protection Program (PPP) loans to businesses in need.

## CDFI Designation

Our \$1.6M grant as a Community Development Financial Institution (CDFI) will help us provide capital access to people that mainstream financial institutions often pass over. The CDFI funds will also help us jump-start lending to those most affected by COVID.





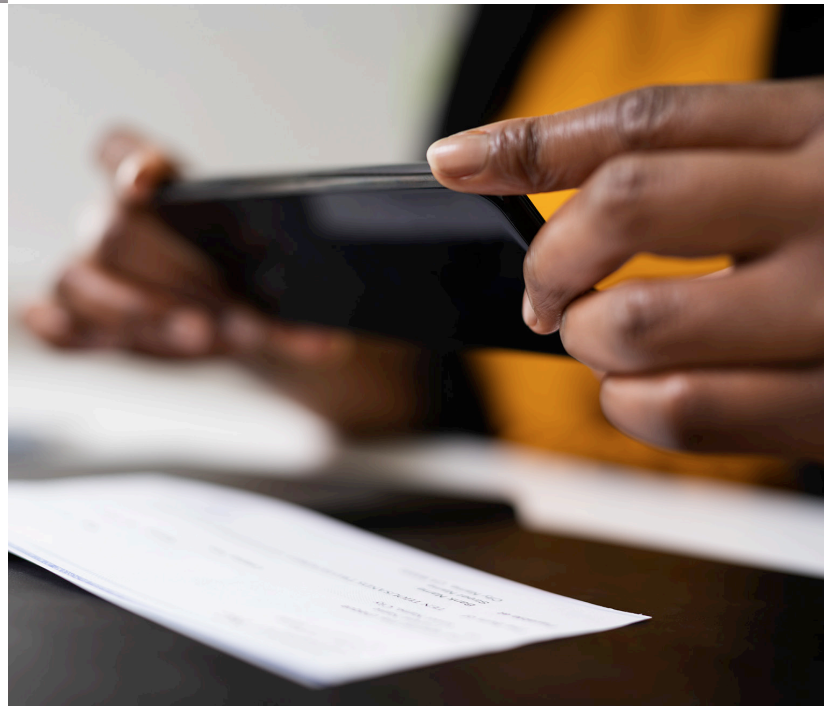


## Voice, Text and Video Technology

We implemented new technology in our contact and loan centers to allow employees to use chat, text, voice, and video to assist members more efficiently.

## No Fee Mobile Deposits

We dropped the fee for mobile deposits. Not surprisingly, mobile deposit use increased significantly due to COVID. Members asked us to eliminate this fee, and we listened.



## Teen Checking Accounts

O Bee introduced teen checking accounts this year. The adult joint-owner has full access and an overview of the account. The teen gets to test drive some increased responsibility while parents have access to the brakes if necessary.



### Lone Star Card

In 2021, the Lone Star card joined our lineup of iconic brewery-inspired cards. At one time, the Olympia Brewery owned the Lone Star brand.



### Road Trip Contest

As “Covid cabin fever” started to affect us all, O Bee offered a fun diversion: The Road Trip Contest. We raffled off a \$40 fuel card every week for 11 weeks and four grand prizes of \$500 each toward a weekend stay through Airbnb. Our members used the fuel and cash prizes to get a much-needed change of scenery.

### Virtual Bear Visit

O Bee developed a virtual Berenstain Bear visit so elementary school children in grades K through 2nd could continue to have access to this fun, educational program from the safety of their homes and classrooms.







## Brewfests Were Back

Brewfests were back in 2021. We were thrilled to join the crowds at the Tumwater Artesian Brewfest to spread the word about O Bee and pass out our “Summer of Hugs” posters.

## Best of South Sound

For the second year in a row, O Bee was recognized as the 2021 Best Credit Union in the South Sound by the readers of Showcase Magazine. Our Fern Hill branch manager, Isaac H. (pictured right), happily accepted the award.



## Community Volunteers

Even with the pandemic raging, O Bee staff donated hundreds of hours to the community, including volunteering at food banks, soup kitchens, K9 search & rescue team trainings, vaccination clinics, and many other non-profit organizations.

# 2021 ANNUAL REPORT

## Financial Statement



### BALANCE SHEET

2020

2021

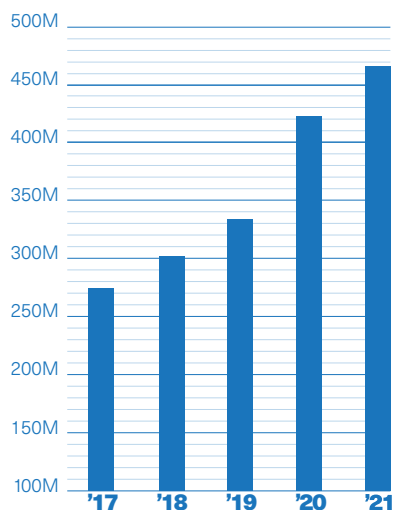
#### Assets

Cash and equivalents	\$91,264,530	\$93,424,954
Investments	807,443	797,082
Loans to Members, Net	311,171,378	345,807,574
Accrued Interest Receivable	1,023,287	1,037,884
Premises & Equipment, Net	8,514,140	7,571,833
NCUSIF Deposit	3,266,363	3,726,950
Other Assets	5,591,551	14,771,019
<b>Total Assets</b>	<b>\$421,638,692</b>	<b>\$467,137,296</b>

#### Liabilities

Shares	\$118,337,869	\$141,003,012
Share Drafts	116,322,487	135,742,900
Money Market	91,008,659	98,329,504
Share Certificates	43,590,030	35,095,034
IRA Shares & Certificates	12,068,161	12,377,858
Borrowings	3,000,000	0
Other Liabilities	6,521,455	6,801,123
Secondary Capital Included in Net Worth	2,000,000	2,000,000
Regular Reserves & Undivided Earnings	28,790,031	35,787,865
<b>Total Liabilities, Shares and Equity</b>	<b>\$421,638,692</b>	<b>\$467,137,296</b>

### ASSETS





# 2021 ANNUAL REPORT

## Financial Statement



### INCOME STATEMENT

2020

2021

#### Interest Income and Expense

Interest Income	\$15,374,550	\$15,450,532
Dividend & Interest Expense	1,603,261	958,784
Net Interest Income	13,771,289	14,491,748
Provision for Loan Losses	3,161,789	-329,935
Net Interest Income after Provision for Loan Losses	10,609,500	14,821,683

#### Non-Interest Income and Expense

Non-Interest Income	\$8,223,782	\$11,189,482
Compensation & Benefits	8,860,641	9,389,192
Occupancy	1,641,829	1,671,202
Other Expense	6,237,752	7,952,937
Total Non-Interest Expense	\$16,740,222	\$19,013,331

#### Net Income

\$2,093,060

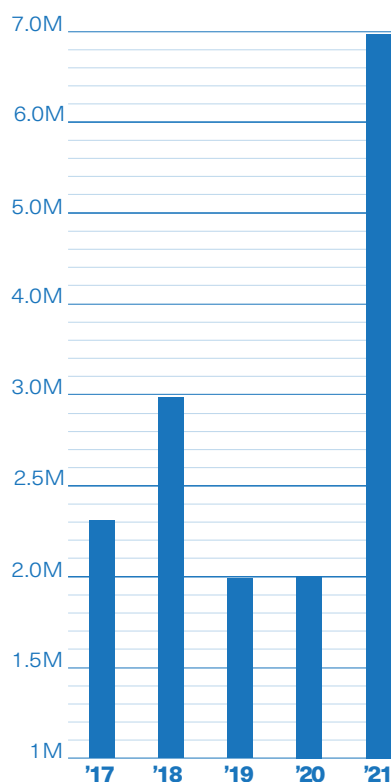
\$6,997,834

#### Total membership

32,138

32,127

### NET INCOME



### MEMBERSHIP

