

2019

ANNUAL REPORT



The Fern Hill branch in Tacoma opened August 2019. It is our second branch in Pierce County.

OBEETM CREDIT UNION

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REPORT from the President and CEO



James Collins
President and CEO

In 2019, O Bee saw significant growth and achievements that are the envy of many other financial institutions. Assets grew by \$33 million to \$333 million, net income was respectable at nearly \$2 million and membership grew by 1,400 members and is now just below 32,000.

2019 brought about many accomplishments and some of the biggest undertakings for our staff. Highlights include:

- The consolidation of several office locations into one main administration building in Lacey, bringing together over 60 support staff. Our collaboration and efficiencies have greatly improved as a result.
- The opening of our 7th branch in Tacoma's Fern Hill neighborhood, our second location in Pierce County, again features our Pub Style Banking.
- The addition of our new Commercial Lending and Account Team, adding a new level of service and expertise for our business members.
- The Commercial Lending team received the Top Partner Award from Evergreen Business Capital (covering Washington, Oregon, Alaska and Idaho) for our Small Business Administration (SBA) 504 program. O Bee was the only credit union in the Pacific Northwest to be recognized for their program.
- The expansion of our West Olympia location and a remodel featuring our signature Pub Style Banking. This branch now houses our new Commercial Lending Team.
- Employees volunteered by using paid service hours to give their time and talent to a myriad of non-profits throughout Pierce and Thurston County.
- O Bee continued to provide financial support to our community by sponsoring local events and worthy organizations doing amazing work.
- Employees provided world class service to our 31,500+ members measured by a net promoter score just shy of 90%. Net promoter measures the willingness of our members to recommend O Bee's products or services to others. It is used to gauge overall satisfaction of a company's products or services as well as loyalty to the brand.

Honestly, our greatest highlight of the year was that once again, we earned national recognition from Forbes who ranked us as the #1 Credit Union in Washington State. I must thank our front line and support teams whose tireless work for the membership cannot be underestimated.

Respectfully Submitted,



James Collins
President and CEO

REPORT from the Board Chair



Wilford "Will" Saunders
Board Chair

This has been a year of change at O Bee. Our new branches in Pierce County have done well. We have again been recognized as one of the best credit unions in the country. Our administrative staff moved into a new building with space for more to come, and we have built a stronger set of business services for members. I know James and his team have further plans.

We pause to offer a special thanks to Carolyn Caruso as she steps down from the Board after 50 years of service to O Bee as an administrator and board member. Carolyn began her career with O Bee as head cashier in 1970 and remained for 34 years, finally serving as Vice President from 1988 to her retirement in 2004. She has served on the Board since 2006 and has been a tireless advocate for our members and the credit union. We will miss her tremendous spirit and commitment.

Our growth and the march of time have brought challenges. Our size, pace and innovations have attracted closer scrutiny from regulators than we have experienced in many years. And we have been squeezed by low rates in a very stimulated economy. These challenges will make us safer and stronger.

As we move into the next decade, the Board and staff remain committed to the "O Bee Way." That is, people helping people with professionalism and community commitment. It makes us better than a bank -- it makes us a community to believe in.

Thank you all for your support, your trust and your passion.

A handwritten signature in black ink, appearing to read "Will Saunders". The signature is stylized with a large loop at the beginning and a long horizontal stroke at the end.

Wilford "Will" Saunders
Board Chair

***“As we move into the next decade, the Board and staff remain committed to the “O Bee Way.” That is, people helping people with professionalism and community commitment. It makes us better than a bank — it makes us a community to believe in.*”**

Community Volunteers

O Bee volunteers lending a hand at our Adopt-A-Road site on Capitol Boulevard just outside the old Olympia Brewery. In 2019 our employees donated their time and talent in the community through our paid service hours program.



Free Classroom Visits

In 2019 Brother and Sister Bear made appearances throughout Thurston and Pierce Counties, providing free visits to more than 70 elementary school classes as part of the Berenstain Bears® Financial Literacy Program.

Born in a Brewery

Here's the first question we always get: What does "O Bee" stand for? O Bee stands for "Olympia Beer." As the name suggests, our first members worked at the Olympia Brewery, but today we're open to anyone in Washington State. We're the Original Credit Union of the Olympia Brewery.



Raising Funds for Non-Profits

Our iconic brewhouse t-shirts are always popular at events and brew fests around the community. Folks offer donations for the shirts, and proceeds go to local charities. The shirts celebrate our heritage, each features a different logo from beers once brewed at the Olympia Brewery, like Olympia, Rainier and Pabst Blue Ribbon.

2019 ANNUAL REPORT **Financial Statement**

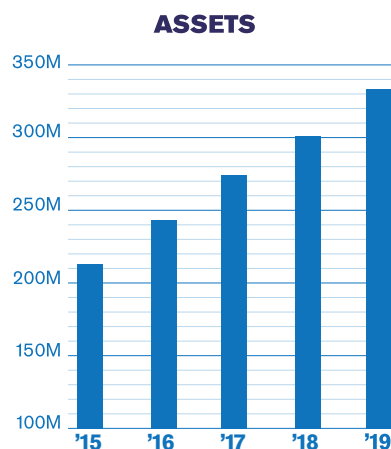
BALANCE SHEET

	2018	2019
Assets		
Cash & Cash Equivalents	\$9,123,145	\$23,421,687
Investments	4,663,829	777,593
Loans to Members, Net	271,178,802	291,312,457
Accrued Interest Receivable	979,524	1,068,669
Premises & Equipment, Net	6,895,904	8,337,843
NCUSIF Deposit	2,412,406	2,591,229
Other Assets	5,794,435	5,492,378
Total Assets	\$301,048,045	\$333,001,856

Liabilities, Shares & Equity

Shares	\$73,019,450	\$80,358,389
Share Drafts	70,961,624	78,898,340
Money Market	71,663,112	70,019,096
Share Certificates	33,065,323	48,757,220
IRA Shares & Certificates	11,377,821	11,895,678
Non-Member Deposits	0	3,000,000
Borrowings	8,940,000	4,000,000
Other Liabilities	7,319,055	9,376,159
Regular Reserves & Undivided Earnings	24,701,660	26,696,974

Total Liabilities, Shares & Equity	\$301,048,045	\$333,001,856
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2019 ANNUAL REPORT **Financial Statement**

INCOME STATEMENT

2018

2019

Interest Income and Expense

Interest Income	\$13,011,045	\$15,476,846
Dividend & Interest Expense	1,165,311	1,859,209
Net Interest Income	11,845,734	13,617,637
Provision for Loan Losses	2,054,536	2,952,777
Net Interest Income after Provision for Loan Losses	9,791,198	10,664,860

Non-Interest Income and Expense

Non-Interest Income	\$6,640,272	\$7,223,533
Compensation & Benefits	\$6,251,045	\$7,465,530
Occupancy	846,917	1,375,715
Other Expense	6,353,467	7,051,835
Total Non-Interest Expense	13,451,429	15,893,080

Net Income

\$2,980,041

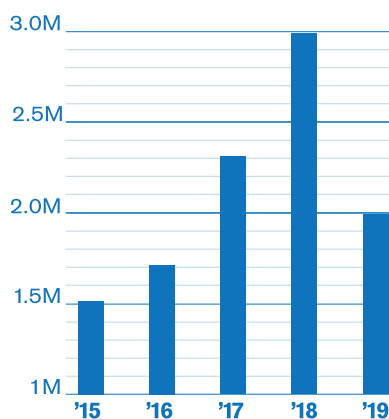
\$1,995,313

Total Membership

30,108

31,869

NET INCOME



MEMBERSHIP

