



2020 Annual Report

Chairperson and President's Report

SELCO's mission is to improve our members' social and economic position. To achieve this mission, our activities revolve around four guiding principles: Safety and Soundness, Operating Efficiency, Quality Personal Service, and High Return to Member. Below are some of our most noteworthy accomplishments for 2020 in each of these areas:

Safety and Soundness:

SELCO's strong ROA (return on assets) drove the capital ratio to 10.46%, which is considered well capitalized per the industry's standards for a safe and sound credit union as determined by the NCUA, the credit union industry's federal regulatory body. In 2020, state and federal examiners provided SELCO with a fully favorable examination report.

Operating Efficiency:

SELCO's ongoing focus on operating efficiency and expense-side management resulted in an operating expense to average asset ratio of 2.74%. SELCO's Strategic Execution Office evaluated and implemented organizational process improvements that resulted in greater operating efficiency and improved member service.

Quality Personal Service:

In 2020, SELCO branches processed 1,023,623 transactions for our 142,000 members. We funded 18,766 loans totaling \$465,053,234. SELCO Mortgage funded 1,968 mortgages totaling \$524 million, SELCO Insurance Services wrote 2,412 policies, and SELCO Investment & Retirement Services managed \$352 million in member investments.

Providing High Return to Members:

In 2020, SELCO provided direct benefits to members through lower account fees, higher interest rates on savings and checking accounts, and lower interest rates on loans. We continued to help SELCO members borrow sensibly, save smarter, and invest wisely with our extensive menu of products and services coupled with industry-leading rates.

Thank you for choosing SELCO as your financial partner. We exist because of you.

Carol Beckley
Chair, SELCO Community Credit Union
Board of Directors

Bob Newcomb
President/CEO
The SELCO Companies

Treasurer's Report

SELCO Community Credit Union Consolidated Statement of Financial Condition Unaudited – as of December 31, 2020

Assets

Cash and cash equivalents	\$432,550,905
Certificates of deposit	3,708,000
Trading securities	16,798,702
Securities available for sale, at fair value	336,265,388
Securities held-to-maturity, at amortized cost	–
Restricted equity securities	2,536,655
Loans receivable, net of allowance for loan losses	1,327,647,416
Accrued interest receivable	4,177,673
National Credit Union Share Insurance Fund (NCUSIF) deposit	16,742,663
Foreclosed and repossessed assets	248,619
Property and equipment, net	40,146,752
Core deposit intangible, net	–
Other assets	3,295,377
Total Assets	\$2,184,118,150

Liabilities

Members' share and savings accounts	\$1,933,081,437
Other liabilities	19,627,929
Total Liabilities	\$1,952,709,366

Members' Equity

Undivided earnings	\$206,387,778
Regular reserves	22,145,162
Equity acquired in merger	125,000
Accumulated other comprehensive income (loss)	2,750,844
Total members' equity	231,408,784
Total liabilities and members' equity	\$2,184,118,150

SELCO Community Credit Union Consolidated Statement of Operations Unaudited – as of December 31, 2020

Interest Income

Interest on loans	\$55,248,586
Interest on investments and interest-bearing deposits	4,723,701
Total interest income	\$59,972,287

Interest Expense

Members' share and savings accounts	\$8,798,267
Borrowings	1,079
Total interest expense	8,799,346
Net interest income	51,172,941
Provision for loan losses	5,987,050
Net interest income after provision for loan losses	\$45,185,891

Non-Interest Income

Service charges and fees	\$18,388,050
Interchange income	7,765,449
Gain on sale of investments, available-for-sale	17,855
Gain (loss) on sale of property and equipment	(8,860)
Net gain (loss) on sales of foreclosed and repossessed assets	–
Impairment of restricted equity securities	–
Realized gains on trading securities	76,557
Unrealized holding losses on trading securities	1,075,213
Other non-interest income	813,704
Total non-interest income	\$ 28,127,968

Non-Interest Expense

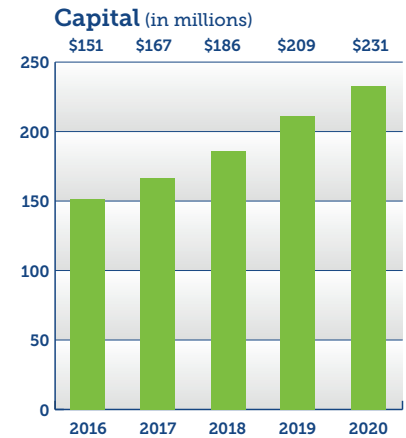
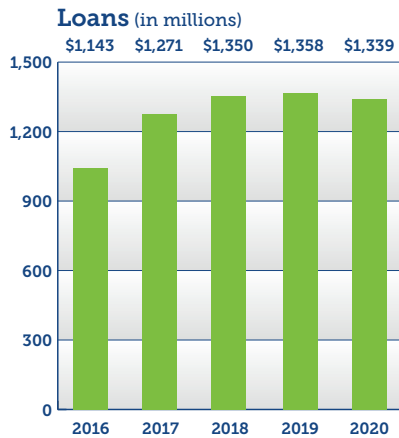
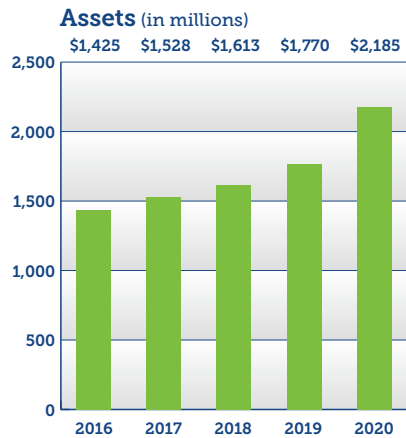
Compensation and benefits	\$36,095,898
Office operations	8,746,924
Loan servicing	2,378,302
Office occupancy	2,856,452
Member education and promotion	2,224,484
Impairment of foreclosed and repossessed assets	–
Other non-interest expense	2,593,506
Total non-interest expense	54,895,506

Net income	\$18,418,353
-------------------	---------------------

SELCO Community Credit Union Consolidated Statement of Changes in Members' Equity Unaudited – as of December 31, 2020

	Undivided Earnings	Regular Reserve	Equity Acquired in Merger	Accumulated Other Comprehensive Income (Loss)	Total Members' Equity
Balance, December 31, 2019	\$187,969,425	\$22,145,162	\$125,000	(\$291,240)	\$209,948,347
Net income	\$ 18,418,353	–	–	–	\$18,418,353
Cumulative effect of accounting change (CEAC)	–	–	–	–	–
Other comprehensive loss, net of CEAC	–	–	–	\$3,042,084	\$3,042,084
Balance, December 31, 2020	\$206,387,778	\$22,145,162	\$125,000	\$2,750,844	\$231,408,784

Other 2020 Results



SELCO Community Credit Union Official Family

Senior Leadership Team

President/CEO: Bob Newcomb
Senior VP of Finance & Member Solutions: Tiffany Washington
Senior VP of Lending & Business Solutions: Craig Carpenter
VP of Administration & General Counsel: Steve McIntire
VP of Information Services & Technology: Kirk Letourneau
VP of Operations & Human Resources: Babs Manion
Controller: Jeff Stevens

Board of Directors

Carol Beckley, Chair
Curt Heimuller, Vice Chair
Kaye LeFrancq, Director
Jim Lindly, Director
Tony Saxman, Director

Operations & Marketing Committee

Kaye LeFrancq, Chair
Tony Saxman
Craig Carpenter, Staff Liaison

Supervisory Committee

Todd Nelson, Chair
Jane Vered, Vice Chair
Brian Beck
Tammi Miller
Steve McIntire, Staff Liaison

Executive & Finance Committee

Carol Beckley, Chair
Curt Heimuller, Vice Chair
Jim Lindly
Bob Newcomb, Staff Liaison
Tiffany Washington, Staff Liaison
Steve McIntire, Staff Liaison

SELCO Group, Inc.

Bob Newcomb, Chair
Jim Antonini, Vice Chair
Kaye LeFrancq
Jim Lindly
Steve McIntire, COO
Tiffany Washington, Secretary/Treasurer