



2022 Annual Report

Chairperson and President's Report

To achieve our mission to improve our members' social and economic position, we use four guiding principles to help shape our strategic and operational decisions: Safety and Soundness, Strategic Positioning, Quality Personal Service, and High Return to Members. Below are just a few of our noteworthy accomplishments for 2022 in each of these areas:

Safety and soundness:

SELCO generated solid earnings and produced an ROA (return on assets) that exceeded projections and peer comparisons, driving the capital ratio to 10.99%. This ratio 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 2022, state and federal examiners provided SELCO with a fully favorable examination report.

Strategic Positioning:

SELCO continued its push throughout the year to better position the organization for the future. Leading the pack was the rollout of a new digital banking platform, a robust system that significantly improved (and enhanced) our members' banking experience. In addition to that massive undertaking, SELCO created a new product called Elevate Checking, designed to help members build strong financial management skills on their way to a traditional SELCO checking account.

Quality Personal Service:

In 2022, SELCO branches processed 1 million transactions for our growing membership, which ended the year with 151,614 members. We funded 28,467 loans totaling \$930 million. SELCO Mortgage funded 698 mortgages totaling \$233 million, SELCO Insurance Services wrote 2,633 policies, and SELCO Investment & Retirement Services managed \$338 million in member investments.

High Return to Members:

In 2022, 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 comprehensive product and service offerings coupled with industry-leading rates.

Thank you for choosing SELCO as your financial partner. We couldn't have accomplished any of this without you.

Curt Heimuller
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, 2022

Assets

Cash and cash equivalents	\$75,740,823
Certificates of deposit	1,153,000
Trading securities	26,191,666
Securities available for sale, at fair value	475,299,525
Securities held-to-maturity, at amortized cost	–
Restricted equity securities	4,709,305
Loans receivable, net of allowance for loan losses	1,892,571,476
Accrued interest receivable	6,706,434
National Credit Union Share Insurance Fund (NCUSIF) deposit	21,768,159
Foreclosed and repossessed assets	520,162
Property and equipment, net	43,875,582
Core deposit intangible, net	–
Other assets	3,428,297
Total Assets	\$2,551,964,429

Liabilities

Members' share and savings accounts	\$2,270,827,254
Other liabilities	54,234,843
Total Liabilities	\$2,325,062,097

Members' Equity

Undivided earnings	\$258,428,456
Regular reserves	22,145,162
Equity acquired in merger	125,000
Accumulated other comprehensive income (loss)	(53,796,286)
Total members' equity	226,902,332
Total liabilities and members' equity	\$2,551,964,429

SELCO Community Credit Union Consolidated Statement of Operations

Unaudited – as of December 31, 2022

Interest Income

Interest on loans	\$61,911,434
Interest on investments and interest-bearing deposits	11,332,220
Total interest income	\$73,243,654

Interest Expense

Members' share and savings accounts	\$8,650,623
Borrowings	79,637
Total interest expense	\$8,730,260

Net Interest Income

Net interest income	\$64,513,394
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Provision for Loan Losses

Provision for loan losses	\$2,367,555
Net interest income after provision for loan losses	\$62,145,839

Non-Interest Income

Service charges and fees	\$16,701,884
Interchange income	10,513,571
Gain (loss) on sale of investments, available-for-sale	(27,143)
Gain (loss) on sale of property and equipment	129
Realized gains (losses) on trading securities	(239,201)
Unrealized holding gains on trading securities	(3,480,264)
Other non-interest income	3,206,597
Total non-interest income	\$26,675,573

Non-Interest Expense

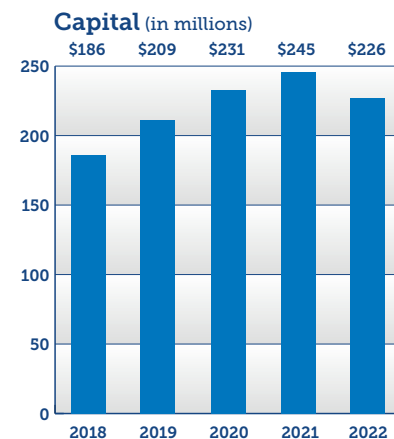
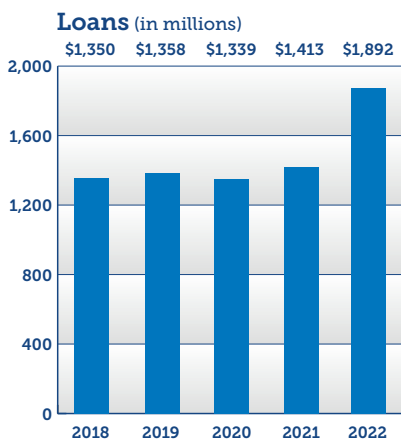
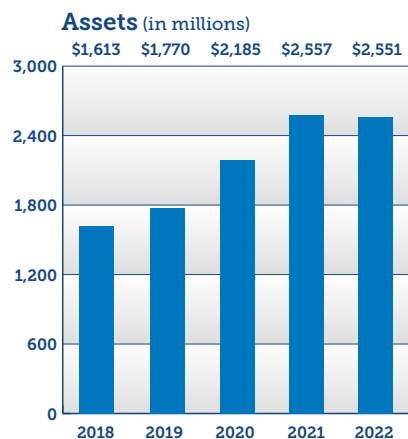
Compensation and benefits	\$39,016,748
Office operations	10,010,679
Loan servicing	3,224,766
Office occupancy	2,758,925
Member education and promotion	2,257,457
Impairment of foreclosed and repossessed assets	–
Other non-interest expense	2,548,821
Total non-interest expense	\$59,817,396
Net income	\$29,004,016

SELCO Community Credit Union Consolidated Statement of Changes in Members' Equity

Unaudited – as of December 31, 2022

	Undivided Earnings	Regular Reserve	Equity Acquired in Merger	Accumulated Other Comprehensive Income (Loss)	Total Members' Equity
Balance, December 31, 2021	\$229,424,440	\$22,145,162	\$125,000	\$(6,012,397)	\$245,682,205
Net income	\$29,004,016	–	–	–	\$29,004,016
Cumulative effect of accounting change (CEAC)	–	–	–	–	–
Other comprehensive loss, net of CEAC	–	–	–	\$(47,783,889)	\$(47,783,889)
Balance, December 31, 2022	\$258,428,456	\$22,145,162	\$125,000	\$(53,796,286)	\$226,902,332

Other 2022 Results



SELCO Community Credit Union Official Family

Senior Leadership Team

President/CEO: Bob Newcomb
Executive VP of Finance & Operations: Tiffany Washington
Senior VP of Lending & Business Banking: Craig Carpenter
Senior VP of Enterprise Risk & General Counsel: Steve McIntire
Senior VP of Information Services & Technology: Kirk Letourneau
VP of Marketing: Shelley Riley

Board of Directors

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

Operations & Marketing Committee

Tony Saxman, Chair
Kaye LeFrancq, Committee Member
Antonio Huerta, Committee Member
Craig Carpenter, Staff Liaison

Supervisory Committee

Tammi Miller, Chair
Jane Vered, Committee Member
Brian Beck, Committee Member
Todd Nelson, Committee Member
Jim Garner, Committee Member
Steve McIntire, Staff Liaison

Executive & Finance Committee

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

SELCO Group, Inc.

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