

## MISSION STATEMENT

*Provide value to members by offering secure, convenient, and competitive financial services; and build lasting relationships through a staff of responsive, ethical professionals*

### Board of Directors

**CAPT Jerry Doherty**  
**USCG (Ret.)**  
**Chairman**



**CAPT Rob McCrimmon**  
**USCG (Ret.)**  
**Vice Chairman**



**Margaret Smith-McCollum**  
**Secretary**



**CDR E. E. Chambers**  
**USCG (Ret.)**  
**Treasurer**



**Paul Cayere**  
**Director**

### Chairman's Report

The twin purposes of our Annual Meeting are to briefly look backwards and review our Credit Union's performance over the past year, and to look forwards and plan for our future by establishing the continuity of Board leadership. It seems, however, that each of the past several years has had a third unwanted component, uncertainty, that requires our attention. This year's uncertainty comes in the form of rising interest rates, a recent run on two large regional banks, continued persistent inflation above what is considered healthy, a significant number of layoffs in the Bay Area, and a potential looming recession.

Times continue to be scary for our members, though not quite as it was when we met last year, and certainly less so than the year prior. The effects of the pandemic are behind us, and we are fully open at our branches and our Oakland headquarters. We have resumed holding our Annual Meeting in person and, because of what we learned during the pandemic, we have added a remote attendance option for our members, to expand your ability to participate in this annual foundational meeting. Not scary, though, is the fact that Sea West remains incredibly strong and ready to serve our banking needs. As you can see from the financial results, despite the economic headwinds, Sea West grew in members, maintained a near-record total assets, increased the benchmark Net Worth Ratio, and the incredible employees of our Credit Union Sea West managed our money in ways to show a modest profit, all while providing us with some of the best rates and services available in the country. It truly pays to be a member of Sea West!

As to the future continuity of Board leadership, I am pleased to report that our current Board members have agreed to continue to serve, and that several new members have volunteered to serve on our Supervisory and Asset and Liability Committees, so your Board leadership also remains strong.

Thank you for being a member of Sea West Coast Guard Federal Credit Union, thank you for supporting our Annual Meeting, and thank you for trusting us with your financial future.

Sincerely,

Jerry Doherty, Captain, USCG (Ret.)  
Board Chair

## President/CEO Report

I am pleased to report that Sea West Coast Guard Federal Credit Union continues to be an exceptionally strong financial institution. At year-end 2022, the Credit Union's net worth ratio was nearly 18.0%, well above the peer average of 10.9%, and 0.5% higher than year-end 2021. This is especially commendable with the ongoing economic volatility we continue to experience.

In keeping with our mission to provide value to members, Sea West continues to offer competitive savings and loans products. Our rates are better than most banks and credit unions. The fees we charge are nominal. Sea West intentionally foregoes over a million dollars in fee income for the benefit of our members, unlike other financial institutions.

Since our founding in 1959, Sea West has served the military and their families. We are proud to report that in 2022, the California State University Maritime Academy became a Sea West sponsor. In association with Cal Maritime, we have begun a program to provide financial education and banking services to their students, faculty, and staff. Many Cal Maritime graduates go on to serve in the U.S. Coast Guard.

Our savings rates are adjusted regularly to remain competitive. Certificates of deposit have special features not found elsewhere including a one-time rate bump up option and a one-time deposit option. The early withdrawal fee is the lowest in the industry.

Sea West will soon pass \$2 billion in loans made since our founding. During 2022, we continued to provide special lending programs for active duty military and retirees. The Credit Union also restructured and enhanced our mortgage lending platform. Sea West now offers an even more competitive array of complete mortgage products including reverse mortgage loans.

The Credit Union keeps members' privacy and security a top priority. We continue to invest in state-of-the-art Cyber Security defenses. Your personal information is kept secure at all times!

We appreciate the support of our membership and look forward to serving you in the years ahead.

Sincerely,  
Tom Doherty  
President/CEO

## Supervisory Committee Report

The Supervisory Committee oversees the work of internal and external auditors and is responsible for ensuring member assets are adequately safeguarded, accurate records are maintained, and proper business practices are followed. Our efforts also ensure compliance with the rules and regulations of the National Credit Union Administration, an agency of the U.S. Government that insures member deposits.

The Committee conducts an annual audit of the overall financial status of Sea West and verifies member accounts. To assist in this function, we engaged the services of certified public accounts. We are pleased to report that their audit of the Credit Union's financial statements and member accounts found the Credit Union to be performing well.

As a Committee, we are pleased to report that Sea West remains fiscally sound and continues to operate in compliance with all credit union laws, rules and regulations, and generally accepted accounting principles.

We remain appreciative of our Sea West Coast Guard Federal Credit Union members and we look forward to continued success in the years to come.

Sincerely,

CDR Robert Cathey, USCG (Ret.)  
Chairman

LTC Jason Kuroiwa, USA (Ret.)  
Member

CDR Kevin W. Mohr, USCG (Ret.)  
Member

CDR Wallace H. Whatley USN (Ret.)  
Member

## Treasurer's Report

With an exceptionally strong Net Worth/Asset Ratio near 18% Sea West CG is in excellent financial condition and Sea West CG continues to be a secure investment choice.

Remaining true to our credit union philosophy, Sea West CG utilizes deposits to offer low-rate loans to our member-owners and due to our strong Net Worth/Asset Ratio, are able to pay very competitive yields on deposit accounts. Deposits not loaned out are placed in short term, secure investments. Sea West CG has not and will not place funds in risky investments.

In addition to enabling Sea West CG to offer very competitive savings and loan rates, our reserves act as a cushion to offset the effects of economic downturns.

Your deposits at Sea West CG remain extraordinarily well protected and insured.

The National Credit Union Administration (NCUA), an agency of the U.S. Government, insures each type of member savings account up to \$250,000. This means your funds are insured for up to \$250,000 on your individually owned accounts, your ownership share of all joint accounts, and your IRA accounts.

It certainly makes good sense for members to do all their banking at Sea West Coast Guard Federal Credit Union.

Sincerely,

CDR Emmerson E. Chambers  
USCG (Ret.)  
Treasurer

## Vision Statement

*Be a growing financial institution that our members go to first and use the most.*

## Statement of Financial Condition As Of December 31st (in thousands)

	2022	2021
<b>Assets</b>		
Loans to Members	\$259,315	\$233,209
Participation Loans	-0-	-0-
Allowance For Loan Losses	(639)	(611)
Cash On Hand and Investments	154,792	190,868
Deposits in NCUSIF*	2,829	2,826
Fixed Assets	959	964
Other Assets	1,697	1,704
<b>Total Assets</b>	<b>\$418,953</b>	<b>\$428,960</b>
<b>Liabilities</b>		
Dividends Payable	\$ -0-	\$ -0-
Other Liabilities	1,693	891
<b>Total Liabilities</b>	<b>\$ 1,693</b>	<b>\$ 891</b>
<b>Member's Savings/Equity</b>		
Term Savings Certificates	\$ 92,843	\$ 94,917
Primary Savings	172,175	180,510
Checking	54,410	52,545
IRA Savings	9,783	10,817
IRA Term Certificates	14,239	14,102
Holiday Club Savings	66	69
<b>Total Member Savings</b>	<b>\$343,516</b>	<b>\$352,960</b>
<b>Reserves and Undivided Earnings</b>		
Required Reserves	\$ 3,941	\$ 3,941
Unrealized Gain or Loss on Investments	(1,188)	846
Undivided Earnings	70,991	70,322
<b>Total Reserves**</b>	<b>\$73,744</b>	<b>\$75,109</b>
<b>Total Liabilities &amp; Member's Equity</b>	<b>\$418,953</b>	<b>\$428,960</b>

\* National Credit Union Share Insurance Fund, a U.S. Government Insured Fund.

\*\* Net Worth=Total Reserves excluding any Unrealized Gain or (Loss)  
\$74.9 million at year-end 2022 and \$74.3 million at year-end 2021

## Statement of Income and Expenses For the Years Ended December 31st (in thousands)

	2022	2021
<b>Income</b>		
Interest on Loans	\$ 8,034	\$ 6,639
Income from Investments	2,251	2,857
Other Operating Income	1,022	1,317
Other Non-Operating Income	40	20
<b>Total Income</b>	<b>\$ 11,347</b>	<b>\$10,833</b>
<b>(Less) Dividends Paid on Member's Savings and Certificates</b>	<b>\$ 2,601</b>	<b>\$ 2,932</b>
<b>Expenses</b>		
Salaries & Benefits	\$ 4,655	\$ 4,515
Office Operating	1,913	1,619
Provision for Loan Losses	126	181
Education & Promotion	125	159
Office Occupancy	258	216
Professional Services	70	110
Association Dues	19	18
All Other Expenses	911	375
<b>(Less) Total Expenses</b>	<b>\$ 8,077</b>	<b>\$ 7,193</b>
<b>Net Income</b>	<b>\$ 669</b>	<b>\$ 708</b>