

Message Delivered to the Membership at the Annual Meeting by Scott Wilson, President & Chief Executive Officer

What is our business all about?

It's easy to understand profit. We use all sorts of indicators like Return on Assets (ROA) or Return on Equity (ROE). But, what does that say about us. It doesn't get to the heart of our mission. What our philosophy is all about.

We value the opportunity to serve people. That's an enormous privilege and one that must be taken seriously and fine tuned every single day. I am not speaking specifically about something you can put a dollar figure on, but about people. We have the ability each and everyday in our business to make a real difference in the lives of our members.

When we have a relationship with a member, it doesn't begin or end at the opening of a checking account. It continues through their entire lifetime experience with us. It may begin with that first car. Or, that first house. Or, the opening up of a Moola account for that first child. It may continue through that second mortgage to put their child through college, help with that daughter's wedding or to upgrade that outdated kitchen. It may then be that first IRA in planning for retirement. Whatever the milestone, we are there for those who need us.

As in life, some folks stumble. They may have been displaced from their job and are now struggling to meet their bills. We work with members who have been laid off, who accept lower-paying jobs and assist them in restructuring their debt to accommodate their new wages.

As the General Motors plant idled in Massena, we sent out personalized letters to each of our members who would be losing their jobs and offered to have them come in to speak with us. We recognized that there needs to be individual attention as everyone's situation is unique.

This of course is not limited to just GM employees. During these challenging economic times, we continue to work with members who have been laid off, who accept lower-paying jobs and assist them in restructuring their debt to accommodate their new wages. In addition, we do interest only, skip-a-payment, bridging, blended rates and waiving of credit card and other fees. We have worked with members who have gotten behind on their property taxes to ensure they keep their homes.

A member recently said to me, "When you did a consolidation loan for us, it was such a relief, it took away the stress."

The bottom line is we are flexible; offering solutions to our members when they are faced with changes and challenges in their lives.

We spearheaded a community-based initiative and invited other organizations to participate in a *Surviving A Layoff or Job Change* day. The center piece SeaComm brought to the table was the engagement of a professional speaker to discuss new directions one can take when they are faced with economic uncertainty through job loss. More specifically, but not limited to those who work for ALCOA, Corning, Inc. and General Motors. This was at no cost to the community and was open to all. We hosted this in the three communities of Massena, Canton and Malone.

We have continued to make money available to lend. As other financial institutions underwriting tightened, we recognized our vital role in freeing up credit when it was needed the most. We are always looking for ways to assist our members in whatever way we can. In 2009, we approved more than \$100 million in loans.

We assisted three displaced GM employees with commercial loans to assist them in the establishment of their own small businesses. These included a machine shop, convenient store and nursery. SeaComm's philosophy it is not only an investment in the member, but the local community as well.

We did not reduce credit lines on our member's Visa cards. As other institutions have done and continue to practice, it adversely affects those card holders with limited capacity and with an overall negative influence on their FICO.

Our participation in the St. Lawrence County Housing Council First Time Home Buyers Program is a commitment is assisting families in obtaining their first homes through this program.

The Super Saturday event in which we participate stems from an effort by the Internal Revenue Service to raise awareness of the Earned Income Tax Credit (EITC) and free tax preparation by IRS trained volunteers for low to moderate income workers. SeaComm participation began in 2008 with other members of the CASH Coalition of Franklin County including the IRS, United Way of Franklin County, Akwesasne Housing Authority and other community service organizations. The program was expanded in 2009 to also include a partnership with Cooperative Extension of St. Lawrence County for a similar event at the Canton branch. We again supported this program in February.

Accel Financial Management services was made available to any member at no cost, whereby they could get financial counseling including budgeting through fully trained counselors by simply calling a 1-800 number. SeaComm wanted to be proactive and assist its members as they feel the impact and strain of the economy. In addition, we hosted a number of regular member (Adult Financial) education sessions on topics like *How to Understand a Credit Report*. We also provided Youth Financial education.

Promotion of Academic Excellence through our "Spin the Wave" program. This initiative gives school-aged children the opportunity to spin a wheel and win prizes by coming into any of the

Credit Union's branches, whereby they have achieved an "A" grade in one or all of the core subjects of Math, English, Social Studies and Science. A total of 945 kids brought their report cards for the 2008-09 academic year. It's a win-win situation. They earn prizes and the Credit Union promotes academic success. In addition we continued to provide educational scholarships to eight high school seniors to assist them in their higher education pursuits.

In 2009, SeaComm once again reached out to help neighbors in need with a contribution of \$16,000. It was recognized early on that area Neighborhood Centers in Massena, Potsdam, Canton and the food bank at ComLinks in Malone would be inundated with requests. In 2008, SeaComm donated \$10,000 to those same area neighborhood centers. That support was led by our employee fundraising committee which selected those centers as their charity of the year.

As a Credit Union, we take considerable pride in what we do for the communities in which we serve. But even more amazing is the countless organizations and hours we as individual employees give within the communities we live. In 2009, our employees volunteered for more than 32 organizations with more than 2000 hours of service. That's above and beyond what we do as a company.

All of that doesn't mean that we don't have to be fiscally prudent. We are able to do so much of what I talked about because we are profitable. The saying goes, "You don't serve to make a profit, but make a profit in order to serve". Therefore, it is important for us to be fiscally sound and produce sufficient earnings to be our members' primary trusted financial partner, not only today, but for tomorrow as well.

We finished the year with a net income of over \$4.6 million, garnering us more than \$33.5 million in total equity to-date. Those reserves continue to situate us in a position of stability and strength for service well into the future.

As we continue to move further in 2010, we are committed more than ever to be there for our members; especially during these continued challenging economic times, that philosophy has never been more important. Therefore, I would like to reiterate the credit union's key priorities:

1. being flexible, by offering solutions to our members when they are faced with challenges in their personal financial lives;
2. delivering unparalleled service (everyday, to every single member);
3. offering the very best in financial products;
4. providing expanded and new delivery channels of service, to make it even more convenient for the members we serve – these include check imaging on our home branch, a new mobile "banking" platform as well as access to a 24/7 "intelligent / virtual teller machine at the 30 Stearns Street location;
5. to keep listening to our members and considering their needs; and of course;

6. be fiscally sound and produce sufficient retained earnings to be our members' primary trusted financial partner, not only today, but for tomorrow as well.

I am reminded of a comment said to me by a couple last summer at one of our Member Appreciation Day events, "SeaComm believed in us and treated us with respect. You did that and we didn't have lots of money on deposit." ***I would like to sum it all up by saying that is what we are all about. That is the SeaComm difference!!!***

In closing I would like to mention a number of significant projects and initiatives, which were planned, were underway and or completed during 2009 in order to continue to assist us in meeting the ever changing preferences of our membership:

The largest of these was the planned move into the Ogdensburg market. This lent us additional opportunities for growth with this extended footprint into an extremely viable market. Adding a retail-branch offered our members who currently reside in this area a more convenient member experience, while at the same time enabling us to expand our product and service offerings to those who work and or reside in and around this community and want to experience the SeaComm difference!

We began to offer our members the ability to have a debit card issued right in our branches. During the account opening process, members will be issued a card and will be able to begin using it immediately. In addition, if a card is lost or stolen, a new one can be issued and can be used that very same day. We recognize the inconvenience a member can experience when they are not able to use their card and have committed ourselves to improve the entire process.

Our Call Center, which was located at 30 Stearns Street in Massena, was relocated at our former branch location 35 Andrews Street, currently used as a training & conference center. This move allows us to look at expanded hours in order to meet the varying needs of our members. Averaging around 12,000 calls per month, we are fully aware that this is a delivery channel our members prefer and are continuing to utilize on an increased basis.

Thank you to our Board of Directors for formulating our vision and for their continued unwavering leadership. And, to the management team and staff who help to implement the strategies which bring that vision to fruition.

Finally, thank you to our more than 36,000 members. *Your trust in us is the most important in SeaComm's success.*