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REPORT

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nymeo
Federal Credit Union

Letter from the **Chairman and the President/CEO**

A New Way

2019 was a year of finding new ways to focus on growth and a differentiated member experience in the communities we serve. Several initiatives have enabled us to assist our members in finding new ways to improve their financial lives.

The success we achieved in 2019 is allowing us to help our members today when they need it the most. The COVID-19 Pandemic has not only impacted daily lives, but it has also caused a disruption to the economy and the income of many of our members. Nymeo has stepped up to aid our membership in many ways from offering skipped loan payments, waived fees, assistance loans, financial counseling and budgeting tools. We have taken steps proactively to protect our employees and our members and still run the credit union remotely in many cases.

Since 1933, Nymeo has been here for you and your families in good and bad times. We want to assure you that we are a financially strong institution prepared and ready to help you now and into the future. When the time comes, we look forward to welcoming you back into our branches, and we will be prepared to welcome you with the warmth and exceptional service you have become accustomed to from our dedicated Nymeo employees.

New Growth

We ended 2019 financially strong with a capital ratio of 11.18%. Nymeo saw growth in assets, loans and deposits in 2019. We continue to show a very positive Net Promoter Score, a management tool used to gauge the loyalty of our membership. The average Net Promoter Score in 2019 was 81%! Our Top Box Satisfaction Score, our member's survey score of our performance, was 87.33% out of 100% showing us that, overall, our members are satisfied with our services. We use the surveys to help us constantly improve in areas that we did not perform as well in.

We helped 176 members with mortgage loans or mortgage refinances, dispersed over 1,800 consumer loans, and opened almost 2,000 new checking accounts, answered over 56,000 member calls, our branches processed over 197,000 transactions. All these things helped our members work toward achieving their financial goals and dreams. We also made the decision to provide fee free access for our members to over 85,000 ATM's nationally, not just Nymeo machines.



We continue to be dedicated to providing you with expert guidance by having financial advisors, Anna Behnam and Irene Tata as well as Nymeo's Wills and Trust Attorney, Douglas Thornton meet with you to help you determine the best path forward for you and your family.

New and Enhanced Technology

The launch of our newly designed website was the first step in bringing you updated technology tools. The new website allowed us to offer a much better member experience and allows members to find information that is important to them much easier.

We began making plans to continue to enhance your digital interactions with Nymeo in 2020 by planning a conversion to a better online banking platform that will give you better controls and information about your financial lives. We also plan to offer new and improved credit and debit cards.

New and Renewed Community Partnerships

We are very proud that in 2019 Nymeo was recognized as one of the top 50 companies to work for in Frederick County. This enforces that we are an employee first credit union and are always looking for ways to better our employees work experience.

We established a stronger relationship with Frederick County Public Schools to provide their employees with financial services. We continue to support financial literacy through the sponsorships of Millionaires Clubs at Frederick County High Schools. We hope to host another Financial Reality Fair in the near future, where high school students learn about managing a budget with real world scenarios. We offered Bank at Work programs which included financial education workshops during 2019 to both large and small employers in our communities.

We continue to participate with Maryland Food Bank in our Swipe out Hunger program, where every time our members swipe their debit card, Nymeo donates a half a cent for the school pantry programs right in our communities. With this program from July 2018 to June 2019, Nymeo contributed 32,928 meals to our communities to help decrease food insecurities. Nymeo employees continue to participate in hands-on volunteering opportunities at the Frederick Rescue Mission and at the School Food Pantry at Waverley Elementary School.

A New Way Forward

Nymeo remains committed to helping our members achieve their dreams and reach their financial goals. We want to show our members a new way to look at money through enhanced technology, competitive rates, and a differentiated member experience and community involvement.



We continue to plan for the future to include:

- Expanded student loan product offerings
- Chat services for members
- A new online/mobile banking platform
- Develop and offer new credit card offerings
- Develop and offer new mortgage offerings
- Expanded the small business merchant lending partner network
- Continue to ensure Nymeo's financial strength and stability
- Continue to be a trusted and personal financial partner for our members
- Continue to partner with organizations and businesses throughout our communities to not only offer financial literacy programs but specialized banking products and services to help their business and their employees grow



New Approaches in Board Governance

Nymeo Board of Directors and the Supervisory Committee Members live, work (or retired) from companies and organizations in our communities, participate in charitable activities, and attend member-focused events. They are not only Nymeo members but Nymeo volunteers and leaders.

During 2019, there was sharp focus on enhancing the experience of our dedicated Board and Supervisory Committee Members. From the addition of a state-of-the-art board portal to facilitate communication to participating in local and national training opportunities, Nymeo added new ways to improve the way our credit union governs.



Some of these ways included:

- Working with industry experts to reflect, assess and improve ways to create policies for the credit union.
- Developing a stronger system and methods to onboard new Board members and Supervisory Committee positions.
- Identifying skills and diversity gaps that would make the Board stronger.

On an ongoing basis, the Board meets to strategize the future of the credit union. A focus for the Board is to develop new ways – better ways -- to bank. This includes the adoption of enhanced technology and topnotch talent.

Nymeo thanks the Board and Supervisory Committee members for their time and devotion to the credit union's vision and mission: Richard Allen, Edward Brown, Elizabeth Duffy, Norman McGaughey, Jeanice Brown-Thomas and Isaac Yoon.

By Your Side

We hope the coming year will not be as challenging as 2020 has been for some of our members and our communities. But whatever comes our way, Nymeo will be by your side. We are dedicated to continual improvement of our products and services in order to provide you the differentiated member service and products you deserve.

As always, thank you for your membership and your support of Nymeo.

Charles W.C. Yancey
Chairman of the Board

Victoria M. Johnston
President and CEO



Treasurer's Report

2019 was a good year for Nymeo. We continued to improve the strength of the credit union and that has helped us continue to operate in a safe and sound manner enabling us to be there when our members need us now and in the future.

Nymeo grew considerably in 2019. Assets grew by almost \$14 million or just over 5% while equity grew \$3.1 million, 11%, to almost \$32 million. We increased our loan portfolio by \$19 million by meeting our member's needs for mortgages and auto loans.

Nymeo had net income of over \$2.5 million in 2019 which was substantially higher than the \$0.4 million in 2018. The main driver of the increase in income was a significant reduction in our provision for loan losses. Additionally, Nymeo's net interest income was up by 3.3% even though we raised the rates we paid on deposits and reduced the rates we charged on loans.

Nymeo's financial strength remains very strong with more than \$31.6 million in equity and a capital ratio of 11.22% which is significantly above the National Credit Union Administration's ("NCUA") definition of a well-capitalized credit union of 7%.

Nymeo will continue to remain a strong and safe credit union and will continue to do everything we can to help our members through the turbulent months ahead caused by the COVID-19 pandemic.

Isaac Yoon
Treasurer



Supervisory Committee Report

The Supervisory Committee is the members' representative under the Federal Credit Union Act. The Committee consists of three Nymeo members, appointed by the Board, who meet quarterly to perform the duties of assuring the accuracy of financial statements and the adequacy of internal control procedures of Nymeo and its subsidiary. The Committee retains outside firms to provide independent assessments of our financial statements and internal control procedures.

Since 2016, the Supervisory Committee has retained the accounting firm of DeLeon & Stang, to conduct annual audits of the consolidated financial statements and to express an opinion about the financial condition of Nymeo. These audits, most recently for the year ended December 31, 2019, are conducted in accordance with auditing standards generally accepted in the United States. These standards require that the audit be performed in such a way as to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. A set of condensed results is included in this report and a complete copy of the audit results is available for review at any of our offices.

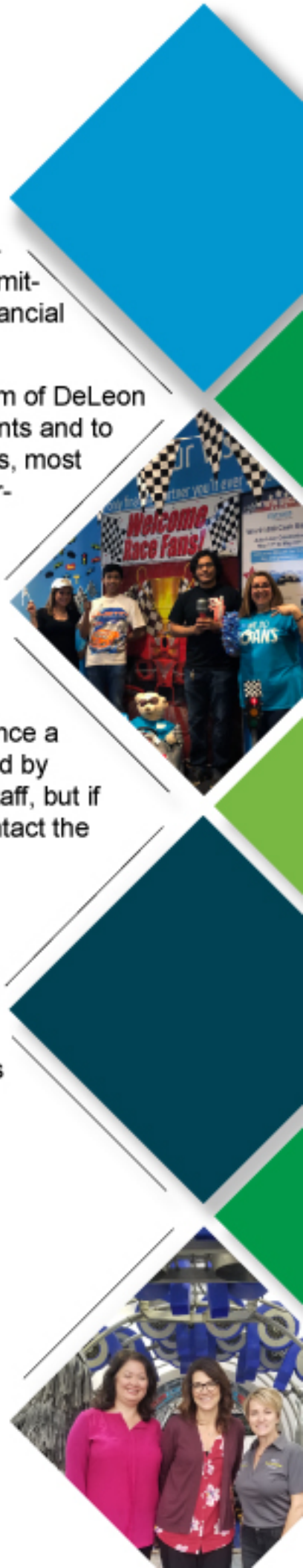
Serving as your representative, we also assist members if they experience a problem of any kind with their Nymeo statement or the services provided by Nymeo. We ask that you first try and address any issues with Nymeo staff, but if you have an issue that is not addressed to your satisfaction, please contact the Supervisory Committee at the following address:

**Supervisory Committee
Nymeo FCU
5210 Chairmans Court
Frederick, MD 21703**

Please do not use this address for other contacts or transactions as this may cause a significant delay in response and/or processing.

Richard Allen

Chairman,
Supervisory Committee



March 16, 2020

To the Supervisory Committee of Nymeo Federal Credit Union

We have audited, in accordance with auditing standards generally accepted in the United States of America the consolidated statements of financial condition of Nymeo Federal Credit Union as of December 31, 2019 and 2018, and the related consolidated statements of comprehensive income, members' equity (not presented herein), and cash flows for the years then ended (not presented herein); and in our report dated March 16, 2020, we expressed an unmodified opinion on those financial statements.

In our opinion, the information set forth in the accompanying condensed financial statements is fairly stated, in all material respects, in relation to the financial statements from which it has been derived.

DeLeon & Stang

DeLeon & Stang, CPAs and Advisors
Gaithersburg, Maryland
March 16, 2020

NYMEO FEDERAL CREDIT UNION FINANCIALS

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME	2019	2018
INTEREST INCOME		
Loans to members	\$ 9,624,084	\$ 9,646,300
Investments	<u>2,482,549</u>	<u>1,797,028</u>
Total interest income	12,106,633	11,443,328
INTEREST EXPENSE		
Members' shares and savings accounts	1,072,849	726,476
Borrowed funds	<u>218</u>	<u>40,682</u>
Total interest expense	<u>1,073,067</u>	<u>767,158</u>
Net interest income	11,033,566	10,676,170
PROVISION FOR LOAN LOSSES	<u>(143,521)</u>	<u>1,861,056</u>
Net interest income, after provision for loan losses	<u>11,177,087</u>	<u>8,815,114</u>
NON-INTEREST INCOME		
Service charges and fees	1,598,739	1,703,251
Other non-interest income	1,652,737	1,729,588
(Loss) gain on sale of loans	<u>(625)</u>	<u>20,129</u>
Total non-interest income	<u>3,250,851</u>	<u>3,452,968</u>
NON-INTEREST EXPENSE		
Compensation and employee benefits	5,373,079	4,966,703
Office operating costs	2,825,558	2,466,583
Office occupancy costs	3,675,586	4,001,965
Loss on impairment of CUSO investment	-	350,000
Net loss on disposal of assets	<u>25,173</u>	<u>68,610</u>
Total non-interest expense	<u>11,899,396</u>	<u>11,853,861</u>
Net income	<u>2,528,542</u>	<u>414,221</u>
OTHER COMPREHENSIVE INCOME (LOSS)		
Net unrealized gains (losses) on investments classified as available-for-sale	<u>615,934</u>	<u>(27,375)</u>
Comprehensive income	<u>\$ 3,144,476</u>	<u>\$ 386,846</u>

NYMEO FEDERAL CREDIT UNION FINANCIALS

AS OF DECEMBER 31, 2019 AND 2018

CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

2019

2018

ASSETS

Cash and cash equivalents	\$ 19,203,516	\$ 23,950,115
Deposits in other financial institutions	50,410,000	48,670,000
Investments:		
Available-for-sale, at fair value	19,169,492	21,225,307
Other investments, at cost	1,179,627	1,143,922
Loans to members, net of allowance for loan losses	177,583,862	158,789,361
Accrued interest receivable:		
Loans	678,236	628,195
Investments	336,481	169,850
Prepays and other assets	7,298,685	7,090,906
Premises and equipment, net	3,516,048	3,856,850
NCUSIF deposit	2,182,038	2,221,081
TOTAL ASSETS	\$ 281,557,985	\$ 267,745,587

LIABILITIES AND MEMBERS' EQUITY

Liabilities:		
Members' share and savings accounts	\$ 247,006,938	\$ 237,143,555
Accounts payable and other accrued liabilities	2,957,799	2,153,260
Total liabilities	249,964,737	239,296,815
Members' Equity:		
Regular reserve	1,920,098	1,920,098
Undivided earnings	29,551,803	27,023,261
Accumulated other comprehensive income (loss)	121,347	(494,587)
Total members' equity	31,593,248	28,448,772
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$ 281,557,985	\$ 267,745,587

The condensed financial statements presented herein do not constitute a complete set. The complete set, including the statements of changes in members' equity and cash flows and notes to the financial statements, is available in the Credit Union office.

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