



2020

ANNUAL REPORT

Nymeo Strong!
A Year of Resilience

Letter from the Chairman and the President/CEO

Nymeo Strong

Since its inception in 1933, Nymeo has consistently demonstrated the attributes of financial strength and resiliency. For example, during the past two decades, we have managed to successfully serve our members during catastrophic events such as the 9/11 attacks, the 2008 housing crisis, and the great recession. Nymeo has built up our reserves (capital) for unforeseen events like the COVID-19 Pandemic and we have continued to focus on our members to keep your credit union strong for the future. The credit union model, people helping people, is resilient and is built for times like these.

Nymeo is guided by fundamental values such as equality, fairness, and mutual self-help. We know our members and our communities depend on us to disallow inequality of any type, especially as a financial institution. We continue to partner with local organizations to educate ourselves, to be a catalyst for positive change, and remain a meaningful support system. Nymeo is committed to equity and diversity in its hiring, promotion, procurement, and lending practices. As we do our part to make sure that racism does not occur within our credit union and each of us as individuals, we also encourage you, our members and communities, to do the same. If you would like to learn more, here is helpful information from National Museum of African American History and Culture <https://nmaahc.si.edu/learn/talking-about-race>



2020 was a year of finding new ways to remain strong and continue to focus on our strategic initiatives to continue to grow the credit union and offer new and enhanced products and services to our members. We continued to build on the successes of the past to help our membership through the pandemic. Nymeo supported our members with skipped loan payments, waived fees, assistance loans, financial counseling, and budgeting tools. We have helped members with mortgage loans and participated in the Small Business Administration's Payroll Protection Program.

We warmly welcomed members back into our branch lobbies with increased protection for both our employees and members. We added appointment scheduling to aid in efficiently processing your transactions while protecting our employees and our members with limited people in the branch's lobbies at any point in time.



Nymeo continues to be a financially strong institution, prepared and ready to help you today and tomorrow.

Strong Growth

We ended 2020 strong with a capital ratio of 9.78%. Nymeo saw significant growth in assets, loans, and

deposits in 2020. We continue to show a positive Net Promoter Score, a management tool used to gauge the loyalty of our membership, the average Net Promoter Score in 2020 was 73%. Our Top Box Satisfaction Score, our member's survey score of our performance, was 79% out of 100%. These numbers fell from the levels in 2019. With the help of member surveys, we determined where we were not meeting our members needs and have begun to address those areas.

We acknowledge that the debit card and credit card conversion created challenges for you and worked as quickly as possible to address those issues so that you could get back to using those critical products. We also know that the upgrade to our online/mobile banking systems created challenges for some of our members and again we worked to correct those issues to allow you to utilize the new system as fast as possible.

The COVID-19 Pandemic put pressure on our drive thru's and ATMs that left members with long wait times in the drive thru's and ATM's that were not working. In early 2021, we added additional drive thru lanes at the Buckeystown branch and the Thomas Johnson branch. We are in the process of replacing our ATMs at our Buckeystown, Bank Street, Thomas Johnson and Westridge branches. We are exploring how we can add additional ATMs to some branch locations, so you have more than one option if the machine is out of service.

In September of 2020, Nymeo merged with MBFT Federal Credit Union in Thurmont, Maryland to bring \$500k in assets and an additional 131 member to our credit union.

Stronger Technology

In 2020, with the new debit and credit cards, we were able to offer you contactless cards. This was a strategic decision to enable our members to have better safety at the checkout considering COVID-19 and not needing or wanting to touch the payment machines.

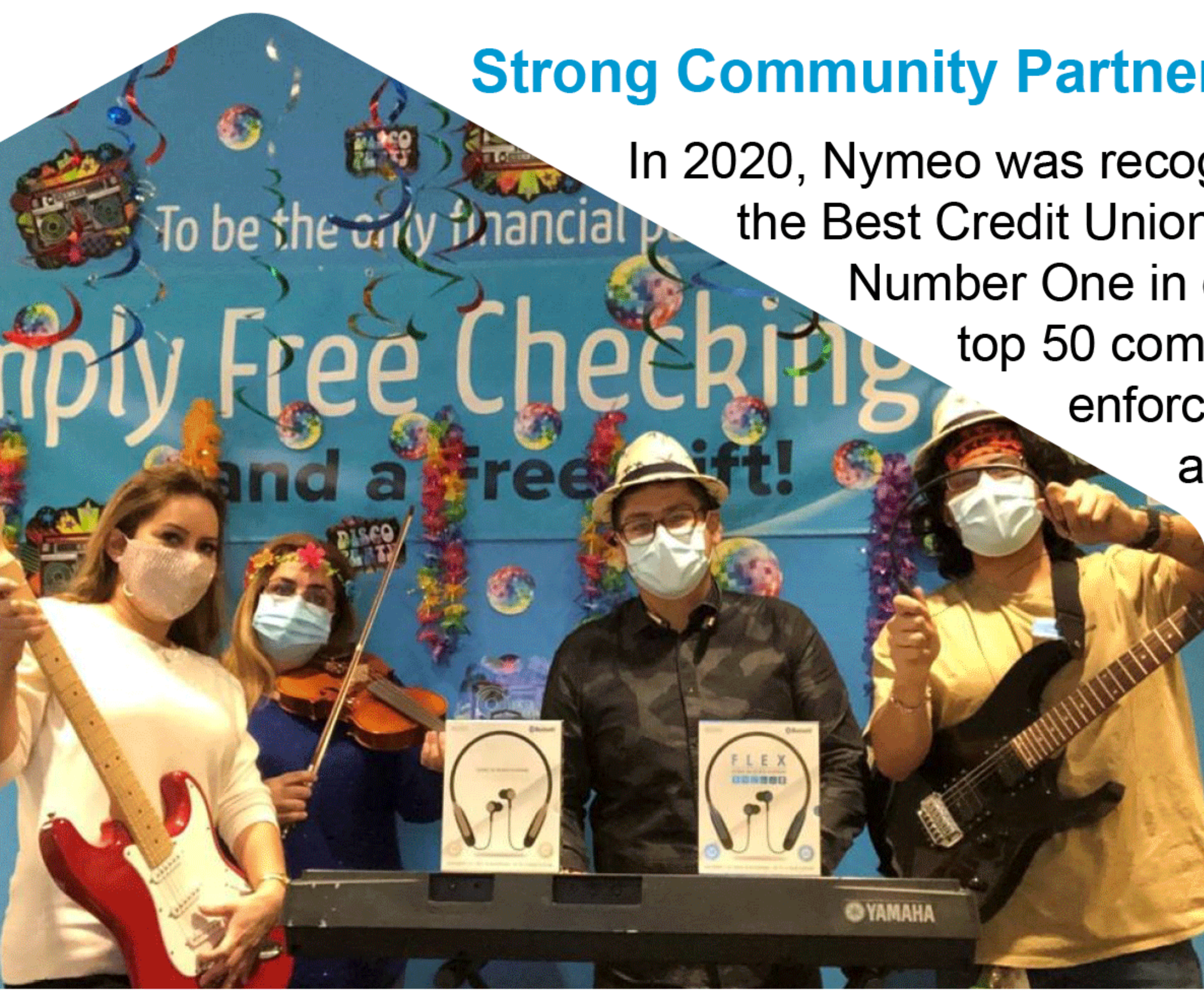
The new online/mobile banking platform provided you better controls with enhanced security of two factor authentication and easier navigation.

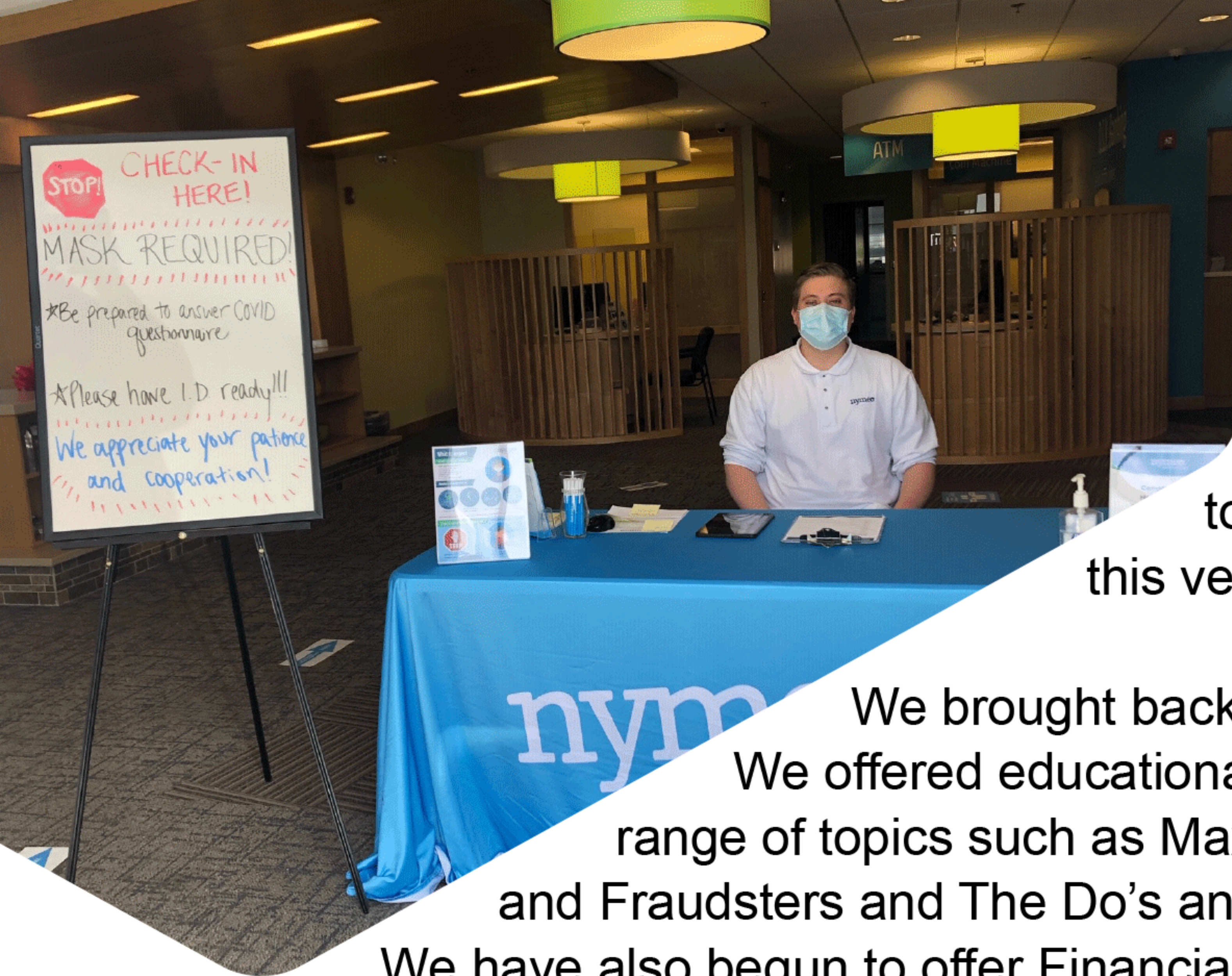
We introduced a chat feature on our website to help serve members better.



Strong Community Partnerships

In 2020, Nymeo was recognized by the Credit Union Journal/American Banker as the Best Credit Union to Work For in the country, and we were ranked Number One in our asset class. We were also recognized as one of the top 50 companies to work for in Frederick County. These awards enforce that we are an employee-focused credit union and are always looking for ways to better our employees work experience.





Nymeo members voted us the Best Credit Union in Frederick in the Frederick News Posts Best of the Best contest. We love our members, and we are so fortunate to be able to have them support us and vote for us to win this very special award.

We brought back Tutorial Tuesdays virtually in 2020 with great success. We offered educational sessions ranging from articles to webinars on a wide range of topics such as Maximizing ATMs for Personal Banking Tips, Avoid Scams and Fraudsters and The Do's and Don'ts of Trading in your Car as well as many others.

We have also begun to offer Financial Fridays in 2021 with our financial advisors, Anna Behnam and Irene Tata with articles to help you determine the best financial path forward for you and your family.

We offered Bank at Work programs which included virtual financial education workshops during 2020 to both large and small employers in our communities.

We proudly continued to participate with the 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 2019 to June 2020, Nymeo contributed 70,350 meals to our communities to help decrease food insecurities. Nymeo held a virtual food drive in partnership with the Maryland Food Bank and raised \$3,385. Pre-pandemic, Nymeo employees gave of their time with hands-on volunteering at the Frederick Rescue Mission and the food pantry at Waverly Elementary School. We look forward to participating in these events in person in the very near future.

A Strong Future

Nymeo remains committed to providing our members with a lifetime of superior financial service. We want to be our members trusted financial partner for life and a force for good in the communities we serve. Our plans to meet these objectives include:

- A new online loan origination system

- A new online account opening system

- Continue to enhance the online/mobile banking functionality

- Offer additional financial counseling services at our branches

- Expanded the small business merchant lending partner network

- Continue to ensure Nymeo's financial strength and stability

- Offer a new and enhanced credit card

- Expand student loan product offerings

- Continue to support our communities with food drives and shred days

- Enhance the Bank at Work program to ensure we are helping businesses and their employees with financial education and services

Strong Board Governance

To strengthen the Board's efforts at guiding strategically while empowering the staff to execute an aligned business plan, the Board engaged the help of an industry expert in drafting and adopting a Board Governance Policy. One section of the policy spells out the role of the Nominating and Recruiting Committee in: identifying skill and diversity gaps within the Board and Supervisory Committee; prospecting and cultivating a pipeline of potential Board members, recruiting, and interviewing prospects, completing the nominations process and orienting new Board members. During the latter part of 2020, the Nominating and Recruiting Committee identified several Board, Associate Board and Supervisory Committee prospects to potentially fill existing skill set and demographic needs. Prospect interviews are being scheduled for early second quarter of 2021.

To provide strategic guidance more effectively to the staff, the Board appointed a Strategic Planning Committee. Responsibilities of the Committee include:

Periodically reviewing the mission, vision and strategic plan, and recommending changes to the Board as warranted.

Performing environmental scans to stay abreast of industry trends, external threats, and organizational improvements.

The Committee assisted the Board and Management staff in reviewing Nymeo's mission, vision and strategic plan prior the virtual planning session held in September 2020. The robust planning process yielded revised mission and vision statements and an updated strategic plan that incorporates the strategic objectives of digital transformation, balanced growth and cultural continuity.

Stronger Together

We know that 2020 was a stressful year for so many in our membership and our communities and our hope is that you will lean on us to help you navigate 2021. Together, we can help you reach your financial goals and help you buy or refinance a home or purchase a car. We can help you take the vacation of a lifetime or just add a beautiful vacation spot in your backyard. Together we can make your dreams a reality, and we will continue to work tirelessly to continually improve our service to you our loyal members.

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

2020 was the year of helping our members through the crisis of the COVID-19 pandemic. The help Nymeo provided to members included skipped loan payments, waived fees, assistance loans, financial counseling, and budgeting tools. Nymeo's net income was lower due to the assistance we provided but we exist to serve and assist our members.

Assets grew by almost \$47 million or 17% while equity grew \$1 million, 3%, to almost \$33 million. We increased our loan portfolio by \$25 million by meeting our member's needs for mortgages and business loans.

Nymeo had year to date net income of \$432,000 in 2020 which was substantially less than the \$2.5 million in 2019. The main driver of the decrease in net income was the additional funding of the provision for loan loss due to the COVID-19 pandemic. The COVID Reserve was just over \$1.3 million at the end of 2020. Additionally, Nymeo's net interest income decreased by \$1 million.

Loan interest income decreased \$300,000, investment income decreased almost \$670,000 and dividends paid to members increased a little over \$40,000.

Nymeo's financial strength remains strong with more than \$32.7 million in equity and a capital ratio of 9.78% which is above the National Credit Union Administration's ("NCUA") definition of a well-capitalized credit union of 7%.

Nymeo remains a strong and safe credit union and will continue to do everything we can to help our members through the turbulent months ahead.

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, 2020, 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; please contact Ashley Adams to arrange to access a complete copy of the audit.

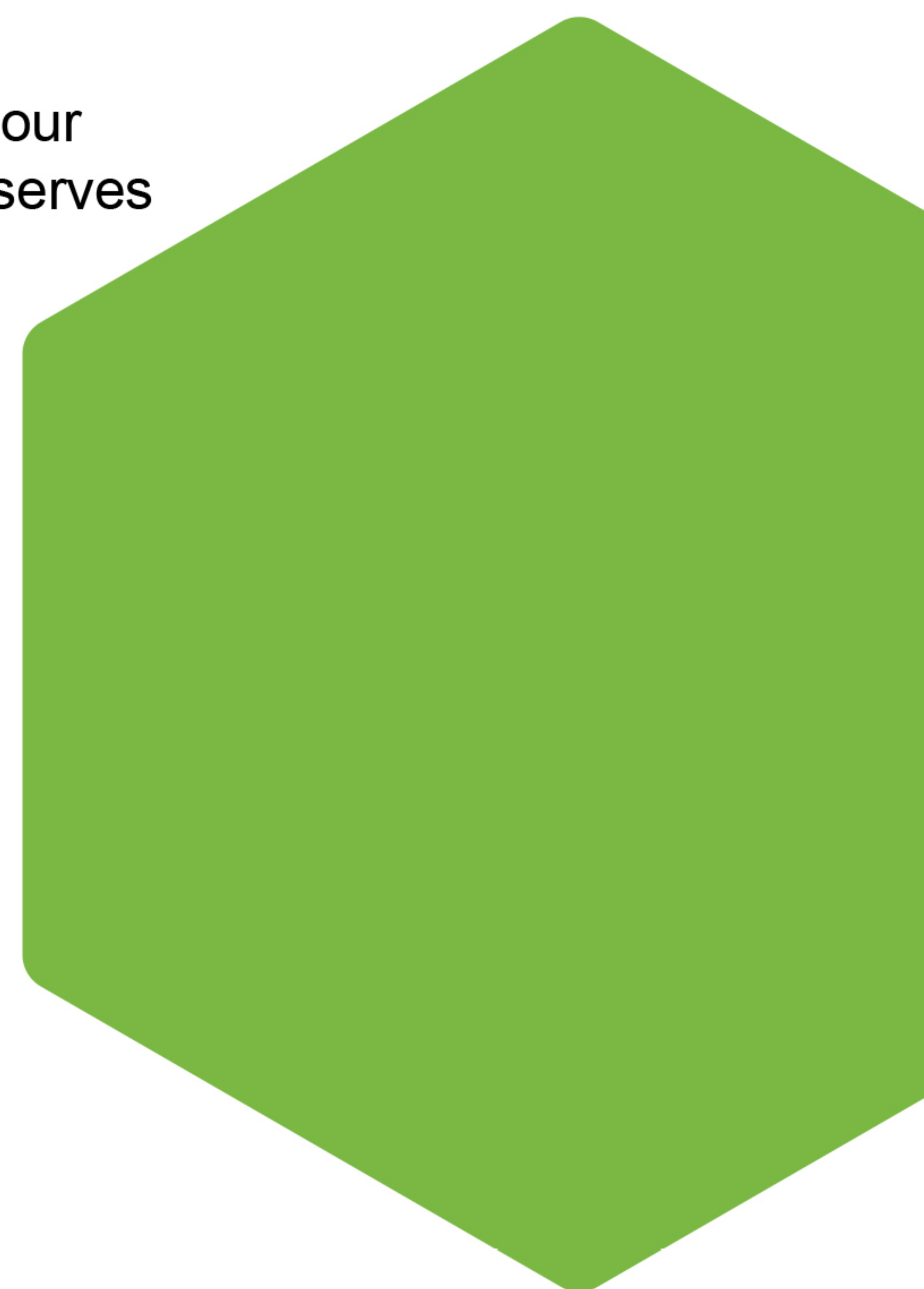
We know that covid-19 has made the past year challenging to many of our member and would like to remind you that the Supervisory Committee serves as your representative to Nymeo. As such, we assist members if they experience a problem of any kind with their Nymeo statement or the services provided by Nymeo. We do 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:

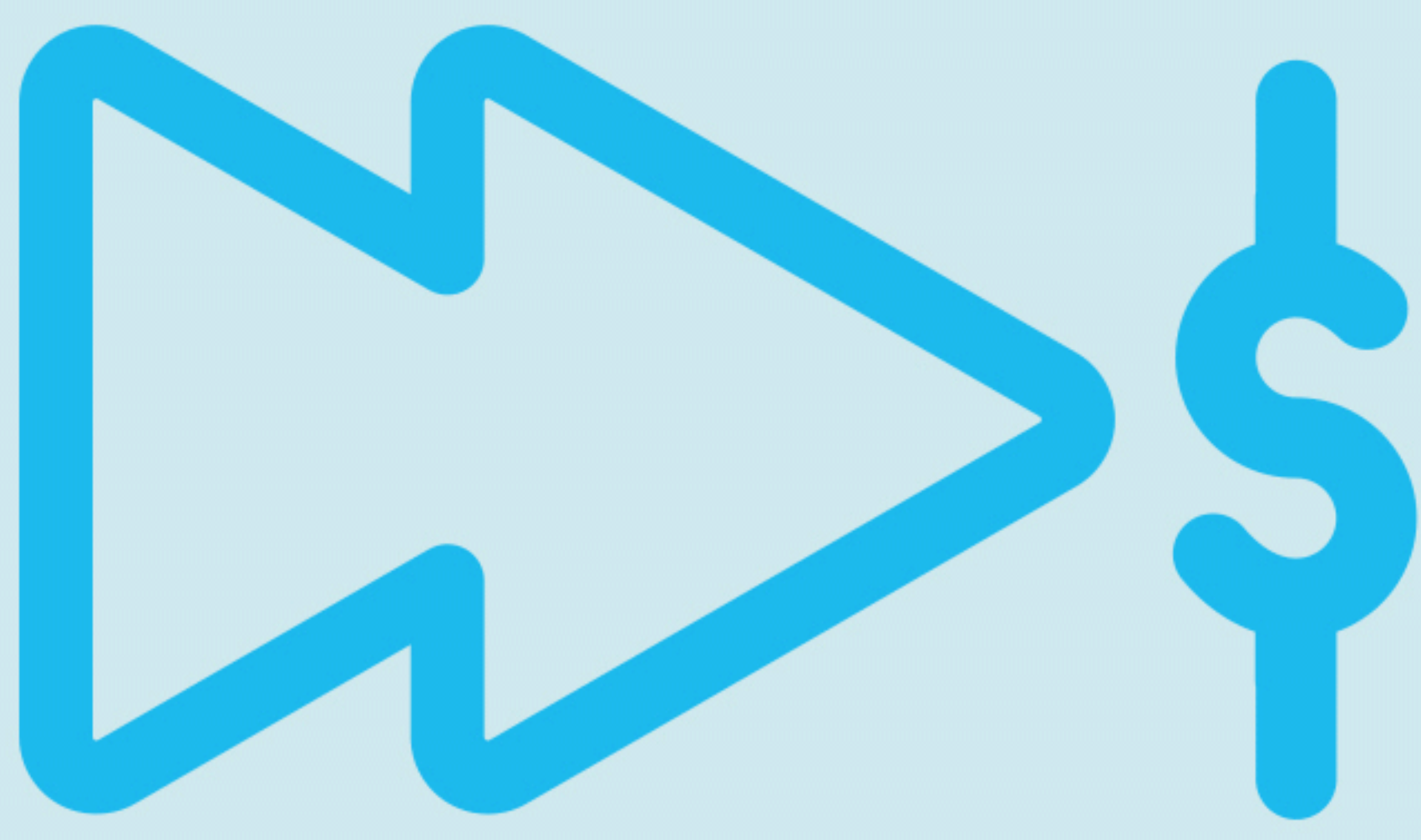
**Supervisory Committee
Nymeo FCU
5210 Chairmans Court
Frederick, MD 21703**

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





\$26,000

in serviced mortgages forbearances to members experiencing financial hardship as a result of COVID-19

\$9.4 Million

in total loan payments were skipped to help our members that were experiencing difficulties due to the financial effects from CoVid-19.



\$2.2 Million

in loans to 75 local businesses through the CARES ACT Paycheck Protection Program - which allowed business owners to save local jobs.



New Credit & DebitCard

was designed with the contactless feature to provide the safety, security, and ease-of-use of the new card technology



New Online Banking

was updated to give members easier access to manage their finances along with everyday services you've come to depend on

nymeo
Federal Credit Union



Best Credit Union

in Frederick, MD was awarded to Nymeo by the Frederick News Post awarded Nymeo.



Community Outreach

Donations to local students and organizations helping our communities cope with the COVID-19 pandemic



\$7.1 million

in mortgage forbearances were done with our members financial well-being in mind

\$50,000

Member Testimonials



Outstanding Delivery

"The ability to open an account entirely online is highly convenient and helpful."

--Veronica



Outstanding Service

"Extremely nice welcome that was friendly and sincere. That was especially nice considering the ongoing Pandemic. Took care of my business and concerns quickly, easily and with a smile!"

--Kenneth



Personalize Member Service

"I have been with Nymeo for a while now and they have really worked with me when I was applying for a loan. Very good credit union to be a part of."

--Roxanne

NYMEO FEDERAL CREDIT UNION FINANCIALS

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

| CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME | 2020 | 2019 |
|---|-------------------|---------------------|
| INTEREST INCOME | | |
| Loans to members | \$ 9,332,978 | \$ 9,624,084 |
| Investments | <u>1,813,361</u> | <u>2,482,549</u> |
| Total interest income | 11,146,339 | 12,106,633 |
| INTEREST EXPENSE | | |
| Members' shares and savings accounts | 1,111,667 | 1,072,849 |
| Borrowed funds | <u>90,910</u> | <u>218</u> |
| Total interest expense | <u>1,202,577</u> | <u>1,073,067</u> |
| Net interest income | 9,943,762 | 11,033,566 |
| PROVISION FOR LOAN LOSSES (Recoveries) | <u>1,573,563</u> | <u>(143,521)</u> |
| Net interest income, after provision for loan losses (recoveries) | <u>8,370,199</u> | <u>11,177,087</u> |
| NON-INTEREST INCOME | | |
| Service charges and fees | 1,116,524 | 1,598,739 |
| Other non-interest income | <u>2,217,631</u> | <u>1,652,112</u> |
| Total non-interest income | <u>3,334,155</u> | <u>3,250,851</u> |
| NON-INTEREST EXPENSE | | |
| Compensation and employee benefits | 5,291,517 | 5,373,079 |
| Office operating costs | 2,579,301 | 2,825,558 |
| Office occupancy costs | 3,399,315 | 3,675,586 |
| Net loss on disposal of assets | <u>1,795</u> | <u>25,173</u> |
| Total non-interest expense | <u>11,271,928</u> | <u>11,899,396</u> |
| Net income | <u>432,426</u> | <u>2,528,542</u> |
| OTHER COMPREHENSIVE INCOME | | |
| Net unrealized gains on investments classified as available-for-sale | <u>456,786</u> | <u>615,934</u> |
| Comprehensive income | <u>\$ 889,212</u> | <u>\$ 3,144,476</u> |

NYMEO FEDERAL CREDIT UNION FINANCIALS

AS OF DECEMBER 31, 2020 AND 2019

| CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION | 2020 | 2019 |
|--|-----------------------|-----------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 31,262,311 | \$ 19,203,516 |
| Deposits in other financial institutions | 30,038,000 | 50,410,000 |
| Investments: | | |
| Available-for-sale, at fair value | 47,189,394 | 19,169,492 |
| Other investments, at cost | 1,394,197 | 1,179,627 |
| Loans held for sale | 1,375,581 | - |
| Loans to members, net of allowance for loan losses | 200,648,279 | 177,583,862 |
| Accrued interest receivable: | | |
| Loans | 732,429 | 678,236 |
| Investments | 509,312 | 336,481 |
| Prepays and other assets | 9,198,302 | 7,298,685 |
| Premises and equipment, net | 3,391,485 | 3,516,048 |
| NCUSIF deposit | 2,496,167 | 2,182,038 |
| TOTAL ASSETS | \$ 328,235,457 | \$ 281,557,985 |
| LIABILITIES AND MEMBERS' EQUITY | | |
| Liabilities: | | |
| Members' share and savings accounts | \$ 287,143,799 | \$ 247,006,938 |
| Borrowed funds | 5,000,000 | - |
| Accounts payable and other accrued liabilities | 3,413,760 | 2,957,799 |
| Accrued interest payable | 13,987 | - |
| Total liabilities | 295,571,546 | 249,964,737 |
| Members' Equity: | | |
| Regular reserve | 1,920,098 | 1,920,098 |
| Undivided earnings | 29,984,229 | 29,551,803 |
| Accumulated other comprehensive income | 578,133 | 121,347 |
| Equity acquired from business combination | 181,451 | - |
| Total members' equity | 32,663,911 | 31,593,248 |
| TOTAL LIABILITIES AND MEMBERS' EQUITY | \$ 328,235,457 | \$ 281,557,985 |

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.

855-436-4100 | nymeo.org

Equal Opportunity Lender | Federally Insured by NCUA

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