



20 annual 20 report



PEOPLE HELPING PEOPLE





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OUR STORY

HISTORY

Naveo Credit Union was founded in 1928 when twenty-seven Portuguese-Americans banded together to form a financial cooperative after finding it increasingly difficult to access deposit and loan products from banks in the community.

Naveo Credit Union, formerly Cambridge Portuguese Credit Union, was incorporated on March 2, 1928 as a place where the community could deposit their savings with confidence and borrow money at low rates of interest. In 2014, the Credit Union changed its name to Naveo Credit Union to complement the changing demographics of the area by becoming an inclusive institution, one that is welcoming to everyone in the community.

ABOUT US

Naveo is a local not-for-profit community financial institution focused on serving its members/owners. Our mission is to assist our members with their financial needs by providing them with products and services they need in a friendly, inviting environment. As stated in our motto of “Saving Together to Lend to Each Other,” we take member deposits and in-turn, lend to our neighbors and local organizations.

As a local financial institution, we are proud to take an active role in our community by reinvesting in the community with local loans and contributions to local organizations. We are aware that individuals in our community value an institution beyond just low fees and great rates, which is why we pride ourselves on the partnerships we make with local organizations that bring value to our neighbors and members.

MISSION STATEMENT

Guiding the financial lives of the people we serve – in the neighborhoods where we live.

MESSAGE FROM OUR CHAIRPERSON & CEO

Dear Naveo Family,

2020 was certainly a challenging year. As Naveo adapted to unprecedented challenges, we are proud of the commitment from our dedicated staff to serve our loyal members.

We worked hard to meet the financial needs of our members and the community while we sought to keep our employees, members, and families safe from the pandemic.

We were able to quickly adapt and securely arrange for many of our employees to work remotely while safely providing drive-up services for member transactions through our front-line employees.

Not only were we adapting to significant changes in our work culture and delivery of services, Naveo's long-time President & CEO, Rui Domingos, left to pursue a professional growth opportunity. In keeping with Naveo's ability to adapt, Albert Pinho, SVP Lending stepped in as the interim President/CEO. Albert worked tirelessly to ensure member satisfaction and efficient delivery of services throughout the transition.

After a thorough executive search, Andrea White was chosen and named Naveo's new President and CEO. Andrea joined Naveo in October bringing extensive industry knowledge and leadership experience.

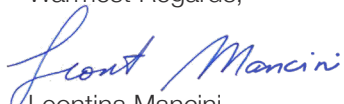
Although 2020 was challenging in many ways, we had an extremely successful year with unprecedented growth. We achieved 15.9% asset growth, 15.9% growth in shares and 13.8% regulatory capital growth from year-end 2019. The continued growth allows Naveo to position itself very favorably to serve the needs of our members through increased lending, enhanced products and services and community support.

Naveo proudly participated in the Payroll Protection Program, a business loan program established by the federal government through the CARES Act to assist businesses, self-employed workers, sole proprietors, and nonprofit organizations with payroll needs during the pandemic. We processed 95 loans totaling \$4.1 million for our business members. Our dedicated lending team worked tirelessly to ensure all eligible business members were able to participate in this essential program. In addition to meeting the needs of our business members through the Payroll Protection Program, our lending team processed \$48.8 million in mortgage loans for our members.

We continued to demonstrate our support of our community partners by donating \$50,000 and raising more than \$1,500 from our employees to support local organizations. We are looking forward to seeing our community partners again and working together to continue the important work they do for our members and neighborhoods.

We are tremendously thankful for our loyal members, dedicated employees, and community partners. The level of commitment by our Naveo family is demonstrated in our 2020 success story. We look forward to continuing the momentum and exemplifying our commitment to our members and community in the coming year.

Warmest Regards,


Leontina Mancini
Chairperson of the Board


Andrea White
President/CEO



FINANCIAL PERFORMANCE

COMPARATIVE BALANCE SHEET (Unaudited)

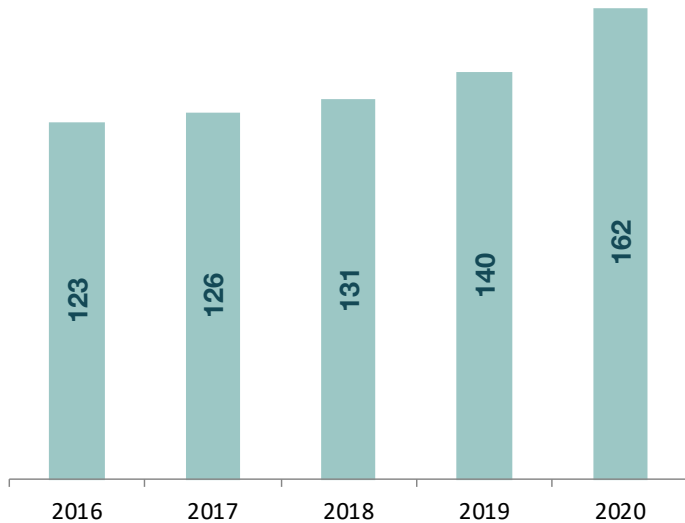
Assets	2020	2019
Cash & Cash Equivalents	\$ 24,076,415	\$ 15,843,114
Investments	\$ 44,430,441	\$ 27,004,793
Loans to Members	\$ 90,084,664	\$ 93,749,671
Allowance for Loan Losses	\$ (714,345)	\$ (650,639)
Land, Building & Other Fixed Assets	\$ 1,739,345	\$ 1,205,239
NCUA Share Insurance	\$ 1,328,480	\$ 1,174,436
Other Assets	\$ 1,119,759	\$ 1,552,569
Total Assets	\$162,064,758	\$139,879,183
Liabilities		
Accounts Payable & Other Liabilities	\$ 680,435	\$ 700,072
Share Draft Accounts	\$ 32,258,579	\$ 25,544,917
Regular Share Accounts	\$ 84,749,653	\$ 70,472,766
All Other Share & Deposit Accounts	\$ 30,692,240	\$ 31,372,638
Total Liabilities	\$148,380,907	\$128,090,394
Equity		
Regular Reserves	\$ 1,972,373	\$ 1,972,373
Accumulated Unrealized Gains/(Losses)	\$ 298,595	\$ 23,819
Undivided Earnings	\$ 11,412,883	\$ 9,792,596
Total Equity	\$ 13,683,851	\$ 11,788,789
Total Liabilities & Equity	\$162,064,758	\$139,879,183

INCOME STATEMENT (Unaudited)

Income	2020	2019
Investment Income	\$ 638,983	\$ 911,340
Interest on Loans	\$ 4,344,446	\$ 4,167,689
Non-Interest Income	\$ 1,696,310	\$ 811,197
Total Income	\$ 6,679,739	\$ 5,890,226
Interest Expense		
Interest on Shares	\$ 78,475	\$ 69,368
Interest on Certificates of Deposit	\$ 348,252	\$ 330,000
Total Interest Expense	\$ 426,727	\$ 399,368
Non-Interest Expense		
Employee Compensation & Benefits	\$ 2,694,651	\$ 2,554,686
Travel & Conference Expense	\$ 25,540	\$ 28,026
Office Occupancy Expense	\$ 186,766	\$ 169,447
Office Operations Expense	\$ 745,114	\$ 758,226
Educational & Promotional Expense	\$ 89,774	\$ 132,472
Loan Servicing Expense	\$ 58,005	\$ 69,352
Professional and Outside Services	\$ 676,801	\$ 554,970
Operating Fees	\$ 18,700	\$ 18,000
Misc. Operating Expenses	\$ 54,244	\$ 44,778
Total Non-Interest Expense	\$ 4,549,595	\$ 4,329,957
Provision for Loan Losses	\$ 83,131	\$ 48,097
Net Income	\$ 1,620,286	\$ 1,112,804

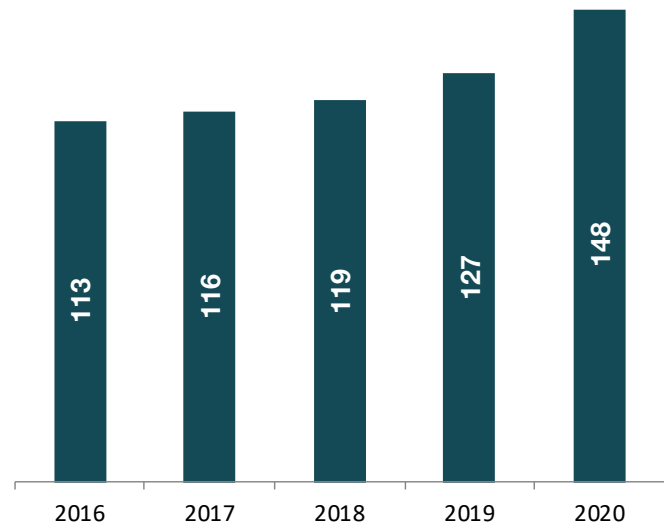
ASSET GROWTH

(\$ Millions)



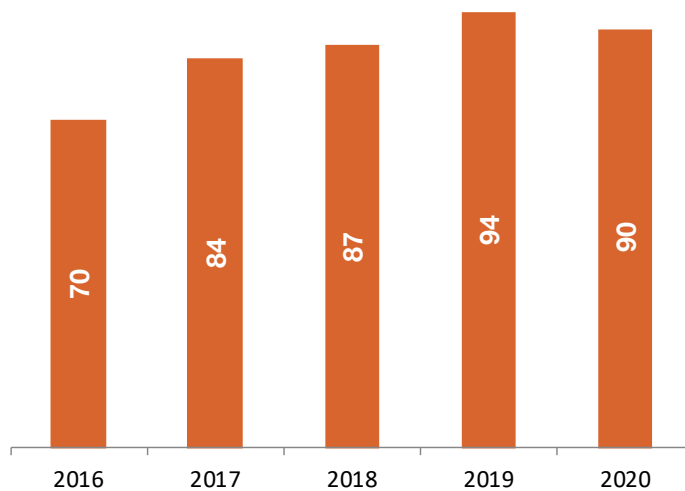
DEPOSIT GROWTH

(\$ Millions)



LOAN GROWTH

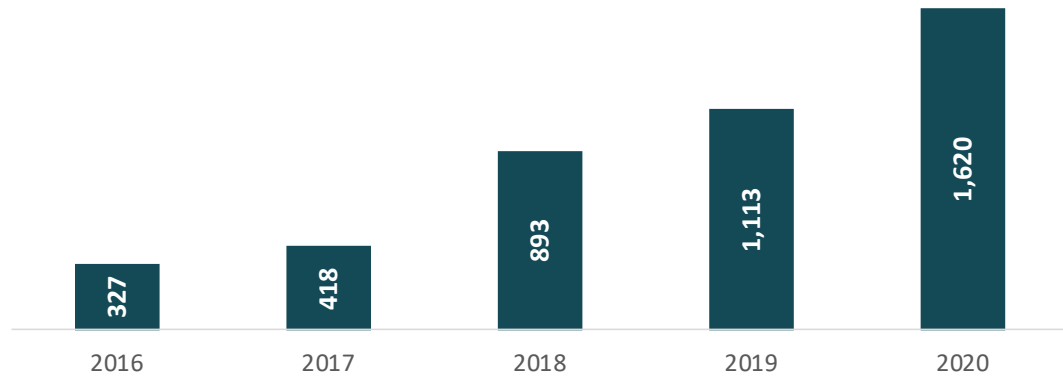
(\$ Millions)



FINANCIAL HIGHLIGHTS

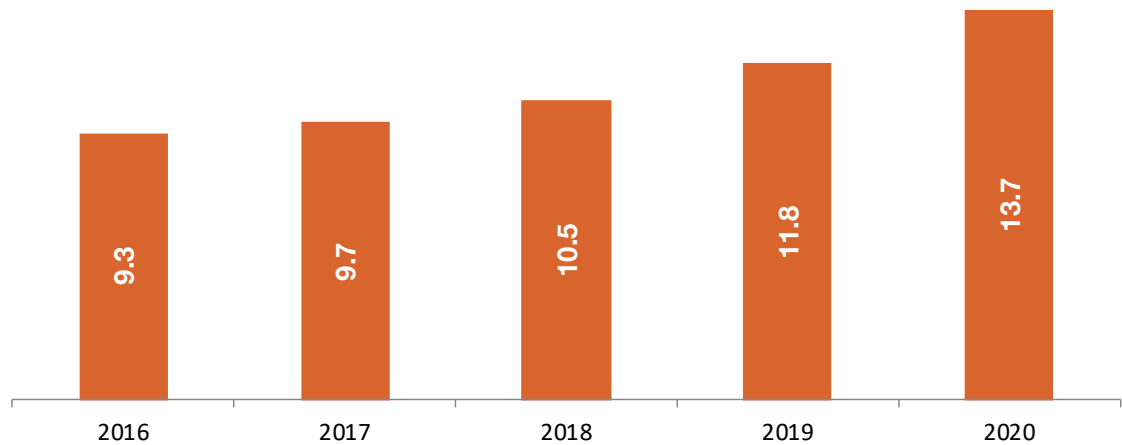
NET INCOME

(\$ Thousands)

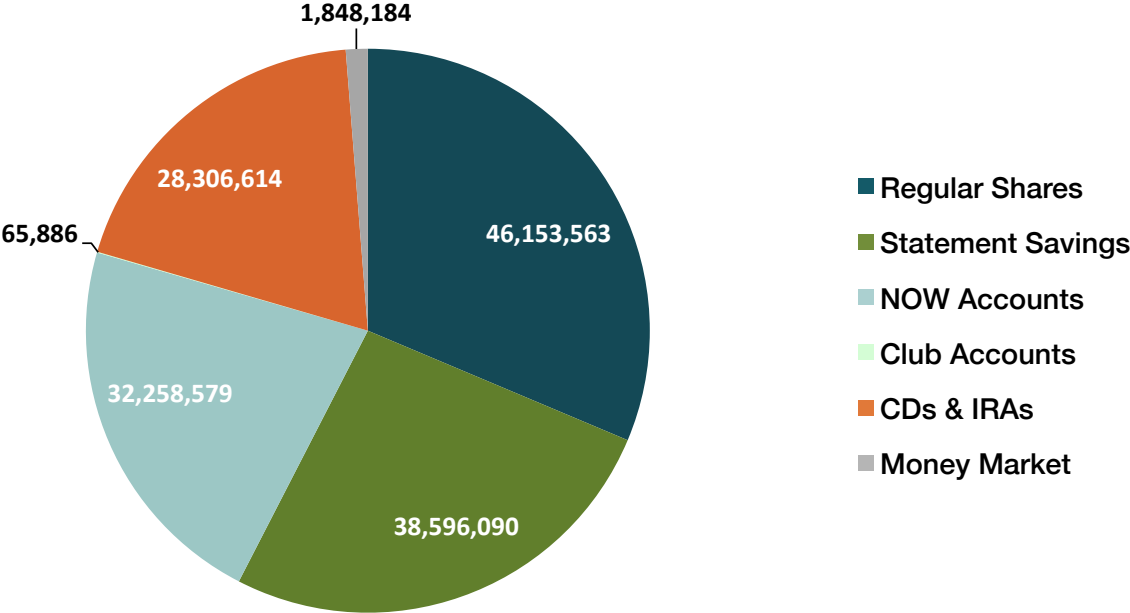


CAPITAL GROWTH

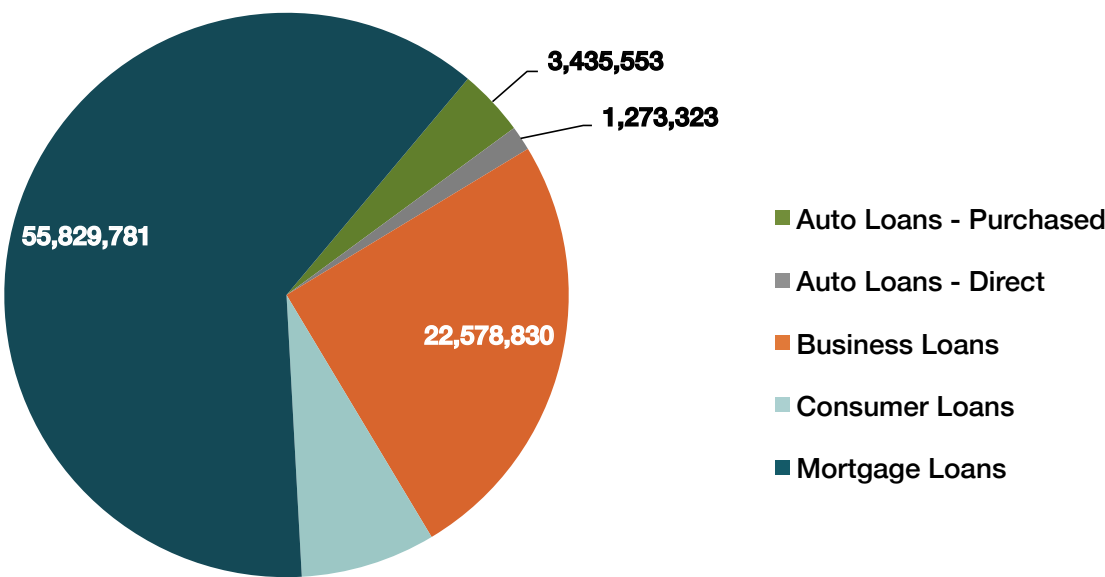
(\$ Millions)



DEPOSIT COMPOSITION



LOAN COMPOSITION



AUDIT REPORT

The Credit Union's financial soundness and quality of management are examined by the Commonwealth of Massachusetts' Division of Banks and the National Credit Union Administration (NCUA).

Naveo Credit Union is a member of the NCUA and the Cooperative Credit Union Association. These organizations support the objectives and concerns of the credit union movement, as well as assist with and promote the viability of individual credit unions.

The audit committee oversees the operations of Naveo as required by law. The Board of Directors are appointed by the Credit Union membership with the responsibility of reviewing the Credit Union's operations. They also monitor the regulatory examination performed by the Division of Banks and NCUA, and oversee an annual certified opinion audit.

Wolf & Company, P. C., certified public accountants, performed the audits for our fiscal years ended June 30, 2020 and 2019. In their opinion, the financial statements present fairly, in all material respects, the financial position of Naveo, the results of operations and related cash flows for the years then ended in conformity with Generally Accepted Accounting Principles of the United States of America.

VOLUNTEER BOARD OF DIRECTORS

Leontina Mancini, *Chairperson*
John C. Feitor, *1st Vice Chairman*
Isaac M. Machado, *2nd Vice Chairman*
Charles F. McCannon, *Treasurer*
Paul Ferreira, *Secretary/Clerk*
Christopher Alphen
Sonja Darai
Manuel Da Silva
Lindsay Lucke
Charles Montemor



EXECUTIVE TEAM

Andrea White, *President/CEO*
Albert Pinho, *Senior Vice President and Senior Lender*
Janet M. Cicerano, *Vice President of Human Resources*
Judith Murdoch, *Vice President of Operations & IT*
Kevin George, *Vice President of Finance*
Raquel Sa, *Vice President of Marketing*



MANAGEMENT

Ana C. Santos, *Assistant Vice President of Lending*
Michael Dwyer, *Senior Fraud and BSA Officer*
Maria L. Ledo, *Branch Administrator*
Bienvenida Feliz, *Branch Manager - Cambridge*



STAFF

Alena Mashukova	Lucia Gonzalez
Alex Duncan	Margaret Iao
Ana Barrenquy	Margaret Silva
Clarissa Oliveira	Mylma Lemos
Corália Garcia	Natalie Rodriguez
Edimar Rodrigues	Patricia Acquaviva
Elizabeth Cabral	Peggy Norton
Ginny Pinho	Roseline Alexandre
Gui Campos-Correa	Samantha Cicerone
Jennifer Melendez	Shaira Rodriguez
Karina Gonzalez	Sharona Anderson
Katherine Alvarenga	Susan Jacobucci
Kevin Monahan	Veronica Corrente



SOCIAL RESPONSIBILITY

Donated Nearly
\$50,000
to Local Organizations

Raised
\$1,500
In-Branch to Benefit
Local Organizations

Supported Over
30
Local Organizations

Donated
\$6,000
to local organizations
affected by COVID

95 Loans
\$4.1 Million
to Local Businesses
Through the PPP Loan

We proudly support...

A Bed for Every Child
American Heart Association
Artisan's Asylum
Cambridge Health Alliance
Boston Children's Hospital
Cambridge Camping
Cambridge YWCA
Children's Miracle Network
Community Cooks
Dr. Edward Leitão Scholarship Fund
East Cambridge Business Association (ECBA)
East Somerville Main Streets
Escola Portuguesa de Cambridge e Somerville, Inc.
FUNDOARCU
Groundworks Somerville
Joe & Dorothy Chaves Foundation
Kiwanis Club of Somerville
Leukemia & Lymphoma Society
Massachusetts Alliance of Portuguese Speakers
MAPS Senior Center
Massachusetts Coalition for the Homeless
Matignon High School
Mayor's Relief Fund, Cambridge
On the Rise
Pan-Mass Challenge
Second Chances
Somerville-Cambridge Elder Services
Somerville Cares Relief Fund
Somerville Homeless Coalition (SHC)
Somerville Kiwanis Club, Scholarship Fund
Toys for Local Children
Toys for Tots
Union Square Main Streets

YEAR IN REVIEW

Our footprint in the community is deepened further through our partnerships with recognized, empowering and influential organizations within the neighborhoods we serve.



PRODUCTS AND SERVICES

SAVINGS PRODUCTS

Statement Savings
Passbook Savings
Kid's Club
Non-Interest Bearing Savings
Certificates
IRAs
Christmas Clubs

PERSONAL CHECKING

Secure Checking
Eco Checking
Student Checking
Money Market

HOME LOANS

Home Mortgages
Home Equity Loans
Home Equity Lines of Credit
Mortgage Refinancing

CONSUMER LOANS

New & Used Auto Loans
Personal Loans
Student Loans
Mass Save Heat Loan
Home MVP Loan
Bicycle Loan
Dreamer Loan
Construction Loan
MasterCard® & Visa Credit Card

eSERVICES

iBanking
Popmoney™
Mobile Banking App
Mobile Check Deposit
Online Account Opening
eStatements
Online Loan Center
Text/E-mail Alerts
Financial Calculators
24-7 Telephone Response

BUSINESS SERVICES

Commercial Real Estate Loans
Lines of Credit
Term Loans
Free Business Checking**
Business Savings
Business Money Market
Paycheck Protection Program
MasterCard® & Visa Credit Card

**Check orders are excluded.

ADDITIONAL SERVICES

EMV ATM/Debit Card
24-Hour ATM
Money Orders
Wire Transfers
Notary Public
Official Checks
Direct Deposit
Automatic Payments
Consumer Loan Skip-A-Payment
Telephone Transfers
Foreign Money Exchange
Shared Branching Network Member

Your savings federally insured to at least \$250,000 and backed by the full faith and credit of the United States Government, National Credit Union Administration, a U.S. Government Agency.





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Somerville, MA 02143

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