



**95th
ANNIVERSARY**

NAVEDO
CREDIT UNION

2023 ANNUAL REPORT



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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 Members,

On behalf of the Board of Directors and the Naveo Team, thank you for your continued loyalty in 2023. We realize that you have many options for your banking and financial needs, and we are honored that you continue to support our Naveo family.



Through the credit union movement mission, our why is “People Helping People”. We strive to embody that mission in our financial service offerings, member experience and commitment to supporting our community.

In 2023, we donated over \$55,000 to local community organizations through our commitment to the communities we serve. We awarded 8,500 in scholarships to local students as they embarked on their educational pursuits. Our commitment to social responsibility was further evidenced by the dedication of our employees through volunteerism and fundraising for important community initiatives.

We continued to institute process improvement initiatives to better serve your needs through product enhancements, member contact channels and ease of delivery of services. We greatly improved your ability to open accounts by simplifying the process of opening accounts online. We reduced our environmental footprint through increased adoption of electronic processes and data storage.

We expanded our member contact options and launched a member contact center. We continue to expand and hone our member contact experiences through staff training and development. We hired a training and development manager to execute ongoing development and professional advancement initiatives for our employees which also serve to enhance our members’ experiences.

In July, we partnered with Upstart to provide a digital and seamless way for existing and new members to enhance the borrowing experience. Members can initiate a personal loan application which is decisioned, documented, electronically signed, and funded within minutes.

During the year, we embarked on our next three-year strategic planning cycle which resulted in a plan that will guide us in the expansion of our product and service offerings through our continued commitment to improving member experiences. We have exciting plans to expand our products and services to better meet the needs of our small business community and to launch engaging community outreach initiatives.

Although 2023 was economically challenging, Naveo Credit Union saw loan growth of more than 16% from year end 2022, improved net income and asset growth from the prior year. We remain well capitalized and are positioned to continue our mission of “Guiding the financial lives of the people we serve – in the neighborhoods where we live.”

Warmest Regards,

A handwritten signature in blue ink that reads "Leontina Mancini".

Leontina Mancini
Chairperson of the Board

A handwritten signature in blue ink that reads "Andrea White".

Andrea White
President/CEO

FINANCIAL PERFORMANCE

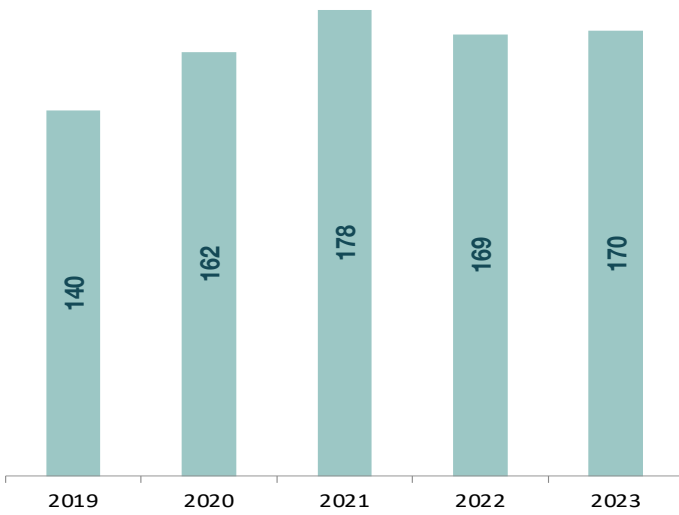
COMPARATIVE BALANCE SHEET (Unaudited)

Assets	2023	2022
Cash & Cash Equivalents	\$ 4,159,863	\$ 11,136,236
Investments	\$ 54,207,464	\$ 61,707,430
Loans to Members	\$ 108,470,494	\$ 92,523,103
Allowance for Loan Losses	\$ (694,537)	\$ (655,565)
Land, Building & Other Fixed Assets	\$ 1,540,873	\$ 1,644,502
NCUA Share Insurance	\$ 1,487,761	\$ 1,523,431
Other Assets	\$ 1,133,695	\$ 1,069,358
Total Assets	\$ 170,305,613	\$ 168,948,495
Liabilities		
Accounts Payable & Other Liabilities	\$ 537,203	\$ 708,963
Borrowed Funds	\$ 2,371,565	\$ -
Share Draft Accounts	\$ 37,263,648	\$ 37,777,454
Regular Share Accounts	\$ 79,284,912	\$ 93,401,568
All Other Share & Deposit Accounts	\$ 43,398,504	\$ 31,242,067
Total Liabilities	\$ 162,855,833	\$ 163,130,052
Equity		
Regular Reserves	\$ 1,972,373	\$ 1,972,373
Accumulated Unrealized Gains/(Losses)	\$ (6,903,125)	\$ (8,182,348)
Undivided Earnings	\$ 12,380,531	\$ 12,028,417
Total Equity	\$ 7,449,780	\$ 5,818,443
Total Liabilities & Equity	\$ 170,305,613	\$ 168,948,495

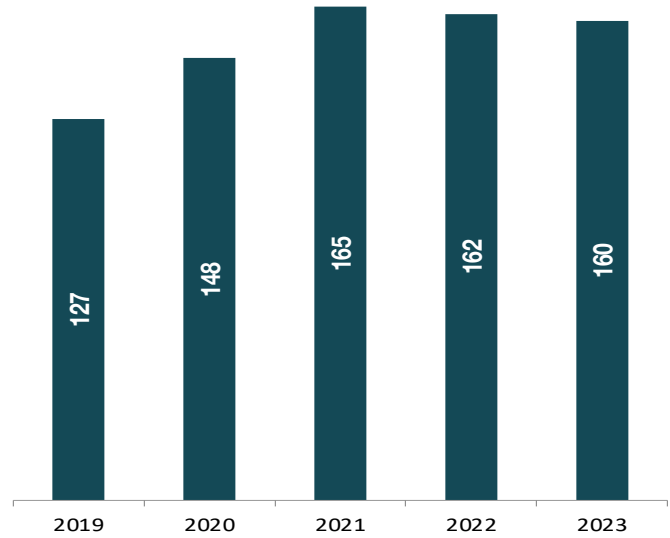
INCOME STATEMENT (Unaudited)

Income	2023	2022
Investment Income	\$ 1,115,622	\$ 1,002,338
Interest on Loans	\$ 4,963,125	\$ 3,805,363
Non-Interest Income	\$ 730,886	\$ 730,557
Total Income	\$ 6,809,633	\$ 5,538,258
Interest Expense		
Interest on Shares	\$ 88,077	\$ 96,503
Interest on Deposits	\$ 891,164	\$ 225,060
Interest on Borrowed Funds	\$ 15,644	\$ -
Total Interest Expense	\$ 994,885	\$ 321,562
Non-Interest Expense		
Employee Compensation & Benefits	\$ 3,151,376	\$ 2,970,580
Travel & Conference Expense	\$ 39,764	\$ 31,000
Office Occupancy Expense	\$ 164,561	\$ 161,626
Office Operations Expense	\$ 824,281	\$ 814,319
Educational & Promotional Expense	\$ 126,698	\$ 109,294
Loan Servicing Expense	\$ 82,473	\$ 60,302
Professional and Outside Services	\$ 892,028	\$ 756,988
Operating Fees	\$ 22,800	\$ 18,850
Misc. Operating Expenses	\$ 85,886	\$ 42,224
Total Non-Interest Expense	\$ 5,389,868	\$ 4,965,183
Provision for Loan Losses	\$ 165,149	\$ 83,380
Net Income	\$ 259,731	\$ 168,133

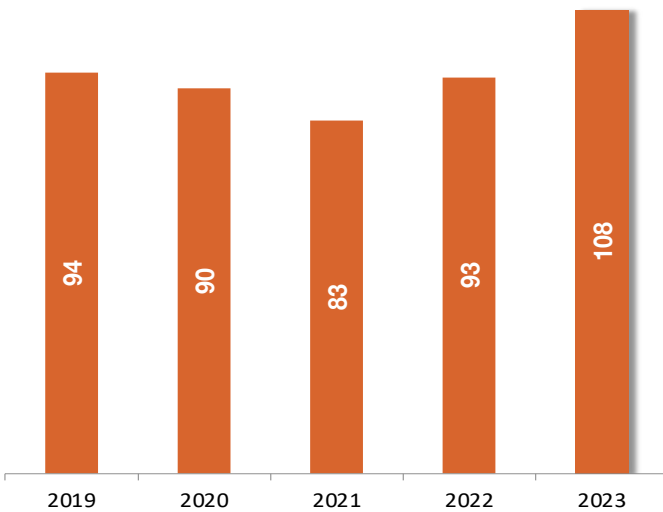
ASSET GROWTH (\$ Millions)



DEPOSIT GROWTH (\$ Millions)



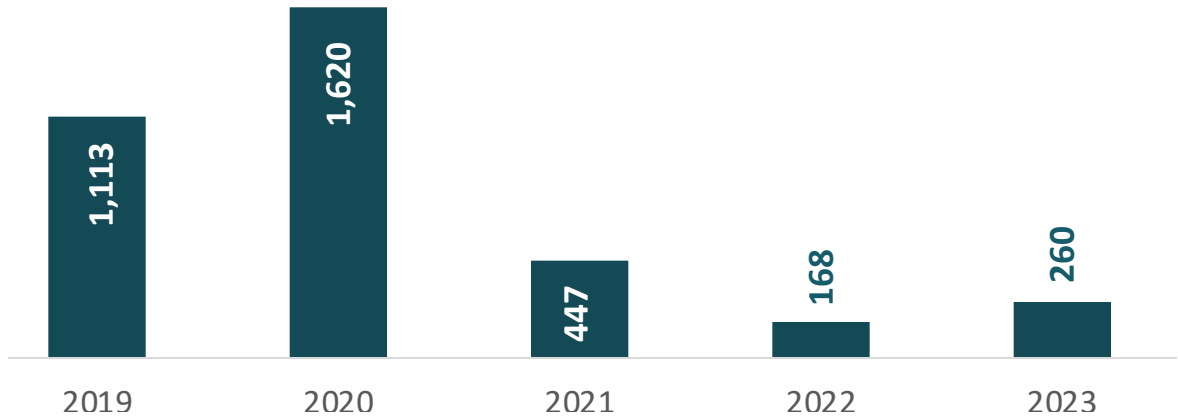
LOAN GROWTH (\$ Millions)



FINANCIAL HIGHLIGHTS

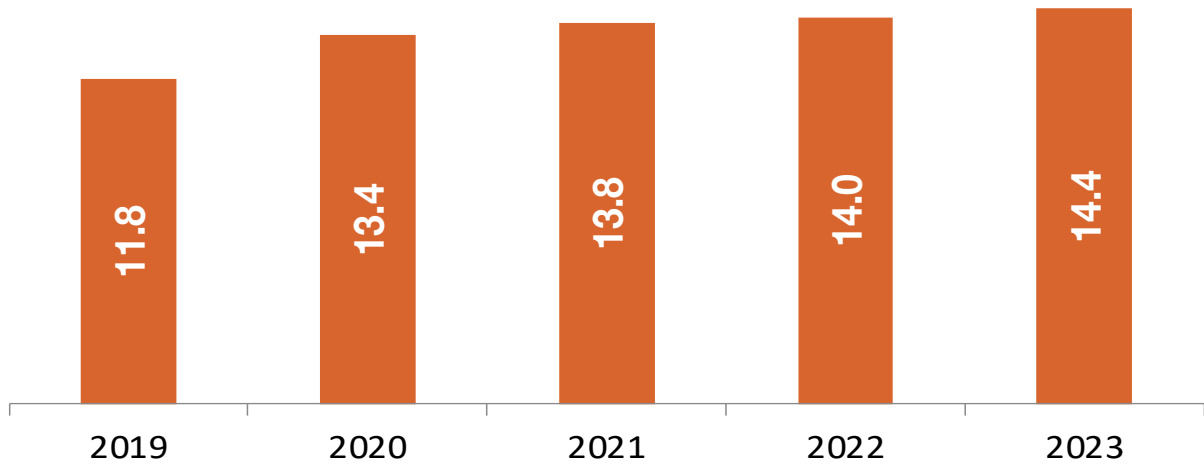
NET INCOME

(\$ Thousands)

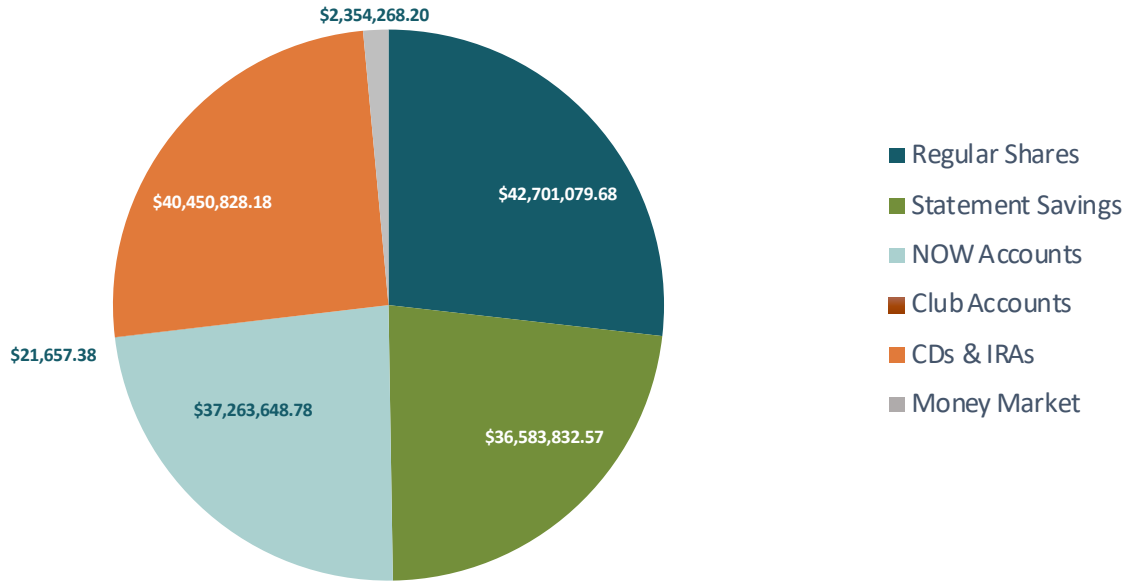


REGULATORY CAPITAL GROWTH

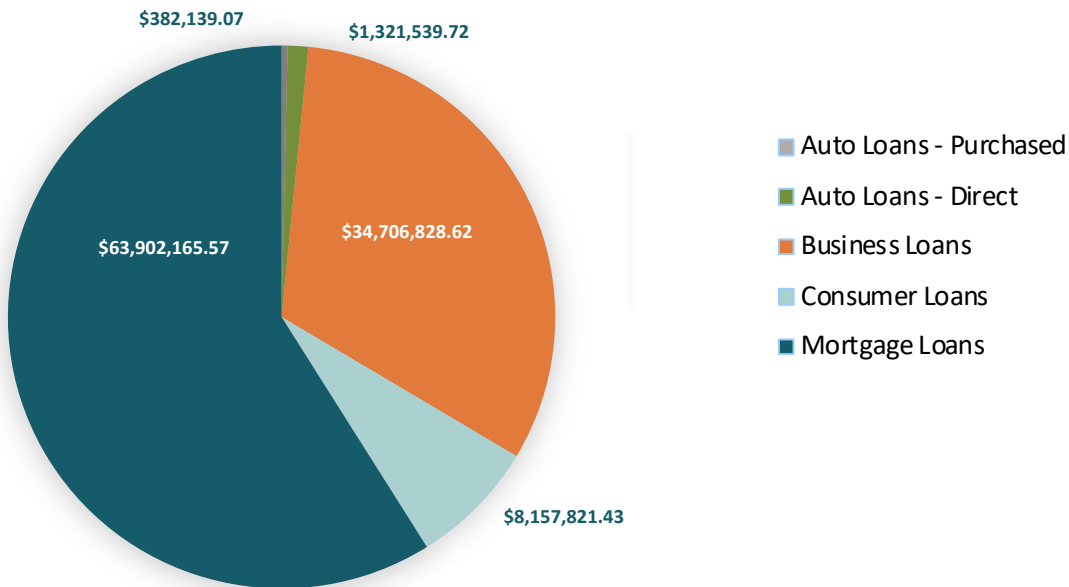
(\$ Millions)



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, 2023 and 2022. 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*

Isaac M. Machado, *1st Vice Chairman*

Paul Ferreira, *2nd Vice Chairman*

Charles Montemor, *Treasurer*

Lindsay Lucke, *Secretary/Clerk*

Jason Alves

Mario Brum

Sonja Darai

Manuel Da Silva

Jennifer Lawrence

EXECUTIVE TEAM

Andrea White, *President and CEO*
Albert Pinho, *Senior Vice President and Senior Lender*
Adam Carpenter, *Vice President of Technology*
Mike Dwyer, *Vice President of Operations*
Jamie Levine, *Vice President of Human Resources*
Raquel Sa, *Vice President of Marketing and Retail*



MANAGEMENT

Ana C. Santos, *Assistant Vice President of Lending*
Margaret Iao, *Accounting Manager*
Anna-Carolina Gomes, *Branch Manager - Cambridge*
Lucia Gonzalez, *Branch Manager - Somerville*
Clarissa Oliveira, *Learning & Development Manager, Branch Admin.*
Anthony White, *Deposit Operations Manager*



STAFF

Alex Duncan	Karina Gonzalez
Ana Barrenquy	Margaret Silva
Arielle Bezerra	Mylma Lemos
Arieska Martinez	Patricia Acquaviva
Ashok Adhikari	Patty Van Dooren
Corália Garcia	Peggy Norton
Casey Walsh	Roseline Alexandre
Elizabeth Cabral	Samantha Cicerone
Grace Sharrow	Susan Jacobucci
Hazel Cooper	Veronica Corrente
Julia Vicente	



SOCIAL RESPONSIBILITY

Donated Over
\$55,000
to Local Organizations

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

Supported Nearly
33
Local Organizations

Awarded
\$8,500
in scholarships
to local students

Hosted 5 drives
and donated over
\$1,200

We proudly support...

A Bed for Every Child
American Heart Association
BAGLY
Boston Children's Hospital
Children's Miracle Network
Clube Recreativo Lusitania
Community Cooks
East Cambridge Business Association (ECBA)
Escola Portuguesa de Cambridge e Somerville, Inc.
Food for Free
FUNDOARCU
Imperio Mariense
Joe & Dorothy Chaves Foundation
Kiwanis Club of Somerville
Leukemia & Lymphoma Society
Massachusetts Alliance of Portuguese Speakers
MAPS Senior Center
Massachusetts Coalition for the Homeless
On the Rise
Second Chances
Somerville Chamber of Commerce
Somerville Education Foundation
Somerville Homeless Coalition (SHC)
Somerville Kiwanis Club, Scholarship Fund
Somerville Pop Warner
Somerville Public Library
Somerville Youth Hockey
St. Anthony's Church, Cambridge
St. Anthony's Church, Somerville
The Jimmy Gund
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
Premier 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
Digital Wallet
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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251 Hampshire Street
Cambridge, MA 02139
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