

A space-themed background featuring a view of Earth from space, showing the blue atmosphere and the dark blue oceans. The Moon is visible in the upper right quadrant, partially illuminated. The sky is filled with stars.

20

ANNUAL REPORT

20

REACHING HIGHER

REPORT to Members

While 2020 presented an unprecedented series of challenges due to the COVID-19 pandemic, **NGFCU responded** by connecting our members to more of our services. **Appropriate protocols** were implemented in the branches to enhance social distancing and public health, while responding urgently to suspected exposures to provide a **safe and healthy environment** for our staff and members.

With the **strong support** of our Board of Directors, the Credit Union was able to provide **home-based work technologies** to many staff members to maximize work-related social distancing and reduce the potential for workplace COVID-19 exposures. The transition for these staff members was seamless, with no disruption of service for our members.

Throughout the year, NGFCU continued to provide members the **personal service** they've come to expect. **We were there for them** during an uncertain time: from transitioning to working from home, sickness, loss of jobs, death of loved ones, storms, fires, and other life events.

Despite the many challenges we all faced in 2020, your credit union reached many new highs:

- \$1.422 billion in assets, a 19% increase
- \$399.4 million in loan originations, a huge 27% increase, and the third consecutive year of record-breaking growth in this category
- \$1.239 billion in member deposits, a 21% increase

REPORT to Members

The pandemic provided NGFCU with the opportunity to help members who needed additional assistance. We provided **special loan support** to nearly 1000 members during the year. The Credit Union worked with the Northrop Grumman Employee Assistance Program to offer **financial guidance and support**. We also granted fee waivers and skip payments for members financially impacted by the virus.

The Credit Union also successfully transitioned our normal onsite events and visits to a virtual format, without missing an opportunity to share the credit union with employees.

The credit union **expanded its member access footprint** with the addition of a full service branch and ATM in Dulles, VA as well as a new ATM in Colorado Springs. **Operational enhancements** included the successful launch of our new Home Loan website and a new debit/ATM card program. Lastly, NGFCU conducted its first virtual annual meeting.

REPORT to Members

NGFCU remains laser-focused on our member-owners by continuing to provide the **best value for financial services** and **superior personal service**. We want to thank our **dedicated volunteers and staff** for their tireless efforts in this pursuit. And to our loyal members, **thank you for your trust** in NGFCU.

Consolidated Statement of **FINANCIAL CONDITION**

ASSETS	Dec. 31, 2020	Dec. 31, 2019
Cash and cash equivalents	\$86,839,219	\$46,274,246
Securities available-for-sale	\$469,203,369	\$299,834,803
Other investments	\$7,726,900	\$8,232,900
Net Loans	\$823,445,664	\$811,152,012
Accrued interest receivables	\$ 3,181,785	\$3,432,162
Property and equipment	\$6,457,839	\$6,933,466
Operating lease Right-of-use	\$5,131,688	—
NCUSIF deposit	\$10,787,688	\$9,912,600
Other assets	\$9,369,642	\$8,205,697
Total Assets	\$1,422,143,794	\$1,193,977,885

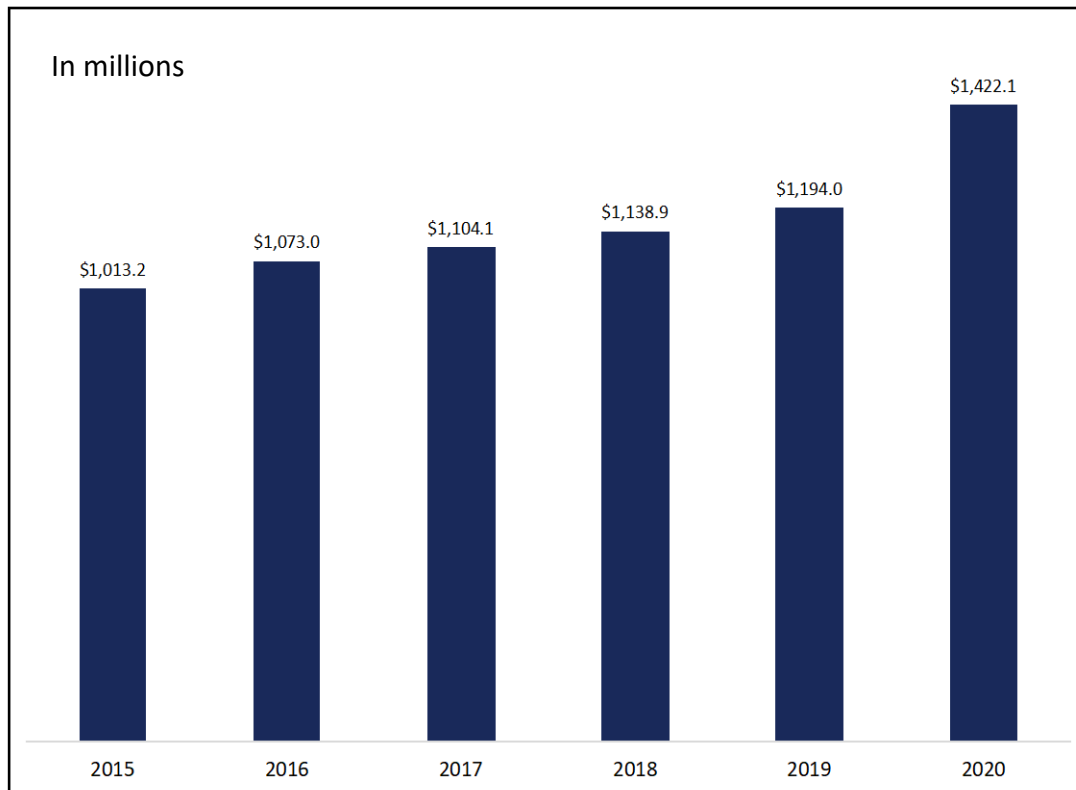
LIABILITIES AND MEMBERS' EQUITY	Dec. 31, 2020	Dec. 31, 2019
Members' shares	\$1,238,950,392	\$1,027,699,894
Non-Member deposits	\$25,000,000	\$25,000,000
Operating lease liability	\$5,221,964	—
Accrued expenses and other liabilities	\$12,912,925	\$12,073,062
Total Liabilities	\$1,282,085,281	\$1,064,772,956
Members' equity	\$140,058,513	\$129,204,928
Total Liabilities and Equity	\$1,422,143,794	\$1,193,977,885

Consolidated Statement of INCOME

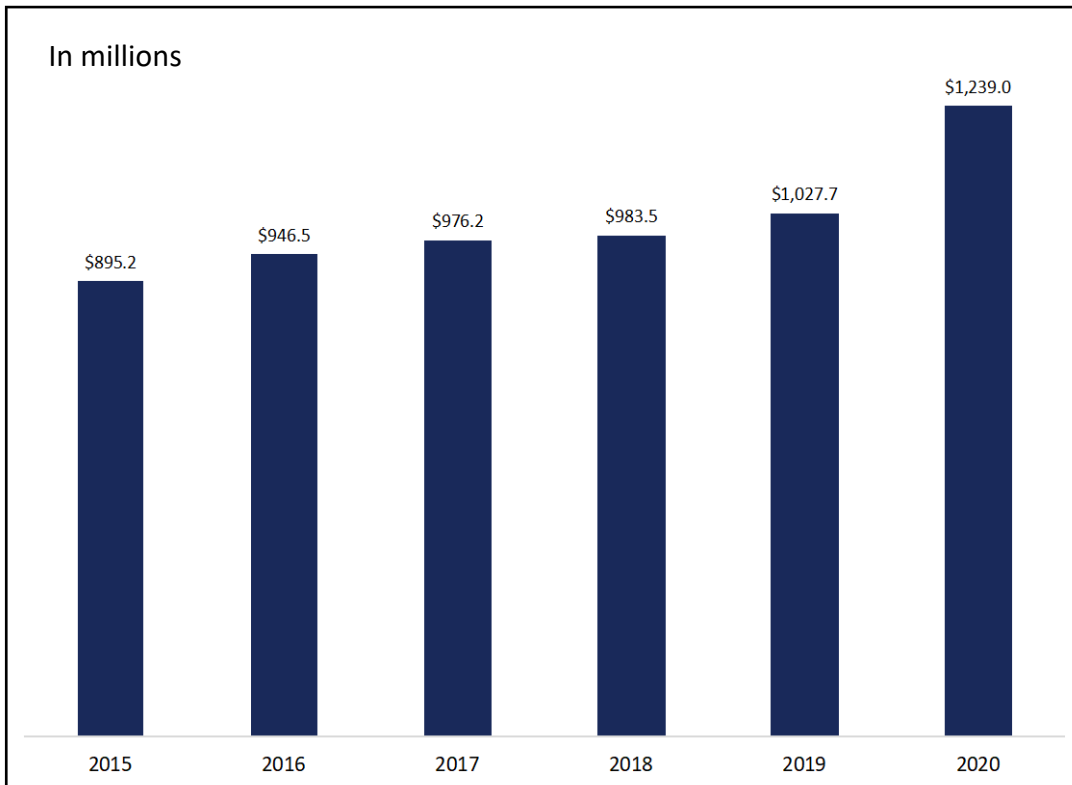
INTEREST INCOME	Dec. 31, 2020	Dec. 31, 2019
Interest on loans	\$36,652,018	\$35,855,713
Interest on investments and cash equivalents	\$6,798,300	\$8,448,337
Total Interest Income	\$43,450,318	\$44,304,050
INTEREST EXPENSE		
Dividends on members' shares	\$10,114,909	\$9,869,823
Dividends on non-member deposits	\$177,778	\$582,694
Interest expense	\$54,081	\$33,893
Total Interest Expense	\$10,346,768	\$10,486,410
Net interest income	\$33,103,550	\$33,817,640
Provision (credit) for loan losses	\$3,842,123	\$2,706,127
Net interest income after provision (credit) for loan losses	\$29,261,427	\$31,111,513

NON-INTEREST INCOME	Dec. 31, 2020	Dec. 31, 2019
Fee income	\$2,022,259	\$2,520,061
Interchange income	\$2,199,041	\$2,155,824
Net gains/losses on sale of loans	\$7,183,628	\$1,448,672
Change in fair value of loans held for sale	\$720,136	—
Hedging gain/loss	\$(1,619,257)	—
Net mortgage loan servicing income	\$324,958	\$88,582
Gain on sale of securities available for sale	\$29,467	\$12,562
Other non-operating income (expense)	\$41,490	\$(28,195)
Other non-interest income	\$1,462,612	\$1,756,994
Total Non-interest Income	\$12,364,334	\$7,954,500
NON-INTEREST EXPENSE		
Compensation and benefits	\$21,131,138	\$18,430,094
Operations	\$14,526,504	\$14,352,781
Occupancy	\$1,844,029	\$1,722,412
Total Non-Interest Expense	\$37,501,671	\$34,505,287
NET INCOME	\$4,124,090	\$4,560,726

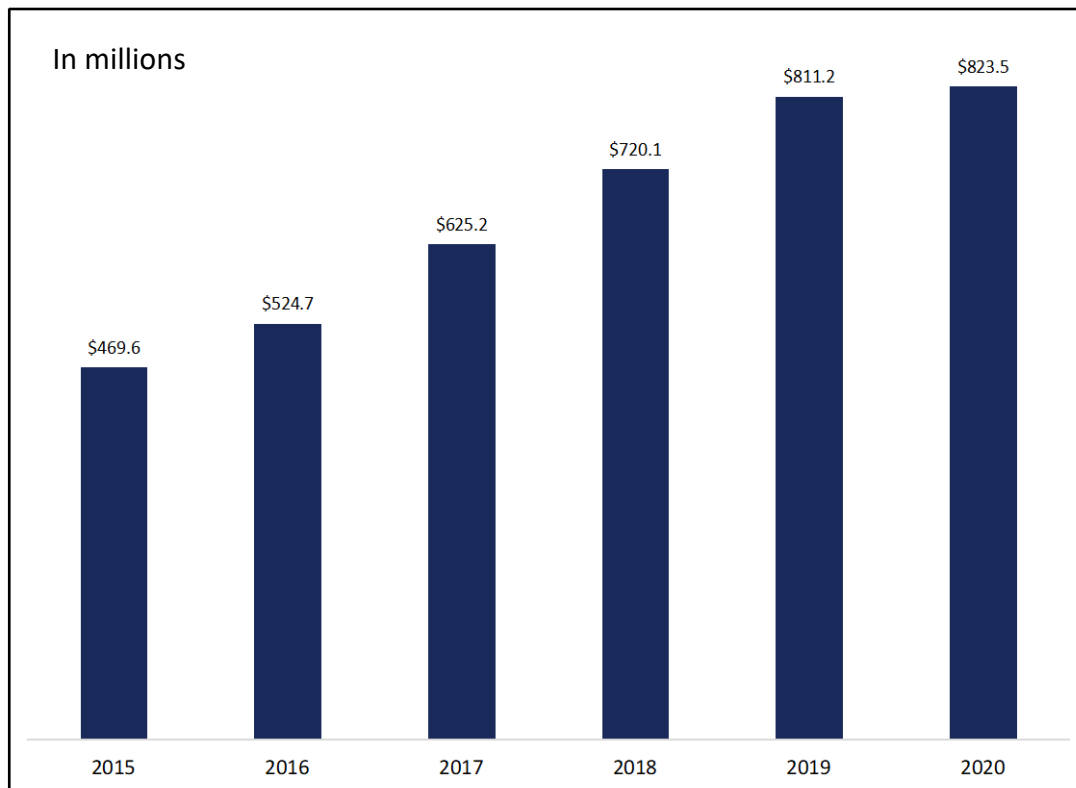
Total ASSETS



Total MEMBER SHARES



Net **LOANS**



Board of DIRECTORS

Eric Scholten, Chair

Karin Flanagan, 1st Vice Chair

Heather M. Crofford, 2nd Vice Chair

Patrick Creighton

Stephen Considine

Diane Corral-Lopez

Kathi Harper

Phil R. Harrott

Hugh Jones

Harry Q. H. Lee, II

Rob Polvino

Elizabeth Pitts-Madonna

Petros Kitsos

Supervisory COMMITTEE

Wayne Watanabe, Chair

Matthew Barrett, Secretary

Leigh Cokonis

Jessica Couch

Dick Daley

Los Angeles Metro divisions served by 3 branches and 4 ATM locations near Metro employees with site engagements (physical and virtual) at 18 divisions.

