

REAL MEMBER REAL VALUE



Hana Motta, a NASA Federal scholarship recipient, pictured with her father, James

"Thank you for such an amazing financial award. It was, and still is, a huge help as I enter my Spring Freshman Semester at Brown University. NASA Federal is truly a place unlike any other and I would love to be a part of it in some way some day."

CALENDAR

- **AUGUST 31: NASA FEDERAL ANNUAL MEETING**
5 p.m., Collington Center branch office. All members are invited. The meeting has been rescheduled from April 27, 2020.

LOCATIONS

Annapolis 2452 Solomons Island Rd Annapolis, MD 21401	Greenbelt 10208 Greenbelt Road Greenbelt-Lanham, MD 20706
Arlington FDIC Building D 3503 Fairfax Dr. Arlington, VA 22201	NASA Headquarters 300 E Street, SW, Suite GC-21 Washington, DC 20024
Bowie 16461 Excalibur Road Bowie, MD 20716	National Academy of Sciences (NAS)* 500 Fifth Street NW, Suite 310 Washington, DC 20001
Collington 500 Prince Georges Blvd. Upper Marlboro, MD 20774	National Science Foundation (NSF)* 2415 Eisenhower Ave. Alexandria, VA 22314
Columbia 7085 Minstrel Way Columbia, MD 21045	Oak Hall 7027 Lankford Highway (Rt. 13) Oak Hall, VA 23416
Falls Church 1130 West Broad Street Falls Church, VA 22046	Rockville 895-C Rockville Pike Rockville, MD 20852
Goddard Space Flight Center* Goddard Space Flight Center, Bldg. 21 Greenbelt, MD 20771	Wallops Island* GSFC-Wallops Flight Facility, N-133 Wallops Island, VA 23337

**Access restricted to employees of that facility*

NATIONWIDE

More Than 5,600 Branch Network Locations
30,000 Free ATMs
Plus, Get Cash at More Than
7,900 7-Eleven® Stores
Find a location near you at nasafcu.com/locations



Telephone	
Local	301-249-1800
Toll-Free	1-888-NASA-FCU (627-2328)
Contact-24	1-888-NASA-FCU (627-2328), press 1
Lost/Stolen Credit Card	1-888-NASA-FCU (627-2328)
Lost/Stolen Check Card	1-866-708-9364
Fax	
Mortgage Services	301-249-0798
Loan Services	301-249-0799
Member Services	301-249-0587

Your NASA FCU deposits (excluding investment accounts) are federally insured to at least \$250,000 by the National Credit Union Administration, an agency of the U.S. Government.



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www.nasafcu.com



The quarterly news & service update for NASA Federal members

Insight

April 2020



MEMBER REPORT

We're Better Together





Supervisory Committee Report



Supervisory Committee

From left to right:
Dave Stoughton,
JoAnne Sprunk,
Karen White, *Chair*,
Elaine Slaugh,
and Dan Rozman

The Supervisory Committee is responsible for ensuring that the Credit Union's Board of Directors and management establish practices and procedures to properly safeguard members' assets. The Committee is also responsible for obtaining the annual financial statement audit from a licensed, independent auditor to ensure that the Credit Union's financial statements comply with Generally Accepted Accounting Principles and fairly represent the financial condition of NASA Federal Credit Union. In fulfilling these responsibilities, the Committee appointed the independent certified public accounting firm of CliftonLarsonAllen LLP, which directly reports to the Committee.

In addition, we held quarterly meetings to, among other things, review internal audit services, internal controls and risk management processes and examinations by regulatory agencies.

We are pleased to report that the annual audit conducted by CliftonLarsonAllen LLP for 2019 was completed successfully, and NASA Federal Credit Union's financial statements were certified as fairly and appropriately presented, and in accordance with Generally Accepted Accounting Principles, on March 25, 2020. The Supervisory Committee concurs with this assessment.



Karen White
Chairman, Supervisory Committee

CONSOLIDATED STATEMENT OF INCOME

December 31, 2019

INTEREST INCOME

Interest on Loans	\$ 121,469,350
Interest on Investments	20,809,495

\$ 142,278,845

INTEREST EXPENSE

Net Interest Income	105,418,200
Provision for Loan Losses	<u>24,225,777</u>

Net Interest Income after Provision for Loan Losses	81,192,423
Other Operating Income	<u>31,281,475</u>

OPERATING INCOME

Before Operating Expenses	112,473,898
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OPERATING EXPENSE

Employee Expense	35,291,609
Operating Expense	<u>29,072,105</u>
Total Operating Expense	64,363,714

Net Income (Loss) Before Non-Controlling Interest	48,110,184
Less: Non-Controlling Interest Earnings	150,203

NET INCOME \$ 47,959,981

CONSOLIDATED STATEMENT OF FINANCIAL CONDITION

December 31, 2019

ASSETS

Cash and Cash Equivalents	\$ 592,701,452
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LOANS TO MEMBERS

Less: Allowance for Loan Losses of \$25,637,754	2,273,568,145
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INVESTMENTS 73,600,852

OTHER ASSETS 167,974,630

TOTAL ASSETS 3,107,845,079

LIABILITIES AND MEMBERS' EQUITY

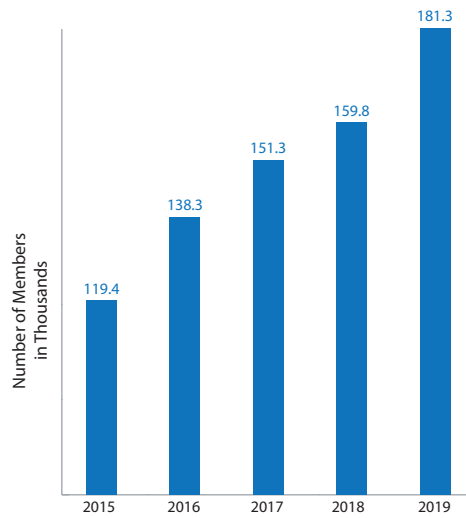
Members' Share Accounts	2,496,668,690
Payables and Other Liabilities	<u>296,488,389</u>

TOTAL LIABILITIES 2,793,157,079

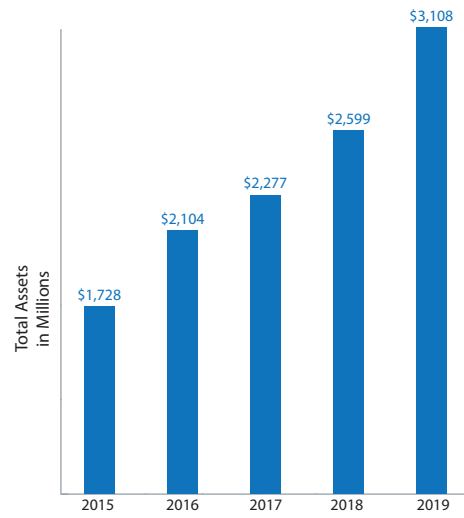
TOTAL MEMBERS' EQUITY	314,264,880
Non-Controlling Interest	<u>423,120</u>

TOTAL LIABILITIES AND MEMBERS' EQUITY \$ 3,107,845,079

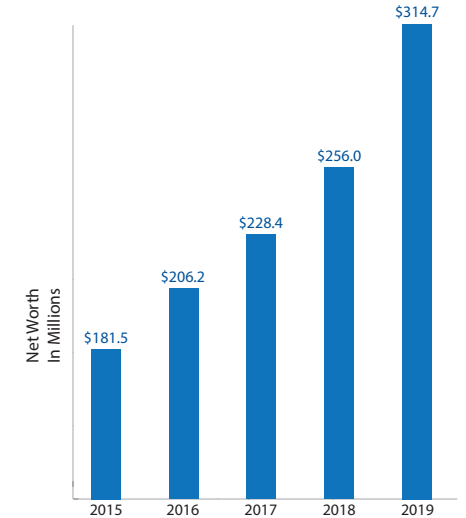
MEMBERSHIP GROWTH



ASSET GROWTH



CONSOLIDATED NET WORTH



CORPORATE SOCIAL RESPONSIBILITY

We are grateful to our employees, our community partners and our members for their continued trust in NASA Federal Credit Union and their faith in our shared mission. In 2019, NASA Federal and our more than 300 employees delivered the following benefits:

This 2019 Corporate Social Responsibility (CSR) scorecard details the scope and depth of our community activities.

2019 SCORECARD

Charitable Giving & Employee Volunteerism



\$55 thousand

in philanthropic donations to college scholarships, Children's Hospitals, and more

6,700+ lbs

of non-perishable food donated to food banks

Environmental Stewardship



208 tons

Reduced carbon footprint by investing in LED replacement

Employee Knowledge



6,692 hours

of financial and leadership training for employees

Employee Health & Wellness



- On-site flu shots
- Blood pressure screenings

Responsible Home Ownership



\$38.9 million

in NASA Federal home loans with low or no down payment and no PMI to homebuyers, including first-time homeowners

Financial Literacy Education



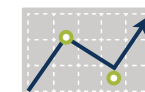
56 seminars

covering topics of home ownership, college financing, family assets, identity theft, and more

2,200

participating attendees

Economic Opportunity



\$1.25 million

in liquidity assistance for smaller and Latino credit unions to serve lower-to-moderate income communities



John Sissala
Chairman



Adam Greenstone
Treasurer



Doug Allman
President/CEO

We're Better Together

An overarching achievement among many key accomplishments in 2019 was NASA Federal's October 1, 2019 merger with The Partnership Federal Credit Union. With Partnership's conversion, 10,580 Partnership members and 18 Partnership team members joined our NASA Federal family, along with two branches in Virginia; \$135 million in shares; and \$95 million in loans. To make it happen, fifteen implementation teams worked together across both organizations for six months.

Even with its complexity, our merger was virtually seamless. All team members from both organizations—all now the same team—are commended for their stellar work. Their results, outlined below, are proof that we're definitely better together.

Combined Resources, Record Growth

By working together and combining resources, NASA Federal achieved record growth across many areas in 2019. By year end, we welcomed 23,022 new members from throughout the country to our Credit Union. This brought the total number of members doing business with NASA Federal to 181,256, representing a new membership record, and a 13.5% year-over-year increase. In addition, share deposits of \$2.6 billion brought our total assets at year-end to \$3.11 billion. This was a 20% increase over the prior year's \$2.605 billion and a new record for asset size. We're proud to report that NASA Federal is now among the top 100 credit unions in the nation, based on total assets.

*"In addition, share deposits of \$2.6 billion brought our total assets at year-end to **\$3.11 billion**"*

We also attained record growth in home loans, credit cards, automobiles and business lending, reaching nearly \$2.3 billion in total loans by year-end, 18.9% over 2018. Loan growth represented 25,660 new loans totaling \$969 million in balances. In addition, we expanded our residential mortgage division resulting in a 101% increase in the number of homes financed.

Finally, we ended the year with a net worth to asset ratio of 10.12%. Total reserves, a measure of NASA Federal's safety and soundness, topped \$314.7 million. As a further measure of financial strength, Bauer Financial, an independent rating agency, awarded NASA Federal a 5-star rating.

Trusted Financial Partner for Life

NASA Federal also continued to serve as a trusted financial partner to members throughout the lows and highs of 2019. We began the year by helping members weather the 35-day government shutdown from late December 2018 to late January 2019. We understood the adversity this shutdown brought to federal employees on furlough, businesses that work with the federal government and their employees, and other individuals and groups in affected communities. Through the launch of the Furlough Loan, which all NASA Federal members were eligible to apply for, NASA Federal was able to provide roughly 500 payment-deferred, interest free loans for over \$3.2 million to impacted members trying to make ends meet during a highly uncertain time in their lives.

*"NASA Federal provided roughly...**\$3.2 million** to impacted members trying to make ends meet during a highly uncertain time in their lives"*

We then announced new Mobile Banking application enhancements, as well as the arrival of our brand-new website—comprehensively redesigned with members in mind. Mobile enhancements included travel notifications, fraud alerts and the ability to lock/unlock credit and debit cards. The new website featured benefits like one-click access; streamlined navigation; robust search capabilities; a mobile-friendly design; and a revamped Blog with financial advice and money-saving tips. The response from members to these new conveniences was overwhelmingly positive.

At the same time, we launched new amenities and increased operational efficiencies to improve the level of service we provide to members. These achievements included a newly renovated Annapolis branch; a more robust mortgage loan origination system; and important enhancements to the phone systems of the Call Center and the branches. By modernizing the workflows across these important member touchpoints, NASA Federal was able to enhance the member experience while simultaneously reducing costs.

Finally, we made significant headway on our headquarters expansion here in Upper Marlboro, Maryland. Intended to increase our ability to take advantage of future growth opportunities that benefit members, the new 40,000 square foot building on the north side of our Collington Building is expected to break ground this year and be completed by 2022.

Better Value, Higher Satisfaction

As always, NASA Federal continued efforts to deliver better value to members through lower loan rates, higher deposit rates, low-fee products and fee-free services. The Credit Union National Association's most recent report estimates that NASA Federal provided over \$32 million in direct financial benefits to its members in 2019 when compared to other financial institutions.

Finally, NASA Federal was able to increase its already excellent member satisfaction rate from 94% to 95%. In fact, the Capital Gazette Reader's Choice named NASA Federal Best of the Best for 2019. And, for the second year in a row, members named us among the Best in State Credit Unions in Maryland in a Forbes survey, illuminating the fact that our satisfaction rate represents real member sentiments and isn't just a number on paper.

Commitment to Community

Last but not least, while we were working to deliver to you the best in service and state-of-the-art banking products, we never lost sight of our commitment to community. Team NASA Federal once again came together in 2019 to sponsor the Cherry Blossom 10-Mile Run in support of the Children's Miracle Network; gave away \$25,000 in scholarships to student members; and sponsored NASA Federal teams at a fundraising event in support of Children's Miracle Network.

We also continued to deliver financial literacy seminars, which reached 2,200 attendees, including many at NASA Centers. This was a 29% increase over 2018. Subjects included financing college, organizing records, protecting family and assets, and identity theft and mortgage basics. Finally, we remained focused on responsible environmental stewardship and maintained our reduced carbon footprint of 208 metric tons in 2019.

Together for a Better 2020

It was our pleasure to serve you in 2019. Despite the current challenges in the marketplace created by COVID-19, we're already off to a strong start in 2020 with member-centric initiatives that include:

- The newly renovated, modernized Columbia branch office that opened in March
- The groundbreaking for our expanded campus next to our Collington Headquarters Building, taking place this year
- Improvements to our Mobile Banking app and Online Banking, including new profile management capabilities
- Enhanced member service through live chat, SMS text and video for membership and loan applications
- Additional financial education tools to further support members as they live and work to improve their lives

Through our plans, as well as our ongoing dedication to community and member service, we look forward to serving you in 2020 and beyond. Together, your volunteer Board of Directors, Credit Union management and every NASA Federal employee would like to thank you for your membership and for the ongoing opportunity to be of service to you.

John Sissala *Adam Greenstone* *D.M. Allman*
John Sissala Adam Greenstone Doug Allman
Chairman Treasurer President/CEO