



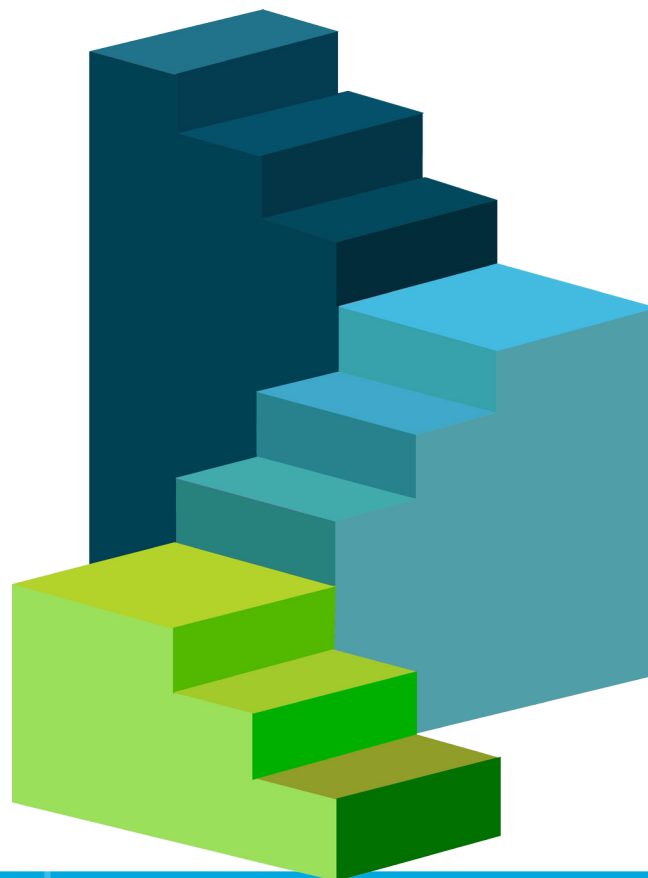
## 2017 Annual Report



This credit union is federally insured by the National Credit Union Administration.

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# President & CEO's Report

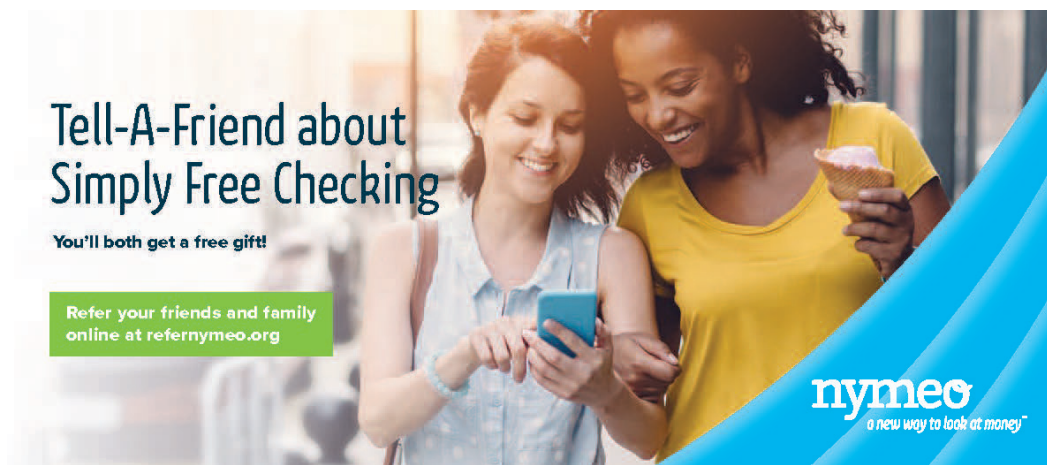
## Going the Extra Mile for our Members

Providing financial products and services that bring value to the lives of the members we serve is at the forefront of what we do at Nymeo. Our unwavering commitment to improve our member service and to look for new ways to bring valuable products and services to our members drives every single decision we make at our credit union. We strive to deliver not just, what our members expect, but instead, take that additional step and go that extra mile. This is what makes us stand out from other financial institutions.

We went the extra mile with Mrs. K., a Nymeo member. She told us about an employee who went beyond their job responsibilities to ensure her family had peace-of-mind over a financial issue.

“Just writing to say how grateful we are for all you have done for us over the years. We have faced so many trials and still are. Although, you didn't know me or my family, or know those things happening behind the scenes, you still reached out and went the extra mile for us. A most sincere thank you.”

I am proud to say that the mission “to actively promote each members financial well-being” of our credit union remains strong and stable. This is because of the unique relationship we have with our members, like Ms. K. Did you know that most people join Nymeo due to a recommendation from family or friends? To thank our members for helping our credit union grow, we introduced a robust referral program in 2017 called Tell-A-Friend. When a member refers someone to us, we give both a thank you gift.





## Growing the Credit Union

Going the extra mile for our members also means making sure that we are growing the credit union financially and responsibly. We are proud to offer competitive loan products such as credit cards, auto loans, mortgages and home equity lines of credit and many other types of loans to fit your individual needs. We have recently added a selection of four personalized checking accounts, further enhancing our members' banking experience.

### Simply Free Checking

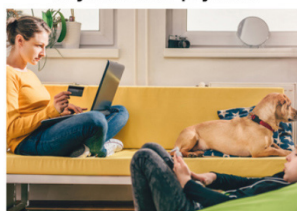
**A FREE account for everyone!**



- FREE Starter Checks
- No minimum balance
- No monthly service charge

### Easy Interest Checking

**Earn dividends with the convenience of direct deposit or any automatic payment**



- FREE Starter Checks
- No minimum balance
- No monthly service charge
- Competitive interest rates

### Premier Interest Checking

**An account for those interested in higher dividends**



- FREE first box of personalized checks
- Higher interest rate
  - with a balance of \$1,500 or more
- Competitive interest rates
  - if balance falls below \$1,500
- Only \$10 monthly charge
  - if minimum balance falls below \$1,500

### Fabulous 50 Interest Checking

**The perfect account for members 50 and over**



- FREE first box of personalized checks
- Competitive interest rates
- No minimum balance
- No monthly service charge

Furthermore, in 2017 we improved our member benefits introducing tax preparation assistance and merchant services. Nymeo partnered with Cooley & Associates to assist our members with business and/or personal taxes. We also partnered with First Data Solutions to provide merchant services such as payment processing options for our business account members.

The remediation actions taken to address the lending quality challenges we experienced in 2015 and 2016 allowed Nymeo to perform well financially in 2017. We had a positive net income of \$2.2M and a strong regulatory capital ratio of 10.82%. Share balances continued to grow in 2017. Loan balances declined resulting in investment balances increasing thus reducing interest income mostly due to the low interest rate environment. Nymeo continues to work hard to find efficiencies throughout the organization. As a result, operating expenses declined and the loan losses were significantly less than the previous year.

## Bringing Members a Differentiated Experience

Nymeo's vision statement is, "the only financial partner you'll ever need!" As part of this vision, Nymeo worked diligently throughout 2017 to enhance the way our members' bank day-to-day. We focused last year on improving our online and mobile banking platforms so our members could bank with us no matter where they are located and still receive personalized service.

Nymeo member Ms. D. prefers online banking and told us:

“Nymeo is the best! I bank remotely, so I don't come into the branches in person. But, I have been made to feel like I am still a part of the family. All of my customer service experiences have been excellent. Since I don't drive and didn't have any way to come to the branch, [the branch employee] met me after work and delivered the card directly to my house. Talk about going above and beyond the call of duty! This is exactly the kind of superb service that makes me a proud Nymeo member for life.”

Keeping up with technology is an ongoing effort. Nymeo continues to learn about emerging and future trends beyond banking and how they'll impact our members. Rapid changes are taking place in the world of finance, and we are working hard to keep up with ways to make our members' banking experience even better.



Nymeo volunteering at Waverley Elementary School for the Food Bank's School Pantry Stocking Program.

## Making a Positive Impact on our Communities

Nymeo, like other credit unions, was founded on the principle of "people helping people". Each year, we go the extra mile by giving back to our communities, building strong relationships, and volunteering with purpose.

Two college scholarships were awarded in 2017.



We have made a positive impact in our community by providing educational workshops; feeding the hungry at the Rescue Mission; providing college scholarships; assisting and supporting the Frederick County Animal Shelter; giving summer opportunities to homeless children; launching Frederick County's Public Schools first Millionaire's Club, a financial youth literacy program; and so much more.

We also continue to support military families on Fort Detrick and work closely with the Frederick County School Pantry Program with our Swipe-Out-Hunger Program, a Nymeo program that gives back to the Maryland Food Bank when members swipe their debit card.

Ms. T., a Nymeo member, told us:

“Nymeo is so much more to the community than just a credit union. Frederick is very blessed to have you here!”

### Working Smarter, Better for our Members and Employees

Last year, Nymeo was selected by the Credit Union Journal for the second time as “Best Credit Union to Work For.” We were also selected again as “Best Credit Union” by readers of the Frederick News Post!

As we move into 2018, Nymeo plans to continue nurturing this great culture of service and commitment to our members, community and staff. Our primary focus will be to continue to offer friendly and efficient service and excellent products that are beneficial to members.



I would like to thank our Board of Directors and staff for another great year. Thank you to our members for their loyalty and business, which has lead us to be a successful credit union for nearly 84 years. We look forward to continuing to serve you!

*Victoria M. Johnston*

**Victoria Johnston**  
President and CEO



# Chairman's Report

During 2017, it has been my pleasure to serve you, the Nymeo members, as a Board member (20 years of service) and Board Chair. I want to acknowledge the dedicated service and leadership rendered by the other volunteer Board members: Richard Allen, Edward Brown, Elizabeth Duffy, Jeanice Brown Thomas, and Isaac Yoon.

The Board meets monthly and is responsible for the review and re-approval of many standing policies. In addition, proposed new policies – prompted by operational conditions or mandated by federal examiners – are reviewed and approved. Several new policies were approved in 2017: Business and Commercial Loan, Non-Deposit Investment Product, Incident Response and Vendor Management.

As a part of its fiduciary responsibility, the Board has to complete several training modules, including: Asset Liability Management (quarterly), Bank Secrecy Act, Information Security and Active Shooter.

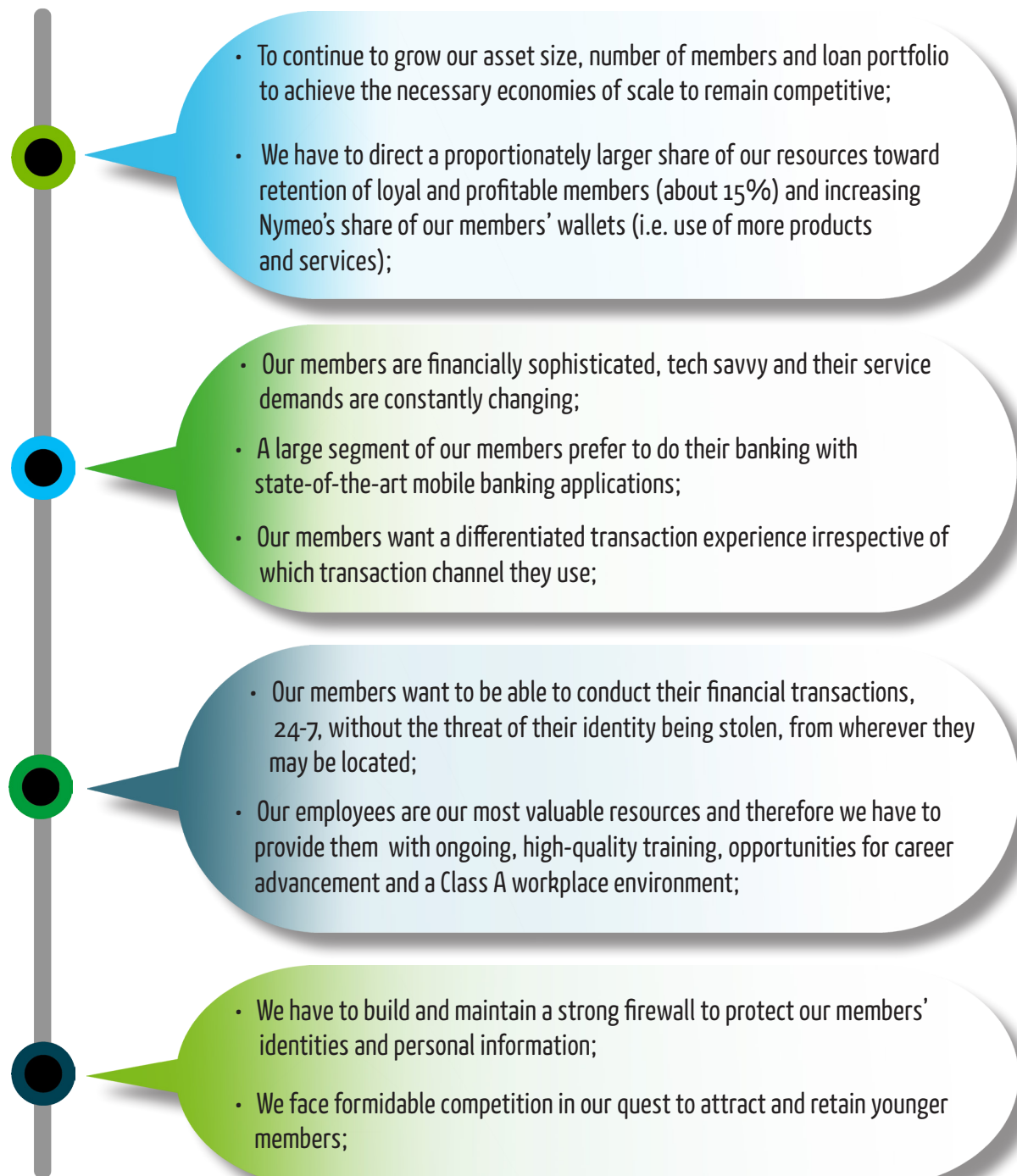


In support of Nymeo's commitment to community involvement, several Board members joined Nymeo staff in serving lunch at the Frederick Rescue Mission.



In addition to approving credit union policies and completing mandatory and optional training, the Board must maintain a strategic focus. We have been in existence for 84 years, have a diverse membership of approximately 23,000 members and our asset size of approximately \$262,000,000 puts us in the asset range of a mid-size credit union (\$250,000,000 to \$500,000,000). We operate in a very competitive financial environment (traditional financial institutions, current Fintechs and constantly emerging industry disruptors).

Like all other financial institutions, we must stay abreast to the challenges posed by volatile economies and be in compliance with changing regulatory requirements. If Nymeo is to remain a vibrant, financially-sound and preferred financial institution, the Board has to engage in ongoing strategic discussions in concert with our highly-competent and forward thinking management team. Our knowledge base is enriched through presentations by several of Nymeo's vendors, operational updates by senior management and member feedback via survey results. Thus, we know that:



We must use sophisticated vetting processes to choose vendors that are prepared to become strategic partners; and notwithstanding our modest size, in order to realize our vision (“The only financial partner you’ll ever need”), Nymeo currently provides a full menu of competitive products and services such as :

- Savings and Checking
- E-Services (e.g. online and mobile banking)
- Investment and Retirement
- Wills and Trust
- Tax Preparation
- Personal and Member Business Loans
- Business Savings, Checking and E-Services
- Merchant Services and Merchant Lending

“Against this backdrop of knowledge, strategic discussions are part of the Board’s monthly meeting agenda. In addition, in September 2017, the Board and Management engaged in a facilitated 1 ½ day strategic planning meeting; discussion was framed by looking at what we have done in the past, what are we doing now and where should our human and financial resources be focused over the next three years.”

In addition to being a one-stop financial center, Nymeo’s strategic plan puts a laser focus on enhancing the member’s experience. Thus, our human and technological resources will be directed toward three areas: Service Quality, Convenience and Member Education. With the financial well-being of our members in mind, Nymeo will build upon its 84-year legacy of financial strength.

**Charles Yancey**  
Chairman of the Board





# Photos



Nymeo at Pack to Give Back Local, where holiday meals were packed and distributed for people in need!

Nymeo is dedicated to fighting hunger!

Each year thousands of Marylanders count on the Maryland Food Bank to help make their holiday bright with foods to sustain their heart and home. Together, we packed 384 meals for families in Frederick County!



Nymeo volunteers at Waverley Elementary School for the Food Bank's School Pantry Stocking.

The pantry serves over 75 families in 2 hours and donates about 1,500 pounds of stable goods, frozen meats, vegetables, and fresh baked goods for those in need!



Nymeo strives to maintain a strong presence in the community, educating people about our banking products and services for their specific needs!



## Nymeo's 2017 Random Acts of Kindness



The community liaisons staff at Frederick County Public Schools were treated to lunch from Wawa.



Lunch was provided by Firehouse Subs for the Prosperity Center of Frederick County



Frederick County's Police Department enjoyed lunch from Pizza Hut.

During this week, these meals were donated by area businesses through the partnership Nymeo has with Free Country 99.9 WFRE.





Senior Business Development Representative, Kathy Norris, attended the Frederick County Career and Technology Education Awards Ceremony, where Nymeo received a special Business Recognition Award for its work with FCPS in bringing financial literacy education opportunities to schools, including the Millionaire's Club.



In 2017, Nymeo won the CUNA Diamond Award for Brand Awareness! Pictured from left: Marketing Manager, Gwen Farrell and Chief Operations Officer, Kristina Morgan.



Photo courtesy of Kyle Swisher

Nymeo proudly launched two Millionaire's Clubs in 2017. As a credit union, it is part of our initiative to teach financial literacy. This unique club provides valuable and rewarding life lessons about finance. Pictured above is the Brunswick High School's Millionaire Club, the first in Frederick County.

# Treasurer's Report

In 2016, we fully anticipated 2017 to be a turn-around year for Nymeo. Nymeo's Board of Directors and the employees worked diligently to ensure a positive net income in 2017 while continuing to ensure that we continue bringing our members value. Nymeo brings value to our members by providing competitive loan and deposit products and services that meet and exceed your expectations. We remain steadfast in our vision "to be the only financial institution you will ever need."

Total assets as of December 2017 amounted to \$262.1 million. Total gross loans decreased \$16.6 million or -9.1% from 2016, totaling \$165.6 million. Automobile, Overdraft Line of Credit (ODLOC) and Real Estate lending comprised the majority of the loan portfolio decrease. The automobile portfolio decreased by \$14.5 million or -21%. The ODLOC lending decreased by \$587 thousand or -10%. The Real Estate lending decreased \$1 million or -2%.

Assets Performance	Regular Share Performance
▲ \$4.7 M	▲ \$2.7 M
Share Draft Performance	Loan Performance
▲ \$2.3 M	▼ \$16.6 M
Auto Performance	ODLOC
▼ \$14.5 M	▼ \$587 K
Real Estate Performance	Total Equity Performance
▼ \$1 M	▲ \$2 M

Total shares as of December 2017 were \$229 million, an increase of \$5.3 million from 2016. Regular Shares grew by \$2.7 million or 2.9%. Share Drafts grew by \$2.3 million or 5% from 2016.

Net worth, in the form of Regular Reserves and Undivided Earnings, is a common indicator of a financial institution's safety and soundness. Net worth also enables the credit union to provide new products and services at competitive prices. The National Credit Union Administration (NCUA) defines well capitalized as a level above 7%. Nymeo reported a 10.82% net worth ratio at December 31, 2017, which exceeds all regulatory capital requirements. Net Income for the year 2017 totaled \$2.2 Million and a Return on Assets (ROA) of 0.82%.

**Isaac Yoon**  
Treasurer



# Supervisory Committee's 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. In 2016, the Supervisory Committee retained the accounting firm of DeLeon & Stang, to conduct an audit of the consolidated financial statements and to express an opinion about the financial condition of Nymeo. The audit was 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 and a complete copy of the audit results is available for review at any of our offices.

As your representative, we also assist members if they experience a problem of any kind with their Nymeo statement or the services provided by Nymeo. If you have such an issue, 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

# Nymeo Federal Credit Union and Subsidiary Consolidated Statements of Financial Condition

Years Ended December 31, 2017 and 2016

ASSETS	2017	2016
Cash and Cash Equivalents	\$20,291,229	\$ 16,527,089
Deposits in Other Financial Institutions	48,983,000	38,680,000
Investments:		
Available-for-Sale, at Fair Value	18,321,342	12,615,902
Cash and Cash Equivalents	1,640,643	1,780,176
Loans held for sale	224,000	-
Loans to Members, Net of Allowance for Loan Losses	163,371,129	178,185,882
Accrued Interest Receivable:		
Loans	678,068	744,027
Investments	108,306	78,165
Prepays and other assets	2,097,729	2,330,385
Premises and equipment, net	4,303,212	4,504,173
NCUSIF Deposit	2,125,222	2,052,775
<b>Total Assets</b>	<b>\$ 262,148,540</b>	<b>\$ 257,498,574</b>

LIABILITIES AND MEMBERS' EQUITY		
Member's Share and Savings Accounts	\$229,133,502	\$ 223,849,701
Borrowed Funds	3,000,000	6,000,000
Accrued Interest Payable	756	1,152
Accrued Liabilities	1,952,356	1,693,858
<b>Total Liabilities</b>	<b>\$ 234,086,614</b>	<b>\$ 231,544,711</b>

TOTAL LIABILITIES AND MEMBERS' EQUITY		
Regular Reserves	\$1,920,098	\$ 1,920,098
Undivided Earnings	26,609,040	24,458,339
Accumulated Other Comprehensive Loss	(467,212)	(424,574)
<b>Total Members' Equity</b>	<b>28,061,926</b>	<b>25,953,863</b>
<b>Total Liabilities and Members; Equity</b>	<b>\$ 262,148,540</b>	<b>\$ 257,498,574</b>

The condensed consolidated financial statements presented herein do not constitute a complete set. The complete set, including the consolidated statements of members' equity and cash flows and notes to the consolidated financial statements, is available in the Credit Union office.

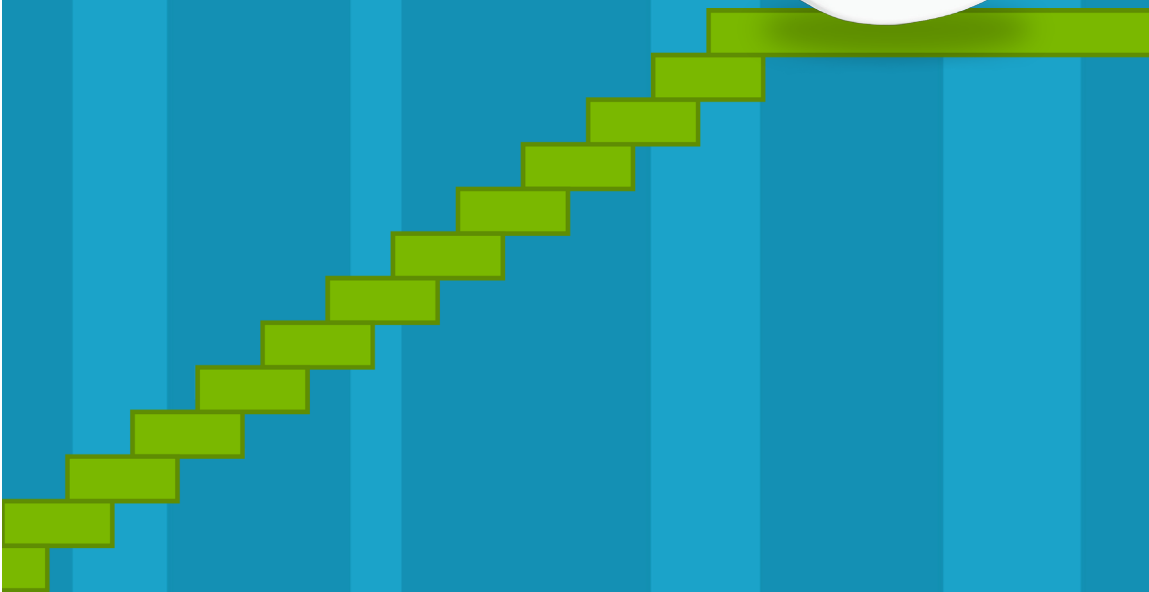


# Nymeo Federal Credit Union and Subsidiary Consolidated Statements of Operations

Years Ended December 31, 2017 and 2016

<b>INTEREST INCOME</b>		
	<b>2017</b>	<b>2016</b>
Loans to Members	\$10,634,599	\$ 13,023,858
Investments	1,035,052	595,318
<b>Total Interest Income</b>	<b>\$ 11,669,651</b>	<b>\$ 13,619,176</b>
<b>INTEREST EXPENSE</b>		
Members' Share and Savings Accounts	\$646,372	\$ 731,916
Borrowed Funds	71,639	113,859
Total Interest Expense	718,011	845,775
Net Interest Income	10,951,640	12,773,401
Less Provision for Loan Losses	1,163,497	6,343,211
Net Interest Income After Provision for Loan Losses	<b>\$ 9,788,143</b>	<b>\$ 6,430,190</b>
<b>NON-INTEREST INCOME</b>		
Service Charges and Fees	\$ 1,742,674	\$ 1,532,502
Other Non-Interest Income	1,795,588	1,568,670
Gain on Sales of Loans	39,221	78,234
Total Non-Interest Income	<b>\$ 3,577,483</b>	<b>\$ 3,179,406</b>
<b>NON-INTEREST EXPENSE</b>		
Compensation and Employee Benefits	\$ 4,934,940	\$ 5,040,123
Office Operating Costs	2,518,061	4,017,384
Office Occupancy Costs	3,739,713	2,484,658
Net Loss On Disposal of Assets	22,214	41,784
Total Non-Interest Expense	11,214,928	11,583,949
Net loss	2,150,698	(1,974,353)
<b>OTHER COMPREHENSIVE LOSS</b>		
Net unrealized gains (losses) on investments classified as available-for-sale	(42,638)	(391,540)
Comprehensive income (loss)	<b>\$2,108,060</b>	<b>\$ (2,365,893)</b>

nymeo.org



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Toll Free: 1-855-436-4100

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Frederick, MD 21703

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National Credit Union Administration, a U.S. Government Agency

Federally insured by NCUA