

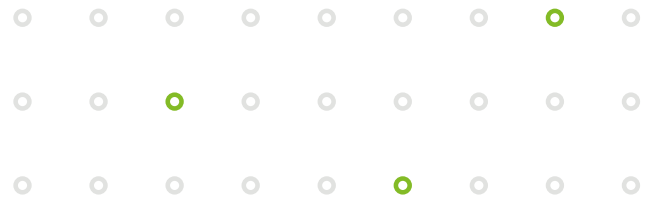
2020 Annual Report



— The Power of WE' —



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Nusenda Vision:
To be our members’
trusted resource.



Nusenda Mission:
We are the trusted financial
resource for our members,
providing them personalized
solutions, and the convenience,
technology, and accessibility of
today and tomorrow.





JOHN LANDIS
Chair of the Board



It has been my honor to serve and represent you, the Credit Union membership, during my inaugural year as Chair of the Nusenda Credit Union Board of Directors.

Our Credit Union founders in 1936 would have never imagined what 2020 had in store. Thanks to a strong foundation of innovative technologies, along with the hard work of our employees, Nusenda achieved a 95% “satisfied” or “very satisfied” rating from our 223,494 members, and remained financially strong.

As members focused more on savings, your Credit Union’s total assets rose almost 30% in 2020, lifting Nusenda to over \$3 billion for the first time in its history. And 12,359 people from across the state became new members of our Credit Union, a gain of 5.5% over 2019.

With so many more people spending time at home, we saw a 66% gain in first mortgages; 1,000 members refinanced their current homes, saving \$1.6 million annually. And in 2020, 266 of your fellow Nusenda member-owners bought their very first home. Auto lending remained a strength — in fact, Albuquerque Journal readers named Nusenda Credit Union as the best place to get an auto loan for the second straight year.

Nusenda continued to be an employer of choice, even during the pandemic. The Credit Union hired 156 employees; 43 for newly created positions. By offering great socially distanced options to help keep members and employees safe, we saw a major uptick in the use of remote services. Bill Payer users increased by 5%, we assisted with 27% more member calls, secure chat requests increased by 44%, and Video Teller visits increased 358% over 2019.

Because of your not-for-profit financial cooperative’s stability, your Board of Directors approved Earn Your Return member bonus dividends to those in good standing — even in the face of 2020’s challenges. And the Credit Union National Association reported that Nusenda returned approximately \$48.6 million to its members in financial benefits such as lower fees and more competitive rates of return.

Guided by the Credit Union’s mission and values, Nusenda’s employees went above and beyond to support you and the communities we serve during the pandemic. From their generosity delivering meals to essential workers and those in need, providing holiday gifts to kids and families at UNM Children’s Hospital, and donating almost \$20,000; to their daily resilience, adaptability, and empathy; your 600+ Credit Union employees demonstrated their commitment to our community. The Board of Directors wishes to express its gratitude for their extraordinary commitment in 2020.

Your Credit Union is dedicated to The Power of WE® and doing even more to serve communities across New Mexico, including expanding our presence in Las Cruces and Santa Fe communities later this year. We look forward to sharing new stories of recovery, growth, and well-being in 2021 and beyond.

Respectfully submitted,

John Landis
Chair of the Board



2020 At-a-Glance

MEMBERSHIP **INCREASED**
BY 5.5% OVER 2019. 30% GROWTH
OVER THE LAST 6 YEARS.



MEMBER
DEPOSITS
↑ 32.5%
OVER 2019



ACHIEVED A
95%
“SATISFIED” OR
“VERY SATISFIED”
QUALITY OF SERVICE RATING



SOURCE: MEMBER LOYALTY GROUP MEMBER TRANSACTION SURVEYS JAN. - DEC. 2020.

LOAN GROWTH
INCREASED
14% OVER 2019



\$470
IN BENEFITS
PER MEMBER
HOUSEHOLD IN 2020



SOURCE: CREDIT UNION NATIONAL ASSOCIATION

IN 2020

- **44% ↑** SECURE CHATS
- **26% ↑** CALLS TO NUSENDA MEMBER SERVICE REPRESENTATIVES
- **358% ↑** VIDEO TELLER VISITS





JOE CHRISTIAN

President/CEO

For 85 years, Nusenda Credit Union has responded to both opportunity and challenge with innovative thinking and a people-first mentality. In 2020 — a year that demanded extraordinary action — those strong roots allowed us to harness The Power of WE® to be of service to our members, our communities, and our employees.

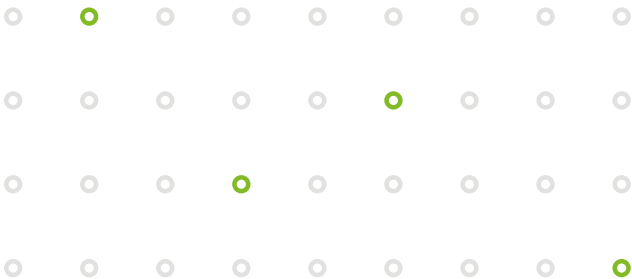
Because we're member-owned and locally operated, we were able to deliver your day-to-day banking needs, as well as provide special assistance to many fellow members who faced difficulties such as job loss, medical hardship, or family emergencies. Here are some of the ways we worked to be there for our members:

- We waived more than \$3.4 million in fees.
- We provided skip-a-pay options, deferrals on more than 10,000 loan payments, and eliminated the negative impact of past-due payments on members' credit histories.
- Business members received relief with interest-only payments, payment deferrals, more than \$52 million in SBA Paycheck Protection Program loans, and other assistance. In turn, they were able to keep thousands of New Mexicans working and earning paychecks.
- The Power of Change® program helped 20,000 members save \$2.4 million to boost savings, pay down debt, or donate to community organizations statewide.
- When branch lobbies were closed to comply with state mandates, we expanded hours at our call center and drive-ups, and offered phone appointments, ensuring you access to your accounts.
- We served more members than ever via Mobile and Internet Banking, drive-up video tellers, and Zippy™ Express Tellers.

Your Credit Union is always committed to making a positive impact in our communities through programs like Community Rewards®, Nusenda Co-op Capital microloans, and awards to Financial Education Innovators. This past year we also partnered with organizations across the state to provide special pandemic support, especially to those communities disproportionately affected. Some of the ways we gave back:

- We gave \$100,000 in COVID-19 Emergency Response funding to community foundations in northern, central, and southern New Mexico.
- We supported area businesses in the distribution of meals and hand-sewn masks to first responders, front-line workers, and neighbors in need.
- Together with our employees, we donated \$48,000 to 14 organizations statewide.
- We deployed more than \$150,000 in new or refinanced, zero-percent Nusenda Co-op Capital microloans for New Mexican entrepreneurs.

More than 600 Nusenda employees worked to provide you with outstanding service, plus modern banking tools and technology. So that they could focus on taking care of you, here are some of the ways your Credit Union leadership focused on taking care of employees during the pandemic:



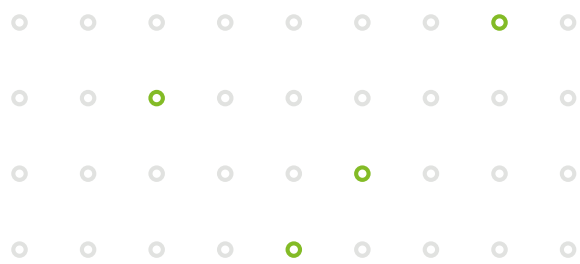
- No-cost wellness and employee assistance programs, personal protective equipment (PPE), surveillance testing, emergency paid leave for those impacted by the pandemic, and an employee hardship grant program.
- Remote working options.
- Compensation for Nusenda employees working in member-facing positions with “HERO” pay bonuses.
- Discounted child care program with a local provider.
- Flexible scheduling for parents and caretakers.

Our continuing success has allowed us to recruit and hire more great people to join the Nusenda team.

As I reflect on this past year, I would like to express my gratitude to our exceptional Board of Directors, employees, members, and communities. Together, WE continue to make a difference in the lives of hundreds of thousands of people across New Mexico. We look forward to continuing to be a positive force for your financial well-being, and a vital partner in our communities’ successes.

Joe Christian
President/CEO





2020 At-a-Glance

\$48.6 million 
IN DIRECT FINANCIAL
BENEFITS TO MEMBERS.

SOURCE: CREDIT UNION NATIONAL ASSOCIATION

156 NEW EMPLOYEES


 **NUSENDA**
DONATED ALMOST
\$1.3 MILLION
TO COMMUNITIES AND
PEOPLE ACROSS THE STATE.

LOCAL BUSINESSES
KEPT MORE THAN
6,800 NEW MEXICANS
EMPLOYED
THROUGH \$52 MILLION
IN NUSENDA-ISSUED
PPP LOANS. 

PANDEMIC 
ECONOMIC RELIEF:

- SKIP-A-PAY LOAN OPTIONS
- 10,000+ LOAN PAYMENT DEFERRALS
- MORE THAN **\$3.4 MILLION** IN WAIVED FEES


TOTAL ASSETS 
BY ALMOST **30%**
OVER 2019



STATEMENT OF FINANCIAL CONDITION** AS OF:

ASSETS

TOTAL LOANS
LESS: ALLOWANCE FOR LOAN LOSSES
CASH AND CASH EQUIVALENTS
TOTAL INVESTMENTS
LAND AND BUILDING
OTHER FIXED ASSETS
OTHER REAL ESTATE OWNED
OTHER ASSETS

2019

2020

(IN \$)

(IN \$)

1,942,560,076
(13,407,714)
72,573,232
325,665,201
57,823,227
7,422,423
-
67,146,754

2,217,415,753
(23,624,189)
34,354,065
821,412,439
53,556,632
12,364,728
-
73,684,929

TOTAL ASSETS

2,459,783,199

3,189,164,357

LIABILITIES

TOTAL BORROWINGS
TOTAL SHARES AND DEPOSITS
ACCOUNTS PAYABLE AND OTHER LIABILITIES

471,429
2,154,361,428
37,040,940

807,454
2,855,131,401
40,544,899

EQUITY

REGULAR RESERVES AND UNDIVIDED EARNINGS
UNREALIZED GAIN/LOSS INVESTMENTS

267,909,402

292,680,603

TOTAL LIABILITIES AND EQUITY

2,459,783,199

3,189,164,357

INCOME AND EXPENSE SUMMARY

INCOME (OPERATING):

INTEREST ON LOANS (GROSS-BEFORE INTEREST REFUNDS)
INCOME FROM INVESTMENTS
FEE INCOME
OTHER OPERATING INCOME

2019

2020

88,693,036
9,548,803
22,127,142
22,286,620

94,014,994
6,269,913
25,348,594
23,253,605

TOTAL GROSS INCOME

142,655,601

148,887,106

EXPENSES (OPERATING):

EMPLOYEE COMPENSATION AND BENEFITS
TRAVEL AND CONFERENCE EXPENSE
OFFICE OCCUPANCY EXPENSE
OFFICE OPERATIONS EXPENSE
EDUCATIONAL AND PROMOTIONAL EXPENSES
LOAN SERVICING EXPENSE
PROFESSIONAL AND OUTSIDE SERVICES
PROVISION FOR LOAN LOSS
OPERATING FEES (EXAMINATION AND/OR SUPERVISION FEES)
MISCELLANEOUS OPERATING EXPENSES
TOTAL OPERATING EXPENSES

40,514,225
206,716
3,447,685
21,187,451
5,355,216
5,458,686
5,184,616
10,242,000
467,187
1,432,450
93,496,231

48,102,144
56,196
4,259,721
23,169,752
6,041,178
4,900,733
5,809,155
16,773,000
503,535
1,284,602
110,900,016

INCOME (LOSS) FROM OPERATIONS

49,159,370

37,987,090

NON-OPERATING GAINS OR LOSSES

NET NON-OPERATING GAIN/(LOSS)

55,450

583,430

INCOME (LOSS) BEFORE COST OF FUNDS

49,214,820

38,570,520

COST OF FUNDS:

INTEREST ON BORROWED MONEY
DIVIDENDS ON SHARES

238,783
8,231,682

(53,241)
10,360,986

NET INCOME BEFORE MEMBER REWARDS

40,744,355

28,262,775

LESS:

NCUSIF/TCCUSF STABILIZATION EXPENSE
EARN YOUR RETURN

-
5,300,000

-
3,000,000

NET INCOME (LOSS)

35,444,355

25,262,775

**UNCONSOLIDATED AND UNAUDITED

SUPERVISORY COMMITTEE REPORT

The Supervisory Committee of the Credit Union is appointed by the Board of Directors and oversees the audit function of the Credit Union. The internal and external audits performed at the Credit Union are 100% outsourced for efficiency and to ensure expertise. This arrangement has proven to be beneficial to the Credit Union. The internal audits are performed by Moss Adams LLP and the opinion-audit of the financial statement is conducted by Doeren Mayhew CPAs and Advisors. These audits verify the continuing efficiency of the operation and adherence to applicable regulations in order to safeguard the Credit Union’s assets.

In addition to these audits, the National Credit Union Administration (NCUA), our federal regulatory agency, performed its annual examination of the Credit Union. The NCUA exam further ensures our continuing compliance with ever-changing regulatory requirements.

The Supervisory Committee strives to assure members that the Credit Union’s management practices are protecting members’ assets, as well as complying with bylaws, regulations, and the Board of Directors’ policies and procedures. We welcome your questions or suggestions in order to better serve your interests. Please address these in writing to Nusenda Credit Union, c/o Supervisory Committee, P.O. Box 8530, Albuquerque, NM 87198.

Respectfully,



Ed Maestas, Chair
 Javier Machuca, Vice Chair
 Craig Kallsen, Secretary
 Jose Villar, Member
 Randy Trask, Board Representative

2020 VOLUNTEER BOARD OF DIRECTORS

- JOHN LANDIS** Chair
- ANN BROOKS** Vice Chair
- DENISE IRION** Secretary-Treasurer
- JUDY CARTMELL** Member
- LEIGH ANNE CHAVEZ** Member
- MARTIN SERNA** Member
- RAY RENTERIA** Member
- RANDY TRASK** Member
- RALPH WALLACE** Member



— The Power of WE® —

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