



NIKKEI
credit union



MABUHAY
credit union
A DIVISION OF NIKKEI CREDIT UNION



2019

ANNUAL REPORT

PRESIDENT'S MESSAGE

I'm pleased to report that we have been working diligently to deliver and prepare the following initiatives:

In 2019, we opened Mabuhay Credit Union, a division of Nikkei Credit Union, in Carson, CA. This new location allows us to cater to the financial services needs of the greater community, with a specific emphasis on the Mabuhay community. We also upgraded our CardNav to provide better account notification and controls for Members. Car Scouts, an auto buying service program, was added to assist Members with getting great deals on new and used vehicles. We increased our HELOC and real estate loan limits up to \$1M and vehicle financing up to 125%, allowing more opportunities for Members to finance or refinance their homes and vehicles with us. And we launched an Emergency Loan Program to help Members who have been or may be affected by a disaster event. We also started collecting blankets, canned goods and other items for homeless college students in the South Bay Area. Donation bins are available in all our branches.

In 2020, we will be expanding our real estate loan products with FHA and VA loans, HELOC 10/1 ARM, and HELOC Plus. We will be replacing our Credit Life & Credit Disability Insurance with Debt Protection, to include Involuntary Unemployment Coverage. Our new Rewards Checking Account Program and Text Communications will also be available soon for Members.

On behalf of the Board of Directors, Committee Members, Management and Staff, thank you for your continued support and for allowing us to serve your financial service needs.

Jon Hernandez, President & CEO

CHAIRMAN'S MESSAGE

As the largest credit union serving the Japanese American Community, Nikkei Credit Union is proud to have successfully expanded our excellent member service and product offering to the Mabuhay Community enabling our credit union to grow and impact more members within the South Bay. Nikkei Credit Union and Mabuhay Credit Union are committed to helping you achieve your financial goals and dreams and advancing the prosperity within the Nikkei and Mabuhay Communities.

I want to thank the Board of Directors, Committee Members, and Advisory Council for their dedication, leadership, and vision.

On behalf of the Nikkei and Mabuhay Volunteers, we thank you for your continued support, and we appreciate your business.

Gary Nakata, Board Chair

TREASURER'S REPORT

Nikkei Credit Union posted net income of \$153,190 while keeping our operation expense ratio at 2.67%, return on assets of 0.21% and maintained our strong capital ratio of 13% as of December 31, 2019. Our strong capital will allow us to continue offering innovative financial products and services. We remain optimistic for 2020.

Nikkei Board of Directors, Committee Members and Management are dedicated in investing our resources on improvements to our product offering while maintaining a high level of member service for you and your family. We appreciate your continued support and patronage.

Glenn Matsushima, Board Treasurer

SUPERVISORY COMMITTEE REPORT

The Supervisory Committee provides an independent evaluation of Nikkei Credit Union's operations and compliance with the applicable laws and regulations. Richards and Associates CPA, a firm specializing in credit unions, conducted an opinion audit of the credit union's financial statements and operations for the audit period ending June 30, 2019. The firm's opinion indicates that Nikkei's financial statements were fairly stated in all material respects. In addition, we have engaged Collaborative Learning and Assurance Services Solutions Inc. to conduct our internal audits to help enhance our operational security, efficacy and efficiency. We welcome any questions, concerns or other feedback Members may have.

Karen Yoshimura, Supervisory Committee Chair



MANAGEMENT & STAFF

President/CEO	Jon Hernandez
Vice President	Jay Lee
Administrative & HR Manager	Michiyo Tateley
Member Relations Coordinator	Tess Nambu
EFT & Accounting Coordinator	Monica Seng
EFT & Cards Processor	Krystina Kuba
Loan Service Representative	Cathy Siplat
NIKKEI BRANCH STAFF	
Branch Coordinator	Taku Hanada
Loan Sales Representative	Kaori Suzuki
Financial Service Representative	Kaulani Peters
Financial Service Representative	Tiffany Manalang
Financial Service Representative	Kumiko Rogers
MABUHAY BRANCH STAFF	
Branch Coordinator	Fred Docdocil
Loan Sales Representative	Jamie Valenzuela
Financial Service Representative	Jennifer Andal
Financial Service Representative	Justine Alcantara

BOARD OF DIRECTORS

Chair	Gary Nakata
Vice Chair	Ryan Iwamoto
Treasurer	Glenn Matsushima
Secretary	Ryan Suzuki
Director	Alyssa Tanaka

SUPERVISORY COMMITTEE

Chair	Karen Yoshimura-Oto
Member	James Kawashima
Member	Kenneth Matsuno
Member	Masahide Nakagawa

MABUHAY ADVISORY COUNCIL

Evelyn Machan Andamo	Dr. Henrick Macalintal
Darnell Bagsik	Monica Monserrat
Jesus "Alex" Cainglet	Elito Macapagal Santarina
Katherine Chicas	Jannelle So-Perkins
Lemuel Guiyab	Cynthia Carolyn Tan

SUMMARY STATEMENT OF FINANCIAL CONDITION

ASSETS	12/31/19	12/31/18
Consumer Loans	\$10,226,643	\$7,449,646
Real Estate Loans	\$10,251,817	\$12,441,737
HELOC	\$12,476,940	\$10,639,714
Loan Participations	\$135,100	\$1,212,929
TOTAL LOANS	\$33,090,500	\$31,744,026
Deferred Fees	\$27,748	\$48,328
(Less Allowance for Loan Losses)	\$(86,081)	\$(236,956)
Cash	\$3,735,001	\$2,575,127
Investments	\$33,057,388	\$35,197,626
Unrealized Gain/(Loss)	\$94,217	\$(350,015)
Fixed Assets	-	-
Other Assets	\$2,291,918	\$1,878,649
TOTAL ASSETS	\$72,210,691	\$70,856,785
LIABILITIES & EQUITY	12/31/19	12/31/18
TOTAL LIABILITIES	\$445,952	\$248,162
Member Deposits	\$62,375,960	\$61,817,266
Non-Member Deposits	-	-
TOTAL DEPOSITS	\$62,375,960	\$61,817,266
Regular Reserves	\$1,349,581	\$1,349,581
Undivided Earnings	\$7,944,981	\$7,791,791
Unrealized Gain/(Loss)	\$94,217	\$(350,015)
TOTAL RESERVES	\$9,388,779	\$8,791,357
TOTAL LIABILITIES & EQUITY	\$72,210,691	\$70,856,785
OPERATING INCOME	12/31/19	12/31/18
Income from Loans	\$1,423,204	\$1,350,320
Income from Investments	\$862,008	\$706,553
Income from Fees	\$95,477	\$99,226
Income from Miscellaneous	\$63,215	\$92,834
TOTAL OPERATING INCOME	\$2,443,904	\$2,248,933
OPERATING EXPENSES	12/31/19	12/31/18
Operating Expenses	\$1,924,402	\$1,575,963
Dividend Expenses	\$405,812	\$292,977
TOTAL OPERATING EXPENSES	\$2,330,214	\$1,868,940
NON-OPERATING INCOME	\$39,500	\$(41,210)
TOTAL NET INCOME/(LOSS)	\$153,190	\$338,783

“Advancing Prosperity for Nikkei and Mabuhay Communities”

OUR CORE VALUES

- One Team. One Goal.
- Empower Yourself through Knowledge
- Treat Everyone with Respect, Sincerity, and Compassion
- Inspire Trust, Be Ethical: Do the Right Thing
- Safeguard Member's Privacy & Financial Interests
- Be Passionate About Delivering Exceptional Experiences
- Strive for Excellence—Embrace Change
- Kodomo No Tame Ni—For the Sake of the Children



Nikkei Branch / Corporate Office
18425 S. Western Avenue 2nd Floor
Gardena, CA 90248

866.4NIKKEI (866.464.5534)

Online Banking
nikkeicu.org

Email
info@nikkeicu.org



Mabuhay Branch
146 Carson Street
Carson, CA 90745

888.MABUHAY (888.622.8429)

Online Banking
mabuhaycu.org

Email
info@mabuhaycu.org

