



2020

Financial Wellness Mental Wellness Physical Wellness

ANNUAL REPORT

PRESIDENT'S MESSAGE

At the beginning of 2020, we were all taken back by the worldwide pandemic of COVID-19. Fortunately, with the immediate response of our Management Team, we executed our Pandemic Preparedness Plan and implemented COVID-19 Protocols for the health and safety of our Members, Staff, and Community. We deployed our Disaster and Pandemic Assistance Program, aiding our Members with over \$4M in Loan Payment Extensions and Emergency Loans. During quarantine, we were able to stay connected through our various remote service channels such as Shared Branches, ATMs, Mobile Banking, Mobile Check Deposit, and Text Communication to avoid interruption to our business and provide continuous access to our services for our Members.

In response to our Members' needs, we enhanced our Real Estate and Home Equity Line of Credit offerings including, second homes and investment properties of up to 4 units. As a result, Nikkei experienced its highest loan funding since its inception, with over \$18.8M in total loans. Our partnership with CarScouts also allowed Members to make safe and convenient vehicle purchases without setting foot at the dealership funding over \$450,000 in vehicle sales.

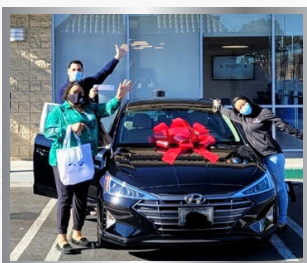
And despite the challenges of the pandemic, we continued our commitment to assisting and promoting prosperity to the Nikkei and Mabuhay communities with donations of food, clothing, blankets, and toiletries to the homeless students at our local colleges such as the California State University of Dominguez Hills, Harbor City Community College, and El Camino College. In conjunction with local restaurants, we also provided boxed lunches to frontline workers of Gardena Memorial, Torrance Memorial, Harbor UCLA Hospital, Carson Firefighters, and the Carson Community Center.

Additionally, we honored several Community Heroes and launched the Mabuhay Community Vlog and Podcast. Follow us on social media: @mabuhayCU to get the latest information and updates.

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.

Arigato Gozaimasu.
Salamat and Mabuhay,

Jon Hernandez
President & CEO



CHAIRMAN'S MESSAGE

Nikkei and Mabuhay Credit Union are committed to helping our Members achieve their financial goals and dreams. We are focused on excellent member service and increasing our value to you.

Our Management and Staff continue to keep our Members' best interest at the forefront, receiving a 94% approval rating in its 2020 Member Survey. With your support, our financial position remains strong while improving our products and services, and fostering prosperity to our communities.

I want to thank the Management and Staff's dedication in serving the needs of the Members, our Volunteers' commitment, and our Members' understanding and support through the pandemic.

Sincerely,

Gary Nakata, Board Chair

TREASURER'S REPORT

Nikkei Credit Union posted a net income of \$200,696 while keeping our operation expense ratio at 2.48%, return on assets of 0.25%, and maintained our strong capital ratio of 12.27% as of December 31, 2020. Our strong capital will allow us to continue offering innovative financial products and services. We remain optimistic for 2021.

Nikkei's Board of Directors, Committee Members, Mabuhay Advisory Council and Management are dedicated to 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.

Sincerely,

Glenn Matsushima, Board of Directors 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. In 2020, the Committee commissioned several audits and evaluations of Nikkei's operations; completed the exam by the California Department of Financial Protection & Innovation in March 2020. Richards and Associates CPA, an audit 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, 2020. 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 internal audits to help enhance our operational security, efficacy, and efficiency.

We welcome any questions, concerns or other feedback Members may have.

Sincerely,

Karen Yoshimura, Supervisory Committee Chair

MANAGEMENT & STAFF

President/CEO	Jon Hernandez
Vice President	Jay Lee
Administrative & HR Manager	Michiyo Tateley
EFT & Accounting Coordinator	Monica Seng
EFT & Cards Processor	Krystina Kuba
NIKKEI BRANCH STAFF	
Branch Coordinator	Tess Nambu
Loan Sales Representative	Kaori Suzuki
Financial Service Representative	Kaulani Peters
Financial Service Representative	Tiffany Manalang
Financial Service Representative	Song Kadoi
MABUHAY BRANCH STAFF	
Branch Coordinator	Fred Docdocil
Loan Sales Representative	Jamie Valenzuela
Loan Service Representative	Phoebe Tan
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	Cynthia Carolyn Tan
Lemuel Guiyab	

SUMMARY STATEMENT OF FINANCIAL CONDITION

ASSETS	12/31/20	12/31/19
Consumer Loans	\$10,627,731	\$10,226,643
Real Estate Loans	\$14,556,242	\$10,251,817
HELOC	\$14,995,014	\$12,476,940
Loan Participations	-	\$135,100
TOTAL LOANS	\$40,178,987	\$33,090,500
Deferred Fees	\$24,545	\$27,748
(Less Allowance for Loan Losses)	\$(95,678)	\$(86,081)
Cash	\$7,356,862	\$3,735,001
Investments	\$29,644,438	\$33,057,388
Unrealized Gain/(Loss)	\$270,657	\$94,217
Fixed Assets	-	-
Other Assets	\$2,205,677	\$2,291,918
TOTAL ASSETS	\$79,585,488	\$72,210,691
LIABILITIES & EQUITY	12/31/20	12/31/19
TOTAL LIABILITIES	\$214,953	\$445,952
Member Deposits	\$69,604,619	\$62,375,960
Non-Member Deposits	-	-
TOTAL DEPOSITS	\$69,604,619	\$62,375,960
Regular Reserves	\$1,349,581	\$1,349,581
Undivided Earnings	\$8,145,678	\$7,944,981
Unrealized Gain/(Loss)	\$270,657	\$94,217
TOTAL RESERVES	\$9,765,916	\$9,388,779
TOTAL LIABILITIES & EQUITY	\$79,585,488	\$72,210,691
OPERATING INCOME	12/31/20	12/31/19
Income from Loans	\$1,473,659	\$1,423,204
Income from Investments	\$746,147	\$862,008
Income from Fees	\$180,735	\$95,477
Income from Miscellaneous	\$60,014	\$63,215
TOTAL OPERATING INCOME	\$2,460,555	\$2,443,904
OPERATING EXPENSES	12/31/20	12/31/19
Operating Expenses	\$1,972,430	\$1,924,402
Dividend Expenses	\$330,380	\$405,812
TOTAL OPERATING EXPENSES	\$2,302,810	\$2,330,214
NON-OPERATING INCOME	\$42,951	\$39,500
TOTAL NET INCOME/(LOSS)	\$200,696	\$153,190

“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



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Gardena, CA 90248

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