



Annual Report



Better together.

jovia | Financial Credit Union

MESSAGE FROM THE PRESIDENT

PEOPLE HELPING PEOPLE...



When unexpected catastrophic events occur as they did in 2020, immediate action is of the essence. At Jovia Financial Credit Union, our first priority was the safety and health of our members and staff, so we immediately implemented the necessary protocols in our facilities to keep everyone safe. Concurrently, we asked ourselves: What can we do to meet the intensifying financial needs of our members during this unprecedented time?

We looked to our credit union roots to guide us. Our longstanding commitment to our members and all Long Islanders became our North Star. With unemployment skyrocketing and many Americans being impacted by the coronavirus, we knew the need would be extraordinary. In response, Jovia quickly devised a multi-pronged, year-long plan to directly address the challenges our members were facing.

In mid-March, with quarantine upon us and New York Pause in effect, we were already adapting in real-time. Because our employees were deemed essential workers, we made appropriate service changes to adjust responsibly to the rapidly changing environment while remaining well-positioned to assist our members. Prudent investments in our digital channels, and in particular our Interactive Teller Machines (ITMs), allowed our members to transact business with live tellers via video.

To ensure open and continuous communications with our members, we developed an online Coronavirus Member Resource Center to outline all the ways they could continue to bank in an uninterrupted, safe way and provided important up-to-date information on

The CARES Act and government assistance programs that were available, including stimulus payments and Paycheck Protection Program (PPP) loans. Equally important, we made sure members knew that their credit union continued to remain financially strong during the crisis and that their money was safe with us.

At the same time, we deployed several forbearance programs to ease members' financial burdens even prior to the availability of government assistance. Members could request payment deferrals on personal and auto loans, leases, credit cards, home equity loans and lines of credit, unsecured lines of credit, and, most importantly, first mortgages with no payment required at all during the deferment period. This action alone resulted in the processing of 2,800 forbearance loans, totaling over \$200 million. We also increased ATM limits to give members greater access to their funds, we eliminated penalties on early withdrawals from term certificates, and suspended excess withdrawal fees.

Jovia also processed 350 Paycheck Protection Program (PPP) loans valued at \$9.5 million, taking enormous pressure off small- and medium-sized businesses, helping them to stay afloat. Moreover, unlike other financial institutions, Jovia processed these loans for both member and non-member businesses. When Long Islanders reached out for help, regardless of who they were or where they banked, Jovia answered the call.

As the impact of the virus intensified, Jovia continued to do its best to provide members with the service they needed while keeping everyone safe. We honored social distancing requirements and stay-at-home orders by

moving our staff to a remote working environment; we limited in-person interactions with an appointment scheduling system; we provided our staff with personal protective equipment (PPE); and closed select branch locations to ensure ongoing sanitization and foster social distancing - all in the name of safety. Our employees performed an exemplary job under very difficult circumstances, and we salute their efforts. We also thank the many members who offered kind words of support. Your encouragement and patience embody our steadfast belief that we are "better together."

Fortunately, as the year progressed, we were able to restore the majority of in-person services by making adjustments that continued to protect both our employees and our members. Additionally, we added self-service tools and other innovative solutions to our website to help our members navigate the ongoing effects of this pandemic.

Caring. Commitment. Connection. As a community-based credit union serving Long Island for over 80 years, Jovia has always focused on the importance of people helping people. We look forward to brighter days ahead, and truly believe it pays to bank on the bright side. Rest assured we will be here today, tomorrow, and in the future, ready and eager to serve your needs. That's our pledge to Long Island and our promise to you our members.

John A. Deieso

President and Chief Executive Officer



MESSAGE FROM THE CHAIRMAN

PEOPLE HELPING COMMUNITIES...

Looking back on 2020, it is difficult to imagine a more tumultuous and challenging year. The coronavirus pandemic wreaked havoc on our lives in so many ways and continues its impact to this day. If 2020 taught us anything, it's that life is unpredictable, and that when we least expect it, disasters can and do happen.

At Jovia Financial Credit Union, we believe there is another lesson to be learned... perhaps the most important lesson of all: while the pandemic isolated us from our families, friends and colleagues, we discovered that the best way through this ordeal was, paradoxically, by coming together to protect, help and support one another.

When the pandemic hit, we knew the needs of the community would be greater than ever. Local charities and non-profits would be inundated with requests for help. Our mission was clear: continue to be a good corporate citizen and rise to the challenge by increasing our giving with a goal of reaching as many Long Islanders as possible.

As a credit union with deep roots in the educational community, our first focus was schoolchildren. This led to a partnership in March with Island Harvest Food Bank, a local organization dedicated to alleviating hunger. Jovia made a donation to fund the delivery of meal kits to 400 food-insecure families that previously depended on school programs for their daily meals. With schools closed indefinitely, Jovia and Island Harvest teamed up to bring nourishment – and hope – to hundreds of families in 30 school districts across Nassau and Suffolk Counties. Concurrent with this effort, Jovia donated funds to the Cerebral Palsy Association of

Nassau (CP Nassau) to provide desperately needed gloves, masks, and other personal protective equipment (PPE) to front-line workers caring for disabled individuals living at residences throughout Nassau County. This augmented Jovia's existing support of CP Nassau as a frequent sponsor of its outreach.

These endeavors were supplemented by an initiative to simultaneously fight food insecurity and support local businesses. Jovia purchased gift cards from food delivery services such as GrubHub, Seamless, DoorDash, and Uber Eats. First responders were given the gift cards and were encouraged to use them at local restaurants and food establishments that were also in need. This was a way to support our heroes while patronizing an industry that was hit hardest by New York Pause.

We recognized that more needed to be done in delivering food to those that needed it most, so Jovia made a second contribution to Island Harvest to provide non-perishable food items to families in need. At the same time Jovia also donated to Long Island Cares, Long Island's first food bank, to support the distribution of much needed sustenance.

As the holidays approached, Jovia sought ways to brighten the lives of Long Islanders. We reimagined Santa's Workshop at Tanger Outlets in Deer Park, offering families a chance to meet jolly old St. Nicholas in a socially distanced and safe way. We also sponsored hand sanitizing kiosks throughout the shopping area and distributed take-home sanitizers and ice scrapers as gifts.

Continuing in that same spirit, for the fourth consecutive year, Jovia was proud to partner with KJOY 98.3 to grant wishes to Long Islanders during the holiday season, benefiting hundreds of deserving families. As you may have listened to your favorite holiday music on WALK 97.5 FM, Jovia was the lead sponsor of the 24-hours of holiday music that ran from pre-Thanksgiving right up through New Year's Day. This was our fifth year in a row delivering 'round the clock holiday cheer.

Speaking of holiday cheer and to end the year on a high note, Jovia joined forces with the Long Island Music Hall of Fame to sponsor its virtual New Year's Eve concert, which aired on News12 Plus and social media. The program featured never before seen performances by some of Long Island's greatest artists. Jovia also sponsors the organization's Mobile Museum, which brings music education to schools and communities throughout Long Island.

By coming together and making the well-being of our neighbors a priority, we proved that we are indeed "better together." Our credit union spirit is predicated on being a part of the fabric of our community and we will continue being a relied upon resource into 2021 and beyond.

George Plevretes

Chairman of the Board of Directors

TREASURER'S REPORT



A summary of the financial statements audited by our independent auditors, CliftonLarsonAllen LLP, begins on the bottom of this page and reflects our financial position with total assets at year-end of \$3.75 billion.

Rules and regulations for the operation of our credit union are prescribed by the National Credit Union Administration (NCUA), which is part of the Executive Branch of the Federal Government. The National Credit Union Share Insurance Fund (NCUSIF), established by Congress, insures our share deposits. This fund is managed under the direction of the NCUA Board.

Our credit union's soundness and competitive rates encouraged deposits to grow to \$3.38 billion.

By December of 2020, our membership reached 200,958 with Jovia members receiving more than \$38.1 million in dividends.

Our 2020 income totaled \$2 million, or 0.06% of assets. Capital increased to \$332 million, yielding a capital to assets ratio of 9.05% at year end.

Loans and investments are the credit union's primary source of earnings; last year's total gross loans increased to \$2.96 billion with delinquencies at 1.46% of total loans.

It has been a pleasure working with the Investment Committee, Management, and my fellow Directors.

George Zweier
Board Treasurer

FINANCIAL HIGHLIGHTS (dollars in the thousands)

As of December 31,	2020	2019	2018
Assets	\$ 3,747,723	\$ 3,481,966	\$ 3,153,658
Deposits	\$ 3,379,652	\$ 3,115,004	\$ 2,827,786
Gross Loans	\$ 2,962,742	\$ 2,887,013	\$ 2,580,522
Capital	\$ 332,468	\$ 325,398	\$ 295,364
Dividends	\$ 38,143	\$ 45,537	\$ 29,756
Members	200,958	199,326	192,477
Loans to Deposits	87.66 %	92.68 %	91.27 %
Net Worth to Assets	9.05 %	9.69 %	9.93 %
Delinquent Loans to Total Loans	1.46 %	0.78 %	0.75 %



SUPERVISORY COMMITTEE REPORT

The Supervisory Committee is a volunteer group of Jovia members appointed by the Board of Directors. We are responsible for ensuring the soundness of the credit union's operations and the compliance of credit union policies with state and federal regulations. We oversee the credit union's internal audit function. In addition, the Committee has regular contact with membership to ensure that member requests have been properly addressed.

The Supervisory Committee engaged CliftonLarsonAllen LLP, to perform an independent audit of Jovia's 2020 financial statements. The 2020 audited financial statements of the credit union are available upon request. The audit was conducted in accordance with auditing standards generally

accepted in the United States of America, and the results of the audit determined that Jovia's 2020 financial statements were fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America.

At this time, the Supervisory Committee can report that Jovia has effective internal controls and continues to follow established policies and procedures in compliance with state and federal regulations.

A handwritten signature in black ink, appearing to read "Harry Peltz". The signature is fluid and cursive.

Harry Peltz
Chair of the Supervisory Committee



STATEMENTS OF FINANCIAL CONDITION

(dollars in thousands)

As of December 31,

	2020	2019
ASSETS		
Cash and cash equivalents	\$ 203,961	\$ 111,029
Available for sale securities	503,907	380,438
Other investments	5,031	29,600
Loans held for sale	399	-
Net loans to members	2,937,991	2,871,662
Accrued interest receivable	11,297	9,887
Deposit in National Credit Union Share Insurance Fund	31,529	25,514
Property and equipment, net	33,842	35,612
Prepaid expenses and other assets	19,766	18,224
Total Assets	\$ 3,747,723	\$ 3,481,966
LIABILITIES AND MEMBERS' EQUITY LIABILITIES		
Members' share accounts	\$ 3,379,652	\$ 3,115,004
Accrued expenses and other liabilities	35,603	41,564
Total Liabilities	\$ 3,415,255	\$ 3,156,568
MEMBERS' EQUITY		
Retained earnings	\$ 339,289	\$ 337,261
Accumulated other comprehensive income	(6,821)	(11,863)
Total Members' Equity	\$ 332,468	\$ 325,398
Total Liabilities and Members' Equity	\$ 3,747,723	\$ 3,481,966

STATEMENTS OF INCOME

(dollars in thousands)

For the year ended December 31,

	2020	2019
INTEREST INCOME		
Interest and fees on loans	\$ 111,849	\$ 120,896
Interest on investments	8,970	11,491
Total Interest Income	120,819	132,387
INTEREST EXPENSE		
	38,143	45,538
Net Interest Income	82,676	86,849
PROVISION FOR LOAN LOSSES		
	23,350	14,420
Net interest income after provision for loan losses	59,326	72,429
NON-INTEREST INCOME		
	23,976	21,851
NON-INTEREST EXPENSES		
Compensation	28,815	24,851
Employee benefits	10,689	9,074
Office occupancy	7,170	6,527
Office operations	8,868	5,958
Plastic card	5,459	5,329
Member service	10,332	9,087
Marketing and membership development	7,390	6,652
General and administrative	2,551	2,740
Total Non-Interest Expense	81,274	70,218
NET INCOME	\$ 2,028	\$ 24,062

CORPORATE INFORMATION

BOARD OF DIRECTORS

George P. Plevretes, JD, MBA, Chairman of the Board
Dr. George J. Papaioannou, First Vice Chair
Louis Fiore, Second Vice Chair
George Zweier, Treasurer
Victor Patino, Secretary
Dr. William J. Russo, Director
Catherine T. Banigo, Director
Kamille Wolff Dean, Director
Matthew McDonough, Director
Michael Ippolito, Associate Director
Francis A. De Mita, Chairman Emeritus
Madeleine Sewell, Supervisory Committee Chair Emeritus

SUPERVISORY COMMITTEE

Harry Peltz, Chairperson
Suzanne Boehmcke, Vice-Chair
Eileen Aliani, Secretary
Arthur Cole, Member
Carlo Crudele, Member
Ling Zhu, Associate Member

EXECUTIVE MANAGEMENT

John A. Deieso, President & CEO
Renu Dalessandro, Chief Marketing Officer
Daniel R. Ford, Chief Information Officer
Casey Mauldin, Chief Revenue/Lending Officer
Michael Shonborn, Chief Financial Officer



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Bank on the bright side.

joviafinancial.com

NMLS#543667
Equal Opportunity Lender
We make loans without regard to race, color, religion, sex or national origin.



 10% Post Consumer Content