

# Minutes of the 56<sup>th</sup> Annual Meeting

(Wednesday, June 7, 2017)

## I. Call to Order and Determination of Quorum

The Fifty-Sixth Annual Meeting of the IDB-IIC Federal Credit Union was held at 4:30 p.m. at the Inter-American Development Bank (IDB) Auditorium, Enrique Iglesias Conference Building. Mr. William L. (Chip) Lusk Jr., CEO, who verified the existence of a quorum, called the meeting to order. He welcomed all members in attendance, including the members in the Country Offices participating via video cast. A moment of silence took place in honor and memory of the members who passed away during the past year.

## II. Review and Approval of Minutes of 55<sup>th</sup> Annual Meeting

Mr. William Lusk requested the endorsement of the 55th annual meeting minutes, which were approved as presented with no objections.

## III. Chairman's Remarks

The presentation started with opening remarks from the Board of Directors' chairman, Mr. Juan Manuel Fariña, who pointed out that the IDB-IIC Federal Credit Union continued to strengthen its financials and its commitment to providing members with superior products, modern convenience, and outstanding customer service. Mr. Fariña announced that details would be presented about the strong financials and member services innovations that made 2016 a banner year for the IDB-IIC Federal Credit Union. He then thanked everyone for attending the event.

## IV. CEO's Remarks: Year in Review

Mr. William L. (Chip) Lusk, Jr. stated that in 2016 the credit union achieved excellence through discipline and innovation and was strong in areas such as member and market growth, operating expenses versus operating revenue, and loan data. He also communicated that IDB-IIC Federal Credit Union was recognized as the 4th best performing credit union in the United States in 2016 and thanked members for their business, trust, and support. Then, he invited participants to watch a video conveying the Credit Union's achievements in 2016:

**Member Services improvements:** During 2016 the Credit Union completed the following advances:

- Apple Pay and EMV chip credit and debit cards were introduced for member's convenience and enhanced security.
- Express Accounts were launched to make opening accounts easier than ever.
- 14 seminars and 4 webinars were offered to help members understand everything from buying a home to investing for the future.
- A comprehensive series of educational emails was also introduced, as well as an onboarding program to keep both new and long-time members well-informed and engaged.
- 82 one-on-one counseling sessions were booked, where members got help with insurance, investment, and real estate transactions.

- A Service Satisfaction Rating of 9.73 was obtained.

**Financial and Membership Performance:**

- Membership increased to nearly 11,000 members at year-end.
- Member deposits grew by 9.2% to \$431 million.
- Total assets grew by nearly \$34 million to a new record of \$550 million.
- A total amount of \$103 million was disbursed in loans.
- Net income was \$4.7 million, with a capital ratio of 11.83%.
- Members' equity increased by over \$4 million to more than \$64 million.

**Recognitions of Volunteers and Staff:** Mr. William L. (Chip) Lusk, Jr. called out and thanked each volunteer who served on the Board of Directors, Executive Committee, Credit Committee, Investment Committee, Supervisory Committee, and Nominating Committee, for their encouragement, continued support and willingness to serve.

Mr. Lusk acknowledged the Credit Union's employees as its most valuable asset and praised their hard work, dedication, and professionalism. He pointed out that despite the team being divided between Ashburn and Headquarters, they are a collaborative team with a strong chemistry for serving members, as well as each other.

The IDB IIC Federal Credit Union's CEO closed his speech by thanking our members for their support throughout the years and for casting their vote during the 2017 elections.

**V. Questions and Answers**

Mr. Lusk read questions submitted by members.

- **Question #1**

"Based on what criteria did the IDB-IIC Federal Credit Union occupy the 4th place within the best performing credit unions in the United States?"

**Answer:** "S&P Global Market Intelligence annually publishes a list of the 50 best credit unions in the United States. The ranking includes all credit unions reporting more than \$500 million in total assets and a net worth ratio of at least 7.0% as of year-end.

"Our Credit Union was recognized as the 4th best performing credit union in the United States for the year ended December 31, 2016. The ranking considers important metrics, such as member and market growth, operating expenses versus operating revenue, and loan data.

"This ranking is a tribute to our strong member base, our hardworking team, and the support of our forward-thinking Board of Directors."

- **Question #2**

“Can you please describe some of the technology enhancements that the credit union will develop in 2017?”

**Answer:** “The following are some of the advancements that the IDB-IIC Federal Credit Union will develop this year:

- Eyeprint ID for Mobile Banking: This May we introduced an enhancement to your mobile banking experience. Now our members can log into their accounts solely by using their eyes through retinal scan.
- Core banking conversion: This year we are moving to a more effective core system that will lead to upgrades in our online banking platform too. This is a large project and investment for our credit union, which will consume significant time and resources over 2017 and 2018. As the year progresses, we will communicate more with you about the benefits of this project.”

- **Question #3**

“What can you tell us about the employee turnover at the credit union?”

**Answer:** “While it is true that in 2017 we have experienced a high rate of employee turnover, we continue working hard to provide the most rewarding environment for our employees. We plan to do this by offering competitive benefits packages, developing career opportunities, encouraging positive thinking, and facilitating a good work-life balance, among others.”

- **Question #4**

“When do you plan to revise the loan conditions for members working in the country offices? With the new HR policy regarding vacations, it is no longer possible to reach the quota now current and guaranteed with the termination benefits. Therefore, guarantees should be revised and made more flexible to have a greater loan quota. These loans definitely have a large impact on those of us in the country offices and we trust you to have the pertinent sensibility to revise the current conditions.”

**Answer:** “We are aware of the issue and are working diligently with Human Resource to find a solution. Please expect further details on improvements to the Country Office Loan program.”

## **VI. 2017 Election Results**

Mrs. Claudia de Colstoun, the Chair of the Nominating Committee presented the results of the 2017 elections as follows:

- Board of Directors: Mr. Christian Gómez Fabling, Mr. Jorge Roldan, and Ms. María Valeria Zemborain.
- Credit Committee: Ms. Stephani Ferreyra, Mr. Pascual Mendez and Ms. Monica Velasquez.

## **VII. Door Prizes- Raffle and Announcement of e-Vote winner**

Mr. Lusk announced the winners of the raffles.

- **e-Vote check (\$1,000):** Ms. Claudia Cox

- **1<sup>st</sup> prize (American Airlines Giftcard for \$1,500):** Mr. Juan Cruz Secco Viana
- **2<sup>nd</sup> prize (Macbook Pro):** Mr. Carlos Roberto Arguello Munoz
- **3<sup>rd</sup> prize (Google Home Controller):** Mr. Mauricio Rada

**VIII. Adjournment**

The Annual Meeting adjourned at 5:30 p.m., and Mr. Lusk invited the members to a cocktail party at the Enrique Iglesias' atrium.

**Juan Manuel Fariña**  
Chair

**William L. (Chip) Lusk, Jr.**  
Secretary