

Minutes of the 62nd Annual Meeting

(Wednesday, May 17, 2023)

Call to Order and Determination of Quorum

The 62nd Annual Meeting of IDB Global Federal Credit Union was held at IDB headquarters in Washington, DC, in a hybrid format at the Andres Bello Room. A quorum was present. The meeting was called to order at 4:30 PM.

Chair Remarks

The Chair of the Board of Directors, Ms. María Valeria Zemborain, opened the presentation, welcomed all who attended in person, and acknowledged the hundreds of people registered for the hybrid meeting. She announced that Spanish translation was available on the Interactio Application, noted that questions were welcome in a convenient chat box or in person, and recognized the milestone of a first hybrid (live/virtual annual meeting).

She then introduced the guest speakers: the new IDB President at Inter-American Development Bank, Ilan Goldfajn; Credit Union CEO, Chip Lusk; and Chair of the Nominating Committee, Daysi Andrades. Ms. Zemborain also recognized Mr. Manuel Valderrama, one of the Credit Union's first members, who celebrated his 100th birthday last year and was present with his family. The members provided a round of applause for Mr. Valderrama.

Ms. Zemborain remarked on the highlights and challenges the world faced in 2022 and called for a moment of silence for those who suffered and the members who were no longer with us.

She announced the theme of "Providing Certainty in Uncertain Times" and reiterated the Credit Union's commitment to providing a secure, strong, and stable financial institution for our members. She also highlighted our dedication to delivering personalized, efficient, and convenient interactions across our various integrated channels.

She then proudly announced that the Credit Union had grown to \$757 million in assets and provided service to over 11,000 members across 75 countries on six continents.

Review and Approval of Minutes of 61st Annual Meeting

Ms. Zemborain stated that the 61st Annual Meeting minutes had been available for members on the Credit Union's website. She asked for a motion to approve the minutes. Vice Chair Jorge Roldan Modrák motioned to approve the

minutes, seconded by Past Chair Juan Manuel Fariña. The minutes were officially approved as presented, with no objections.

The Chair added that the Credit Union's Annual Report was available to members on April 12, 2023, which included the reports from the Credit and Supervisory Committee of their summary regarding loan approvals and internal and independent audit results, respectively.

Ms. Zemborain introduced the Credit Union's CEO, Chip Lusk.

CEO Remarks: Year in Review

Mr. Lusk thanked the Chair for her comments and thanked the staff, volunteers, and member-owners for their support.

He stated that the Credit Union aims to give our member-owners highly personalized, efficient, and convenient interactions with a wide choice of integrated delivery channels. Mr. Lusk acknowledged that the Credit Union works daily to provide financial peace of mind and ensure deposits are safe and secure.

Mr. Lusk then presented several data points to reassure members of the Credit Union's financial stability:

- The Credit Union has tangible capital and net worth ratios exceeding 10% and 12%, respectively.
- The Credit Union has an investment portfolio that has a short duration with high quality, and every month we revalue 100% of our investments to their current market values on our balance sheet.
- The Credit Union has readily available financial liquidity, which covers more than 250% of our uninsured shares and deposits.
- The Credit Union was ranked as the #1 credit union for financial health in Washington, DC, and one of the healthiest credit unions in the U.S. by Glatt Consulting, an independent third party.

Achievements

Mr. Lusk invited members to contact knowledgeable staff members to learn more about the Credit Union's steps taken to safeguard their deposits. He then noted the following 2022 achievements, stating that IDB Global Federal Credit Union:

- Promoted an 11-month Prime Share Boost Certificate.
- Distributed a special dividend to our members in March 2023 totaling \$1,000,000.

- Extended our hours at our Washington DC branch to 9 PM – 4 PM EST.
- Improved member service by allowing a callback when members contact us via phone.
- Implemented a virtual assistant on our website.
- Celebrated Hispanic Heritage Month with an in-branch Open House event, which included multicultural food and music, with more than 100 people attending.

Introduction of Video

The CEO introduced a video stating the highlights of the past year.

Video – Year in Review

The video began with what happened at the beginning of the year:

- The Ukraine War raged on.
- High inflation continued.
- New COVID variants emerged.
- Members relied on the Credit Union to maintain a secure, strong, and stable financial institution.
- The Credit Union focused on Continuity, Safety, and Service.
- The Credit Union provided highly personalized service through working relationships with the IDB Group, Family, Staff, and Retirees' Associations, Board of Directors, and Committee members.
- Elizabeth Bedoya-Turner, the Credit Union's Chair of the Supervisory Committee, stated that audit programs indicate a healthy organization with appropriate controls.
- Sandra Darville, the Credit Union's Chair of the Human Resources Committee, reported that the Credit Union's staff is stable and employee relations are positive.
- Monica Velasquez, the Credit Union's Chair of the Credit Committee, stated they analyzed 18 credit cases and approved 14 loans totaling almost \$5 million.
- The Credit Union offered a new Visa® Platinum Rewards Credit Card for both new and existing cardholders.
- The Credit Union improved the money-sending process via domestic wire transfer enhancement.
- The Credit Union enhanced members' ability to get detailed information about their mortgage and credit union in the online and mobile banking experience.
- The Credit Union offered Share Certificate interest rates at 4.50% (4.59% APY).

- The Credit Union offered a Family Referral Program for members to recommend their colleagues and family for membership.
- The Credit Union scored a net promoter score of 65, well above the banking industry average of 45.

Question and Answer Session

Mr. Lusk thanked the staff and committee members for all their hard work and then introduced Marianne Quinn, Chief Operating Officer, Marco Paredes, Chief Lending Officer, and André Sandoval, Branch Manager, to answer questions from several members.

Mr. Lusk stated the following question and answer.

1) Q: “What differentiates Credit Unions from banks?”

A: “The main difference between commercial banks and credit unions is that commercial banks are for-profit financial institutions while credit unions, including ours, are not-for-profit. So, while banks are privately owned or publicly traded, credit unions such as ours are cooperatively owned by their members. This not-for-profit cooperative status results in powerful benefits for credit union members. For instance, credit unions usually offer higher rates of return on savings and certificates and lower interest rates on credit cards and loans. Additionally, credit unions distribute their profits to members in the form of dividends on their share and deposit accounts, such as the one-million-dollar special dividend we recently distributed among our members.”

Ms. Quinn stated the question and answer to question two.

2) Q: “Considering the financial crises, how do we know our money is safe?”

A: “We understand that it is natural for anyone who has seen the recent news to be concerned. However, please rest assured that IDB Global Federal Credit Union is financially strong and secure. The financial positions and circumstances that led to Silicon Valley Bank’s collapse are not shared by our Credit Union. More specifically:

“First, as a not-for-profit credit union, we focus on the financial strength and security of our members’ assets instead of profits for the institution’s shareholders.

“Second, with the Credit Union’s loyal member base, the stability of our deposits helps insulate the Credit Union from liquidity challenges such as those experienced by Silicon Valley Banks.

“Third, our Credit Union is well-capitalized, with more than \$80 million in equity. We also have more than \$280 Million in available liquidity. This protects member deposits while shielding our Credit Union from shocks to the banking and financial industries.

“And fourth, your deposits are federally insured by the National Credit Union Administration.”

Next, Mr. Sandoval, Branch Manager, stated the next two questions and answers.

3) Q: “How does share insurance work?”

A: “Your Share Certificates, as well as your, share savings and checking accounts, are insured by the National Credit Union Share Insurance Fund. This fund insures deposits up to at \$250,000 per individual depositor and is a federal insurance fund backed by the full faith and credit of the United States government. Not one penny of insured savings has ever been lost by a member of a federally insured credit union.”

4) Q: “How can I maximize my share insurance coverage?”

A: “It is possible to qualify for more than \$250,000 in coverage if you own share accounts in different *OWNERSHIP CATEGORIES*. At the Credit Union ownership categories include single owner accounts, joint accounts, revocable trust accounts, and irrevocable trust accounts. For example, if you and your spouse have two joint accounts then you can each be insured up to \$250,000 for a total of \$500,000. *Please feel free to reach out to myself at andres@idbglobalfcu.org or in person at the Credit Union for a full review of your accounts to ensure you are maximizing your available insurance coverage.*”

Ms. Quinn took the next two questions and answers.

5) Q: “The Credit Union hosts live financial webinars. Are these sessions recorded?”

A: “YES, every webinar is recorded. The recordings are sent to each

member who signed up for the webinar. Additionally, every webinar can be viewed on our Webinars and Events page on our website.”

6) Q: “I see you offer many forms of communication. What is the quickest way to get help from someone at the Credit Union?”

A: “During Business Hours, on our website, click on the “Let’s talk!” bubble on the lower right-hand corner. You will have VIDEO, AUDIO, PHONE call back, and CHAT options all in one place. 2. Call us anytime at 202-623-3363. 3, OR use the Appointment Scheduling tool on our website!”

Mr. Paredes took the last question and answer.

7) Q: “Why can I not get a home mortgage or a car loan if my country of residence is outside of the U.S.?”

A: “The IDB Global Federal Credit Union operates within the U.S. and must comply with U.S. laws and regulations. This limits the Credit Union’s ability to offer some financial services such as mortgage and auto loans outside the U.S. due to compliance restrictions. Perfecting liens for properties outside the U.S. is complicated and increases the financial risk of the Credit Union.

“Offering loans overseas is challenging due to differences in laws, regulations, legal requirements, and market conditions.

“The Credit Union specializes in mortgage loans for investment properties within the U.S. territory to help members generate income and build wealth. International and local staff from the IDB and family members can apply with the Credit Union for mortgage loans to purchase investment homes within the U.S. territory.

Mr. Paredes invited the audience to ask any additional questions.

8) Q: “Hello, my name is Taos, and I am a member of the Credit Union. When you mention the million-dollar dividend that was distributed, how does that work? Does it depend on the amount a member has?”

A: Ms. Quinn answered, “The Credit Union has done an annual special dividend, I would say, for the last five years or more. Last year it was one million dollars. In prior years it was \$500,000. Given the Credit Union's strong performance, we increased to a million dollars. Every Share account

was distributed \$20 dollars and the remainder was spread proportionally based on your balances. It was deposited into your accounts in early March.

9) Q: “When can we use the ATM outside?”

A: Mr. Sandoval stated, “We have been working on that. There are various vendors involved. To get the ATM working, accept deposits from other institutions and process them properly. We are hoping to have that up as soon as possible. It took a while due to the pandemic, but we hope to have that up as soon as possible.”

10) Q: “For those not IDB employees, what are the eligibility requirements to become a member?”

A: Mr. Sandoval stated, “Thank you, there are a couple of different ways to be a member of IDB—immediate family members of IDB employees or current Credit Union members. Also, if you are a contractor at IDB headquarters, you are also eligible—and former employees and retirees and family of retirees.

11) Q: (Chat) “Andre, how do we compete with the Apple Card? They offer incredible rates for savings accounts?”

A: Mr. Sandoval answered, “I believe a lot of institutions offer products at different times that may benefit different people. We currently have a CD at 5%, which is higher than the Apple Savings Account. We also have a great Platinum Visa Credit Card, which offers a signup bonus, which I believe is higher than the Apple Card. If you have any questions about how we can compare them, please feel free to ask us. We want to make sure that we are offering you the products and, for the future, how we can improve on the products.

12) Q: “What is the credit union planning to promote or expand more on the products and services we offer and their availability?”

A: Mr. Paredes stated, “We have been pushing forward. The Credit Union have been doing a lot of webinars to help spread the word, push the products, and provide more information for you. We show what we can offer, our interest rates, and which products to take advantage of.”

Ms. Quinn added, “Follow our social media. Encourage your coworkers to do the same. We do send a lot of emails, so we encourage you to watch for

that.”

Lastly, Mr. Lusk added, “We have strategic partnerships with the Staff Association, Retirees Association, Family Association, and we are working collaboratively with the IDB’s ERGs. We are trying to connect with the community at multiple checkpoints so that we are actively engaged because we love this community, and that is the way for us to get the word out about our products and services.”

Introduction of 2023 Elections Results, Nominating Committee Chair – Daysi Andrades

Mr. Lusk thanked members for their questions and then introduced Daysi Andrades to present the results of the 2023 Election.

Nominating Committee Chair Remarks

After thanking the CEO, Ms. Andrades noted that she was honored to serve on the Credit Union’s Nominating Committee with Lourdes Tellería, Carlos Andres Gomez-Peña, and Adela Barrio Sarmiento. Ms. Andrades stated that the Committee met in early 2023 with management to evaluate candidate qualifications, as well as the skills needed and the composition of the Board to ensure that it represents the membership-at-large so that it may provide general direction and oversight of the Credit Union in accordance with the Federal Credit Union Act and the Rules and Regulations of the National Credit Union Administration.

Ms. Andrades stated that 1,742 members cast their vote and congratulated the following individuals for their election to the 2023 Board of Directors:

Three-year terms:

1. María Valeria Zemborain
2. Jorge Roldán Modrák
3. Diego Flaiban

Ms. Andrades then announced that the e-voter raffle winner of \$1,000 was Hugo Alberto Davrieux Celio.

Introduction of Raffle

Ms. Andrades congratulated the newly elected board members and Hugo Alberto Davrieux Celio. She introduced Mr. Sandoval to pick the raffle winners.

Raffle Winners Announced

After being introduced by Ms. Andrades, Mr. Sandoval announced that this year, the Credit Union will give three virtual and three in-person attendees a cash prize, which will be deposited into their savings or checking account.

Mr. Sandoval announced the three virtual winners:

- The 3rd place virtual winner for \$750 is Charmaine Edmondson Nelson from Jamaica.
- The 2nd place virtual prize winner for \$1,000 is Alejandra Boibo Mouta, Maryland.
- The 1st place virtual prize winner for \$1,250 is Sergio Lozoya Granier, Mexico.

Mr. Sandoval randomly picked three names from the audience to win the in-person raffle.

- The 3rd place in-person winner for \$750 is Ximena Valderrama.
- The 2nd place in-person prize winner for \$1,000 is Aida Estrada.
- The 1st place in-person prize winner for \$1,250 is Angela Campana.

Introduction of the Recognition Video of Mr. Manuel Valderrama

Mr. Sandoval invited CEO Chip Lusk back to the stage to recognize Mr. Manuel Valderrama. Mr. Lusk stated that Mr. Valderrama is one of the Credit Union's original members. In celebration of his service to IDB, the Credit Union produced a short video that presented highlights of his long and fruitful life.

Video - Mr. Manuel Valderrama

- Mr. Valderrama is born in Tupiza, Bolivia.
- Mr. Valderrama is recruited as Bolivia's Chief of Staff at the Ministry of Foreign Relations.
- Mr. Valderrama becomes the highest-ranking Bolivian officer of the U.S. Department of State's Point-Four Program.
- Mr. Valderrama is hired as head of Lending and Technical Assistance Operations by the first IDB President, Felipe Herrera.
- Mr. Valderrama creates the legal structure of the entity now known as IDB Invest.
- Mr. Valderrama and his wife have six children and eight grandchildren, and recently celebrated their 70th wedding anniversary and the birth of their first great-granddaughter.

Mr. Lusk thanked Mr. Valderrama for his years of service to the IDB and for allowing the Credit Union to be his trusted financial institution. He then asked him and his family to stand for a round of applause from the audience. The audience stood and gave a round of applause for Mr. Valderrama.

Introduction of IDB president, Mr. Ilan Goldfajn

Mr. Lusk came back on stage to introduce Mr. Ilan Goldfajn, IDB President. Mr. Lusk stated President Goldfajn served as Director of the Western Hemisphere Department at the International Monetary Fund (IMF) in 2022 and oversaw the IMF's first Resilience and Sustainability Facility. Also, President Goldfajn served as Governor of the Banco Central do Brasil from 2016 to 2019, where he led the Banco Central do Brasil in a period of unprecedented decline in inflation and interest rates in Brazil. He holds a Ph.D. in Economics from MIT and was elected Central Banker of the Year by The Banker magazine. President Goldfajn speaks several languages, including English, Portuguese, Spanish, and Hebrew. Mr. Lusk proudly stated that President Goldfajn is an IDB Global Federal Credit Union member and welcomed him to the stage.

Mr. Ilan Goldfajn Remarks

Mr. Ilan Goldfajn, IDB President, began his remarks by stating he is a proud Credit Union member. He said hearing Mr. Valderrama's story was wonderful and thanked him and his family for attending the Annual Meeting. He expressed that the concept of service is very important to credit unions and the one thing that distinguishes credit unions from banks. President Goldfajn stated that credit unions are not-for-profit institutions that exist first and foremost to serve the needs of their members. He added that credit union board members are not paid. They serve as volunteers, which makes credit unions special. He noted that this spirit is reflected in the personal service that IDB Global Federal Credit Union provides to its members.

He continued that in these days of polarization and uncertainty, as seen with Silicon Valley Bank and others, one of the best ways institutions can serve their members is the type of stability that can only come with careful, solid management. President Goldfajn stated that the Credit Union offers that kind of stability. He also reiterated that according to the Glatt report, the Credit Union is one of the healthiest Credit Unions in the country. President Goldfajn stated the Credit Union's board of directors approved the \$1,000,000 dividends, meaning membership pays—literally.

President Goldfajn specified member satisfaction showed 99% of members who came to the Credit Union in person were satisfied with the service received. The satisfaction was also high for online and remote consultations.

He also stated that IDB Global Federal Credit Union has helped thousands of members build credit histories and buy their first cars and first homes. He said he was delighted to celebrate the Credit Union's 62nd anniversary with everyone. President Goldfajn said he wished everyone continued financial, personal, and professional success.

Adjournment

In conclusion, Mr. Lusk thanked the IDB President for his words of encouragement and leadership. Mr. Lusk thanked the speakers, Marketing, Operations, Valderrama family, Board of Directors, Volunteers, and member-owners for their business and trust.

Mr. Lusk announced a sneak peek of upcoming new products:

- A NEW 5%, 12-month Promo Share Certificate.
- A NEW High-yield Savings Account.
- A NEW Kasasa Cash and Rewards (Cash Back) Checking Account.
- A NEW Home Improvement Loan Product.
- A NEW WhatsApp Communication Touch Point.
- A NEW Integration of Live Chat and Video Chat Communication Tools in our Mobile App.
- A NEW Virtual Assistant within Digital Banking.

Mr. Lusk closed by reminding members of the Credit Union's presence on social media channels and expressing his gratitude to all members for their participation, and he adjourned the 62nd Annual Meeting at approximately 5:30 PM.