

Annual Report



BECOMING IDB GLOBAL
FEDERAL CREDIT UNION

2019

Annual Report

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FEDERAL CREDIT UNION

Contents

CEO’s Message	7
Board of Directors Report	14
Credit Committee Report	15
Supervisory Committee Report	22
Financial Statements	24
Board & Committees	30
Staff	32



Becoming IDB Global FCU

In 2019, our Credit Union changed in a way that gave us new character and significance. We developed an ambitious strategic plan that reshaped our mission, vision, goals, impact in the community, and redefined our brand identity. All to ensure we continue providing a meaningful and complete banking experience to our members, as a strong financial partner in all stages of their lives.

To support the initiatives of our new strategic plan, it was necessary to create a new brand that better represented who we are, and who we are working to become. A brand that reflected these changes and connected to our members while also preserving the tradition we have built over the decades. Through an extensive investigation on our members' perceptions and expectations of us, we learned from valuable insights that helped us develop a path consistent with members' needs and translate our essence into a brand that represents our diverse membership and staff.

Becoming IDB Global Federal Credit Union has been an extraordinary transformation that not only brings us closer to our members, but also drives us to achieve our most visionary goals of member solutions, growth and human capital. We head into a new decade with the power of both our legacy and prospects of serving this community with more passion and commitment than ever.



Message to Members

William L. (Chip) Lusk, Jr.
Chief Executive Officer

“ We must adjust to changing times and still hold to unchanging principles. ”

Jimmy Carter, Former U.S. President

“ Continuity of strategic direction and continuous improvement in how you do things are absolutely consistent with each other. In fact, they’re mutually reinforcing. ”

Michael Porter, Author

Dear Valued Member,

As I sit at home writing this letter in the era of COVID-19, fiscal year 2019 feels like it was a long time ago. Even though the world has changed drastically since then, some things remain the same, such as our unchanging principles. During this difficult time, every single Credit Union employee has been extremely committed to our mission and is working hard to ensure your banking experience is as convenient, secure, and stress-free as possible.

As we all adapt to these challenging circumstances, we are making important changes in several aspects of our operations, which includes 100% of our staff working remotely to continue serving members the best way we can. For most of us, working from home is new, but our commitment to you remains the same. While we miss seeing you in person, we are always here for you as your *Financial Partner Anytime, Anywhere*.

President Carter and Mr. Porter’s words above also reflect our evolution to becoming IDB Global Federal Credit Union. We are committed

to continual improvement, as well as our principles and our strategic direction. At our 2019 Annual Meeting, we launched our new name, our new brand, and our new vision. Our new name and brand, IDB Global Federal Credit Union, are more than just a change of label. They are a confirmation of how far we have come, a reflection of the fact that we have become a truly global financial institution. While at the same time, our dedication to member service remains unchangingly at the heart of our organization.

In the years leading up to 2019, we knew that our name and brand did not reflect the global nature of our Credit Union. It did not speak to the fulfillment of our vision to provide premium personalized worldwide service to our members. We knew that it was vital for our brand to reflect that we are our members’ *Financial Partners Anytime, Anywhere*.

In fact, our board and executive team were unanimous that this transformation was necessary. So, in 2019, we adopted an ambitious strategic plan that realigned our mission, vision and goals, and redefined our brand identity. All of this was to ensure that we continue providing a meaningful and complete banking experience to our members, as a strong financial partner in all stages of their lives.

We realized that our members' needs had changed, and we had adapted to meet those changes, not only through consistently new and improving services and products, but with our entire brand. So, to create a solid brand platform that leveraged our 59-year legacy and delivered on our new strategic plan, we conducted months of member surveys, interviews, and focus groups, along with targeted creative analysis. After this extensive process, we arrived at our new identity: IDB Global Federal Credit Union.

Our new name, IDB Global Federal Credit Union, not only describes that we provide global financial service, it also means that we will accompany our members as they travel around the world, whether it is through their debit card, credit card, or their online banking app.

We also put a lot of thought into our brand design. It reflects our efficiency, innovation, diversity, and inclusiveness. And most importantly, it represents who we focus on: you, our members.

In fact, our new brand motto is *"In our world, we focus on you, so you can focus on what is important to you."* Whether that is career, school, travel, family, or retirement, our goal is to meet our members' needs no matter what their focus is, what stage of life they are in, or where they live.

The Year in Review

While our rebranding was the big news of 2019, the year also saw many exciting new products and services for our members, as well as strong financial statements. Here are some highlights.

Grand 2.75% Share Certificate

Here at IDB Global Federal Credit Union, we are always looking for ways to give back to our members and ensure their financial health. The introduction of our Grand 2.75% Share Certificate in 2019 is a great example. As a high-yield savings account, it helps members grow their money in as little as 13 months. It is yet another great benefit of being part of our Credit Union.

Mastercard Debit Card Instant Issue

We also pride ourselves on convenience and service, and so last summer, we launched our in-branch, in-person Mastercard Debit Card instant issue program. This means that members may receive their new debit cards the same day they open a checking account in the branch. And if your card is lost, damaged or stolen, we can now issue members a new card in minutes.

Financial Education Center

Helping you make great decisions with your money is one of our goals. In 2019 we launched our new online Financial Education Center, which has engaging interactive learning materials

on topics such as general financial education, owning a home, preparing for retirement, or paying for college. If you have not checked it out, I highly recommend you do.

Giving Back and Having Fun

Part of our mission at IDB Global Federal Credit Union is to support our greater community. In 2019, your Credit Union supported charitable initiatives close to members' hearts, such as the Children's National Hospital, Wendy Martinez Legacy Project, Caminata por la Inclusion, Bahamas Strong, CARECEN, and La Clínica del Pueblo.

Along the way, we had a lot of fun, like participating in the Inter-American Development Bank's 60-year family-friendly celebration, as well as throwing a party in the Credit Union lobby to support the Washington Nationals during their World Series Championship, including a photo booth for taking fun pictures. Thank you to everyone who showed up and made these events special and fun!

Visa Card Vacation Promotions!

Our final two months of 2019 saw incredible Visa Credit Card promotions, featuring 1% cash back for overseas members and two lucky members winning all-inclusive vacations for themselves and a guest to Cancun, Mexico and Montego Bay, Jamaica. The trips included round-trip flights, a five-star resort stay, all-inclusive meals, and airport shuttle.

Strong Financials, Too!

Our Jamaica and Mexico bound members were not the only winners in 2019. We all were. Yes, our 2019 financials were excellent and included the opening of nearly 2,000 new accounts and the funding of over 800 loans for members.

Our return on assets and year-end capital ratio were also strong at 1.01% and 13.50%, respectively. Our robust year also meant direct financial benefits for you, our members. We distributed more than \$3.25 million in dividends, including a special end-of-the-year dividend distribution of \$500 thousand.

You Spoke, We Listened

At IDB Global, we always have our ears open for member feedback, and we value it dearly because it helps us to improve the Credit Union for all members. In 2019, we collaborated with Market Street Research to conduct a professional member survey so that we may gain a better understanding of member perceptions, needs, and satisfaction with the Credit Union.

Most importantly, your feedback provided valuable insights that help us improve existing products and services, as well as create exciting new ones. The survey was available in English and Spanish, and we had a member participation rate of over 10%, which is extraordinary. Thank you to all who offered feedback; we are using it to drive positive change for you in 2020 and beyond.

Your Satisfaction Is Our Goal

And finally, I am proud to say that our Service Satisfaction Ratings during 2019 were excellent at 9.37 out of 10. Our In-Branch Service Satisfaction Rating is equally impressive at 98%. And finally, our Net Promoter Score, which gauges members' satisfaction and loyalty, improved by six points over the prior year. While the banking industry's average net promoter score is 34, IDB Global Federal Credit Union's score is 67!

These satisfaction ratings are so gratifying to me, and the entire IDB Global Federal Credit Union staff, because they tell us that we are succeeding in our core focus: you, our members. We are your *Financial Partners Anytime, Anywhere*, and our goal is to give you more time to focus on what is most important to you. Because it is not just a slogan, it is our commitment: *In our world, we focus on you*. So, from all of us at IDB Global Federal Credit Union, we look forward to spending each and every day earning your trust, support, and business.

I am incredibly grateful to our team for their accomplishments in 2019, as well as the support and encouragement from our board of directors, volunteers, and you. And as I reflect on the challenges of our current environment, I am humbled and inspired by the tenacity, creativity, resilience, and agility of our employees. Our circumstances may change, but our principal focus on serving you remains – *In our world, we focus on you!*

Sincerely,



William L. (Chip) Lusk, Jr.
Chief Executive Officer



Security

Only **0.01%** of debit card transactions reported potential fraudulent activity.

1,902
New Accounts



25,038
Number of Share Accounts



\$492M
Total Amount in
Share Accounts





Chair
María Valeria Zemborain

Board of Directors Report

Directors are volunteers elected by the members for a term of three years. The Board of Directors meets monthly to 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.

María Valeria Zemborain
Chair

Jorge Roldan
Vice-Chair

Christian Gómez
Treasurer

Sandra Darville
Secretary

Francisco Rojo
Assistant Treasurer

Claudia de Colstoun
Assistant Secretary

Juan Manuel Fariña, Monica Velasquez,
Patricia Nalvarte
Members



Chair
Patricia Nalvarte

Credit Committee Report

“ The Credit Committee would like to express its appreciation for the consistent support and thorough presentations it received from the Credit Union management and staff. ”

The Credit Committee, appointed by the Board of Directors, meets at least monthly to review, in a confidential manner, loan requests that exceed the lending authority of Credit Union management or are exceptions to Credit Committee guidelines. The financial capacity and credit history of each applicant are analyzed to assure that loan payments will not overburden the member's cash flow and that the best interests of both the member and the Credit Union will be served. The Committee offers alternative financing options to help members solve their financial problems. Appointed Committee members each serve two years. The Chief Lending Officer is a standing appointed member of the Committee.

Patricia Nalvarte
Chair

Stephanie Ferreyra
Vice-Chair

Marco Paredes
Secretary

Guillermo Mulville, Adolfo Samaniego
Members

Pascual Mendez, Andrea Raimondo,
Ruben Doboin
Alternates

During 2019, the Credit Committee held 19 meetings, analyzed 40 cases and approved **33 loans totaling \$12,993,564**. In addition, management approved **796 loans totaling \$73,877,103** under the lending limits established by the Committee and approved by the Board of Directors.



Number of Loans
Over 800



Total Amount
\$86.8M



Money Management

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IDB GLOBAL
FEDERAL CREDIT UNION



IDB Global FCU app

Manage your accounts anytime, anywhere

Whether you are home or on the go, you can take advantage of the following Mobile App features:

1. Check your Balances
2. View Statements
3. Transfer Money Between Accounts
4. Manage & Pay Bills
5. Deposit Checks
6. Reorder Checks
7. Find an ATM
8. Apply for Loans
9. View your finances in Money Management



IDB GLOBAL
FEDERAL CREDIT UNION

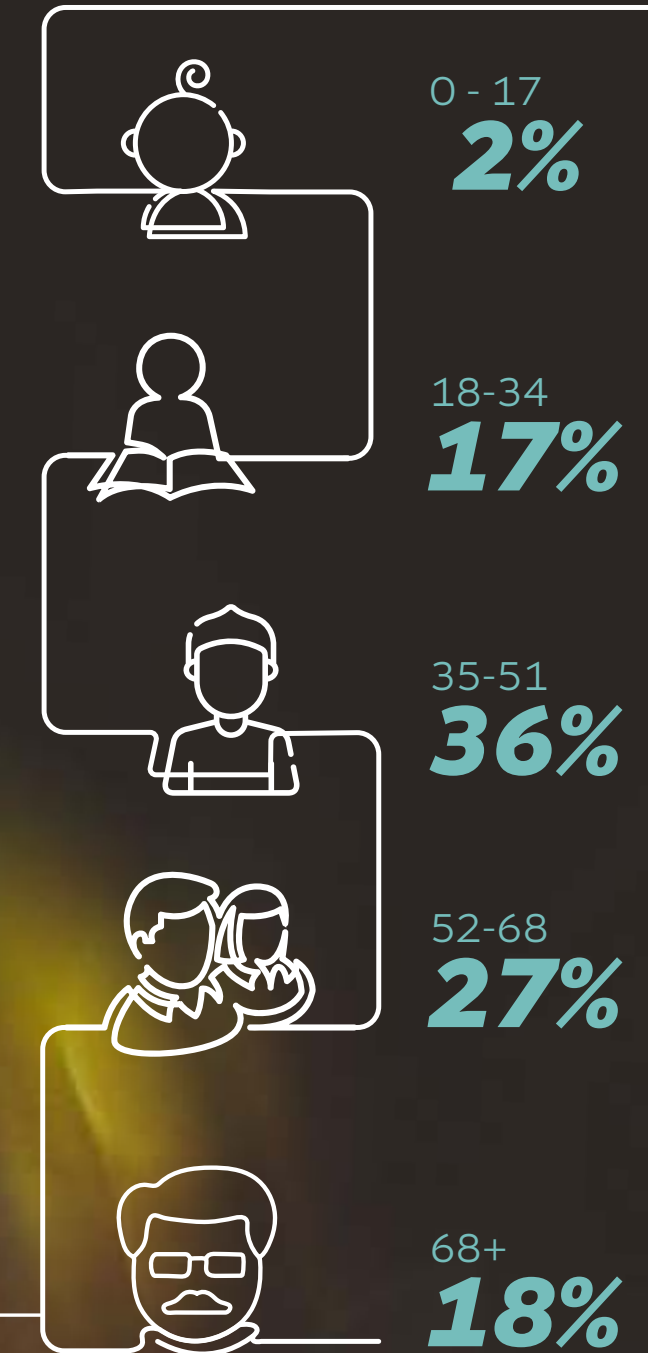
Membership Demographics



Location

Resides in the U.S.: **70%**
Resides overseas: **30%**

Age Group



Supervisory Committee



Chair

Ignacio Barragan

“ *The Supervisory Committee appreciates the trust and cooperation it has received this past year from the staff, Directors and members of the Credit Union.* ”

The Supervisory Committee, appointed by the Board of Directors, is responsible for overseeing the agreed-upon internal audit procedures and annual external audits, and for monitoring compliance with the regulatory requirements of the National Credit Union Administration (NCUA). This includes selecting auditors, verifying member accounts, reviewing internal controls, responding to member complaints, and recommending procedural improvements.

In 2019 the Committee:

- Provided a risk-based, ongoing review of compliance with Credit Union policies and procedures, which included the audits of internal controls, cybersecurity, and financial condition of the Credit Union.
- Continued its engagement with Clifton Larson Allen, the Credit Union's internal auditors, to perform monitoring procedures including a review of new loans and new investments to ensure conformity with lending and investment policies, as well as monitoring the compliance of other Bank Secrecy Act and Anti-Money Laundering (BSA/AML) policies.
- Engaged Doeren Mayhew, Certified Public Accountants and Advisors to perform the annual audit the financial statements of the Credit Union as of December 31, 2019.

Ignacio Barragan
Chair

Ken Foley
Vice-Chair

Claudia de Colstoun
Secretary

Yoel Alveo, Gabriela Torrez
Members

Financial Statements

Independent Auditor’s Report

To the Supervisory Committee and Board of Directors IDB Global Federal Credit Union

Report to the Financial Statements

We have audited the accompanying financial statements of IDB Global Federal Credit Union, which comprise the statements of financial condition as of December 31, 2019, and the related statements of income, comprehensive income, members’ equity, and cash flows for the year ended, and the related notes to the financial statements.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Doeren Mayhew
Miami, FL
April 17, 2020

Opinion

“ In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of IDB Global Federal Credit Union as of December 31, 2019, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. ”

Prior Period Financial Statements

The financial statements as of December 31, 2018 were audited by other auditors, whose report dated April 8, 2019, expressed an unmodified opinion on those statements.



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Investing in Your Future



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Whether you are opening a secondary account, or are a new member applying for the first time, we make this process easy for you.

Why open an account online?



10-minute application process



Secure Online Platform

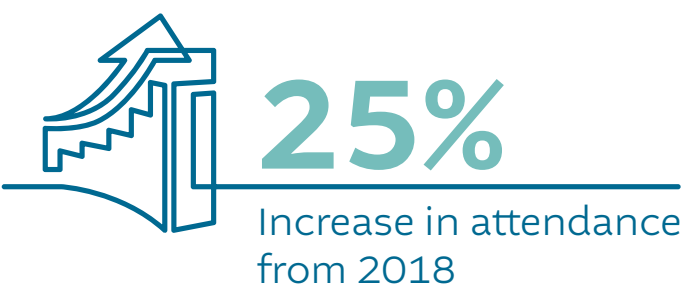


Option to save your application and return to it later

[Open an Account Today](#)



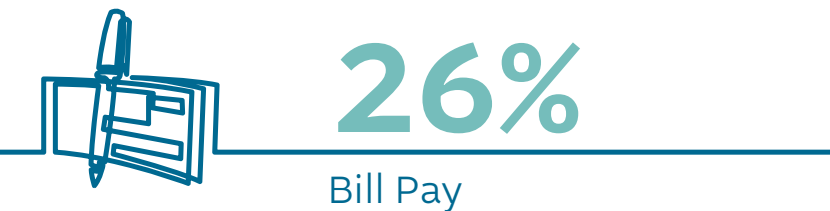
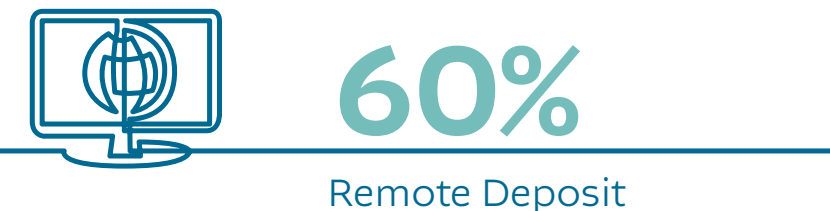
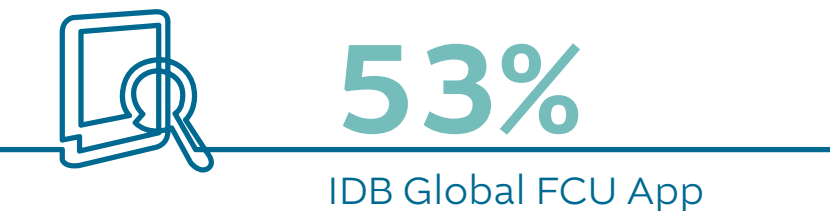
Resources



of Sessions booked by week:

- Real Estate Week: 42
- Investment Week: 95

Internet Banking Penetration Rates



Service Satisfaction Rating



10% more than last year

* The average NPS in the banking industry is 34.

Call Center





Board & Committees

Board of Directors

María Valeria Zemborain
Chair

Jorge Roldan
Vice-Chair

Christian Gómez
Treasurer

Sandra Darville
Secretary

Francisco Rojo
Assistant Treasurer

Claudia de Colstoun
Assistant Secretary

Juan Manuel Fariña
Patricia Nalvarte
Monica Velasquez
Members

Credit Committee

Patricia Nalvarte
Chair

Stephanie Ferreyra
Vice-Chair

Marco Paredes
Secretary

Guillermo Mulville
Adolfo Samaniego
Members

Pascual Mendez
Andrea Raimondo
Ruben Doboin
Alternates

Supervisory Committee

Ignacio Barragan
Chair

Ken Foley
Vice-Chair

Claudia de Colstoun
Secretary

Yoel Alveo
Gabriela Torrez
Members

Executive Committee

María Valeria Zemborain
Chair

Juan Manuel Fariña
Former Chair

Jorge Roldan
Vice-Chair

Christian Gómez
Treasurer

Sandra Darville
Secretary

Nominating Committee

Patricia Nalvarte
Chair

Martin Guozden
Lourdes Tellería
Mike Valianatos
Members

Investment Committee

Christian Gomez
Chair

Francisco Rojo
Vice-Chair

Ariel Amiras
William L. (Chip) Lusk, Jr.
Marco Paredes
Andrea Argueta
Marianne Quinn
Members



Executives

- William L. (Chip) Lusk, Jr.
Chief Executive Officer
- Andrea Argueta
Chief Operating Officer
- Marco Paredes
Chief Lending Officer
- Marianne Quinn
Chief Financial Officer
- Katherine Lopez
Director of Compliance and Risk Management
- Mark Schwartz
Director of Human Resources
- Kia Ware
Director of Information Technology

Administration

- Flor Meléndez
Administrative Officer

Back Office Support

- Sandra Patiño
Back Office Member Services Supervisor
- Catalina Massignotti
Member Services Officer
- Elincer Mejia
ACH and Wire Processor
- Ashley García
Senior Call Center Associate
- Emily Moreno
Senior Call Center Associate
- Kimberly Diaz
Call Center Associate
- Marilyn Martinez
Call Center Associate
- Zury Moreno
Call Center Associate

Debit Cards & Fraud

- Erina Fonseca
Senior Product Manager-Credit & Debit Cards/Fraud
- María Cruz
Card Fraud Specialist
- Claudia Ramirez
Card Services Associate

Finance

- David Dayrit
Senior Financial Analyst
- Judith Badua
Senior Accountant
- Adriana Gonzalez
Staff Accountant
- Michael Riley
Staff Accountant

Information Technology

- Carlos Ruiz
IT Support Manager
- Arbey Vásquez
IT End-User Support Specialist
- Denis Gómez
IT End-User Support Specialist

Marketing

- Natalia Esguerra
Marketing Manager
- Solange Araujo
Senior Marketing Specialist
- Dane P. Font
Digital Marketing Specialist

Compliance & Risk Management

- Norma Young
BSA/AML Analyst
- Lina Vasquez
Compliance Specialist

Lending

- Alexandra Rieckhof
Loan Production Manager
- Carlos Sibrian
Senior Loan Officer
- Erik Carpio
Loan Officer
- Diane Fotso
Mortgage Processor – Closer
- Edwin Blanco
Consumer Loan Operations Specialist
- Wally Maldonado
Consumer Loan Operations Specialist
- María Peralta
Consumer Loan Operations Specialist

Member Services

- Florencia Hunt
Branch Manager
- Valentina Perez
Assistant Branch Manager
- María Cristina Vivanco
Senior Member Services Officer
- Victoria Corzo
Member Services Officer
- Evelin Soto
Member Services Officer
- Philip Tolentino
Senior Teller
- Pedro Linares
Teller
- Ricardo Rivera
Teller

*As of December 31, 2019

BECOMING IDB GLOBAL FEDERAL CREDIT UNION

2019

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Website

idbglobalfcu.org

IDB GLOBAL
FEDERAL CREDIT UNION

