

MINUTES *for the* 2020 ANNUAL MEETING



The Chairman of the Board, Lucia M. Anderson, called the 51st Annual Meeting of Purdue Federal Credit Union (Purdue Federal) to order at 4:02 p.m. on Tuesday, August 18, 2020, at the Kurz Technology Center in the Purdue Research Park in West Lafayette, Indiana.

Secretary, Edgar J. Cyr, recognized the presence of a quorum. There were 18 members present. Additionally, the meeting was streamed on Facebook Live with an average of 30 consistent live viewers.

The Chairman asked if there were any changes to the agenda, and hearing none, the agenda stood as presented.

A motion to approve the Minutes of the 2019 Annual Meeting was made by Edgar Cyr and seconded by Sundeep Rao. Motion carried.

Purdue Federal's board of directors has nine elected members, each serving three-year terms. Directors steer the credit union down its strategic path, seeking to enhance the well-being of members and ensure the long-term stability and success of the credit union. Board members serve unpaid, typically spending an average of eight or more hours per month preparing for and attending meetings of the board and its various committees. Board members each serve on several of the eight committees. Board members enhance their own capabilities and preparedness through annual self-study courses and conference attendance. Board Chairman Anderson recognized and thanked the 2019 Board of Directors for their dedicated service.

On behalf of the Nominating Committee, Chairman Anderson presented the committee's recommendations of board nominees Edgar J. Cyr, David J. Kish, and Sundeep S. Rao to serve as directors on Purdue Federal's Board of Directors.

A motion was made by Christiane Keck and seconded by Bob Falk to elect these nominees by acclamation. Motion carried.

Board Treasurer Cristina Farmus stated Purdue Federal remains a fiscally safe, sound, "well capitalized," and growing member-owned organization.

Purdue Federal continues to be the largest locally headquartered and managed financial institution. Our superior member service resulted in a year of exceptional financial performance for the credit union.

Purdue Federal experienced record vehicle loan production in 2019, up \$9M or 12% and continues to be a market leader in Tippecanoe County for mortgage lending. Member loan and credit line origination approval exceeded \$450 million in 2019. Credit quality remains strong with delinquencies and charge-offs reaching all-time lows ending the year at 0.23% and 0.14%, respectively.

Membership grew 4.4% to 82,532. In 2019, our members took advantage of attractive share certificate rates resulting in 34% growth in this product. We continue to offer a full suite of deposit products including savings, checking, and money market accounts to meet our members' needs.

Member capital position ended 2019 at 10.5%, well above the 7% deemed well-capitalized by the National Credit Union Administration (NCUA). Net income for the year, a requirement of a healthy and growing financial cooperative, was distributed to undivided earnings with total equity ending the year at \$135M. My Member

Perks, Purdue Federal's member loyalty program, returned an additional \$6M in cooperative benefits throughout the year.

Purdue Federal services \$1.46B worth of loans, up \$99M or 7% in 2019. To manage our balance sheet, Purdue Federal sells mortgages to the secondary market and retains the servicing to remain the main point of contact for our members' needs. Our major growth areas in 2019 include vehicle loans – up \$9M or 12%, commercial loans – up \$41M or 12%, and first mortgages (including serviced) – up \$41M or 5%.

Purdue Federal's deposits increased by \$85M or 8% in 2019. As interest rates peaked early in the year, Purdue Federal was able to offer attractive certificate specials, which our members took advantage of in 2019. Share certificates were up \$50M in 2019 or 34%. Assets Under Management (AUM) through Investment Services located at Purdue Federal Credit Union increased in 2019 by \$29M to a balance of \$189M.

A motion to accept the *Treasurer's Report* was made by Lucia Anderson and seconded by Edgar Cyr. Motion carried.

Supervisory Committee Board Liaison, Sundeep Rao, provided an overview and brief description of the responsibilities of the Supervisory Committee. The committee members take their role very seriously and make sure the credit union is providing the proper controls and security necessary to protect the assets of the credit union. Independent auditors, BKD, gave an unqualified opinion with no major or minor issues noted on Purdue Federal's financial reporting. Purdue Federal also received an excellent NCUA exam. Mr. Rao acknowledged the Internal Audit staff and their continued efforts in meeting industry's demand of audit procedures and exams.

CEO Falk talked about the successes of 2019 and the teams that made these great successes possible. He thanked the volunteer directors for their strategic leadership during 2019 and through the pandemic challenges of 2020. He thanked his executive leadership team for their efforts to produce incredible financial and member service results in 2019 and he thanked his entire team of Purdue Federal employees for everything they do to take great care of our Purdue Federal members every day. The financial success of 2019 has prepared our credit union very well for the economic and financial challenges that lie ahead as a result of the COVID-19 pandemic. Your credit union is in a very strong financial position as we head into these unknown economic conditions.

Members with questions were invited to seek out Purdue Federal staff and directors at the conclusion of the meeting.

Chairman of the Board, Lucia M. Anderson recognized CEO Falk and the leadership team, in addition the front line staff reacting quickly to ensuring the Purdue Federal continued to run smoothly during the beginning of the COVID-19 pandemic.

The meeting adjourned at 4:22 p.m.

Attested to by:


Lucia M. Anderson, Chairman


Edgar J. Cyr, Secretary