

CREDIT UNION OF DENVER  
92<sup>nd</sup> ANNUAL MEETING  
Saturday, May 13, 2023  
9277 W. Alameda Avenue  
Lakewood, Colorado

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*Please note this meeting was held both via Zoom and in-person. Ms. Dankers took a moment before the meeting began to explain the Q&A feature and Chat feature for any questions or concerns during the meeting for all those in virtual attendance. Ms. Dankers also explained that she will take attendance for anyone who is attending via phone.*

The meeting was then turned over to Chairman Sapp.

Chairman Sapp called the meeting to order at 9:00 a.m. and welcomed everyone to the 92<sup>nd</sup> Annual Meeting of Credit Union of Denver. She ascertained that a quorum of at least 15 members were attending in person and virtually combined as required by Article 12, Section 5, of the Bylaws, and that if there are no objections, Roberts Rules of Order, Newly Revised, would be the parliamentary authority.

Chairman Sapp noted the agenda was provided via web link for those attending virtually and a handout for those attending in person. She noted the agenda will be adopted for this meeting unless there are any objections or corrections.

Hearing no objections, the agenda was adopted as provided.

Chairman Sapp moved on stating on behalf of all the elected officials, management, and staff, she welcomed everyone to the 92<sup>nd</sup> Annual Meeting of the credit union. She introduced herself as Chairman of the Board and took a moment to introduce the other members of the Board as follows: Michael Chevarria; Vice-Chairman, Pauline Borquez; Secretary/Treasurer, Lee Allen; Director, Carl Bingham; Director, Gary Grimstvedt; Director attending virtually, Donna Piazza; Director, George Volentir; Director, and Russ Smith; Director attending virtually. Mr. Fernando Rocha, Supervisory Committee Chairman was attending virtually as well. Other officials attending are Chief Operations Officer, Tamara Dankers, Chief Financial Officer, Scott Collins, Chief Lending Officer, David Dilley, Chief Technology Officer, Fred Howard, and President/CEO, Chris Wallace, who was also in attendance.

Chairman Sapp announced that later in the meeting, there will be an open forum to address any questions that are submitted via the Q&A feature. She noted we will also allow those attending via telephone and in person a moment to ask their questions should there be any. She appointed Ms. Dankers as the timer for the open forum.

Chairman Sapp noted regarding the Minutes Review Committee, she appointed the following individuals: Supervisory Committee Chairman, Credit Committee Chairman, and the Vice Chairman of the Board of Directors to review these minutes.

Moving on, Chairman Sapp noted the minutes from the May 7, 2022, Annual Meeting have been provided via the website meeting link for review. She asked for a motion to waive the reading of the 2022 Annual Meeting Minutes during this meeting.

Ms. Piazza motioned to waive the reading of the 2022 Annual Meeting Minutes. Mr. Volentir seconded.

Chairman Sapp noted the phone lines have been unmuted for the vote and those attending virtually will have a voting button appear on the screen. She stated all in favor, say "aye" and all opposed say, "nay". Those in person stated "aye". All were in favor of waiving the reading of the 2022 Annual Meeting Minutes.

Chairman Sapp stated the motion carries, the reading of the minutes has been waived. Chairman Sapp noted the minutes of the last Annual Meeting have been reviewed by the Annual Meeting Review Minutes Committee and approved by the Board of Directors. She asked if there were any corrections or additions to the minutes. Hearing none, the minutes from the 2022 Annual Meeting, as provided, are hereby approved.

Chairman Sapp continued stating reports of the Chairman of the Board and President/CEO, Treasurer, Supervisory Committee and Credit Committee were contained in the Annual Report. Chairman Sapp added the Supervisory Committee engaged Moss Adams to audit the credit union's financial statements for year-end December 31, 2022. She is pleased to report that we received a clean, unmodified opinion that the financial statements present fairly, in all material respects, the financial condition of the credit union.

Chairman Sapp took a moment to thank the management and their teams for all their efforts to be there for our members in working to meet their financial needs. She also thanked all the volunteers for their time and energy and support of the Credit Union of Denver.

Chairman Sapp then introduced our new CEO, Mr. Chris Wallace, who took the reins of the Credit Union of Denver on November 1, 2022. She noted Mr. Wallace was our Chief Strategy Officer for a couple of years before taking the position of CEO. She added working with Mr. Wallace these past six months have shown her Mr. Wallace's dedication, knowledge, and passion to make Credit Union of Denver the best credit union we can be in serving our members and the community while staying financially strong. She then turned the meeting over to Mr. Wallace to present the CEO report.

Mr. Wallace thanked Chairman Sapp. He extended a warm welcome and thanks to all the members who took time out of their day to attend Credit Union of Denver's 92<sup>nd</sup> Annual Meeting. He stated in looking back at 2022, we were faced with some of the most challenging economic conditions in decades, including a rapidly rising rate environment and historic inflation.

He noted Credit Union of Denver navigated all of this with dedication and focus to be here for our Member-Owners and despite the challenges, we continue to have strong financial performance, while always striving to provide best-in-class service to our members.

Mr. Wallace continued stating in the Annual Report, net income for 2022 was over \$9 million, and the credit union's net worth ratio ended the year at 12.55%, which is the highest of any credit union in Colorado with at least \$700 million in assets. He added all of this was accomplished while giving our members a tremendous value with great rates and low fees. In fact, we returned more of the credit union's earnings back to our members in the form of interest on their deposits than any of the 11 largest credit unions in the state of Colorado with a dividends-to-income ratio of 13.43%. Mr. Wallace noted one of the ways we achieved that was keeping our operating expenses low. We have the second-lowest operating expense ratio among the 11 largest credit unions in Colorado, and we are also well below the peer average group for credit unions. This has been a successful strategy over the years, keeping our expenses low so we can return more value to our members.

Mr. Wallace stated another 2022 highlight is loans outstanding growing by \$74.5 million, or 12.8%. Deposits decreased by \$9 million, or 0.91% and the combination of these two led to an increase of our loan-to-share ratio from 57% as of December 31, 2021, to 65% as of December 31, 2022. What this means is that a higher percentage of our members' deposits are being utilized by our members in the way of affordably priced lending solutions. Finally, we had a net increase of 1,921 members in 2022, to end the year at 68,249 members.

Mr. Wallace added, as mentioned earlier, while a strategy of our credit union is to keep our operating expenses low, we also recognize the critical importance of investing in our employees, technology, and infrastructure to be here now and well into the future for our members. To that end, a few of the key initiatives that were either undertaken or completed in 2022 included first, furthering of our overall cybersecurity posture, as protecting our members' data is of paramount importance. In 2022, we implemented additional technological tools to further protect our computer network, web applications, and member data from cyberattacks. Second, selection of our Contact Center Solution, which will allow for communication between members and the credit union employees on multiple channels such as phone, text, and chat, allowing our members to communicate as they so choose. Launch of the platform actually occurred in January of 2023 with phone functionality, and we are excited for the rollout of the text feature in the

second half of this year. Third, recognizing that our employees are our most important asset, there was a thorough review and overhaul of our employee benefit offerings and finally, after a very thorough process, we selected a new centralized core banking solution which will be launched in May 2025.

In summary, 2022 was another solid year at Credit Union of Denver as a safe and strong financial institution. Mr. Wallace stated we could not achieve these successes without the guidance of each of our volunteer Board of Directors and Committee Members, as well as the dedication and hard work of our entire team of exceptional employees, and as we look ahead to a bright future, we are more focused than ever on the significant impact our credit union has on our members and the community we serve, being a trusted partner to our members in their journey to achieve financial well-being.

Mr. Wallace noted that was all he had for 2022 but before he concluded his section of the Annual Meeting, he wanted to take a moment to talk about what has been in the news this year as it relates to the mega bank failures that have taken place in 2023, specifically, Silicon Valley Bank, Signature Bank and, most recently, First Republic Bank. He stated unlike stockholder-owned, profit-driven banks, our credit union is a not-for-profit cooperative, owned by our all our members using our services. Our cooperative, not-for-profit structure inherently holds us accountable to you, and to all of our over 68,000 members. Mr. Wallace noted we do not have stockholders' profit demands and our balance sheet is diverse and not reliant on a sole industry which is what happened with the recent mega bank failures. Our services are diverse, and we are here for our members and our community, not profit-driven stockholders and Wall Street. We live and work in the communities we serve, accepting local deposits and making local loans to our members and, because we are a federally insured credit union, the National Credit Union Association insures deposits at Credit Union of Denver to at least \$250,000 per individual depositor through the National Credit Union Share Insurance Fund, otherwise known as NCUSIF. He added this is the same type of coverage that is provided by the FDIC that insures for banks. Same coverage, same safety, just a different regulatory agency within the US government that administers and regulates it.

Mr. Wallace continued stating we are financially sound and have the highest net worth ratio for all credit unions of our asset size or higher as of March 31, 2023, far exceeding the regulatory standard of a well-capitalized credit union. Our members can rest assured, knowing that we are healthy, strong, and safe, more than ever, focused on serving our members now and well into the future, as we have done for over the past 92 years.

He thanked our members in attendance once again and for being loyal and valued members of the Credit Union of Denver. We are grateful for the opportunity to serve you, thank you.

Chairman Sapp thanked Mr. Wallace and moved on to the election results. She introduced Mr. Lee Allen, Chairman of the Nomination Election Committee who will be presenting the election results.

Mr. Allen commented that before he announced the results, he wanted to say that we had the largest number of candidates that we have ever had in the 25 years that he has served as a volunteer for Credit Union of Denver. He added their goal is to deliver a quality Board to our members and feels we are achieving that. He noted the Board has been discussing ideas on improving volunteer training and to make them a better Board to assist our CEO and to assist our members. Mr. Allen continued with the report of the Election with the Board of Directors first. He noted this year, the Call for Nominations process resulted in nine candidates running for three open positions, three incumbents and six other candidates. He congratulated Mr. Chevarria, Ms. Piazza and Mr. Burke for their election to the Board.

Moving on to Supervisory Committee, we had four candidates running for three open positions, three incumbents and one other candidate. He congratulated Ms. Estep, Mr. Reddell and Mr. Rocha for their election to the Supervisory Committee.

Lastly, for the Credit Committee, we had one candidate run for three open positions. Therefore, this candidate was elected by acclamation, and per policy, no vote of the membership was needed. Mr. Allen congratulated Mr. Markel for his election to the Credit Committee.

Thank you to all of our members who took the time to vote because we take this as a serious part of credit union business.

Chairman Sapp thanked Mr. Allen for his report. She then asked if there was any new business to be considered during the meeting.

Hearing none, she announced we would move to the open forum portion of the meeting. She noted we will first take questions from those attending virtually via the Q&A feature, followed by those on the phone and then those attending in person.

Ms. Dankers noted there were no questions submitted at this time.

Chairman Sapp moved on to open the floor to anyone here in person who has a question or comment for the Board or for Mr. Wallace. She reiterated the time per speaker will be limited to three minutes.

Mr. Leo Kinney commented that he is often asked why he comes to these annual meetings, because he has other things to do like everyone else but one of the main reasons is that this is the only place he can come every year and get some good news and see some familiar faces. He added

Mr. Beebe, who he was hoping to see here today, but wasn't present. Mr. Kinney gave a personal story about Mr. Beebe briefly before asking his questions. Mr. Kinney asked if anyone had received notice this meeting was to be held at the Foothills Field House.

Chairman Sapp answered we wouldn't have sent anything like that out.

Mr. Kinney added it must have been for something else because we have never held it there before. He continued stating as it's been said already, it has been a great year for our credit union, and he thinks the main reason is the people. He noted the Board has done a great job and in the main building, employees are always friendly and seem eager to help solve problems and added it seems that we have been providing some of the best interest and loan rates in the area, which is a good thing. He asked why we paid our members more than \$324,000 to bring their loans to Credit Union of Denver from someone else and if we have the best rates, they should be paying us to make the change. He also asked how we benefitted from spending over \$300,000.

Mr. Wallace thanked Mr. Kinney for his story on Mr. Beebe, his question and his membership. He answered on that program, the landscape that we operate in these days is extremely competitive and that is a program we have used to attract additional loans to our credit union and the amount of money that we are paying for them, does sound like a lot but in the grand scheme of things, we make that money over many, many, many times. He added basically, this program is the ability to attract new business to the credit union.

Mr. Kinney thanked Mr. Wallace for his answer.

Chairman Sapp asked if there were any other questions.

Hearing none, she thanked Mr. Kinney for his feedback and his attendance.

Ms. Dankers then unmuted the phone lines for those attending over the phone to ask their questions or make their comments.

After brief pause, our member Mr. Lesovsky attempted to ask a question via phone but had technological issues and couldn't be heard.

Chairman Sapp moved the meeting ahead and stated as there were no additional questions, she moved to the announcements. Seeing there were no announcements at this time, and with no other business to conduct, Chairman Sapp stated the business of this meeting is concluded and hereby adjourned the 92<sup>nd</sup> Annual Meeting of Credit Union of Denver at 9:25 a.m.

ANNUAL MEETING MINUTES REVIEW COMMITTEE:

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Michael Chevarria  
Vice-Chairman, Board of Directors

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Fernando Rocha  
Supervisory Committee Chairman

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Ken Maxey  
Credit Committee Chairman