



www.IconCreditUnion.org

ANNUAL REPORT 2018



Connie Miller

President & CEO



Icon Credit Union had another successful year, serving over 25,800 members in 2018. We value the relationships we have built over the sixty-seven years with each of our members, and continue to operate as a high-performing local credit union. The dedication of our team to provide our members, each with unique needs, is to be commended.

Icon continues to operate in a safe and sound manner, with a strong relationship with our regulators and high member capital. Icon Credit Union continues to be named a Top 200 Credit Union for being one of the healthiest credit unions in the country. We also received the 5-star Bauer Financial rating designation for our security, strength, and reliability. In 2018, we invested in an accelerated effort in helping consumers become stronger financially, and offering increased

financial education and judgment free products to help those in need. We are proud to focus on the credit union philosophy of 'people helping people' in everything we do. We couldn't be more thankful to have such a loyal member base and we're thankful for the opportunity to serve our members on a daily basis.

Icon continues to thrive by providing strong returns on your deposits and lower loan rates. In fact, Icon ranked in the 80th percentile of Total Return to Members nationally by Callahan & Associates, a testament of our commitment to provide you the financial resources you deserve. As rates started to creep up in 2018, we offered many increases in our own deposit dividend rates to you. Icon's dividends paid were more than 24% higher than our peers in the industry. The adoption of many of our e-services continues to grow. For example, many members enjoyed the ability to deposit checks remotely through our Remote Deposit Capture, making deposits right from their phone.

Icon Credit Union is committed to proactively preventing fraud on our member's behalf. Last year, we blocked over \$619,000 in attempted fraudulent transactions with our aggressive fraud prevention tools on debit and credit cards, as well as thousands of checks identified as counterfeit checks before our members incurred a loss. The use of e-services is continuing to increase and we are seeing some nice utilization of a broader range of demographics that are enjoying doing business with Icon Credit Union electronically.

Icon Credit Union continues to see strong competition in the financial services arena, with large out-of-state credit unions and growing banks moving into the areas we serve, and we pride ourselves on the commitment to keep with the not-for-profit cooperative spirit and a local philosophy. Our share deposit growth in 2018 slowed to 4.78%, but exceeded our peer group deposit growth of 3.63%. We also saw loan growth slow, but did come in strong at 8.99%, compared to 8.56% in our peer group. Icon experienced stellar performance in our loan quality, as the job market remains strong and members are committed to fulfilling their obligations. Icon's delinquency ratio ended the year at .16%, far below the peer average of .81% of total loans.

We are energized to ring in 2019 with more high performing expectations. We are continuing with an assessment of emerging technology needs and a dedication to increasing one of the most important ways you wish to do business with Icon Credit Union, and that is your mobile application and access to Icon Credit Union from wherever you are. We began opening some of our branch locations on Saturdays in 2018 to expand our availability to members, expanded our ATM access, and opened our first branch in Canyon County. We also launched commercial business lending,

and have already helped many small businesses with their deposit and lending needs. We stay committed to ensuring our capital ratio is above the minimum regulatory requirement of 7%, with Icon's net worth ratio over 13%.

Managing the ever-changing technology advancements in order to be prepared for member's needs certainly takes a talented group of dedicated employees and volunteers. Icon continues to be included in the list of Best Places to Work, and we never lose sight of providing a great culture for our employees. I am proud to lead our almost 100 employees and have great appreciation for our volunteers who lead Icon Credit Union as well. Our commitment is to ensure we have the products and services needed to develop a stronger relationship with our members and the consumers who desire the uniqueness of Icon Credit Union. Here's to a healthy and flourishing 2019!

Connie Miller



President & CEO

COMING IN 2019

We are excited to announce the construction of our new Ten Mile Branch, located on Ten Mile Road, near the McMillan intersection in Meridian, ID. This will be Icon's eighth branch location and we anticipate opening on October 1st. We held a ground breaking ceremony on March 28, 2019, and construction is well under way.

This new branch will be full-service, offering drive-thru access and a 24-hour ATM. Included with the branch is an 800 square-foot community room which will be available for local area credit union members, businesses, employers, and non-profit organizations to use for meetings and trainings.

We're also excited to announce the location of a new branch inside the new Ridley's Family Market currently under construction in Weiser, ID. This will be our ninth branch location and will be full-service; bringing low cost financial services and great rates on deposits and loans.

We look forward to serving our member's needs at these new locations!



BOARD CHAIR REPORT



It is a pleasure to serve as the Board Chair of Icon Credit Union. I am happy to report to you Icon Credit Union remains a strong, safe, and secure institution. Icon Credit Union continued to grow in 2018. This growth was evidenced not only by year-end assets, but also through the accomplishments of a dedicated staff and management team who embrace the philosophy of putting the member first. Quality, personal service remains an important focus, along with providing a full range of competitive products.

Icon continues to reach new milestones as a high-performing credit union and we continue to receive awards and recognition from several rating providers as a top credit union in the nation.

The board continues to invest in our mission of being a not-for-profit cooperative entity. Unlike the profit-driven banks, we are committed to returning our excess earnings to members in the form of higher dividends, lower loan interest rates and fees, and new infrastructure and delivery systems.

Icon is blessed to have many talented and committed volunteers who never lose sight of our core mission, which is to help members reach their financial success in a unique way through the various stages of their lives. It seems simple at times, but is not always easy to deliver to such a broad audience with various preferences and needs. Our board looks after our members' best interest and our Supervisory Committee provides great oversight in the audit functions. We continue to seek talented advisory board members to improve the board's responsibility in succession planning.

While the board provides great wisdom and oversight to Icon Credit Union and its members, we'd be remiss if we didn't recognize the incredible work ethic and care for our members from our talented staff. It has been a pleasure to provide direction to our President & CEO, Connie Miller, who continues to ensure her team contributes to building a financially sound and thriving credit union. Congratulations are also in order to Connie, who recently celebrated 20 years at the credit union. She serves members through the heartfelt "people helping people" credit union mantra. Icon Credit Union continues to be recognized as one of Idaho's Best Places to Work.

As always, our mission remains to help our members fulfill their financial needs. Thanks to each of our members for continuing to trust us with your financial future, and we look forward to another year as a thriving credit union.

Pat Marler

A handwritten signature in black ink that reads "Pat Marler". The signature is fluid and cursive, with a long horizontal stroke at the end.

Board Chair

FINANCIAL STATEMENT AS OF YEAR END

	12/31/2018	12/31/2017
Assets		
Loans to Members (net)	257,803,178	236,653,315
Cash & Investments	16,535,419	22,783,749
NCUSIF Deposit	2,366,887	2,330,880
Land & Building (net)	7,591,750	7,977,924
Equipment & Computer	619,207	351,124
Other Assets	7,864,784	7,991,417
Total Assets	292,781,225	278,088,409
Liabilities & Equity		
Other Liabilities	4,372,452	3,160,037
Regular Shares	69,506,447	63,258,453
Checking	50,295,853	44,718,232
Money Market	37,840,225	40,090,267
IRAs	14,610,936	14,708,508
Share Certificates	78,922,342	76,943,695
Reserves	1,621,399	1,621,399
Undivided Earnings/Other Equity	35,611,571	33,587,818
Total Liability & Equity	292,781,225	278,088,409
INCOME AND EXPENSE REVIEW		
Income		
Interest on Loans	11,628,156	10,247,289
Investment Income	283,899	384,664
Other Income	3,515,776	3,703,246
Total Income	15,427,831	14,335,199
Expenses		
Compensation/Benefits	5,653,517	5,154,573
Office Occupancy	585,147	598,459
Office Operations	1,780,223	1,517,230
Professional Services	284,670	257,967
Members' Insurance	883	1,657
Provision for Loan Losses	800,000	525,592
Loan Servicing	2,233,207	2,558,764
Other Expenses	593,951	448,929
Total Expenses	11,931,598	11,063,172
Member Dividend Expense	1,614,746	1,408,812
Other Income - Stabilization Fund Refund	140,338	-
Net Income	2,021,825	1,863,215

The Icon Supervisory Committee is a volunteer oversight committee dedicated to monitoring the credit union's activities and operations for safety and soundness. We also perform a biannual membership verification. We hire a CPA firm to conduct an annual Supervisory Committee Audit. This audit resulted in a very clean report for FY 2018, and confirmed Icon Credit Union continues to be a strong and reliable financial institution. Our committee performs branch cash counts, reviews the board packets, and works with Icon staff to confirm adherence to policies and procedures.

The Supervisory Committee appreciates very much the support it receives from the Board of Directors and Icon staff. This relationship results in a stronger financial institution, which benefits all Icon members.



Nate Peterson, Chair



Icon

credit union

With Us. You can.



Icon

credit union



Icon Administrative Office
7615 West Riverside Drive
Boise, Idaho 83714

Phone: (208)344-7948

Fax: (208)853-1695

E-mail: Support@IconCreditUnion.org