

## MEMBER SERVICES

We pride ourselves on the level of Member Service we continue to give our member / owners, as we have done for the past 44 years. Our benefits to you include:

**CONFIDENTIAL, PERSONALIZED SERVICE** ~ We strive to handle your financial needs quickly and conveniently – to give you the individual and prompt attention that you deserve and have come to expect from your IAEFCU.

**VISA CARDS** ~ We offer both a Classic Visa at 10.9% and a Platinum Preferred Visa at 9.8%. These annual rates have no gimmicks or hidden rate increases ... just great basic rates you can count on. Our Visa cards come with NO annual fees, NO cash advance fees, and also come with Free Visa Convenience Checks.

**REAL ESTATE LOANS** ~ We offer Fixed Rate Mini Home Equity Loans from \$10,000 to \$100,000, with a streamlined application process to simplify your life. We also have Low Rate Home Equity Loans and Second Mortgages, which give you access to 70% of the equity value that you have in your home. We even pay your closing costs on our Home Equity and Second Mortgages!

**INTERNET BANKING** ~ Information available on your account anywhere you are 24/7. You can also pay all of your bills online, transfer funds between your savings, checking and loans, check your account history, apply for a loan, and much more ...

**ATMs** ~ Our IAEFCU ATM card is a convenient way to access cash in both your IAEFCU Checking and Savings. You can withdraw cash at any MAC, Cirrus, Star or Honor ATM machines located throughout the US and overseas – over 60,000 locations worldwide.

**DIRECT DEPOSIT / PAYROLL DEDUCTION** ~ is a convenient way to deposit funds into your IAEFCU accounts, pay your loans and start building your savings account. We also accept Government and Pension checks.

**PAT** ~ Our Phone Automated Touch Tone Account Information Service where you can check your account balances, transactions, transfer funds between accounts, check our Loan, Savings and Certificate rates, etc. – 24/7 wherever you are.

**LOAN APPLICATIONS** ~ you can now apply for an IAEFCU loan at our website. If you prefer not to apply online, please give our offices a call. We work hard to make this a simple process.

**FAMILY MEMBERSHIP** ~ Please remember to refer your family and household members for IAEFCU membership. Applications are available at our website. If you prefer, just give us a call.

**NICE TO KNOW** ~ Since the Credit Union was founded 44 years ago, we have lent our members \$92.7 million. **Once a member, always a member, BUT YOU MUST REMAIN ACTIVE!**

## MEMBER SERVICES

### SAVINGS

Savings Accounts • Checking Accounts  
Holiday Clubs  
IRA Term Certificates  
Share Term Certificates

### LOANS

Personal Loans • Pledge of Savings  
New and Used Vehicles • Boats  
Tax-Payer Loans • Tuition • Consolidation  
Second Mortgages  
Home Equity Line of Credit • Mini Home Equity Loans

### SERVICES

Payroll Deduction • Direct Deposit  
Free Notary Service  
VISA Cards • ATM Cards  
Audio Response Teller - PAT  
On-Line Banking • On-Line Bill Payment  
Foreign & Domestic Wire Transfer

### BOARD OF DIRECTORS

A. John Harrison, President  
James P. Brennan, Vice President  
Robert Kramer, Treasurer  
Manfred Schlarb, Secretary  
Om Bhambri • Regina Kaler • Gerald Pinola

### SUPERVISORY COMMITTEE

Diego Franco, Chair  
Virginia Gollin • Ray Maurer • Barbara Orenstein

### CHIEF EXECUTIVE OFFICER

Regina Kaler

Business Hours: Monday-Friday 9:00 AM - 5:00 PM

## INTERNATIONAL AIRLINE EMPLOYEES FEDERAL CREDIT UNION

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## INTERNATIONAL AIRLINE EMPLOYEES FEDERAL CREDIT UNION



## ANNUAL REPORT 2004

AIR FRANCE

AUSTRIAN AIRLINES

CARGO AIRPORT SERVICES, LLC

FINNAIR

KLM ROYAL DUTCH AIRLINES

SAS SCANDINAVIAN AIRLINES SYSTEM

SWISS INTERNATIONAL

SCHENKER INTERNATIONAL

THAI AIRWAYS INTERNATIONAL

ARIES INTERNATIONAL, INC.

BROOKVILLE PLAZA MANAGEMENT

BVLGARI CORPORATION OF AMERICA

INTER-JET SYSTEMS, INC.

INTER-JET CUSTOMHOUSE BROKERS, INC.

MINDPEARL U.S., INC.

SN BRUSSELS AIRLINES

This past year, 2004, has been good for your Credit Union. All this, despite the slow pick-up in the domestic economy, the massive increase in Federal debt (due both to the war in Iraq and the Government's tax policy), the US foreign trade deficit, and decline of the dollar against the Euro and yen, as well as the increase in consumer debt in this country. In the near term, there is little sign of fundamental change in US economic policies, and thus the probability of continually rising interest rates. The Fed has to be concerned with the willingness of foreigners to hold increasing amounts of US Govt bonds.

In this economic climate your Board of Directors is following a conservative policy on investments and liquidity, so that we can meet all our members needs for loans. We are also doing our best to expand our field of membership and we have the assets built up over the past 40 years to satisfy such an increased membership.

We added new services for members in 2004. Most significant was our introduction of Online Banking and Bill Pay at the beginning of the year, which has proved very popular with 348 members now online. We ran a number of special promotions during the year with specials on 8 month and 5 month CDs and auto loan sales at very attractive rates. Our Web Site was greatly enhanced during the year, and is now a fount of information on many topics: interest rates, loans, CDs and IRAs, etc., and application forms.

Our **Assets** increased by almost \$3mn to over \$29 mn. **Members' Deposits** including CDs and IRAs are up by \$2.6mn to \$25.2 mn. **Investments** are up slightly to almost \$16mn. **Membership** was up slightly to 2,528 with 4,535 separate accounts, despite many we closed as being dormant. We paid members over \$500,000 in **dividends** in 2004.

Our **Loan to Asset Ratio** was 44% at year end including Participation Loans with other Credit Unions. Loans to members dropped by \$171,000 during the year, more than made up by the increase in participation loans, We wrote off \$29,713 in defaulted loans and at the end of the year our Loan Loss Reserve stood at \$71,559

**Our financial position is very strong.** We added \$268,244 to our reserves in 2004 for a Capital/Asset ratio of 13.6%, more than twice that of most banks. This strength will enable us to grow and meet members' needs, whatever the economic climate. We maintain a low overhead so as to give members better than market rates on both savings and loans.

We thank our small and dedicated staff and many volunteers for our continuing good results.

January 29, 2005

A. John Harrison

(All amounts in U.S. Dollars)

**Balance Sheet**

**ASSETS**

	December 31, 2003	December 31, 2004
Loans to Members	4,752,606	4,581,282
Participation Loans	5,731,107	8,433,150
(Less Loan Reserves)	-70,817	-71,559
Net Outstanding Loans	10,412,896	12,942,873
Cash	30,106	12,979
Investments	15,651,472	15,950,691
NCUA Share Ins. Deposit	206,198	220,751
Furniture and Equipment (NET)	33,425	24,575
Other Assets	244,055	244,113
<b>TOTAL ASSETS</b>	<b>26,578,152</b>	<b>29,395,982</b>

**LIABILITIES AND CAPITAL**

Accounts Payable	250,198	178,936
Members' Deposits	22,623,838	25,274,401
Reserves	2,192,477	2,326,599
Undivided Earnings	1,551,272	1,685,394
Unrealized Gain/(Loss) on AFS Investments	-39,633	-69,348
<b>TOTAL LIABILITIES &amp; CAPITAL</b>	<b>26,578,152</b>	<b>29,395,982</b>

**STATEMENT OF EARNINGS AND EXPENSES**

<b>INCOME</b>		
Interest on Loans	616,121	732,748
Income From Investments	595,385	573,690
Other Income	79,396	71,241
<b>TOTAL GROSS INCOME</b>	<b>1,290,902</b>	<b>1,377,679</b>
<b>OPERATING EXPENSES</b>	<b>537,028</b>	<b>591,055</b>
<b>DIVIDENDS PAID TO MEMBERS</b>	<b>486,441</b>	<b>518,380</b>
<b>NET EARNINGS</b>	<b>267,433</b>	<b>268,244</b>

**DISTRIBUTION OF NET EARNINGS**

To Regular Reserve	133,717	134,122
To Undivided Earnings	133,716	134,122
<b>TOTAL DISTRIBUTION OF NET EARNINGS</b>	<b>267,433</b>	<b>268,244</b>

**FOUR YEAR COMPARISON**

The chart opposite shows trends over the past four years in loans to members, investments, members' savings, and total assets. During this period, the number of members and accounts varied as follows:

	2001	2002	2003	2004
<b>Members</b>	2411	2442	2449	2528
<b>Accounts</b>	3007	3876	4342	4535

