



TFCU

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TFCU
CORPORATE OFFICE

2016
ANNUAL
REPORT

TFCU
THE CREDIT UNION



TTCU's new Corporate Office, completed in December 2016

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Message



from the President & Chairperson of the Board

In 2016, TCU harnessed **opportunity and technology** to serve our members and the communities where they work, live and raise their families.

A CRITICAL NEED.

When Oklahoma schools suffered a state funding crisis, TCU saw an **opportunity** to help and launched the **SOS-Support Our Schools initiative**. TCU pledged \$1 million to school districts in the areas we serve and challenged communities, businesses and individuals to join us in the effort. In the end, SOS generated nearly \$2.8 million dollars to help northeast Oklahoma's cash-strapped schools.

CONNECTION AND CONVENIENCE.

As **new technologies bring greater opportunities** to engage and serve our members, TCU is embracing innovation. Last year, we installed interactive video teller machines at our Jenks branch to provide greater convenience for members. It is the first step in our plan that will pair technology and training to transform and personalize each member's experience in our branches.

TTCU pledged \$1 million to school districts in the areas we serve and challenged communities, businesses and individuals to join us in the effort.



We found more **opportunities to enhance convenience** through our electronic banking services with the addition of Touch ID for mobile banking in 2016. Improvements to our Member Relations Center allowed our team to handle more than a quarter million member calls.

THE MEMBER-FIRST FOCUS.

More options for mortgage lending allow us greater **opportunity** to find the best mortgage for each member's individual circumstances. In 2016, we introduced VA loans, Section 184 Indian Bureau loans, land loans and unsecured home loans to our lending line of products.

Through ongoing surveys, we identified **opportunities** to improve our member service, and our members responded with approval ratings that best the national average.

FOUNDATION FOR THE FUTURE.

Perhaps nowhere is TTCU's strength, growth and commitment to serving members better represented than in our new Corporate Office. The six-story building rising from the skyline at 81st and Mingo in Tulsa is a durable reminder of our core purpose — **to enrich our members' lives through financial leadership.**

With its technological infrastructure, advanced training centers and innovation-inspired environment, the new facility is a key component in our strategy to recruit and retain the best talent, and to nurture our next generation of leadership. TTCU is well positioned for the growth, development and innovation that will allow us the honor, privilege and **opportunity to serve our members well into the future.**

Tim Lyons
President/CEO

Andrew McKenzie
Board Chairperson

“Earning our members’ trust is TTCU’s most important core value, and TTCU’s financial strength is a critical part of earning that trust.”

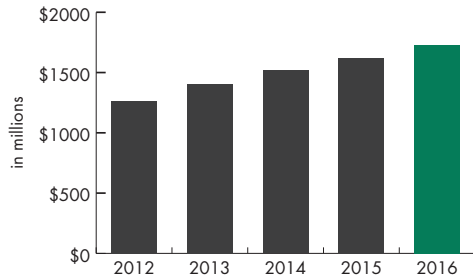
Shelby Beil

Chief Financial Officer

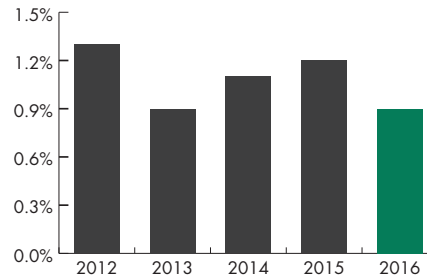
FINANCIAL HIGHLIGHTS

Year ended Dec. 31	2012	2013	2014	2015	2016
(in millions)					
Assets	\$1,262	\$1,405	\$1,517	\$1,623	\$1,731
Loans Outstanding	\$922	\$1,104	\$1,123	\$1,159	\$1,209
Member Shares	\$968	\$1,097	\$1,175	\$1,249	\$1,334
Capital	\$164	\$171	\$189	\$205	\$217
Capital Ratio	13.0%	12.1%	12.4%	12.6%	12.5%
Return on Assets	1.3%	0.9%	1.1%	1.2%	0.9%
Members	97,900	111,193	114,075	118,630	122,566
Loans Granted	22,384	24,529	19,531	21,083	21,608
Number of Branches	13	15	16	16	15

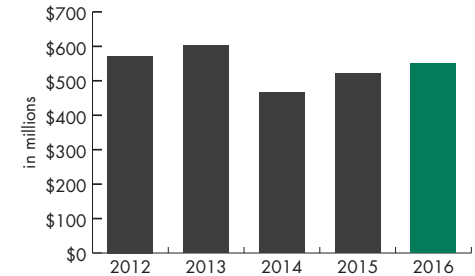
TOTAL ASSETS



RETURN ON ASSETS



GROSS LOAN VOLUMES



audited financials are available upon request

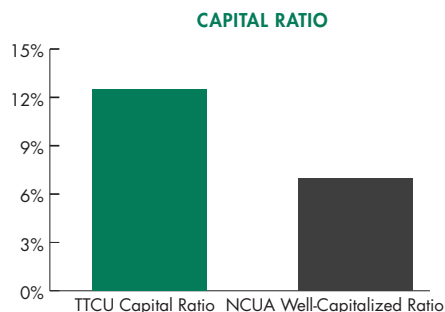
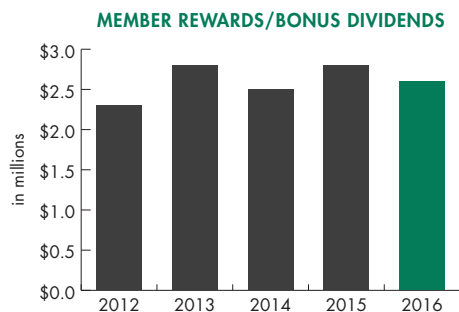
OPERATING RESULTS

Year ended Dec. 31
(in millions)

	2012	2013	2014	2015	2016
Gross Income	\$67.9	\$72.5	\$78.1	\$82.6	\$86.8
Less:					
Dividends and Interest Paid*	13.3	12.8	11.9	12.2	13.0
Operating Expenditures	29.7	33.7	37.3	41.0	45.1
Provision for Loan Losses	8.6	14.0	13.5	10.5	14.4
Net Income from Regular Operations	16.3	12.0	15.3	19.0	14.3
Insurance Fund Expense	(0.8)	(0.8)	-	-	-
Net Income	\$15.5	\$11.2	\$15.3	\$19.0	\$14.3

*Includes Member Rewards

Member Rewards Dividends	\$2.3	\$2.8	\$2.5	\$2.8	\$2.6
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LOANS GRANTED

Year ended Dec. 31
(in millions)

	2015	2016	Difference
Branch Loans	\$82.9	\$87.1	\$4.2
Credit Card Lines	\$5.4	\$13.7	\$8.3
Dealer Point-of-Sale Loans	\$290.2	\$286.4	\$(3.8)
Construction Loans	\$5.5	\$7.4	\$1.9
Mortgage Loans	\$135.2	\$142.5	\$7.3
Total	\$519.20	\$537.10	\$17.90

“Recognizing the unique lending needs of all our members and treating everyone as an individual allowed us to exceed our goals in 2016. By putting the focus on the member, we fully embraced our goal of being the trusted source for financial solutions.”

Chuck Chastain
Senior VP of Lending



The **Juvenile Diabetes Research Foundation** walk is a tradition for TTCU. For the past decade, TTCU employees have joined the annual walk that helps fund research.

Community Involvement



TTCU employees are members of the communities we serve. We live, work and raise our families alongside our members. The cooperative principle of **concern for community** impacts everything we do – from walking in a parade to volunteering at community events to helping our members achieve financial security.



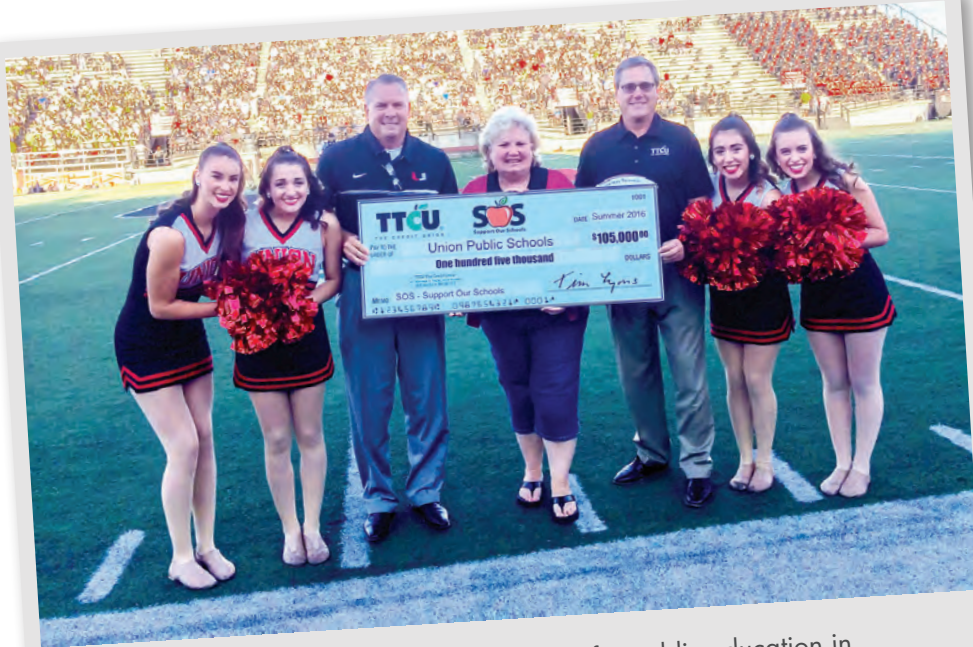
Making a child's day makes for a great day! At the annual **TTCU Kids' Fishing Day** at Bass Pro, nearly 600 smiling children received free fishing poles. #bestdayever



Parades are always in season! TTCU participated in parades throughout the year and sponsored events and festivals across northeast Oklahoma.



In 2016, TTCU was named a Trailblazer for the Tulsa Area United Way's annual campaign. TTCU employees joined hundreds of other organizations in United Way's **Day of Caring**. Paired with the non-profit Parent Child Center of Tulsa, TTCU's team cleaned and painted the organization's facilities.



In 2016, lack of state funding for public education in Oklahoma became front page news. With schools facing unprecedented shortfalls, Tim Lyons, TTCU President/CEO, knew TTCU had to act! On June 2, TTCU launched the SOS – Support Our Schools fundraising initiative with a \$1 million donation to schools in communities TTCU serves. Lyons challenged businesses and individuals to join TTCU in the effort. In all, nearly \$2.8 million was raised for the benefit of the schools in northeast Oklahoma.



FoolProof, TTCU's online financial literacy program, is one example of our commitment to education in all of our communities. FoolProof allows high school students across Oklahoma to meet state-mandated, financial education requirements. Since FoolProof's inception, **more than 60,000 students** have participated in this program, at no cost to students or their families.



For more than a decade, TTCU has been a driving force of **Project School Supplies**, a collection drive that puts basic school supplies into the hands of children who otherwise might go without. TTCU partners with local agencies, and our members and employees generously donate money and supplies.



7 Cooperative Principles

Like other cooperatives around the world, TTCU operates according to seven cooperative principles. These principles, founded in the philosophy of 'people helping people' set us apart from banks.

- 1** TTCU's **membership is open and voluntary.** We are not-for-profit, meaning profits are returned to the members in the form of higher dividends and lower loan rates. In 2016, **we welcomed 15,675 new members.**
- 2** Every member is actually an owner of TTCU, and **every member has an equal vote, a say in TTCU's future.**



3

TTCU relies on our **members' economic participation.**

The more our members participate in credit union services, the more they benefit economically, especially through our Member Rewards dividends.

4

TTCU is **autonomous and independent;** members helping members with the same goal in mind – financial knowledge and security.

5

The cooperative movement places emphasis on **working together to the benefit of our members.**

6

TTCU was founded by educators in 1934 and continues to **support education and training today.** TTCU provides FoolProof, a free, online financial literacy program available to everyone.

7

Our concern for the communities we serve doesn't stop with financial education. We strive to be a good corporate citizen by actively supporting JDRF, United Way, American Red Cross, the arts, Project School Supplies and many school foundations.

TTCU LOCATIONS

Corporate Office

9815 E. 81st St.
Tulsa, OK 74133

Tulsa Area Eastland

14501 E. 21st St.

Midtown

3720 E. 31st St.

North Pointe

140 E. Pine

Riverside

7155 S. Riverside Pkwy.

Southeast

10081 E. 81st St.

Northeast Oklahoma

Bixby

13475 S. Memorial

Broken Arrow

1050 N. 20th St.

Broken Arrow South

6410 S. Elm Pl.

Claremore

1800 S. Hwy. 66

Jenks

105 S. 9th St.

Miami

303 Goodrich Blvd.

Muskogee

3801 W. Okmulgee

Owasso

11725 E. 96th St. N.

Sapulpa

100 S. Mission

Tahlequah

778 E. 4th St.

Online Services

www.ttcu.com

www.ttcu.com

Telephone: 918.749.TTCU (8828) • 1.800.234.TTCU (8828)

BOARD OF DIRECTORS

Board of Directors

Andrew McKenzie – Chairperson
Dr. Clark Ogilvie – Vice Chair
Steve Pittman – Secretary/Treasurer
Bobbie Allen Booker
Saundra Ford
Jack Pontious
George Paul

Supervisory Committee

Ray Hatton, Jr. - Chairperson
Jesse Guardiola
Kay Hamilton
Dr. Jarod Mendenhall
Dr. Steve Tiger

Emeritus

Dr. Robert J. Nelson

SENIOR MANAGEMENT TEAM

Tim Lyons – President/CEO
Doug Aldrich – Executive Vice President
Shelby Beil – Chief Financial Officer
Dan Bowling – Chief Information Officer
Chuck Chastain – Senior Vice President of Lending
Jerry Hoopert – Chief Administrative Officer
Stephanie Jones – Chief Risk Officer
Laura Miller – Chief Human Resources Officer
Liz Stidham – Vice President of Branch Operations



Father and son participate in the 2016 Azalea Parade in Muskogee.





Federally insured by NCUA

