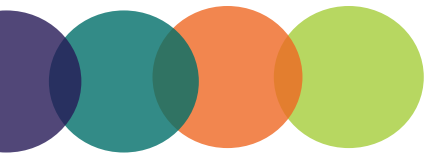




# 2020

ANNUAL REPORT

**OKLAHOMA'S**  
CREDIT UNION



# Chairman's and President's Report

We feel fortunate to report on the success of 2019. Our financials are stronger than ever and we experienced 9.55% growth in loans and 4.04% growth in deposits. Each business line contributed to our success along with our strategic initiative to diversify our portfolio. Last year, all the experts were reporting 2019 would be a year of rising rates and unfortunately that was fake news. We expect 2020 to continue to be a low rate environment and we are positioned to continue to help our members do more with their money.

Our first core value is **WE CARE**. We constantly survey members for feedback on their experience at OKCU. While the vast majority of surveys are positive, well over 95% are rated excellent, we do have a system in place when we receive less than glowing feedback. Our team starts by reaching out to learn more. More often than not, an unhappy member turns into a happy member. We truly care about our members. We're not always going to get it right but I can assure you we will put in the work to make it right.

Our second core value is **WE MAKE IT EASY**. The newly created Member Experience Team handles all of our digital consumer loan and account applications. They also reach out to members to ensure we're meeting their needs. While our Phone Center and branch staff are happy to help with any of your requests, we are committed to offering you a best in class experience regardless of how you choose to do business with us. In 2020, we will be launching a new digital banking platform that will be fast, reliable and easy to use.

Our third core value is **WE HOLD OURSELVES ACCOUNTABLE**. You asked and we listened. We have added to our deposit products. The new Money Market Savings Account offers a higher rate while still keeping your funds liquid. We also launched our Homebuyer Savings Account which offers a tax deduction for eligible closing costs on the purchase of a first home, including down payment, escrow, inspection and appraisal fees. We have invested in our Risk Management Team to ensure safety and soundness in auditing, compliance and digital security.

We are happy to report 2020 has started strong and we anticipate another successful year at OKCU. Thank you for your loyalty, trust and membership with OKCU.

**Eddie Foreman**  
Chairman of the Board



**Mark W. Kelly**  
President/CEO



**2019**  
growth



**\$554M**  
in assets



**1,664**  
new members



**\$79M**  
in capital

# Loan Committee Report

I'm happy to report almost 90% of deposits were loaned out to members in 2019. When you deposit your money with OKCU you're helping someone buy their first home or car at a competitive rate. This is how we **HELP OKLAHOMANS DO MORE WITH THEIR MONEY.**

Our strategy to diversify our loan portfolio over the past couple of years has been effective. We will continue to focus on balancing our portfolio by growing our credit cards, home loans and business loans.

	YEAR END BALANCE	DOLLAR CHANGE	PERCENT CHANGE
Credit Cards	\$16,124,531	\$2,559,043	18.86%
Consumer Loans	\$117,270,223	-\$1,061,167	-0.90%
Home Loans <sup>1</sup>	\$82,972,640	\$17,254,580	26.26%
Business Loans	\$58,249,047	\$17,820,754	44.08%
Indirect Auto Loans	\$125,732,605	-\$1,712,914	-1.34%
Student Loans	\$53,618	\$6,459	13.70%
Total	\$400,402,664	\$34,866,755	9.55%

<sup>1</sup>OKCU serviced home loans totaling \$151,474,670 in 2019.

Our credit card portfolio growth is on pace with our strategic goals. Cash back continues to be our most popular redemption option. We have added to the rewards catalog bringing our total to 42 local gift card options. Traditional rewards such as travel and national retailers are also still available.

The performance of the loan portfolio continues to compare extremely well to our peer group.

	OKCU	PEER
Delinquent Loans to Total Loans	0.38%	0.57%
Net Charge Offs to Loans	0.30%	0.45%

Our real estate team now has an additional resource for down payment assistance through our partnership with Servion, a credit union service organization. We look forward to helping even more members fulfil their dreams of homeownership through this program.

We offered 8 real estate workshops at our branches in 2019 with topics including home buying and home remodeling. Over 200 people attended those workshops. Our real estate staff is very experienced and can help with any lending needs.

Business loans continue to be a focus for OKCU. We specialize in small office, light industrial and other commercial real estate. If you are a business owner looking to purchase a property or upgrade, we'd be happy to help with your real estate needs.

The success of 2019 wouldn't have been possible without your valued support and membership at OKCU.

**Luann Schmiedel**  
Executive Vice President



**2019**  
real estate



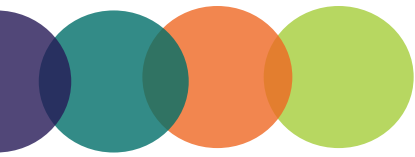
**378**  
families helped



**216**  
workshop attendees



**25**  
avg. days to close in OKC



# Treasurer's Report

OKCU achieved significant growth in 2019 contributing to another strong financial year. Our net income was \$4.5 million with a capitalized net worth ratio of 13.44% and a return on average assets of 0.85%. The financial statement shows the detailed financial results for 2019.

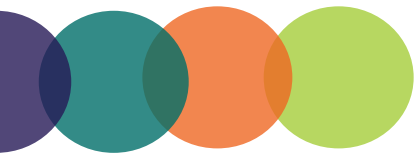
Oklahoma's economy was strong in 2019 and unemployment rates remain low throughout the state. We anticipate a continued low rate environment and have positioned ourselves to provide competitive loan and deposit rates for our members.

Our goal is to maintain safe and sound practices while also exceeding member's expectations for products and services. Our ratios show that we are well positioned compared to our peers.

	OKCU	PEER
Net Worth/Total Assets	13.44%	11.31%
Total Loans/Total Deposits	89.85%	86.17%

We remain committed to our mission of **HELPING OKLAHOMANS DO MORE WITH THEIR MONEY.** Thank you for your continued support in OKCU's success.

**Mike Patterson**  
Secretary/Treasurer



# Supervisory Committee Report

The Supervisory Committee plays an important role in **HOLDING OURSELVES ACCOUNTABLE.** Our responsibility is to protect our members' assets by overseeing OKCU's financial statements. We also oversee audits to verify compliance with regulations and laws.

Annually, Clifton Larson Allen LLP conducts a full opinion audit. We are pleased to report we earned a clean opinion. OKCU's financial statements continue to comply with accounting principles. We also had our scheduled regulatory exam conducted by the National Credit Union Administration in November 2019.

Our internal Compliance team conducts audits to ensure employees follow all policies and procedures as required by regulatory agencies.

Additionally, we engage outside auditors who specialize in several areas for deeper, more intense audits. This year, these included cyber security, commercial loans and other various reviews. All audits showed strong results.

As always, thank you to the committee members and the staff for holding ourselves accountable to OKCU's continued financial strength and stability.

**Kelly Smith**  
Chair



**2019**  
rewards



**24M**  
rewards points  
earned



**\$270**  
avg. round up  
savings



**8M**  
rewards points  
redeemed



# Financial Statement

ASSETS	2018	2019
Total Net Loans	\$361,471,735	\$396,366,303
Cash and Equivalents	\$2,599,888	\$2,299,107
Total Net Investments	\$130,254,304	\$135,184,049
Land and Building	\$14,484,600	\$14,101,418
Other Fixed Assets	\$55,097	\$0
Other Assets	\$6,081,554	\$6,218,895
<b>Total Assets</b>	<b>\$514,947,178</b>	<b>\$554,169,772</b>

LIABILITIES AND EQUITY	2018	2019
Total Borrowing	\$32,650,000	\$38,250,000
Accounts Payable	\$5,282,303	\$6,017,659
Savings and Deposits	\$409,020,498	\$434,298,439
Total Reserves	\$67,994,377	\$75,603,674
<b>Total Liabilities and Equity</b>	<b>\$514,947,178</b>	<b>\$554,169,772</b>

INCOME EARNED	2019
Interest on Loans	\$17,835,837
Interest on Investments	\$3,083,170
Fees & Charges	\$6,944,658
<b>Total Income Earned</b>	<b>\$27,863,665</b>

INCOME DISTRIBUTIONS	2019
Interest Expense	\$5,821,653
Operating Expense	\$16,353,612
Allowance for Loan Loss	\$1,182,990
Contribution to Reserves	\$4,505,410
<b>Total Income Distributions</b>	<b>\$27,863,665</b>

TOTAL LOAN PRODUCTS	2019
Credit Cards	\$16,124,531
Consumer Loans	\$117,270,223
Home Loans	\$82,972,640
Business Loans	\$58,249,047
Indirect Auto Loans	\$125,732,605
Student Loans	\$53,618
<b>Total Loan Products</b>	<b>\$400,402,664</b>

TOTAL DEPOSIT PRODUCTS	2019
Certificates	\$147,860,143
IRAs	\$33,776,594
Money Markets	\$42,975,460
Checking	\$59,063,283
Savings	\$150,622,960
<b>Total Deposit Products</b>	<b>\$434,298,440</b>

**2019**  
membership



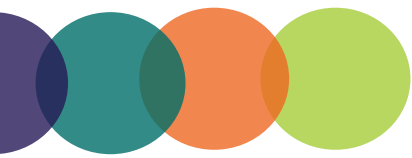
**44,522**  
total members



**18,632**  
checking  
accounts



**31,725**  
loans



# Board of Directors & Volunteers

Eddie Foreman, Chairman of the Board  
Kent Treadwell, Vice Chairman  
Mike Patterson, Secretary/Treasurer  
Julie Bowers  
Nico Gomez

Justin Jones  
Gary Parsons  
Paul Rachel  
Randle White

## Supervisory Committee

Kelly Smith, Chair  
Anthony Delce  
Chelley Hilmes  
Nikki Kennedy

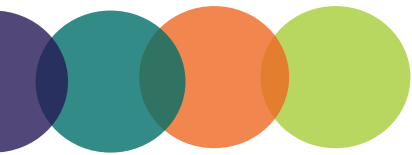
## Election Committee

Robert Case, Chair  
Kelly Smith  
David Streb

## Heritage Club

Gene Hobbs  
Ernie Landry  
Sharon Neumann  
John Robinson

Kip Smith  
Bill Tearney  
Karen Tyree



# Volunteer Service Milestones

## 10 Years

Kent Treadwell

## 20 Years

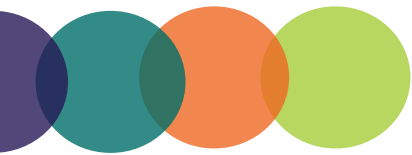
Julie Bowers  
Eddie Foreman

## 25 Years

Sharon Neumann

## 30 Years

Gary Parsons



# Employee Service Milestones

## 5 Years

Luke Allard  
Howdy Burling  
Adrian Hutchins  
Tammy Killman  
Cathy McEwen

## 10 Years

Craig Collins  
Carol Underhill

## 20 Years

Nora Chew  
Sherlyn Smith

## 35 Years

Sandy Gatz

**2019**  
service



**135**  
employees



**15**  
volunteers



**188**  
BOD combined  
years of service