A Snapshot of Your Story

Annual Report | 2018

TFCU
Tinker Federal Credit Union

Federally insured by NCUA
Tinker Federal Credit Union exists to help our members achieve their goals and realize their dreams.

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It’s your story...we help you tell it a little easier.
What is your TCU story? What brought you here? Were you a young child whose parents opened an account for you? Were you a teenager with your first job, and needed a place to save? Did you come to TCU as an adult when you came to work at TCU? Were you referred by a friend or one of our business partners? Or, did you find out you could join the credit union while at the dealership, picking out your new car?

There are surely as many reasons why members joined TCU as we have members. Each of you came here to meet a special need that made TCU a perfect fit. I’m sure many of you joined knowing exactly what a credit union is all about. Well, it’s all about you, our members! You are part of a not-for-profit financial cooperative, owned by you, and operated in your best interests. These are the reasons why I wanted to work at TCU.

I just mentioned a few of your stories above, but here is my TCU story. I came to work at the credit union in 1988. I had never worked for a credit union, or been a member of one before. Although I had worked for financial institutions for over 10 years, the only knowledge I had about a credit union came from a college class I previously taught.

I knew the credit union offered traditional banking products and services, but didn’t understand the mission of TCU. Wherever heard of a financial institution whose mission was to improve the financial well-being of its membership? How did the credit union do this? It accomplished this by working with every member to provide the highest quality accounts and services, at the best price. Loan rates were lower, and dividends were higher. Fees and changes were lower, too.

In 1988, TCU offered several convenient locations, and provided state of the art technology. The credit union had 10 branches, 120,000 members, and about $581,000,000 in total assets. Today, TCU has 30 branches, two high school branches, and an electronic service location called Home branch, where members can complete all of their financial service needs, 24 hours a day. Our membership now totals 935,256 members, and almost $5.9 billion in total assets.

So, what is the rest of my story? In 1996, the Board of Directors promoted me to President/CEO. It became my honor to carry on the mission of TCU. It’s been my privilege to oversee a service culture change, which resulted in increased member satisfaction, and substantial membership growth. So much has changed in the way TCU provides products and services to you, but the mission remains the same.

In 1988, I became a member of TCU. For over 30 years, I have benefited from membership, just like you, and I plan to be a member for life! Thank you for your trust in me and TCU. It has been an honor and privilege to serve you throughout 2018.

Michael D. Kloiber
President / CEO

“They try to help you. They want to help you.”
— Garth, member since 2009

“TCU wants you to improve yourself financially and holistically. Every aspect of your banking and your life, they care about.”
— Cherriam, member since 2009
You Make Us the Best

Thank you to our wonderful members, TPCU has been awarded Best Credit Union in multiple publications, including the Oklahoma Gazette, The Oklahoman, and Moore Monthly.

We March Together

The frigid temperatures didn’t keep us from marching in the 2018 Martin Luther King, Jr. Day Parade. No matter the weather, people will always come together for a purpose.

Miracle Car Show

Brycon Barrett, 2018 Children’s Miracle Network Hospitals’ Oklahoma Champion Child, stands tall next to this beautiful blue Chevy truck at TPCU’s 14th Annual Miracle Car Show in April.

Spring Break with Some-A Funs

The Saverettes set up an interactive exhibit for two days at the Science Museum Oklahoma during spring break. Kids of all ages could learn crazy fun money facts and hold large bugs filled with an estimated $40,000 of salvaged U.S. currency.

Military Appreciation Month

May is Military Appreciation Month, and we asked our members to nominate a deserving active duty serviceperson to receive a little extra for their hard work and dedication. Tsgt. Major Snow was nominated and selected as one of our winners. Thank you for your service.

Edmond LibertyFest

With over 125,000 attendees, Edmond LibertyFest is said to be one of the best places to be in the U.S. on July 4th. TPCU employees and volunteers celebrated Independence Day by walking in the annual LibertyFest Parade.

Give Back

In 2018, 1,500 TPCU members received rewards totaling $105,000 in prize money through our Give Back program. TPCU awards members throughout the year for simply using the automatic and services they use all the time.
Tick or Treat
A memorable moment for a young Spider-Man as he stands on his spynes to give Save-A-Treat 500 big high fives. Save-A-Treat was greeting thousands of trick-or-treaters at the Oklahoma City Zoo and Botanical Gardens for their 5th annual Howl-ee the Zoo.

Picture Perfect
The TFCU volleyball team went undefeated to take home the first place medal and plaque for the 11th annual Heather Harkness Memorial Volleyball Tournament at Edmond Santa Fe High School.

Developing Young Minds
TFCU encourages early financial education, which is why we team up with Junior Achievement of Oklahoma to teach young students about money and help them develop financial literacy skills. Greg Dutt is shown here volunteering in the classrooms at one of our partner schools, Central Oak Elementary.

Year in Review
Year in Review

Communities with a Cause
TFCU loves supporting our members and the communities they live in. Every year we walk in the City of Moore’s Moosse Parade Red Ribbon Parade. This year’s theme was “Eat To Be Drug Free.”

Friends, Family and Fun
We light it up every year for hundreds of spectators in the City of Adel Parade of Lights and the Norman Christmas Parade. It’s always fun to float through the streets and see our members support their cities.

Pictoresque Adventures
Heritage Club member, Rochelle LeCain, avoided the Herdsmen streamboat, posed for a picture in front of the iconic Niagara Falls in Niagara Falls, Ontario. TFCU schedules four different tours for members every year, taking them to fun, adventurous locations.

Thanksgiving Turkey Giveaway
The TFCU team partnered with Every Broadcasting to donate 450 frozen turkeys for Thanksgiving tables in Oklahoma City and Tulsa. It’s always fun spreading holiday happiness.
Year in Review

Auto Empowered Family Fun
Boop! Boop! These guys look like they’re ready for a summer adventure. TCUU members had so much fun cruising with us this summer, applying for auto loans and enjoying some refreshing shaved ice along the way.

Heritage Club Tours
Heritage Club member, Nia Bourland, joyfully rides around on a carousel during one of the Heritage Club Tours in Brunswick, Ohio. Heritage Club Tours are just one of the benefits of having a TCUU Heritage Club account, for members ages 55 and better.

Shred Days
Members really took advantage of shred-days this year, sorting 16,665 pounds of shredded documents. Shred days are great for securely disposing of unwanted paperwork containing personal information.

Back to School Winner
OKU freshman, Hannah Steward, was selected at the winner of our 2021 Back to School $2,000 grand prize giveaway. She was randomly selected from 1,965 student entries from across Oklahoma.

Welcome Back Students
As young freshman students begin their college career, we are there to help them along the way. TCUU attended 16 back-to-school events at 13 different colleges across Oklahoma, telling with students about savings and awarding one lucky winner with a $2,000 giveaway.

Face Paint and Smiles
Save-A-Teen never shies away from a photo opportunity with a fan, especially with one as cute as this little girl. They both seem to be enjoying the nice weather at the Wiggle Out Loud Family Music Festival.
It’s fun to gaze back at photos and reminisce on all the great things that happened throughout 2018. When we take time to look into those moments, it’s easy to see how our story is developing.

For starters, we had a great year for membership growth. In 2018, 21,849 net new members were added to the TFCU family, bringing us to a total of 383,236 members strong. We also experienced a great year for loan growth with an increase of 8.7%, which is a significant increase from last year.

If you look at a snapshot of where the credit union is right now, we look good. But, our ultimate goal is to help you, our members, so you can have more time for those picture-perfect moments in your life. We continually accomplish this goal through devoted service to you. For example, our Member Outreach Center is dedicated to providing first-class service to all of our members by reaching out to solve problems and suggest accounts and services to improve each member’s experience with us.

With your life increasingly on the go, we continue to improve our online services. Improved features include online account opening, mobile banking and loan applications. But, even in a fast-paced life, we understand it’s nice to come into a branch sometimes and see a friendly face. That is why we still keep adding convenient branch locations in the communities where you live. We recently broke ground for our new North Rockwell branch to better serve our members in northwest Oklahoma City, opening in 2019.

On behalf of the entire TFCU Board of Directors, thank you for your trust in us. We look forward to our continued growth and partnership for years to come.

Respectfully,

Edon Overstreet
Chair, Board of Directors
2018 was a year of uncertainty, with the stock market moving hundreds of points, both up and down, some days. Everyone thought rates and inflation were headed up, or we were falling into the long overdue recession. Data results were even in conflict. For example, low unemployment should trigger inflation, but Oklahoma had both low unemployment and low inflation. We can expect more market temper tantrums as the uncertainty rises.

But, rest assured that TFCU performs well in all economic environments. We have plenty of funding, so you can get that new car, boat, RV or dream vacation, taking photos along the way. We also have great share products if you're ready to picture your retirement or save for a future adventure. Whether you are borrowing or saving, we have the right accounts and rates for you.

The market may have been confused, but TFCU stayed on course. We ended the year with a Return on Assets (ROA) of 1.17% and a Net Worth of 11.79%. These strong financial results mean TFCU will be the credit union of choice for generations to come.

Some members wonder why a not-for-profit credit union would need net income. Net income is the only way we can increase our equity, which is like a rainy day fund. We encourage our members to save money for those unexpected emergencies. We follow that wise advice, and TFCU sets aside some funds (net income) into our rainy day account (equity) every year. This practice keeps us strong and picture perfect for our members.

It is our honor to help you achieve your goals and realize your dreams.

Respectfully,

Al Rich
Treasurer, Board of Directors
<table>
<thead>
<tr>
<th>Assets</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>1,151,632</td>
<td>1,160,077</td>
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<tr>
<td>Investments</td>
<td>797,761</td>
<td>719,566</td>
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<tr>
<td>Trading</td>
<td>355</td>
<td>4,258</td>
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<tr>
<td>Available-for-sale</td>
<td>4,172</td>
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<tr>
<td>Time deposits with other institutions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other, net of cost</td>
<td>3,577,062</td>
<td>1,165,863</td>
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<tr>
<td>Loans to members, net of allowance for loan losses of $23,107 and $22,909 at December 31, 2018 and 2017, respectively</td>
<td>121,554</td>
<td>72,335</td>
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<tr>
<td>Interest receivable</td>
<td>74,514</td>
<td>36,433</td>
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<tr>
<td>Property and equipment, net</td>
<td>11,312</td>
<td>13,235</td>
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<tr>
<td>National Credit Union Share Insurance Fund deposits</td>
<td>13,064</td>
<td></td>
</tr>
<tr>
<td>Other assets</td>
<td>3,874,546</td>
<td>3,617,490</td>
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<tr>
<td>Total assets</td>
<td></td>
<td></td>
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</table>

<table>
<thead>
<tr>
<th>Liabilities and Members’ Equity</th>
<th>2018</th>
<th>2017</th>
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<tbody>
<tr>
<td>Liabilities</td>
<td>3,403,300</td>
<td>3,267,719</td>
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<tr>
<td>Members’ shares</td>
<td>27,608</td>
<td>26,688</td>
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<tr>
<td>Averaged expenses and other Liabilities</td>
<td>3,430,938</td>
<td>3,294,398</td>
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<tr>
<td>Total liabilities</td>
<td>452,126</td>
<td>407,735</td>
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<tr>
<td>(5,104)</td>
<td>(4,972)</td>
<td></td>
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<tr>
<td>Members’ Equity</td>
<td>447,022</td>
<td>392,763</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>444,018</td>
<td>401,961</td>
</tr>
<tr>
<td>Accumulated other comprehensive loss</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total members’ equity</td>
<td>3,874,546</td>
<td>3,617,490</td>
</tr>
</tbody>
</table>

For a complete copy of Tinker Federal Credit Union's audited consolidated financial statements, contact the Member Service Center at (405) 720-9334, ext. 2275 or 1-800-456-1740, ext. 2275 for Oklahoma City. Additionally, a complete copy of Tinker Federal Credit Union’s annual audited statements is available online at www.tinkerfcu.org.

<table>
<thead>
<tr>
<th>Interest Income</th>
<th>2018</th>
<th>2017</th>
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</thead>
<tbody>
<tr>
<td>Interest on loans to members</td>
<td>119,936</td>
<td>106,038</td>
</tr>
<tr>
<td>Interest on investments and cash equivalents</td>
<td>17,922</td>
<td>14,843</td>
</tr>
<tr>
<td>Total interest income</td>
<td></td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Interest Expense</th>
<th>2018</th>
<th>2017</th>
</tr>
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<tbody>
<tr>
<td>Dividends on members’ shares</td>
<td>157,818</td>
<td>121,469</td>
</tr>
<tr>
<td>Net interest income</td>
<td>20,379</td>
<td>18,830</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Provision for Loan Losses</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net interest income after provision for loan losses</td>
<td>111,439</td>
<td>102,650</td>
</tr>
<tr>
<td>Noninterest Income (Expense)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net loss on sales of foreclosed assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net gain on disposition of property and equipment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net gain (loss) on sales of available-for-sale investments</td>
<td>(107)</td>
<td>(106)</td>
</tr>
<tr>
<td>Net gain on sales of mortgage loans</td>
<td>208</td>
<td>46</td>
</tr>
<tr>
<td>Loan servicing fees</td>
<td>80</td>
<td>78</td>
</tr>
<tr>
<td>Service charges and other fees</td>
<td>958</td>
<td>1,219</td>
</tr>
<tr>
<td>National Credit Union Share Insurance Fund dividends</td>
<td>534</td>
<td>526</td>
</tr>
<tr>
<td>Other noninterest income</td>
<td>47,447</td>
<td>44,788</td>
</tr>
<tr>
<td>Total noninterest income (expense)</td>
<td>2,168</td>
<td>44,788</td>
</tr>
<tr>
<td>Income before General and Administrative Expenses</td>
<td>40,922</td>
<td>55,696</td>
</tr>
<tr>
<td>General and Administrative Expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and benefits</td>
<td>155,466</td>
<td>128,101</td>
</tr>
<tr>
<td>Operations</td>
<td>54,205</td>
<td>49,675</td>
</tr>
<tr>
<td>Occupancy</td>
<td>49,661</td>
<td>64,547</td>
</tr>
<tr>
<td>Total general and administrative expenses</td>
<td>54,249</td>
<td>52,244</td>
</tr>
<tr>
<td>Net Income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>108,295</td>
<td>101,466</td>
<td></td>
</tr>
<tr>
<td>$ 44,351</td>
<td>$ 26,435</td>
<td></td>
</tr>
</tbody>
</table>
The Supervisory Committee is responsible for monitoring Tinker Federal Credit Union (TFCU) activities to make sure these operations are conducted in accordance with generally accepted accounting principles. Appointed by Tinker Federal Credit Union’s Board of Directors, the Supervisory Committee works closely throughout the year with TFCU management, Internal Audit, Compliance and the external auditors. We report the results of our activities to the Board and management for their review and, if necessary, corrective action.

The Committee takes pride in assuring the continued integrity of TFCU for the membership. TFCU remains strong due to the quality of our members, management, staff and volunteers. We look forward to another year of strength and stability for TFCU.

Sincerely,

James Pearl
Chair, Supervisory Committee

“IT’S MORE PERSONABLE WITH TFCU BECAUSE IT’S LOCAL.”

— Natalie, member since 2011

“IT’S JUST A GOOD PLACE TO HAVE YOUR MONEY.”

— Donald, member since 1991
Branches

Ada
1621 Loulie Abbott Blvd.

Bethany
4750 S.W. 59th

Crooked Oak Campus
Open to Crooked Oak students, faculty and staff

Edmond West
1401 N. Kelly

Edmond East
5441 S. Bryant

Edmond
1631 S. Calderwood

John Marshall Mid-High School
Open to John Marshall students, faculty and staff

Midwest City
5901 Tinker Boulevard

Midwest City East
1481 S. Post Road

Moor
400 S.W. 60th

Norman East
1421 12th Ave., N.E.

Norman West
931 59th Ave., N.W.

Oklahoma City, Capitol Hill
2315 S. Western Ave.

Oklahoma City, Metro Tech
1500 Sengbusch Drive, Suite 201

Oklahoma City, Northeast
1177 N.E. 23rd

Oklahoma City, Northwest
4920 N.W. 39th

Oklahoma City, South Sooner Road
1400 S. Sooner Rd.

Oklahoma City, Southwest
5903 S. Pennsylvania

Oklahoma City, Southwest Drive-Thru
2303 S.W. 85th

Oklahoma City, Tri-City
4921 S.W. 134th

Seminole
2221 N. 5th, Phillips Ave.

Sherwood
3421 N. Hamilton

Stillwater
3031 W. 5th

Tinker AFB, Area A
Bldg. 428

Tinker AFB, Area C, North
Bldg. 2001 Post Y-22

Tinker AFB, Area C, South
Bldg. 5001 Post Y-32

Tinker AFB, TAC
Bldg. 8001 Post A-45

Tulsa
9202 E. 61st Street, South

Tinker Air Force Base
234 Fields Street

Yukon
11209 W. Reno

TFCU Express Electronic Service Centers

Choctaw Express
14455 N.E. 2nd

Eidol Express
218 W. Owen K. Garriott

Oklahoma City,
Southwest Express
1320 S.W. 65th

You did it. We’ll help you do it.