

A Snapshot of Your Story



Annual Report | 2018

TFCU
Tinker Federal Credit Union

*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.

President's Report | Michael D. Kloiber

What is your Tinker Federal Credit Union 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 TFCU as an adult when you came to work at Tinker AFB, 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 TFCU as we have members. Each of you came here to meet a special need that made TFCU a perfect fit. I doubt if 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 TFCU.

I just mentioned a few of your stories above, but here is my TFCU 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 TFCU. Whoever 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

Michael D. Kloiber
President / CEO



accounts and services, at the best price. Loan rates were lower, and dividends were higher. Fees and charges were lower, too.

In 1988, TFCU offered several convenient locations, and provided state of the art technology. The credit union had 10 branches, 128,000 members, and about \$588,000,000 in total assets. Today, TFCU 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 383,236 members, and almost \$3.9 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 TFCU. 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 TFCU provides products and services to you, but the mission remains the same.

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

Michael D. Kloiber
Michael D. Kloiber, President / CEO

"They try to help you. They want to help you."

— Garth, member since 2009



"TFCU wants you to improve yourself financially and holistically. Every aspect of your banking and your life, they care about."

— Cherjuan, member since 2009

Year in Review



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.

You Make Us the Best

Thanks to our wonderful members, TFCU has been awarded Best Credit Union in multiple publications, including the *Oklahoma Gazette*, *The Journal Record*, *Oklahoma Magazine* and *Moore Monthly*.



Wiggle Out Loud

The SaveAbles team is always on the move finding all the family fun activities around the community. This time they're at the Myriad Botanical Gardens for the Wiggle Out Loud Family Music Festival creating bubbles with some new friends.



Miracle Car Show

Brycen Barnett, 2018 Children's Miracle Network Hospital's Oklahoma Champion Child, stands tall next to this beautiful blue Chevy truck at TFCU's 18th Annual Miracle Car Show in April.

Year in Review



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 Sizemore was nominated and selected as one of our winners. Thank you for your service.

Give Back

In 2018, 1,500 TFCU members received rewards totaling \$106,000 in prize money through our Give Back program. TFCU awards members throughout the year for simply using the accounts and services they use all the time.

Spring Break with Save-A-Tron

The SaveAbles 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 bags filled with an estimated \$10,000 of shredded U.S. currency.



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. TFCU employees and volunteers celebrated Independence Day by walking in the annual LibertyFest Parade.

Year in Review



Trick or Treat

A memorable moment for a young Spider-Man as he stands on his tiptoes to give Save-A-Tron 5000 a big high five. Save-A-Tron was greeting thousands of trick-or-treaters at the Oklahoma City Zoo and Botanical Gardens for their 35th annual Haunt 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 Britt is shown here volunteering in the classroom at one of our partner schools, Central Oak Elementary.

Year in Review

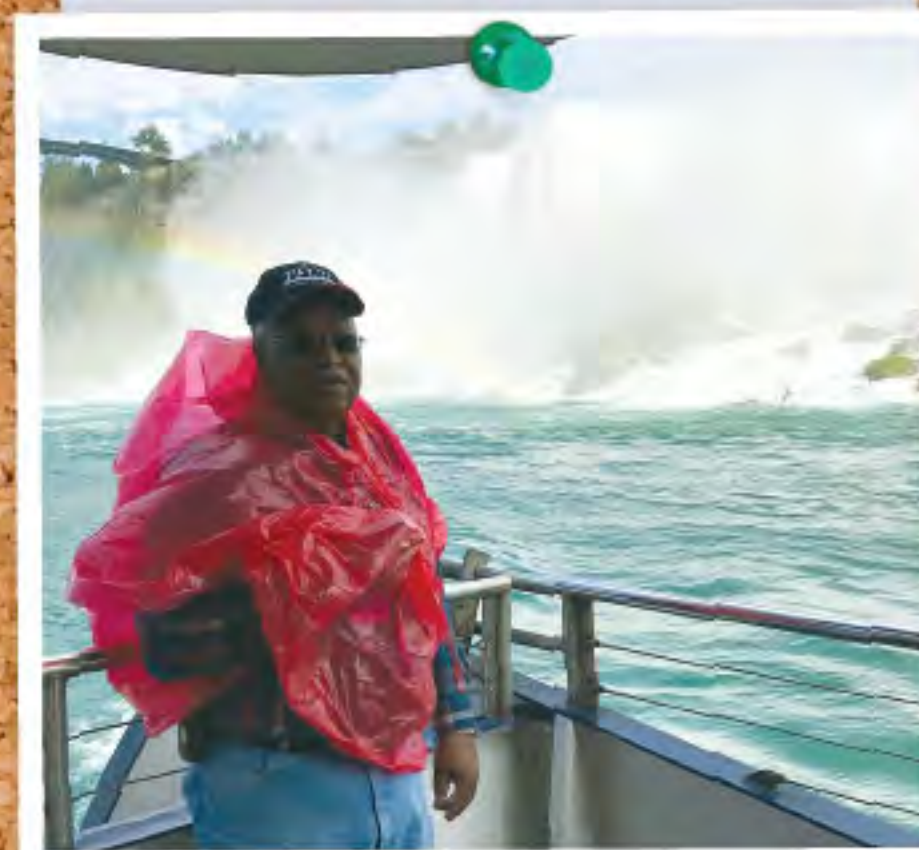
Communities with a Cause

TFCU loves supporting our members and the communities they live in. Every year we walk in the City of Moore's Moore Pride Red Ribbon Parade. This year's theme was "Elect To Be Drug Free."



Friends, Floats and Fun

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



Picturesque Adventures

Heritage Club member, Reubin LaCaze, aboard the Hornblower riverboat, poses 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 Perry Broadcasting and Publishing to distribute 450 frozen turkeys for Thanksgiving tables in Oklahoma City and Tulsa. It's always fun spreading holiday happiness.

Year in Review

Year in Review



Auto Empowerment Family Fun

Beep! Beep! These guys look like they're ready for a summer adventure. TFCU 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, Nita Bourland, joyfully rides around on a carousel during one of the Heritage Club Tours in Beaver Creek, Ohio. Heritage Club Tours are just one of the benefits of having a TFCU Heritage Club account, for members ages 55 and better.



Welcome Back Students

As young freshman students begin their college careers, we are there to help them along the way. TFCU attended 18 back-to-school events at 13 different colleges across Oklahoma, talking with students about savings and awarding one lucky winner with a \$2,000 giveaway.



Face Paint and Smiles

Save-A-Tron 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.

Shred Days

Members really took advantage of shred days this year, totaling 70,695 pounds of shredded documents. Shred days are great for securely disposing of unneeded paperwork containing personal information.

Board Of Directors' Report | Eldon Overstreet, Chair

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,

Eldon W. Overstreet

Eldon Overstreet
Chair, Board of Directors



"I do web banking all the time. It makes it so convenient when your life is constantly on the go."

— Cherjuan, member since 2009



Eldon Overstreet,
Chair



Rodney Walker,
Vice Chair



Sheila Jones,
Secretary



Al Rich,
Treasurer



Bill Watkins,
Assistant Secretary I



Gary Wall,
Assistant Secretary II



Tiffany Brolles,
Assistant Treasurer



Steve Walker,
Associate Board Member



Felix Lopez,
Associate Board Member

"I've never had any reason to worry about my money being placed here."

— Kristina, member since 1997

Treasurer's Report | Al Rich, Treasurer

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.

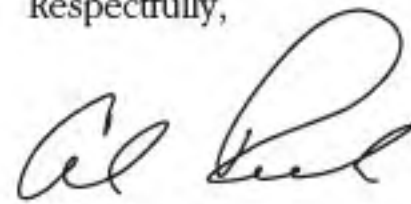
The market may have been confused, but TFCU stayed on course. We ended the year with a Return on Assets (ROA)

of 1.17% and a Net Worth of 11.75%. 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



Al Rich
Treasurer, Board of Directors

Shares
MILLIONS



Loans
MILLIONS



Assets
MILLIONS



Members
THOUSANDS



Tinker Federal Credit Union and Subsidiary
Consolidated Statements of Financial Condition
December 31, 2018 and 2017
(In Thousands)

	2018	2017
Assets		
Cash and cash equivalents	\$ 151,632	\$ 186,107
Investments	2,193	2,301
Trading	707,261	729,566
Available-for-sale	352	249
Time deposits with other institutions	4,012	4,558
Other, at cost	2,877,662	2,645,621
Loans to members, net of allowance for loan losses of \$23,107 and \$22,909 at December 31, 2018 and 2017, respectively	12,154	11,065
Interest receivable	74,514	72,335
Property and equipment, net	31,512	30,433
National Credit Union Share Insurance Fund deposit	13,064	15,255
Other assets	<u>\$ 3,874,356</u>	<u>\$ 3,697,490</u>
Total assets		
Liabilities and Members' Equity		
Liabilities		
Members' shares	\$ 3,403,300	\$ 3,267,719
Accrued expenses and other liabilities	<u>27,038</u>	<u>26,868</u>
Total liabilities	<u>3,430,338</u>	<u>3,294,587</u>
Members' Equity		
Retained earnings	452,126	407,775
Accumulated other comprehensive loss	<u>(8,108)</u>	<u>(4,872)</u>
Total members' equity	<u>444,018</u>	<u>402,903</u>
Total liabilities and members' equity	<u>\$ 3,874,356</u>	<u>\$ 3,697,490</u>

For a complete copy of Tinker Federal Credit Union's audited consolidated financial statements with accompanying notes, contact our Member Service Center at (405) 732-0324, ext. 2255 for Oklahoma City, (918) 592-0324, ext. 2255 for Tulsa, (580) 310-0324, ext. 2255 for Ada, (405) 707-7440, ext. 2255 for Stillwater, (580) 233-3330, ext. 2255 for Enid, or 1-800-456-4828 (toll free).

Tinker Federal Credit Union and Subsidiary
Consolidated Statements of Income
Years Ended December 31, 2018 and 2017
(In Thousands)

	2018	2017
Interest Income		
Interest on loans to members	\$ 119,896	\$ 106,638
Interest on investments and cash equivalents	<u>17,922</u>	<u>14,851</u>
Total interest income	137,818	121,489
Interest Expense		
Dividends on members' shares	26,379	18,839
Net interest income	111,439	102,650
Provision for Loan Losses	<u>19,845</u>	<u>30,245</u>
Net interest income after provision for loan losses	<u>91,594</u>	<u>72,405</u>
Noninterest Income (Expense)		
Net loss on sales of foreclosed assets	(107)	(100)
Net gain on disposal of property and equipment	208	46
Net gain (loss) on sales of available-for-sale investments	(80)	78
Net gain on sales of mortgage loans	895	1,239
Loan servicing fees	534	526
Service charges and other fees	47,487	44,768
National Credit Union Share Insurance Fund dividend	2,108	-
Other noninterest income	<u>10,007</u>	<u>9,139</u>
Total noninterest income (expense)	<u>61,052</u>	<u>55,696</u>
Income Before General and Administrative Expenses	<u>152,646</u>	<u>128,101</u>
General and Administrative Expenses		
Salaries and benefits	54,205	49,675
Operations	48,661	46,547
Occupancy	<u>5,429</u>	<u>5,244</u>
Total general and administrative expenses	<u>108,295</u>	<u>101,466</u>
Net Income	<u>\$ 44,351</u>	<u>\$ 26,635</u>

Supervisory Committee's Report | James Pearl, Chair

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



James Pearl,
Chair



Scott White



Tim Lowell



Scott Freeman,
Associate Member

"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

Senior Managers



Accounting
Billie Houston,
Executive Vice President/
Chief Financial Officer



Compliance
Christie A. Porter,
Senior Vice President/
Compliance



Corporate
Michael D. Kloiber,
President/
Chief Executive Officer



Human Resources
Susan Rogers,
Senior Vice President/
Human Resources



Information Services
Grant Woldum,
Executive Vice President/
Chief Information Officer



Legal
Linda K. Ellis,
General Counsel



Lending
Connie Wall,
Senior Vice President/
Lending



Marketing
Matthew Stratton,
Senior Vice President/
Marketing



Operations
Lisa Martinez-Leeper,
Senior Vice President/
Operations



Operations Administration
David Willis,
Executive Vice President/
Chief Operations Officer



Risk Management
Patrick J. Yager,
Executive Vice President/
Chief Risk Officer



TFCU Financial Advisors
Brenda Peddycoart,
Senior Vice President/
Supervisory Principal TFS

Corporate Officers

- ➔ **Accounting**
Kathy Kelso
VP, Finance/Controller
- ➔ **Accounting**
Larry Selby
VP, Investment Officer
- ➔ **Accounting**
Stefan Von Dollen
AVP/Manager, Finance
- ➔ **Ada**
DeLisa Floyd
AVP/Branch Manager
- ➔ **Adjustments**
Rick Jurko
VP/Manager, Adjustments
- ➔ **Card Center**
Alan Schaefer
VP/Manager, Card Center
- ➔ **Corporate Lending**
Krista Basinger
VP/Director, Lending
- ➔ **Corporate Operations**
Shawn Cottle
VP/Regional Director, Branch Operations
- ➔ **Corporate Operations**
Karl Wassedeben
VP/Regional Director, Branch Operations
- ➔ **Edmond East**
Cynthia Ormsby
AVP/Branch Manager
- ➔ **Edmond West & John Marshall**
Steven Gonner
AVP/Branch Manager
- ➔ **Enid & Vance AFB**
Anita Murrow
AVP/Branch Manager
- ➔ **Indirect Lending**
Loretta Ross
VP/Manager, Indirect Lending
- ➔ **Information Services**
Brad DeVoss
AVP/Manager, Information Security
- ➔ **Information Services**
Roger Ison
AVP/Manager, Applications Tech Support
- ➔ **Information Services**
Teresa Lee
AVP/Manager, Infrastructure
- ➔ **Information Services**
Steve Mooney
VP/Director, IS Operations
- ➔ **Information Services**
Eric Quach
AVP/Manager, Network
- ➔ **Information Services**
Eric Trinh
AVP/Manager, Software Development & DB
- ➔ **Information Services**
Teri Vaught-Avants
AVP/Manager, Business Systems
- ➔ **Legal**
Elizabeth Crampton
Assistant General Counsel
- ➔ **Marketing**
Heather Kay
AVP/Manager, Financial Empowerment
- ➔ **Marketing**
Carolyn Kelly
AVP/Manager, Marketing Communications
- ➔ **Marketing**
Kristy Viravong Portis
AVP/Manager, Community Engagement
- ➔ **Marketing**
Nancy Ward
VP/Director, Marketing
- ➔ **Member Service Center**
Tiffany Gonner
AVP/Manager, Call Center
- ➔ **Member Service Center**
Russell High
VP/Director, Call Center
- ➔ **Midwest City**
Erica Grissom
AVP/Branch Manager
- ➔ **Midwest City East**
Dana Stacy
AVP/Branch Manager
- ➔ **Moore & Crooked Oak**
Jan Davis
AVP/Branch Manager
- ➔ **Norman East & West**
Lorie Stueven
AVP/Branch Manager
- ➔ **OKC, Capitol Hill**
Edgar Medina
AVP/Branch Manager
- ➔ **OKC, Northeast & Metro Tech**
Joseph Arthur
AVP/Branch Manager
- ➔ **OKC, Northwest & Bethany**
Cindy Akin
AVP/Branch Manager
- ➔ **OKC, South Sooner Road**
Austin Moyer
AVP/Branch Manager
- ➔ **OKC, Southwest & Southwest Drive-Thru**
Teri Chadick
AVP/Branch Manager
- ➔ **OKC, Tri-City**
Victoria Lane
AVP/Branch Manager
- ➔ **Professional Development**
Renee Jones
AVP/Manager, Professional Development
- ➔ **Records Management & Support**
Brian Coleman
VP/Manager, Records Management & Support
- ➔ **Research & Delivery**
Matthew Downing
VP, Research & Delivery
- ➔ **Research & Delivery**
Brian Koehn
AVP/Manager, Digital Products
- ➔ **Retail Member Services**
Kristi Reininger
AVP/Manager, Retail Member Services
- ➔ **Risk Management**
Jack Kelley
AVP/Manager, Fraud
- ➔ **Risk Management**
Taylor King
AVP, Information Assurance
- ➔ **Risk Management**
Lester LaPorte
AVP/Manager, Internal Audit
- ➔ **Shawnee & Seminole**
Margaret Toole-Scallorn
AVP/Branch Manager
- ➔ **Special Services**
Justin Hightower
VP/Manager, Special Services
- ➔ **Special Services**
Jason Kapka
AVP/Manager, Construction
- ➔ **Specialized Accounts**
Kemi Gravitt
AVP/Manager, Specialized Accounts
- ➔ **Stillwater**
Terra Lorce
AVP/Branch Manager
- ➔ **TFCU Financial Advisors**
Mindy Seagraves
AVP, Wealth Management Services
- ➔ **Tinker Air Force Base**
Jaime Schmidt
AVP/Branch Manager
- ➔ **Tulsa**
Jim Schaefer
AVP/Branch Manager
- ➔ **Yukon**
Chelle Plumley
AVP/Branch Manager

Branches

Ada
1620 Lonnie Abbott Blvd.

Bethany
6750 N.W. 39th

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

Edmond West
1401 N. Kelly

Edmond East
3141 S. Bryant

Enid
801 S. Oakwood

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

Midwest City
6501 Tinker Diagonal

Midwest City East
1401 S. Post Road

Moore
400 S.W. 6th

Norman East
1131 12th Ave., N.E.

Norman West
301 36th Ave., N.W.

Oklahoma City, Capitol Hill
2315 S. Western Ave.

Oklahoma City, Metro Tech
1800 Springlake Drive,
Suite 200

Oklahoma City, Northeast
1177 N.E. 23rd

Oklahoma City, Northwest
4626 N.W. 39th

Oklahoma City, South Sooner Road
14900 S. Sooner Rd.

Oklahoma City, Southwest
9601 S. Pennsylvania

Oklahoma City, Southwest Drive-Thru
1200 S.W. 89th

Oklahoma City, Tri-City
4101 S.W. 134th

Seminole
2221 N. Milt Phillips Ave.

Shawnee
3923 N. Harrison

Stillwater
5101 W. 6th

Tinker AFB, Area A
Bldg. 420

Tinker AFB, Area C-1 North
Bldg. 3001 Post Y-92

Tinker AFB, Area C-2 South
Bldg. 3001 Post Y-32

Tinker AFB, TAC
Bldg. 9001 Post A-45

Tulsa
8920 E. 61st Street, South

Vance Air Force Base
234 Fields Street

Yukon
11209 W. Reno

TFCU Express Electronic Service Centers

Choctaw Express
14453 N.E. 23rd

Enid Express
215 W. Owen K. Garriott

Oklahoma City, Southwest Express
1200 S.W. 89th



P.O. Box 45750
Tinker Air Force Base, OK 73145-0750
www.TinkerFCU.org

(405) 732-0324	Oklahoma City
(918) 592-0324	Tulsa
(405) 707-7440	Stillwater
(580) 310-0324	Ada
(580) 233-3330	Enid
1-800-456-4828	Toll-Free

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Minority / Female / Disability / Veterans



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