

# 7<sup>TH</sup> ANNUAL REPORT



2018

# PRESIDENT'S REPORT



## ***Oklahoma Central Credit Union is 77 years young and still going strong...***

I am humbled and pleased that Oklahoma Central is a financial partner to so many members throughout our area. Our mission of helping members begin, and continue, their financial journey is evident in the successes we've seen in 2017. Throughout our long history, Oklahoma Central has remained steady and stable in the lives of our members—consistently providing support during growing years of prosperity as well as uncertain economic times.

I would like to report that your credit union is stronger than ever and continues to provide valuable products and services to more than 44,000 members. The Oklahoma Central staff is grateful and honored to serve our members' everchanging needs on a daily basis. Our goal is to nurture the relationship we have with you so that we are the first one you reach out to when you need financial help.

Since this time last year, members have increased use of products and services, leading us to significant growth in consumer loans, financial capability workshops, and digital services. However, there are even more accomplishments that occurred in 2017.

### **Branches**

Despite the growth in digital transformation, there is still a need to build brick and mortar branches. Understandably, the addition of branches has slowed from years past, but we continue to keep a close eye on our footprint, ensuring our coverage meets the demands of our membership. We expect future branches to have a distinctive look from our traditional branches, meaning branches without teller counters and drive through pneumatic tubes. Innovative technology is providing avenues for members to handle simple transactions quicker and easier. Our growth, coupled with the growth in north Broken Arrow, fueled our latest land purchase at Lynn Lane & Albany—North Broken Arrow, here we come! Plans are underway with anticipated opening in late 2018 or early 2019.

The Downtown and Port of Catoosa branch remodels were completed in the first part of 2017. These updates were necessary to allow us to evolve to the universal associate concept used in our flagship branch at Garnett & 41st.

Lastly, after years of Owasso members asking for it, our new Owasso branch opened in December. We looked to data, mainly usage of the Shared Branching Network in Owasso, to help drive our decision of when to establish a footprint there. The branch is located at the corner of 116th Street North and 129th East Avenue. The Owasso community has been so welcoming, leading this branch to have the best start insomuch the demand for safe deposit boxes has pushed us to look at purchasing more to service the members needs adequately.

### **Digital Services**

To recap our digital efforts:

- In early 2017, the mobile mortgage application was launched allowing members to apply through their phone, iPad or tablet.
- We expanded our Skip-A-Pay program, moving from paper to electronic, which allowed us to offer it in the mobile app and website. The initial response was over 1,500 processed in the first month.
- We expanded our services from Apple Pay for mobile users to Android and Samsung Pay in December.
- Our goals to increase all digital services were exceeded – online banking users, bill pay and mobile users had significant growth. We expect this to carry over in 2018.

# PRESIDENT'S REPORT

## **Loans**

We introduced a no-closing-cost home equity and HELOC lending product. The product was well received resulting in almost \$2 million in mortgage loans.

Our first-time auto program has placed 269 young adults in cars for nearly \$3.1 million in loans. The program requires applicants to complete an educational module on credit before closing the loan.

As many of you may know, the cost to replace heating and air units can be very costly. Most replacement costs have to be borrowed and paid over time. In an effort to help our members acquire low cost loans, we partnered with several HVAC providers in the area. Our program has saved our members money.

The ability to pay loans by phone began in the early part of 2017 through our call center.

## **Financial Literacy**

We received a record number of applications for the scholarship contest – 24 high school and 27 college. Three high school students were awarded \$5,000 in scholarships along with three college students for an additional \$5,000.

We launched, "It's a Money Thing" videos to share with our school partners to aid in the financial development of younger kids because it's never too early to begin your money education. Additionally, to help bring awareness of our dedication to your financial well-being, we created an entirely new section of the site called "Financial Wellness," which provides an array of free resources and tools, from first-time buyer programs to financial counseling.

We continue to see the use of the financial education training modules increase throughout the website. We had 1,073 completed in 2017.

We continue to see consistent use of GreenPath financial counseling. From January - December 2017 we had 704 members use the free service.

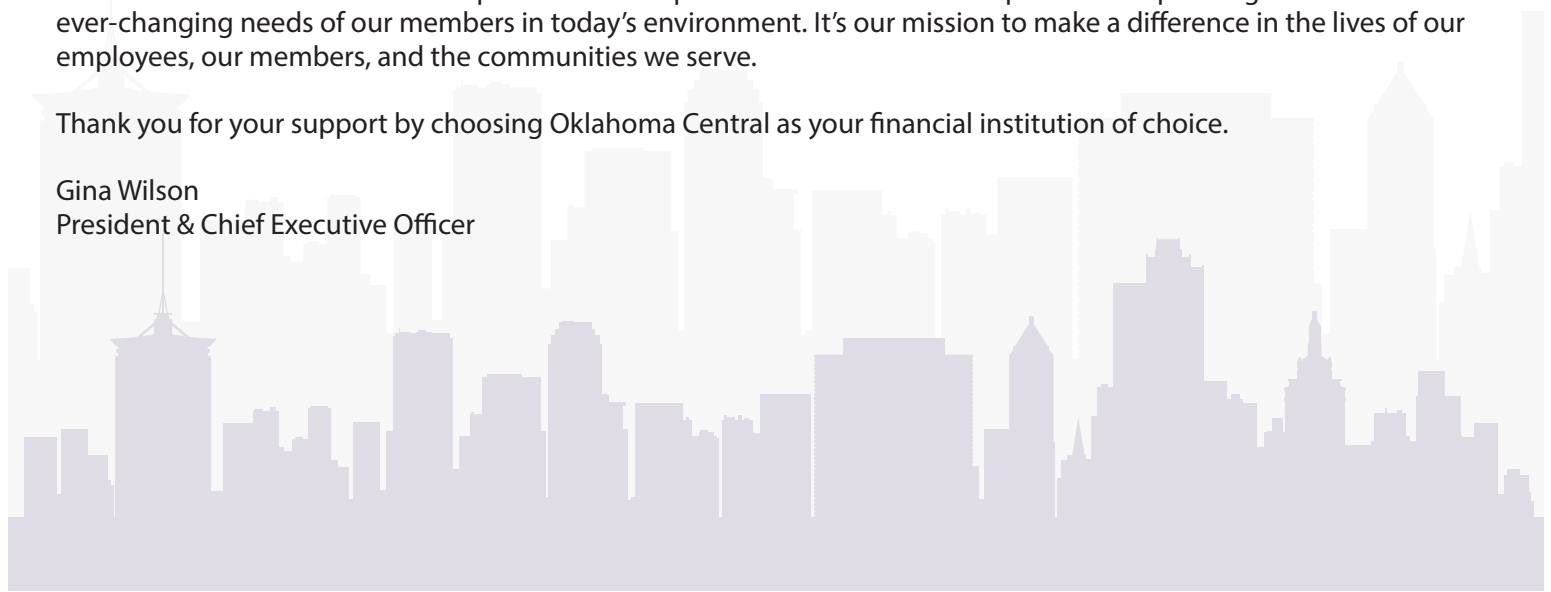
In 2017, we offered 56 financial wellness workshops in the community and at our affiliated employee groups, hosting over 600 attendees.

KTUL news segments were recorded and shared via social media and website.

In closing, Oklahoma Central's financial picture is strong and solid as reflected in our financials. The 77th year of Oklahoma Central was a solid year of performance, maximizing opportunities and managing challenges. Overall, the credit union experienced a 1.56% increase in assets, an increase in lending by 14.62% and a 1.16% increase in deposits. The credit union remained "well capitalized" and is positioned to continue the pursuit of expanding to meet the ever-changing needs of our members in today's environment. It's our mission to make a difference in the lives of our employees, our members, and the communities we serve.

Thank you for your support by choosing Oklahoma Central as your financial institution of choice.

Gina Wilson  
President & Chief Executive Officer



# CHAIRWOMAN'S REPORT



Welcome to Oklahoma Central Credit Union's 77th Annual Meeting. I am pleased to report that the credit union remains strong. 2017 ended with Net Income of \$2.8 million and a healthy Net Worth Ratio of 13.49%, well above the National Credit Union Administration's target measurement of a well-capitalized credit union.

Throughout 2017, Oklahoma Central welcomed 6,505 new members. To meet the demands of our growing membership, we have committed to investing in the necessary technology so that we may continue to add new digital services and improve upon those currently offered. Online account opening, accepting loan payments over the phone, and digital skip-a-pay requests are just a few services that were implemented last year.

Usage of our online and mobile banking products grows steadily with more than 20,000 members who manage their accounts from anywhere at any time. Estatements, enotices, Money Management and BillPay are relevant and convenient tools that can help you better manage your funds. To support the credit union's efforts in "Going Green", we encourage you to sign up for estatemnts and enotices.

Our branching network expanded in 2017. In the first part of the year, we purchased land in north Broken Arrow near Lynn Lane & Albany. We expect to begin construction in the second half of 2018. Studies are currently underway on the type of branch for this area. Innovated technology has advanced significantly providing a member the ease to complete simple transactions without a teller. However, the more personal transactions like loans, deposit accounts, IRA or financial counseling would be the focus and mainstay in the new branch. Our member financial representatives will be available to assist you. Stay tuned! More information will be coming once design is complete and groundbreaking is set.

In early December our newest branch opened in Owasso on the corner of 116th Street North and 129th East Avenue. We have listened to our Owasso members for several years asking, "when are you coming to Owasso?" The growth in member visits to the Shared Branching Network location in Owasso gave us the indication that there was a high demand from our membership for an Oklahoma Central location.

Oklahoma Central's Board of Directors and Supervisory Committee are all volunteers that take their fiduciary responsibility seriously and always keep the best interest of the membership in mind. For their professional experience, commitment, and time given to the credit union, we appreciate and are grateful for their service.

I would like to congratulate CEO, Gina Wilson and her staff for another successful year. They strive daily to make a difference for all members through their hard work and dedication.

On behalf of the Board, Supervisory Committee, Executive Management and Staff, thank you for choosing Oklahoma Central for your financial services. It is a privilege being able to serve you.

Respectfully submitted,

Penny Colantonio Cheffey  
Chairwoman, Board of Directors

# TREASURER'S REPORT



In 2017, Oklahoma Central remained financially strong while growing to nearly \$539.5 million in total assets - a 1.56% increase over 2016.

Economic conditions in the Tulsa area were generally strong in 2017. For example, the unemployment rate was 4.0% at year-end compared to 4.8% at the end of 2016. This was just one factor that contributed to the continued improvement in lending activity. In 2017, your credit union was able to grow the loan portfolio by 14.62% to end the year

at almost \$379 million. Deposits grew by approximately 1.16% to almost \$464 million as consumers generally spent more and saved less due to the positive economic conditions.

The changes in the loan and deposit balances allowed the credit union to increase the loan to share ratio to 82% versus about 72% for the previous year. This strategic decision positions the organization for stronger loan interest income in the coming years.

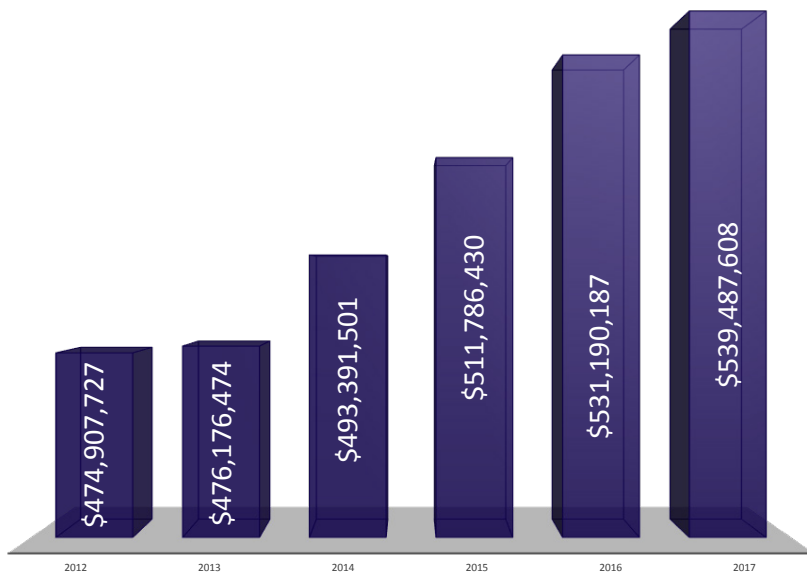
The credit union continues to maintain a strong net worth ratio, a key indicator of financial strength. The net worth ratio for Oklahoma Central at the end of 2017 was 13.49% compared to the national average of 10.96%.

As a member of Oklahoma Central Credit Union, we want to remind you that your Board of Directors and executive team are committed to keeping Oklahoma Central financially strong while continuing to add products and services that serve you – our members – in the best way possible.

Anne Dorman  
Treasurer, Board of Directors

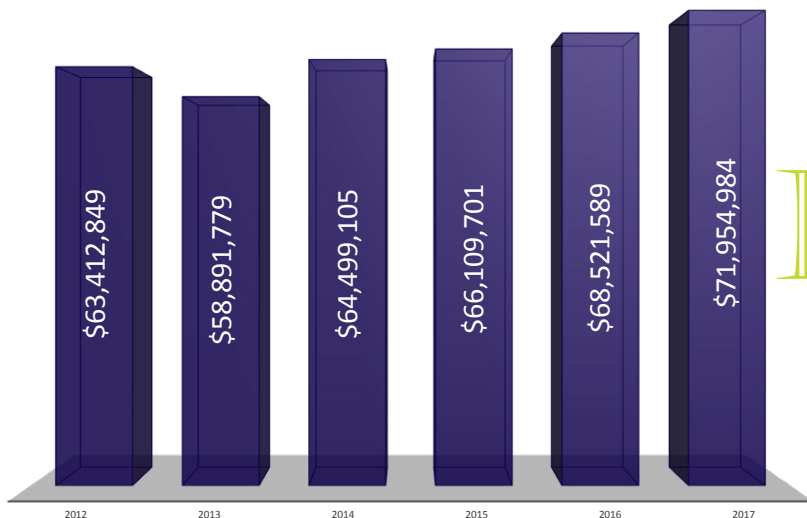
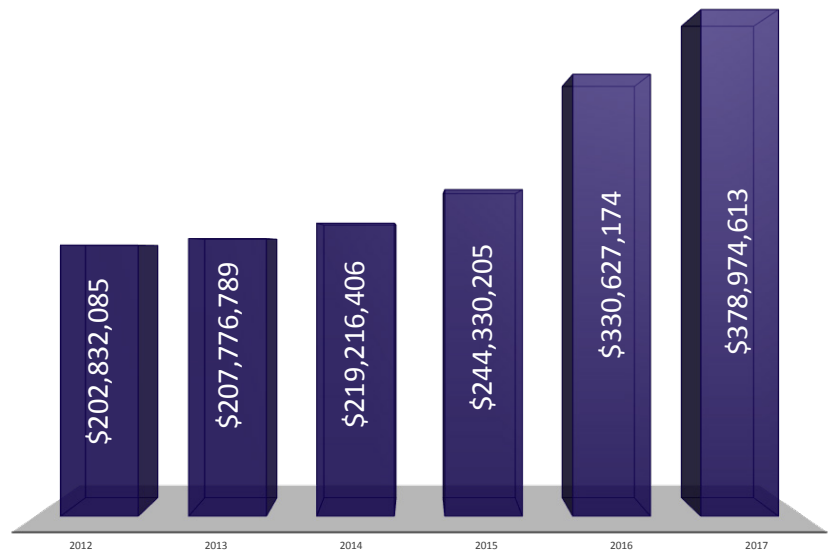


# FINANCIALS



ASSETS

LOANS



EQUITY



# CREDIT MANAGER'S REPORT



In 2017, our trusted staff assisted more than 9,500 members with loan requests that amounted to \$178 million in new loans. This led to a strong lending year with loan growth at 14.62%; Oklahoma Central ended 2017 with a loan portfolio of over \$378 million, an increase of \$48 million in loans outstanding versus 2016 year-end. Continued low loan rates made it a wonderful time to purchase that new home, make home improvements to your existing home, upgrade your vehicle, or finally take that dream vacation.

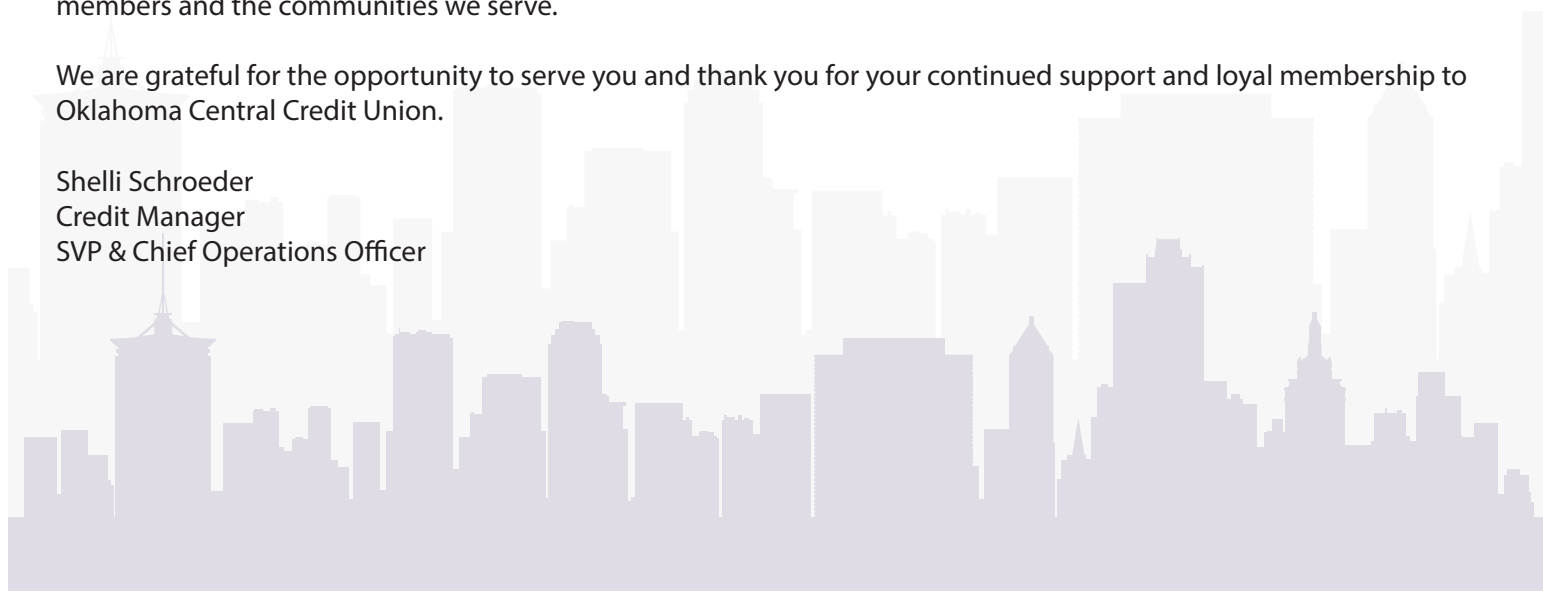
Our commitment to enhancing the financial well-being of our members continued in 2017. To this end, Oklahoma Central shared the following successes with our members:

- The mortgage loan team helped members obtain or refinance homes for their families. The first-time home buyer program designed to educate potential homeowners about home buying and home ownership offered a \$500 discount toward closing costs to help first-time home buyers move into the home of their dreams.
- We rolled out a mobile mortgage application to meet the increasing expectation from members that anything traditionally done in the branch or over the phone should also be enabled on a mobile device. MortgagebotMobile allows Oklahoma Central to take accurate, qualified applications through the mobile channel and provides our members a seamless experience that is done completely online.
- Our low loan rates enabled members to purchase and refinance vehicles. We assisted members with financing through auto dealer partnerships by providing fast and convenient financing solutions.
- The commercial services department boosted the local Oklahoma economy by delivering business loans to new and existing businesses.
- To live out our "Member-Focused" Oklahoma Central Service Promise, we introduced a new position to help assist our members calling in through our call center for loan requests. As a result, we can speed up the loan application process and send loan funds out quicker.

While we continue to grow, our mission remains the same: we exist to make a difference in the lives of our employees, members and the communities we serve.

We are grateful for the opportunity to serve you and thank you for your continued support and loyal membership to Oklahoma Central Credit Union.

Shelli Schroeder  
Credit Manager  
SVP & Chief Operations Officer



# SUPERVISORY COMMITTEE REPORT



The Supervisory Committee, with the approval of the Board of Directors, engaged the certified public accounting firm of Doeren Mayhew CPAs to perform the annual Supervisory Committee Audit of Oklahoma Central Credit Union for the year end December 31, 2017. The audit included the expression of an opinion on our financial statements and related disclosures required by generally accepted accounting principles. The audit has been completed and a clean opinion expressed. You may obtain a copy of the audited financial report by calling Oklahoma Central Shareholder Communications

at (918) 664-6000, ext. 287.

The Supervisory Committee is appointed by Oklahoma Central's Board of Directors. The primary duty of the committee, as prescribed by Oklahoma Central bylaws and Oklahoma statutes, is to ensure that an annual examination is made of the credit union's financial records. Additionally, the committee serves as an alternative means for members to communicate their needs.

Andy Murphree  
Director/Supervisory Committee





## BOARD OFFICERS

Penny Cheffey  
Chairwoman  
Magellan Midstream Partners, L.P.

Gordon Sprouse  
Vice Chair  
Navico

Anne Dorman  
Secretary/Treasurer  
Clear Edge Filtration Inc.

## BOARD OF DIRECTORS

Susan Phelps  
Director  
Phelps Market

Jerry Henderson  
Director  
Tayloe Paper, Retired

Andy Murphree  
Director  
AEP

Tom Hille  
Director  
Enterprise Holdings Inc.

## SUPERVISORY COMMITTEE

Andy Murphree  
Chairman  
AEP

The late Cuong Hoang  
*Years of Service - 2005-2018*  
Member  
Morse & Co.

Veda Hester  
Member  
Universal Field Services Inc.

## PARLIAMENTARIAN

Robert Skeith  
Legal Counsel

## EXECUTIVE TEAM

Gina Wilson  
President & Chief Executive Officer

Brad Scheidt  
Executive Vice President & Chief Finance and Strategy Officer

Shelli Schroeder  
Senior Vice President & Chief Operations Officer

Ryan Larkin  
Vice President & Chief Information Officer



# MISSION STATEMENT

**The mission of Oklahoma Central Credit Union is to make a difference in the lives of our employees, our members and the communities we serve.**

## ABOUT YOUR CREDIT UNION

For the last 77 years, Oklahoma Central has helped members throughout Northeast Oklahoma and beyond, meet their financial goals. Since its inception in 1941, the credit union membership has grown to more than 44,000 members, served by ten Tulsa metro locations. Solution-oriented products and services, combined with sound business practices and exemplary member service, are what keep generations of members loyal and attract new ones.

Our deposit and lending services – from consumer loans to checking accounts, investment products and more – offer members the benefits of a full-service banking institution, with a commitment to service excellence that is second to none. Digital channels such as banking online or by mobile app, along with 5,000+ Shared Branch locations nationwide offer 24/7 access anytime, from nearly anywhere.

Community involvement is of the highest priority. The Oklahoma Central Foundation, a 501c3 nonprofit organization which was established in 2014, provides scholarships to deserving students who are pursuing post-high school education and students who are continuing their college education within the state of Oklahoma.

A “members first” philosophy guides the financial and policy decisions of the Board of Directors and executive leadership team. This member-focused approach to doing business enables Oklahoma Central to meet or exceed all requirements for safety and soundness, to continue to make loans when credit is scarce and to produce substantive earnings on member investments.

## BRANCH LOCATIONS

Garnett  
11335 E. 41st St.

Brookside  
4956 S. Peoria Ave.

Centennial Park  
515 S. Peoria Ave.

Port of Catoosa  
5220 N. Hwy 167

Broken Arrow  
2211 S. Aspen Ave.

LaFortune  
4132 E. 51st St.

Downtown  
140 One Williams Center

Sheridan South  
6728 E. 81st St. S.

Tulsa Hills  
8075 S. Olympia Ave. W.

Owasso  
12901 E. 116th St. N.

**Main Phone Number**  
918-664-6000

**Bank Online**  
[OklahomaCentral.org](http://OklahomaCentral.org)

**24/7 Bank-by-Phone**  
918-663-8377