



78th ANNUAL REPORT



**Oklahoma
Central**

CREDIT
UNION

PRESIDENT'S REPORT

As I reflect on 2018, our story is one of strong financial management, exceptional member service and positive change.

While 2018 financial results are certainly worth highlighting, the following achievements from the past year reflect a maintained focus on the most important assets – our members, the communities we serve, and the hard-working employees of our credit union.

Focus on You, **Our Member**

As you may recall, we performed a brief member survey last spring. Through this survey, it confirmed what we hear time and time again - your high level of satisfaction with Oklahoma Central. We also confirmed you would strongly recommend the credit union to family and friends. These two essential values are critical in building loyalty and we thank you! Our success is based on your success.

We also learned through the survey that we need to earn more of your financial business. We are obliged to secure Oklahoma Central as your primary financial institution. Our purpose and promise is to help our members build stronger, lasting relationships with us.

In 2018, we assisted members and the community offering 140 free financial wellness workshops, hosting more than 1,100 attendees. In addition to the workshops, our GreenPath financial counseling program assisted another 1,100 members with budgeting advice and financial assistance managing outstanding debt. We believe in supporting our member's financial well-being and these resourceful and tangible tools help build a stronger future.

The Oklahoma Central Foundation awarded \$15,000 in scholarships to 10 industrious high school and college students planning to continue their education within the state of Oklahoma.

Oklahoma Central's Financial Literacy program was honored by the Cornerstone Credit Union League in 2018 with two distinguished industry awards, receiving 2nd place in the Dora Maxwell Social Responsibility Community Service Award and honorable mention in the Desjardins Awards for Financial Education. Both awards recognize leadership within the credit union movement on behalf of financial literacy for all ages, within membership and community.

New **Additions**

Innovative change continued in 2018 with product and service offerings. SaavyMoney launched through online banking allows members immediate access to current credit scores and helps track personal financial well-being.

A new mobile app launched toward the end of 2018, Central Perk\$, alerts members to local and national discounts delivered right to a mobile device. For example, discounts are offered at Flying Tee, Lambrusco's, Brookside Diner, Tom's Bicycles and more than 40 other local businesses.

PRESIDENT'S REPORT

Our no closing cost second mortgage and home equity line of credit product was carried over in 2018 with many of our members taking advantage of this personal savings. This product is extremely competitive in the local market.

Oklahoma Central launched a new and improved website in September, making navigation cleaner and important member information easier to find. The new website received a Diamond Award, at the CUNA Marketing and Business Development Council Awards, a prestigious credit union industry competition. If you haven't seen it, visit OklahomaCentral.CreditUnion.

This list encapsulates just a few of the many 2018 achievements. As mentioned, Oklahoma Central Credit Union's success is directly tied to the important work we do for our member's long-standing financial health and service to our community. We look back upon a year of positive change and we expect the same level of innovation and forward-thinking in 2019. We thank you for your continued business. It is our pleasure to serve you.

Gina Wilson
President and Chief Executive Officer



CHAIRMAN'S REPORT

Welcome to Oklahoma Central Credit Union's 78th Annual Meeting. I am pleased to report that the credit union remains strong. 2018 ended with a healthy net worth ratio of 13.27 percent, well above the National Credit Union Administration's target measurement of a well-capitalized credit union. Our lending continued at a healthy pace keeping the targeted loan to share ratio at 76 percent as set by the Board of Directors.

Throughout 2018, Oklahoma Central welcomed 4,201 new members. The rapid change in technology resulted in our continual commitment to investing in necessary technology, implementing new digital services and improving present-day software. For example, online banking was enhanced with SaavyMoney, providing immediate up-to-date credit scores for member tracking and monitoring. Additionally, current offerings are at your fingertips through your online account.

Furthermore, a new app launched for mobile users in 2018. CentralPerk\$ gives members access to local business discounts around town. We encourage you to download the app if you have not already done so and start taking advantage of these savings. Discounts are available at more than 40 local businesses such as the Riverwalk's Flying Tee, Tom's Bicycles, Orangetheory Fitness, Be Love Yoga Studio and many more local favorites.

The groundbreaking of our 11th branch in Broken Arrow should begin late 2019. We projected building in 2018, however, extensive research into technology adjusted the timeframe ensuring the course of action is in the best interest of our members and the entire credit union. The new branch will maintain face-to-face personalized service for transactions and will feature technologically up-to-date branch equipment.

The Oklahoma Central Foundation plays a vital role in the community through our Financial Literacy programs serving many organizations in the Tulsa and surrounding area. This year, staff worked closely with West Mabee Boys and Girls Club, Boy Scouts, Girl Scouts, and DVIS just to name a few. Staff also volunteered time beyond workshops by assisting with homework, merit badges, and one-on-one building basic budgets with individuals.

As your Chairman, please know that when we say the staff is committed to our purpose, it's not just talk. We consistently see commitment demonstrated through action. They not only give of their personal time to assist the community, they willingly give monetarily to the Foundation as our largest donor. This willingness to give so generously speaks volumes about the staff that serve you each day. We are grateful to have such a committed group of individuals!

Overall, your credit union is strong, growing and adapting to meet the needs of all we serve. 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. We appreciate and acknowledge their professional experience, committed service, and donated time to the credit union.

CHAIRMAN'S REPORT

I would like to congratulate CEO, Gina Wilson, and her staff for another successful year. Efforts are apparent in making a difference in member lives and the greater community through 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 to serve you.

Gordon Sprouse
Chairman, Board of Directors



TREASURER'S REPORT

In 2018, Oklahoma Central remained financially strong while growing to nearly \$554.8 million in total assets - a 2.8% increase over 2017.

Economic conditions in the Tulsa area remained generally strong in 2018. For example, the unemployment rate was 3.0% at year-end compared to 4.1% at the end of 2017. This was just one factor that contributed to elevated lending activity for the year. In 2018, your credit union was able to maintain a 76% loan-to-share ratio – a level within the strategic targeted range. Deposits grew by approximately 3% to almost \$478 million despite competitive pressure in the market to attract balances.

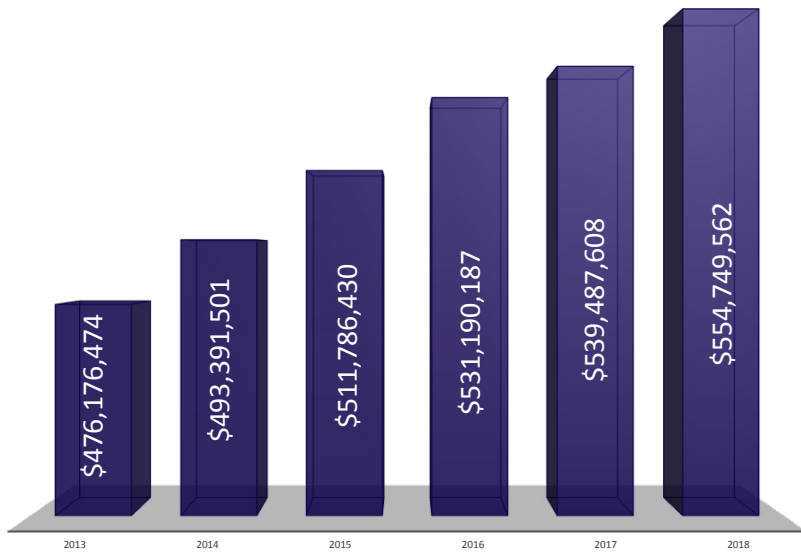
The credit union continues to maintain a strong net worth ratio, a key indicator of financial strength. The net worth ratio for Oklahoma Central at the end of 2018 was 13.27% compared to the national average of 11.30%.

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.

Susan Phelps
Treasurer



FINANCIALS



Assets

Loans



Equity



CREDIT MANAGER'S REPORT

Consumer and mortgage loans continued to be in demand last year as rates remained low, allowing Oklahoma Central to disburse \$122 million in loans. As of year-end the total loan portfolio exceeded \$361 million.

Our member service representatives are passionate about Oklahoma Central Credit Union's mission and improving the financial lives of our members. Below are some instances of how Oklahoma Central worked for our membership and enriched the communities we serve over the past year:

- We partnered with 205 members on their journey to purchase or refinance their home.
 - Our Home Equity Line of Credit remains very competitive in the market offering no closing costs.
 - Oklahoma Central is also committed to helping the next generation buy their first home. Our mortgage experts are willing and able to guide members through the process for no cost or obligation. With the First-Time Home Buyer program there is no PMI (private mortgage insurance) and a \$500 discount toward closing costs.
- We made it easy for members to finance a new or used car, recreational or unsecured loan. Anytime day or night, members have easy and secure access to Credit Union online loan applications.
- We continue to support the community by investing in local businesses. In 2018, we originated over \$10 million in small business loans.

As we look to the future, be assured that we will continue to maintain our commitment to provide a wide range of superior credit services that are responsive to members' needs, while preserving the safety and soundness of your credit union.

To our members, we thank you for continuing to place your trust in us. We know you have many choices, and we appreciate you choosing to be a member at Oklahoma Central Credit Union. We look forward to serving you in 2019 and beyond!

Shelli Schroeder
Credit Manager
Senior Vice President, 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, 2018. 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

Gordon Sprouse

Chairman
Navico

Anne Dorman

Vice Chair
Total Valve Systems

Susan Phelps

Secretary/Treasurer
Phelps Market

BOARD OF DIRECTORS

Jerry Henderson

Director
Tayloe Paper, Retired

Andy Murphree

Director
AEP

Penny Cheffey

Director
Magellan Midstream
Partners, L.P.

Tom Hille

Director
Enterprise Holdings
Inc.

SUPERVISORY COMMITTEE

Andy Murphree

Chairman
AEP

Veda Hester

Member
Universal Field Services Inc.

Shannon Townsend

Member
Shannon Townsend CPA, LLC

PARLIAMENTARIAN

Robert Skeith

Legal Counsel

EXECUTIVE TEAM

Gina Wilson

President & Chief Executive Officer

Brad A. Scheidt

Executive Vice President & Chief Finance and Strategy Officer

Shelli Schroeder

Senior Vice President & Chief Operations 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 78 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 45,000 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

Website

OklahomaCentral.CreditUnion

24/7 Bank-by-Phone

918-663-8377