Why we exist:
To SERVE Our Members’ Interests

What we stand for:
INTEGRITY Is First In All We Do
Treat All With RESPECT
VALUE Employees As Our Primary Resource
Be a GOOD Corporate Citizen

We promise to:
Treat you with the highest standards of RESPECT and PROFESSIONALISM.
Be ACCURATE and ENSURE THE SECURITY of your financial information.
MAKE IT EASY for you to do business with us.
IDENTIFY your needs and suggest a solution that will IMPROVE your financial life.
RESPOND to your requests in a timely manner.
SHOW YOU APPRECIATION for allowing us to SERVE you.
2016 was a phenomenal year for Truity Credit Union. We exceeded our expectations in almost every area. Assets topped $767 million, up $50.7 million from the end of 2015. Mortgage lending production reached an all-time record level of $224 million, and we added $45 million in new consumer loans, for a total of $611 million, proving we continue to meet our members' expectations on the loans they want and need.

Not only did we break our own records for mortgage lending, consumer loan production and share growth, we also broke our record for net income and achieved the highest possible rating from our federal regulators in safety and soundness.

2016 was a busy year. While we were setting records, we opened a new office in Houston at the Phillips 66 World Headquarters and remodeled two locations, the Springdale branch and the Washington South office in Bartlesville. We also rolled out the new Visa® Signature card, and converted our mortgage origination and mortgage servicing platforms, all in an effort to serve you better.

Going forward, we'll continue to focus on creating a seamless banking experience. From the branch to the website, from the call center to our mobile apps, we'll be dedicated to providing unsurpassed service and strive to be in tune with advanced technologies, as well.

The purpose of the annual report is to outline the credit union’s financial condition by presenting our assets and liabilities, revenues and expenses. Our primary mission, to serve your interests, drives our success and remains at the forefront of everything we do.

Credit unions have two key resources: professional staff members and exceptional volunteers who serve on the board of directors and the Supervisory Committee. We are fortunate to have the best of both.

We are keenly aware that you have a choice in financial institutions. All of us at Truity want to thank you for your loyal business. It is a privilege and honor to serve your financial needs.
Bartlesville

EMPLOYEE VOLUNTEERISM
Credit union employees generously give their time and resources. Employees voluntarily support Community Cares, the credit union’s way of donating to both the United Way and the American Cancer Society’s Relay For Life. In 2016, Bartlesville employees gave more than $80,000 to Community Cares.

Other recipients of credit union employee generosity and volunteer hours include:
- Agape Mission
- Big Brothers Big Sisters
- Building Bridges of Oklahoma
- The Cottage
- Daybreak Rotary
- HOPE Clinic
- Lions Club
- Westside Community Center
- Young Professionals of Bartlesville

COMMUNITY PARTNERS
In addition to the employees of Phillips 66 and ConocoPhillips in Bartlesville, we serve more than 100 Select Employee Groups, including:
- ABB
- Bartlesville Public Schools
- The City of Bartlesville
- Diversified Systems Resources
- Rogers State University
- Schlumberger, REDA Production
- Siemens Applied Automation
- Tri County Technology Center
- The Voice of the Martyrs, Inc.

Lawrence

EMPLOYEE VOLUNTEERISM
The creative employees that work at the Lawrence branches are always looking for ways to show Lawrence residents the value of credit union membership.

In Lawrence, Truity regularly sponsors events tied to Lawrence Public Schools as well as to The University of Kansas. Events for 2016 included the Lawrence Education Association’s School Supply Drive and the Teacher of the Year award.

Other organizations supported by employees in Lawrence include:
- Boys and Girls Club
- Junior Achievement
- Just Food
- Toys for Tots
- United Way of Douglas County

COMMUNITY PARTNERS
Not only does the credit union serve the faculty, staff and students of The University of Kansas, we also serve many other Select Employee Groups, including:
- Amarr Garage Door
- Baker University
- General Dynamics Information Technology
- Hallmark
- Haskell Indian Nations University
- Laird Noller Automotive
- Lawrence Memorial Hospital
- Lawrence Public Schools
EMPLOYEE VOLUNTEERISM
Since we are so closely tied to our Select Employee Groups in Houston, we sponsor many of the activities and causes that are important to them. For example, when members use their Rodeo Run Spirit Debit Card, the credit union gives a portion of the interchange generated to the Rodeo Run which in turn benefits the Houston Livestock Show & Rodeo Educational Fund to provide college scholarships for Texas students.

COMMUNITY PARTNERS
In addition to the employees of Phillips 66 and ConocoPhillips in Houston, we serve several other companies, including:
- Chevron/Phillips Chemical Co.
- Securitas Inc.
- Sodexo
- Zachry Construction Co.

Springdale

EMPLOYEE VOLUNTEERISM
In Northwest Arkansas, we sponsor Court Appointed Special Advocates and Newspapers in Education, among other initiatives, and employees support many local organizations, including:
- Alzheimer’s Association
- Children’s Safety Center
- The First Tee NWA
- Make-A-Wish Foundation
- Springdale Rotary

COMMUNITY PARTNERS
In addition to Tyson Foods, Inc. team members, we offer credit union membership to several other organizations, including:
- BNSF Logistics
- Cobb-Vantress
- Fayetteville Public Schools
- Kawneer
- Northwest Technical Institute
- Ozark Regional Transit
- Springdale Public Schools
Truity Credit Union wouldn’t be successful without the support of the communities we serve. Being a good corporate citizen is a high priority for us, and we are proud of the fact that our corporate giving has been at record levels for the past few years at a time when many companies are giving less. Corporate-wide, Truity supports national initiatives like the United Way and the American Cancer Society’s Relay For Life.

SPIRIT CARDS
Truity Credit Union makes it easy for members to support local schools and organizations with the Spirit Debit Card program. Members show support for their group by using the cards, and a portion of the interchange is donated to the school or organization featured on the card—over $130,000 has been given to area organizations since the program began in 2009.

SCHOLARSHIPS
In 2016, Truity continued its tradition of offering an online scholarship application to high school seniors. Three $1,000 scholarships were awarded, one each in Bartlesville, Springdale and Lawrence. Eighty-four seniors entered the contest in 2016.

TRUITY EDUCATION FOUNDATION
Formed in 2009, this organization has donated more than $740,000 to public school foundations and educational organizations in Bartlesville, Oklahoma, Lawrence, Kansas and Northwest Arkansas. Members of the Truity Education Foundation are eligible for membership in Truity Credit Union.
BARTLESVILLE, OKLAHOMA:
501 S JOHNSTONE AVE
2612 SE WASHINGTON BLVD

SPRINGDALE, ARKANSAS:
1910 S THOMPSON ST

HOUSTON, TEXAS:
600 N DAIRY ASHFORD,
WC.202.02
CONOCOPHILLIPS COMPLEX
2331 CITYWEST BLVD
HOUSTON PHILLIPS 66 WORLD HQ

LAWRENCE, KANSAS:
3400 W 6TH ST
2221 W 31ST ST
1300 W 23RD ST

TRUITY CREDIT UNION
PO BOX 1358 | BARTLESVILLE, OK 74005 | 800.897.6991

Clockwise from above: Bartlesville Headquarters, Lawrence Main, Springdale and Houston offices.
## Consolidated Balance Sheet

### ASSETS

<table>
<thead>
<tr>
<th>Description</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$68,184,000</td>
<td>$56,515,000</td>
</tr>
<tr>
<td>Investments</td>
<td>65,900,000</td>
<td>73,157,000</td>
</tr>
<tr>
<td>Loans to members</td>
<td>611,272,000</td>
<td>566,008,000</td>
</tr>
<tr>
<td>Less allowance for loan losses</td>
<td>(5,615,000)</td>
<td>(5,199,000)</td>
</tr>
<tr>
<td>Net loans</td>
<td>605,657,000</td>
<td>560,809,000</td>
</tr>
<tr>
<td>Property and equipment</td>
<td>9,685,000</td>
<td>9,267,000</td>
</tr>
<tr>
<td>Other assets</td>
<td>18,247,000</td>
<td>17,259,000</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>$767,673,000</td>
<td>$717,007,000</td>
</tr>
</tbody>
</table>

### LIABILITIES & MEMBERS’ EQUITY

**Member Deposit Accounts:**

<table>
<thead>
<tr>
<th>Description</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shares, share drafts &amp; money markets</td>
<td>$574,553,000</td>
<td>$529,347,000</td>
</tr>
<tr>
<td>Share certificates</td>
<td>117,420,000</td>
<td>119,785,000</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>691,973,000</td>
<td>649,132,000</td>
</tr>
<tr>
<td>Borrowed funds</td>
<td>10,000,000</td>
<td>8,253,000</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>701,973,000</td>
<td>657,385,000</td>
</tr>
</tbody>
</table>

**Members’ Equity:**

<table>
<thead>
<tr>
<th>Description</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular reserve</td>
<td>6,191,000</td>
<td>6,191,000</td>
</tr>
<tr>
<td>Undivided earnings</td>
<td>59,767,000</td>
<td>54,001,000</td>
</tr>
<tr>
<td>Unrealized gain (loss) on available for-sale investments</td>
<td>(258,000)</td>
<td>(570,000)</td>
</tr>
<tr>
<td><strong>Total Members’ Equity</strong></td>
<td>65,700,000</td>
<td>59,622,000</td>
</tr>
</tbody>
</table>

**TOTAL LIABILITIES & MEMBERS’ EQUITY**

<table>
<thead>
<tr>
<th>Description</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL LIABILITIES &amp; MEMBERS’ EQUITY</strong></td>
<td>$767,673,000</td>
<td>$717,007,000</td>
</tr>
</tbody>
</table>

### Assets

![Assets Graph](chart_assets.png)

### Loans

![Loans Graph](chart_loans.png)
Consolidated Statement of Earnings

INTEREST INCOME

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest on loans to members</td>
<td>$28,593,000</td>
<td>$26,722,000</td>
</tr>
<tr>
<td>Interest on investments &amp; cash equivalents</td>
<td>1,517,000</td>
<td>1,313,000</td>
</tr>
<tr>
<td><strong>Total Interest Income</strong></td>
<td><strong>$30,110,000</strong></td>
<td><strong>$28,035,000</strong></td>
</tr>
</tbody>
</table>

INTEREST EXPENSE

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shares, share drafts &amp; money markets</td>
<td>$1,078,000</td>
<td>$ 926,000</td>
</tr>
<tr>
<td>Share certificates</td>
<td>956,000</td>
<td>1,090,000</td>
</tr>
<tr>
<td><strong>Total dividend expense</strong></td>
<td>2,034,000</td>
<td>2,016,000</td>
</tr>
<tr>
<td>Interest on borrowed funds</td>
<td>-</td>
<td>27,000</td>
</tr>
<tr>
<td><strong>Total interest expense</strong></td>
<td>2,034,000</td>
<td>2,043,000</td>
</tr>
</tbody>
</table>

Net interest income | 28,076,000 | 25,992,000 |
Provision for Loan Losses | 5,087,000 | 5,079,000 |
**Net interest income after provision for loan losses** | 22,989,000 | 20,913,000 |
Non-interest income | 12,904,000 | 11,486,000 |
Non-interest expense | 30,127,000 | 27,456,000 |
**NET EARNINGS** | **$5,766,000** | **$4,943,000** |

Copies of audited financials are available upon request.
Truity is governed by a volunteer board of directors composed of Truity members. They guide the general direction and affairs of the credit union in accordance with our bylaws.

**CHUCK ROHRS, CHAIRMAN**
Manager Internal Audit - Corporate, Phillips 66

**R. LEE KIDD, III**
Vice President, Benefits, Tyson Foods Inc.

**STEPHANIE (MESTON) ARY**
Managing member of a private oil and gas company in Oklahoma City

**MATT McCLOREY**
President, Crititech, Inc.

**BRENT BOEVE**
Manager SAP PRA Projects, ConocoPhillips, Retired

**BRIT PARKER**
Manager and IS Business Partner Upstream, ConocoPhillips, Retired

**AVIS BRAGGS**
IT Manager, Lower 48 Region, ConocoPhillips, Retired

**MICHAEL RIGGS**
Deputy General Counsel, Corporate, Phillips 66

**BEVERLY DOLLAR**
Formerly of ConocoPhillips, now in private legal practice

**JOHN ZUKLIC**
Treasurer, Phillips 66

**MATT EPPERSON**
Manager, HR Shared Services, Phillips 66
The role of the Supervisory Committee is to ensure that members’ interests are protected by conducting audits and reviews of key financial and operating components of the credit union. Appointed by the credit union board of directors, the Supervisory Committee is responsible for coordinating audits to determine that accounting records are prepared promptly, and that they accurately reflect the credit union’s condition.

To assist in this process, the committee engaged the firm of HoganTaylor, LLP to perform the annual audit of the credit union for the year ending December 31, 2016.

As a result of this audit and our ongoing internal audit, it is the opinion of the Supervisory Committee that the financial statements fairly and accurately reflect the condition of the credit union.

On behalf of the Supervisory Committee, we appreciate the opportunity to serve the credit union, and as always, we welcome your comments and suggestions.

SUPERVISORY COMMITTEE

R. SCOTT HENSLEY, CHAIRMAN
Information Protection and Policy Administration, ConocoPhillips

ANGELA LORSON
Director of Joint Venture Accounting, Finance, ConocoPhillips

AMY LAWRENCE
Sr. Analyst, Controllers, Phillips 66

CHRIS PREGLER
Director, Treasury Services, Phillips 66

MARY FRIEDMAN
Consultant Privacy and Awareness, Global Information Protection & Assurance, ConocoPhillips, Retired