



2016

Annual report
— and —
community impact



Oregon State
Credit Union

This credit union is federally insured by
the National Credit Union Administration.

The credit union difference



Credit unions are not-for-profit financial cooperatives that exist to serve their members. They provide the same types of financial products and services you would find at other financial institutions, but there are clear differences.



Ownership: Unlike a bank, a credit union is a financial cooperative—people with common interests who have joined together to help one another save and borrow. Each Oregon State Credit Union member has an equal share or say in how the credit union is run. This is most prevalent in our Board of Directors, who are elected from among our members. This helps ensure we function in the best interests of our membership as opposed to delivering profits to a group of stockholders.

Not-for-profit: As not-for-profit organizations, credit unions are exempt from federal and state income taxes. Instead, we return the remaining proceeds after business expenses to our membership in the form of enhanced services, convenient access and competitive rates and fees.

Oregon State Credit Union is a full-service, community based and operated financial institution that provides a complete range of financial products and services, including investment, real estate and small business lending to our members with the convenience, ease, affordability and dependability that only a member-owned cooperative can offer. Stop by a branch, give us a call or visit oregonstatecu.com to learn what the credit union difference can do for you.

What's inside?

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President's message

Dear Oregon State Credit Union member-owner:

Let me open with a member thank you for your participation in a key statistic within this annual report—an 11 percent membership growth in 2016, compared to an industry average of 4 percent, and positively impacting more than 97,000 credit union members and their communities. Oregonians are looking for a financial institution they can trust and that will focus on them. Our commitment to local decisions benefiting our member-owners will never change, and you contribute back with your member loyalty and word-of-mouth referrals.

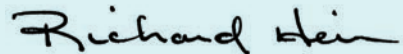
Needless to say, your not-for-profit financial cooperative is solidly positioned for the future, backed by strong 2016 financials, achievements and community investment summarized in the following pages. We remain dedicated to the vital role credit unions play in our communities.

2016 was an eventful year for us. Not only did we exceed \$1 billion in assets in February of the year, but we also occupied our new operations center in Corvallis, reconfirming the commitment to our Corvallis roots.

We added still more member access points with a new branch location in Lincoln City as well as a third Corvallis branch location within the new Sunset Operations Center, bringing our branch total to 14. And doing our part towards a strong economy, we increased our consumer, real estate and small business lending by 19 percent. Further testimony comes from our latest Membership Benefits Report issued by the Credit Union National Association. It cites that our average member household benefited by more than \$148 over banking institution alternatives in the last year, and those benefits totaling \$7 million overall only increase for you through a deepened relationship with this credit union.

It is an honor and a privilege to serve you. On behalf of all of us at Oregon State Credit Union, thank you for your continued trust, loyalty and support.

Sincerely,



Richard S. Hein
President/CEO



Community impact



We remain dedicated to the vital role credit unions play in our communities. Here are a few of our 2016 achievements:



Reached **9,518** individuals, more than **8,800** of them youth, benefiting from **402** financial education presentations.



Donations and grants totaled more than **\$173,000** benefiting **135** schools and non-profits.



Distributed **52** education grants that totaled **\$15,000** and benefited **8,204** youth.



Internal staff campaign for CU4Kids and the United Way raised a record **\$53,000**.

CU4Kids benefits Oregon-based Children's Miracle Network hospitals.



Staff volunteerism topped **8,206** hours for the year, **83 percent** of which was on staff's own time.



Through a series of matched donations, the Oregon State Credit Union team sent **\$36,000** to the Children's Miracle Network facilities at Doernbecher in Portland and Sacred Heart in Eugene. This annual effort has totaled **\$141,000** over the last five years.



Through an internal staff campaign, donated more than **\$17,000** to local United Way charities within our field of membership.



Teamed with local law enforcement agencies to serve more than **1,400** with free community Shred Days providing **56,000** pounds of secure sensitive document disposal to combat identity theft and benefit local recycling.



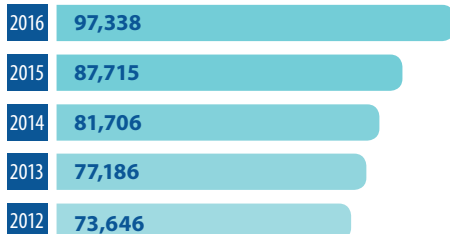
Within our 2016 philanthropic giving, dedicated more than **\$37,500** in scholarships, which included our Tomorrow's Leaders Today (TLT) Scholarship program, all designed to make higher education more accessible.



Financial review

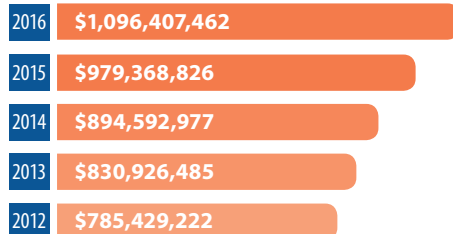
Membership (Total)

YEARS



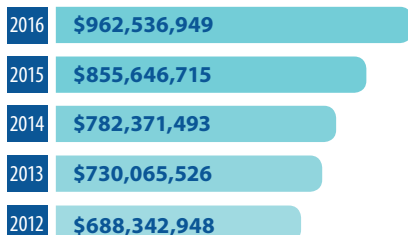
Total assets (In millions)

YEARS



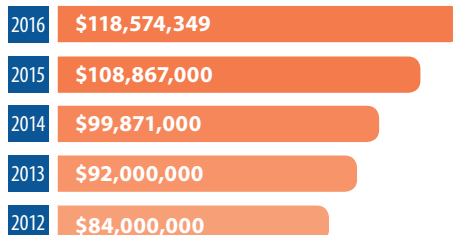
Total shares (In millions)

YEARS



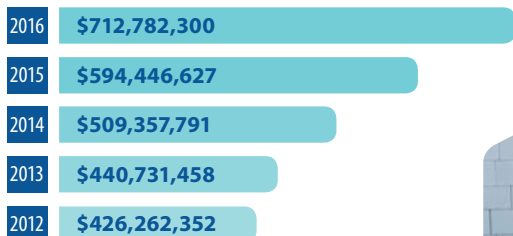
Total capital (In millions)

YEARS



Total loans (In millions)

YEARS



Financial statements

Years	2016	2015
Statement of income and expense		
Total operating income	\$42,744,124	\$39,186,535
Total operating expense	31,957,299	29,224,525
Dividend expense	1,070,975	1,082,990
Non-operating income (expense)	(8,424)	116,505
Net income	\$9,707,425	\$8,995,525

Statement of financial condition

Assets

Total loans	\$712,782,300	\$594,446,627
Investments	258,144,542	276,038,665
Other assets	125,480,620	108,883,534
Total	\$1,096,407,462	\$979,368,826

Liabilities and member equity

Total liabilities	\$17,524,807	\$15,109,080
Total notes payable	0	0
Total shares	962,536,949	855,646,715
Total equity	116,345,706	108,613,031
Total	\$1,096,407,462	\$979,368,826

Supervisory committee report

In 2016, the auditing firm of Doeren Mayhew, CPAs and Advisors, was retained by the Supervisory committee to perform the annual opinion audit of Oregon State Credit Union. The credit union received a clean opinion. It is the committee's judgment that the credit union is being operated efficiently, and the members' interests are being protected.



Thomas Elzinga
Chairman, Supervisory Committee

Values



Oregon State
Credit Union

Member focus

We commit to providing individual attention and solutions that are balanced with overall membership needs.

Integrity

We believe that integrity and confidentiality are the foundation of our success. We are committed to building trust and taking ownership in all we do.

Passion

We choose attitudes and behaviors that demonstrate our passionate commitment to creating financial solutions.

Education

We encourage advocacy for the credit union movement, promote financial literacy for our members and provide education for our staff and volunteers.

Cooperative spirit

We are a member-owned financial cooperative. The credit union difference unites us in common purpose, partnering member needs and resources for better solutions.

Social responsibility

We are part of a larger community. We promote stewardship through sustainable business practices, volunteerism and a commitment to serve.

To find out more, call 800-732-0173 or visit any of our branches.

oregonstatecu.com

