[MISSION STATEMENT]

Our mission is to build lifelong financial partnerships with our union members and their families.

[EXECUTIVE TEAM]

Mike Donohue, President/Chief Executive Officer
Jeff Hampton, EVP/Chief Operating Officer
Deepak Godhwani, Chief Financial Officer
Ron Poff, SVP Business Development
Mike Miller, VP Information Technology
Christina Boyd, VP Member Services
Jenna Anderson, VP Marketing & Training
Caan Nguyen, VP Lending
Dear Members,

As Chairman of the Board, I am pleased to report that OE Federal Credit Union has had another successful year. Success is not measured solely by income or asset size. Success is also measured by how OE Federal is benefiting the membership. Over the past 12 months, we have provided our members with over $286 million of low cost loans, and paid out over $3.8 million to members in the form of deposit dividends and loan bonuses. These advantages of membership are what helps this credit union remain one of the strongest financially in the industry.

Moving forward, OE Federal's goal remains the same: to provide members with the products, services, and guidance needed to prosper financially. We understand that your individual financial well-being has a direct correlation to the well-being of OE Federal. We are committed to partnering with all 80,000 of our members to positively impact their financial health and stability.

On behalf of all the Directors, I want to thank you for your membership and your confidence in our stewardship of OE Federal Credit Union.

Russ Burns
Russ Burns, Chairman

Dear Members,

On behalf of all the employees of OE Federal Credit Union, I'd like to thank you, the membership, for your support and trust as we celebrate another year of growth and prosperity. We proudly come to work each day to serve our partner Unions, their loyal members, and all the family members that have built this great credit union into what it is today: the largest labor union based credit union in the United States. We are honored to be the credit union for dirty hands, muddy boots and hard hat hair.

With your support, this past year we have seen record growth for both member deposits and loans. This growth allows us to continually enhance our existing line of products and offer new services that are relevant to you throughout the financial stages of your life.

I would also like to thank our Board of Directors and Supervisory Committee for their support, guidance, and vision to continue to allow OE Federal the opportunity to grow. Together we can look forward to more successes to solidify our strong financial position for the years ahead.

Mike Donohue, President/Chief Executive Officer
INDEPENDENT AUDITORS REPORT

Board of Directors and Supervisory Committee
Operating Engineers Local Union No. 3 Federal Credit Union

We have audited the accompanying financial statements of Operating Engineers Local Union No. 3 Federal Credit Union (the credit union), which comprise the statements of financial condition as of June 30, 2018 and 2017, the statements of income, comprehensive income, members’ equity, and cash flows for the years then ended, and the related notes to the financial statements.

MANAGEMENT’S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

AUDITOR’S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the credit union’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the credit union’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Operating Engineers Local Union No. 3 Federal Credit Union as of June 30, 2018 and 2017, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Turner, Warren, Hwang & Conrad AC
Certified Public Accountants & Consultants
Burbank, California
September 20, 2018
## Comparative Statements - Assets, Liabilities, Capital

for fiscal years ending in June 2016, 2017, and 2018

### ASSETS

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans Outstanding</td>
<td>611,748,442.35</td>
<td>547,942,426.05</td>
<td>503,911,433.43</td>
</tr>
<tr>
<td>Allowance for Loan Losses</td>
<td>(6,443,429.00)</td>
<td>(5,612,287.67)</td>
<td>(5,434,017.89)</td>
</tr>
<tr>
<td>Investments</td>
<td>444,691,480.78</td>
<td>425,279,566.19</td>
<td>408,371,380.58</td>
</tr>
<tr>
<td>Land and Building</td>
<td>16,932,959.01</td>
<td>17,966,978.03</td>
<td>19,786,033.63</td>
</tr>
<tr>
<td>NCUA Share Insurance</td>
<td>7,570,045.49</td>
<td>7,084,909.68</td>
<td>6,753,465.92</td>
</tr>
<tr>
<td>Other Assets</td>
<td>8,295,765.75</td>
<td>6,741,773.19</td>
<td>6,181,471.60</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>1,124,911,496.57</strong></td>
<td><strong>1,048,666,079.21</strong></td>
<td><strong>980,484,450.51</strong></td>
</tr>
</tbody>
</table>

### LIABILITIES AND CAPITAL

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share Accounts</td>
<td>371,256,173.96</td>
<td>331,781,948.51</td>
<td>294,114,070.58</td>
</tr>
<tr>
<td>Money Market Share Accounts</td>
<td>143,924,766.92</td>
<td>132,573,723.67</td>
<td>129,874,607.60</td>
</tr>
<tr>
<td>Share Draft Accounts</td>
<td>116,386,389.34</td>
<td>99,603,608.54</td>
<td>77,456,102.53</td>
</tr>
<tr>
<td>Auto Loans</td>
<td>210,140,568.63</td>
<td>210,238,271.01</td>
<td>219,054,876.87</td>
</tr>
<tr>
<td>Individual Retirement Accounts</td>
<td>56,165,350.93</td>
<td>54,180,030.22</td>
<td>54,514,050.80</td>
</tr>
<tr>
<td><strong>Total Shares and Member Deposits</strong></td>
<td><strong>897,873,249.78</strong></td>
<td><strong>828,377,581.95</strong></td>
<td><strong>775,013,708.38</strong></td>
</tr>
<tr>
<td>Total Borrowings</td>
<td>59,917,833.00</td>
<td>64,601,880.00</td>
<td>72,744,505.00</td>
</tr>
<tr>
<td>Other Liabilities</td>
<td>6,546,934.58</td>
<td>5,092,249.59</td>
<td>4,346,531.05</td>
</tr>
<tr>
<td>Undivided Earnings</td>
<td>141,303,469.09</td>
<td>130,728,526.03</td>
<td>119,009,474.70</td>
</tr>
<tr>
<td>Unrealized Gain or (loss)</td>
<td>(237,671.75)</td>
<td>722,322.59</td>
<td>226,666.33</td>
</tr>
<tr>
<td>Regular Reserve</td>
<td>19,507,681.87</td>
<td>19,143,519.05</td>
<td>19,143,519.05</td>
</tr>
<tr>
<td><strong>Total Capital</strong></td>
<td><strong>160,573,479.21</strong></td>
<td><strong>150,594,367.67</strong></td>
<td><strong>138,379,660.08</strong></td>
</tr>
<tr>
<td><strong>Total Liabilities and Capital</strong></td>
<td><strong>1,124,911,496.57</strong></td>
<td><strong>1,048,666,079.21</strong></td>
<td><strong>980,484,450.51</strong></td>
</tr>
</tbody>
</table>

### Comparative Income Statement

for fiscal years ending in June 2016, 2017, and 2018

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividends Paid to Members</td>
<td>3,853,728.30</td>
<td>3,154,552.36</td>
<td>2,786,378.85</td>
</tr>
<tr>
<td>Interest on Borrowed Money</td>
<td>942,101.10</td>
<td>497,560.73</td>
<td>328,948.24</td>
</tr>
<tr>
<td><strong>Total Cost of Funds</strong></td>
<td><strong>4,795,829.40</strong></td>
<td><strong>3,652,113.09</strong></td>
<td><strong>3,115,327.09</strong></td>
</tr>
<tr>
<td>Net Income</td>
<td>10,574,943.06</td>
<td>11,719,051.33</td>
<td>8,019,589.31</td>
</tr>
</tbody>
</table>
The OE Federal Credit Union Supervisory Committee is appointed by the credit union’s Board of Directors. The Committee is responsible for monitoring operations and ensuring compliance with federal regulatory requirements and internal policies and procedures to guarantee financial integrity. The Committee’s goal is to help maintain OE Federal Credit Union’s finances and safeguard member assets through fair and accurate representation.

At the conclusion of the Fiscal Year 2018, OE Federal Credit Union’s financial records were audited by Turner, Warren, Hwang & Conrad, AC, Certified Public Accounts & Consultants. The Supervisory Committee is pleased to report that OE Federal Credit Union continues to maintain a healthy and financially strong position. In fact, OE Federal Credit Union goes above and beyond the requirements of the National Credit Union Administration (NCUA), the government agency that oversees the financial strength of credit unions, to safeguard member and credit union assets.

The Supervisory Committee would like to extend a special thank you to the Board of Directors, Management Team, and Employees for their continued support in our mission to be fiscally sound. And a big thank you goes to our members. It’s always a pleasure to serve you.

Mariano Gonzalez  
Chairman Supervisory Committee
[BOARD OF DIRECTORS]

Russ Burns, Chair
Dan Reding, Vice Chair
James Sullivan, Secretary/Financial Officer
Steve Ingersoll
Justin Diston
David Harrison
David Daneluz
Mark Fitzgerald
James Spain
Mario Giovannetti
Randy White
Frank Rojas
Daniel Henry
Jerry Seiff
Stanley Green
Tom Sievwright
Larry Watson
Joseph "Paul" Gardella
Justin Pentz
Jamie Harvest-Silva
Cynthia Guerzon

[SUPERVISORY COMMITTEE]

Mariano Gonzalez, Chair
Angela Rose, Secretary
Michael Croll