MEETING NEEDS.
CREATING VALUE.

TEXAS TECH
FEDERAL
CREDIT UNION

2015 ANNUAL REPORT

REPORT OF THE CHAIRMAN & CEO

2015 WAS A REMARKABLE YEAR FOR THE CREDIT UNION.

Texas Tech Federal Credit Union is meeting needs and creating value on an unprecedented scale. The results shown in the 2015 Annual Report reflect our commitment to our members. As the Texas Tech and Lubbock communities continue to grow, we see more opportunity to enhance the lives of our members.

2015 was a remarkable year for the Credit Union. Our efforts to improve our balance sheet were rewarded with spectacular results. Total assets at year-end were $118 million, up about 11 percent from prior year. Net income of $1.4 million drove net worth to 9.95 percent at year-end, up from 9.69 percent in December 2014. Net worth remains a core strength of the Credit Union.

Our team, now 60 people strong, is committed to the mission and vision of the Credit Union. Going forward, we are focused on bringing high-technology, high-touch solutions to our members. We are investing in technology and space that will serve our members for the long haul. We continue to offer products and services that are economically superior for our members. Our mortgage department delivers consistently fast, affordable mortgage solutions. Our consumer lending products offer our members the best deals possible from vehicle loans to signature loans.

We also continue to offer the KASASA Cash Back checking account. The KASASA Cash Back account pays members cash rewards for actively using the account. We continue to look for new products that will benefit our members. We also strive every day to provide the best possible service to each and every member.

We remain convinced that our business model and team give us the ability to deliver value to our member-owners. Our members are the foundation of our success. Our Board of Directors and our team look forward to providing you exceptional products and services in 2016.

Ronald Phillips, J.D.
CHAIRMAN

Chris Hutson
CHIEF EXECUTIVE OFFICER

MEETING NEEDS.
CREATING VALUE.

THE TTFCU CREST

symbolizes the core values of Texas Tech Federal Credit Union. Crests are symbolic of family names. Our family is made up of our members, our employees, and our volunteers. We strive to be good stewards of our family heritage and will forever be committed to managing our members' equity in a prudent manner.

TRUST
Depicted by rocks
at the bottom of the crest

RESPECT
Represented by the sun's rays,
a value based upon The Golden Rule

EXCELLENCE
Represented by the Phoenix,
a mythological creature that
continuously regenerates itself
into a more powerful form

KINDNESS
Represented by the heart
of the Phoenix

STEWARDSHIP
Represented by the shield, or crest

BOARD OF DIRECTORS

Will Armstrong, Ph.D. VICE-CHAIRMAN
Andy Burcham
Russell Dabbs, Ph.D.

Dale Duhan, Ph.D.
Eric Fisher, CPA
Vickie Hampton, Ph.D. SECRETARY

Ronald Phillips, J.D., CHAIRMAN
Kay Rhodes
Kim Turner, CPA

SUPERVISORY COMMITTEE

Debbie Laverie, Ph.D.
CHAIRWOMAN

Justin Noble

Brent Ross

EXECUTIVE MANAGEMENT TEAM

Raider Red
CHIEF SPIRIT OFFICER

Eric Lundberg
CHIEF OPERATING OFFICER

Ben Hart
CHIEF FINANCIAL OFFICER

Chris Hutson
CHIEF EXECUTIVE OFFICER

GIVING BACK

TREKS DELTA FORCE

In 2015, Texas Tech Federal Credit Union launched the TREKS Δ (Delta) Force Volunteer Program. The name was derived from the following:

- TREKS - TTFCU's values of Trust, Respect, Excellence, Kindness, Stewardship
- Δ (Delta) – a symbol for change
- Force - the power of effective action

As our organization grows, we believe we have an obligation to serve our community. When we put our values into action, we can be an effective force of positive change in Lubbock. To facilitate postive change, we partnered with four local non-profits that serve vital needs throughout our city:

- Carillon Life Care Community
- Habitat for Humanity
- High Point Village
- South Plains Food Bank

In 2015, we volunteered 256 hours at these non-profit organizations. Our work included construction projects, sorting and packing food products, teaching basic life skills, and hosting Christmas parties for residents and program attendees.

It is Texas Tech Federal Credit Union's hope that our volunteer service has positively impacted these wonderful organizations. We know our team has been equally blessed by the relationships built with these organizations and the people they serve.

HABITAT FOR HUMANITY

HIGH POINT VILLAGE

SOUTH PLAINS FOOD BANK

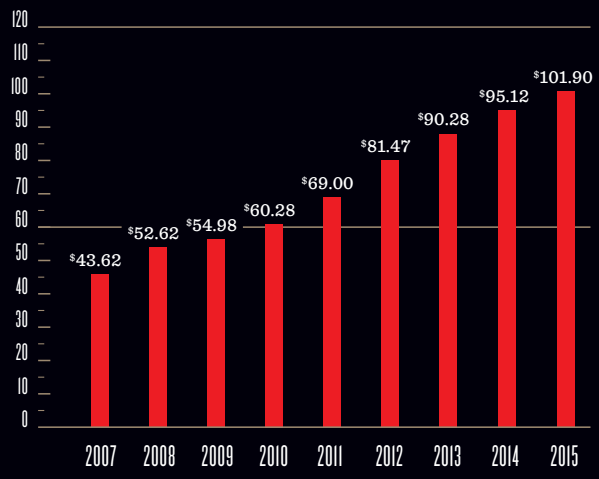
CARILLON CHRISTMAS PARTY

SCHOLARSHIPS

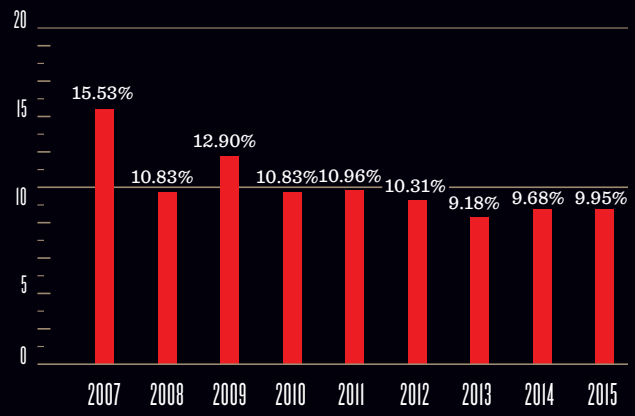
Ashley Adams, recipient of the Ellen Hein/Texas Tech Federal Credit Union Undergraduate Scholarship, one of three annually awarded scholarships (pictured with TTFCU CEO, Chris Hutson)

FINANCES AT A GLANCE

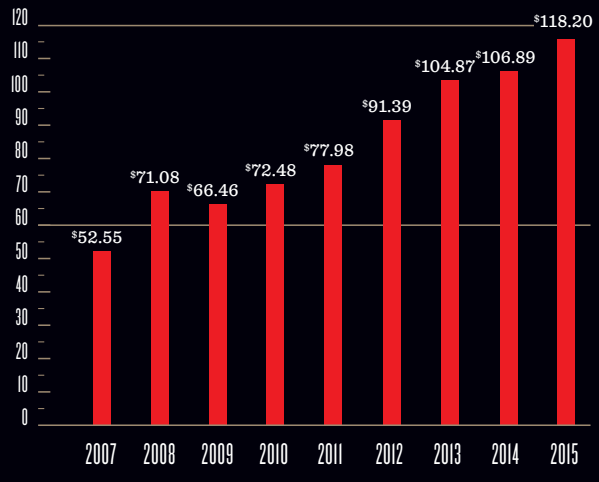
MEMBER DEPOSITS *in Millions*



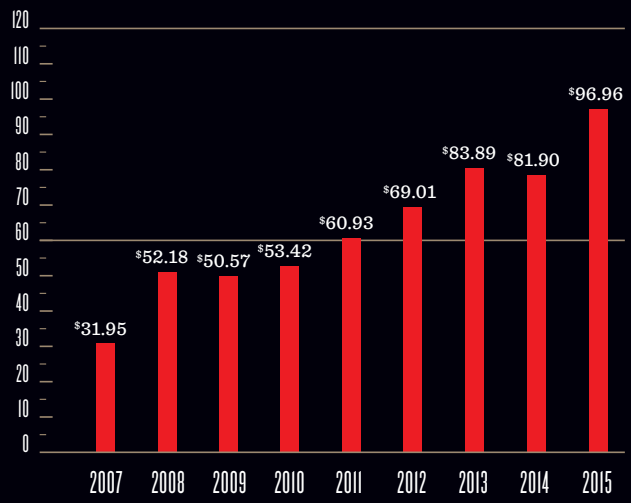
NET WORTH *in Percentage*



TOTAL ASSETS *in Millions*



TOTAL LOANS *in Millions*



CONSOLIDATED STATEMENTS *of* FINANCIAL CONDITION *Unaudited*

For the years ended December 31

ASSETS	2015	2014
Cash and Cash Equivalents	$9,982,466	$9,574,423
Investments	$1,443,841	$5,266,479
Loans to Members (Net of Allowance for Loss)	$93,591,486	$81,318,487
Fixed Assets	$5,378,961	$5,163,841
NCUA Insurance Fund Deposit	$946,173	$922,098
Other Assets	$6,910,280	$4,645,656
TOTAL ASSETS	**$118,253,207**	**$106,890,984**
LIABILITIES AND MEMBERS' EQUITY		
Members' Share and Savings Accounts	$101,928,458	$95,170,104
Notes Payable	$2,501,408	$-
Accrued Expenses and Other Liabilities	$2,189,899	$1,492,542
Total Liabilities	$106,619,765	$96,662,646
Members' Equity	$11,633,442	$10,228,338
TOTAL LIABILITIES AND MEMBERS' EQUITY	**$118,253,207**	**$106,890,984**

REPORT OF THE CFO

What an exciting and successful year for Texas Tech Federal Credit Union! Throughout 2015, we continued to make enhancements to our products and services while providing the best loan and share rates the market has to offer. As a result, our membership grew just shy of 10 percent. In addition, we made investments in our staff which will launch us into the future. As stated in our Vision Statement, we are committed to meeting your needs while creating value for our members.

Financially, we had a stellar year. In 2015, our net income increased by 80 percent totaling $1,409,653. This equates to a 1.25 percent Return on Average Assets. The positive trend is largely attributed to increased loan demand and originations. Additionally, member deposits and loans grew by 7 and 20 percent, respectively. Along with solid growth, our capital position remained strong as evidenced by a Net Worth ratio of 9.95 percent. Specifically, Member Equity increased by approximately 14 percent with an ending balance of $11.6 million.

CONSOLIDATED STATEMENTS *of* INCOME *Unaudited*

For the years ended December 31

	2015	2014
Interest Income From Loans to Members and Investments	$4,763,860	$4,920,481
Dividend Expense Paid to Members' Deposits	$372,572	$376,874
Interest on Borrowed Funds	$7,255	$20,551
Net Interest Income	**$4,384,033**	**$4,523,056**
Provision for Loan Losses (PLL)	$338,629	$816,427
NET INTEREST INCOME AFTER PLL	**$4,045,404**	**$3,706,629**
Non-Interest Income	$3,928,330	$3,210,751
Operating Expenses	$6,564,081	$6,133,514
NET INCOME	**$1,409,653**	**$783,866**
Unrealized Gain/Loss on Investments	$(134,186)	$(129,638)

Over the last year, we delivered high quality loan service with competitive rates. As a result, our auto loan portfolio increased by $7.15 million or 26 percent. Moreover, our Mortgage Department lived up to its reputation of being one of the best in the State by originating $75.8 million in first mortgage real estate loans; a 30 percent increase from a year ago.

There is no doubt that Texas Tech Federal Credit Union has a bright future. I couldn't be more excited about joining this team. Our staff is as committed as they come and ready to serve the best field of membership in the credit union industry.

Our Board of Directors and team look forward to providing you exceptional products and services in 2016.

Ben Hart
CHIEF FINANCIAL OFFICER

REPORT OF THE SUPERVISORY COMMITTEE

The Supervisory Committee consists of board-appointed volunteer members committed to ensuring the safety and security of the assets of the Texas Tech Federal Credit Union. Collectively, the members of the Supervisory Committee possess experience in auditing, information systems, human resources, banking, marketing, and finance.

The goals of the Committee are to ensure that the Credit Union has met required financial reporting objectives and that established practices and procedures sufficiently safeguard members' assets. In order to achieve those priorities, the Committee annually undertakes the following steps:

- Engage an external audit firm to perform an audit and conduct a verification of members' accounts. The CPA firm of Bolinger, Segars, Gilbert and Moss, LLP, performs the annual financial statement audit and member verification for the Credit Union. We are pleased to report that BSGM expressed an unqualified opinion in the 2015 audit.

- Engage and oversee an internal auditor to perform tests of internal controls. The CPA firm of Orth, Chakler, Murnane and Company served as the Credit Union's internal auditor during 2015, performing periodic audits of accounts and policies and procedures, reporting to Management and the Committee every two months. Their reviews of all three branches yielded recommendations pertaining to internal controls and documentation of policies and procedures. Credit Union Management is positively addressing all recommendations, and a number of new or updated policies have been approved by the Board of Directors. In addition, the firm of Waypoint Advisory Services, Inc., conducted a required examination of the Credit Union's compliance with the Bank Secrecy Act and related federal anti-money laundering provisions, with no major findings noted.

In addition to the internal and external audits, the National Credit Union Administration (NCUA) performs regulatory examinations every 12 to 18 months covering major risk areas of the Credit Union's operations. NCUA conducted the latest examination for the one-year period ending June 30, 2015. Credit Union Management has positively addressed all concerns raised by NCUA.

In addition to overseeing the audit functions of the Credit Union, the Committee met and communicated regularly with the Board of Directors and Management.

As of this writing, we are pleased to report that the Credit Union's operations are safe, sound, and in compliance with all laws and regulations. We commend the Board of Directors and Management for another great year and appreciate the support given to the Committee.

Finally, I would like to thank the 2015 Committee members for their dedicated service: Mr. Brent Ross and Mr. Justin Noble.

If any member has a concern regarding the Credit Union, the Supervisory Committee is the entity to contact. All communications will be treated in an impartial and independent nature. Members may correspond confidentially with the Committee at:

The Supervisory Committee
Texas Tech Federal Credit Union
Box 42101
Lubbock, TX 79409-2101

Debbie Laverie, Ph.D.
CHAIRWOMAN

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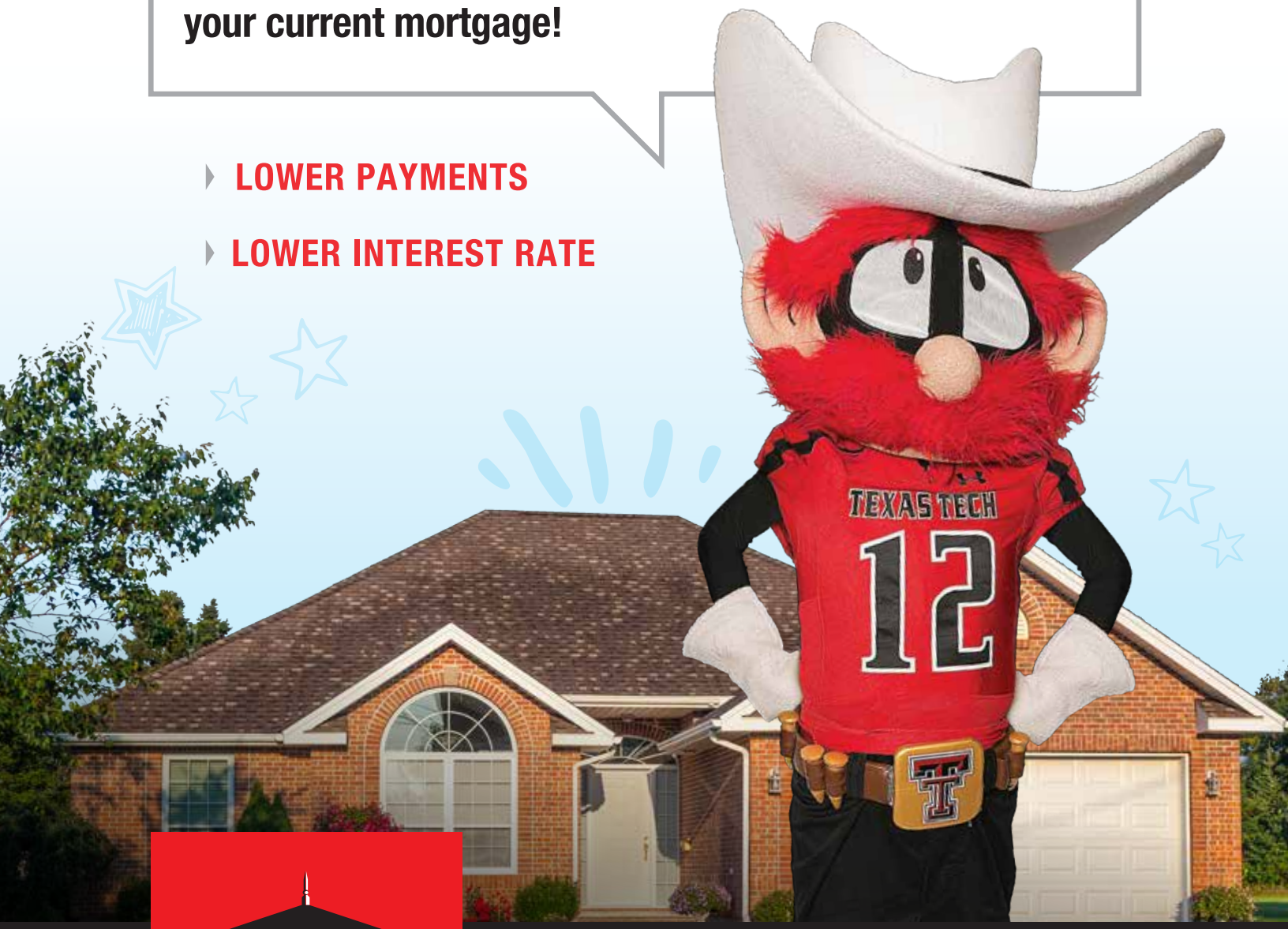

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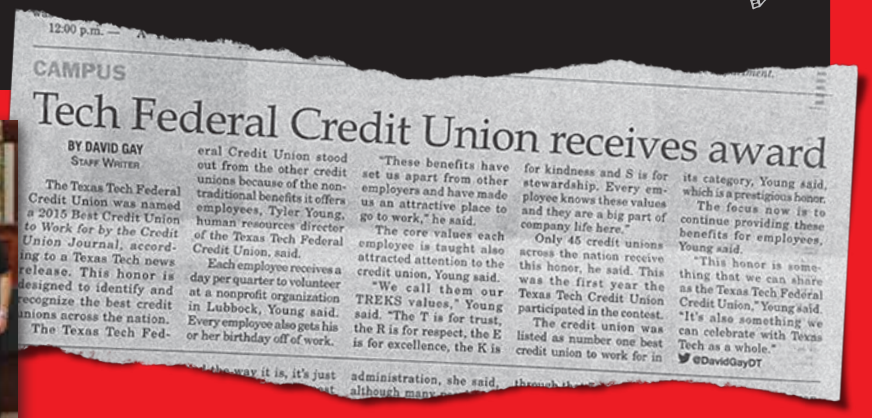
Nº 1 CREDIT UNION TO WORK FOR

Ranked #1 in asset category according to **CREDIT UNION JOURNAL**



12:00 p.m. —

CAMPUS

Tech Federal Credit Union receives award

BY DAVID GAY
Staff Writer

The Texas Tech Federal Credit Union was named a 2015 Best Credit Union to Work for by the Credit Union Journal, according to a Texas Tech news release. This honor is designed to identify and recognize the best credit unions across the nation.

The Texas Tech Federal Credit Union stood out from the other credit unions because of the non-traditional benefits it offers employees, Tyler Young, human resources director of the Texas Tech Federal Credit Union, said.

Each employee receives a day per quarter to volunteer at a nonprofit organization in Lubbock, Young said. Every employee also gets his or her birthday off of work.

"These benefits have set us apart from other employers and have made us an attractive place to go to work," he said.

The core values each employee is taught also attracted attention to the credit union, Young said.

"We call them our TREKS values," Young said. "The T is for trust, the R is for respect, the E is for excellence, the K is for kindness and S is for stewardship. Every employee knows these values and they are a big part of company life here."

Only 45 credit unions across the nation receive this honor, he said. This was the first year the Texas Tech Credit Union participated in the contest.

The credit union was listed as number one best credit union to work for in its category, Young said, which is a prestigious honor.

The focus now is to continue providing these benefits for employees, Young said.

"This honor is something that we can share as the Texas Tech Federal Credit Union," Young said. "It's also something we can celebrate with Texas Tech as a whole."

@DavidGayDT

administration, she said, although many

DAILY TOREADOR SEPTEMBER 29, 2015

Pictured: Russell Dabbs, Board Member; Eric Lundberg, COO; Chris Hutson, CEO; Kim Turner, Board Member; Raider Red, TTU Mascot; Andy Burcham, Board Member; Dale Duhan, Board Member; Ronald Phillips, Board Chairman; and Jacob Hubik, CLO.

In September 2015, Texas Tech Federal Credit Union was selected as a Best Credit Union to Work For by Credit Union Journal and the Best Companies Group. Texas Tech FCU was selected as the #1 Best Credit Union to Work For in our category!

The Best Companies Group surveys credit unions across the United States and conducts an in-depth analysis of each organization. Texas Tech FCU was one of 45 credit unions in the nation to receive this honor and has distinguished itself from other organizations through excellent employee benefit programs, employee recognition programs, and other non-traditional benefits. The process involved surveying employees to get feedback about their job satisfaction.

It was a great honor for Texas Tech FCU to receive this designation in its first year of participation. It is an award we are glad to share with all of our members as we strive to execute our vision statement of "Meet Needs, Create Value."

TEXAS TECH FEDERAL CREDIT UNION

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1802 Texas Tech Parkway

Health Sciences Center Branch
3601 4th Street, Room #1A98

Ravenwood Branch
4005 98th Street

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