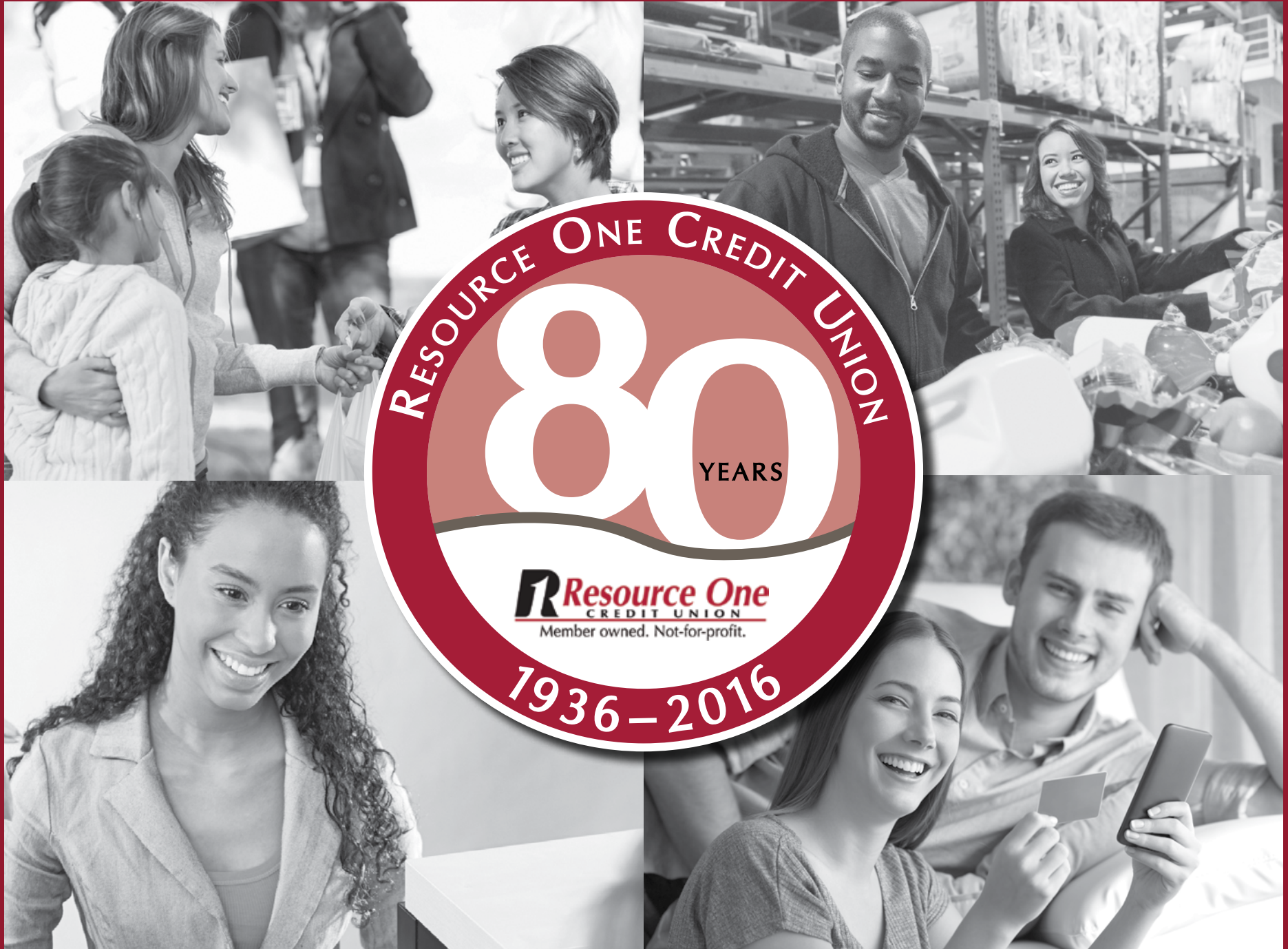


BUILDING ON SUCCESS



RESOURCE ONE CREDIT UNION

80

YEARS

R Resource One
CREDIT UNION
Member owned. Not-for-profit.

1936-2016

FOUNDATION: supports a building or the base of something

Every building requires a foundation, and a solid foundation is needed to stand the tests of time.

At Resource One Credit Union, our foundation is our membership. With a solid beginning 80 years ago, today we are stronger than ever.

What makes us strong? It is simple – our members. Our focus is on our foundation – our core strength – our membership. And, we have built on our success from there.



CHAIRMAN'S REPORT

The year 2016 has been outstanding at Resource One Credit Union, as we continue to change and grow based on the needs of our members. Whether we are making member business loans or adding online products based on members' needs; I have been proud of the efforts we have made, and look forward to 2017 with enthusiasm.

With our continued growth, I think our purpose is still pure – we are focused on “Total Member Delight.” I feel that when I walk into our branches. I am impressed by the efforts of our staff – their focus is on our members.

This will be a year full of changes for us, as we replace Jim Brisendine, the President/CEO of our credit union. He has been a leader for the credit union for many years. The Board is working diligently to acquire a leader to continue the focus of “Total Member Delight.”

I would be remiss if I did not express how proud I am of the efforts made by the Board of Directors over the past year. It is important to point out these men and women are

volunteers – they are not compensated for their valuable time; however, they are fully committed to the credit union. The Board's commitment to Resource One has allowed us to maintain the great tradition of strength we have experienced for 80 years.

We look forward to working hand-in-hand with the management team to implement additional online enhancements in 2017. Our strength has always been our ability to change with the needs of the member. We have been very flexible over time, and I feel confident we will continue to make the changes needed in the future.

B.A. Goebel
Chairman of the Board



PRESIDENT'S REPORT

What makes Resource One unique? My answer is simple. We focus on the true purpose of credit unions – *people helping people*. This is not just a phrase for us to look at – it is what we live. We are a not-for-profit financial cooperative that is member-owned. We provide products and services to meet our members' needs at any stage in life. We live our mission statement, which is "*Total Member Delight*."

One of the things I have been proud of throughout the years I have served as the CEO of this credit union is our open door approach for members. When I am in the lobbies of our branches, there are members who still remember me as a teller from 1976; and I think it is important they feel they can still talk to me.

During my tenure, I have seen our credit union grow. I have been a part of important decisions we have made – from changing our charter, to changing our name; as well as our recent concentration on building stronger

relationships with our members. We have added financial counselors at each branch, and plan to increase the number of counselors by the end of 2017.

Our focus in 2017 is to build upon the success we had in 2016. While our members are at the core of everything we do, we know that our employees are critical in the delivery of our mission and vision. With that in mind, this past year several of our employees attended the Credit Union Development Educators Program. Those who attended were able to learn what is important in credit unions today and returned with ways to make a difference at our credit union. We plan to send more employees to attend the program in 2017 and beyond.

This year I am also looking forward to the implementation of a new lending origination system. Our members will see a significant improvement in the time it takes to apply for a loan and receive an answer – whether online, in person, or by telephone.

I will say, though, this coming year will be bittersweet for me as I am planning to retire. As I have mentioned, I have been at the credit union for over 40 years; and I have been told that I "*bleed R1 blood*." And this is true. I love this credit union, and I look forward to serving your needs up until the day I retire. I will be involved in coaching my replacement, and will continue to emphasize the importance of keeping members' needs at the forefront of every decision we make. Resource One Credit Union is focused on our members, and I hope you will continue to take advantage of the many products and services available to you.

Jim Brisendine
President/CEO

Vision

OUR MEMBERS' ONE RESOURCE

Mission

TOTAL MEMBER DELIGHT

WE WILL ACHIEVE OUR VISION AND MISSION THROUGH:

- RELEVANT PRODUCTS
- COMPETITIVE RATES
- VALUE-ADDED OFFERINGS
- SUPERIOR SERVICE
- PREFERRED FINANCIAL PARTNER
- MEMORABLE EXPERIENCES
- HIGH-TECH HIGH-TOUCH RELATIONSHIPS
- SECURITY & STRENGTH

A black and white photograph of a woman from behind, standing at an ATM. She is wearing a dark winter jacket, a knit hat, and a shoulder bag. The ATM is set into a dark wall.

“Our members are proud of being a member-owner of Resource One. We consistently receive testimonials about our service. Likewise, 24% of our growth is derived from member referrals.”

**– Jennifer Grinder,
Chief of Sales
and Marketing**

EXCITING THINGS IN 2016

Throughout our 80 year history, all of our decisions have been made with our members' best interest in mind. In 1936, when seven people started the credit union using a shoebox in a Sears warehouse, it was people helping people. In the 1990s, when member barriers were removed for credit unions, we opened our membership to the community and changed our name to match our strategic direction. Today, we have grown to over 57,000 members, 175 employees and 11 locations to serve you.



Here are some of the exciting things that happened at Resource One Credit Union in 2016:

We have added 15 new financial coaches to assist our members with free financial counseling.



"We have concentrated on building relationships with our members. Sure we are growing, but our focus is on helping each member. The addition of financial counselors allows our employees to help members with an array of financial matters."
– Jim Brisendine, President/CEO

We focus on community commitment, including Shred Days and donations to worthy causes.



"We feel giving back to our community, and trying to include everyone in our efforts, has contributed to our growth. Our board gives us the guidance to be part of our community, and our financials give us the ability to contribute. This is all possible due to our members."
– Jennifer Grinder, Chief of Sales and Marketing

Your membership at Resource One matters to us. As our mission states, “Total Member Delight” is our priority. Our members are the foundation of everything we do – from building branches, to designing products and services to meet your needs. For 80 years, our focus has been on helping members find the right financial path to travel – and we plan to continue that for another 80 years.



**Spring
Cypress Branch
opened in
Houston.**

“In 2016, we identified the need for an additional location in Houston for our growing membership. We were presented with a great opportunity to open the Spring Cypress location, and our members are the beneficiaries.” – Doug Bedner, Chief Operating Officer



“As a credit union, we offer commodity products, which means you can get them from anyone. We separate ourselves in how we serve. We truly care about our members and their future – it is not just talk. We take it seriously. It is more than just making loans or conducting transactions that we are focused on at Resource One – we want members to know we truly care.” – Lee Strickhouser, Chief Lending Officer

COMMUNITY INVOLVEMENT

LIBERTY GROVE ELEMENTARY

In April, Liberty Grove Elementary second grade class toured Resource One's corporate location to learn about the functions of each department and how credit unions work. After their visit, the students took that knowledge back to their classrooms and made a credit union of their own to show their parents and other students how a credit union functions.



DOWNED OFFICER KITS

As part of our commitment to give back to the community, Resource One Credit Union donated 200 lifesaving tactical medical kits to the Dallas County Sheriff's Department. These tactical medical kits allow the sheriff's department to be more efficient and prepared for any circumstance that may arise by having the equipment they need to keep themselves and citizens safe.



COAT & BLANKET DRIVE

Resource One Credit Union's Leadership Training Program participants celebrated Giving Tuesday and the holiday season by giving back to the community. Their initiative was to help out the less fortunate by collecting blankets and coats that would be donated to a local charity, Dallas Life. The R1 Leadership Training Program encouraged all Resource One employees and members to donate any new or gently used coats and blankets for the project. The team was able to collect more than 155 coats and 65 blankets on behalf of Resource One members and employees.



CREDIT UNIONS CARE TOY RUN

Resource One Credit Union, in partnership with Cornerstone Credit Union League and several other local credit unions, delivered stuffed animals to Cook Children's Medical Center in Fort Worth.

ICU DAY LEADERSHIP PROJECT

Our Leadership Training Program participants celebrated International Credit Union Day by giving back to the community. Their initiative was to help out the less fortunate by delivering lunches and care packages. They raised enough donations from Resource One employees to provide over 200 care packages and lunches.



DALLAS POLICE VEST DONATION

In light of last year's tragedies in Dallas, Resource One Credit Union donated bullet-proof vests to the Dallas Police Department. The credit union is constantly looking for ways to serve not only the local communities but the first responders that serve our neighbors.



COMMUNITY EVENTS WE HAVE PARTICIPATED IN:

- Ferguson Road Initiative Litter Clean Up, Dallas, TX
- FREE Community Shred Days, all branches
- St Ambrose Color Run, Houston, TX
- Credit Union Day of Service Food Drive, all branches
- Back to school backpack & school supply giveaways, all branches
- Lewisville Western Days, Lewisville, TX
- Irving Main Street Days, Irving, TX
- Addressing Mesquite Day, Mesquite, TX
- Creekfest, Houston, TX
- Festival of Abilities, Houston, TX
- Cedar Hill Holiday on the Hill, Cedar Hill, TX
- Lewisville Holiday Stroll, Lewisville, TX



**“Credit unions
serve a great purpose –
people helping people,
at Resource One,
we live that.”**

**– Jim Ladner,
Chief Financial Officer**



AUDIT REPORT

The primary responsibility of the Resource One Credit Union Audit Committee is to ensure that the credit union's Board of Directors and management establish practices and procedures which properly safeguard members' assets. The Audit Committee also assures the credit union operates in accordance with the rules and regulations set forth by the National Credit Union Administration (NCUA) and the Texas Credit Union Department (TCUD), internal controls are established and effectively maintained, and the Board of Directors' plans, policies and procedures are properly administered. The committee helps to protect the interests of Resource One members by ensuring the credit union operates in a safe and sound manner.

Whitley Penn LLP, an independent auditing firm, was retained by the Audit Committee to perform the annual audit of Resource One's financial statements for the year ended December 31, 2016. The audit concluded the financial statements present fairly, and accurately the financial condition of the credit union and the credit union's accounting practices are in conformity with generally accepted accounting

principles. Resource One received an unmodified opinion from the auditing firm. Based upon the results of the independent audit, I am pleased to report, the financial condition of Resource One Credit Union remains strong. The credit union is operating in accordance with all government regulations. Resource One's policies are soundly maintained and effectively implemented.

I would also like to express my appreciation for the collaborative relationship we have with the board and employees of Resource One. We have a Chairman of the Board and a President who believe in the credit union. I am incredibly proud of the fact that we have the ability to make changes based on our members' needs and provide services to those who are underserved.

Since I have been with the credit union, there continues to be great growth in assets, members, and the number of branches. We are a financial institution for the community at large – and our members are the reason we are in business. As we enter 2017, I look forward to our ability to expand into other areas of our community. It is an exciting time to be a member of Resource One Credit Union.

Janey Appia
Chairwoman of the Audit Committee



FINANCIAL STATEMENTS (UNAUDITED)

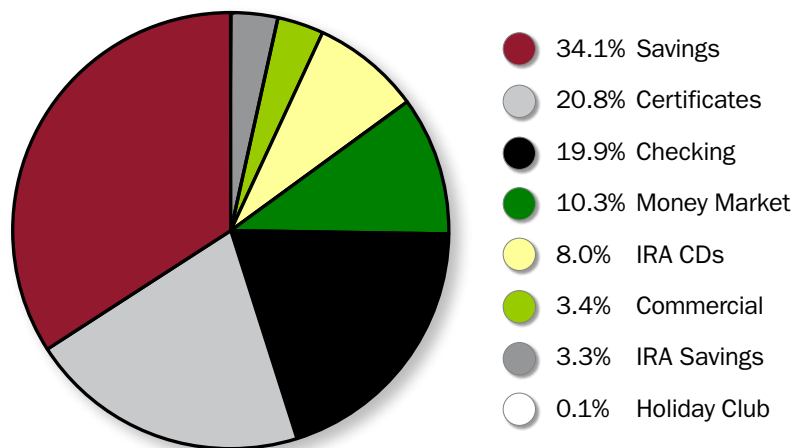
	2014	2015	2016
INCOME			
Interest on Loans.....	18,991,474	19,040,175	19,698,513
Interest on Investments	79,637	99,904	204,198
Other Income.....	11,470,790	11,802,145	12,590,837
TOTAL INCOME	30,541,901	30,942,224	32,493,548
EXPENSES			
Salaries and Benefits.....	9,982,330	11,007,327	11,467,722
Travel and Conference.....	143,809	136,264	138,953
Office Occupancy	1,972,457	2,299,035	2,198,153
Operations	6,145,958	7,140,653	7,794,545
Education and Promotion	872,476	1,349,786	1,249,174
Professional Services.....	1,143,578	1,220,951	1,300,123
Other Operating Expenses	749,498	737,466	845,501
TOTAL OPERATING EXPENSES	21,010,106	23,891,482	24,994,171
Interest on Borrowings	-	-	-
(Gain)/Loss on Sale of Assets	(36,661)	6,978	(50,202)
NCUA Assessments and MCA Depletions.....	-	-	-
Provisions for Loan Losses.....	3,444,000	2,975,000	3,915,000
TOTAL NON-OPERATING EXPENSES	3,407,339	2,981,978	3,864,798
Dividends Paid on Deposits	1,865,404	1,750,987	1,855,988
NET INCOME (LOSS)	4,259,052	2,317,777	1,778,591
ASSETS			
Cash and Cash Equivalents	31,613,856	58,845,650	45,594,318
Investments	9,007,014	8,328,782	11,382,542
Loans.....	327,297,676	337,947,432	369,627,716
Allowance for Loan Losses	(3,173,720)	(3,076,314)	(3,101,922)
Land, Building and Improvements	15,817,991	15,715,653	14,362,506
Furniture and Equipment	1,876,446	1,809,675	1,864,404
Other Assets	12,644,506	13,490,742	12,768,440
TOTAL ASSETS	395,083,769	433,061,620	452,498,004
LIABILITIES			
Accounts and Notes Payable	2,905,998	3,440,776	4,494,051
Other Liabilities	653,582	1,116,363	1,265,652
TOTAL LIABILITIES	3,559,580	4,557,139	5,759,703
MEMBER DEPOSITS			
Member Shares and Savings.....	108,361,732	124,996,570	137,330,260
Other Deposits	243,040,890	260,940,244	265,056,960
TOTAL DEPOSITS	351,402,622	385,936,814	402,387,220
MEMBER OWNER EQUITY			
Regular Reserves.....	5,418,673	5,487,442	5,492,265
Undivided Earnings	34,702,894	37,080,225	38,858,816
MEMBER-OWNER EQUITY	40,121,567	42,567,667	44,351,081
TOTAL LIABILITIES AND EQUITY	395,083,769	433,061,620	452,498,004

FINANCIAL HIGHLIGHTS

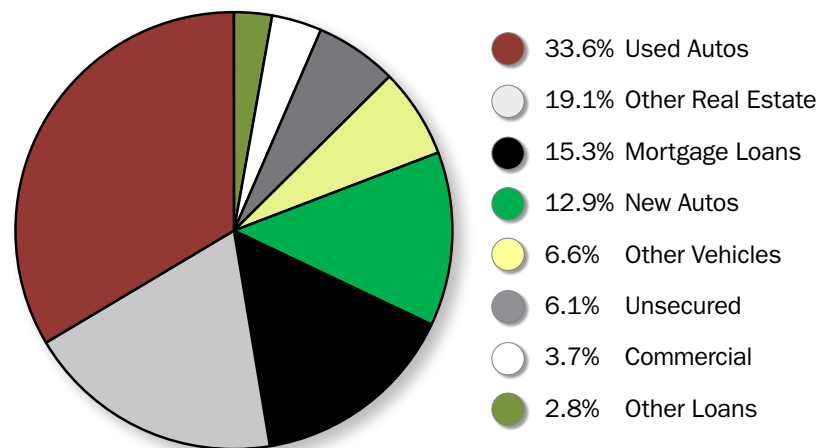
"We have been able to generate growth organically with our existing members. We are not growing solely from mergers or indirect loans like many other financial institutions. We lend 92 cents of every dollar back to our members; which outperforms many of our peers. We experienced strong loan growth this past year of 9% and membership growth of 6%. We are truly demonstrating "people helping people" at Resource One."

- Jim Ladner, Chief Financial Officer

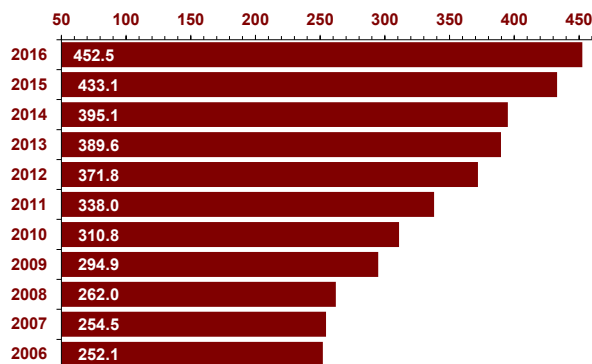
DEPOSIT MIX by Percentage



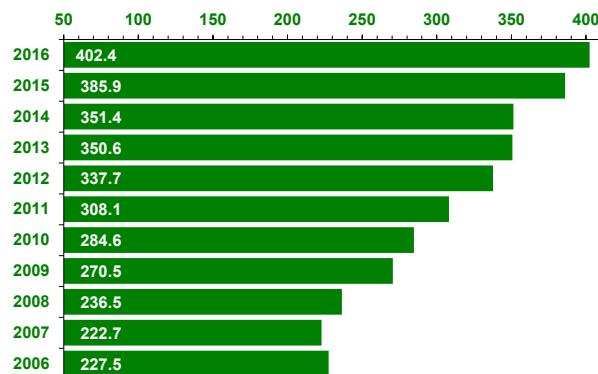
LOAN MIX by Percentage



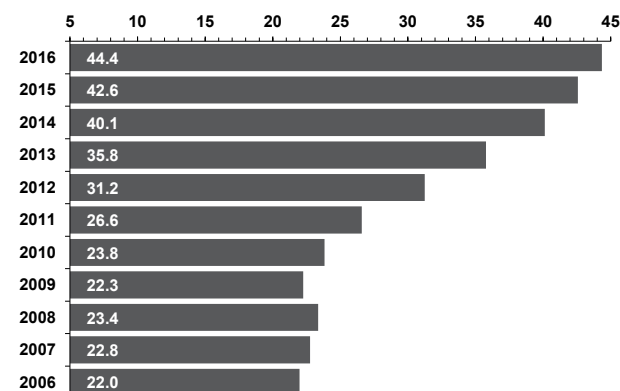
TOTAL ASSETS in Millions of Dollars



TOTAL DEPOSITS in Millions of Dollars



MEMBER OWNER EQUITY in Millions of Dollars



2013-2016 BOARD OF DIRECTORS

B.A. "TONY" GOEBEL

Term expires 2019
Chairman of the Board
Retired
7-Eleven, Inc.

JIM BRISENDINE*

Term expires 2017
President/CEO
Resource One Credit Union

KAREN HART*

Term expires 2017
Chief Financial Officer
Cornerstone Credit Union League

GREG BLUNT

Term expires 2018
Vice Chairman of the Board
Senior Vice President
CAGE, Inc.

KEITH WILLSON*

Term expires 2017
Geophysicist
Retired

REX LOWE

Term expires 2017
President/CEO
Financial Affiliates Insurance Services, Inc.

CHRIS DEGELIA

Term expires 2019
Secretary of the Board
General Manager
InnerCity FiberNet

JANEY APPIA

Term expires 2019
Manager, Customer Relations
7-Eleven, Inc.

MICHAEL BUCKMAN

Term expires 2018
CEO
Buckman Advisors, LLC

*Nominated for re-election

CREDIT UNION OFFICERS

JIM LADNER, CPA

Chief Financial Officer

LEE STRICKHOUSER

Chief Lending Officer

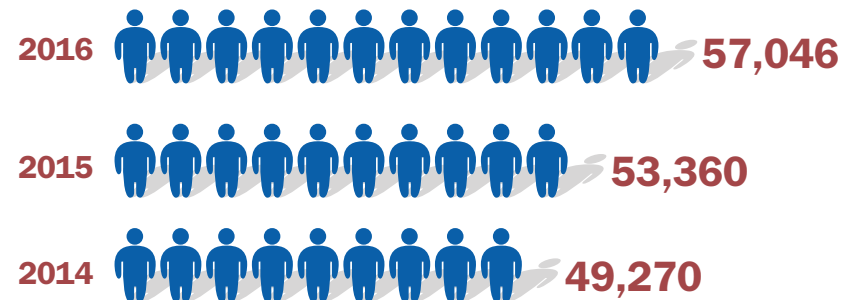
DOUG BEDNER

Chief Operating Officer

JENNIFER GRINDER

Chief of Sales and Marketing

NUMBER OF MEMBERS



SERVICES OFFERED

SAVINGS

Regular Savings
Holiday & Summer Savings
Youth & Teen Savings
IRA/SEP Savings

CHECKING

CU Succeed
My Life My Money
Power Plus
Super Power
Empower Checking

MONEY MARKET ACCOUNTS

R1 Money Market

CERTIFICATES OF DEPOSIT

Certificates of Deposit
Flex Term CDs
IRA/SEP CDs

CONSUMER LOANS

New & Used Auto
New & Used Recreational Vehicles
• RVs, Boats, Motorcycles, 5th Wheels,
Travel Trailers, Planes, etc.
VISA® Credit Cards
Share Secured Loans
Personal Loans
Lines of Credit

REAL ESTATE LOANS

Home Mortgage Loans
Home Improvement & Equity

BUSINESS ACCOUNTS

Business Savings
Business Checking
Business Money Market
Business Flex CD

BUSINESS LOANS

Commercial Real Estate
Vehicles & Heavy Trucks
Equipment & Machinery
Lines of Credit
SBA Loans
Unsecured Term Loans

ADDITIONAL SERVICES OFFERED

Shared Branching
Free CO-OP ATM Network
Online Banking
Mobile Banking Apps
My Money Manager
Prewards
Mobile Deposit

NEW PRODUCTS COMING IN 2017:

SPENDING (CHECKING)

Prime Spending
Direct Spending
Daily Spending

ADDITIONAL SERVICES OFFERED

R1 Cha-Ching Savings
Cellphone Protection
Roadside Assistance
Travel Accidental Death Coverage
Pharmacy, Vision, and Hearing Savings
Credit Monitoring



DALLAS

CARROLLTON

2501 East Hebron Parkway, #300
Carrollton, TX 75010

CEDAR HILL

755 North Highway 67
Cedar Hill, TX 75104

EAST DALLAS

8344 East R.L. Thornton Freeway, #110
Dallas, TX 75228

GARLAND

302 West Centerville Road
Garland, TX 75041

GARLAND-NORTH

2475 Arapaho Road
Garland, TX 75044

IRVING

2315 West Airport Freeway, #161
Irving, TX 75062

MESQUITE

2750 North Galloway Avenue
Mesquite, TX 75150

SOUTHSIDE

1200 Belleview Street
Dallas, TX 75215

TECHNICAL OPERATIONS CENTER

7518 Ferguson Road
Dallas, TX 75228

HOUSTON

JONES ROAD

9211 Jones Road
Houston, TX 77065

OAK FOREST

1400 West 43rd Street
Houston, TX 77018

SPRING CYPRESS

(Opened 10/2016)
22560 Tomball Parkway, #100
Houston, TX 77070



***R* Resource One**
CREDIT UNION

Member owned. Not-for-profit.

P.O. Box 660077 | Dallas, TX 75266-0077

Dallas 214.319.3100 | Houston 281.720.0550 | Nationwide 800.375.3674

www.r1cu.org | www.facebook.com/ResourceOneCU