

CHAIR REPORT

I am again privileged to address you, the Riverset Credit Union shareholders. Serving as Board Chair continues to be a rewarding experience for me, personally, and I trust, for our credit union.

Riverset's board and employees strive to provide sound, innovative and efficient banking services to our members. I am proud of these efforts and grateful to the membership for their continued support.

2015 has been a very successful year. Some of the major highlights are:

- We experienced 12 months of positive net income in a difficult interest rate climate. This is an enviable accomplishment.
- We have continued to streamline processes and increase our employee efficiency. In doing so, we have decreased expenses, and enhanced delivery of member services. One example is we are making enhancements to our Call Center to increase availability and provide quick response times.
- Our loan portfolio remains sound, with an increased number of high quality home equity and auto loans. Our Credit Union Service Organization (CUSO), which initiates loans on site at automobile dealerships, has helped tremendously in securing new loans and adding new members.
- For our existing members, we concentrate on member education to increase members' use of additional services.
- Technology and electronic channels provide our members with 21st century products and services. Total mobile and online banking is becoming the norm for many of our members, especially the millennials, who now outnumber baby boomers. Services such as bill pay, e-statements, transfers, POP money, and the newest: Mobile Check Deposit through the Riverset Mobile app, are available and highly utilized. We continue our commitment to internet security, using the highest industry IT standards.
- Riverset's Visa credit and debit cards are now equipped with EMV Chips to help stop fraud. Our credit card interest rates are coupled to the market and are no longer fixed, but still are among the best in the country.

Riverset remains the best possible alternative to traditional banking, by far! This coming year, we again will work to continue being the fastest growing credit union in the region, while preserving our values of service, profitability, integrity and community. On behalf of the Board of Directors, management, and staff, I thank you for your continued trust and confidence in our efforts.

Sincerely,



George Gensure

BOARD OF DIRECTORS

Chair | George Gensure

Vice Chair | Roy Buterbaugh

Treasurer | Gerard Papariella

Secretary | Sylvia C. Wilson

Thomas Motley

Henry L. Stephens, Jr.

John Williamson

Please visit riverset.com for
Riverset Credit Union's locations and office hours

Phone | 412-488-2525

Fax | 412-488-2011 (Operations Center)

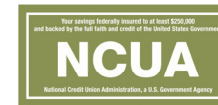
Fax | 412-488-2012 (South Side Branch)

TeleBranch™ | 412-488-2544

Sign Up for Online Banking
email memberservices@riverset.com

24/7/365 Loan Applications at riverset.com

**Riverset Credit Union is open to anyone who lives,
works, regularly conducts business, worships, and/or
attends school in Allegheny, Beaver, and Butler counties**



Federally Insured
by NCUA



2015 Annual Report



PRESIDENT/CEO REPORT

Investing Today for Your Future

Banking today is and will continue to be technology driven. As our organization continues to move forward, technology along with compliance, cyber threats, such as data breaches and IT security remain at the forefront. Data breaches are highlighted in the news frequently and we continually look for state-of-the-art methods to tightened controls and mitigate risk for your protection, as a commitment to safeguarding member information.

Riverset will continue to invest in technology accessible channels for your banking convenience, anytime and anywhere, available 24/7, 365 days a year. We continue to look to technology for adding new products and services, as well as, enhancements to existing products and services.

Our growth strategy is growing profitably; organically by deepening the existing member relationship to whereby Riverset is your primary financial institution. Also, growing new members within our three county charter boundaries; Allegheny, Beaver and Butler.

While financial services are considered a commodity, our staff is our most valuable asset. We differentiate ourselves from our competitors by educating our members on the right financial solution. Our staff will educate you, our valued members, on ways to earn more, save more and/or save time. A staff member provided the right financial solution to a member recently. They showed the member by paying off a first mortgage, 2nd mortgage, car loan and consolidated all credit cards into a Riverset home equity loan product they would save approximately \$2,300/month.

We feel a connection to the communities in which we serve. Riverset had a year long collaboration with **The Education Partnership**. The Education Partnership is a non-profit organization dedicated to addressing educational inequities in local schools by providing school supplies to support teachers and enhance students' ability to learn. Riverset employees and members donated school supplies.

Riverset Star Student Award Program is in its' fifth and final year. Since inception, we've awarded almost \$15,000 to millennials, the future of our Credit Union, in our region who excel academically, participate in numerous activities, and give back to those in need.

Our mission is to provide sound, innovative and efficient banking services to our current and future members.

Thank you for being a loyal member and placing your trust in Riverset and our dedicated staff.

Sincerely,



Christine Chojnicki

INCOME & EXPENSE (YEAR ENDING DECEMBER 31, 2015 Unaudited)

Interest Income	
Loan Income	\$3,758,086
Investment Income	\$269,261
Total Interest Income	\$4,027,347
Interest Expense	
Interest Expense on Shares	\$254,176
Total Interest Expense	\$254,176
Net Interest Income before Provision	\$3,773,171
Provision for Loan Losses	\$430,000
Net Interest Income after Provision	\$3,343,171
Total Non-Interest Income	\$1,642,160
Total Non-Interest Expense	\$4,304,245
Net Income	\$681,086

CREDIT COMMITTEE (DECEMBER 31, 2015 Unaudited)

Loans Outstanding	Number	Amount
Unsecured Credit Card	3,445	\$7,311,177
New Vehicle	1,003	\$16,482,047
Used Vehicle	1,667	\$20,190,399
First Mortgage R.E. Loans	640	\$31,498,836
Other R.E. Loans	148	\$3,890,890
Other	1,256	\$4,447,179
Shares Secured	31	\$124,403
Total	8,190	\$83,944,931
Allowance for Loan and Lease Losses		\$654,072
Net Loans		\$83,290,859

BALANCE SHEET (DECEMBER 31, 2015 Unaudited)

Assets	
Loans, Net	\$83,290,859
Cash & Cash Equivalents	\$10,288,645
Investments	\$16,669,969
Other Assets	\$4,571,846
Total Assets	\$114,821,319
Liabilities	
Accounts Payable	\$821,154
Dividends	\$23,232
Total Liabilities	\$844,386
Shares	
Member Shares	\$34,573,391
Checking	\$11,826,819
Money Market Accounts	\$24,605,731
IRA Shares & IRA Certificates	\$6,765,470
Share Certificates	\$11,801,142
Total Shares	\$89,572,553
Equity	
Reserves	\$1,874,209
Undivided Earnings	\$22,546,471
Other	-\$16,300
Total Equity	\$24,404,380
Total Liabilities, Shares & Equity	\$114,821,319

ANNUAL AUDIT

Year ending December 31, 2015

Cottrill, Arbutina & Associates, P.C., performed the supervisory committee examination and additional required audits as of December 31, 2015.

State/National Regulators: In 2015, they conducted their annual examination. All regulatory examinations are conducted in accordance with NCUA regulations. All mandatory call reports to the National Credit Union Administration are filed in a timely fashion.