

CHAIR REPORT

It is my pleasure to address you in my role as board chair for this 2018 shareholders' meeting.

I am proud of the efforts of Riverset's Board of Directors and employees during the past year to provide sound, efficient banking services for our members and I am grateful to the membership for your continued support.

2017 has been a successful year for Riverset. Some highlights are as follows:

Riverset experienced 12 months of positive net income in the ongoing climate of low interest rates. This is an enviable accomplishment.

Member service delivery continues to be refined by the judicious and strategic use of staff and contracted services. The call center provides 24/7 availability and quick response times have helped our members do banking 24/7. Data storage, retrieval, and archiving now take full advantage of cloud-based applications, resulting in increased speed, reliability, and security.

Riverset's loan portfolio remains sound. It is a sound mix of high quality home equity, auto loans, credit card balances, and personal loans. Our CUSO, Credit Union Service Organization, which initiates loans on site at automobile dealerships, continues to secure new loans and members, along with a stream of returns on our investment.

Riverset's staff is skilled in a range of services that benefit the membership and our organization. Our customer service representatives go far beyond the traditional teller roles and they have the skills to serve fully the shareholders' banking needs.

Mobile and online banking continues to be our fastest-growing online channels. Members' use of these services such as bill pay, e-statements, transfers, POP money, and mobile deposits has again increased dramatically. We continue our commitment to providing these services, using the highest industry IT standards of convenience and security.

All of Riverset's Visa credit and debit cards are equipped with a chip to help stop fraud. Quick response to suspected fraudulent activity has limited instances of loss. Our credit card interest rates remain lower than that of the industry as a whole and our 2% cash back Visa card is very competitive in the marketplace. Our members can apply for this card, and all of our other loans, directly on our website without the necessity of visiting the office.

Riverset's Board of Directors and employees continue to provide the membership with services that match and/or exceed those of traditional banks. In this next year, we again will work to be the best 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 J. Gensure



BOARD OF DIRECTORS

CHAIR | George J. Gensure

VICE CHAIR | Roy Buterbaugh

TREASURER | Gerard Papariella

Henry Stephens, Jr.

John Williamson

Christine Chojnicki

Riverset Credit Union 2017 Annual Report

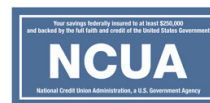


VISIT US ONLINE at
www.riverset.com



QUESTIONS? Call
24/7 at 412-488-2525

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



FEDERALLY INSURED BY NCUA



PRESIDENT/CEO REPORT

Investing Today in Your Future

Banking today is driven by technology, with technology changing rapidly. Safe guarding member information and IT Security will continue to be at the forefront. We focus to provide products and services using technology for ease of use and to simplify the way our member's bank. Our goal is to enhance our members' experience and to make banking simple, faster, and more convenient.

During 2017 we have made everyday banking at Riverset easier for our members by making enhancements to the functionality and security of our online banking, bill pay, and mobile banking platforms. Also in 2017, we introduced our new Online Account Opening platform so that new and existing members can open and fund new accounts completely online; making it more convenient than ever to join the credit union or add new products and services to your existing membership.

In 2018, the focus to improve our current products and services utilizing technology will continue. We look to enhance your member experience by providing financial education and mutually beneficial financial solutions to meet your needs, and simplify the way you bank at Riverset..

Riverset continues to maintain a five star Bauer rating for Credit Unions and financial institutions. Bauer Financial has been reporting & analyzing the performance of Credit Unions and financial institutions since 1983. Ratings are independent and no institution has ever paid Bauer Financial to rate nor can any institution choose to be excluded.

As a member of Riverset, you are an owner and have a stake in the future success of the organization. We ask that you continue to support your credit union through participation, utilizing our mutually beneficial products and services, and to look to us for all your financial needs – today, tomorrow, and in the near future.

You, our valued members, make all this possible by your continued support. Thank you for being a loyal member and placing your trust in Riverset Credit Union. And a special thank you to our dedicated volunteers Board and dedicated staff—our most valuable assets.

Look for more to come in 2018 to make everyday banking simplified!

Sincerely,

Christine Chojnicki

Christine Chojnicki

INCOME & EXPENSE

YEAR ENDING DECEMBER 31, 2017—UNAUDITED

<u>Interest Income</u>		
Loan Income	\$	3,782,073
Investment Income		325,802
Total Interest Income	\$	4,107,875
<u>Interest Expense</u>		
Interest Expense on Shares	\$	287,201
Total Interest Expense	\$	287,201
Net Interest Income before Provision	\$	3,820,674
Provision for Loan Losses	\$	365,000
Net Interest Income after Provision	\$	3,455,674
Non-Interest Income	\$	1,601,739
Non-Interest Expense		4,541,693
Net Income	\$	515,720

CREDIT COMMITTEE

DECEMBER 31, 2017—UNAUDITED

<u>Loans Outstanding</u>	<u>Number</u>	<u>Amount</u>
Unsecured Credit Card	2,764	\$ 7,004,138
New Vehicle	1,217	21,477,141
Used Vehicle	1,632	20,611,279
First Lien R.E. Loans	554	33,335,767
Other R.E. Loans	202	5,510,590
Other	1,100	3,170,313
Shares Secured	18	62,027
Total	7,487	\$ 91,171,255
Allowance for Loan and Lease Losses		\$ (568,373)
Net Loans		\$ 90,602,882

BALANCE SHEET

DECEMBER 31, 2017—UNAUDITED

<u>Assets</u>	
Cash & Cash Equivalents	\$ 11,825,430
Investments, Net	6,222,187
Loans, Net of A.L.L.L. of \$568,373	90,602,882
Other Assets	4,523,618
Total Assets	\$ 113,174,117
<u>Liabilities</u>	
Accounts Payable	\$ 1,188,983
Share Interest Payable	28,463
Total Liabilities	\$ 1,217,446
<u>Shares</u>	
Member Shares	\$ 31,808,674
Checking	11,440,119
Money Market Accounts	26,447,255
IRA Shares & IRA Certificates	5,846,889
Share Certificates	10,868,195
Total Shares	\$ 86,411,132
<u>Equity</u>	
Reserves	\$ 1,874,209
Undivided Earnings	23,677,610
Other	(6,280)
Total Equity	\$ 25,545,539
Total Liabilities, Shares, & Equity	\$ 113,174,117

ANNUAL AUDITS

YEAR ENDING DECEMBER 31, 2017

Cottrill Arbutina CPAs performed the supervisory committee review and additional required audits as of December 31, 2017.

State/Federal regulators conducted their annual examination in 2017. All agency examinations are conducted in accordance with state/federal regulations. All mandatory call reports to the NCUA are filed in a timely fashion.