



2018 ANNUAL REPORT

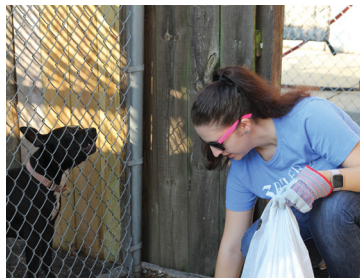
BOARD OF DIRECTORS

Chairman	Don Greer
Vice Chairman	Brent Spindler
Secretary	Duane Dunkin
Treasurer	Mark Kern
Director	Clifford Clarke
Director	Ken Gerke
Director	Steve Hinton
Director Emeritus	Jerry Spindler
Director Emeritus	Steve Singer
Associate Director	Britny Berndt
Associate Director	Terrill Vieth

3 RIVERS®

3riversfcu.org

| 260.490.8328



2018 IN REFLECTION

Looking Back on a **RECORD-SETTING** Year

by Don Cates, *President & CEO*

It is my great pleasure to report the accomplishments of 3Rivers in 2018. We saw record growth in many areas of our credit union and believe our efforts and successes of the past year set a solid foundation to start 2019.

In 2018, our cooperative grew by a record 5,700 members, increasing our total membership to 79,300. We set new highs in consumer and mortgage loan production.

Our credit union now owns or services over \$1.2B in loans in Northeast Indiana. We also celebrated a significant milestone in our history in 2018: surpassing the \$1 billion mark in assets. While this is a major accomplishment, and one to be delighted with, I'm even more proud that our 300+ team members are more focused on — and excited about — what's next.



We helped over **1,700 members** purchase, build, or refinance their homes in 2018! Learn more about our home lending solutions at 3riversfcu.org/home.



In each quarter of 2018, we were recognized as a **“Top 100 Credit Union Using Twitter”** by the Financial Brand. Follow us at [@3riversfcu](https://twitter.com/3riversfcu) today!



We helped **60 local businesses** open their doors in 2018, growing our total business lending portfolio by \$9M, to a total of \$98M. Learn more about what we can do for local businesses at 3riversfcu.org/businesses.



On average, our underwriters reviewed loan applications within **three and a half minutes** of receiving them in 2018.



We gave **\$1.6M back to our members** through cash back loan and reward programs.



One in four households in Allen County has an account with 3Rivers.



Financial wellness remained our cornerstone in 2018 and it continues to be our primary focus today. Our team is dedicated to deepening our dialogue and relationships with our members and our community, going beyond the standard expectation of banking. We want to understand not only where our members are in their financial standing today, but more importantly, where they desire be tomorrow – and how can we help them get there. We want our members to meet their financial goals, whether that entails paying for their child's higher education, building their dream home, or planning for a secure retirement, and we're here to offer the guidance and support they need along the way.



Did you know that **we offer several educational tools, calculators, and articles** to help you better understand and improve your financial picture? Check them out at 3riversfcu.org/learn!



Part of our financial wellness conversations include asking members what they believe their overall financial grade is, then helping them come up with a plan to improve or maintain that grade. **In 2018, we recorded 5,232 financial grades** through these conversations.



Community is at the core of everything we do, and in 2018, we continued to give our time, talent, and resources to the people, places, and ideas that matter most to our community. We partnered with (and learned so much about) several local non-profit organizations, and are proud to have helped them advance their missions in our region. Additionally, we find a great deal of excitement around the momentum taking place in our community – through various projects and events – and are delighted to have not only supported these initiatives monetarily, but to have also provided helping hands and worked alongside those who are making great things happen in and around Northeast Indiana and Western Ohio. We look forward to the progress 2019 has in store for our community, and the opportunities we'll have to help.

In the spring of 2018, we gave \$13,500 in scholarship dollars to local students. Learn more at 3riversfcu.org/scholarship.



Our team volunteered nearly **3,000 hours** of their time giving back to our community in 2018.



We teamed up with Federal Records Management & Shredding to destroy and recycle **25 tons (that's 50,000 pounds) of sensitive documents** in an effort to cut down on identity theft in our community.



The 3Rivers Credit Union Foundation granted nearly **\$200,000 to 45 local non-profits** in 2018. More information about our Foundation can be found at 3riversfcu.org/foundation.



Our growth and momentum continued not only in our existing branches, but in future locations and our technological advances as well. We opened a temporary branch office in Decatur in June, so we could serve our Adams County members as we complete construction of their new freestanding branch.

Additionally, we started construction on our new branch and mortgage center at Stellhorn Crossing. This major undertaking will support our rapidly growing mortgage business and will house over 50 team members. Both new locations are expected to open by summer of 2019. We have also made investments into our current branch facilities, upgrading the facilities at our New Haven and Waynedale locations. This work will continue at other branches throughout 2019.

Did you know **we can print debit and credit cards on-the-spot** in our branches?

We instant issued 26,386 cards in 2018. Line those cards up, and they'd span **over 24 football fields in length!**





We continuously seek ways to ensure our members can bank with us anytime, anywhere, by providing the most up-to-date technology. In 2018, we introduced several new and updated features, including enhancements to our mobile app and online communication channels. We made upgrades that allow our members to check their credit score through our mobile app, receive fraud text alerts, and schedule appointments online, just to name a few.



We introduced the **Credit Sense** feature to our membership in 2018. This tool allows members to check their credit score anytime through their mobile app or Online Account Access, and receive alerts and tips to help improve it.

Learn more at 3riversfcu.org/creditsense.



We enhanced our security features by allowing members to opt-in to our **Text Alerts**, which alert members when there is suspected fraud on their account.

Learn more about keeping your information safe at 3riversfcu.org/fraud.



While our commitment to our members and our community was recognized throughout the year, so was our dedication to the well-being of our employees. We were, once again, awarded the Raddon Financial Group Crystal Performance Award, which ranks credit unions on growth, income, efficiency and margin management. 3Rivers was one of only 10 credit unions of our size in the country to receive this award. We were also recognized by the Indiana Wellness Council as an AchieveWELL “Five Star Company” for making the well-being of our employees a priority in the company, and were the only organization from Northeast Indiana to be awarded this honor. We take pride in our corporate culture, as well as our employees’ satisfaction and engagement at 3Rivers. And it shows.



Our team grew substantially in 2018 — in numbers and in advancements. Over 900 people applied for the 148 open positions we posted, and 88 team members were promoted internally. Check out our current career opportunities at 3riversfcu.org/careers.



We expanded our **Internship Program** to include positions within nearly every department in 2018!



Our Members Survey results placed 3Rivers as **the top credit union out of the 180 surveyed** in the United States for being our members' primary financial institution, and **in the top 5% for loyalty and net promoter score**. Our members have come to expect the exemplary level of service we expect from ourselves, and we're pleased to deliver.

We are proud to remain a vibrant, community-focused financial institution for you, our loyal and supportive membership, and look forward to serving you in 2019!

*Thank you for your
continued trust in 3Rivers.*

Sincerely,

Don Cates
President and CEO

BALANCE SHEET *(in millions)*

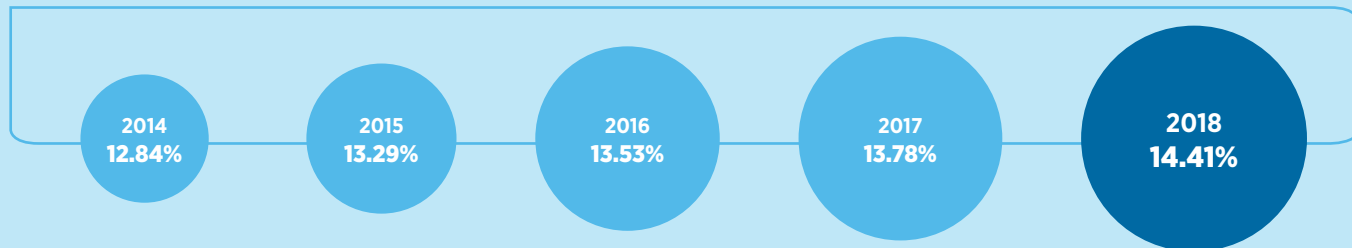
ASSETS	2018	2017
Cash and Investments	\$204.6	\$205.2
Loans to Members <small>(net of allowance for loan losses)</small>	\$792.6	\$707.9
Other Assets	\$60.2	\$56.8
Total Assets	\$1,057.4	\$969.9

LIABILITIES & MEMBERS' EQUITY	2018	2017
Member Shares, Savings, Drafts & Certificates	\$797.5	\$713.7
Other Liabilities	\$109.9	\$118.6
Members' Equity	\$150.0	\$137.6
Total Liabilities & Members' Equity	\$1,057.4	\$969.9

INCOME STATEMENT *(in millions)*

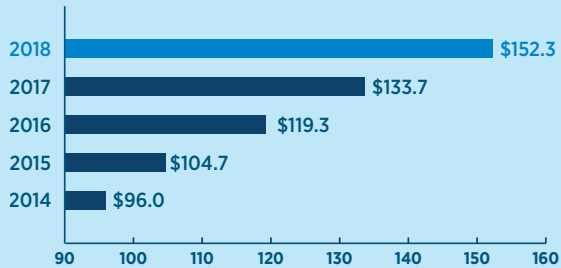
	2018	2017
Interest Income from Loans & Investments	\$42.7	\$36.5
Dividend/Interest Expense	(\$5.1)	(\$3.2)
Net Interest Income	\$37.6	\$33.3
Loan Loss Provision	(\$2.9)	(\$2.9)
Other Income	\$27.7	\$22.3
Operating Expense	(\$43.8)	(\$38.3)
Net Income	\$18.6	\$14.4

NET WORTH RATIO



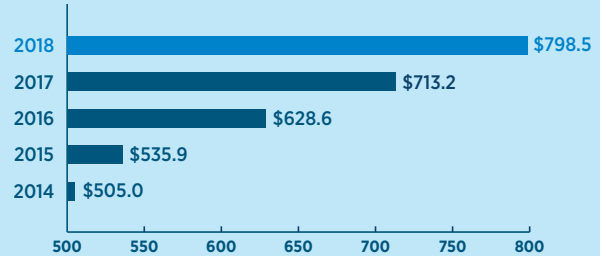
Net Worth

(in millions)



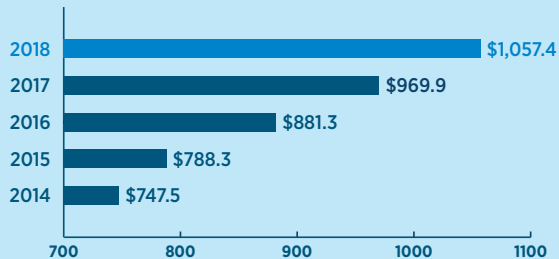
Gross Loans Outstanding

(in millions)



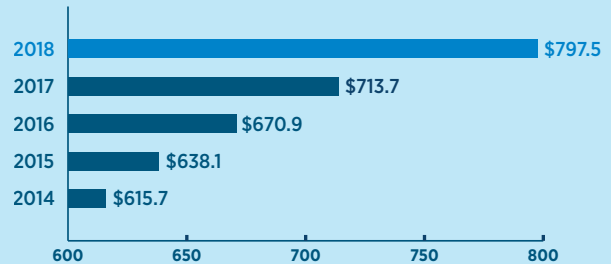
Total Assets

(in millions)



Member Shares

(in millions)





Team members celebrate the opening of our Kendallville branch on May 25, 2018

SUPERVISORY COMMITTEE

The Supervisory Committee is appointed by the Board of Directors in accordance with the Federal Credit Union Act. The Committee independently evaluates the soundness of our operations and activities, ensuring that management implements sound internal controls and maintains practices and procedures that adhere to generally accepted accounting principles. In doing so, they carry out the following primary responsibilities:

- compliance with regulations, policies, and procedures
- safeguarding of assets
- protection of members' funds and interests
- reliability of financial records

The Committee meets regularly to review and discuss internal controls as well as auditing matters. To assist with these responsibilities, the Committee retains the services of several independent accounting firms to perform annual financial audits, analysis of operational practices, adherence to regulations, and information technology general controls. During 2018, audits were performed by GBQ Partners, LLC; BKD, LLP; and others.

Based on the results of these external audits, as well as an examination conducted by the National Credit Union Administration (NCUA), we conclude that 3Rivers is a financially healthy credit union and is being operated safely and soundly while providing quality member service.





Federally insured by the NCUA.