



2014 ANNUAL REPORT

OUR MISSION AND DEDICATION IS TO

Helping people understand
money matters every day.

Supervisory

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 2014, audits were performed by Doeren Mayhew; BKD, LLP; and Schneider Downs & Co., Inc.

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.

A message from the *President & CEO*

It is my pleasure to report to our membership on the financial successes your credit union achieved in 2014. 3Rivers saw growth in loans, shares, capital, and members. We added \$11MM to our reserves, raising our capital level to \$96MM and raising our capital ratio to a very healthy, well-capitalized 12.84%.

Highlights from 2014:

- Record net earnings of \$11MM
- Maintained our operating expenses below budget and at a level similar to that from 2 years ago
- Improved credit quality with reduced loan loss provisions and loan charge-offs
- Another record year for ClearFuture Financial™, our brokerage and investment area, which manages over \$115MM in stocks and mutual funds
- Direct auto loans grew by over \$12MM while returning over \$400,000 to members with our 1% cash back bonus
- 3Rivers continues to be ranked as one of the leading financial institutions in new home construction and real estate lending (Mortgages) in the area
- Launched our new dynamic website that can be viewed on all different online and mobile platforms

2014 was successful on many fronts, and we thank our members for their active participation with the cooperative. We continue to operate in a very low interest rate environment, which is positive for borrowers but remains challenging to our members who have savings.

As we kick off our 80th Anniversary in 2015, we are encouraged by several new enhancements to our products and services, including new EMV credit and debit cards that will provide a greater level of security, a new mobile application and Bill Pay platform, and instant issue capability for our credit and debit cards. We are also excited to announce the launch of the 3Rivers Credit Union Foundation, which will help us deepen our commitment to the community through volunteerism and philanthropy. We are proud to remain a vibrant local financial institution for you, our loyal and supportive membership. Thank you for your continued trust in 3Rivers.

Sincerely,



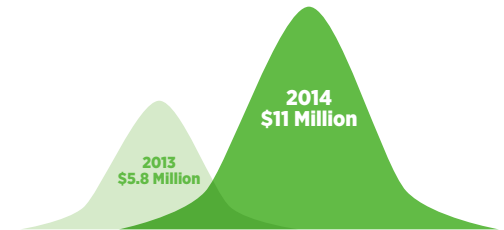
DON CATES
President and CEO



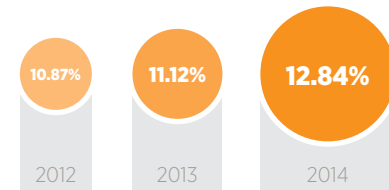
Record Net Earnings



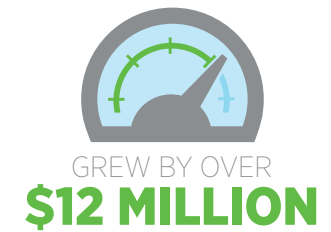
Amount Added to Our Reserves



Capital Ratio Percentage



Direct Auto Loans



CHRISTOPHER MULKEY
Lending Administrator

JACKIE KOCKS
Credit Solutions Manager

JOHN GARNER
VP Lending

SEAN CRAMER
*Loan Servicing &
Process Manager*

JOSH HERSCHBERGER
Lending Relationship Manager

Consumer Lending

The consumer lending team remains committed to helping our members better manage their existing debt while providing relevant solutions when our members need to borrow money to meet their financial goals and objectives.

2014 was a great year in consumer loan growth for our credit union. We were able to fund over 9,000 consumer loans, creating \$102 million in gross loan production. Consumer loans outstanding grew over \$8 million — a 4.3% increase over 2013.

The integrity of the consumer loan portfolio remains solid as loan delinquency and losses continue to remain well below industry and peer-group averages.



\$102 MILLION
in Gross Loan Production





Business Services

Business Services had a prosperous 2014. We increased business deposits significantly and consolidated our business products into one account — Smart Business Checking.

Smart Business Checking's easy-to-understand tiering structure allows us to serve businesses of all different sizes.

We experienced a slight increase in business loans, especially in the area of Commercial Real Estate. We were able to attract multiple relationships with these new members by fulfilling both their business and their personal needs. To improve our service and efficiency we have added 2 new members to the Business Services team, bringing our total number of team members to 10.

Business Services looks forward to 2015, focusing on building new relationships and expanding our existing ones.



ANDREW KROUSE
Commercial Lender

SHELLY A. MEYER
Business Services Sales Manager

MAUREEN GALLIGAN
VP Business Services

STEPHANIE VEIT
Commercial Lender

JOSHUA FERN
Commercial Lender



DEANNA FISHER
Loan Officer

RYAN SCHILTZ
VP of Mortgages

PHIL KOSMALA
Loan Officer

LARRY CUSTARD
Loan Officer

CRYSTAL COBB
Loan Officer

DAVID WINGATE, JR.
Loan Officer

JEREMY D. HIGH
Loan Officer

ERIC SMOTHERMON
Loan Officer

DOUG LEHMAN
Loan Officer

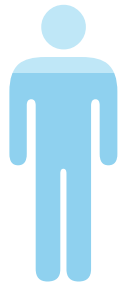
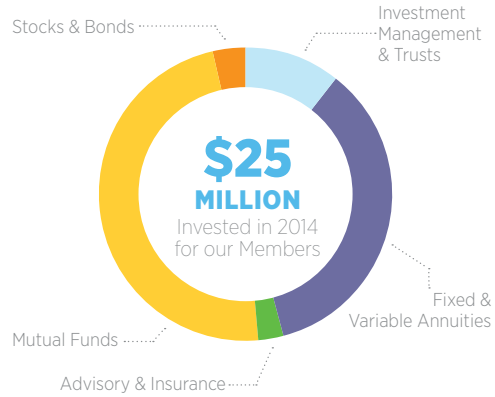
Mortgages

Mortgage Services was able to help finance 636 first-mortgage loans for a total of over \$97 million. We were the #1 construction lender in our market area, and we were in the top 4 for overall mortgage production. We continue to increase our market penetration and relationships with area Realtors and builders, allowing 3Rivers to grow new membership and to provide mortgage options to existing members.




Because our total mortgage loans outstanding fell short of goal in 2014, we are taking a much more proactive approach in 2015. The Mortgage team is looking to not only increase new business, but to improve retention of current mortgage loans. This will be done through proactive communication with members based on the trends and tendencies of our loan portfolio.

CLEARFUTURE FINANCIAL

Available through CUSO Financial Services, L.P.



323 New Members in 2014

OVER 


 **2,700**

Members Currently Served by the ClearFuture Financial™ Team



DAVID JURAS
Investment Advisor

SUZANNE HECK
Investment Specialist

JENNIE CLARKE
Investment Coordinator

ALI HALILOVIC
Investment Advisor

CARL SCHLUTZ
Investment & Trust Officer

ClearFuture Financial

2014 was another exciting year of growth for 3Rivers ClearFuture Financial™ (CFF). 2013 was a tough act to follow after posting unprecedented growth and being named Breakthrough Program of the Year by our broker dealer, CUSO Financial Services.

CFF maintained solid momentum in 2014, marking our third consecutive year of record revenues. Utilizing our offerings of mutual funds, fixed and variable annuities, stocks, bonds, investment management and trusts, and insurance, just over \$25 million was invested for the benefit of our membership.

In early February, CFF cleared the \$100 million plateau in Assets Under Management (AUM) and finished the year with over \$115 million in AUM.

Most importantly, 323 new members opened investment accounts with CFF. Over 2,700 of our members are now being served by your CFF team at 3Rivers.



**FINANCIALLY
SUPPORTED
OVER 75**
Community Organizations

**Here are just a few of the many organizations
3Rivers was proud to partner with in 2014.**

Big Brothers Big Sisters of Northeast Indiana
Black Pine Animal Sanctuary
Downtown Improvement District
Embassy Theatre
Fort Wayne Ballet
Fort Wayne Children's Zoo
Fort Wayne Komets
Fort Wayne Obedience Training Club
Fort Wayne TinCaps
Francine's Friends Mobile Mammography
Grand Lakes Hospice - St. Marys Ohio
Junior Achievement of Northeast Indiana
Junior League of Fort Wayne
Kate's Cart
Little River Wetlands Project
Mustard Seed Furniture Bank
Northeast Indiana Regional Partnership
The Brandon Foundation
United Way of Allen County
YMCA
YWCA



Community

3Rivers is committed to investing in our community and enhancing the lives of people through financial support and volunteerism. As a cooperative, we exist as a result of the philosophy of "people helping people." In 2014 our team members donated their time to dozens of boards, educational outreach programs, and community projects. In addition to commitments of time, 3Rivers granted financial support to over 75 non-profit organizations in and around the region. Here are just a few of the many organizations 3Rivers was proud to partner with in 2014.

Balance Sheet (in millions)

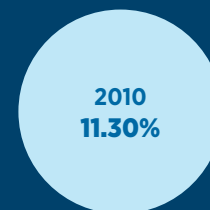
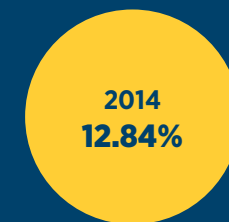
ASSETS	2014	2013
Cash and Investments	\$197.6	\$215.2
Loans to Members <small>(net of allowance for loan losses)</small>	\$501.4	\$497.7
Other Assets	\$48.5	\$50.7
Total Assets	\$747.5	\$763.6

LIABILITIES & MEMBERS' EQUITY	2014	2013
Shares; Savings, Drafts & Certificates	\$615.7	\$602.4
Other Liabilities	\$34.4	\$79.6
Members' Equity	\$97.4	\$81.6
Total Liabilities & Members' Equity	\$747.5	\$763.6

Income Statement (in millions)

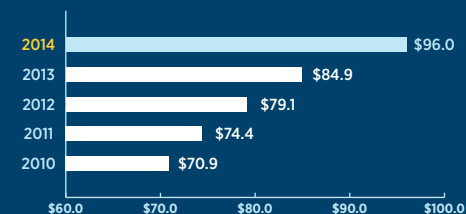
	2014	2013
Interest Income from Loans & Investments	\$29.6	\$28.1
Dividend/Interest Expense for Member Accounts & Borrowed Funds	(\$3.5)	(\$4.3)
Net Interest Income	\$26.1	\$23.8
Loan Loss Provision	(\$1.6)	(\$2.1)
Other Income	\$16.9	\$14.1
Operating Expense	(\$30.4)	(\$30.0)
Net Income	\$11.0	\$5.8

Net Worth Ratio



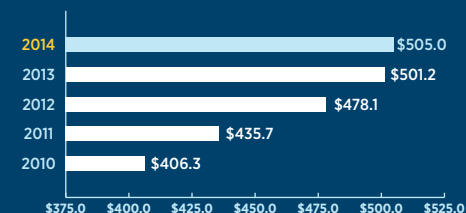
Net Worth

(in millions)



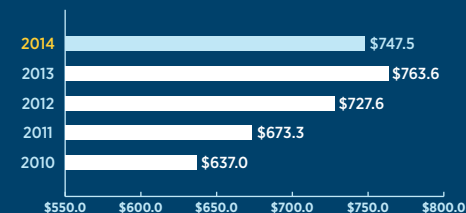
Gross Loans Outstanding

(in millions)



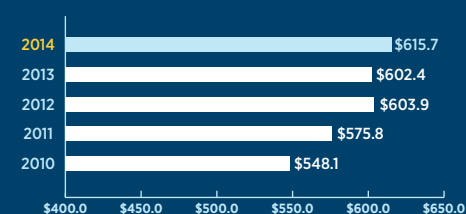
Total Assets

(in millions)



Member Shares

(in millions)





3riversfcu.org | 260.490.8328

Current 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

