

The logo for 3RIVERS is mounted on the upper corner of a modern building's facade. The building has large glass windows and a brick base. The logo consists of a stylized '3' followed by the word 'RIVERS' in a serif font, with a decorative underline.

**ANNUAL**  
*report*  
2015

The 3RIVERS logo is positioned at the bottom of the page against a dark blue background. It features a stylized '3' followed by the word 'RIVERS' in a serif font, with a decorative underline and a registered trademark symbol (®).

# President & CEO

It is my great pleasure to report the accomplishments of our credit union in 2015. We celebrated our 80th anniversary and hope you saw us out in the community throughout the year describing the remarkable history of 3Rivers.

Our credit union not only saw very positive financial results, but also record loan production and many product enhancements for our members. The credit union, now 70,000 members strong, increased members' capital to \$105 million (an increase of over

\$8 million from 2014), ending with a capital ratio exceeding 13.29%.

We are proud to remain a vibrant, community-impacting financial institution for you, our loyal and supportive membership.

Thank you for your continued trust in 3Rivers.

Sincerely,



**DON CATES**

*President and CEO*



## *Don Cates* **PRESIDENT & CEO**

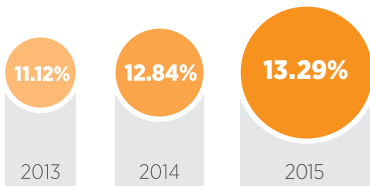
Don Cates, 3Rivers Federal Credit Union President and CEO, joined 3Rivers in 2011, overseeing the completion of four new branches. Cates' guidance and vision have been instrumental as 3Rivers grows to better serve its members and the community. Cates has over 20 years of career experience in the financial industry, serving in many capacities of lending and retail management, including 10 years as a bank president.

## HIGHLIGHTS FROM 2015:

- Net earnings of \$8.75 million
- Good growth metrics
  - Assets up \$40 million or 5.5%
  - Share growth of 3.6%
  - Loans increased by 6.1%
  - Total loans serviced now exceeds \$800 million
- Returned \$451,000 to members in our 1% cash back program
- Funded over \$309 million in loans during 2015, including a direct consumer loan record of \$123 million, mortgage loans of \$149 million, and the rest in small business lending
- Introduced both EMV debit and EMV credit cards to reduce fraud on our members' cards and enabled users to see credit card transactions via online banking
- Converted to a new bill pay platform that is now the same for both mobile and online banking
- Released a new mobile application with additional features members had requested. We are excited about expanding more functionality in 2016
- 5th consecutive record year for ClearFuture™ Financial, our brokerage and investment area, which manages over \$121 million in stocks and mutual funds and serves over 3,000 members
- Introduced the 3Rivers Credit Union Foundation, which donated over \$160,000 to local not-for-profits to further their work



Record Net Earnings



Capital Ratio Percentage



to Local Not-For-Profits

## 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 2015, 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.

## BOARD OF DIRECTORS

<b>Chairman</b> .....	Don Greer	<b>Director</b> .....	Ken Gerke
<b>Vice Chairman</b> .....	Brent Spindler	<b>Director</b> .....	Steve Hinton
<b>Secretary</b> .....	Duane Dunkin	<b>Director Emeritus</b> .....	Jerry Spindler
<b>Treasurer</b> .....	Mark Kern	<b>Director Emeritus</b> .....	Steve Singer
<b>Director</b> .....	Clifford Clarke	<b>Associate Director</b> .....	Britny Berndt

## CONSUMER LENDING



*John Garner*  
VP OF LENDING

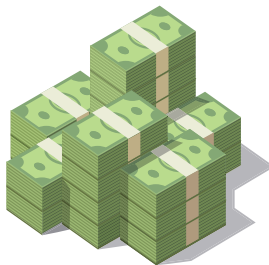
The consumer lending team remains committed to helping our members better manage their existing debt while providing relevant solutions when our members need to borrow money to meet their financial goals and objectives.

2015 was a fantastic year in consumer loan growth for our credit union. We were able to fund over 9,400 consumer loans, which created \$123 million in gross loan production. Consumer loans outstanding grew over \$17.4 million — an 8.8% increase over 2014. Both gross loan production and growth in loans outstanding were record-setting marks for 3Rivers.

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



from 2014



**\$123 MILLION**  
in Gross Loan Production



3Rivers offers a full array of corporate products and services to make the financial aspects of running a business easier. We made great strides in 2015 and laid the foundation for continued growth with our existing and prospective member business loan relationships.

We upgraded our Online Bill Payer system and rolled out an enhanced Automated Clearing House (ACH) function for online payments and payroll. We also upgraded our business credit cards to include EMV chip technology, providing our members with enhanced security. The robust credit card rewards program allows cardholders to earn points on every dollar spent. In the future, we look forward to adding the convenience of mobile business banking.

Through improvements in our products, services, and technology, we consistently strive for ways to add value to our Business Services members and become their trusted advisors. Our business relationships are just as important to us as they are to our members.



*Phil Bundy*  
**DIRECTOR OF  
BUSINESS SERVICES**



# MORTGAGES



*Ryan Schlitz*  
**VP OF MORTGAGES**

The Mortgage team had a tremendous year of growth in 2015, thanks to increased efforts in marketing and brand awareness. We maintained our hold as the #1 construction lender in the market area, and we were #2 in overall mortgage production for 2015 (up from #4 in 2014). In all, we closed 963 first mortgage loans for a total of \$149 million.

We continue to look for ways to up the momentum, while also trying to find efficiencies and workflow improvements to maintain a high level of member service to those we are helping with their mortgage needs.



**LEADERS**

in Construction Lending



**SECOND**

in Mortgage Production

# CLEARFUTURE<sup>™</sup> FINANCIAL

Available through CUSO Financial Services, L.P.



*Carl Schlutz*  
INVESTMENT AND  
TRUST OFFICER

2015 was another exciting year of growth for 3Rivers ClearFuture<sup>™</sup> Financial (CFF). CFF maintained solid momentum in 2015, marking our fourth 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 \$23 million was invested for the benefit of our membership.

At year-end, CFF had \$124.5 million dollars in Assets Under Management. We brought in a much-needed third fully licensed representative to better serve our membership. Most importantly, 379 new members opened investment accounts with CFF. Over 3,000 of our members are now being served by your CFF team at 3Rivers.



**\$23 MILLION**  
Invested in 2015  
for Our Members



**OVER  
3,000**  
Members Currently Served



**\$124.5 MILLION**  
Assets Under  
Management



## RETAIL SERVICES

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*Lori Wolfe*  
**VP OF RETAIL SALES**

The Retail Sales team was established in July 2015 with the credo: “Higher level of service, greater level relationship.” Members’ needs have changed, and we recognized our need to grow with our members. This team gives 3Rivers a proactive presence in the community to create, build, and strengthen relationships. We offer personalized service and have conversations with members about how 3Rivers can help them with their financial goals.

The Outreach team, the internal arm of Retail Sales, analyzes member data and reaches out to individuals they can help, tailoring our services to meet their needs. The team had a very prosperous inaugural year, creating \$7.1 million in consumer loans.

Retail Sales looks forward to 2016, focusing on building new relationships and growing our existing ones.



**\$7.1 MILLION**  
in Consumer Loans

# *awarded* **\$160,000** **TO LOCAL NON-PROFIT ORGANIZATIONS**

In conjunction with our 80th anniversary in February 2015, 3Rivers Federal Credit Union was extremely proud to inaugurate the 3Rivers Credit Union Foundation.

The Foundation's mission is to enhance the lives of people in the communities 3Rivers serves through the support of three key initiatives: financial literacy, education and health & wellness. Organizations must be tax-exempt under Section 501(c)(3) of the Internal Revenue Code and support recipients located in counties served by 3Rivers Federal Credit Union. Funding requests must be consistent with the mission of the 3Rivers Credit Union Foundation and must demonstrate specific goals with measurable results.

In the Foundation's first year, we saw a wide variety of requests from our community. 3Rivers was proud to support the great work of these non-profits in our region and looks forward to providing a positive impact for many years to come.

### **In all, the Foundation awarded over \$160,000 in grants in the region in 2015 to the following non-profit organizations:**

Allen County Education Partnership  
DBA Project READS

Artlink, Inc.

Blue Jacket, Inc.

Community Harvest Food Bank  
of Northeast Indiana

Community Transportation Network, Inc.

East Wayne Street Center

Erin's House for Grieving Children

Fort Wayne Ballet, Inc.

Historic Fort Wayne, Inc.

Hoosiers Feeding the Hungry

Interfaith Hospitality Network  
of Greater Fort Wayne, Inc.

Kendallville Public Library (WordUP program)

Mad Anthony Children's Hope House

Out of the Darkness Community Walk

The Brandon Foundation

YMCA of Greater Fort Wayne

YWCA Northeast Indiana



3 RIVERS





# FINANCIALLY supported over **75** *community* ORGANIZATIONS

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 2015 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 2015.

American Heart Association  
Big Brothers Big Sisters of Northeast Indiana  
Downtown Improvement District  
Embassy Theatre  
Fort4Fitness  
Fort Wayne Ballet  
Fort Wayne Children's Zoo  
Fort Wayne Komets  
Fort Wayne TinCaps  
Francine's Friends Mobile Mammography  
Grand Lake Hospice (St. Marys, Ohio)

Junior Achievement of Northeast Indiana  
Junior League of Fort Wayne  
Little River Wetlands Project  
Mustard Seed Furniture Bank  
Northeast Indiana Regional Partnership  
Ronald McDonald House  
The Literacy Alliance  
United Way of Allen County  
Young Leaders of Northeast Indiana  
YMCA  
YWCA

## BALANCE SHEET (in millions)

ASSETS	2015	2014
Cash and Investments	\$208.7	\$197.6
Loans to Members <small>(net of allowance for loan losses)</small>	\$531.8	\$501.4
Other Assets	\$47.8	\$48.5
<b>Total Assets</b>	<b>\$788.3</b>	<b>\$747.5</b>

LIABILITIES & MEMBERS' EQUITY	2015	2014
Shares; Savings, Drafts & Certificates	\$638.1	\$615.7
Other Liabilities	\$44.9	\$34.4
Members' Equity	\$105.3	\$97.4
<b>Total Liabilities &amp; Members' Equity</b>	<b>\$788.3</b>	<b>\$747.5</b>

## INCOME STATEMENT (in millions)

	2015	2014
Interest Income from Loans & Investments	\$29.5	\$29.6
Dividend/Interest Expense for Member Accounts & Borrowed Funds	(\$2.7)	(\$3.5)
Net Interest Income	\$26.8	\$26.1
Loan Loss Provision	(\$2.3)	(\$1.6)
Other Income	\$17.6	\$16.9
Operating Expense	(\$33.4)	(\$30.4)
<b>Net Income</b>	<b>\$8.7</b>	<b>\$11.0</b>

## Net Worth Ratio

2015  
13.29%

2014  
12.84%

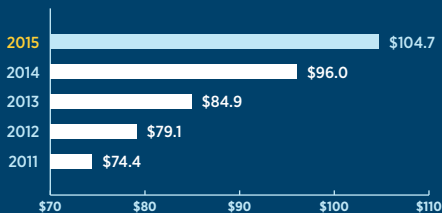
2013  
11.12%

2012  
10.87%

2011  
11.05%

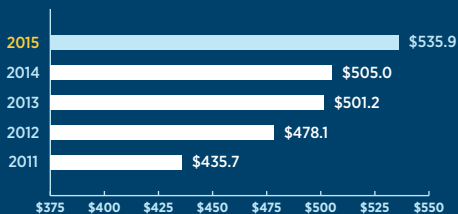
## Net Worth

(in millions)



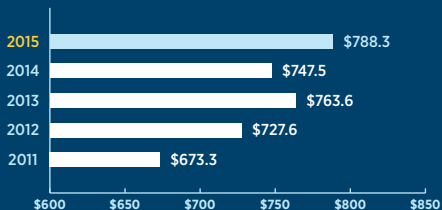
## Gross Loans Outstanding

(in millions)



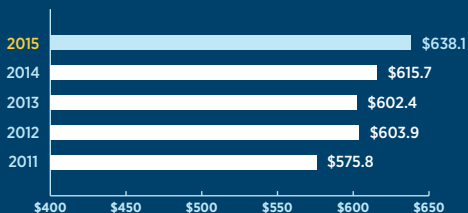
## Total Assets

(in millions)



## Member Shares

(in millions)



**3 RIVERS**®

**3riversfcu.org | 260.490.8328**



*Federally insured by the NCUA.*