



riverways
Federal Credit Union

**EVERYTHING WE DO,
WE DO FOR YOU
BECAUSE YOU BELONG.**

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ANNUAL REPORT 2020





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INTRODUCTION

We are more than just another financial institution. We are Riverways Federal Credit Union, a hometown credit union providing adaptable solutions and seeking to create a positive impact on our members' lives and in the communities we serve. The last year has been hard on the economy, especially small businesses, forcing many businesses and institutions to cut back or even shut down, but not us. In 2020 and early 2021, we have made amazing strides in your credit union, including giving back more to our members. Riverways had significant growth in assets in 2020, leading to the board members voting to distribute an extra \$30,000 in dividends to our members for the first time in 10 years!

Everything we do, we do for you.

For over 60 years Riverways has been helping our members and community with a variety of their financial needs and desires. We are constantly striving to be the best, not just for ourselves, but for those who believe in us the most: YOU. Our members are more than numbers to us, they're what make up Riverways Federal Credit Union. We are member-owned, and that's why we are dedicated to providing the best member service, a wide variety of products and services, as well as finding and keeping the best quality staff.

We are serving four counties: Phelps, Crawford, Dent, and Maries. We have three branches: the Rolla branch, the original Salem branch, and the new Salem branch. In Cuba, we have one of our new ITM machines to help our members get even more personalized service. Riverways is growing and expanding our locations so that we can better serve our

members at their convenience. The original Salem branch allowed for us to increase members, loans, and assets, and with the ever-lasting support of our members and community, we were able to open the new Salem branch. We are closing our lobby at our 600 S. Main St. Salem location, but the drive-thru is still open during regular banking hours. This new location at 1201 Scenic Rivers Blvd. means so much to us because we know it will allow us to help our members so much more, so we hope that it can mean a lot to you, too!

Along with expanding the communities we help, we would like to bring in a few other counties to serve and support.

Riverways is always working to stay up-to-date and provide the most modern technology to our customers so that they know they're receiving the best service at all times! We have our mobile phone application, ITM machines, and online banking services, all to provide you with options to take care of a variety of your financial needs.

You can learn more about our products, services, and programs on our website, social media, and mobile application.

Everyone at Riverways will continue to work hard and provide the best care because nothing means more to us than our members and our community. We can't thank our members enough for their trust in us and our services.

Becuase you belong.

LETTERS

Hello members of RFCU:

What a wild ride we have had since our last annual meeting! We have endured COVID, elections, rounds of stimulus, a record cold February, rolling blackouts and more. Throughout it all we have adapted and overcome these difficulties. Riverways is your credit union, started by community members, and dedicated to continuing to serve our 8,000+ members/owners we have today. Yes, the year was one we will talk about for a long time, however your credit union, with your support, had phenomenal results!

As you can see in the attached reports, loans, deposits, members, assets, and income all hit record growth in 2020. This is because you have made the choice to belong and support your credit union and this credit union supports its members and the communities in which we serve. That growth led to the first bonus dividend back to our members in many years. Because you belong, the credit union is thriving and changing lives for the better!

Now, on to the future! Your credit union is stronger and has added the necessary infrastructure for future growth. Because of the rapid growth we have experienced over the past 5 years we added a new, upgraded Salem branch with a redundant operations center. This means faster, more reliable service for our entire field of membership as we move forward. It also means we have the office capacity to keep all our employees local, strengthening the local economy. Each and every member is important. Each one is a voice that stands for friends helping friends and neighbors helping neighbors. This is in addition to the economic benefits provided across all loan and deposit products. Over the past year, Riverways has decreased its overall loan margin (which means we are paying more on deposits and charging less on loans) due to the additional membership growth! By spreading the costs over a larger member base, you get a better deal which is a key component in the RFCU mission statement!

The reason for our strong growth is you, our members, and owners! There is no other financial organization where you can have such an impact. You are telling your friends and neighbors. You are passing along business cards and offering the greatest compliment to RFCU possible, your endorsement and referral. Thank you for a great 2020 and strong start to 2021. RFCU exists because of, and for, you.



SCOTT SHULTS
CEO

EVERYTHING WE DO, WE DO FOR YOU

Welcome, everyone!

This year we are celebrating this credit union's 62nd anniversary. In a year where Missouri, the United States of America, and the world were rocked by the COVID-19 pandemic, your credit union has continued to thrive.

As of December 2020, we have seen membership grow from 7,819 members to 8,168 members; a net increase of 349 members (4.5%). Our assets grew from \$53.6 million dollars to \$68.8 million dollars (28% increase). The Credit Union made 1,316 new loans to members for a total of \$36 million dollars. RFCU was also able to distribute a \$30,000 bonus dividend back to members at the end of 2020. Your credit union ended 2020 in the black and we will strive to remain there throughout 2021.

I am immensely proud of the Riverways staff and volunteers for the way they handled the multitude of challenges brought on by the Coronavirus pandemic. Not only did the Riverways leadership team promptly implement effective measures to protect members and staff, but they also managed record levels of lending and asset growth.

Riverways Federal Credit Union is owned by, and serves, its members. The Riverways Executive Team, with the backing of the Board of Directors, has continued to attract and retain top quality staff to serve our members. Riverways Federal Credit Union serves four counties and has a physical presence in three of them.

The staff and volunteers pledge to continue sound financial practices and strive to continue to provide the best in customer service and financial services.

Everything the staff and volunteers at Riverways do is to support you, our members, and we thank you for your trust in us.

A handwritten signature in black ink that reads "Phil Rufe". The signature is stylized with a large, sweeping "P" and a cursive "Rufe".

PHIL RUFÉ
CHAIRMAN

BECAUSE YOU BELONG.

SUPERVISORY COMMITTEE

One of the duties of the Board of Directors is to appoint a Supervisory Committee according to the Federal Credit Union Act and bylaws. Supervisory Committee is to consist of not less than three no more than five Credit Union members. One of the members of the Supervisory Committee may be a member of the Board.

The monthly duties of the Supervisory Committee consist of, but are not limited to:

- Determine the legitimacy of all new members

- Verify and review dormant accounts, closed accounts, and paid off loans

- Check and verify all types of loan applications, denied loans, and delinquent accounts

- Verify cash drawers of tellers, vault cash, and petty cash

- Review various management reports

The Supervisory Committee maintains a log to document internal controls for the Credit Union.

J. Tenbrick and Associates performed the annual audit in 2020. The audit was conducted in accordance with generally accepted auditing standards. The auditing standards are to "plan and perform the audit to obtain reasonable assurance that our financial statements are free of material misstatements." It was the auditor's opinion that all financial statements are accurate as presented.

The NCUA (National Credit Union Administration), a government agency, performed their exam in June 2020. No discrepancies were noted.

MEET THE COMMITTEE

HENRY DAHMS
CHAIRMAN

GEORGE HOOKER
MEMBER

JERRY WAGNER
MEMBER

MEET THE BOARD

PHIL RUFÉ
CHAIRMAN

RYAN SIMS
1ST VICE CHAIRMAN

HENRY DAHMS
2ND VICE CHAIRMAN

RUSS CATON
SECRETARY

VARONICA RAGAN
TREASURER

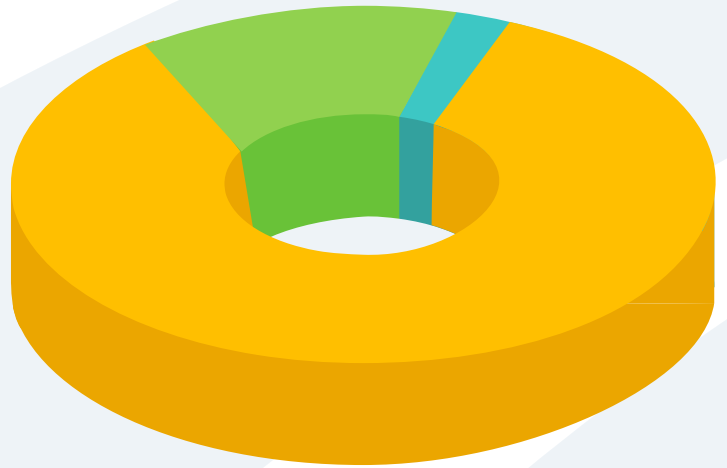
WILLIAM MARKEN
BOARD MEMBER

KIRK EMORY
BOARD MEMBER

JERRY WAGNER
BOARD MEMBER

THOMAS HAINES
BOARD MEMBER

INVESTMENTS



LOANS TO MEMBERS
\$48,488,000



MCCU (OVERNIGHT ACCOUNT)
\$6,350,000



INVESTMENTS
\$1,076,000

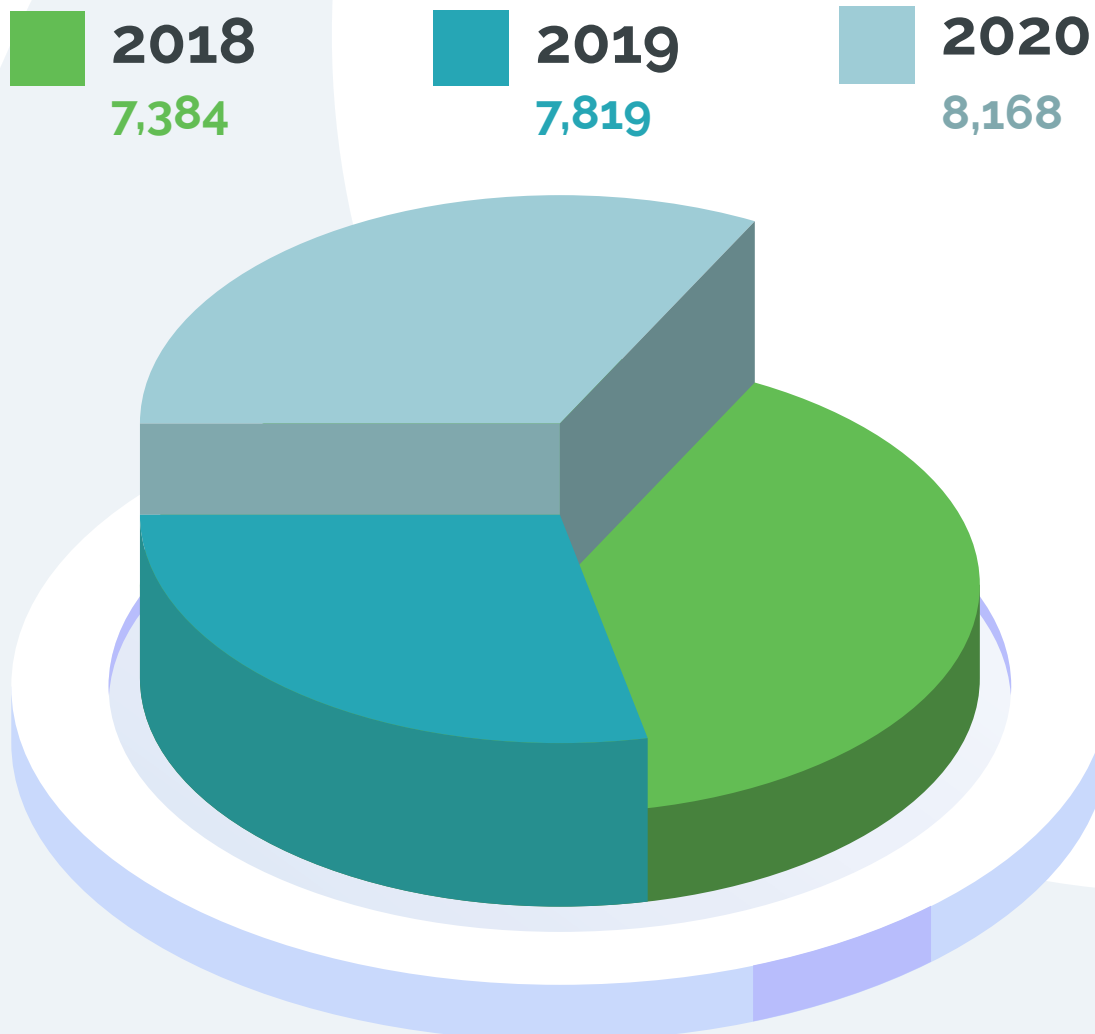
In compliance with the Federal Credit Union Act of 1983, the Board of Directors annually appoints an Executive Committee of not less than three directors to act on behalf and to which it can delegate specific functions. In the Riverways Federal Credit, the Executive Committee has been given the responsibility of managing the assets and liabilities; and investing the excess funds of the Credit Union. By law, certain restrictions are placed on the types of investments that can be made with credit union funds. Our most important investments are our loans to members and those investments with banks.

MEMBERSHIP GROWTH

This year may have had many difficulties and unknowns, but something we knew would not change was the loyalty of our customers and the trust they always have in Riverways. In 2020, we were fortunate enough to have a large amount of new members join Riverways, with 1,320 new members. For larger financial institutions, that may not seem like much but it accounts for over 15 percent of our total members, so it's a big deal to us! By the end of 2020, we had a total of 8,168 members in total and we continue to grow all the time. Even with this seemingly large amount of members, we promise to continue showing our members personalized care and attention. We hope that 2021 brings in even more members so that we can continue to grow and prosper for our community.

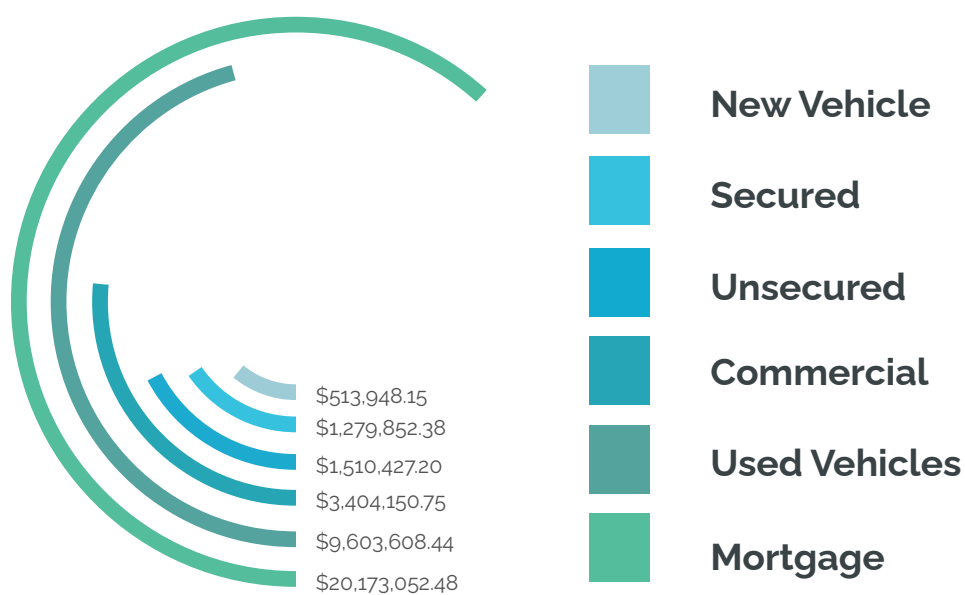
With a credit union like Riverways, members have a voice and a vote in a variety of matters because they are the owners of the credit union. This is one of many ways that we show how much our members mean to us.

Everything we do is for our members, because you belong with Riverways.



2020 Loans

As a credit union, we pride ourselves on the types of loans and low interest rates we're able to offer to our members and community. This past year proved to us that our members also appreciate these things from us as well. Riverways offers numerous types of loans such as commercial, secured and unsecured, mortgages, and new or used vehicles. In all, we were able to give over \$48.4 million in loans to members in 2020.



\$20.2 million

mortgage

\$9.6 million

used vehicle

Out of the variety of loans we offer, we gave out more mortgage loans and used vehicle loans than any other type this year, giving \$20.2 million and \$9.6 million respectively.



**COMMUNITY MEMBER PURCHASING A NEW
VEHICLE WITH THE HELP OF RIVERWAYS**

COMMUNITY MATTERS TO US

Our community is extremely important to us because we are nothing without the support from our community and our members! Even with the countless obstacles due to the coronavirus pandemic, we still made it a priority to be prevalent in our community as much as possible. We adjusted how we contributed and continued to help people in the counties we serve. In 2021, we hope to help our communities more and be a part of even more events.

Here is a list of community events Riverways Federal Credit Union was involved in during 2020:

Phelps County Faith Distribution
Cancer Gala
Show Me Scholars
Rolla High School Leadership Program
Rolla Technical Institute
National Child Safety Council
Great Circle Golf Classic
Rolla Lions Club
Phelps County Fair
Newburg Day
Missouri Veterans Home
Project WIN
Missouri Ozarks Community Action
Rolla Lioness Club
Cops Care
CORE – Champions of Rolla Education
Rolla Athletic Booster Club
Salem Rotary
Salem Memorial District Hospital
Missouri Cattlemen's Association
Healthy Dent County
Pregnancy and Family Resource Center
Knights of Columbus
Shrine Club
American Legion
Dent County Expo
Crawford County Fair
Crawford County Children's Division



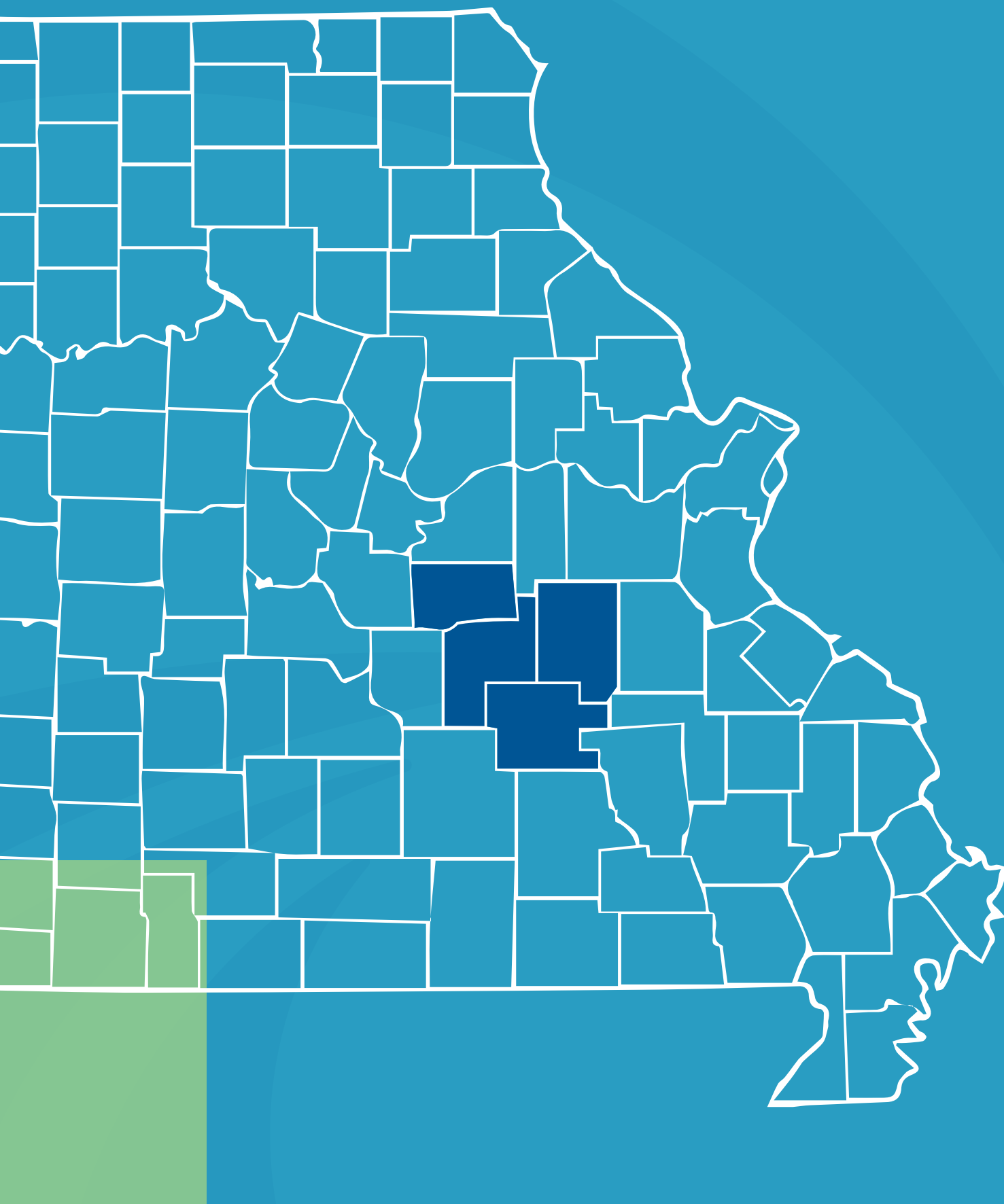
BECAUSE YOU BELONG



OUR LOCATIONS

Riverways Federal Credit Union serves four counties in Missouri and has a physical presence in three of them. Our original branch and headquarters is in Rolla. In 2021, we were able to open a new branch in Salem. This new branch is a state-of-the-art financial facility that shows our continuing commitment to serving our members in Dent County.

As membership in Crawford County grows we will be well positioned to add a brick-and-mortar branch when the time is right. As the support for your credit union grows, we hope to expand the counties we serve so that more people can receive personalized care and support from our member-owned financial institution.



STATEMENT OF INCOME AND EXPENSE



INTEREST INCOME YEAR-TO-DATE FOR CYCLE	AMOUNT	ACCT
Interest on Loans (Gross-before interests refunds)	\$2,312,292	110
Interest on Loans (Gross-before interests refunds)	\$0	119
Interest on Loans (Gross-before interests refunds)	\$70,616	120
Interest on Loans (Gross-before interests refunds)	\$0	IS0004
Interest on Loans (Gross-before interests refunds)	\$2,382,908	115
INTEREST EXPENSE YEAR-TO-DATE FOR CYCLE		
Dividends on Shares (Includes dividends from current period)	\$286,993	380
Interest on Deposits (total interest expense for dep acc)		318
Interest on Borrowed Money	\$64,962	340
TOTAL INTEREST EXPENSE	\$351,955	350
Provision for Loan & Lease Losses	\$135,153	300
Credit Loss Expense		
A. Loans and Leases	\$0	IS0011
B. Available-for-sale debt securities	\$0	IS0012
C. Held-to-maturity debt security	\$0	IS0013
D. Off-balance sheet credit exposures	\$0	IS0016
E. Total credit loss expense	\$0	IS0017
NET INTEREST INCOME AFTER PROVISION...	\$1,895,800	116
Non-Interest Income Year-to-Date for the Cycle		
Fee Income	\$546,492	131
Other Operating Income associate with hedged item	\$1,198,951	659
Gain (loss) on equity securities	\$0	IS0021
Gain (loss) on other securities	\$0	IS0022
Gain (loss) on other securities (a-d)	\$0	420
Gain (loss) on non-trading derivatives	\$0	421
Gain (loss) on disposition of fixed assets	-\$1,909	430
Gain from bargain purchase (merger)	\$0	431
Other non-operating income (expense)	\$0	440
TOTAL NON-INTEREST INCOME	\$1,743,534	117
Non-Interest Expense Year-to-Date for the Cycle		
Total Employee Compensation and Benefits	\$1,374,955	210
Travel and Conference Expense	\$39,262	230

Office Occupancy Expense	\$1,374,955	210
Office Operations Expense	\$39,262	230
Educational and Promotional Expenses	\$133,215	250
Loan Servicing Expense	\$691,401	260
Educational and Promotional Expenses	\$155,884	270
Loan Servicing Expense	\$99,028	280
Professional and Outside Services	\$610,677	290
Member Insurance		
A. NCUSIF Premium	\$0	311A
B. Other Member Insurance Expense	\$0	310A
C. Total Member Insurance	\$0	310
Operating Fees (Examination and/or supervision fees)	\$14,647	320
Miscellaneous Operating Expenses	\$38,049	360
TOTAL NON-INTEREST EXPENSE	\$3,157,118	671
NET INCOME (LOSS)	\$482,216	661A
Reserve Transfers Year-to-Date for the Cycle		
Operating Fees (Examination and/or supervision fees)	\$0	393

FINANCIAL STATEMENT

Cash	2118	3
Fixed-Rate Loans		
Assets(000)	Amount	%
New Autos	854	1
Used Autos	10220	15
Indirect Lending	2166	3
RRCU Participation	0	0
Auto Payment Sh.	0	0
*1st Mtg 10yr	69	0
*1st Mtg 15yr	510	1
*1st Mtg 20yr	1249	2
*1st Mtg 30yr	180	0
*Business Secure	1818	3
*Business Mtg	1898	3
*1st Time Hmby	159	0
*Retain Part Port	611	1
*2nd Mtg Loans	0	0
PPP Loans*	756	1
Unsec. All other	619	1
Revolv credit/LOC	175	0
Visa cash adv.	0	0
Payday alt	0	0
Lendkey st. loan	234	0
RV/Boat/Mobile	799	1
Secure all oth.	555	1
Share Secure	354	1
Collat Liquid	0	0
Tot Fixed-rate	23226	34

Variable-rate loans		
Assets(000)	Amount	%
*New Autos	0	0
*Used Autos	0	0
*1st Mtg 1yr	54	0
*1st Mtg 3x1yr	278	0
*1st Mtg 5x1yr	15897	23
*1st Mtg 7x1yr	1544	2
*1st Mtg 10x1yr	1691	2
*HELOC w/cap	2035	3
*Business ARM	3202	5
*Res Construct	704	1
Bus. HELOC	75	0
Revolve Cred/LOC	0	0
VR CC Classic	0	0
VR CC Plat	0	0
Home Eq LOC I	0	0
Home Eq LOC II	0	0
Home Eq LOC III	0	0
Loan part comm	0	0
Total var loans	25480	37
Less: loan loss al	218	0
Total Loans	48488	70

*Pre-configured for convexity on mortgage loans and MBS

Fixed-Rate Bonds & CDs		
Assets(000)	Amount	%
Treasury Bonds	0	0
Agencies NonCal	0	0
Agencies Calla	0	0
CDs/BankNotes	3001	4
CorpCen NonCal	0	0
CorpCen Calla	0	0
Other FR Invest	0	0

Fixed-Rate Mort Backed		
*Agency Passth	0	0
*Agency Balloon	0	0
*FR CMOs	0	0

Tot Fixed Invest	3001	4
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Var-Rate Bonds&CDs		
Overni Fund I	6350	9
Overni Fund II	0	0
VR CDs	0	0
VR Agen Bonds	0	0
Oth VR Invest	1076	2

Var-Rate Mort-Backed		
Assets(000)	Amount	%
*Agency ARMs I	0	0
*Agency ARMs II	0	0
*Agency ARMs III	0	0
*VR CMOs	0	0

Tot Var-Rate In	7426	11
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Tot Invest	10427	15
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Other Assets		
Acc Inter Invest	1	0
Acc Inter Loans	216	0
**Def Benefit Trust	0	0
**NCUSIF Dep	539	1
**Member Shares	0	0
**New York Life	3380	5
Misc Assets	522	1
Balance Account	0	0

Tot oth assets	4658	7
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Prop & Equip	3147	5
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Tot Assets	68838	100
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*Pre-configured for convexity on mortgage loans and MBS

**Other Earning Assets

Share Draft Accounts

Liab&NW(ooo)	Amount	%
Share Drafts I	17882	26
Share Drafts II	0	0
Mon Mkt Check I	0	0
Mon Mkt Check II	0	0

Tot Share Ds **17882** **26**

Share Accounts

Reg Shares	8282	12
Oth Shares I	3605	5
Oth Shares II	6280	9
Club Shares	0	0
IRA Shares	0	0

Tot Share Acc **18167** **26**

Money Mkt Acc

MMA Tier I	92	0
MMA Tier II	895	1
MMA Tier III	6993	10
MMA Tier IV	2519	4
MMA Tier V	3537	5

Total MMAs **14036** **20**

Certificates

Reg Certs FR	10827	16
IRA Certs FR	0	0
Other Certs FR	0	0
NonMem Certs FR	0	0
Other Certs I	0	0
Other Certs II	0	0

Tot Certs **10827** **16**

Borrowed Funds

Liab&NW(ooo)	Amount	%
Overnight	0	0
FR FHLB Bor	1550	2
FR Corp Cen	0	0
Oth FR Borrow	0	0
VR FHLB Borrow	0	0
Oth VR Borrow	0	0

Total Borrow Fu **1550** **2**

Other Liabilities

Accured Int & Div	0	0
Bal of Other Liab	511	1

Total Oth Liab **511** **1**

Net Worth

Reg Reserves	542	1
Undivid Earn	2873	4
Oth Reserves	2450	4

Total Net Worth **5865** **9**

Tot Liab&NW **68838** **100**

CONCLUSION



Thank you for joining us at our 2020 Annual Report meeting. It's been a crazy year for the world, but we can't thank our members enough for the amazing support you've shown us through it all and the trust you always have in Riverways! The growth we've had in the last year has been outstanding, well exceeding our expectations, but we expect nothing less from such a fantastic community. We hope to continue to show amazing growth and keep showing you amazing care as well.



riverways

Federal Credit Union



THANK YOU



**BECAUSE YOU
BELONG.**