

Sharonview Federal Credit Union's board consists of 11 volunteer directors, all of whom are members of our Credit Union. Each member may serve a regular term of office for a period of three years. The Board of Directors meet once a month to discuss the general direction and control the affairs of the Credit Union.

| | | | |
|--------------|---------------|------------------|----------|
| Ernie Taylor | Chairman | Allen Hopkins | Director |
| Rick Belcher | Vice-Chairman | George Ledbetter | Director |
| Mike Grom | Treasurer | Lynn MacLeod | Director |
| Phil Ridolfi | Secretary | Larry McAdams | Director |
| Ken Dawson | Director | Peggy Strong | Director |
| Roy Fahl | Director | | |

Director Emeritus

Glenn Odom

Supervisory Committee

| | |
|--------------|----------|
| Lynn MacLeod | Chairman |
| Angel Adams | Member |
| Brian Guice | Member |
| Tim Lavender | Member |

Associate Director

Don Lathrop

For a complete list of Sharonview branches, visit sharonview.org/locations.



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704.969.6700 ♦ 800.462.4421
sharonview.org

2017 ANNUAL REPORT

President's Report ♦ Bill Partin, President/CEO



As we look forward into 2018 and beyond, we are continuing our work on redesigning our branches and installing more ATMs throughout the markets we serve. We have relocated and updated our Steele Creek branch and we are planning to relocate and completely redesign our Simpsonville and Fayetteville branches this year. We will be adding a drive-up ATM in the Greenville market this year and we continue to look for innovative ways to create better ways to serve our 76,000 members.

Enhancements continue to be rolled out in our digital delivery arena, where we have recently launched a member-friendly money management application within our online and mobile platforms. As more members take advantage of making deposits with their mobile devices, check their balances and conduct their banking electronically, we are able to have more meaningful conversations with members in our branches and contact center about how to help them fulfill their financial dreams. We like to call these conversations "interactions, not just doing transactions" with our members.

We are committed to improving the communities we serve and will continue to seek out opportunities to give back and be involved. We partner with organizations that enable us to be rooted more firmly and allow us to interface on a more personal level. Our hope is that through our community partnership we can improve the quality of life in areas we live, work, play and serve our members.

Supervisory Committee Report ♦ Lynn MacLeod



The Supervisory Committee consists of volunteers who are members of your Credit Union. The Committee has various oversight responsibilities, focusing on the quality and integrity of the Credit Union's financial statements and the adequacy of the overall system of internal controls and risk management.

Each year, this Committee engages a Certified Public Accounting firm to perform an annual opinion audit of the Credit Union's financial statements and a verification of member accounts. Moss Adams LLP performed these services for the Credit Union in 2017, and issued a clean opinion on the 12/31/17 financial statements.

The Committee is responsible for ensuring that Credit Union policies and procedures adequately protect our members' interests. To meet this requirement, the Committee oversees a staff of professional internal auditors who perform various audits and reviews throughout the year. The Internal Audit department regularly reports to the Committee on the adequacy, effectiveness and efficiency of the Credit Union's system of internal controls and risk management, as well as management's processes for monitoring compliance with laws and regulations, policies and procedures and ethical guidelines.

Finally, the Committee is responsible for reviewing the results of examinations conducted by the National Credit Union Administration (NCUA) to provide reasonable assurance that management adequately addresses any recommendations to improve the operations, safety and soundness of the Credit Union.

Based on the results of audits, reviews and examinations conducted in 2017, it is the opinion of the Supervisory Committee that Sharonview Federal Credit Union is in solid financial condition and well-positioned for the future. We encourage you to contact us if we can be of any assistance, as we are here to be of service to you, the members.

Chairman's Report ♦ Ernie Taylor



Sharonview had an uncharacteristically slow start to 2017, but finished the second half of the year strong with assets growing 8.6%, membership increasing 7.3%, and loan growth over 11%. As a top 200 credit union in assets, Sharonview continues to grow and make investments to aid our members in achieving their financial goals either by saving for the future with our deposit products or accelerating achieving these goals with our loan products. Growth is very important to ensure our long-term success.

Your credit union is financially sound and ended 2017 with just under \$1.5 billion in assets. Sharonview Financial Services is now managing over \$150 million of member financial assets. We are continuing to drive Sharonview's brand awareness throughout the Carolinas and New Jersey with radio ads coupled with digital outlets including electronic billboards, social media, and online usage.

During 2017 we have renovated and, in some cases, relocated several branches to better serve our members. Our Charlotte South Boulevard branch was relocated to Park Road where a state of the art facility was built from the ground up. We also opened a new location in the University area to expand our Charlotte market presence in this rapidly growing area. More branch additions and improvements are planned for 2018.

Your Sharonview Staff and Volunteers are dedicated to deliver outstanding financial products and service to you and over 76,000 other members. Thank you for your trust and it is our privilege to serve you!

Treasurer's Report ♦ Mike Grom



The 2017 Annual Report to the membership contains statements of Sharonview Federal Credit Union's financial condition. Just a few of the past year's highlights include:

Asset Growth: 8.6%

Regulatory Capital-to-Asset Ratio: 10.0%

Loan Growth: 11.1%

Asset growth, loan growth and capital remain strong at Sharonview Federal Credit Union. The serious commitment and expertise of our professional management team, under the watchful guidance of your Board of Directors and other volunteers, makes certain that Sharonview Federal Credit Union remains a sound place to invest and borrow. We look forward to achieving another solid year in 2018.

Statement of Financial Condition

| Assets: | 12/31/2017 | 12/31/2016 |
|--|----------------------|----------------------|
| Cash and cash equivalents | 50,083,152 | 66,698,956 |
| Restricted equity securities | 20,564,241 | 17,570,001 |
| Securities available-for-sale, at fair value | 49,765,428 | 57,877,850 |
| Loans receivable, net | 1,329,435,052 | 1,197,010,211 |
| Accrued interest receivable | 3,784,876 | 3,323,507 |
| Property and equipment, net | 19,738,150 | 14,624,439 |
| NCUSIF deposit | 8,724,725 | 7,845,935 |
| Foreclosed and repossessed assets | 803,109 | 796,760 |
| Other assets | <u>6,528,522</u> | <u>6,176,842</u> |
| Total Assets | 1,489,427,255 | 1,371,924,501 |

| Liabilities: | 12/31/2017 | 12/31/2016 |
|----------------------------|----------------------|----------------------|
| Members' share and savings | 907,627,616 | 884,950,155 |
| Non-member shares | 56,635,382 | 35,978,850 |
| Borrowed funds | 355,000,000 | 290,000,000 |
| Other liabilities | <u>21,466,481</u> | <u>18,307,633</u> |
| Total Liabilities | 1,340,729,479 | 1,229,236,638 |

| | | |
|-------------------------------------|----------------------|----------------------|
| Member Equity | <u>148,697,776</u> | <u>142,687,863</u> |
| Total Liabilities and Equity | 1,489,427,255 | 1,371,924,501 |

Statement of Income

| | 12/31/2017 | 12/31/2016 |
|-------------------------|--------------------|--------------------|
| Interest income | 64,933,012 | 58,191,925 |
| Interest expense | 15,155,464- | 13,379,514- |
| Provision for loan loss | 11,850,000- | 9,820,691- |
| Non interest income | 13,778,334 | 11,658,754 |
| Non interest expense | <u>46,451,843-</u> | <u>42,871,784-</u> |
| Net Income | 5,254,039 | 3,778,690 |

