

2018
Annual Report

It's about
earning
your
respect.



Respectfully. Yours.

CREDIT
UNION

Report of the President & CEO and the Chairman of the Board

7 17 Credit Union celebrated 61 years as a member-owned financial cooperative in 2018. It marked this milestone by revealing a new brand, launching a responsive website and setting its sights on the future with groundbreakings for two new branches while maintaining strong financials and experiencing continued growth.

7 17's refreshed brand was revealed in late February 2018. It includes a new color scheme of vibrant red, representing the strength and energy of a credit union that ranks among the largest and healthiest in the nation, and a calming slate blue that represents stability and trust.

The new logo provides a cleaner look, while following the common practice of credit union members to abbreviate Seven Seventeen to 7 17. The new tagline, "Respectfully. Yours.," gives nod to that timeless salutation with punctuation that adds additional meaning. "Respectfully." describes the essence of how the credit union operates. "Yours." reflects 7 17's focus on its members and the fact that the credit union is a cooperative financial institution owned by account holders rather than stockholders.

Launched in mid-April 2018, the new website, www.717cu.com, features the latest responsive design techniques to give visitors a consistent user experience from a desktop computer, laptop, tablet or smart phone.

The website also features a newly created financial education blog, Financial Fundamentals. The blog offers helpful tips, articles and ideas to help members confidently navigate their financial future. It covers topics such as budgeting advice, financial planning and scam alerts, and includes information from KOFE (Knowledge of Financial Education), a partner of 7 17 in providing free financial education tools.

The credit union broke ground on two new branches in summer 2018, one in Canfield and one in Warren. The grand opening for the Canfield branch is scheduled for May, and the grand opening for the Warren branch is slated for June.

Located at 4280 Boardman-Canfield Road, the new Canfield branch is a state-of-the-art, full-service branch offering lobby and drive-thru services, as well as ATM access and other enhanced services. It will be the credit union's 13th location, its fourth in Mahoning County.

The new Warren branch is being built on the same property as the existing Larchmont Avenue branch and Operations Center, 3181 Larchmont Ave. NE, and it will be located adjacent to the existing branch. In time, the existing branch will become expanded space for back-office operations.

Existing branches were updated to reflect the new brand, with many being renovated to better serve members' needs and allow for a more personal interaction with employees.

7 17 hit a milestone by growing assets to more than \$1 billion in 2018. The credit union's Net Worth, a key measure of safety and strength, increased to 15.1 percent, more than double the seven percent defined as well-capitalized under federal law.

New free business checking account openings increased by 11 percent in 2018; personal checking accounts grew by 3.3 percent.

The credit union's overall employment reached 295; this past year 46 new employees were hired. 7 17 anticipates more hiring in 2019 as new branches are opened and membership continues to grow.

Members took advantage of 7 17's low-cost lending options with the overall portfolio growing more than 8.5 percent. Mortgage purchase volume rose by more than 4 percent in 2018. The new and used vehicle portfolio swelled as loans for new autos grew by 12 percent and used autos grew by 19 percent.

An updated online banking platform was introduced in 2018, resulting in user growth of 11 percent. Mobile banking users increased by 9 percent and Bill Pay users also increased, up 8 percent. A new online account opening platform was introduced in late-fall to provide members a better user experience and to streamline the process.

7 17 Retirement & Investment Group, a partner of 7 17 Credit Union which provides investment and retirement planning, grew assets under management by more than 5 percent to \$205 million.

As the credit union reflects on the monumental growth of 2018, we remain dedicated to our members and providing them with a diverse line of financial solutions products. We remain excited for the future and the continued growth and service opportunities that it brings.

Gary Soukenik
Gary Soukenik, President & CEO

Jack Wilster
Jack Wilster, Chairman of the Board of Directors

The Board of Directors

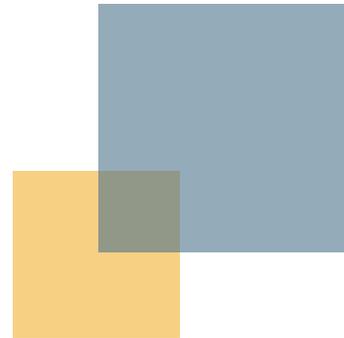
At your credit union, volunteers are the voice of the membership. Volunteers, elected by you, serve on your Board of Directors, which sets policy and oversees the direction of the credit union. Directors are charged with the responsibility of operating your credit union for the common good of us all, the members/owners. Volunteers also serve on the Supervisory Audit Committee. Directors, as well as appointed committee members, are members just like you. They devote countless hours to make sure that your 7 17 Credit Union continues to provide you with the financial security and superior service you have come to expect.

The members of the Board of Directors are: Jack Wilster, Chairman; Raymond "Corky" Manofsky, Vice Chairman; Joe Noark, Second Vice Chairman; Cheryl DiGiacobbe, Secretary/Treasurer; Arlene Mathes, Assistant Secretary/Treasurer; and Paul Marshall, Director.

Thank You to our Volunteers

Thank you to all our volunteers for all their years of service:

- Raymond "Corky" Manofsky, 46 years
- Joe Noark, 38 years
- Jack Wilster, 30 years
- Don Woodard, 29 years
- Cheryl DiGiacobbe, 25 years
- Arlene Mathes, 25 years
- Michael Anness, 5 years
- Jennifer Daniszewski, 5 years
- Paul Marshall, 2 years
- Robert Maiorano, 1 year



Summary Financial Data

Balance Sheet	December 31,	
	2018	2017
Assets		
Cash and Cash Equivalents	\$ 17,697,439	\$ 16,497,379
Investments	51,695,100	97,100,916
Member Loans (Net of Allowance for Loan Losses)	876,196,151	808,386,076
Premises and Equipment (Net)	15,948,704	9,820,178
Other Assets	45,261,928	43,829,773
Total Assets	\$ 1,006,799,322	\$ 975,634,322
Liabilities and Members' Equity		
Members' Share and Savings Accounts	834,278,405	810,135,576
Accrued Expenses and Other Liabilities	21,289,606	25,153,515
Total Liabilities	855,568,011	835,289,091
Members' Equity	151,231,311	140,345,231
Total Liabilities & Equity	\$ 1,006,799,322	\$ 975,634,322
Income Statement	Years ended December 31,	
	2018	2017
Interest Income		
Interest on Loans	\$ 43,920,735	\$ 38,167,038
Interest on Investments	1,471,632	2,026,418
	45,392,367	40,193,456
Interest Expense		
Members' Accounts and Borrowed Funds	3,561,456	2,412,433
Net Interest Income	41,830,911	37,781,023
Provision for Loan Losses	5,370,983	3,917,835
Net Interest Income After Provision for Loan Losses	36,459,928	33,863,188
Non-Interest (Income) Expense		
Compensation and Employee Benefits	26,345,522	23,910,153
Occupancy and Operation Expenses	14,313,137	13,077,329
Other Operating (Income) Expenses	(15,625,962)	(14,096,393)
	25,032,697	22,891,089
Net Income	\$ 11,427,231	\$ 10,972,099

The 2018 Audited Consolidated Financial Statements and Independent Auditor's Report thereon can be found for reference on our website at www.717cu.com/annualreport.

Management's Responsibility for Financial Statements

The management of 7 17 Credit Union, Inc. is responsible for the preparation and integrity of the financial statements and all other financial information presented in this report. These financial statements have been prepared in accordance with accounting principles generally accepted in the United States, and include, where necessary, amounts that are based upon management's best estimates and judgments.

7 17 maintains a system of accounting and internal controls, including an internal auditing function, to provide reasonable assurance that assets are safeguarded and transactions are properly recorded. Established written policies and procedures serve as the basis for these controls. They are implemented by trained, skilled personnel with appropriate segregation of duties, and are monitored through a comprehensive internal audit program. As needed, these policies and procedures are modified in response to changes in business conditions and recommendations by the independent accountants and the internal auditors.

Nearman, Maynard, Vallez, Certified Public Accountants, were retained as independent auditors to audit the 2018 financial statements of 7 17. The 2018 Audited Consolidated Financial Statements and Independent Auditor's Report thereon can be found for reference on our website at www.717cu.com.

The Supervisory Audit Committee, a body consisting of volunteers from among the ranks of our membership, review the reliability of the auditing process on behalf of the interests of all 7 17 members. The Supervisory Audit Committee meets regularly with management, the internal auditors and the independent auditors to discuss internal controls and accounting, auditing and financial reporting matters.

Gary Soukenik
Gary Soukenik, President & CEO

Shelly Pawcio
Shelly Pawcio, CPA, Senior Vice President & CFO

Report of the Supervisory Audit Committee

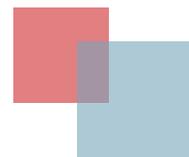
The responsibility of the Supervisory Audit Committee is to help assure, for the benefit of the credit union and its members/owners, the safety of deposits, the soundness of management and fairness to all members.

In connection with its responsibilities, the Committee met with management, the internal auditors and representatives of Nearman, Maynard, Vallez, the credit union's independent auditor, to review and discuss the adequacy of the credit union's internal controls and its financial reporting objectivity.

The committee discussed with Nearman, Maynard, Vallez the auditor's independence from the credit union and its management. These two groups also discussed matters required to be discussed by the *Statement on Auditing Standards No. 114 (The Auditor's Communication With Those Charged With Governance)* of the Auditing Standards Board of the American Institute of Certified Public Accountants.

Based upon these discussions and reviews, the Supervisory Audit Committee has recommended to the Board of Directors that summary financial data be included in this annual report, and that the 2018 Audited Consolidated Financial Statements and Independent Auditor's Report thereon be available for reference on our website at www.717cu.com.

Don Woodard
Don Woodard
Chairman, Supervisory Audit Committee



The members of the Supervisory Audit Committee are: Don Woodard, Chairman; Michael Anness; Jennifer Daniszewski; and Robert Maiorano.

