Riverfront’s strategic objective is to grow. To succeed and thrive, we must grow. As a financial institution, we operate in a highly competitive market place, which requires us to continue to grow in order to be accessible to as many consumers as possible and to be able to offer new products and services our members demand.

Our mission is “to provide the financial products and services that meet the needs of our members”. To consistently keep the loyalty and respect of our members, we must meet their needs. Services that have good value and we must deliver them as efficiently and conveniently as possible. To meet this need, we evaluate new and existing products and services and the best channels to deliver them.

In the past year we introduced an Instant Auto Lending program which allows our members to get financing at participating auto dealerships. We also added a Bill Pay program to our online banking system and a new senior member program, Mature Advantages. Most recently, we opened an additional full-service branch office in the Kmart Shopping Plaza in Shillington, Pa. With the addition of this new branch office, our members now have the convenience and choice of operating in a branch office in the Kmart Shopping Plaza in Shillington. The branch offers safety deposit boxes, has ample parking, and is easily accessible. It is our intention to continue expanding our branch network “where and when it is economically advisable for us to do so.”

Resouces will be allocated to the following initiatives during the next twelve to twenty-four months:

- A significant commitment of resources will be allocated to the enhancement of our Business Continuity Plan. The nature of this environment is more than ever in today’s environment.
- In addition to these items, a number of other initiatives are planned for next year. Our Board of Directors and management team will continue to expand our existing product line and delivery systems to meet the diverse needs of our membership.

On behalf of our entire organization, I would like to thank you for your continued support, which has enabled us to diversify our needs of our membership.

Sincerely,
Vince Pantaleo, President/CEO

B board of D irectors

John W. Nitke
Chairman of the Board

Lynden E. Miller
Vice-Chairman

Larry C. Mangi
Secretary

Michael Pantaleo
Treasurer

J. B. Bernheiser
Director

Ginger Thomas
Director

Timothy Murray
Director

Roy R. Towle
Director

Janice Waitzkin
Director

The “branch” between the financial services industry and commercial enterprises has been gradually eroding since the Gramm-Leach-Bliley Act was enacted several years ago. The Federal Deposit Insurance Corporation (FDIC) is currently conducting public hearings on the proposed Wal-Mart Bank’s application for federal deposit insurance. If their application is approved, these "branches” will come tumbling down.

We are closely monitoring the situation because of the profound effect that it could have on the financial services industry. If the Wal-Mart Stores, Inc., a retailer with an Industrial Loan Company (ILC) in Utah comes to fruition, the future direction of the financial services sector will be impacted significantly. ILCs are not subject to the same laws as other financial institutions and may be only a matter of time before other commercial companies begin using the same or a similar model.

Riverfront continues to grow profitably in a very challenging environment. Competitive forces within the marketplace, record bankruptcy filings, and rapidly rising interest rates are factors that will impact our financial performance during the next year. Our financial performance, as measured by industry standards, was top-notch and our financial condition remained in excellent shape.

During 2005, we introduced our Mature Advantages program, which is designed for individuals who are age fifty and older. We also entered into an agreement with a third party that gives our membership access to over 1,500 surcharge-free ATMs in Pennsylvania and more than 30,000 nationally through the Allpoint Network. We recently opened an additional full-service branch in the “Kmart Shopping Plaza” in Shillington. The branch offers safety deposit boxes, has ample parking, and is easily accessible. It is our intention to continue expanding our “branch network" where and when it is economically advisable for us to do so.

Resources will be allocated to the following initiatives during the next twelve to twenty-four months:

- Our existing online security systems will be enhanced to make them even more robust. The integrity of the systems, which is designed to safeguard your personal information and assets, continues to be one of our top priorities.
- We are currently researching several alternatives that will enable us to offer a wider variety of investment services to our membership. These services may include financial planning as well as the ability to purchase investment products through an arrangement with a third party.
- A significant commitment of resources will be allocated to the enhancement of our Business Continuity Plan. The nature of this environment is more than ever in today’s environment.
- In addition to these items, a number of other initiatives are planned for next year. Our Board of Directors and management team will continue to expand our existing product line and delivery systems to meet the diverse needs of our membership.

On behalf of our entire organization, I would like to thank you for your continued support, which has enabled us to diversify our needs of our membership.

Sincerely,
Vince Pantaleo, President/CEO

The role of the Supervisory Committee is an important one and is similar in many respects to the role of an audit on the examination. We serve to protect the interests of our members. We assume the responsibility of making sure the credit union is meeting the needs of its members and is operated in a safe and sound manner. The committee consists of five members and two associate members appointed annually by the Board of Directors.

The committee’s primary duties and responsibilities include:
- Ensuring that the credit union’s directors and staff fulfill their fiduciary responsibility.
- In 2005 the Supervisory Committee completed the following:
  - Performed surprise cash counts.
  - Reviewed expense accounts and internal control deficiencies.
  - Reviewed the maintained and later shock report.
  - Reviewed the examination. 
  - Reviewed the examination.
  - Reviewed the examination.

Ensuring that the credit union’s directors and staff fulfill their fiduciary responsibility.

A Message from the Chairman of the Board of Directors

Chairman of the Board Vice-Chairman Secretary
Michael Pantaleo John L. Bernheiser Ginger Thomas
Treasurer Director Director
Director Director Director

The state of the credit union is excellent. We remain financially sound and strong, we had positioned ourselves for the rising interest rate environment that we are now experiencing.

We again reviewed the highest rating that a federal credit union can receive from the examining body of the National Credit Union Administration. Each year the Supervisory Committee (our internal audit committee) engages an outside public accounting firm to do a complete audit of the credit union. We have received a “five-star” report again this year. We also added a third party vendor to perform a security analysis of our computer system and security measures.

As a team, the board and management, will be vigilant and forward thinking to add value to credit union membership and we will embrace our vision to be the financial institution that our members think of first for their financial needs and to develop a lasting partnership and provide exceptional service to each member.

The Board of Directors...
Employees are a company's number one asset. As a business leader, you are continually looking for ways to attract and retain excellent employees without adding additional costs.

Now you can offer your employees a variety of innovative products and services that will save them time and money, and help them make better informed decisions on critical financial matters. Higher than average rates on savings and low interest rates on loans is a definite value to your employees. Knowing that you made a difference in their well being is important to you. Helping you do it is important to us.

It's Riverfront Federal Credit Union at no cost to your company or your employees!

Why not offer a FREE benefit to your employees?

It's not impossible — it's Riverfront Federal Credit Union

For more information on how Riverfront Federal Credit Union can benefit your company, employees, and your employees’ families all at no additional cost! Call our Business Development Office at 610-374-8531 or 800-451-3477 and ask for Jenn (x126) or Maryc (x145). It only takes minutes to provide a benefit that will last a lifetime!

Growing Stronger Together