



# CONNECTIONS

ANNUAL REPORT 2019

## CONSOLIDATED SELECTED FINANCIAL DATA

(Dollars in thousands, except per share data)

Year Ended December 31	2019	2018	2017	2016	2015
<b>Condensed statements of financial performance:</b>					
Interest income	\$49,547	\$51,854	\$29,593	\$20,336	\$17,111
Interest expense	8,600	7,965	4,120	2,172	1,929
Net interest income	40,947	43,889	25,473	18,164	15,182
Provision for loan losses	2,406	615	2,734	453	1,472
Net interest income after provision for loan losses	38,541	43,274	22,739	17,711	13,710
Noninterest income	8,514	8,880	4,411	3,647	2,457
Noninterest expense	42,068	38,925	28,560	17,329	18,071
Income before income taxes	4,987	13,229	(1,410)	4,029	(1,904)
Provision for income tax expense	701	2,371	3,501	962	(1,150)
Net income	\$4,286	\$10,858	\$(4,911)	\$3,067	\$(754)

<b>Condensed statements of financial position:</b>					
Investment securities	\$91,247	\$104,677	\$93,201	\$73,113	\$75,850
Net loans	844,593	886,836	949,665	405,611	405,480
Other Assets	144,114	146,090	120,741	64,324	68,119
Total Assets	\$1,079,954	\$1,137,603	\$1,163,607	\$543,048	\$549,449
Deposits	\$940,480	\$1,004,593	\$1,026,480	\$452,560	\$448,342
Short-term borrowings			6,000	31,500	42,575
Long-term debt	6,971	6,892	13,233	11,154	9,350
Other liabilities	14,393	12,208	11,638	5,914	6,879
Stockholders' equity	118,110	113,910	106,256	41,920	42,303
Total liabilities and stockholders' equity	\$1,079,954	\$1,137,603	\$1,163,607	\$543,048	\$549,449

<b>Per share data:</b>					
Net income	\$0.47	\$1.19	\$(0.91)	\$0.95	\$(0.28)
Cash dividends declared	\$0.35	\$0.30	\$0.55	\$0.55	\$0.55
Stockholders' equity	\$12.81	\$12.49	\$11.72	\$12.95	\$13.20
Cash dividends declared as a percentage of net income	74.47%	25.21%	-60.44%	57.89%	-196.43%
Average common shares outstanding	9,167,415	9,096,142	5,260,537	3,219,339	2,710,558

<b>Selected ratios (based on average balances):</b>					
Net income as a percentage of total assets	0.38%	0.94%	-0.65%	0.57%	-0.17%
Net income as a percentage of stockholders' equity	3.69%	9.81%	-6.97%	7.06%	-2.01%
Stockholders' equity as a percentage of total assets	10.41%	9.61%	9.37%	8.11%	8.36%
Tier 1 capital as a percentage of adjusted total assets	9.07%	8.37%	7.95%	7.72%	7.42%
Net interest income as a percentage of earning assets	4.07%	4.19%	3.76%	3.83%	3.79%
Loans as a percentage of deposits	90.18%	91.32%	92.62%	87.51%	93.50%

<b>Selected ratios (based on period end balances):</b>					
Tier 1 capital as a percentage of risk-weighted assets	11.48%	10.69%	9.74%	9.95%	9.47%
Total capital as a percentage of risk-weighted assets	12.39%	11.42%	10.43%	10.89%	10.71%
Allowance for loan losses as a percentage of loans, net	0.88%	0.71%	0.66%	0.91%	1.07%
Full-time equivalent employees	276	310	297	137	107
Locations	30	32	33	19	17



### DEAR FRIENDS AND VALUED SHAREHOLDERS,

Admittedly, it is with mixed emotions that I share our 2019 annual report with you. While 2019 financial performance shows significant deterioration compared to the previous year, 2019 was also an exciting year for your company regarding the development and implementation of many strategic initiatives designed to enhance core earnings results well into the future. Throughout 2019 we were keenly focused on transitioning into a more efficient organization, generating organic growth, a branch office repositioning strategy, enhancing technological tools, and talent acquisition. I am very proud, as can you be, of the work our employees have done to strengthen our communities and enhance the services we provide to consumer and business customers alike, despite the obvious disappointment in our 2019 financial results.

To achieve our long term strategic objectives, your board of directors, executive management, and department teams were diligent and focused on our future direction and operational efficiencies. In the past year we invested both capital and resources to deliver improved digital capabilities and put forth the actions and plans necessary to lead our company forward as a strong, relevant community bank for years to come.

As I reflect on 2019 I want to put an emphasis on this year's annual report theme, Connections. As a lifelong community banker, I believe that the lifeline of community banks is their ability to create and hold connections that enable our customers and communities to thrive. At Riverview Bank and its Operating Divisions, CBT Bank and Citizens Neighborhood Bank, we take the focus on connections one step further, creating connections of convenience through our digital capabilities and user experience, creating connections within our customer's lives to provide differentiating opportunities with the services and benefits we offer. Our strategy helps to bring our customer base and local businesses together through local merchant discounts and advertising. In the end, these connections create quantifiable returns to our income statement for the benefit of building long term shareholder value.

Through this year of strategic movement, it remained imperative we expand our earning asset base responsibly. Our organic loan activity opportunities were quite healthy, however we remain dedicated to both risk exposure and interest rate

discipline, as well as asset quality management within our existing credit portfolio. As a result, loans, net declined again for a second year in a row, which is being addressed by focusing on methods to responsibly generate additional opportunities without increasing our risk profile. We are continuing to focus on methods that include expansion into new growth markets through the opening of new full-service offices and limited purpose offices, as well as attracting additional asset generation employees to our organization in the year to come. In the last quarter of 2019 we experienced strong loan demand within our expanded markets and through new employees focused on commercial relationship opportunities. With a healthy pipeline of activity entering 2020, we are poised to begin demonstrating growth in our loan balances outstanding early in the year. Additionally, and as direct result of one of our strategic initiatives during 2019, we experienced an increase in total noninterest income of \$657 thousand, or 34%, during the quarter ended December 31, 2019 compared to the prior quarter ended September 30, 2019, and our total interest-bearing fund costs declined to 0.99% for the quarter ended December 31, 2019 from 1.05% for the quarter ended September 30, 2019. These are examples of the results we are achieving through deliberate tactical and strategic initiatives initiated early in the year 2019.

Together we will move forward with a focus on the well-being of our company for customers, shareholders, employees, and the communities we serve alike. We remain committed to providing a strong platform for delivering the very best in products and services, contributing to the future growth and success of our customers and, as result, your company.



**BRETT D. FULK**  
PRESIDENT & CEO



“**CREATING CONNECTIONS THROUGH OUR LOCAL COMMUNITIES BY OFFERING DIFFERENTIATING FEATURES, DIGITAL CAPABILITIES AND LOCAL RELATIONSHIPS.**”

**BRETT D. FULK** | PRESIDENT & CEO



### GROWTH & RECOGNITION

In the first quarter of 2019 we initiated specific strategic initiatives to enhance noninterest income, improve operating efficiencies and increase interest income. As a result, adjustments were knowingly made that would temporarily affect our financial metrics in a negative manner, but would ultimately create enhanced core earnings for the future. Throughout 2019 much repositioning occurred throughout our organizational structure, our branch geography, and the creation of products, services, and digital resources that provided greater customer convenience and revenue generation for your company. As we continue to build the bank for future success, we were humbled to receive recognition from several notable organizations throughout our marketplace. These accolades are tangible examples of our connection to the communities we serve and the outstanding efforts of our team members. Our overarching attempts to continue capitalizing upon our current scale for the purpose of enhancing long term shareholder value remains a top priority.

### AWARDS & RECOGNITION

**RANKED #1 ON THE  
TOP 50 BUSINESSES**

*The Greater Reading Chamber Alliance*



**RANKED #4 ON THE  
TOP 50 FASTEST GROWING  
COMPANIES 2019**

*Central Penn Business Journal*

**COMMUNITY COMMITMENT  
AWARDS RECOGNITION**

*American Bankers Association Foundation*



**TOP 100 COMPANIES**

*The Pennsylvania Business Central*

### HIGHLIGHTS IN THE NUMBERS

- » Book value per share and tangible book value per share grew to \$12.81 and \$9.83 per share, respectively, at the end of the fourth quarter of 2019, representing increases of \$0.32 and \$0.44 per share, respectively, compared to the same period last year.
- » Stockholders' equity as a percentage of total assets improved to 10.94% at the end of the fourth quarter of 2019 compared to 10.01% at the same period last year.
- » Tangible stockholders' equity as a percentage of tangible assets increased to 8.61% at December 31, 2019, from 7.72% at December 31, 2018.

**Total  
Assets**

**\$1.08**  
BILLION

**Total  
Deposits**

**\$940**  
MILLION

**Total Loan  
Balance**

**\$852**  
MILLION

**RIVERVIEW  
BANK**

**CBT  
BANK**

**UNB**



**27** Community Offices

**+ 3** Limited Purpose  
Offices

**14** Counties Across  
PA served

**276** Total Employees



## RIVE COMMON STOCK TOTAL RETURN 2019: 18.16%

## GROWTH THROUGH NEW MARKET OPPORTUNITIES

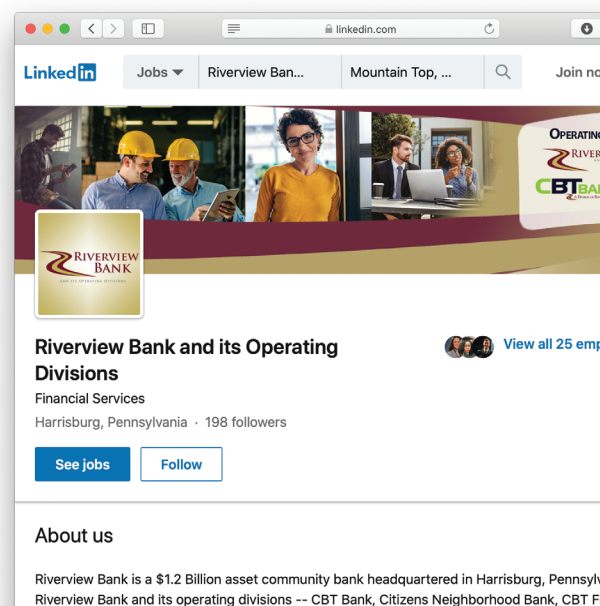
2019 demonstrated our strategy of repositioning and generating growth throughout our market geography. We remain committed to our legacy markets while adding new growth markets that compliment both the culture and business model of our organization. In September of 2019 we entered Cumberland County, opening a full-service Community Office in Camp Hill. On the heels of this new office opening, we quickly followed with a grand opening in the new market of the Lehigh Valley, with our full-service Allentown Community Office. We then ended the year with the addition of Bucks County as a new market, with our Southampton Limited Purpose Office opening in November. We have been welcomed into our new markets with open arms from community members, businesses and other organizations from day one. Providing experienced, local bankers with knowledge of each unique market's landscape is the model we deploy, which continues to bear fruit.

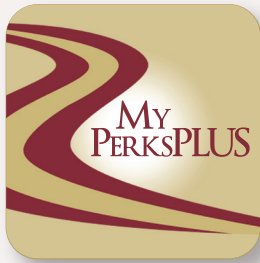


## CONTINUED ENHANCEMENT ON DIGITAL CAPABILITIES

Providing our customers and employees digital enhancements for a superior user and customer experience is at the forefront of everything we do. During 2019 we continued to lay a foundation where innovation can thrive. One example is working with financial technology partners on both internal and external enhancements that will create an optimal user experience for our community banking customers; such as our digital mortgage application interface. Our digital mortgage application provides customers and employees efficiencies that create a user-friendly mortgage experience quickly, from beginning to end.

On the social front, Riverview Bank and its Operating Divisions collectively now have five social platforms, providing daily real-time and relevant content to our followers. We began using the social platform LinkedIn, offering a dedicated corporate page to the professional community, and creating a substantial following with over 16,200 post impressions regularly. Another platform added during the year was a Riverview Bank YouTube channel, launched to serve as a repository of all video communications, such as our quarterly leadership messages and our community impact videos. These additional social platforms add to our already robust Facebook platforms.





**Roadside  
Assistance**



**Cell Phone  
Protection**



**Local Merchant  
Discounts**



**Prescription  
Drug Savings**



**Identity Theft  
Protection**

## PROVIDING DIFFERENTIATING FEATURES WITH PLUS CHECKING

**Change the way you bank, not the way you live.**

In September, 2019 we launched our new suite of checking account products, providing our customers with life-style benefits such as; roadside assistance, cell phone protection, local merchant discounts, and more. These new features had a dual role; providing our customers with differentiating benefits that can be used within their daily lives, and replacing numerous costly subscription fees with a minimal one-time monthly fee. This, in turn, is also beneficial for the bank by creating a new source of non-interest income, as well as reduced costs associated with enhanced eStatement adoption. The fourth quarter launch of the PLUS checking suite, in addition to other fee production changes, increased total noninterest income \$657 thousand, or 34%, during the fourth quarter of 2019 compared to the prior quarter ended September 30, 2019. Also, our eStatement adoption in the fourth quarter increased by over 45% as a direct result of the PLUS checking suite launch.

### My PerksPLUS Local-Merchant Discount Program

Our new PLUS Checking goes beyond the traditional checking account for customers. With this product suite we created a community program that allows local merchants to advertise free of charge, through offering discounts to our PerksPLUS deposit account customers. This interactive process allows merchants to stay visible to our PerksPLUS account customers with notifications sent right to the customer's phone! Our My PerksPLUS discount program is provided to every customer as a mobile device app, allowing the customer the digital capabilities of saving money at the touch of a button, while creating new traffic in our communities' local businesses. In the fourth quarter our Community Office Relationship Managers onboarded over 800 local businesses to our My PerksPLUS program, benefiting both our PerksPLUS account customers and the participating local merchants alike.

## COMMITMENT TO OUR COMMUNITY

### American Heroes Checking Account

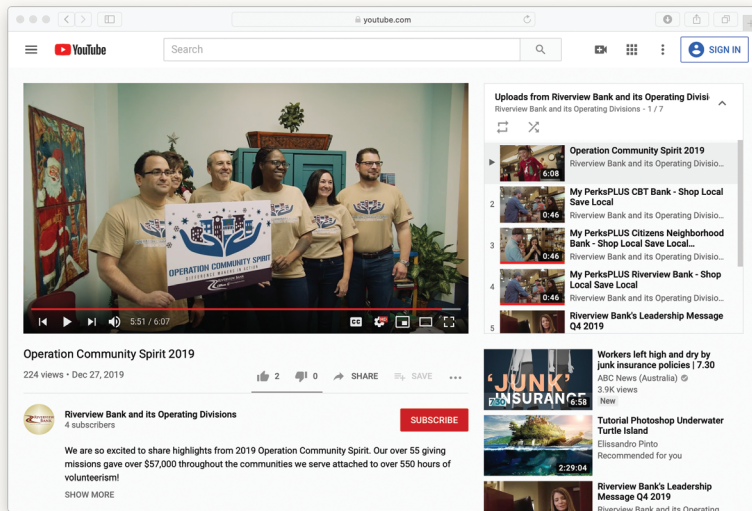
With the launch of our new PLUS Checking Suite, we were very proud to also introduce our new American Heroes Checking Account, our community advocacy checking account exclusively available to active military, military veteran, and first responder customers. Our American Heroes Checking gives this exclusive class of individuals within our local communities value-added lifestyle features and benefits while placing an extra safeguard on identity theft protection through credit monitoring and restoration, all while allowing these worthy individuals to earn interest on their account balances, recognize premium discounts, and assistance in helping them keep their lives less stressful in critical financial areas with services and protection needed for potential unforeseen events.

**AMERICANHEROES**  
**CHECKING+**

*We are proud to serve those who serve us.*







**OPERATION COMMUNITY SPIRIT**  
DIFFERENCE MAKERS IN ACTION

**500+** VOLUNTEER HOURS

**55+** NON-PROFITS SUPPORTED

**\$57,000** GIVING DOLLARS

## ANNUAL COMMUNITY IMPACT

Through action and contributions, we are proud to continue supporting the communities we serve throughout our marketplace. During 2019 our 276 employees spent over 1,100 hours volunteering their time, and our company provided \$558,236.00 to worthy organizations across our bank's footprint, assisting over 330 Non-Profit organizations. Our community investments continue to be led by our collective local knowledge of communities we serve, largely through the involvement of our local team members.

### 2019 Giving Highlights

#### » Penn State Dubois and Ben Franklin Technology Partner's Techcelerator Sponsorship — \$1,500

Riverview Bank and its Operating Divisions were thrilled to collaborate with these two great organizations to provide the opportunity of the Techcelerator contest, where entrepreneurs were provided the chance to win a grant towards their submitted project. In addition to our contribution, we were honored to have Joe Kelly, SVP, Market Executive, participate as a judge on the judging panel.

#### » Polk Foundation Communication Enhancement Contribution — \$15,000

Through Community Development efforts Riverview Bank supported the elderly in one of our legacy markets by enhancing the communication system's safety alerts for facility staff members to better serve their residents.

#### » Pottsville Police Bureau — \$7,585

In support of our own American Heroes, Riverview Bank donated \$7,585 to the Pottsville Police Bureau, the contribution was made for the bureau to purchase in-car video systems, first-aid equipment, and other safety equipment necessary to increase safety in the communities served and mitigate risk within the police force.



### BOARD OF DIRECTORS



**JOHN G. SOULT, JR.**  
CHAIRMAN



**BRETT D. FULK**  
PRESIDENT & CEO



**DAVID W. HOOVER**  
VICE CHAIRMAN



**PAULA M. CHERRY**  
Director



**ALBERT J. EVANS**  
Director



**MAUREEN M. GATHAGAN**  
Director



**HOWARD R. GREENAWALT**  
Director



**JOSEPH D. KERWIN**  
Director



**KEVIN D. McMILLEN**  
Director



**TIMOTHY E. RESH**  
Director



**MARLENE K. SAMPLE**  
Director



**WILLIAM E. WOOD**  
Director



## OFFICERS & MANAGEMENT

### EXECUTIVE MANAGEMENT

**Brett D. Fulk**

President and Chief Executive Officer

**Scott A. Seasock**

SEVP, Chief Financial Officer

**Ginger G. Kunkel**

SEVP, Chief Operating Officer

**Steven Ehrlich**

SEVP, Chief Strategy Officer

**Richard W. Ogden**

SEVP, Chief Risk Officer

### SENIOR MANAGEMENT

**Zachary Flynn**

EVP, Chief Lending Officer

**LeeAnn Gephart**

EVP, Chief Marketing Officer

**Ronald Bednar**

EVP, Chief Information Officer

**Wim Van Olden**

EVP, Chief Credit Officer

**Joseph Kelly**

SVP, Commercial Market Executive

### SENIOR OFFICERS

**Melinda Aungst**

Executive Administrator, Corporate Secretary

**Theresa Wasko**

Finance Planning Officer, Senior Vice President

**Jeffrey Krall**

Financial Services Program Manager, Vice President

**Christine Zanis**

Director Of Trust Services, Senior Vice President

**Susannah W.G. Smith, CTP**

Director Of Treasury Management, Vice President

**Robyn Alexander**

Director Of Retail Operation & Automation, Vice President

**Jason McFalls**

Director Of Retail Banking, Vice President

**Kayla Irwin**

Security Officer, Vice President

**Connie Hooks**

BSA Officer, Senior Vice President

**Karen Wriglesworth**

Chief Compliance & CRA Officer, Senior Vice President

**Robert Weidler**

Controller, Senior Vice President

**Dean Sanders**

Information Security Officer, Senior Vice President

**Lori Kissinger**

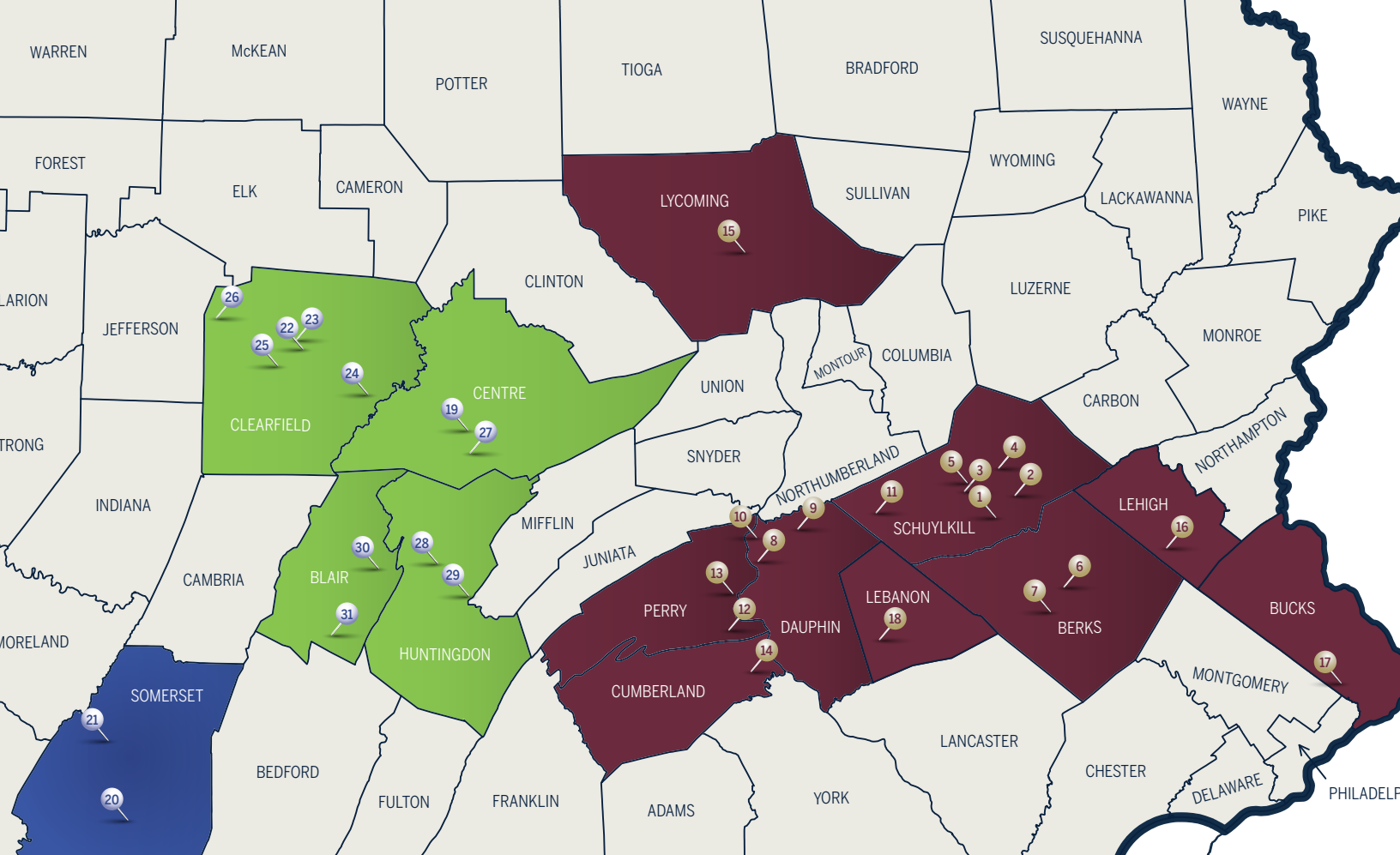
Deposit Services Manager, Vice President

**Jon Yarger**

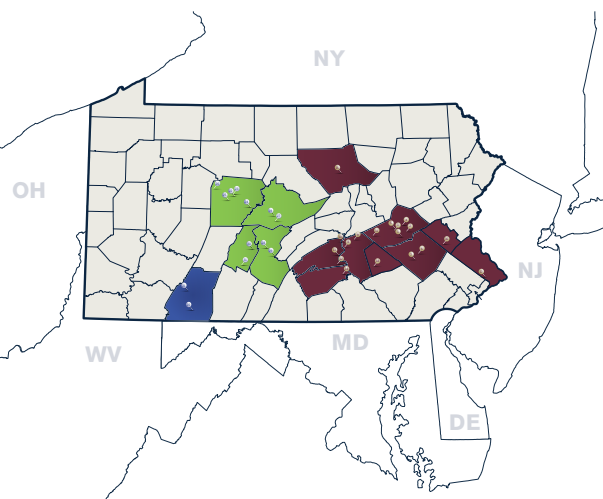
Director Of Consumer Services, Vice President

**Linda Broome**

Loan Operations Manager, Vice President



## LOCATIONS



- |   |   |
|---|---|
| 1 CRESSONA  | 16 ALLENTOWN                                      |
| 2 ORWIGSBURG  | 17 SOUTHAMPTON COMMERCIAL                         |
| 3 POTTSVILLE WEST MARKET ST                               | 18 RIVERVIEW WEALTH MANAGEMENT                    |
| 4 POTTSVILLE PARK PLAZA<br>N. Claude A. Lord Blvd., Rt 61 | 19 STATE COLLEGE COMMERCIAL                       |
| 5 WEALTH MANAGEMENT & TRUST                               | 20 MEYERSDALE                                     |
| 6 TEMPLE  | 21 SOMERSET                                       |
| 7 WYOMISSING  | 22 N. SECOND STREET,<br>WEALTH MANAGEMENT & TRUST |
| 8 HALIFAX   | 23 BRIDGE STREET                                  |
| 9 ELIZABETHVILLE  | 24 PHILIPSBURG                                    |
| 10 MILLERSBURG  | 25 CURWENSVILLE                                   |
| 11 TOWER CITY   | 26 DUBOIS   |
| 12 RIDGEVIEW  | 27 PINE GROVE MILLS                               |
| 13 DUNCANNON  | 28 HUNTINGDON PLAZA                               |
| 14 CAMP HILL  | 29 MOUNT UNION                                    |
| 15 WILLIAMSPORT   | 30 WILLIAMSBURG                                   |
|   | 31 MORRISONS COVE                                 |



## STOCKHOLDER INFORMATION

### CORPORATE HEADQUARTERS

3901 North Front Street | Harrisburg, PA 17110

### LEGAL COUNSEL

Luse Gorman, PC

5335 Wisconsin Avenue, NW, Suite 780 | Washington, DC 20015

### INDEPENDENT AUDITORS

Crowe LLP

1455 Pennsylvania Avenue, N.W., Suite 700 | Washington, DC 20004-1008

### TRANSFER AGENT

American Stock Transfer & Trust Company

6201 15th Avenue, Brooklyn, NY 11219

### MARKET MAKERS

Boenning & Scattergood, Inc. | 610-862-5368

Keefe, Bruyette & Woods | 212-887-7777

Wedbush Securities | 866-662-0351

### COMMUNITY REINVESTMENT

Copies of Riverview Bank's Community Reinvestment Statement may be obtained without charge by writing to Compliance Officer, at corporate headquarters.

### DIVIDEND REINVESTMENT

Riverview Financial Corporation offers a Dividend Reinvestment Plan whereby stockholders can increase their investment in additional shares of common stock at a 5% discount and without incurring fees or commissions. A prospectus and enrollment form may be obtained by contacting American Stock Transfer & Trust Company, Dividend Reinvestment Department, 6201 15th Avenue, Brooklyn, NY 11219, 1-800-937-5449.

### DIVIDEND DIRECT DEPOSIT

Riverview Financial Corporation stockholders not participating in the Dividend Reinvestment Plan may opt to have their dividends deposited directly into their bank account by contacting American Stock Transfer & Trust Company at 1-800-937-5449.

### COMMON STOCK MARKET INFORMATION

Shares of Riverview Financial Corporation common stock are listed on the Nasdaq Global Market under the symbol "RIVE".

The high and low closing sale prices and dividends per share of the Company's common stock for the four quarters of 2019 and 2018 are summarized as follows:

### STOCK PRICE & CASH DIVIDEND

2019:	HIGH	LOW	DIVIDEND
First Quarter	\$13.00	\$10.90	\$0.10
Second Quarter	\$11.44	\$10.50	\$0.10
Third Quarter	\$11.68	\$9.90	\$0.075
Fourth Quarter	\$12.50	\$11.10	\$0.075
2018:	HIGH	LOW	DIVIDEND
First Quarter	\$13.85	\$12.31	—
Second Quarter	\$12.75	\$11.85	\$0.10
Third Quarter	\$14.40	\$12.56	\$0.10
Fourth Quarter	\$14.29	\$10.11	\$0.10

### WEBSITE INFORMATION:

The Company files reports, proxy and information statements and other information electronically with the Securities and Exchange Commission ("SEC"). The SEC maintains an Internet site that contains reports, proxy and information statements and other information regarding issuers that file electronically. The SEC's website address is <http://www.sec.gov>. The public can obtain any documents that the company files with the SEC. In addition, the company maintains an Internet website at [www.riverviewbankpa.com](http://www.riverviewbankpa.com). The company makes available, free of charge, through the "Investor Relations" link on our Internet website, the annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act as soon as reasonably practicable after they are electronically filed with, or furnish to, the SEC.

