

11

Annual Report

It's A New Day!



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2012 Business Meeting Agenda

Call to Order-----Marilyn Smith, *Board Chairman*

Establishment of Quorum

Introduction of Directors

Reports to Membership - All reports are available in this Annual Report

Chairman's Report -----	Marilyn Smith
Minutes – 75th Annual Meeting -----	George McKibben, <i>Secretary</i>
Treasurer's Report -----	Lora Hildreth, <i>Treasurer</i>
Loan Committee -----	Dana Baker, <i>Senior VP of Operations</i>
Business Services Group -----	Chris Courtney, <i>Director of Business Services</i>
Supervisory Committee -----	Jason Webber, <i>Supervisory Chairman</i>
Motion to approve the above reports	

Unfinished Business

None for this meeting -----Marilyn Smith

New Business

Board of Directors Election Results -----	Marilyn Smith
William H. Yohler Memorial Scholarship Award -----	Marilyn Smith
President's Comments-----	Jeffrey E. Sikora, <i>President/CEO</i>
Recognition of Staff-----	Jeffrey E. Sikora

Questions and Answers-----General Board

Adjournment -----Marilyn Smith

Motion to adjourn this 76th Annual Meeting of PrimeTrust Financial.

Door Prize Drawing



Federally insured by NCUA.



Chairman's Report for 2011

What a year 2011 was for our Credit Union! Rarely do two events of such magnitude occur in the same year, but 2011 will always be known as the year we became community-chartered and changed our name! Both changes were critical for our future.



Marilyn Smith,
Board Chairman

In February 2011, our request to become community-chartered was approved by the National Credit Union Administration (NCUA), which is the federal regulatory agency

for credit unions. By adopting a community-charter, we can offer membership to anyone who lives, works, worships, or goes to school in Delaware County. Broadening our member-base in this manner insures your Credit Union can continue to grow and prosper. Growth has always been our focus: an institution that does not grow does not survive!

The other great change of the year came in October, when we introduced our new brand-name, PrimeTrust Financial Federal Credit Union. This new name was driven by two primary thoughts. First, Borg Warner and Warner Gear were no longer parts of our community, so on-going association with them was pointless. We needed a name that connected with our community, and after extensive market research that involved members and potential members, PrimeTrust Financial was selected. A name should describe who and what you are as an organization: PrimeTrust Financial describes us well!

The second reason for the brand-name change lies in the expanded products and services your Credit Union has to offer. Our product lines go far beyond the savings, checking and auto loans that are usually associated with credit unions. We now offer consumer and commercial services, commercial lending, first mortgages and equity loans, vehicle loans and credit cards, as well as a complete array of electronic access capabilities. By virtue of all it has to offer, PrimeTrust Financial is not the same Credit Union WGE was! We're a full-service financial provider and resource for consumers and businesses alike!

Despite all the apparent changes of the past year, it's important for us to remember that our Mission of providing financial benefit for our members is not complete. It never will be. Members' consumer habits and their wants and needs are always changing, either as a result of age, income, or stage of life. To remain a relevant service-provider, we must match these dynamics by listening to our membership and providing answers that provide benefit. Change is inevitable, even after the magnitude of change we saw in 2011.

On behalf of PrimeTrust Financial's Board of Directors, we appreciate your business and support. We take our responsibilities very seriously, and are dedicated with providing you, our member-owners, with the very best service-provider possible! No matter what our name is, we are first and foremost a member-owned financial cooperative where character counts! "People helping people" is not just a catchy phrase, it's our commitment to you!

Meeting Minutes from 2011

The 75th Annual Meeting was held at the Horizon Convention Center in Muncie, Indiana on April 30, 2011.

Call to Order: Chairman Johnny Reason called the business meeting of WGE Federal Credit Union to order at 7:35 p.m.



George McKibben,
Secretary

Board of Directors Roll

Call: Roll call was taken by Secretary, George McKibben. Present were Johnny Reason, Lora Hildreth, George McKibben, Marilyn Smith, LaRue Cross, and Jim Butler. Absent was Madlyn Cleverger.

Motion to accept roll call by McKibben, second by Butler, motion carried. McKibben recognized a quorum was present.

Board Introduction: Reason introduced the Board of Directors.

Annual Report: Reason identified the lists of reports included in the 2010 Annual Report brochure; Chairman's Report, Minutes of 74th Annual Meeting, Treasurer's Report, Loan Committee Report, and Supervisory Committee Report.

Motion to accept the reports as printed made by McKibben, second by Smith, motion carried.

Unfinished Business: Reason stated there is no unfinished business.

New Business: No New Business from the floor.

Election Report: Reason reported that the Nominating Committee's slate of officers were Smith (incumbent), Hildreth, and Rose. There were no nominations by petition so the slate is approved by acclamation.

Motion by McKibben to approve slate by acclamation. Second by Smith. Motion carried.

Reason thanked the Directors for their dedicated volunteer service.

William H. Yohler Memorial Scholarship

Award: Sikora introduced Lissa Yohler-Campbell. Campbell announced Kacey Marie Needham as the recipient of the 2011 William H. Yohler Memorial Scholarship. Needham thanked the Committee and the Board for the recognition.

President's Comments:

- Sikora recognized Reason for his tenure on the Board
 - Reason's two terms have seen a lot of change in the credit union and the industry
 - Reason was always driven by "what is the right thing to do."
- Sikora presented Reason with a plaque and a gift certificate
- Reason thanked Sikora, the Board, the members, and the staff for their support
 - He commented that he is very excited for the future of WGE
 - Reason is confident that WGE will grow and thrive
 - In a cooperative, it is to everyone's advantage to participate
 - We have been adding to our product lines in order to meet all financial needs of our members



Treasurer's Report for 2011

2011 was quite a historic year for the Credit Union! The new name and charter created a great deal of excitement within our membership and the local community. Given the new look and feel of the



Lora Hildreth,
Treasurer

Credit Union, it's easy to understand how its financial success in 2011 might be overlooked. Nonetheless, PrimeTrust Financial (PTF) capped its banner year with a solid financial performance!

For the year, PTF was profitable, increased its capital level, and grew in terms of Assets, Deposits and Total Loans. While the growth numbers may not have been robust, the fact any growth was recognized given our economic environment is a noteworthy accomplishment. This year's increases emphasize why it was so important for us to incorporate commercial lending and the community charter: we must diversify into new markets and product offerings to sustain healthy levels of growth. Any organization that does not grow will eventually die.

Here are some of the noteworthy items from our 2011 Financials:

- Net Income was over \$300,000; this was after paying all expenses related to the year's changes and an industry-wide share insurance fund assessment.

- PTF's Capital Ratio increased to 11.17%, up from the 2010 year-end level of 11.02%. (NCUA's guideline for well-capitalized is 7 %.)
- Loan Production was more than \$36,250,000. Production of first mortgages and equities totaled more than \$7,000,000; Commercial lending production topped \$3,500,000; personal loans and Visa combined for over \$25,500,000.
- PTF paid members nearly \$1,200,000 in dividends on their savings.
- Delinquency and charge-off both were less than forecast for the year.

Looking ahead to 2012, PTF remains committed to providing members with reasonably priced sources of credit. Whatever your need may be, PTF has a loan program to suit your needs. We have options for buying or refinancing your home; tapping your home's equity; buying that new car or additional used car; credit cards with no annual fee, and a variety of other personal loans. In addition to all these personal consumer loans, we also offer a full menu of commercial loans. Now business-owners in Delaware County have another alternative to consider! No matter what type of loan you're looking for, we are committed to saying "Yes"!

In closing, I want to emphatically say that PTF is financially safe, strong, and well-capitalized. Our commitment as a Board is to the long-term viability and success of your Credit Union. We are "People helping people"!

Loan Committee Report for 2011

The business year 2011 was a time to transition the Legacy of WGE to the Potential of PrimeTrust Financial. New name but same dedication to member service.



Dana Baker,
Senior Vice President
of Operations

PrimeTrust Financial's emphasis continues to be providing cutting edge loan products and access points.

PrimeTrust Financial offers a full array of consumer, mortgage, and commercial products

at some of the best rates in the area.

Need a loan, think of PrimeTrust Financial!

The loan production for 2011 consisted of:

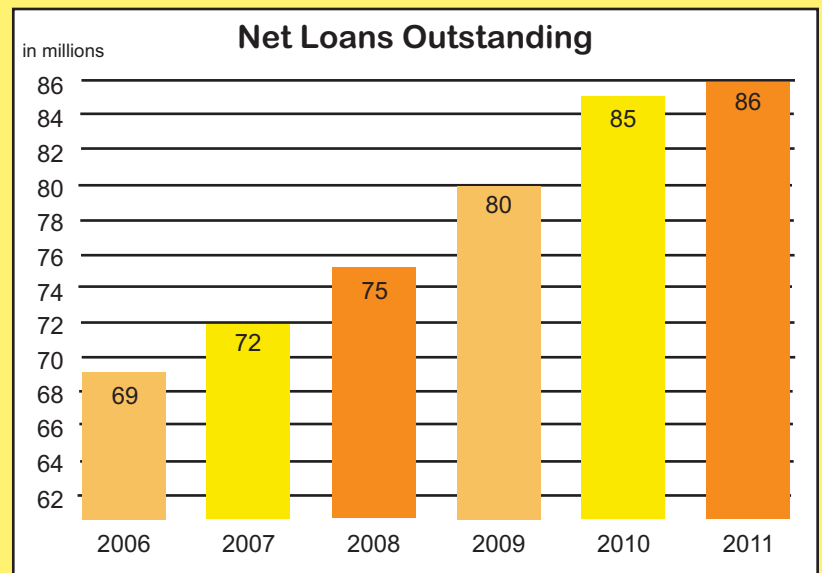
- \$5,442,125 - Real Estate loans
- \$25,507,976 - Consumer loans
- \$1,730,500 - Credit Cards
- \$3,576,299 - Commercial

for total loan production of \$36,256,900

Overall Loan portfolio composition

- \$37,701,603 - Real Estate loans
- \$33,616,619 - Consumer loans
- \$10,534,432 - Credit Cards
- \$4,897,950 - Commercial

for a total loan portfolio of \$86,750,604



PrimeTrust Financial's net loans outstanding 2010 were \$84,542,429. In 2011, it was \$85,610,895 for a 1.25% increase.



Business Services Group Report for 2011

2011 was the first full year of production for the Business Services Group. The BSG focus in 2011 remained geared towards small to medium-sized businesses and as a result, success was had during the year. Total production for the year was \$3,685,300 with \$3,009,800 in Member Business Loans and lines of credit, \$635,000 in consumer mortgages and \$40,000 in business credit cards. At the end of 2011, the total for loans outstanding in the Member Business Loans portfolio was \$4,957,421.

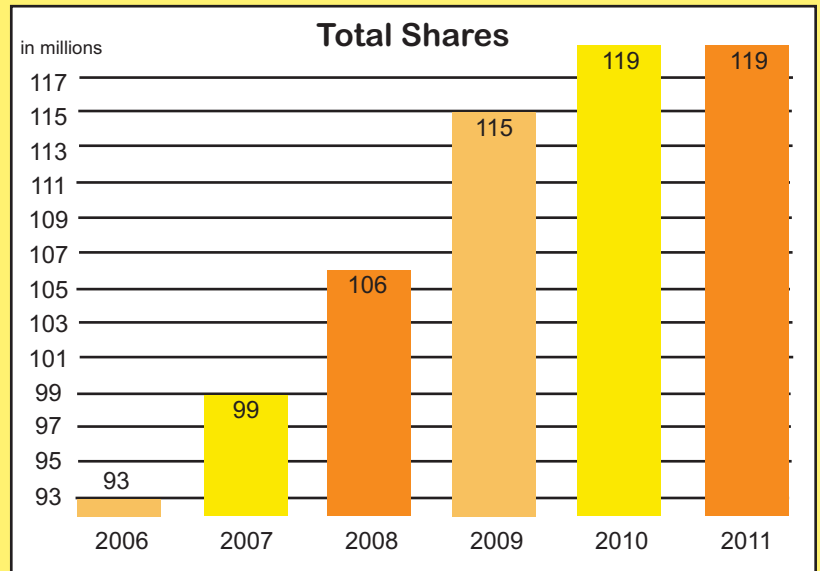
The deposit side of the Business Services Group saw significant increases in 2011. Total deposit balances at

the end of the year were \$2,378,829.

Overall, 2011 was a successful year for the Business Services group and the outlook for 2012 is even more positive. The Business Services Group continues to be on the hunt for any and all opportunities that exist in Muncie or Delaware County.



Chris Courtney,
Director of
Business Services



Total shares rose from \$118,938,341 in 2010 to \$119,471,657 in 2011, creating an 0.45% increase in one year.



Financial Statement for 2011

ASSETS

Home Equity Loans _____ 7,070,782.05
Real Estate Loans _____ 30,630,820.64
Member Business Loans ___ 4,897,949.87
Share Secured Loans _____ 919,023.36
All Other Loans _____ 32,697,595.26
Visa Gold _____ 3,932,133.47
Visa Classic _____ 1,334,699.23
Visa Platinum _____ 5,267,599.79
Total Loans _____ 86,750,603.67
Allowance for Loan Losses (1,139,708.42)
Net Loans Outstanding ___ 85,610,895.25

Cash _____ 3,625,608.70

Corporate Investments ___ 14,182,683.07
Bank CDs _____ 26,460,015.00
NCUSIF _____ 1,181,497.29
All Other Investments _____ 3,223,089.67
Total Investments _____ 45,047,285.03

Land & Buildings _____ 2,756,453.01
Furniture & Fixtures _____ 727,035.35
All Other Assets _____ 643,309.31
TOTAL ASSETS _____ 138,410,586.65

LIABILITIES

Accounts Payable _____ 227,615.14
Dividends Payable _____ 43,487.50
Unapplied DP Exceptions ___ 2,869,359.87
All Other Liabilities _____ 339,140.88

Share Certificates _____ 30,638,087.08
Share Draft Accounts ___ 17,534,790.29
Regular Shares _____ 37,844,156.38
Money Market Shares ___ 19,313,918.18
IRA Accounts _____ 14,140,705.39
Total Shares _____ 119,471,657.32

Regular Reserves _____ 3,147,530.33
Undivided Earnings _____ 12,311,795.61
Total Equity _____ 15,459,325.94

TOTAL LIABILITIES

& EQUITY _____ 138,410,586.65



Income and Expenses for 2011

	2011	2010
INCOME		
Interest Income on Loans	5,978,980.25	5,804,338.77
Investment Income	552,964.60	623,374.17
Other Operating Income	2,668,882.55	2,557,438.78
Total Income	9,200,827.40	8,985,151.72
OPERATING EXPENSES		
Employee Compensation	2,397,050.83	2,273,000.66
Employee Benefits	697,206.28	591,403.28
Travel & Conference	4,785.23	14,376.44
Association Dues	18,004.80	17,573.90
Office Occupancy	439,448.73	412,466.57
Office Operations	2,132,460.63	2,119,599.00
Loan Servicing	390,527.46	360,420.82
Professional & Outside Services	32,507.77	134,928.40
Member Insurance	41,958.84	43,056.09
Supervisory Fees	31,288.12	31,427.07
Miscellaneous Expenses	742,637.12	695,581.70
Total Operating Expenses	6,927,875.81	6,693,833.93
INCOME FROM OPERATIONS	2,272,951.59	2,291,317.79
Dividend Expenses	1,043,007.56	1,351,400.74
Provision for Loan Losses	928,983.55	1,693,613.02
Gain/Loss on Investments	13,727.35	(305,760.34)
Gain/Loss on Fixed Assets	(8,272.02)	(14,908.49)
Other Non-Operating Income	8,500.35	
NET INCOME/LOSS	314,916.16	(1,074,364.80)



Supervisory Committee Report for 2011

The Supervisory Committee's role within the Credit Union is to insure the financial records of the Credit Union are in order and comply with Federal Regulations.

In addition to the Supervisory Committee's operational oversight, it also employs the accounting firm of Whiting & Company LLC to perform the Annual Audit and Quarterly Reviews as required by the National Credit Union Administration (NCUA).

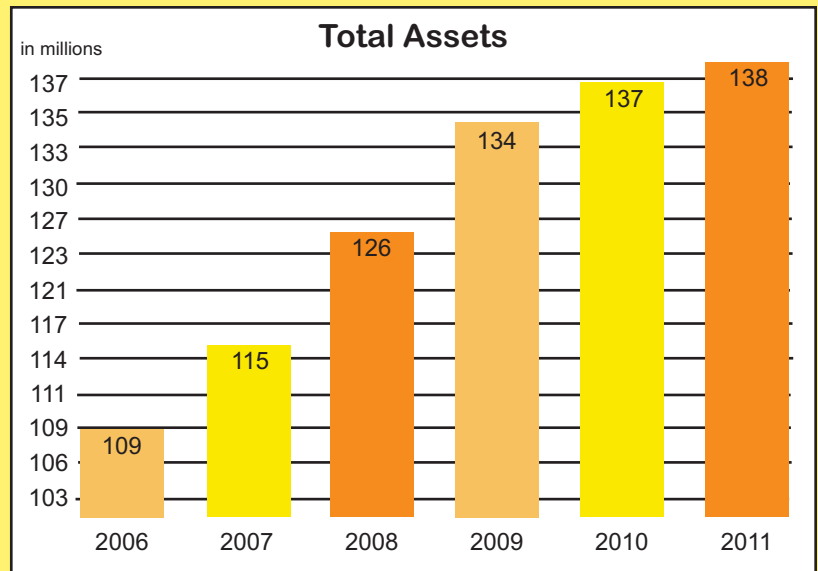
In 2011, this audit and quarterly reviews were performed by Whiting & Company LLC. They determined that all of PrimeTrust Financial Federal Credit Union's accounts and records were in order and certi-

fied that the financial statements accurately reflected the Credit Union's financial position.

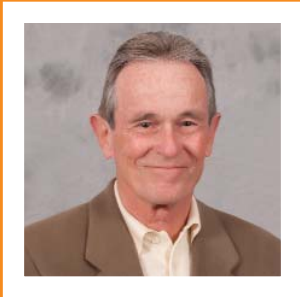
The Supervisory Committee also oversees the results of NCUA's Annual Examination. This examination insures the Credit Union is operating in a safe and sound manner and qualifies for Federal Deposit Insurance. The results of the 2011 NCUA Exam determined PrimeTrust Financial was operating in a manner that complies with NCUA regulations and expectations, and that it did qualify for Federal Deposit Insurance.

Jason Webber
John W James III

Total Assets grew to \$138,410,586 in 2011 from \$137,463,752 in 2010, representing an increase of 0.69%.



Board Nominees for 2012



Jeff Carter,
Director

Jeff Carter was born and raised in Detroit, Michigan. He has worked as an entertainer and opened a teenage nightclub in Muncie called the Hullabaloo Club. He brought Jimmi Hendrix to Muncie in 1968!

He's the owner of Jeffrey E Carter Jewelers and has been in business for over 40 years.

He's been on the board of Muncie Civic Theatre for 35 years, and has served on the board of the Muncie Children's Museum. He's a founding member of the Sunrise Rotary and a former member of the Noon Rotary and The Muncie Exchange.

He's married to Connie Carter and they have four children and ten grandchildren.

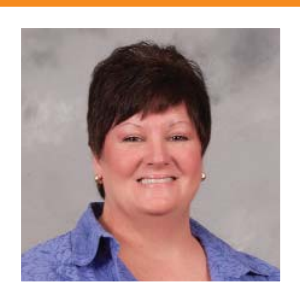


George McKibben,
Secretary

George McKibben is finishing his second term on the board of directors for PrimeTrust Financial where he has served as your secretary for six years. He was employed at Borg Warner for over 26 years, and has served as vice president of the union, alternate committeeman, chair of the steward body, and steward.

He recently earned his associates degree in Business Administration from Ivy Tech.

George is married to Cynthia they have two boys and four grandchildren.



Redeania Neely,
Director

Redeania Neely grew up in the Selma area and graduated from Wapahani High School in 1978. She went to Ball State University and graduated with an associate degree in management. She has worked at Ball State in the University Budget Office as a budget assistant for 31 years.

She has been married to Frank (Buddy) for 31 years and they have one daughter, Jill, who is married.

Redeania and her husband enjoy camping and boating at Dale Hallow Lake and going to Las Vegas and casinos.



2012 William H. Yohler Memorial Scholarship Winner

PrimeTrust Financial Federal Credit Union has awarded the 2012 William H. Yohler Memorial Scholarship to Kyla Jo Tighe.

Kyla, a senior at Wapahani High School, is the daughter of Jennifer Haney and Thomas Tighe. She plans on attending Indiana Wesleyan University to pursue a degree in Photography/Graphic Design.

Kyla's career goal is work in a photography studio then open her own studio.

Kyla began her volunteer experience at IU Health-Ball Hospital, and has continued to volunteer through Secret Families, Blood and Fire Ministries, UPWARD, diabetes Camp, and several others. She's very active at school with Prom Committee, Student Council, Varsity Golf, Yearbook, and various other activities.

Even with Kyla's busy schedule, she is able to maintain a rigorous academic schedule and be on the honor roll. Congratulations, Kyla!



2012 William H. Yohler Memorial Scholarship
Kyla Jo Tighe
Wapahani High School

Dedicated Volunteer: William (Bill) H. Yohler



William (Bill) H. Yohler

The growth and success of WGE Federal Credit Union, and now PrimeTrust Financial, can be attributed to the many dedicated volunteers who have served over the years. PrimeTrust Financial's longest serving volunteer was William (Bill) H. Yohler. Bill became a volunteer in 1944 and served for 57 years. In addition to Bill's dedication to the Credit Union, he was also active in the community as a civic and social volunteer.

After Bill's death in September 2001, PrimeTrust Financial established a scholarship in his name. The goal of the scholarship is to recognize a student who shows Bill's dedication and concern for others through their own volunteer efforts.

In 2008, the scholarship was increased to \$4,000 payable in \$1,000 increments over four years. The funds may be used as the student sees fit and may be used at any university or college. Last year's scholarship winner was Kasey Marie Needham from Delta High School.

President's Report for 2011

From the Legacy of WGE to the Potential of PrimeTrust Financial!

Welcome to our first Annual Meeting as PrimeTrust Financial Federal Credit Union! Tonight we celebrate our transition from the Legacy of WGE Federal Credit Union to the Potential of PrimeTrust Financial!



Jeffrey E. Sikora,
President and CEO

Tonight, we say good-bye to our old friend WGE FCU, while at the same time welcoming the new and more robust PrimeTrust Financial FCU.

First, let's honorably retire WGE FCU! The financial value it offered, the commitment of its staff, and the dedication of its volunteers over the last 75 years are our legacy and heritage. WGE is in our DNA; we carry these examples forward with pride and honor. Congratulations WGE, for a job well done! And thank you...

Our new brand-name reflects the changes in the local environment. Warner Gear and Borg Warner are no longer parts of this community, but we are! Also, I'd like to emphasize that while our name changed, we have not been bought-out or merged, nor are we in trouble! We changed for positive and progressive reasons that reflect the Credit Union's increased capabilities. Consider these:

1) PTFCU is now community chartered: anyone who lives, works, worships, or goes to school in Delaware County can join our Credit Union.

2) We offer commercial services, including Business lending. For those of you who are business owners, PrimeTrust Financial has an array of alternatives to offer.

3) If you need help with insurance or investments, we can offer alternatives there too.

These are just some of the reasons why we say PrimeTrust Financial is not the same Credit Union as WGE: we have so much more to offer! We're a full-service financial partner and resource!

Significant changes like these don't happen overnight: they are a tribute to the efforts of many people. First, they're a tribute to our Board of Directors: their vision, drive, and hours of commitment as volunteers are responsible for the ongoing success of our Credit Union.

Second, they're a tribute to our staff, whose day to day commitment to service sets us apart from other institutions. I have worked at a number of different credit unions, so I can say this without hesitation: there is no finer or more dedicated group of employees.

Last but certainly not least, it's a tribute to our members; who for more than 75 years, turned to their Credit Union for financial benefit. Now we can offer more benefits than ever before.

WGE Federal Credit Union Changes Name

Noticeable changes at the credit union began in the Fall of 2011 with the old WGE signs being replaced with the new PrimeTrust Financial signs.

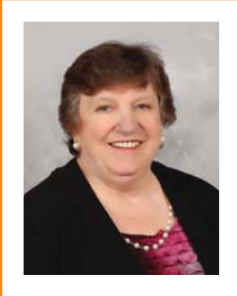
Staff Photos

Bottom Left: *Madison Branch*

Center: *Broadway Branch*

Bottom Right: *Bethel Branch*

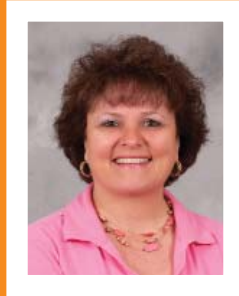
Board of Directors



Marilyn Smith,
Chairman



Steve Rose,
Vice Chairman



Lora Hildreth,
Treasurer



George McKibben,
Secretary



Jeff Carter,
Director



LaRue Cross,
Director



Redeana Neely,
Director

Supervisory Committee

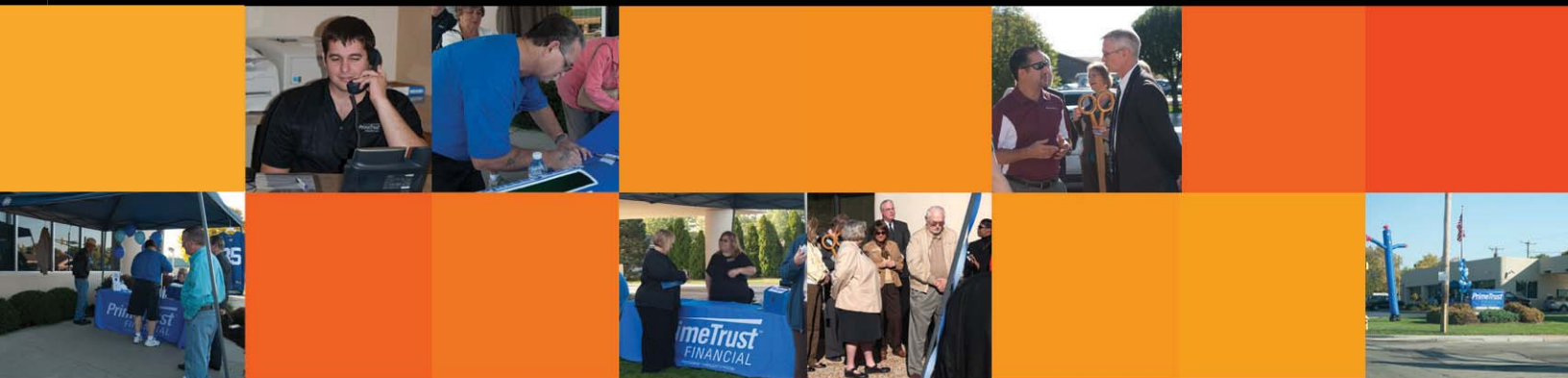


John W James III,
Committee Member



Jason Webber,
Committee Member





Graphs in this Annual Report are meant to be graphic representation of information, not actual charts.

PrimeTrustTM
FINANCIAL
FEDERAL CREDIT UNION