

Connecting Where It Counts



2017 Annual Report

PrimeTrust
FEDERAL CREDIT UNION

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Meeting Agenda

Call to Order _____ Jeff Carter, Board Chairman

Establishment of Quorum

Introduction to Directors

Reports to Membership – All reports are available in this

Annual Report

Chairman's Report _____ Jeff Carter

Minutes-80th Annual Meeting _____ Annette Balfour, Secretary

Treasurer's Report _____ Lora Hildreth, Treasurer

Loan Committee _____ Dana Baker, Senior VP of Finance & Information

Commercial Services Group _____ Lorraine Tomlin, VP of Commercial Services

Supervisory Committee _____ Supervisory Chairman

* Motion to approve the Reports Above*

Unfinished Business

None for this meeting _____ Jeff Carter

New Business

Board of Directors Election Results _____ Jeff Carter

William H. Yohler Memorial Scholarship Award _____ Jeff Carter

President's Comments _____ Jeffrey E. Sikora, President/CEO

Recognition of Staff _____ Jeffrey E. Sikora

Questions and Answers _____ General Board

Adjournment _____ Jeff Carter

* Motion to adjourn this 82nd Annual Meeting of PrimeTrust Federal Credit Union*



Chairman's Report

Annual Meetings offer a good time to take a hard look at the Credit Union and evaluate how well it has accomplished its stated Mission. When we compare PTF 2017 with PTF 2016, it doesn't look the same. Hopefully, when we compare PTF 2018 with PTF 2017, it won't look the same either. The reason is important: times change and members change, and in order to stay relevant, PTF must also change accordingly.

In 2017, a great deal of time and effort was invested in changing your Credit Union. The emphasis on new technology, facilities, and on employees' training was all done in anticipation of meeting your wants and needs; not only now, but also for the future. You see, the Credit Union's Mission has multiple levels: first, it's intended to provide products and services that provide members with financial benefit and enhance their quality of life. The second level is that this provision addresses immediate needs as well as for the long-term. Given the dynamic natures of the financial services industry and member consumer behaviors, it's easy to see why changes must be ongoing and significant.

Throughout all the changes and modifications we make to PTF, our commitment is always to make it easy for members to connect with us and take advantage of the financial benefits we can offer. Our employees are trained to be member-advocates, working on your behalf to save you time and money. Our new technologies are intended to provide touch-points to your Credit Union whenever and from wherever is convenient to you. Rest assured, PTF will continue to be responsive to the changing needs in your lives.

In summary, while the Credit Union will continue to change to accommodate our members, there is one thing that will not change. That's PTF's commitment to the Credit Union philosophies of "People helping People", and "Not for Profit, not for charity, but for service." Those philosophies make all the difference in the World...

Jeff Carter, Chairman



Meeting Minutes

The 81st Annual Meeting was held at the PrimeTrust Financial FCU Annex in Muncie, Indiana on April 19, 2017.

Call to Order: Chairman Marilyn Smith called the business meeting of PrimeTrust Financial Federal Credit Union to order at 6:30 p.m.

Quorum acknowledged by Secretary, Annette Balfour

Roll Call – by Balfour

- Motion to accept roll call by Balfour
- Second by Hildreth
- Motion Carried

Board Introduction: Smith introduced the Board of Directors

Annual Report: Smith identified the lists of reports included in the 2017 Annual Report brochure; Chairman's Report, Minutes of 80th Annual Meeting, Treasurer's Report, Loan Committee Report, Business Services Group Report, and Supervisory Committee Report

- Motion to accept the reports as printed made by Balfour
- Second by Mann
- Motion carried

Unfinished Business: Smith stated there is no unfinished business

New Business:

Election Report

- Mann reported that the Nominating Committee's slate of Officers are: Balfour & Smith
- There were no nominations by petition
- Board was elected by acclamation
 - Motion to approve slate of candidates made by Carter
 - Second by Hildreth
 - Motion carried

William H. Yohler Memorial Scholarship Award

- Sikora provided details of the Scholarship
- Sikora announced Liam Andrew Durbin as the recipient of the 2017 William H. Yohler Memorial Scholarship

Recognition of Staff - Sikora recognized the staff in attendance and thanked them for their service as well as Carol Bradshaw for putting the event together

Marilyn Smith was recognized for her service as Chairman of the Board

President's Comments

- Sikora discussed the value and benefits of membership; especially the commitment to member service
- Sikora detailed the credit union's Focus On Members
- Sikora added that we will continue to allow technology to support our staff not replace it

No New Business from the floor

Questions from the Floor: Smith asked for questions from the floor: None

Adjournment: Baney made motion to adjourn at 6:47 p.m.

- Second by Mann
- Motion carried



Treasurer's Report

Sometimes, you have to take a short-term loss in order to position yourself for long-term sustainability.

That's the type of decision PTF faced in 2017 regarding the employees' defined benefit pension plan. While the expenses related to terminating the plan were staggering (over \$1.3 million) and deeply influenced PTF's financial performance for the year, it was a necessary step to insure the Credit Union's future. Ever-increasing funding costs and administrative expenses for the Plan, were straining PTF's ability to compete and the trends were only going to get worse. The dissolution of the Plan was negotiated and all participants received the benefit they had earned. It was painful and expensive, but the move was a necessity.

While the Plan termination was the most obvious and impactful financial news from 2017, there were several other positive, but less obvious, highlights for the year. Total Assets and Total Deposits both grew over 3%. Outstanding loans grew over 4%, primarily based on record-setting single-year loan production of over \$43,500,000. Commercial lending continued to be a strong line of business for PTF, as over \$5.5 million in commercial loans were made to member-businesses throughout 2017.

In summary, 2017 will always be known as the year for the pension plan termination and the effect it had on our financial performance. Given the overriding impact this one event had, it's easy to miss the many smaller positives the Credit Union experienced. Because of the action taken in 2017, PTF is much better positioned to thrive in the future.

Lora Hildreth, Treasurer



Loan Committee Report

Your story matters here. We focus on providing members with financial benefit that will enhance their quality of life. By connecting where it counts, we can meet the immediate needs of our members, while positioning them for future financial growth.

PrimeTrust FCU strives to be a modern one-stop retail service that delivers products for our member's immediate needs that will enhance their future well-being. Our focus each and every day is the people we serve and creating a member experience that will last a lifetime.

PrimeTrust FCU offers a full line of competitive consumer, mortgage, and commercial products tailored to fit all the needs of our members so that we can be a premier community resource.

We want to be your financial provider of choice by connecting your Family with our Family.
 "People helping people by finding ways to CONNECT"

Greg Wilson



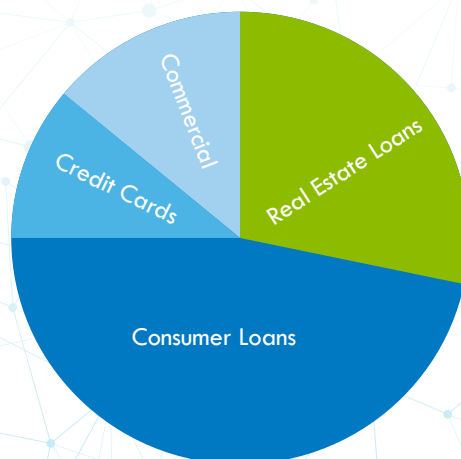
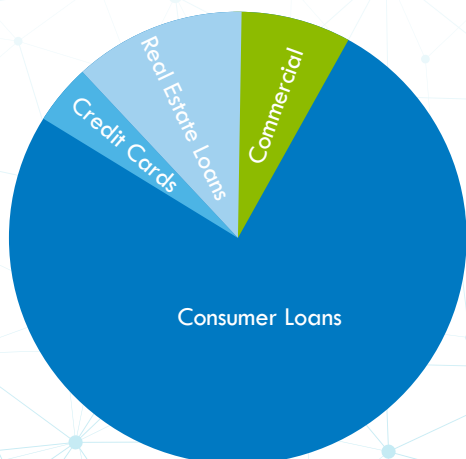
2017 Loan Production

\$ 3,439,020.00
 \$ 32,908,378.41
 \$ 1,691,665.86
 \$ 5,504,862.65

Real Estate
Consumer
Credit Cards
Commercial

2017 Outstanding

\$31,583,545.55
 \$50,627,743.92
 \$11,286,520.52
 \$15,741,055.87



Commercial Services Report

Our mission is to provide tailored products and services that meet the immediate needs of our member businesses while positioning them for future growth. Commercial Services had another great year in 2017. The department enjoyed a 13% portfolio increase with twenty-two new name plates, no delinquencies over 90 days and no charge off loans for the year. Commercial also enjoyed a 23% increase in deposits over the course of 2017. Our Financial Literacy Team added twelve new partners to its existing sixteen. Services were rendered at not-for profits, schools and businesses in the community reaching hundreds of Delaware County's teens, young adults and elderly. Seminars presented by the Business Development Team included:

- Real Business Applications
- Business Basics
- How Cyber Security Effects Your Business and
- Senior Fraud Seminars

We are ramping up for another year of helping our business members grow and prosper, helping the community become a better place and Delaware County become financially healthy.

*Lorraine Tomlin, VP of
Commercial Services*



2017 Financial Statement

Assets

Home Equity Loans	\$ 7,197,990.64
Real Estate Loans	\$ 24,385,554.91
Member Business Loans	\$ 15,741,055.87
Share Secured Loans	\$ 411,528.90
All Other Loans	\$ 50,216,215.02
Visa Gold	\$ 3,863,242.37
Visa Classic	\$ 1,443,083.89
Visa Platinum	\$ 5,980,194.26
Total Loans	\$ 109,238,865.86
Allowance for Loan Losses	\$ (1,183,172.57)
Net Loans Outstanding	\$ 108,055,693.29
Cash	\$ 2,453,745.58
Corporate Investments	\$ 5,295,477.34
Bank CDs	\$ 29,733,005.00
NCUSIF	\$ 1,356,178.12
All Other Investments	\$ 4,783,265.12
Total Investments	\$ 41,167,925.58
Land & Buildings	\$ 2,343,597.33
Furniture & Fixtures	\$ 1,271,626.48
All Other Assets	\$ 557,228.96
TOTAL ASSETS	\$ 155,849,817.22

Liabilities

Accounts Payable	\$ 316,267.55
Dividends Payable	\$ 21,422.12
Unapplied Data Processing	\$ 1,317,199.96
All Other Liabilities	\$ 472,345.23
Share Certificates	\$ 27,617,109.14
Share Draft Accounts	\$ 27,400,495.63
Regular Shares	\$ 52,472,904.98
Money Market Shares	\$ 26,996,321.15
IRA Accounts	\$ 4,216,339.04
Total Shares	\$ 138,703,169.94
Regular Reserves	\$ 3,147,530.33
Undivided Earnings	\$ 11,871,882.09
Total Equity	\$ 15,019,412.42
TOTAL LIABILITIES & EQUITY	\$ 155,849,817.22

2017 Income and Expenses

	2017	2016
Income		
Interest Income on Loans	\$ 6,180,816.27	\$ 6,028,978.18
Investment Income	\$ 570,241.08	\$ 482,066.49
Other Operating Income	\$ 3,505,614.14	\$ 3,431,788.09
Total Income	\$ 10,256,671.49	\$ 9,942,832.76

Operating Expenses

Employee Compensation	\$ 3,335,652.88	\$ 3,188,284.36
Employee Benefits	\$ 2,152,918.04	\$ 1,175,663.80
Travel & Conference	\$ 8,314.34	\$ 11,865.47
Association Dues	\$ 19,776.30	\$ 19,600.70
Office Occupancy	\$ 450,203.58	\$ 443,415.93
Office Operations	\$ 2,660,219.63	\$ 2,345,689.88
Loan Servicing	\$ 545,090.40	\$ 489,948.86
Professional & Outside Services	\$ 115,539.62	\$ 99,179.04
Member Insurance	\$ 33,234.58	\$ 37,157.82
Supervisory Fees	\$ 34,990.54	\$ 27,707.98
Miscellaneous Expenses	\$ 869,715.65	\$ 1,000,981.03
Total Operating Expenses	\$ 10,225,655.56	\$ 8,839,494.87

Income from Operations

Dividend Expenses	\$ 399,433.07	\$ 404,007.10
Provision for Loan Losses	\$ 1,007,352.03	\$ 607,548.85
Gain/Loss on Investments	\$ 114,016.41	\$ (135,448.81)
Gain/Loss on Fixed Assets	\$ (16,145.24)	\$ (30,830.62)
Other Non-Operating Income	\$ 21,706.79	\$ 39,118.10
Net Income/(Loss)	\$ (1,256,191.21)	\$ (35,379.39)



Supervisory Report

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

In addition to the Committee's operational oversight, it also employs the accounting firm Whiting & Company, LLC to perform the Annual Audit and Quarterly Reviews as required by the National Credit Union Administration (NCUA). As a result of these reviews, Whiting and Company determined that all of PrimeTrust Credit Union's accounts and records were in order and certified that the Financial Statements accurately reflected its financial position.

It is also the Supervisory Committee's role to oversee the results of the NCUA's Annual Examination. This exam ensures that the Credit Union is operating in a safe and sound manner and qualifies for Federal Share Insurance. The results of the 2017 NCUA Exam determined that PTF was operating in a manner that complies with NCUA Regulations and that it did qualify for Federal Share Insurance.

Respectfully submitted,

Jason Webber, Chairman



Board Nominees

Gary Demaree

Gary recently retired after 50 years as a marketing/public relations professional, financial communicator and investment portfolio manager. He is a Muncie native and a graduate of Muncie Central and Ball State University. Gary is a past president of the Muncie Rotary Club, Junto Club of Muncie and Big Brothers- Big Sisters of East Central Indiana. He currently serves on the boards of the Muncie YMCA Camp Crosley, Meals on Wheels of Muncie and the finance committee of Open Door Clinic. He is also an active volunteer and fundraiser for the Muncie YMCA, Muncie Mission, Minnetrista Cultural Center and the Haiti Library Foundation.



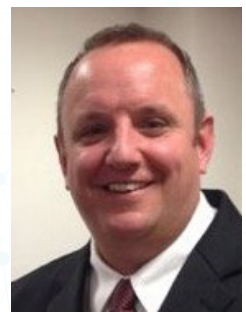
David Haney

David is a life-long resident of Delaware County. He earned a B.S. degree from Purdue University and a M.A. degree from Ball State University. David earned the distinction of Certified Public Accountant from the State of Indiana and was a Certified Valuation Analyst as well. For 37 years, David practiced his profession as a CPA with Estep-Doctor & Company, PC, where he was a member of the ED&C Board of Directors for 32 years and served as President & CEO for 8 until retiring in 2017. He also has been involved in several community organizations, including as treasurer of the Delaware County Sports Heritage Foundation for over 22 years. In 2000, David was inducted into the Delaware County Athletic Hall of Fame.



Jason Webber

Jason, a current board member, has been the Director of the MBA and Graduate Certificate program at Ball State University since October 2017. Jason holds Bachelors and Masters degrees from Ball State and successfully graduated from Northwestern University's School of Police Staff and Command. Jason previously served for 20 years as a Muncie Police Officer and an adjunct faculty member in the criminal justice department at Ivy Tech Community College. He is a 3rd degree member of the Knights of Columbus (prior Deputy Grand Knight), a prior PL221 Steering Committee member at Northview Elementary School, and has coached youth soccer, baseball, and football teams.



Yohler Scholarship

The growth and success of PrimeTrust can be attributed to the many dedicated volunteers who have served over the years. PrimeTrust'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.



William (Bill) H. Yohler

After Bill's death in September 2001, PrimeTrust 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 are used for tuition and may be used at any university or college. Last year's scholarship winner was Alyssa Mae Mead from Cowan High School.



2018 Yohler Winner

PrimeTrust Federal Credit Union is proud to award the 2018 William H. Yohler Memorial Scholarship to Madeline Ann Aul. Madeline, a senior at Yorktown High School, is the son of Jennifer and Norman Aul. She plans on attending Ball State University to pursue a degree in Pre-Law. Madeline would like to work for a law firm in the Muncie area or as a prosecuting attorney for the Delaware County Prosecutor's Office.



Madeline Ann Aul

Madeline has participated in a number of activities, including cross country, golf, basketball, track, softball, the mentor program and key club at Yorktown High School as well as the Yorktown Basketball Development League, Muncie Ironman, Feed My Sheep, Yorktown Track and Field Camp, and the Yorktown JAA Challenge League.

She has received several honors including Academic All-Conference for Cross Country and Track, National Honor Society, and the Yorktown High School All A Honor Roll. Madeline is also a Wendy's High School Heisman winner.

We want to congratulate Madeline for her hard work and dedication – Congratulations, Madeline!



President's Report

Connecting Where It Counts...

From the very beginning, Credit Unions were founded on the philosophy of "People Helping People". These unique financial cooperatives initially featured common bonds, emphasizing something shared that connected members to the Credit Union and to one another. For Prime Trust FCU and its membership, that shared connection is through the Muncie and Delaware County communities where we live, work, worship, or attend school. Regardless of how we are related to the Credit Union, the important thing is that we share a connection.

"Connecting Where it Counts" is our theme this year and it never has been more appropriate. We continue to work hard to connect PrimeTrust with our members and with our community. Our Mission of providing financial benefit that enhances the quality of life can be applied to each individual member as well as to the community in general. But in order to provide financial benefit, we must stay connected.

As your Credit Union, Prime Trust is expanding how you can connect with us to manage your money and recognize the financial benefits membership can offer. We recognize our members live busy lives, so being able to connect when it's convenient for you is a top priority. From mobile options like our capable new mobile app, online and mobile bill pay, our 24-hour Call Center, to enhanced ATMs and self-serve-kiosks, we are offering more ways to connect that make sense in today's busy world. We also are a member of nationwide Shared Branch Network, which opens branch services to our members at over 5,000 credit union branches across the country.

While we offer more technological access points, our best connection points for members are our people. As member advocates, their role in accomplishing the Credit Union's Mission is to work on your behalf to save you time and save you money. They are here to be your resource and to work on your behalf.

In closing, thank you for connecting your Family with our Family. Many thanks also to our dedicated Board for their tireless efforts to do all they can for our members, our Credit Union, and for our community. Stay connected to PrimeTrust where your story matters.

Jeffrey Sikora, President/CEO



Causes We Support

Committed to a Stronger Delaware County

As a non-profit co-operative of people helping people, we're dedicated to ensuring that Delaware County is a strong and vibrant place for our members and employees to live, work, and raise families.

100 Men Who Cook

AITP

Altrusa

AMBUCS

American Red Cross

Angel Worx

ARF

Better Way

Big Brothers Big Sisters

Bridges

Brookside Haven

Cambridge Square

Cardinal Greenway

Child Abuse Awareness

Coles Dance Academy

Cornerstone Center for the Arts

Cowan Little League

Day of Kindness

Delaware County Fair

Delaware County Sheriff's Department

Delta Football

DreamFest

Economic Develop Alliance

Forrest Park Senior Center

Glad Tidings

Hillcroft

IHOP - Veteran's Day

In Her Heels

Indiana Council for Economic Education

IPR Wine Tasting

Knights of Columbus

LifeStream

Little Red Door



March of Dimes

Masterworks Chorale

Mentor for Kids

MidEast Realtors

Minnetrasta

Muncie Babe Ruth/Indiana Premier Baseball

Muncie Burris High School

Muncie Central Boys Volleyball

Muncie Children's Museum

Muncie Christmas Sing

Muncie Civic Theater

Muncie Mission

Muncie Symphony Orchestra

Muncie-Delaware Chamber of Commerce

Museum of Art

Relay for Life

Rialzo

Second Harvest Car Show

Secret Families

Soup Crawl

TEAMwork for Quality Living

Walk A Mile in My Shoes

WesDel Little League

WIBU Catalyst

WIPB Telesale & MCM Lab

Yorktown High School Dance Marathon

Youth Opportunity Center



2018 Board of Directors and Leadership Team

Board of Directors

Chairman: Jeff Carter

Vice Chairman: Linda Mann

Secretary: Annette Balfour

Treasurer: Lora Hildreth

Director: David Baney

Director: Jason Webber

Director: David Haney

Director Emeritus: Marilyn Smith

Supervisory Committee

Frank Baldwin

Tiffany Westfall

Leadership Staff

President & CEO: Jeff Sikora

Senior VP of Finance and Information: Dana Baker

VP of Retail Operations: Kim Rattray

VP of Commercial Services: Lorraine Tomlin

Bethel Branch Manager: Niccole Mansker

Broadway Branch Manager: Jeff Brincefield

Madison Branch Manager: Ryan Nealon

Assistant Branch Manager: Ashley Bandy

System Support Specialist: Jack Welch

IS and Facilities Manager: Matt Kear

Electronic Services Manager: Jackie Kennedy

Accounting Manager: Nicole Terrell

Director of Training and Quality Assurance: Tracy Davis

Sr. Consumer Relationship Manager: Jeremy Allison

Consumer Relationship Manager: Maria Hoyt

Consumer Relationship Manager: Toni Price

Lending Specialist: Greg Wilson

Call Center Manager: Denise Ross

Commercial Relationship Manager: Rhonda Ogle

Commercial Relationship Manager: Vickie Copley

Internal Auditor: Cassie Minch

Trainer/HR Assistant: Sarah Price

Credit Analyst: Lori Alexander



Seven Co-Operative Principles of Credit Unions

1. Voluntary and Open Membership

Co-operatives are voluntary organizations, open to all persons who are able to use their services and are willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

2. Democratic Member Control

Co-operatives are democratic organizations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary co-operatives members have equal voting rights (one member, one vote) and co-operatives at other levels are also organized in a democratic manner.

3. Member Economic Participation

Members contribute equitably to, and democratically control, the capital of their co-operative. At least part of that capital is usually the common property of the co-operative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing their co-operative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the co-operative; and supporting other activities approved by the membership.

4. Autonomy and Independence

Co-operatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their co-operative autonomy.

5. Education, Training and Information

Co-operatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their co-operatives. They inform the general public - particularly young people and opinion leaders - about the nature and benefits of co-operation.

6. Co-Operation among Co-Operatives

Co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, national, regional, and international structures.

7. Concern for Community

Co-operatives work for the sustainable development of their communities through policies approved by their members.



PrimeTrust
FEDERAL CREDIT UNION

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Your
Story
Matters
Here...

Federally insured by NCUA