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ANNUAL REPORT 2019

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Meeting Agenda

Call to Order.....Jeff Carter, Chairman

Establishment of Quorum

Introduction of Directors

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

- Chairman’s Report.....Jeff Carter
- Minutes – 83rd AnnualAnnette Balfour, Secretary
- Treasurer’s Report.....Gary Demaree, Treasurer
- Loan Committee.....Greg Wilson
- Commercial Services.....Lorraine Tomlin
- Supervisory Committee.....Frank Baldwin
- President’s Report.....Jeff Sikora

Motion to Approve the Reports Above

Old Business (None for this meeting).....Jeff Carter

New Business

- Election of Directors
- 2020 Yohler Scholarship Award.....Jeff Sikora
- President’s Comments.....Jeff Sikora
- Recognition of Staff
- Questions & Answers.....General Board
- Adjournment.....Jeff Carter

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Chairman’s Report

Credit Unions are unique financial institutions, as they are member-owned, democratically controlled financial cooperatives. The Board of Directors is elected to represent the membership and is accountable to it for the organization’s performance. My responsibility as Chairman is to provide an annual summary of the Credit Union’s well-being. I am happy to report that Prime Trust FCU is safe, sound and doing well.

The face of our Credit Union continues to change, both in terms of products offered, services provided, and the manner in which they are delivered. These changes are necessary to meet your ever-changing financial needs and consumer habits. An organization that does not change grows irrelevant and dies. We will not allow that to happen to Prime Trust.

While our operations and product offerings may change over the years, we are committed to two constants. Those constants are our dedication to the Credit Union philosophies of “People helping people” and “Not for profit, not for charity, but for service”. These philosophies make PTF unique.

Another contributing factor to PTF’s success is the teamwork that exists between the Board and the Credit Union staff. Both groups share a member focus and commitment to service. Our joint mission is to provide you with financial benefit that makes your life better.

In closing, I’d like to recognize and say thank you to the other members of the Board, our Official Family, and the Staff for their hard work and dedication throughout 2019. In addition, I’d like to thank you, our members, for your faith and trust in us. Thank you for doing business with Prime Trust FCU.



Jeff Carter, Chairman

Jeff Carter, Chairman



Meeting Minutes

The 83rd Annual Meeting was held at the PrimeTrust Financial FCU Annex in Muncie, Indiana on April 17, 2019.

Call to Order: Chairman Jeff Carter called the business meeting of PrimeTrust Financial Federal Credit Union to order at 5:30 p.m.

Quorum: Acknowledged by Secretary, Annette Balfour

Board Introduction: Carter introduced the Board of Directors

Annual Report: Carter identified the lists of reports included in the 2019 Annual Report brochure; Chairman's Report, Minutes of 82nd 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 Baney
- Motion carried

Unfinished Business: Carter stated there is no unfinished business

New Business

Election Report

- Haney reported that the Nominating Committee's slate of Directors are: Carter, Baney, Dalton
- There were no nominations by petition
- Board was elected by acclamation
- Motion to approve slate of candidates made by Balfour
- Second by Haney
- Motion carried

Recognition of Staff

- Sikora recognized the staff in attendance and thanked them for their service

President's Comments

- Sikora discussed the need for PrimeTrust to continue to stand out from the banks and continue to serve our Members; continuing the philosophies Credit Unions have been built on.

No New Business From the Floor

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

Adjournment: Baney made motion to adjourn at 5:50 p.m.

- Second by Balfour
- Motion carried

Treasurer's Report

One of the major accomplishments for PrimeTrust in 2019 was the improvement in its financial performance.

Some of the financial highlights from 2019 included the following:

- Net Income was \$396,579.
- Total Assets at year-end were \$163,275,493, an increase of 2.88% from 2018.
- Deposits totaled \$144,899,398 at year-end, increasing 2.65% from 2018.
- Total loans outstanding at year-end were \$120,343,934, an increase of 5.15% for 2019.
- Loan production for 2019 totaled \$45,289,190.
- Commercial lending was strong in 2019, as production was \$9,178,000.
- At year-end, PTF's Capital Ratio, a key measure of the Credit Union's financial strength, was 9.78%. NCUA, our regulator, considers 7% to be well capitalized.
- Dividends paid to members was \$627,814.



Gary Demaree, Treasurer

Overall, from a financial perspective, 2019 was a solid year for the Credit Union. The combination of new revenue-generating initiatives and stronger expense tracking paid dividends. Now the challenge is to sustain the momentum.

Gary Demaree, Treasurer



Loan Committee Report

We focus on providing members with financial benefit that will enhance their quality of life. Led by empowered employees and committed to flexibility and responsiveness to ever-changing member needs, PrimeTrust will be the premier financial institution for the communities we serve.

PrimeTrust FCU strives to provide products and services that will exceed expectation to our members and membership. Our focus is to put our members in control by providing them the tools and resources that will make doing business with us seamless. 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 building together for a brighter future.

"Building Together to be better tomorrow than we are today"

Greg Wilson , VP of Lending/Internal Sales



Greg Wilson,
VP of Lending/Internal Sales

2019 LENDING SUMMARY

LOAN CATEGORY	LOAN PRODUCTION	LOANS OUTSTANDING
Consumer Loans	\$ 28,136,477.51	\$ 53,983,590.16
Real Estate Loans	\$ 1,828,175.00	\$ 22,235,514.34
VISA Credit Cards	\$ 1,218,400.00	\$ 10,328,028.04
HELOC Loans	\$ 1,357,250.00	\$ 3,556,026.20
Fixed Equity Loans	\$ 1,309,300.00	\$ 4,746,282.73
Commercial Loans	\$ 8,129,858.08	\$ 22,466,587.85
Total	\$ 41,979,460.59	\$ 117,316,029.32

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Commercial Services Report

PrimeTrust Commercial Services is continuing to provide tailored products and services that meet the immediate needs of our member businesses, while positioning them for future growth through 'Local Roots, Local Stories, and Local Decisions'. The commercial team closed over \$9 million dollars in member business loans in 2019. This was accomplished through organic growth and loan participations with an increase of 15% in outstanding loan growth.

We added 22 new businesses to the PrimeTrust family and 14 new merchant services accounts through our Heartland partnership.

We continue to strive for exemplary client care by working directly with businesses throughout Delaware County to help facilitate their financial foundation and help them meet key goals and initiatives. Through commercial real estate loans, equipment term loans and operating lines of credit, we help satisfy cash flow needs and secure resources to help businesses satisfy their mission. We are helping provide a financial advantage to member businesses in a way that will fulfill their mission and promote their prosperity.

We are financial partners that are here for you.

Building Business Together.

Lorraine Tomlin , VP of Commercial Services



Lorraine Tomlin,
VP of Commercial Services



2019 Financial Statement

ASSETS

Home Equity Loans	\$ 8,302,308.93
Real Estate Loans	\$ 22,235,514.34
Member Business Loans	\$ 22,466,587.85
Share Secured Loans	\$ 415,841.12
All Other Loans	\$ 56,595,653.88
Visa Gold	\$ 3,412,841.45
Visa Classic	\$ 1,258,561.15
Visa Platinum	\$ 5,656,625.44
Total Loans	\$ 120,343,934.16
Allowance for Loan Losses	- \$ 1,325,540.13
Net Loans Outstanding	\$ 119,018,394.03
Cash	\$ 2,980,390.97
Corporate Investments	\$ 4,867,553.75
Bank CDs	\$ 21,559,132.24
NSUSIF	\$ 1,394,985.06
All Other Investments	\$ 9,217,664.14
Total Investments	\$ 37,039,335.19
Land & Buildings	\$ 2,206,312.77
Furniture & Fixtures	\$ 1,264,094.74
All Other Assets	\$ 766,965.12
TOTAL ASSETS	\$ 163,275,492.82

LIABILITIES

Accounts Payable	\$ 398,831.25
Dividends Payable	\$ 31,811.78
Unapplied Data Processing	\$ 1,576,127.06
All Other Liabilities	\$ 399,835.37
Total Liabilities	\$ 2,406,605.46
Share Certificates	\$ 30,783,116.34
Share Draft Accounts	\$ 27,350,916.69
Regular Shares	\$ 54,962,723.07
Money Market Shares	\$ 27,404,875.04
IRA Accounts	\$ 4,397,767.17
Total Shares	\$ 144,899,398.31
Regular Reserves	\$ 3,147,530.33
Undivided Earnings	\$ 12,762,084.87
Unrealized Gain/Loss on Investments	\$ 59,873.85
Total Equity	\$ 15,969,489.05
TOTAL LIABILITIES & EQUITY	\$ 163,275,492.82

2019 Income and Expenses

INCOME

	2019	2018
Interest Income on Loans	\$ 6,738,374.49	\$ 6,444,936.82
Investment Income	\$ 788,825.24	\$ 643,204.53
Other Operating Income	\$ 3,599,912.45	\$ 3,683,870.03
TOTAL INCOME	\$ 11,127,112.18	\$ 10,772,011.38

OPERATING EXPENSES

Employee Compensation	\$ 3,347,488.76	\$ 3,190,823.68
Employee Benefits	\$ 875,509.37	\$ 1,081,032.20
Travel & Conference	\$ 5,339.74	\$ 9,999.96
Association Dues	\$ 21,562.30	\$ 20,663.20
Office Occupancy	\$ 477,391.25	\$ 471,581.05
Office Operations	\$ 2,741,494.46	\$ 2,701,728.70
Loan Servicing	\$ 822,019.39	\$ 688,613.33
Professional and Outside Fees	\$ 77,157.58	\$ 72,706.35
Member Insurance	\$ 35,145.10	\$ 28,897.05
Supervisory Fees	\$ 42,754.37	\$ 41,163.05
Miscellaneous Expenses	\$ 605,266.94	\$ 671,913.76
Total Operating Expenses	\$ 9,051,129.26	\$ 8,979,122.23
Income From Operations	\$ 2,075,982.92	\$ 1,792,889.05
Dividend Expenses	\$ 627,817.38	\$ 432,821.53
Provision for Loan Losses	\$ 1,111,727.16	\$ 940,500.30
Gain/Loss on Investments	\$ 25,349.95	\$ 23,849.26
Gain/Loss on Fixed Assets	\$ 0.00	\$ 26,036.17
Other Non-Operating income	\$ 34,790.56	\$ 24,171.24
NET INCOME/(LOSS)	\$ 396,578.89	\$ 493,623.89

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Supervisory Committee Report

Just like the Board of Directors, the Supervisory Committee is comprised of volunteers.

The role of the Supervisory Committee is to ensure the credit union's financial records are in order and comply with federal regulations.

In addition to operational oversight, the Committee engages Whiting & Company, LLC to perform the Annual Financial Audit and Quarterly Reviews as required by the National Credit Union Administration (NCUA). Whiting & Company determined that all 2019 accounts and records were in order and certified that the financial statements accurately reflect its financial position.

The Committee also oversees the results of the NCUA's Examination which ensures the credit union is operating in a safe and sound manner and continues to qualify for share insurance through the National Credit Union Share Insurance Fund (NCUSIF). The NCUA performed its periodic examination in January 2019 for the period ending September 30, 2019. The final NCUA report showed the Credit Union was safe and sound.



Frank Baldwin, Chairman - Supervisory Committee

Frank Baldwin, Chairman - Supervisory Committee

Board Nominees

Annette Balfour

Annette Balfour has been on the PrimeTrust Federal Credit Union Board of Directors for six years. Before joining the Board, Annette served on the Supervisory Committee for PTF. Annette believes that she can provide valuable input to help the members and to make sure PrimeTrust has a prosperous future.

Annette moved to Muncie when she was five-years-old. She has been active in her community, including being the secretary at Ambassadors of Christ Church. "I've always been a people person and I like to help others when I can, so when the opportunity came up to be on the board I didn't give it a second thought, because the credit union has been there for me for over 30 years and they have helped a lot," said Annette.



Annette Balfour

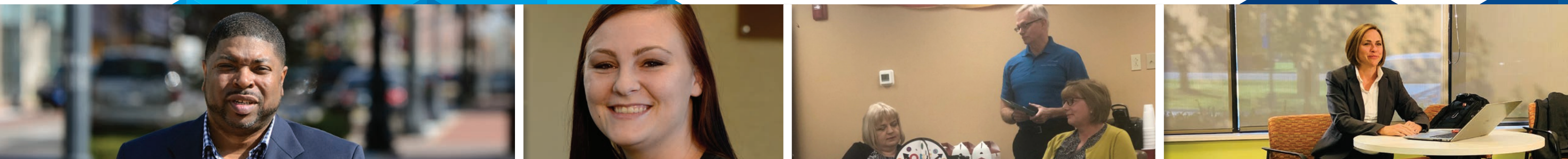
David Haney

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 serving as a member of the PrimeTrust Federal Credit Union Board of Directors since since 2017 and 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.



David Haney



President's Report

Annual Meetings are usually times that you review your Credit Union's key numbers for the past year. Numbers for Net Income, Asset growth, Loan growth, and Deposit growth are all examined to evaluate the organization's performance. In 2019, PTF's numbers were good; Net Income was \$396,579; Assets and Deposits grew almost 3% respectively, and loan growth exceeded 5%. By most numerical measurements, PTF enjoyed a year of solid financial performance.

But numbers don't tell the whole story, nor do they capture the essence of the organization. Credit Unions are unique financial institutions because they are member-owned financial cooperatives. They are driven by a strong commitment to the two philosophies that the industry was founded on: "People helping people" and "Not for profit, not for charity, but for service". While the numbers are important, serving the membership is the priority.

Service to members is the life-blood of PTF. We have attempted to capture our commitment to the Credit Union philosophies in our slogan "Your story matters here". That's more than a fancy marketing jingle, it's our way of doing business. Our members are our owners, and their stories matter; they make a difference. We're a story-lender and firmly believe that character counts. Our business is measured by more than just numbers; it's measured by the lives we've influenced and the help we've provided.

Here are a couple more numbers to throw in the mix; 42 and 14. I have been in the Credit Union industry for 42 years, with the last 14 being here with PTF. It was my Dad's influence that introduced me to what I call "banking with a heart". Of the six credit unions I've worked at, PTF is by far the best because it goes beyond just the numbers. It understands serving the members, the membership and the community. What an honor and privilege it's been to be associated with this Credit Union.

Overall, it's been quite a career, but it's time to step down. I am retiring this summer, knowing that I leave PTF in far better shape than I found it 14 years ago. Looking back over my career, there are so many people that played a part in it; to recognize them all would take more time and space than I have here. But to all these folks; members, employees, co-workers, board members...my most sincere thank you! I'd add a special "thank you" to my family for their support over the years; it wasn't always easy. Finally and most importantly, I thank God for all His blessings over the past 42 years.

It's been fun!

Jeffrey E. Sikora, President



Jeffrey E. Sikora
President

2020 Yohler Scholarship

PrimeTrust Federal Credit Union has awarded the 2020 William H. Yohler Memorial Scholarship to Abby Grace Hansard.

Abby, a senior at Cowan High School, is the daughter of Paul and Catherine Hansard. Abby plans to attend Ball State University in Muncie, Indiana, to pursue a degree in Elementary Education.

Abby's career goal is to find a position where she can use her degree in Elementary Education to make a difference locally in the community.

She has participated in the Class of 2020 Student Council where she has been a key club member for four years. She has been a member of the National Honor Society three years and a varsity cheerleader for the past four years.

Abby has been a part of several community activities, and has been a recipient of many academic awards.



Abby Grace Hansard

About the William H. 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.

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.



William H. Yohler



Board of Directors

Board of Directors for 2019

Jeff Carter, Chairman
 David Haney, Vice Chairman
 Gary Demaree, Treasurer
 Annette Balfour, Secretary
 David Baney
 Jason Webber
 Sue Dalton

Supervisory Committee for 2019

Frank Baldwin
 Sue Dalton
 Gary Demaree

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PTF Staff

Executive Staff

Jeff Sikora Kim Rattray Dana Baker Lorraine Tomlin Greg Wilson

Branch Managers

Nicole Mansker Ashley Bandy Denise Ross

Commercial Services

Lori Alexander Jeremy Allison Vickie Copley Rhonda Ogle Toni Price

IT/IS

Jack Welch Matt Kear Juan Navas Tracy Davis Jackie Kennedy

Support Staff

Sarah Price Cassie Minch Nicole Terrell Reenita Keys Kim Furness

Electronic Services

Jackie Clevenger
 Beth McCreery

Mortgages

Michelle Turner
 Tami Powell

Loan Officers

Joyce Snider
 Cathy Creek
 Chrissy Rigney
 Shannon Stephenson

Collections

Michelle Locke
 Taylor Smith
 Lorei Sloan

Accounting

Kristi Studebaker
 Rebecca Nicholson

Tellers

Lisa Stewart
 Calli Thompson
 KiaBeth Berrara
 Chris Alexander
 Jessica Hines
 Andrew Phillips
 Kelsey Royal
 Matthew Kosin
 Sam Underhill
 Kristin Rodeffer
 Emma Schaefer
 Katelyn David
 Courtney Stuart
 Rebekah Boutwell

MSR/UE

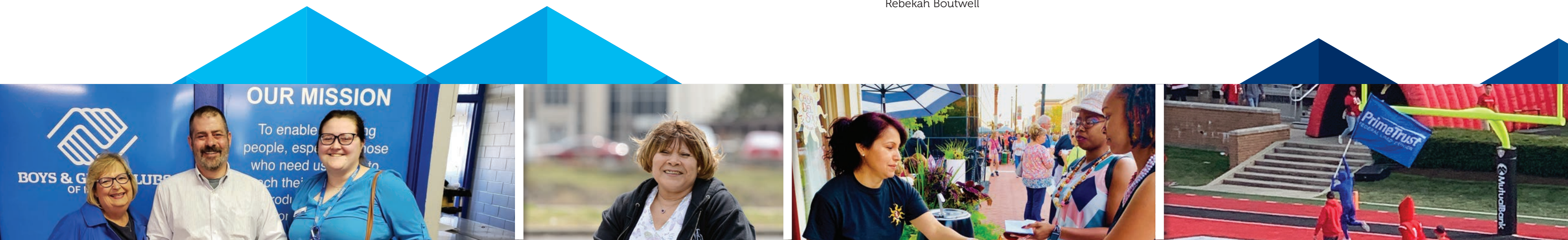
Chris Clevenger
 Julie Dobbs
 Jodie Hatcher
 Sherry Miller
 Melissa Allen
 Cindi Harrold
 Gregg Arbogast
 Nathan Hart
 Ewa Payne

Head Tellers

Ryan McVey
 Jennifer Johnson
 Mikayle Licht
 Celia Breeding
 Harlie Hersberger
 Sherri Johnson

Clerks

LeighAnn Kesler
 Amanda Vollmar
 Dorelle Cheek



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 employees to live, work, and raise families.

Chamber of Commerce	Brookside Haven Care Center	Tools for Schools
Child Abuse Awareness Month	Muncie Mission	Hillcroft Services
Cornerstone Center for the Arts	ICU Day of Kindness	MCM PBS Kids Lab
Economic Development Alliance	Forrest Park Senior Center	IPR
Muncie Civic Theater	Lifestream Services	Little Red Door
College Mentors For Kids	IN Council for Economic Education	National Fire & Safety
Chamber Champions	Secret Families	Meridian Services
Relay For Life	Soup Kitchen of Muncie	YWCA In Her Heels
Shop with a Cop	Second Harvest Food Bank	Soup Crawl
100 Men who Cook	WIBU	Youth Opportunity Center
A Better Way	Muncie Gala	YMCA
Veteran's Day Meals	Ball State University Athletics	Young Artists Exhibition
American Red Cross	Action For Animals	Altrusa
AMBUCS	Hearts & Hands United	Angel Worx
Bridges Community Services	ARF	AITP
Guardian Scholars Program	Huffer Child Care Resource	Athena Awards
Glad Tidings Church	Ross Community Center	

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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.