



THE POWER OF
BELONGING

**2012
ANNUAL
REPORT**

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**THE POWER TO
 SCHEDULE**

**2013
 BUSINESS
 MEETING
 AGENDA**

**PATRONAGE
 DIVIDEND**

● ● ●
**THE POWER TO
 SHARE**

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 – 76th Annual Meeting _____ George McKibben, *Secretary*
 - Treasurer's Report _____ Lora Hildreth, *Treasurer*
 - Loan Committee _____ Dana Baker, *Senior VP of Finance & Information*
 - Business Services Group _____ Chris Courtney, *Director of Business Services*
 - Supervisory Committee _____ Jason Webber, *Supervisory Chairman*
- 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, *President/CEO*
- Recognition of Staff _____ Jeffrey E. Sikora

Questions and Answers _____ General Board

Adjournment _____ Marilyn Smith

Motion to adjourn this 77th Annual Meeting of PrimeTrust Financial.

Tonight 6:30 p.m.

Hors 'odurves will be served in the Cornerstone Center for the Arts Auditorium hallway until the meeting begins at 7 p.m.

Tonight 7:00 p.m.

The 77th Annual Business Meeting of PrimeTrust Financial will begin in the Auditorium.



Federally insured by NCUA



Brad Matheny
 Member
 Since 1989

At PrimeTrust Financial Federal Credit Union (PTF), we appreciate your business. That's why we introduced the PTF Patronage Dividend – it is our way of saying “Thank You” to our member-owners for using the Credit Union as their primary financial provider*.

The PTF Patronage Dividend provides “something extra” for our member-owners who have the following relationships with PTF:

- a) \$50.00 for each commercial account with a loan (excluding Business Visa)
- b) \$50.00 for each account with a first mortgage
- c) \$25.00 for each account with combined consumer loan balances (excludes Visa) of \$10,000.00 or more
- d) \$15.00 for each account with combined consumer deposits (non-checking) of \$20,000.00 or more
- e) \$10.00 for each account with home banking and eStatements

And to make it even better, members may have qualified for more than one reward!

At PTF, we are dedicated to providing you with financial advantage. The more you use your Credit Union, the greater your advantage. Think of us first whenever you are looking for attractive loan and deposit rates. Plus, you can get “something extra” with the PTF Patronage Dividend.

*All active members in good standing were considered for participation in the PTF Patronage Dividend. Relationships and balances were evaluated as of December 31, 2012.



THE POWER TO GUIDE

As Chairman of the Board of Directors for PrimeTrust Financial Federal Credit Union, it is my responsibility to report on the health and well-being of your Credit Union for 2012. Within the Credit Union's organizational structure, Directors serve as the membership's representatives and are accountable to you, the members, for its progress. With that in mind, it is my pleasure to report that 2012 was a successful year for PrimeTrust! The Credit Union is safe and sound, growing, and recorded positive Net Income for the year.

Last year was the first full year of operation under the banner of PrimeTrust Financial FCU. While we honor our legacy as WGE Federal Credit Union, our future success depends on the new name and new role the Credit Union plays in the Muncie/Delaware County Community. Over the last two years, we have re-engineered the Credit Union in order to offer a broader product line to anyone who lives, works, worships, or goes to school in Delaware County. This was a crucial step to insure the ongoing viability of the Credit Union, and I am pleased to say it has been successful. PrimeTrust now offers financial alternatives to businesses and individuals alike.

Credit Unions are unique among financial institutions because they are member owned financial cooperatives. One of the basic principles of a cooperative is "Return to the Membership". With that in mind, your Credit Union launched the PTF Patronage Dividend in 2012 and returned over \$100,000 in "extra" dividends. Members were rewarded for using the Credit Union's services in five different categories. Rewards ranged from \$10.00 to \$50.00, and members could qualify for more than one reward. Any member who qualified for all five categories received checks totaling \$150.00! The PTF Patronage Dividend is intended to be paid annually, and the more business you do with your Credit Union, the greater the potential reward!

In closing, I'd like to thank the other Directors, members of the Official Family, and our PTF Staff for their efforts this past year. In addition, I'd like to thank you, our members, for doing business with PrimeTrust. We appreciate your support, and look forward to serving you in the future.

CHAIRMAN'S REPORT for 2012



Marilyn Smith
Chairman

THE POWER TO MEET

76th ANNUAL MEETING MINUTES for 2012

The 76th Annual Meeting was held at the Horizon Convention Center in Muncie, Indiana on April 28, 2012.

Call to Order: Chairman Marilyn Smith called the business meeting of PrimeTrust Financial Federal Credit Union to order at 7:30 p.m. Smith noted this is our first annual meeting as PrimeTrust.

Quorum acknowledged by Secretary, George McKibben

Board of Directors Roll Call: Roll call was taken by McKibben.

Steven Rose, Lora Hildreth, George McKibben, Marilyn Smith, LaRue Cross, Jeff Carter, and Deania Neely. John James in attendance representing the Supervisory Committee

• Motion to accept roll call by McKibben, second by Rose. Motion carried

Board Introduction: Smith introduced the Board of Directors

Annual Report: Smith identified the lists of reports included in the 2011 Annual Report

• Motion to accept the reports made by Hildreth, second by McKibben. Motion carried

Unfinished Business: Smith stated there is no unfinished business

New Business: No New Business from the floor

Election Report

• Smith reported that the Nominating Committee's slate of officers were McKibben (incumbent), Carter, and Neely

• There were no nominations by petition so the slate is approved by acclamation

o Motion by McKibben to approve slate by acclamation, second by Rose. Motion carried.

William H. Yohler Memorial Scholarship Award

• Lissa Yohler-Campbell, Bill's, daughter was not able to attend this year so Sikora read letter from Lissa

• Sikora announced Kyla Jo Tighe as the recipient of the 2012 Yohler Memorial Scholarship

• Tighe thanked the Committee and the Board for the recognition and thanked her family for their support

President's Comments

• Sikora recapped changes in 2011 - Charter change and name change

o Sikora thanked the Board and Official Family for their time and effort in making the progressive changes that will allow PrimeTrust to grow and thrive, the staff for their commitment to service, and the members for their on-going support and trust

o Even with all the changes, our commitment to the credit union philosophy will not change

• Sikora introduced Joe Guilfooy, Vice-President of the Indiana Credit Union League

o Guilfooy complimented PTF on the attendance and support by the members at Annual Meeting and discussed the changes in the credit union industry

o Guilfooy complimented the Board at striving to continue providing the best service possible to the membership and their dedication during tough financial times

o Guilfooy congratulated the members and urged them to continue to support their credit union

Recognition of Staff: Sikora recognized the staff in attendance

Questions from the Floor: None were presented

Adjournment: Hildreth made motion to adjourn at 7:50 p.m., second by McKibben. Motion carried.

THE POWER TO PLAN

As Treasurer of the Board, it is my pleasure to report on PrimeTrust Credit Union's financial performance for 2012. Overall, it was a solid year featuring modest growth in Assets, Deposits, and Loans Outstanding, a significant reduction in loan charge-offs, and sufficient Net Income to allow payment of the first PTF Patronage Dividend.

TREASURER'S REPORT for 2012

Here are more details related to 2012's financial performance:

- After allocating \$110,000 to payment of the PTF Patronage Dividend, Net Income was still \$65,715.
- PTF's Capital Ratio remained strong at 11.12%. (NCUA, our Federal Regulator, defines well-capitalized at 7.0%)
- Loan production for all types of loans exceeded \$35,300,000. Included in this total was \$22,809,000 in personal loans, over \$6,928,000 in real estate loans, and \$3,850,000 in commercial loans.
- In addition to Visa® Classic, Gold, and Platinum, PTF added a Visa® home-equity line credit card for additional borrowing flexibility.
- Dividends paid to members exceeded \$700,000 before payment of the PTF Patronage Dividend.
- Year-end Assets were \$139,645,112.
- Deposits grew 2.2% to \$122,095,069.
- Total Loans Outstanding, after Allowance for Loan Losses, grew 3.14% to \$88,300,398.
- Total charge-offs for 2012 totaled \$801,342, down more than 18% from 2011.

Looking ahead to 2013, PTF remains committed to providing members with reasonably priced sources of credit. Whatever your loan-need is, PTF has a product to meet your needs. PTF also encourages members to re-finance their homes and autos from other institutions! Given our low interest rates, chances are we can save you time or money.

In closing, PrimeTrust Financial FCU continues to be a strong, well-capitalized member-owned cooperative. PTF's Mission is to provide financial benefits to our members by offering a complete menu of personal and commercial services.

THE POWER TO LOAN

LOAN COMMITTEE REPORT for 2012

In 2012, members took advantage of the great loan rates and terms PTF offers in order to purchase automobiles, refinance their mortgages, and consolidate debt.

PrimeTrust's emphasis continues to be providing cutting edge loan products and access points. We were especially proud to offer our new Home Equity Line of Credit that is accessible with a Visa® card.

PrimeTrust continues to offer a full array of consumer, mortgage, and commercial products to fit the needs of all borrowers.

Need a loan, think of PrimeTrust!

The loan production for 2012 consisted of:

- \$6,928,375 - Real Estate Loans
 - \$22,809,490 - Consumer Loans
 - \$1,775,326 - Credit Cards
 - \$3,850,700 - Commercial
- for total loan production of \$35,363,891

Overall Loan portfolio composition

- \$38,043,459 - Real Estate Loans
 - \$32,917,945 - Consumer Loans
 - \$10,945,609 - Credit Cards
 - \$7,477,977 - Commercial
- for a total loan portfolio of \$89,384,990



January

PrimeTrust starts the year off strong with a plan to introduce several new services and products.

February

PTF is the presenting sponsor of Dance For Kids' Sake which benefits Big Brothers Big Sisters.

March

PTF employees serve lunch to employees of Twoson to raise money for Relay for Life.

April

PrimeTrust Financial Federal Credit holds its 76th Annual Meeting. Ivan Percel entertains the crowd by juggling batons, which are on fire! Fire alarms do NOT go off at this Annual Meeting!

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**THE POWER TO
 IMPACT**

The Business Services Group (BSG) is happy to have had a very productive and successful year in 2012. While remaining focused on its core business model of lending to small to medium-sized businesses, the BSG was able to add high quality, mutually beneficial relationships to its portfolio. In addition to landing high quality relationships, the Business Services group also added a new employee. Lorraine Tomlin joined the Credit Union in June of 2012 and had an immediate impact. Lorraine brought over fourteen years of experience in the banking industry and provides the BSG with much needed experience and contacts in the Muncie-Delaware County community.

As trying economic conditions persisted, the Business Services Group was proud to have had its most productive year in 2012. Overall loan production ended 2012 at \$5,047,490, with \$3,844,667 in Member Business Loans, \$73,000 in Business Credit Cards, \$1,032,250 in Consumer Mortgage referrals and \$97,573 in Consumer Loan referrals. Net loans outstanding in the Member Business Loan portfolio finished the year at \$7,477,977 which resulted in a 26% increase over 2011 balances.

Business Deposit balances also remained strong in 2012 ending the year at \$2,441,608.

Looking forward to 2013, the Business Services Group will continue to focus on building new, high-quality relationships within the business community of Muncie-Delaware County while enthusiastically servicing and maintaining its existing relationships.

**BUSINESS
 SERVICES
 REPORT
 for 2012**



Welcome Desk



Temporary Teller Line

Teller Area



New Internet Station

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**THE POWER TO
 CHANGE**

Renovations to the Bethel Branch began in the Fall of 2012. A Welcome Desk was created to help guide members to the quickest way to take care of their needs. The new Teller Line is modern and gives tellers needed space to serve members and perform their jobs more efficiently. The waiting areas were updated to include an Internet Station for members to gain access to online banking and bill pay. They are also a great tool to teach members how to use our eServices.

May
 PrimeTrust Financial joins Bank on Muncie to help unbanked and underbanked members.

PTF expands their hours on Tuesdays at the Bethel Branch to 7 a.m. to 7 p.m.

June
 Big Feet attends PTF's 4th Annual Car Show and Blood Drive which benefitted Relay for Life.

PTF offers a free seminar for women about investing.

**THE POWER TO
BALANCE**

**FINANCIAL
STATEMENT
for 2012**

**INCOME AND
EXPENSES
for 2012**

Assets

Home Equity Loans	6,970,527.16
Real Estate Loans	31,072,932.32
Member Business Loans	7,477,977.46
Share Secured Loans	826,944.93
All Other Loans	32,162,435.03
Visa Gold	3,916,460.37
Visa Classic	1,369,314.70
Visa Platinum	5,659,833.55
Total Loans	89,456,425.52
Allowance for Loan Losses	(1,156,027.93)
Net Loans Outstanding	88,300,397.59

Cash 3,448,867.97

Corporate Investments	10,542,960.93
Bank CDs	26,608,015.00
NCUSIF	1,217,679.42
All Other Investments	5,180,799.74
Total Investments	43,549,455.09

Land & Buildings	2,687,810.73
Furniture & Fixtures	1,008,463.16
All Other Assets	650,117.61
TOTAL ASSETS	139,645,112.15

Liabilities

Accounts Payable	173,909.57
Dividends Payable	29,006.12
Unapplied DP Exceptions	1,320,308.87
All Other Liabilities	500,776.97

Share Certificates	28,550,172.45
Share Draft Accounts	19,624,665.63
Regular Shares	40,118,863.40
Money Market Shares	20,505,714.81
IRA Accounts	13,296,652.61
Total Shares	122,096,068.90

Regular Reserves	3,147,530.33
Undivided Earnings	12,377,511.39
Total Equity	15,525,041.72
TOTAL LIABILITIES & EQUITY	139,645,112.15

2012

2011

Income

Interest Income on Loans	5,918,374.07	5,978,980.25
Investment Income	452,590.10	552,964.60
Other Operating Income	2,583,607.08	2,668,882.55
Total Income	8,954,571.25	9,200,827.40

Operating Expenses

Employee Compensation	2,570,332.23	2,397,050.83
Employee Benefits	862,342.34	697,206.28
Travel & Conference	12,114.15	4,785.23
Association Dues	18,600.30	18,004.80
Office Occupancy	408,397.22	439,448.73
Office Operations	2,353,520.51	2,132,460.63
Loan Servicing	422,445.71	390,527.46
Professional & Outside Services	82,404.16	32,507.77
Member Insurance	37,710.05	41,958.84
Supervisory Fees	31,219.89	31,288.12
Miscellaneous Expenses	808,869.68	742,637.12
Total Operating Expenses	7,607,956.24	6,927,875.81

Income from Operations

	1,346,615.01	2,272,951.59
Dividend Expenses	708,860.35	1,043,007.56
Provision for Loan Losses	630,504.97	928,983.55
Gain/Loss on Investments	56,675.11	13,727.35
Gain/Loss on Fixed Assets	-	(8,272.02)
Other Non-Operating Income	1,790.98	8,500.35
Net Income/(Loss)	65,715.78	314,916.16

Federally insured by NCUA



THE POWER TO OVERSEE

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 2012, 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 certified 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 2012 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
Annette Belfour
John W James III

SUPERVISORY REPORT for 2012



Jason Webber
Chairman



Annette Belfour



John W James III

July

PrimeTrust introduces the Visa HELOC for home-owners.

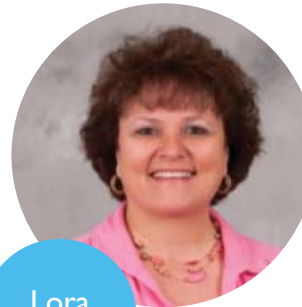
THE POWER TO NOMINATE



Jeff Carter



LaRue Cross



Lora Hildreth



Linda Mann

BOARD NOMINEES for 2013

August

PTF offers prizes each Saturday at Minnetrista Farmers' Market.

Over 2,500 people attend Ball State's Fan Jam at Scheumann Stadium, including PrimeTrust.

September

PTF hosts the Chamber After Hours Event at Tonne Winery.

THE POWER OF VOLUNTEERING

PrimeTrust Financial Federal Credit Union has awarded the 2013 William H. Yohler Memorial Scholarship to Alexandra Marie Durbin.

Alexandra, a senior at Wes-Del High School, is the daughter of Susan and Kevin Durbin. She plans on attending Columbia College in Chicago to pursue a degree in Graphic Design.

Alexandra's career goal is to work for a graphic design company or in marketing or advertising.

She has participated in a number of school clubs, has played varsity softball for four years, and volunteers as a middle school tutor.

Alexandra has received several awards for her Web design and desktop publishing.

Even with Alexandra's busy schedule, she is able to maintain a rigorous academic schedule and has been on the honor roll every year of high school. Congratulations, Alexandra!

2013 YOHLER SCHOLARSHIP WINNER



Alexandra Durbin

Dedicated Volunteer: William (Bill) H. Yohler



William 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 are used for tuition and may be used at any university or college. Last year's scholarship winner was Kyla Jo Tighe from Wapanahani High School. The winner from 2011 was Kasey Needham from Delta High School.

THE POWER TO LEAD

PRESIDENT'S REPORT for 2012

Did you get your check? Now more than ever, it pays to be a member of PrimeTrust Financial Federal Credit Union!

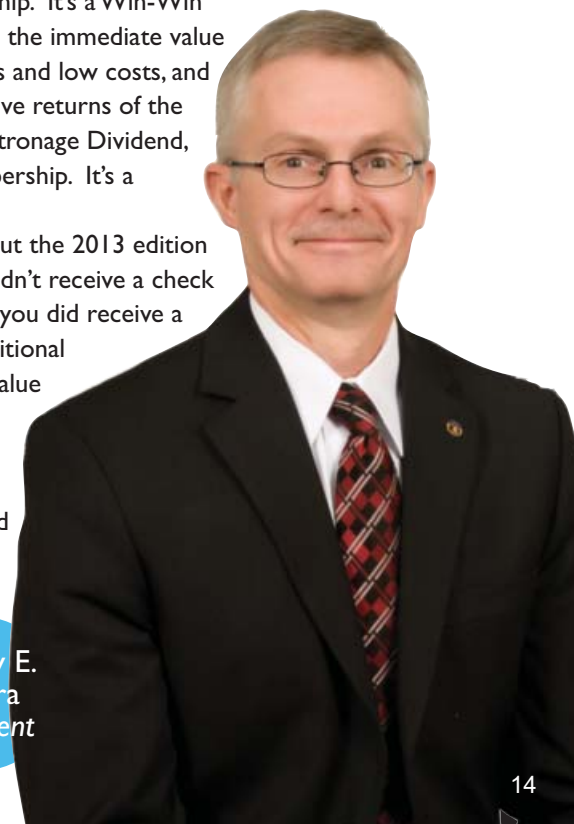
In 2012, PrimeTrust Credit Union introduced the PTF Patronage Dividend, a unique way to recognize members who made use of certain services the Credit Union offered. Members received Patronage Checks ranging from \$10.00 to \$50.00, depending on which of the five categories they qualified under. In many cases, members qualified under more than one category, and any member who qualified for all five received checks totaling \$150.00. Through the PTF Patronage Dividend, the Credit Union returned over \$100,000.00 in "extra" dividends to members who used its services the most.

The PTF Patronage Dividend was possible because a credit union is a unique type of financial institution. It is a member-owned financial cooperative. Like any other cooperative, it provides value to its membership, and it works the best when individual members utilize as many of the cooperative's services as possible. This is especially true for membership in PrimeTrust. The more members take advantage of the value offered by our products and services, and the better the Credit Union does, the greater the potential return to be shared by the membership. It's a Win-Win proposition: the member "wins" through the immediate value the Credit Union offers in terms of rates and low costs, and the membership "wins" by the cooperative returns of the Credit Union. Then, through the PTF Patronage Dividend, those returns are shared with the membership. It's a great deal!

It's not too early to start thinking about the 2013 edition of the PTF Patronage Dividend. If you didn't receive a check in 2012, ask us how you might qualify. If you did receive a check, ask how you might qualify for additional rewards. If you haven't considered the value PrimeTrust offers, now is an excellent time to do so! We want to make sure you get your check!

At PrimeTrust FCU, we are committed to providing financial benefit to our members. We appreciate your support and are dedicated to earning your business every day!

Jeffrey E. Sikora
President



PTF gave over \$55,000 to more than 50 charities in 2012. In addition to cash donations, they also donate their time and in-kind gifts.



2012 Car Show

THE POWER TO GIVE

PrimeTrust gave money, time, or in-kind gifts to the following organizations in 2012:

American Advertising Federation
 American Red Cross
 Angel Worx
 Alliance for Strategic Growth
 Altrusa
 ARF
 Big Brothers Big Sisters
 Bridges Community Service
 BSU Athletics
 Cardinal Greenway
 Chamber After Hours
 Chamber Breakfast w/Governor
 Chamber Champions
 Chamber Cup
 Community Christmas Sing
 Cowan Elementary
 Cowan Little League
 Daleville Little League
 Delaware County Ag Days
 Delaware County Fair
 Delta Girls Softball
 Delta Little League
 Eastside Cardinals
 Economic Development Alliance
 Habitat for Humanity
 Hickory Creek
 Hillcroft Services
 Huffer Little 500

Indiana Blood Center
 Indiana Public Radio
 Invest in Youth
 Let's Talk Politics
 Little Red Door
 Minnetrista
 MOMs
 Muncie Babe Ruth
 Muncie Civic Theater
 Muncie Home Show
 Muncie Rebel Baseball
 Muncie Style Show
 100 Men Who Cook
 Relay for Life
 Second Harvest
 Tools for School
 Tri County Ladies Golf
 Vison 2016
 Wapahani Yearbook
 Wes Del Little League
 Wes Del Relay for Life
 WIBU Catalyst
 WIPB
 WIPB Telesale
 YOC
 Yorktown High School

CHARITY GIVING for 2012



Ag Days



100 Men Who Cook



Blood Drive

YOUR 2012 BOARD of DIRECTORS



Steve Rose
 Vice Chairman



LaRue Cross
 Director



Linda Mann
 Director



George McKibben
 Secretary



Jeff Carter
 Director



Lora Hildreth
 Treasurer

THE POWER TO SERVE



Marilyn Smith
 Chairman

October

PTF raises over \$5,000 for Second Harvest Food Bank at the 2nd Annual Soup Crawl in downtown Muncie. Thirteen restaurants and bars participated in the event.

November

Big Feet makes a visit to 100 Men Who Cook, while President and CEO, Jeff Sikora wins the vegetable category.

PrimeTrust offers free retirement and Medicare seminars to members.

December

PrimeTrust helps over 100 people have a Merry Christmas by providing gifts.

The Patronage Dividend campaign is launched.

THE POWER OF
TEAMWORK

Broadway Staff



Madison Staff



Bethel Staff



Bethel Branch



Madison Staff

Carolyn Regan-Mundy, Cathy Creek, Cindi Harrold, Dana Ruddick, Leslie Timmons, Liz Donovan, Jodie Hathcher, Shellee Elliott, and Vicky Hughes

Broadway Staff

Amanda Vollmar, Angie Baker, Chris Kluge, Jackie Clevenger, Joyce Pierce, Joyce Snider, Niccole Mansker, Pam Qualkinbush, and Paula Terrell

Bethel Staff

Amanda Hankins, Barbara Pearson, Carol Bradshaw, Celia Breeding, Char Everett, Chris Clevenger, Chris Courtney, Chrissy Rigney, Dana Baker, Deanna Helm, Denise Ross, Haley Fullhart, Michelle Bass, Jackie Kennedy, Jeff Sikora, Jen Scroggins, Joannie Decker, Julie Dobbs, Kara Dowd, Kim Rattray, Kirsta Tharp, Kristie Bradshaw,

Kristie Collins, Leigh Ann Kesler, Lisa Ambrosetti, Lisa Walker, Lorraine Tomlin, Maria Hoyt, Mary Denney, Mary Nixon, Matt Kear, Melissa Allen, Michelle Turner, Niccole Terrell, Rhonda Jordan, Rhonda Ogle, Rita Tharp, Sarah Gilbert, Sharon Baker, Sheila Kerr, Sherry Miller, Susan Keesling, Tami Powell, Tony Sorrell, Tracy Davis, Trina Bowling, and Vicki Copley