

# Annual

report 2022

*TruMark*  
*Financial*  
Credit Union



The first place our members turn to for all their financial needs

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# President's message

In 2022, we saw our communities start to recover and rebuild from the past few years of challenges. As we transitioned to a new normal, TruMark Financial focused on deepening relationships with members and enhancing our services to better meet their needs.

In August 2022, we welcomed Kelly Botti as our new Chief Executive Officer. Kelly's commitment to our members and team members, as well as her dedication to the credit union's core values, allows us to look to the future of TruMark Financial with confidence knowing we will continue to remain one of the largest and fiscally sound credit unions in Pennsylvania.

Service has always been at the heart of TruMark Financial – both to our members and our community at large. In 2022:

- Over \$67,900 was raised through the credit union's Building Financial Futures initiative to provide local schools and non-profit organizations with personal finance resources
- More than \$44,000 and non-perishable food was donated to Philabundance, who serves approximately 135,000 people in our community every week
- Team members volunteered and supported more than 106 local organizations in 2022, in addition to caring for the financial needs of our almost 140,000 members
- 60 community organizations received much needed items including diapers, formula, backpacks, blankets, and more through the credit union's Concern for Community initiative
- More than 15,000 new members joined the credit union

Based on your feedback and our commitment to making it easier to do business with us, we added new self-service tools to give you easy access to your accounts anytime, anywhere. We are continuing this focus in 2023 with additional improvements to our digital banking offerings, as well as the launch of a video-banking experience that combines friendly, face-to-face service, with modern conveniences.

In 2022, TruMark Financial's financial performance remained strong with net income of \$19.9 million, strong net worth, and total assets reaching \$2.95 billion. TruMark Financial remains a community rooted in care, belonging, and trust; a place where our values of integrity, service, and soundness are demonstrated every day.

We are grateful for your loyalty and trust, and look forward to supporting you in achieving your financial well-being in 2023 and beyond.

Respectfully submitted,



Leonard V. Doughty III  
President, Board of Directors



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## Core Purpose

To help members reach their financial well-being

## Vision Goal

To be the first place our members turn to for all their financial needs

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# Our Core Values in action

## Stories from our members

### Integrity:

To earn members' trust, we will hold ourselves accountable to the highest level of integrity

Marie, owner of Irish Moon, was so thankful that we took the time to listen to what she really needed to help her and her business succeed. "I am moved to tears. I don't know how to thank you and the rest of the TruMark Financial team members who were involved in reviewing my application and hearing my story. You have given me a new start. I will begin switching all of my business accounts over to TruMark Financial."

### Service:

To achieve member satisfaction, we will perform extraordinary member service

Exceptional service is what helped TruMark Financial stand out to Anthony and his family. "As we approach the one year mark of closing on our house, I wanted to take a moment to thank TruMark Financial for all your help and support during the mortgage process. From start to finish everyone was professional and often went above and beyond to support me in the process and to ensure everything went smoothly from application to closing. I could not have received better service from any other financial institution. I continue to recommend TruMark Financial to friends and family and plan on remaining a long time member."

### Soundness:

To continue the benefits of membership for future generations, we will ensure the credit union is financially sound

TruMark Financial strives to offer products and services that meet our member's needs. For Geraldine, that was exactly what she encountered when she obtained her auto loan with the credit union. "During my first contact with Esmond (TruMark Financial team member), he welcomed me, congratulated me on my new vehicle, and provided information regarding my car loan. Since I was new to TruMark Financial, and also new to a car loan, he took the time to answer each and every one of my questions without hesitation. His product knowledge was exemplary. Towards the end of the conversation, he suggested a Classic credit card might interest me. He explained the great benefits, and within a few hours after applying, I was approved. I was able to transfer a balance and save quite a bit in interest charges. Esmond set me up with a checking account and when I mentioned that I could use that for a savings goal, he suggested a secondary account. Within the time period of a short conversation, he solved several of my banking concerns. His instructions were clear and easy to follow. He is a perfect example of what service should look like. Because of his actions, I have referred several people to TruMark Financial."

# Community partners



Kurt F.  
Upper Dublin Township Manager



Jonathan B.  
Upper Dublin Finance Director



Ann F.  
Upper Dublin Accounts Receivable



Gerry D.  
Upper Dublin Finance Assistant

TruMark Financial values our local community partners and aims to help meet their financial needs through easy and hard times. Upper Dublin Township, a business member now for six years, knows the value of a local community financial partner. They have seen banking institutions get larger and become out of touch with the needs of local governments. "There are different needs for local governments that most traditional banks are not set up for. You have a much harder time dealing with the nuances of the needs of the local government under a traditional banking relationship" shared Kurt F., Upper Dublin Township Manager. "I have been in local government for a long time and there are fewer banks that have local government divisions and local municipal service representatives" said Jonathan B., Upper Dublin Township Finance Director. TruMark Financial is "head and shoulders over the competition" said Kurt. Having a local Business Service representative and team they can call on, less fees on their accounts, quick decisions on loans, and more, made it easier for Upper Dublin administrators to meet their financial goals and respond quickly when needs arose.

That local relationship became a lifeline in the aftermath of the tornado on Sept. 1, 2021, that impacted more than 27,000 people who call Upper Dublin home. "It was almost a worst case scenario in many ways" described Jonathan. "Over 1,500 homes were impacted and at least 120 were uninhabitable. Everywhere you looked you saw debris, blue tarps, and road closures." To make matters worse, they needed to process payroll payments for more than 250 Upper Dublin police officers, administration employees, public workers, firefighters, and more the day after the tornado hit. The tornado displaced the administration, public works, and police buildings, and they had to work out of the firehouse until temporary accommodations could be found. For Jonathan, his job became much more complex, "It wasn't just normal financial planning, it was how are we going to put this back together?" Immediately, TruMark Financial's Nanci W., AVP, Business Services, was in contact trying to find solutions for the Upper Dublin team.

Working with TruMark Financial to invest the various settlements and insurance payments and taking advantage of the credit union's competitive rates, helps the taxpayers. "With all of these issues, we are trying to minimize the effect of what the residents may have to deal with in terms of potential tax increases. We have funds we need to invest until we can apply them to rebuilding projects, and every bit of interest that helps offset our tax payers is worth it" said Jonathan. It is a big burden on the finance staff, so knowing they have a local community partner who they can call, and will even run across the street with solutions and paperwork in hand, helps. "We just send the bat signal to TruMark Financial" and they are ready to provide the integrity, soundness, and service Upper Dublin has come to know.

TruMark Financial and Upper Dublin Township have a strong partnership that supports local community, helps meet the township's financial goals, and grows together. For more information about Upper Dublin Township, the rebuilding, and local events, visit [upperdublin.net](https://upperdublin.net).

# Supervisory Committee report

TruMark Financial's Supervisory Committee is elected by the membership. The Supervisory Committee functions independently from the credit union's Board of Directors and Management. The Supervisory Committee oversees the quality and integrity of the credit union's financial statements and reviews Management's practices and procedures to safeguard members' assets.

In connection with its responsibilities, the Supervisory Committee has engaged RKL CPAs and Advisors to perform an independent financial statement audit for the year ending Dec. 31, 2022. Results of the audit indicate that the financial statements present fairly the results of the operations and financial position for the period, and no material weaknesses in internal control were reported. Additionally, the Supervisory Committee directs the Internal Audit department to monitor credit union operations through audits of credit union processes and procedures.

The Pennsylvania Department of Banking and the National Credit Union Administration (NCUA) also examines TruMark Financial on a regular basis. The regulators completed their most recent examination as of July 2022, noting the credit union is in sound financial condition and performing in a consistent manner providing for safe and sound operation.

Based on the results of the examinations, on-going involvement with the Internal Audit function, and regular attendance at monthly Board meetings, we are confident your credit union is operating in accordance with laws and regulations in a sound manner and protecting members' assets while keeping the best interest of membership in mind.

Finally, we want to thank the membership for their confidence in, and support of, TruMark Financial. We look forward to serving you, our members, in 2023.

Respectfully submitted,

William Donehower, Supervisory Committee Chairperson

Jaclyn Bowman, Supervisory Committee Vice Chairperson

Donna M. Carvin, Supervisory Committee Secretary

Richard Lee, Supervisory Committee Member

The [Supervisory Committee](#) welcomes your feedback and may be contacted any time at [SupervisoryCommittee@truemark.org](mailto:SupervisoryCommittee@truemark.org), or you may forward through the mail to the following address:  
TruMark Financial Supervisory Committee, P.O. Box 1447, Fort Washington, PA 19034

# Treasurer's report

The past year, the U.S. economy experienced significant challenges with rising prices as inflation grew at an accelerating pace. In response to the highest inflation in decades, the Federal Reserve Bank embarked on a restrictive monetary policy in March, which remains in force today. The Fed has increased interest rates by 4.50 percent in a series of eight interest rate actions, including an unprecedented four .75 percent increases between June and November. As a consequence, the Federal Funds rate increased from just above zero percent to 4.25 percent by year-end and is now at 4.50 percent following an early February 2023 rate increase. Most recently, it appears the Fed will continue with its restrictive monetary policy at least for the first half of 2023 in its effort to tamp down inflation. The Fed got into this position as a result of abundant money in the system and the consumers' propensity to drive up demand for goods and services. Employment remained robust throughout 2022 with the unemployment rate dipping to full employment levels below four percent. Many news stories in 2022 brought heightened awareness to the shortage of workers as businesses returned to normalcy post-pandemic. With the strong employment data came surging confidence by consumers who spent any remaining pandemic stimulus, driving up demand. With lingering supply-side issues, the table was set for inflation to climb and the Fed to react once it became clear the inflation was not transitory or temporary.

With the higher rates, came challenges to the housing sector and to the equity markets. For housing, the rapid and significant rise in interest rates, especially the ten-year Treasury rate, placed significant pressure on the housing market as the cost of borrowing rose quickly. 2022 will go down as one of the toughest years for the housing market for that reason. For the equity markets, the year was challenging as the markets dealt with rising inflation and the prospect of future lower earnings. The tech industry, in particular, saw significant declines. The bond market saw short-term rates rise in light of Fed actions and long-term rates decline with market expectations of a recession sometime in 2023. In fact, the Treasury yield curve was inverted, meaning short-term rates were higher than long-term rates; recognized as a predictor for economic contraction, also known as a "recession." Throughout the year, a large debate focused not so much if the economy was headed to recession, but as to how severe one might be. Early indications showed confidence the Fed would overplay its restrictive monetary policy and drive the economy into a severe contraction highlighted with significant unemployment and lower stock values. As the year ended, those prognostications turned to more of a "soft landing" for the economy highlighted with slightly higher unemployment and stabilized prices. Many are hoping for greater price stability with a steady unemployment rate in the near future.

TruMark Financial's financial performance was as strong in 2022 as it was in 2021. TruMark Financial earned \$19.9 million in net income, which represented an increase from \$19.8 million in 2021. Net interest income, which represents the difference between interest earned on loans and investments less the amount of interest paid on member savings, was \$75.6 million, which represented a significant increase from \$60.1 million earned in 2021. This was directly a result of higher market rates. Loan income, which was derived from extraordinary loan growth during the year, was \$76.4 million and investment income was \$14.9 million. Other income, represented by non-interest income and non-operating income was a combined \$25.3 million. Member dividend expense, which represents the interest paid to members on their savings balances, was \$11.5 million. The provision for loan loss, an indication of asset quality, remained relatively low at \$4.9 million. Overall delinquency and loan charge-offs remained stable throughout 2022. Total operating expenses were \$75.2 million compared to \$75.3 million for 2021.

TruMark Financial's total assets closed the year at \$2.95 billion, which represented an increase of \$182 million, or 6.6 percent, from total assets at year-end 2021. The total loan portfolio closed above \$2 billion for the year. The total loan portfolio increased significantly by \$413 million, or 25 percent, compared to an increase of \$98 million, or 6.3 percent, in 2021. The total investment portfolio decreased by \$250 million



as a result of the significant loan growth. Member savings increased by \$57 million, or 2.4 percent. TruMark Financial's net worth ratio ended 2022 at 10.41 percent, which represented an increase from 10.37 percent at year-end 2021. With a net worth ratio of 10.41 percent, TruMark Financial is a well-capitalized credit union. With total assets at \$2.95 billion and strong net worth, TruMark Financial remains one of the largest and fiscally sound credit unions in Pennsylvania and in the U.S.

The National Credit Union Administration and the Pennsylvania Department of Banking, both of which are responsible for monitoring TruMark Financial's financial performance and compliance performance, awarded the credit union with high ratings in recent examinations.

As we look forward to 2023, the Board of Directors, Management, and staff of TruMark Financial are eager to provide extraordinary member service while maintaining our history of financial soundness.

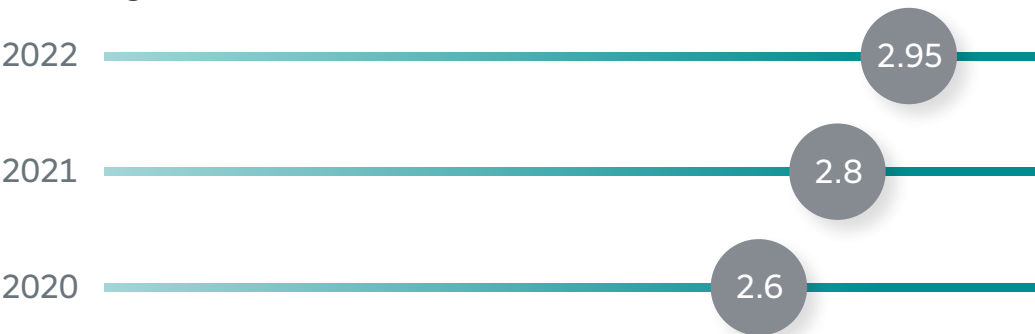
Respectfully submitted,



Wayne J. Goodwin  
Treasurer, Board of Directors

## Financials at a glance

### Asset growth (in billions)



### Net income growth (in millions)



Statement of Financial Condition at Dec. 31, 2022, and 2021  
(unaudited)

Assets	2022	2021
Loans to members, net	2,052,541,322	1,640,420,910
Cash and cash equivalents	14,013,895	14,544,318
Interest-bearing accounts	103,156,728	234,384,156
Securities held to maturity	12,847,167	17,329,294
Securities available for sale	594,461,751	717,092,711
Other investment securities	17,717,603	9,531,421
Accrued interest receivable	7,750,669	5,607,167
Property, equipment, and leasehold improvements, net	37,462,247	40,286,836
NCUSIF deposit	22,863,448	22,113,464
Prepaid expenses and other assets	90,438,532	69,932,596
Total assets	2,953,253,362	2,771,242,873
Liabilities and members' equity		
Liabilities:		
Members' shares and savings accounts	2,468,956,895	2,411,795,625
Borrowed money	225,500,288	43,359,740
Mortgage escrow accounts	11,321,453	11,100,368
Lease liability	17,953,738	-
Accounts payable and accrued expenses	24,756,972	25,679,560
Total liabilities	2,748,489,346	2,491,935,293
Members' equity and undivided earnings	204,764,016	279,307,580
Total liabilities and members' equity	2,953,253,362	2,771,242,873

Statement of Income for the years ended Dec. 31, 2022, and 2021  
(unaudited)

	2022	2021
Interest income:		
Interest on loans	76,373,052	61,936,885
Interest on investment securities	12,955,073	10,613,858
Interest on interest-bearing accounts	1,984,481	322,721
	91,312,606	72,873,464
Dividends on members' shares and borrowings	15,691,383	12,759,927
Net interest income	75,621,223	60,113,537
Provision for possible loan losses	4,885,500	2,287,000
Net interest income after provision for possible loan losses	70,735,723	57,826,537
Non-interest income:		
Service fees	14,682,546	14,732,785
Other non-interest income	9,713,100	22,515,113
	24,395,646	37,247,898
Non-interest expenses:		
Salaries, benefits, and payroll taxes	37,994,258	38,926,807
Occupancy and office expenses	24,650,690	22,162,154
Loan servicing expense	3,790,241	6,824,097
Other	8,784,100	7,399,772
Total operating expense	75,219,289	75,312,830
Net income	19,912,080	19,761,605



# Dedicated to the community

In 2022, TruMark Financial team members volunteered more than 1,440 hours working with over 44 different organizations. In partnership with TruMark Financial's [Concern for Community initiative](#), 60 different organizations received much needed items such as winter coats, support aides for the elderly, backpacks filled with school supplies, toiletry kits to homeless shelters, and more. The credit union made in-kind and cash donations to 79 non-profit groups throughout the year, including over \$67,900 which was raised through the credit union's [Building Financial Futures](#) to provide local schools and non-profit organizations with personal finance resources. Additionally, \$60,000 in grants was provided for personal finance resources to those in our local community. TruMark Financial also gathered non-perishable food through our annual food drive and donated \$44,000 to Philabundance in combating hunger to families in need. It is our honor to serve the great communities in which we work.



Team members volunteered more than **1,440** hours working with over **44** different organizations

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TruMark Financial's Building Financial Futures raised **\$67,900** to provide local schools and non-profit organizations with personal finance resources

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**\$60,000** in grants was provided for personal finance resources to those in our local community

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Donated **\$44,000** to Philabundance in combating hunger to families in need

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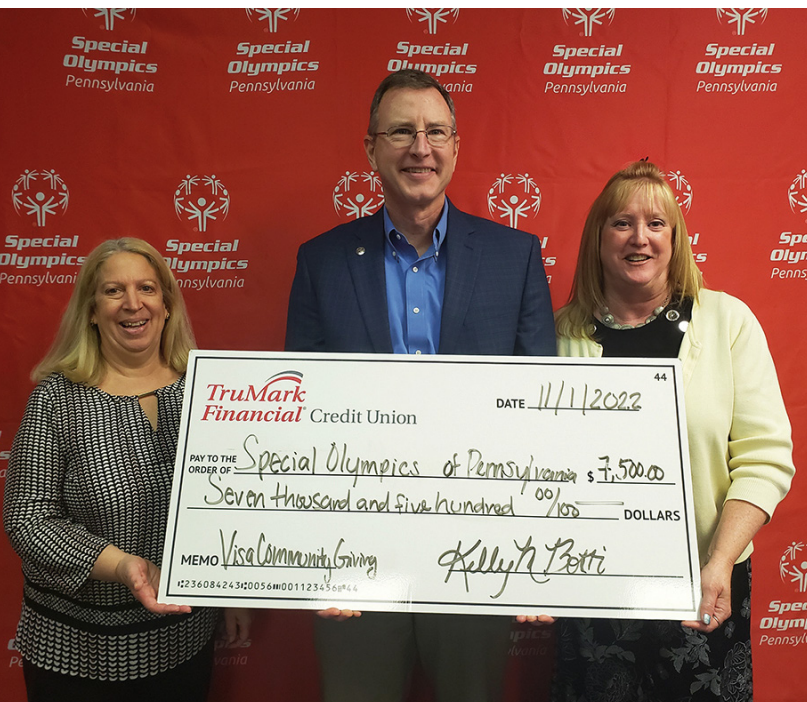
TruMark Financial's Concern for Community initiative helped provided **60** organizations with much needed items

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TruMark Financial made in-kind and cash donations to **79** non-profit groups







Financial empowerment for our members







## SavvyMoney

With [SavvyMoney](#), you can take control of your credit score with comprehensive credit score analysis, access to your full credit report for free, credit monitoring, and personalized offers. Additionally, with the Score Simulator, see what happens to your score if you were to take certain actions like changing your payments, opening new accounts, or consolidating debt.



## Card controls

Efficiently and quickly [manage the cards](#) on your account with just a tap. Activate, cancel, and [turn cards on or off](#), report cards lost or stolen, manage spending limits and [decline transactions](#), [receive real-time alerts](#), set travel notifications, and more.



## Money Management

Gain powerful insights on when, where, and how much you spend with [Money Management](#). Set budgets, review all your accounts in one place, and visualize your financial goals setting you up for a brighter future, sooner.



## Banking 24/7

Whether at home or on-the-go, banking is now easier and more convenient. Using TruMark Financial's [online banking](#) and [mobile app](#), you can review accounts, transfer funds, apply, and [pay loans online](#), set notifications, access [e-Statements](#), and more. Plus, add your TruMark Financial debit and/or credit card to your [mobile wallet](#) for easy payments in-store and online.



### **Board of Directors**

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R. Terence Brunt, Secretary  
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Joseph J. Ciaranca, Director  
James P. DeBow, Director  
Daniel L. Dillard, Director  
David A. Rufibach, Director  
Kathleen L. Wells, Director  
Richard F. Stipa, Associate Director

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### **Supervisory Committee**

William Donehower, Chairperson  
Jaclyn Bowman, Vice Chairperson  
Donna M. Carvin, Secretary  
Richard Lee, Member

