

 *TruMark Financial*[®] Credit Union

ANNUAL REPORT



President's message

As we reflect on 2024, it is with great pride and gratitude that I share the progress and growth we have experienced at TruMark Financial. This past year was a time of strategic investment in our future—focusing on both our financial strength and our commitment to serving you, our members, and the broader community.

We closed the year with \$3.4 billion in assets and a robust net worth ratio of 10.61%, a clear indication of our financial stability. Our loan portfolio grew to \$2.5 billion, and member savings increased by 9.7%, all of which reflect the trust and confidence you place in us. In line with our commitment to continuous improvement, we continue to invest in initiatives to improve service quality, including upgrading technology for faster transactions, digital reliability, and better in-branch connectivity, ensuring a seamless banking experience.

At the heart of everything we do is a deep commitment to you—our members. In 2024, we welcomed over 12,500 new members, bringing the total number of members we serve to more than 145,000. We also introduced the FiCEP Certified Credit Union Financial Counselor program, offering free, one-on-one financial counseling to help our members reduce fees and rebuild savings. Our Fraud Department also worked tirelessly to prevent over \$17 million in potential losses, safeguarding your financial well-being.

We are equally proud of our community impact. In 2024, our team members volunteered over 2,300 hours, and we made donations to organizations such as St. Christopher's Hospital for Children, the Salvation Army, and Philabundance. Through our TruMark Financial Difference Makers Scholarship, we awarded \$17,000 in scholarships to support the educational aspirations of our local youth.

As we look to the future, we remain dedicated to enhancing digital banking services, expanding financial education, and deepening our community engagement. Thank you for your trust and support—it's our honor to serve as your financial partner.

Warm regards,

Hugh T. Bray
 President, Board of Directors

IMPACT

Supporting our communities

Our team members dedicated 2,318 hours to service, while donation drives provided toys for St. Christopher's Hospital for Children, socks for Socks for the Streets, personal care items for the Salvation Army, Hope Lodge, and Mitzvah Circle, and food for Philabundance.

Investing in future leaders

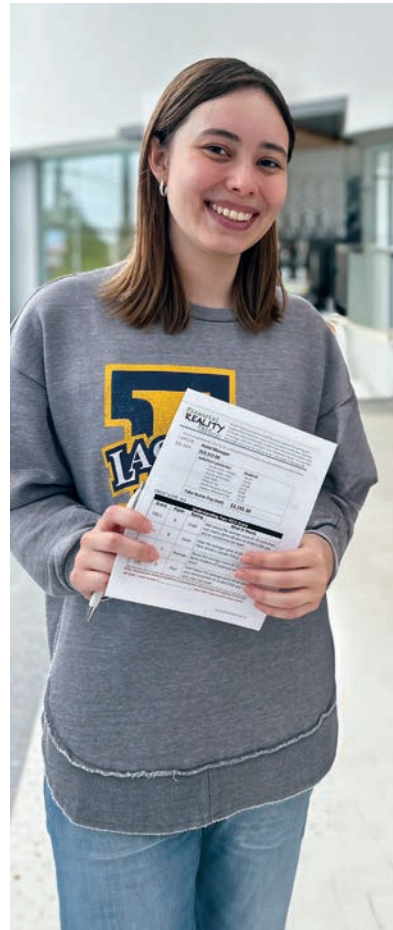
Through the TruMark Financial Difference Makers Scholarship, we awarded over \$17,000 to support students and local non-profit organizations.

Empowering students

3,009 students learned how to budget through Reality Fairs, an interactive experience for making real world financial decisions and managing money.

Advancing together

Team members averaged 44 hours of learning and development through in-house and online courses.



Protecting members from fraud

In 2024, our Fraud Department safeguarded over \$3 million in card fraud and losses, and \$882,000 through dark web monitoring, where compromised member data was detected and mitigated. The team also launched 900 fraud cases, preventing an additional \$14 million in share-related losses.

Giving back

\$121,000 was donated to 39 community organizations through TruMark Financial Cares Foundation.

Excellence awarded

Forbes 2024 named TruMark Financial as one of the best-in-state credit unions.

Helping our members thrive

TruMark Financial launched the FiCEP Certified Credit Union Financial Counselor program. Twenty dedicated employees were trained to offer free, one-on-one counseling, guiding members through financial challenges.

Treasurer's report

The U.S. economy was expected to slow in 2024 directly because of the Federal Reserve Bank's (The Fed) efforts to lower inflation and orchestrate a so-called economic "soft landing." This was executed with a series of interest rate hikes in 2023. During the first quarter of 2024, the slowdown of the economy was evident with Real GDP closing the quarter up only 1.6% compared to 2.8% the same period in 2023. Inflation, as measured by the Consumer Price Index (CPI), was cooling at the same time, but leveled at 3.2%, which was above the Fed's preferred target of an annual increase in prices of 2.0%. The Fed's preferred gauge of inflation, the Personal Consumption Expenditure was 2.7 % at the same time. The labor market, an important segment of the economy, continued to show resiliency despite the Fed's interest rate increases in 2023. The unemployment rate started the year at a solid 3.8% and the monthly change in non-farm payrolls remained positive but was increasing at diminishing rate during the year. The main goal of the Fed was to slow the economy down whereas inflation would decline closer to the Fed's target level without thrusting the economy into a recession causing a disconcerting spike in unemployment. Once accomplished, the Fed would pivot their interest rate policy from one of "tightening" to one of "easing." The Fed projected at least three interest rate cuts in 2024, reducing the overnight Federal Funds' rate from 5.25% to 4.50%. In light of the economy's mostly positive performance in the first half of the year, the Fed opted not to make any rate cuts until September, when they reduced interest rates by a half point; lowering the Federal Funds rate to 4.75%. It was widely seen as a bold move by the Fed to get out in front of a potential recession. The Fed then opted for another quarter percent rate cut in November and December, lowering the Federal Funds rate to 4.25%. After the December interest rate cut, the Fed telegraphed their desire to "pause" on future interest rate cuts as inflation continued to remain above the Fed's target, employment continued to be positive, and Real GDP continued to grow. Throughout the year, the consumer remained resilient, personal consumption increased, employment gained, the unemployment rate moved slightly above 4%, and retail sales demonstrated growth. For the equity markets, the year was significantly positive mirroring returns in 2023. For the second straight year, the S&P 500 returned more than 20%; up over 23% for 2024. The gains in the market were buoyed by better-than-expected economic and earnings data, especially during the first half of 2024. The equity markets did come down in the fourth quarter as inflation jitters arose in market sentiment. The Treasury yield curve started with short term rates higher than long term rates, which is known as an "inverted" curve; evidence that the market felt a recession was on its way, but turned upward sloping as the economy remained positive. The 10-year Treasury, an important base rate for mortgage lending, started the year at 4.20% and ended the year at 4.57%.

TruMark Financial's financial performance was positive in 2024. TruMark Financial earned \$31.8 million for a return on assets of 0.58%. Strong loan growth and positive impacts from higher market rates in early 2024 contributed to the positive financial performance in 2024. Net interest income, which represents the difference between interest earned on loans and investments less the amount of interest paid on member savings, was \$87.8 million, which represented an increase from \$86.2 million earned in 2023. Other income, represented mostly by non-interest income, was \$34.1 million compared to \$32.2 in 2023. Member dividend expense, which represents the interest paid to members on their savings balances, was significantly higher at \$64.1 million compared to \$38.2 million in 2023. The provision for loan loss, an indication of asset quality, was higher at \$10.2 million compared to \$8.8 million in 2023. The provision was higher due to stronger loan growth. Overall delinquency and loan charge-offs remained stable throughout 2024. Total operating expenses were \$92.2 million compared to \$78 million for 2023 as the credit union expanded in staff and compensation.

TruMark Financial's total assets closed the year at \$3.4 billion, which represented an increase of \$155.6 million, or 4.9%, from total assets at year-end 2023. The total loan portfolio increased by \$198.9 million from 2023 to close 2024 at \$2.5 billion. Member savings increased significantly by \$248 million, or 9.7%. TruMark Financial's net worth ratio ended 2024 at 10.61%, which represented an increase from 10.56% at year-end 2023. With a net worth ratio of 10.56%, TruMark Financial is a well-capitalized credit union. TruMark Financial remains one of the largest and consistently 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 2025, the Board of Directors and all team members of TruMark Financial Credit Union are eager to provide extraordinary member service while maintaining our history of financial soundness.

Respectfully submitted,



Kathleen L. Wells
Treasurer, Board of Directors

Statement of Financial Condition

at Dec. 31, 2024, and 2023
(unaudited)

Assets	2024	2023
Loans to members, net	2,472,841,273	2,272,475,309
Cash and cash equivalents	13,237,019	20,333,461
Interest-bearing accounts	153,370,372	161,995,666
Securities held to maturity	8,132,442	10,382,646
Securities available for sale	513,985,123	548,299,245
Other investment securities	21,277,982	21,937,335
Accrued interest receivable	11,450,289	10,021,228
Property, equipment, and leasehold improvements, net	33,802,354	34,441,374
NCUSIF deposit	24,788,443	23,513,312
Prepaid expenses and other assets	100,194,012	94,038,993
Total assets	3,353,079,309	3,197,438,569
Liabilities and members' equity		
Liabilities:		
Members' shares and savings accounts	2,790,944,501	2,542,984,574
Borrowed money	256,332,950	363,227,761
Mortgage escrow accounts	11,243,310	11,429,762
Lease liability	15,031,717	15,583,951
Accounts payable and accrued expenses	19,079,449	24,607,904
Total liabilities	3,092,631,927	2,957,833,952
Members' equity and undivided earnings	260,447,382	239,604,617
Total liabilities and members' equity	3,353,079,309	3,197,438,569

Statement of Income

for the years ended Dec. 31, 2024, and 2023
(unaudited)

	2024	2023
Interest income:		
Interest on loans	141,825,204	116,611,610
Interest on investment securities	13,379,592	13,419,038
Interest on interest-bearing accounts	9,637,432	5,216,816
	164,842,228	135,247,464
Dividends on members' shares and borrowings	77,037,750	49,063,570
Net interest income	87,804,478	86,183,894
Provision for possible loan losses	10,241,000	8,792,000
Net interest income after provision for possible loan losses	77,563,478	77,391,894
Non-interest income:		
Service fees	15,090,650	13,964,576
Other non-interest income	18,415,642	18,283,644
	33,506,292	32,248,220
Non-interest expenses:		
Salaries, benefits, and payroll taxes	50,038,256	40,370,591
Occupancy and office expenses	27,982,772	25,248,270
Loan servicing expense	4,529,169	2,876,277
Other	9,647,824	9,548,491
Total operating expense	92,198,021	78,043,629
Net income	18,871,749	31,596,485

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 December 31, 2024. 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 examine TruMark Financial on a regular basis. The regulators completed their most recent examination as of March 2024, 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 Credit Union. We look forward to serving you, our members, in 2025.

Respectfully submitted,

Jaelyn Bowman, Supervisory Committee Chairperson
Richard Lee, Supervisory Committee Vice Chairperson
Donna M. Carvin, Supervisory Committee Secretary





Board of Directors

- Hugh T. Bray, President
- Suzette E. Adams, Vice President
- Kathleen L. Wells, Treasurer
- R. Terence Brunt, Secretary
- Joseph J. Bily, Director
- James P. DeBow, Director
- Daniel L. Dillard, Director
- William Donehower, Director
- Leonard V. Doughty III, Director
- Wayne J. Goodwin, Director
- David A. Ruffbach, Director
- Richard F. Stipa, Associate Director

Supervisory Committee

- Jaclyn Bowman, Chairperson
- Richard Lee, Vice Chairperson
- Donna M. Carvin, Secretary

