

2019 Annual Report

# MERITRUST CREDIT UNION

## MOVING TO THE HEART OF WICHITA

*Learn more, inside front cover*

## A FOCUS ON FINANCIAL WELL-BEING

*Partnership increases opportunities to serve university communities (3)*

## FORBES AMERICA'S BEST CREDIT UNION IN KANSAS

*Recognized for doing what we love to do – serving you (2)*

### OUR MISSION:

Improving the lives of our members and the communities we serve.

# A SUCCESSFUL YEAR IN SERVING OUR MEMBERSHIP

Meritrust members,

Thank you for choosing Meritrust to be your financial partner. Our mission is to improve the lives of the members and communities we serve, and it's an honor to be alongside you on your life's journey.

In this year's Meritrust annual report, we've highlighted the milestones and accomplishments we achieved in our quest to improve lives around us. You'll read about the many ways we empowered our members and our communities in the past year- whether that's by building confidence through no-cost financial education appointments, lending a hand to a neighbor in need, donating \$1,000 to six organizations you chose, or offering a new product to help our members to save for their futures.

We appreciate you choosing Meritrust to serve you.

At your service,



Rick Dodds  
Chair, Board of Directors



James Nastars  
President/CEO

## GROWING OUR SERVICE TO OUR COMMUNITIES

Thank you to the Meritrust membership for voting in support of the 2019 charter change from a state to federal charter. Now as a federally chartered credit union, we have the ability to further improve financial well-being for consumers in our communities and grow into new markets to expand our products, services and financial education resources.

### MOVING TO THE HEART OF WICHITA *(from front cover)*

Renovations took place on new corporate offices at the Meritrust Center in downtown Wichita, with a vision of creating a space to serve the membership into the future. The ground floor will feature a business-focused Meritrust branch that will also offer two interactive teller machines for member banking needs.

The new space was created with tomorrow's workforce in mind, helping attract and retain the talent needed to serve the membership and grow Meritrust in the future. The floors serving as Meritrust's headquarters offer state-of-the-art training spaces for professional development, including interactive technology for an engaging learning experience.

All Meritrust administrative teams previously housed at multiple sites will be under one roof at Meritrust Center, and the physical environment is dedicated to supporting the collaboration of teams. Seating and collaboration spaces provide ample opportunity for partnership of teams in serving the Meritrust mission.

The fourth, fifth and sixth floors at the Meritrust Center are available for lease.

# SERVING OUR COMMUNITIES

Honored to be recognized for what we love to do –  
which is to serve you

It's our mission to improve the lives of our members,  
and we're proud to celebrate the ways we improve  
financial well-being for our members and  
communities.

## FORBES AMERICA'S BEST CREDIT UNION IN KANSAS

Forbes magazine announced Meritrust as the Best  
Credit Union in Kansas for 2019.

This honor was based upon the magazine's survey of  
25,000 financial institution customers from across the  
country to gather opinions on current and former  
banking relationships. Financial institutions were  
scored on overall recommendations and satisfaction,  
as well as based on trust, terms and conditions,  
branch services, digital services and financial advice.

## WICHITA EAGLE BEST CREDIT UNION IN WICHITA

Meritrust was selected as the 2019 Readers' Choice  
Winner in the credit union category, thanks to Wichita  
Eagle voters. Thank you to each of our community  
members who voted and shared how much you love  
Meritrust. It is an honor to serve the Wichita-area  
community and we're proud to be a part of ICT.



## MERITRUST HONORED WITH FIRST-PLACE FINANCIAL EDUCATION AWARDS

Meritrust was announced by Heartland Credit Union  
Association as the first-place winner for the 2019  
Credit Union National Association's Alphonse  
Desjardins Awards. Meritrust was recognized for both  
adults and youth categories for Kansas credit unions  
with \$1 billion in asset size and greater based upon offering  
a financial literacy program that supports member  
needs and improves financial well-being in the  
community. Financial literacy offerings at Meritrust  
include free financial coaching for members,  
partnerships with local employers to provide  
educational workshops for employees, partnerships  
with local non-profits organizations to offer financial  
education resources, and no-cost financial camps for  
area students in the summers. The financial education  
team is also serving as subject matter experts for local  
media, including appearing on ongoing media  
interviews regarding financial education topics.





# SERVING OUR COMMUNITIES

## OFFICIAL WELL-BEING PARTNER FOR UNIVERSITY OF KANSAS ATHLETICS AND KANSAS STATE UNIVERSITY ATHLETICS

Meritrust was selected to be the “Official Financial Well-Being Partner” for University of Kansas Athletics and Kansas State University Athletics. These partnerships offer the opportunity to serve the K-State and KU communities, while providing important financial education for the athletes at these schools.



## DAY AT THE CAPITOL

More than 200 Kansas credit union employees and advocates had the opportunity to visit with legislators to discuss issues of importance to credit unions and their members at the state’s Day at the Capitol.

## SPOTLIGHT ON WELLNESS AWARD WINNER

The Meritrust selection committee selected Becky Tuttle, City of Wichita Council Member and Chair of the Health & Wellness Coalition of Wichita, as the 2019 Byron G. Stout IV Spotlight on Wellness Award winner. With Becky as Chair of the Health & Wellness Coalition in Wichita, the organization has focused on promoting physical activity and good nutrition for everyone, using resources, programs and policies to make positive change.

The Byron G. Stout IV Spotlight on Wellness Award memorializes Meritrust’s beloved champion of wellness, Byron Stout IV, who passed away in June 2015. As a part of the honor, Meritrust donated \$500 each to two local charities on behalf of Becky: The Greater Wichita YMCA and the WSU Tech Foundation.





# SERVING OUR COMMUNITIES

## **MERITRUST PROUD TO SERVE FINANCIAL WELL-BEING OF THE SPIRIT AEROSYSTEMS COMMUNITY**

Ever since employees from Stearman Aircraft Company chartered Meritrust in 1935, Meritrust has taken pride in serving the financial needs of many from the aviation community, including employees of Spirit AeroSystems and its predecessors. The credit union serves Spirit employees through an onsite branch, ATMs located throughout the Spirit campus, financial education workshops hosted at Spirit and private one-on-one appointments with certified advisors. During the summer furloughs and the recent layoffs, Meritrust continued our dedication of serving the employee base, supporting the financial well-being of its employees through tools and one-on-one appointments to bring peace of mind for finances. Out in the community, Meritrust is a partner in supporting causes important to the Spirit team, including the Good Neighbor Fund and the Salvation Army.

## **DEVELOPING TOMORROW'S LEADERS AT WICHITA STATE**

Meritrust is proud to have a strong partnership with Wichita State University to support the financial well-being of the students, faculty and university community. Meritrust is in its fourth year being the presenting sponsor for the Barton Business School's Professional Edge program. Our \$100,000 annual gift for this program provides the resources for personal growth and development as an enhancement to the student's formal education. More than 800 students were enrolled in the program in 2019.



10 Professional Edge classes taught by Meritrust professionals



56 hours spent providing financial education to WSU students and faculty



Development of an online-based financial education badge program

Meritrust also supports the Wichita State community through presence at student activities and events, including the Back to School Bash, student orientation and Finals Frenzy. In addition, we're proud to be a part in celebrating Shocker sports as a Wichita State athletics sponsor for basketball, baseball and volleyball.

# SERVING OUR COMMUNITIES

Giving at a glimpse



**\$450  
GIVEN TO**

Manhattan-area  
educators  
as a part of our  
**Teacher of  
the Month**  
sponsorship.

Team Meritrust joined  
with the community  
to collect  
**TWO TONS OF TRASH**  
from the Arkansas River.



**12 BIKES**  
presented to  
**BBBS Littles**  
during  
*Wichita State  
University*  
half-time show.



**400+ HOURS**  
given by Meritrust employees  
during **COMMUNITY SERVICE DAYS**,  
an opportunity for  
Team Meritrust to serve  
**NON-PROFITS DURING WORK HOURS.**



**\$4,000**  
IN POST-SECONDARY  
**SCHOLARSHIPS**  
AWARDED  
TO MEMBERS IN OUR  
COMMUNITIES.

**\$525,000 TOTAL**  
IN IN-KIND AND  
**CHARITABLE**  
GIVING TO SERVE  
OUR COMMUNITIES.



**630 DICTIONARIES**  
delivered to  
*Derby-area third graders*  
in partnership with  
**the Rotary Club of Derby.**



**\$6,000**  
DONATED TO **6 LOCAL NON-PROFITS**  
on behalf of our members  
*during the holiday season's*  
**SIGN & DONATE CAMPAIGN.**



# BRANCH FOOTPRINT IMPROVEMENTS

## COMING SOON: NEW LOCATION TO SERVE NORTHEAST WICHITA

Meritrust was proud to celebrate the ground breaking of a new retail banking location being built in the Prairie Village Shopping Center in Wichita (6263 East 13th Street). This branch will replace and relocate Meritrust's nearby Tallgrass location. Pending construction timelines, the new branch is planned to be open by summer 2020. The existing Tallgrass branch will remain open until the new location is ready to serve your banking needs.



## DERBY EAST BRANCH RENOVATIONS HELP YOU BANK YOUR WAY

Meritrust joined with members and community partners to celebrate the re-opening of our Derby East branch. The ribbon-cutting celebration followed a renovation to bring members a personal service experience and an improved one-stop-shop. The drive thru at the branch offers interactive teller machines (ITMs) for quick and convenient ways to complete your banking transactions any time, day or night.



## CELEBRATING OUR BRAEBURN BRANCH AND EXCEPTIONAL EXPERIENCES TO COME

A ribbon cutting celebrated the new Meritrust branch at Braeburn Square and the increasing opportunity to improve financial well-being for the Wichita State community.

The branch features Wichita State branding throughout, and digital technology allows members to have a more interactive experience while conducting banking transactions. Two interior interactive teller machines are housed within the location, allowing members to complete financial transactions and providing 24/7 access to Meritrust card-holding members within a vestibule for anytime eATM deposits and withdrawals. Another drive-up ITM provides members an enhanced drive-thru experience during business hours and 24/7 deposit and cash withdrawals.





# HONORING TEAM MERITRUST

## JAMES NASTARS ELECTED TO INNOVATION BOARD

Meritrust's President/CEO James Nastars was elected to the board for MEMBERS Development Corporation (MDC), the credit union's research and development consortium.

Through MDC, Meritrust leverages a network of leaders and resources from 68 other credit unions for research and development initiatives to ensure relevancy for years to come. Combined, the MDC owners serve nearly 14 million members, hold \$192.4 billion in assets, maintain just under 1,800 branch locations across the nation, and employ almost 36,000 professionals.

## SHARING OUR CULTURE WITH THE COMMUNITY

Meritrust launched an Instagram page on International Credit Union Day, October 17. The page celebrates life at Meritrust and all the passion employees give to serving the Meritrust mission.



## A NOD TO OUR AVIATION HISTORY *(pictured above)*

Meritrust President James Nastars and Team Meritrust had the opportunity to meet Wichita's "Doc" – one of two currently flying Boeing B-29 Superfortress bombers. We've been proud to serve the aviation community for more than eight decades.

# HONORING TEAM MERITRUST

Celebrating the accomplishments of our employees as they lead in our industry and our community.

## COMMUNITY LEADERSHIP

### **Advance Kansas Advancers**

Ashley Newberry | Retail Assistant Manager, Andover Branch

Vicki Plank | Chief Human Resource Officer, Corporate Office

### **Wichita Business Journal Women Who Lead**

Angie Plummer | Chief Marketing Officer, Corporate Office

Jamie Harrison | SVP Chief Retail Officer, Corporate Office

Vicki Plank | Chief Human Resources Officer, Corporate Office

### **Young Professional of the Year Award, Andover Area Chamber of Commerce**

#### **Wichita Insider, Greater Wichita Partnership**

Randa Shaban | Senior Business Relationship Manager, Cross Pointe Branch

## INDUSTRY LEADERSHIP

### **New Certified Credit Union Financial Counselor**

Kathy Manivanh | Consumer Loan Specialist, Corporate Office

### **CUlead** *(develops credit union industry leaders in Kansas and Missouri)*

Kathy League | Retail Regional Director, Corporate Office

### **Crash the Governmental Affairs Conference Crasher** *(develops credit union leaders nationally)*

Taylor Vitztum | Retail Manager, Plant II Branch

### **#1 Mortgage Broker/Loan Originator (individual), 2019 Best of Lawrence competition**

Hakan Wildcat | Real Estate Loan Originator, Lawrence Branch

### **Credit Union National Association Credit Union Magazine Rock Star**

Jamie Harrison | SVP Chief Retail Officer, Corporate Office



# NEW PRODUCTS AND SERVICES HELPING YOU BANK FEARLESSLY

## GET MORE OUT OF YOUR CREDIT CARD

Reap the rewards of life's next adventure. Meritrust's new Rewards Credit Card earns members one point per dollar spent. Points can be redeemed for cash back deposited to the members' Meritrust savings account, a statement credit or a gift card to major retailers and restaurants.

*Annual percentage rate is variable and is indexed to the WSJ Prime Rate plus 12.99%. The maximum annual percentage rate is 18.00%. Annual percentage rate can adjust without notice quarterly based on the WSJ Prime Rate. Cash advance fees are \$8.00 or 3.00% of the amount of each cash advance, whichever is greater, with a maximum fee of \$35.00. There are no fees for foreign transactions. Cash back rewards are available on qualified transactions only. See Rewards Credit Card Terms and Conditions for full program details. Subject to approval.*

## MEMBER-TO-MEMBER: PAYMENTS MADE EASY

For members who want to pay a friend or relative, member-to-member payments provide a quick and secure way to transfer funds. Member-to-member payments launched to provide a real-time, free way to pay other members. As soon as the transfer is made, the money is available in the receiving account. No fees for making the transfer and there is no dollar limit. It's just one more way for you to bank wherever, whenever.

## BANKING CONVENIENCE ON THE GO

Life's busy, which is why Meritrust is committed to making drive-thru banking convenient. We enhanced drive-thru experiences by providing an expanded interactive teller machine (ITM) at our Tyler branch (2050 North Tyler, Wichita) and Oliver branch (2900 South Oliver, Wichita). You can complete most any transaction you're used to completing in the drive thru, including deposits, loan payments, withdrawals, balance inquiries, transfers and even requesting specific bills and coins for cash back. The enhancements at the Oliver branch also included the widening of the lanes of the drive thru to better accommodate larger vehicles.

# NEW PRODUCTS AND SERVICES HELPING YOU BANK FEARLESSLY

## A BETTER BUSINESS-BANKING EXPERIENCE

New business banking products provide a convenient option for businesses looking to save time and hassle. Meritrust's BusinessPro Banking bundles offer businesses features they want and expect from business checking accounts and business online banking, with two packages to choose from: Lite Access or Elite Access.

Both packages include two-factor authentication and dual approval for ACH and wire transactions. Shared access makes it easy to give employees different levels of access based on their job responsibilities. Business banking doesn't get more convenient than this.

## AN ACCOUNT THAT HELPS NONPROFITS SAVE

With Meritrust's Non-Profit Money Market, community partners can earn more and easily access funds when the time is right. To help nonprofits save, the Non-Profit Money Market offers Excess Share Insurance, no minimum balance, up to six free preauthorized transactions each month and free checks available upon request.

## SAVING MEMBERS TIME WHEN SEEKING INSURANCE PARTNER

Members who have purchased a new car, are looking to buy a home or want to explore a personal umbrella policy can contact Meritrust Insurance Services. Our new program provides members with protection recommendations and options as they research an insurance partner to protect their assets and provide peace of mind.



# SUPERVISORY COMMITTEE REPORT

Appointed by the Board of Directors, your Supervisory Committee met throughout the year with Meritrust Credit Union management to ensure the effectiveness of internal controls, adherence to established policies and procedures, compliance with regulatory requirements and propriety of financial accounting and reporting. A comprehensive 2019 year-end audit was completed by the Certified Public Accounting firm Moss Adams. Meritrust received an unmodified opinion on the propriety of our financial statements.



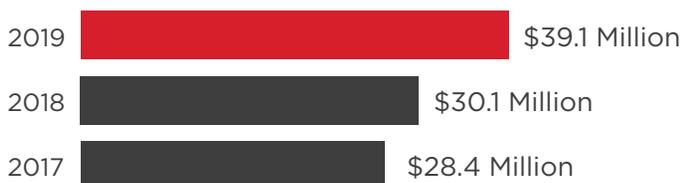
Sincerely,  
Jody Maupin  
Chairman of the Supervisory Committee

# DEPOSITS AND LOANS

## Deposit Balances



## Small Business Deposits



## Direct Auto



## Home



## Small Business





# BALANCE SHEET

## Assets

	2018	2019
Loans to Members, Net of Allowance For Loan Losses	\$1,049,299,508	\$1,004,774,317
Investment Securities	11,640,741	7,555,199
Interest Bearing Deposits in Financial Institutions	66,107,681	148,154,844
Fixed Assets, Net of Depreciation	37,666,917	48,113,026
Other Assets	49,747,197	57,701,533
<b>TOTAL ASSETS</b>	<b>\$1,214,462,044</b>	<b>\$1,266,298,919</b>

## Liabilities and Equity

Savings Accounts/Total Member Equity	\$1,004,742,572	\$1,022,453,129
Other Liabilities	87,456,828	117,232,960
Owner's Equity	122,262,644	126,612,830
<b>TOTAL LIABILITIES</b>	<b>\$1,214,462,044</b>	<b>\$1,266,298,919</b>

## STATEMENT OF INCOME

### Interest Income

Interest on Loans	\$49,911,943	\$51,452,119
Interest on Investments	4,191,625	4,508,543

### Interest Expense

Dividends on Deposits	\$10,174,779	\$11,538,585
Interest on Notes Payable	2,970,987	2,811,462
<b>NET INTEREST INCOME BEFORE OPERATIONS</b>	<b>\$40,957,802</b>	<b>\$41,610,615</b>

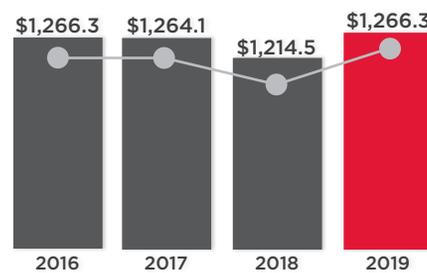
Provision For Loan Losses	\$6,671,014	\$6,524,213
Operating Expenses	51,268,034	54,555,588
<b>TOTAL OPERATING EXPENSES</b>	<b>\$57,939,048</b>	<b>\$61,079,801</b>

Other Operating Income	\$21,158,514	\$24,295,519
Non-Operating Gain (Loss)	35,884	34,342
<b>NET INCOME</b>	<b>\$4,213,152</b>	<b>\$4,860,675</b>

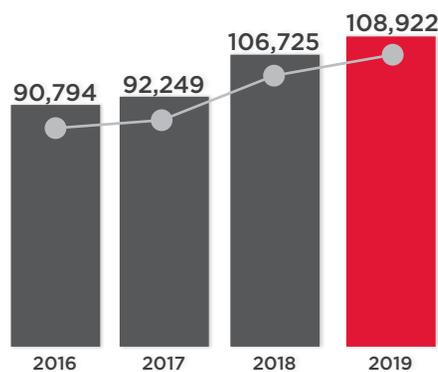
## STATEMENT OF CHANGES IN EQUITY

Reserves		
Regular Reserves	17,430,129	17,430,129
Undivided Earnings	107,000,816	111,861,491
<b>TOTAL EQUITY</b>	<b>\$124,430,945</b>	<b>\$129,291,620</b>

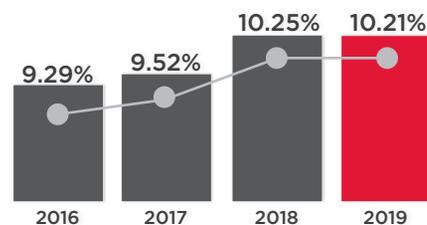
Total Assets



Total Members



Net Worth/Assets



# 2019 BOARD OF DIRECTORS

Rick Dodds, Chair  
Dr. Marci Johnson, Vice Chair  
Brian Middleton, Secretary/Treasurer  
Steve Dunn, Director  
Hector Cortez, Director

## SUPERVISORY COMMITTEE

Jody Maupin, Chair  
Brian Cox, Secretary  
Dr. Khawaja Saeed, Committee Member

## PRINCIPAL OFFICERS

James Nastars, President/CEO  
Wade Bruendl, SVP/Chief Strategy Officer  
Karen Callaway, SVP/Chief Risk Officer  
Brian Davidson, SVP/Chief Business Officer  
Randy Doerksen, SVP/Chief Financial Officer  
Jamie Harrison, SVP/Chief Retail Officer  
Evan Wilson, SVP/Chief Engagement Officer  
Cliff Shoff, VP/Chief Technology Officer  
Gabe Schlickau, VP/Chief Retail Delivery Officer

# OUR CORE VALUES:

We Passionately Embrace our Mission

We Are Unique Individuals Committed to One Team

We Are Servant Leaders

We Approach Opportunities with a Productive Attitude



Meritrust Credit Union  
P.O. Box 789757  
Wichita, KS 67278-9757

**Meritrust**  
**CREDIT UNION**<sup>SM</sup>

Federally insured by NCUA.