

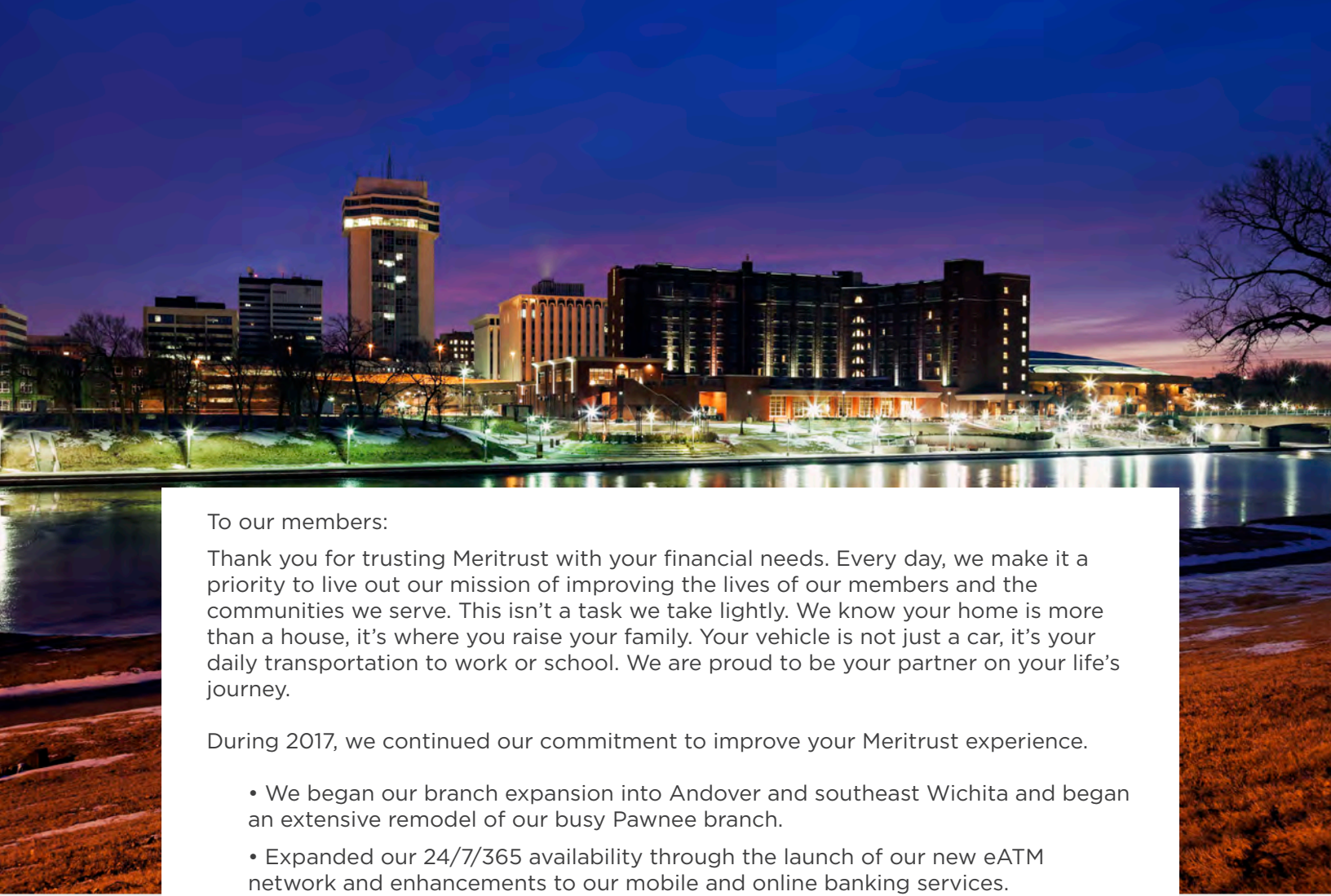
2017

ANNUAL REPORT



Meritrust
CREDIT UNION SM

Federally insured by NCUA.



To our members:

Thank you for trusting Meritrust with your financial needs. Every day, we make it a priority to live out our mission of improving the lives of our members and the communities we serve. This isn't a task we take lightly. We know your home is more than a house, it's where you raise your family. Your vehicle is not just a car, it's your daily transportation to work or school. We are proud to be your partner on your life's journey.

During 2017, we continued our commitment to improve your Meritrust experience.

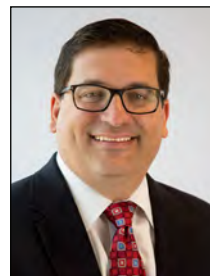
- We began our branch expansion into Andover and southeast Wichita and began an extensive remodel of our busy Pawnee branch.
- Expanded our 24/7/365 availability through the launch of our new eATM network and enhancements to our mobile and online banking services.
- Improved the quality of service in our drive-thru lanes with the launch of our Interactive Teller Machines.
- Launched new Money Market and Home Equity options, as well as established partnerships to allow you to find your next vehicle quickly and easily.

We also continued our commitment to community stewardship with major commitments to Kansas Big Brothers Big Sisters, Wichita State University, the American Diabetes Association Tour de Cure, as well as over 50 other deserving community organizations in Wichita, Derby, Andover, Valley Center, Maize, Goddard, Lawrence, Manhattan and Junction City.

Please take some time to learn more about our highlights from 2017, and we look forward to sharing with you plans for 2018. Thank you to our member owners for your partnership in the Meritrust financial cooperative. We appreciate the trust you've placed in us to help you achieve your goals and are honored to serve you and your financial needs. We look forward to serving you in the years to come.



Marci Johnson, Ph.D.
Chairman of the Board of Directors



James Nastars
President/CEO

INTRODUCING NEW PRODUCTS AND SERVICES

FLEX YOUR GAINS WITH MERITRUST'S NEW MONEY MARKET



You work hard for your money, make sure it works hard for you. Meritrust's new Flex Money Market allows members to keep their funds liquid, while also earning a great rate. Vacation coming up? Preparing for upcoming college expenses? A savings account with checking account perks, the Flex Money Market provides liquidity to access your money when you want with no early withdrawal penalties. This account has competitive rates and provides instant access to your funds through Meritrust's mobile app or by writing checks directly from your Flex Money Market.

WHAT CAN YOUR HOME'S EQUITY DO FOR YOU?

Needing to complete some repairs on your home, sweet home? Wanting to take that over-due dream vacation? Meritrust's Primeline Home Equity Line of Credit provides the flexible terms and offers low fixed rates allowing you to paint the kitchen, finally finish the basement or book those plane tickets - guilt free. With Meritrust's Primeline, your dream home and dream vacation can become a reality.



PARTNERING WITH ENTERPRISE CAR SALES



Meritrust launched a new partnership in 2017 with Enterprise Car Sales to offer our members great deals on awesome autos. Members who financed with Meritrust and chose a car from Enterprise Car Sales enjoyed additional perks such as discounted vehicle pricing or an extra \$500 back on trade ins. Every Enterprise car is a certified used vehicle, owned only by Enterprise Car Sales, that has passed a rigorous inspection, making it more than just your average vehicle.

I would like to personally thank you for your help in securing our loan and making sure the documentation was correct. Thank you all so much for checking, and double-checking, all the things we had to do to make sure everything went right. Thank you for helping get the home loan process started and giving us options so our hopes were not too high, nor too unrealistic. I know this is not something that most people do, but it just felt right in my heart that this was necessary to say. Again, thank you all very much. -Member Gregory

We are so thankful for our auto loan from Meritrust. We had been without a vehicle for three years and with three children and the bus system in our town, we couldn't get them to any extracurricular activities, not to mention the hassle of getting to the grocery store every week. Now that we have our van, we've been able to sign them up for sports, visit relatives out of town, give rides to friends and just have an easier, more independent life. Thank you so much! - Member Naomi



IMPROVING LIVES



FINANCIAL BOOTCAMPS TEACH STUDENTS MONEY MANAGEMENT

Budgeting can be fun! Meritrust hosted 430 students across Kansas at our free financial bootcamps this past summer, which are open to both members and non-members. These day camps in our communities featured lessons on saving, budgeting, goal-setting and planning, with some outdoor summer camp activities along the way.



SHOCKING THE WORLD, ONE PROFESSIONAL AT A TIME

Meritrust was proud to pledge a \$324,000 gift over three years to Wichita State University to help launch their career-development program, Professional Edge. The program is designed to help business students develop skills such as networking, interviewing and professional etiquette. The Professional Edge program is part of WSU's Shock the World campaign.



STUDENTS DIG INTO MOBILE APP DEVELOPMENT

Meritrust was proud to partner with Wichita State University for a Mobile App Camp. Held on campus at WSU, high-school students learned about how mobile applications are developed and delivered.

MERITRUST WINS 2017 ADVANCE KANSAS DIVERSITY AWARD

Meritrust's mission is to improve the lives of its members and the communities it serves, and it's a mission the team takes pride in. While growing our membership and enhancing products and services to respond to changing times, Meritrust has continued to focus on being a supporter of community growth and development, and serving diverse needs throughout our city. Meritrust was honored to have been selected for the 2017 Diversity Award. We are proud to be a partner of Butler Community College by participating in the Advance Kansas program.





MERITRUST PROUD TO BE PART OF DOWNTOWN PLANS

The downtown area is the heart of Wichita. It's a key part of living, working and playing in Wichita, and that's part of why Meritrust leadership was pleased for the purchase of what will soon be the credit union's new corporate offices.

In 2017, Meritrust purchased the existing corporate offices for Cargill Meat Solutions, located at 151 N. Main. When Meritrust makes the move to the downtown offices, the location will house the credit union's administrative departments and offices for mortgage services, wealth management advisors and small business services.

"We are thrilled for what this new space means for our employees and the downtown community," says James Nastars, Meritrust President/CEO. "With the new headquarters, we'll have the opportunity to provide an exceptional work environment for our employees, increase services to our members and expand our commitment to Wichita's economic development, particularly downtown."

Meritrust anticipates moving its support departments to the downtown site in 2019. The credit union has been housed at its current administrative offices in north Wichita since 2004, and its support team is quickly outgrowing the building. The new building will provide accommodation for future growth.

"We are excited about the community and business leaders' development plans for downtown. We are committed to being a part of that process."

James Nastars, Meritrust President/CEO

"We are excited about the community and business leaders' development plans for downtown," Nastars says. "We are committed to being a part of that process."



WEALTH MANAGEMENT RESOURCES FOR ALL STAGES OF LIFE

Meritrust's holistic philosophy for wealth management means taking care of members in all stages of wealth, from early saving to preparing for retirement. Our Financial Advisors are available to all Meritrust members to help you map out a strong financial path and plan for all of life's opportunities.

Meritrust is proud to be serving one of Wichita's largest employers, Spirit AeroSystems, and its employees through financial resources offered at no cost and onsite at Spirit. These resources include financial wellness workshops and presentations on topics such as planning for retirement and debt management, as well as private, one-on-one check ups with Meritrust Wealth Management financial planners and Meritrust certified financial educators.

*Non-deposit investment products and services are offered through CUSO Financial Services, L.P. ("CFS"), a registered broker-dealer (Member FINRA/SIPC) and Registered Investment Advisor. Products offered through CFS: are not NCUA/NCUSIF or otherwise federally insured, **are not guarantees or obligations of the credit union, and may involve investment risk including possible loss of principal.** Investment Representatives are registered through CFS. Meritrust Credit Union has contracted with CFS to make non-deposit investment products and services available to credit union members.



BEST OF THE BEST TO SERVE OUR MEMBERS



ANGELA BACK

Wichita Business Journal 40 Under 40 Honoree 2017

Small business is the heart and soul of the community, and that's why Meritrust Director of Business Services Angela Back is passionate for entrepreneurship and helping small business owners fulfill their dreams. As another way she serves Meritrust's mission, Angela is an avid supporter of organizations that fulfill previously unmet needs within the community.



GABE SCHLICKAU

Local Workforce Development Board Chairman Appointment

A strong workforce is the backbone to a growing community. Meritrust was proud to have Gabe Schlickau, VP/Chief Retail Delivery Officer, named as the new chairman of the Local Workforce Development Board (LWDB), part of the Workforce Alliance of South Central Kansas. The LWDB connects employers and job seekers together to create employment opportunities in the Wichita community.



JAMIE HARRISON

Wichita Business Journal Women in Business Honoree 2017

Strong mentoring and leadership strengthens our communities. Jamie Harrison, Meritrust's SVP/Chief Retail Officer is passionate about both and regularly finds ways to build leaders.



KEN GRETEMAN

Heartland Credit Union Association Volunteer of the Year 2017

Retired Meritrust Board of Director volunteer Ken Greteman served the Meritrust membership for 33 years. During his time on the board, Greteman helped grow Meritrust from strictly a savings and loan institution to the organization we are today: full-service to support our members wherever they are in their financial journeys. This award is given to a credit union volunteer each year to recognize dedication to the betterment of credit unions.

MEMBERS CAN BANK WITH US WHENEVER, WHEREVER

Life's busy. Meritrust is here to help our members save time and provided in 2017 additional convenient ways to fulfill their banking needs.

MOBILE APP ENHANCEMENTS

Meritrust made several updates to our mobile app, including new Bill Pay functionalities, the ability to schedule recurring transfers, push notification banking alerts, transfer memos for describing your transactions and a locator search. We also introduced balance widgets for Apple and Android devices, so you can quickly view your account balances without needing to open your app.

24/7 DEPOSITS

In the past year, Meritrust has brought to our membership the convenience of all-day and all-night deposits, thanks to our eATMs. These machines allow our members to skip the lines inside our branches and make cash and check deposits with no envelopes. Members have access to their cash deposits right away and can view and confirm their check deposits before driving away.

ENHANCED DRIVE-THRU SERVICES

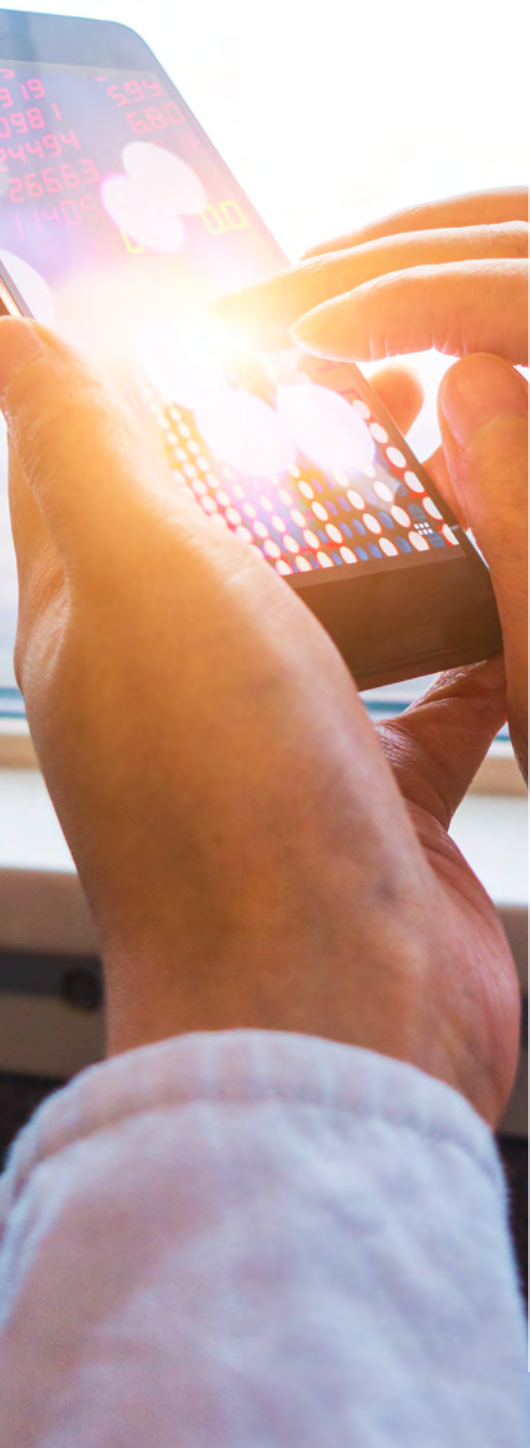
No tubes. Quick, efficient service. Meritrust has started rolling out an enhanced drive-thru experience with Interactive Teller Machines (ITMs) at our branches. The ITMs allow our members to have a more personal drive-thru experience with the ability to complete deposits, loan payments, withdrawals, balance inquiries, transfers and more with an interactive teller through the screen. Hear the teller better. See the teller better. An overall better drive-thru experience with ITMs.

SELF-SERVICE LOAN DEFERMENTS

Sometimes life throws a curve ball. Sometimes you just want a little extra money for a vacation or the holidays. Members are now able to defer loan payments year round through an easy, quick self-service online application. Meritrust's skip-a-pay all-year program helps give members peace of mind throughout whatever life brings.

WICHITA FLAG DEBIT CARD

Meritrust was born in Wichita in 1935. We're proud to serve the community, and to help our members show their pride in our city, we created a Wichita flag debit card. This eye-catching design gives our checking account cardholders yet another way to say, "We love Wichita." Stop by your nearest Meritrust branch today to get yours!



A modern, multi-story building with large glass windows and a prominent entrance. The Meritrust Credit Union logo is visible on the upper left side of the facade. The building is surrounded by a landscaped area with green grass and trees. In the top right corner, there is an inset image showing the interior of a branch, which is bright and modern with wooden accents and people working at service counters.

Meritrust
CREDIT UNION

IMPROVED BRANCH EXPERIENCES: COMING SOON

It's important to Meritrust that our members feel at home and enjoy an exceptional experience in our branches. That's why we're proud to be improving and expanding our branch footprint.

Meritrust will be opening two new branches in 2018 to serve the members who live, work and play in southeast Wichita and Andover. Groundbreaking took place for the future Andover branch in September 2017 and the branch is expected to open in summer 2018. This branch will offer a member-friendly interior that creates a warm, inviting atmosphere, allowing members to have a more personal experience. The southeast Wichita branch at Harry Street and South Webb Road is tentatively scheduled for opening in late 2018. These two branches will serve the members of our One Kellogg Place branch, which will close due to Kellogg construction once the Andover branch is open.

Our Pawnee branch is currently undergoing a major expansion and renovation. Once finished, the new remodeled branch will have a similar design to the Andover branch, providing our members at our busiest branch with an even better member experience. Renovation is expected to be complete by early fall 2018.

MERITRUST NO. 3 IN WICHITA MORTGAGE LENDING MARKET



Home loans are made simple with Meritrust, and the good word is getting out! 2017 saw a big leap for Meritrust mortgage lending from the No. 8 spot to the No. 3 spot in the Wichita Business Journal's Book of Lists for Residential Mortgage Lenders. John Beckman, Director of Real Estate and Business Lending, credits the growth to a combination of strong relationships with our realtors and bringing more awareness to the credit union difference in the home loan process. Meritrust looks forward to continuing to serve the real estate needs of Wichita, Manhattan and Lawrence in 2018.

STATEMENT OF FINANCIAL CONDITION

Assets	2016	2017
Loans to Members, Net of Allowance For Loan Losses	\$1,098,611,542	\$1,044,901,406
Investment Securities	13,316,094	12,363,350
Interest Bearing Deposits in Financial Institutions	86,241,020	123,629,298
Fixed Assets, Net of Depreciation	30,099,710	34,358,899
Other Assets	38,056,866	48,863,275
TOTAL ASSETS	\$1,266,325,232	\$1,264,116,228

Liabilities and Equity	2016	2017
Savings Accounts/Total Member Equity	\$1,046,507,298	\$1,067,140,725
Other Liabilities	107,385,694	78,891,697
Owner's Equity	112,432,240	118,083,806
TOTAL LIABILITIES	\$1,266,325,232	\$1,264,116,228

STATEMENT OF INCOME

Interest Income	2016	2017
Interest on Loans	\$51,496,945	\$53,164,326
Interest on Investments	1,230,030	2,873,647

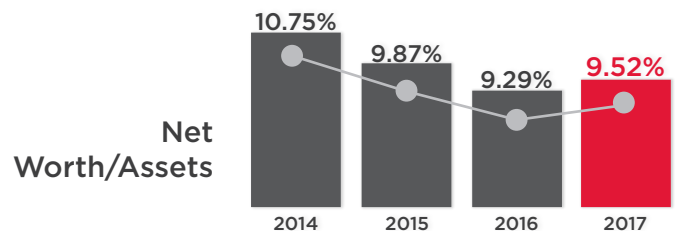
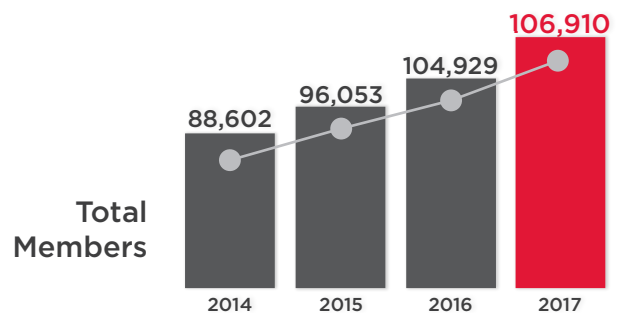
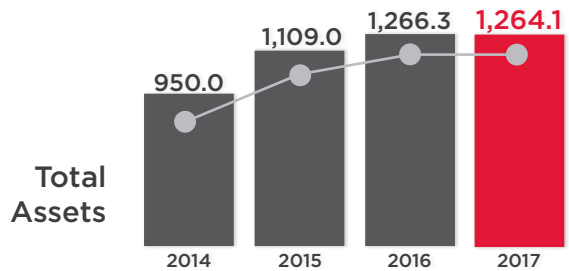
Interest Expense	2016	2017
Dividends on Deposits	\$9,687,648	\$10,283,852
Interest on Notes Payable	1,787,071	2,612,685
NET INTEREST INCOME BEFORE OPERATIONS	\$41,252,256	\$43,141,436

Provision For Loan Losses	\$10,213,222	\$16,461,330
Operating Expenses	42,016,959	43,561,997
TOTAL OPERATING EXPENSES	\$52,230,181	\$60,023,327

Other Operating Income	\$16,185,950	\$17,109,923
Non-Operating Gain (Loss)	2,892,494	2,366,642
NET INCOME	\$8,100,519	\$2,594,674

STATEMENT OF CHANGES IN EQUITY

Reserves	2016	2017
Regular Reserves	17,430,129	17,430,129
Undivided Earnings	95,002,111	100,653,677
TOTAL EQUITY	\$112,432,240	\$118,083,806



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 2017 year-end audit was completed by the Certified Public Accounting firm of DoerenMayhew. 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

Keeping your hard-earned money safe and secure.

Small Business Deposits

Helping our community's businesses invest for the future.

Direct Auto

The key to whatever's ahead on the journey of life.

Home

It's more than a house, it's your happy place.

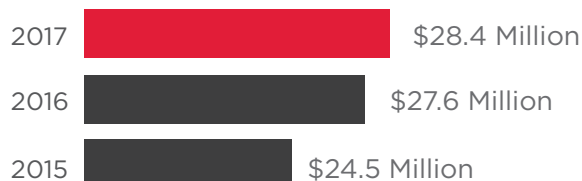
Personal Loans

For life's little - and big! - surprises.

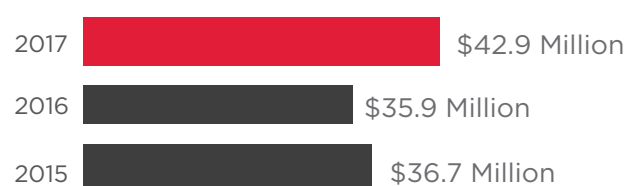
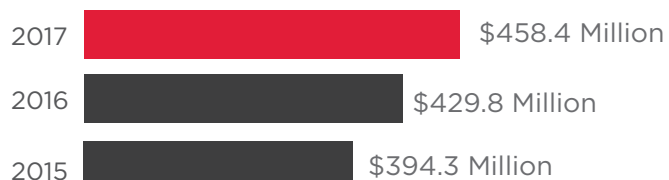
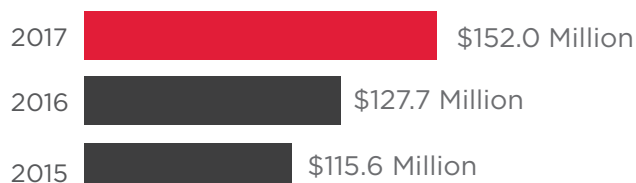
Small Business Loans

Helping you get your entrepreneurial dream started.

DEPOSIT BALANCES



LOAN BALANCES



2017 BOARD OF DIRECTORS

Dr. Marci Johnson, Chair
Steve Dunn, Vice Chair
Rick Dodds, Secretary/Treasurer
Duane Van Camp, Director
Brian Middleton, Director

SUPERVISORY COMMITTEE

Jody Maupin, Chair
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 Experience Officer
Cliff Shoff, VP/Chief Technology Officer
Gabe Schlickau, VP/Chief Retail Delivery Officer



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