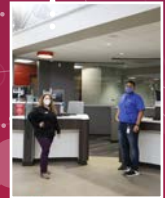
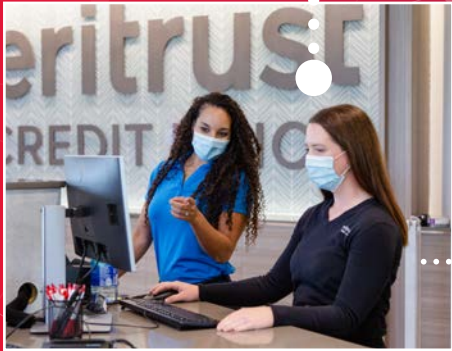
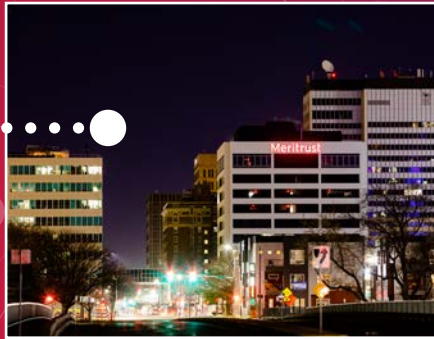


# STAYING CONNECTED

IMPROVING FINANCIAL WELL-BEING THROUGH EXTRAORDINARY TIMES



2020 ANNUAL REPORT

**Meritrust**  
CREDIT UNION SM

## PRESIDENT/CHAIRMAN LETTER

She was a single mother who was struggling financially and close to bankruptcy. She knew she wanted better for herself and her family and through a referral to speak to our Financial Education team, she was connected with the partnership and resources she needed to overcome the financial hardships.

For over two years, Meritrust's Financial Education team guided her along her financial journey through no-cost, private meetings. The certified financial coach served as an encourager and mentor as she developed a budget, paid down debt, overcame financial challenges, improved her relationship with money and ultimately felt more secure in her future.

The details behind the circumstances may be unique to this member's situation, yet financial hardships, money fears and not knowing where to start in improving our personal financial picture are far from the exception. Top money concerns for many Americans include paying down debt, saving for retirement and being able to cover unexpected expenses that come up. And unfortunately, money issues affect more than just our finances, causing harm to relationships, our physical health and our mental well-being.

Our relationship with our money is more than just about finances. It's our ability to take care of ourselves and our families and live life more confidently. That's why Meritrust has made it a priority to elevate financial well-being. In a year that brought uncertainty and increasing hardship, we empowered our communities to lean in to having conversations about money and reaching out to Meritrust for help. When times were tough, we showed up.

We stood ready. We walked alongside our members. We improved financial lives.

Serving you,



Rick Dodds  
Chair, Board of Directors



James Nastars  
President/CEO

# FINANCIALLY FEARLESS®

## GIVING HOPE TO THE COMMUNITY

By March 2020, uncertainty was most certain, and life dramatically changed. Students were sent home to learn, events were canceled, businesses were shuttered, jobs were lost and economies were impacted by a socially distanced world. In a time where a path of unknowns paved the way for anxiety and fears, Meritrust invited its members and communities to open up and talk about money.

In April, a new member outreach, Let's Talk About Money, launched and acknowledged the fears and realities the world was experiencing, and let the community know: Meritrust is ready to help. Our message was meant to empower our communities to take on their fears by having conversations about money, and reminding them it's okay to need help. Meritrust was ready and waiting to serve them through the tough times, helping with small business loans, loan payment deferrals or financial counseling to help restore confidence in the future and overcome fears.

The message resonated with members and the community alike, and between the months of April and June, 129 virtual financial counseling appointments were held and \$14.6 million in Paycheck Protection Program loans were approved through Meritrust. Our dedication to serving our members through their hardships continued all year, and in total, 27,810 monthly payment deferrals were processed in 2020.

By fall 2020, the world had settled into a new normal of life in a socially distanced pandemic. As the holidays approached, health officials encouraged safer ways to connect with loved ones and share traditions. Weary communities looked for a sign of hope for better days ahead, and a new holiday message from Meritrust provided the encouragement needed. Financially Fearless holidays launched in November and celebrated the hopefulness of the season, following a family's journey of finding joy and togetherness in a physically distanced world. A video and full media campaign brought the message throughout our communities throughout the season.

The Financially Fearless message resonated during a time when the world was looking for hope. However, the financial fears our members and communities feel are not only present during a pandemic. We look forward to carrying forward this mission - and helping our members overcome their fears - in the future.



### **MERITRUST WAS READY**

During the early, uncertain days of the pandemic, Meritrust was there for our members.

**7,293** payment skips processed

**129** virtual financial counseling appointments

**\$14.6 million** in Paycheck Protection Program loans

## **UNDERSTANDING FINANCIAL WELLNESS**

Meritrust partnered with the Financial Health Network on its efforts to benchmark financial well-being. In fall 2020, the Financial Health Network administered a survey to a portion of members from participating credit unions, including Meritrust, to assess the financial health of the surveyed members against a national benchmark. By completing the survey, members also received suggestions of areas to consider as they plan their financial well-being goals.

The survey found the financial health needs of members are evident: Over 60% of credit union members surveyed are struggling financially and at least one-third live paycheck-to-paycheck.

The goal of this research and partnership is to guide Meritrust and the credit union industry in rethinking how we operate, the investments in products and services we make and the resources we provide in order to prioritize financial well-being.



# EXPANDED OPTIONS FOR CONTACTLESS BANKING

Even before a pandemic increased the relevance of digital banking options, Meritrust had made it a priority to offer a range of services that make it easy to bank on your time. In 2020, we enhanced contactless banking even more with the launch of these services:

Em

## Em, our virtual assistant

Head to the homepage of [meritrustcu.org](https://meritrustcu.org) and click on the small chat icon. Em's right there and waiting for you, 24/7. Simply type your question into the box and Em provides a response for you.



## Tap to Pay

Tap to Pay for a fast, easy and secure way to checkout. If your Meritrust Visa card has the Contactless Indicator on it, you can use it to make purchases easily. Simply tap your Visa contactless card on a contactless-enabled terminal and your payment is processed in seconds.



## Account-to-account transfers

Transfer money to or from other financial institution accounts you own using Meritrust online banking or the mobile app without having to step inside a branch to deposit a check or using another cash-transferring app.



## Bill pay enhancements

Meritrust rolled out a new bill pay platform through Payment Center, which offered an improved user experience. The new platform also prepares our system for adding more features and services for bill pay in the future as part of our continued commitment to improving your banking experience.

## SAFELY SERVING BANKING NEEDS IN A SOCIALLY DISTANCED WORLD

During a time of uncertainty, it's more important than ever to have access to your money and the financial partner you trust. To help members needing guidance and support during the pandemic, Meritrust teams stepped up to help whenever and wherever needed. In support of community safety, branch lobbies were closed, but our teams ensured our members were able

to connect to their money through contactless digital services and in-person appointments with safety measures in place.

“It was incredible to see the dedication of our Retail teammates and their enthusiasm for this opportunity to serve the banking needs of our members, while also growing their own skills.”

During the health situation, our Retail teams stepped in to serve in remote banking capacities, supporting the need for increasing member support needed through phone, chat and interactive teller channels. To prepare for the transition to serving members through these remote channels, the Retail teammates were cross-trained in the systems and processes of serving members through the digital channels. Between March and December 2020, Meritrust teams supported 235,874 phone calls, opened 5,564 new accounts by phone or online, assisted with 6,236 live chat sessions on our website and served 275,160 member transactions through our interactive teller machines.

“It was incredible to see the dedication of our Retail teammates and their enthusiasm for this opportunity to serve the banking needs of our members, while also growing their own skills,” says Holly Terrill, Director of Member Support Services, which includes the Contact Center phone and chat support and Interactive Services ITM team. “We are grateful for all on Team Meritrust who made it possible for us to be where our members needed us to be.”

# ENHANCING OUR BRANCH FOOTPRINT

We are proud to invest in the retail branches serving our members' banking needs. While it was a year unlike any other in many ways, Meritrust continued to enhance our physical locations in support of our promise for ongoing improvements in serving the membership.



## ITM service in downtown Wichita

With the opening of Meritrust's new headquarters in the heart of our hometown, two Interactive Teller Machines (ITMs) are available to serve members who live, work and play in downtown Wichita.



## Opened Prairie Village retail banking center

Meritrust built and opened a new branch to serve the membership in northeast Wichita. The branch is located in the Prairie Village Shopping Center at 6263 East 13th Street. A ribbon cutting was live-streamed through Meritrust's Facebook page to celebrate the new location.



## ITM personal service brought to Lawrence

A drive-up ITM enhanced the banking convenience for Lawrence members. ITMs provide more of the friendly Meritrust service members know and love by bringing an interactive teller to a large screen right in front of them during business hours. The machine also offers 24/7 quick cash withdrawals and easy deposits.

# PRODUCTS TO HELP YOU BANK FEARLESSLY

## Skip-A-Pay program

To help our members free up extra cash during uncertain times, Meritrust gave the opportunity for our members to defer their loan payments with our Skip-A-Pay program. While our members are always welcome to defer one month's payment per year, in 2020 we increased that limit so our members could put more money back in their pockets for life's necessities. In 2020, we processed 19,192 skips, helping our members set aside more than \$6.9 million in monthly payments to provide them peace of mind and cover needs.

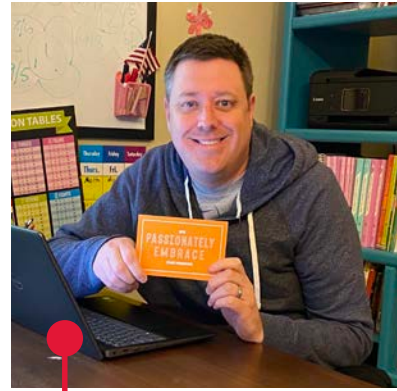
## Meritrust Money Market

The Meritrust Money Market was created to help our members earn more interest on their deposits while keeping their funds liquid. Members are able to access their money using checks or Meritrust's digital services, which provides flexibility and peace of mind for when life happens.

# THANK YOU TO OUR MEMBERS

Meritrust was proud to be named a Best Credit Union in Kansas by Forbes Magazine and People's Choice Winner by the Wichita Eagle readers. It's because of you, our members, that we are here, and we are proud to have the opportunity to help improve your financial well-being.





# SOCIALLY DISTANCED, YET TOGETHER

## Taking care of our teammates

When the pandemic became a reality in our communities, we knew our employees were experiencing the fears that were on the minds of everyone in the community. As they are the foundation of our support for our members, we needed to be there for them, provide them peace of mind and make sure they felt supported by us. Widespread talk about layoffs in the community created anxiety, and we needed to reassure our own teammates that we were not laying off employees or eliminating benefits, which we did from the beginning with a message directly from President/CEO James Nastars.

Our IT team launched Microsoft Teams, giving teams a way to connect virtually and talk about their fears and the experience of working remotely. In internal communications and ongoing updates from leadership, employees were encouraged to talk to Meritrust financial counselors and seek out our employee assistance program for talking through worries with a certified therapist. For employees experiencing financial hardship, they were encouraged to take advantage of an employee relief loan created specifically to help our employees.

Working from home and feeling pulled in different directions was a cause for stress during the stay at home orders, and we made sure to encourage giving grace to each other. Leadership connected with all employees, including those who were sent home to work remotely, by mailing popcorn from a local business with encouraging messages and core values cards to employees' home addresses. An internal social engagement site named Socially Distant Together invited employees to share photos and stories during planned Hawaiian shirt, team spirit and core value celebration days. To show gratitude for the dedication to service over the past several months, the Meritrust leadership team gifted all employees with Amazon gift cards ahead of the long Labor Day weekend. All the while, quarterly meetings didn't miss a beat, shifting to a safer virtual format, while still allowing an opportunity to hear from leadership with updates on service to members and reminders to care for their own well-being.



**MERITRUST 2020**

# Best Places to Work honoree

Thank you, Team Meritrust, for all you do to make this a great place to work.



*Photo credit Emily Henry*

## **BADGE PROGRAM CREATES FINANCIAL KNOWLEDGE ADVOCATES FROM WITHIN**

To help improve our employees' confidence in their own personal finances and knowledge, Meritrust's Talent Development and Financial Education teams collaborated to launch a curriculum for building a strong foundation of personal finance fundamentals. The program is available to all employees and includes a list of on-demand, online interactive learning activities, categorized into four modules:

**Budgeting**

**Credit**

**Debt Management**

**Psychology of Money**

As a supporter of overall financial well-being, Meritrust is committed to ensuring its employees have access to the resources and tools needed to have confidence in their finances.



**DR. MARCI  
JOHNSON,  
WOMAN WHO  
LEADS,  
BOARDS OF  
DIRECTORS**

Board of Directors Vice Chair Dr. Marci Johnson was recognized in the Wichita Business Journal Women Who Lead Awards for Boards of Directors. This award honors mentors and leaders who serve on boards in our community. We appreciate Dr. Johnson's service to the Meritrust membership and passion for the credit union philosophy.

# Team Meritrust honored

Celebrating a focus on leadership and culture of serving others

At Meritrust, we are proud to celebrate the unique talents and accomplishments of the teammates who are passionately embracing our mission and serving our members every day.



**Debbie Pfingsten**  
*Executive Assistant*

**Administrative Excellence Awards**



**Shannon Slaughter**  
*Enterprise Fraud Manager*

**Advisory Board for Society of Citizens Against Relationship Scams (SCARS)**



**Ty Olive**  
*Flex Operations Manager*

**CUlead graduate**



**Holly Terrill**  
*Director of Member Support Services*

**CUlead graduate**



**Kari Wright**  
*Compliance Associate*

**Credit Union National Association Governmental Affairs Conference Crasher**





**Heartland Credit Union Association Conference Boost  
Crashers | Relationship Consultant Associate Danielle  
Bishop, Consumer Loan Specialist Kathy Mitchell,  
Retail Manager Taylor Vitztum**

**Karen Callaway**  
*SVP/Chief Risk Officer*

**Woman Who Leads in  
Financial Services**



**Angie Plummer**  
*Chief Marketing Officer*

**Marketing Awards**



**Tammy Taylor**  
*Business Development Officer*

**Woman Who Leads in  
Professional Services**



**Julie Simon**  
*Relationship Consultant Manager*

**Wichita Business Journal Influencer**



**JAMES  
NASTARS,  
EXECUTIVE  
OF THE YEAR**

Meritrust President/CEO James Nastars was honored through the Wichita Business Journal's inaugural Executives of the Year award. James joined Meritrust in 2013, and since then, has led the credit union's strategic focus on continued enhancements in serving members, which have resulted in a dedication to our mission, a retail banking and technology transformation and a new central headquarters location in the heart of Wichita for support teams to more efficiently serve members.

# HELPING LOCAL BUSINESSES WEATHER THE WINTER

As part of our COVID-19 community giving efforts, Meritrust donated a total of 22 outdoor heaters to several restaurants in downtown Manhattan including Bourbon & Baker, Tallgrass Tap House and Manhattan Brewing Company. We hoped these heaters helped our local restaurants continue to provide open, outdoor seating options during the cooler times.

Katie Stone from Bourbon & Baker says, "The heaters will allow us to utilize this (outdoor) space as we transition into the chilly season, keeping guests comfortable and happy, which is a big part of our hospitality! Without the generosity from our community we wouldn't have had this opportunity to bring outdoor dining to our guests and we are so so grateful!"



# CARING FOR LOCAL FAMILIES IN NEED



Spirit AeroSystems, Cargill and Meritrust partnered together in November to help replenish stock at the Kansas Food Bank. Through the event, Meritrust donated 350 pounds of peanut butter on behalf of Team Meritrust.



Meritrust donated \$1,000 total in coupons and funds to each of four Wichita-area organizations (The Lord's Diner, Union Rescue Mission, HumanKind Ministries and Wichita Children's Home) to cover the costs of turkeys for Thanksgiving meals.



Meritrust donated to the Willow Domestic Violence Center in Lawrence to assist with this organization's efforts of providing shelter, services and support to survivors of domestic violence and human trafficking.



## WELLNESS ADVOCATE NAMED SPOTLIGHT ON WELLNESS WINNER

EmberHope Youthville Vice President of Human Resources Renee Walker was named the 2020 Byron G. Stout IV Spotlight on Wellness Award honoree. Walker was selected for her courage, resilience and passion for helping educate others following a stroke and heart attack. The Byron G. Stout IV Spotlight on Wellness Award is presented annually in memory of Meritrust's champion of wellness who passed away in 2015.



## FINANCIAL CAMP GOES VIRTUAL

Meritrust Financial Camp moved to the virtual world for 2020, which gave students an opportunity to learn the money-management lessons of camp in the comfort of their own homes. The virtual camp consisted of videos, activities and further learning opportunities crafted for parents and students to complete together, covering topics such as budgeting, credit and decision-making.



## Congratulations, 2020 scholarship winners

Meritrust is proud to recognize the winners of the Meritrust member scholarship. Each student received \$1,000 for full-time status and \$500 for part-time status to go toward their education expenses for the 2020-2021 school year.

- Daniel Baird, Wichita State University
- Maura Garrison, University of Kansas
- Delaney Parr, Kansas State University
- Brice Helton, Emporia State University



## 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 2020 year-end audit was completed by the Certified Public Accounting firm Moss Adams.

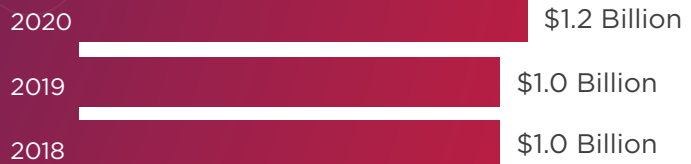
Meritrust received an unmodified opinion on the propriety of our financial statements.

Sincerely,



Brian Cox  
Chair, Supervisory Committee

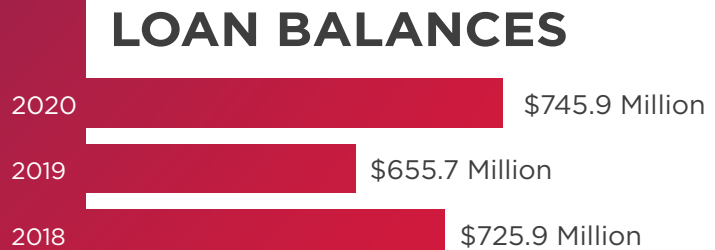
## Total Deposits



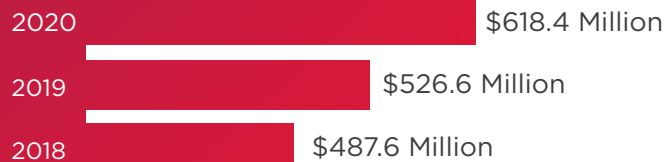
## Small Business Deposits



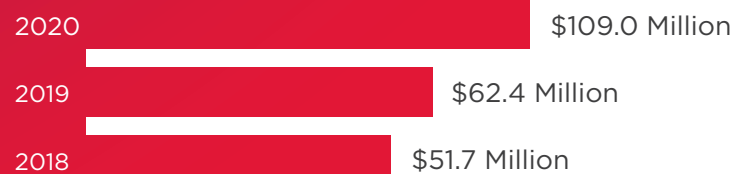
## Auto & Consumer Loans



## Home Loans\*



## Small Business Loans



## DEPOSIT BALANCES

## LOAN BALANCES

\* Includes real estate loans serviced by Meritrust.

## BALANCE SHEET

### Assets

Loans to Members, Net of Allowance For Loan Losses	<b>2019</b>	<b>2020</b>
Investment Securities	\$1,004,774,317	\$1,139,765,503
Interest Bearing Deposits in Financial Institutions	\$7,555,199	\$7,741,390
Fixed Assets, Net of Depreciation	\$148,154,844	\$164,430,004
Other Assets	\$48,113,026	\$53,065,835
<b>TOTAL ASSETS</b>	<b>\$57,701,533</b>	<b>\$70,285,824</b>
	\$1,266,298,919	\$1,435,288,556

### Liabilities and Equity

Savings Accounts/Total Member Equity	\$1,022,453,129	\$1,163,423,622
Other Liabilities	\$117,232,960	\$139,571,974
Owner's Equity	\$126,612,830	\$132,292,960
<b>TOTAL LIABILITIES</b>	<b>\$1,266,298,919</b>	<b>\$1,435,288,556</b>

## STATEMENT OF INCOME

### Interest Income

Interest on Loans	\$51,452,119	\$52,650,976
Interest on Investments	\$4,508,543	\$358,950

### Interest Expense

Dividends on Deposits	\$11,538,585	\$9,108,228
Interest on Notes Payable	\$2,811,462	\$2,445,438

### NET INTEREST INCOME BEFORE OPERATIONS

**\$41,610,615**      **\$41,456,260**

### TOTAL OPERATING EXPENSES

Provision For Loan Losses	\$6,524,213	\$7,109,446
Operating Expenses	\$54,555,588	\$56,894,468

**\$61,079,801**      **\$64,003,914**

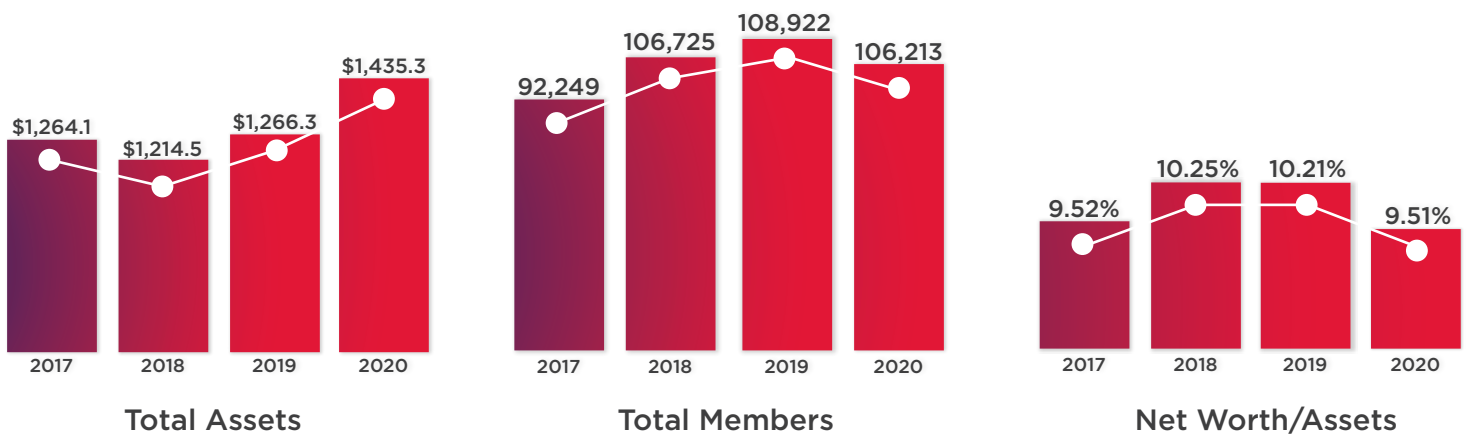
### NET INCOME

\$24,365,744      \$15,342,131  
 (\$35,883)      \$15,826  
**\$4,860,675**      **\$7,189,697**

## STATEMENT OF CHANGES IN EQUITY

### Reserves

Regular Reserves	\$17,430,129	\$17,430,129
Undivided Earnings	\$111,861,491	\$119,051,188
<b>TOTAL EQUITY</b>	<b>\$129,291,620</b>	<b>\$136,481,317</b>





**2020 BOARD OF DIRECTORS**

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

**SUPERVISORY COMMITTEE**

Brian Cox, Chair  
Jody Maupin, Secretary  
Marlo Dolezal, Committee Member

**PRINCIPAL OFFICERS**

James Nastars, President/CEO  
Wade Bruendl, SVP/Chief Digital Officer  
Karen Callaway, SVP/Chief Risk Officer  
Brian Davidson, SVP/Chief Business Officer  
Randy Doerksen, SVP/Chief Financial Officer  
Jamie Harrison, SVP/Chief Growth Officer  
Evan Wilson, SVP/Chief Experience Officer  
Cliff Shoff, VP/Chief Information Officer  
Joley Riley, VP/Chief Retail Officer

# SERVING OUR MEMBERSHIP FROM THE HEART OF WICHITA

In 2020, renovations were completed on a new headquarters location in downtown Wichita to bring a fresh look and modern conveniences to support the talent and teams serving the Meritrust membership. The 10-story, 110,000-square-foot building is home base for all Meritrust support departments and, to connect members to their money, the location features access to two Interactive Teller Machines (one indoors, one with 24/7 access outside). Meritrust is proud to be a partner in helping keep the community a great place to live, work and play.



## OUR MISSION

To improve the lives of our members and the communities we serve.

## 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<sup>SM</sup>**

Federally insured by NCUA.