

Our Focus Is You



MUTUAL
CREDIT UNION

Letter from the Chairman and President

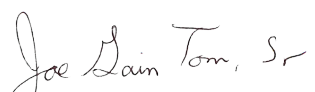


Front (Left to Right): Donna Hardy, Tonya Acuff; Middle (Left to Right): Leonard Murrell, Jerry Dean, Joe Tom, Chairman; Back (Left to Right): Billy Bridges, Jeb Tingle, Rick Vessel

On behalf of the Board of Directors and the President, we are pleased to report that Mutual Credit Union is financially secure and more committed now than ever before to serving the needs of our Members. Over the past two years, Mutual has continued to improve the financial stability of our organization. However, no year has been more significant than 2017. Consistent Membership growth, unprecedented financials, and continued loyalty from our Members have made this year the best year in recent history. None of this would have been possible without our great team of dedicated professionals at all our branch locations and support staff. We would not be Mutual without their dedication to our Members. We would also like to thank all Members for choosing us, and for your continued commitment, trust, and partnership in 2017.

As a financial cooperative, our mission is to continue to return value to our Members. This "value" is delivered in several different ways, including: (1) lower rates on loans; (2) higher rates on deposits; (3) lower and fewer fees; (4) continued investment in financial technology; (5) maintaining and improving continued branch and ATM locations; and (6) growth for future prosperity, to name a few. We are pleased to announce that our current Membership now exceeds 20,500 and our total assets are more than \$200,000,000. As a financial cooperative, the more products and services our Members participate in, the more value we can offer and return each year to our collective Membership. It is "The Power of Us."

As we move forward, we thank all of our Members, past and present, for their incredible commitment to Mutual. We welcome change, embrace new challenges, and strive to return value to our Membership. Thank you for your trust and confidence in Mutual. We appreciate your business.


Joe Gain Tom, Sr., Chairman
Board of Directors


Michael Mathews
President



Supervisory Committee's Report

The Supervisory Committee serves a vital role for Mutual Members in that it not only serves as the Internal Audit Committee, but also represents you, the Mutual Member. The Committee's responsibilities also include monitoring the performance of elected officials, management, and employees of Mutual.

The Supervisory Committee meets monthly to select a sample of all new accounts, new loans, and closed accounts to obtain the Members' response on how Mutual services were provided. Verification letters are sent out monthly and the Member responses received are provided to the Board of Directors and Management. These responses help Mutual provide better services and products for the Members.

The Supervisory Committee has retained the audit firm of Orth, Chakler, Murnane, and Company to perform the 2017 Independent Quarterly Audits, an annual verification of accounts, and a year-end opinion audit. The Supervisory Committee coordinates closely with Management to develop an annual audit plan to make sure all phases of Mutual's operations are reviewed and audited. New regulations are imposed yearly and the Committee ensures that Mutual adheres to all of these. While Mutual strives to adhere to all the regulations from the State Department of Banking and Consumer Finance along with the National Credit Union Association, some areas have to be addressed further, and those areas are quickly addressed by Management responses to the complete satisfaction of the examiners and auditors.

The Supervisory Committee, based on the audits and examinations made in 2017, is convinced that the affairs of Mutual are being handled properly and that Mutual provides the Members with excellent service. If you have any comments or questions, you can address them in writing to the Supervisory Committee, P.O. Box 1522, Vicksburg, MS 39181.

Respectively submitted,



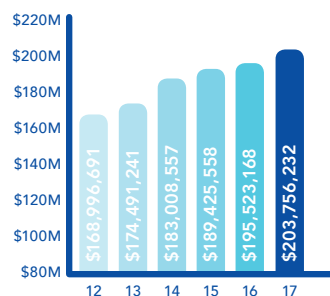
Charles A. McKinnie, Chairman
Ty Wamsley
Ben Luckett

Left to Right: Ben Luckett, Charlie McKinnie (Chairman), Ty Wamsley

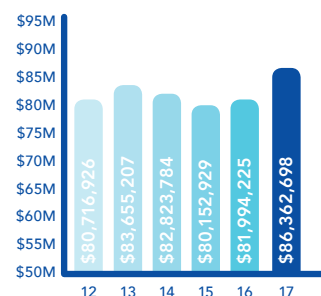


Statement of Condition

STATEMENT OF CONDITION	2017	2016
ASSETS		
Cash	\$15,008,470	\$20,285,194
Accounts receivable	158,468	187,408
Investments	90,803,082	81,526,965
Loans to members, net of allowance for loan losses	85,841,249	81,352,942
Accrued interest receivable:		
Investments	245,850	202,411
Loans	395,545	347,852
Prepaid and other assets	3,879,493	4,002,731
Property and equipment, net	5,664,513	5,926,562
NCUSIF deposit	1,759,564	1,691,103
Total Assets	\$203,756,234	\$195,523,168
LIABILITIES		
Members' shares and savings accounts	\$184,343,412	\$177,883,800
Dividends payable	46,142	44,703
Accounts payable	280,718	83,054
Other accrued liabilities	424,433	601,638
Total Liabilities	\$185,094,705	\$178,613,195
MEMBERS' EQUITY		
Regular reserve	\$3,631,096	\$3,631,096
Undivided earnings	18,156,749	15,964,776
Unrealized loss on investments	(794,762)	(596,476)
Accumulated other comprehensive loss	(2,331,554)	(2,089,423)
Total Members' Equity	\$18,661,529	\$16,909,973
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$203,756,234	\$195,523,168



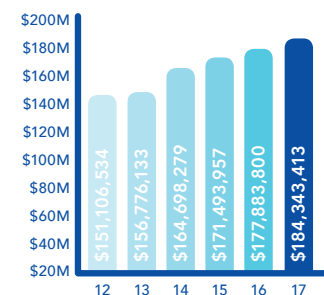
Total Assets



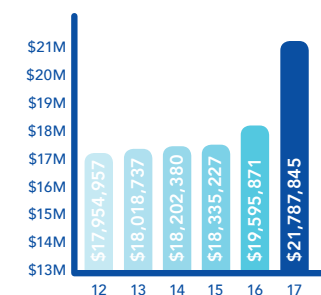
Loans to Members

Statement of Income

STATEMENT OF INCOME	2017	2016
INTEREST INCOME		
Loans to members	\$4,734,846	\$4,572,079
Investments	1,410,624	1,158,392
Total Interest Income	\$6,145,470	\$5,730,471
INTEREST EXPENSE		
Members' shares and savings accounts	\$568,866	\$522,565
Net Interest Income	\$5,576,604	\$5,207,906
PROVISION FOR LOAN LOSSES	\$503,825	\$828,059
Net Interest Income After Provision for Loan Losses	\$5,072,779	\$4,379,847
NON-INTEREST INCOME		
Fees, charges and other miscellaneous income	\$4,690,415	\$4,257,414
Net Income Before Non-Interest Expense	\$9,763,194	\$8,637,261
NON-INTEREST EXPENSE		
Compensation and employee benefits	\$3,064,433	\$3,197,495
Occupancy Costs	737,292	704,803
Operating Costs	3,738,177	3,644,453
Total Non-Interest Expense	\$7,539,902	\$7,546,751
NON-OPERATING INCOME (LOSS)	(31,319)	170,133
NET INCOME	\$2,191,973	\$1,260,643



Deposits



Net Worth



Eighty-Sixth Annual Meeting of Mutual Credit Union

FEBRUARY 16, 2017

Directors Present: J. Tom, Chairman of the Board; D. Hardy, Vice-Chairman; L. Murrell, Treasurer; J. Dean, Secretary; B. Bridges; J. Tingle; R. Vessell; D. Cooper Banks; T. Acuff

Supervisory Committee Present: C. McKinnie, Chairman; T. Wamsley; B. Luckett

Others Present: M. Mathews, President; M. Hearn; P. Knapp; J. Lowery; N. Knight; J. Hearn; D. Copes; H. Blok; L. Newman; T. Well; J. Rusche; L. Ragan; E. Davis; T. Dart; K. White; S. Hoxie; R. Young; E. Butler; E. Andrews; C. Hill; J. Hearn; C J Bontje; L. Brown; C. Carson; T. Cocran; R. Hesser; K. Dowe; L. Evans; M. Goff; C. Smith; L. Hall; L. May; B. McAlpin; P. Meredith; R. Nelson; S. Newsome; M. Pickering; R. Redditt; A. Spencer; A. Bell; C. Brown; W. Pace; J. Bailey; A. Opperman; A. Sampley; S. Moore; B. McAdory; A. Bufkin; T. Johnston; C. Pecanty; S. Mandarino; R. Sherard, Board Attorney; S. Evans, Recording Secretary

1. The meeting was called to order at 6:31 p.m. with Mr. Joe Tom presiding. There were 263 members present.
2. Rev. Leroy Dee from Whitehall Missionary Baptist Church, Pattison, MS, gave the Invocation.
3. The Presentation of the Colors by Boy Scout Troop 102 was followed by the National Anthem being performed by Miss Mississippi, Laura Lee Lewis, and the Pledge of Allegiance led by Troop 102.
4. Mr. Tom recognized the veterans in the audience.
5. Mr. Tom welcomed Mr. Lonnie Boykins, who recently retired from the Board of Directors with 40 years of volunteer service to Mutual Credit Union.
6. Mr. Tom welcomed the members to the 86th Annual Meeting of Mutual Credit Union.

7. Without objection, Mr. Tom appointed Ms. Sandy Evans as Recording Secretary and Mr. Randy Sherard as Parliamentarian.
8. Mr. Tom reported that notices of this meeting were posted in the local newspaper and in Mutual Credit Union's newsletter, branches, and website. He announced that a quorum was present and declared this an official meeting of Mutual Credit Union.
9. Mr. Tom called for the reading of the minutes of the 85th Annual Meeting dated February 18, 2016. Ms. Pearl Carter moved to dispense with the reading of the minutes. Ms. Delores Hemphill seconded and the motion carried.
10. Mr. Tom introduced the volunteers and staff sitting on the stage.
11. Mr. Jeb Tingle presented the report of the Nominating Committee. He presented the following names for nomination:
 - For a three-year term on the Board of Directors: Tonya Acuff, Deborah Cooper Banks, and Leonard Murrell
 - For a two-year unexpired term of David Lofton: Rick Vessell
 - For a three-year term on the Supervisory Committee: Charles McKinnie
 - For a two-year unexpired term of Lindsay Carruth: Ben Luckett
 - Mr. Tingle called for a motion to elect these candidates by acclamation since there are no other candidates eligible at this time. Mr. Buddy Lofton moved to elect the candidates by acclamation. Mr. Richard Ahlvin seconded and the motion carried.
12. Mr. Tom asked for a motion to receive the reports printed in the Annual Report. Mr. Joe Larry Green moved to receive the reports as printed. Mr. Joe Branch seconded and the motion carried.
13. Mr. Tom, Chairman of the Board; Mr. Leonard Murrell, Treasurer; Mr. Charlie McKinnie, Supervisory Committee Chairman; and Mr. Michael Mathews, President, made informal reports to the members.
14. Unfinished Business: None
15. New Business: None
16. Mr. Jerry Dean presided over the "Memory Game" and distribution of the prizes.
17. Mr. Ken Pecanty moved that with the awarding of the grand prize, the meeting would stand adjourned. Mr. Joe Larry Green seconded and the motion carried.

The meeting was adjourned at 7:47 p.m.

Joe Tom, Chairman of the Board
Jerry Dean, Secretary
Sandy Evans, Recording Secretary



2017 SENIOR STAFF



FROM TOP TO BOTTOM:
Michael Mathews, President;
Jennifer Lynne McMillin,
Chief Financial Officer;
Alice Bell, Vice President of
Lending; Susan Mandarino,
Vice President of Marketing;
Rae Nelson, Vice President
of Human Resources; Katie
Ferrell, Compliance Officer

MUTUAL CREDIT UNION

MAILING ADDRESS:

P.O. Box 25
Vicksburg, MS 39181

LOST/STOLEN DEBIT/CREDIT/ATM CARDS:

1-800-682-6075

TOLL-FREE NUMBER:

1-877-457-3654

**AFTER-HOURS ASSISTANCE WITH DECLINED
DEBIT/CREDIT/ATM TRANSACTIONS:**

Toll-free: 888-526-0404

Collect: 206-352-4954

HOURS OF OPERATION:

	Lobby:	Drive-Through:
Mon - Thurs:	9:00am-5:00pm	8:30am-5:00pm
Fri:	9:00am-6:00pm	8:30am-6:00pm
Sat - Sun:	CLOSED	CLOSED

LOCATIONS:

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Fax: 601-638-6863

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