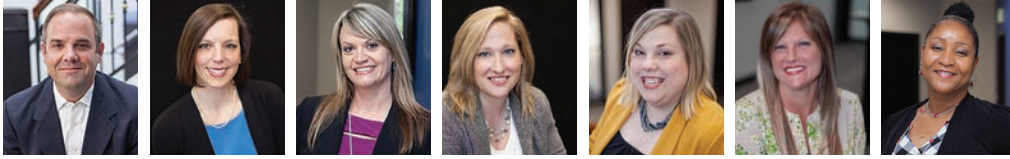


2019 SENIOR STAFF



FROM LEFT TO RIGHT: Michael Mathews, President; Jennifer Lynne McMillin, Chief Financial Officer; Alice Bell, VP of Lending; Susan Mandarino, VP of Marketing; Rae Nelson, VP of Human Resources; Katie Ferrell, VP of Compliance; Mia Mason, VP of Operations

MUTUAL CREDIT UNION

MAILING ADDRESS:

P.O. Box 25
Vicksburg, MS 39181

TOLL-FREE NUMBER:

1-877-457-3654

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 |

SERVICES:

Kasasa® Rewards Checking and Savings Accounts
Personal Loans
Auto Loans
Credit Cards
Home Loans
Home Equity Lines of Credit
Credit Counseling
24/7 Online Banking
Mobile App for Android™ and Apple®

LOCATIONS:

Vicksburg, MS

1604 Cherry Street
Vicksburg, MS 39180
Ph: 601-636-7523
Fax: 601-630-9035

2086 S. Frontage Road
Vicksburg, MS 39180
Ph: 601-638-0140
Fax: 601-634-1733

4210 Clay Street
Vicksburg, MS 39180
Ph: 601-638-4521
Fax: 601-638-6863

Raymond, MS

460 E. Main Street
Raymond, MS 39154
Ph: 601-857-3249
Fax: 601-857-8766

Yazoo City, MS

1505 Grand Avenue
Yazoo City, MS 39194
Ph: 662-746-8884
Fax: 662-746-4832

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2019 ANNUAL REPORT

Our focus is you.

A Letter from the **Chairman** AND **President**

When you take a moment and reflect, it's amazing to think about how much our community, country, and world have changed in the past 88 years. How we communicate, how we travel and how we go about our daily routines have greatly evolved. While I am thankful for new ideas and technologies, some of the best things in life are those that always remain constant. At Mutual Credit Union, we are proud that our constant has been diligently serving our members for nearly 90 years. While our offerings have stayed up to date and competitive with big-name institutions, our dedication to service and care for our membership have remained second to none.

We are always striving to find new ways to better serve you. We pride ourselves on taking a member-focused approach when creating solutions and offering new services. For example, based on your feedback, we added Mobile Deposit Capture to our Mutual mobile app. This feature allows you to deposit checks into your account right from your mobile device. In the first 12 months we received over \$1,000,000 in checks deposited through the Mutual app. If you haven't already, I invite you to download our free mobile app and take care of your finances when you're out of town or on the go.

Exciting developments don't stop there. Soon, we will be rolling out our new fleet of ATMs with the added capacity to accept both cash and check deposits. In 2020, all Mutual branches will have the ability to instantly issue debit cards to our members. Stay tuned for more exciting details to come on both of these developments.

In a fast-paced, ever-changing world, we are so thankful for your loyalty and trust in Mutual Credit Union. Without you, we would not be the thriving, successful credit union we are today. Whether it's online, over the phone, or at a branch, we look forward to continuing to serve you in 2020.



Jerry W. Dean, Chairman
Board of Directors



Michael Mathews
President



Board of Directors (Left to Right) **Seated:** Joe Tom; Donna Hardy **Standing:** Jeb Tingle; Billy Bridges; Jerry Dean, Chairman; Rick Vessell, Treasurer; Leonard Murrell, Vice Chairman; Matt Hendrix **Not shown** Tonya Acuff, Secretary



Associate Volunteers (Left to Right): Aaron Matthews; Laura Gullett; Alicia Bounds

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 it 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 the closed accounts to obtain the members' responses on how Mutual services were provided. Verification letters are sent out monthly and the members' responses received are provided to the Board of Directors and management. These responses help Mutual provide better services and products to our members.



Left to Right: James Harper; Charlie McKinnie, Chairman; Ben Lockett

The Supervisory Committee has retained the audit firm of Horne CPAs & Business Advisors to perform the 2020 independent quarterly audits, an annual verification of accounts, an annual IT audit and a year-end opinion audit. Horne CPAs also performed a risk assessment to assist the Supervisory Committee and management in identifying and measuring Mutual Credit Union's relevant risks. The risk assessment also helped the Supervisory Committee and 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 Administration, 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 2019, is convinced that the affairs of Mutual are being handled properly and members are provided 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.

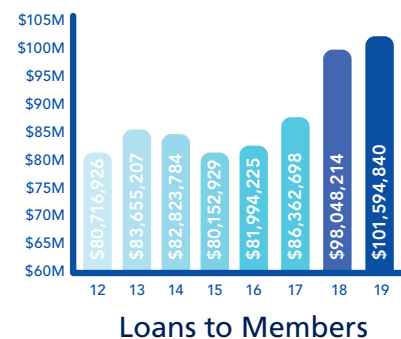
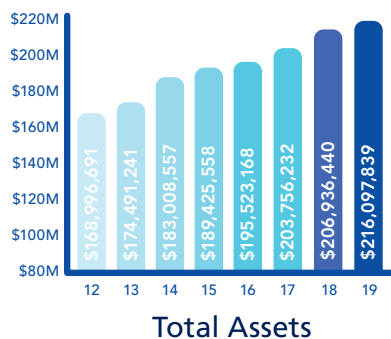
Respectively submitted,



Charles A. McKinnie, Chairman – Supervisory Committee
Ben Lockett, Supervisory Committee Member
James Harper, Supervisory Committee Member

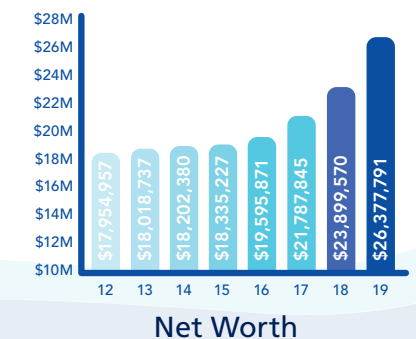
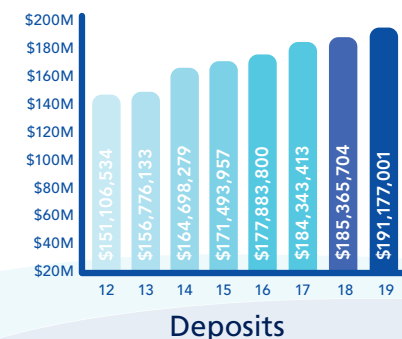
Statement of Condition

| STATEMENT OF CONDITION | 2019 | 2018 |
|--|----------------------|----------------------|
| ASSETS | | |
| Cash | \$16,994,502 | \$13,870,088 |
| Accounts receivable | 238,581 | 217,925 |
| Investments | 78,395,761 | 81,510,031 |
| Loans to members, net of allowance for loan losses | 100,705,520 | 97,365,304 |
| Accrued interest receivable: | | |
| Investments | 267,913 | 267,305 |
| Loans | 464,457 | 447,402 |
| Prepaid and other assets | 10,400,607 | 4,511,486 |
| Property and equipment, net | 6,818,712 | 6,938,106 |
| NCUSIF deposit | 1,811,787 | 1,808,794 |
| Total Assets | \$216,097,840 | \$206,936,441 |
| LIABILITIES | | |
| Members' shares and savings accounts | \$191,177,001 | \$185,365,704 |
| Dividends payable | 45,744 | 45,549 |
| Accounts payable | 745,424 | 687,071 |
| Other accrued liabilities | 732,269 | 628,778 |
| Total Liabilities | \$192,700,438 | \$186,727,102 |
| MEMBERS' EQUITY | | |
| Regular reserve | \$3,631,096 | \$3,631,096 |
| Undivided earnings | 22,746,695 | 20,268,474 |
| Unrealized loss on investments | (98,865) | (1,212,339) |
| Accumulated other comprehensive loss | (2,881,524) | (2,477,892) |
| Total Members' Equity | \$23,397,402 | \$20,209,339 |
| TOTAL LIABILITIES AND MEMBERS' EQUITY | \$216,097,840 | \$206,936,441 |



Statement of Income

| STATEMENT OF INCOME | 2019 | 2018 |
|--|---------------------|---------------------|
| INTEREST INCOME | | |
| Loans to members | \$5,882,514 | \$5,321,247 |
| Investments | \$2,040,561 | \$1,831,344 |
| Total Interest Income | \$7,923,075 | \$7,152,591 |
| INTEREST EXPENSE | | |
| Members' shares and savings accounts | \$638,711 | \$627,228 |
| Net Interest Income | \$7,284,364 | \$6,525,363 |
| PROVISION FOR LOAN LOSSES | | |
| Net Interest Income After Provision for Loan Losses | \$1,031,423 | \$906,163 |
| NON-INTEREST INCOME | | |
| Fees, charges, and other miscellaneous income | \$5,492,000 | \$5,213,912 |
| Net Income Before Non-Interest Expense | \$11,744,941 | \$10,833,112 |
| NON-INTEREST EXPENSE | | |
| Compensation and employee benefits | \$3,855,526 | \$3,466,210 |
| Occupancy costs | \$749,383 | \$688,558 |
| Operating costs | \$4,722,272 | \$4,485,430 |
| Total Non-Interest Expense | \$9,327,181 | \$8,640,198 |
| NON-OPERATING INCOME (LOSS) | | |
| | \$60,459 | (\$81,188) |
| NET INCOME | \$2,478,219 | \$2,111,726 |



Eighty-Eighth

Annual Meeting

of Mutual Credit Union

FEBRUARY 21, 2019

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

DIRECTORS ABSENT: M. Hendrix

SUPERVISORY COMMITTEE PRESENT: C. McKinnie, Chairman; J. Harper

SUPERVISORY COMMITTEE ABSENT: B. Lockett

OTHERS PRESENT: L. Gullett, Associate Volunteer Member; M. Mathews, President; J. McMillin, CFO; S. Mandarino, VP of Marketing; K. Ferrell, VP of Compliance; A. Bell, VP of Lending; M. Mason, VP of Operations; R. Nelson, VP of HR; C. Pecanty, AVP of IT; C. Hill, AVP of Collections; D. Copes, Branch Manager – Yazoo City; J. Lowery, Branch Manager – Main Office; L. Simmons; W. Pace; R. Sherard, Board Attorney; S. Evans, Recording Secretary

1. The meeting was called to order at 6:29 p.m. with Mr. Jerry Dean presiding. There were 49 members present.
2. Mr. Dean welcomed everyone to the Eighty-Eighth Annual Business Meeting of Mutual Credit Union.
3. Rev. Brian Crawford of City Light Church, Vicksburg, MS, gave the invocation.
4. The Presentation of the Colors by Nathan Johnson of Boy Scout Troop 102 and Jennifer Lynne McMillin was followed by the Pledge of Allegiance. Miss Vicksburg, Ms. Alexis Murrell, performed the National Anthem.
5. Mr. Dean recognized the veterans in the audience.
6. Without objection, Mr. Dean appointed Ms. Sandy Evans as Recording Secretary and Mr. Randy Sherard as Parliamentarian.
7. Mr. Dean declared that with the posting of this meeting on our website, in our newsletter and in our branches, that this is an official Annual Business Meeting of the membership of Mutual Credit Union, and that Mr. Charlie McKinnie, Chairman of the Supervisory Committee, has indicated that we have a quorum present.

8. Mr. Dean called for the reading of the minutes of the 87th Annual Business Meeting dated February 15, 2018. Ms. Jaynie Bridges moved to dispense with the reading of the minutes. Ms. Judy Tom seconded, and the motion carried.
9. Mr. Dean introduced the volunteers and staff sitting on the stage.
10. Mr. Joe Tom, Chairman of the Governance/Nominating Committee, presented the results of our Volunteer election, which was held electronically in January. Those elected were:
 - For a three-year term on the Board of Directors – Billy Bridges, Donna Hardy and Jeb Tingle
 - For a two-year unexpired term of Deborah Cooper Banks – Matt Hendrix
 - For a three-year term on the Supervisory Committee – Ben Lockett

Tom reported that we had 418 members vote electronically this year.

11. Mr. Dean called for a motion to receive the reports printed in the Annual Report. Ms. Susan McKinnie moved to receive the reports as printed. Ms. Peggy Harper seconded, and the motion carried.
12. Mr. Dean, Chairman of the Board; Mr. Rick Vessell, Treasurer; Mr. Charlie McKinnie, Supervisory Committee Chairman; and Mr. Michael Mathews, President, made informal comments to the members.
13. Unfinished Business: None.
14. New Business: None.
15. Mr. Dan Johnson moved that the meeting stand adjourned. Rev. Crawford seconded, and the motion carried.

The meeting was adjourned at 7:02 p.m.

Jerry Dean, Chairman of the Board
Tonya Acuff, Secretary
Sandy Evans, Recording Secretary