

A Tradition of Strength & Service

2014 ANNUAL REPORT

Financial
Cooperative

Not-for-
Profit

Member-
Owned

Volunteer
Board of
Directors

Lifetime
Membership



Financial Solutions For Life

Federally Insured by NCUA

Message from the Chairperson & CEO

Market USA launched our seventh decade of operation in 2014, a busy year highlighted by a solid financial performance. While we worked on a number of new initiatives that made banking here even more value-packed and convenient, we held fast to the strong member service focus that has served this credit union well for the past 60+ years – and will continue to guide us into the future.

As of year-end 2014, our overall financial condition remained strong and stable. Loan growth was a bright spot, as more members turned to Market USA for our low rates when they needed funds. Loans increased 7.26% from \$37 million in 2013 to \$39.6 million in 2014, our highest total in several years. Many members experienced significant savings by refinancing their auto loans with us. The average savings was \$1,900. Total assets were stable, decreasing just 0.58%, and shares fell slightly, decreasing 2.15%. We continued to close a number of inactive accounts while still working to get current members to use more of our products and services. Losing inactive accounts relieves the credit union of costs associated with maintaining relationships that do not contribute to the strength and growth of this member-owned institution. Because we're a not-for-profit financial cooperative (like all credit unions), members who use our products and services benefit not only themselves and their families, but they strengthen the credit union, which benefits all members. We did see strong checking growth, with 50.4% of our members having checking accounts. Many took advantage of our VIP Checking account which offers a 2.00% APY.

2014 Accomplishments

Convenience was a key theme during the year, as we added and enhanced several of our products and services. We also laid the groundwork for some innovative products that will launch in 2015.

- Mobile Bill Pay was added to our roster of mobile banking services. Downloading our free mobile app is the first step toward banking anytime and anywhere at Market USA.
- Mobile Check Deposit was enhanced to be more member-friendly. We also implemented mobile check deposits into savings accounts.
- A Kindle app was launched for mobile banking. Just about any mobile device can now be used to bank at Market USA.
- As the housing market became more active in 2014, we made two valuable additions to our array of home loans. The President's ARM funds insured first mortgages with 97% loan-to-value, and the HarmonyLoan™ allows borrowers to lower their rate at any time during the loan term with just a "click" should rates go down, with no refinancing costs.
- Members looking to build or rebuild credit with our Fresh Start Loan found the process got more convenient as we added eSignature capability to applications. The entire process can now be completed electronically.

Supervisory Committee Report

The Supervisory Committee, appointed by the Board of Directors, is charged with the responsibility of overseeing Market USA's management and financial records to ensure the institution's financial condition is fairly presented. The Supervisory Committee also works to strengthen the financial internal controls and to protect the assets of the Credit Union.

An integral part of ensuring the fair presentation of financial condition is the execution of the annual independent audit. This year we appointed the firm of CliftonLarsonAllen LLP to fulfill that responsibility. We are pleased to report their audit resulted in an unmodified opinion.

In addition, each year an exam is conducted by the National Credit Union Administration (NCUA). The governmental body provides oversight for all US federally chartered credit unions.

- Many members use our extensive network of surcharge-free ATMs, and that service was improved last year by increasing the daily ATM cash limit and standardizing the limit for all users.
- Member education has always been a major focus at Market USA, and 2014 was no exception. In addition to offering free financial counseling, we began offering credit report reviews at site visits.
- Keeping informed was made even easier as we began automatically enrolling members in e-Alerts, which are emails or texts about specific events such as a loan payment due, and launched an HTML-formatted email version of our newsletter.

An Exciting Year Ahead

We are looking forward to a great 2015, with a number of new products and services, a continued healthy outlook for the national economy and ongoing prudent management of resources.

We are pleased to announce the debut of a new Visa® credit card program this spring, after a switch to a new vendor and months of preparation. Members will experience a new look, an improved online experience and an enhanced rewards program with cash back options. In addition, a secured Visa card program will launch in the summer. We will also be working to improve our Debit Card so that members may initiate PIN changes and utilize Apple Pay.

Financing auto loans is about to get much more convenient with the introduction of Auto Express Check. Members planning to purchase a car may apply for a loan pre-approval and receive an Express Check that can be taken to the dealer and used for any amount up to the maximum.

2015 plans also call for evaluating a more user-friendly and robust online banking experience to launch in 2016, an exciting new program for teen members and the introduction of Health Savings Accounts. Online Chat will be a new website feature.

As we look back at 2014 and ahead to a promising future for Market USA, we are grateful for the many contributions of our Board, Supervisory Committee and other volunteers; the efforts of our staff; and the loyalty of our members. When our members succeed financially, we all succeed. Many thanks to all who contribute to this success.

Robert D. Evans
Chairperson

Laura Tacker Hassan
President and CEO

The Supervisory Committee attends all Credit Union Board meetings to ensure that updated policies and procedures are presented and approved. In addition, the Supervisory Committee participates regularly in the Credit Union Oversight Committee meetings.

Our goal, through these activities, is to provide the Credit Union membership with independent assurance that the Credit Union Board and staff are meeting their fiduciary responsibilities.

Steve Marks
Supervisory Committee Chairperson

STATEMENTS OF FINANCIAL CONDITION

Balances As Of December 31

ASSETS	2014	2013
Unsecured Loans	7,895,663	7,441,719
Mortgage/Home Equity Loans	13,444,703	12,443,080
New and Used Vehicle Loans	17,571,087	16,542,380
Other Secured Loans	653,941	459,014

TOTAL LOANS \$39,565,394 \$36,886,193

Allowance for Loan Losses (702,953) (669,617)

NET LOANS TO MEMBERS \$38,862,441 \$36,216,576

Cash & Investments 49,265,892 52,314,807

Accrued Interest Receivable 180,545 172,137

Land & Building 3,335,485 3,414,698

Other Fixed Assets 149,951 205,501

Other Assets 1,354,283 1,371,514

TOTAL ASSETS \$93,148,597 \$93,695,233

LIABILITIES & EQUITY

Accounts Payable/Accrued Expenses 961,636 883,860

Members' Accounts 73,778,374 75,396,658

Reserves and Undivided Earnings 18,408,587 17,414,715

TOTAL LIABILITIES & EQUITY \$93,148,597 \$93,695,233

STATEMENTS OF OPERATIONS

Balances As Of December 31

	2014	2013
Interest on Loans	2,332,944	2,116,508
Interest on Investments	575,985	483,896
Other Income	3,278,410	3,395,100

TOTAL REVENUE \$6,187,339 \$5,995,504

Operating Expenses 5,148,470 4,950,493

Provision for Loan Losses 414,092 307,662

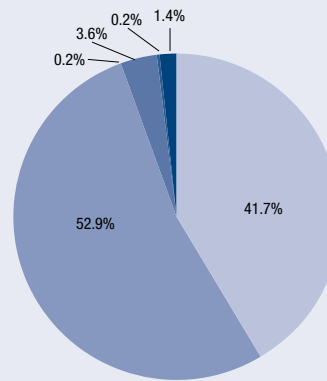
Gain/(Loss) on Disposition of Assets 0 (5,702)

Dividends Paid to Members 197,986 273,532

ADDITIONS TO RESERVES

& UNDIVIDED EARNINGS \$426,791 \$458,115

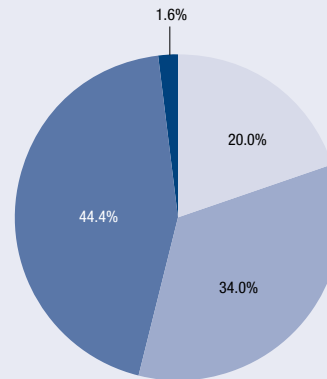
ASSET COMPOSITION



As of December 31, 2014

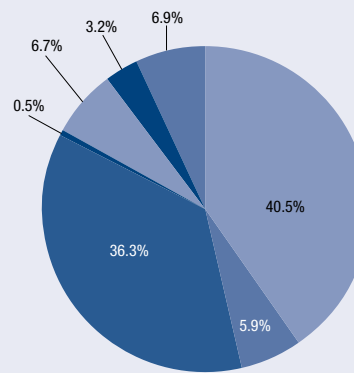
- Net Loans
- Cash & Investments
- Accrued Income Receivable
- Land & Building
- Other Fixed Assets
- Other Assets

LOAN PORTFOLIO



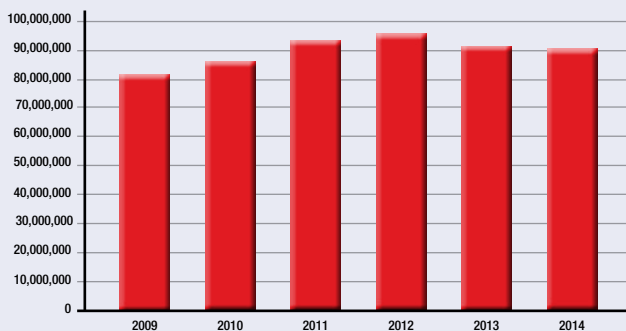
- Unsecured
- Mortgage/Home Equity
- New & Used Vehicles
- Other Secured Loans

DISTRIBUTION OF 2014 REVENUES

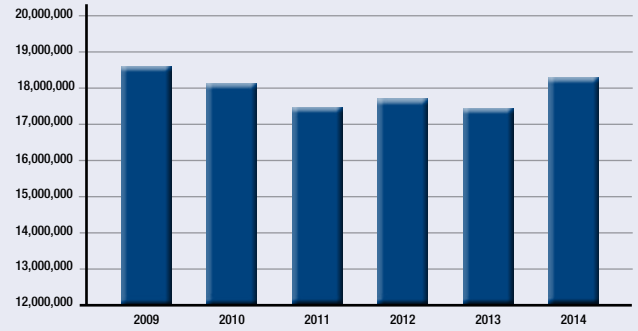


- Personnel
- Office Occupancy
- Office Operations
- Other Expense
- Net Charge-Offs
- Dividend
- Undivided Earnings

Total Assets



Reserves & Undivided Earnings





Financial Solutions For Life

Board of Directors



Robert D. Evans
Chairman



Robert Watts
Vice Chairman



Ricky Barnes
Treasurer



Becki Havard
Secretary



Robin Anderson



Gary Boozer



Chris Caldwell



Ward Kraemer



John Latham

Supervisory Committee



Steve Marks
Chairman



Scott Latchaw



Tom Reed



Millicent Rice



Laura Tacker Hassan
President and CEO



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