

MOVING FORWARD

2015 ANNUAL REPORT



Financial Solutions For Life

Federally Insured by NCUA

Message from the Chairperson & CEO

2015 was a year of enhanced products, increased convenience, expanded field of membership and upward-trending financials – in short, it truly was an active time of “Moving Forward.” Market USA will build on this positive momentum as we head into 2016 and beyond, continually moving ahead with top-quality member service and state-of-the-art products and services.

A Rising Financial Status

As of year-end 2015, our financial status showed advancements in all major areas, building on the continued upward trends of recent years and demonstrating that Market USA is a strong, stable and growing financial institution. Loans grew more than 15%, rising from \$39.6 million at year-end 2014 to \$45.7 million. Deposits advanced from \$73.8 million to \$74.6 million, and total assets progressed from \$93.1 million to \$94.6 million. Our strong reserve position was further increased with reserves and undivided earnings increasing to \$18.9 million.

Total membership fell slightly, by 866 members to 16,768. Because we are a not-for-profit financial cooperative (like all credit unions), Market USA actually benefits when members who do not use products and services close their membership, because they are not contributing to the strength and growth of this institution. Active-use members benefit not only themselves, but they benefit all members by building up our member-owned credit union.

2015 Advancements

In 2015, we continued to focus on improved member service by making our processes easier for members and improving products. Highlights from 2015 are:

- **Relationship Rewards for loans.** The more you use Market USA products and services, the more you benefit through loan rate discounts. This can add up to significant savings.
- **Full implementation of loan e-Signatures through DocuSign.** You can now take care of loan “paperwork” electronically – paperlessly.
- **A new credit card program featuring improved rewards** – including cash back and bonus points.
- **The Auto Loan Express Check.** Getting a loan and purchasing a vehicle is now faster and easier than ever.

- **Market USA’s Car Buying Service powered by TRUECar.** Members can use our Car Buying Service to find a great deal on the vehicle they want – and receive a .25% rate discount on their loan.
- **Online improvements** include a responsive website design with easier navigation, secure email, and online chat availability through our website, marketusafcu.com.
- Young members are important to us, and our new and improved **Teen Program, Elements of Money**, is a strong addition to our array of services.

Moving Ahead in 2016 & Beyond

State-of-the-art technology and member convenience will continue to be major themes in 2016 and beyond. Projects begun in 2015 and already implemented at the beginning of 2016 include browser-based mobile banking in addition to the app, enhancing our variety of mortgage options with the 15/15 Mortgage, auto and personal loan comparison tools so you can see how much you could save by moving these loans to Market USA, chip-enabled credit cards and new convenient hours including Saturdays at our Laurel Branch.

Currently in the planning stages are an online service to let you pick a new payment and term for existing auto and personal loans by a few simple clicks, expanding e-Signatures to all forms, a new digital banking system with greater capabilities than our current Internet & Mobile Banking systems, a new lending platform with faster decisions, online membership account opening to make it more convenient to join, secured Visa credit card, chip-enabled debit cards, Apple Pay and Android Pay, introduction of a prepaid card, Health Savings Accounts and additional relationship pricing for deposit accounts (so the more you use our products and services, the better the rates we can offer you).

We are well aware that all our progress is made possible by the many contributions of our Board, Supervisory Committee and other volunteers; the efforts of our hardworking staff; and the loyalty of our members. Many thanks to you all. Together, we will continue moving forward in 2016 and beyond.

Robert D. Evans
Chairperson

Laura Tacker Hassan
President and CEO

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.

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	2015	2014
Unsecured Loans	8,228,229	8,110,668
Mortgage/Home Equity Loans	13,307,226	13,503,358
New and Used Vehicle Loans	19,968,724	17,571,087
All Other Loans	4,234,192	438,934

TOTAL LOANS \$45,738,371 \$39,624,047

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

NET LOANS TO MEMBERS \$45,035,418 \$38,921,094

Cash & Investments 44,544,514 49,265,892

Accrued Interest Receivable 182,122 180,545

Land & Building 3,256,269 3,335,485

Other Fixed Assets 262,594 149,951

Other Assets 1,441,175 1,460,555

TOTAL ASSETS \$94,722,092 \$93,313,522

LIABILITIES & EQUITY

Accounts Payable/Accrued Expenses 1,180,088 1,126,557

Members' Accounts 74,598,326 73,778,374

Reserves and Undivided Earnings 18,943,678 18,408,591

TOTAL LIABILITIES & EQUITY \$94,722,092 \$93,313,522

STATEMENTS OF INCOME

Balances As Of December 31

	2015	2014
Interest on Loans	2,627,734	2,332,945
Interest on Investments	520,202	575,987
Other Income	3,368,939	3,278,410

TOTAL REVENUE \$6,516,875 \$6,187,342

Operating Expenses 5,421,808 5,148,466

Provision for Loan Losses 346,132 414,092

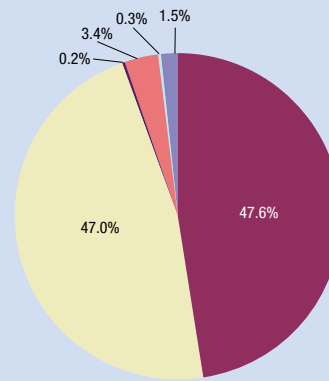
Gain/(Loss) on Disposition of Assets (5,897) 0

Dividends Paid to Members 188,277 197,984

ADDITIONS TO RESERVES

& UNDIVIDED EARNINGS \$554,761 \$426,800

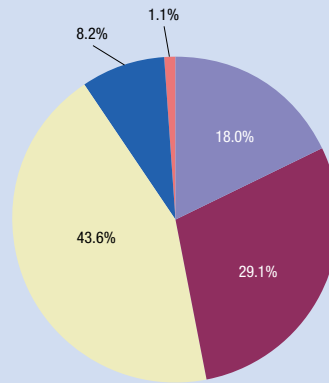
ASSET COMPOSITION



As of December 31, 2015

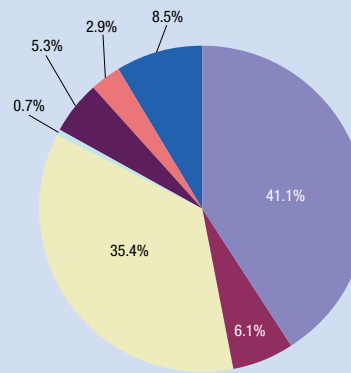
- Net Loans
- Cash & Investments
- Accrued Income Receivable
- Land & Building
- Other Fixed Assets
- Other Assets

LOAN PORTFOLIO



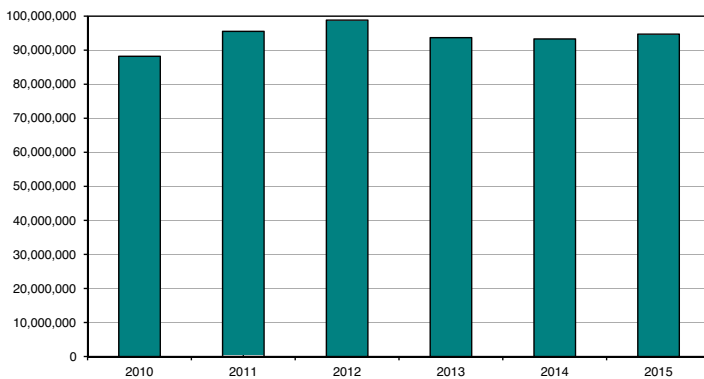
- Unsecured
- Mortgage/Home Equity
- New & Used Vehicles
- Loan Participations
- Other Secured Loans

DISTRIBUTION OF 2015 REVENUES

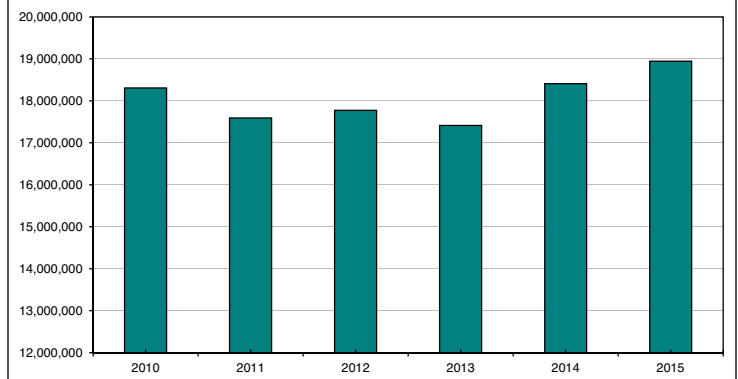


- Personnel
- Office Occupancy
- Office Operations
- Other Expense
- Net Charge-Offs
- Dividend
- Undivided Earnings

Total Assets



Reserves & Undivided Earnings



Note: The financial statements presented in this annual report are for informational purposes only. Copies of the completed audited financial statements will be made available per member request.

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



Financial Solutions For Life

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