

Statement of Financial Condition

December 31, 2014

ASSETS

Loans	\$28,444,971.46
Cash	\$417,985.57
Investments	\$47,323,958.43
Fixed Assets	\$3,158,507.48
Other assets	\$1,020,425.79
Total Assets	\$80,365,848.73

LIABILITIES, SHARES & EQUITY

Payables Miscellaneous	\$821,235.98
Dividends & Interest Payable	\$12,667.98
Total Member Deposits	\$73,530,739.73
Regular Reserves	\$1,234,019.11
Other Capital Accounts	\$4,767,185.93
Total Liabilities, Shares & Equity	\$80,365,848.73

Statement of Income & Expenses

December 31, 2014

Income

Income from Loans	\$1,274,174.68
Investment Income	\$524,977.46
Fees and Charges	\$1,195,620.73
Miscellaneous Operating	\$18,473.81
Total Gross Income	\$3,013,246.68

EXPENSES

Compensation	\$1,036,242.05
Employee Benefits	\$227,405.68
Travel & Conference	\$25,217.82
Association Dues	\$15,765.34
Office Occupancy	\$214,068.63
Office Operations	\$817,296.97
Education & Promotion	\$34,056.07
Loan Servicing	\$158,873.82
Shared Branch	\$64,074.84
Professional Services	\$139,626.81
Supervision & Exam Fees	\$13,006.00
Cash Over/Short	\$(769.59)
Interest on Borrowed Funds	\$1,026.05
Annual Meeting	\$5,637.65
Miscellaneous Operating	\$3,937.44
Total Operating Expenses	\$2,755,465.58

Dividends	\$203,892.18
Provision for Loan Losses	\$43,361.65
Gain (Loss) in Assets Dis.	(3,401.58)

Net Gain (Loss) \$13,928.85



North Houston Location

24909 Kuykendahl
Tomball, TX 77375

Southwest Houston Location

9700 Richmond, Suite 150
Houston, TX 77042

713-595-3400

Toll Free: (800) 444-0197

www.usecreditunion.com



Federally Insured by NCUA



2014
Annual Report

MARCH 5, 2015



Mission Statement

Encourage member's personal success through exceptional financial services today and tomorrow.



Chairman's Message

While 2014 will be remembered as a year of change for USE Credit Union, it also provided the opportunity for us to reflect upon who we are and the experience we strive to provide to our members. In December, our long-time, fearless leader, Greg Storch retired. Mr. Storch faithfully served as President from 1983 to 2014 and was instrumental in helping the credit union increase its membership, open new locations, and expand product offerings. Mr. Storch will be greatly missed; however, we sincerely thank him for his loyal service to USE Credit Union.

When we began the search for our next CEO / President, we wanted someone who would continue to strengthen our member-first philosophy, while providing support, to improve the overall experience for our members. In October, Jessica Gillen joined USE Credit Union as our new CEO / President. Prior to this promotion, Mrs. Gillen worked for NCUA. She is originally from Lubbock, Texas, a graduate of Texas Tech University and a loyal Red Raider! As USE's new CEO, Mrs. Gillen's top priority will be to expand and enhance our electronic product offering. In addition, Mrs. Gillen will focus her efforts on adding services that improve convenience, as well as, increasing both membership and loans. We are very excited about Mrs. Gillen joining the USE Management Team and we look forward to a bright future.

Our membership continued to grow in 2014, and we are proud to say that we now serve more than 9,000 members at two USECU locations and hundreds of shared branching locations. As always, we remain committed to our mission to "Encourage members' personal success through exceptional financial services today and tomorrow." In some ways, however, we were willing to change, especially when it comes to adding new products, services and technologies that make it even easier to do business with us.

Our job as the Board of Directors is to provide overall leadership and governance of the credit union to ensure USE Credit Union provides the best possible products and services to our members. As we look forward to 2015, we will continue to develop programs that benefit members first, including expanding our electronic products to include online loan applications, mobile deposit capture and upgrading our bill pay service. These enhancements will save you time and provide greater convenience to our members.

On behalf of the Board of Directors, we are honored to serve you and look forward to guiding USE Credit Union in 2015 and beyond. Thank you for your continued loyalty and your trust in USE Credit Union.

Clarence Brooks
Chairman of the Board

Treasurer's Message

2014 was a financially successful year for USE Credit Union. As a financial cooperative, our goal is not to maximize income, but simply to generate enough income to pay for expenses, perform research, add the products and services you want, provide competitive rates for loans and investments, and retain sufficient reserves to sustain us through challenging economic times.

As your Treasurer, I am officially reporting to you that the fiscal year 2014 ended as of December 31, 2014. Here are some of the financial highlights of 2014:

- USECU ended 2014 with assets of \$80,365,849.
- We had a net income of \$13,929.
- We funded over \$28 million in loans for members.
- USECU ended with shares of \$73.5 million.

During 2014, our credit union engaged the CPA firm of Orth, Chakler, Murnane & Company and received a positive review. Credit union regulators define a well-capitalized credit union as having at least 7% of its assets in reserve. USE Credit Union finished the year at a very healthy 7.46%. Overall, your credit union is financially strong and able to meet the financial needs of our member-owners for the foreseeable future.

As Treasurer, I want to express appreciation for the confidence members have in the safety and soundness of our credit union.

Charles Konikoff
Secretary/Treasurer

2014 Board of Directors

The USE Credit Union Board of Directors consists of nine volunteer members, each elected to a three-year term. Operating with a governance model, board members are responsible for setting policies, participating in the development of the strategic plan, reviewing and approving the annual budget and assessing the performance of the CEO/President.

The primary responsibility of the Board of Directors is to work with the USE Credit Union CEO and management team to explore new ways to strengthen and advance the credit union.

Clarence Brooks	Chairman of the Board	Term expires 2015
Mike Foster	Vice Chairman	Term expires 2017
Charles Konikoff	Secretary/Treasurer	Term expires 2016
Troy Conner	Director	Term expires 2016
Pamela Edwards	Director	Term expires 2017
Michael Larrivee	Director	Term expires 2015
Bernard Middleton	Director	Term expires 2016
G. Ben Sparks Jr.	Director	Term expires 2017
Ray Biggerstaff	Director	Term expires 2015

President's Message

In 500 years BC Heraclitus, the Greek philosopher, stated, "Everything changes and nothing stands still." Most people fear change; however, our ability to adapt and change is critical to our success as an organization. Our most significant change in 2014 was a change in leadership. Mr. Greg Storch successfully led USE Credit Union for 31 years and I am honored to step in as your new CEO / President. I look forward to a bright future with a thriving and growing credit union, committed to our member's personal financial success.

Looking back, 2014 was a productive year for USE Credit Union. The details follow in the annual report, but in summary, I am proud to say that we were able to both grow the organization and maintain quality financial performance. As the economy continues to evolve, we feel it is essential that we are here for you. We thank you for your continued support and patronage.

Looking ahead to 2015, we are most excited about launching several new electronic products and enhancing others. Our new website is up and running and we are thrilled that it offers our members an updated look, streamlined navigation, easy access to forms and information, online loan applications and new financial calculators. In addition, in January, we made many upgrades to our bill pay service that will save you time and provide added convenience. Later this year, we look forward to launching a new mobile remote deposit capture program so that you can deposit checks from the convenience of your home or office, using your smart phone.

Despite a successful year, the external environment continues to present challenges to the credit union industry. We are ready to embrace those challenges and adapt so that USE Credit Union continues to flourish and remain a key part of your financial lives.

Finally, I want to say thank you for your warm welcome to USECU. Joining such a successful organization and following in the footsteps of industry leaders, like Mr. Storch, has been an honor. I was embraced by the many wonderful members, management, board, and staff of USE Credit Union and I look forward to continuing to serve you and leading this extraordinary organization to continued success.

Jessica Gillen
CEO/President

Management Team

Jessica Gillen
CEO/ President

Debbie Gonzalez
VP of Operations

Sandy Childers
VP of Information
Technology

Marina Izvekova
VP of Accounting