



2016 ANNUAL REPORT

P.O. Box 58346, Houston, Texas 77258

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LETTER FROM THE CHAIRMAN

To Members and Friends,

I am honored to present the 2016 Annual Report for JSC Federal Credit Union (JSC FCU). The Credit Union has had another exceptional year. In 2016, JSC FCU added 7,684 new members while growing assets by \$63,819,803. The JSC FCU membership is made up of 2,309 Community Business Partners. These partners are as diverse as the community we serve, from home owners associations to churches and businesses, small and large. Our Community Business Partners continue to be valuable, providing opportunities to work with the community in a variety of ways in addition to being an essential source of membership.

With many options out there for a financial institution, JSC FCU continues to take steps to increase member satisfaction. In the summer of 2016, we implemented a new account and loan processing platform – MeridianLink. This platform offers an easier and more user-friendly process when opening an account or applying for a loan online. Detailed loan information available within the system allows the departments to

communicate more effectively between each other and with the members. This process helps reduce errors and to achieve a more accurate and timely result.

JSC FCU continues to take steps toward providing new products to meet our members' needs. With home prices on the rise, we realized that the typical standard mortgage was not sufficient. There was a demand for a mortgage with higher limits that continued to offer a low interest rate. In response, JSC FCU began offering Jumbo Mortgages in January of 2016 and saw an immediate response.

JSC FCU understands the importance of financial education and is committed to financial literacy within our community. We have partnered with local high schools to provide educational opportunities to students, staff and educators. Additionally, the Credit Union works to increase the financial literacy of our younger community members as well. By partnering with area organizations and elementary schools, we

are able to support events designed to get our younger members excited and prepared for their financial future.

The Credit Union's outreach extends beyond the school campus. Educational seminars are offered to members and non-members alike. A variety of important topics for adults are covered, such as the home buying process, understanding credit, and identity theft and prevention. Free access is also provided to our MoneyFIT (Financial Independence Tools) program. MoneyFIT is a web-based program providing an online resource for adult education in addition to the face-to-face resources.

In closing, I am pleased to report to our membership that your Credit Union is financially safe, sound, well capitalized, and prospering in all the ways we hold valuable. In its 55th year of business, your Credit Union continues to be a resource for its members and to the greater community it serves. We appreciate you choosing JSC Federal Credit Union as your financial institution.

Sincerely,

David W. Whittle

David W. Whittle, Chairman

JSC Federal Credit Union Board of Directors

ASSETS

	2014	2015	2016
Total Loans	469,717,515	491,547,946	531,173,932
Less: Allowance for Loan Loss	(1,429,717)	1,386,628	(1,493,045)
Net Loans	468,287,798	490,161,317	529,680,887
Cash & Investments	\$1,323,806,987	\$1,369,997,758	\$1,386,462,267

OTHER ASSETS

Fixed Assets	18,859,503	18,691,368	19,606,365
NCUA Share Insurance Deposit	15,616,651	15,954,848	16,499,202
Other Assets	5,877,439	16,395,157	22,771,531
Total Assets	\$1,832,448,380	\$1,911,200,449	\$1,975,020,252

LIABILITIES, SHARES & EQUITY

Total Liabilities	6,403,916	6,615,816	8,442,082
Total Shares & Deposit	1,638,626,589	1,706,597,855	1,752,141,908
Total Equity	187,417,875	197,986,778	208,436,263
Total Liabilities, Shares & Equity	\$1,832,448,380	\$1,911,200,449	\$1,975,020,252

CONSOLIDATED STATEMENT OF INCOME

	2014	2015	2016
Operating Income			
Total Interest on Loans to Members	17,663,252	18,103,236	18,936,557
Income from Investments	14,332,204	14,694,962	16,237,047
Fee and Other Operating Income	13,447,605	14,114,481	14,760,681
Total Gross Income	\$45,443,063	\$46,912,678	\$49,934,285
Total Operating Expense	\$26,918,097	\$28,406,018	\$30,565,856
Income (Loss) From Operations	18,524,965	18,506,660	19,368,428
Less: Provision for Loan Losses	(1,447,140)	(1,520,606)	(1,651,715)
Non Operating Gain (Loss)	2,000	8,821	(4,096)
Total Cost of Funds	(6,623,451)	(6,425,972)	(7,263,133)
Adjusted Net Income (Loss)	\$10,456,373	\$10,568,903	\$10,449,484

LEADERSHIP & LOCATIONS

Board of Directors

David W. Whittle, Chairman
Term Expires 2018

Curtis C. Collins, Vice Chairman
Term Expires 2019

James H. Ragan, Treasurer
Term Expires 2019

Deborah A. Conder, Secretary
Term Expires 2017

John J. Thiel, Director
Term Expires 2017

Peggy A. Zahler, Director
Term Expires 2018

Harry Guss, Director
Term Expires 2019

Grady Perdue, Director
Term Expires 2018

Natalie Saiz, Director
Term Expires 2017

JSC FCU Management

Michael G. Brown
President

Paul Maslonka
Chief Operations Officer

Debra Reeder
Chief Financial Officer

Thomas Hast
Chief Lending Officer/Marketing/
Business Development

Supervisory Committee

Jose Olivarez, Chairman
Joseph Pat McCormack

Gerald (Buddy) Land

Northern Advisory Board

Timothy Dagget
Branch 1 Clear Lake - Main Office
Branch 18 Clear Lake City Blvd

Shawn Chittum
Branch 3 Ellington

Brett Burns
Branch 10 Pearland
Branch 19 Pearland Parkway

James (Steven) Oyler
Branch 11 Seabrook

Glenn Perk
Branch 13 Monument
Branch 14 Deer Park

Joseph (Tim) Bounds
Branch 20 Pasadena

Southern Advisory Board

Dion McInnis
Branch 1 Clear Lake - Main Office

Ann Paulissen
Branch 2 League City

Gerald Stacy
Branch 4 Friendswood

Sharon Gillins
Branch 5 Galveston

Leo Rudd
Branch 6 Tuscan Lakes

William Reid
Branch 7 Mainland

Louis Decker
Branch 9 Bay Colony

Fay Hogg
Branch 12 League City West

Nancy Mallini
Branch 16 Clear Springs High School
Branch 17 Clear Falls High School

JSC FCU Branch Locations

Clear Lake - Main Office
1330 Gemini
Houston, Texas 77058

Clear Falls High School Branch
4380 Village Way
League City, TX 77573
Access restricted to CFHS students & staff

Clear Lake City Blvd
1600A Clear Lake City Blvd
Houston, Texas 77062

Clear Springs High School Branch
501 Palomino Lane
League City, TX 77573
Access restricted to CSHS students & staff

Deer Park - 8th Street
120 East 8th Street
Deer Park, Texas 77536

Deer Park - Monument
2200 East Thirteenth Street
Deer Park, Texas 77536

Dickinson - Bay Colony
2461 FM 646 West
Dickinson, Texas 77539

Ellington
404 FM 1959
Houston, Texas 77034

Friendswood
1320 S. Friendswood
Friendswood, Texas 77546

Galveston
2121 Market Street
Galveston, Texas 77550

La Porte
607 West Fairmont Pkwy
La Porte, Texas 77571

League City
501 FM 270
League City, Texas 77573

League City - Tuscan Lakes
1280 East League City Pkwy
League City, Texas 77573

League City - West
2660 West Main Street
League City, Texas 77573

Park Place
8424 Park Place Blvd
Houston, Texas 77017

Pasadena North
303 W. Shaw
Pasadena, Texas 77506

Pearland - Broadway
9101 Broadway
Pearland, Texas 77584

Pearland Parkway
1849 Pearland Pkwy, Ste. 102
Pearland, Texas 77581

Seabrook
2900 NASA Pkwy, Ste. 310
Seabrook, Texas 77586

Texas City - Mainland
2300 Gulf Freeway
Texas City, Texas 77591



We do business in
accordance with Federal
Fair Lending Laws



Federally
Insured by
the NCUA