

» USAA 2010 MIDYEAR UPDATE



LETTER FROM THE CHIEF EXECUTIVE OFFICER

Fellow USAA members, USAA ends the first half of 2010 with continued financial strength and new ways to serve you today and through every stage of your life. I am pleased to provide USAA's midyear update.

MAKING YOUR LIFE EASIER

So far this year, many of our 7.7 million members have taken advantage of new products and services to save money and simplify their lives.

- Our free USAA® Money Manager personal budgeting tool is helping members track their spending and keep their budgets on course.
- Many of you continued to trust us with your hard-earned money by moving \$4 billion to USAA to prepare for retirement and protect your future.
- New updates to our USAA Mobile Apps help speed you through the auto claims process to get you back on the road quickly. Qualified members will also find easy access to USAA's revolutionary Deposit@Mobile® and other services.
- We also have forged several affinity relationships this year, including one with the Wounded Warrior Project to offer a credit card designed to raise awareness and help provide funding for the needs of severely injured service men and women.

Soon, you'll see even more new ways USAA can help.

- Added to the \$28 million our members saved so far this year with our Car Buying Service, we will soon introduce *USAA Auto Circle™*,

a seamless way for you to find, finance and insure a new car — all from your computer or iPhone®.

- *USAA Home Circle™* will make it just as easy to buy, sell, finance and insure your home — an added bonus to the \$50 million our members have already saved this year by using *USAA MoversAdvantage®* to buy or sell their house or by refinancing their mortgages with USAA Federal Savings Bank.
- Later this fall, our new Online Retirement Center will bring you more timesaving tools for planning and helping you invest for your future.

Our commitment to new ideas for you is reflected in the recognition we receive from trusted sources around the world. In addition to leading customer-service rankings from *Bloomberg Businessweek*, Forrester Research, Inc. and others, we are proud that *Computerworld* magazine ranked USAA No. 1 among all companies as the best place to work in Information Technology. It reflects our employees' passion for innovative ideas that help you and your family achieve your dreams.

ENSURING FINANCIAL STRENGTH

A strong financial base is the means to reinforce our commitment that USAA will always be here to serve you. Through the first half of 2010, net worth grew

6 percent to \$18 billion, and assets owned and managed increased 2 percent to \$139 billion. As these results indicate, we are financially and operationally ready for potential challenges, including a hurricane season that is predicted to be more active in 2010.

Beyond prudent fiscal management, we also work actively in Washington, D.C., and in statehouses around the country to help ensure USAA's ability to continue to facilitate the financial security of our members. I want to again thank the hundreds of thousands of USAA members who contacted their U.S. Senators this year to urge sensible financial reform legislation; your voice was heard.

USAA's mission is to do the right thing in helping you achieve and maintain your family's financial security. We take pride in serving you through every stage of life and thank you for your membership.

Sincerely,

Josue (Joe) Robles Jr.

*Major General, USA (Ret.)
President and CEO*

USAA HIGHLIGHTS

Years Ended December 31 except as noted

	2010 As of June 30*	2009	2008
TOTAL MEMBERS (in millions)	7.7	7.4	7.0
TOTAL PRODUCTS (in millions)	32.4	30.8	29.1
TOTAL EMPLOYEES (in thousands)	22.2	21.5	21.9

USAA CONSOLIDATED (Dollars in millions)

Revenue	\$8,970	\$17,558	\$12,912
Expenses	7,634	14,538	12,489
Net Income	1,336	3,020	423
Assets owned	\$90,739	\$79,905	\$68,296
Assets owned and managed	139,452	137,288	119,550
Total liabilities	72,778	62,888	53,716
Net worth	17,961	17,017	14,580

*2010 financials as of June 30 are unaudited.

2010 MIDYEAR ACCOLADES

Ranked #2 CUSTOMER SERVICE CHAMPS

Bloomberg Businessweek,
March 1, 2010

FORTUNE 500 RANKINGS

60th
ASSETS

66th
NET WORTH

132nd
REVENUE

FORTUNE, May 3, 2010

A TOP-RANKED COMPANY BY CONSUMERS FOR CUSTOMER ADVOCACY

"Customer Advocacy 2010: How Customers Rate
U.S. Banks, Investment Firms, And Insurers"

Forrester Research Inc.,
January 29, 2010

G.I. JOBS Ranked #3 TOP 100 MILITARY EMPLOYERS

March 2010

COMPUTERWORLD No. 1 Best Place to Work in IT

June 22, 2010

USAA COMPANIES AND IMPORTANT LEGAL INFORMATION

Please note, the presentation of financials and facts in this update are subject to many external factors, such as market, environmental and economic conditions, and may change at any time. USAA assumes no duty to update this information.

USAA® Money Manager is not an investment advisory service of USAA. Information on non-USAA accounts is governed by the User Agreement. USAA's personal financial management services are not sponsored or endorsed by any third party.

You must qualify for USAA's remote deposit services; eligibility for USAA property and casualty insurance and credit qualification required. Deposits may not be available for immediate withdrawal. USAA Deposit@Mobile® is not available on some devices. See usaa.com/mobile for details.

Auto Circle™ is a program provided by United Services Automobile Association. Availability, eligibility restrictions, and fees may apply to certain banking, insurance or ancillary products. Property and casualty insurance provided by United Services Automobile Association, and its affiliate property and casualty insurance companies is available only to persons eligible for P&C group membership. Loans provided by USAA Federal Savings Bank, Member FDIC. Purchase of a bank product does not establish eligibility for or membership in USAA property and casualty insurance companies. USAA Car Buying Service and Lowest Price Guarantee provided and operated by Zag.com Inc. on behalf of USAA. USAA does not broker, sell, or lease motor vehicles. Certain products and services are provided by third parties. Each company has sole liability for its own products.

Home Circle™ is a program provided by United Services Automobile Association. Property and casualty insurance provided by United Services Automobile Association, and its affiliate property and casualty insurance companies (San Antonio, Texas) is available only to persons eligible for P&C group membership. Availability, eligibility restrictions, and fees may apply to certain banking, insurance and ancillary products.

Eligibility may change based on factors such as marital status, rank or military status. Applicants must meet underwriting guidelines. Purchase of a bank product does not establish eligibility for or membership in USAA property and casualty insurance companies. Certain products and services are provided by third parties. Each company has sole liability for its own products. Mortgage loans provided by USAA Federal Savings Bank, Member FDIC. Equal Housing Lender. Purchase of a bank product does not establish eligibility for or membership in USAA property and casualty insurance companies.



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USAA means United Services Automobile Association and **its insurance, banking, investment and other companies**. Banks Member FDIC. Investments provided by USAA Investment Management Company and USAA Financial Advisors Inc., both registered broker dealers.

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