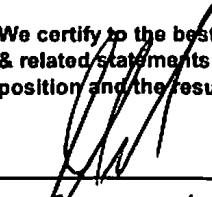





PENTAGON FEDERAL CREDIT UNION
STATEMENT OF FINANCIAL CONDITION AS OF December 31, 2017
(DOLLARS IN 000'S)

ASSETS	<u>2017</u>	<u>2016</u>	LIABILITIES & EQUITY	<u>2017</u>	<u>2016</u>
LOANS (NET)			ACCOUNTS PAYABLE		
Loans to Members	19,608,677		Drafts Outstanding	2,584	
Deferred Loan Origination Cost & Fees	99,144		Other Payables	<u>229,510</u>	
Sub-Total	19,707,821		SHARES SUSPENSE		
Allowance for Loan Losses	<u>(98,409)</u>			8,244	(12,298)
LOAN SUSPENSE			TAXES PAYABLE		
	10,335	(1,267)		292	36
OTHER RECEIVABLES	21,589	17,672	ACCRUED DIVIDENDS		
NOTES & INTEREST RECEIVABLE	0	0		9,398	8,770
CASH	331,690	365,985	LOANS & INTEREST PAYABLE	2,369,101	2,229,630
INVESTMENTS			ACCRUED EXPENSES	57,567	48,750
Federal Funds	0		OTHER LIABILITIES	65,358	43,786
Available-for-Sale	1,514,985		UNAPPLIED DP EXCEPTIONS	4,986	3,645
Non-Marketable Inv	<u>256,560</u>		SHARES	17,823,276	16,670,579
CUSOs - SUBSIDIARY INVESTMENTS			Regular Shares		
	46,530	46,070		2,209,802	1,891,018
ACCRUED INCOME	66,045	50,028	PenCheck		
PREPAID & DEFERRED EXPENSES	19,765	15,325		1,667,939	1,422,295
FIXED ASSETS			MMSA		
Land & Building	256,354			3,593,065	3,354,150
Branch Improvements	3,761		Share Certificates		
Furniture & Office Equipment	15,931			8,141,299	7,770,688
Computer Equipment	15,594		IRA Shares		
Software	<u>102,382</u>			222,522	217,102
OTHER ASSETS			IRA Certificates		
NCUA-SIF	155,939			1,988,649	2,015,327
Collateral in Proc of Liquidation (Auto)	4,494		NET WORTH		
Assets Acquired in Liquidation (REO)	3,289		Regular Reserve		
Other	<u>428,224</u>			90,900	2,361,671
			Undivided Earnings		
				2,092,148	2,163,284
			Net Income		
				<u>178,622</u>	
			ACCUMULATED OTHER COMPREHENSIVE INC/(LOSS)		
			Unrealized Invest A-F-S FV		
				(69,109)	(74,826)
			Pension Transition FV		
				<u>(39,899)</u>	
TOTAL ASSETS	<u>22,862,878</u>	<u>21,303,514</u>	TOTAL LIABILITIES & EQUITY	<u>22,862,878</u>	<u>21,303,514</u>
AVG. DAILY BAL. AT THE FED RESERVE	1,341,919	178,463			
LINES OF CREDIT					
TCS Commitment	565,452	550,765			
TCS Outstanding	112,940	104,877			
CREDIT CARDS Commitments	8,206,875	8,067,291			
CREDIT CARDS Outstanding	1,736,551	1,687,259			
ELOC Commitment	2,978,007	2,554,383			
ELOC Outstanding	1,129,574	978,163			
MARKET VALUE OF INVESTMENTS H-T-M	0	0			
AMORTIZED COST OF INVESTMENTS A-F-S	1,544,195	1,261,763			
SUBJECT TO AUDIT AND ADJUSTMENTS					

We certify to the best of our knowledge and belief, that this statement & related statements are true and correct & present fairly the financial position and the results of operation for the periods covered.


 _____ PRESIDENT

 _____ CHAIRMAN OF THE BOARD



PENTAGON FEDERAL CREDIT UNION
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD DECEMBER 31, 2017
(DOLLARS IN 000'S)

	FOURTH QUARTER 2017	YEAR TO DATE
REGULAR RESERVE		
Balance at the Beginning of the Period	90,900	90,900
Add:		
Mergers Adjustments	0	0
Deduct:		
None	0	0
	90,900	90,900
Balance at the End of the Period	90,900	90,900
UNDIVIDED EARNINGS		
Balance at the Beginning of the Period	2,252,726	2,072,384
Additions:		
Net Income(Loss) After Dividends & Interest on Deposits	18,044	178,622
Merger Entity Valuation	0	19,764
Total Additions	18,044	198,386
Deductions:		
	0	0
	0	0
Adjustments	0	0
Total Deductions	0	0
	2,270,770	2,270,770
Balance at the End of the Period	2,270,770	2,270,770
ACCUM OTHER COMPREHENSIVE INCOME/(LOSS)		
Balance at the Beginning of the Period	(57,164)	(74,826)
Net Change Unrealized Invest A-F-S FV	(11,016)	6,417
Net Change in Pension Transition FV	(928)	(699)
	(69,108)	(69,108)
Balance at the End of the Period	(69,108)	(69,108)
TOTAL EQUITY	2,292,562	2,292,562



PENTAGON FEDERAL CREDIT UNION
STATEMENT OF INCOME AND EXPENSE
For the Period Ended December 31, 2017
(DOLLARS IN 000'S)

	CURRENT MONTH		YEAR TO DATE	
	-----ACTUAL-----		-----ACTUAL-----	
	\$	%	\$	%
INTEREST INCOME:				
Interest on Loans	68,257	93.34	778,253	93.76
Interest on Investments	4,867	6.66	51,780	6.24
TOTAL	73,124	100.00	830,033	100.00
INTEREST EXPENSE:				
Members' Accounts	(19,620)	-26.83	(222,618)	-26.82
Borrowed Funds	(6,717)	-9.19	(72,528)	-8.74
TOTAL	(26,337)	-36.02	(295,146)	-35.56
NET INTEREST INCOME	46,787	63.98	534,887	64.44
Provision for Loan Losses	(10,058)	-13.75	(136,345)	-16.43
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSS	36,729	50.23	398,542	48.02
OTHER OPERATING INCOME:				
CUSO's - Subsidiary Income	(34)	-0.05	1,558	0.19
Fees & Charges	2,042	2.79	21,903	2.64
Interchange Fees	1,111	1.52	26,004	3.13
Misc Operating Income	6,043	8.26	81,524	9.82
TOTAL	9,161	12.53	130,990	15.78
OPERATING EXPENSE:				
Compensation	(16,792)	-22.96	(134,645)	-16.22
Employee Benefits	(5,088)	-6.96	(42,175)	-5.08
Travel & Conference	(406)	-0.56	(3,911)	-0.47
Office Occupancy	(1,166)	-1.59	(15,578)	-1.88
Office Operations	(6,123)	-8.37	(60,579)	-7.30
Education & Promotion	(2,046)	-2.80	(28,986)	-3.49
Loan Servicing	(3,812)	-5.21	(31,362)	-3.78
Prof & Outside Services	(2,336)	-3.20	(15,589)	-1.88
NCUA Operating Fee	(80)	-0.11	(948)	-0.11
Cash Over & Short	(2)	0.00	(27)	0.00
Other Operating Exp	(2,020)	-2.76	(22,039)	-2.66
TOTAL	(39,871)	-54.53	(355,840)	-42.87
OPERATING INCOME	6,018	8.23	173,693	20.93
Total Non-Operating Inc/(Exp)	16	0.02	4,930	0.59
NET INCOME	6,034	8.25	178,622	21.52