

FedChoice Federal Credit Union

Financial Reports as of December 31, 2016

| Consolidated Statement of Financial Condition | | | | |
|--|-----------------------|-----------------------|----------------------|--------------|
| | (Unaudited) | (Unaudited) | | |
| <u>Assets</u> | 2016 | 2015 | Inc/(Dec) | % |
| Cash | 26,266,808 | 16,463,620 | 9,803,188 | 60% |
| Loans | 172,578,521 | 174,906,174 | (2,327,653) | -1% |
| Allowance for Loan Loss | (2,956,671) | (2,229,448) | (727,223) | 33% |
| Investments | 149,570,549 | 138,692,000 | 10,878,549 | 8% |
| Fixed Assets, net | 5,827,031 | 5,987,742 | (160,711) | -3% |
| Other Assets | 34,486,221 | 33,042,775 | 1,443,446 | 4% |
| Total Assets | \$ 385,772,458 | \$ 366,862,863 | \$ 18,909,595 | 5% |
| Liabilities | | | | |
| Demand Deposits | 280,645,072 | 270,271,178 | 10,373,894 | 4% |
| Certificates & IRA | 58,296,933 | 50,879,511 | 7,417,422 | 15% |
| Borrowings | - | - | - | - |
| Other Liabilities | 5,654,006 | 4,639,667 | 1,014,339 | 22% |
| Total Liabilities | 344,596,012 | 325,790,356 | 18,805,656 | 6% |
| Equity | | | | |
| Reserve | 3,513,947 | 3,513,947 | - | 0% |
| Unrealized Gains | 1,549,379 | 1,875,742 | (326,363) | -17% |
| Undistributed Earnings | 35,682,837 | 34,388,791 | 1,294,046 | 4% |
| Retained Earnings | 430,284 | 1,294,027 | (863,743) | -67% |
| Total Reserve | 41,176,447 | 41,072,507 | 103,940 | 0.3% |
| Total Liabilities & Equity | \$ 385,772,458 | \$ 366,862,863 | \$ 18,909,595 | 5% |
| Consolidated Statement of Income | | | | |
| Income | | | | |
| Interest Income | 8,714,401 | 8,820,687 | (106,286) | -1% |
| Investment Income | 3,194,414 | 3,162,130 | 32,284 | 1% |
| Misc. Operating Income | 4,207,097 | 4,124,090 | 83,007 | 2% |
| Total income | 16,115,912.86 | 16,106,907.00 | 9,005.86 | 0.1% |
| Interest Expense | | | | |
| Dividend Expense | 1,454,601 | 1,420,222 | 34,379 | 2% |
| Interest Expense | - | - | - | - |
| Total Interest Expense | 1,454,601 | 1,420,222 | 34,379 | 2% |
| Gross Margin | 14,661,312 | 14,686,685 | (25,373) | -0.2% |
| Operating Expenses | | | | |
| Compensation & Benefits Expense | 7,439,999 | 7,111,073 | 328,926 | 5% |
| Travel & Conference Expense | 454,523 | 349,260 | 105,263 | 30% |
| Facilities Expense | 725,990 | 685,731 | 40,259 | 6% |
| Office Operating Expense | 2,194,155 | 2,294,226 | (100,071) | -4% |
| Marketing Expense | 602,043 | 253,897 | 348,146 | 137% |
| Professional Fees | 1,310,657 | 1,422,804 | (112,147) | -8% |
| Provision for Loan Loss/Charge-offs | 1,165,308 | 1,261,925 | (96,617) | -8% |
| Other Expenses | 144,408 | 117,721 | 26,687 | 23% |
| Operating Expense | \$ 14,037,083 | \$ 13,496,637 | \$ 540,446 | 4% |
| Non-Operating (Income)/Expenses | | | | |
| Operating Income | 624,229 | 1,190,048 | (565,819) | -48% |
| NCUA Stabilization Expenses | - | - | - | - |
| Non-Operating (Income)/Expenses | (193,945) | (103,979) | (89,966) | 87% |
| Net Income | \$ 430,284 | \$ 1,294,027 | \$ (475,853) | -37% |

