
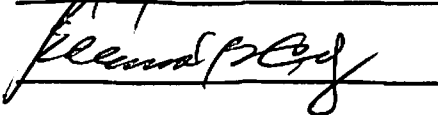


**PENTAGON FEDERAL CREDIT UNION
STATEMENT OF FINANCIAL CONDITION AS OF December 31, 2016
(DOLLARS IN 000'S)**

ASSETS	<u>2016</u>	<u>2015</u>	LIABILITIES & EQUITY	<u>2016</u>	<u>2015</u>
LOANS (NET)			ACCOUNTS PAYABLE		
Loans to Members	18,558,019	17,460,731	Drafts Outstanding	2,327	
Deferred Loan Origination Cost & Fees	69,474		Other Payables	<u>219,831</u>	
Sub-Total	18,627,493		SHARES SUSPENSE	(12,298)	(1,021)
Allowance for Loan Losses	<u>(59,080)</u>		TAXES PAYABLE	36	201
LOAN SUSPENSE	(1,267)	2,670	ACCRUED DIVIDENDS	8,770	9,076
OTHER RECEIVABLES	17,672	16,711	LOANS & INTEREST PAYABLE	2,229,630	1,955,977
NOTES & INTEREST RECEIVABLE	0	0	ACCRUED EXPENSES	48,750	36,818
CASH	365,985	222,416	OTHER LIABILITIES	43,786	41,709
INVESTMENTS	1,359,904	1,082,611	UNAPPLIED DP EXCEPTIONS	3,645	(371)
Federal Funds	0		SHARES	16,670,579	15,328,918
Available-for-Sale	1,226,135		Regular Shares	1,891,018	1,619,131
Non-Marketable Inv	<u>133,769</u>		PenCheck	1,422,294	1,052,061
CUSOs - SUBSIDIARY INVESTMENTS	46,070	34,606	MMSA	3,354,150	2,098,392
ACCRUED INCOME	50,028	46,541	Share Certificates	7,770,688	8,221,394
PREPAID & DEFERRED EXPENSES	15,325	13,091	IRA Shares	217,102	207,675
FIXED ASSETS	323,155	256,199	IRA Certificates	2,015,327	2,130,266
Land & Building	239,956		NET WORTH	2,163,284	1,981,729
Branch Improvements	2,154		Regular Reserve	90,900	
Furniture & Office Equipment	9,485		Undivided Earnings	1,890,828	
Computer Equipment	13,239		Net Income	<u>181,556</u>	
Software	<u>58,320</u>		ACCUMULATED OTHER COMPREHENSIVE INC/(LOSS)	(74,826)	(58,489)
OTHER ASSETS	558,228	328,883	Unrealized Invest A-F-S FV	(35,627)	
NCUA-SIF	140,495		Pension Transition FV	<u>(39,199)</u>	
Collateral in Proc of Liquidation (Auto)	1,165		TOTAL LIABILITIES & EQUITY	<u>21,303,514</u>	<u>19,464,459</u>
Assets Acquired in Liquidation (REO)	5,312				
Other	<u>411,257</u>				
TOTAL ASSETS	<u>21,303,514</u>	<u>19,464,459</u>			
AVG. DAILY BAL. AT THE FED RESERVE	178,463	245,783			
LINES OF CREDIT					
TCS Commitment	550,765	486,335			
TCS Outstanding	104,877	84,723			
CREDIT CARDS Commitments	8,067,291	7,681,541			
CREDIT CARDS Outstanding	1,687,259	1,593,069			
ELOC Commitment	2,554,383	1,958,598			
ELOC Outstanding	978,163	851,220			
MARKET VALUE OF INVESTMENTS H-T-M	0	0			
AMORTIZED COST OF INVESTMENTS A-F-S	1,261,763	925,355			
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 ENDING DECEMBER , 31 2016
(DOLLARS IN 000'S)

	FOURTH QUARTER 2016	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
	0	0
Balance at the End of the Period	90,900	90,900
UNDIVIDED EARNINGS		
Balance at the Beginning of the Period	2,037,684	1,890,828
Additions:		
Net Income(Loss) After Dividends & Interest on Deposits	34,700	181,556
FAS 156 / ASC-860 - MSR FV	0	0
Total Additions	34,700	181,556
Deductions:		
	0	0
	0	0
Total Deductions	0	0
	2,072,384	2,072,384
ACCUM OTHER COMPREHENSIVE INCOME/(LOSS)		
Balance at the Beginning of the Period	(43,045)	(58,488)
Net Change Unrealized Invest A-F-S FV	(37,937)	(25,037)
Net Change in Pension Transition FV	6,156	8,699
Balance at the End of the Period	(74,826)	(74,826)
TOTAL EQUITY	2,088,458	2,088,458