NORTH SUBURBAN OFFICE
6010 Earle Brown Drive
Brooklyn Center, Minnesota 55430
Main Office: (763) 549-6000
Administrative Offices: (763) 549-6100

12/30/03 PM 1:39 RCVD

December 23, 2003

Jane A. Walters
Regional Director
National Credit Union Administration
4807 Spicewood Springs Road
Austin, Texas 78759

Dear Ms. Walters:

We at City-County Federal Credit Union are investigating the possibility of adding several suburbs of the city of Minneapolis to our field of membership under the "serving the underserved" clause in the Chartering Manual. We therefore request, under the Freedom of Information Act, that the NCUA provide us with a copy of the approved application for the addition of the cities of Minneapolis, Golden Valley, St. Louis Park, Crystal, New Hope, Robbinsdale, and Hopkins submitted by Honeywell Employees Federal Credit Union.

We hope that you will give our request in this matter your prompt, favorable consideration. If you have any questions, please feel free to have someone from your staff call me at (763)549-6110.

Sincerely,

Jerry Deyo
Vice President/Marketing

August 26, 2003

Douglas P. Young, President/CEO
Honeywell Federal Credit Union
64965 Wayzata Blvd. #600
Minneapolis, MN 55426-1732

Dear Mr. Young:

We have approved your request to serve the underserved area in Hennepin County, Minnesota. The enclosed amendment must be adopted in accordance with the instructions provided and must not be altered in any way. The following actions are required for the amendment to become effective:

- The board of directors must adopt the amendment at a meeting held in accordance with Article XXI, section 1, of the bylaws.
- The appropriate persons must sign and date the AMENDMENT TO CHARTER in the proper place.
- File the completed certification form with the credit union's official charter. There is no need to forward a copy to NCUA.

You should be prepared to provide periodic service status reports so that we may ensure the needs of the community's residents are being met. Any future requests to add underserved areas to your field of membership may require evidence of your service to those underserved areas already approved.

If you have any questions concerning the contents of this letter or the enclosed certificate, please direct them to the Division of Insurance in this office.

Sincerely,

Jane A. Walters
Regional Director

DOI/DPA:dpa
FCU # 24446
Enclosure

bcc: Steiger/L. Johnson/Reading file/DPA

#352

DPA

508630

Honeywell

Honeywell Federal Credit Union
6465 Wayzata Blvd. #600
Minneapolis, MN 55426-1732

612-951-1500
1-800-533-4004

08/12/03 AM 9:47 RCVD

August 11, 2003

Robert J. LeConte
Director of Insurance, Division V
National Credit Union Administration
Department of Insurance
4807 Spicewood Springs Rd, Ste 5200
Austin TX 78759-8490

Dear Mr. LeConte:

Thank you for considering Honeywell Federal Credit Union's recent proposal to add an Investment Area to our field of membership. In response to your request, I am enclosing an addendum to our business plan. This addendum outlines anticipated marketing plans and expenses for the Investment Area, broken down by quarter.

If you require additional information, or have any questions, please contact Douglas P. Young, President/CEO, at (952) 738-7401. Thank you for your consideration.

Sincerely,

Tamra S. Klimpel

Tamra S. Klimpel
Director of Marketing

Enclosures

cc: Dan Apgar, Senior Insurance Analyst, NCUA
cc: Douglas P. Young, President/CEO, Honeywell Federal Credit Union

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Honeywell

Honeywell Federal Credit Union
6465 Wayzata Blvd. #600
Minneapolis, MN 55426-1732
612-951-1500
1-800-533-4004

508507

July 9, 2003

Robert J. LeConte
Director of Insurance, Division V
National Credit Union Administration
Department of Insurance
4807 Spicewood Springs Rd, Ste 5200
Austin TX 78759-8490

Dear Mr. LeConte:

Thank you for your reply to Honeywell Federal Credit Union's recent proposal to expand our field of membership through the addition of a qualified Investment Area. Per your response, we are notifying you that we wish to change the boundaries of our proposed Investment Area. The new Investment Area consists of the entire cities of Brooklyn Center, Crystal, Golden Valley, Hopkins, Minneapolis, New Hope, Robbinsdale and St. Louis Park. This new area qualifies as an Investment Area based on Median Family Income.

Rough maps of the proposed area are enclosed; additional revised maps are on file with Steve Warden with the NCUA Division of Insurance. Given the new Investment Area's similarity with and proximity to the original area, we do not see a need to modify the remainder of our business plan at this time.

If you require additional information, please call me at (952) 738-7401. Thank you for your consideration.

Sincerely,

Douglas P. Young

Douglas P. Young
President/CEO

Enclosures

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AMENDMENT TO CHARTER

Honeywell Federal Credit Union
Charter No. 24446

WHEREAS, formal request has been submitted by the officials of this Federal Credit Union that the following amendment to its charter be approved:

Section 5 of the Charter shall be amended to read as follows:

"The field of membership of this credit union shall be limited to those having the following common bond:

1. employees of Honeywell International, Inc. who work in the United States;

2. employees of Honeywell International, Inc. who work in a foreign country ~~and are paid from Morristown, New Jersey~~; **(wording deleted 8/21/00)**

3. employees of the following subsidiaries of Honeywell International, Inc. who work in the United States:

ABI Corporation
ADEMCO Group
Alarmco
Alliance Polymers Company
Allied Signal Inc. Burdick & Jackson
Alta Group, Inc.
Arrowhead Environmental Control, Inc.
Bendix Corporations
Canaan Group
Clean Link
Data Instruments, Inc.
Fire.Lite Alarms
Four Seasons Temperature Control Services, Inc.
Garrett Aviation Services (formerly AlliedSignal Aviation Services)

3. **(continued)** employees of the following subsidiaries of Honeywell International, Inc. who work in the United States:

Grimes Aerospace Company (Honeywell Lighting & Electronic Systems)
Hermetic Aircraft International, Inc.
LORI, Inc. (Division of Nordham)
MicroLite Corporation
Notifier (A Pittway Company)
OPEX Corporation
Phoenix Controls Corporation
Prestone Products Corporation
Pittway Corporation
Standard Parts & Equipment Corp.
Stamping Support Systems
System Sensor
Thermal Controls, Inc.
Tristar Aerospace
Westinghouse Security Electronics, Inc. (dba Honeywell Security Systems)
Xetron Corporation
YCV (Yamatake Controls and Valves;

4. employees of this credit union;

5. persons retired as pensioners or annuitants from the above employment;

6. persons who live, work, worship or attend school in, and businesses and other legal entities located within the underserved are comprised of the cities of Brooklyn Center, Crystal, Golden Valley, Hopkins, Minneapolis, New Hope, Robbinsdale and St. Louis Park, Minnesota; (8/26/03)

7. spouses of persons who died while within the field of membership of this credit union;

8. members of their immediate families or households; and

9. organizations of such persons."

AND WHEREAS, the amendment is in the best interests of the members and is not inconsistent with Law,

NOW, THEREFORE, pursuant to the provisions of the Federal Credit Union Act, the foregoing submitted amendment of the charter of the above Federal credit union is hereby approved this 26th day of August, 2003, subject to adoption by the board of directors in accordance with Article XXI of the Federal Credit Union Bylaws.

_____
Jane A. Walters
Regional Director

At a meeting held on_____the above amendment to the charter was adopted by the board of directors in accordance with Article XXI of the Federal Credit Union Bylaws.

_____
Presiding Officer

_____
Secretary

HONEYWELL FEDERAL CREDIT UNION
PROPOSED ADDITION OF UNDERSERVED AREA

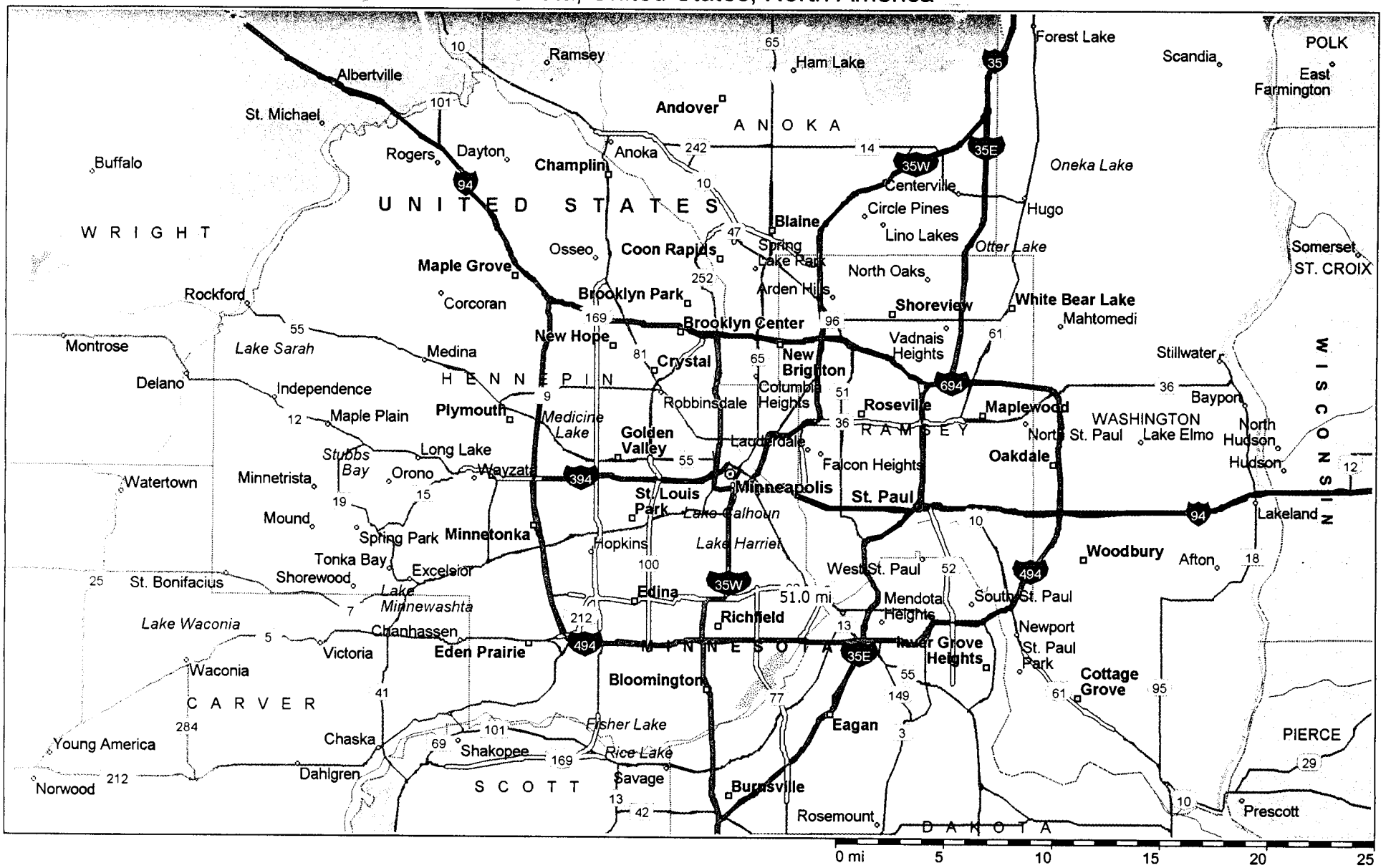
Table Of Contents

1. Regional Record of Action
2. Maps
3. Business Plan
4. Financial Data
5. Examination Report and Field Recommendation
6. Additional Information

TAB 2

MAPS

Minnesota, United States, North America



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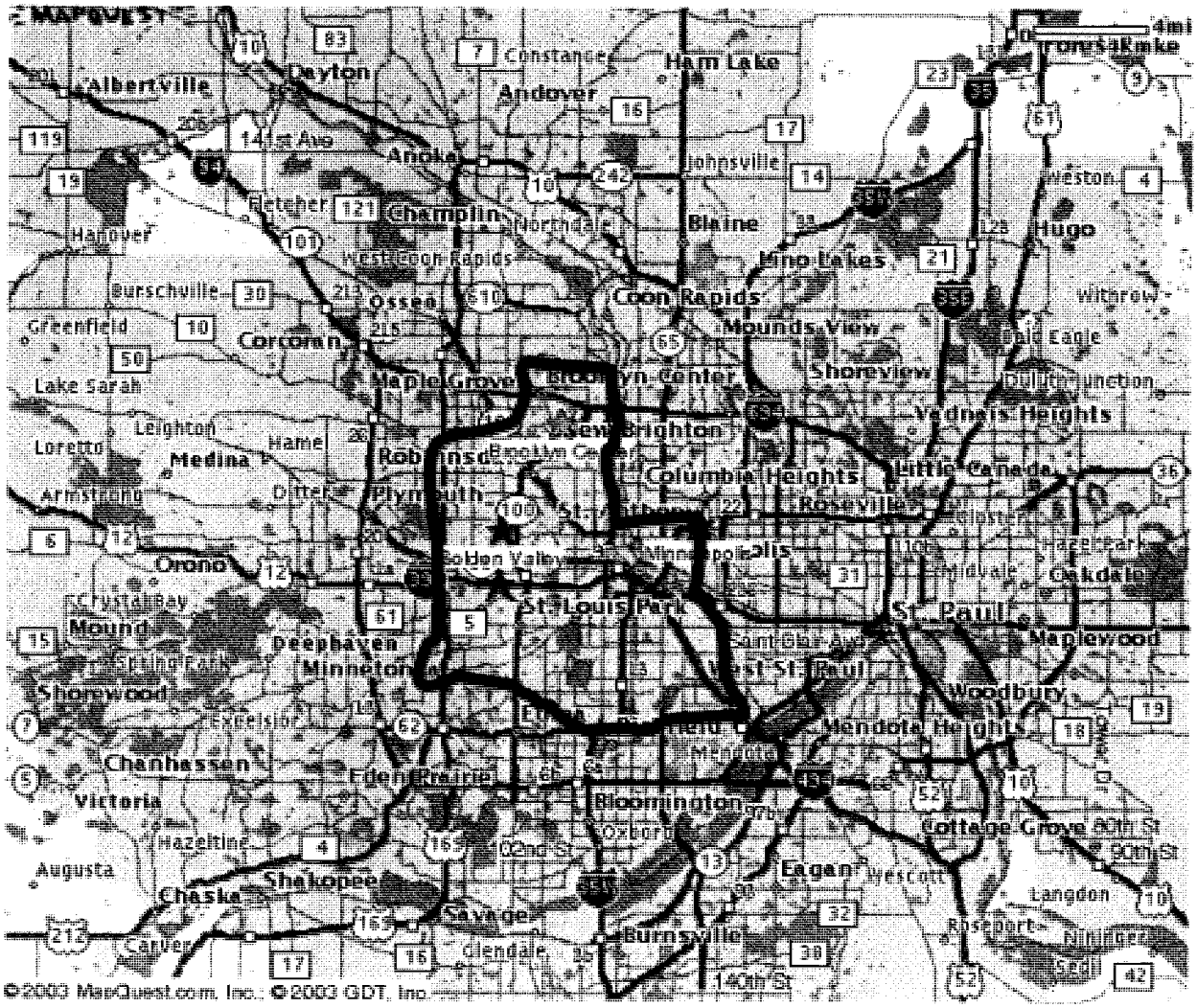
© Copyright 2000 by Compusearch Micromarketing Data and Systems Ltd.

Honeywell

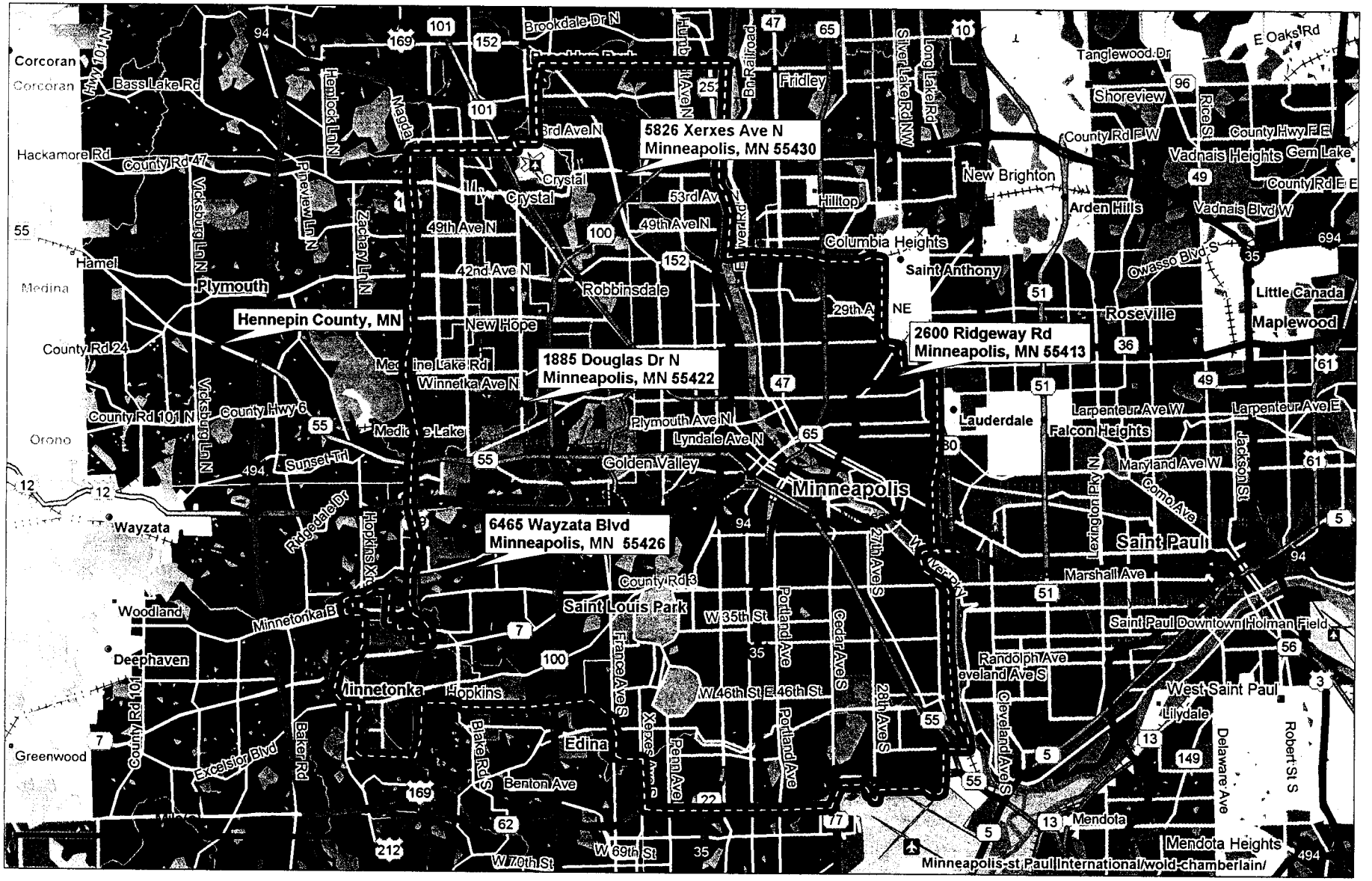
Federal Credit Union

Revised Investment Area (July 9, 2003)

- The revised Investment Area consists of the cities of Brooklyn Center, Crystal, Golden Valley, Hopkins, Minneapolis, New Hope, Robbinsdale and St. Louis Park, all in the state of Minnesota. This area has been approximated in the area with the large black border.
- This map displays the greater Minneapolis-St. Paul metropolitan area. HFCU headquarters denoted by red star; other branch locations are labeled.

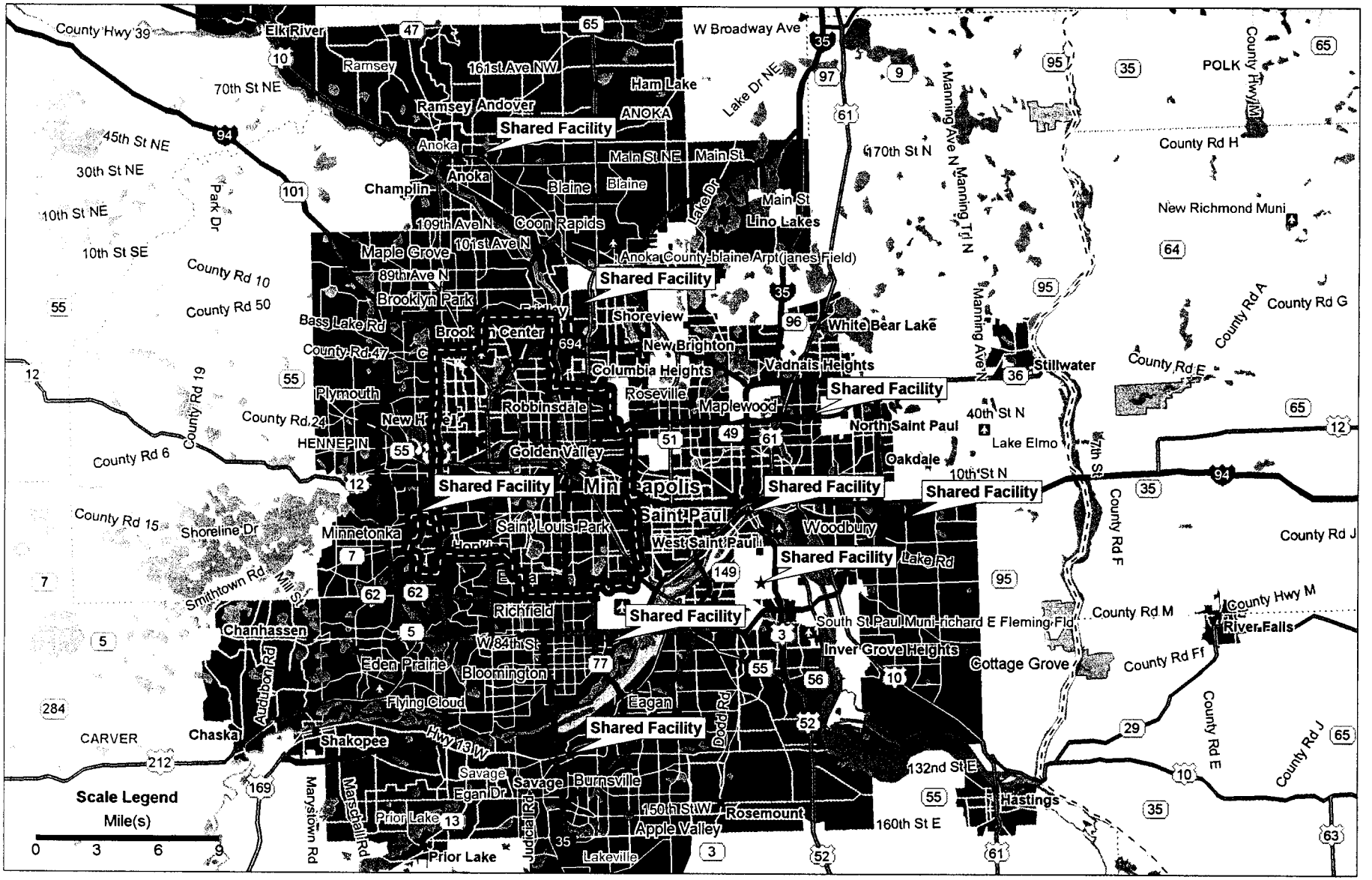


Honeywell UA



Printed from BusinessMAP by ESRI.

Honeywell Shared Branches



Printed from BusinessMAP by ESRI.

Honeywell

Federal Credit Union

Revised Investment Area (July 9, 2003)

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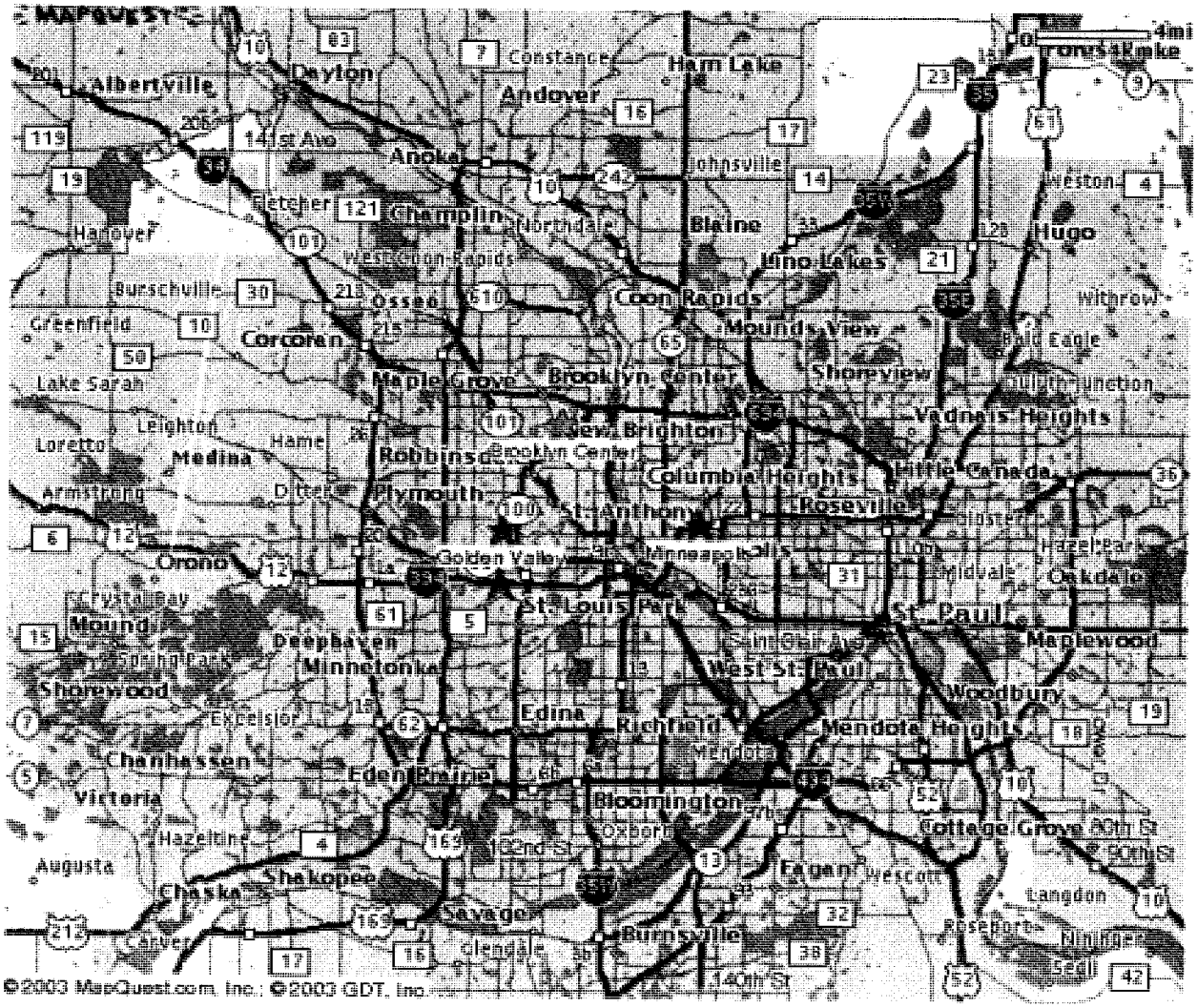

TAB 3

BUSINESS PLAN

508346

Honeywell

Honeywell Federal Credit Union
6465 Wayzata Blvd. #600
Minneapolis, MN 55426-1732

612-951-1500
1-800-533-4004

DAN

06/24/03 AM10:13 RCVD

June 23, 2003

Jane A. Walters
Regional Director, Division V
National Credit Union Administration
Department of Insurance
4807 Spicewood Springs Rd, Ste 5200
Austin TX 78759-8490

Dear Ms. Walters:

In response to your letter to Honeywell Federal Credit Union, dated April 23, 2003, encouraging us to expand our field of membership through the addition of a qualified Investment Area, we are submitting the attached proposal. Honeywell Federal Credit Union is requesting a field of membership expansion in to an underserved area of 117 census tracts in Hennepin County, Minnesota. Supporting information is attached, including the following:

- **Maps and census tract listing,** including a map of the proposed Investment Area, a narrative of the Investment Area's boundaries, and a detailed listing of the included census tracts.
- **Business Plan** detailing our plans for serving the community and competing effectively in the marketplace.
- **Investment Area Operating Expenses**
- **Financial Statements** from May 2003
- **Proposed Charter Amendment** to add the Investment Area to our field of membership
- **Appendices** with additional detail

Approval of this expansion will benefit the Hennepin county community and Honeywell Federal Credit Union in various ways:

- Provides low cost financial services to more people.
- Helps HFCU diversify its membership and support growth.
- Increases lending and deposit opportunities for both HFCU and consumers.

If you require additional information, please call me at (952) 738-7401. Thank you for your consideration.

Sincerely,

Douglas P. Young

Douglas P. Young
President/CEO

Enclosures

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Business Plan

How we plan to serve the community

(b)(4)

Serving the Underserved

Honeywell Federal Credit Union offers a full array of financial products and solutions for our members. These include:

- Free Checking
- Relationship Checking
- Savings
- Savings – Automated Savings Plan
- Home equity loans and lines of credit
- Vehicle Loans (direct)
- Indirect Vehicle Loans
- Lines of credit
- Unsecured loans
- Credit cards
- Certificates of deposit
- Overdraft Protection
- Investments (through our wholly-owned subsidiary, Global Directives, Inc.)
- IRAs
- Online Banking
- Online Bill Payment
- 24-hour Telephone Banking
- Call center
- First Mortgages
- U.S. Savings Bonds

- Payroll Deduction
- Direct Deposit
- ATM – including a surcharge-free network
- Student loans
- Notary service
- Coin counter

(b)(4)

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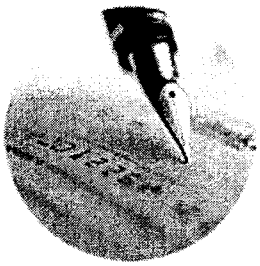
Honeywell
Federal Credit Union



HFCU Checking Accounts /

Enjoy Free Checking with Membership Benefits

No minimum balance, no monthly maintenance fees. Those benefits are just the beginning of your Free Checking Account with Honeywell Federal Credit Union. Other features include:

- Monthly Statements
- Overdraft protection available for qualified members.
- Direct deposit with no set-up fee
- Free check card, without monthly fees or inactivity charges
- Free online banking and phone banking
- Online bill pay for a flat monthly fee of $4.95 and no per item fees

Compare the Free Checking Account with Relationship Checking to decide which is best for you, or Apply Today.

Apply Now

Member Number:

— OR —

Social Security Number:

Password:

SECURE LOGIN

Need a Password?
Sign Up for Online Banking Now!

Honeywell Federal Credit Union 612-951-1500, toll free: 800-533-4004 memberservice@myhoneywellfcu.com
Member Privacy Policy | Service Fees © 2002 Honeywell Federal Credit Union. All Rights Reserved.

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EQUAL HOUSING LENDER

NCUA

Accounts Federally Insured to $100,000 by NCUA, an agency of the U.S. Government.

Honeywell
Federal Credit Union

Brad, member since 1999

Member Services /

Conduct Banking at Your Own Convenience

Since credit union banking is all about our members, it only makes sense that we offer the convenience of online access. With Online Banking, you get instant, up-to-date account information and the flexibility to conduct transactions day or night, seven days a week, 24-hours a day. This FREE service empowers you with unprecedented access to your account information, and the ability to:

- Check account balances, deposits and loan payments.
- Transfer funds between your accounts.
- Make loan payments via transfer.
- View and print detailed transactions on your account and monthly statements.
- Instantly reconcile your accounts.
- Monitor your check card and ATM transactions.
- Communicate with your credit union via e-mail.

Sign up today by calling us at 612-951-1500 or toll-free 1-800-533-4004 or apply online.

Member Number:

— OR —

Social Security Number:

Password:

SECURE LOGIN

Need a Password?
Sign Up for Online Banking Now!

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Federal Credit Union

Member Services /

Schedule and monitor online bill payments.

In addition to online banking, HFCU offers you the ability to pay bills online. It's a safe and secure way to simplify that monthly task while eliminating all the paperwork and stamps. You establish your own password, follow the simple steps to set up accounts for payment, and schedule payments at your own convenience. When you pay bills online, you always know the exact date of payment, because you establish it yourself. You can also:

- Schedule payments for the same day or up to a year in advance.
- Arrange for automatic payment of recurring and future bills from designated accounts.
- Add or delete a payee from your list any time.
- Pay bills online to almost anyone in the United States.

Get started by first enrolling in Online Banking. After that, you can add Online Bill Payment service if desired. Call us at 612-951-1500, toll-free at 1-800-533-4004 or apply on line today.

Member Number:

OR

Social Security Number:

Password:

SECURE LOGIN

Need a Password?
Sign Up for Online Banking Now!

Honeywell Federal Credit Union 612-951-1500, toll free: 800-533-4004 memberservice@myhoneywellfcu.com
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Honeywell
Federal Credit Union

Brad, member since 1999

Member Services /

Phone Anytime for Immediate Banking

Honeywell Federal Credit Union enhances your account access by providing telephone banking 24 hours a day, 7 days a week, 365 days a year. You don't even have to sign up -- any member with an existing account can start using telephone banking immediately. Using a touch-tone phone, your account number and Personal Identification Number (PIN), you can conduct a range of financial transactions on your own schedule -- even after regular business hours. The advantages of telephone banking are yours at absolutely no charge, making it just that easy to:

- Access account balance, transaction and interest information.
- Transfer funds between your credit union checking, savings or loan accounts.
- Make payments, payoffs or advances on your credit union loan accounts.
- Obtain savings certificates and retirement certificate information.
- Reorder checks.
- Request stop payments.
- Indicate an address change.
- Inquire about statement information, service charges or any Honeywell Federal Credit Union product or service.
- Check certificate and loan rates.

24-hour automated banking is available by phoning the appropriate number for your area:
Minneapolis/St. Paul Metro Area - (612) 951-CASH / (612) 951-2274
All Other Locations - 1-800-247-5678

APPLY NOW
LOANS
CHECKING
SAVINGS
SERVICES
Card Services
On-Line Banking
On-Line Bill Payment
Telephone Banking
Investments
Direct Deposit
Auto Loan Payment
Payroll Deduction
LOAN RATES
DEPOSIT RATES

Member Number:

— OR —

Social Security Number:

Password:

SECURE LOGIN

Need a Password?
Sign Up for Online Banking Now!

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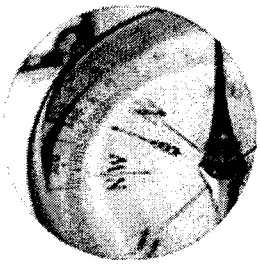
Honeywell
Federal Credit Union



Find a HFCU Location /
Find an HFCU Branch Location

We welcome the opportunity to serve our members in HFCU branch locations with lobby hours, tellers and drive-thru service. Please visit us at any of the branch offices listed below:

Brooklyn Center Location
5825 Xerxes Avenue North
Brooklyn Center, MN 55430
Lobby: 8:30 a.m. to 5:00 p.m. M-Th
8:30 a.m. to 6:00 p.m. F
Drive-Thru: 8:30 a.m. to 6:00 p.m. M-F

Golden Valley Location
1885 Douglas Drive North
Golden Valley, MN 55422
Lobby: 7:30 a.m. to 3:30 p.m. M-F
Walk-up Teller window: 7:30 a.m. to 3:30 p.m. M-F

Ridgway Location
2600 Ridgway Parkway
Minneapolis, MN 55413
Lobby: 7:30 a.m. to 3:30 p.m. M-F

Member Number:

OR

Social Security Number:

Password:

SECURE LOGIN

Need a Password?
Sign Up for Online Banking Now!

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EQUAL HOUSING LENDER

NCUA

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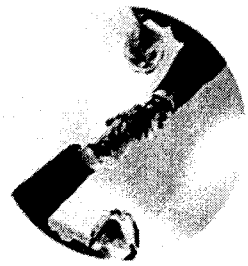
Honeywell
Federal Credit Union



Find a HFCU Location /

Find an HFCU Shared Branch

Honeywell Federal Credit Union has more than one location to serve its members, but what happens when you're on vacation, out of town on business, or you just can't get to the closest HFCU branch location? Shared branching gives you the personal service you want, no matter where you are in the United States.

For the convenience of our customers, HFCU is part of the Credit Union Service Corporation, a network of over 600 credit unions. This allows our members to receive most of the in-branch services that Honeywell Federal Credit Union offers, only at another credit union's branch location. All you need is your member number and a valid ID, and their representatives will be able to help you with these shared Branching Services*:

- Account transfers
- Check cashing
- Deposits and withdrawals
- Loan payments
- Money Orders
- Travelers Checks
- Telephone access to Honeywell Federal Credit Union

.nd a Shared Branching Location Nationwide

*In order for a representative from another credit union assist you in account transactions through Shared Branching, you must know your member number. You will also be asked for the name of your credit union (Honeywell Federal Credit Union).

Minnesota shared branches:

Bloomington:
U.S. Federal Credit Union
2772 East 82nd Street
Bloomington, MN 55425
952-736-5000

Burnsville:
U.S. Federal Credit Union
1400 Riverwood Drive
Burnsville, MN 55337
952-736-5000

Coon Rapids:
Anoka Hennepin Credit Union
3505 Northdale Boulevard
Coon Rapids, MN 55448
763-422-0290 ext. 18

Duluth:
Credit Union Service Center
1600 Miller Trunk Highway
Duluth, MN 55811
8-727-1497

Fridley:
U.S. Federal Credit Union
6303 Old Central Avenue NE

Minnetonka:
City-County Federal Credit Union
11110 Greenbrier Road
Minnetonka, MN 55305
763-549-6400

North St. Paul:
Postal Credit Union
2401 N McKnight Road
North St. Paul, MN 55109
651-770-7000

St. Paul:
Postal Credit Union
180 East Kellogg Boulevard
St. Paul, MN 55101
800-247-0857

West St. Paul:
Postal Credit Union
1725 South Robert Street
West St. Paul, MN 55118
651-770-7000

Woodbury:
Postal Credit Union
8499 Tamarack Road

Fridley, MN 55432
952-736-5000

Woodbury, MN 55125
800-247-0857

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EQUAL HOUSING LENDER

NCUA

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Honeywell
Federal Credit Union

Find a HFCU Location /
Find an HFCU ATM

Did you know that you can make balance transfers and inquiries as well as deposits and withdrawals at some HFCU ATM locations*? Honeywell Federal Credit Union gives you the power to do this 24-hours a day. Just use your Check Card or ATM card to conduct free transactions at the following ATM locations.

* Not all ATM machines accept deposits. Due to inter-state banking regulations, HFCU may not be able to accept ATM deposits from outside of Minnesota. Please contact us at 1-800-533-4004 or email us at memberserv@fcu.honeywell.com, and we will be happy to send you a postage paid envelope to mail your deposit directly to us. Please do not send cash in the mail.

Honeywell Facilities

Any ATM owned by Honeywell Federal Credit Union is available for surcharge-free transactions. You can find surcharge-free machines at these Honeywell facilities:

Brooklyn Center:
Credit Union Brooklyn Center Office
5825 Xerxes Avenue North
Brooklyn Center, MN 55430

Coon Rapids:
Honeywell/Evergreen*
8840 Evergreen Blvd.
Coon Rapids, MN 55433

Golden Valley:
Honeywell/H & BC (SE)
1885 N. Douglas Drive
Golden Valley, MN 55422

Honeywell/H& BC (NW)*
1985 N. Douglas Drive
Golden Valley, MN 55422

Minneapolis:
Honeywell/Ridgway**
2600 Ridgway Parkway
Minneapolis, MN 55413

Honeywell Technology Center
3660 Technology Drive
Minneapolis, MN 55418

Plymouth:
Honeywell/SSEC*
12001 Highway 55
Plymouth, MN 55441

St. Louis Park:
Park Place West Office Building***
Level P
6465 Wayzata Blvd.
St. Louis Park, MN 55426

* A Honeywell badge is required to gain access to the ATM machine in this facility.
** A Honeywell badge is required after on-site Credit Union hours.
*** Access only during building hours.

Wells Fargo In-Bank ATMs
HFCU members can also get surcharge-free transactions on their accounts at any ATM located in a Wells Fargo Bank. There are over 4,900 branches in 23 states ready to serve you.

Need help finding an ATM location near you? Just call a Member Service Representative at 612-951-1500 or toll free at 1-800-533-4004 and we'll be glad to help.

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TAB 4

FINANCIAL DATA

Financial Statements

Honeywell Federal Credit Union's financial soundness

Balance Sheet

As of May 31, 2003
In Thousands ($,000)

Assets	Current Balance	Month to Date Change	Year to Date Change	Annualized % Growth (Actual)	Annualized % Growth (Budget)
Loans:					
Consumer Installment	$44,994	$949	$655	3.5%	10.7%
Visa	13,004	(64)	(1,291)	-21.7%	0.0%
Leases	-	-	(86)	-240.0%	0.0%
Home Equity	91,012	6,206	26,953	101.0%	14.0%
Real Estate First Mortgage	12,553	(263)	(1,253)	-21.8%	0.0%
Total Loans	161,563	6,828	24,977	43.9%	10.0%
Less: Allowance for Loan Loss	(503)	(28)	6		
Net Loans	$161,060	$6,800	$24,983	44.1%	10.2%
Cash on Hand and Due	15,597	3,333	(1,819)	-25.1%	-25.6%
Investments Available for Sale	70,362	(6,018)	(6,146)	-19.3%	13.0%
vestment in CUSO	257	(1,000)	(1,000)	-191.0%	-211.5%
and and Building	893	(2)	(8)	-2.2%	0.4%
Other Fixed Assets (net)	826	(30)	(151)	-37.0%	-7.9%
Deposit in NUCSIF	1,924	-	40	5.0%	8.1%
Other Assets	1,677	(30)	(52)	-7.3%	10.8%
Total Assets	$252,596	$3,053	$15,846	16.1%	7.1%
Liabilities and Equity					
Accounts Payable & Accrued Expenses	$536	$37	($524)	-118.7%	1.4%
Notes Payable	-	-	-		
Accrued Interest Payable	415	127	217	263.6%	413.9%
Total Liabilities	$951	$164	($307)	-58.5%	66.3%
Shares(reg,S2,S4, IRA)	84,821	1,679	9,581	30.6%	9.9%
Checking	23,103	73	3,002	35.8%	0.0%
Money Market	63,526	(442)	41	0.2%	12.6%
Certificates	44,923	1,122	2,187	12.3%	-2.0%
Total Shares	$216,372	$2,432	$14,812	17.6%	7.2%
Regular Reserve	7,500	-	-	0.0%	0.0%
Net Unrealized Apprec (Depr) on Investments	2,170	57	(20)	-2.2%	-61.5%
Undivided Earnings	24,242	-	-		
Net Income (Loss)	1,361	399	1,361		0.0%
Total Equity	35,272	457	1,341	9.5%	4.4%
Total Liabilitites & Equity	$252,596	$3,053	$15,846	16.1%	7.1%

Income Statement

As of May 31, 2003
In Thousands ($,000)

		May				YTD			
		Actual	Budget	Variance	% of Avg Assets	Actual	Budget	Variance	% of Avg Assets
Interest from Loans		$826	$807	$19	4.05%	$3,895	$3,899	($4)	3.82%
Interest from Investments		269	276	(7)	1.32%	1,401	1,386	16	1.37%
Total Interest Income		1,095	1,084	11	5.37%	5,297	5,285	12	5.20%
Interest on Borrowed Funds		1	-	1		1	-	1	0.00%
Dividend Expense		227	246	(19)	1.11%	1,163	1,212	(48)	1.14%
Certificate Interest		121	117	4	0.59%	599	583	16	0.59%
Total Interest Expense		349	362	(13)	1.71%	1,763	1,794	(31)	1.73%
Net Interest Income		**746**	**721**	**24**	**3.66%**	**3,533**	**3,491**	**43**	**3.47%**
Less:Provision for Loan Loss		58	28	30	0.29%	202	140	62	0.20%
Net Interest Income after Provision for Loan Loss		687	693	(6)	3.38%	3,332	3,351	(19)	3.27%
				-					
Fees and Charges		147	156	(8)	0.72%	702	759	(56)	0.69%
Miscellaneous Income		16	29	(12)	0.08%	110	110	0	0.11%
Total Non Interest Income		164	184	(20)	0.80%	812	869	(57)	0.80%
				-					
				-					
Employee Compensation		271	287	(16)	1.33%	1,364	1,391	(27)	1.34%
Travel and Training		12	14	(2)	0.06%	47	88	(42)	0.05%
Office Occupancy		34	41	(8)	0.16%	175	179	(4)	0.17%
Office Operations	(1)	106	109	(3)	0.52%	586	544	42	0.57%
Marketing and Promotions		22	14	8	0.11%	159	212	(54)	0.16%
Loan Servicing Expense	(2)	37	20	18	0.18%	125	98	27	0.12%
Professional and Outside Services	(3)	71	84	(13)	0.35%	377	431	(53)	0.37%
Member Insurance		-	-	-	0.00%	-	-	-	0.00%
Operating Fee		5	4	0	0.02%	22	21	1	0.02%
Miscellaneous Expense	(4)	24	16	8	0.12%	62	72	(10)	0.06%
Total Non Interest Expense		582	588	(6)	2.85%	2,915	3,035	(120)	2.86%
				-					
Net Income from Operations		270	289	(19)	1.33%	1,228	1,184	43	1.20%
Non Operating Gain (Loss)		130	-	130	0.64%	132	-	132	0.13%
Net Income (Loss)		$399	$289	$110	1.96%	$1,361	$1,184	$176	1.33%

Quarterly Financial Performance Report - March 2003

Credit Union Name: **HONEYWELL** Federal Charter/Certificate Number: **24446**

Line Item	March 2002		June 2002		September 2002		December 2002		March 2003	
	Amount	% Chg	Amount	% Chg	Amount	% Chg	Amount	% Chg	Amount	% Chg
ASSETS:										
Cash & Equivalents	29,776,406	1,160.4	18,730,923	-37.1	10,892,169	-41.8	9,975,782	-8.4	15,248,556	52.9
Trading Securities	0		0		0		0		0	
Available for Sale Securities	66,375,712	26.8	73,258,439	10.4	75,725,275	3.4	76,508,283	1.0	77,226,807	0.9
Held-to-Maturity Securities	0		0		0		0		0	
All Other Invest	6,998,004	-74.1	8,398,004	20.0	11,460,946	36.5	8,460,946	-26.2	7,900,000	-6.6
Loans Held for Sale	0		0		0		0		0	
Real Estate Loans	68,132,646	-4.9	68,886,881	1.1	73,337,783	6.5	77,864,862	6.2	87,368,670	12.2
Unsecured Loans	16,937,852	-7.1	17,111,733	1.0	17,291,366	1.0	17,585,692	1.7	16,224,256	-7.7
Other Loans	33,861,172	-8.2	36,918,869	9.0	40,051,802	8.5	41,134,916	2.7	41,100,883	-0.1
TOTAL LOANS	**118,931,670**	-6.1	**122,917,483**	3.4	**130,680,951**	6.3	**136,585,470**	4.5	**144,693,809**	5.9
(Allow. Ln & Lease Losses)	(466,248)	2.9	(453,363)	-2.8	(482,591)	6.4	(508,633)	5.4	(487,211)	-4.2
Land & Building	916,433	-0.5	911,482	-0.5	906,531	-0.5	901,580	-0.5	896,628	-0.5
Other Fixed Assets	1,155,355	-9.4	1,125,634	-2.6	1,008,276	-10.4	980,098	-2.8	878,957	-10.3
NCUSIF Deposit	1,650,879	0.0	1,766,223	7.0	1,766,223	0.0	1,884,887	6.7	1,884,887	0.0
All Other Assets	1,817,695	-11.1	1,824,001	0.3	1,549,559	-15.0	1,750,970	13.0	506,596	-71.1
TOTAL ASSETS	**227,155,906**	6.2	**228,478,826**	0.6	**233,507,339**	2.2	**236,539,383**	1.3	**248,749,029**	5.2
LIABILITIES & CAPITAL:										
Dividends Payable	362,138	-2.0	329,057	-9.1	296,839	-9.8	198,009	-33.3	197,481	-0.3
Notes & Int. Payable	0		0		0		0		0	
Accts. Pay & Other Liab.	572,813	-33.0	892,866	55.9	710,378	-20.4	1,059,868	49.2	856,053	-19.2
Uninsured Sec. Capital	0		0		0		0		0	
TOTAL LIABILITIES	**934,951**	-23.7	**1,221,923**	30.7	**1,007,217**	-17.6	**1,257,877**	24.9	**1,053,534**	-16.2
Shares & Drafts	23,930,059	16.6	21,617,984	-9.7	21,902,995	1.3	20,064,650	-8.4	23,929,436	19.3
Regular Shares	28,943,136	10.9	29,268,023	1.1	30,050,836	2.7	31,575,487	5.1	35,105,927	11.2
All Other Shares & Deposits	143,673,526	5.2	144,953,108	0.9	147,320,896	1.6	149,709,835	1.6	154,290,593	3.1
Total Shares & Deposits	**196,546,721**	7.3	**195,839,115**	-0.4	**199,274,727**	1.8	**201,349,972**	1.0	**213,325,956**	5.9
Regular Reserve	7,500,220	0.0	7,500,220	0.0	7,500,220	0.0	7,500,220	0.0	7,500,220	0.0
Other Reserves	-114,812	-123.1	921,074	902.2	1,845,345	100.3	2,189,809	18.7	1,925,750	-12.1
Undivided Earnings	22,288,826	3.4	22,996,494	3.2	23,879,830	3.8	24,241,505	1.5	24,943,569	2.9
TOTAL EQUITY	**29,674,234**	0.4	**31,417,788**	5.9	**33,225,395**	5.8	**33,931,534**	2.1	**34,369,539**	1.3
TOTAL LIAB. & EQUITY	**227,155,906**	6.2	**228,478,826**	0.6	**233,507,339**	2.2	**236,539,383**	1.3	**248,749,029**	5.2
INCOME & EXPENSE:										
Loan Income*	9,808,736	-10.3	9,615,852	-2.0	9,590,804	-0.3	9,603,969	0.1	9,201,408	-4.2
Investment Income*	3,421,388	7.0	3,616,640	5.7	3,765,637	4.1	3,746,029	-0.5	3,433,320	-8.3
Other Income*	1,844,076	-1.2	1,870,174	1.4	1,959,192	4.8	1,950,461	-0.4	1,924,188	-1.3
Salaries & Benefits*	2,545,944	-28.4	2,946,096	15.7	3,026,700	2.7	3,303,151	9.1	3,310,192	0.2
Total Other Oper. Exp.*	3,337,564	-8.4	3,299,530	-1.1	3,330,567	0.9	3,452,086	3.6	3,630,128	5.2
Non-Oper. Income (Exp.)*	0	-100.0	14,828		6,626	-55.3	4,982	-24.8	0	-100.0
Prov. Loan/Lease Losses*	279,500	-17.5	259,978	-7.0	336,529	29.4	405,597	20.5	463,404	14.3
Cost of Funds*	6,011,168	-11.8	5,757,070	-4.2	5,577,880	-3.1	5,499,700	-1.4	4,317,196	-21.5
Net Income*	2,900,024	75.3	2,854,820	-1.6	3,050,584	6.9	2,644,907	-13.3	2,837,996	7.3

March 2003 NCUA - FPR FINANCIAL HISTORY

* Annualization factor: March = 4; June = 2; September =1.33; December = 1 (or no annualizing)

FPR Ratios - March 2003

Credit Union Name: **HONEYWELL** Federal Charter/Certificate Number: **24446**

Line Item	Mar 02	Jun 02	Sep 02	Dec 02	Mar 03	PEER Avg.	Peer +/-
al Adequacy:							
.orth/Total Assets	13.11	13.34	13.43	13.41	13.04	10.49	2.55
Total Delinquent Loans/Net Worth	1.81	1.79	1.55	1.87	0.93	3.90	-2.97
Solvency Evaluation (Estimated)	115.10	116.04	116.67	116.85	116.11	112.14	3.98
Classified Assets (Estimated)/Net Worth	1.57	1.49	1.54	1.60	1.50	4.19	-2.69
Asset Quality:							
*Delinquent Loans/Total Loans	0.45	0.44	0.37	0.43	0.21	0.68	-0.47
*Net Charge-Offs/Average Loans	0.19	0.21	0.23	0.27	0.39	0.51	-0.12
Fair (Market) Value/Book Value (HTM Invest)	0.00	0.00	0.00	0.00	0.00	101.59	-101.59
Accum Unreal G/L on AFS/Cost of AFS	-0.17	1.27	2.50	2.95	2.56	0.69	1.87
Delinquent Loans/Assets	0.24	0.24	0.21	0.25	0.12	0.39	-0.26
Earnings:							
*Return On Average Assets	1.31	1.29	1.37	1.17	1.17	1.04	0.13
Gross Income/Average Assets	6.83	6.83	6.86	6.79	6.00	6.35	-0.35
Yield on Average Loans	7.99	7.70	7.47	7.29	6.54	7.24	-0.69
Yield on Average Investments	3.73	4.01	4.24	4.29	3.54	2.60	0.94
Cost of Funds/Average Assets	2.73	2.60	2.50	2.44	1.78	1.77	0.01
Net Margin/Average Assets	4.11	4.22	4.36	4.35	4.22	4.59	-0.37
Operating Expenses/Average Assets	2.67	2.82	2.85	3.00	2.86	3.37	-0.51
Provision for Loan & Lease Losses/Average Assets	0.13	0.12	0.15	0.18	0.19	0.26	-0.07
Net Interest Margin/Average Assets	3.27	3.38	3.49	3.49	3.43	3.52	-0.09
Operating Expenses/Gross Income	39.03	41.35	41.51	44.15	47.67	52.55	-4.88
Fixed Assets & OREOS/Total Assets	0.91	0.89	0.82	0.83	0.71	2.03	-1.32
rating Expenses/Average Assets	1.89	2.04	2.05	2.22	2.18	2.63	-0.45
Asset Liability Management:							
Net Long-Term Assets/Total Assets	25.77	25.60	23.88	14.67	17.32	24.44	-7.12
Regular Shares/Total Shares & Borrowings	14.73	14.94	15.08	15.68	16.46	37.46	-21.01
Total Loans/Total Shares	60.51	62.76	65.58	67.83	67.83	65.87	1.96
Total Loans/Total Assets	52.36	53.80	55.96	57.74	58.17	58.05	0.12
Cash + Short-Term Investments/Assets	21.47	16.40	14.66	14.27	16.08	21.66	-5.58
Total Shares, Deposits and Borrowings/Earning Assets	88.77	88.07	87.43	87.37	87.24	93.08	-5.84
Reg Shares + Share Drafts/Total Shares & Borrs	26.90	25.98	26.07	25.65	27.67	50.76	-23.09
Borrowings/Total Shares and Net Worth**	0.00	0.00	0.00	0.00	0.00	0.52	-0.52
Productivity:							
Members/Potential Members	31.95	32.06	32.14	32.18	32.48	42.81	-10.33
Borrowers/Members	53.57	53.31	54.05	61.79	52.20	49.92	2.28
Members/Full-Time Employees	374	394	398	402	399	404	-5
Average Shares per Member ($)	$8,203	$8,145	$8,267	$8,342	$8,758	$7,333	$ 1424
Average Loan Balance ($)	$9,265	$9,590	$10,030	$9,159	$11,380	$9,559	$ 1820
Salary and Benefits/Full-Time Employees ($)	$39,780	$48,297	$50,153	$55,053	$54,265	$45,473	$ 8792
Other Ratios:							
Net Worth Growth	10.17	9.96	10.69	9.26	8.85	10.05	-1.20
Market (Share) Growth	29.21	13.83	11.72	9.93	23.79	23.05	0.74
Loan Growth	-24.58	-6.00	4.17	7.79	23.75	-0.62	24.36
Asset Growth	24.71	13.59	12.19	10.56	20.65	21.58	-0.93
Investment Growth	107.03	46.02	27.03	16.12	25.38	70.29	-44.91

*One Of The Four Key Camel Ratios

INCOME AND EXPENSE

Credit Union Name: **HONEYWELL** Federal Charter/Certificate Number: **24446**

This page must be completed by all credit unions.

	Amount	Acct. Code
INTEREST INCOME: January 1, 2002 TO December 31, 2002		
1. Interest on Loans (Gross-before interest refunds)	**$9,603,969**	110
2. **(Less)** Interest Refunded	**($0)**	119
3. Income from Investments (Including Interest, Dividends and CUSO Income)	**$3,746,029**	120
4. Trading Profits and Losses (Realized and Unrealized Gains/Losses)	**$0**	124
5. TOTAL INTEREST INCOME (Sum of items 1 - 4)	**$13,349,998**	115
INTEREST EXPENSE: January 1, 2002 TO December 31, 2002		
6. Dividends on Shares (Includes dividends earned during current period)	**$5,499,631**	380
7. Interest on Deposits (Total interest expense for deposit accounts) **(SCU ONLY)**	**$0**	381
8. Interest on Borrowed Money	**$69**	340
9. TOTAL INTEREST EXPENSE (Sum of items 6 -8)	**$5,499,700**	350
10. Provision for Loan & Lease Losses	**$405,597**	300
11. NET INTEREST INCOME AFTER PROVISION FOR LOAN & LEASE LOSSES (Item 5 less item 9 less item 10)	**$7,444,701**	116
NON-INTEREST INCOME: January 1, 2002 TO December 31, 2002		
12. Fee Income	**$1,761,011**	131
13. Other Operating Income	**$189,450**	659
14 Gain (Loss) on Investments (DO NOT include Gain or Loss on Trading Securities)	**$0**	420
ain (Loss) on Disposition of Fixed Assets	**$4,982**	430
16. Other Non-Operating Income (Expense)	**$0**	440
17. TOTAL NON-INTEREST INCOME (Sum of items 12-16)	**$1,955,443**	117
NON-INTEREST EXPENSE: January 1, 2002 TO December 31, 2002		
18. Employee Compensation and Benefits	**$3,303,151**	210
19. Travel and Conference Expense	**$83,352**	230
20. Office Occupancy Expense	**$426,907**	250
21. Office Operations Expense	**$1,327,086**	260
22. Educational and Promotional Expense	**$312,815**	270
23. Loan Servicing Expense	**$265,404**	280
24. Professional and Outside Services	**$865,616**	290
25. Member Insurance	**$0**	310
26. Operating Fees (Examination and /or supervision fees)	**$46,441**	320
27. Miscellaneous Operating Expenses	**$124,465**	360
28. TOTAL NON-INTEREST EXPENSE (Sum of items 18-27)	**$6,755,237**	671
29. NET INCOME (LOSS) (line 11 plus line 17 less line 28)	**$2,644,907**	661A
RESERVE TRANSFERS: January 1, 2002 TO December 31, 2002		
30. Transfer to Regular Reserve	**$0**	393

MISCELLANEOUS INFORMATION

Credit Union Name: **HONEYWELL** Federal Charter/Certificate Number: **24446**

This page must be completed by all credit unions.

		Acct. Code
1. Indicate in the box at the right the number of the description below that best characterizes the last audit performed of your credit union's records: 1=Financial statement audit performed by state licensed persons 2=Balance sheet audit performed by state licensed persons 3=Examinations of internal controls over call reporting performed by state licensed persons 4=Supervisory Committee audit performed by state licensed persons 5=Supervisory Committee audit performed by other external auditors 6=Supervisory Committee audit performed by the supervisory committee or designated staff	**1**	064
Effective date of last audit (Month / Year)	**12/2002**	063
2. Effective date of the most recent Supervisory Committee verification of Members' accounts (Month / Year)	**09/2002**	603
3. Does your credit union maintain share/deposit insurance coverage in addition to the NCUSIF? (Do not include Life Saving and Borrowers' Protection Insurance or Surety Bond Coverage.) (Yes or No)	**No**	875
If so, indicate the name of the insurance company		876
Dollar amount of shares and/or deposits insured by the company named above	**$0**	877
4. Number of current members (not number of accounts)	**24,359**	083
5. Number of potential members	**75,000**	084
6. Number of credit union employees who are: a. Full-Time (26 hours or more)	**61**	564A
b. Part-Time (25 hours or less per week)	**0**	564B

7. New programs or service offerings (878A - 878N):

A. None	**Yes**	F. Real Estate Loans	**No**	K. New CUSO	**No**
[illegible]irect Lending	**No**	G. Risk Based Loans	**No**	L. Data Processing Conversion	**No**
C[illegible]ommercial Lending	**No**	H. Direct Financing Leases	**No**	M. Insurance / Investment Sales	**No**
D. Member Business Loans	**No**	I. ATM / Debit Card Program	**No**	N. Other	**No**
E. Participation Loans	**No**	J. Mortgage Processing	**No**		

This page must be completed by all credit unions.

	Number	Acct. Code
8. Credit Union Member Service Branch Information a. Number of credit union maintained branches located in the United States and its territories and foreign countries	**4**	566
b. Does your credit union provide member services through a credit union shared branch services center? (Yes or No)	**Yes**	566A

March 2003 NCUA 5300

TAB 5

EXAMINATION REPORT
AND
FIELD RECOMMENDATION

(b)(5),(b)(8)

(b)(8)

(b)(8)

(b)(8)

(b)(8)

(b)(8)

(b)(8)

Key Ratios

Period Ending:	12/31/1999	12/31/2000	12/31/2001	09/30/2002	PEER RATIOS #REF!
CAPITAL ADEQUACY RATIOS					
1. Net Worth / Assets (4)	**13.73%**	**14.61%**	**13.57%**	**13.43%**	**#REF!**
2. Total Delinquent Loans / Net Worth (4)	1.04%	1.23%	1.72%	1.55%	#REF!
3. Solvency Evaluation (2)	115.56%	117.21%	116.13%	116.67%	#REF!
4. Classified Assets / Net Worth (2,4)	1.82%	1.51%	1.56%	1.54%	#REF!
ASSET QUALITY RATIOS					
5. Delinquent Loans / Loans	**0.21%**	**0.25%**	**0.39%**	**0.37%**	**#REF!**
6. Net Charge Offs / Average Loans (5)	**0.18%**	**0.19%**	**0.23%**	**0.23%**	**#REF!**
7. Fair Value / Amortized Cost (for investments held to maturity)	NA	NA	NA	NA	#REF!
8. Accumulated Unrealized Gains or Losses on Available for Sale Securities (+ debits - credits) / Amortized Cost of Investments Available for Sale	-1.30%	-0.03%	0.96%	2.50%	#REF!
9. Delinquent Loans / Assets	0.14%	0.18%	0.23%	0.21%	#REF!
EARNINGS RATIOS					
10. Return on Average Assets (1)	**1.25%**	**1.19%**	**0.82%**	**1.37%**	**#REF!**
11. Gross Income / Average Assets (1)	7.97%	8.36%	7.97%	6.86%	#REF!
12. Yield on Average Loans (1)	8.15%	8.51%	8.42%	7.47%	#REF!
13. Yield on Average Investments (1)	6.11%	5.82%	4.95%	4.24%	#REF!
14. Cost of Funds / Average Assets (1)	3.23%	3.51%	3.39%	2.50%	#REF!
15. Net Margin / Average Assets (1)	4.73%	4.85%	4.58%	4.36%	#REF!
16. Operating Expenses / Average Assets (1)	3.34%	3.55%	3.59%	2.85%	#REF!
17. Provision for Loan Losses / Average Assets (1)	0.14%	0.11%	0.17%	0.15%	#REF!
18. Net Interest Margin / Average Assets (1)	4.01%	3.97%	3.65%	3.49%	#REF!
19. Operating Expenses / Gross Income	41.95%	42.48%	44.99%	41.51%	#REF!
20. Fixed Assets + OREOs / Assets	0.85%	0.94%	1.03%	0.82%	#REF!
21. Net Operating Expenses / Average Assets (1)	2.71%	2.78%	2.77%	2.05%	#REF!
ASSET / LIABILITY MANAGEMENT RATIOS					
22. Net Long-Term Assets / Assets	22.71%	21.49%	26.91%	23.88%	#REF!
23. Regular Shares / Total Shares & Borrowing	21.24%	17.45%	14.25%	15.08%	#REF!
24. Total Loans / Total Shares	79.56%	83.51%	69.18%	65.58%	#REF!
25. Total Loans / Total Assets	68.46%	70.90%	59.23%	55.96%	#REF!
26. Cash + Short-Term Investments / Assets (3)	12.35%	13.44%	18.95%	14.66%	#REF!
27. Total Shares, Deposits, and Borrowings / Earning Assets	89.56%	87.83%	88.25%	87.43%	#REF!
28. Reg Shares + Share Drafts/Total Shares and Borrowings	33.39%	30.10%	25.46%	26.07%	#REF!
29. Borrowings/ Total Shares and Net Worth (4)	0.00%	0.00%	0.00%	0.00%	#REF!
30. Estimated Loan Maturity in Months (1)	18.8	21.6	16.8	15.0	#REF!
OTHER RATIOS					
31. Market (Share) Growth (1)	3.78%	0.78%	15.12%	11.72%	#REF!
32. Net Worth Growth (1)	9.78%	8.75%	6.04%	10.69%	#REF!
33. Loan Growth (1)	7.72%	5.79%	-4.63%	4.17%	#REF!
34. Asset Growth (1)	4.19%	2.15%	14.16%	12.19%	#REF!
35. Investment Growth (1)	-3.15%	-4.75%	67.49%	27.03%	#REF!

(1) Exam date ratios are annualized. **(2)** Prior year ratios are based on estimates. **(3)** This ratio relies on the maturity distribution of investments reported per 5300 instructions. Thus, the maturity distribution could be based on the repricing interval and not the actual maturity of the investment. The exam date ratio is calculated consistent with prior years. **(4)** For all years prior to 2000, net worth includes donated equity, which is not a regulatory component of net worth. (5) Exam Date ratio: Net Charge Offs is YTD Net Losses plus (Average Monthly Net Losses from the prior year, multiplied by the number of months needed to equal a 12 month period). Example: If the exam date is 3/31/2001, the net charge off ratio for the exam date is: (YTD Net Losses) + (Average Monthly Net Losses for the year 2000, multiplied by 9). This is necessary to calculate 12 months worth of charge-offs with the available examination data.

(b)(8)

(b)(8)

Financial History

Period Ending:	12/31/1998	12/31/1999	12/31/2000	12/31/2001	09/30/2002
BALANCE SHEET DATA					
Total Assets	176,095,618	183,465,711	187,411,530	213,940,163	233,507,339
Average Assets		179,780,665	185,438,621	200,675,847	223,723,751
LOAN DATA					
Total Loans (Gross)	116,606,185	125,608,867	132,875,888	126,719,453	130,680,951
Average Loans		121,107,526	129,242,378	129,797,671	128,700,202
Allowance for Loan Losses	425,580	458,018	414,835	453,243	482,591
Delinquent Loans - Excess of 2 Months	245,463	262,261	336,933	498,726	486,306
Collection Problem Loans	425,580	458,018	414,835	453,243	482,591
Provision for Loan Loss Expense	305,230	250,592	199,084	338,852	253,029
Charge Off Loans (Net, Last 12 Months)	359,632	218,154	242,267	300,444	298,792
Total Real Estate Loans	51,471,653	60,804,085	70,619,656	71,618,478	73,337,783
Adj/Repricable Real Estate Loans (5 yrs)	29,278,808	26,285,150	34,823,309	35,602,175	49,007,374
Loans Granted During Period (Debits)	82,522,508	83,304,694	77,204,468	88,786,517	79,775,335
CASH/INVESTMENT DATA					
Cash on hand	3,138,921	3,220,972	1,152,498	932,638	839,865
Investments Greater Than 1 Year	32,060,066	31,237,617	24,226,130	41,240,274	63,850,146
Total Inv.,Cash on Dep., Cash Equiv.	52,326,338	50,676,414	48,270,311	80,847,863	97,238,525
Fair Value of Total Investments	52,326,338	50,676,414	48,270,311	80,847,862	97,238,525
Fair Value of AFS and Trading Portfolio	47,221,353	47,026,581	39,242,620	52,357,072	75,725,275
Book Value of HTM + Non FAS 115 Invest.	5,104,985	3,649,833	9,027,691	28,490,790	21,513,250
Cost of Securities Available for Sale	47,004,019	47,647,070	39,254,126	51,860,438	73,879,930
Total Reverse Repurchase Agreements	0	0	0	0	0
OTHER ASSET DATA					
Non-Earning Assets	7,588,675	7,638,448	6,680,166	6,826,090	6,070,454
Fixed Assets (includes OREOs)	1,585,404	1,560,453	1,768,220	2,196,778	1,914,807
Other Real Estate Owned	0	0	0	0	0
Other Potential Losses & Devaluations	N/A	N/A	N/A	N/A	0
SHARES & LIABILITIES					
Total Borrowings	0	0	0	0	0
Regular Shares	35,254,111	33,537,622	27,764,677	26,101,989	30,050,836
Non-Member Shares	0	0	0	0	0
Total Shares and Deposits	152,124,962	157,873,243	159,107,348	183,168,653	199,274,727
RESERVES					
Net Worth	22,947,371	25,190,966	27,396,101	29,050,242	31,380,050
Undivided Earnings (includes net income)	16,012,673	18,085,569	19,895,881	21,550,022	23,879,830
Uninsured Secondary Capital	0	0	0	0	0
Total Reserves	23,590,285	25,028,495	27,799,430	30,000,119	33,707,986
INCOME & EXPENSE DATA					
Loan Income	9,204,245	9,867,478	10,997,894	10,931,583	7,211,131
Investment Income	3,253,212	3,147,208	2,879,403	3,198,486	2,831,306
Fee Income	1,107,946	1,134,298	1,430,913	1,647,479	1,335,356
Gross Income	13,722,862	14,320,480	15,495,863	15,995,875	11,515,514
Operating Expenses (less PLL)	5,369,209	6,006,971	6,582,567	7,196,753	4,779,900
Provision for Loan Losses (PLL)	305,230	250,592	199,084	338,852	253,029
Non-Operating Gain (Loss)	(13,584)	(5,569)	(276)	6,790	4,982
Interest on Borrowed Funds	272	3,322	61,497	202	69
Dividend Expense + Interest on Deposits	5,980,715	5,810,431	6,447,305	6,812,717	4,193,826
Net Income (Loss) After Dividends	2,053,852	2,243,595	2,205,134	1,654,141	2,293,672
Net Reserve Transfer	0	0	195,739	0	0
Net Income (Loss) from Operations	2,053,852	2,243,595	2,009,395	1,654,141	2,293,672
Factor to Annualize	12	12	12	12	9

Statement of Financial Condition

	Period Ending 12/31/01	%	Current Period Examination 09/30/02	%	Adjusted Balance	%
ASSETS						
Cash and Cash Equivalents						
Cash on Hand	932,638	0.44%	839,865	0.36%	839,865	0.36%
Cash on Deposit	1,429,774	0.67%	10,052,304	4.30%	10,052,304	4.30%
Cash Equivalents	0	0.00%	0	0.00%	0	0.00%
Investments:						
Trading	0		0		0	
Available for Sale	52,357,072		75,725,275		75,725,275	
Held to Maturity	0		0		0	
Non FAS 115	27,061,016		11,460,946		11,460,946	
Investments Net	79,418,088	37.12%	87,186,221	37.34%	87,186,221	37.34%
Loans Held For Sale	0	0.00%	0	0.00%	0	0.00%
Loans Receivable	126,719,453		130,680,951		130,680,951	
Less: Allowance for Loan Loss	(453,243)		(482,591)		(482,591)	
Loans Receivable, Net	126,266,210	59.02%	130,198,360	55.76%	130,198,360	55.76%
Other Real Estate Owned	0	0.00%	0	0.00%	0	0.00%
Fixed Assets Net of Depreciation	2,196,778	1.03%	1,914,807	0.82%	1,914,807	0.82%
NCUSIF Deposit	1,650,879	0.77%	1,766,223	0.76%	1,766,223	0.76%
Other Assets	2,045,796	0.96%	1,549,559	0.66%	1,549,559	0.66%
Total Assets	**213,940,163**		**233,507,339**		**233,507,339**	
LIABILITIES						
Borrowed Money & Interest Payable	0	0.00%	0	0.00%	0	0.00%
Dividends & Interest Payable	369,444	0.17%	296,839	0.13%	296,839	0.13%
Payables & Liabilities	855,190	0.40%	710,378	0.30%	710,378	0.30%
Total Liabilities	**1,224,634**		**1,007,217**		**1,007,217**	
SHARES						
Shares & Deposits	183,168,653	85.62%	199,274,727	85.34%	199,274,727	85.34%
Total Shares	**183,168,653**		**199,274,727**		**199,274,727**	
MEMBERS' EQUITY						
Regular Reserves	7,500,220	3.51%	7,500,220	3.21%	7,500,220	3.21%
Other Reserves	0	0.00%	0	0.00%	0	0.00%
Undivided Earnings	21,550,022	10.07%	21,550,022	9.23%	21,550,022	9.23%
Miscellaneous Equity	0	0.00%	0	0.00%	0	0.00%
Other Comprehensive Income	0	0.00%	0	0.00%	0	0.00%
Accumulated Unrealized Gains (Losses) on Available for Sale Securities	496,634	0.23%	1,845,345	0.79%	1,845,345	0.79%
Accumulated Unrealized Net Gains (Losses) on Cash Flow Hedges	0	0.00%	0	0.00%	0	0.00%
Current Earnings	0	0.00%	2,329,808	1.00%	2,329,808	1.00%
Total Members' Equity	**29,546,876**		**33,225,395**		**33,225,395**	
Total Liabilities, Shares, and Members' Equity	**213,940,163**		**233,507,339**		**233,507,339**	

NOTES TO THE FINANCIAL STATEMENTS:

1. The fair value of the Held to Maturity investment portfolio	$	-
2. Total Unused Commitments are	$	79,644,447
3. The total balance of Reverse Repurchases included in assets and liabilities is	$	-

Statement of Income

	For Period From: 01/01/2001 thru 12/31/2001	% Average Assets	Current Period Examination 09/30/2002	% Average Assets	Adjusted: 01/01/2002 thru 09/30/2002	% Average Assets
OPERATING INCOME:						
Interest on Loans (Gross)	10,931,583	5.45%	7,211,131	4.30%	7,211,131	4.30%
Less: Interest Refunded	0	0.00%	0	0.00%	0	0.00%
Net Loan Income	10,931,583	5.45%	7,211,131	4.30%	7,211,131	4.30%
Income from Investments	3,198,486	1.59%	2,831,306	1.69%	2,831,306	1.69%
Inc. (Loss) from Trading Sec.	0	0.00%	0	0.00%	0	0.00%
Total Interest Income	**14,130,069**	7.04%	**10,042,437**	5.99%	**10,042,437**	5.99%
INTEREST EXPENSE:						
Dividends on Shares	6,812,717	3.39%	4,193,826	2.50%	4,193,826	2.50%
Interest on Borrowed Money	202	0.00%	69	0.00%	69	0.00%
Total Interest Expense	6,812,919	3.39%	4,193,895	2.50%	4,193,895	2.50%
Net Interest Income	**7,317,150**	3.65%	**5,848,542**	3.49%	**5,848,542**	3.49%
Provision for Loan & Lease Losses	338,852	0.17%	253,029	0.15%	253,029	0.15%
Net Interest Income After Provision for oan & Lease Losses	**6,978,298**	3.48%	**5,595,513**	3.33%	**5,595,513**	3.33%
NON-INTEREST INCOME:						
Fee Income	1,647,479	0.82%	1,335,356	0.80%	1,335,356	0.80%
Other Operating Income	218,327	0.11%	137,721	0.08%	137,721	0.08%
Gain (Loss) on Investments (excluding trading accounts)	6,790	0.00%	0	0.00%	0	0.00%
Gain (Loss) on Disposition of Assets	0	0.00%	0	0.00%	0	0.00%
Other Non Operating Inc. (Expense)	0	0.00%	4,982	0.00%	4,982	0.00%
Total Non-Interest Income	**1,872,596**	0.93%	**1,478,059**	0.88%	**1,478,059**	0.88%
NON-INTEREST EXPENSE:						
Compensation & Benefits	3,553,882	1.77%	2,275,714	1.36%	2,275,714	1.36%
Travel & Conference	81,643	0.04%	81,405	0.05%	81,405	0.05%
Office Occupancy	463,505	0.23%	326,728	0.19%	326,728	0.19%
Office Operations	1,369,238	0.68%	993,040	0.59%	993,040	0.59%
Educational & Promotional	414,797	0.21%	136,200	0.08%	136,200	0.08%
Loan Servicing	274,284	0.14%	197,178	0.12%	197,178	0.12%
Professional & Outside Services	860,698	0.43%	626,361	0.37%	626,361	0.37%
Member Insurance	0	0.00%	0	0.00%	0	0.00%
Examination/Supervision Fees	45,408	0.02%	33,288	0.02%	33,288	0.02%
Miscellaneous Operating Expenses	133,298	0.07%	109,986	0.07%	109,986	0.07%
Total Non-Interest Expenses	**7,196,753**	3.59%	**4,779,900**	2.85%	**4,779,900**	2.85%
et Income(Loss)	**1,654,141**	0.82%	**2,293,672**	1.37%	**2,293,672**	1.37%

Statement of Income

	For Period From: 01/01/2001 thru 12/31/2001	% Average Assets	Current Period Examination 09/30/2002	% Average Assets	Adjusted: 01/01/2002 thru 09/30/2002	% Average Assets
RESERVE TRANSFERS:						
Less: Reserve Transfers	0	0.00%	0	0.00%	0	0.00%
Net Income (Loss) After Reserve Transfer	**1,654,141**	0.82%	**2,293,672**	1.37%	**2,293,672**	1.37%

NOTES TO THE FINANCIAL STATEMENTS:

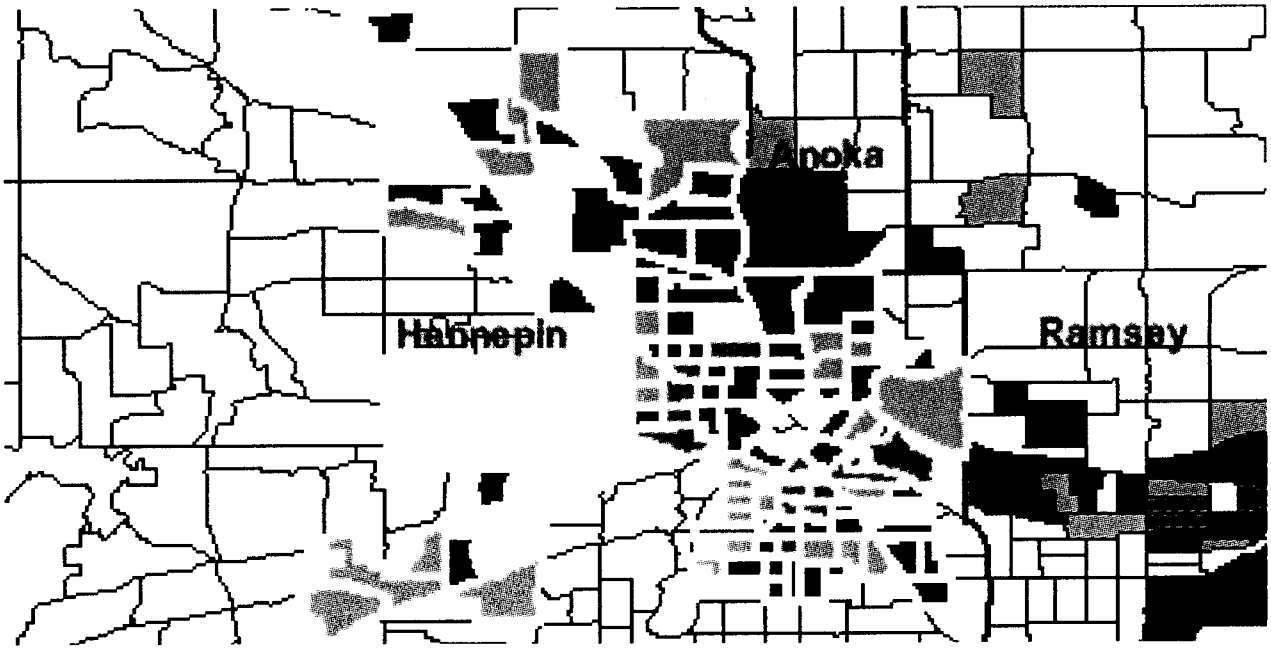
TAB 6

ADDITIONAL INFORMATION

City	Population	Nat. MFI	City MFI	wieghted avg.	% of NMFI
Brooklyn Center	29,172	$ 65,450	$ 52,006	$ 1,517,119,032	79.46%
Crystal	22,698	$ 65,450	$ 54,738	$ 1,242,443,124	83.63%
Golden Valley	20,281	$ 65,450	$ 75,899	$ 1,539,307,619	115.96%
Hopkins	17,145	$ 65,450	$ 50,359	$ 863,405,055	76.94%
Minneapolis	382,618	$ 65,450	$ 48,602	$ 18,596,000,036	74.26%
New Hope	20,873	$ 65,450	$ 60,424	$ 1,261,230,152	92.32%
Robbinsdale	14,123	$ 65,450	$ 57,185	$ 807,623,755	87.37%
St. Louis Park	44,126	$ 65,450	$ 63,182	$ 2,787,968,932	96.53%
Totals	**551,036**	**$ 65,450**	**$ 51,930**	**$ 28,615,097,705**	**79.34%**

Maps & Census Tract Listing

Investment Area Map



Legend

- Geographic Unit Meets CDFI Investment Area Criteria
- Economic Development and Housing Hot Zone (also qualifies as an Investment Area)
- Housing Hot Zone Criteria (also qualifies as an Investment Area)
- Economic Development Hot Zone (also qualifies as an Investment Area)
- Geographic Unit Does Not Meet CDFI Investment Area Criteria
- Selected area

Source: U.S. Bureau of the Census, 2000
State: MN County: 53 (Hennepin)