

September 18, 2018

Via Email: Region1@ncua.gov

Mr. Larry Blankenberger
Regional Director
National Credit Union Administration
Region I - Albany
9 Washington Square
Washington Square Extension
Albany, NY 12205

Via Email: OnesMail@ncua.gov

Mr. Scott Hunt
Director, National Examinations and Supervision
National Credit Union Administration
Office of National Examinations and Supervision
1775 Duke Street
Alexandria, VA 22314

Via Email: (b)(6)

Ms. Yolanda Ford
Deputy Superintendent, Community and Regional Banks
New York State Department of Financial Services
One State Street
New York, NY 10004

RE: Request for Emergency Merger Under Section 205(h) of the Federal Credit Union Act

Dear Mr. Blankenberger, Mr. Hunt, and Ms. Ford:

Please accept this submission in support of the request of Progressive Credit Union (“Progressive”) and Pentagon Federal Credit Union (“PenFed”) that the NCUA Board, with the participation of the New York State Department of Financial Services (“DFS”), as appropriate, approve an unassisted emergency merger between Progressive and PenFed pursuant to Section 205(h) of the Federal Credit Union Act, 12 U.S.C. § 1785(h).

(b)(8);(b)(4)

An unassisted emergency merger with PenFed is in the public interest for a number of reasons. Most notably, perhaps,

(b)(8);(b)(4)

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(b)(8);(b)(4)

Progressive urges the NCUA Board to promptly approve an unassisted emergency merger with PenFed. PenFed's interest is serious, (b)(8);(b)(4)

(b)(8);(b)(4)

communications. The time to act is now, as, while PenFed currently has a strong interest in consummating an *unassisted* emergency merger with Progressive, (b)(8);(b)(4)

(b)(8);(b)(4)

I. LEGAL REQUIREMENTS

Section 205(h) of the Federal Credit Union Act, 12 U.S.C. § 1785(h), provides:

Emergency merger.—Notwithstanding any other provision of law, the Board may authorize a merger or consolidation of an insured credit union which is insolvent or is in danger of insolvency with any other insured credit union or may authorize an insured credit union to purchase any of the assets of, or assume any of the liabilities of, any other insured credit union which is insolvent or in danger of insolvency if the Board is satisfied that—

- (1) an emergency requiring expeditious action exists with respect to such other insured credit union;
- (2) other alternatives are not reasonably available; and
- (3) the public interest would best be served by approval of such merger, consolidation, purchase, or assumption.

While the statute does not elucidate the definition of “in danger of insolvency,” the NCUA Board has defined the phrase in its regulations. The NCUA Board will find a credit union to be in danger of insolvency when “[t]he credit union’s net worth is declining at a rate that will render it insolvent within 30 months,” as evidenced by a downward trend of at least 12 months in Call Report or other data. 12 C.F.R. § Pt. 701, App. B.

(b)(8);(b)(4)



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(b)(4);(b)(8)

B. Emergency Requiring Expeditious Action and Lack of Other Reasonably Available Alternatives

(b)(8);(b)(4)

(b)(8);(b)(4)



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(b)(4);(b)(8)

C. The Public Interest Would Be Served By Merger Approval

(b)(8);(b)(4)

This is reason enough to conclude that the public interest would be served by approval of an emergency merger with PenFed.

In addition, Progressive notes the following seven reasons why the NCUA Board should find that an emergency merger would serve the public interest:

First, following the merger, there would be no reason for any concerns about Progressive's continued viability. Progressive has identified a viable merger partner – PenFed – that is interested in moving forward with an unassisted merger that would eliminate any risk of loss to the Share Insurance Fund (b)(8);(b)(4)

(b)(8);(b)(4)

Second, a merger with PenFed would allow for the elimination of duplicative positions and expenses between the credit unions. This would result in a merged entity that is leaner and more efficient, and that is able to concentrate increased resources (b)(8)

(b)(4);(b)(6);(b)(8)



Continuation of Letter to NYS DFS and NCUA September 18, 2018
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(b)(4);(b)(8);(b)(6)

Sixth, a merger with PenFed would benefit Progressive's members by significantly expanding the products and services available to them. PenFed offers a robust array of consumer products and services, including but not limited to a checking and savings products, credit cards, auto loans, mortgages, personal loans, and wealth management services.

(b)(4)

Seventh, the public interest is served by approval of an emergency merger now given PenFed's strong interest in merging with Progressive and the unique opportunity that it presents. PenFed is willing to merge now. (b)(8);(b)(4)

(b)(8);(b)(4)

(b)(8);(b)(4)

eliminating regulatory concern and risk to the Share Insurance Fund. Progressive urges the NCUA Board to seize the opportunity to approve an emergency merger between Progressive and PenFed.

We would greatly appreciate the opportunity to meet with you to discuss the proposed merger in further detail. In the meantime, if you have any questions, please feel free to contact me directly at 212-695-8900, extension (b)(6)

Sincerely,

(b)(6)

Robert A. Familant
Treasurer/CEO, Progressive





Office of the General Counsel

VIA E-MAIL ONESMAIL@NCUA.GOV AND (b)(6)
AND FEDERAL EXPRESS

September 28, 2018

Mr. Scott Hunt, Director
Office of National Examinations and Supervision
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314

Ms. Maria T. Vullo, Superintendent
New York State Department of Financial Services
One State Street Plaza
New York, NY 10004-1511

Re: Request to merge Progressive Credit Union with Pentagon Federal Credit Union

Dear Mr. Hunt and Ms. Vullo:

On behalf of the Boards of Directors of Pentagon Federal Credit Union and Progressive Credit Union, the enclosed Merger Plan Package (NCUA Form 6301) and related documents are submitted for review and approval.

(b)(4);(b)(8)

We are seeking a merger of the two institutions pursuant to the Federal Credit Union Act's and NCUA Rules and Regulations' emergency merger provisions. The Boards of Directors of both institutions believe it is in their best interests to merge under those statutes and regulations as well as the conditions proposed in the plan package.

Should your office concur with this request to merge, Pentagon Federal and Progressive desire to have the merger completed by November 30, 2018. In the event issues arise during the due diligence review, we would delay the date, but in no event later than December 31, 2018. Thank you for your consideration in this matter.

Sincerely yours, 
(b)(6)

Stanley P. Spenge
Senior Vice President & Deputy General Counsel

SPS:mt
Encls.

cc: Via E-Mail Region1@ncua.gov
Mr. L.J. Blankenberger, Director
National Credit Union Administration
Region 1 – Albany
9 Washington Square
Washington Avenue Extension
Albany, NY 12205

Merger Plan Package
Pentagon Federal Credit Union (Continuing Credit Union)
And
Progressive Credit Union (Merging Credit Union)

1. Designation of the continuing credit union and where its main office will be located after the merger.

RESPONSE: The continuing credit union will be Pentagon Federal Credit Union (PenFed) with its main office at 7940 Jones Branch Drive, McLean, Virginia 22102.

2. The continuing credit union's plans for the merging credit union's office(s) and employees.

RESPONSE:

The continuing credit union will operate the merging credit union's branch with existing merging credit union personnel as well as personnel from the continuing credit union.

3. Detailed explanation of the reason for the merger.

(b)(4);(b)(6)

Additionally, a merger with PenFed would offer members of the Progressive competitive, broader and more innovative financial products and services than it currently enjoys while providing membership in a strong institution with solid financial capital. A complex interaction between disruptive technologies, accelerating globalization, and regulatory change continues to transform the competitive dynamics of the financial services industry. As such, increased competition for market share by regional, national, and global banks continues to place unique challenges on the credit union industry.

Progressive has total assets of roughly \$424 million and approximately 3,000 members operating one full service branch downtown Manhattan, NY. PenFed's ability to serve its membership by telephone, internet, mobile, and through its robust network of automated teller machines as well as the continuing operation of the aforementioned branch will enable the membership of Progressive to continue receiving excellent financial services tailored to meet their evolving needs.

In specific support of the proposed merger with Progressive, PenFed would underscore just some of the many financial products and services it currently offers:

- State-of-the-art secure online and mobile platforms;
- Infrastructure built to serve a global membership;
- Attractive savings programs with market leading rates;
- Access America checking account with 0.20%-0.50% dividend
- A high yield online savings account with a 1.65% dividend
- Best in class credit card offerings;
- Broad real estate financing options with market leading rates;
- A wide-array of attractive and innovative mortgage loan programs available in all fifty states, Puerto Rico and Guam
- Unparalleled real estate services through our fully owned CUSO – Berkshire Hathaway Home Services PenFed Realty, which includes a fleet of roughly 1,800 agents and 59 realty locations across the country;
- A broad range of attractive member discounts with retailers nationwide;
- Free world-wide incoming telephone service direct to PenFed for members from any class A phone on an installation;
- Electronic bill payment program;
- Access to roughly 68,000 surcharge free ATMs worldwide;
- Access to our PenFed Invest financial advisors and brokers;
- Branch service at numerous military installations both in the United States and overseas;
- Low income, first time home buyer program for military members;

(b)(4)

(b)(4);(b)(8)

4. Proposed effective date of the merger.

RESPONSE: November 30, 2018 with a contingent date of December 31, 2018.

5. Current financial statements for both credit unions.

RESPONSE: See attached [Annex 1]

6. Current delinquent loan summary for both credit unions.

RESPONSE: See attached. [Annex 1]

7. Current analysis of the adequacy of the Allowance for Loan and Lease Losses for both credit unions.

RESPONSE: See attached. [Annex 2]

8. Consolidated financial statement.

RESPONSE: See attached. [Annex 1]

9. Explanation of any proposed share adjustment or justification for no share adjustment.

RESPONSE:

No share adjustment.

10. Explanation of any provisions for reserves, undivided earnings, or dividends.

RESPONSE: See attached. [Annex 3]

11. Provisions for notifying and paying creditors.

(b)(4)

credit union.

12. Explanation of any changes to insurance, such as life savings and insurance of member accounts.

(b)(4)

13. Copies of the merging and continuing credit unions' fields of membership.

RESPONSE: See attached. [Annex 4 & 5]

14. If applicable, a copy of the Federal Trade Commission pre-merger notification.

RESPONSE: If required, the credit unions will file a premerger notification with the Federal Trade Commission in accordance with the Hart-Scott-Rodino Act.

15. One primary contact person at both the merging and continuing credit unions and their mailing addresses, e-mail addresses, and phone numbers (for questions or notification of merger decisions).

RESPONSE: For continuing credit union – (b)(4) Pentagon Federal Credit Union, 7940 Jones Branch Drive, McLean, Virginia 22102, email: (b)(6)
(b)(6) For merging credit union – Robert A. Familant; Progressive Credit Union; 131 West 33rd Street, 7th Floor, New York, New York 10001, (b)(6)

16. If the continuing credit union is federally chartered, evidence that all assets and liabilities meet requirements of the Federal Credit Union Act.

(b)(8);(b)(4)

NCUA 6302, Merger Resolution: Continuing Credit Union.

RESPONSE: See attached. [Annex 6]

NCUA 6303, Merger Resolution: Merging Credit Union.

RESPONSE: See attached. [Annex 7]

NCUA 6304, Merger Agreement: Merging and Continuing Credit Union.

RESPONSE: See attached. [Annex 8]

NCUA 6311, Probable Asset/Share Ratio Computation: Continuing Credit Union.

RESPONSE: See attached. [Annex 9]

NCUA 6312, Probable Asset/Share Ratio Computation: Merging Credit Union.

RESPONSE: See attached. [Annex 10]

NCUA 6305A, Notice of Special Meeting of the Members on Proposal to Merge.

RESPONSE: N/A

NCUA 6306A, Ballot for Merger Proposal.

RESPONSE: N/A

**Annex 1: COMBINED STATEMENT OF FINANCIAL CONDITION
AS OF June 30, 2018**

[prepared under US GAAP FAS 141R/ASC805 utilizing call reports dated June 30, 2018]

	PenFed	Progressive	MERGER ADJUSTMENTS	COMBINED
ASSETS				
Total Loans Outstanding	\$ 19,979,154,781	\$ 404,764,080		
(Less) Allowance for Loan Losses	<u>(104,502,435)</u>	<u>(86,485,228)</u>		
Net Loans	<u>19,874,652,346</u>	<u>318,278,852</u>		
Investments	<u>2,109,455,694</u>	<u>19,225,102</u>		
Cash	<u>486,432,691</u>	<u>25,861,551</u>		
Land & Building (net)	<u>254,142,042</u>	<u>3,475,706</u>		
Other Fixed Assets (net)	<u>161,874,630</u>	<u>238,937</u>		
Goodwill (net)	<u>18,706,885</u>	<u>-</u>		
All Other Assets	<u>746,388,984</u>	<u>56,720,712</u>		
TOTAL ASSETS	<u>23,651,653,272</u>	<u>423,800,860</u>		
LIABILITIES AND EQUITY				
Accounts Payable	<u>389,737,367</u>	<u>6,382,989</u>		
Dividends Payable	<u>9,636,273</u>	<u>-</u>		
All Other Liabilities	<u>2,899,448,955</u>	<u>72,119,751</u>		
Total Liabilities	<u>3,298,822,595</u>	<u>78,502,740</u>		
Total Shares	<u>17,989,617,629</u>	<u>269,711,128</u>		
Regulatory/Statutory Reserves	<u>90,900,456</u>	<u>20,644,755</u>		
Net Income	<u>91,767,611</u>	<u>(17,976,450)</u>		
Undivided Earnings	<u>2,270,770,091</u>	<u>77,857,987</u>		
Donated Equity	<u>-</u>	<u>-</u>		
Other Comprehensive Income	<u>(4,432,034)</u>	<u>(4,908,310)</u>		
Unrealized Holding Gain(Loss)	<u>(42,793,076)</u>	<u>(30,990)</u>		
TOTAL LIABILITIES & EQUITY	<u>\$ 23,651,653,272</u>	<u>\$ 423,800,860</u>		

(b)(4);(b)(8)

**CLASSIFICATION OF LOANS
OUTSTANDING**

	No.	PenFed Amount	Prog No.
a. Current and less than 2 months delinquent	<u>1,099,385</u>	<u>19,859,343,847</u>	<u>1,571</u>
b. 2 to less than 6 months delinquent	<u>6,298</u>	<u>85,807,784</u>	<u>151</u>
b. 6 to 12 months delinquent	<u>1,727</u>	<u>28,434,917</u>	<u>138</u>
d. 12 or more months delinquent	<u>168</u>	<u>5,568,233</u>	<u>149</u>
e. Total Loans	<u>1,107,578</u>	<u>19,979,154,781</u>	<u>2,009</u>

MISCELLANEOUS INFORMATION

a. Number of Members	<u>1,662,861</u>
b. Number of potential members	<u>7,556,641</u>
c. Probable Asset/Share Ratio	<u>1.131</u>

Please visit

<https://>

(b)(8)

(b)(8) to view Pentagon Federal Credit Union's field of membership. If you have issues viewing this webpage, please contact

(b)(4)

(b)(4)

Annex 6

MERGER RESOLUTION OF BOARD OF DIRECTORS
PENTAGON FEDERAL CREDIT UNION
(Continuing)

RESOLUTION

RESOLVED, That the Board of Directors believes Pentagon Federal Credit Union (PenFed) should merge with Progressive Credit Union (Progressive) subject to the emergency merger provisions of the Federal Credit Union Act and implementing rules of the National Credit Union Administration.

FURTHER RESOLVED, That PenFed will assume the shares and liabilities of Progressive, that Progressive will transfer to PenFed all of the assets, rights, and property of Progressive and that all of the members of Progressive will receive shares in PenFed which will stay in business under its present charter.

FURTHER RESOLVED, That this resolution and this merger are conditioned upon the regulatory approval that the complete field of membership of Progressive will be transferred to and included in the PenFed's field of membership.

CERTIFICATION

We, the Board Presiding Officer and Secretary of Pentagon Federal Credit Union are authorized to:

- Seek National Credit Union Administration approval of the merger;
- Execute and deliver the Merger Agreement;
- Execute all agreements and other papers required to complete the merger.

We certify to the National Credit Union Administration that the foregoing is a full, true, and correct copy of a resolution adopted by the Board of Directors of our credit union at a meeting duly called and held under our bylaws on September 25, 2018. A quorum was present and voted. The resolution is duly recorded in the minutes of the meeting and is still in full force and effect.

(b)(6)

Edward B. Cody
Chairman, Board of Directors

9/25/2018
Date

(b)(6)

John R. Jando
Secretary

26 Sep 2018
Date

MERGER RESOLUTION OF BOARD OF DIRECTORS

**PROGRESSIVE CREDIT UNION
(Merging)**

RESOLUTION

The Board of Directors believes our credit union should merge with Pentagon Federal Credit Union subject to the emergency merger rules of the National Credit Union Administration.

The continuing credit union will assume the shares and liabilities of our credit union. Our credit union will transfer to the continuing credit union all of our assets, rights, and property. All members of our credit union will receive shares in the continuing credit union, which will stay in business under its present charter. This resolution and merger are conditioned upon the regulatory approval that the field of membership of this credit union will be transferred to and included in the continuing credit union's field of membership.

CERTIFICATION

We, the Board Presiding Officer and Secretary of Progressive Credit Union are authorized to:

- Seek National Credit Union Administration approval of the merger;
- Execute and deliver the Merger Agreement on the effective date of the merger;
- Execute all agreements and other papers required to complete the merger.

We certify to the National Credit Union Administration that the foregoing is a full, true, and correct copy of a resolution adopted by the Board of Directors of our credit union at a meeting duly called and held under our bylaws on September 25, 2018. A quorum was present and voted. The resolution is duly recorded in the minutes of the meeting and is still in full force and effect.

(b)(6)

Chairman, Board of Directors

(b)(6)

Secretary, Board of Directors

9/27/18

Date

9/26/18

Date



National Credit Union Administration
Office of National Examinations and Supervision

November 29, 2018

SENT BY EMAIL

Mr. James Schenck
Manager/Chief Executive Officer
Pentagon Federal Credit Union
7940 Jones Branch Drive
McLean, VA 22102

Mr. Joel Slomon
Chairman of the Board
Progressive Credit Union
131 W. 33rd St Ste 700
New York, NY 10001-2908

Dear Messrs. Schenck and Slomon:

This responds to the September 28, 2018, application for an unassisted emergency merger between Progressive Credit Union (Progressive) and Pentagon Federal Credit Union (PenFed). (b)(8)
(b)(8) the National Credit Union Administration (NCUA) has determined this merger application meets the emergency merger provisions of 12 U.S.C. 1785(h) of the Federal Credit Union Act and Appendix B to Part 701 of the NCUA Rules and Regulations. After consulting with the New York Department of Financial Services (NYDFS), I approve the merger. The continuing credit union will be PenFed.

Per my conversation with CEO Schenck on November 19, 2018, I understand the effective date of the merger is now January 1, 2019. If you determine you cannot complete this merger by the effective date, you must notify the Office of National Examinations and Supervision (ONES) and NYDFS as soon as that determination is made.

You may proceed with the merger process. Upon completion of the merger, please submit all required merger completion forms and documentation, including Progressive's insurance certificate to ONES within the prescribed timeframes.

If you have any questions, please contact ONES at (703) 518-6640 or ONESMAIL@NCUA.GOV.

Sincerely,

(b)(6)

Scott A. Hunt
Director

ONES (b)(6)

cc: Progressive Credit Union CEO Robert Familant
New York Department of Financial Services
NCUA Region I Director L.J.Blankenberger



Office of the General Counsel

February 5, 2019

VIA EMAIL (b)(6) AND onesmail@NCUA.GOV
AND FEDERAL EXPRESS

Mr. Scott Hunt, Director
Office of National Examinations and Supervision
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314

Ms. Yolanda Ford
Deputy Superintendent of Banks
Community & Regional Banks Unit
New York State Department of Financial Services
One State Street Plaza, New York, NY 10004-1511

Re: Certification of completion of merger between Progressive Credit Union (merging credit union) and Pentagon Federal Credit Union (continuing credit union)

Dear Mr. Hunt and Ms. Ford:

Pursuant to applicable statutory and regulatory requirements, enclosed please find documents to certify the completion of the above subject merger.

Please be advised we were unable to locate the National Credit Union Share Insurance Fund insurance certificate or the original charter for the merging credit union. Consequently those documents have not been included with this documentation.

If you or your staff have any questions or require any additional information or documentation, please feel free to contact me either by telephone at (b)(4) or e-mail at (b)(4). Thank you for all of your support and consideration in this matter.

Sincerely,
[Signature]

(b)(6)

Stanley P. Spence
Senior Vice President & Deputy General Counsel

SPS:ss
Encls

**CERTIFICATION OF COMPLETION OF MERGER OF
PENTAGON FEDERAL CREDIT UNION**

We, the undersigned officers of the above-named credit union, do hereby certify to the National Credit Union Administration as follows:

1. That the merger of our credit union with Progressive Credit Union was completed as of January 1, 2019 in accordance with the terms and plan approved by both credit unions' Board of Directors by a resolution adopted at meetings held on September 25, 2018. We previously provided a copy of these resolutions to the National Credit Union Administration. This merger was approved by the National Credit Union Administration as an emergency merger in accordance with 12 U.S.C. §1785(h) of the Federal Credit Union Act and Appendix B of Part 701 of the NCUA Rules and regulations.

2. We completed all required steps for the merger and transferred the merging credit union's assets.

Attached to this certification are the following documents:

1. Financial reports for each credit union immediately prior to the completion of the merger;
2. A consolidated financial report for the continuing credit union immediately following the completion of the merger;
3. The charter of the merging federal credit union, if available;
4. The insurance certificate for the merging federally insured credit union, if available; and
5. A copy of the executed merger agreement, Form NCUA 6304.

This certification signed the 31st day of January, 2019.

(b)(6)

Edward B. Cody
Chairman, Board of Directors

(b)(6)

John Rolando
Secretary

MERGER AGREEMENT

This agreement made and entered into this 1st day of January, 2019, by and between Pentagon Federal Credit Union (continuing credit union) and Progressive Credit Union (merging credit union).

The continuing credit union and the merging credit union agree to the following terms:

1. The merging credit union will transfer to the continuing credit union all of its assets, rights, and property.
2. The continuing credit union will assume and pay all the liabilities of the merging credit union. In addition, the continuing credit union will issue all members of the merging credit union the same amount of shares they currently own in the merging credit union, subject to the following share adjustments(if any): None.

Pentagon Federal Credit Union by:

(b)(6)

Edward B. Cody
Chairman, Board of Directors

(b)(6)

John Rolando
Secretary

Progressive Credit Union by:

(b)(6)

Jaël Slomon
President

(b)(6)

Deborah Chassen
Secretary

Commonwealth of Virginia

City/County of Fairfax

Before me a Notary Public (or other officer authorized) appeared the above named Edward B. Cody and John Rolando, Board Presiding Officer and Secretary of Pentagon Federal Credit Union, who being personally known to me as (or proved by the oath of credible witnesses to be) the persons who executed the annexed instrument acknowledged the same to be their free act and deed and in their respective capacities the free act and deed of said credit union.

(SEAL)

(b)(6)

Notary Public

My commission expires DECEMBER 31, 2020.



State of New York

City/County of New York

Before me a Notary Public (or other officer authorized) appeared the above named Joel Slomon and Deborah Chassen, President and Secretary of Progressive Credit Union, who being personally known to me as (or proved by the oath of credible witnesses to be) the persons who executed the annexed instrument acknowledged the same to be their free act and deed and in their respective capacities the free act and deed of said credit union.

(SEAL) DAVID ROSS KOSHERS
Notary Public, State of New York
No. 02KO6166829
Qualified in New York County
Commission Expires July 13, 2019

(b)(6)

Notary Public

My commission expires July 13, 2019.

COMBINED STATEMENT OF FINANCIAL CONDITION

AS OF January 1, 2019

[prepared under US GAAP FAS 141R/ASC805 utilizing GL reports dated Jan 1, 2019]

	PenFed	Progressive	MERGER ADJUSTMENTS	COMBINED
ASSETS				
Total Loans Outstanding	\$ 20,067,624,195	\$ 387,210,442		\$ 20,454,834,637
(Less) Allowance for Loan Losses	(118,975,438)	-		(118,975,438)
Net Loans	19,948,648,757	387,210,442		20,335,859,200
Investments	1,969,235,062	1,669,492		1,970,904,554
Cash	1,110,950,741	37,119,877		1,148,070,618
Land & Building (net)	262,549,859	3,423,309		265,973,168
Other Fixed Assets (net)	179,745,312	219,670		180,964,982
Goodwill (net)	23,156,423	-		23,156,423
All Other Assets	990,464,773	30,110,925		1,020,575,698
TOTAL ASSETS	24,484,750,927	459,753,715		24,944,504,642
LIABILITIES AND EQUITY				
Accounts Payable	443,703,220	2,329,163		446,032,383
Dividends Payable	12,051,939	-		12,051,939
All Other Liabilities	2,689,781,166	86,510,683		2,776,291,849
Total Liabilities	3,145,536,325	88,839,846		3,234,376,171
Total Shares	18,882,585,578	242,051,043		19,124,636,621
Regulatory/Statutory Reserves	90,900,456	-		90,900,456
Net Income	156,028,033	-		156,028,033
Undivided Earnings	2,279,007,090	128,862,825		2,407,869,915
Donated Equity	-	-		-
Other Comprehensive Income	(36,438,107)	-		(36,438,107)
Unrealized Holding Gain(Loss)	(32,868,448)	-		(32,868,448)
TOTAL LIABILITIES & EQUITY	\$ 24,484,750,927	\$ 459,753,715		\$ 24,944,504,642
CLASSIFICATION OF LOANS OUTSTANDING				
a. Current and less than 2 months delinquent	1,107,414	1,452	286,646,487	288,204,353
b. 2 to less than 6 months delinquent	7,605	121	32,234,846	32,970,672
b. 6 to 12 months delinquent	1,688	124	20,645,471	21,450,073
d. 12 or more months delinquent	309	204	47,683,638	48,077,471
e. Total Loans	1,135,228	1,901	387,210,442	389,117,671
MISCELLANEOUS INFORMATION				
a. Number of Members	1,714,427		2,821	1,717,248
b. Number of potential members	7,556,641		10,000	7,566,641
c. Probable Asset/Share Ratio	1.130		0.602	1.130

(b)(4)

(b)(4)