

Pennsylvania State Employees Credit Union

Balance Sheets (in thousands)

	December 31	
	2018	2017
ASSETS		
Cash and cash equivalents	\$ 686,873	\$ 735,410
Federal funds sold	18,847	19,154
Available-for-sale investment securities	237,663	249,821
Held-to-maturity investment securities	6,927	8,138
Other investments	2,186	2,129
Loans, net of allowance of \$45,299 and \$50,475	4,227,748	3,915,221
Deposit for federal share insurance	44,890	42,790
Accrued interest receivable	13,745	12,525
Property and equipment, net	90,581	82,109
Other assets, net	27,393	26,719
Total assets	<u>\$ 5,356,853</u>	<u>\$ 5,094,016</u>
LIABILITIES AND MEMBERS' EQUITY		
Members' share accounts	\$ 4,705,789	\$ 4,501,391
Accounts payable	25,796	12,662
Other liabilities	31,776	26,084
Total liabilities	<u>4,763,361</u>	<u>4,540,137</u>
Members' equity		
Additional paid-in capital	693	693
Retained earnings, partially appropriated	594,011	553,502
Accumulated other comprehensive income/(loss)	(1,212)	(316)
Total members' equity	<u>593,492</u>	<u>553,879</u>
Total liabilities and members' equity	<u>\$ 5,356,853</u>	<u>\$ 5,094,016</u>

Pennsylvania State Employees Credit Union

Statements of Comprehensive Income

(in thousands)

	Year ended December 31	
	2018	2017
Interest income		
Interest on loans, including fees	\$ 199,118	\$ 176,515
Interest on investments	18,415	12,875
Total interest income	217,533	189,390
Interest expense		
Dividends on members' share accounts	23,131	19,287
Net interest income	194,402	170,103
Provision for loan losses	24,468	29,002
Net interest income after provision for loan losses	169,934	141,101
Noninterest income		
Credit card interchange fees	14,019	10,870
Check card interchange fees	19,126	17,274
Checking account fees	4,322	2,392
ATM income	4,692	4,509
Other	12,812	10,923
Total noninterest income	54,971	45,968
Noninterest expenses		
Salaries and employee benefits	69,931	60,254
Office occupancy expenses	5,063	5,040
Office operation expenses	19,882	17,140
ATM expenses	12,097	12,403
Check card program expense	8,243	7,503
Loan servicing expenses	13,213	8,138
Depreciation and amortization	6,593	6,025
Relationship Reward	22,369	6,015
Other operating expenses	27,005	23,468
Total operating expenses	184,396	145,986
Net income	40,509	41,083
Other comprehensive income/(loss)		
Change in net unrealized gains/(losses) on investment securities during the year	(1,010)	(663)
Change in benefit plan liabilities	114	(1,169)
Total other comprehensive income/(loss)	(896)	(1,832)
Total comprehensive income	\$ 39,613	\$ 39,251