

**MINNESOTA POWER EMPLOYEES CREDIT UNION**  
**STATEMENTS OF FINANCIAL CONDITION**  
**January 31, 2017 AND 2016**

<b>ASSETS</b>	2017	2016
Cash and Cash Equivalents	\$7,966,376	\$5,797,782
Certificates of Deposit	7,600,000	7,848,000
Available-for-Sale Securities	9,418,185	14,463,087
Held-to-Maturity Securities	4,541,990	5,532,513
Other Investments	5,318,905	5,042,287
Loans, net	57,101,677	52,559,969
Accrued Interest Receivable	174,317	179,237
Furniture and Equipment, net	1,100,212	204,926
National Credit Union Share Insurance Fund Deposit	753,435	757,834
Other Assets	456,278	270,599
	<b>\$94,431,375</b>	<b>\$92,656,234</b>
	<b>\$94,431,375</b>	<b>\$92,656,234</b>
 <b>LIABILITIES AND MEMBERS' EQUITY</b>		
Members' share accounts and certificates	78,628,597	76,826,163
Dividends and Interest Payable	35,359	17,188
Accrued Expenses and Other Liabilities	159,721	418,906
Total Liabilities	78,823,677	77,262,257
Reserves	1,850,787	1,850,786
Undivided Earnings	14,041,552	13,701,202
Gain (Loss) Available for Sale Securities	(307,762)	(212,915)
Net Income	23,121	54,904
Total Members' Equity	15,607,698	15,393,977
Total Liabilities and Members' Equity	<b>\$94,431,375</b>	<b>\$92,656,234</b>

**MINNESOTA POWER EMPLOYEES CREDIT UNION**  
**STATEMENTS OF INCOME**  
**FOR THE PERIODS ENDING,**

	January 31, 2017 (Year-to-Date)	January 31, 2016 (Year-to-Date)
<b>INTEREST INCOME</b>		
Loans Receivable	224,018	\$203,652
Investments and interest bearing deposits	56,194	117,875
Total Interest Income	280,212	321,527
<b>INTEREST AND DIVIDEND EXPENSE</b>	11,982	13,077
<b>NET INTEREST INCOME</b>	268,230	308,450
<b>PROVISION FOR LOAN LOSSES</b>	0	404
<b>NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES</b>	268,230	308,046
<b>NON-INTEREST INCOME</b>		
Service Charges and Fees	4,987	8,093
Other	32,321	32,545
Gain/(Loss) on Assets	0	0
Total Non-Interest Income	37,308	40,638
<b>NON-INTEREST EXPENSE</b>		
General and Administrative -		
Compensation and Benefits	132,342	158,523
Occupancy	28,663	12,036
Service Related	58,763	57,120
Office Operations	38,337	22,046
Other	24,312	44,055
Total Non-Interest Expense	282,417	293,780
<b>NET INCOME</b>	\$23,121	\$54,904

# Minnesota Power Employees Credit Union

## Historical Snapshot

	January 2016				January 2017			
	Month-end	Mix %	Inc/Exp	YTD Inc/Exp	Month-end	Mix %	Inc/Exp	YTD Inc/Exp
Cash & Cash on Deposit	\$5,797,782	6%	\$1,028	\$1,028	\$7,966,376	8%	\$2,791	\$2,791
Total Investments	32,885,887	35%	116,847	116,847	26,879,081	28%	53,403	53,403
Net Loans	52,559,969	57%	203,652	203,652	57,101,677	60%	224,018	224,018
Accrued Interest	179,237	0%			174,317	0%		
Total Fixed Assets	204,926	0%			1,100,212	1%		
NCUSIF Deposit	757,834	1%			753,435	1%		
Total Other Assets	270,599	0%			456,277	0%		
<b>TOTAL ASSETS</b>	<b>\$92,656,234</b>	<b>100%</b>	<b>321,527</b>	<b>\$321,527</b>	<b>\$94,431,375</b>	<b>100%</b>	<b>\$280,212</b>	<b>\$280,212</b>
Other Liabilities	\$436,094	0%			\$195,080	0%		
Total Shares	76,826,163	83%	13,077	13,077	78,628,597	83%	11,982	11,982
Total Equity	15,393,977	17%			15,607,698	17%		
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$92,656,234</b>	<b>100%</b>	<b>\$13,077</b>	<b>\$13,077</b>	<b>\$94,431,375</b>	<b>100%</b>	<b>\$11,982</b>	<b>\$11,982</b>
Net Interest Income			\$308,449	\$308,449			\$268,230	\$268,230
Total Other Operating Income			40,638	40,638			37,308	37,308
Total Non-Interest Expense			293,779	293,779			282,417	282,417
Provision for Loan Losses			404	404			0	0
<b>NET INCOME</b>			<b>\$54,905</b>	<b>\$54,905</b>			<b>\$23,121</b>	<b>\$23,121</b>

  

	January 2016			January 2017		
	Actual	Goal	12/14 Peer Avg	Actual	Goal	12/15 Peer Avg
<b>Capital Ratios:</b>						
Net Worth / Total Assets	16.844%	> 10%	11.430%	16.854%	>7%	11.520%
Solvency Evaluation	120.037%		113.060%	119.850%		113.250%
Net Worth / Loans	29.611%			27.775%		
<b>Asset Quality Ratios:</b>						
Delinquent Loans / Total Loans	0.057%		1.140%	0.024%		1.020%
Net Charge off / Average Loans	0.032%		0.450%	0.000%		0.430%
<b>Earnings Ratios:</b>						
Yield on Average Assets	4.160%		4.690%	3.526%		4.670%
Cost on Average Assets	0.169%		0.350%	0.151%		0.310%
Spread on Average Assets	3.991%		4.350%	3.375%		4.350%
ROA (Year-to-Date)	0.712%	> 1%	0.490%	0.289%	>0.25%	0.430%
ROE (Year-to-Date)	4.225%			1.742%		
Net Interest Margin	4.032%		3.090%	3.441%		3.080%
<b>Liquidity Ratios:</b>						
Loans to Shares	69.961%		61.660%	73.752%		63.310%
Loans to Assets	58.055%	76% +/- 4%	53.980%	61.400%	76% +/- 4	55.310%
Shares to Assets	82.981%			83.252%		
<b>Mix Ratios:</b>						
Earning Asset Mix	98.995%	95%		98.071%	95%	
Share Draft Mix	10.889%			11.049%		
Regular Share Mix	25.215%			26.878%		
Money Market Mix	35.358%			35.340%		
Term Share Mix	7.546%			6.373%		
IRA Mix	2.784%			2.510%		
IRA Term Share Mix	1.122%			1.114%		
Free Funds	16.177%			15.111%		
<b>Growth Ratios (Year-to-Date):</b>						
Asset Growth	7.467%		3.700%	-7.719%	5% - 10%	3.760%
Share Growth	4.851%		3.210%	-10.559%		3.570%
Loan Growth	-10.534%		5.250%	-10.017%		6.510%