

Portfolio Update and Financial Reports

Including an Update on Progress against the Expense Reduction Plan and Details Regarding Senior Management Travel

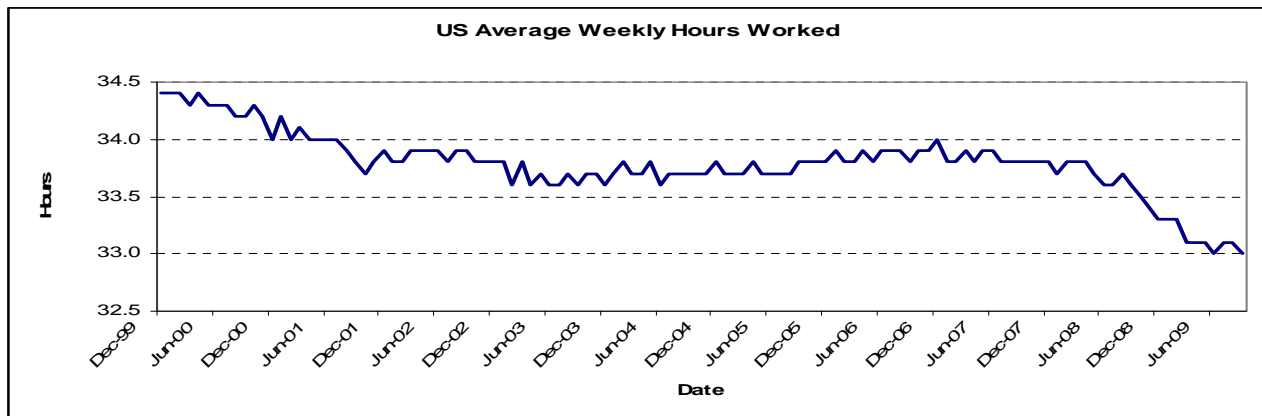
As of 9/30/09 (unaudited)

The credit and liquidity crisis that began in July 2007 continues to strain global financial markets. Members United is committed to providing our member-owners information about these market events and the quality of our assets. We strive to provide objective, transparent information data regarding our safety and soundness.

Economic Overview

The big news for the market continues to be the rising equity values. The Dow surpassed the 10,000 mark and is now up approximately 54% from the lows back in March and 15% for the year. The S&P 500, which is a much broader equity index and better gauge for the overall market, is up even further, with a 21% YTD return. While the 10,000 Dow level is an important psychological level, it is hard to get too excited when you consider that Dow 10,000 was first breached back in early 1999 to much more fanfare. (Does anyone remember the massive media attention of the *Dow 100,000* book by Charles Kadlec?). That implies essentially a 0% return over the last 10 years. Even so, the recent rally has been impressive and many investors seem to be expecting the typical large economic bounce upon recovering from a recession. We remain skeptical about the potential for a traditional “V”-shaped recovery, mainly due to expectations for continued consumer and labor market weakness.

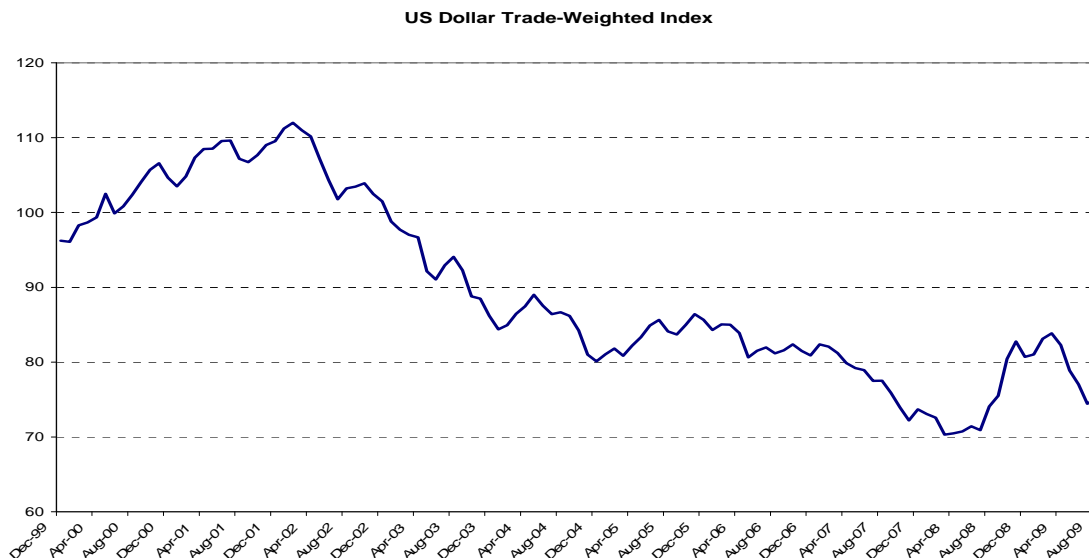
One of the key tenants supporting a relatively slow recovery in the labor market has been the sharp reduction in the average hourly workweek since the recession began. While it is not uncommon for the workweek to contract during a recession, we currently stand at an all-time low (see chart below for recent levels). As the economy recovers, companies will first look to get more productivity from its current workforce rather than hiring new employees. Given the current level of hours worked, companies have a significant amount of slack before they will need to start the hiring process.



The unemployment rate, which currently stands at 9.8%, looks likely to continue its upward climb in the coming months. The key for a quick economic turnaround will be how fast the unemployment rate, once it peaks, can revert to a 5.0% level, which most economists consider normal. In order to estimate the path to a more normal unemployment rate, we turn to an economic theory called “Okun’s Law.” This theory states that the unemployment rate declines 1% for every 2% that real GDP grows above trend. Assuming that 3% is the trend GDP growth rate, the economy needs to grow at 5% in order to reduce the unemployment rate by 1% per year. Assuming a 10.5% peak unemployment rate, we would need over five years of 5% real GDP growth to get back to normal. Given that we expect growth closer to the 3% range in coming years (excluding 2010, which is likely

to be weaker), we believe that unemployment will remain elevated for a much longer time than in previous recessions. This will lead to slower gains in consumer spending and thus, slower economic recovery.

Okun's Law is certainly not perfect and the labor market situation may be aided by active intervention through government policy. Congress is considering extending unemployment benefits again as well as temporary tax credits for firms that hire new workers. This should help ease the pain and possibly speed the recovery, but the government needs to be wary of piling up additional fiscal debt as the dollar continues to weaken (see the chart below) and concerns swirl over the dollar's reserve currency status. We continue to expect relatively sluggish growth for 2010 with more concerns for the second half of 2010 as the stimulus impact fades.



Members United Outlook

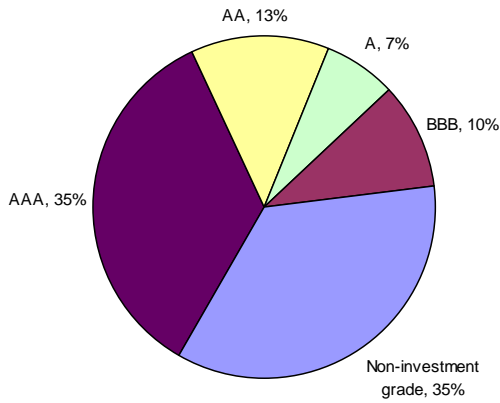
Interest rates are essentially unchanged from last month. The futures market continues to price in over 100 basis points of Fed tightening in 2010. We believe that the market is focusing too much on historical recession/recovery data and factoring in too much growth over the near term. The weak labor market is likely to persist for several years, and inflation is not an immediate concern. The Fed has stated that rates will stay at “exceptionally low levels” and “for an extended period,” and we have no reason to question that stance. As long as there is a significant risk of deflation, the Fed will remain on hold. We don't anticipate any Fed Funds rate changes in 2010.

Portfolio Overview

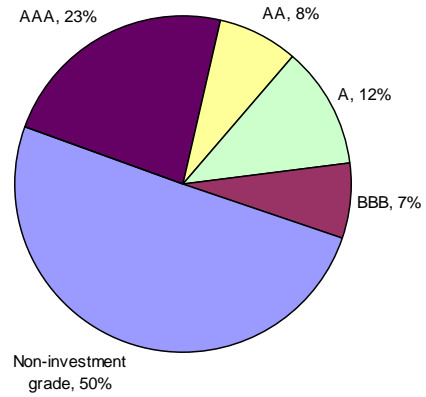
Credit risk is the risk that the par value of an investment will not be returned (fractionally or as a whole). Members United manages credit risk through continual monitoring and rigorous modeling of its investment securities. Members United has the regulatory authority to hold investment securities with a rating of BBB or higher. If an investment held by the corporate falls below BBB, an investment action plan must be prepared and filed with the NCUA, demonstrating the anticipated performance of the security and any potential loss exposure to future cash flows (periodic interest and principal payments). The ability to continue to hold investments below BBB are subject to the approval of the NCUA.

Members United presents three charts on the next page. The first chart provides a ratings breakdown of Members United's current marketable securities holdings using the highest current rating available. The second chart provides the same breakdown using the lowest current rating available. The third chart shows a breakdown using the original rating assigned to the security. These charts summarize the portfolio ratings as of September 30, 2009 (total par value of approximately \$5.5 billion):

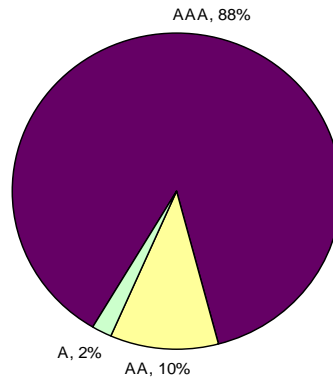
Highest Ratings - Marketable Securities



Lowest Ratings - Marketable Securities



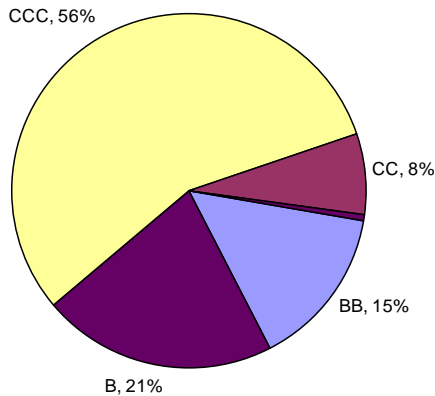
Original Rating - Marketable Securities



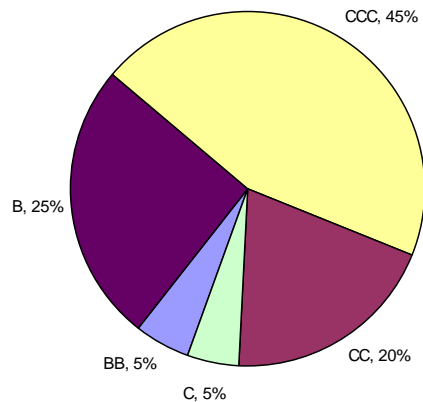
The charts clearly illustrate that a significant divergence exists between the rating agencies' current views. Using the highest ratings, 35% of the portfolio is below investment grade. Using the lowest ratings, 50% of the portfolio falls below investment grade. The third chart illustrates that the vast majority of Members United's current below-investment-grade exposure was originally purchased with a AAA rating.

The following charts provide additional ratings information for the non-investment grade portion of the portfolio as of September 30, 2009 (total par value of approximately \$1.9 billion for the highest-rating scenario and \$2.7 billion for the lowest-rating scenario):

Highest Ratings - Non-Investment Grade

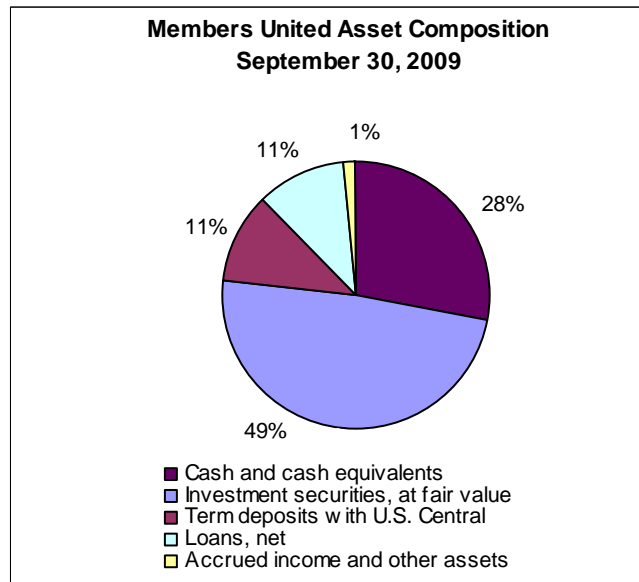
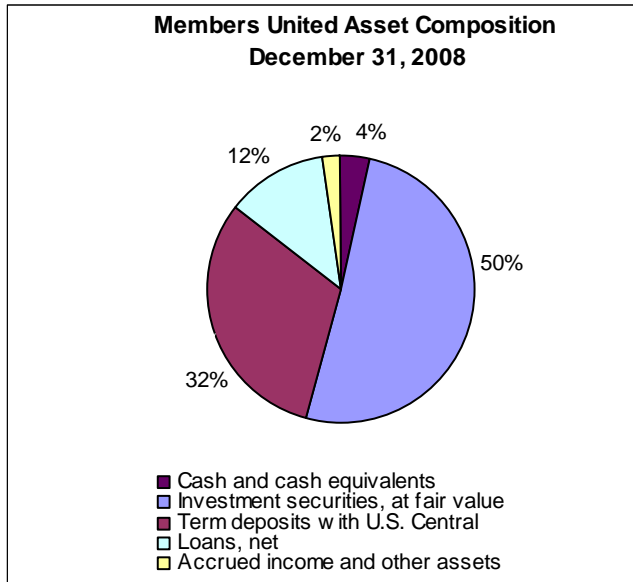


Lowest Ratings - Non-Investment Grade



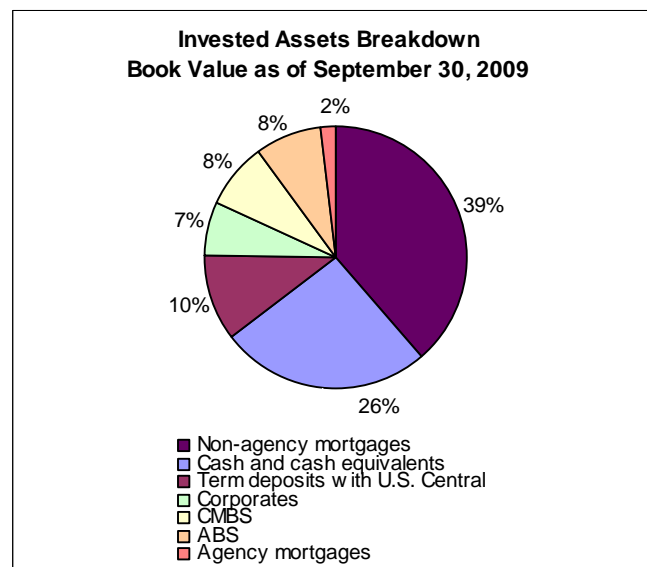
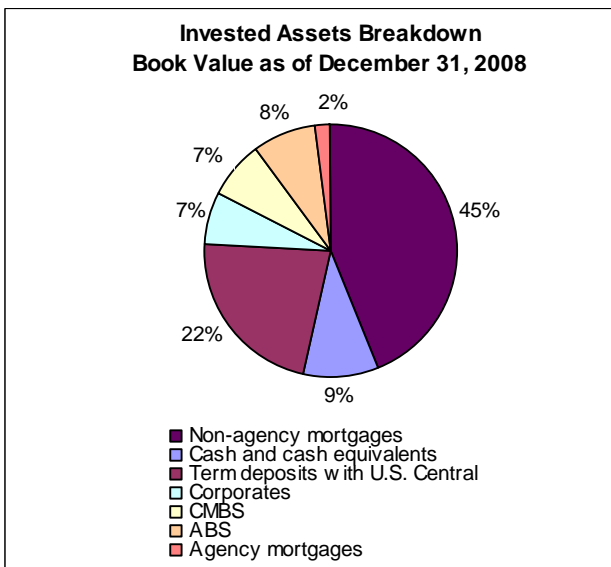
Asset Composition

As of September 30, 2009, the total fair value of assets was \$7.5 billion. Cash and cash equivalents and overnight deposits at U.S. Central totaled \$2.1 billion, fair value of marketable securities represented \$3.6 billion, loans to members totaled \$0.8 billion, and term deposits at U.S. Central totaled approximately \$0.8 billion.



Invested Assets

Asset allocations based on book value within Members United's invested asset portfolio have changed considerably since fiscal year-end 2008. Cash and cash equivalents have increased substantially from 9% to 26% of total investments. At the same time, term deposits with U.S. Central have been reduced from 22% to 10%, and non-agency mortgage securities have declined from 45% to 39%.



Total Investment Portfolio

The table below summarizes Members United's total available-for-sale securities ("AFS"), by category, as of September 30, 2009:

(All dollar amounts are reflected in thousands)

	Par Value	Book Value	Unrealized Loss*	Fair Value
Non-agency mortgages	\$ 3,442,969	\$ 3,112,007	\$ (1,232,329)	\$ 1,879,678
Asset-backed securities (secured by non-mortgage assets)	653,413	653,694	(46,611)	607,083
Commercial mortgage-backed securities	645,013	654,789	(176,651)	478,138
Corporates	569,920	542,623	(37,885)	504,738
Agencies (mortgage and SBA pass-throughs)	149,977	149,973	(895)	149,078
Mutual fund and other	35,488	28,019	-	28,019
Total investment securities	\$ 5,496,780	\$ 5,141,105	\$ (1,494,371)	\$ 3,646,734
*Excludes net unrealized loss on derivative instruments of \$30,399.				

Mortgage-Related Securities

The housing market remains under stress, though recent signs point to potential stabilization. While there is continued news of falling home values and rising delinquency and foreclosure rates, especially in certain geographic areas, the pace of this deterioration has declined. The following table provides more information on Members United's non-agency mortgage-related holdings as of September 30, 2009:

(All dollar amounts are reflected in thousands.)

Mortgage Portfolio Category	Par Value	Book Value	Percent of Non-Agency, Mortgage-Related Securities (Par Value)	Percent of Total Invested Assets*
Total non-agency mortgage exposure	\$3,442,969	\$3,112,007	100%	38%
Prime	949,002	875,521	28%	11%
Sub-prime (FICOs < 680)	893,915	841,640	26%	10%
Alt-A	1,600,052	1,394,846	46%	17%

*Invested Assets = Book value of AFS securities + deposits at U.S. Central + cash and cash equivalents

Monoline Insurance Companies

An important component of the credit quality of structured finance investment vehicles is the credit enhancement available to protect the investor from loss of principal or interest. One common method of providing credit enhancement for these investments is the use of an insurance "wrap" from a monoline insurer, which guarantees the timely payment of interest and ultimate payment of principal. Most monoline insurers continue to experience significant losses from guarantees they made on credit default swaps (CDS) and collateralized debt obligations (CDO) backed by residential mortgage securities. (Members United does not own any CDOs or hold any CDS contracts.) These unrealized losses continue to negatively affect the monoline insurers' capital ratios, leading to downgrades of their insurance financial strength ratings.

Two monoline insurers, FGIC and Syncora Guarantee (SGI), have been deemed permanently impaired, and residential mortgage-backed securities (MBS) wrapped by these two insurers were subjected to other-than-temporary impairment (OTTI). FGIC continues to pay claims on its insured obligations as scheduled. However, SGI has ceased paying claims effective April 26, 2009. Also of note, Ambac was downgraded to CC and Caa2 by S&P and Moody's, respectively, in late July, following its announcement of significantly greater-than-expected losses on its CDS exposures. While Ambac continues to be in compliance with regulatory capital requirements due to the approved release of a majority of its contingency reserves, the amount of cushion for potential additional future losses has fallen substantially.

The following table highlights Members United's monoline insurance exposure. We note again that holding amounts are reported on a book value basis and are net of any recorded OTTI:

(All dollar amounts are reflected in thousands.)

Monoline	September 30, 2009 Total Holdings Wrapped	September 30, 2009 Total Holdings Wrapped (% of Invested Assets*)
Ambac	\$ 363,346	4.5%
MBIA	360,293	4.5%
FGIC	109,825	1.4%
FSA	79,763	1.0%
SIG (f.n.a. XLCA)	17,094	0.2%
CIFG	10,271	0.1%
Total	\$ 940,592	11.7%

*Invested Assets = Book value of AFS securities + deposits at U.S. Central + Cash

Interest Rate Risk

Members United is exposed to some amount of interest rate risk, as changes in interest rates can affect net interest income and the value of our balance sheet. One common measure used to capture interest rate risk is net economic value (NEV), which measures the net change in the value of our assets, liabilities and off-balance sheet items, given a change in interest rates. Members United adheres to NCUA's Rules and Regulations Part 704 and analyzes NEV monthly using instantaneous and parallel interest rate shocks of up to 300 basis points – a very aggressive assumption designed to produce a “stress test” of the balance sheet. In addition, Members United also periodically evaluates the impact to NEV through changes to yield curve point values, prepayment rates, volatility, credit spreads and basis risk. The resulting market value data information and deviation to “base case” results is reviewed with Management and ALCO.

The chart below demonstrates NEV test results for September 2009. Base-case NEV figures reflect the impact of unrealized losses, which we continue to believe are largely temporary. The most severe scenario of a 300 basis point, instantaneous rise in interest rates reflects a decline in NEV of approximately \$116.3 million – or 9.37%.

(All dollar amounts are reflected in thousands.)

Net Economic Value September 30, 2009			
	Net Economic Value	Dollar Change	Percentage Change
Base net economic value	(1,241,857)	-	-
300 basis point rise in rates	(1,358,203)	(116,346)	(9.37%)

Valuations reflected in the base NEV calculation continue to be constrained due to market illiquidity and the failure of current market prices to capture true economic value, if the securities are held to maturity. Members United continues to monitor this dislocation in valuations through regular comparisons of internal option adjusted (OAS) spread-derived prices with prices received from third-party pricing services. Differentials between these two pricing approaches remain quite wide, as most asset-backed security (ABS) sectors remain thinly traded and quotes from market makers and third-party pricing sources continue to reflect deep discounts and a sizeable liquidity premium.

We note that as market liquidity eventually improves, this dislocation in market pricing is expected to gradually correct itself, eventually leading to a reduction in unrealized losses reported in base NEV measures. In fact, “accumulated other comprehensive income” (AOCI) improved by \$54 million at September 30, 2009, versus August 31, 2009.

In addition to NEV computations, Members United executes monthly net interest income (NII) forecasts under instantaneously shocked and ramped rate scenarios. These are typically 12-month, forward-looking forecasts that are calibrated to the same sector volumes utilized in NEV modeling. Repricing characteristics are reviewed monthly and are adapted to current market conditions, as applicable, to ensure that the most robust assumptions are applied in the forecast simulations. The following table illustrates Members United's projected NII over the next 12 months. As is appropriate with NEV modeling, Members United captures the embedded options (prepayment speeds, "call" provisions, etc.) associated with all on- and off-balance sheet instruments.

(All dollar amounts are reflected in thousands.)

Net Interest Income Projection			
September 30, 2009 (12-month projection)			
	Net Interest Income	Dollar Change	Percentage Change
Base case NII	30,208	-	-
300 basis point rise in rates	47,500	17,291	57.24%

Liquidity Risk

Liquidity risk addresses the ability to create liquidity to fund cash flow requirements, both expected and unexpected, which usually result from share withdrawals and member loan requests. Liquidity risk is mitigated by the amount of currently available liquidity. This can be in the form of cash that can be immediately utilized or in readily available sources of liquidity such as borrowings. The following table outlines our sources of liquidity as of September 30, 2009:

(All dollars are reflected in thousands)

Current Liquidity			
Cash and short term deposits	\$ 1,532,314		
Source of Liquidity	Gross	Used	Net
FHLB Chicago line of credit	\$ 240,000	\$ 230,000	\$ 10,000
US Central - advised line	762,450	164,387	598,063
State of Illinois deposit	100,000	25,000	75,000
Available-for-sale securities - sales	1,430,143	-	1,430,143
Available-for-sale securities - borrowings	1,486	-	1,486
Fed funds	913,000	-	913,000
Fed discount window	774,436	-	774,436
Subtotal	4,221,515	419,387	3,802,128
Total	\$ 5,753,829	\$ 419,387	\$ 5,334,442
Total member loans		\$ 811,000	
Balances at the FRB		\$ 573,224	

Typical seasonal trends call for liquidity across the credit union network to peak in March/April and decline through around October. While this trend has remained intact through most of the year, the average level of liquidity and the pace of decline have been much lower than in previous years. Much of this is due to very strong share growth and generally weaker loan demand at natural person credit unions. Additionally, member confidence has been significantly bolstered by the government guarantee of share and certificate accounts at Members United. From a liquidity standpoint this has been augmented by a deliberate strategy to maintain as much in liquid assets as possible within our own investments. Concluding a review by the Federal Reserve Bank, our access to the discount window has been discontinued. We have not borrowed from the Discount Window and do not anticipate a need to borrow from the window due to our strong liquidity position. This change was effective during October and will be reflected in our November *Portfolio Update*. Collateral maintained at the FRB will be released and available for other borrowings. Net cash balances closed the month near \$1.8 billion (cash and excess FRB balances).

Derivative Positions

Members United uses interest rate swaps to manage interest rate risk and has never used derivatives to hedge credit risk associated with a specific investment. For example, if Members United made a five-year, fixed-rate loan to a credit union, Members United would enter into an interest rate swap to convert the fixed rate to a variable rate. There can be a nominal amount of credit risk if the counterparty should fail to perform under the terms of the contract. Members United manages credit risk by using comprehensive credit-approval processes, selecting only creditworthy counterparties and using effective collateral administration. In addition, Members United requires legally enforceable netting arrangements, which permit netting of transactions with the same counterparty.

The amount of credit exposure is limited to the interest receivable and the fair market value of the derivative contracts in gain positions, reduced by the value of any collateral pledged by the counterparty. As of September 30, 2009, there was no credit exposure with our derivative counterparties.

Financial Plan Update

Members United continues to follow a financial plan that is designed with one goal in mind – to minimize the ultimate losses to our member credit unions by holding securities until they mature. While principal losses are expected, the losses would be greater if the securities were sold in the current market. In summary, Members United continues to:

- Participate in the TCCUSGP
- Continue suspension of mortgage investment purchases
- Hold securities until they recover in value
- Use cash inflows to pay down debt and store cash
- Reduce operating expenses to preserve capital

Members United remains focused on following this plan, which is achieving the desired results.

Significant operating expense savings continue to be realized – actual year-to-date expenses are down \$10.6 million in 2009 compared to the prior year.

Status of the 2008 Audit

U.S. Central's audited financial statements were released on September 11, 2009, which resulted in no additional depletion of Members United capital at USC beyond the 63.7% previously reported. Members United is now working with its auditors, McGladrey & Pullen, to finalize the 2008 audited financial statements, which we expect to release in late October or November. A Financial Update webinar will also be scheduled to coincide with the release of the audited financial statements. Please watch our website for details.

Capital Depletion

On September 16, 2009, in accordance with guidance received from NCUA regarding NCUA Rules and Regulations Part 704.2 and as further clarified in the NCUA letter to credit unions No. 09-CU-10 "Matters Related to 'Paid-in Capital' and 'Membership Capital' of Corporate Credit Unions," Members United depleted member capital to eliminate the retained deficit that existed as of August 31, 2009. The total of the loss as a result of the depletion of U.S. Central capital combined with the loss on our investment portfolio resulted in 100% depletion of member paid-in capital (PIC), as well as a 40.2% depletion of membership shares (MCS).

After depletion entries, Members United capital base as of September 30, 2009, is presented on the next page and consists primarily of MCS since PIC was fully exhausted:

	September 30,		November 30,	Regulatory Limits or Thresholds
	2009	2008	2008	
Qualifying membership capital shares	\$ 281,477	\$ 483,826	\$ 486,066	
Paid-in capital shares	-	79,440	79,440	
Retained earnings	2,807	292,728	300,396	
Total capital	\$ 284,284	\$ 855,994	\$ 865,902	
12-month daily average net assets	\$ 8,581,253	\$ 12,532,657	\$ 11,950,268	
Capital ratio	3.31%	6.83%	7.25%	5.00%
Core capital ratio	0.03%	2.97%	3.18%	3.00%
Retained earnings ratio	0.03%	2.34%	2.51%	2.00%

Going forward, Members United will be required to deplete more membership capital if future losses develop that create a retained deficit. Future losses could possibly develop from the audit process, as U.S. Central depletes remaining capital shares, or through the quarterly review of the investment portfolio.

As of the date that this report, it is important to note that both U.S. Central and Members United have not completed their respective investment OTTI reviews. Therefore, results from reviews in-process are not incorporated into the financial performance reported in this Portfolio Update and the accompanying financial schedules. Both reviews are expected to generate additional investment losses which will be recorded and reported in the October financial statements. Assuming that these reviews result in a new retained deficit, it is likely that additional depletion will be charged against the remaining membership capital share balances in the month of November 2009. While the results of the investment OTTI review that is in process are not final and ready for release, management does not anticipate that losses from this review will exceed the remaining \$281.5 million of membership capital shares.

Retained Earnings Roll Forward Schedule

The following schedule has been prepared to highlight several significant transactions that have occurred since November 30, 2008. Members United is reporting a retained earnings balance of \$2.8 million as of September 30, 2009, after depleting \$277.4 million of members capital shares on September 16, 2009. The depletion has been added to the table presented below.

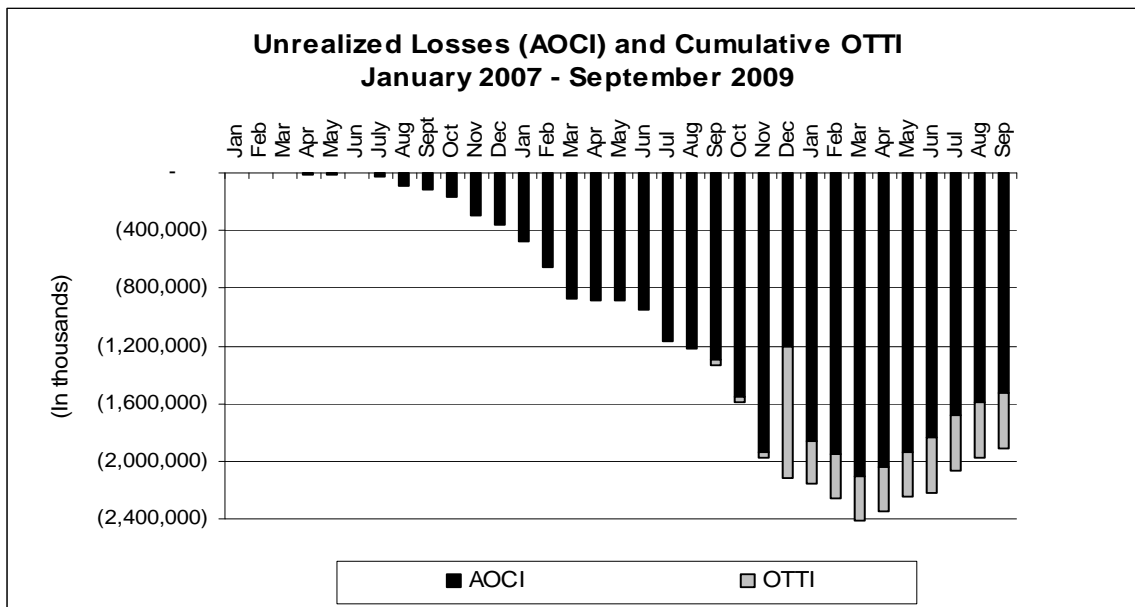
(All dollar amounts are reflected in thousands)

Retained earnings roll forward - UNAUDITED	
Retained earnings as of November 30, 2008	\$ 300,397
Depletion of U.S. Central capital accounts recorded for December	(152,736)
NCUSIF stabilization expense	(1,940)
Additional allowance for CUSO loan and miscellaneous	(9,490)
Other than temporary impairment (OTTI) on AFS securities (fair value)	(868,408)
Retained deficit as of December 31, 2008	(732,177)
Reverse non-credit portion of OTTI upon adoption of FSP 115-2	603,076
Retained deficit on 1/1/09	(129,101)
Net income January 2009 through May 2009	6,799
June 2009 net loss (including \$81.9 million of additional OTTI)	(79,320)
July 2009 net loss (including \$80.9 million of US Central MCS depletion)	(78,042)
August 2009 net income	2,391
Depletion of member MCS and PIC (40.2% recorded on September 16, 2009)	277,429
September 2009 net income	2,651
Retained earnings on September 30, 2009	\$ 2,807

It should be noted that while Members United's capital ratio stands at 3.31% and is below the 5.0% regulatory requirement, the NCUA issued an order on April 21, 2009, that provides a waiver for determining regulatory compliance with several capital-based requirements and allows corporates to reference their November 30, 2008, capital levels, which exceeded the 5.0% requirement for Members United.

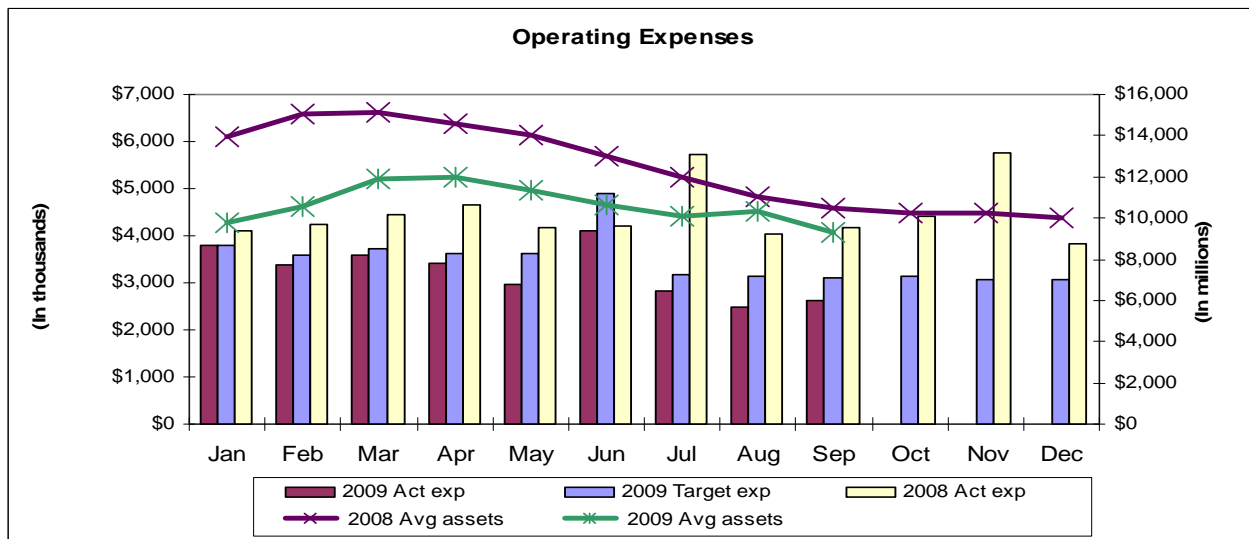
Valuation Trends

Investment valuations continue to show improvement over the past five months as illustrated in the following chart. For comparability purposes, the chart adds the current unrealized loss (AOCI) and all OTTI that has been recorded since September 2008. Aggregating this data improves comparability of this trend since OTTI essentially represents a reclass from the balance sheet (AOCI) to the income statement (OTTI), when losses are deemed other-than-temporary. In summary, these aggregated balances represented a loss of \$2.4 billion as of March 31, 2009 which has improved to an aggregated loss of \$1.9 billion as of September 30, 2009. This represents an improvement of approximately \$500 million or 20%.



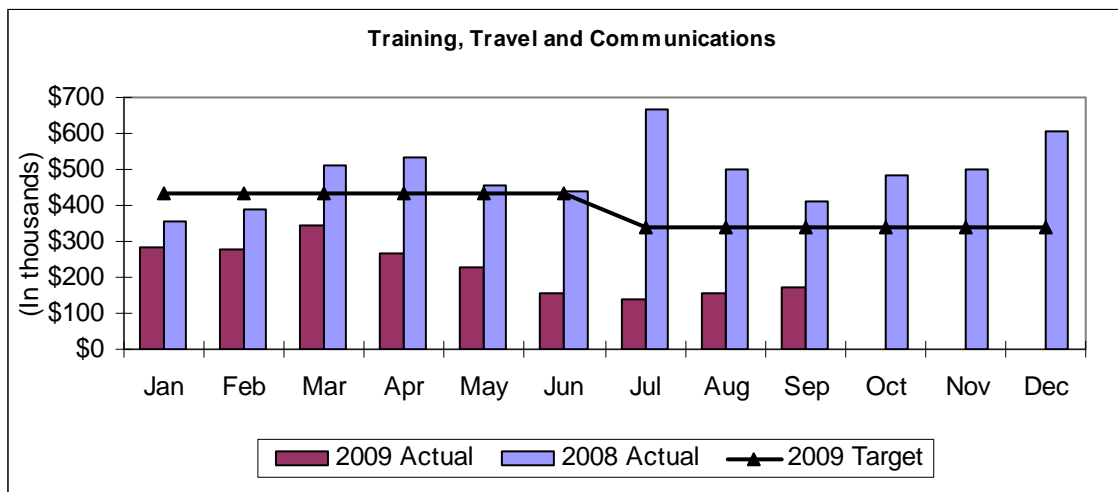
Total Operating Expenses - Plan Update

Members United continues to realize significant cost savings relative to last year. On a year-to-date basis through September 2009, total expenses are \$10.6 million **less** than expenses incurred through September 2008.



Travel, Training and Communication Expense – Update

Travel, training and communications expense is approximately 11% of the total annual operating expense budget and represents a primary focus of the cost savings initiatives in 2009. These expenses totaled \$175,000 for the month of September 2009. The following table presents results against plan.



From 8/25/09 through 9/24/09 (the applicable expense reporting period), the executive leadership team expense reports totaled \$4,504 for travel related expenses. This included the cost of nine trips. Four of these trips occurred during the applicable expense reporting period and five are for future travel. At September 30, 2009, the executive leadership team includes Joe Herbst, Todd Adams, Kevin Brauer, Jane Brent, John Collins and Ron Koza. The following table provides more detailed information regarding leadership team travel:

Leadership Team Travel and Expenses September 30, 2009

Date	Name	Costs	From/To	Purpose
10/14	Todd Adams	\$ 280	Chicago to Dallas	ACCU meeting in Dallas
8/26-8/28	Kevin Brauer	352	Albany to Warrenville	Payment system meetings in Warrenville office
8/31-9/4	Kevin Brauer	860	Albany to Warrenville	Strategic planning meetings in Warrenville office
9/15-9/18	Kevin Brauer	730	Albany to Warrenville	Board meetings in Warrenville office
9/20-9/22	Kevin Brauer	391	Albany to Atlantic City, NJ	New Jersey Credit Union League annual convention
10/26-10/30	Kevin Brauer	319	Albany to Warrenville	Leadership team meetings in Warrenville office
9/29-9/30	Joe Herbst	1,144	Albany to Washington D.C.	NCUA town hall meeting
10/13	Joe Herbst	206	Albany to Warrenville	Leadership team meeting/CEO Roundtable meeting
9/24	Joe Herbst	222	Warrenville to Albany	Meetings with staff in Albany office

Total travel related expenses \$ 4,504

Unaudited Financial Information as of September 30, 2009

A summarized balance sheet, income statement and capital ratios are provided below:

MEMBERS UNITED CORPORATE FEDERAL CREDIT UNION
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2009
UNAUDITED
(in thousands)

	<u>September 30,</u>	
	<u>2009</u>	<u>2008</u>
Assets		
Cash and cash equivalents	\$ 2,052,251	\$ 104,919
Overnight deposits at U.S. Central	53,288	618,830
Investment securities, at fair value	3,646,734	5,057,505
Interest earning deposits at U.S. Central	837,011	1,950,055
Loans, net	810,390	1,248,464
Fixed assets, net	9,286	9,927
Accrued income and other assets	92,910	135,869
Total assets	<u>\$ 7,501,870</u>	<u>\$ 9,125,569</u>
Liabilities and Members' Equity		
Borrowings and other liabilities		
U.S. Central borrowings	\$ 164,387	\$ 582,552
Federal Home Loan Bank	233,652	234,359
Securities sold under agreements to repurchase	-	469,338
Federal funds	-	124,000
Commercial paper	-	-
Other borrowings	25,127	574,111
Accrued expenses and other liabilities	101,818	103,150
Total borrowings and other liabilities	524,984	2,087,510
Members' equity		
Shares and certificates	8,217,372	7,478,012
Membership capital shares	281,477	483,826
Paid-in capital shares	-	79,440
Retained earnings	2,807	292,728
Total capital	284,284	855,994
Accumulated other comprehensive loss	(1,524,770)	(1,295,947)
Total members' equity	6,976,886	7,038,059
Total liabilities and members' equity	<u>\$ 7,501,870</u>	<u>\$ 9,125,569</u>

MEMBERS UNITED CORPORATE FEDERAL CREDIT UNION
CONSOLIDATED STATEMENTS OF INCOME
AS OF SEPTEMBER 30, 2009
UNAUDITED
(in thousands)

	Month Ended		Year-to-Date		Notes
	September 30,		September 30,		
	2009	2008	2009	2008	
Interest income					
Investments	\$ 6,867	\$ 23,979	\$ 86,332	324,529	
Loans	2,731	4,176	31,124	30,852	
Total interest income	<u>9,598</u>	<u>28,155</u>	<u>117,456</u>	<u>355,381</u>	
Interest expense					
Members' accounts	6,507	19,224	76,859	265,801	
Borrowings	501	4,331	13,740	45,338	
Total interest expense	<u>7,008</u>	<u>23,555</u>	<u>90,599</u>	<u>311,139</u>	
Net interest income	<u>2,590</u>	<u>4,600</u>	<u>26,857</u>	<u>44,242</u>	
Noninterest income					
Service fee income, net	2,043	2,203	17,348	15,630	
Other income	85	58	548	256	
Total noninterest income	<u>2,128</u>	<u>2,261</u>	<u>17,896</u>	<u>15,886</u>	
Noninterest expense					
Salaries and employee benefits	1,580	2,589	18,145	23,815	
Training, travel and communications	175	413	2,020	4,266	
Office operations	256	339	2,784	3,176	
Professional and outside services	324	496	3,549	3,947	
Office occupancy	212	274	2,002	3,466	
Other	59	63	635	1,087	
Total noninterest expense	<u>2,606</u>	<u>4,174</u>	<u>29,135</u>	<u>39,757</u>	
Net income before net income (loss) on financial instruments	<u>2,112</u>	<u>\$ 2,687</u>	<u>15,618</u>	<u>20,371</u>	
Net income (loss) on financial instruments	539	(42,945)	(161,138)	(48,194)	A
Net income (loss)	<u>\$ 2,651</u>	<u>\$ (40,258)</u>	<u>\$ (145,520)</u>	<u>\$ (27,823)</u>	

Notes

- A** The income statement has been formatted to show net losses on financial instruments as a line below core operating earnings. This includes gains and losses that have been realized (i.e., the security has been sold and a cash gain or loss has been realized) as well as fair value adjustments on our derivative portfolio.

MEMBERS UNITED CORPORATE FEDERAL CREDIT UNION
KEY FINANCIAL INFORMATION
SEPTEMBER 30, 2009
UNAUDITED
(in thousands)

Capital Ratios

	September 30,		November 30,	Regulatory Limits or Thresholds
	2009	2008	2008	
Qualifying membership capital shares	\$ 281,477	\$ 483,826	\$ 486,066	
Paid-in capital shares	-	79,440	79,440	
Retained earnings	2,807	292,728	300,396	
Total capital	<u>\$ 284,284</u>	<u>\$ 855,994</u>	<u>\$ 865,902</u>	
12-month daily average net assets	\$ 8,581,253	\$ 12,532,657	\$ 11,950,268	
Capital ratio	3.31%	6.83%	7.25%	5.00%
Core capital ratio	0.03%	2.97%	3.18%	3.00%
Retained earnings ratio	0.03%	2.34%	2.51%	2.00%

Supplemental Valuation Information

	Balance
Non-agency mortgages	\$ (1,232,329)
Asset-backed securities	(46,611)
Commercial mortgage-backed securities	(176,651)
Corporates	(37,885)
Agency mortgages	(895)
Derivative instruments	(30,399)
Accumulated other comprehensive loss	<u>\$ (1,524,770)</u>

Summary

Members United appreciates your continued support and patience as we work through the accounting and reporting requirements. Members United remains committed to contributing to the long-term financial success of our members and will continue to work towards minimizing any losses incurred.

Contact Information

For questions related to any information contained in this update, please contact any of the following individuals:

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