Portfolio Update and Financial Reports

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

As of 10/31/09 (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 regarding our safety and soundness.

Economic Overview

After dancing around the 10,000 level for several days in mid-October, the Dow now stands at 10,400 (as of mid-November) and has closed above the 10,000 mark since November 6th. The Dow is up 18% for the year and the S&P 500 is up almost 23% over the same time period. Stocks have been buoyed by the first reported growth in real GDP in over a year, stronger than expected third quarter earnings, improving housing numbers and the extension of fiscal stimulus. Surprisingly, the higher than expected unemployment rate did little to derail the upward climb in equities.

On the housing front, a majority of recently released indicators show favorable trends. Existing home sales posted the biggest month-over-month increase since 1986 and prices fell by the smallest amount in 13 months. In addition, the S&P Case-Shiller home-price index rose, on a seasonally adjusted basis, for the third consecutive month. Many economists believe that housing prices have reached or are very close to reaching a bottom. We are a bit more skeptical about the underlying strength in the housing market. Much of the gain in the market has been policy-induced by temporarily impacting supply and demand. Housing supply has been reduced by the foreclosure moratoria in several states and the government's loan modification program (HAMP). Housing demand has been increased by the Fed's MBS purchases (which creates lower mortgage rates) and by the homebuyer tax credit. Once the policy effect fades, we believe that the supply and demand forces may lead the market down from current levels.

The employment picture continues to worsen, as the unemployment rate topped 10% for the first time since 1983. Even though employment is a lagging economic indicator, it is still troubling to be at such a relatively high absolute number. In addition, it looks likely that the unemployment rate will continue to creep up in future months. This is due to the large number of "marginally attached" workers who are likely to reenter the job market as signs of a recovery become more evident. Marginally attached workers are defined as people who are willing and able to work, but have stopped looking for a job. They also include workers who are currently working part-time, but would prefer a full-time job. When adding marginally attached workers into the ranks of the unemployed, the unemployment rate swells to 17.5% from just over 10% as reported.

Third quarter real GDP posted the first quarter-over-quarter increase in over a year. Arguably, much of this increase was due to fiscal stimulus. GDP was boosted by the Cash for Clunkers program, tax cuts, the extension of unemployment benefits and the homeowner tax credit. Fiscal stimulus should continue to support the fourth quarter and likely further into 2010 as several stimulus policies have recently been extended. This included the extension and broadening of the homebuyer tax credit to April 2010, a further increase in jobless benefits and an increase in the number of years that a company can carry back net operating losses (lowers current taxes that certain companies need to pay).

Additional fiscal stimulus seems likely in 2010, but not on the scale seen in 2009, as Congress will likely be hesitant to pass another large stimulus package. Additional stimuli will probably be passed in smaller doses, similar to the recent extension of the homebuyer tax credit and jobless benefits. Sooner or later, the economy will need to grow without the benefit of fiscal stimulus. The U.S. can't continue to borrow from future growth to support growth today. This is where we see potential weakness in 2010. The labor market will likely remain weak for several years and real GDP growth will be benign as the fiscal stimulus fades.

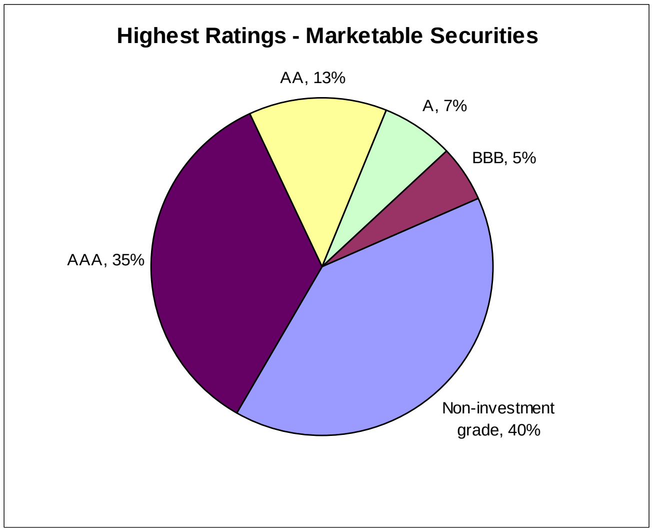
Members United Outlook

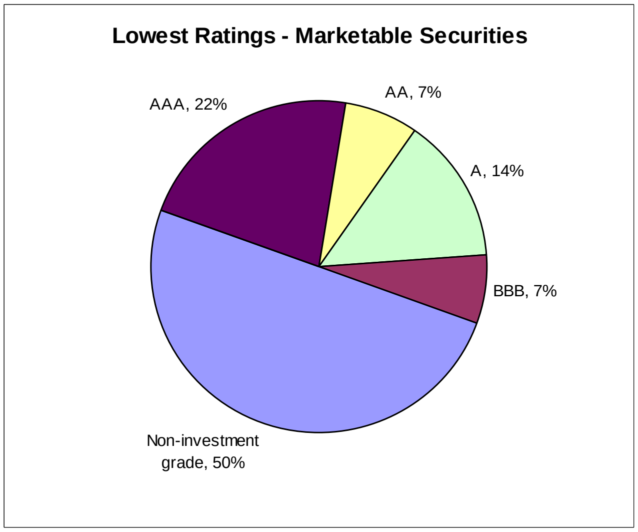
Interest rates are marginally lower from last month, as the market has scaled back its expectations for increases in Fed Funds. The futures market is currently pricing in Fed cumulative rate increases of 75 basis points starting in July 2010. We continue to believe that the Fed will stay on hold for 2010 given slow growth, high unemployment and minimal inflation. At its latest meeting, the FOMC reiterated that it plans to keep rates “exceptionally low” for an “extended period.” It provided further detail on which measures are key to keeping rates low: “low rates of resource utilization, subdued inflation trends and stable inflation expectations”. Of these measures, we believe that inflation expectations is the only measure that may move significantly higher in 2010.

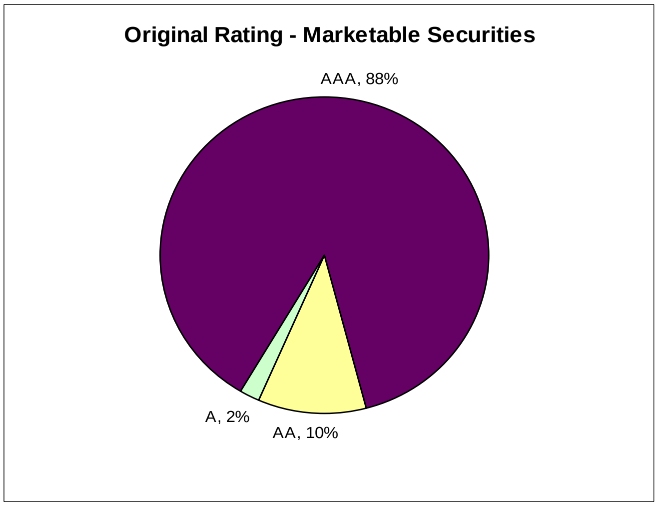
Portfolio Overview

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.

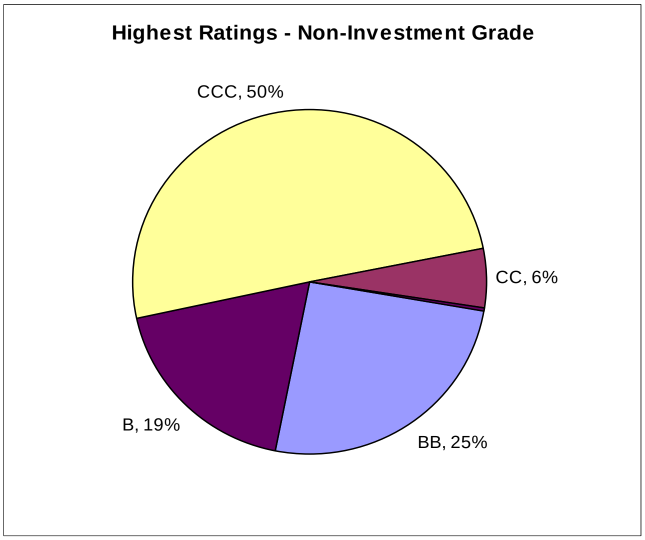
Members United presents three charts below. The first chart provides a ratings breakdown of Members United’s current marketable securities holdings using the highest current rating available. The second chart provides the same breakdown using the lowest current rating available. The third chart shows a breakdown using the original rating assigned to the security. These charts summarize the portfolio ratings as of October 31, 2009 (total par value of approximately $5.4 billion):

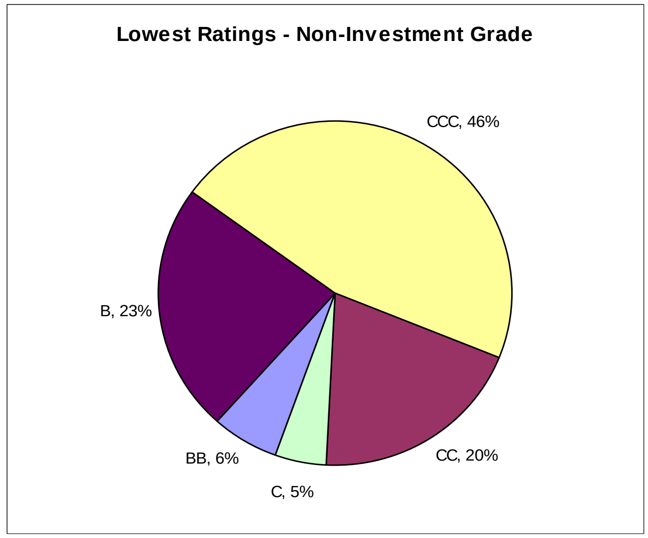






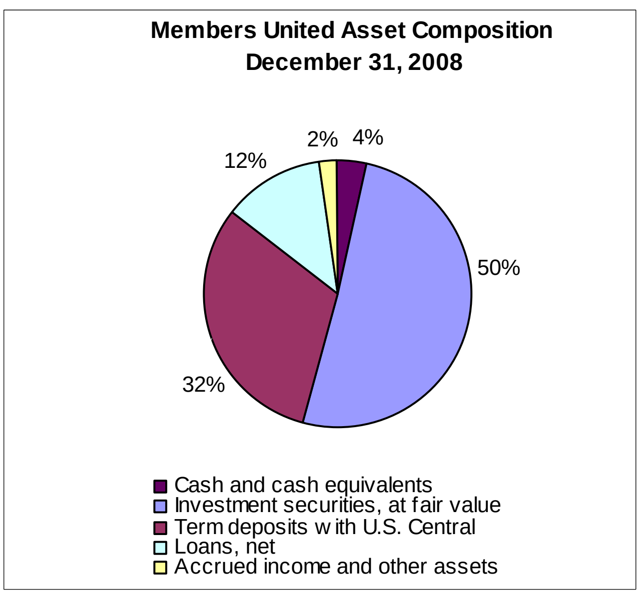
The following charts provide additional ratings information for the non-investment grade portion of the portfolio as of October 31, 2009 (total par value of approximately $2.2 billion for the highest-rating scenario and $2.7 billion for the lowest-rating scenario):

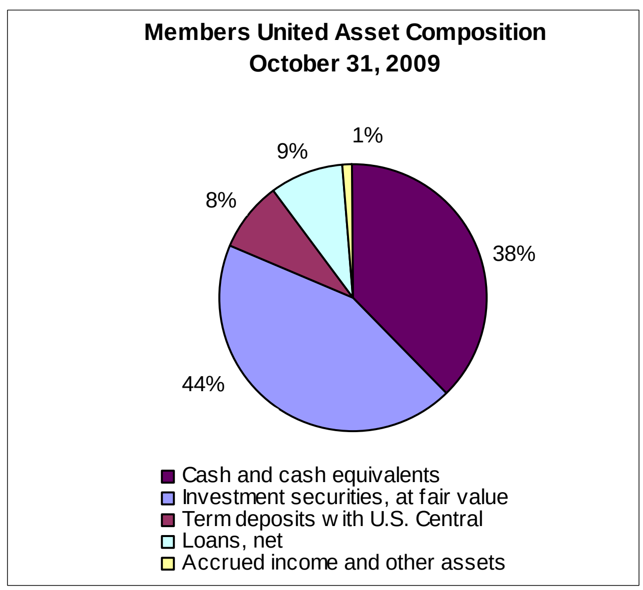




Asset Composition

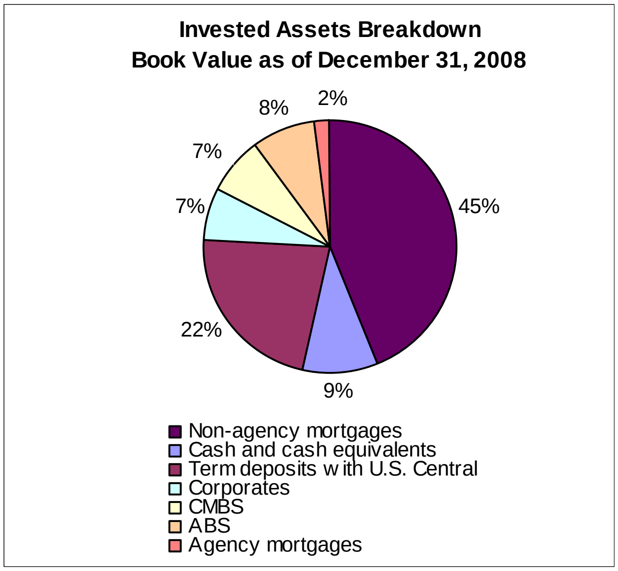
As of October 31, 2009, the total fair value of assets was $8.5 billion. Cash and cash equivalents and overnight deposits at U.S. Central totaled $3.2 billion, fair value of marketable securities represented $3.7 billion, loans to members totaled $0.8 billion, and term deposits at U.S. Central totaled approximately $0.7 billion.

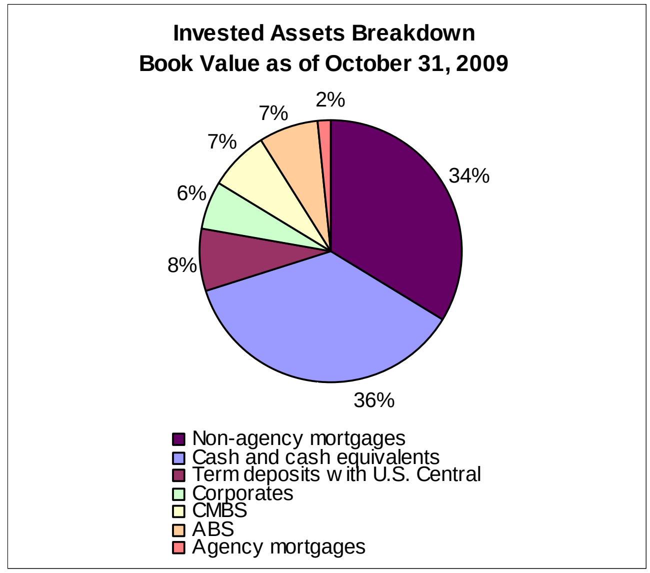




Invested Assets

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 36% of total investments. At the same time, term deposits with U.S. Central have been reduced from 22% to 8%, and non-agency mortgage securities have declined from 45% to 34%.





Total Investment Portfolio

The table below summarizes Members United's total available-for-sale (AFS) securities by category, as of October 31, 2009:

(All dollar amounts are reflected in thousands)

	Par Value	Book Value	Unrealized Loss*	Fair Value
Non-agency mortgages	$ 3,388,387	$ 2,985,004	$ (1,038,742)	$ 1,946,262
Asset-backed securities (secured by non-mortgage assets)	648,052	648,328	(41,003)	607,325
Commercial mortgage-backed securities	643,777	653,448	(157,407)	496,041
Corporates	545,129	517,834	(26,379)	491,455
Agencies (mortgage and SBA pass-throughs)	147,332	147,326	(879)	146,447
Mutual fund and other	36,888	29,504	-	29,504
Total investment securities	$ 5,409,565	$ 4,981,444	$ (1,264,410)	$ 3,717,034
*Excludes net unrealized loss on derivative instruments of $29,175.				

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. That said, a record number of homes remain in some stage of foreclosure and have yet to be sold or liquidated. The following table provides more information on Members United's non-agency mortgage-related holdings as of October 31, 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	$ 3,388,387	$ 2,985,004	100%	34%
Prime	896,619	815,690	27%	10%
Sub-prime (FICOs < 680)	884,523	811,384	26%	9%
Alt-A	1,607,245	1,357,930	47%	15%

*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.

Residential mortgage-backed securities wrapped by FGIC and Syncora Guarantee (SGI), have been subjected to other-than-temporary impairment (OTTI). FGIC continues to pay claims on its insured obligations as scheduled. However, SGI ceased paying claims effective April 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 remained in compliance with regulatory capital requirements as of October 31, 2009, the amount of cushion available to absorb 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	October 31, 2009 Total Holdings Wrapped	October 31, 2009 Total Holdings Wrapped (% of Invested Assets*)
Ambac	$ 354,409	4.0%
MBIA	352,116	3.9%
FGIC	106,102	1.2%
FSA	78,084	0.9%
SGI (f.n.a. XLCA)	16,109	0.2%
CIFG	5,525	0.1%
Total	$ 912,345	10.3%

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

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 October 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 $130.5 million – or 11.23%.

(All dollar amounts are reflected in thousands.)

Net Economic Value October 31, 2009			
	Net Economic Value	**Dollar Change**	**Percentage Change**
Base case net economic value	(1,162,069)	-	-
300 basis point rise in rates	(1,292,559)	(130,490)	(11.23%)

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) associated with securities prices improved by $135 million at October 31, 2009, versus September 30, 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 October 31, 2009 (12-month projection)			
	Net Interest Income	**Dollar Change**	**Percentage Change**
Base case net interest income	32,792	-	-
300 basis point rise in rates	49,004	16,212	49.44%

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 October 31, 2009:

(All dollars are reflected in thousands)

Current Liquidity			
Cash and short term deposits	**$ 1,509,519**		
Source of Liquidity	**Gross**	**Used**	**Net**
FHLB Chicago line of credit	$ 240,000	$ 100,000	$ 140,000
US Central - advised line	705,993	63,978	642,015
Available-for-sale securities - sales	1,936,710	-	1,936,710
Available-for-sale securities - borrowings	256,442	-	256,442
Fed funds	913,000	-	913,000
Subtotal	**4,052,145**	**163,978**	**3,888,167**
Total	**$ 5,561,664**	**$ 163,978**	**$ 5,397,686**
Total member loans		**$ 786,000**	
Balances at the FRB		**$ 1,701,462**	

Liquidity remains strong and above normal seasonal trends. Clearly this is a function of three key factors: strong natural person credit union liquidity due to a weak lending environment, the federal guarantee of Members United deposits and the low overall interest rate environment. 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 (as reported last month) and is reflected in this month's *Portfolio Update*. Collateral maintained at the FRB has been released and is available for other borrowings. Total cash remains near $3.2 billion and even after backing out $300 million in required reserve balances, we have available cash at month-end approaching $3 billion. This represents almost 50% of our overnight share at month-end in cash.

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 October 31, 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 Temporary Corporate Credit Union Share Guarantee Program (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 $12.5 million in 2009 compared to the prior year.

<u>Financial Results for October</u>

Members United recorded a net loss of $149.6 million for the month of October as three significant financial reporting issues were under consideration. The following provides an update on each item and its impact on the October financial statements:

- A charge of $74.6 million was recorded as Members United fully impaired 100% of its remaining investment in U.S. Central capital shares.
- An additional charge of $77.1 million was recorded for additional OTTI on marketable securities. The estimate was based on Clayton's base case cash flow projections with the exception of RMBS securities insured by Ambac.
- Members United did not record OTTI on Ambac-wrapped investments as of October 31, 2009. Clayton's base case cash flow projections fully discounted Ambac's support after December 31, 2010 and would have resulted in additional OTTI of $37.5 million. While Clayton bases its assumptions on market driven data, they also recommend that their clients make their own determinations, in consultation with their auditors, regarding questions of impairment for securities where principal and interest payments are insured. Members United is in the process of reviewing Clayton's position and is also reviewing regulatory reports that were released on November 18, 2009. This review is anticipated to be completed by December 31, 2009 in connection with the year end close process.

In summary, the charges described above were offset against monthly net income and prior retained earnings and resulted in a deficit of $146.8 million as of October 31, 2009.

The following table rolls forward retained earnings for the month of October 2009 and provides the depletion percentage:

Members United - Depletion		
Retained earnings (deficit) rollforward for October 2009		
($'s in thousands)		
Retained earnings as of 9/30/09	$	2,807
Base net income for October 2009		2,055
Full impairment of remaining USC capital		(74,561)
OTTI estimates (excluding Ambac)		(77,115)
Estimated retained deficit at 10/31/09	$	(146,814)
Membership capital share balance	$	292,410
Estimated depletion percentage		**50.2%**

Capital Depletion of 50.2% on November 30, 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 is required to deplete member capital to eliminate the retained deficit that exists as of October 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, will result in a 50.2% depletion of remaining membership capital share (MCS) balances.

Members United will process the 50.2% depletion entry on November 30, 2009. This depletion entry will be in addition to the action taken on September 16, 2009, which eliminated the previous retained deficit. The following table is presented to simply illustrate how the two depletion actions have impacted an example credit union’s MCS account:

Depletion Example		
Assume a credit union held $100,000 of MCS on August 31, 2009		
Beginning MCS balance on August 31, 2009	$	100,000.00
Depletion action on September 16, 2009 (40.2%)		(40,200.00)
Remaining balance on September 30, 2009		59,800.00
Depletion action on November 30, 2009 (50.2%)		(30,019.60)
Ending MCS balance on November 30, 2009	$	29,780.40
Total depletion as a percentage of the beginning MCS		70.2%

In summary, a credit union that held $100,000 of MCS on August 31, 2009, will receive a month-end statement as of November 30, 2009, that will show a balance of $29,780.40.

Retained Earnings Roll-Forward Schedule since November 30, 2008

Since November 30, 2008, Members United's capital has declined by $733.6 million.

($'s in thousands)		October 31, 2009		November 30, 2008		Change
Qualifying membership capital shares	$	279,086	$	486,066		
Paid-in capital shares		-		79,440		
Retained earnings		(146,814)		300,396		
Total capital	$	132,272	$	865,902	$	(733,630)
12-month daily average net assets	$	8,478,748	$	11,950,268		
Capital ratio		1.56%		7.25%		
Core capital ratio		-1.73%		3.18%		
Retained earnings ratio		-1.73%		2.51%		

The following schedule has been prepared to summarize the more significant capital adjustments that have occurred since November 30, 2008. Members United is reporting an accumulated deficit balance of $146.8 million as of October 31, 2009, after depleting $277.4 million of members' capital shares on September 16, 2009. The depletion has been added to the table presented below.

Retained earnings roll forward - UNAUDITED		
($'s in thousands)		
Retained earnings as of November 30, 2008	$	300,396
100% impairment of U.S. Central capital accounts		(308,219)
Cumulative OTTI recorded (present value of projected credit losses)		(424,307)
Depletion of member MCS and PIC		277,429
Net income and other items		7,887
Retained deficit on October 31, 2009	$	(146,814)

It should be noted that while Members United's capital ratio stands at 1.56% 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.

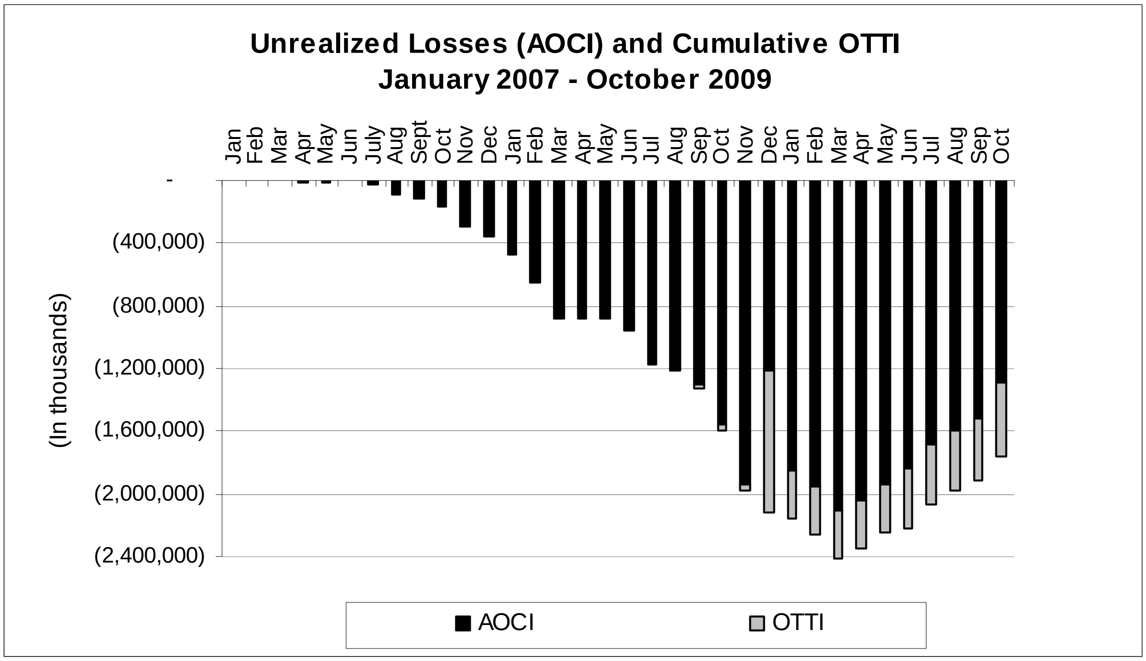
Capital Scenario Analysis

Going forward, Members United will be required to deplete more membership capital if future losses develop that result in a new retained deficit. As discussed earlier, it is possible that additional losses may develop from OTTI on Ambac-wrapped investments. In addition, as Members United moves forward through the fourth quarter, several financial risks remain but do not currently merit a financial expense such as:

1. Additional OTTI on existing RMBS as the Clayton review is updated on December 31, 2009.
2. Corporate notes insured by Ambac that are currently rated single A. While this rating appears adequate, competing evidence such as market pricing appears to be sending a message of concern around these bonds.
3. RMBS securities insured by MBIA. Clayton's base case cash flow projections and our internal credit reviews assume full support from MBIA in the future.
4. OTTI on securities not reviewed by Clayton such as corporate notes and consumer related asset backed securities backed by collateral such as credit cards, student loans, and automobile's.
5. Loan participation reserves.

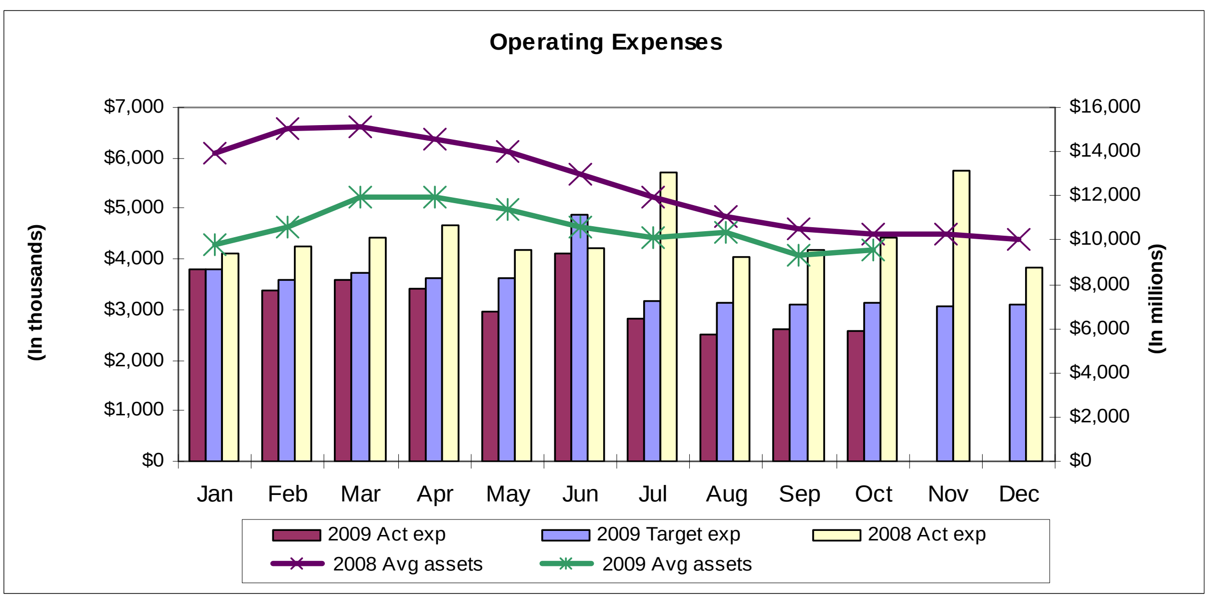
Valuation Trends

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 $1.75 billion as of October 31, 2009. This represents an improvement of approximately $653 million or 27%.



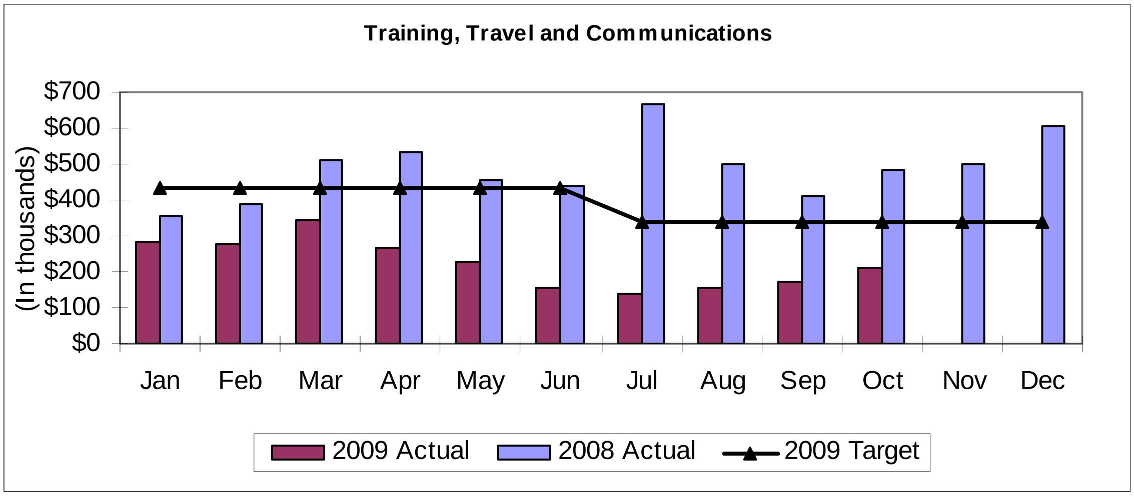
Total Operating Expenses - Plan Update

Members United continues to realize significant cost savings relative to last year. On a year-to-date basis through October 2009, total expenses are $12.5 million **less** than expenses incurred through October 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 $210,000 for the month of October 2009. The following table presents results against plan.



From 9/24/09 through 10/23/09 (the applicable expense reporting period), the executive leadership team expense reports totaled $4,288 for travel-related expenses. This included costs associated with twelve trips. Eight of these trips occurred during the applicable expense reporting period, three are for trips during the previous expense period and one is for future travel. At October 31, 2009, the executive leadership team includes Joe Herbst, Todd Adams, Kevin Brauer, John Collins and Ron Koza. The following table provides more detailed information regarding leadership team travel:

Leadership Team Travel and Expenses
October 31, 2009

Date	Name	Costs	From/To	Purpose
10/14-10/15	Todd Adams	$ 285	Chicago to Dallas	ACCU meeting
10/14-10/15	Kevin Brauer	66	Albany to Verona, NY	CFO Roundtable
10/26-10/30	Kevin Brauer	46	Albany to Chicago	Leadership team meetings in the Warrenville office
9/20-9/22	Kevin Brauer	39	Albany to Atlantic City	New Jersey Credit Union League convention
10/15-10/16	Kevin Brauer	466	Verona, NY to East Windsor, NJ	New Jersey Credit Union League Foundation Board meeting
10/7-10/9	Kevin Brauer	638	Albany to Fairport, NY	New York large credit union CEO Roundtable meeting
10/22-10/23	Kevin Brauer	411	Albany to Atlanta	Operations meeting
9/15-9/18	Kevin Brauer	176	Albany to Warrenville	Operations meeting in the Warrenville office
9/22-9/23	Ron Koza	179	Chicago to Des Moines	2009 Iowa League convention
10/1-10/2	Joe Herbst	218	Albany to New Jersey	Meeting with New Jersey Credit Union League
9/29-9/30	Joe Herbst	545	Albany to Baltimore	NCUA town hall meeting
10/19-10/21	Joe Herbst	1,219	Albany to Rapid City, SD	South Dakota fall conference
Total travel related expenses		$ 4,288		

Unaudited Financial Information as of October 31, 2009

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

MEMBERS UNITED CORPORATE FEDERAL CREDIT UNION
CONSOLIDATED BALANCE SHEETS
OCTOBER 31, 2009
UNAUDITED
(in thousands)

	October 31, 2009	October 31, 2008
Assets		
Cash and cash equivalents	$ 3,167,713	$ 400,340
Overnight deposits at U.S. Central	43,268	1,131,313
Investment securities, at fair value	3,717,034	4,726,511
Interest earning deposits at U.S. Central	705,993	1,794,079
Loans, net	785,217	1,244,356
Fixed assets, net	9,166	9,923
Accrued income and other assets	89,980	134,995
Total assets	$ 8,518,371	$ 9,441,517
Liabilities and Members' Equity		
Borrowings and other liabilities		
U.S. Central borrowings	$ 63,978	$ 612,564
Federal Home Loan Bank	103,592	234,301
Securities sold under agreements to repurchase	-	396,704
Federal funds	-	15,000
Commercial paper	-	268,000
Other borrowings	321	596,383
Accrued expenses and other liabilities	98,643	102,986
Total borrowings and other liabilities	266,534	2,225,938
Members' equity		
Shares and certificates	9,413,150	7,910,118
Membership capital shares	279,086	486,769
Paid-in capital shares	-	79,440
(Accumulated deficit) retained earnings	(146,814)	296,977
Total capital	132,272	863,186
Accumulated other comprehensive loss	(1,293,585)	(1,557,725)
Total members' equity	8,251,837	7,215,579
Total liabilities and members' equity	$ 8,518,371	$ 9,441,517

MEMBERS UNITED CORPORATE FEDERAL CREDIT UNION
CONSOLIDATED STATEMENTS OF INCOME
AS OF OCTOBER 31, 2009
UNAUDITED
(in thousands)

	Month Ended October 31, 2009	Month Ended October 31, 2008	Year-to-Date October 31, 2009	Year-to-Date October 31, 2008	Notes
Interest income					
Investments	$ 5,907	$ 25,415	$ 92,239	349,943	
Loans	2,778	4,160	33,902	35,013	
Total interest income	8,685	29,575	126,141	384,956	
Interest expense					
Members' accounts	5,846	17,178	82,705	282,978	
Borrowings	420	5,675	14,160	51,014	
Total interest expense	6,266	22,853	96,865	333,992	
Net interest income	2,419	6,722	29,276	50,964	
Noninterest income					
Service fee income, net	2,060	2,062	19,408	17,692	
Other income	80	59	628	316	
Total noninterest income	2,140	2,121	20,036	18,008	
Noninterest expense					
Salaries and employee benefits	1,700	2,705	19,845	26,521	
Training, travel and communications	210	486	2,230	4,752	
Office operations	276	345	3,060	3,522	
Professional and outside services	125	530	3,674	4,477	
Office occupancy	201	239	2,203	3,705	
Other	60	123	694	1,208	
Total noninterest expense	2,572	4,428	31,706	44,185	
Net income before net income (loss) on financial instruments	1,987	$ 4,415	17,606	24,787	
Net income (loss) on financial instruments	(151,608)	(165)	(312,747)	(48,360)	**A**
Net income (loss)	$ (149,621)	$ 4,250	$ (295,141)	$ (23,573)	

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
OCTOBER 31, 2009
UNAUDITED
(in thousands)

Capital Ratios

	October 31, 2009	October 31, 2008	November 30, 2008	Regulatory Limits or Thresholds
Qualifying membership capital shares	$ 279,086	$ 486,769	$ 486,066	
Paid-in capital shares	-	79,440	79,440	
Retained earnings	(146,814)	296,977	300,396	
Total capital	$ 132,272	$ 863,186	$ 865,902	
12-month daily average net assets	$ 8,478,748	$ 12,282,346	$ 11,950,268	
Capital ratio	1.56%	7.03%	7.25%	5.00%
Core capital ratio	-1.73%	3.06%	3.18%	3.00%
Retained earnings ratio	-1.73%	2.42%	2.51%	2.00%

Supplemental Valuation Information	**Balance**
Non-agency mortgages	$ (1,038,742)
Asset-backed securities	(41,003)
Commercial mortgage-backed securities	(157,407)
Corporates	(26,379)
Agency mortgages	(879)
Derivative instruments	(29,175)
Accumulated other comprehensive loss	$ (1,293,585)

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:

Todd Adams, Chief Financial Officer, todd.adams@membersunited.org.
Jackie Jessen, Chief Risk Officer, jackie.jessen@membersunited.org
Ronald Koza, Chief Investment Officer, ronald.koza@membersunited.org.
Kevin Brauer, Senior Vice President, kevin.brauer@membersunited.org.