



# Consolidated Financial Statements

*Unaudited*

April 30, 2007



Contact Information:

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**MEMBERS UNITED CORPORATE FEDERAL CREDIT UNION**  
**CONSOLIDATED BALANCE SHEETS**  
**APRIL 30, 2007**  
*(in thousands)*

|  | April 30,            |                      | December 31,         |
|--|----------------------|----------------------|----------------------|
|  | 2007                 | 2006                 | 2006                 |
| <b>Assets</b>                                  |                      |                      |                      |
| Cash and cash equivalents                      | \$ 116,572           | \$ 480,344           | \$ 661,022           |
| Securities available for sale, at fair value   | 5,813,124            | 4,554,304            | 4,758,746            |
| Securities held-to-maturity                    | -                    | 120,164              | -                    |
| Interest earning deposits                      | 6,385,180            | 5,020,168            | 4,400,052            |
| Loans to members and affiliates                | 336,610              | 384,696              | 403,278              |
| Participation loans, net                       | 51,861               | 39,102               | 53,647               |
| Fixed assets, net                              | 12,234               | 13,851               | 12,755               |
| Accrued income and other assets                | 82,875               | 48,892               | 65,734               |
| <b>Total assets</b>                            | <b>\$ 12,798,456</b> | <b>\$ 10,661,521</b> | <b>\$ 10,355,234</b> |
| <b>Liabilities and Members' Equity</b>         |                      |                      |                      |
| Liabilities                                    |                      |                      |                      |
| Members' accounts                              |                      |                      |                      |
| Shares and certificates                        | \$ 11,166,649        | \$ 9,155,883         | \$ 8,975,631         |
| Membership capital shares                      | 478,664              | 485,154              | 478,449              |
| Paid-in capital shares                         | 79,440               | 79,440               | 79,440               |
| Total members' accounts                        | 11,724,753           | 9,720,477            | 9,533,520            |
| Borrowings and other liabilities               |                      |                      |                      |
| U.S. Central borrowings                        | 37,035               | 57,738               | 38,531               |
| Commercial paper                               | 96,548               | 139,576              | 89,588               |
| Securities sold under agreements to repurchase | -                    | 100,357              | 100,404              |
| Other borrowings                               | 473,237              | 239,569              | 182,349              |
| Deposits from affiliates and non-members       | 60,204               | 52,569               | 59,119               |
| Accrued dividends and other liabilities        | 115,607              | 65,743               | 55,804               |
| Total borrowings and other liabilities         | 782,631              | 655,552              | 525,795              |
| <b>Total liabilities</b>                       | <b>12,507,384</b>    | <b>10,376,029</b>    | <b>10,059,315</b>    |
| Members' equity                                |                      |                      |                      |
| Statutory reserves and undivided earnings      | 298,758              | 290,937              | 295,129              |
| Accumulated other comprehensive income (loss)  | (7,686)              | (5,445)              | 790                  |
| Total members' equity                          | 291,072              | 285,492              | 295,919              |
| <b>Total liabilities and members' equity</b>   | <b>\$ 12,798,456</b> | <b>\$ 10,661,521</b> | <b>\$ 10,355,234</b> |

**MEMBERS UNITED CORPORATE FEDERAL CREDIT UNION**  
**CONSOLIDATED STATEMENTS OF INCOME**  
**AS OF APRIL 30, 2007**  
*(in thousands)*

|                                     | Month Ended     |               | Year-to-Date    |                 |
|-------------------------------------|-----------------|---------------|-----------------|-----------------|
|                                     | April 30,       |               | April 30,       |                 |
|                                     | 2007            | 2006          | 2007            | 2006            |
| <b>Interest income</b>              |                 |               |                 |                 |
| Investments                         | \$ 51,894       | \$ 35,038     | \$ 181,294      | \$ 115,893      |
| Loans                               | 1,633           | 1,775         | 7,356           | 9,395           |
| Total interest income               | 53,527          | 36,813        | 188,650         | 125,288         |
| <b>Interest expense</b>             |                 |               |                 |                 |
| Members' accounts                   | 48,394          | 32,079        | 169,143         | 107,116         |
| Borrowings                          | 1,353           | 1,345         | 5,769           | 5,841           |
| Total interest expense              | 49,747          | 33,424        | 174,912         | 112,957         |
| Net interest income                 | 3,780           | 3,389         | 13,738          | 12,331          |
| <b>Noninterest income</b>           |                 |               |                 |                 |
| Service fee income, net             | 1,794           | 1,637         | 6,549           | 6,289           |
| Other income                        | 33              | 1             | 60              | 25              |
| Net realized gains (losses)         | (442)           | (29)          | (404)           | (42)            |
| Total noninterest income            | 1,385           | 1,609         | 6,205           | 6,272           |
| <b>Noninterest expense</b>          |                 |               |                 |                 |
| Salaries and employee benefits      | 2,376           | 2,391         | 9,726           | 9,987           |
| Office operations                   | 436             | 460           | 1,535           | 1,778           |
| Professional and outside services   | 480             | 337           | 1,604           | 1,232           |
| Training, travel and communications | 522             | 483           | 1,829           | 1,644           |
| Office occupancy                    | 236             | 283           | 1,108           | 1,123           |
| Other                               | 99              | 124           | 512             | 547             |
| Total noninterest expense           | 4,149           | 4,078         | 16,314          | 16,311          |
| <b>Net income</b>                   | <b>\$ 1,016</b> | <b>\$ 920</b> | <b>\$ 3,629</b> | <b>\$ 2,292</b> |

**MEMBERS UNITED CORPORATE FEDERAL CREDIT UNION**  
**KEY FINANCIAL INFORMATION**  
**APRIL 30, 2007**  
*(in thousands)*

**Capital Ratios**

|                                      | <u>April 30,</u>  |                   | <u>December 31,</u> | <u>Regulatory<br/>Limits or<br/>Thresholds</u> |
|--------------------------------------|-------------------|-------------------|---------------------|--|
|                                      | 2007              | 2006              | 2006                |  |
| Qualifying membership capital shares | \$ 472,883        | \$ 475,560        | \$ 472,473          |  |
| Paid-in capital shares               | 79,440            | 79,440            | 79,440              |  |
| Reserves and undivided earnings      | 298,758           | 290,937           | 295,129             |  |
| Total regulatory capital             | <u>\$ 851,081</u> | <u>\$ 845,937</u> | <u>\$ 847,042</u>   |  |
| 12-month daily average net assets    | \$ 9,627,545      | \$ 8,756,041      | \$ 8,988,109        |  |
| Capital ratio                        | 8.84%             | 9.66%             | 9.42%               | 5.00%  |
| Core capital ratio                   | 3.93%             | 4.23%             | 4.17%               | 3.00%  |
| Retained earnings ratio              | 3.10%             | 3.32%             | 3.28%               | 2.00%  |

**Net Economic Value**  
**April 30, 2007**

|                                  | <u>Net Economic<br/>Value</u> | <u>Dollar Change</u> | <u>Actual<br/>Percentage<br/>Change</u> | <u>Policy and<br/>Regulatory<br/>Limits</u> |
|----------------------------------|-------------------------------|----------------------|---|---|
| 300 basis point rise in rates    | \$ 780,062                    | \$ (65,575)          | -7.8%                                   | -28.0%                                      |
| Base net economic value          | 845,637                       | -                    | -                                       | -   |
| 300 basis point decline in rates | 871,468                       | 25,831               | 3.1%                                    |   |

**Issuer Ratings**

|                     | <u>Rating Type</u> | <u>Rating</u> |
|---------------------|--------------------|---------------|
| Moody's             | Short term         | P-1           |
| Standard and Poor's | Short term         | A-1+          |
| Fitch               | Short term         | F1+           |
|                     | Long term          | AA-           |
|                     | Individual         | A/B           |