



# Consolidated Financial Statements

*Unaudited*

July 31, 2007



Contact Information:

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**MEMBERS UNITED CORPORATE FEDERAL CREDIT UNION**  
**CONSOLIDATED BALANCE SHEETS**  
**JULY 31, 2007**  
*(in thousands)*

	July 31,		December 31,
	2007	2006	2006
<b>Assets</b>			
Cash and cash equivalents	\$ 148,628	\$ 544,517	\$ 661,022
Securities available for sale, at fair value	6,868,010	4,398,016	4,758,746
Interest earning deposits	3,654,092	3,448,928	4,400,052
Loans to members and affiliates	528,631	518,315	403,278
Participation loans, net	50,169	41,602	53,647
Fixed assets, net	12,008	13,303	12,755
Accrued income and other assets	95,533	60,081	65,734
<b>Total assets</b>	<b>\$ 11,357,071</b>	<b>\$ 9,024,762</b>	<b>\$ 10,355,234</b>
<b>Liabilities and Members' Equity</b>			
Liabilities			
Members' accounts			
Shares and certificates	\$ 9,962,799	\$ 7,754,509	\$ 8,975,631
Membership capital shares	481,125	486,443	478,449
Paid-in capital shares	79,440	79,440	79,440
Total members' accounts	10,523,364	8,320,392	9,533,520
Borrowings and other liabilities			
U.S. Central borrowings	36,014	44,727	38,531
Commercial paper	94,680	89,618	89,588
Securities sold under agreements to repurchase	-	100,363	100,404
Other borrowings	144,321	71,227	182,349
Deposits from affiliates and non-members	65,065	52,655	59,119
Accrued dividends and other liabilities	221,460	55,173	55,804
Total borrowings and other liabilities	561,540	413,763	525,795
<b>Total liabilities</b>	<b>11,084,904</b>	<b>8,734,155</b>	<b>10,059,315</b>
Members' equity			
Statutory reserves and undivided earnings	300,529	293,209	295,129
Accumulated other comprehensive income (loss)	(28,362)	(2,602)	790
Total members' equity	272,167	290,607	295,919
<b>Total liabilities and members' equity</b>	<b>\$ 11,357,071</b>	<b>\$ 9,024,762</b>	<b>\$ 10,355,234</b>

**MEMBERS UNITED CORPORATE FEDERAL CREDIT UNION**  
**CONSOLIDATED STATEMENTS OF INCOME**  
**AS OF JULY 31, 2007**  
*(in thousands)*

	<b>Month Ended</b>		<b>Year-to-Date</b>	
	<b>July 31,</b>		<b>July 31,</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
<b>Interest income</b>				
Investments	\$ 49,399	\$ 33,926	\$ 333,236	\$ 218,158
Loans	2,401	2,478	13,345	16,078
Total interest income	<u>51,800</u>	<u>36,404</u>	<u>346,581</u>	<u>234,236</u>
<b>Interest expense</b>				
Members' accounts	46,760	31,406	311,318	200,354
Borrowings	1,206	1,699	10,331	11,452
Total interest expense	<u>47,966</u>	<u>33,105</u>	<u>321,649</u>	<u>211,806</u>
Net interest income	3,834	3,299	24,932	22,430
<b>Noninterest income</b>				
Service fee income, net	1,776	3,044	11,799	12,718
Other income	6	5	101	330
Net realized gains (losses)	<u>(1,630)</u>	<u>13</u>	<u>(3,532)</u>	<u>(25)</u>
Total noninterest income	152	3,062	8,368	13,023
<b>Noninterest expense</b>				
Salaries and employee benefits	2,387	4,191	16,796	19,601
Office operations	319	397	2,609	3,112
Professional and outside services	308	406	2,680	2,559
Training, travel and communications	320	388	3,109	3,017
Office occupancy	277	262	1,911	1,672
Other	63	105	795	927
Total noninterest expense	<u>3,674</u>	<u>5,749</u>	<u>27,900</u>	<u>30,888</u>
<b>Net income</b>	<u>\$ 312</u>	<u>\$ 612</u>	<u>\$ 5,400</u>	<u>\$ 4,565</u>

**MEMBERS UNITED CORPORATE FEDERAL CREDIT UNION**  
**KEY FINANCIAL INFORMATION**  
**JULY 31, 2007**  
*(in thousands)*

**Capital Ratios**

	<u>July 31,</u>		<u>December 31,</u>	<u>Regulatory Limits or Thresholds</u>
	2007	2006	2006	
Qualifying membership capital shares	\$ 474,481	\$ 476,326	\$ 472,473	
Paid-in capital shares	79,440	79,440	79,440	
Reserves and undivided earnings	300,529	293,209	295,129	
Total regulatory capital	<u>\$ 854,450</u>	<u>\$ 848,975</u>	<u>\$ 847,042</u>	
12-month daily average net assets	\$ 10,299,420	\$ 8,756,020	\$ 8,988,109	
Capital ratio	8.30%	9.70%	9.42%	5.00%
Core capital ratio	3.69%	4.26%	4.17%	3.00%
Retained earnings ratio	2.92%	3.35%	3.28%	2.00%

**Net Economic Value**  
**July 31, 2007**

	<u>Net Economic Value</u>	<u>Dollar Change</u>	<u>Actual Percentage Change</u>	<u>Policy and Regulatory Limits</u>
300 basis point rise in rates	\$ 744,824	\$ (85,033)	-10.2%	-28.0%
Base net economic value	829,857	-	-	-
300 basis point decline in rates	852,777	22,920	2.8%	

**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