



# Consolidated Financial Statements

*Unaudited*

October 31, 2007



Contact Information:

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

	October 31,		December 31,
	2007	2006	2006
<b>Assets</b>			
Cash and cash equivalents	\$ 106,140	\$ 610,721	\$ 661,022
Securities available for sale, at fair value	6,838,744	4,368,433	4,758,746
Interest earning deposits	4,176,829	3,325,250	4,400,052
Loans to members and affiliates	649,448	582,736	403,278
Participation loans, net	50,851	51,035	53,647
Fixed assets, net	11,727	12,993	12,755
Accrued income and other assets	111,284	57,619	65,734
<b>Total assets</b>	<b>\$ 11,945,023</b>	<b>\$ 9,008,787</b>	<b>\$ 10,355,234</b>
<b>Liabilities and Members' Equity</b>			
Liabilities			
Members' accounts			
Shares and certificates	9,170,351	\$ 7,444,755	\$ 8,975,631
Membership capital shares	480,018	478,449	478,449
Paid-in capital shares	79,440	79,440	79,440
Total members' accounts	9,729,809	8,002,644	9,533,520
Borrowings and other liabilities			
U.S. Central borrowings	534,633	43,829	38,531
Commercial paper	283,914	89,550	89,588
Securities sold under agreements to repurchase	573,338	100,382	100,404
Other borrowings	263,529	328,993	182,349
Deposits from affiliates and non-members	59,564	47,110	59,119
Accrued dividends and other liabilities	364,448	101,699	55,804
Total borrowings and other liabilities	2,079,426	711,563	525,795
<b>Total liabilities</b>	<b>11,809,235</b>	<b>8,714,207</b>	<b>10,059,315</b>
Members' equity			
Statutory reserves and undivided earnings	307,681	294,791	295,129
Accumulated other comprehensive income (loss)	(171,893)	(211)	790
Total members' equity	135,788	294,580	295,919
<b>Total liabilities and members' equity</b>	<b>\$ 11,945,023</b>	<b>\$ 9,008,787</b>	<b>\$ 10,355,234</b>

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

	Month Ended		Year-to-Date	
	October 31,		October 31,	
	2007	2006	2007	2006
<b>Interest income</b>				
Investments	\$ 49,269	\$ 32,156	\$ 480,353	\$ 315,164
Loans	3,046	2,725	22,200	24,704
Total interest income	<u>52,315</u>	<u>34,881</u>	<u>502,553</u>	<u>339,868</u>
<b>Interest expense</b>				
Members' accounts	40,688	29,271	436,828	287,324
Borrowings	6,983	2,860	27,013	20,990
Total interest expense	<u>47,671</u>	<u>32,131</u>	<u>463,841</u>	<u>308,314</u>
Net interest income	4,644	2,750	38,712	31,554
<b>Noninterest income</b>				
Service fee income, net	1,618	1,716	16,805	17,932
Other income	23	42	165	386
Net gains (losses) on financial instruments	543	(74)	(3,534)	(70)
Total noninterest income	<u>2,184</u>	<u>1,684</u>	<u>13,436</u>	<u>18,248</u>
<b>Noninterest expense</b>				
Salaries and employee benefits	2,553	2,726	24,067	27,489
Office operations	413	434	3,840	4,481
Professional and outside services	300	329	3,658	3,788
Training, travel and communications	464	412	4,268	4,206
Office occupancy	294	281	2,695	2,465
Other	95	91	1,069	1,226
Total noninterest expense	<u>4,119</u>	<u>4,273</u>	<u>39,597</u>	<u>43,655</u>
<b>Net income</b>	<u>\$ 2,709</u>	<u>\$ 161</u>	<u>\$ 12,551</u>	<u>\$ 6,147</u>

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

**Capital Ratios**

	<b>October 31,</b>		<b>December 31,</b>	<b>Regulatory Limits or Thresholds</b>
	<b>2007</b>	<b>2006</b>	<b>2006</b>	
Qualifying membership capital shares	\$ 475,531	\$ 471,720	\$ 472,473	
Paid-in capital shares	79,440	79,440	79,440	
Reserves and undivided earnings	307,681	294,791	295,129	
Total regulatory capital	<u>\$ 862,652</u>	<u>\$ 845,951</u>	<u>\$ 847,042</u>	
12-month daily average net assets	\$ 11,053,117	\$ 8,812,740	\$ 8,988,109	
Capital ratio	7.80%	9.60%	9.42%	5.00%
Core capital ratio	3.50%	4.25%	4.17%	3.00%
Retained earnings ratio	2.78%	3.35%	3.28%	2.00%

**Net Economic Value**  
**October 31, 2007**

	<b>Net Economic Value</b>	<b>Dollar Change</b>	<b>Actual Percentage Change</b>	<b>Policy and Regulatory Limits</b>
300 basis point rise in rates	\$ 550,806	\$ (135,274)	-19.7%	-28.0%
Base net economic value	686,080	-	-	-
300 basis point decline in rates	730,143	44,063	6.4%	

**Issuer Ratings**

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

**Supplemental Valuation Information**

	<b>Balance</b>
Asset backed securities	\$ (112,466)
Collateralized mortgage obligations	(43,466)
Corporate debt	(11,981)
Other financial instruments	(3,980)
Accumulated other comprehensive income (loss)	<u>\$ (171,893)</u>