



Consolidated Financial Statements

Unaudited

October 31, 2006



Contact Information:

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MEMBERS UNITED CORPORATE FEDERAL CREDIT UNION
CONSOLIDATED BALANCE SHEETS
OCTOBER 31, 2006
(in thousands)

	October 31,		December 31,
	2006	2005	2005
Assets			
Cash and cash equivalents	\$ 610,721	\$ 400,227	\$ 618,926
Securities available for sale, at fair value	4,368,433	3,245,473	3,419,168
Securities held-to-maturity		120,827	120,721
Interest earning deposits	3,325,250	3,562,595	4,045,153
Loans	633,772	831,354	723,517
Fixed assets, net	12,993	14,916	14,548
Accrued income and other assets	57,618	41,843	47,189
Total assets	\$ 9,008,787	\$ 8,217,235	\$ 8,989,222
Liabilities and Members' Equity			
Liabilities			
Members' accounts			
Shares and certificates	\$ 7,444,755	\$ 6,503,149	\$ 7,334,964
Membership capital shares	478,449	481,839	479,809
Paid-in capital shares	79,440	79,440	79,440
Total members' accounts	8,002,644	7,064,428	7,894,213
Borrowings and other liabilities			
U.S. Central borrowings	43,829	57,173	92,261
Commercial paper	89,550	489,399	589,197
Securities sold under agreements to repurchase	100,382	124,094	24,094
Deposits from affiliates and non-members	47,110	44,540	51,438
Other borrowings	328,993	107,770	10,144
Accrued dividends and other liabilities	101,699	47,936	44,684
Total borrowings and other liabilities	711,563	870,912	811,818
Total liabilities	8,714,207	7,935,340	8,706,031
Members' equity			
Statutory reserves and undivided earnings	294,791	287,935	288,644
Accumulated other comprehensive income (loss)	(211)	(6,040)	(5,453)
Total members' equity	294,580	281,895	283,191
Total liabilities and members' equity	\$ 9,008,787	\$ 8,217,235	\$ 8,989,222

MEMBERS UNITED CORPORATE FEDERAL CREDIT UNION
CONSOLIDATED STATEMENTS OF INCOME
AS OF OCTOBER 31, 2006
(in thousands)

	Month Ended		Year-to-Date	
	October 31,		October 31,	
	2006	2005	2006	2005
Interest income				
Investments	\$ 32,156	\$ 21,237	\$ 315,163	\$ 215,951
Loans	2,725	3,047	24,705	15,540
Total interest income	<u>34,881</u>	<u>24,284</u>	<u>339,868</u>	<u>231,491</u>
Interest expense				
Members' accounts	29,271	18,387	287,326	179,276
Borrowings	2,860	3,147	20,988	23,530
Total interest expense	<u>32,131</u>	<u>21,534</u>	<u>308,314</u>	<u>202,806</u>
Net interest income	2,750	2,750	31,554	28,685
Noninterest income				
Service fee income, net	1,716	1,694	18,226	16,367
Other income	42	0	410	328
Net realized gains (losses)	(74)	25	(47)	1,441
Total noninterest income	<u>1,684</u>	<u>1,719</u>	<u>18,589</u>	<u>18,136</u>
Noninterest expense				
Salaries and employee benefits	2,726	2,203	27,531	23,212
Office operations	434	463	4,480	4,829
Professional and outside services	329	233	3,788	2,618
Training, travel and communications	412	458	4,507	4,725
Office occupancy	281	352	2,395	3,144
Other	91	155	1,295	1,600
Total noninterest expense	<u>4,273</u>	<u>3,864</u>	<u>43,996</u>	<u>40,128</u>
Net income	<u>\$ 161</u>	<u>\$ 605</u>	<u>\$ 6,147</u>	<u>\$ 6,693</u>

MEMBERS UNITED CORPORATE FEDERAL CREDIT UNION
KEY FINANCIAL INFORMATION
OCTOBER 31, 2006
(in thousands)

Capital Ratios

	<u>October 31,</u>		<u>December 31,</u>	<u>Regulatory Limits or Thresholds</u>
	2006	2005	2005	
Qualifying membership capital shares	\$ 471,720	\$ 476,249	\$ 475,941	
Paid-in capital shares	79,440	79,440	79,440	
Reserves and undivided earnings	294,791	287,935	288,644	
Total regulatory capital	<u>\$ 845,951</u>	<u>\$ 843,624</u>	<u>\$ 844,025</u>	
12-month daily average net assets	\$ 8,812,740	\$ 8,891,901	\$ 8,805,682	
Capital ratio	9.60%	9.49%	9.59%	5.00%
Core capital ratio	4.25%	4.13%	4.18%	3.00%
Retained earnings ratio	3.35%	3.24%	3.28%	2.00%

Net Economic Value
October 31, 2006

	<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	\$ 776,546	\$ (67,771)	-8.0%	-28.0%
Base net economic value	844,317	-	-	-
300 basis point decline in rates	877,246	32,929	3.9%	

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-