



Consolidated Financial Statements

Unaudited

September 30, 2006



Contact Information:

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Chief Financial Officer

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MEMBERS UNITED CORPORATE FEDERAL CREDIT UNION
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2006
(in thousands)

	September 30,		December 31,
	2006	2005	2005
Assets			
Cash and cash equivalents	\$ 525,629	\$ 474,848	\$ 618,926
Securities available for sale, at fair value	4,318,545	3,343,846	3,419,168
Securities held-to-maturity		120,936	120,721
Interest earning deposits	3,784,245	3,653,692	4,045,153
Loans	551,439	712,126	723,517
Fixed assets, net	13,180	14,977	14,548
Accrued income and other assets	61,141	44,551	47,189
Total assets	\$ 9,254,179	\$ 8,364,976	\$ 8,989,222
Liabilities and Members' Equity			
Liabilities			
Members' accounts			
Shares and certificates	\$ 7,682,703	\$ 6,764,157	\$ 7,334,964
Membership capital shares	486,231	472,731	479,809
Paid-in capital shares	79,440	79,440	79,440
Total members' accounts	8,248,374	7,316,328	7,894,213
Borrowings and other liabilities			
U.S. Central borrowings	44,153	37,253	92,261
Commercial paper	89,588	395,592	589,197
Securities sold under agreements to repurchase	100,331	223,807	24,094
Deposits from affiliates and non-members	48,995	42,181	51,438
Other borrowings	342,237	27,032	10,144
Accrued dividends and other liabilities	86,617	41,182	44,684
Total borrowings and other liabilities	711,921	767,047	811,818
Total liabilities	8,960,295	8,083,375	8,706,031
Members' equity			
Statutory reserves and undivided earnings	294,630	287,329	288,644
Accumulated other comprehensive income (loss)	(746)	(5,728)	(5,453)
Total members' equity	293,884	281,601	283,191
Total liabilities and members' equity	\$ 9,254,179	\$ 8,364,976	\$ 8,989,222

MEMBERS UNITED CORPORATE FEDERAL CREDIT UNION
CONSOLIDATED STATEMENTS OF INCOME
AS OF SEPTEMBER 30, 2006
(in thousands)

	Month Ended		Year-to-Date	
	September 30,		September 30,	
	2006	2005	2006	2005
Interest income				
Investments	\$ 31,955	\$ 20,848	\$ 283,007	\$ 194,714
Loans	3,061	2,677	21,979	12,492
Total interest income	<u>35,016</u>	<u>23,525</u>	<u>304,986</u>	<u>207,206</u>
Interest expense				
Members' accounts	28,012	17,422	258,054	160,888
Borrowings	3,786	3,496	18,128	20,383
Total interest expense	<u>31,798</u>	<u>20,918</u>	<u>276,182</u>	<u>181,271</u>
Net interest income	3,218	2,607	28,804	25,935
Noninterest income				
Service fee income, net	1,839	1,728	16,510	14,673
Other income	8	107	368	1,498
Net realized gains (losses)	12	49	28	247
Total noninterest income	<u>1,859</u>	<u>1,884</u>	<u>16,906</u>	<u>16,418</u>
Noninterest expense				
Salaries and employee benefits	2,476	2,241	24,823	21,072
Office operations	422	430	3,678	4,045
Professional and outside services	453	254	3,422	2,328
Training, travel and communications	315	563	3,334	3,073
Office occupancy	261	515	3,181	4,068
Other	106	173	1,286	1,679
Total noninterest expense	<u>4,033</u>	<u>4,176</u>	<u>39,724</u>	<u>36,265</u>
Net income	<u>\$ 1,044</u>	<u>\$ 315</u>	<u>\$ 5,986</u>	<u>\$ 6,088</u>

MEMBERS UNITED CORPORATE FEDERAL CREDIT UNION
KEY FINANCIAL INFORMATION
SEPTEMBER 30, 2006
(in thousands)

Capital Ratios

	<u>September 30,</u>		<u>December 31,</u>	<u>Regulatory Limits or Thresholds</u>
	2006	2005	2005	
Qualifying membership capital shares	\$ 475,578	\$ 467,312	\$ 475,941	
Paid-in capital shares	79,440	79,440	79,440	
Reserves and undivided earnings	294,630	287,329	288,644	
Total regulatory capital	<u>\$ 849,648</u>	<u>\$ 834,081</u>	<u>\$ 844,025</u>	
12-month daily average net assets	\$ 8,780,619	\$ 8,935,640	\$ 8,805,682	
Capital ratio	9.68%	9.33%	9.59%	5.00%
Core capital ratio	4.26%	4.10%	4.18%	3.00%
Retained earnings ratio	3.36%	3.22%	3.28%	2.00%

Net Economic Value
September 30, 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	\$ 788,547	\$ (52,793)	-6.3%	-28.0%
Base net economic value	841,340	-	-	-
300 basis point decline in rates	859,985	18,645	2.2%	

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-