

# *Financial Statement*

*as of  
June 30, 2008*

The logo for Midwest Corporate Federal Credit Union features a teal-colored swoosh on the left side. The word "Midwest" is written in a bold, black, serif font, and "Corporate" is written in a bold, black, sans-serif font. A teal horizontal line runs beneath both words. Below this line, the words "FEDERAL CREDIT UNION" are written in a smaller, black, all-caps, sans-serif font. There are also some teal decorative lines above the word "Corporate".

**Midwest Corporate**  
FEDERAL CREDIT UNION

# Midwest Corporate FCU

## Statement of Financial Condition

(unaudited)

Assets	6/30/08	6/30/07
Cash & Cash Equivalents	\$ 4,498,316	\$ 3,273,017
Loans to Members	5,453,145	1,704,755
Investments	239,137,536	234,250,463
Securities Purchased Under		
Agreements to Resell	- 0 -	- 0 -
Investments in Corporate CUSOs	289,980	299,980
NCUSIF Deposit	54,071	50,432
Interest Receivable	1,408,171	2,514,521
Future Dated ACH	- 0 -	12,006,723
Other Assets	<u>628,003</u>	<u>182,406</u>
<b>Total Assets</b>	<b><u>\$251,469,254</u></b>	<b><u>\$254,272,297</u></b>
<b>Liabilities &amp; Equity</b>		
<b>Liabilities</b>		
Notes Payable	\$ - 0 -	\$ 1,500,000
Securities Sold Under		
Agreements to Repurchase	- 0 -	- 0 -
Interest Payable	605,336	1,517,805
Future Dated ACH	- 0 -	12,006,723
Other Liabilities	<u>108,115</u>	<u>71,156</u>
<b>Total Liabilities</b>	<b><u>\$ 713,451</u></b>	<b><u>\$ 15,095,684</u></b>
<b>Shares</b>		
Share Accounts	\$123,020,569	\$118,395,720
Certificates of Deposit	113,277,000	107,107,000
Member Capital Shares	<u>6,764,195</u>	<u>6,422,241</u>
<b>Total Shares</b>	<b><u>\$243,061,764</u></b>	<b><u>\$231,924,961</u></b>
<b>Equity</b>		
Regular Reserve	\$ 3,087,718	\$ 3,087,718
Other Reserves	- 0 -	- 0 -
Unrealized Gain(Loss)		
on AFS Investments	(57,573)	- 0 -
Undivided Earnings	4,376,408	4,005,237
Net Income	<u>287,487</u>	<u>158,697</u>
<b>Total Primary Equity</b>	<b><u>\$ 7,694,040</u></b>	<b><u>\$ 7,251,652</u></b>
<b>Total Liab. &amp; Equity</b>	<b><u>\$251,469,254</u></b>	<b><u>\$254,272,297</u></b>
<b>12-month Average</b>		
Daily Net Assets	<u>\$290,235,179</u>	<u>\$223,089,234</u>
Available for Sale Investments	<u>\$ 7,089,599</u>	<u>\$ - 0 -</u>

### Net Economic Value Analysis

Percent change in NEV for instantaneous changes in Interest Rates

	<u>6/08</u>	<u>12/07</u>	<u>12/06</u>	<u>12/05</u>
+3.00%	-3.78%	-2.18%	-1.72%	-3.13%
Base Ratio	5.78%	4.56%	5.81%	8.21%
-1.00% *	+1.31%	+0.79%	+0.55%	+1.09%
-2.00% *	N/A	+1.62%	+1.12%	+2.19%
-3.00% *	N/A	+2.48%	+1.72%	+3.37%

\* Shocks for a 3.00% and 2.00% downward movement was not done for 3/08 due to the very low rate environment at that time.

*Net Economic Value (NEV)* is the difference between the present value of our assets and our liabilities, divided by the present value of our assets. The percent change in different rate scenarios (i.e. +/- 300 basis points) indicates the interest rate sensitivity we currently maintain. For Base Level Operating Authority, NCUA Regulation Part 704 permits a percent change in a corporate credit union's NEV up to 15.00% and requires that the NEV ratio is maintained at a minimum of 2.00% during rate shock tests.

# Midwest Corporate FCU

## Investment Portfolio Distribution

All Investments:	<u>6/08</u>	<u>12/07</u>	<u>12/06</u>
U.S. Central Credit Union	89.6%	93.5%	93.1%
U.S. Gov't. Agency Bonds	0.0%	0.0%	1.0%
Asset-Backed Securities (AAA)	2.7%	2.4%	0.0%
Other Financial Institutions	3.7%	3.9%	2.0%
All Member Loans	2.2%	0.0%	3.0%
Other Investments	1.7%	0.2%	0.9%
<b>Investments in</b>			
U.S. Central Credit Union:	<u>6/08</u>	<u>12/07</u>	<u>12/06</u>
Overnight	24.6%	24.1%	24.1%
Certificates of Deposit			
Fixed Rate	48.6%	51.8%	51.8%
Variable Rate	16.2%	16.8%	16.8%
Structured	5.1%	3.7%	3.7%
Member Capital Shares			
& Paid-in-Capital	5.5%	3.6%	3.6%
Other	0.0%	0.0%	0.0%

# Midwest Corporate Federal Credit Union

## Statement of Income

(unaudited)

Year-to-Date	6/08	6/07
<b>Interest Income</b>		
Interest on Loans	\$ 8,212	\$ 65,736
Interest on Investments	<u>5,894,539</u>	<u>6,712,449</u>
<b>Total Interest Income</b>	<b><u>\$5,902,751</u></b>	<b><u>\$6,778,185</u></b>
<b>Interest Expense</b>		
Interest on Deposits	\$5,315,348	\$6,363,697
Interest on Borrowed Funds	<u>364</u>	<u>27,661</u>
<b>Total Interest Expense</b>	<b><u>\$5,315,711</u></b>	<b><u>\$6,391,358</u></b>
<b>Net Interest Income</b>	<b>\$ 587,040</b>	<b>\$ 386,827</b>
<b>Fee Income</b>	<b>339,797</b>	<b>149,370</b>
<b>Operating Expenses</b>	<b><u>639,350</u></b>	<b><u>377,500</u></b>
<b>Net Income from Operations</b>	<b>\$ 287,487</b>	<b>\$ 158,697</b>
<b>Non-Operating Gains(Losses)</b>	<b><u>- 0 -</u></b>	<b><u>- 0 -</u></b>
<b>Net Income</b>	<b><u>\$ 287,487</u></b>	<b><u>\$ 158,697</u></b>

### Ratios

	6/08	6/07
Primary Capital to DANA	2.67%	3.25%
Total Capital to DANA	5.00%	6.13%
Dividends to Gross Income	85.15%	91.86%
Operating Expenses to Gross Income	10.25%	5.45%
Net Interest Income to DANA	.359%	.298%
Operating Expenses to DANA	.443%	.338%
Net Income from Operations to DANA	.176%	.122%
Return on Equity	7.72%	4.51%

DANA = 12-month Daily Average Net Assets

Total Capital = Primary Capital + Member Capital Shares

Ratios are annualized.