

U.S. Central Announces June 30, 2009, OTTI

July 31, 2009- U.S. Central announced today further other than temporary impairment (OTTI) charges as of June 30, 2009, of \$537 million, resulting in a net loss of \$470 million for the three months ended June 30, 2009. This results in total membership capital shares depletion at U.S. Central of 63.2% as of June 30, 2009. For Members United, this results in total depletion of Members United's MCS at U.S. Central of approximately \$128 million, an increase of approximately \$81 million over what was previously reported. We expect that this depletion will be reflected in the July 31, 2009 financial reports.

Yesterday, Members United published its June 30th Portfolio Update and Financial Reports. On page nine of that report, we presented two scenarios of the possible impact on our member credit unions' Paid-In-Capital (PIC) and MCS once audited financial statements become available. The first scenario assumed no additional OTTI and U.S. Central MCS impaired to 23%. In the table below, we have updated that scenario to demonstrate (as of June 30, 2009) the effect of no additional OTTI and U.S. Central MCS impaired to 63.2%. Under that scenario, member credit unions' MCS at Members United is depleted by 43%. Members United's capital ratio would be 3.03%.

For additional information on USC's June 30th financials, click [here](#). For a copy of Members United's June 30, 2009, Portfolio Update and Financial Reports, click [here](#).

**MEMBERS UNITED CORPORATE FEDERAL CREDIT UNION
DEPLETION
JUNE 30, 2009
UNAUDITED
(in thousands)**

Capital Ratios

Depletion Scenarios Estimated as of June 30, 2009

Scenario 1 - Assumes no additional OTTI and U.S. Central MCS impaired to 63.2%				
<i>(\$'s in thousands)</i>				
	Capital Base Prior to Depletion Entry	Depletion Adjustments	Capital Base After Depletion Entry	Depletion Percentage
Retained (deficit) earnings	\$ (282,543)	\$ 282,543	\$ -	
Paid-in capital shares	79,440	(79,440)	-	100%
Qualifying membership capital shares	<u>477,637</u>	<u>(203,103)</u>	<u>274,534</u>	43%
Total capital	<u>\$ 274,534</u>	<u>\$ -</u>	<u>\$ 274,534</u>	
Capital ratio	3.03%			