Consolidated Financial Statements

CONSOLIDATED BALANCE SHEETS

	Years ended December 31, 2008	2007
Assets		
Cash and due from banks	$36,058,907	$24,300,854
Corporate credit union overnight deposits	3,182,631	65,025,074
FHLB overnight deposits	43,287,749	56,491,772
Cash and cash equivalents	82,529,287	145,817,700
Trading securities	2,718,454	2,379,574
Investments available for sale at fair value	218,343,326	80,503,514
Investment securities held to maturity	299,688,985	235,126,295
Loans to members and mortgage loans held for sale, net of allowance for loan losses	991,680,007	945,306,771
Property and equipment, net	40,554,582	38,037,039
Share insurance capitalization deposit	4,169,234	12,098,663
Accrued interest receivable	8,220,412	7,487,437
Other real estate	25,716	—
Goodwill	3,855,739	3,462,924
Identifiable intangible assets	1,957,020	2,180,679
Other assets	4,158,776	4,198,179
Total assets	$1,657,901,538	$1,476,598,775

	Years ended December 31, 2008	2007
Liabilities and Members' Equity		
Liabilities:		
Accrued expenses and other liabilities	$16,489,354	$16,792,975
Corporate drafts payable	6,224,596	9,843,002
Total liabilities	22,713,950	26,635,977
Members' equity:		
Members' share accounts	1,508,016,293	1,321,636,381
Retained earnings	124,941,958	127,478,894
Accumulated other comprehensive income	2,229,337	847,523
Total members' equity	1,635,187,588	1,449,962,798
Total liabilities and members' equity	$1,657,901,538	$1,476,598,775

Consolidated Statements of Changes in Members' Equity and Accumulated Other Comprehensive Income —Year end December 31, 2008

	Comprehensive income	Retained earnings appropriated statutory	Retained equity unappropriated	Accumulated other Comprehensive income (loss)	Total
Balance, December 31, 2007		$11,112,988	116,365,906	847,523	128,326,417
Comprehensive income:					
Net Income:	**$6,669,951**				**$6,669,951**
Adjustment for impairment of share insurance capitalization deposit	(9,279,905)				(9,279,905)
Net Loss	(2,609,954)	—	(2,609,955)	—	(2,609,955)
Other comprehensive income:					
Unrealized holding gains on investments available for sale	1,326,470	—	—	1,326,470	1,326,470
Amortization of unrecognized actuarial amounts	55,344	—		55,344	55,344
Other comprehensive income	1,381,814	—	—	—	1,381,814
Equity from merger with Skidmore Students FCU		3,333	69,685	—	73,018
Balance, December 31, 2008	(1,228,140)	$11,116,321	113,825,636	2,229,337	127,171,294

SEFCU

*A copy of SEFCU's audited financial statement is available upon request by contacting David Gosstola, CFO, Administrative Office, Patroon Creek Corporate Center, 700 Patroon Creek Blvd.,Albany, NY 12206