

FINANCIAL STATEMENTS

Statement of Financial Position-Unaudited

Assets:	6/30/05	6/30/04	Change
Cash	\$ 24,074,715	\$ 16,755,214	43.68%
Investments	100,288,689	134,832,892	-25.62%
Loans to Members	1,111,611	620,496	-79.15%
Other Assets and Accrued Receivables	836,287	669,492	24.91%
Total Assets	\$ 126,311,302	\$ 152,878,095	-17.38%
Liabilities and Equity:			
Liabilities and Accrued Expenses	\$ 24,272,643	19,481,283	24.59%
Shares			
Membership Capital Shares	99,495,897	131,095,558	-24.10%
Reserves and Undivided Earnings	2,736,362	2,410,520	13.52%
Unrealized Gain/(Loss) on AFS securities	(193,600)	(109,266)	77.18%
Total Liabilities and Equity	\$ 126,311,302	\$ 152,878,095	-17.38%

Statement of Operations-Unaudited

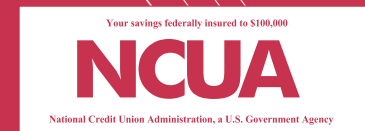
	Month Ended 6/30/05	Y. T. D. 6/30/05
Interest Income	\$ 290,073	\$ 1,747,230
Dividend and Interest Expense	181,685	1,121,590
Net Interest Income	108,388	625,340
Service Fee Income	37,938	263,781
Income (less Interest Expense)	146,327	889,121
Operating Expense	103,148	610,833
Net Income before Dividend on Capital Shares	43,178	278,287
Dividends on Capital Shares	7,201	37,087
Net Income before Dividends on PIC	35,977	241,200
Dividends on PIC	12,012	64,320
Net Increase in Undivided Earnings	\$ 23,965	\$ 176,881



2005 MID-YEAR FINANCIAL SOUNDNESS REPORT



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This report should be retained as part of the credit analysis required under Regulation 703.

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EXECUTIVE SUMMARY

Louisiana Corporate continues to maintain a high quality investment portfolio which adheres to the Corporate's strict asset liability management guidelines. Exposure to interest rate fluctuations (interest rate risk) is minimal, due to a high percentage of liquid and floating rate investments.

Louisiana Corporate's total assets were \$126.3 million as of June 30, 2005. Net income for the six months ended June 30, 2005 was \$177 thousand.

ASSET LIABILITY MANAGEMENT

Louisiana Corporate's asset liability management policies are stricter than minimum regulatory requirements and require the corporate to closely match the maturity and repricing characteristics of its member liabilities to its assets. Louisiana Corporate operates at the "Base" level of NCUA Rules and Regulations Part 704, which provides for the most conservative of several operating levels available to Corporate Credit Unions. This effectively minimizes the Corporate's interest rate risk, or its exposure to net income fluctuations during periods of changing market interest rates and liquidity levels.

Louisiana Corporate monitors its exposure to changing interest rate levels by performing a number of analytical procedures, including Net Economic Value (NEV) analysis. This analysis is performed quarterly and measures the effect of an immediate and sustained 300 basis point upward and 100 basis point downward change in interest rates on the Corporate's net interest income and NEV.

The following table summarizes the results of Louisiana Corporate's NEV analysis as of June 30, 2005:

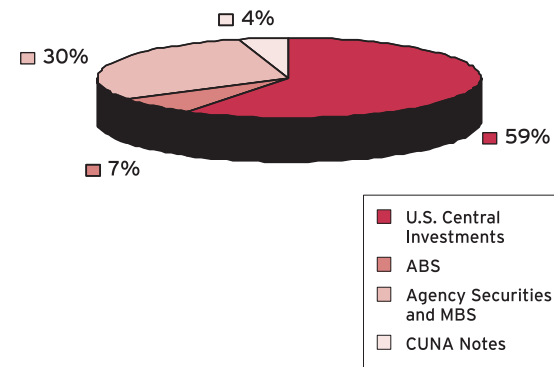
<u>Interest Rate Scenario</u>	<u>NEV Ratio</u>	<u>NEV in \$</u>	<u>% Change from Base</u>	<u>Regulatory Requirement</u>
+300 bps	9.94%	12,309,522	-7.22%	<-15%
Base	10.52%	13,267,958		> 3%
-200 bps	10.69%	13,612,938	2.60%	<-15%

CAPITAL

A corporate credit union's capital strength level is gauged in relation to the degree of investment risk it assumes. Louisiana Corporate continues to maintain a strong capital level combined with a relatively low degree of investment risk. As of June 30, 2005, Louisiana Corporate's retained earnings totaled \$2,736,362. Membership Capital Accounts totaled \$6,606,880. Member Paid-In Capital was an additional \$3,984,120. Core Capital, as defined by NCUA Rules and Regulations, equaled \$6,720,482 and the Core Capital Ratio was 5.39%. The Capital Ratio, as defined by NCUA Rules and Regulations, was 10.75% and exceeded regulatory requirements by 169%. The Corporate's net income of \$176,881 through June 30, 2005 exceeded budget by 27%.

CREDIT QUALITY

As of June 30, 2005, 98.46% of Louisiana Corporate's assets were invested and 0.89 % were in outstanding loans to member credit unions. The following chart depicts the distribution of Louisiana Corporate's investments at June 30, 2005:



U.S. CENTRAL INVESTMENTS

As of June 30, 2005, 59% of Louisiana Corporate's total investment portfolio was invested in liabilities of U.S. Central Credit Union, Overland Park, Kansas. U.S. Central acts as a wholesale corporate credit union for corporate credit unions that are its member / owners and is insured by the National Credit Union Share Insurance Fund (NCUSIF), administered by the National Credit Union Administration. Louisiana Corporate's high level of participation at U.S. Central serves to minimize its risk. The following ratings serve as a testament to U.S. Central's credit quality:

Long-Term Debt

<i>Rating Service</i>	<i>Rating</i>
Standard & Poor's	AAA
Moody's	Aa1
Fitch	AAA

Short-Term Debt

<i>Rating Service</i>	<i>Rating</i>
Standard & Poor's	A1+
Moody's	P1
Fitch	F1+

ASSET BACKED SECURITIES (ABS)

Louisiana Corporate utilizes limited investment in asset backed securities to diversify its portfolio, and maximize return to members consistent with sound asset liability management policies. As of June 30, 2005, 7% of Louisiana Corporate's investment portfolio was placed in asset backed securities. These securities comply with NCUA Rules and Regulations Part 704, as well as the corporate's investment policies, which further restrict the types and amounts of securities which may be held.

MORTGAGE BACKED SECURITIES (MBS) AND OTHER INVESTMENTS

As of June 30, 2005, approximately 30 % of LaCorp's investment portfolio was invested in U.S. government agency securities, mortgage back securities, and other investments. Like ABS, these investments are utilized to provide further diversification of the portfolio, while enabling the corporate to maximize its return to members consistent with sound

asset liability management principles. These securities must pass industry standard volatility tests at the time of purchase, and are subjected to monthly re-testing. These practices provide for a qualification and testing procedure which is even more stringent than required regulatory standards. In accordance with LaCorp policies, these securities are limited in amount and maturity and must be adequately diversified in terms of collateral type, geographic location, and interest rate indices. LaCorp had an investment of \$4,000,000 in CUNA Mutual Medium Term Notes. CUSO investments totaled \$734,590 and included investments in the shares of CNBS, LLC, CU Business Group, and Primary Financial Corporation.

LIQUIDITY

Louisiana Corporate acts to manage its investment portfolios in accordance with its member's needs for liquidity. Accordingly, LaCorp continually monitors the liquidity of member deposits. Louisiana Corporate maintains a high percentage of its investments in overnight deposits and further strengthens its liquidity position by maintaining committed and advised lines of credit with U.S. Central Credit Union. At June 30, 2005, Louisiana Corporate maintained \$38 million in credit lines with U.S. Central Credit Union. Louisiana Corporate maintains membership in the Federal Home Loan Bank of Dallas which provides an additional alternative source of liquidity.

OVERSIGHT

Louisiana Corporate Credit Union is chartered by the State of Louisiana and insured by the National Credit Union Share Insurance Fund (NCUSIF). Annual regulatory examinations and insurance reviews are conducted jointly by the National Credit Union Administration, Office of Corporate Credit Unions, and the State of Louisiana, Office of Financial Institutions. The corporate receives an annual CPA opinion audit, and engages an external firm to perform quarterly internal control reviews and an annual ACH compliance review. The corporate also engages an external financial modeling firm to perform quarterly asset-liability management reviews and net economic value modeling.