

# **NATIONAL CREDIT UNION SHARE INSURANCE FUND**

*Your savings federally insured to \$100,000*

## **NCUA**

*National Credit Union Administration  
a U.S. Government Agency*

## **FINANCIAL HIGHLIGHTS APRIL 30, 2006**

**DENNIS WINANS  
CHIEF FINANCIAL OFFICER**

**NCUSIF FINANCIAL HIGHLIGHTS**  
**April 30, 2006**

**Balance Sheet:**

Investments: US Government Securities — increased by \$93.5 million due primarily to the collection of one percent deposit adjustments due from credit unions on April 17, 2006.

Due from Credit Unions — of \$2.0 million represents the remaining balance of one percent deposit adjustments due from credit unions on April 17, 2006.

Cash — includes \$197.4 thousand in collections on one percent deposit adjustments received after the overnight investment was made on April 28, 2006.

Prepaid & Deferred Charges — is \$0.4 million for April. \$7.0 million was transferred to the operating fund to cover 57% of the agency's operating costs. April's actual operating costs were \$6.6 million.

Other Assets — represents balance due to the NCUSIF from monies loaned to NCUA for purchase of the King Street building.

Leased Assets — of \$1.0 million represents the value of laptop computers leased by NCUA for state examiners.

Check Clearing Accounts — of \$0.7 million is primarily for refund checks issued to credit unions that declined in insured shares and have not cleared through the banking system as of April 30, 2006.

Leased Liabilities — of \$1.0 million represents future payments associated with the laptop computer lease agreement.

NCUSIF Equity — remained at 1.30% for April. The equity ratio is based upon an insured share base of \$514.9 billion.

**Statement of Revenue and Expense:**

Investment Income — is approximately \$49.6 thousand more than the previous month due rising interest rates.

NCUSIF Total Operating Expense — of \$6.7 million includes \$123.0 thousand in direct expenses paid by the NCUSIF for state examiner training, leasing expense for state examiner laptop computers, and other insurance related items.

Insurance Loss — is -\$0.2 million for April. This decrease is a net reduction in reserves for specific problem credit unions.

TABLE 1 - NATIONAL CREDIT UNION SHARE INSURANCE FUND  
BALANCE SHEET  
APRIL 30, 2006

ASSETS	APRIL 2005	MARCH 2006	APRIL 2006
Investments:			
U.S. Government Securities	\$6,401,512,655.17	\$6,578,406,690.71	\$6,671,873,528.62
Advances to Credit Unions:			
NCUSIF Subordinated Notes	0.00	0.00	0.00
Share Deposits	0.00	0.00	0.00
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Total Advances to Credit Unions	0.00	0.00	0.00
Other Receivables:			
Due from Credit Unions	6,699,845.00	92,239,156.00	2,019,533.32
Loans due to NCUSIF	7,344,577.92	0.00	0.00
Recoveries from Liq. CU	26,241,628.33	14,040,277.11	14,357,450.61
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Total Other Receivables	40,286,051.25	106,279,433.11	16,376,983.93
Cash	53,534.17	5,700.19	203,086.50
Interest Receivable	55,310,671.77	45,442,683.35	55,676,863.25
Prepaid & Deferred Charges	494,288.48	38,700.07	423,582.39
Leased Assets	378,863.87	1,016,165.00	987,842.92
Other	24,697,699.73	23,466,781.56	23,354,936.77
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TOTAL ASSETS	\$6,522,733,764.44	\$6,754,656,153.99	\$6,768,896,824.38
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LIABILITIES			
Accounts Payable:			
Liquidation Claims	\$16,481,164.03	\$4,359,242.56	\$5,396,014.33
Other	4,370.21	42,294.77	598,302.02
Check Clearing Accounts	400,433.85	908,566.79	715,315.47
Dividend Check Clearing	0.00	0.00	0.00
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Total Current Liabilities	16,885,968.09	5,310,104.12	6,709,631.82
Provision for CU Losses (Reserves)	73,866,414.67	71,772,535.04	70,833,942.75
Lease Liabilities	315,274.97	1,073,504.18	983,838.34
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TOTAL LIABILITIES	\$91,067,657.73	\$78,156,143.34	\$78,527,412.91 1/
EQUITY			
CU Contributed Capital	\$4,999,049,384.79	\$5,148,421,921.84	\$5,148,735,026.13
Retained Earnings	1,432,616,721.92	1,528,078,088.81	1,541,634,385.34
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TOTAL EQUITY	\$6,431,666,106.71	\$6,676,500,010.65	\$6,690,369,411.47
TOTAL LIABILITIES & EQUITY	\$6,522,733,764.44	\$6,754,656,153.99	\$6,768,896,824.38
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COMPARATIVE ANALYSIS OF BALANCE SHEET RATIOS  
for Period Ending April 30, 2006

	APR 05	MAR 06	APR 06
1/ Does not include unreserved contingent liabilities of \$0 in asset guarantees, \$14.9 million in outstanding line of credit guarantees, and \$1.4 million in an indemnification expiring in Dec 06.	98.14%	97.39%	98.57%
1. Investments/Total Assets	1.29%	1.30%	1.30%
2. Total Equity/Insured Shares	1.48%	1.39%	1.38%
3. Prov. for Losses/CU Capital	1.48%	2.26%	1.09%
4. Non-Earning/Total Assets	1.25%	1.25%	1.27%
5. Available Asset Ratio			

TABLE 2 - STATEMENT OF REVENUE AND EXPENSE  
FOR THE PERIOD ENDING APRIL 30, 2006

INCOME	CURRENT MONTH	CURRENT MONTH BUDGET	CY TO DATE 2006	CY TO DATE BUDGETED 2006	CY TO DATE 2005
Investment Income	\$20,009,878.73	\$22,000,000.00	\$76,614,075.33	\$88,000,000.00	\$48,203,494.58
Other Income	56,806.16	70,000.00	263,285.49	\$280,000.00	178,604.26
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Total Income	20,066,684.89	22,070,000.00	76,877,360.82	88,280,000.00	48,382,098.84
EXPENSE					
Employee Pay	4,065,349.75	3,877,933.95	\$15,903,653.25	16,482,800.90	15,305,711.13
Employee Benefits	1,051,003.71	1,054,144.39	\$4,211,928.66	4,468,046.55	4,027,496.63
Employee Travel	647,848.06	653,807.07	\$1,643,280.68	3,015,565.57	1,542,701.47
Rent/Communications/Utilities	145,282.38	189,990.67	\$648,410.36	759,962.67	614,667.61
Administrative Costs	471,590.26	557,187.27	\$1,925,860.07	2,228,749.06	2,081,907.22
Contracted Services	195,343.45	421,880.23	\$809,934.57	1,687,520.91	738,491.10
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Subtotal NCUA Operating Exp.	6,576,417.61	6,754,943.58	25,143,067.59	24,310,975.16	24,310,975.16
AMAC Expense	0.00	1,000.00	2,714.87	4,000.00	303.75
Training Expense	91,037.20	100,000.00	179,407.04	400,000.00	235,032.69
Leasing Expense	28,715.21	32,000.00	189,473.43	128,000.00	139,696.86
Other Insurance Expense	3,218.34	5,000.00	15,340.45	20,000.00	10,543.86
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Total Operating Exp.	6,699,388.36	6,892,943.58	25,530,003.38	24,862,975.16	24,696,552.32
Insurance Loss	(189,000.00)	2,000,000.00	126,000.00	8,000,000.00	7,233,082.15
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Total Expense	6,510,388.36	8,892,943.58	25,656,003.38	32,862,975.16	31,929,634.47
NET INCOME	<u>\$13,556,296.53</u>	<u>\$13,177,056.42</u>	<u>\$51,221,357.44</u>	<u>\$55,417,024.84</u>	<u>\$16,452,464.37</u>
Retained Earnings, Beginning of Year			<b>\$1,490,413,027.90</b>		\$1,416,164,257.55
Prior Year Adjustment			0.00		0.00
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As Restated			1,490,413,027.90		1,416,164,257.55
Net Income			51,221,357.44		16,452,464.37
			-----		-----
Dividends			1,541,634,385.34		1,432,616,721.92
			0.00		0.00
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Retained Earnings, Year To Date			<u>\$1,541,634,385.34</u>		<u>\$1,432,616,721.92</u>

Comparative Analysis of NCUSIF Ratios for April 30, 2006

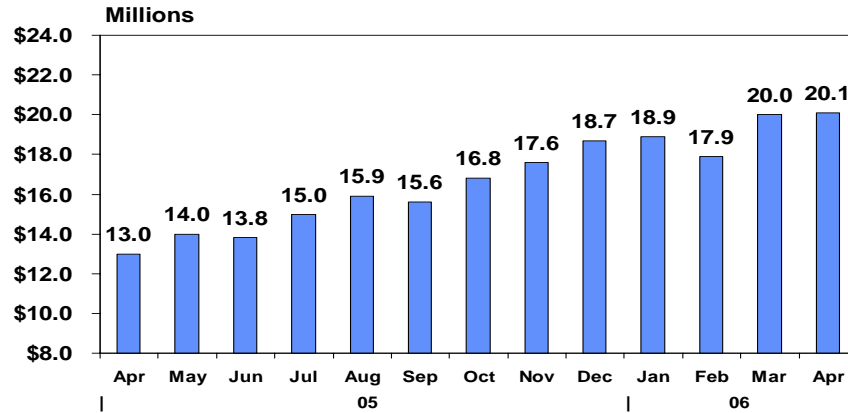
INCOME STATEMENT RATIOS	LAST MONTH	THIS MONTH	PRIOR CYTD	CURRENT CYTD
1. Oper. Exp./Total Income	35.40%	33.39%	51.04%	33.21%
2. Ins. Loss/Total Income	1.47%	-0.94%	14.95%	0.16%
3. Total Exp./Total Income	36.87%	32.44%	65.99%	33.37%
4. Net Income/Total Income	63.13%	67.56%	34.01%	66.63%
5. Ins. Loss/Insured Shares	0.00%	0.00%	0.00%	0.00%

**TABLE 3 - STATEMENT OF CASH FLOWS**  
**April 30, 2006**

CASH FLOWS FROM OPERATING ACTIVITIES:	
Income from investments	\$73,039,264.88
Other income received	263,285.49
Cash paid for operating expenses	(26,944,984.80)
Net cash (paid) received for insurance losses	<u>(1,898,273.76)</u>
Net cash provided by operating activities	44,459,291.81
CASH FLOWS FROM INVESTING ACTIVITIES:	
Investments, net	(65,102,890.80)
Collections on note receivable - National Credit Union Administration Operating Fund	<u>420,612.92</u>
Net cash provided by (used in) investing activities	(64,682,277.88)
CASH FLOWS FROM FINANCING ACTIVITIES:	
Contributions from insured credit unions Cont Cap acct	20,420,564.55
Dividends to insured credit unions	<u>0.00</u>
Net cash provided by financing activities	20,420,564.55
NET INCREASE (DECREASE) IN CASH	197,578.48
CASH, BEGINNING OF YEAR	5,508.02
CASH, ENDING APRIL 30, 2006	<u><u>\$203,086.50</u></u>

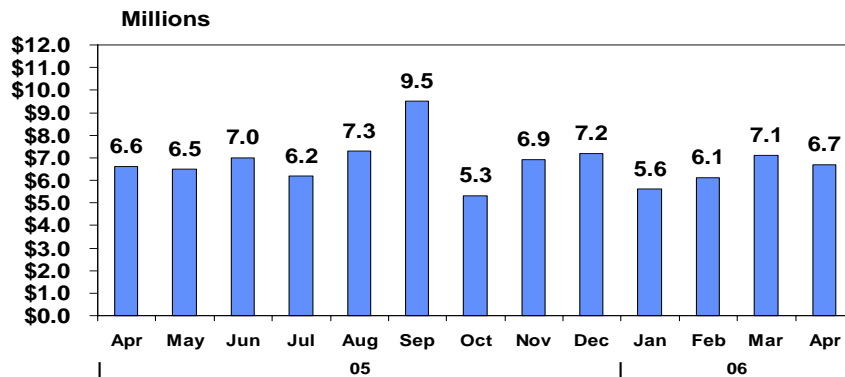
# GROSS INCOME

April 05 – April 06



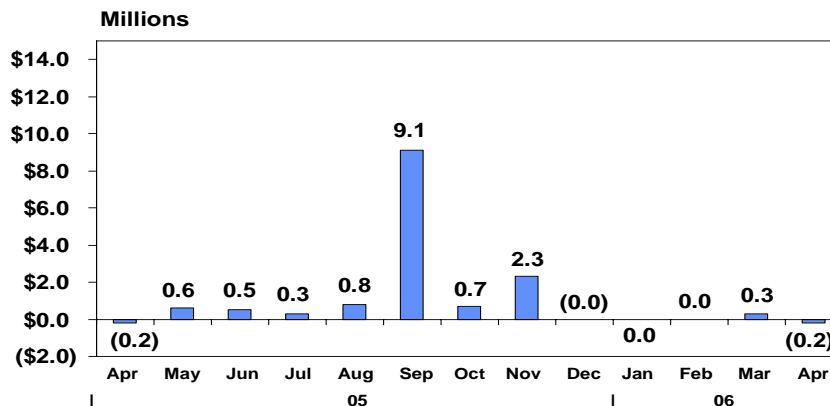
# OPERATING EXPENSE

April 05 – April 06



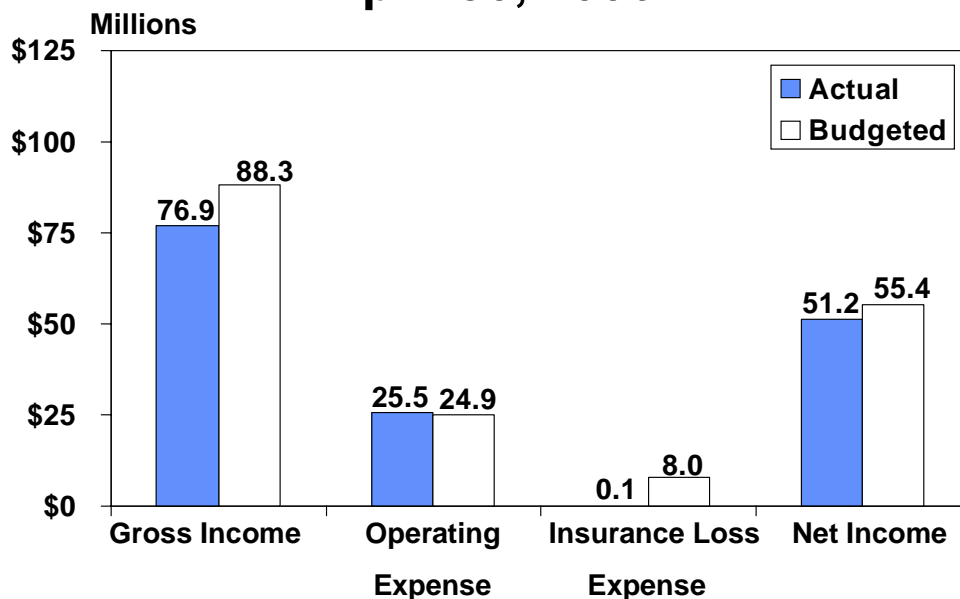
# INSURANCE LOSS EXPENSE

April 05 – April 06



# REVENUE AND EXPENSE

April 30, 2006



# NCUSIF EQUITY RATIO

April 30, 2006

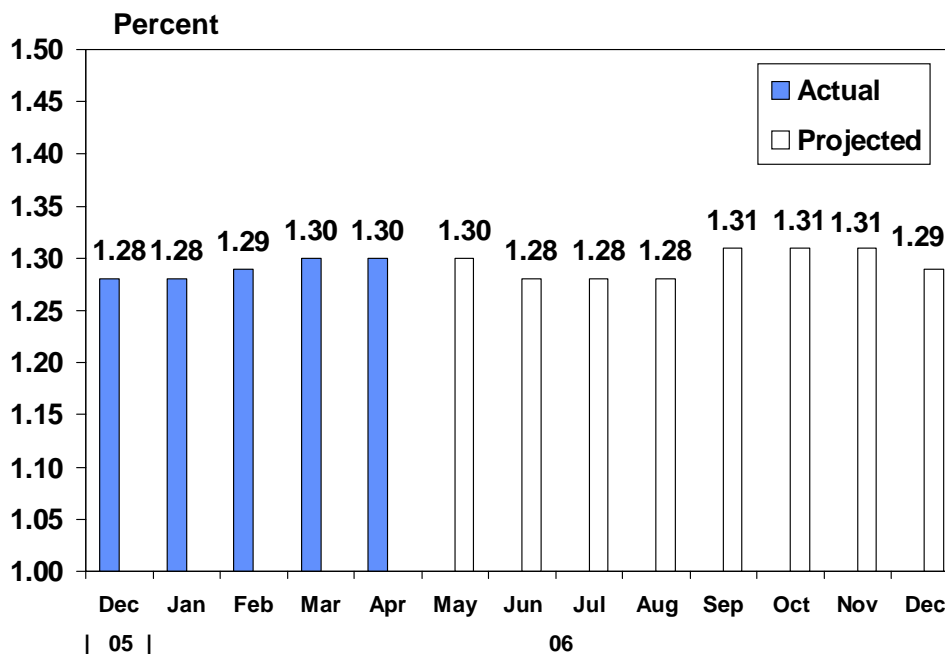


TABLE 4

**INVESTMENT PORTFOLIO SUMMARY**

April 30, 2006

<b>I. INVESTMENT PORTFOLIO BALANCE AND MARKET VALUE</b>					
	Book Value	Market Value	(Gain or Loss)	% Market to Book Value	Weighted Average Yield
Daily Treasury Account	\$1,104,071,000	\$1,104,071,000	\$0	100.0%	4.71%
U.S. Treasury Notes	\$5,567,802,529	\$5,495,578,125	(\$72,224,404)	98.7%	3.47%
<b>TOTAL</b>	<b>\$6,671,873,529</b>	<b>\$6,599,649,125</b>	<b>(\$72,224,404)</b>	<b>98.9%</b>	<b>3.67%</b>

<b>II. INVESTMENT PORTFOLIO PERFORMANCE</b>				
	Last Month	Current Month	CY To Date	CY06 Projections
Investment Yield	3.52%	3.60%	3.47%	4.50%
Investment Income	\$19,960,318	\$20,009,879	\$76,614,075	264 Million
Income Budgeted	\$22,000,000	\$22,000,000	\$88,000,000	264 Million
Income/Budgeted Ratio	90.7%	91.0%	87.1%	100.00%
Weighted Avg. Maturity in Days	430	516		

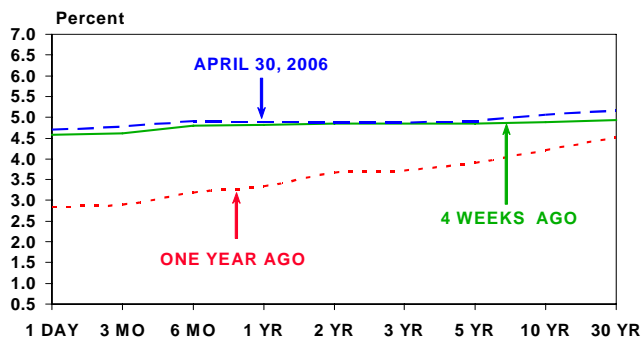
  

<b>III. MONTHLY ACTIVITY</b>				
Purchase	Type	Amount	Maturity	Yield
4/25/2006	Treasury Note	250,000,000	5/15/2008	4.96%
4/25/2006	Treasury Note	200,000,000	7/15/2009	4.96%
4/25/2006	Treasury Note	200,000,000	3/31/2011	4.97%
<b>TOTAL</b>		<b>\$650,000,000</b>		

<b>IV. MATURITY SCHEDULE (par value in millions)</b>	
3 months or less	1,904.1
3 months - 1 year	1,400.0
1 year - 2 years	1,550.0
2 years - 3 years	850.0
3 years - 4 years	200.0
4 years - 5 years	800.0
<b>TOTAL</b>	<b>\$6,704.1</b>

**TREASURY YIELD CURVE**



**MATURITY SCHEDULE**

April 30, 2006

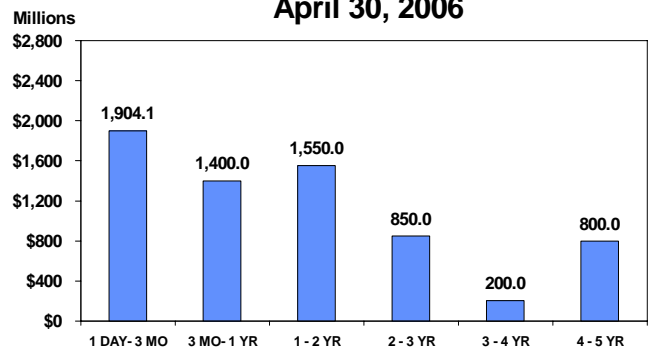




TABLE 5

**MONTHLY YIELD COMPARISONS**

**April 30, 2006**

YIELD COMPARISONS								
	Sep-05	Oct-05	Nov-05	Dec-05	Jan-06	Feb-06	Mar-06	Apr-06
NCUSIF Yield	2.89%	2.95%	3.19%	3.27%	3.31%	3.45%	3.52%	3.60%
90 day T-Bill	3.53%	3.95%	3.94%	4.09%	4.45%	4.61%	4.62%	4.76%
1 year T-Bill	3.98%	4.28%	4.33%	4.38%	4.56%	4.71%	4.82%	4.89%
2 year T-Note	4.16%	4.39%	4.40%	4.40%	4.52%	4.67%	4.85%	4.87%
30 year T-Note	4.57%	4.74%	4.69%	4.56%	4.69%	4.53%	4.93%	5.15%

**YIELD COMPARISONS**  
**April 30, 2006**

