

# **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 JANUARY 31, 2006**

**DENNIS WINANS  
CHIEF FINANCIAL OFFICER**

**NCUSIF FINANCIAL HIGHLIGHTS**  
**January 31, 2006**

**Balance Sheet:**

Other Receivables: Due from Credit Unions — Credit unions with assets of \$50 million or greater that increased in insured shares from January 1, 2005 through June 30, 2005, were invoiced \$150 million in capitalization deposit adjustments on September 12, 2005. The \$1.0 million represents the remaining outstanding balance that was due on October 18, 2005.

Prepaid & Deferred Charges — is \$1.3 million for January. \$7.0 million was transferred to the operating fund to cover 57% of the agency's operating costs. January's actual operating costs were \$5.6 million.

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

NCUSIF Equity — increased to 1.28% for January. The equity ratio is based upon an insured share base of \$516.6 billion for December 31, 2005 less two conversions for \$1.7 billion leaving a net insured share base of \$514.9 billion.

**Statement of Revenue and Expense:**

Investment Income — is approximately \$239 thousand more than the previous month due to rising interest rates.

NCUSIF Total Operating Expense — of \$5.6 million includes \$58.8 thousand in direct expenses paid by the NCUSIF for state examiner training, leasing expense for state examiner laptop computers, and other insurance related items.

TABLE 1 - NATIONAL CREDIT UNION SHARE INSURANCE FUND  
BALANCE SHEET  
JANUARY 31, 2006

ASSETS	JANUARY 2005	DECEMBER 2005	JANUARY 2006
Investments:			
U.S. Government Securities	\$6,353,397,754.15	\$6,606,966,570.32	\$6,602,317,102.18
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	1,320,404.24	1,736,346.65	982,803.17
Loans due to NCUSIF	4,495,917.94	0.00	0.00
Recoveries from Liq. CU	14,641,201.10	17,588,253.37	16,087,537.57
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Total Other Receivables	20,457,523.28	19,324,600.02	17,070,340.74
Cash	5,487.16	5,508.02	5,034.50
Interest Receivable	45,770,678.62	52,102,052.80	48,784,043.84
Prepaid & Deferred Charges	1,684,378.16	0.00	1,326,573.73
Leased Assets	481,748.60	103,413.87	68,968.22
Other	25,033,034.10	23,775,549.69	23,690,471.14
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<b>TOTAL ASSETS</b>	<b>\$6,446,830,604.07</b>	<b>\$6,702,277,694.72</b>	<b>\$6,693,262,534.35</b>
	=====	=====	=====
<b>LIABILITIES</b>			
Accounts Payable:			
Liquidation Claims	\$15,505,424.78	\$8,256,933.50	\$5,200,996.58
Other	1,084,691.41	2,492,156.41	41,704.85
Check Clearing Accounts	0.00	2,333.54	383.84
Dividend Check Clearing	0.00	0.00	0.00
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Total Current Liabilities	16,590,116.19	10,751,423.45	5,243,085.27
Provision for CU Losses (Reserves)	64,832,107.75	72,976,100.10	73,269,037.68
Lease Liabilities	419,494.06	105,868.36	0.00
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<b>TOTAL LIABILITIES</b>	<b>\$81,841,718.00</b>	<b>\$83,833,391.91</b>	<b>\$78,512,122.95</b> 1/
<b>EQUITY</b>			
CU Contributed Capital	\$4,942,627,448.04	\$5,128,031,274.91	\$5,111,057,335.94
Retained Earnings	1,422,361,438.03	1,490,413,027.90	1,503,693,075.46
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<b>TOTAL EQUITY</b>	<b>\$6,364,988,886.07</b>	<b>\$6,618,444,302.81</b>	<b>\$6,614,750,411.40</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$6,446,830,604.07</b>	<b>\$6,702,277,694.72</b>	<b>\$6,693,262,534.35</b>
	=====	=====	=====

COMPARATIVE ANALYSIS OF BALANCE SHEET RATIOS  
for Period Ending January 31, 2006

	JAN 05	DEC 05	JAN 06
1/ Does not include unreserved contingent liabilities of \$0 in asset guarantees, \$2.1 million in outstanding line of credit guarantees, and \$1.4 million in an indemnification expiring in Dec 06.			
1. Investments/Total Assets	98.55%	98.58%	98.64%
2. Total Equity/Insured Shares	1.27%	1.28%	1.28%
3. Prov. for Losses/CU Capital	1.31%	1.42%	1.43%
4. Non-Earning/Total Assets	1.06%	1.07%	1.00%
5. Available Asset Ratio	1.25%	1.25%	1.25%

TABLE 2 - STATEMENT OF REVENUE AND EXPENSE  
FOR THE PERIOD ENDING JANUARY 31, 2006

INCOME	CURRENT MONTH	CURRENT MONTH BUDGET	CY TO DATE 2006	CY TO DATE BUDGETED 2006	CY TO DATE 2005
Investment Income	\$18,843,838.98	\$22,000,000.00	\$18,843,838.98	\$22,000,000.00	\$11,329,774.44
Other Income	65,793.01	70,000.00	65,793.01	\$70,000.00	42,730.72
<b>Total Income</b>	<b>18,909,631.99</b>	<b>22,070,000.00</b>	<b>18,909,631.99</b>	<b>22,070,000.00</b>	<b>11,372,505.16</b>
<b>EXPENSE</b>					
Employee Pay	4,044,611.04	4,266,359.99	4,044,611.04	4,266,359.99	3,742,550.82
Employee Benefits	1,021,841.09	1,154,731.99	1,021,841.09	1,154,731.99	932,161.58
Employee Travel	68,104.59	653,807.06	68,104.59	653,807.06	105,252.03
Rent/Communications/Utilities	148,608.48	189,990.67	148,608.48	189,990.67	95,420.15
Administrative Costs	359,161.84	557,187.26	359,161.84	557,187.26	389,752.32
Contracted Services	(71,539.22)	421,880.23	-71,539.22	421,880.23	(99,334.23)
Subtotal NCUA Operating Exp.	5,570,787.82	7,243,957.20	5,570,787.82	7,243,957.20	5,165,802.67
AMAC Expense	0.00	1,000.00	0.00	1,000.00	0.66
Training Expense	19,362.29	100,000.00	19,362.29	100,000.00	(25,736.34)
Leasing Expense	34,450.82	32,000.00	34,450.82	32,000.00	35,157.69
Other Insurance Expense	4,983.50	5,000.00	4,983.50	5,000.00	100.00
<b>Total Operating Exp.</b>	<b>5,629,584.43</b>	<b>7,381,957.20</b>	<b>5,629,584.43</b>	<b>7,381,957.20</b>	<b>5,175,324.68</b>
Insurance Loss	0.00	2,000,000.00	0.00	2,000,000.00	0.00
<b>Total Expense</b>	<b>5,629,584.43</b>	<b>9,381,957.20</b>	<b>5,629,584.43</b>	<b>9,381,957.20</b>	<b>5,175,324.68</b>
<b>NET INCOME</b>	<b>\$13,280,047.56</b>	<b>\$12,688,042.80</b>	<b>\$13,280,047.56</b>	<b>\$12,688,042.80</b>	<b>\$6,197,180.48</b>
Retained Earnings, Beginning of Year			<b>\$1,490,413,027.90</b>		\$1,416,164,257.55
Prior Year Adjustment			0.00		0.00
As Restated			1,490,413,027.90		1,416,164,257.55
<b>Net Income</b>			<b>13,280,047.56</b>		<b>6,197,180.48</b>
Dividends			1,503,693,075.46		1,422,361,438.03
			0.00		0.00
<b>Retained Earnings, Year To Date</b>			<b>\$1,503,693,075.46</b>		<b>\$1,422,361,438.03</b>

Comparative Analysis of NCUSIF Ratios for January 31, 2006

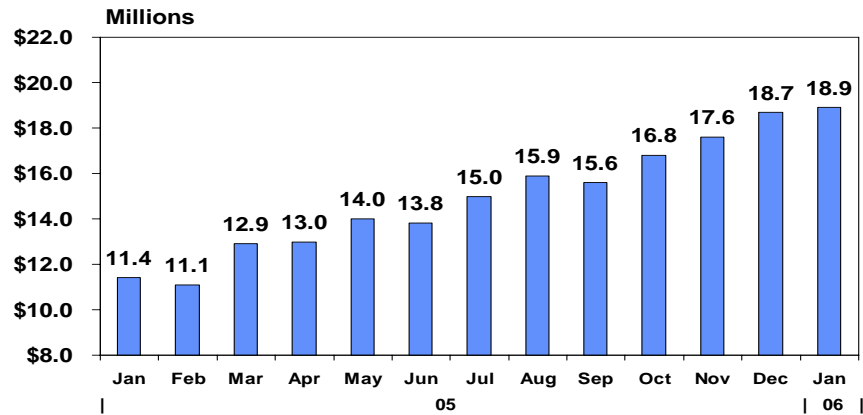
INCOME STATEMENT RATIOS	LAST MONTH	THIS MONTH	PRIOR CYTD	CURRENT CYTD
1. Oper. Exp./Total Income	38.55%	29.77%	45.51%	29.77%
2. Ins. Loss/Total Income	-0.15%	0.00%	0.00%	0.00%
3. Total Exp./Total Income	38.40%	29.77%	45.51%	29.77%
4. Net Income/Total Income	61.60%	70.23%	54.49%	70.23%
5. Ins. Loss/Insured Shares	0.00%	0.00%	0.00%	0.00%

**TABLE 3 - STATEMENT OF CASH FLOWS**  
**January 31, 2006**

CASH FLOWS FROM OPERATING ACTIVITIES:	
Income from investments	\$22,161,847.94
Other income received	65,793.01
Cash paid for operating expenses	(9,374,108.60)
Net cash (paid) received for insurance losses	<u>(1,262,283.54)</u>
Net cash provided by operating activities	11,591,248.81
CASH FLOWS FROM INVESTING ACTIVITIES:	
Investments, net	4,543,594.61
Collections on note receivable - National Credit Union Administration Operating Fund	<u>85,078.55</u>
Net cash provided by (used in) investing activities	4,628,673.16
CASH FLOWS FROM FINANCING ACTIVITIES:	
Contributions from insured credit unions Cont Cap acct	(16,220,395.49)
Dividends to insured credit unions	<u>0.00</u>
Net cash provided by financing activities	(16,220,395.49)
NET INCREASE (DECREASE) IN CASH	(473.52)
CASH, BEGINNING OF YEAR	5,508.02
CASH, ENDING JANUARY 31, 2006	<u><u>\$5,034.50</u></u>

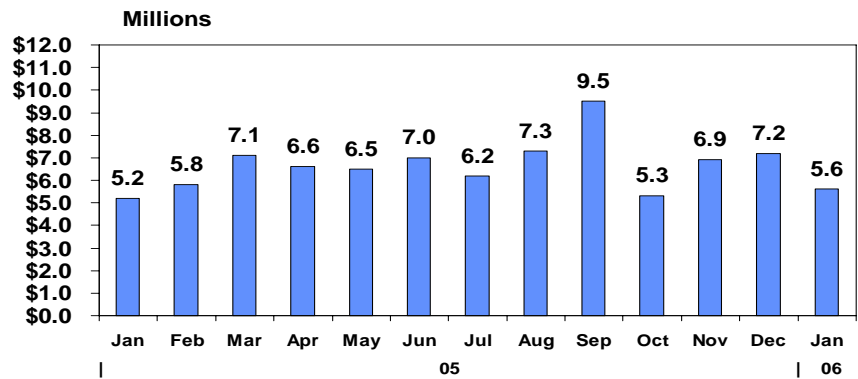
# GROSS INCOME

## January 05 – January 06



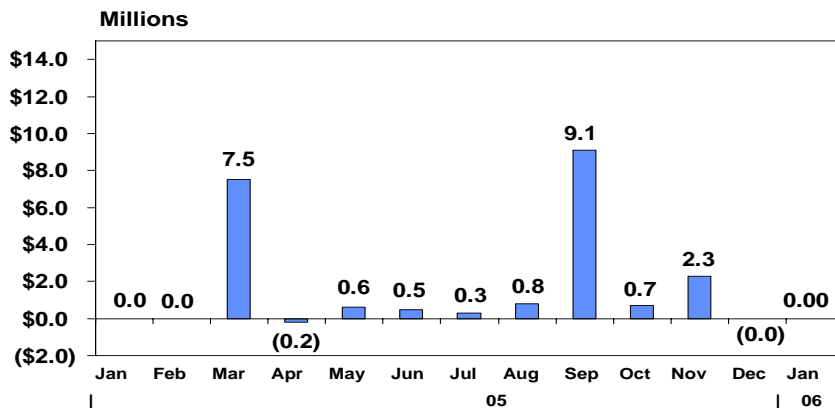
# OPERATING EXPENSE

## January 05 – January 06



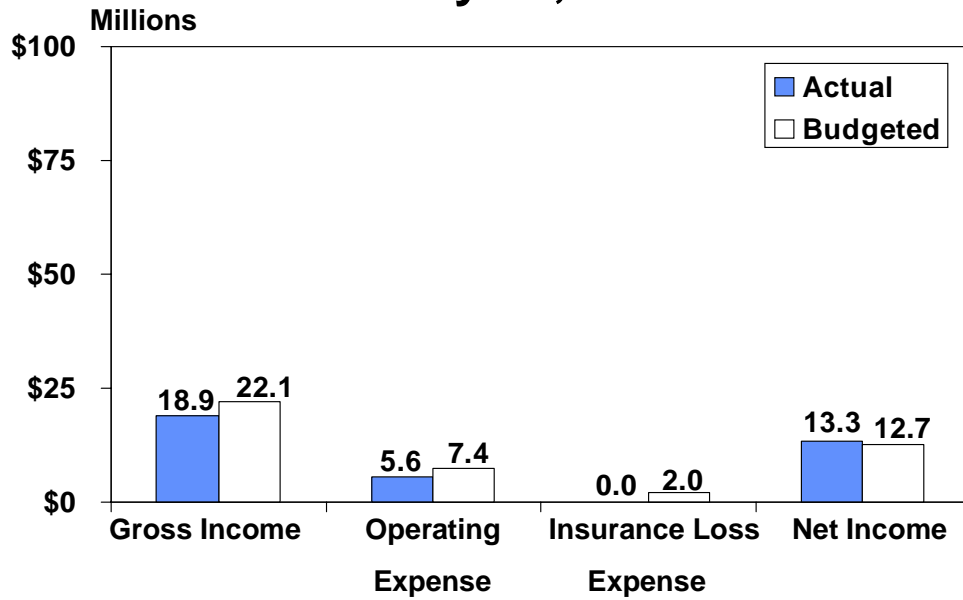
# INSURANCE LOSS EXPENSE

## January 05 – January 06



# REVENUE AND EXPENSE

January 31, 2006



# NCUSIF EQUITY RATIO

January 31, 2006

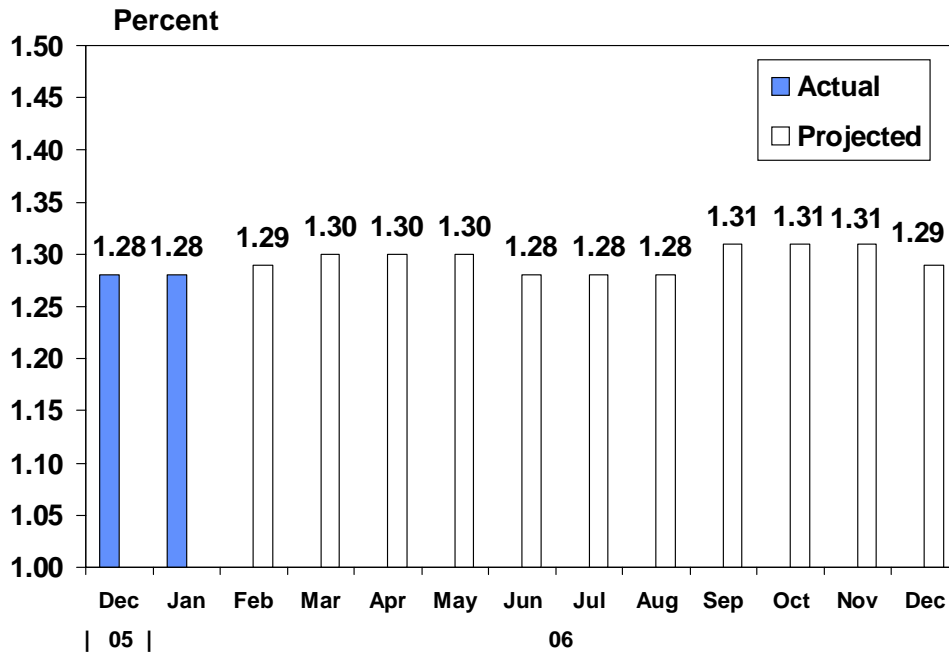
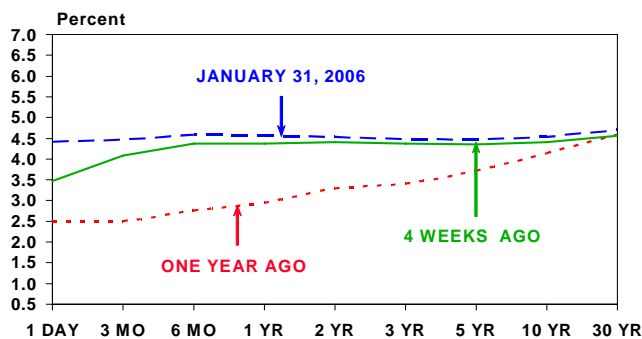


TABLE 4

**INVESTMENT PORTFOLIO SUMMARY**

January 31, 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	\$1,359,628,000	\$1,359,628,000	\$0	100.0%	4.30%
U.S. Treasury Notes	\$5,242,689,103	\$5,180,015,625	(\$62,673,478)	98.8%	3.22%
<b>TOTAL</b>	<b>\$6,602,317,103</b>	<b>\$6,539,643,625</b>	<b>(\$62,673,478)</b>	<b>99.1%</b>	<b>3.31%</b>
<b>II. INVESTMENT PORTFOLIO PERFORMANCE</b>					
	Last Month	Current Month	CY To Date	CY06 Projections	
Investment Yield	3.27%	3.31%	3.31%	4.00%	
Investment Income	\$18,604,906	\$18,843,839	\$18,843,839	264 Million	
Income Budgeted	\$15,700,000	\$22,000,000	\$22,000,000	264 Million	
Income/Budgeted Ratio	118.5%	85.7%	85.7%	100.00%	
Weighted Avg. Maturity in Days	382	474			
<b>III. MONTHLY ACTIVITY</b>					
Purchase	Type	Amount	Maturity	Yield	
1/24/2006	T-Note	250,000,000	2/15/2008	4.40%	
1/24/2006	T-Note	200,000,000	1/15/2009	4.34%	
1/24/2006	T-Note	200,000,000	1/15/2011	4.31%	
<b>TOTAL</b>		<b>\$650,000,000</b>			
<b>IV. MATURITY SCHEDULE (par value in millions)</b>					
3 months or less	1,859.6				
3 months - 1 year	1,800.0				
1 year - 2 years	1,300.0				
2 years - 3 years	1,050.0				
3 years - 4 years	0.0				
4 years - 5 years	600.0				
<b>TOTAL</b>	<b>\$6,609.6</b>				

**TREASURY YIELD CURVE****MATURITY SCHEDULE**

January 31, 2006

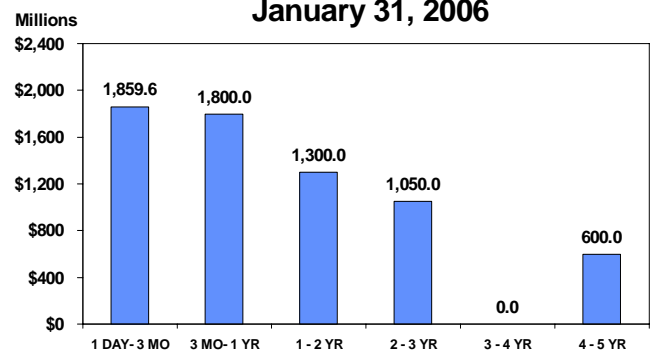




TABLE 5

**MONTHLY YIELD COMPARISONS**

January 31, 2006

YIELD COMPARISONS								
	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	Jan-06
NCUSIF Yield	2.56%	2.69%	2.84%	2.89%	2.95%	3.19%	3.27%	3.31%
90 day T-Bill	3.12%	3.39%	3.51%	3.53%	3.95%	3.94%	4.09%	4.45%
1 year T-Bill	3.45%	3.78%	3.76%	3.98%	4.28%	4.33%	4.38%	4.56%
2 year T-Note	3.67%	4.02%	3.84%	4.16%	4.39%	4.40%	4.40%	4.52%
30 year T-Note	4.21%	4.49%	4.28%	4.57%	4.74%	4.69%	4.56%	4.69%

**YIELD COMPARISONS**  
January 31, 2006

