

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 FEBRUARY 28, 2006

**DENNIS WINANS
CHIEF FINANCIAL OFFICER**

NCUSIF FINANCIAL HIGHLIGHTS
February 28, 2006

Balance Sheet:

Prepaid & Deferred Charges — is \$1.0 million for February. \$7.0 million was transferred to the operating fund to cover 57% of the agency's operating costs. February's actual operating costs were \$6.0 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 1.29% for February. 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 \$1.0 million less than the previous month due to three less calendar days in February for which interest was accrued.

NCUSIF Total Operating Expense — of \$6.1 million includes \$72.3 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
FEBRUARY 28, 2006

ASSETS	FEBRUARY 2005	JANUARY 2006	FEBRUARY 2006
Investments:			
U.S. Government Securities	\$6,367,643,698.78	\$6,602,317,102.18	\$6,629,122,648.38
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	982,803.17	0.00
Loans due to NCUSIF	4,495,917.94	0.00	0.00
Recoveries from Liq. CU	13,931,443.65	16,087,537.57	14,687,776.66
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Total Other Receivables	19,747,765.83	17,070,340.74	14,687,776.66
Cash	5,891.23	5,034.50	5,867.35
Interest Receivable	36,028,630.04	48,784,043.84	34,009,968.28
Prepaid & Deferred Charges	1,297,202.51	1,326,573.73	965,437.77
Leased Assets	447,570.10	68,968.22	34,870.36
Other	24,921,189.31	23,690,471.14	23,578,626.35
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TOTAL ASSETS	\$6,450,091,947.80	\$6,693,262,534.35	\$6,702,405,195.15
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LIABILITIES			
Accounts Payable:			
Liquidation Claims	\$14,847,513.18	\$5,200,996.58	\$4,471,571.70
Other	986.66	41,704.85	27,170.21
Check Clearing Accounts	0.00	383.84	10,736.92
Dividend Check Clearing	0.00	0.00	0.00
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Total Current Liabilities	14,848,499.84	5,243,085.27	4,509,478.83
Provision for CU Losses (Reserves)	64,519,084.48	73,269,037.68	71,551,785.91
Lease Liabilities	420,060.31	0.00	0.00
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TOTAL LIABILITIES	\$79,787,644.63	\$78,512,122.95	\$76,061,264.74 1/
EQUITY			
CU Contributed Capital	\$4,942,627,448.04	\$5,111,057,335.94	\$5,110,916,855.47
Retained Earnings	1,427,676,855.13	1,503,693,075.46	1,515,427,074.94
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TOTAL EQUITY	\$6,370,304,303.17	\$6,614,750,411.40	\$6,626,343,930.41
TOTAL LIABILITIES & EQUITY	\$6,450,091,947.80	\$6,693,262,534.35	\$6,702,405,195.15
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COMPARATIVE ANALYSIS OF BALANCE SHEET RATIOS
for Period Ending February 28, 2006

	FEB 05	JAN 06	FEB 06
1/ Does not include unreserved contingent liabilities of \$0 in asset guarantees, \$2.4 million in outstanding line of credit guarantees, and \$1.4 million in an indemnification expiring in Dec 06.			
1. Investments/Total Assets	98.72%	98.64%	98.91%
2. Total Equity/Insured Shares	1.27%	1.28%	1.29%
3. Prov. for Losses/CU Capital	1.31%	1.43%	1.40%
4. Non-Earning/Total Assets	0.89%	1.00%	0.74%
5. Available Asset Ratio	1.25%	1.25%	1.26%

TABLE 2 - STATEMENT OF REVENUE AND EXPENSE
FOR THE PERIOD ENDING FEBRUARY 28, 2006

INCOME	CURRENT MONTH	CURRENT MONTH BUDGET	CY TO DATE 2006	CY TO DATE BUDGETED 2006	CY TO DATE 2005
Investment Income	\$17,800,039.46	\$22,000,000.00	\$36,643,878.44	\$44,000,000.00	\$22,380,858.81
Other Income	60,849.63	70,000.00	126,642.64	\$140,000.00	83,830.15
Total Income	17,860,889.09	22,070,000.00	36,770,521.08	44,140,000.00	22,464,688.96
EXPENSE					
Employee Pay	3,632,879.64	3,877,933.95	7,677,490.68	8,144,293.94	7,250,338.65
Employee Benefits	1,002,932.82	1,054,144.38	2,024,773.91	2,208,876.37	1,880,830.37
Employee Travel	429,353.70	653,807.07	497,458.29	1,707,951.44	490,829.52
Rent/Communications/Utilities	178,521.57	189,990.66	327,130.05	379,981.33	273,382.64
Administrative Costs	493,617.98	557,187.27	852,779.82	1,114,374.53	866,008.96
Contracted Services	297,256.52	421,880.23	225,717.30	843,760.46	97,275.64
Subtotal NCUA Operating Exp.	6,034,562.23	6,754,943.56	11,605,350.05	14,399,238.07	10,858,665.78
AMAC Expense	2,714.87	1,000.00	2,714.87	2,000.00	9.54
Training Expense	32,227.73	100,000.00	51,590.02	200,000.00	20,000.76
Leasing Expense	34,097.86	32,000.00	68,548.68	64,000.00	69,902.44
Other Insurance Expense	3,286.92	5,000.00	8,270.42	10,000.00	3,512.86
Total Operating Exp.	6,106,889.61	6,892,943.56	11,736,474.04	14,675,238.07	10,952,091.38
Insurance Loss	20,000.00	2,000,000.00	20,000.00	4,000,000.00	0.00
Total Expense	6,126,889.61	8,892,943.56	11,756,474.04	18,675,238.07	10,952,091.38
NET INCOME	\$11,733,999.48	\$13,177,056.44	\$25,014,047.04	\$25,464,761.93	\$11,512,597.58
Retained Earnings, Beginning of Year			\$1,490,413,027.90		\$1,416,164,257.55
Prior Year Adjustment			0.00		0.00
As Restated			1,490,413,027.90		1,416,164,257.55
Net Income			25,014,047.04		11,512,597.58
Dividends			1,515,427,074.94		1,427,676,855.13
			0.00		0.00
Retained Earnings, Year To Date			\$1,515,427,074.94		\$1,427,676,855.13

Comparative Analysis of NCUSIF Ratios for February 28, 2006

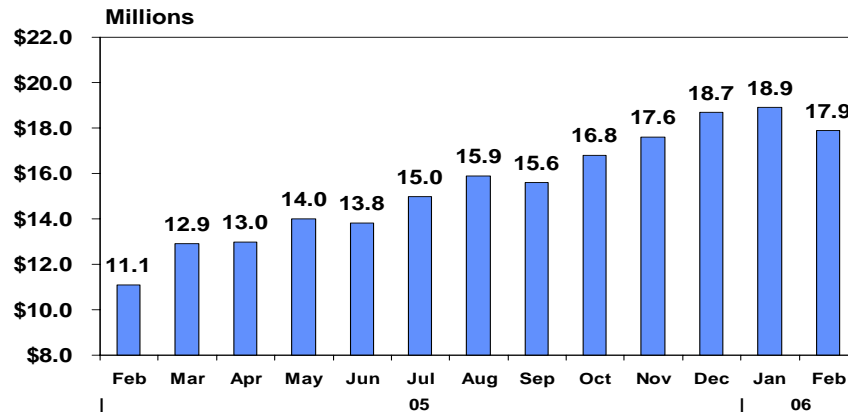
INCOME STATEMENT RATIOS	LAST MONTH	THIS MONTH	PRIOR CYTD	CURRENT CYTD
1. Oper. Exp./Total Income	29.77%	34.19%	48.75%	31.92%
2. Ins. Loss/Total Income	0.00%	0.11%	0.00%	0.05%
3. Total Exp./Total Income	29.77%	34.30%	48.75%	31.97%
4. Net Income/Total Income	70.23%	65.70%	51.25%	68.03%
5. Ins. Loss/Insured Shares	0.00%	0.00%	0.00%	0.00%

TABLE 3 - STATEMENT OF CASH FLOWS
February 28, 2006

CASH FLOWS FROM OPERATING ACTIVITIES:	
Income from investments	\$54,735,962.96
Other income received	126,642.64
Cash paid for operating expenses	(15,089,945.95)
Net cash (paid) received for insurance losses	<u>(2,329,199.28)</u>
Net cash provided by operating activities	37,443,460.37
CASH FLOWS FROM INVESTING ACTIVITIES:	
Investments, net	(22,261,951.59)
Collections on note receivable - National Credit Union Administration Operating Fund	<u>196,923.34</u>
Net cash provided by (used in) investing activities	(22,065,028.25)
CASH FLOWS FROM FINANCING ACTIVITIES:	
Contributions from insured credit unions Cont Cap acct	(15,378,072.79)
Dividends to insured credit unions	<u>0.00</u>
Net cash provided by financing activities	(15,378,072.79)
NET INCREASE (DECREASE) IN CASH	359.33
CASH, BEGINNING OF YEAR	5,508.02
CASH, ENDING FEBRUARY 28, 2006	<u><u>\$5,867.35</u></u>

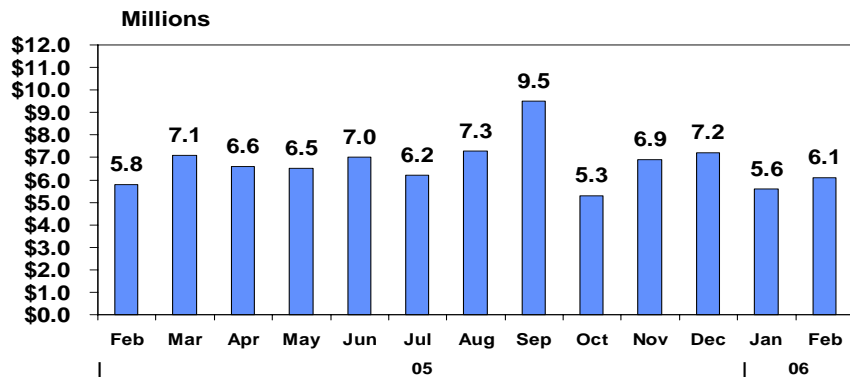
GROSS INCOME

February 05 – February 06



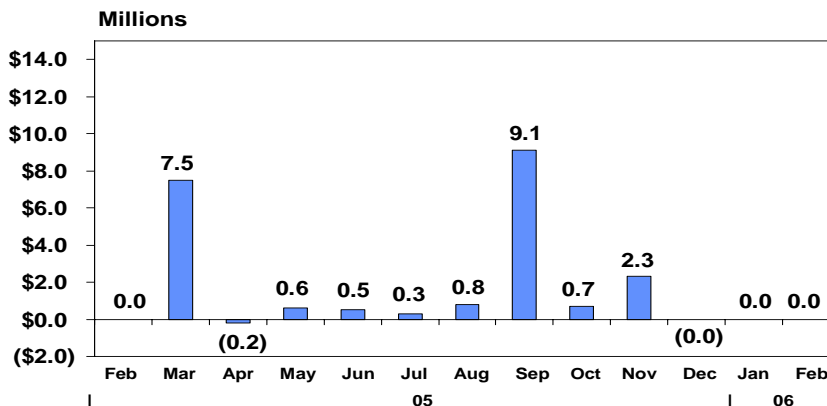
OPERATING EXPENSE

February 05 – February 06



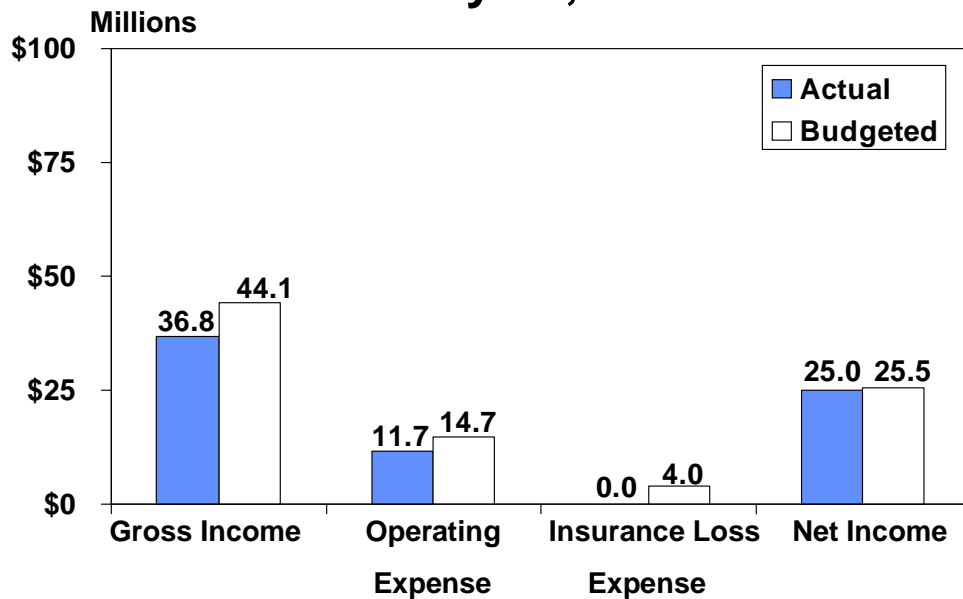
INSURANCE LOSS EXPENSE

February 05 – February 06



REVENUE AND EXPENSE

February 28, 2006



NCUSIF EQUITY RATIO

February 28, 2006

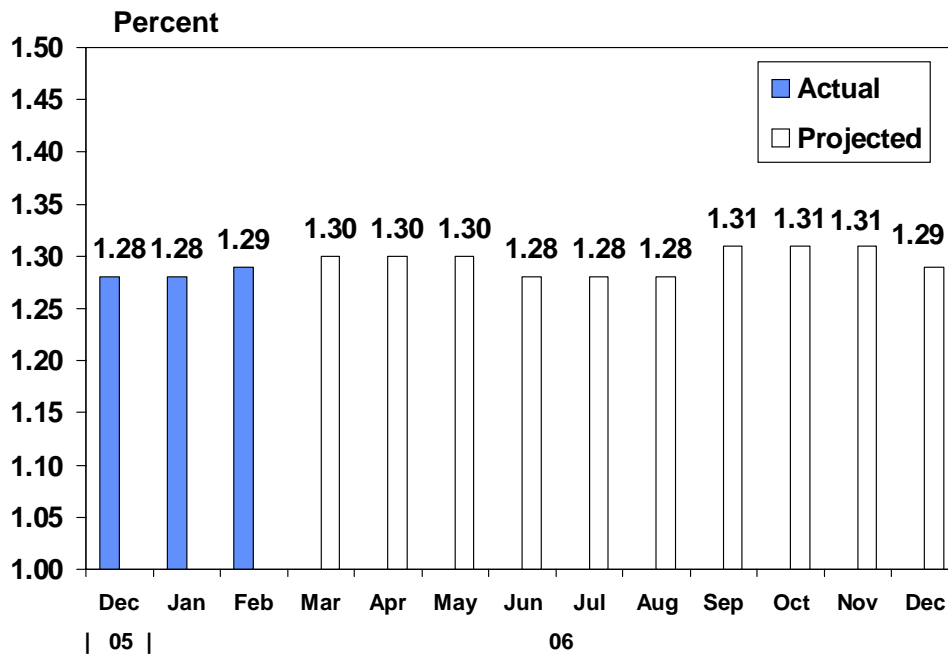


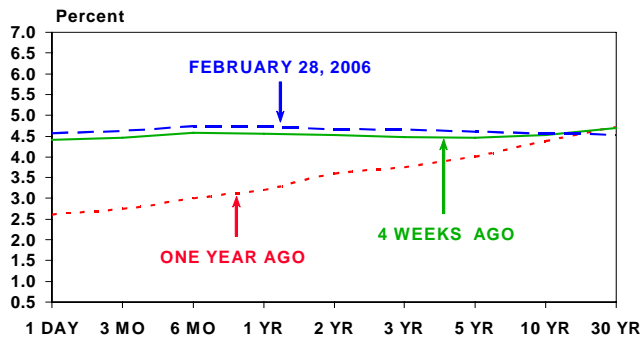
TABLE 4

INVESTMENT PORTFOLIO SUMMARY

February 28, 2006

I. INVESTMENT PORTFOLIO BALANCE AND MARKET VALUE					
	Book Value	Market Value	(Gain or Loss)	% Market to Book Value	Weighted Average Yield
Daily Treasury Account	\$1,487,826,000	\$1,487,826,000	\$0	100.0%	4.46%
U.S. Treasury Notes	\$5,141,296,649	\$5,071,218,750	(\$70,077,899)	98.6%	3.25%
TOTAL	\$6,629,122,649	\$6,559,044,750	(\$70,077,899)	98.9%	3.51%
II. INVESTMENT PORTFOLIO PERFORMANCE					
	Last Month	Current Month	CY To Date	CY06 Projections	
Investment Yield	3.31%	3.45%	3.37%	4.50%	
Investment Income	\$18,843,839	\$17,800,039	\$36,643,878	264 Million	
Income Budgeted	\$22,000,000	\$22,000,000	\$44,000,000	264 Million	
Income/Budgeted Ratio	85.7%	80.9%	83.3%	100.00%	
Weighted Avg. Maturity in Days	474	450			
III. MONTHLY ACTIVITY					
Purchase	Type	Amount	Maturity	Yield	
TOTAL		\$0			
IV. MATURITY SCHEDULE (par value in millions)					
3 months or less	2,087.8				
3 months - 1 year	1,800.0				
1 year - 2 years	1,550.0				
2 years - 3 years	600.0				
3 years - 4 years	0.0				
4 years - 5 years	600.0				
TOTAL	\$6,637.8				

TREASURY YIELD CURVE



MATURITY SCHEDULE

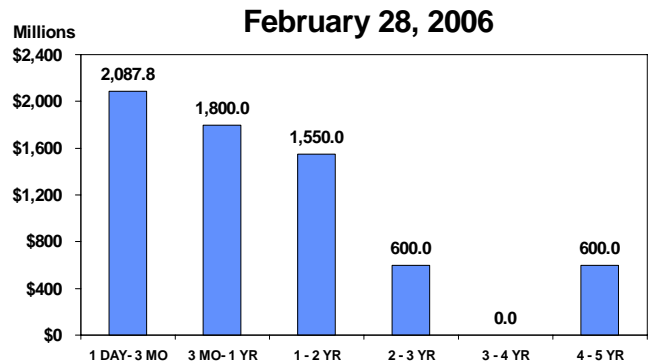


TABLE 5

MONTHLY YIELD COMPARISONS

February 28, 2006

YIELD COMPARISONS								
	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	Jan-06	Feb-06
NCUSIF Yield	2.69%	2.84%	2.89%	2.95%	3.19%	3.27%	3.31%	3.45%
90 day T-Bill	3.39%	3.51%	3.53%	3.95%	3.94%	4.09%	4.45%	4.61%
1 year T-Bill	3.78%	3.76%	3.98%	4.28%	4.33%	4.38%	4.56%	4.71%
2 year T-Note	4.02%	3.84%	4.16%	4.39%	4.40%	4.40%	4.52%	4.67%
30 year T-Note	4.49%	4.28%	4.57%	4.74%	4.69%	4.56%	4.69%	4.53%

YIELD COMPARISONS
February 28, 2006

