

NATIONAL CREDIT UNION SHARE INSURANCE FUND

Your savings federally insured to at least \$100,000
and backed by the full faith and credit of the United States Government

NCUA

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

FINANCIAL HIGHLIGHTS MARCH 31, 2007

**DENNIS WINANS
CHIEF FINANCIAL OFFICER**

NCUSIF FINANCIAL HIGHLIGHTS

March 31, 2007

Balance Sheet:

Investments: US Government Securities — decreased by \$116.8 million due primarily to \$52 million in dividends returned to credit unions, the refund of \$86.0 million to credit unions that declined in insured shares during the period of January 1, 2006 through December 31, 2006 (or July 1, 2006 – December 31, 2006 if credit unions have \$50 million or more in assets), offset by the collection of one percent deposit adjustments due from credit unions.

Due from Credit Unions — of \$119.2 million represents the amount of one percent deposit adjustments due from credit unions on April 16, 2007.

Prepaid & Deferred Charges — is \$393.4 thousand for March. \$7.0 million was transferred to the operating fund to cover 53.3% of the agency's operating costs. March'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 — reflects a change in the implicit rate used for the laptop computer lease.

Check Clearing Accounts — of \$1.0 million is primarily for failed capitalization deposit refund EFT's or 1% declared dividend EFT's, and checks issued to credit unions that have not cleared through the banking system as of March 31.

Leased Liabilities — reflects a change in the implicit rate used for the laptop computer lease.

NCUSIF Equity — remained at 1.31% for March. The equity ratio is based upon an insured share base of \$535.2 billion for December 31, 2006.

Statement of Revenue and Expense:

Investment Income — is approximately \$2.8 million more than the previous month due to three more calendar days in March for which interest was accrued.

NCUSIF Total Operating Expense — of \$6.8 million includes \$147.5 thousand in direct expenses paid by the NCUSIF for state examiner training, leasing expense for state examiner laptop computers, and other insurance related items.

Dividends — of \$51.5 million were sent to federally insured credit unions on March 23, 2007.

TABLE 1 - NATIONAL CREDIT UNION SHARE INSURANCE FUND
BALANCE SHEET
MARCH 31, 2007

ASSETS	MARCH 2006	FEBRUARY 2007	MARCH 2007
Investments:			
U.S. Government Securities	\$6,578,406,690.71	\$7,012,926,241.81	\$6,896,125,113.19
Advances to Credit Unions:			
NCUSIF Subordinated Notes	0.00	0.00	0.00
Share Deposits & Loans	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	92,239,156.00	0.00	119,167,468.62
Loans due to NCUSIF	0.00	0.00	0.00
Recoveries from Liq. CU	14,040,277.11	12,446,178.59	11,426,551.74
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Total Other Receivables	106,279,433.11	12,446,178.59	130,594,020.36
Cash	5,700.19	5,218.29	1,629,375.45
Interest Receivable	45,442,683.35	40,921,722.28	59,455,037.72
Prepaid & Deferred Charges	38,700.07	1,382,357.76	393,440.97
Leased Assets	1,016,165.00	733,503.38	631,824.77
Other	23,466,781.56	22,205,884.35	22,094,139.56
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TOTAL ASSETS	\$6,754,656,153.99	\$7,090,621,106.46	\$7,110,922,952.02
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LIABILITIES			
Accounts Payable:			
Liquidation Claims	\$4,359,242.56	\$4,494,181.73	\$4,328,492.00
Other	42,294.77	32,560.85	150,000.00
Check Clearing Accounts	908,566.79	0.00	990,772.38
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Total Current Liabilities	5,310,104.12	4,526,742.58	5,469,264.38
Provision for CU Losses (Reserves)	71,772,535.04	72,842,246.81	72,315,188.77
Lease Liabilities	1,073,504.18	716,842.39	701,058.59
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TOTAL LIABILITIES	\$78,156,143.34	\$78,085,831.78	\$78,485,511.74
EQUITY			
CU Contributed Capital	\$5,148,421,921.84	\$5,302,054,754.35	\$5,352,398,392.09
Retained Earnings	1,528,078,088.81	1,710,480,520.33	1,680,039,048.19
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TOTAL EQUITY	\$6,676,500,010.65	\$7,012,535,274.68	\$7,032,437,440.28
TOTAL LIABILITIES & EQUITY	\$6,754,656,153.99	\$7,090,621,106.46	\$7,110,922,952.02
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COMPARATIVE ANALYSIS OF BALANCE SHEET RATIOS
for Period Ending March 31, 2007

	MAR 06	FEB 07	MAR 07
1. Investments/Total Assets	97.39%	98.90%	98.98%
2. Total Equity/Insured Shares	1.30%	1.31%	1.31%
3. Prov. for Losses/CU Capital	1.39%	1.37%	1.35%
4. Non-Earning/Total Assets	2.26%	0.78%	2.71%
5. Available Asset Ratio	1.25%	1.28%	1.27%

TABLE 2 - STATEMENT OF REVENUE AND EXPENSE
FOR THE PERIOD ENDING MARCH 31, 2007

INCOME	CURRENT MONTH	CURRENT MONTH BUDGET	CY TO DATE 2007	CY TO DATE BUDGETED 2007	CY TO DATE 2006
Investment Income	\$27,090,270.97	\$26,000,000.00	\$77,575,646.97	\$78,000,000.00	\$56,604,196.60
Other Income	83,334.08	80,000.00	\$300,359.73	240,000.00	206,479.33
Total Income	27,173,605.05	26,080,000.00	77,876,006.70	78,240,000.00	56,810,675.93
EXPENSE					
Employee Pay	4,172,070.64	4,013,120.27	11,727,119.57	11,856,467.48	\$11,838,303.50
Employee Benefits	1,053,608.69	1,092,060.92	3,088,377.67	3,228,582.55	3,160,924.95
Employee Travel	516,619.11	606,907.52	1,066,142.05	1,820,722.55	995,432.62
Rent/Communications/Utilities	135,883.77	176,501.04	354,548.63	529,503.13	503,127.98
Administrative Costs	454,468.50	532,516.23	1,043,769.27	1,597,548.69	1,454,269.81
Contracted Services	273,908.32	388,598.66	460,323.52	1,165,796.00	614,591.12
Subtotal NCUA Operating Exp.	6,606,559.03	6,809,704.64	17,740,280.71	20,198,620.40	18,566,649.98
AMAC Expense	3,827.24	1,000.00	3,919.23	3,000.00	2,714.87
Training Expense	55,055.12	100,000.00	209,903.59	300,000.00	88,369.84
Leasing Expense	85,894.81	30,675.00	114,445.80	92,025.00	160,758.22
Other Insurance Expense	2,749.62	5,000.00	9,264.63	15,000.00	12,122.11
Total Operating Exp.	6,754,085.82	6,946,379.64	18,077,813.96	20,608,645.40	18,830,615.02
Insurance Loss	(669,311.50)	2,000,000.00	259,019.90	6,000,000.00	315,000.00
Total Expense	\$6,084,774.32	\$8,946,379.64	\$18,336,833.86	\$26,608,645.40	\$19,145,615.02
NET INCOME	\$21,088,830.73	\$17,133,620.36	\$59,539,172.84	\$51,631,354.60	\$37,665,060.91
Retained Earnings, Beginning of Year			\$1,672,030,178.22		\$1,490,413,027.90
Prior Year Adjustment			0.00		0.00
As Restated			1,672,030,178.22		1,490,413,027.90
Net Income			59,539,172.84		37,665,060.91
Dividends			1,731,569,351.06		1,528,078,088.81
Retained Earnings, Year To Date			\$1,680,039,048.19		\$1,528,078,088.81

Comparative Analysis of NCUSIF Ratios for March 31, 2007

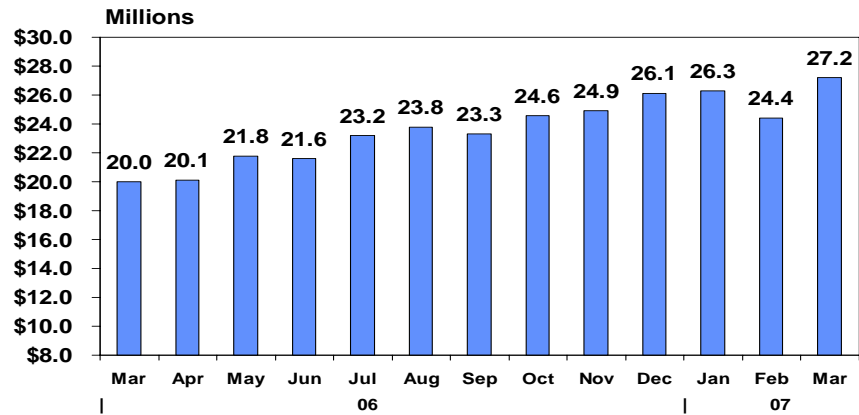
INCOME STATEMENT RATIOS	LAST MONTH	THIS MONTH	PRIOR CYTD	CURRENT CYTD
1. Oper. Exp./Total Income	23.54%	24.86%	33.15%	23.21%
2. Ins. Loss/Total Income	3.81%	-2.46%	0.55%	0.33%
3. Total Exp./Total Income	27.35%	22.39%	33.70%	23.55%
4. Net Income/Total Income	72.65%	77.61%	66.30%	76.45%
5. Ins. Loss/Insured Shares	0.00%	0.00%	0.00%	0.00%

TABLE 3 - STATEMENT OF CASH FLOWS
March 31, 2007

CASH FLOWS FROM OPERATING ACTIVITIES:	
Income from investments	\$ 80,814,812.32
Other income received	300,359.73
Repayment of advances to credit unions (FCU Act §208)	15,000,000.00
Cash paid for operating expenses	(17,210,644.38)
Net cash (paid) received for insurance losses	<u>1,899,742.02</u>
Net cash provided by operating activities	<u>80,804,269.69</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Investments, net	45,074,228.03
Collections on note receivable - National Credit Union Administration Operating Fund	<u>419,671.05</u>
Net cash provided by (used in) investing activities	<u>45,493,899.08</u>
CASH FLOWS FROM FINANCING ACTIVITIES:	
Contributions (distributions) from insured credit unions Cont Cap acct	(73,008,692.05)
Dividends to insured credit unions	(51,530,302.87)
Principal repayments under capital lease obligations	<u>(135,412.00)</u>
Net cash provided by financing activities	<u>(124,674,406.92)</u>
NET INCREASE (DECREASE) IN CASH	1,623,761.85
CASH, BEGINNING OF YEAR	<u>5,613.60</u>
CASH, ENDING MARCH 31, 2007	<u>\$ 1,629,375.45</u>

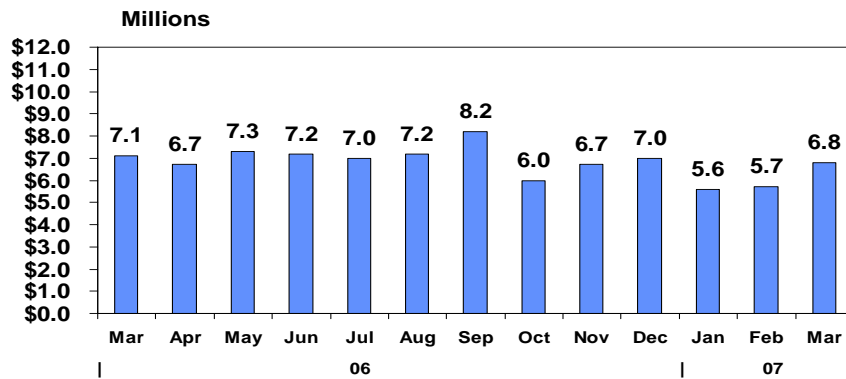
GROSS INCOME

Mar 06 – Mar 07



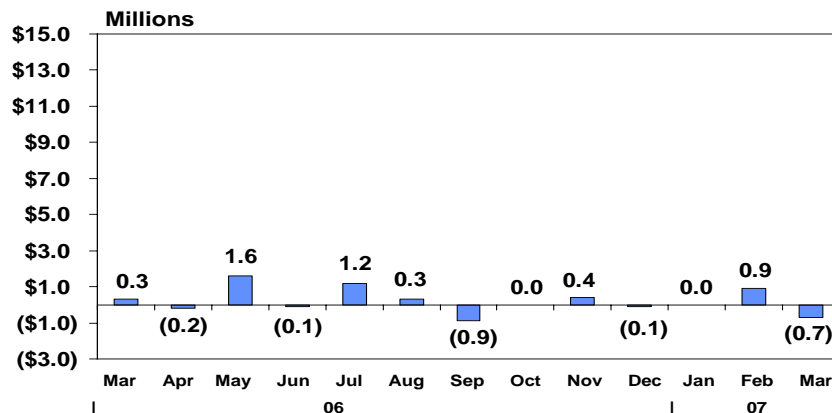
OPERATING EXPENSE

Mar 06 – Mar 07



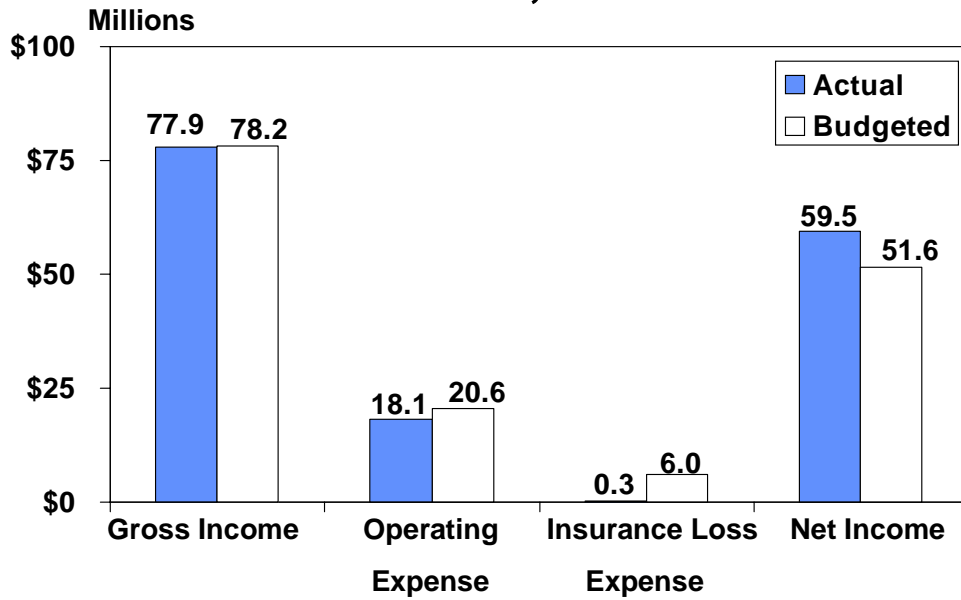
INSURANCE LOSS EXPENSE

Mar 06 – Mar 07



REVENUE AND EXPENSE

March 31, 2007



NCUSIF EQUITY RATIO

March 31, 2007

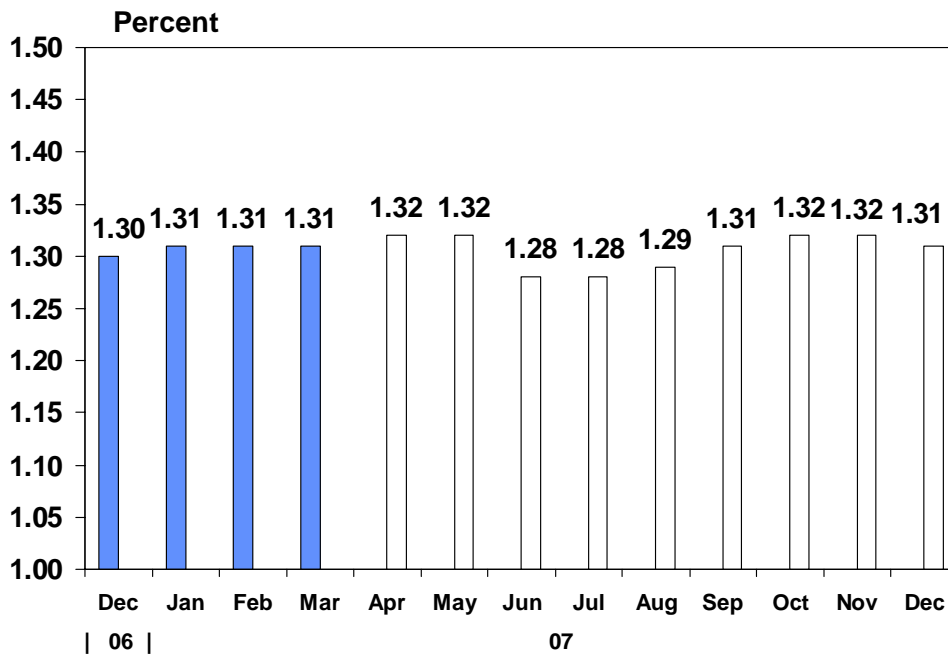


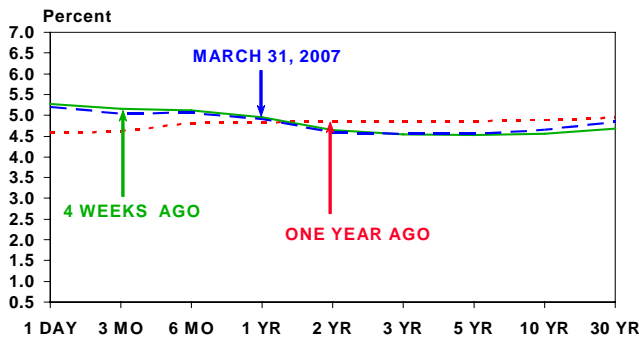
TABLE 4

INVESTMENT PORTFOLIO SUMMARY

March 31, 2007

I. INVESTMENT PORTFOLIO BALANCE AND MARKET VALUE					
	Book Value	Market Value	Gain or (Loss)	% Market to Book Value	Weighted Average Yield
Daily Treasury Account	\$1,591,849,000	\$1,591,849,000	\$0	100.0%	5.24%
U.S. Treasury Notes	\$5,304,276,114	\$5,301,234,375	(\$3,041,739)	99.9%	4.33%
TOTAL	\$6,896,125,114	\$6,893,083,375	(\$3,041,739)	99.9%	4.55%
II. INVESTMENT PORTFOLIO PERFORMANCE					
	Last Month	Current Month	CY To Date	CY07 Projections	
Investment Yield	4.45%	4.52%	4.45%	4.50%	
Investment Income	\$24,289,428	\$27,090,271	\$77,575,647	\$312 Million	
Income Budgeted	\$26,000,000	\$26,000,000	\$78,000,000	\$312 Million	
Income/Budgeted Ratio	93.4%	104.2%	99.5%	100.00%	
Weighted Avg. Maturity in Days	588	574			
III. MONTHLY ACTIVITY					
Purchase	Type	Amount	Maturity	Yield	
TOTAL		\$0			
IV. MATURITY SCHEDULE (par value in millions)					
3 months or less	1,791.8				
3 months - 1 year	1,350.0				
1 year - 2 years	1,600.0				
2 years - 3 years	800.0				
3 years - 4 years	800.0				
4 years - 5 years	600.0				
TOTAL	\$6,941.8				

TREASURY YIELD CURVE



MATURITY SCHEDULE

March 31, 2007

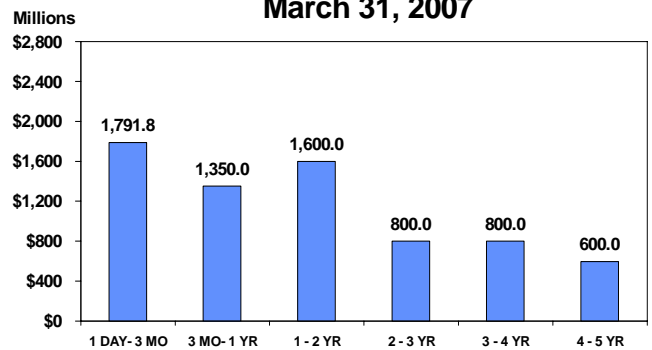


TABLE 5

MONTHLY YIELD COMPARISONS

March 31, 2007

YIELD COMPARISONS								
	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07
NCUSIF Yield	4.07%	4.13%	4.19%	4.29%	4.34%	4.37%	4.45%	4.52%
90 day T-Bill	5.03%	4.89%	5.07%	5.02%	5.01%	5.12%	5.16%	5.04%
1 year T-Bill	4.99%	4.90%	4.97%	4.93%	5.00%	5.09%	4.96%	4.90%
2 year T-Note	4.78%	4.70%	4.69%	4.62%	4.81%	4.94%	4.65%	4.58%
30 year T-Note	4.88%	4.78%	4.72%	4.57%	4.81%	4.93%	4.68%	4.84%

YIELD COMPARISONS
March 31, 2007

