

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 MAY 31, 2007

**DENNIS WINANS
CHIEF FINANCIAL OFFICER**

NCUSIF FINANCIAL HIGHLIGHTS
May 31, 2007

Balance Sheet:

Due from Credit Unions — of \$3.1 million represents the remaining balance of one percent deposit adjustments due from credit unions on April 16, 2007.

Cash — includes \$1.2 million in collections on one percent deposit adjustments received after the overnight investment was made on May 31, 2007.

Prepaid & Deferred Charges — is \$0.2 million for May. \$7.0 million was transferred to the operating fund to cover 53.3% of the agency's operating costs. May's actual operating costs were \$6.8 million.

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

Provision for Credit Union Losses (Reserves) — of \$84.9 million includes additional reserves of \$2.5 million for May 2007.

NCUSIF Equity — remained at 1.32% for May. 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 \$1.0 million more than the previous month due to one more calendar day in May for which interest was accrued.

NCUSIF Total Operating Expense — of \$6.9 million includes \$124.7 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 \$2.5 million for May. This increase is for new reserves for specific problem credit unions.

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

ASSETS	MAY 2006	APRIL 2007	MAY 2007
Investments:			
U.S. Government Securities	\$6,700,389,765.01	\$7,033,522,652.31	\$7,056,202,092.01
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	754,087.79	4,152,191.62	3,093,702.28
Loans due to NCUSIF	0.00	0.00	0.00
Recoveries from Liq. CU	14,635,437.76	11,097,227.55	11,932,050.16
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Total Other Receivables	15,389,525.55	15,249,419.17	15,025,752.44
Cash	15,958.87	206,140.17	1,206,880.17
Interest Receivable	44,514,024.59	57,572,933.99	54,773,821.88
Prepaid & Deferred Charges	(214,219.13)	508,090.50	200,226.73
Leased Assets	959,666.13	581,918.52	577,396.34
Other	23,243,091.98	22,013,446.26	21,870,650.17
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TOTAL ASSETS	\$6,784,297,813.00	\$7,129,654,600.92	\$7,149,856,819.74
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LIABILITIES			
Accounts Payable:			
Liquidation Claims	\$5,552,510.46	\$4,001,721.19	\$3,392,887.96
Other	596,439.47	1,750,588.10	657,009.40
Check Clearing Accounts	58,558.24	582,251.16	28,726.19
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Total Current Liabilities	6,207,508.17	6,334,560.45	4,078,623.55
Provision for CU Losses (Reserves)	72,321,889.68	82,945,025.40	84,854,811.61
Lease Liabilities	984,244.74	612,600.59	614,205.75
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TOTAL LIABILITIES	\$79,513,642.59	\$89,892,186.44	\$89,547,640.91
EQUITY			
CU Contributed Capital	\$5,150,280,418.23	\$5,352,412,050.43	\$5,355,118,533.13
Retained Earnings	1,554,503,752.18	1,687,350,364.05	1,705,190,645.70
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TOTAL EQUITY	\$6,704,784,170.41	\$7,039,762,414.48	\$7,060,309,178.83
TOTAL LIABILITIES & EQUITY	\$6,784,297,813.00	\$7,129,654,600.92	\$7,149,856,819.74
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COMPARATIVE ANALYSIS OF BALANCE SHEET RATIOS
for Period Ending May 31, 2007

	MAY 06	APR 07	MAY 07
1. Investments/Total Assets	98.76%	98.65%	98.69%
2. Total Equity/Insured Shares	1.30%	1.32%	1.32%
3. Prov. for Losses/CU Capital	1.40%	1.55%	1.58%
4. Non-Earning/Total Assets	0.89%	1.04%	1.00%
5. Available Asset Ratio	1.27%	1.30%	1.30%

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

INCOME	CURRENT MONTH	CURRENT MONTH BUDGET	CY TO DATE 2007	CY TO DATE BUDGETED 2007	CY TO DATE 2006
Investment Income	\$27,146,454.30	\$26,000,000.00	\$130,816,579.53	\$130,000,000.00	\$98,373,509.97
Other Income	83,302.38	80,000.00	\$465,155.96	400,000.00	350,704.31
Total Income	27,229,756.68	26,080,000.00	131,281,735.49	130,400,000.00	98,724,214.28
EXPENSE					
Employee Pay	4,087,185.85	4,196,013.58	19,573,166.35	19,882,708.01	\$20,209,809.39
Employee Benefits	1,119,460.71	1,139,661.13	5,266,655.83	5,412,704.38	5,376,701.39
Employee Travel	675,570.09	606,907.51	2,448,727.51	3,034,537.58	2,360,827.70
Rent/Communications/Utilities	176,749.61	176,501.04	710,699.41	882,505.21	867,345.60
Administrative Costs	349,059.63	532,516.23	1,801,662.31	2,662,581.14	2,381,034.71
Contracted Services	391,747.38	388,598.67	1,231,052.07	1,942,993.34	1,161,567.93
Subtotal NCUA Operating Exp.	6,799,773.27	7,040,198.16	31,031,963.48	33,818,029.66	32,357,286.72
AMAC Expense	1,021.32	1,000.00	5,377.70	5,000.00	2,714.87
Training Expense	115,192.15	100,000.00	384,326.22	500,000.00	257,402.54
Leasing Expense	6,127.34	30,675.00	172,080.36	153,375.00	218,056.62
Other Insurance Expense	2,360.95	5,000.00	14,110.48	25,000.00	37,029.25
Total Operating Exp.	6,924,475.03	7,176,873.16	31,607,858.24	34,501,404.66	32,872,490.00
Insurance Loss	2,465,000.00	2,000,000.00	14,983,106.90	10,000,000.00	1,761,000.00
Total Expense	\$9,389,475.03	\$9,176,873.16	\$46,590,965.14	\$44,501,404.66	\$34,633,490.00
NET INCOME	\$17,840,281.65	\$16,903,126.84	\$84,690,770.35	\$85,898,595.34	\$64,090,724.28
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			84,690,770.35		64,090,724.28
Dividends			1,756,720,948.57		1,554,503,752.18
			51,530,302.87		0.00
Retained Earnings, Year To Date			\$1,705,190,645.70		\$1,554,503,752.18

Comparative Analysis of NCUSIF Ratios for May 31, 2007

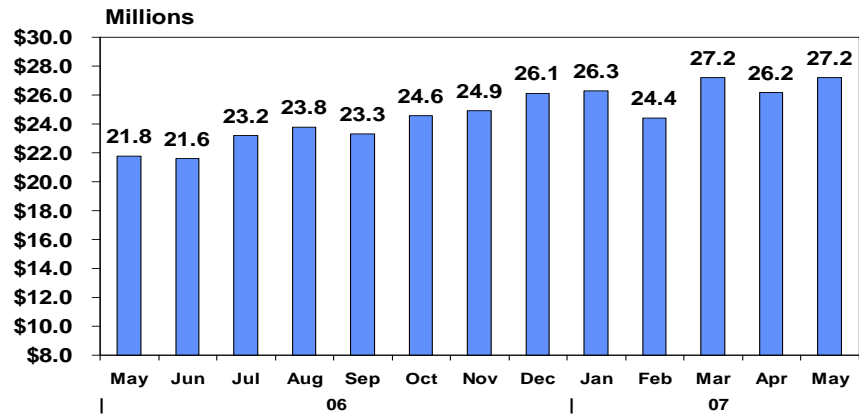
INCOME STATEMENT RATIOS	LAST MONTH	THIS MONTH	PRIOR CYTD	CURRENT CYTD
1. Oper. Exp./Total Income	25.24%	25.43%	33.30%	24.08%
2. Ins. Loss/Total Income	46.83%	9.05%	1.78%	11.41%
3. Total Exp./Total Income	72.07%	34.48%	35.08%	35.49%
4. Net Income/Total Income	27.93%	65.52%	64.92%	64.51%
5. Ins. Loss/Insured Shares	0.00%	0.00%	0.00%	0.00%

TABLE 3 - STATEMENT OF CASH FLOWS
May 31, 2007

CASH FLOWS FROM OPERATING ACTIVITIES:	
Income from investments	\$ 160,281,106.90
Other income received	465,155.96
Repayment of advances to credit unions (FCU Act §208)	15,000,000.00
Cash paid for operating expenses	(30,944,876.65)
Net cash (paid) received for insurance losses	<u>(1,725,824.60)</u>
Net cash provided by operating activities	<u>143,075,561.61</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Investments, net	(136,546,896.97)
Collections on note receivable - National Credit Union Administration Operating Fund	<u>643,160.44</u>
Net cash provided by (used in) investing activities	<u>(135,903,736.53)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:	
Contributions (distributions) from insured credit unions Cont Cap acct	45,785,215.33
Dividends to insured credit unions	(51,530,302.87)
Principal repayments under capital lease obligations	<u>(225,470.97)</u>
Net cash provided by financing activities	<u>(5,970,558.51)</u>
NET INCREASE (DECREASE) IN CASH	1,201,266.57
CASH, BEGINNING OF YEAR	<u>5,613.60</u>
CASH, ENDING MAY 31, 2007	<u>\$ 1,206,880.17</u>

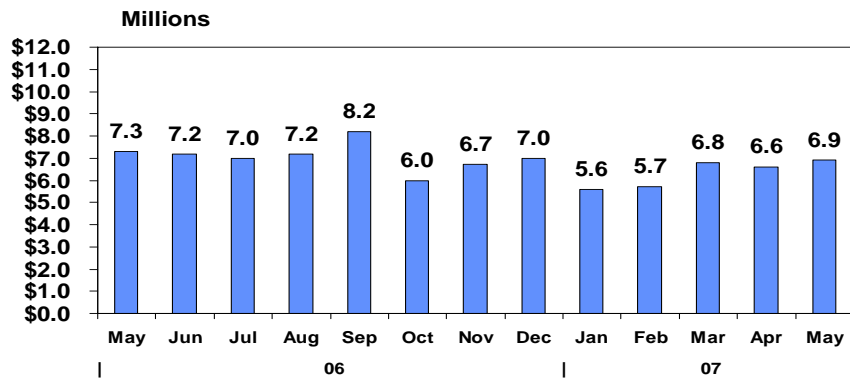
GROSS INCOME

May 06 – May 07



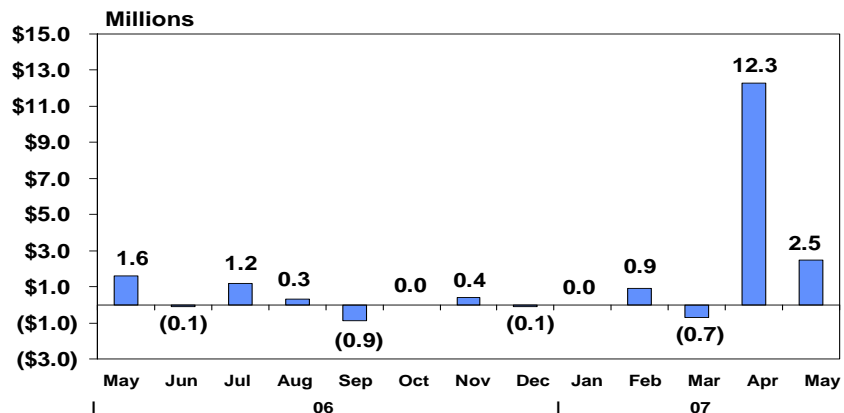
OPERATING EXPENSE

May 06 – May 07



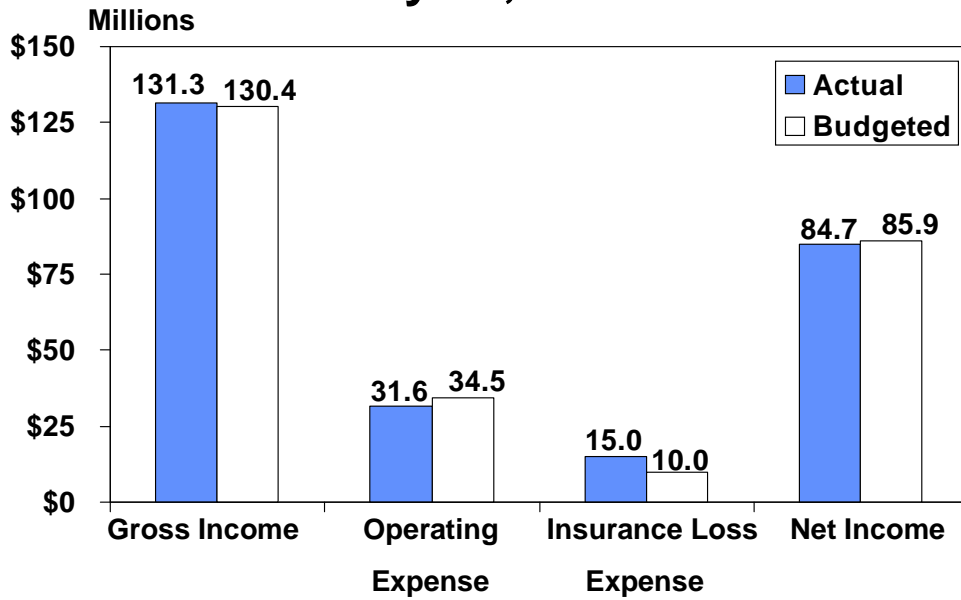
INSURANCE LOSS EXPENSE

May 06 – May 07



REVENUE AND EXPENSE

May 31, 2007



NCUSIF EQUITY RATIO

May 31, 2007

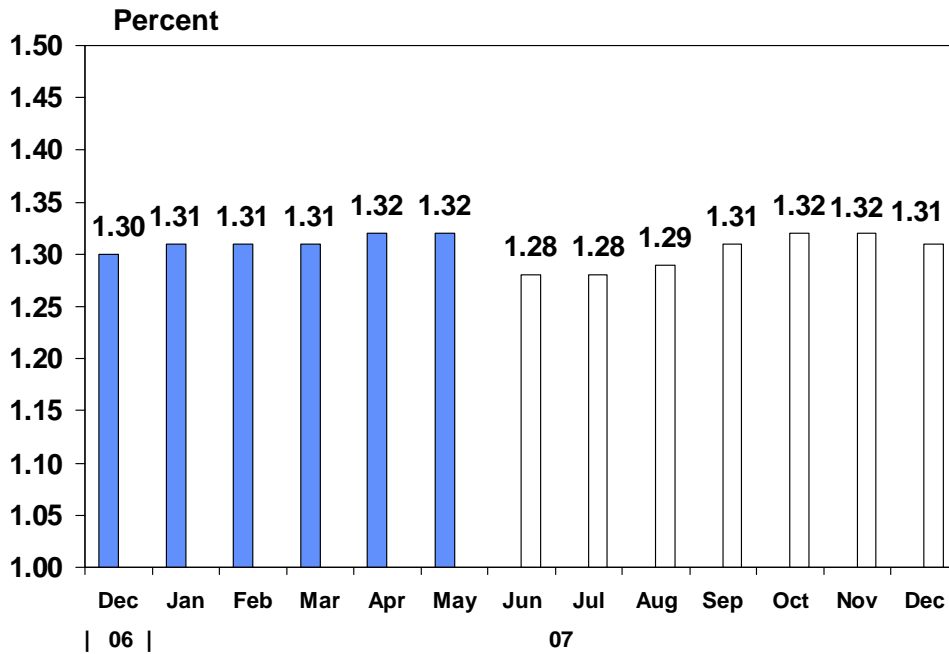


TABLE 4

INVESTMENT PORTFOLIO SUMMARY

May 31, 2007

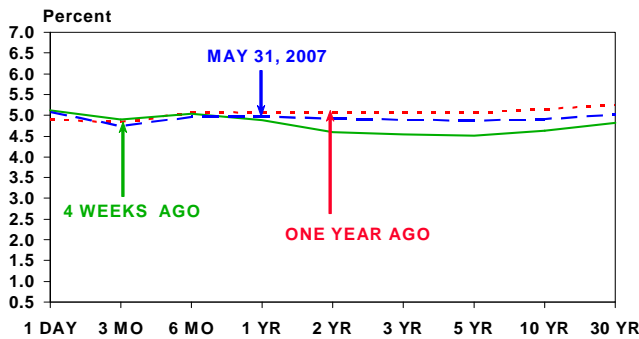
I. INVESTMENT PORTFOLIO BALANCE AND MARKET VALUE					
	Book Value	Market Value	Gain or (Loss)	% Market to Book Value	Weighted Average Yield
Daily Treasury Account	\$1,308,642,000	\$1,308,642,000	\$0	100.00%	5.12%
U.S. Treasury Notes	\$5,747,560,092	\$5,716,234,375	(\$31,325,717)	99.50%	4.43%
TOTAL	\$7,056,202,092	\$7,024,876,375	(\$31,325,717)	99.60%	4.55%

II. INVESTMENT PORTFOLIO PERFORMANCE				
	Last Month	Current Month	CY To Date	CY07 Projections
Investment Yield	4.50%	4.48%	4.46%	4.50%
Investment Income	\$26,094,478	\$27,146,454	\$130,816,580	\$312 Million
Income Budgeted	\$26,000,000	\$26,000,000	\$130,000,000	\$312 Million
Income/Budgeted Ratio	100.4%	104.4%	100.6%	100.00%
Weighted Avg. Maturity in Days	642	614		

III. MONTHLY ACTIVITY				
Purchase	Type	Amount	Maturity	Yield
TOTAL				

IV. MATURITY SCHEDULE (par value in millions)	
3 months or less	1,758.6
3 months - 1 year	1,150.0
1 year - 2 years	1,600.0
2 years - 3 years	1,000.0
3 years - 4 years	800.0
4 years - 5 years	800.0
TOTAL	\$7,108.6

TREASURY YIELD CURVE



MATURITY SCHEDULE

May 31, 2007

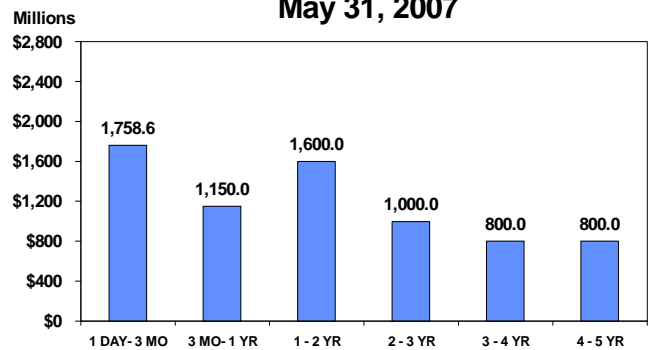


TABLE 5

MONTHLY YIELD COMPARISONS

May 31, 2007

YIELD COMPARISONS								
	Oct-06	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07
NCUSIF Yield	4.19%	4.29%	4.34%	4.37%	4.45%	4.52%	4.50%	4.48%
90 day T-Bill	5.07%	5.02%	5.01%	5.12%	5.16%	5.04%	4.91%	4.73%
1 year T-Bill	4.97%	4.93%	5.00%	5.09%	4.96%	4.90%	4.89%	4.95%
2 year T-Note	4.69%	4.62%	4.81%	4.94%	4.65%	4.58%	4.60%	4.92%
30 year T-Note	4.72%	4.57%	4.81%	4.93%	4.68%	4.84%	4.81%	5.01%

YIELD COMPARISONS
May 31, 2007

