

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 MARCH 31, 2006

**DENNIS WINANS
CHIEF FINANCIAL OFFICER**

NCUSIF FINANCIAL HIGHLIGHTS
March 31, 2006

Balance Sheet:

Investments: US Government Securities — decreased by \$50.7 million due primarily to the refund of \$77.7 million to credit unions that declined in insured shares during the period of January 1, 2005 through December 31, 2005 (or July 1, 2005 – December 31, 2005 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 \$92.2 million represents the amount of one percent deposit adjustments due from credit unions on April 17, 2006.

Prepaid & Deferred Charges — is \$38.7 thousand for March. \$7.0 million was transferred to the operating fund to cover 57% of the agency's operating costs. March's actual operating costs were \$6.96 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 \$0.9 million is primarily for failed EFT's and refund checks issued to credit unions that declined in insured shares and have not cleared through the banking system as of March 31.

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

NCUSIF Equity — increased to 1.30% for March due to an increase in contributed capital. 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 \$2.1 million more than the previous month due to three more calendar days in March for which interest was accrued.

NCUSIF Total Operating Expense — of \$7.1 million includes \$132.8 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
MARCH 31, 2006

ASSETS	MARCH 2005	FEBRUARY 2006	MARCH 2006
Investments:			
U.S. Government Securities	\$6,335,731,195.37	\$6,629,122,648.38	\$6,578,406,690.71
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	76,359,984.17	0.00	92,239,156.00
Loans due to NCUSIF	6,967,794.71	0.00	0.00
Recoveries from Liq. CU	24,688,518.90	14,687,776.66	14,040,277.11
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Total Other Receivables	108,016,297.78	14,687,776.66	106,279,433.11
Cash	4,997,164.51	5,867.35	5,700.19
Interest Receivable	44,054,660.64	34,009,968.28	45,442,683.35
Prepaid & Deferred Charges	53,402.14	965,437.77	38,700.07
Leased Assets	413,043.53	34,870.36	1,016,165.00
Other	24,809,444.52	23,578,626.35	23,466,781.56
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TOTAL ASSETS	\$6,518,075,208.49	\$6,702,405,195.15	\$6,754,656,153.99
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 LIABILITIES			
Accounts Payable:			
Liquidation Claims	\$17,398,482.77	\$4,471,571.70	\$4,359,242.56
Other	2,362.72	27,170.21	42,294.77
Check Clearing Accounts	782,138.30	10,736.92	908,566.79
Dividend Check Clearing	0.00	0.00	0.00
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Total Current Liabilities	18,182,983.79	4,509,478.83	5,310,104.12
Provision for CU Losses (Reserves)	73,491,484.16	71,551,785.91	71,772,535.04
Lease Liabilities	420,688.07	0.00	1,073,504.18
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TOTAL LIABILITIES	\$92,095,156.02	\$76,061,264.74	\$78,156,143.34 1/
 EQUITY			
CU Contributed Capital	\$5,000,035,472.94	\$5,110,916,855.47	\$5,148,421,921.84
Retained Earnings	1,425,944,579.53	1,515,427,074.94	1,528,078,088.81
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TOTAL EQUITY	\$6,425,980,052.47	\$6,626,343,930.41	\$6,676,500,010.65
TOTAL LIABILITIES & EQUITY	\$6,518,075,208.49	\$6,702,405,195.15	\$6,754,656,153.99
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COMPARATIVE ANALYSIS OF BALANCE SHEET RATIOS
for Period Ending March 31, 2006

		MAR 05	FEB 06	MAR 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	97.20%	98.91%	97.39%
	2. Total Equity/Insured Shares	1.29%	1.29%	1.30%
	3. Prov. for Losses/CU Capital	1.47%	1.40%	1.39%
	4. Non-Earning/Total Assets	2.42%	0.74%	2.26%
	5. Available Asset Ratio	1.24%	1.26%	1.25%

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

INCOME	CURRENT MONTH	CURRENT MONTH BUDGET	CY TO DATE 2006	CY TO DATE BUDGETED 2006	CY TO DATE 2005
Investment Income	\$19,960,318.16	\$22,000,000.00	\$56,604,196.60	\$66,000,000.00	\$35,219,481.83
Other Income	79,836.69	70,000.00	206,479.33	\$210,000.00	130,701.56
Total Income	20,040,154.85	22,070,000.00	56,810,675.93	66,210,000.00	35,350,183.39
EXPENSE					
Employee Pay	4,160,812.82	4,460,573.01	11,838,303.50	12,604,866.95	11,276,734.87
Employee Benefits	1,136,151.04	1,205,025.79	3,160,924.95	3,413,902.16	2,985,801.54
Employee Travel	497,974.33	653,807.06	995,432.62	2,361,758.50	1,055,556.13
Rent/Communications/Utilities	175,997.93	189,990.67	503,127.98	569,972.00	450,238.13
Administrative Costs	601,489.99	557,187.26	1,454,269.81	1,671,561.79	1,618,699.84
Contracted Services	388,873.82	421,880.22	614,591.12	1,265,640.68	418,233.13
Subtotal NCUA Operating Exp.	6,961,299.93	7,488,464.01	18,566,649.98	21,887,702.08	17,805,263.64
AMAC Expense	0.00	1,000.00	2,714.87	3,000.00	299.15
Training Expense	36,779.82	100,000.00	88,369.84	300,000.00	172,849.64
Leasing Expense	92,209.54	32,000.00	160,758.22	96,000.00	105,056.77
Other Insurance Expense	3,851.69	5,000.00	12,122.11	15,000.00	6,392.21
Total Operating Exp.	7,094,140.98	7,626,464.01	18,830,615.02	22,301,702.08	18,089,861.41
Insurance Loss	295,000.00	2,000,000.00	315,000.00	6,000,000.00	7,480,000.00
Total Expense	7,389,140.98	9,626,464.01	19,145,615.02	28,301,702.08	25,569,861.41
NET INCOME	\$12,651,013.87	\$12,443,535.99	\$37,665,060.91	\$37,908,297.92	\$9,780,321.98
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			37,665,060.91		9,780,321.98
Dividends			0.00		0.00
Retained Earnings, Year To Date			\$1,528,078,088.81		\$1,425,944,579.53

Comparative Analysis of NCUSIF Ratios for March 31, 2006

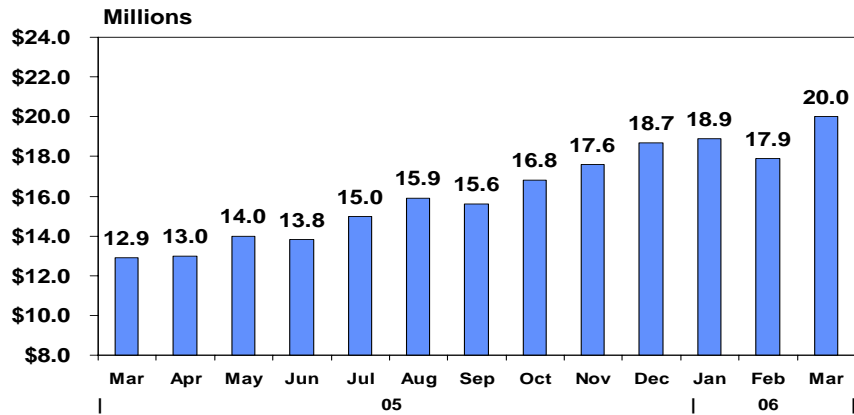
INCOME STATEMENT RATIOS	LAST MONTH	THIS MONTH	PRIOR CYTD	CURRENT CYTD
1. Oper. Exp./Total Income	34.19%	35.40%	51.17%	33.15%
2. Ins. Loss/Total Income	0.11%	1.47%	21.16%	0.55%
3. Total Exp./Total Income	34.30%	36.87%	72.33%	33.70%
4. Net Income/Total Income	65.70%	63.13%	27.67%	66.30%
5. Ins. Loss/Insured Shares	0.00%	0.00%	0.00%	0.00%

TABLE 3 - STATEMENT OF CASH FLOWS
March 31, 2006

CASH FLOWS FROM OPERATING ACTIVITIES:	
Income from investments	\$63,263,566.05
Other income received	206,479.33
Cash paid for operating expenses	(20,252,185.26)
Net cash (paid) received for insurance losses	<u>(1,868,279.74)</u>
Net cash provided by operating activities	41,349,580.38
CASH FLOWS FROM INVESTING ACTIVITIES:	
Investments, net	28,454,006.08
Collections on note receivable - National Credit Union Administration Operating Fund	<u>308,768.13</u>
Net cash provided by (used in) investing activities	28,762,774.21
CASH FLOWS FROM FINANCING ACTIVITIES:	
Contributions from insured credit unions Cont Cap acct	(70,112,162.42)
Dividends to insured credit unions	<u>0.00</u>
Net cash provided by financing activities	(70,112,162.42)
NET INCREASE (DECREASE) IN CASH	192.17
CASH, BEGINNING OF YEAR	5,508.02
CASH, ENDING MARCH 31, 2006	<u><u>\$5,700.19</u></u>

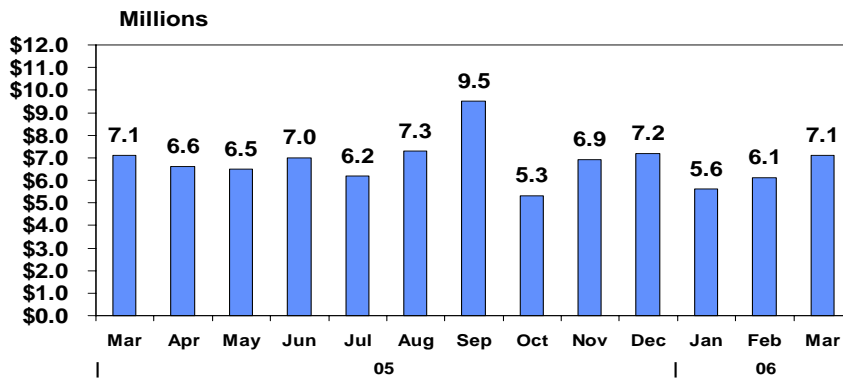
GROSS INCOME

March 05 – March 06



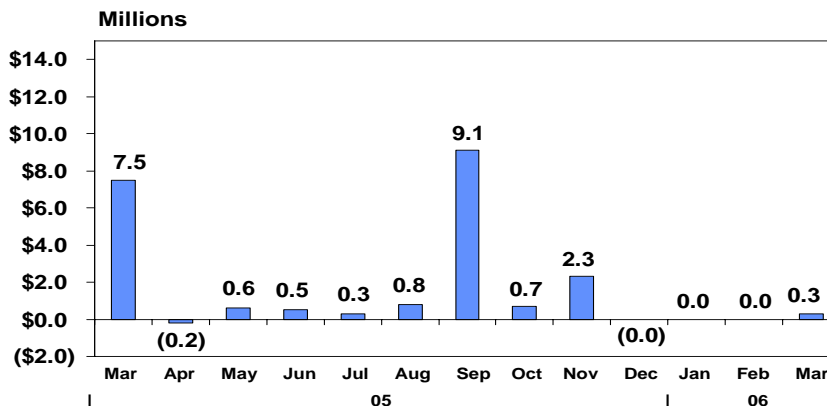
OPERATING EXPENSE

March 05 – March 06



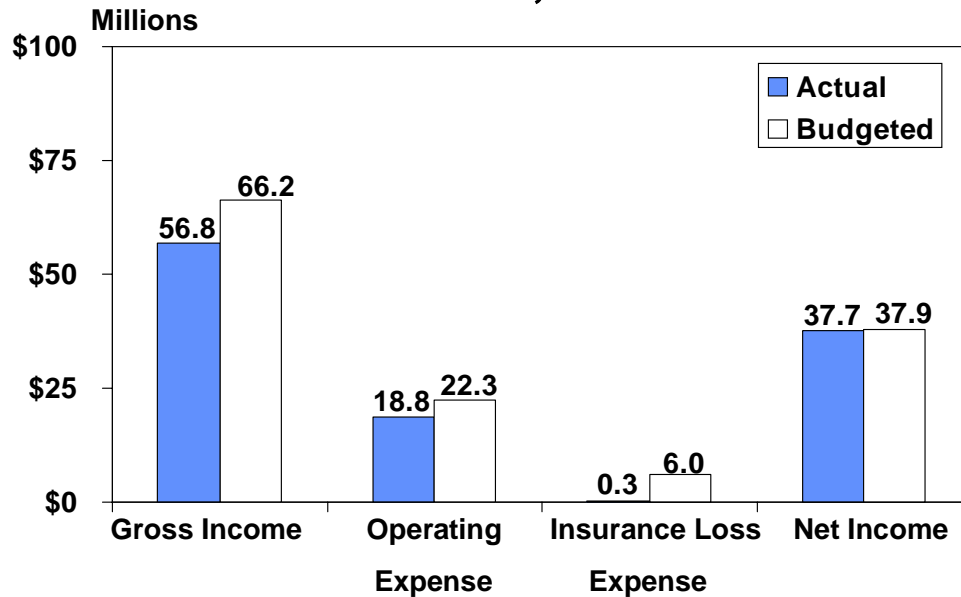
INSURANCE LOSS EXPENSE

March 05 – March 06



REVENUE AND EXPENSE

March 31, 2006



NCUSIF EQUITY RATIO

March 31, 2006

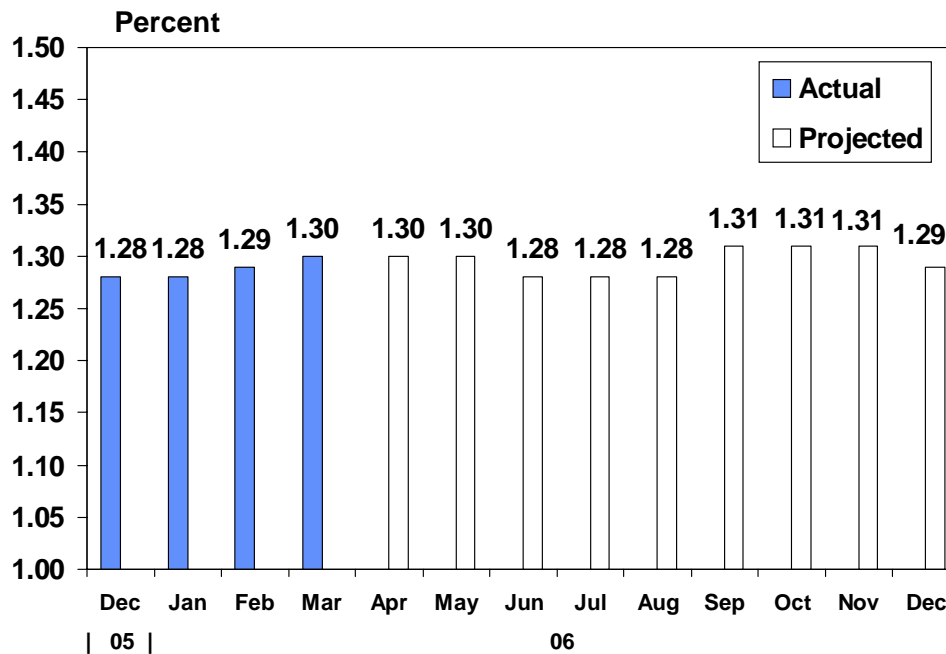
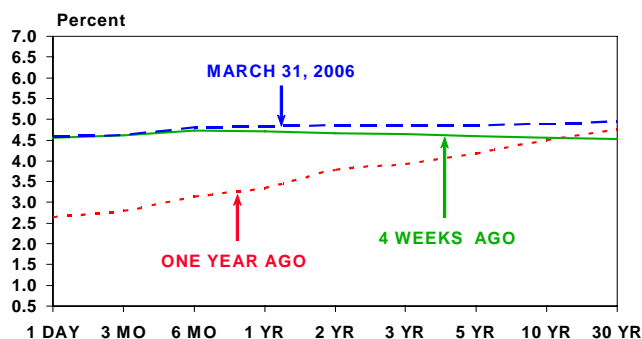


TABLE 4

INVESTMENT PORTFOLIO SUMMARYMarch 31, 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	\$1,638,307,000	\$1,638,307,000	\$0	100.0%	4.55%
U.S. Treasury Notes	\$4,940,099,691	\$4,865,250,000	(\$74,849,691)	98.5%	3.28%
TOTAL	\$6,578,406,691	\$6,503,557,000	(\$74,849,691)	98.9%	3.56%
II. INVESTMENT PORTFOLIO PERFORMANCE					
	Last Month	Current Month	CY To Date	CY06 Projections	
Investment Yield	3.45%	3.52%	3.43%	4.50%	
Investment Income	\$17,800,039	\$19,960,318	\$56,604,196	264 Million	
Income Budgeted	\$22,000,000	\$22,000,000	\$66,000,000	264 Million	
Income/Budgeted Ratio	80.9%	90.7%	85.8%	100.00%	
Weighted Avg. Maturity in Days	450	430			
III. MONTHLY ACTIVITY					
Purchase	Type	Amount	Maturity	Yield	
TOTAL		\$0			
IV. MATURITY SCHEDULE (par value in millions)					
3 months or less	2,238.3				
3 months - 1 year	1,600.0				
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	\$6,588.3				

TREASURY YIELD CURVE**MATURITY SCHEDULE**

March 31, 2006

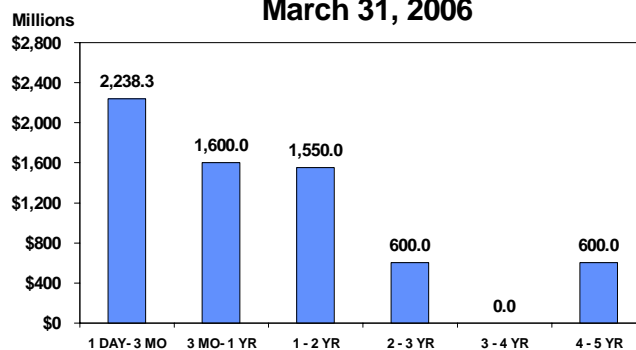


TABLE 5

MONTHLY YIELD COMPARISONS

March 31, 2006

YIELD COMPARISONS								
	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	Jan-06	Feb-06	Mar-06
NCUSIF Yield	2.84%	2.89%	2.95%	3.19%	3.27%	3.31%	3.45%	3.52%
90 day T-Bill	3.51%	3.53%	3.95%	3.94%	4.09%	4.45%	4.61%	4.62%
1 year T-Bill	3.76%	3.98%	4.28%	4.33%	4.38%	4.56%	4.71%	4.82%
2 year T-Note	3.84%	4.16%	4.39%	4.40%	4.40%	4.52%	4.67%	4.85%
30 year T-Note	4.28%	4.57%	4.74%	4.69%	4.56%	4.69%	4.53%	4.93%

YIELD COMPARISONS
March 31, 2006

