

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 JUNE 30, 2007

**DENNIS WINANS
CHIEF FINANCIAL OFFICER**

NCUSIF FINANCIAL HIGHLIGHTS
June 30, 2007

Balance Sheet:

Due from Credit Unions — of \$.5 million represents the remaining balance of one percent deposit adjustments due from credit unions on April 16, 2007.

Interest Receivable — net increase of \$14.8 million is due to a combination of \$18.8 million in accrued interest earned in June and payments of \$4.0 million received by the NCUSIF in June.

Prepaid & Deferred Charges — is \$.8 million for June. \$7.0 million was transferred to the operating fund to cover 53.3% of the agency's operating costs. June's actual operating costs were \$6.2 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 \$86.0 million includes additional reserves of \$1.0 million for June 2007.

NCUSIF Equity — decreased to 1.26% for June. The equity ratio is based upon an insured share base of \$561.2 billion for June 30, 2007. [revised to reflect actual insured shares]

Statement of Revenue and Expense:

Investment Income — is approximately \$681 thousand less than the previous month due to one less calendar day in June for which interest was accrued.

NCUSIF Total Operating Expense — of \$6.3 million includes \$119.4 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 \$1.0 million for June. This increase is for new reserves for specific problem credit unions.

TABLE 1 - NATIONAL CREDIT UNION SHARE INSURANCE FUND
BALANCE SHEET
JUNE 30, 2007

ASSETS	JUNE 2006	MAY 2007	JUNE 2007
Investments:			
U.S. Government Securities	\$6,706,290,758.12	\$7,056,202,092.01	\$7,064,841,661.85
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	130,042.03	3,093,702.28	537,844.88
Loans due to NCUSIF	0.00	0.00	0.00
Recoveries from Liq. CU	13,379,456.01	11,932,050.16	11,384,738.91
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Total Other Receivables	13,509,498.04	15,025,752.44	11,922,583.79
Cash	10,976.86	1,206,880.17	5,668.65
Interest Receivable	54,199,297.44	54,773,821.88	69,539,922.89
Prepaid & Deferred Charges	(13,171.75)	200,226.73	791,688.02
Leased Assets	931,411.13	577,396.34	550,992.74
Other	23,086,362.27	21,870,650.17	21,758,905.38
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TOTAL ASSETS	\$6,798,015,132.11	\$7,149,856,819.74	\$7,169,411,423.32
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LIABILITIES			
Accounts Payable:			
Liquidation Claims	\$5,137,902.48	\$3,392,887.96	\$2,967,864.07
Other	16,123.74	657,009.40	527,122.95
Check Clearing Accounts	44,780.55	28,726.19	67,985.00
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Total Current Liabilities	5,198,806.77	4,078,623.55	3,562,972.02
Provision for CU Losses (Reserves)	72,482,744.61	84,854,811.61	86,048,974.36
Lease Liabilities	\$984,638.19	614,205.75	615,815.12
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TOTAL LIABILITIES	\$78,666,189.57	\$89,547,640.91	\$90,227,761.50
EQUITY			
CU Contributed Capital	5,150,318,495.99	\$5,355,118,533.13	\$5,354,751,672.32
Retained Earnings	\$1,569,030,446.55	1,705,190,645.70	1,724,431,989.50
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TOTAL EQUITY	\$6,719,348,942.54	\$7,060,309,178.83	\$7,079,183,661.82
TOTAL LIABILITIES & EQUITY	\$6,798,015,132.11	\$7,149,856,819.74	\$7,169,411,423.32
	=====	=====	=====

COMPARATIVE ANALYSIS OF BALANCE SHEET RATIOS
for Period Ending June 30, 2007

	JUN 06	MAY 07	JUN 07
1. Investments/Total Assets	98.65%	98.69%	98.54%
2. Total Equity/Insured Shares	1.26%	1.32%	1.26%*
3. Prov. for Losses/CU Capital	1.41%	1.58%	1.61%
4. Non-Earning/Total Assets	1.01%	1.00%	1.16%
5. Available Asset Ratio	1.23%	1.30%	1.24%

*Revised 9/5/07

TABLE 2 - STATEMENT OF REVENUE AND EXPENSE
FOR THE PERIOD ENDING JUNE 30, 2007

INCOME	CURRENT MONTH	CURRENT MONTH BUDGET	CY TO DATE 2007	CY TO DATE BUDGETED 2007	CY TO DATE 2006
Investment Income	\$26,465,445.83	\$26,000,000.00	\$157,282,025.36	\$156,000,000.00	\$119,943,101.52
Other Income	79,924.40	80,000.00	\$545,080.36	480,000.00	421,543.63
Total Income	26,545,370.23	26,080,000.00	157,827,105.72	156,480,000.00	120,364,645.15
EXPENSE					
Employee Pay	3,720,258.82	3,830,226.95	23,293,425.17	23,712,934.96	\$24,314,158.24
Employee Benefits	988,011.28	1,044,460.70	6,254,667.11	6,457,165.08	6,743,787.45
Employee Travel	640,624.29	606,907.52	3,089,351.80	3,641,445.10	2,961,990.52
Rent/Communications/Utilities	216,734.65	176,501.05	927,434.06	1,059,006.26	1,028,900.48
Administrative Costs	339,948.81	532,516.23	2,141,611.12	3,195,097.37	2,845,929.98
Contracted Services	302,734.13	388,598.67	1,533,786.20	2,331,592.01	1,475,691.80
Subtotal NCUA Operating Exp.	6,208,311.98	6,579,211.12	37,240,275.46	40,397,240.78	39,370,458.47
AMAC Expense	240.85	1,000.00	5,618.55	6,000.00	2,714.87
Training Expense	88,467.62	100,000.00	472,793.84	600,000.00	388,812.64
Leasing Expense	28,012.97	30,675.00	200,093.33	184,050.00	246,705.07
Other Insurance Expense	2,670.80	5,000.00	16,781.28	30,000.00	40,535.45
Total Operating Exp.	6,327,704.22	6,715,886.12	37,935,562.46	41,217,290.78	40,049,226.50
Insurance Loss	976,322.21	2,000,000.00	15,959,429.11	12,000,000.00	1,698,000.00
Total Expense	\$7,304,026.43	\$8,715,886.12	\$53,894,991.57	\$53,217,290.78	\$41,747,226.50
NET INCOME	\$19,241,343.80	\$17,364,113.88	\$103,932,114.15	\$103,262,709.22	\$78,617,418.65
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			103,932,114.15		78,617,418.65
Dividends			1,775,962,292.37		1,569,030,446.55
			51,530,302.87		0.00
Retained Earnings, Year To Date			\$1,724,431,989.50		\$1,569,030,446.55

Comparative Analysis of NCUSIF Ratios for June 30, 2007

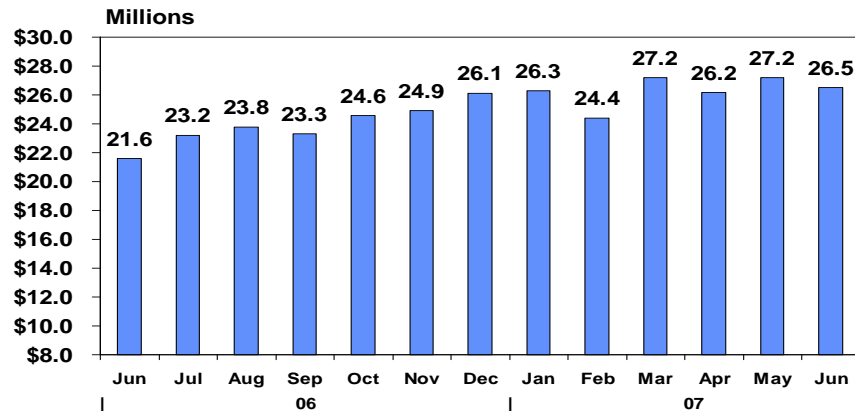
INCOME STATEMENT RATIOS	LAST MONTH	THIS MONTH	PRIOR CYTD	CURRENT CYTD
1. Oper. Exp./Total Income	25.43%	23.84%	33.27%	24.04%
2. Ins. Loss/Total Income	9.05%	3.68%	1.41%	10.11%
3. Total Exp./Total Income	34.48%	27.52%	34.68%	34.15%
4. Net Income/Total Income	65.52%	72.48%	65.32%	65.85%
5. Ins. Loss/Insured Shares	0.00%	0.00%	0.00%	0.00%

TABLE 3 - STATEMENT OF CASH FLOWS
June 30, 2007

CASH FLOWS FROM OPERATING ACTIVITIES:	
Income from investments	\$ 119,594,381.88
Other income received	545,080.36
Repayment of advances to credit unions (FCU Act §208)	15,000,000.00
Cash paid for operating expenses	(37,926,656.83)
Net cash (paid) received for insurance losses	<u>(1,385,696.70)</u>
Net cash provided by operating activities	<u>95,827,108.71</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Investments, net	(92,800,396.97)
Collections on note receivable - National Credit Union Administration Operating Fund	<u>754,905.23</u>
Net cash provided by (used in) investing activities	<u>(92,045,491.74)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:	
Contributions (distributions) from insured credit unions Cont Cap acct	47,974,211.92
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>(3,781,561.92)</u>
NET INCREASE (DECREASE) IN CASH	55.05
CASH, BEGINNING OF YEAR	<u>5,613.60</u>
CASH, ENDING JUNE 30, 2007	<u>\$ 5,668.65</u>

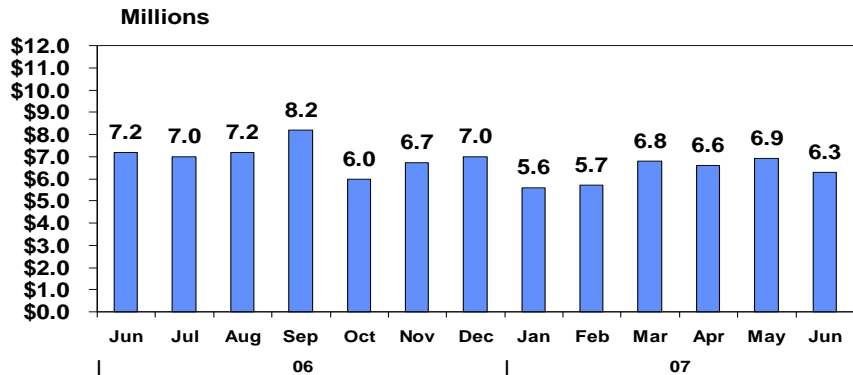
GROSS INCOME

June 06 – June 07



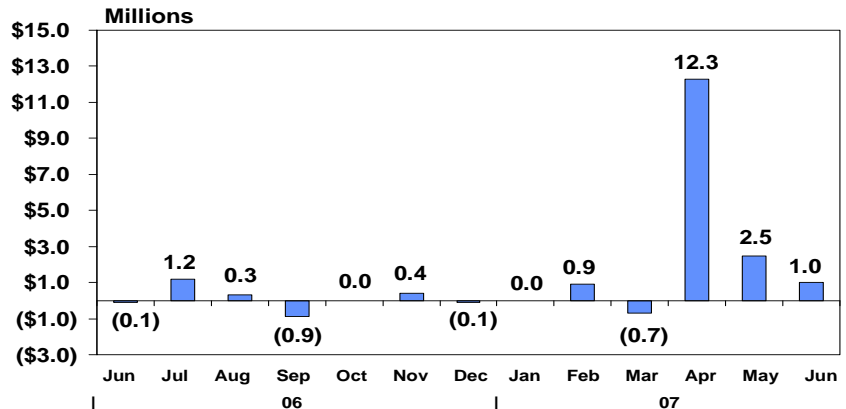
OPERATING EXPENSE

June 06 – June 07



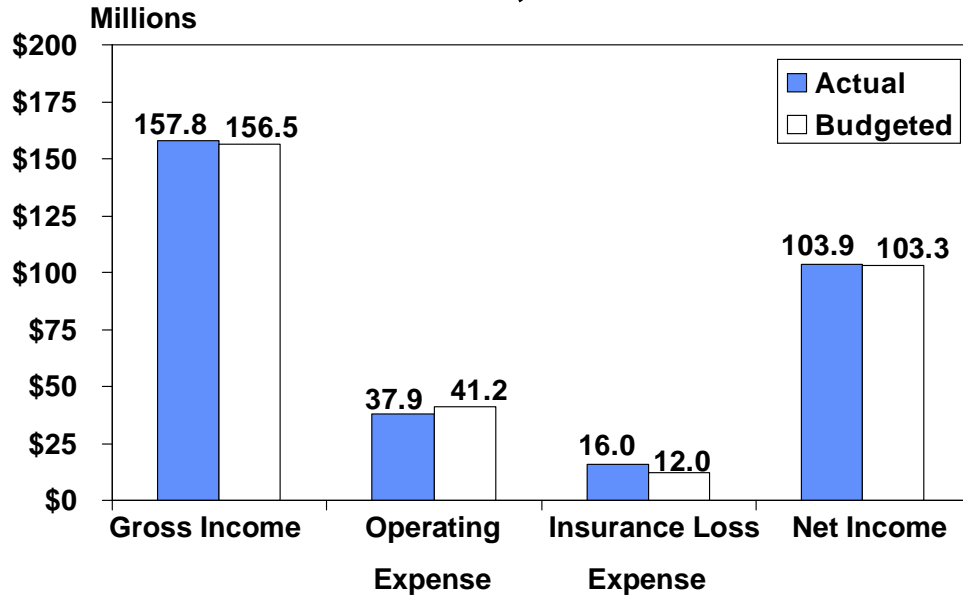
INSURANCE LOSS EXPENSE

June 06 – June 07



REVENUE AND EXPENSE

June 30, 2007



NCUSIF EQUITY RATIO

June 30, 2007

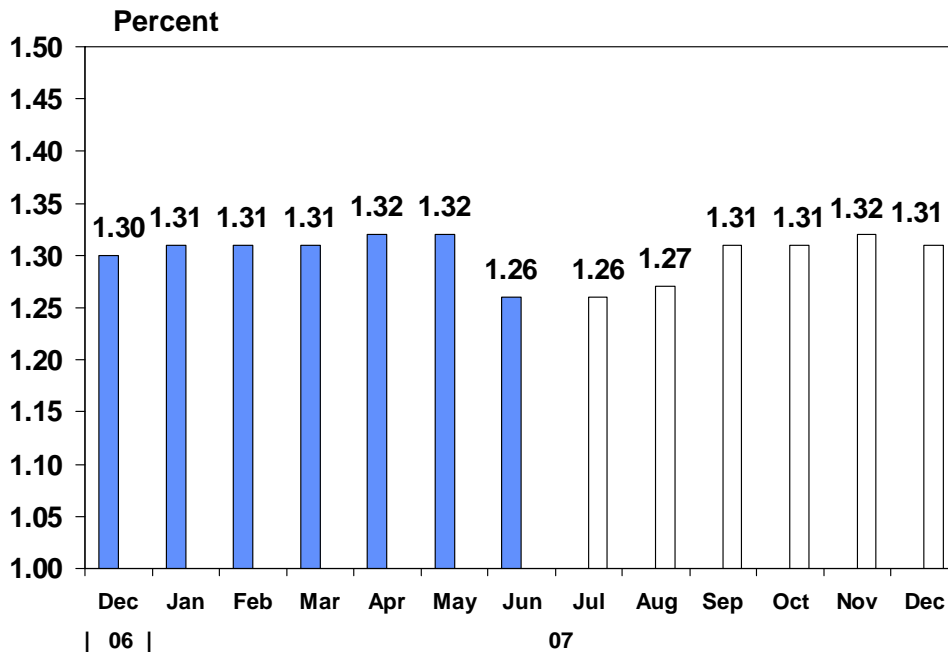


TABLE 4

INVESTMENT PORTFOLIO SUMMARYJune 30, 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	\$1,314,958,000	\$1,314,958,000	\$0	100.00%	5.08%
U.S. Treasury Notes	\$5,749,883,662	\$5,718,937,500	(\$30,946,162)	99.46%	4.43%
TOTAL	\$7,064,841,662	\$7,033,895,500	(\$30,946,162)	99.56%	4.55%
II. INVESTMENT PORTFOLIO PERFORMANCE					
	Last Month	Current Month	CY To Date	CY07 Projections	
Investment Yield	4.48%	4.50%	4.47%	4.50%	
Investment Income	\$27,146,454	\$26,465,446	\$157,282,025	\$312 Million	
Income Budgeted	\$26,000,000	\$26,000,000	\$156,000,000	\$312 Million	
Income/Budgeted Ratio	104.4%	101.8%	100.8%	100.00%	
Weighted Avg. Maturity in Days	614	589			
III. MONTHLY ACTIVITY					
Purchase	Type	Amount	Maturity	Yield	
TOTAL					
IV. MATURITY SCHEDULE (par value in millions)					
3 months or less		1,765.0			
3 months - 1 year		1,400.0			
1 year - 2 years		1,550.0			
2 years - 3 years		800.0			
3 years - 4 years		1,000.0			
4 years - 5 years		600.0			
TOTAL		\$7,115.0			

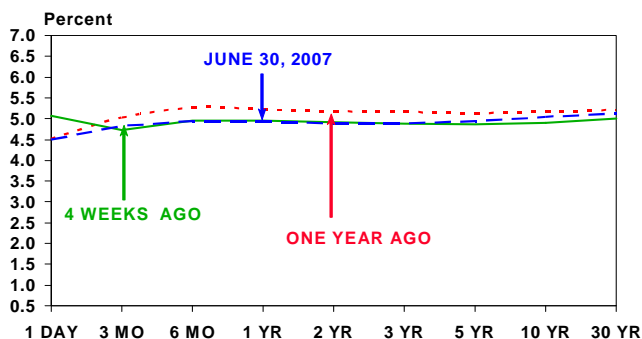
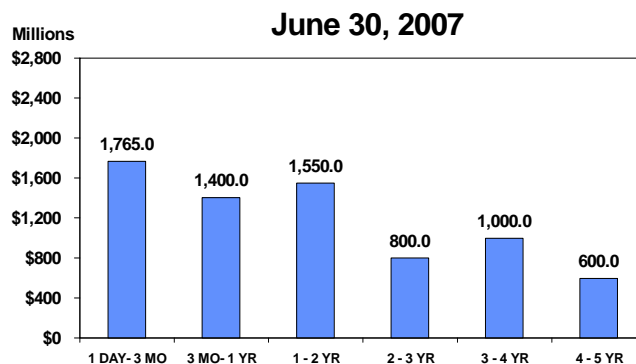
TREASURY YIELD CURVE**MATURITY SCHEDULE**

TABLE 5

MONTHLY YIELD COMPARISONS

June 30, 2007

YIELD COMPARISONS								
	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07
NCUSIF Yield	4.29%	4.34%	4.37%	4.45%	4.52%	4.50%	4.48%	4.50%
90 day T-Bill	5.02%	5.01%	5.12%	5.16%	5.04%	4.91%	4.73%	4.82%
1 year T-Bill	4.93%	5.00%	5.09%	4.96%	4.90%	4.89%	4.95%	4.92%
2 year T-Note	4.62%	4.81%	4.94%	4.65%	4.58%	4.60%	4.92%	4.88%
30 year T-Note	4.57%	4.81%	4.93%	4.68%	4.84%	4.81%	5.01%	5.12%

YIELD COMPARISONS
June 30, 2007

