

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 JANUARY 31, 2007

**DENNIS WINANS
CHIEF FINANCIAL OFFICER**

NCUSIF FINANCIAL HIGHLIGHTS
January 31, 2007

Balance Sheet:

Share Deposits and Loans — of \$13.0 million is for outstanding 208 assistance.

Prepaid & Deferred Charges — is \$1.5 million for January. \$7.0 million was transferred to the operating fund to cover 53.3% of the agency's operating costs. January's actual operating costs were \$5.5 million.

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

NCUSIF Equity — is 1.31% for January. 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 \$270 thousand greater than the previous month due to rising interest rates.

NCUSIF Total Operating Expense — of \$5.6 million includes \$22.3 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
JANUARY 31, 2007

ASSETS	JANUARY 2006	DECEMBER 2006	JANUARY 2007
Investments:			
U.S. Government Securities	\$6,602,317,102.18	\$6,940,671,927.08	\$6,964,330,118.45
Advances to Credit Unions:			
NCUSIF Subordinated Notes	0.00	0.00	0.00
Share Deposits & Loans	0.00	15,000,000.00	13,000,000.00
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Total Advances to Credit Unions	0.00	15,000,000.00	13,000,000.00
Other Receivables:			
Due from Credit Unions	982,803.17	46,210.91	0.00
Loans due to NCUSIF	0.00	0.00	0.00
Recoveries from Liq. CU	16,087,537.57	14,461,593.97	13,245,744.34
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Total Other Receivables	17,070,340.74	14,507,804.88	13,245,744.34
Cash	5,034.50	5,613.60	5,438.02
Interest Receivable	48,784,043.84	63,176,264.18	56,747,085.14
Prepaid & Deferred Charges	1,326,573.73	114,411.62	1,483,920.56
Leased Assets	68,968.22	761,758.38	733,503.38
Other	23,690,471.14	22,513,810.61	22,393,262.02
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TOTAL ASSETS	<u>\$6,693,262,534.35</u>	<u>\$7,056,751,590.35</u>	<u>\$7,071,939,071.91</u>
LIABILITIES			
Accounts Payable:			
Liquidation Claims	\$5,200,996.58	\$7,290,591.80	\$5,277,596.24
Other	41,704.85	108,544.25	0.00
Check Clearing Accounts	383.84	475.00	15,484.08
Dividend Check Clearing	0.00	0.00	0.00
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Total Current Liabilities	5,243,085.27	7,399,611.05	5,293,080.32
Provision for CU Losses (Reserves)	73,269,037.68	70,229,369.28	70,874,936.41
Lease Liabilities	0.00	806,605.37	716,842.39
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TOTAL LIABILITIES	<u>\$78,512,122.95</u>	<u>\$78,435,585.70</u>	<u>\$76,884,859.12</u>
EQUITY			
CU Contributed Capital	\$5,111,057,335.94	\$5,306,285,826.43	\$5,302,273,849.24
Retained Earnings	1,503,693,075.46	1,672,030,178.22	1,692,780,363.55
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TOTAL EQUITY	<u>\$6,614,750,411.40</u>	<u>\$6,978,316,004.65</u>	<u>\$6,995,054,212.79</u>
TOTAL LIABILITIES & EQUITY	<u>\$6,693,262,534.35</u>	<u>\$7,056,751,590.35</u>	<u>\$7,071,939,071.91</u>

COMPARATIVE ANALYSIS OF BALANCE SHEET RATIOS
for Period Ending January 31, 2007

	JAN 06	DEC 06	JAN 07
1. Investments/Total Assets	98.64%	98.36%	98.48%
2. Total Equity/Insured Shares	1.28%	1.30%	1.31%
3. Prov. for Losses/CU Capital	1.43%	1.32%	1.34%
4. Non-Earning/Total Assets	1.00%	1.11%	1.02%
5. Available Asset Ratio	1.25%	1.28%	1.28%

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

INCOME	CURRENT MONTH	CURRENT MONTH BUDGET	CY TO DATE 2007	CY TO DATE BUDGETED 2007	CY TO DATE 2006
Investment Income	\$26,195,947.62	\$26,000,000.00	\$26,195,947.62	\$26,000,000.00	\$18,843,838.98
Other Income	142,645.89	80,000.00	142,645.89	80,000.00	65,793.01
Total Income	26,338,593.51	26,080,000.00	26,338,593.51	26,080,000.00	18,909,631.99
EXPENSE					
Employee Pay	4,086,494.68	4,196,013.58	4,086,494.68	4,196,013.58	\$4,044,611.04
Employee Benefits	1,057,998.24	1,139,661.13	1,057,998.24	1,139,661.13	1,021,841.09
Employee Travel	25,460.46	606,907.52	25,460.46	606,907.52	68,104.59
Rent/Communications/Utilities	73,935.61	176,501.04	73,935.61	176,501.04	148,608.48
Administrative Costs	359,497.30	532,516.23	359,497.30	532,516.23	359,161.84
Contracted Services	(87,306.85)	388,598.67	(87,306.85)	388,598.67	(71,539.22)
Subtotal NCUA Operating Exp.	5,516,079.44	7,040,198.17	5,516,079.44	7,040,198.17	5,570,787.82
AMAC Expense	91.99	1,000.00	91.99	1,000.00	0.00
Training Expense	40,571.92	100,000.00	40,571.92	100,000.00	19,362.29
Leasing Expense	28,550.99	30,675.00	28,550.99	30,675.00	34,450.82
Other Insurance Expense	3,113.84	5,000.00	3,113.84	5,000.00	4,983.50
Total Operating Exp.	5,588,408.18	7,176,873.17	5,588,408.18	7,176,873.17	5,629,584.43
Insurance Loss	0.00	2,000,000.00	0.00	2,000,000.00	0.00
Total Expense	\$5,588,408.18	\$9,176,873.17	\$5,588,408.18	\$9,176,873.17	\$5,629,584.43
NET INCOME	\$20,750,185.33	\$16,903,126.83	\$20,750,185.33	\$16,903,126.83	\$13,280,047.56
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			20,750,185.33		13,280,047.56
Dividends			1,692,780,363.55		1,503,693,075.46
Retained Earnings, Year To Date			0.00		0.00
			\$1,692,780,363.55		\$1,503,693,075.46

Comparative Analysis of NCUSIF Ratios for January 31, 2007

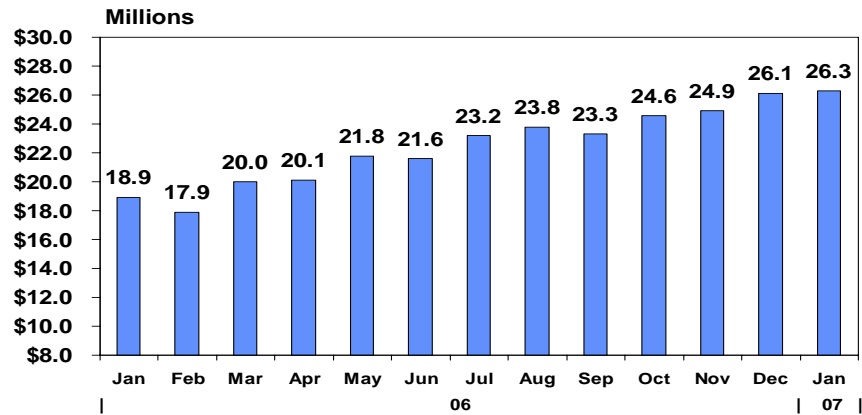
INCOME STATEMENT RATIOS	LAST MONTH	THIS MONTH	PRIOR CYTD	CURRENT CYTD
1. Oper. Exp./Total Income	26.81%	21.22%	29.77%	21.22%
2. Ins. Loss/Total Income	-0.53%	0.00%	0.00%	0.00%
3. Total Exp./Total Income	26.28%	21.22%	29.77%	21.22%
4. Net Income/Total Income	73.72%	78.78%	70.23%	78.78%
5. Ins. Loss/Insured Shares	0.00%	0.00%	0.00%	0.00%

TABLE 3 - STATEMENT OF CASH FLOWS
January 31, 2007

CASH FLOWS FROM OPERATING ACTIVITIES:	
Income from investments	\$ 33,368,810.29
Other income received	142,645.89
Repayment of advances to credit unions (FCU Act §208)	2,000,000.00
Cash paid for operating expenses	(7,022,901.30)
Net cash (paid) received for insurance losses	<u>(151,578.80)</u>
Net cash provided by operating activities	<u>28,336,976.08</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Investments, net	(24,401,875.00)
Collections on note receivable - National Credit Union Administration Operating Fund	<u>120,548.59</u>
Net cash provided by (used in) investing activities	<u>(24,281,326.41)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:	
Contributions from insured credit unions Cont Cap acct	(3,965,766.28)
Dividends to insured credit unions	-
Principal repayments under capital lease obligations	<u>(90,058.97)</u>
Net cash provided by financing activities	<u>(4,055,825.25)</u>
NET INCREASE (DECREASE) IN CASH	(175.58)
CASH, BEGINNING OF YEAR	<u>5,613.60</u>
CASH, ENDING JANUARY 31, 2007	<u>\$ 5,438.02</u>

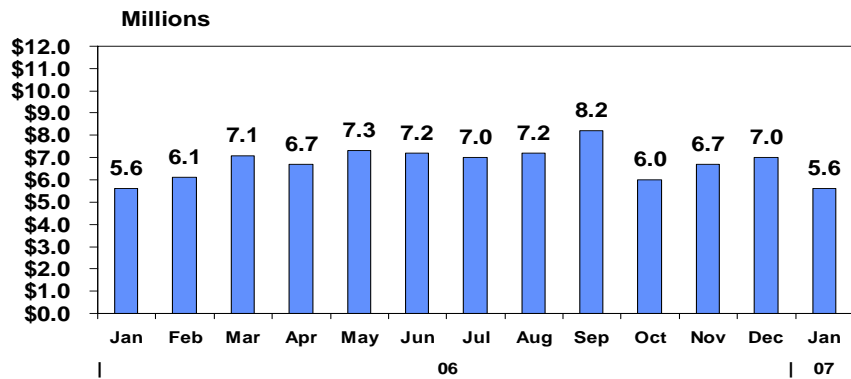
GROSS INCOME

Jan 06 – Jan 07



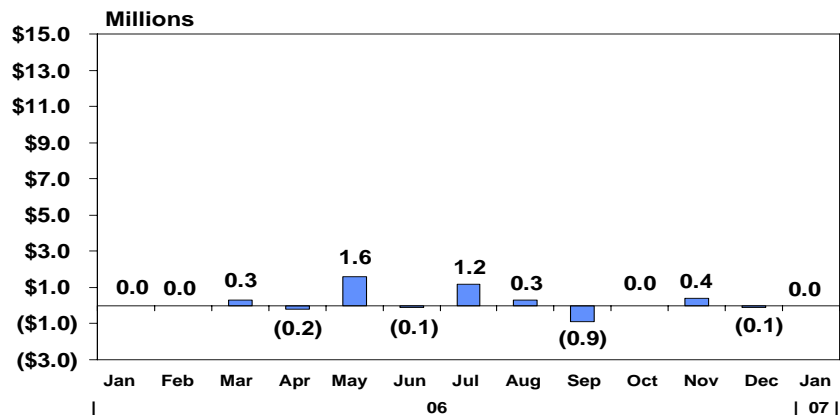
OPERATING EXPENSE

Jan 06 – Jan 07



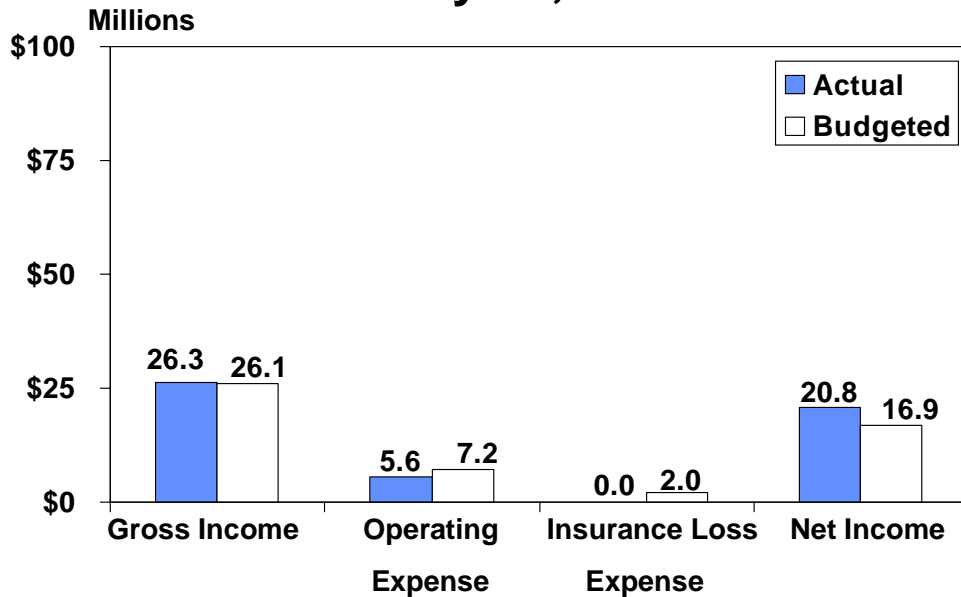
INSURANCE LOSS EXPENSE

Jan 06 – Jan 07



REVENUE AND EXPENSE

January 31, 2007



NCUSIF EQUITY RATIO

January 31, 2007

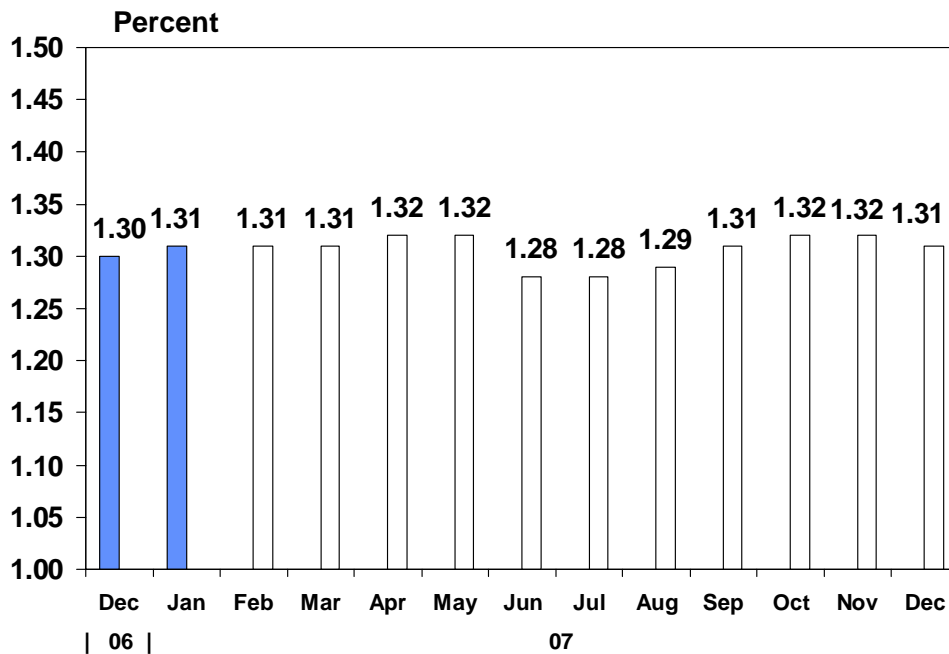
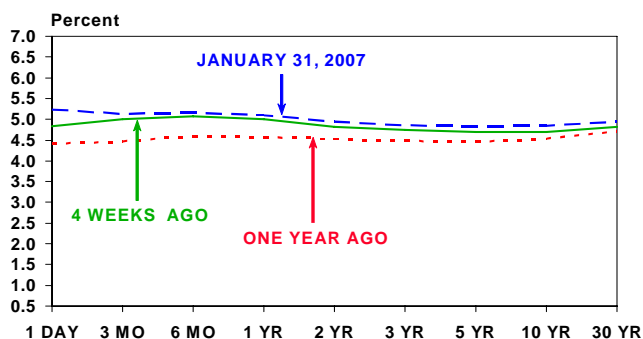


TABLE 4

INVESTMENT PORTFOLIO SUMMARY

January 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	\$1,462,561,000	\$1,462,561,000	\$0	100.0%	5.20%
U.S. Treasury Notes	\$5,501,769,118	\$5,467,046,875	(\$34,722,243)	99.4%	4.27%
TOTAL	\$6,964,330,118	\$6,929,607,875	(\$34,722,243)	99.5%	4.48%
II. INVESTMENT PORTFOLIO PERFORMANCE					
	Last Month	Current Month	CY To Date	CY07 Projections	
Investment Yield	4.34%	4.37%	4.37%	4.50%	
Investment Income	\$25,926,150	\$26,195,948	\$26,195,948	\$312 Million	
Income Budgeted	\$20,000,000	\$26,000,000	\$26,000,000	\$312 Million	
Income/Budgeted Ratio	129.6%	100.8%	100.8%	100.00%	
Weighted Avg. Maturity in Days	529	614			
III. MONTHLY ACTIVITY					
Purchase	Type	Amount	Maturity	Yield	
1/17/2007	Treasury Note	\$250,000,000	2/15/2009	4.87%	
1/17/2007	Treasury Note	\$200,000,000	1/15/2010	4.77%	
1/17/2007	Treasury Note	\$200,000,000	2/15/2012	4.71%	
TOTAL		\$650,000,000			
IV. MATURITY SCHEDULE (par value in millions)					
3 months or less	1,662.6				
3 months - 1 year	1,100.0				
1 year - 2 years	1,800.0				
2 years - 3 years	1,050.0				
3 years - 4 years	600.0				
4 years - 5 years	800.0				
TOTAL	\$7,012.6				

TREASURY YIELD CURVE**MATURITY SCHEDULE**

January 31, 2007

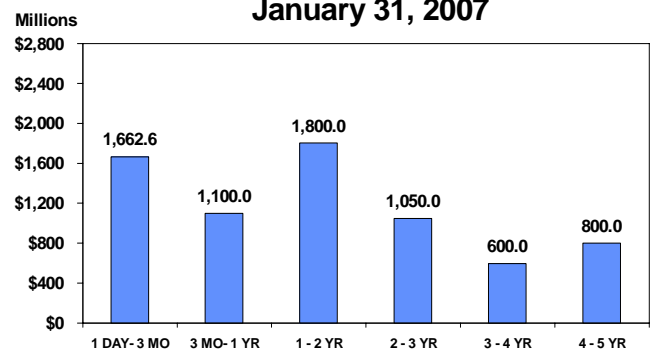


TABLE 5

MONTHLY YIELD COMPARISONS

January 31, 2007

YIELD COMPARISONS								
	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Jan-07
NCUSIF Yield	3.86%	4.00%	4.07%	4.13%	4.19%	4.29%	4.34%	4.37%
90 day T-Bill	5.02%	5.10%	5.03%	4.89%	5.07%	5.02%	5.01%	5.12%
1 year T-Bill	5.23%	5.10%	4.99%	4.90%	4.97%	4.93%	5.00%	5.09%
2 year T-Note	5.17%	4.97%	4.78%	4.70%	4.69%	4.62%	4.81%	4.94%
30 year T-Note	5.21%	5.08%	4.88%	4.78%	4.72%	4.57%	4.81%	4.93%

YIELD COMPARISONS
January 31, 2007

