

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 FEBRUARY 28, 2007

**DENNIS WINANS
CHIEF FINANCIAL OFFICER**

NCUSIF FINANCIAL HIGHLIGHTS
FEBRUARY 28, 2007

Balance Sheet:

Share Deposits and Loans — is \$0.0 for February. The remaining \$13.0 million in 208 assistance was paid in full in February.

Prepaid & Deferred Charges — is \$1.4 million for February. \$7.0 million was transferred to the operating fund to cover 53.3% of the agency's operating costs. February's actual operating costs were \$5.6 million.

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

NCUSIF Equity — remained at 1.31% for February. 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 \$1.9 million less than the previous month due to three less calendar days in February for which interest was accrued.

NCUSIF Total Operating Expense — of \$5.7 million includes \$117.7 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 \$.9 million for February. This increase is for new reserves or reserve increases for specific problem credit unions.

TABLE 1 - NATIONAL CREDIT UNION SHARE INSURANCE FUND
BALANCE SHEET
FEBRUARY 28, 2007

ASSETS	FEBRUARY 2006	JANUARY 2007	FEBRUARY 2007
Investments:			
U.S. Government Securities	\$6,629,122,648.38	\$6,964,330,118.45	\$7,012,926,241.81
Advances to Credit Unions:			
NCUSIF Subordinated Notes	0.00	0.00	0.00
Share Deposits & Loans	0.00	13,000,000.00	0.00
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Total Advances to Credit Unions	0.00	13,000,000.00	0.00
Other Receivables:			
Due from Credit Unions	0.00	0.00	0.00
Loans due to NCUSIF	0.00	0.00	0.00
Recoveries from Liq. CU	14,687,776.66	13,245,744.34	12,446,178.59
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Total Other Receivables	14,687,776.66	13,245,744.34	12,446,178.59
Cash	5,867.35	5,438.02	5,218.29
Interest Receivable	34,009,968.28	56,747,085.14	40,921,722.28
Prepaid & Deferred Charges	965,437.77	1,483,920.56	1,382,357.76
Leased Assets	34,870.36	733,503.38	733,503.38
Other	23,578,626.35	22,393,262.02	22,205,884.35
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TOTAL ASSETS	<u>\$6,702,405,195.15</u>	<u>\$7,071,939,071.91</u>	<u>\$7,090,621,106.46</u>
LIABILITIES			
Accounts Payable:			
Liquidation Claims	\$4,471,571.70	\$5,277,596.24	\$4,494,181.73
Other	27,170.21	0.00	32,560.85
Check Clearing Accounts	10,736.92	15,484.08	0.00
Dividend Check Clearing	0.00	0.00	0.00
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Total Current Liabilities	4,509,478.83	5,293,080.32	4,526,742.58
Provision for CU Losses (Reserves)	71,551,785.91	70,874,936.41	72,842,246.81
Lease Liabilities	0.00	716,842.39	716,842.39
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TOTAL LIABILITIES	<u>\$76,061,264.74</u>	<u>\$76,884,859.12</u>	<u>\$78,085,831.78</u>
EQUITY			
CU Contributed Capital	\$5,110,916,855.47	\$5,302,273,849.24	\$5,302,054,754.35
Retained Earnings	1,515,427,074.94	1,692,780,363.55	1,710,480,520.33
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TOTAL EQUITY	<u>\$6,626,343,930.41</u>	<u>\$6,995,054,212.79</u>	<u>\$7,012,535,274.68</u>
TOTAL LIABILITIES & EQUITY	<u>\$6,702,405,195.15</u>	<u>\$7,071,939,071.91</u>	<u>\$7,090,621,106.46</u>

COMPARATIVE ANALYSIS OF BALANCE SHEET RATIOS
for Period Ending February 28 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 FEBRUARY 28, 2007

INCOME	CURRENT MONTH	CURRENT MONTH BUDGET	CY TO DATE 2007	CY TO DATE BUDGETED 2007	CY TO DATE 2006
Investment Income	\$24,289,428.38	\$26,000,000.00	\$50,485,376.00	\$52,000,000.00	\$36,643,878.44
Other Income	74,379.76	80,000.00	\$217,025.65	160,000.00	126,642.64
Total Income	24,363,808.14	26,080,000.00	50,702,401.65	52,160,000.00	36,770,521.08
EXPENSE					
Employee Pay	3,468,554.25	3,647,333.63	7,555,048.93	7,843,347.21	\$7,677,490.68
Employee Benefits	976,770.74	996,860.50	2,034,768.98	2,136,521.63	2,024,773.91
Employee Travel	524,062.48	606,907.51	549,522.94	1,213,815.03	497,458.29
Rent/Communications/Utilities	144,729.25	176,501.05	218,664.86	353,002.09	327,130.05
Administrative Costs	229,803.47	532,516.23	589,300.77	1,065,032.46	852,779.82
Contracted Services	273,722.05	388,598.67	186,415.20	777,197.34	225,717.30
Subtotal NCUA Operating Exp.	5,617,642.24	6,348,717.59	11,133,721.68	13,388,915.76	11,605,350.05
AMAC Expense	0.00	1,000.00	91.99	2,000.00	2,714.87
Training Expense	114,276.55	100,000.00	154,848.47	200,000.00	51,590.02
Leasing Expense	0.00	30,675.00	28,550.99	61,350.00	68,548.68
Other Insurance Expense	3,401.17	5,000.00	6,515.01	10,000.00	8,270.42
Total Operating Exp.	5,735,319.96	6,485,392.59	11,323,728.14	13,662,265.76	11,736,474.04
Insurance Loss	928,331.40	2,000,000.00	928,331.40	4,000,000.00	20,000.00
Total Expense	\$6,663,651.36	\$8,485,392.59	\$12,252,059.54	\$17,662,265.76	\$11,756,474.04
NET INCOME	\$17,700,156.78	\$17,594,607.41	\$38,450,342.11	\$34,497,734.24	\$25,014,047.04
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			38,450,342.11		25,014,047.04
Dividends			1,710,480,520.33		1,515,427,074.94
			0.00		0.00
Retained Earnings, Year To Date			\$1,710,480,520.33		\$1,515,427,074.94

Comparative Analysis of NCUSIF Ratios for February 28, 2007

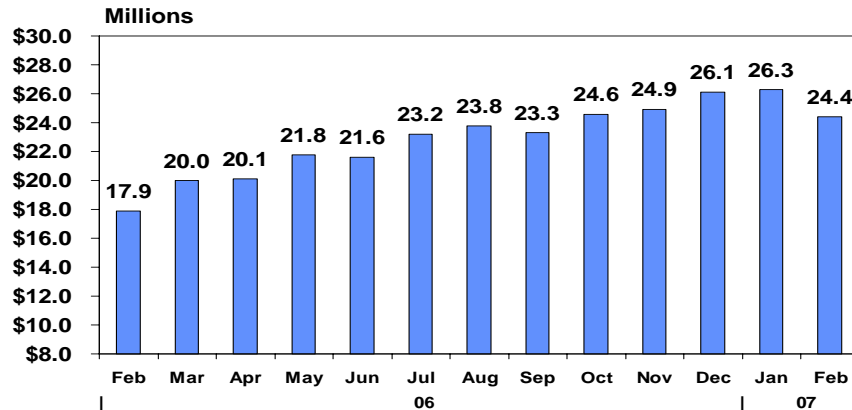
INCOME STATEMENT RATIOS	LAST MONTH	THIS MONTH	PRIOR CYTD	CURRENT CYTD
1. Oper. Exp./Total Income	21.22%	23.54%	31.92%	22.33%
2. Ins. Loss/Total Income	0.00%	3.81%	0.05%	1.83%
3. Total Exp./Total Income	21.22%	27.35%	31.97%	24.16%
4. Net Income/Total Income	78.78%	72.65%	68.03%	75.84%
5. Ins. Loss/Insured Shares	0.00%	0.00%	0.00%	0.00%

TABLE 3 - STATEMENT OF CASH FLOWS
February 28, 2007

CASH FLOWS FROM OPERATING ACTIVITIES:	
Income from investments	\$ 73,568,728.17
Other income received	217,025.65
Repayment of advances to credit unions (FCU Act §208)	15,000,000.00
Cash paid for operating expenses	(12,639,581.69)
Net cash (paid) received for insurance losses	<u>903,551.44</u>
Net cash provided by operating activities	<u>77,049,723.57</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Investments, net	(73,083,125.00)
Collections on note receivable - National Credit Union Administration Operating Fund	<u>307,926.26</u>
Net cash provided by (used in) investing activities	<u>(72,775,198.74)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:	
Contributions from insured credit unions Cont Cap acct	(4,184,861.17)
Dividends to insured credit unions	-
Principal repayments under capital lease obligations	<u>(90,058.97)</u>
Net cash provided by financing activities	<u>(4,274,920.14)</u>
NET INCREASE (DECREASE) IN CASH	(395.31)
CASH, BEGINNING OF YEAR	<u>5,613.60</u>
CASH, ENDING FEBRUARY 28, 2007	<u><u>\$ 5,218.29</u></u>

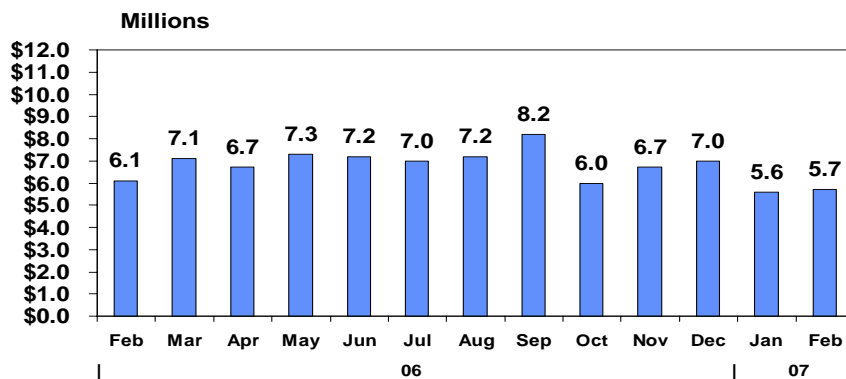
GROSS INCOME

Feb 06 – Feb 07



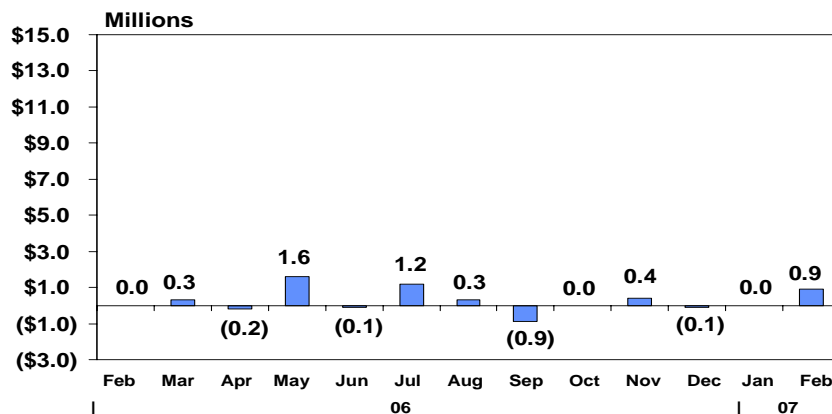
OPERATING EXPENSE

Feb 06 – Feb 07



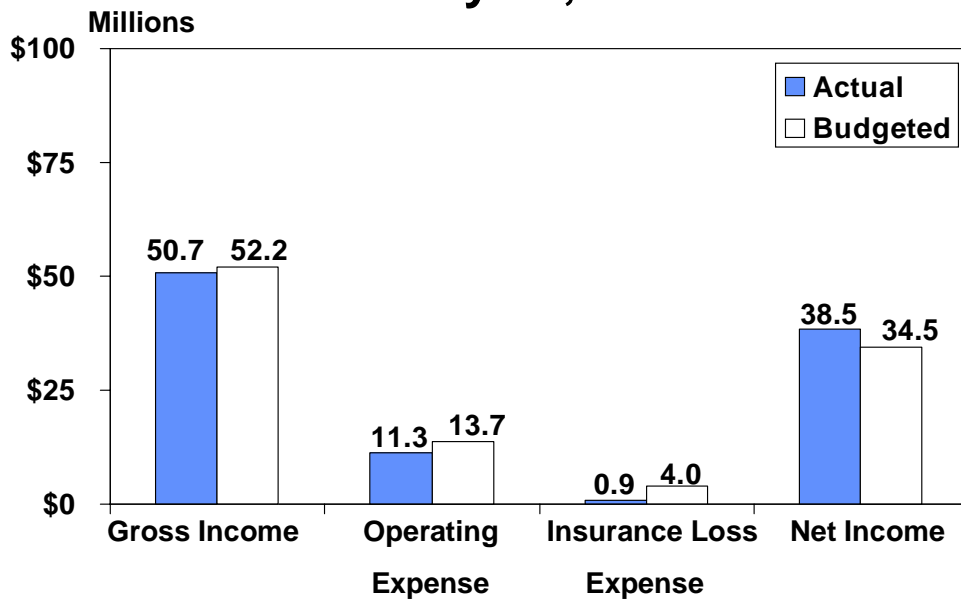
INSURANCE LOSS EXPENSE

Feb 06 – Feb 07



REVENUE AND EXPENSE

February 28, 2007



NCUSIF EQUITY RATIO

February 28, 2007

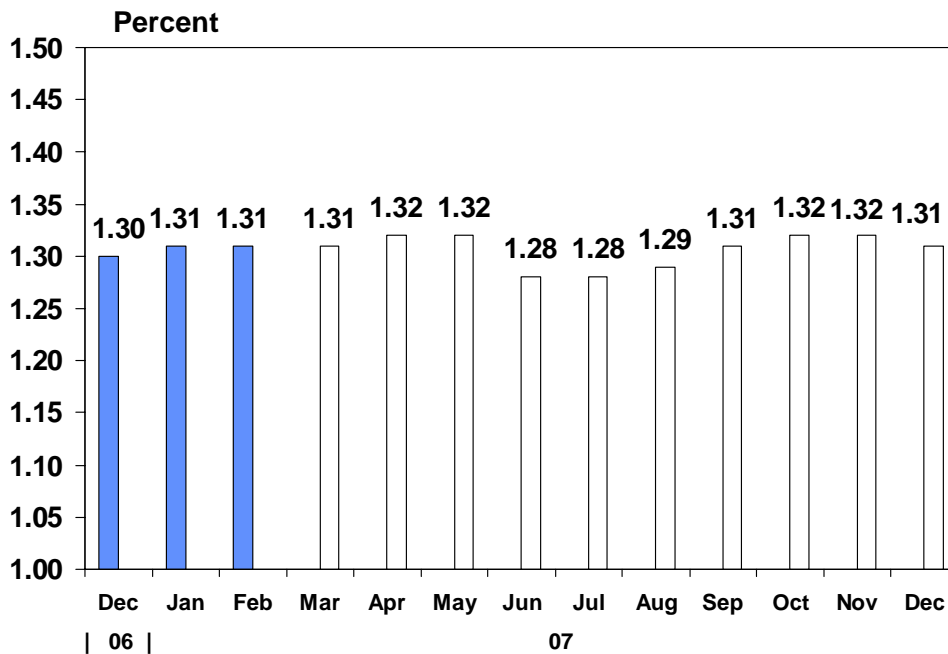


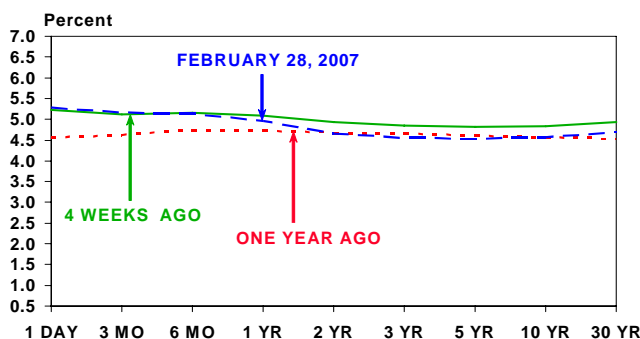
TABLE 4

INVESTMENT PORTFOLIO SUMMARY

February 28, 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	\$1,709,961,000	\$1,709,961,000	\$0	100.0%	5.23%
U.S. Treasury Notes	\$5,302,965,242	\$5,299,578,125	(\$3,387,117)	99.9%	4.33%
TOTAL	\$7,012,926,242	\$7,009,539,125	(\$3,387,117)	99.9%	4.53%
II. INVESTMENT PORTFOLIO PERFORMANCE					
	Last Month	Current Month	CY To Date	CY07 Projections	
Investment Yield	4.37%	4.45%	4.41%	4.50%	
Investment Income	\$26,195,948	\$24,289,428	\$50,485,376	\$312 Million	
Income Budgeted	\$26,000,000	\$26,000,000	\$52,000,000	\$312 Million	
Income/Budgeted Ratio	100.8%	93.4%	97.1%	100.00%	
Weighted Avg. Maturity in Days	614	588			
III. MONTHLY ACTIVITY					
Purchase	Type	Amount	Maturity	Yield	
TOTAL		\$0			
IV. MATURITY SCHEDULE (par value in millions)					
3 months or less	1,910.0				
3 months - 1 year	1,350.0				
1 year - 2 years	1,600.0				
2 years - 3 years	800.0				
3 years - 4 years	600.0				
4 years - 5 years	800.0				
TOTAL	\$7,060.0				

TREASURY YIELD CURVE



MATURITY SCHEDULE

February 28, 2007

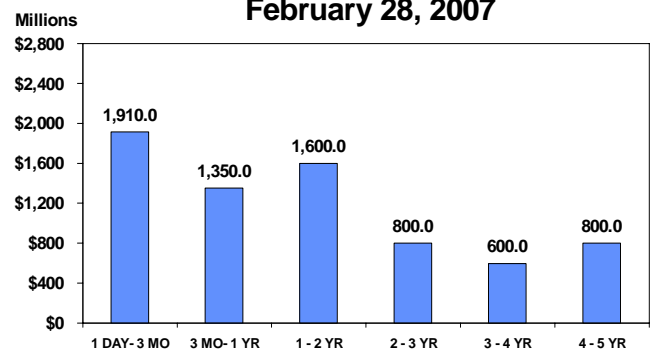


TABLE 5

MONTHLY YIELD COMPARISONS

February 28, 2007

YIELD COMPARISONS								
	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Jan-07	Feb-07
NCUSIF Yield	4.00%	4.07%	4.13%	4.19%	4.29%	4.34%	4.37%	4.45%
90 day T-Bill	5.10%	5.03%	4.89%	5.07%	5.02%	5.01%	5.12%	5.16%
1 year T-Bill	5.10%	4.99%	4.90%	4.97%	4.93%	5.00%	5.09%	4.96%
2 year T-Note	4.97%	4.78%	4.70%	4.69%	4.62%	4.81%	4.94%	4.65%
30 year T-Note	5.08%	4.88%	4.78%	4.72%	4.57%	4.81%	4.93%	4.68%

YIELD COMPARISONS
February 28, 2007

