

# **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 APRIL 30, 2007**

**DENNIS WINANS  
CHIEF FINANCIAL OFFICER**

**NCUSIF FINANCIAL HIGHLIGHTS**  
**April 30, 2007**

**Balance Sheet:**

Investments: US Government Securities — increased by \$137.4 million due primarily to the collection of one percent deposit adjustments due from credit unions on April 16, 2007.

Due from Credit Unions — of \$4.2 million represents the remaining balance of one percent deposit adjustments due from credit unions on April 16, 2007.

Prepaid & Deferred Charges — is \$0.5 million for April. \$7.0 million was transferred to the operating fund to cover 53.3% of the agency's operating costs. April's actual operating costs were \$6.5 million.

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

Check Clearing Accounts — of \$0.6 million is primarily for failed capitalization deposit refund EFT's or 1% declared dividend EFT's, and checks issued to credit unions that have not cleared through the banking system as of April 30.

Provision for Credit Union Losses (Reserves) — of \$82.9 million includes an increase of \$11.9 million to the national pool for April 2007.

NCUSIF Equity — increased to 1.32% for April. 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 less than the previous month due to one less calendar day in April for which interest was accrued.

NCUSIF Total Operating Expense — of \$6.6 million includes \$113.7 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 \$12.3 million for April. \$11.9 million was expensed to increase the national pool reserves as reported on the monthly reserve needs report provided by E&I. This figure was calculated utilizing the methodology implemented as of December 31, 2004 based on CAMEL failure rates. The calculation is updated semi-annually. The remaining \$0.4 million was for new reserves for a specific problem credit union.

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

ASSETS	APRIL 2006	MARCH 2007	APRIL 2007
Investments:			
U.S. Government Securities	\$6,671,873,528.62	\$6,896,125,113.19	\$7,033,522,652.31
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	2,019,533.32	119,167,468.62	4,152,191.62
Loans due to NCUSIF	0.00	0.00	0.00
Recoveries from Liq. CU	14,357,450.61	11,426,551.74	11,097,227.55
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Total Other Receivables	16,376,983.93	130,594,020.36	15,249,419.17
Cash	203,086.50	1,629,375.45	206,140.17
Interest Receivable	55,676,863.25	59,455,037.72	57,572,933.99
Prepaid & Deferred Charges	423,582.39	393,440.97	508,090.50
Leased Assets	987,842.92	631,824.77	581,918.52
Other	23,354,936.77	22,094,139.56	22,013,446.26
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<b>TOTAL ASSETS</b>	<b>\$6,768,896,824.38</b>	<b>\$7,110,922,952.02</b>	<b>\$7,129,654,600.92</b>
	=====	=====	=====
LIABILITIES			
Accounts Payable:			
Liquidation Claims	\$5,396,014.33	\$4,328,492.00	\$4,001,721.19
Other	598,302.02	150,000.00	1,750,588.10
Check Clearing Accounts	715,315.47	990,772.38	582,251.16
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Total Current Liabilities	6,709,631.82	5,469,264.38	6,334,560.45
Provision for CU Losses (Reserves)	70,833,942.75	72,315,188.77	82,945,025.40
Lease Liabilities	983,838.34	701,058.59	612,600.59
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<b>TOTAL LIABILITIES</b>	<b>\$78,527,412.91</b>	<b>\$78,485,511.74</b>	<b>\$89,892,186.44</b>
EQUITY			
CU Contributed Capital	\$5,148,735,026.13	\$5,352,398,392.09	\$5,352,412,050.43
Retained Earnings	1,541,634,385.34	1,680,039,048.19	1,687,350,364.05
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<b>TOTAL EQUITY</b>	<b>\$6,690,369,411.47</b>	<b>\$7,032,437,440.28</b>	<b>\$7,039,762,414.48</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$6,768,896,824.38</b>	<b>\$7,110,922,952.02</b>	<b>\$7,129,654,600.92</b>
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COMPARATIVE ANALYSIS OF BALANCE SHEET RATIOS  
for Period Ending April 30, 2007

	APR 06	MAR 07	APR 07
1. Investments/Total Assets	98.57%	98.98%	98.65%
2. Total Equity/Insured Shares	1.30%	1.31%	1.32%
3. Prov. for Losses/CU Capital	1.38%	1.35%	1.55%
4. Non-Earning/Total Assets	1.09%	2.71%	1.04%
5. Available Asset Ratio	1.26%	1.27%	1.30%

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

INCOME	CURRENT MONTH	CURRENT MONTH BUDGET	CY TO DATE 2007	CY TO DATE BUDGETED 2007	CY TO DATE 2006
Investment Income	\$26,094,478.26	\$26,000,000.00	\$103,670,125.23	\$104,000,000.00	\$76,614,075.33
Other Income	81,493.85	80,000.00	\$381,853.58	320,000.00	263,285.49
Total Income	26,175,972.11	26,080,000.00	104,051,978.81	104,320,000.00	76,877,360.82
EXPENSE					
Employee Pay	3,758,860.93	3,830,226.95	15,485,980.50	15,686,694.43	\$15,903,653.25
Employee Benefits	1,058,817.45	1,044,460.70	4,147,195.12	4,273,043.25	4,211,928.66
Employee Travel	707,015.37	606,907.52	1,773,157.42	2,427,630.07	1,643,280.68
Rent/Communications/Utilities	179,401.17	176,501.04	533,949.80	706,004.17	648,410.36
Administrative Costs	408,833.41	532,516.22	1,452,602.68	2,130,064.91	1,925,860.07
Contracted Services	378,981.17	388,598.67	839,304.69	1,554,394.67	809,934.57
Subtotal NCUA Operating Exp.	6,491,909.50	6,579,211.10	24,232,190.21	26,777,831.50	25,143,067.59
AMAC Expense	437.15	1,000.00	4,356.38	4,000.00	2,714.87
Training Expense	59,230.48	100,000.00	269,134.07	400,000.00	179,407.04
Leasing Expense	51,507.22	30,675.00	165,953.02	122,700.00	189,473.43
Other Insurance Expense	2,484.90	5,000.00	11,749.53	20,000.00	15,340.45
Total Operating Exp.	6,605,569.25	6,715,886.10	24,683,383.21	27,324,531.50	25,530,003.38
Insurance Loss	12,259,087.00	2,000,000.00	12,518,106.90	8,000,000.00	126,000.00
Total Expense	\$18,864,656.25	\$8,715,886.10	\$37,201,490.11	\$35,324,531.50	\$25,656,003.38
NET INCOME	\$7,311,315.86	\$17,364,113.90	\$66,850,488.70	\$68,995,468.50	\$51,221,357.44
Retained Earnings, Beginning of Year			<b>\$1,672,030,178.22</b>		\$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			66,850,488.70		51,221,357.44
Dividends			1,738,880,666.92		1,541,634,385.34
			51,530,302.87		0.00
Retained Earnings, Year To Date			<b>\$1,687,350,364.05</b>		<b>\$1,541,634,385.34</b>

Comparative Analysis of NCUSIF Ratios for April 30, 2007

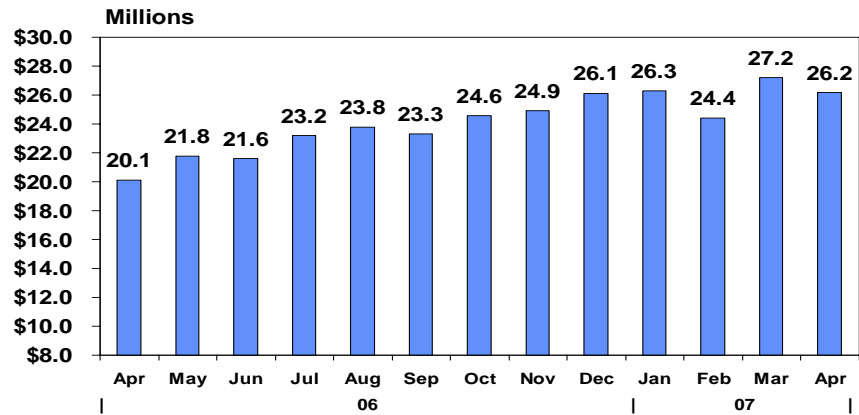
INCOME STATEMENT RATIOS	LAST MONTH	THIS MONTH	PRIOR CYTD	CURRENT CYTD
1. Oper. Exp./Total Income	24.86%	25.24%	33.21%	23.72%
2. Ins. Loss/Total Income	-2.46%	46.83%	0.16%	12.03%
3. Total Exp./Total Income	22.39%	72.07%	33.37%	35.75%
4. Net Income/Total Income	77.61%	27.93%	66.63%	64.25%
5. Ins. Loss/Insured Shares	0.00%	0.00%	0.00%	0.00%

**TABLE 3 - STATEMENT OF CASH FLOWS**  
**April 30, 2007**

CASH FLOWS FROM OPERATING ACTIVITIES:	
Income from investments	\$ 107,383,730.19
Other income received	381,853.58
Repayment of advances to credit unions (FCU Act §208)	15,000,000.00
Cash paid for operating expenses	(22,687,289.06)
Net cash (paid) received for insurance losses	<u>273,045.03</u>
Net cash provided by operating activities	<u>100,351,339.74</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Investments, net	(90,915,646.97)
Collections on note receivable - National Credit Union Administration Operating Fund	<u>500,364.35</u>
Net cash provided by (used in) investing activities	<u>(90,415,282.62)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:	
Contributions (distributions) from insured credit unions Cont Cap acct	42,020,243.29
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>(9,735,530.55)</u>
NET INCREASE (DECREASE) IN CASH	200,526.57
CASH, BEGINNING OF YEAR	<u>5,613.60</u>
CASH, ENDING APRIL 30, 2007	<u>\$ 206,140.17</u>

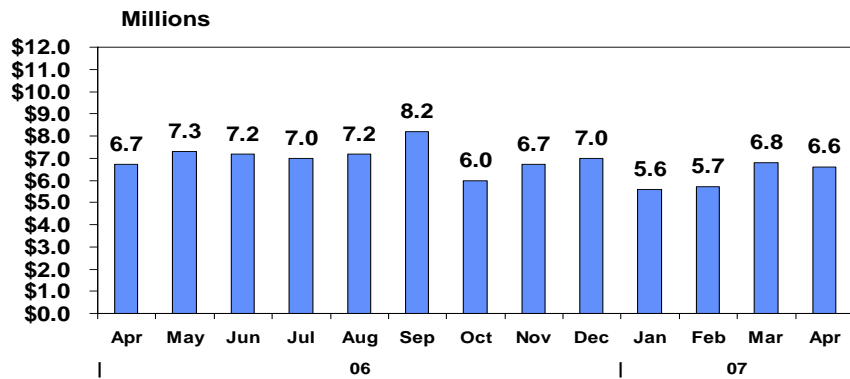
# GROSS INCOME

Apr 06 – Apr 07



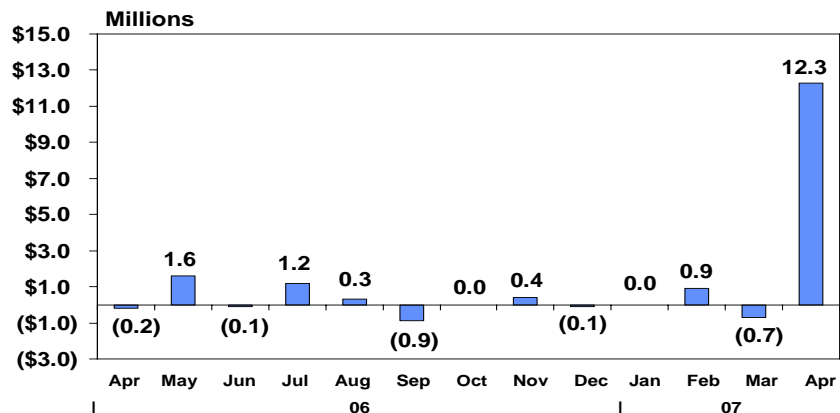
# OPERATING EXPENSE

Apr 06 – Apr 07



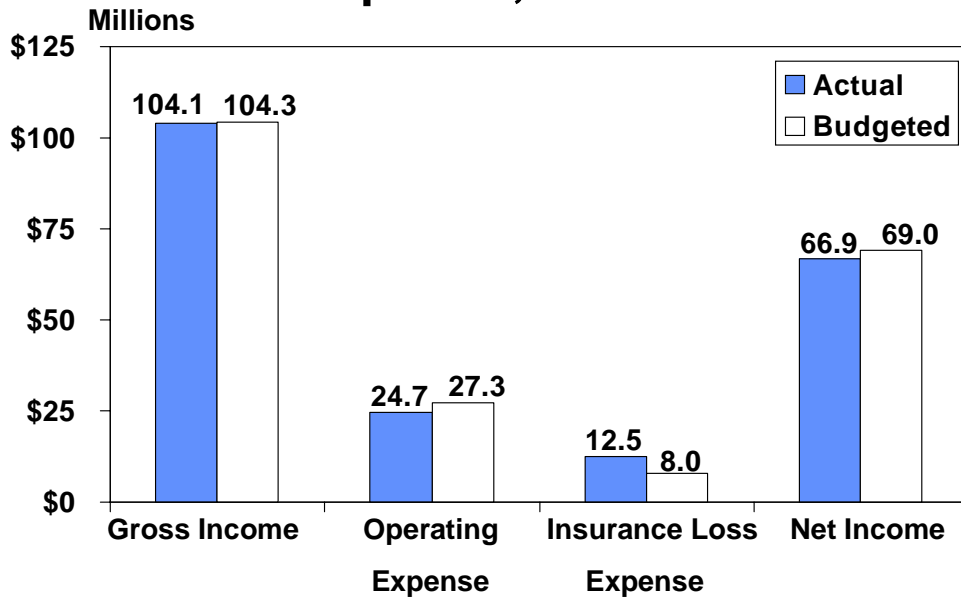
# INSURANCE LOSS EXPENSE

Apr 06 – Apr 07



# REVENUE AND EXPENSE

April 30, 2007



# NCUSIF EQUITY RATIO

April 30, 2007

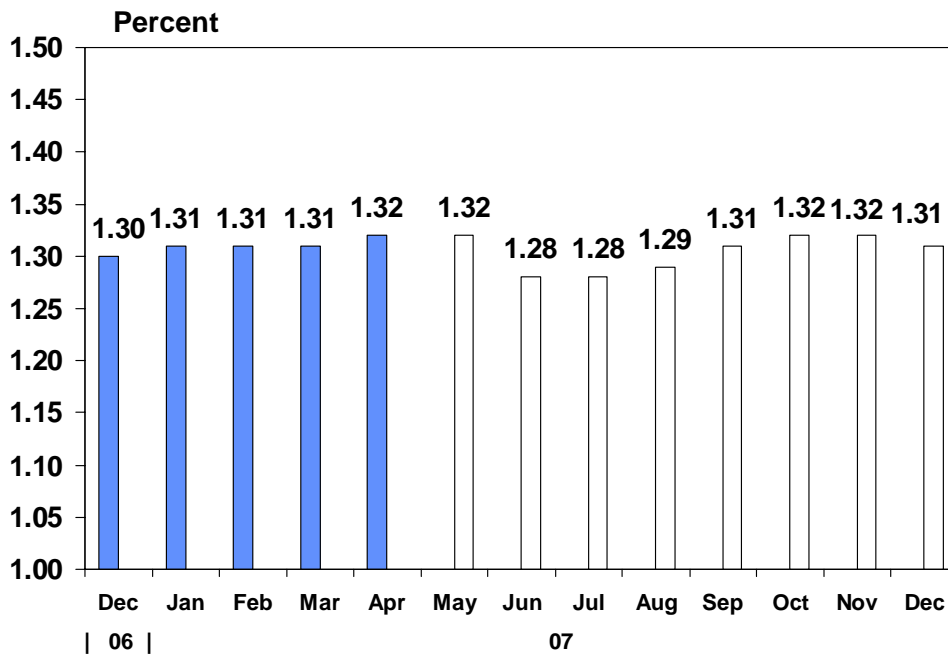


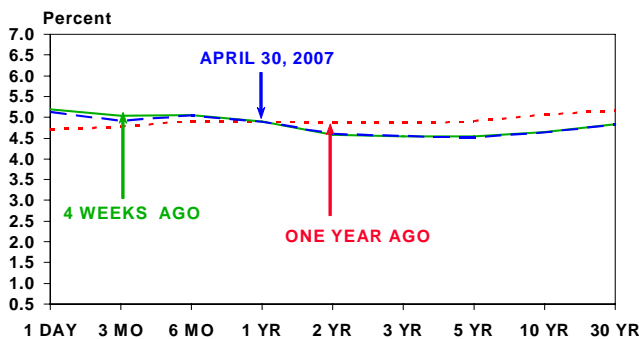
TABLE 4

**INVESTMENT PORTFOLIO SUMMARY**

April 30, 2007

<b>I. INVESTMENT PORTFOLIO BALANCE AND MARKET VALUE</b>					
	Book Value	Market Value	Gain or (Loss)	% Market to Book Value	Weighted Average Yield
Daily Treasury Account	\$1,088,042,000	\$1,088,042,000	\$0	100.00%	5.22%
U.S. Treasury Notes	\$5,945,480,653	\$5,946,171,875	\$691,222	100.01%	4.36%
<b>TOTAL</b>	<b>\$7,033,522,653</b>	<b>\$7,034,213,875</b>	<b>\$691,222</b>	<b>100.01%</b>	<b>4.53%</b>
<b>II. INVESTMENT PORTFOLIO PERFORMANCE</b>					
	Last Month	Current Month	CY To Date	CY07 Projections	
Investment Yield	4.52%	4.50%	4.46%	4.50%	
Investment Income	\$27,090,271	\$26,094,478	\$103,670,125	\$312 Million	
Income Budgeted	\$26,000,000	\$26,000,000	\$104,000,000	\$312 Million	
Income/Budgeted Ratio	104.2%	100.4%	99.7%	100.00%	
Weighted Avg. Maturity in Days	574	642			
<b>III. MONTHLY ACTIVITY</b>					
Purchase	Type	Amount	Maturity	Yield	
4/20/2007	Treasury Note	\$250,000,000	4/15/2009	4.67%	
4/20/2007	Treasury Note	\$200,000,000	4/15/2010	4.58%	
4/20/2007	Treasury Note	\$200,000,000	10/31/2011	4.59%	
<b>TOTAL</b>		<b>\$650,000,000</b>			
<b>IV. MATURITY SCHEDULE (par value in millions)</b>					
3 months or less	1,288.0				
3 months - 1 year	1,350.0				
1 year - 2 years	1,850.0				
2 years - 3 years	1,000.0				
3 years - 4 years	800.0				
4 years - 5 years	800.0				
<b>TOTAL</b>	<b>\$7,088.0</b>				

**TREASURY YIELD CURVE**



**MATURITY SCHEDULE**

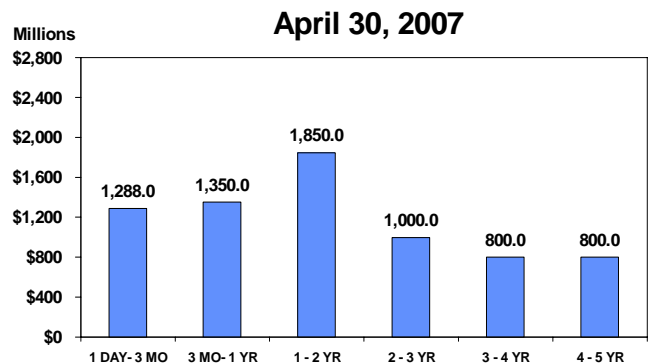




TABLE 5

MONTHLY YIELD COMPARISONS

April 30, 2007

YIELD COMPARISONS								
	Sep-06	Oct-06	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07
NCUSIF Yield	4.13%	4.19%	4.29%	4.34%	4.37%	4.45%	4.52%	4.50%
90 day T-Bill	4.89%	5.07%	5.02%	5.01%	5.12%	5.16%	5.04%	4.91%
1 year T-Bill	4.90%	4.97%	4.93%	5.00%	5.09%	4.96%	4.90%	4.89%
2 year T-Note	4.70%	4.69%	4.62%	4.81%	4.94%	4.65%	4.58%	4.60%
30 year T-Note	4.78%	4.72%	4.57%	4.81%	4.93%	4.68%	4.84%	4.81%

**YIELD COMPARISONS**  
**April 30, 2007**

