

# **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 APRIL 30, 2004**

**DENNIS WINANS  
CHIEF FINANCIAL OFFICER**

**NCUSIF FINANCIAL HIGHLIGHTS**  
**April 30, 2004**

**Balance Sheet:**

Investments: US Government Securities — increased by \$64.5 million due primarily to the collection of one percent deposit adjustments due from credit unions on April 16.

Other Receivables: Due From Credit Unions — of \$18.1 million represents the amount of one percent deposit adjustments due from credit unions on April 16.

Interest Receivable — net increase of \$16.5 million is due to a combination of \$19.0 million in accrued interest earned in April, \$7.0 million due to purchase of eight Treasury notes, and payments of \$9.5 million received by the NCUSIF in April.

Prepaid & Deferred Charges — is \$.6 million for April. \$7.5 million was transferred to the operating fund to cover 59.8% of the agency's operating costs. April's actual operating costs were \$6.9 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 \$83.5 million includes new reserves of \$3.1 million that were added for April.

NCUSIF Equity — remained at 1.29% for April. The equity ratio is based upon an insured share base of \$478.5 billion for December 31, 2003.

**Statement of Revenue and Expense:**

Investment Income — is approximately \$71.5 thousand less than the previous month due to one less calendar day in April for which interest was accrued.

NCUSIF Total Operating Expense — of \$7.1 million includes \$200.5 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 \$3.1 million for April. This increase is for new reserves or reserve increases for specific problem credit unions.

TABLE 1 - NATIONAL CREDIT UNION SHARE INSURANCE FUND  
BALANCE SHEET  
APRIL 30, 2004

ASSETS	APRIL 2003	MARCH 2004	APRIL 2004
Investments:			
U.S. Government Securities	\$5,729,748,104.16	\$6,057,676,580.40	\$6,122,145,087.97
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	9,651,152.61	96,017,898.54	18,063,512.10
Loans due to NCUSIF	0.00	1,501,419.24	3,501,419.24
Recoveries from Liq. CU	12,981,021.25	12,682,045.91	12,793,188.72
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Total Other Receivables	22,632,173.86	110,201,363.69	34,358,120.06
Cash	63,206.43	5,870.97	1,002,031.86
Interest Receivable	74,297,230.91	57,929,464.47	74,459,348.79
Prepaid & Deferred Charges	329,199.56	429,491.42	586,697.49
Leased Assets	1,212,910.74	827,173.87	792,618.29
Other	27,298,420.88	26,151,482.00	26,039,637.21
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TOTAL ASSETS	\$5,855,581,246.54	\$6,253,221,426.82	\$6,259,383,541.67
	=====	=====	=====
<b>LIABILITIES</b>			
Accounts Payable:			
Liquidation Claims	\$5,678,950.59	\$8,446,155.16	\$10,620,102.50
Other	2,165.28	0.00	623,053.29
Check Clearing Accounts	40,823.23	397,214.03	141,797.20
Dividend Check Clearing	0.00	0.00	0.00
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Total Current Liabilities	5,721,939.10	8,843,369.19	11,384,952.99
Provision for CU Losses (Reserves)	56,508,458.43	79,879,095.18	83,455,634.34
Lease Liabilities	1,135,927.33	834,043.71	729,228.46
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TOTAL LIABILITIES	\$63,366,324.86	\$89,556,508.08	\$95,569,815.79 1/
	=====	=====	=====
<b>EQUITY</b>			
CU Contributed Capital	\$4,430,941,766.36	\$4,784,805,545.60	\$4,784,816,787.68
Retained Earnings	1,361,273,155.32	1,378,859,373.14	1,378,996,938.20
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TOTAL EQUITY	\$5,792,214,921.68	\$6,163,664,918.74	\$6,163,813,725.88
TOTAL LIABILITIES & EQUITY	\$5,855,581,246.54	\$6,253,221,426.82	\$6,259,383,541.67
	=====	=====	=====

COMPARATIVE ANALYSIS OF BALANCE SHEET RATIOS  
for Period Ending April 30, 2004

	APR 03	MAR 04	APR 04
1/ Does not include unreserved contingent liabilities of \$0 in asset guarantees, and \$991 thousand in outstanding line of credit guarantees.			
1. Investments/Total Assets	97.85%	96.87%	97.81%
2. Total Equity/Insured Shares	1.31%	1.29%	1.29%
3. Prov. for Losses/CU Capital	1.28%	1.67%	1.74%
4. Non-Earning/Total Assets	1.68%	2.71%	1.78%
5. Available Asset Ratio	1.25%	1.25%	1.28%

TABLE 2 - STATEMENT OF REVENUE AND EXPENSE  
FOR THE PERIOD ENDING APRIL 30, 2004

INCOME	CURRENT MONTH	CURRENT MONTH BUDGET	CY TO DATE 2004	CY TO DATE BUDGETED 2004	CY TO DATE 2003
Investment Income	\$10,296,454.32	\$10,500,000.00	\$40,427,291.95	\$42,000,000.00	\$58,074,489.97
Other Income	42,419.14	40,000.00	176,111.43	160,000.00	306,998.63
<b>Total Income</b>	<b>10,338,873.46</b>	<b>10,540,000.00</b>	<b>40,603,403.38</b>	<b>42,160,000.00</b>	<b>58,381,488.60</b>
<b>EXPENSE</b>					
Employee Pay	4,239,125.84	4,444,275.97	\$16,327,855.66	17,578,754.68	17,848,719.26
Employee Benefits	1,060,731.72	1,135,856.88	\$4,144,572.74	4,495,234.25	4,145,031.32
Employee Travel	539,266.55	672,360.08	\$1,559,059.64	2,689,440.31	1,661,640.65
Rent/Communications/Utilities	385,809.41	221,527.24	\$937,991.96	886,108.97	737,520.54
Administrative Costs	485,091.13	630,663.32	\$2,255,024.82	2,522,653.30	1,821,568.49
Contracted Services	203,277.86	407,798.61	\$739,310.77	1,631,194.43	667,456.64
<b>Subtotal NCUA Operating Exp.</b>	<b>6,913,302.51</b>	<b>7,512,482.10</b>	<b>25,963,815.59</b>	<b>29,803,385.94</b>	<b>26,881,936.90</b>
AMAC Expense	10,510.99	15,000.00	34,039.50	60,000.00	22,788.89
Training Expense	151,445.33	110,000.00	289,310.64	440,000.00	558,620.81
Leasing Expense	35,613.86	35,250.00	142,498.90	141,000.00	181,522.13
Other Insurance Expense	2,931.83	3,500.00	11,355.30	14,000.00	67,997.08
<b>Total Operating Exp.</b>	<b>7,113,804.52</b>	<b>7,676,232.10</b>	<b>26,441,019.93</b>	<b>30,458,385.94</b>	<b>27,712,865.81</b>
Insurance Loss	3,087,503.88	1,250,000.00	3,959,598.88	5,000,000.00	9,322,600.00
<b>Total Expense</b>	<b>10,201,308.40</b>	<b>8,926,232.10</b>	<b>30,400,618.81</b>	<b>35,458,385.94</b>	<b>37,035,465.81</b>
<b>NET INCOME</b>	<b>\$137,565.06</b>	<b>\$1,613,767.90</b>	<b>\$10,202,784.57</b>	<b>\$6,701,614.06</b>	<b>\$21,346,022.79</b>
<b>Retained Earnings, Beginning of Year</b>					
Prior Year Adjustment			<b>\$1,368,794,153.63</b>		\$1,339,927,132.53
As Restated			0.00		0.00
<b>Net Income</b>			1,368,794,153.63		1,339,927,132.53
			10,202,784.57		21,346,022.79
<b>Dividends</b>			1,378,996,938.20		1,361,273,155.32
			0.00		0.00
<b>Retained Earnings, End of Year</b>			<b>\$1,378,996,938.20</b>		<b>\$1,361,273,155.32</b>

Comparative Analysis of NCUSIF Ratios for April 30, 2004

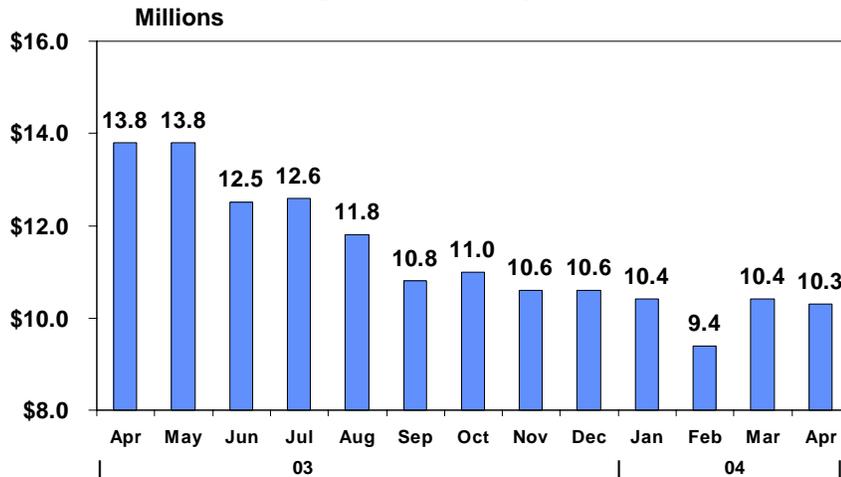
INCOME STATEMENT RATIOS	LAST MONTH	THIS MONTH	PRIOR CYTD	CURRENT CYTD
1. Oper. Exp./Total Income	68.83%	68.81%	47.47%	65.12%
2. Ins. Loss/Total Income	8.38%	29.86%	15.97%	9.75%
3. Total Exp./Total Income	77.21%	98.67%	63.44%	74.87%
4. Net Income/Total Income	22.79%	1.33%	36.56%	25.13%
5. Ins. Loss/Insured Shares	0.00%	0.00%	0.00%	0.00%

**TABLE 3 - STATEMENT OF CASH FLOWS**  
**April 30, 2004**

CASH FLOWS FROM OPERATING ACTIVITIES:	
Income from investments	\$11,728,949.07
Other income received	(1,613,888.57)
Cash paid for operating expenses	(28,138,122.17)
Net cash (paid) received for insurance losses	<u>3,334,603.68</u>
Net cash provided by operating activities	(14,688,457.99)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Investments, net	(47,799,277.73)
Collections on note receivable - National Credit Union Administration Operating Fund	<u>447,379.16</u>
Net cash provided by (used in) investing activities	(47,351,898.57)
CASH FLOWS FROM FINANCING ACTIVITIES:	
Contributions from insured credit unions Cont Cap acct	63,036,770.96
Dividends to insured credit unions	<u>0.00</u>
Net cash provided by financing activities	63,036,770.96
NET INCREASE (DECREASE) IN CASH	996,414.40
CASH, BEGINNING OF YEAR	5,617.46
CASH, ENDING April 30, 2004	<u>\$1,002,031.86</u>

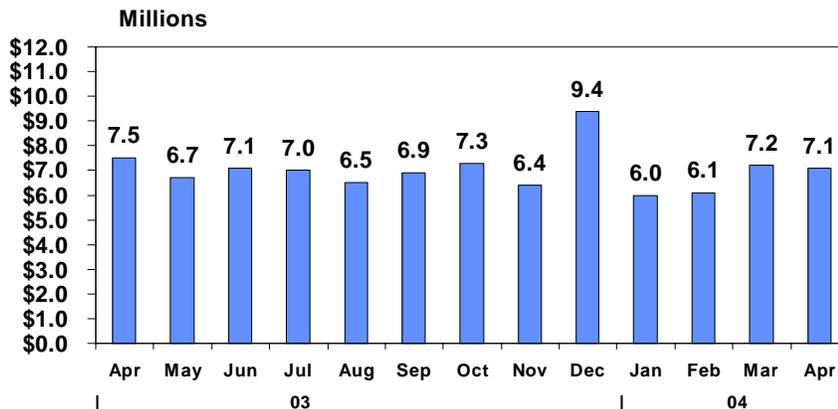
# GROSS INCOME

April 03 – April 04



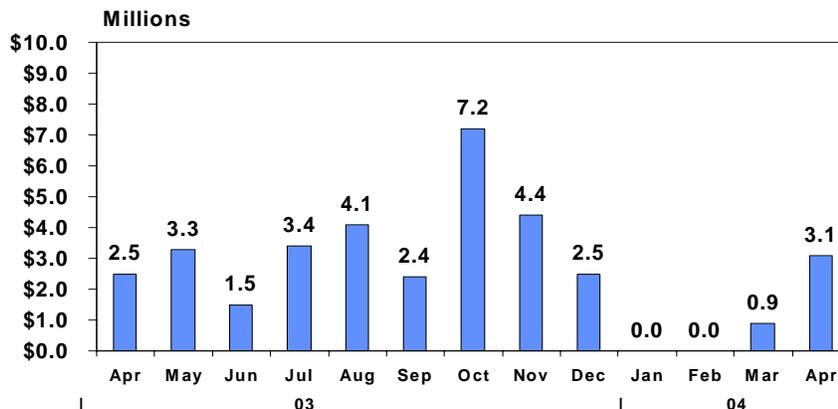
# OPERATING EXPENSE

April 03 – April 04



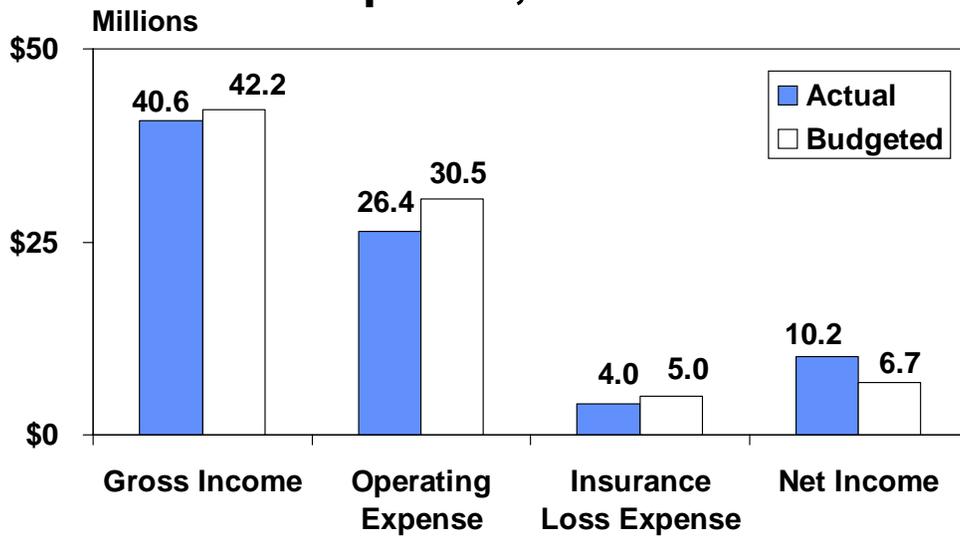
# INSURANCE LOSS EXPENSE

April 03 – April 04



# REVENUE AND EXPENSE

April 30, 2004



# NCUSIF EQUITY RATIO

April 30, 2004

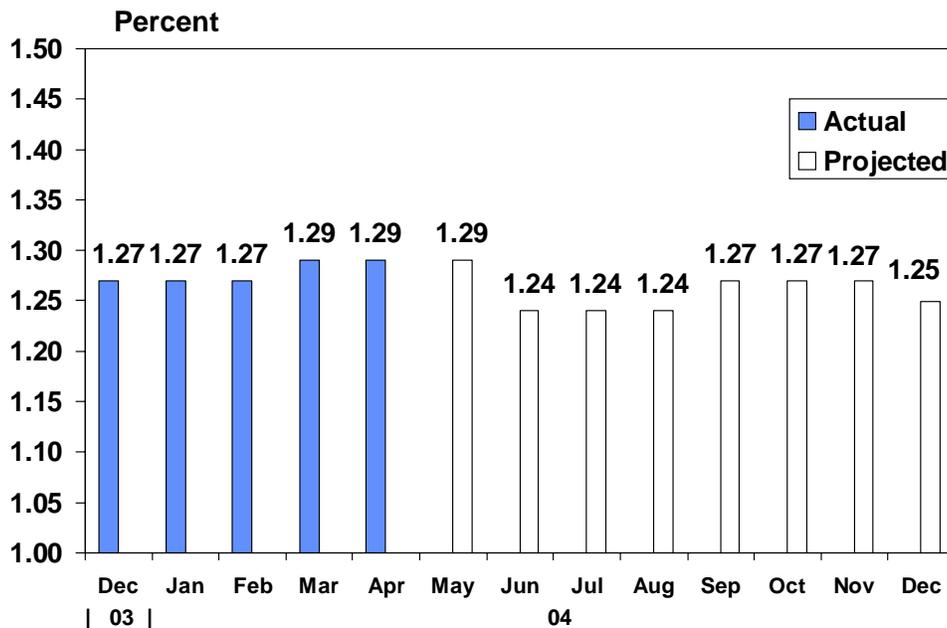


TABLE 4

**INVESTMENT PORTFOLIO SUMMARY**

April 30, 2004

<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	\$374,691,000	\$374,691,000	\$0	100.0%	0.96%
U.S. Treasury Notes	\$5,747,454,088	\$5,737,125,000	(\$10,329,088)	99.8%	2.17%
<b>TOTAL</b>	<b>\$6,122,145,088</b>	<b>\$6,111,816,000</b>	<b>(\$10,329,088)</b>	<b>99.8%</b>	<b>2.04%</b>

<b>II. INVESTMENT PORTFOLIO PERFORMANCE</b>				
	Last Month	Current Month	CY To Date	CY04 Projections
Investment Yield	1.99%	2.02%	1.98%	2.00%
Investment Income	\$10,367,903	\$10,296,454	\$40,427,292	126 Million
Income Budgeted	\$10,500,000	\$10,500,000	\$42,000,000	126 Million
Income/Budgeted Ratio	98.7%	98.1%	96.3%	100.00%
Avg. Maturity in Days	428	504	433	

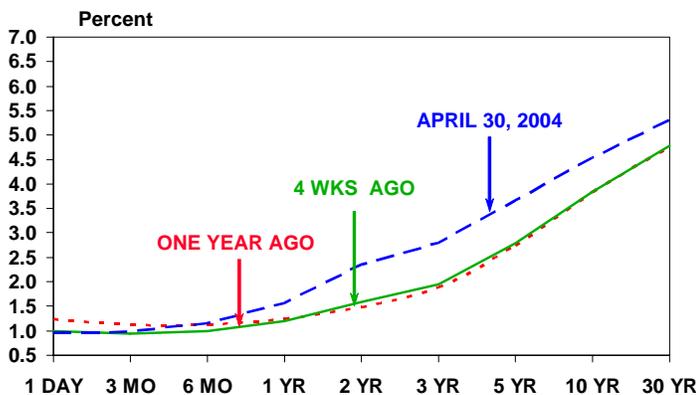
  

<b>III. MONTHLY ACTIVITY</b>				
Purchase	Type	Amount	Maturity	Yield
4/16/2004	T-Note	\$100,000,000	12/31/2005	1.87%
4/16/2004	T-Note	\$100,000,000	1/31/2006	1.92%
4/16/2004	T-Note	\$100,000,000	3/31/2006	2.00%
4/16/2004	T-Note	\$100,000,000	2/15/2007	2.46%
4/16/2004	T-Note	\$100,000,000	5/15/2007	2.59%
4/16/2004	T-Note	\$100,000,000	8/15/2007	2.71%
4/16/2004	T-Note	\$100,000,000	11/15/2007	2.79%
4/16/2004	T-Note	\$100,000,000	2/15/2008	2.92%
<b>TOTAL</b>		<b>\$800,000,000</b>		

<b>IV. MATURITY SCHEDULE (par value in millions)</b>	
3 months or less	1,074.7
3 months - 1 year	2,100.0
1 year - 2 years	1,500.0
2 years - 3 years	600.0
3 years - 4 years	700.0
<b>TOTAL</b>	<b>5,974.7</b>

**TREASURY YIELD CURVE**



**MATURITY SCHEDULE**

April 30, 2004

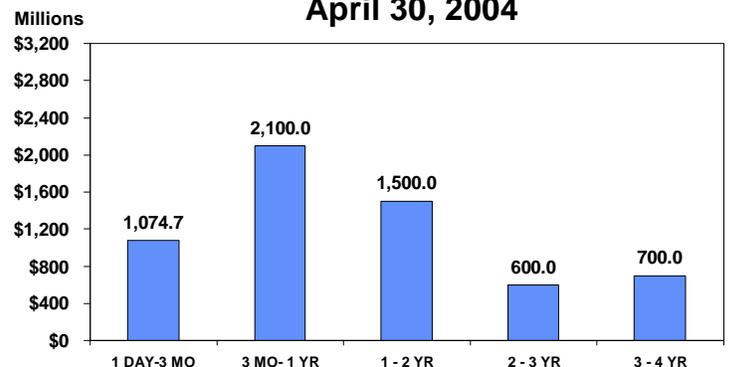


TABLE 5

**INTEREST RATE COMPARISONS**

**April 30, 2004**

INTEREST RATE COMPARISONS								
	Sep-03	Oct-03	Nov-03	Dec-03	Jan-04	Feb-04	Mar-04	Apr-04
NCUSIF Yield	2.21%	2.11%	2.08%	2.02%	1.98%	1.93%	1.99%	2.02%
90 day T-Bill	0.91%	0.95%	0.93%	0.93%	0.91%	0.94%	0.94%	0.97%
1 year T-Bill	1.15%	1.30%	1.38%	1.29%	1.27%	1.22%	1.20%	1.55%
2 year T-Note	1.47%	1.85%	2.07%	1.86%	1.82%	1.66%	1.59%	2.34%
30 year T-Note	4.88%	5.15%	5.14%	5.10%	4.97%	4.85%	4.79%	5.30%

**INTEREST RATE COMPARISONS  
APRIL 30, 2004**

