

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 MARCH 31, 2003

**DENNIS WINANS
CHIEF FINANCIAL OFFICER**

NCUSIF FINANCIAL HIGHLIGHTS
March 31, 2003

Balance Sheet:

Other Receivables: Due From Credit Unions — of \$131.9 million represents the amount of one percent deposit adjustments due from credit unions on April 14.

Interest Receivable — net increase of \$12.4 million is due to a combination of \$20.7 million in accrued interest earned and payments of \$8.3 million received by the NCUSIF in March.

Prepaid & Deferred Charges — is \$-.2 million for March. \$7.5 million was transferred to the operating fund to cover 62% of the agency's operating costs. March's actual operating costs were \$7.7 million.

Other Assets — represents balances due to the NCUSIF from monies loaned to NCUA for purchase of the Region V and King Street buildings.

Provision for Credit Union Losses (Reserves) — of \$54.6 million includes new reserves of \$1.9 million that were added for March.

NCUSIF Equity — increased to 1.31% for March due to an increase in contributed capital and net income. The equity ratio is based upon an insured share base of \$442.5 billion for December 31, 2002.

Statement of Revenue and Expense:

Investment Income — is approximately \$1 million more than the previous month due to three more calendar days in March for which interest was accrued.

NCUSIF Total Operating Expense — of \$8 million includes \$214.1 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 \$1.9 million for March. \$1.5 million is an increase to the National Pool Reserve and \$.4 million is for new reserves or reserve increases for specific problem credit unions.

TABLE 1 - NATIONAL CREDIT UNION SHARE INSURANCE FUND
BALANCE SHEET
MARCH 31, 2003

ASSETS	MARCH 2002	FEBRUARY 2003	MARCH 2003
Investments:			
U.S. Government Securities	\$5,049,045,572.71	\$5,584,299,628.15	\$5,612,486,624.10
Advances to Credit Unions:			
Capital Notes (NCUSIF Subordinated Notes)	2,000,000.00	0.00	0.00
Share Deposits	0.00	0.00	0.00
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Total Advances to Credit Unions	2,000,000.00	0.00	0.00
Other Receivables:			
Due from Credit Unions	169,927,693.15	18,783.66	131,923,614.84
Loans due to NCUSIF	84,918.76	0.00	0.00
Recoveries from Liq. CU	10,310,907.91	14,522,281.17	13,932,807.42
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Total Other Receivables	180,323,519.82	14,541,064.83	145,856,422.26
Cash	8,054,133.14	5,702.44	5,486.54
Interest Receivable	86,381,052.27	49,366,215.50	61,810,970.75
Prepaid & Deferred Charges	116,508.75	1,212,638.16	(247,654.67)
Leased Assets	595,585.24	55,845.60	7,269.88
Other	30,233,084.36	28,769,782.27	28,638,234.48
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TOTAL ASSETS	\$5,356,749,456.29	\$5,678,250,876.95	\$5,848,557,353.34
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 LIABILITIES			
Accounts Payable:			
Liquidation Claims	\$5,418,150.95	\$6,075,968.42	\$5,805,117.12
Other	0.00	10,067.52	9,915.71
Check Clearing Accounts	72,466.41	3,337.14	151,989.27
Dividend Check Clearing	0.00	0.00	0.00
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Total Current Liabilities	5,490,617.36	6,089,373.08	5,967,022.10
Provision for CU Losses (Reserves)	50,622,112.62	52,473,941.87	54,626,425.32
Lease Liabilities	639,989.37	0.00	0.00
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TOTAL LIABILITIES	\$56,752,719.35	\$58,563,314.95	\$60,593,447.42 1/
 EQUITY			
CU Contributed Capital	\$4,041,851,929.92	\$4,267,023,777.36	\$4,430,527,318.86
Retained Earnings	1,258,144,807.02	1,352,663,784.64	1,357,436,587.06
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TOTAL EQUITY	\$5,299,996,736.94	\$5,619,687,562.00	\$5,787,963,905.92
TOTAL LIABILITIES & EQUITY	\$5,356,749,456.29	\$5,678,250,876.95	\$5,848,557,353.34
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COMPARATIVE ANALYSIS OF BALANCE SHEET RATIOS
for Period Ending March 31, 2003

	MAR 02	FEB 03	MAR 03
1. Investments/Total Assets	94.26%	98.35%	95.96%
2. Total Equity/Insured Shares	1.31%	1.27%	1.31%
3. Prov. for Losses/CU Capital	1.25%	1.23%	1.23%
4. Non-Earning/Total Assets	5.18%	1.15%	3.55%
5. Available Asset Ratio	1.24%	1.27%	1.25%

1/ Does not include unreserved contingent liabilities of \$0 in asset guarantees, and \$680 thousand in outstanding line of credit guarantees.

TABLE 2 - STATEMENT OF REVENUE AND EXPENSE
FOR THE PERIOD ENDING MARCH 31, 2003

INCOME	CURRENT MONTH	CURRENT MONTH BUDGET	FY TO DATE 2003	FY TO DATE BUDGETED 2003	FY TO DATE 2002
Investment Income	\$14,533,893.28	\$14,100,000.00	\$44,322,007.02	\$44,900,000.00	\$54,194,077.00
Other Income	75,704.52	75,000.00	236,825.00	240,000.00	328,189.44
Total Income	14,609,597.80	14,175,000.00	44,558,832.02	45,140,000.00	54,522,266.44
EXPENSE					
Employee Pay	5,156,046.48	4,438,826.76	13,503,643.37	13,524,130.55	13,064,709.41
Employee Benefits	1,083,031.44	1,093,013.61	2,810,280.18	3,327,458.64	3,021,455.40
Employee Travel	537,874.14	660,211.54	1,060,072.05	1,980,634.63	1,208,799.31
Rent/Communications/Utilities	210,563.84	227,221.49	538,758.68	681,664.47	483,294.12
Administrative Costs	560,372.31	587,928.34	1,438,959.97	1,763,785.03	1,117,497.01
Contracted Services	199,766.46	350,523.94	359,422.21	1,051,571.83	455,624.21
Subtotal NCUA Operating Exp.	7,747,654.67	7,357,725.68	19,711,136.46	22,329,245.15	19,351,379.46
AMAC Expense	9,921.29	1,250.00	10,120.52	3,750.00	4,467.81
Training Expense	139,180.35	100,000.00	316,998.26	300,000.00	137,327.59
Leasing Expense	48,575.72	49,400.00	145,362.13	148,200.00	159,949.31
Other Insurance Expense	16,463.35	17,500.00	51,160.12	52,500.00	52,989.41
Total Operating Exp.	7,961,795.38	7,525,875.68	20,234,777.49	22,833,695.15	19,706,113.58
Insurance Loss	1,875,000.00	2,000,000.00	6,814,600.00	6,000,000.00	0.00
Total Expense	9,836,795.38	9,525,875.68	27,049,377.49	28,833,695.15	19,706,113.58
NET INCOME	\$4,772,802.42	\$4,649,124.32	\$17,509,454.53	\$16,306,304.85	\$34,816,152.86
Retained Earnings, Beginning of Year			\$1,339,927,132.53		\$1,223,328,654.16
Prior Year Adjustment			0.00		0.00
As Restated			1,339,927,132.53		1,223,328,654.16
Net Income			17,509,454.53		34,816,152.86
Dividends			1,357,436,587.06		1,258,144,807.02
Retained Earnings, End of Year			\$1,357,436,587.06		\$1,258,144,807.02

Comparative Analysis of NCUSIF Ratios for March 31, 2003

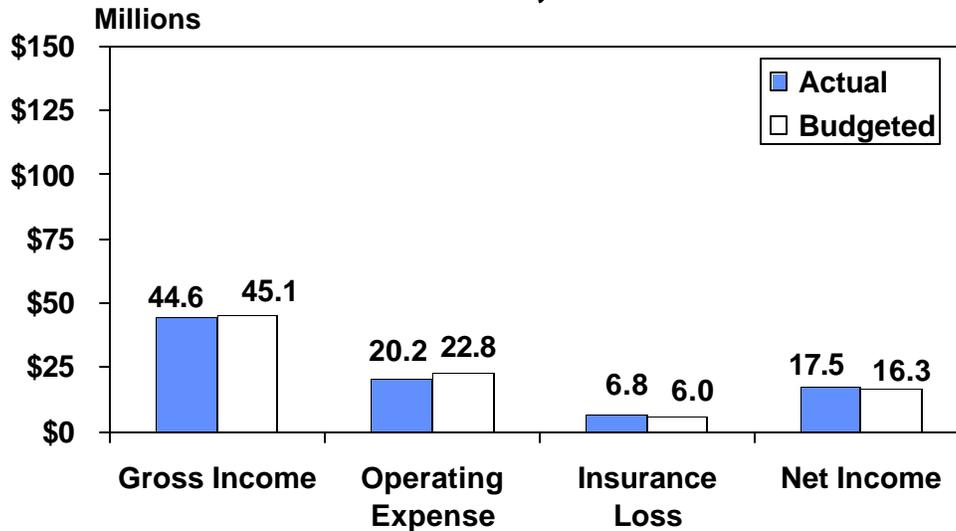
INCOME STATEMENT RATIOS	LAST MONTH	THIS MONTH	PRIOR FYTD	CURRENT FYTD
1. Oper. Exp./Total Income	46.03%	54.50%	36.14%	45.41%
2. Ins. Loss/Total Income	20.52%	12.83%	0.00%	15.29%
3. Total Exp./Total Income	66.55%	67.33%	36.14%	60.70%
4. Net Income/Total Income	33.45%	32.67%	63.86%	39.30%
5. Ins. Loss/Insured Shares	0.00%	0.00%	0.00%	0.00%

TABLE 3 - STATEMENT OF CASH FLOWS
March 31, 2003

CASH FLOWS FROM OPERATING ACTIVITIES:	
Income from investments	\$51,683,882.99
Other income received	236,825.00
Cash paid for operating expenses	(27,166,930.72)
Net cash (paid) received for insurance losses	<u>8,144,537.41</u>
Net cash provided by operating activities	32,898,314.68
CASH FLOWS FROM INVESTING ACTIVITIES:	
Investments, net	(68,428,202.11)
Collections on note receivable - National Credit Union Administration Operating Fund	<u>394,451.14</u>
Net cash provided by (used in) investing activities	(68,033,750.97)
CASH FLOWS FROM FINANCING ACTIVITIES:	
Contributions from insured credit unions Cont Cap acct	35,135,115.48
Dividends to insured credit unions	<u>0.00</u>
Net cash provided by financing activities	35,135,115.48
NET INCREASE (DECREASE) IN CASH	(320.81)
CASH, BEGINNING OF YEAR	5,807.35
CASH, ENDING MARCH 31, 2003	<u><u>\$5,486.54</u></u>

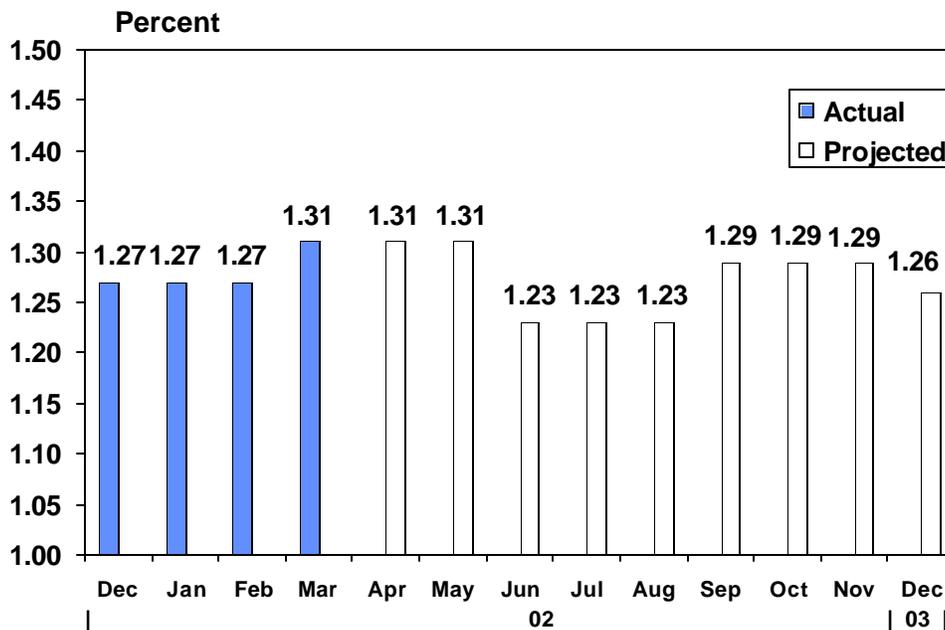
REVENUE AND EXPENSE

March 31, 2003



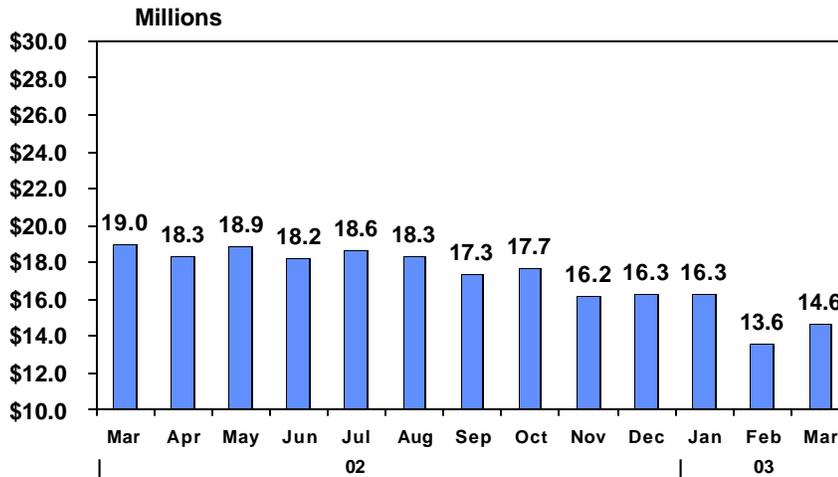
NCUSIF EQUITY RATIO

March 31, 2003



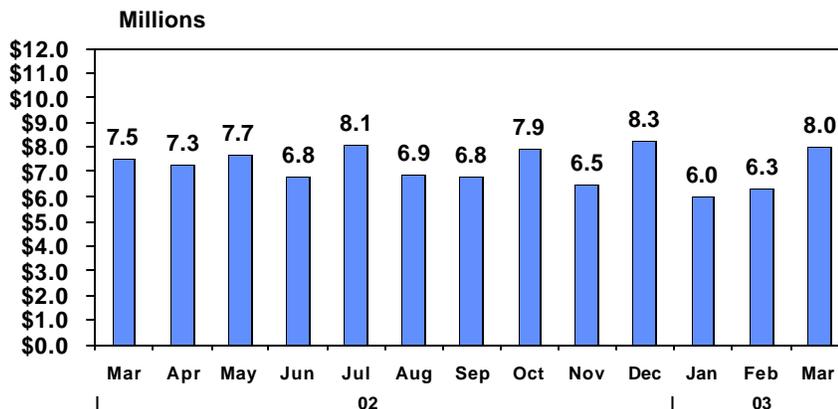
GROSS INCOME

March 02 – March 03



OPERATING EXPENSES

March 02 – March 03



INSURANCE LOSSES

March 02 – March 03

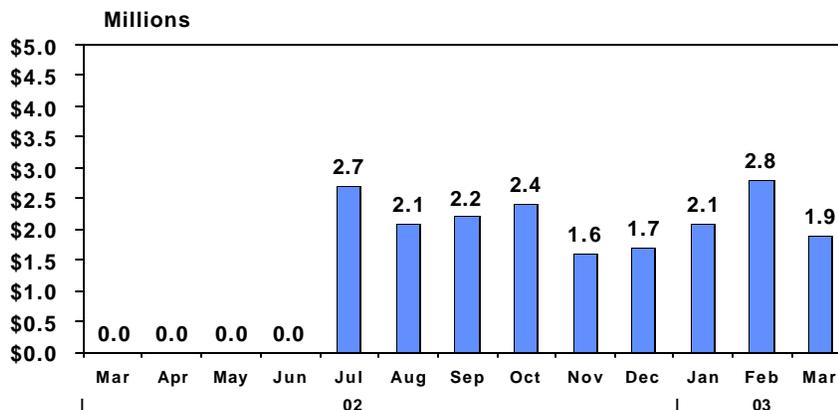


TABLE 4

INVESTMENT PORTFOLIO SUMMARY

March 31, 2003

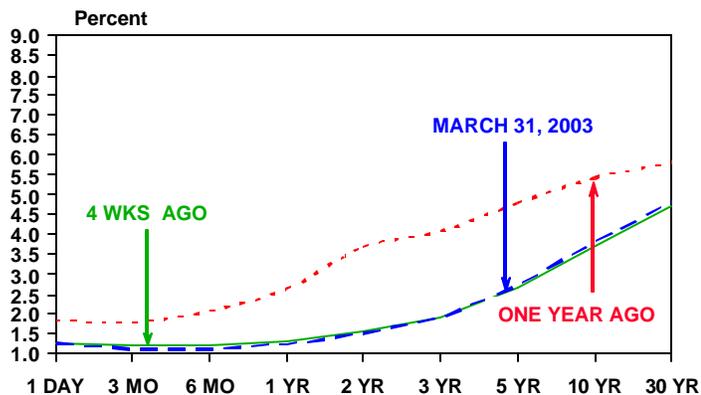
I. INVESTMENT PORTFOLIO BALANCE AND MARKET VALUE					
	Book Value	Market Value	(Gain or Loss)	% Market to Book Value	Weighted Average Yield
Daily Treasury Account	\$1,701,536,000	\$1,701,536,000	\$0	100.0%	1.26%
U.S. Treasury Notes	3,910,950,625	3,982,781,250	\$71,830,625	101.8%	3.65%
TOTAL	\$5,612,486,625	\$5,684,317,250	\$71,830,625	101.3%	2.95%

II. INVESTMENT PORTFOLIO PERFORMANCE				
	Last Month	Current Month	CY To Date	CY03 Projections
Investment Yield	3.12%	3.01%	3.18%	3.00%
Investment Income	13,570,213	14,533,893	44,322,007	172 Million
Income Budgeted	14,100,000	14,100,000	44,900,000	172 Million
Income/Budgeted Ratio	96.2%	103.1%	98.7%	100.0%
Avg. Maturity in Days	352	331	345	

III. MONTHLY ACTIVITY				
Purchase	Type	Amount	Maturity	Yield

IV. MATURITY SCHEDULE (par value in millions)	
3 months or less	2,101.5
3 months - 1 year	1,600.0
1 year - 2 years	1,600.0
2 years - 3 years	200.0
3 years - 4 years	0.0
TOTAL	5,501.5

TREASURY YIELD CURVE



MATURITY SCHEDULE

March 31, 2003

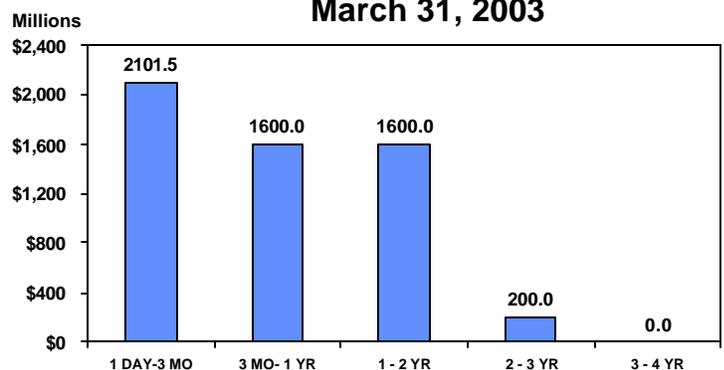


TABLE 5

INTEREST RATE COMPARISONS

March 31, 2003

INTEREST RATE COMPARISONS								
	Aug-02	Sep-02	Oct-02	Nov-02	Dec-02	Jan-03	Feb-03	Mar-03
NCUSIF Yield	4.01%	3.92%	3.71%	3.51%	3.37%	3.40%	3.12%	3.01%
90 day T-Bill	1.65%	1.57%	1.50%	1.21%	1.19%	1.17%	1.19%	1.11%
1 year T-Bill	1.78%	1.61%	1.52%	1.56%	1.36%	1.36%	1.30%	1.24%
2 year T-Note	2.08%	1.76%	1.68%	2.06%	1.64%	1.73%	1.54%	1.50%
30 year T-Note	4.89%	4.81%	5.11%	5.04%	4.81%	4.87%	4.69%	4.81%

INTEREST RATE COMPARISONS
March 31, 2003

