

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 JUNE 30, 2008

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CHIEF FINANCIAL OFFICER**

NCUSIF FINANCIAL HIGHLIGHTS
June 30, 2008

Balance Sheet:

Advances to Credit Unions: Share Deposits and Loans — of \$100 million represents a secured loan to a credit union.

Due from Credit Unions — \$58 thousand represents the remaining balance of one percent deposit adjustments due from credit unions on April 15, 2008.

Other Receivables: Recoveries from Liq. CU — increased to \$102.5 million due primarily to new receivables established by AMAC from the liquidation of credit unions.

Interest Receivable — net decrease of \$1.4 million is due to a combination of \$23.6 million in accrued interest earned in June and payments of \$25.0 million received by the NCUSIF in June.

Prepaid & Deferred Charges — is \$0.8 million for June. \$7.0 million was transferred to the operating fund to cover 52.0% of the agency's operating costs. June's actual operating costs were \$6.2 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 \$334.2 million includes additional reserves of \$3.0 million for June 2008.

NCUSIF Equity — decreased to 1.22% for June. The equity ratio is based upon an insured share base of \$601.6 billion at June 30, 2008.

Statement of Revenue and Expense:

Investment Income — is approximately \$0.7 million less than the previous month due to one less calendar day in June for which interest was accrued.

NCUSIF Total Operating Expense — of \$6.4 million includes \$182.3 thousand in direct expenses paid by the NCUSIF for state examiner training, leasing expense for state examiner laptop computers, and other insurance related items.

Insurance Loss — is \$3.0 million for June. This increase is for new reserves for specific credit unions.

TABLE 1 - NATIONAL CREDIT UNION SHARE INSURANCE FUND
BALANCE SHEET
JUNE 30, 2008

ASSETS	JUNE 2007	MAY 2008	JUNE 2008
Investments:			
U.S. Government Securities	\$7,064,841,661.85	\$7,376,899,450.76	\$7,384,656,794.12
Advances to Credit Unions:			
NCUSIF Subordinated Notes	0.00	0.00	0.00
Share Deposits & Loans	0.00	100,000,000.00	100,000,000.00
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Total Advances to Credit Unions	0.00	100,000,000.00	100,000,000.00
Other Receivables:			
Due from Credit Unions	537,844.88	4,505,547.94	57,913.33
Loans due to NCUSIF	0.00	0.00	0.00
Recoveries from Liq. CU	11,384,738.91	77,333,418.96	102,518,665.37
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Total Other Receivables	11,922,583.79	81,838,966.90	102,576,578.70
Cash	5,668.65	5,072.08	5,542.77
Interest Receivable	69,539,922.89	69,278,120.57	67,849,902.02
Prepaid & Deferred Charges	791,688.02	681,630.85	763,600.20
Leased Assets	550,992.74	268,139.60	241,284.84
Other	21,758,905.38	20,677,652.05	20,586,218.56
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TOTAL ASSETS	\$7,169,411,423.32	\$7,649,649,032.81	\$7,676,679,921.21
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LIABILITIES			
Accounts Payable:			
Liquidation Claims	\$2,967,864.07	\$4,973,535.30	\$5,466,650.84
Other	527,122.95	4,395.70	8,501.93
Check Clearing Accounts	67,985.00	4,513.31	3,555.94
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Total Current Liabilities	3,562,972.02	4,982,444.31	5,478,708.71
Provision for CU Losses (Reserves)	86,048,974.36	323,307,708.04	334,188,376.60
Lease Liabilities	615,815.12	267,369.17	268,069.74
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TOTAL LIABILITIES	90,227,761.50	328,557,521.52	339,935,155.05
EQUITY			
CU Contributed Capital	5,354,751,672.32	5,658,901,460.99	5,659,957,690.09
Retained Earnings	1,724,431,989.50	1,662,190,050.30	1,676,787,076.07
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TOTAL EQUITY	7,079,183,661.82	7,321,091,511.29	7,336,744,766.16
TOTAL LIABILITIES & EQUITY	\$7,169,411,423.32	\$7,649,649,032.81	\$7,676,679,921.21
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COMPARATIVE ANALYSIS OF BALANCE SHEET RATIOS

for Period Ending June 30, 2008

	JUN 07	MAY 08	JUN 08
1. Investments/Total Assets	98.54%	96.43%	96.20%
2. Total Equity/Insured Shares	1.27%	1.29%	1.22%
3. Prov. for Losses/CU Capital	1.61%	5.71%	5.90%
4. Non-Earning/Total Assets	1.16%	1.99%	2.23%
5. Available Asset Ratio	1.24%	1.27%	1.19%

TABLE 2 - STATEMENT OF REVENUE AND EXPENSE
FOR THE PERIOD ENDING JUNE 30, 2008

INCOME	CURRENT MONTH	CURRENT MONTH BUDGET	CY TO DATE 2008	CY TO DATE BUDGETED 2008	CY TO DATE 2007
Investment Income	\$23,865,673.74	\$24,700,000.00	\$148,405,657.11	\$148,200,000.00	\$157,282,025.36
Other Income	167,451.23	75,000.00	756,728.65	450,000.00	545,080.36
Total Income	24,033,124.97	24,775,000.00	149,162,385.76	148,650,000.00	157,827,105.72
EXPENSE					
Employee Pay	3,848,371.94	3,873,964.67	23,554,564.60	23,988,626.09	23,293,425.17
Employee Benefits	965,266.06	1,062,118.35	6,277,186.90	6,567,722.57	6,254,667.11
Employee Travel	766,732.20	668,035.49	3,723,388.46	4,008,212.92	3,089,351.80
Rent/Communications/Utilities	155,765.77	180,594.97	880,154.91	1,083,569.81	927,434.06
Administrative Costs	321,678.48	513,020.57	2,456,025.40	3,078,123.42	2,141,611.12
Contracted Services	178,585.35	380,493.13	1,497,552.63	2,282,958.76	1,533,786.20
Subtotal NCUA Operating Exp.	6,236,399.80	6,678,227.18	38,388,872.90	41,009,213.57	37,240,275.46
AMAC Expense	0.00	1,000.00	14,596.95	6,000.00	5,618.55
Training Expense	151,778.83	100,000.00	583,636.67	600,000.00	472,793.84
Leasing Expense	27,555.33	30,667.00	166,448.89	184,002.00	200,093.33
Other Insurance Expense	2,956.42	3,000.00	14,367.25	18,000.00	16,781.28
Total Operating Exp.	6,418,690.38	6,812,894.18	39,167,922.66	41,817,215.57	37,935,562.46
Insurance Loss	3,017,408.82	4,500,000.00	109,420,844.42	27,000,000.00	15,959,429.11
Total Expense	9,436,099.20	11,312,894.18	148,588,767.08	68,817,215.57	53,894,991.57
NET INCOME	\$14,597,025.77	\$13,462,105.82	\$573,618.68	\$79,832,784.43	\$103,932,114.15
Retained Earnings, Beginning of Year			\$1,676,213,457.39		\$1,672,030,178.22
Prior Year Adjustment			0.00		0.00
As Restated			1,676,213,457.39		1,672,030,178.22
Net Income			573,618.68		103,932,114.15
Dividends			1,676,787,076.07		1,775,962,292.37
			0.00		51,530,302.87
Retained Earnings, Year To Date			\$1,676,787,076.07		\$1,724,431,989.50

Comparative Analysis of NCUSIF Ratios for June 30, 2008

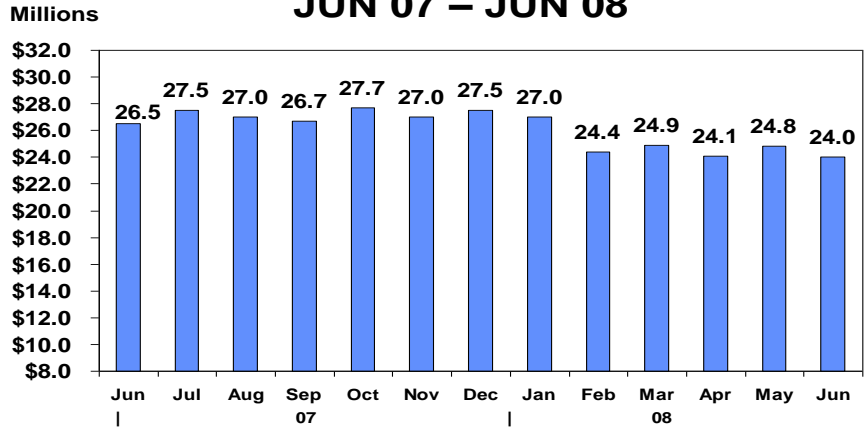
INCOME STATEMENT RATIOS	LAST MONTH	THIS MONTH	PRIOR CYTD	CURRENT CYTD
1. Oper. Exp./Total Income	25.98%	26.71%	24.04%	26.26%
2. Ins. Loss/Total Income	444.88%	12.56%	10.11%	73.36%
3. Total Exp./Total Income	470.86%	39.26%	34.15%	99.62%
4. Net Income/Total Income	-370.86%	60.74%	65.85%	0.38%
5. Ins. Loss/Insured Shares	0.03%	0.00%	0.00%	0.03%

TABLE 3 - STATEMENT OF CASH FLOWS
June 30, 2008

CASH FLOWS FROM OPERATING ACTIVITIES:	
Income from investments	\$ 135,353,932.67
Other income received	756,728.65
Advances to credit unions (FCU Act §208)	(100,000,000.00)
Cash paid for operating expenses	(70,910,111.05)
Net cash (paid) received for insurance losses	<u>(27,072,862.95)</u>
Net cash provided by operating activities	<u>(61,872,312.68)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Investments, net	(13,655,633.00)
Collections on note receivable - National Credit Union Administration Operating Fund	<u>533,547.89</u>
Net cash provided by (used in) investing activities	<u>(13,122,085.11)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:	
Contributions (distributions) from insured credit unions Cont Cap acct	74,797,181.57
Dividends to insured credit unions	-
Principal repayments under capital lease obligations	<u>(180,117.94)</u>
Net cash provided by financing activities	<u>74,617,063.63</u>
NET INCREASE (DECREASE) IN CASH	(377,334.16)
CASH, BEGINNING OF YEAR	<u>382,876.93</u>
CASH, ENDING JUNE 30, 2008	<u>\$ 5,542.77</u>

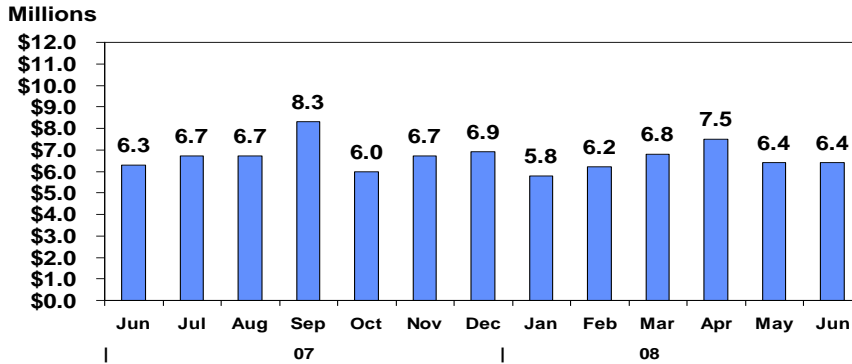
GROSS INCOME

JUN 07 – JUN 08



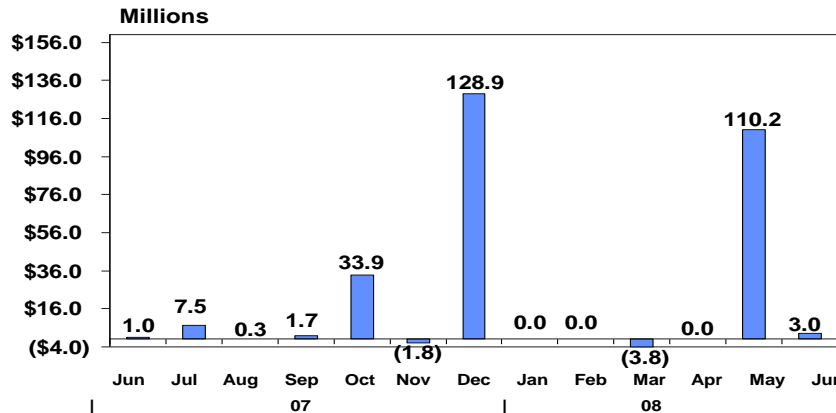
OPERATING EXPENSE

JUN 07 – JUN 08



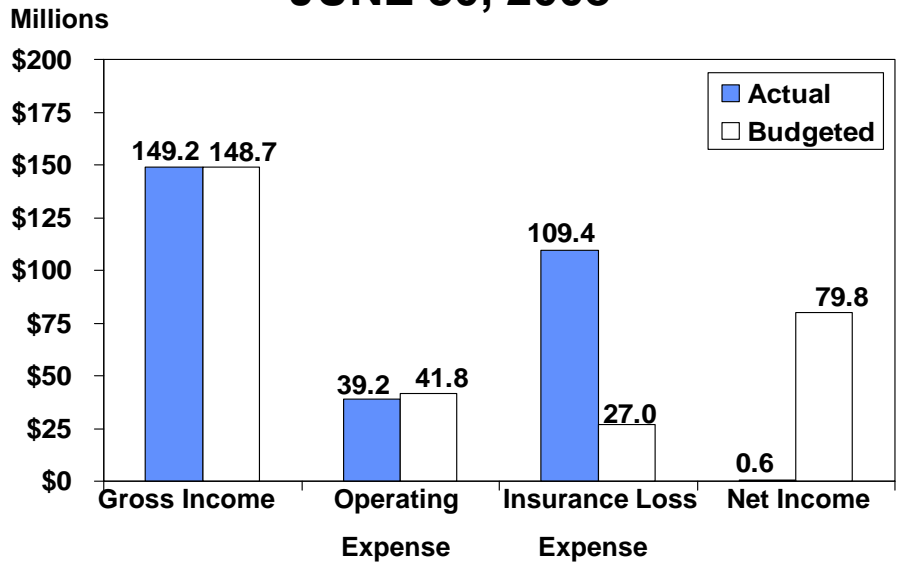
INSURANCE LOSS EXPENSE

JUN 07 – JUN 08



REVENUE AND EXPENSE

JUNE 30, 2008



NCUSIF EQUITY RATIO

JUNE 30, 2008

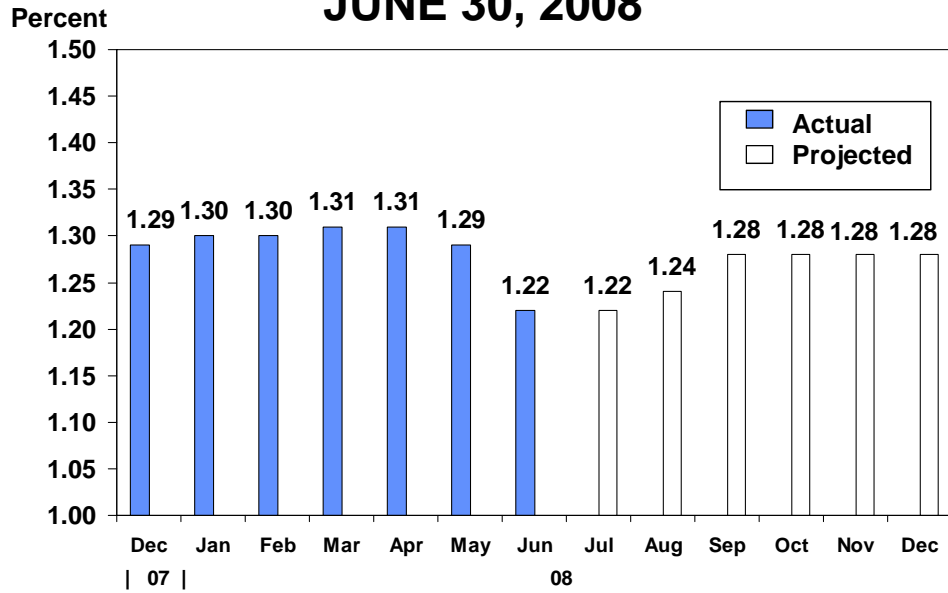


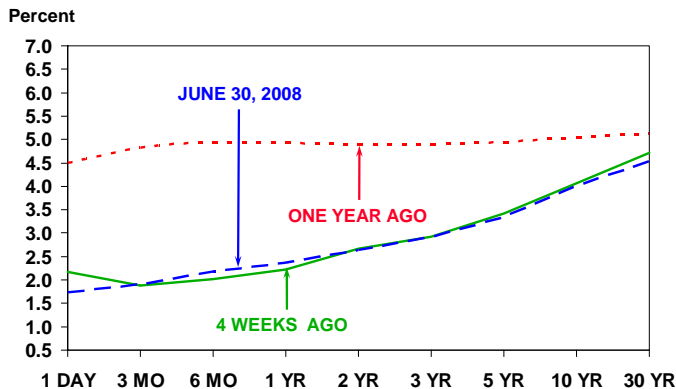
TABLE 4

INVESTMENT PORTFOLIO SUMMARY

June 30, 2008

I. INVESTMENT PORTFOLIO BALANCE AND MARKET VALUE					
	Book Value	Market Value	Gain or (Loss)	% Market to Book Value	Weighted Average Yield
Daily Treasury Account	\$598,706,000	\$598,706,000	\$0	100.00%	2.06%
U.S. Treasury Notes	6,785,950,795	6,915,640,625	129,689,830	101.91%	4.03%
TOTAL	\$7,384,656,795	\$7,514,346,625	\$129,689,830	101.76%	3.94%
II. INVESTMENT PORTFOLIO PERFORMANCE					
	Last Month	Current Month	CY To Date	CY08 Projections	
Investment Yield	3.93%	3.94%	4.05%	3.98%	
Investment Income	\$24,601,686	\$23,865,674	\$148,405,657	\$296,000,000	
Income Budgeted	\$24,700,000	\$24,700,000	\$148,200,000	\$296,000,000	
Income/Budgeted Ratio	99.6%	96.6%	100.1%	100.00%	
Weighted Avg. Maturity in Days	777	748			
III. MONTHLY ACTIVITY					
Purchase	Type	Amount	Maturity	Yield	
TOTAL		\$0			
IV. MATURITY SCHEDULE (par value in millions)					
3 months or less	\$798.7				
3 months - 1 year	1,950.0				
1 year - 2 years	1,300.0				
2 years - 3 years	1,200.0				
3 years - 4 years	1,100.0				
4 years - 5 years	900.0				
5 years - 10 years	100.0				
TOTAL	\$7,348.7				

TREASURY YIELD CURVE



MATURITY SCHEDULE

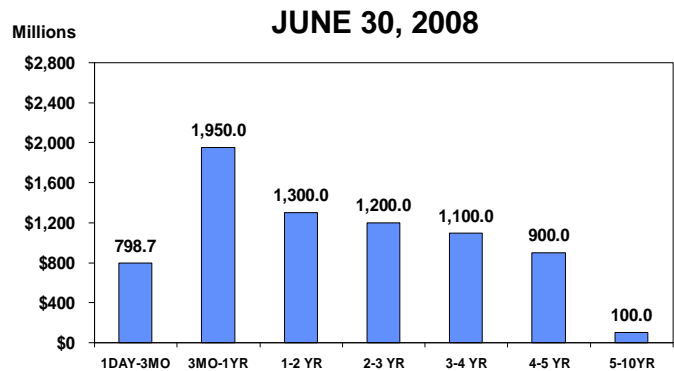


TABLE 5

MONTHLY YIELD COMPARISONS

June 30, 2008

YIELD COMPARISONS								
	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08
NCUSIF Yield	4.39%	4.36%	4.30%	4.10%	4.01%	3.99%	3.93%	3.94%
90-day T-Bill	3.15%	3.36%	1.96%	1.85%	1.38%	1.43%	1.89%	1.90%
1-year T-Bill	3.26%	3.34%	2.11%	1.77%	1.55%	1.85%	2.22%	2.26%
2-year T-Note	3.04%	3.05%	2.17%	1.65%	1.62%	2.23%	2.66%	2.63%
30-year T-Note	4.40%	4.45%	4.35%	4.41%	4.30%	4.49%	4.72%	4.53%

**YIELD COMPARISONS
JUNE 30, 2008**

