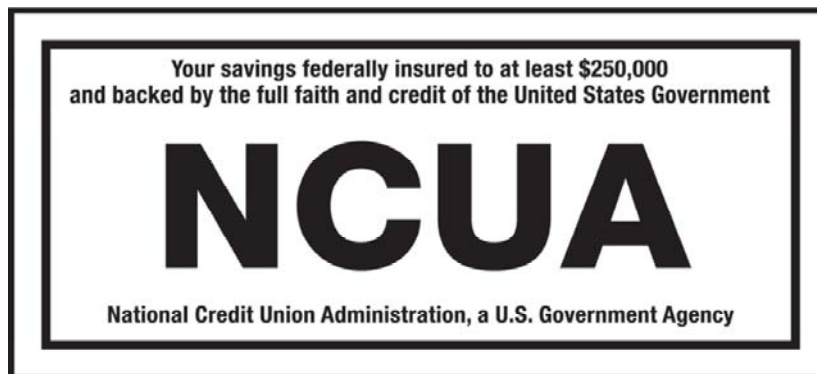


NATIONAL CREDIT UNION SHARE INSURANCE FUND



PRELIMINARY FINANCIAL HIGHLIGHTS JANUARY 31, 2009

**MARY ANN WOODSON
CHIEF FINANCIAL OFFICER**

**PRELIMINARY
NCUSIF FINANCIAL HIGHLIGHTS
January 31, 2009**

The statements presented are preliminary because the auditors are considering the proper accounting treatment for actions taken by the Board on 1/28/09 related to the stabilization of the corporate credit union system. The final decision by the auditors may require adjustments to the unaudited 12/31/08 financial statements presented at the 1/22/09 board meeting and the 1/31/09 preliminary financial statements presented here.

Balance Sheet:

Investments – decreased approximately \$1.1 billion primarily due to the cash outlay for a capital note.

Capital Notes and Allowance for loss – Capital Notes – nets to -0- due to a \$1 billion capital note issued as a result of Board action taken 1/28/09 to stabilize the corporate credit union system, and a corresponding allowance for loss of \$1 billion.

Recapitalization and Insurance Premiums – of \$4.8 billion is due to action taken by the Board on 1/28/09 to stabilize the corporate credit union system.

Provision for Credit Union Losses (Reserves) – of \$4.0 billion includes an addition of \$3.7 billion added to the unallocated reserves to guarantee all uninsured shares in the corporate credit union system as a result of Board action taken on 1/28/09.

NCUSIF Equity – is \$1.28% for January. The equity ratio is based upon an insured share base of \$611.6 billion at December 31, 2008.

Statement of Revenue and Expense:

Accrued Recapitalization & Premium Income – is \$4.8 billion. \$3.0 billion is for the recapitalization and \$1.8 billion is for the premium.

Loss on Investment – Corporate – of \$1 billion is due to an allowance for loss set up for the capital note issued on January 30, 2009.

Insurance Loss Expense – of \$3.7 billion for January was expensed for non-specific reserves. This was the result of the Board action taken on 1/28/09 to guarantee all uninsured shares in the corporate credit union system.

Net Income – Total income less expenses resulted in net income of \$150.7 million for January 09.

TABLE 1 - NATIONAL CREDIT UNION SHARE INSURANCE FUND
PRELIMINARY BALANCE SHEET
JANUARY 31, 2009

ASSETS	JANUARY 2008	DECEMBER 2008	JANUARY 2009
Investments:			
U.S. Government Securities	\$7,400,111,669.91	\$8,080,272,166.67	\$6,976,030,374.59
Advances to Credit Unions:			
Capital Notes	0.00	0.00	1,000,000,000.00
Allowance for loss - Capital Notes	0.00	0.00	-1,000,000,000.00
NCUSIF Subordinated Notes	0.00	0.00	0.00
Share Deposits & Loans	0.00	0.00	3,500,000.00
Total Advances to Credit Unions	\$0.00	0.00	3,500,000.00
Other Receivables:			
Due from Credit Unions	1,081.44	991,778.32	693,779.83
Recapitalization and Insurance Premiums	0.00	0.00	4,840,000,000.00
Loans due to NCUSIF	0.00	0.00	0.00
Recoveries from Liq. CU	65,163,226.87	103,175,460.42	101,106,751.01
Total Other Receivables	\$65,164,308.31	104,167,238.74	4,941,800,530.84
Cash	5,836.30	384,733.22	100,606.31
Interest Receivable	62,031,832.44	39,847,542.66	75,824,203.27
Prepaid & Deferred Charges	1,222,793.35	0.00	1,018,440.87
Leased Assets	375,998.68	79,727.10	52,872.34
Other	21,007,720.18	21,677,671.22	19,667,152.44
TOTAL ASSETS	\$7,549,920,159.17	\$8,246,429,079.61	\$12,017,994,180.66
LIABILITIES			
Accounts Payable:			
Liquidation Claims	\$5,167,196.24	\$10,357,687.15	\$9,312,094.85
Other	\$0.00	2,190,796.63	1,000,000.00
Check Clearing Accounts	1,628.97	279.47	12,682.07
Total Current Liabilities	\$5,168,825.21	12,548,763.25	10,324,776.92
Provision for CU Losses (Reserves)	215,543,938.91	278,343,438.75	3,976,160,227.06
Lease Liabilities	354,174.02	90,058.99	0.02
TOTAL LIABILITIES	\$221,066,938.14	290,982,260.99	3,986,485,004.00 1/
EQUITY			
CU Contributed Capital	5,631,464,127.25	5,977,106,480.26	5,977,073,913.40
Retained Earnings	1,697,389,093.78	1,700,002,814.70	1,850,663,194.61
Unrealized Gain/Loss on A-F-S Securities	0.00	278,337,523.66	203,772,068.65
TOTAL EQUITY	7,328,853,221.03	7,955,446,818.62	8,031,509,176.66
TOTAL LIABILITIES & EQUITY	\$7,549,920,159.17	\$8,246,429,079.61	\$12,017,994,180.66

1/ Does not include unreserved contingent liabilities of \$37 thousand in an indemnification expiring in Dec 2010.

COMPARATIVE ANALYSIS OF BALANCE SHEET RATIOS
for Period Ending January 31, 2009

	JAN 08	DEC 08	JAN 09
1. Investments/Total Assets	98.02%	97.91%	58.05%
2. Total Equity/Insured Shares	1.30%	1.26%	1.28%
3. Prov. for Losses/CU Capital	3.83%	4.66%	66.52%
4. Non-Earning/Total Assets	1.71%	1.81%	41.76%
5. Available Asset Ratio	1.31%	1.29%	0.49%

TABLE 2 - PRELIMINARY STATEMENT OF REVENUE AND EXPENSE
FOR THE PERIOD ENDING JANUARY 31, 2009

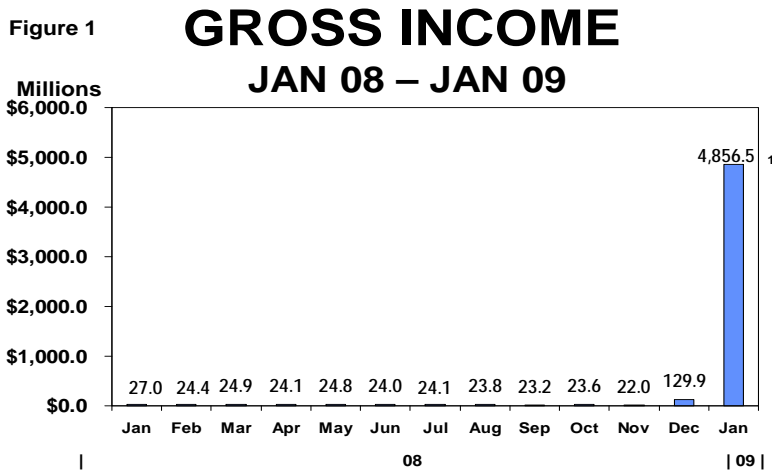
INCOME	CURRENT MONTH	CURRENT MONTH BUDGET	CY TO DATE 2009	CY TO DATE BUDGETED 2009	CY TO DATE 2008
Investment Income	\$16,433,433.76	\$16,400,000.00	\$16,433,433.76	\$16,400,000.00	\$26,881,032.32
Fee Income (TCCULGP)	0.00	0.00	0.00	0.00	0.00
Accrued Recapitalization & Premium Income	4,840,000,000.00	4,840,000,000.00	4,840,000,000.00	4,840,000,000.00	0.00
Other Income	68,848.76	70,000.00	68,848.76	70,000.00	77,622.39
Total Income	4,856,502,282.52	4,856,470,000.00	4,856,502,282.52	4,856,470,000.00	26,958,654.71
EXPENSE					
Employee Pay	4,196,063.38	4,580,067.35	4,196,063.38	4,580,067.35	4,033,828.35
Employee Benefits	1,093,856.09	1,311,314.12	1,093,856.09	1,311,314.12	1,029,875.37
Employee Travel	142,481.05	938,447.41	142,481.05	938,447.41	142,822.24
Rent/Communications/Utilities	56,144.69	196,764.35	56,144.69	196,764.35	57,702.48
Administrative Costs	330,762.54	505,917.97	330,762.54	505,917.97	458,207.68
Contracted Services	23,641.44	508,605.35	23,641.44	508,605.35	29,518.59
Subtotal NCUA Operating Exp.	5,842,949.19	8,041,116.55	5,842,949.19	8,041,116.55	5,751,954.71
AMAC Expense	500.31	1,000.00	500.31	1,000.00	0.00
Training Expense	(28,401.65)	83,335.00	(28,401.65)	83,335.00	3,404.88
Leasing Expense	26,854.76	20,850.00	26,854.76	20,850.00	27,780.36
Other Insurance Expense	0.00	25,000.00	0.00	25,000.00	(121.63)
Total Operating Exp.	5,841,902.61	8,171,301.55	5,841,902.61	8,171,301.55	5,783,018.32
Loss on Investment - Corporate	1,000,000,000.00	1,000,000,000.00	1,000,000,000.00	1,000,000,000.00	0.00
Insurance Loss Expense	3,700,000,000.00	3,720,000,000.00	3,700,000,000.00	3,720,000,000.00	\$0.00
Total Expense	4,705,841,902.61	4,728,171,301.55	4,705,841,902.61	4,728,171,301.55	\$5,783,018.32
NET INCOME	\$150,660,379.91	\$128,298,698.45	\$150,660,379.91	\$128,298,698.45	\$21,175,636.39
Retained Earnings, Beginning of Year			\$1,700,002,814.70		\$1,676,213,457.39
Prior Year Adjustment			0.00		\$0.00
As Restated			1,700,002,814.70		\$1,676,213,457.39
Net Income			150,660,379.91		21,175,636.39
Dividends			1,850,663,194.61		\$1,697,389,093.78
			0.00		0.00
Retained Earnings, Year To Date			\$1,850,663,194.61		\$1,697,389,093.78

Comparative Analysis of NCUSIF Ratios for January 31, 2009

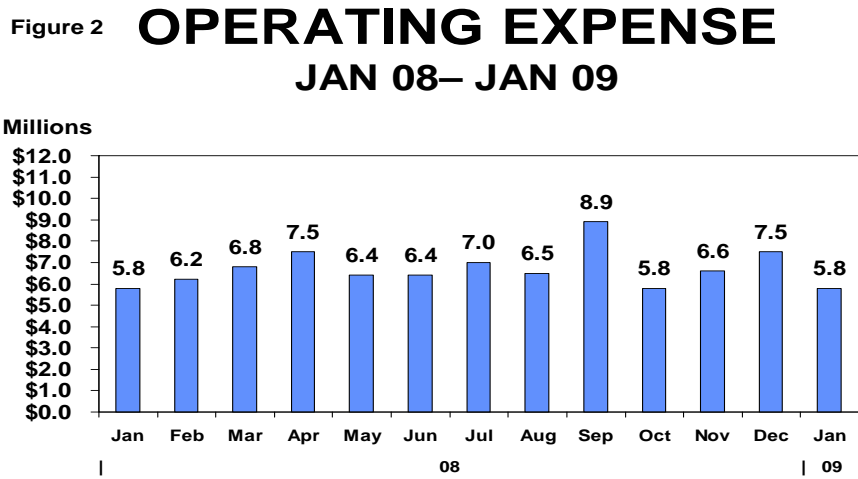
INCOME STATEMENT RATIOS	LAST MONTH	THIS MONTH	PRIOR CYTD	CURRENT CYTD
1. Oper. Exp./Total Income	5.77%	0.12%	21.45%	0.12%
2. Ins. Loss Exp./Total Income	87.26%	76.19%	0.00%	76.19%
3. Total Exp./Total Income	93.03%	96.90%	21.45%	96.90%
4. Net Income/Total Income	6.97%	3.10%	78.55%	3.10%
5. Ins. Loss Exp./Insured Shares	0.02%	0.61%	0.00%	0.61%

TABLE 3 - PRELIMINARY STATEMENT OF CASH FLOWS
January 31, 2009

CASH FLOWS FROM OPERATING ACTIVITIES:	
Income from investments	\$ 15,469,998.90
Other income received	68,848.76
Advances to credit unions (FCU Act §208)	(1,003,500,000.00)
Cash paid for operating expenses	(8,038,737.51)
Net cash (paid) received for insurance losses	<u>(1,160,094.58)</u>
Net cash provided by operating activities	<u>(997,159,984.43)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Investments, net	994,663,111.32
Collections on note receivable - National Credit Union Administration Operating Fund	<u>2,010,518.78</u>
Net cash provided by (used in) investing activities	<u>996,673,630.10</u>
CASH FLOWS FROM FINANCING ACTIVITIES:	
Contributions (distributions) from insured credit unions Cont Cap acct	265,431.63
Dividends to insured credit unions	-
Principal repayments under capital lease obligations	<u>(63,204.21)</u>
Net cash provided by financing activities	<u>202,227.42</u>
NET INCREASE (DECREASE) IN CASH	(284,126.91)
CASH, BEGINNING OF YEAR	<u>384,733.22</u>
CASH, ENDING JANUARY 31, 2009	<u><u>\$ 100,606.31</u></u>



¹ This was the result of the Board action taken on 1/28/09 to recapitalize the Fund and declare a premium to bring the equity ratio to 1.3 percent.



¹ This was the result of the Board action taken on 1/28/09 to guarantee all uninsured shares in the corporate credit union system.

Figure 4

REVENUE AND EXPENSE YEAR-TO-DATE JANUARY 31, 2009

(In Millions)

	Actual	Budgeted
Gross Income:		
Investment Income	\$ 16.4	\$ 16.4
Accrued Recapitalization and Premium Income	4,840.0	4,840.0
Other Income	0.1	0.1
Less Expenses:		
Operating Expense	5.8	8.2
Loss on Investment - Corporate	1,000.0	1,000.0
Insurance Loss Expense	3,700.0	3,720.0
Net Income	\$ 150.7	\$ 128.3

Figure 5

NCUSIF EQUITY RATIO JANUARY 31, 2009

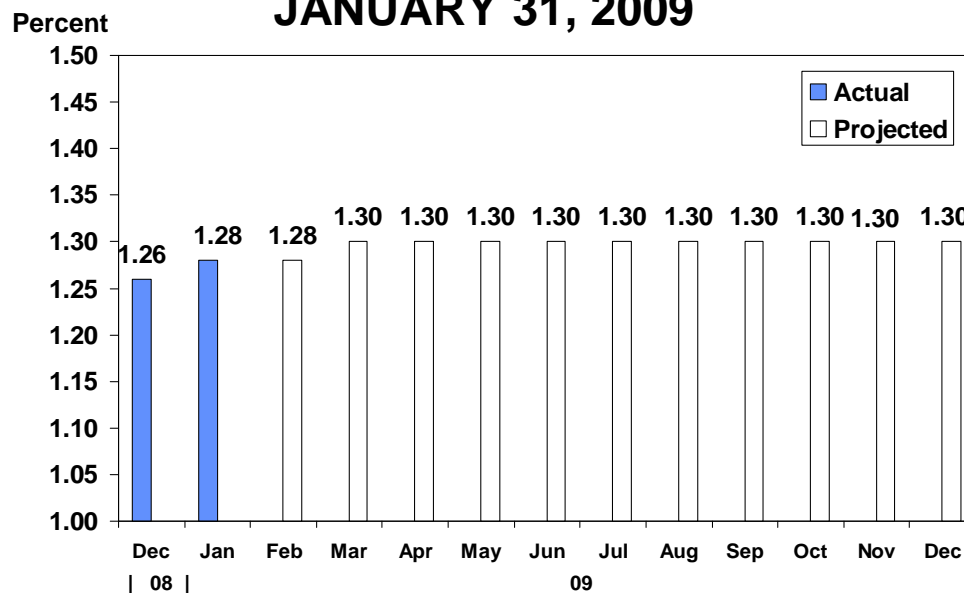


TABLE 4

INVESTMENT PORTFOLIO SUMMARY

January 31, 2009

I. INVESTMENT PORTFOLIO BALANCE AND MARKET VALUE					
	Book Value	Market Value	Gain or (Loss)	% Market to Book Value	Weighted Average Yield
Daily Treasury Account	\$107,671,000	\$107,671,000	\$0	100.00%	0.06%
U.S. Treasury Notes	6,664,587,306	6,868,359,375	203,772,069	103.06%	3.24%
TOTAL	\$6,772,258,306	\$6,976,030,375	\$203,772,069	103.01%	2.51%

II. INVESTMENT PORTFOLIO PERFORMANCE				
	Last Month	Current Month	CY To Date	CY09 Projections
Investment Yield	3.52%	2.51%	2.51%	2.36%
Investment Income	\$126,449,819 (1)	\$16,433,434	\$16,433,434	\$182,000,000
Income Budgeted (1/1/09)	\$24,700,000	\$16,400,000	\$16,400,000	\$182,000,000
Income/Budgeted Ratio	511.9%	100.2%	100.2%	100.0%
Weighted Avg. Maturity in Days	463	1,020		

III. MONTHLY ACTIVITY				
Purchased	Type	Amount	Maturity	Yield
1/7/2009	Treasury Note	\$250,000,000	11/15/2009	0.49%
1/7/2009	Treasury Note	200,000,000	7/15/2010	0.38%
1/7/2009	Treasury Note	200,000,000	1/15/2011	0.58%
1/7/2009	Treasury Note	200,000,000	10/31/2011	0.99%
1/7/2009	Treasury Note	150,000,000	3/31/2012	1.19%
1/7/2009	Treasury Note	150,000,000	4/30/2012	1.20%
1/7/2009	Treasury Note	150,000,000	8/15/2012	1.08%
1/7/2009	Treasury Note	350,000,000	2/15/2013	1.19%
1/9/2009	Treasury Note	100,000,000	10/31/2012	1.01%
1/9/2009	Treasury Note	100,000,000	11/30/2013	1.45%
1/9/2009	Treasury Note	100,000,000	10/31/2013	1.40%
1/9/2009	Treasury Note	100,000,000	12/31/2013	1.51%
1/9/2009	Treasury Note	300,000,000	2/15/2014	1.26%
1/9/2009	Treasury Note	50,000,000	11/15/2018	2.78%
1/9/2009	Treasury Note	50,000,000	2/15/2019	2.87%
TOTAL		\$2,450,000,000		

IV. MATURITY SCHEDULE (par value in millions)	
3 months or less	\$357.7
3 months - 1 year	1,300.0
1 year - 2 years	1,000.0
2 years - 3 years	800.0
3 years - 4 years	1,150.0
4 years - 5 years	1,650.0
5 years - 10 years	250.0
TOTAL	\$6,507.7

(1) Includes gain on sale of T-Notes of \$106.5 million.

Figure 6

TREASURY YIELD CURVE

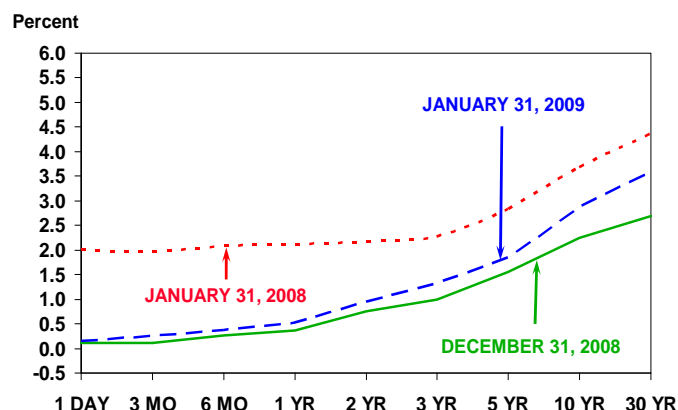


Figure 7

MATURITY SCHEDULE

JANUARY 31, 2009

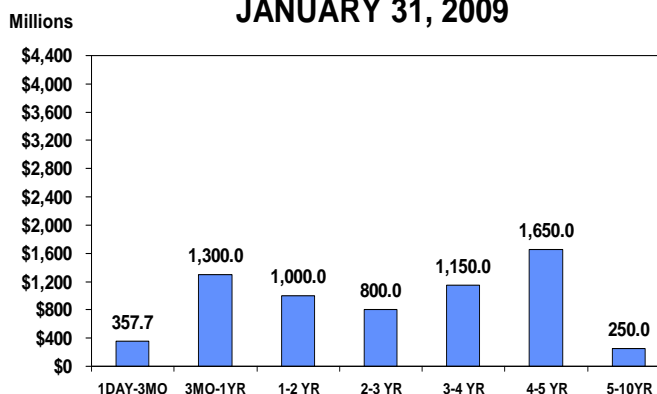


TABLE 5

MONTH-END YIELD COMPARISONS

January 31, 2009

YIELD COMPARISONS								
	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09
NCUSIF Yield	3.94%	3.84%	3.84%	3.87%	3.75%	3.49%	3.52%	2.51%
90-day T-Bill	1.90%	1.68%	1.72%	0.92%	0.46%	0.01%	0.11%	0.24%
1-year T-Bill	2.26%	2.27%	2.18%	1.78%	1.34%	0.90%	0.37%	0.51%
2-year T-Note	2.63%	2.52%	2.36%	2.00%	1.56%	1.00%	0.76%	0.94%
30-year T-Note	4.53%	4.59%	4.43%	4.31%	4.35%	3.45%	2.69%	3.58%

Figure 8

**YIELD COMPARISONS
JANUARY 31, 2009**

