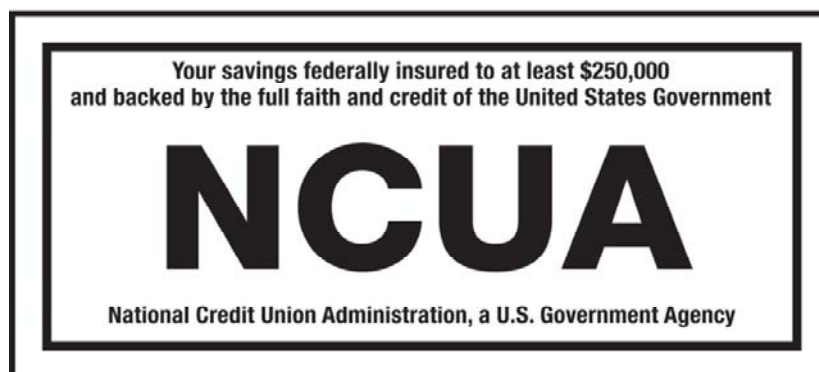


# **NATIONAL CREDIT UNION SHARE INSURANCE FUND**



## **PRELIMINARY FINANCIAL HIGHLIGHTS MARCH 31, 2009**

**MARY ANN WOODSON  
CHIEF FINANCIAL OFFICER**

**NCUSIF FINANCIAL HIGHLIGHTS**  
**March 31, 2009**

**Balance Sheet:**

Advances to Credit Unions: Share Deposits and Loans – of \$10.0 billion represents liquidity loans to two problem credit unions.

Due from Credit Unions – of \$199.6 million represents the amount of one percent deposit adjustments due from credit unions on April 15, 2009 based on their 12/31/08 level of insured shares.

Recapitalization and Insurance Premiums – of \$6.1 billion includes an increase of \$1.2 billion due to NCUA's analysis of the fair value of the NCUSIF's exposure for the share guarantee of the corporate credit union system.

Notes Payable- CLF – NCUSIF borrowed \$10.0 billion from the CLF to provide liquidity loans to two problem credit unions.

Provision for Credit Union Losses (Reserves) – of \$5.2 billion includes an increase of \$1.2 billion in specific reserves for corporate credit unions and \$13.7 million in specific reserves for problem natural person credit unions.

NCUSIF Equity – increased to 1.30% for March. The equity ratio is based upon an insured share base of \$611.6 billion as of 12/31/08.

**Statement of Revenue and Expense:**

Accrued Recapitalization & Premium Income – \$1.2 billion for collections necessary to maintain a 1.30% equity level.

Insurance Loss Expense – \$1.2 billion was expensed for specific corporate credit union reserves and \$13.7 million was expensed for specific natural person credit union reserves.

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

ASSETS	MARCH 2008	FEBRUARY 2009	MARCH 2009
Investments:			
U.S. Government Securities	\$7,227,363,789.43	\$6,975,847,249.59	\$6,958,217,249.59
Advances to Credit Unions:			
Capital Notes	0.00	1,000,000,000.00	1,000,000,000.00
Allowance for loss - Capital Notes	0.00	(1,000,000,000.00)	(1,000,000,000.00)
NCUSIF Subordinated Notes	0.00	0.00	0.00
Share Deposits & Loans	100,000,000.00	3,500,000.00	10,000,000,000.00
	-----	-----	-----
Total Advances to Credit Unions	100,000,000.00	3,500,000.00	10,000,000,000.00
Other Receivables:			
Due from Credit Unions	113,958,894.04	0.00	199,614,386.03
Recapitalization and Insurance Premiums	0.00	4,840,000,000.00	6,077,470,000.00
Loans due to NCUSIF	0.00	0.00	0.00
Recoveries from Liq. CU	71,262,022.35	108,103,904.68	107,339,623.01
	-----	-----	-----
Total Other Receivables	185,220,916.39	4,948,103,904.68	6,384,424,009.04
Cash	112,211.33	100,367.32	132,112.28
Interest Receivable	\$67,250,588.30	54,355,086.74	62,189,595.54
Prepaid & Deferred Charges	1,165,969.31	231,354.02	(1,025,204.09)
Leased Assets	321,915.92	52,872.34	0.00
Interest on Loan Receivable	0.00	359.59	758,356.16
Other	20,877,116.23	19,555,335.73	24,650,903.67
	-----	-----	-----
<b>TOTAL ASSETS</b>	<b>7,602,312,506.91</b>	<b>\$12,001,746,530.01</b>	<b>\$23,429,347,022.19</b>
	=====	=====	=====
<b>LIABILITIES</b>			
Accounts Payable:			
Liquidation Claims	\$5,405,095.26	\$21,008,781.20	\$12,848,622.23
Notes Payable - CLF	0.00	0.00	10,000,000,000.00
Interest Payable - CLF	0.00	0.00	758,356.16
Check Clearing Accounts	513,625.96	(235.77)	(102,850.48)
Other	7,778.76	1,008,592.02	3,751,989.31
	-----	-----	-----
Total Current Liabilities	5,926,499.98	22,017,137.45	10,017,256,117.22
Provision for CU Losses (Reserves) - Natural Person CU	206,222,946.48	286,255,251.87	291,777,054.88
Provision for CU Losses (Reserves) - Corporate CU	0.00	3,700,000,000.00	4,937,470,000.00
Lease Liabilities	356,032.49	0.02	0.00
	-----	-----	-----
<b>TOTAL LIABILITIES</b>	<b>212,505,478.95</b>	<b>4,008,272,389.34</b>	<b>15,246,503,172.10</b>
<b>EQUITY</b>			
CU Contributed Capital	5,652,334,829.37	5,976,401,441.10	6,116,837,999.72
Retained Earnings	1,737,472,198.59	1,846,858,658.57	1,846,364,934.89
Unrealized Gain/Loss on A-F-S Securities	0.00	170,214,041.00	219,640,915.48
	-----	-----	-----
<b>TOTAL EQUITY</b>	<b>7,389,807,027.96</b>	<b>7,993,474,140.67</b>	<b>8,182,843,850.09</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$7,602,312,506.91</b>	<b>\$12,001,746,530.01</b>	<b>\$23,429,347,022.19</b>
	=====	=====	=====

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 March 31, 2009

	MAR 08	FEB 09	MAR 09
2/Equity ratio defined by FCU Act means the ratio of—			
(A) the amount of Fund capitalization, including insured credit unions' 1 percent capitalization deposits and the retained earnings balance of the Fund (net of direct liabilities of the Fund and contingent liabilities for which no provision for losses has been made); to			
(B) the aggregate amount of the insured shares in all insured credit unions.			
1. Investments/Total Assets	95.07%	58.12%	29.70%
2. Total Equity/Insured Shares	1.31%	1.30%	1.30%
3. Prov. for Losses/CU Capital	3.65%	66.70%	85.49%
4. Non-Earning/Total Assets	3.34%	41.68%	27.54%
5. Available Asset Ratio	1.29%	0.49%	0.28%

TABLE 2 - NATIONAL CREDIT UNION SHARE INSURANCE FUND  
STATEMENT OF REVENUE AND EXPENSE  
FOR THE PERIOD ENDING MARCH 31, 2009

INCOME	CURRENT MONTH	CURRENT MONTH BUDGET	CY TO DATE 2009	CY TO DATE BUDGETED 2009	CY TO DATE 2008
Investment Income	\$17,294,607.12	17,075,000.00	\$49,320,862.43	48,882,823.00	\$76,014,393.68
Fee Income (TCCULGP)	4,440,245.26	3,500,000.00	7,955,898.39	7,000,000.00	0.00
Accrued Recapitalization & Premium Income	1,237,470,000.00	1,237,470,000.00	6,077,470,000.00	6,077,470,000.00	0.00
Other Income	807,732.24	70,000.00	914,507.00	210,000.00	232,705.32
<b>Total Income</b>	<b>1,260,012,584.62</b>	<b>1,258,115,000.00</b>	<b>6,135,661,267.82</b>	<b>6,133,562,823.00</b>	<b>76,247,099.00</b>
<b>EXPENSE</b>					
Employee Pay	4,879,138.66	4,580,067.35	12,877,663.74	13,318,161.42	11,507,772.49
Employee Benefits	1,193,008.13	1,311,314.12	3,377,757.84	3,820,824.67	3,044,985.95
Employee Travel	898,933.12	938,447.41	1,711,142.35	2,815,342.24	1,515,935.18
Rent/Communications/Utilities	158,279.99	196,764.35	394,799.30	590,293.05	441,997.84
Administrative Costs	698,109.93	505,917.97	1,541,493.43	1,517,753.91	1,520,999.73
Contracted Services	197,734.26	508,605.35	733,942.60	1,525,816.04	554,294.21
<b>Subtotal NCUA Operating Exp.</b>	<b>8,025,204.09</b>	<b>8,041,116.55</b>	<b>20,636,799.26</b>	<b>23,588,191.33</b>	<b>18,585,985.40</b>
AMAC Expense	(13.41)	1,000.00	1,273.70	3,000.00	7,526.16
Training Expense	129,317.20	83,335.00	182,534.41	250,005.00	135,915.70
Leasing Expense	52,872.32	20,850.00	79,727.08	62,550.00	83,721.59
Accrued Insurance Interest Expense	758,356.16	758,356.16	758,356.16	758,356.16	0.00
Other Insurance Expense	375,719.94	25,000.00	378,605.02	75,000.00	6,465.52
<b>Total Operating Exp.</b>	<b>9,341,456.30</b>	<b>8,929,657.71</b>	<b>22,037,295.63</b>	<b>24,737,102.49</b>	<b>18,819,614.37</b>
Loss on Investment - Corporate	0.00	0.00	1,000,000,000.00	1,000,000,000.00	0.00
Insurance Loss Exp. - Natural Person CU	13,694,852.00	20,000,000.00	29,791,852.00	60,000,000.00	(3,831,256.57)
Insurance Loss Exp. - Corporate CU	1,237,470,000.00	1,237,470,000.00	4,937,470,000.00	4,937,470,000.00	0.00
<b>Total Expense</b>	<b>1,260,506,308.30</b>	<b>1,266,399,657.71</b>	<b>5,989,299,147.63</b>	<b>6,022,207,102.49</b>	<b>14,988,357.80</b>
<b>NET INCOME</b>	<b>(\$493,723.68)</b>	<b>(\$8,284,657.71)</b>	<b>\$146,362,120.19</b>	<b>\$111,355,720.51</b>	<b>\$61,258,741.20</b>
Retained Earnings, Beginning of Year			<b>\$1,700,002,814.70</b>		\$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			146,362,120.19		\$61,258,741.20
Dividends			1,846,364,934.89		1,737,472,198.59
Retained Earnings, Year To Date			<b>\$1,846,364,934.89</b>		<b>\$1,737,472,198.59</b>

Comparative Analysis of NCUSIF Ratios for March 31, 2009

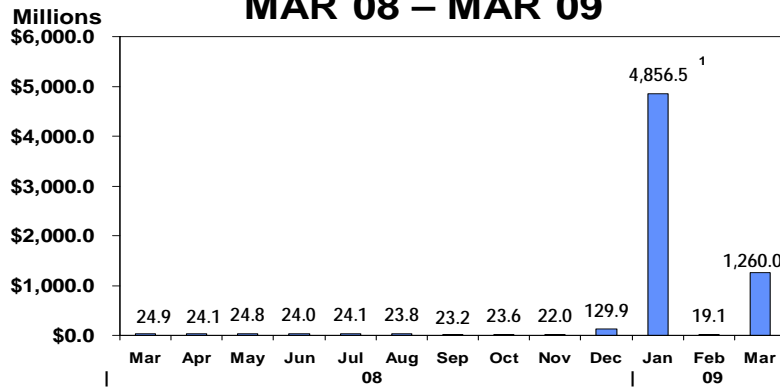
INCOME STATEMENT RATIOS	LAST MONTH	THIS MONTH	PRIOR CYTD	CURRENT CYTD
1. Oper. Exp./Total Income	35.80%	0.74%	24.68%	0.36%
2. Ins. Loss Exp./Total Income	84.07%	99.30%	-5.02%	80.96%
3. Total Exp./Total Income	119.87%	100.04%	19.66%	97.61%
4. Net Income/Total Income	-19.87%	-0.04%	80.34%	2.39%
5. Ins. Loss Exp./Insured Shares	0.00%	0.20%	0.00%	0.81%

**TABLE 3 - STATEMENT OF CASH FLOWS**  
**March 31, 2009**

<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Income from investments	\$ 41,040,014.28
Other income received	9,628,761.55
Cash paid for operating expenses	(19,474,301.73)
Net cash (paid) received for insurance losses	(18,031,463.38)
Net cash provided by operating activities	<u>13,163,010.72</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Advances to credit unions (Capital Note and Loans)	(11,000,000,000.00)
Investments, net	1,048,459,020.93
Collections on note receivable - National Credit Union Administration Operating Fund	(2,973,232.45)
Net cash provided by (used in) investing activities	<u>(9,954,514,211.52)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>	
Contributions (distributions) from insured credit unions Cont Cap acct	(58,891,088.25)
Dividends to insured credit unions	-
Principal repayments under capital lease obligations	(10,331.89)
Proceeds from CLF borrowing	\$10,000,000,000.00
Net cash provided by financing activities	<u>9,941,098,579.86</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>(252,620.94)</b>
<b>CASH, BEGINNING OF YEAR</b>	<b>384,733.22</b>
<b>CASH, ENDING MARCH 31, 2009</b>	<b><u>\$ 132,112.28</u></b>

Figure 1

## GROSS INCOME MAR 08 – MAR 09



<sup>1</sup> 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.

Figure 2

## OPERATING EXPENSE MAR 08 – MAR 09

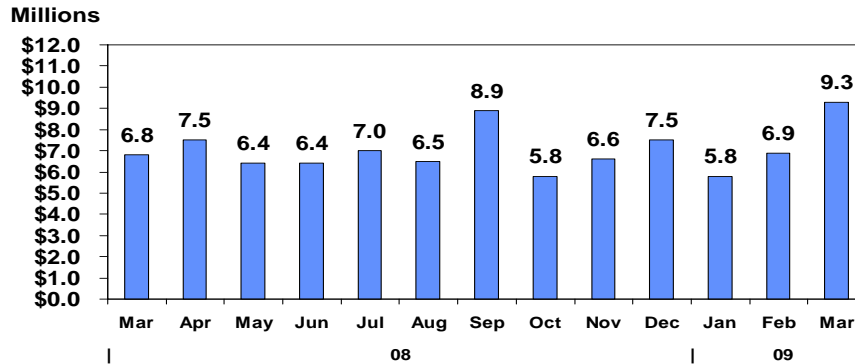
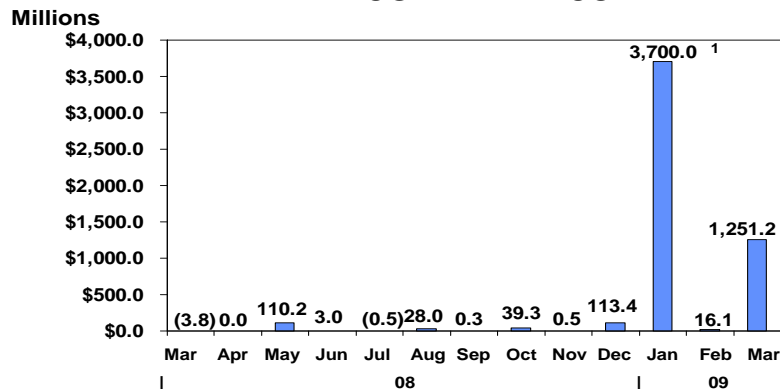


Figure 3

## INSURANCE LOSS EXPENSE MAR 08 – MAR 09



<sup>1</sup> 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 MARCH 31, 2009

(In Millions)

	March		Year-to-Date	
	Actual	Budgeted	Actual	Budgeted
<b>Gross Income:</b>				
Investment Income	17.3	17.1	49.3	48.9
Fee Income (TCCULGP)	4.4	3.5	8.0	7.0
Accrued Recapitalization and Premium Income	1,237.5	1,237.5	6,077.5	6,077.5
Other Income	0.8	0.0	0.9	0.2
<b>Less Expenses:</b>				
Operating Expense	9.3	8.8	22.0	24.7
Loss on Investment - Corporate	0.0	0.0	1,000.0	1,000.0
Insurance Loss Expense - Natural Person CU	13.7	20.0	29.8	60.0
Insurance Loss Expense - Corporate CU	1,237.5	1,237.5	4,937.5	4,937.5
<b>Net Income (Loss)</b>	<b>(0.5)</b>	<b>(8.2)</b>	<b>146.4</b>	<b>111.4</b>

Figure 5

## NCUSIF EQUITY RATIO MARCH 31, 2009

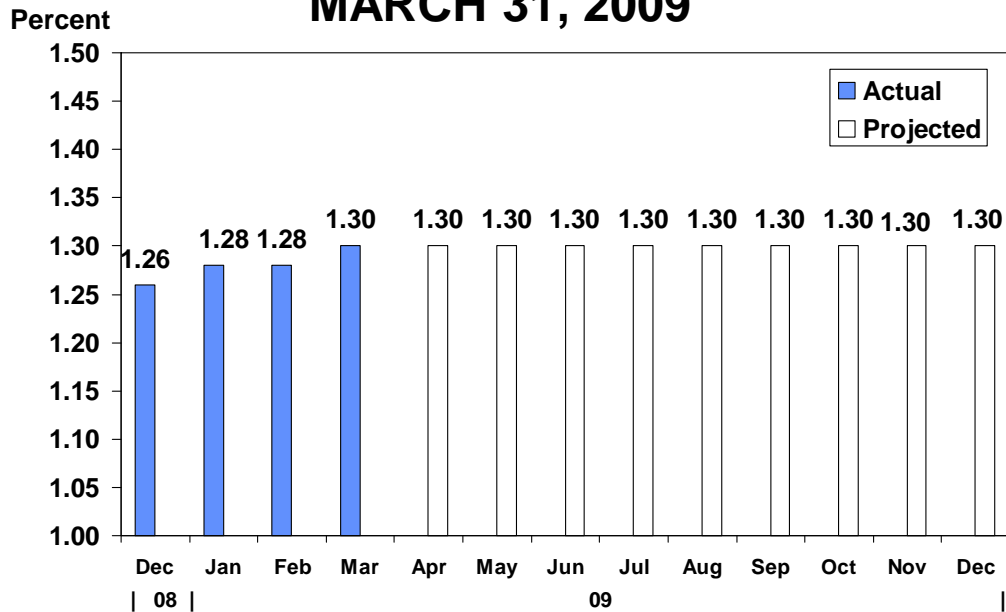


TABLE 4

INVESTMENT PORTFOLIO SUMMARY

March 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	\$84,061,000	\$84,061,000	\$0	100.00%	0.11%
U.S. Treasury Notes	6,654,515,335	6,874,156,250	219,640,915	103.30%	3.04%
<b>TOTAL</b>	<b>\$6,738,576,335</b>	<b>\$6,958,217,250</b>	<b>\$219,640,915</b>	<b>103.26%</b>	<b>2.98%</b>

II. INVESTMENT PORTFOLIO PERFORMANCE				
	Last Month	Current Month	CY To Date	CY09 Projections
Investment Yield	2.99%	2.98%	2.83%	2.36%
Investment Income	\$15,592,822	\$17,294,607	\$49,320,863	\$182,000,000
Income Budgeted (1/1/09)	\$15,408,000	\$17,075,000	\$48,883,000	\$182,000,000
Income/Budgeted Ratio	101.2%	101.3%	100.9%	100.0%
Weighted Avg. Maturity in Days	986	965		

III. MONTHLY ACTIVITY				
Purchased	Type	Amount	Maturity	Yield
TOTAL				
		<b>\$0</b>		

IV. MATURITY SCHEDULE (par value in millions)	
3 months or less	\$534.1
3 months - 1 year	1,100.0
1 year - 2 years	1,200.0
2 years - 3 years	950.0
3 years - 4 years	1,150.0
4 years - 5 years	1,300.0
5 years - 10 years	250.0
<b>TOTAL</b>	<b>\$6,484.1</b>

Figure 6

TREASURY YIELD CURVE

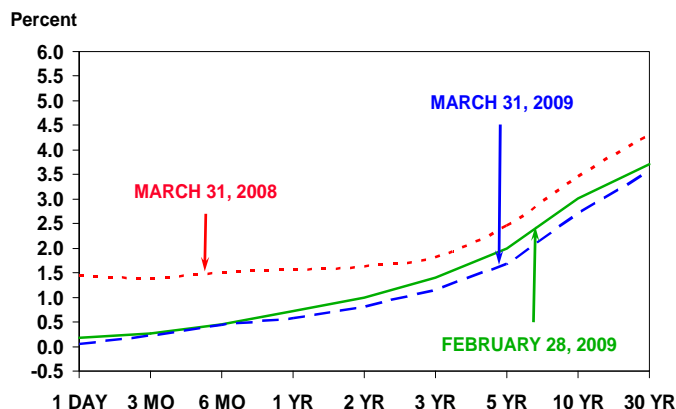


Figure 7

MATURITY SCHEDULE

MARCH 31, 2009

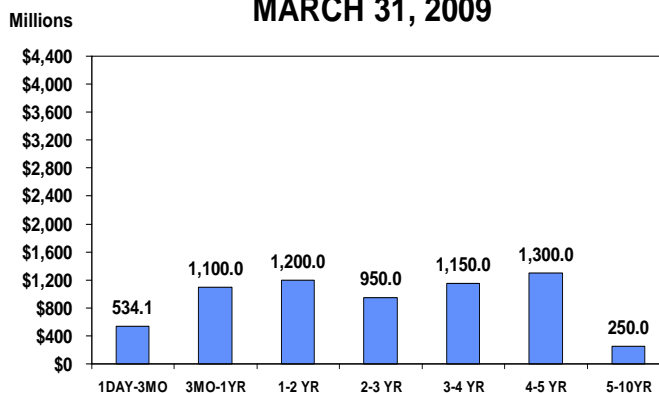




TABLE 5

MONTH-END YIELD COMPARISONS

March 31, 2009

YIELD COMPARISONS								
	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09
NCUSIF Yield	3.84%	3.87%	3.75%	3.49%	3.52%	2.51%	2.99%	2.98%
90-day T-Bill	1.72%	0.92%	0.46%	0.01%	0.11%	0.24%	0.26%	0.21%
1-year T-Bill	2.18%	1.78%	1.34%	0.90%	0.37%	0.51%	0.72%	0.57%
2-year T-Note	2.36%	2.00%	1.56%	1.00%	0.76%	0.94%	1.00%	0.81%
30-year T-Note	4.43%	4.31%	4.35%	3.45%	2.69%	3.58%	3.71%	3.56%

Figure 8

**YIELD COMPARISONS  
MARCH 31, 2009**

