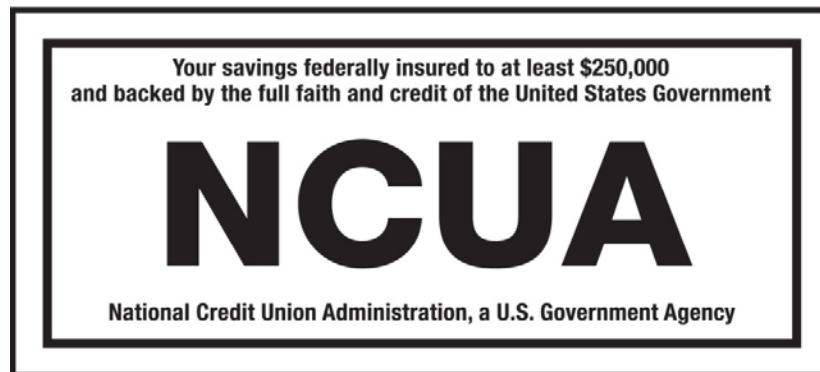


NATIONAL CREDIT UNION SHARE INSURANCE FUND



PRELIMINARY FINANCIAL HIGHLIGHTS MAY 31, 2010

**MARY ANN WOODSON
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NCUSIF FINANCIAL HIGHLIGHTS
May 31, 2010

Balance Sheet:

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

Other Receivables: Due from Credit Unions – \$2.7 million represents the amount of 1% deposit adjustments due from credit unions on April 15, 2010 based on their 12/31/09 level of insured shares.

Other Receivables: Insurance Premium – \$86.2 thousand represents the outstanding premium assessments that were due on December 15, 2009.

Notes Payable - CLF – \$10.0 billion represents the loan the CLF made to the NCUSIF in March 2009 to provide liquidity loans to two problem credit unions.

Provision for Credit Union Losses (Reserves) - NPCU – of \$1.1 billion includes an increase of \$132.1 million in reserves for specific and non-specific natural person credit unions.

Statement of Revenue and Expense:

Insurance Loss Expense – is \$132.1 million for May. \$12.9 million was expensed to increase specific natural person credit union reserves, and \$119.2 million for non-specific reserves.

NATIONAL CREDIT UNION SHARE INSURANCE FUND
BALANCE SHEET
MAY 31, 2010

ASSETS:

Investments:

U.S. Government Securities

Advances to Credit Unions:

Capital Notes

Allowance for loss - Capital Notes

NCUSIF Subordinated Notes

Share Deposits & Loans

Total Advances to Credit Unions

Other Receivables:

Due from Credit Unions

Insurance Premium Receivable

Loans due to NCUSIF

Recoveries from Liq. CU

Total Other Receivables

Cash

Interest Receivable

Prepaid & Deferred Charges

Leased Assets

Interest on Loan Receivable

Other

TOTAL ASSETS

LIABILITIES:

Accounts Payable:

Liquidation Claims

Notes Payable - CLF

Deferred Revenue

Interest Payable - CLF

Check Clearing Accounts

Other

Total Current Liabilities

Provision for CU Losses (Reserves) - NPCU

Provision for CU Losses (Reserves) - CCU

Lease Liabilities

TOTAL LIABILITIES (3)

EQUITY:

CU Contributed Capital

Retained Earnings

Unrealized Gain/Loss on A-F-S Securities

TOTAL EQUITY

TOTAL LIABILITIES & EQUITY

	May 2010 (1)	April 2010 (1)	May 2009 (2)
U.S. Government Securities	\$9,838,537,590.83	\$9,796,333,375.09	\$7,097,830,024.51
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	10,000,000,000.00	10,000,000,000.00	10,000,000,000.00
<i>Total Advances to Credit Unions</i>	10,000,000,000.00	10,000,000,000.00	10,000,000,000.00
Other Receivables:			
Due from Credit Unions	2,693,260.99	3,878,434.74	2,419,760.66
Insurance Premium Receivable	86,230.00	908,582.01	6,240,728,724.00
Loans due to NCUSIF	0.00	0.00	0.00
Recoveries from Liq. CU	454,639,134.38	200,949,867.35	100,470,185.98
<i>Total Other Receivables</i>	457,418,625.37	205,736,884.10	6,343,618,670.64
Cash	100,072.27	100,716.03	100,705.42
Interest Receivable	69,813,776.48	68,203,619.45	61,166,326.42
Prepaid & Deferred Charges	382,271.97	5,383,235.24	86,495.85
Leased Assets	0.00	0.00	0.00
Interest on Loan Receivable	23,145,205.48	18,660,821.92	9,019,281.09
Other	17,929,167.19	18,042,578.65	19,320,206.58
TOTAL ASSETS	\$20,407,326,709.59	\$20,112,461,230.48	\$23,531,141,710.51
Accounts Payable:			
Liquidation Claims	\$219,146,566.76	\$42,198,101.40	\$11,046,515.22
Notes Payable - CLF	10,000,000,000.00	10,000,000,000.00	10,000,000,000.00
Deferred Revenue	0.00	0.00	18,405,448.96
Interest Payable - CLF	23,145,205.46	18,660,821.90	6,540,821.92
Check Clearing Accounts	585,297.36	585,297.36	34,615.13
Other	369,626.73	141,523.97	1,327,873.95
<i>Total Current Liabilities</i>	10,243,246,696.31	10,061,585,744.63	10,037,355,275.18
Provision for CU Losses (Reserves) - NPCU	1,066,664,900.79	896,269,309.14	429,871,862.04
Provision for CU Losses (Reserves) - CCU	0.00	0.00	4,976,870,000.00
Lease Liabilities	0.00	0.00	0.00
TOTAL LIABILITIES (3)	11,309,911,597.10	10,957,855,053.77	15,444,097,137.22
EQUITY:			
CU Contributed Capital	7,268,733,612.72	7,270,811,833.26	6,113,581,826.45
Retained Earnings	1,631,100,397.77	1,753,023,964.80	1,837,751,166.84
Unrealized Gain/Loss on A-F-S Securities	197,581,102.00	130,770,378.65	135,711,580.00
TOTAL EQUITY	9,097,415,112.49	9,154,606,176.71	8,087,044,573.29
TOTAL LIABILITIES & EQUITY	\$20,407,326,709.59	\$20,112,461,230.48	\$23,531,141,710.51

(1) Data for April and May 2010 includes assets and liabilities for natural person credit unions only.

(2) Data for May 2009 included assets and liabilities related to Corporate Stabilization efforts. These were moved to the Corporate Stabilization Fund in June 2009.

(3) 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 May 31, 2010			
	MAY 10	APR 10	MAY 09
Investments/Total Assets	48.21%	48.71%	30.16%
Total Equity/Insured Shares	1.22%	1.24%	1.30%
Prov. for Losses/CU Capital	14.67%	12.33%	88.44%
Non-Earning/Total Assets	2.70%	1.48%	27.28%
Available Asset Ratio	1.11%	1.18%	0.27%

2010 Equity ratios are based on an insured share level of \$726.9 billion at December 31, 2009.

NATIONAL CREDIT UNION SHARE INSURANCE FUND
STATEMENT OF REVENUE AND EXPENSE
FOR THE PERIOD ENDING MAY 31, 2010

	May-10 Actual (1)	May-10 Budget	CY to Date 2010 Actual (1)	CY to Date 2010 Budget	CY to Date 2009 (2)
INCOME:					
Investment Income	\$18,846,843.01	\$18,000,000.00	\$89,698,344.24	\$90,000,000.00	\$81,846,046.43
Interest revenue on Loans	4,484,383.56	4,500,000.00	21,843,287.66	22,500,000.00	0.00
Accrued Recapitalization & Premium Income	-	-	-	-	6,240,728,724.00
Other Income	33,558.95	70,000.00	165,553.23	350,000.00	11,733,325.60
TOTAL INCOME	23,364,785.52	22,570,000.00	111,707,185.13	112,850,000.00	6,334,308,096.03
EXPENSE:					
Employee Pay	4,668,814.07	5,216,720.53	23,574,235.16	2,658,433.19	21,775,368.54
Employee Benefits	1,360,177.53	1,508,443.22	6,487,218.55	7,685,877.36	5,833,021.50
Employee Travel	977,040.03	1,108,713.90	3,911,789.56	5,543,569.50	3,396,624.07
Rent/Communications/Utilities	214,852.24	223,937.00	635,761.23	1,119,685.00	832,882.32
Administrative Costs	629,643.53	558,105.94	2,635,744.15	2,790,529.70	2,356,685.08
Contracted Services	767,200.63	721,249.04	2,108,720.87	3,606,245.20	1,497,119.19
<i>Subtotal NCUA Operating Exp.</i>	8,617,728.03	9,337,169.63	39,353,469.52	23,404,339.95	35,691,700.70
AMAC Expense	190.31	15,000.00	14,361.14	75,000.00	1,273.70
Training Expense	78,489.34	125,000.00	580,650.99	625,000.00	527,751.45
Leasing Expense	1,666.67	6,000.00	8,333.35	30,000.00	79,727.08
Accrued Insurance Interest Expense	4,484,383.56	4,700,000.00	21,843,287.66	23,500,000.00	6,540,821.92
Other Insurance Expense	20,950.64	271,000.00	539,238.34	1,355,000.00	388,095.04
<i>Total Operating Exp.</i>	13,203,408.55	14,454,169.63	62,339,341.00	48,989,339.95	43,229,369.89
<i>Loss on Investments</i>	-	-	-	-	1,000,000,000.00
Insurance Loss Exp.	132,124,944.00	62,500,000.00	309,403,776.12	312,500,000.00	5,153,330,374.00
TOTAL EXPENSE	145,328,352.55	76,954,169.63	371,743,117.12	361,489,339.95	6,196,559,743.89
NET INCOME:	(\$121,963,567.03)	(\$54,384,169.63)	(\$260,035,931.99)	(\$248,639,339.95)	\$137,748,352.14
Retained Earnings, Beginning of Year			\$1,891,136,329.76		\$1,700,002,814.70
Prior Year Adjustment			0.00		0.00
As Restated			1,891,136,329.76		1,700,002,814.70
Net Income			(260,035,931.99)		137,748,352.14
			1,631,100,397.77		1,837,751,166.84
Dividends			0.00		0.00
Retained Earnings, Year To Date			\$1,631,100,397.77		\$1,837,751,166.84

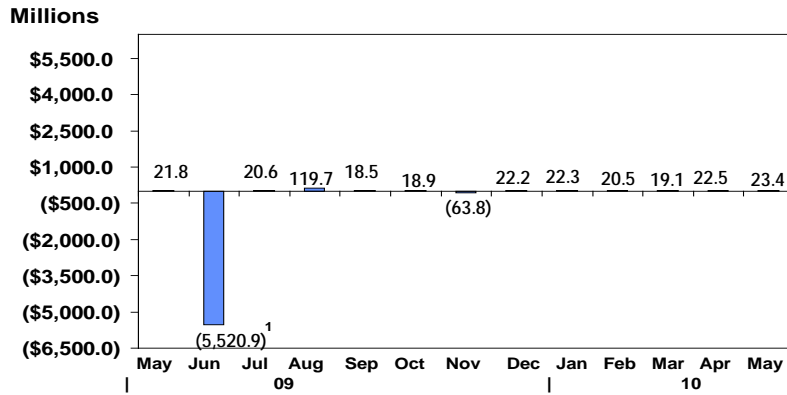
Comparative Analysis of NCUSIF Ratios for May 31, 2010

INCOME STATEMENT RATIOS	LAST MONTH	THIS MONTH	CURRENT CYTD	PRIOR CYTD
1. Oper. Exp./Total Income	45.67%	56.51%	55.81%	0.68%
2. Ins. Loss Exp./Total Income	45.97%	565.49%	276.98%	81.36%
3. Total Exp./Total Income	91.63%	622.00%	332.78%	97.83%
4. Net Income/Total Income	8.37%	-522.00%	-232.78%	2.17%
5. Ins. Loss Exp./Insured Shares	0.00%	0.02%	0.04%	0.61%

- (1) Data for 2010 includes income and expenses for natural person credit unions only.
(2) Data for May 2009 included income and expenses related to Corporate Stabilization efforts.
These were moved to the Corporate Stabilization Fund in June 2009.

Figure 1

GROSS INCOME MAY 09 – MAY 10



¹ This was a result of the Board action taken on 6/18/09 to move liabilities from the NCUSIF to the TCCUSF eliminating the requirement to recapitalize the Fund in 2009.

Figure 2

OPERATING EXPENSE MAY 09 – MAY 10

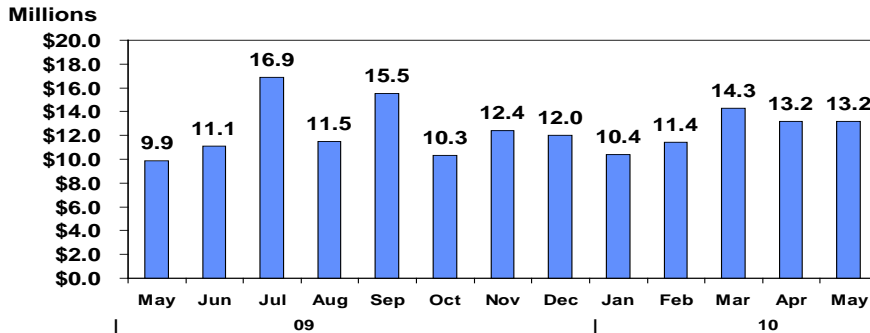
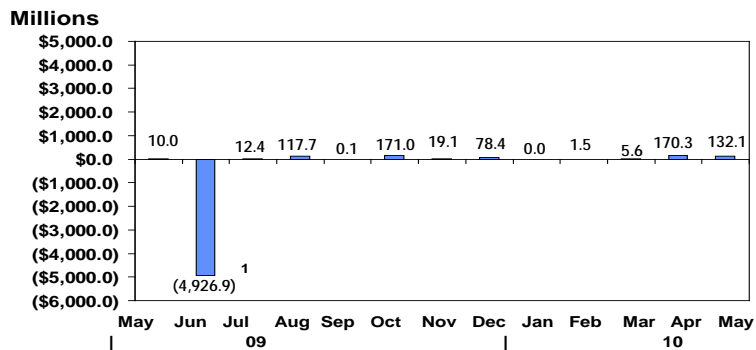


Figure 3

INSURANCE LOSS EXPENSE MAY 09 – MAY 10



¹ This was the result of the Board action taken on 6/18/09 to move the guarantee of all uninsured shares in the corporate credit union system from the NCUSIF to the TCCUSF.

Figure 4

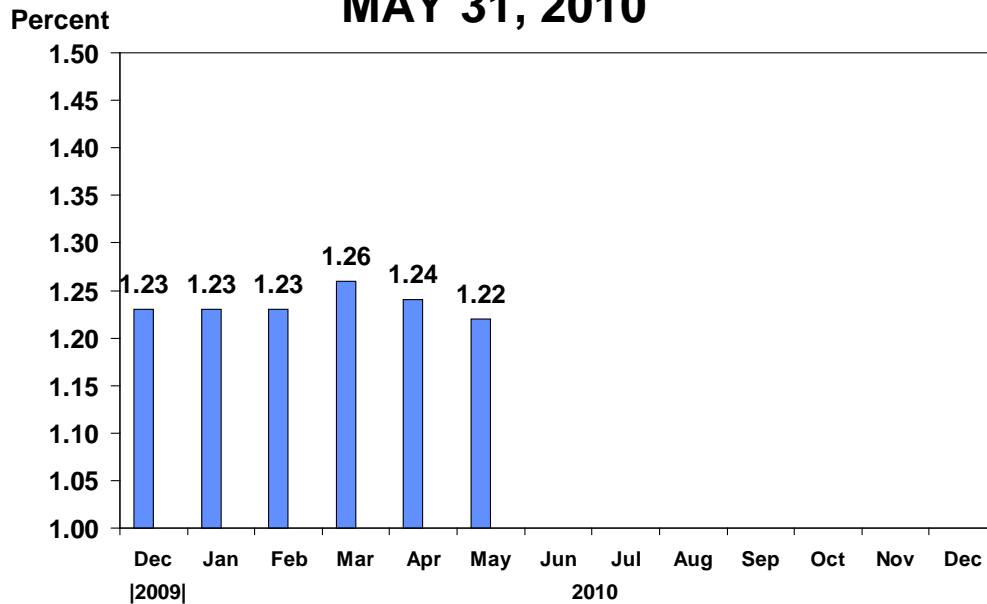
REVENUE AND EXPENSE MAY 31, 2010

(In Millions)

	May		YTD	YTD
	Actual	Budgeted	Actual	Budget
Gross Income:				
Investment Income	18.8	18.0	89.7	90.0
Other Income	4.5	4.6	22.0	22.9
Less Expenses:				
Operating Expense	13.2	14.5	62.3	49.0
Insurance Loss Expense	132.1	62.5	309.4	312.5
Net Income (Loss)	(122.0)	(54.4)	(260.0)	(248.6)

Figure 5

NCUSIF EQUITY RATIO MAY 31, 2010



INVESTMENT PORTFOLIO SUMMARY

May 31, 2010

I. INVESTMENT PORTFOLIO BALANCE AND MARKET VALUE					
	Book Value	Market Value	Gain or (Loss)	% Market to Book Value	Weighted Average Yield
Daily Treasury Account	\$672,885,000	\$672,885,000	\$0	100.00%	0.14%
U.S. Treasury Notes	8,968,115,773	9,165,696,875	197,581,102	102.20%	2.44%
TOTAL	\$9,641,000,773	\$9,838,581,875	\$197,581,102	102.05%	2.28%
II. INVESTMENT PORTFOLIO PERFORMANCE					
	Last Month	Current Month	CY To Date	CY10 Projections	
Investment Yield	2.30%	2.28%	2.27%	2.27%	
Investment Income	\$18,076,085	\$18,846,843	\$89,698,344	\$216,000,000	
Income Budgeted (1/1/10)	\$18,000,000	\$18,000,000	\$90,000,000	\$216,000,000	
Income/Budgeted Ratio	100.4%	104.7%	99.7%		
Weighted Avg. Maturity in Days	1,085	1,058			
III. MONTHLY ACTIVITY					
Purchased	Type	Amount	Maturity	Yield	
TOTAL		\$0			
IV. MATURITY SCHEDULE (par value in millions)					
3 months or less	\$1,072.9				
3 months - 1 year	900.0				
1 year - 2 years	1,600.0				
2 years - 3 years	1,800.0				
3 years - 4 years	1,600.0				
4 years - 5 years	1,470.0				
5 years - 10 years	950.0				
TOTAL	\$9,392.9				

Figure 6

TREASURY YIELD CURVE

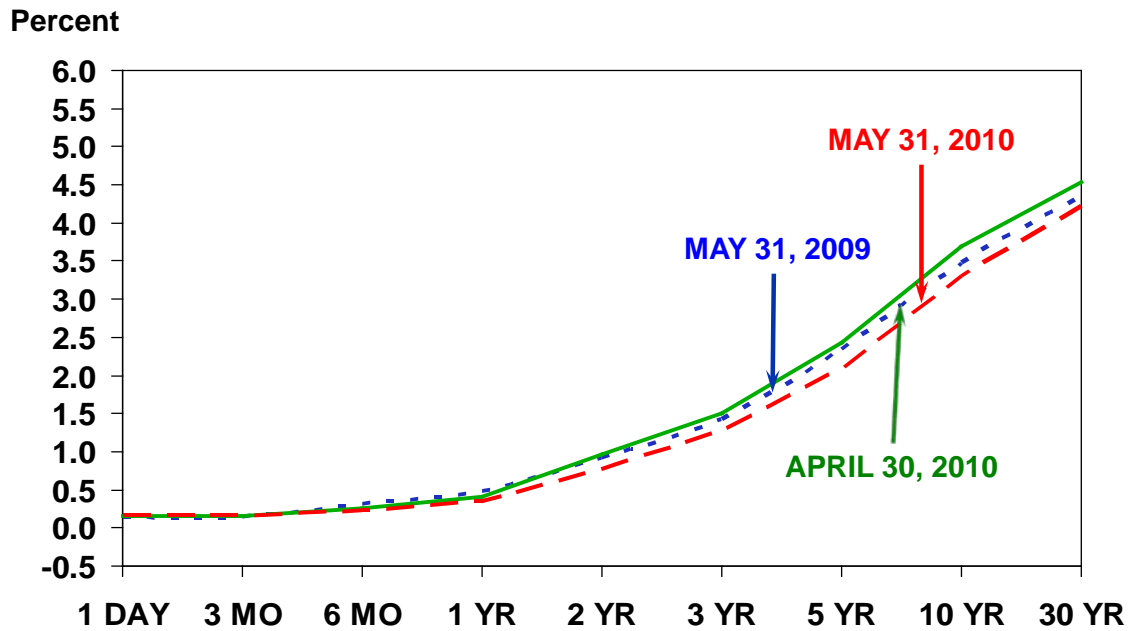
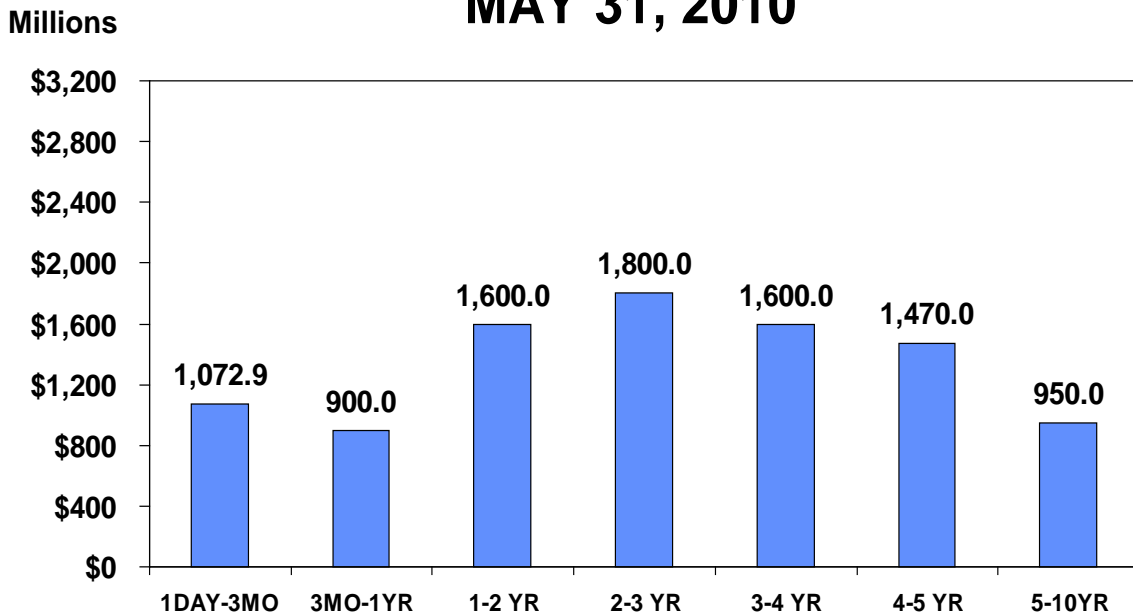


Figure 7

MATURITY SCHEDULE

MAY 31, 2010



MONTH-END YIELD COMPARISONS

May 31, 2010

YIELD COMPARISONS								
	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10
NCUSIF Yield	2.23%	2.20%	2.06%	2.21%	2.26%	2.30%	2.30%	2.28%
90-day T-Bill	0.05%	0.06%	0.20%	0.08%	0.13%	0.16%	0.16%	0.22%
1-year T-Bill	0.37%	0.26%	0.47%	0.30%	0.32%	0.41%	0.41%	0.34%
2-year T-Note	0.90%	0.67%	1.14%	0.82%	0.81%	1.02%	0.97%	0.76%
30-year T-Note	4.23%	4.19%	4.63%	4.51%	4.55%	4.72%	4.53%	4.22%

Figure 8

**YIELD COMPARISONS
MAY 31, 2010**

