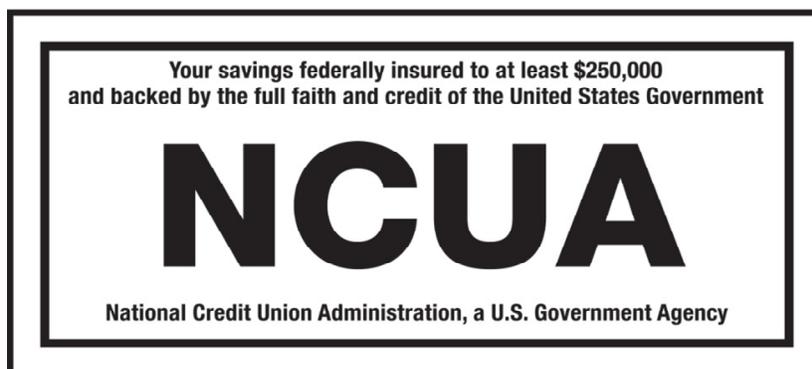


# **NATIONAL CREDIT UNION SHARE INSURANCE FUND**



## **FINANCIAL HIGHLIGHTS OCTOBER 31, 2009**

**MARY ANN WOODSON  
CHIEF FINANCIAL OFFICER**

**NCUSIF FINANCIAL HIGHLIGHTS**  
**October 31, 2009**

**Balance Sheet:**

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

Notes Payable - CLF – of \$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 \$672.8 million includes an increase of \$171.0 million in reserves for non-specific natural person credit unions.

**Statement of Revenue and Expense:**

Insurance Loss Expense NPCU – of \$171.0 million was expensed to increase non-specific natural person credit union reserves.

**NATIONAL CREDIT UNION SHARE INSURANCE FUND**  
**BALANCE SHEET**  
**OCTOBER 31, 2009**

<b>ASSETS:</b>	<b>October 2009</b>	<b>September 2009</b>	<b>October 2008</b>
Investments:			
U.S. Government Securities	\$7,983,269,399.59	\$8,018,047,399.64	\$7,630,110,297.77
Advances to Credit Unions:			
Capital Notes	0.00	0.00	0.00
Allowance for loss - Capital Notes	0.00	0.00	0.00
NCUSIF Subordinated Notes	0.00	0.00	0.00
Share Deposits & Loans	10,000,000,000.00	10,000,000,000.00	0.00
<i>Total Advances to Credit Unions</i>	10,000,000,000.00	10,000,000,000.00	0.00
Other Receivables:			
Due from Credit Unions (April Billing)	3,036.73	4,459.74	14,429,217.50
Insurance Premium Receivable	800,000,000.00	800,000,000.00	0.00
Loans due to NCUSIF	0.00	0.00	0.00
Recoveries from Liq. CU	120,853,536.34	107,834,035.47	93,056,862.40
<i>Total Other Receivables</i>	920,856,573.07	907,838,495.21	107,486,079.90
Cash	100,457.53	102,156.50	100,167.36
Interest Receivable	71,699,593.77	61,519,127.20	64,070,556.74
Prepaid & Deferred Charges	(2,327,959.74)	0.00	1,354,941.88
Leased Assets	0.00	0.00	133,503.70
Interest on Loan Receivable	16,490,958.92	12,618,082.20	0.00
Other	18,611,692.42	18,723,437.21	19,992,361.57
<b>TOTAL ASSETS</b>	<b>\$19,008,700,715.56</b>	<b>\$19,018,848,697.96</b>	<b>\$7,823,247,908.92</b>
<b>LIABILITIES:</b>			
Accounts Payable:			
Liquidation Claims	11,600,218.72	12,068,107.38	7,429,463.83
Notes Payable - CLF	10,000,000,000.00	10,000,000,000.00	0.00
Deferred Revenue	0.00	0.00	0.00
Interest Payable - CLF	16,490,958.92	12,618,082.20	0.00
Check Clearing Accounts	(1,074.55)	4,738.57	279.47
Other	2,408,753.12	5,989,478.50	214,696.45
<i>Total Current Liabilities</i>	10,030,498,856.21	10,030,680,406.65	7,644,439.75
Provision for CU Losses (Reserves) - NPCU	672,841,861.12	520,765,905.66	163,863,359.15
Provision for CU Losses (Reserves) - CCU	0.00	0.00	0.00
Lease Liabilities	0.00	0.00	89,823.64
<b>TOTAL LIABILITIES (1)</b>	<b>10,703,340,717.33</b>	<b>10,551,446,312.31</b>	<b>171,597,622.54</b>
<b>EQUITY:</b>			
CU Contributed Capital	7,067,885,218.69	7,065,478,777.53	5,975,633,401.04
Less Unbilled Deposit Receivable (2)	(954,000,000.00)	(954,000,000.00)	0.00
Refundable Contributed Capital	6,113,885,218.69	6,111,478,777.53	0.00
Retained Earnings	2,054,699,451.77	2,217,038,662.12	1,676,016,885.34
Unrealized Gain/Loss on A-F-S Securities	136,775,327.77	138,884,946.00	0.00
<b>TOTAL EQUITY</b>	<b>8,305,359,998.23</b>	<b>8,467,402,385.65</b>	<b>7,651,650,286.38</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$19,008,700,715.56</b>	<b>\$19,018,848,697.96</b>	<b>\$7,823,247,908.92</b>

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

(2) To be billed later in 2009.

COMPARATIVE ANALYSIS OF BALANCE SHEET RATIOS			
for Period Ending October 31, 2009			
	OCT 09	SEP 09	OCT 08
Investments/Total Assets	42.00%	42.16%	97.53%
Total Equity/Insured Shares	1.28%	*1.30%	1.27%
Prov. for Losses/CU Capital	9.52%	7.37%	2.74%
Non-Earning/Total Assets	5.30%	5.16%	2.21%
Available Asset Ratio	1.02%	1.05%	1.28%

\* Equity Ratio is based on an insured share level of \$713.6 billion at June 30, 2009.

**NATIONAL CREDIT UNION SHARE INSURANCE FUND**  
**STATEMENT OF REVENUE AND EXPENSE**  
**FOR THE PERIOD ENDING October 31, 2009**

	<b>Oct-09 Actual</b>	<b>Oct-09 Budget</b>	<b>CY to Date 2009 Actual</b>	<b>CY to Date 2009 Budget</b>	<b>CY to Date 2008</b>
<b>INCOME:</b>					
Investment Income	14,819,909.26	14,000,000.00	\$159,349,240.97	153,708,000.00	\$242,592,105.61
Premium Income Receivable	175,383.74	0.00	800,175,727.14	1,834,666,674.00	0.00
Other Income	3,912,429.05	70,000.00	31,582,058.69	700,000.00	1,139,954.62
<b>TOTAL INCOME</b>	<b>18,907,722.05</b>	<b>14,070,000.00</b>	<b>991,107,026.80</b>	<b>1,989,074,674.00</b>	<b>243,732,060.23</b>
<b>EXPENSE:</b>					
Employee Pay	4,705,363.65	4,580,067.35	46,356,359.55	45,167,612.53	40,328,625.60
Employee Benefits	1,050,450.63	1,311,314.12	11,932,254.62	12,943,464.65	10,634,809.31
Employee Travel	253,560.58	938,447.41	8,102,704.49	9,384,474.13	6,649,136.97
Rent/Communications/Utilities	60,878.80	196,764.35	1,691,729.64	1,967,643.49	1,626,359.82
Administrative Costs	319,944.66	505,917.96	4,440,530.49	5,059,179.68	3,912,225.16
Contracted Services	(59,608.22)	508,605.34	3,290,422.46	5,086,053.45	2,957,721.48
<i>Subtotal NCUA Operating Exp.</i>	<i>6,330,590.10</i>	<i>8,041,116.53</i>	<i>75,814,001.25</i>	<i>79,608,427.93</i>	<i>66,108,878.34</i>
AMAC Expense	3,815.60	1,000.00	8,573.38	10,000.00	14,596.95
Training Expense	(1,817.15)	83,335.00	1,190,138.88	833,350.00	1,005,603.84
Leasing Expense	0.00	20,850.00	79,727.08	208,500.00	276,101.87
Accrued Insurance Interest Expense	3,872,876.72	0.00	25,117,260.28	0.00	0.00
Other Insurance Expense	70,767.78	25,000.00	6,620,646.86	250,000.00	28,520.86
<i>Total Operating Exp.</i>	<i>10,276,233.05</i>	<i>8,171,301.53</i>	<i>108,830,347.73</i>	<i>80,910,277.93</i>	<i>67,433,701.86</i>
Insurance Loss Exp. - Natural Person CU	170,970,819.00	20,000,000.00	527,580,042.00	200,000,000.00	176,494,930.42
<b>TOTAL EXPENSE</b>	<b>181,247,052.05</b>	<b>28,171,301.53</b>	<b>636,410,389.73</b>	<b>280,910,277.93</b>	<b>243,928,632.28</b>
<b>NET INCOME:</b>	<b>(\$162,339,330.00)</b>	<b>(\$14,101,301.53)</b>	<b>\$354,696,637.07</b>	<b>\$1,708,164,396.07</b>	<b>(\$196,572.05)</b>
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			354,696,637.07		(196,572.05)
			2,054,699,451.77		1,676,016,885.34
Dividends			0.00		0.00
<b>Retained Earnings, Year To Date</b>			<b>\$2,054,699,451.77</b>		<b>\$1,676,016,885.34</b>

Comparative Analysis of NCUSIF Ratios for October 31, 2009

INCOME STATEMENT RATIOS	LAST MONTH	THIS MONTH	CURRENT CYTD	PRIOR CYTD
1. Oper. Exp./Total Income	85.39%	54.35%	10.98%	27.67%
2. Ins. Loss Exp./Total Income	0.41%	904.24%	142.15%	53.23%
3. Total Exp./Total Income	85.79%	958.59%	64.21%	100.08%
4. Net Income/Total Income	14.21%	-858.59%	35.79%	-0.08%
5. Ins. Loss Exp./Insured Shares	0.00%	0.02%	0.00%	0.07%

**NATIONAL CREDIT UNION SHARE INSURANCE FUND**  
**STATEMENT OF CASH FLOWS**  
**OCTOBER 31, 2009**

CASH FLOWS FROM OPERATING ACTIVITIES:

Income from investments	\$ 182,360,821.52
Other income received	\$16,989,634.02
Cash paid for operating expenses	(89,794,826.60)
Net cash (paid) received for insurance losses	(149,517,163.98)
Net cash provided by operating activities	(39,961,535.04)

CASH FLOWS FROM INVESTING ACTIVITIES:

Advances to credit unions (Capital Note and Loans)	(10,000,000,000.00)
U.S. government Securities (net)	(99,247,333.33)
Collections on receivable - including note for National Credit Union Administration Operating Fund	\$1,167,444.55
Net cash provided by (used in) investing activities	(10,098,079,888.78)

CASH FLOWS FROM FINANCING ACTIVITIES:

Contributions (distributions) from insured credit unions Cont Cap acct	137,767,480.02
Principal repayments under capital lease obligations	(\$10,331.89)
Proceeds from CLF borrowing	10,000,000,000.00
Net cash provided by financing activities	10,137,757,148.13

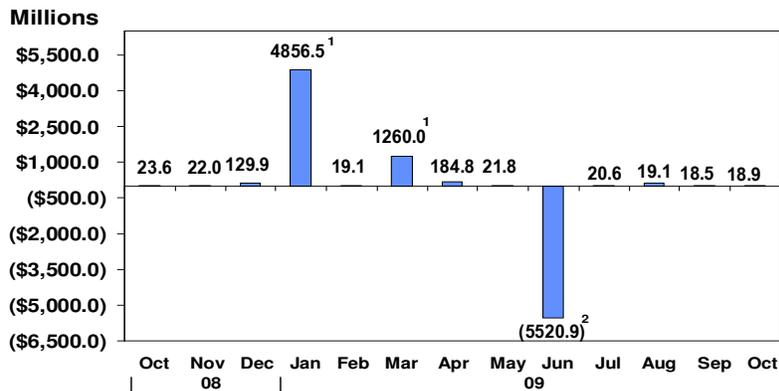
NET INCREASE (DECREASE) IN CASH (284,275.69)

CASH, BEGINNING OF YEAR 384,733.22

CASH, ENDING OCTOBER 31, 2009 \$ 100,457.53

Figure 1

## GROSS INCOME OCTOBER 08 – OCTOBER 09



<sup>1</sup> This was the result of the Board action taken 1/28/09 & 3/19/09 to recapitalize the Fund and declare a premium to bring the equity ratio to 1.3 percent.

<sup>2</sup> This was the 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 OCTOBER 08 – OCTOBER 09

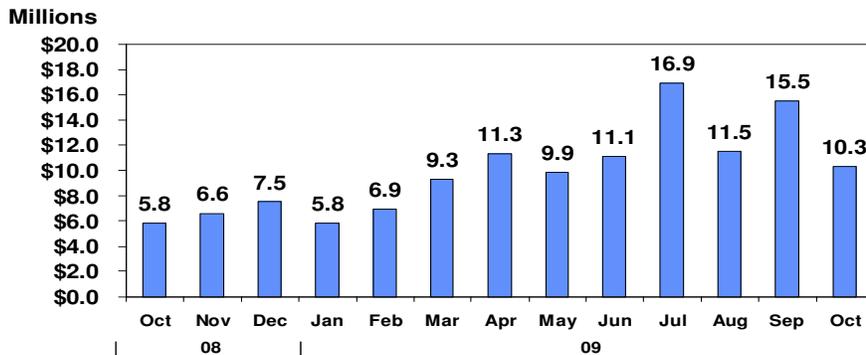
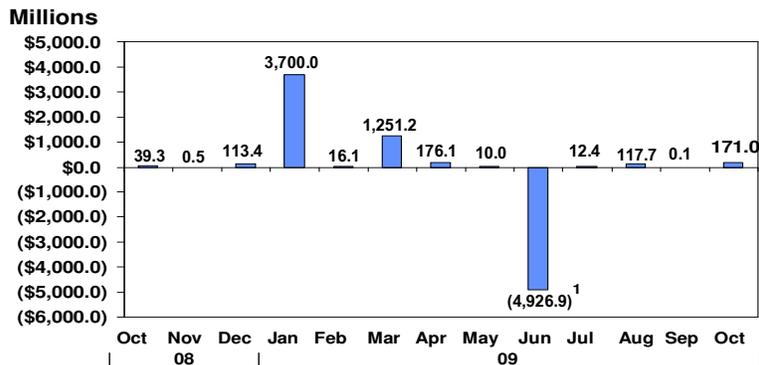


Figure 3

## INSURANCE LOSS EXPENSE OCTOBER 08 – OCTOBER 09



<sup>1</sup> 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

## OCTOBER 31, 2009

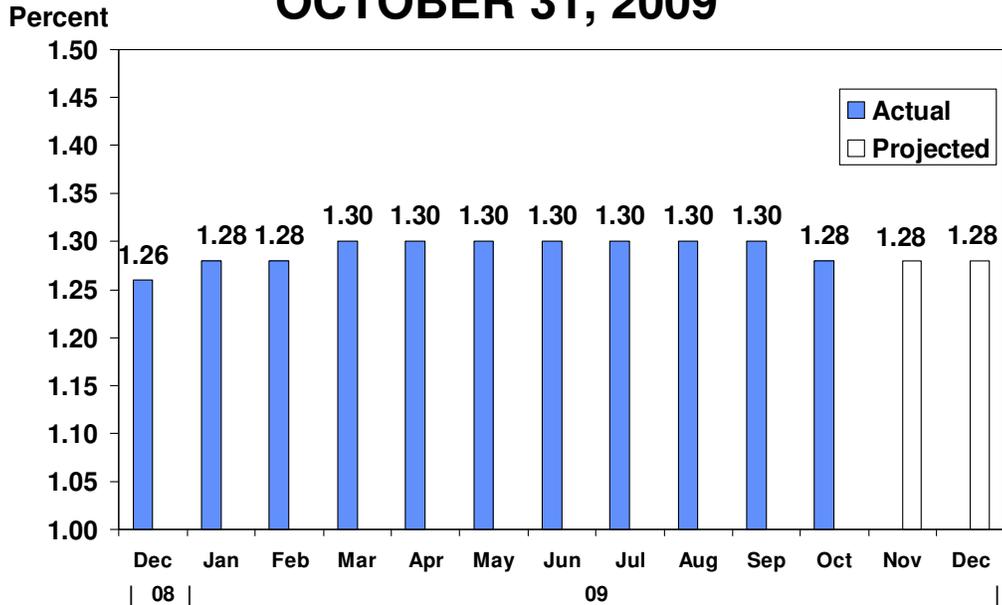
(In Millions)

	October		Year-to-Date	
	Actual	Budgeted	Actual	Budgeted
<b>Gross Income:</b>				
Investment Income	14.8	14.0	159.3	153.7
Premium Income	0.2	0.0	800.2	1,834.7
Other Income	3.9	0.1	31.6	0.7
<b>Less Expenses:</b>				
Operating Expense	10.3	8.2	108.8	80.9
Insurance Loss Expense - Natural Person	171.0	20.0	527.6	200.0
<b>Net Income (Loss)</b>	<b>(162.4)</b>	<b>(14.1)</b>	<b>354.7</b>	<b>1,708.2</b>

Figure 5

# NCUSIF EQUITY RATIO

## OCTOBER 31, 2009



**INVESTMENT PORTFOLIO SUMMARY**

**October 31, 2009**

<b>I. INVESTMENT PORTFOLIO BALANCE AND MARKET VALUE</b>					
	<b>Book Value</b>	<b>Market Value</b>	<b>Gain or (Loss)</b>	<b>% Market to Book Value</b>	<b>Weighted Average Yield</b>
Daily Treasury Account	\$928,332,000	\$928,332,000	\$0	100.00%	0.04%
U.S. Treasury Notes	6,918,162,072	7,054,937,400	136,775,328	101.98%	2.49%
<b>TOTAL</b>	<b>\$7,846,494,072</b>	<b>\$7,983,269,400</b>	<b>\$136,775,328</b>	<b>101.74%</b>	<b>2.23%</b>
<b>II. INVESTMENT PORTFOLIO PERFORMANCE</b>					
	<b>Last Month</b>	<b>Current Month</b>	<b>CY To Date</b>	<b>CY09 Projections</b>	
Investment Yield	2.30%	2.23%	2.62%	2.36%	
Investment Income	\$14,753,372	\$14,819,909	\$159,349,241	\$182,000,000	
Income Budgeted (1/1/09)	\$13,450,000	\$14,000,000	\$153,708,000	\$182,000,000	
Income/Budgeted Ratio	109.7%	105.9%	103.5%		
Weighted Avg. Maturity in Days	856	830			
<b>III. MONTHLY ACTIVITY</b>					
<b>Purchased</b>	<b>Type</b>	<b>Amount</b>	<b>Maturity</b>	<b>Yield</b>	
<b>TOTAL</b>		<b>\$0</b>			
<b>IV. MATURITY SCHEDULE (par value in millions)</b>					
3 months or less	\$1,378.3				
3 months - 1 year	1,100.0				
1 year - 2 years	1,450.0				
2 years - 3 years	1,200.0				
3 years - 4 years	1,250.0				
4 years - 5 years	950.0				
5 years - 10 years	300.0				
<b>TOTAL</b>	<b>\$7,628.3</b>				

Figure 6

## TREASURY YIELD CURVE

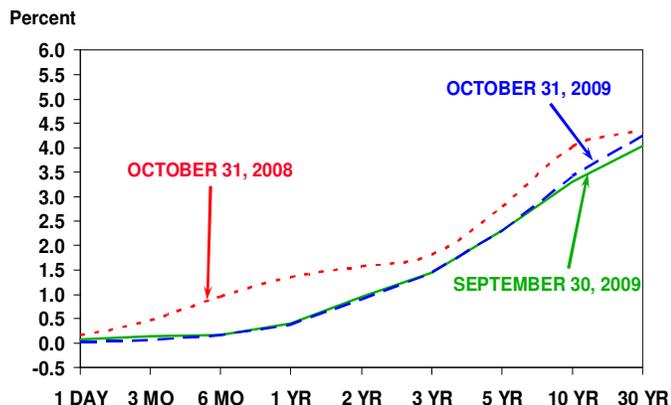
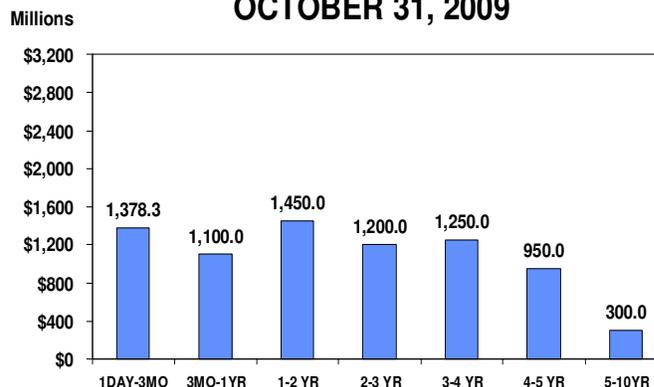


Figure 7

## MATURITY SCHEDULE OCTOBER 31, 2009



**MONTH-END YIELD COMPARISONS**

**October 31, 2009**

YIELD COMPARISONS								
	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09
NCUSIF Yield	2.98%	2.87%	2.75%	2.72%	2.49%	2.38%	2.30%	2.23%
90-day T-Bill	0.21%	0.14%	0.14%	0.19%	0.18%	0.15%	0.14%	0.05%
1-year T-Bill	0.57%	0.49%	0.47%	0.56%	0.48%	0.43%	0.40%	0.37%
2-year T-Note	0.81%	0.91%	0.92%	1.11%	1.13%	0.97%	0.95%	0.90%
30-year T-Note	3.56%	4.05%	4.34%	4.32%	4.31%	4.18%	4.03%	4.23%

Figure 8

**YIELD COMPARISONS  
OCTOBER 31, 2009**

