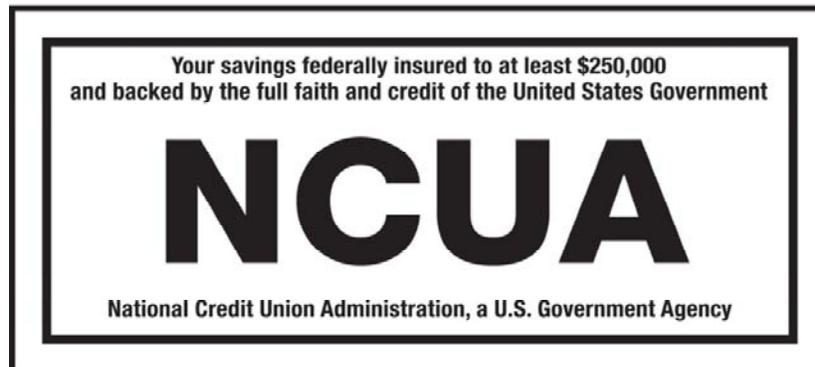


# **NATIONAL CREDIT UNION SHARE INSURANCE FUND**



## **PRELIMINARY FINANCIAL HIGHLIGHTS FEBRUARY 28, 2010**

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CHIEF FINANCIAL OFFICER**

**NCUSIF FINANCIAL HIGHLIGHTS**  
**February 28, 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 – \$2.6 million represents the remaining 1% deposit adjustment due on December 15, 2009 from credit unions with assets of \$50 million or greater.

Other Receivables: Insurance Premium – \$4.0 million 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 \$726.1 includes an increase of \$1.5 million in specific reserves for problem natural person credit unions.

**Statement of Revenue and Expense:**

Insurance Loss Expense – \$1.5 million was expensed for specific natural person credit union reserves.

**NATIONAL CREDIT UNION SHARE INSURANCE FUND**  
**BALANCE SHEET**  
**FEBRUARY 28, 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**

	February 2010 (1)	January 2010 (1)	February 2009 (2)
Investments:			
U.S. Government Securities	\$9,610,096,499.92	\$9,583,798,250.00	\$6,975,847,249.59
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	10,000,000,000.00	10,000,000,000.00	3,500,000.00
<i>Total Advances to Credit Unions</i>	10,000,000,000.00	10,000,000,000.00	3,500,000.00
Other Receivables:			
Due from Credit Unions	2,598,586.48	7,582,935.69	0.00
Insurance Premium Receivable	4,091,174.28	4,926,450.78	4,840,000,000.00
Loans due to NCUSIF	0.00	0.00	0.00
Recoveries from Liq. CU	174,429,183.88	483,941,821.19	108,103,904.68
<i>Total Other Receivables</i>	181,118,944.64	496,451,207.66	4,948,103,904.68
Cash	100,059.76	100,825.81	100,367.32
Interest Receivable	66,940,627.65	87,842,775.50	54,355,086.74
Prepaid & Deferred Charges	542,117.72	832,669.96	231,354.02
Leased Assets	0.00	0.00	52,872.34
Interest on Loan Receivable	9,836,712.34	5,786,301.38	0.00
Other	18,227,108.79	18,340,520.25	19,555,695.32
<b>TOTAL ASSETS</b>	<b>\$19,886,862,070.82</b>	<b>\$20,193,152,550.56</b>	<b>\$12,001,746,530.01</b>
<b>LIABILITIES:</b>			
Accounts Payable:			
Liquidation Claims	\$14,609,692.47	\$326,959,501.99	\$21,008,781.20
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	9,836,712.32	5,786,301.36	0.00
Check Clearing Accounts	(115.19)	(115.19)	(235.77)
Other	332,643.18	12,737,363.77	1,008,592.02
<i>Total Current Liabilities</i>	10,024,778,932.78	10,345,483,051.93	22,017,137.45
Provision for CU Losses (Reserves) - NPCU	726,055,524.00	726,360,200.90	3,986,255,251.87
Provision for CU Losses (Reserves) - CCU	0.00	0.00	0.00
Lease Liabilities	0.00	0.00	0.02
<b>TOTAL LIABILITIES (3)</b>	<b>10,750,834,456.78</b>	<b>11,071,843,252.83</b>	<b>4,008,272,389.34</b>
<b>EQUITY:</b>			
CU Contributed Capital	7,066,232,809.96	7,066,943,654.22	5,976,401,441.10
Retained Earnings	1,910,749,051.08	1,903,064,291.42	1,846,858,658.57
Unrealized Gain/Loss on A-F-S Securities	159,045,753.00	151,301,352.09	170,214,041.00
<b>TOTAL EQUITY</b>	<b>9,136,027,614.04</b>	<b>9,121,309,297.73</b>	<b>7,993,474,140.67</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$19,886,862,070.82</b>	<b>\$20,193,152,550.56</b>	<b>\$12,001,746,530.01</b>

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

(2) Data for February 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 February 28, 2010			
	FEB 10	JAN 10	FEB 09
Investments/Total Assets	48.32%	47.46%	58.12%
Total Equity/Insured Shares	1.23%	1.23%	1.28%
Prov. for Losses/CU Capital	10.28%	10.33%	66.70%
Non-Earning/Total Assets	1.30%	2.93%	41.68%
Available Asset Ratio	1.22%	1.16%	0.49%

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 FEBRUARY 28, 2010**

	Feb-10 Actual (1)	Feb-10 Budget	CY to Date 2010 Actual (1)	CY to Date 2010 Budget	CY to Date 2009 (2)
<b>INCOME:</b>					
Investment Income	\$16,438,309.60	\$18,000,000.00	\$34,202,109.05	\$36,000,000.00	\$32,026,255.31
Interest revenue on Loans	4,050,410.96	4,500,000.00	8,534,794.52	9,000,000.00	3,515,653.13
Accrued Recapitalization & Premium Income	-	-	-	-	4,840,000,000.00
Other Income	30,879.65	70,000.00	62,942.88	140,000.00	106,774.76
<b>TOTAL INCOME</b>	<b>20,519,600.21</b>	<b>22,570,000.00</b>	<b>42,799,846.45</b>	<b>45,140,000.00</b>	<b>4,875,648,683.20</b>
<b>EXPENSE:</b>					
Employee Pay	4,116,444.11	4,968,305.27	8,527,170.11	10,185,025.80	7,998,525.08
Employee Benefits	1,546,550.07	1,436,612.59	2,402,365.28	2,945,055.81	2,184,749.71
Employee Travel	610,093.93	1,108,713.90	821,362.73	2,217,427.80	812,209.23
Rent/Communications/Utilities	102,035.43	223,937.00	51,659.35	447,874.00	236,519.31
Administrative Costs	488,986.68	558,105.94	660,064.37	1,116,211.88	843,383.50
Contracted Services	426,442.03	721,249.04	118,769.58	1,442,498.08	536,208.34
Subtotal NCUA Operating Exp.	7,290,552.25	9,016,923.74	12,581,391.42	18,354,093.37	12,611,595.17
AMAC Expense	123.98	15,000.00	7,178.57	30,000.00	1,287.11
Training Expense	18,725.50	125,000.00	84,861.28	250,000.00	53,217.21
Leasing Expense	1,666.67	6,000.00	3,333.34	12,000.00	26,854.76
Accrued Insurance Interest Expense	4,050,410.96	4,700,000.00	8,534,794.52	9,400,000.00	0.00
Other Insurance Expense	2,479.61	271,000.00	505,018.00	542,000.00	2,885.08
Total Operating Exp.	11,363,958.97	14,133,923.74	21,716,577.13	28,588,093.37	12,695,839.33
Loss on Investments	-	-	-	-	\$1,000,000,000.00
Insurance Loss Exp.	1,470,548.00	62,500,000.00	1,470,548.00	125,000,000.00	3,716,097,000.00
<b>TOTAL EXPENSE</b>	<b>12,834,506.97</b>	<b>76,633,923.74</b>	<b>23,187,125.13</b>	<b>153,588,093.37</b>	<b>4,728,792,839.33</b>
<b>NET INCOME:</b>	<b>\$7,685,093.24</b>	<b>(\$54,063,923.74)</b>	<b>\$19,612,721.32</b>	<b>(\$108,448,093.37)</b>	<b>\$146,855,843.87</b>
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			19,612,721.32		146,855,843.87
			1,910,749,051.08		1,846,858,658.57
Dividends			0.00		0.00
<b>Retained Earnings, Year To Date</b>			<b>\$1,910,749,051.08</b>		<b>\$1,846,858,658.57</b>

Comparative Analysis of NCUSIF Ratios for February 28, 2010

INCOME STATEMENT RATIOS	LAST MONTH	THIS MONTH	CURRENT CYTD	PRIOR CYTD
1. Oper. Exp./Total Income	46.46%	55.38%	50.74%	0.26%
2. Ins. Loss Exp./Total Income	0.00%	7.17%	3.44%	76.22%
3. Total Exp./Total Income	46.46%	62.55%	54.18%	96.99%
4. Net Income/Total Income	53.54%	37.45%	45.82%	3.01%
5. Ins. Loss Exp./Insured Shares	0.00%	0.00%	0.00%	0.61%

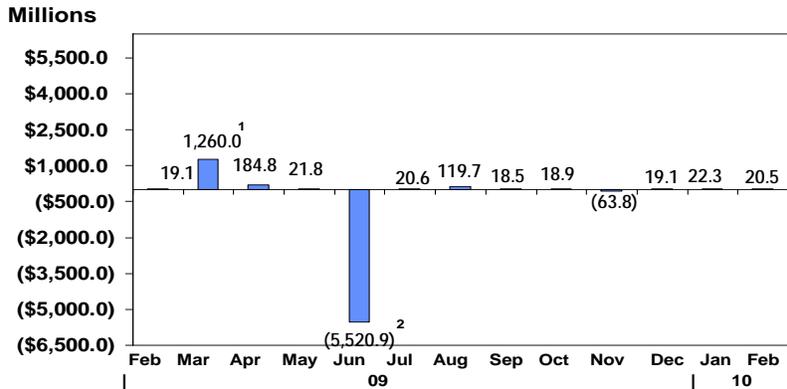
(1) Data for 2010 includes income and expenses for natural person credit unions only.

(2) Data for February 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 FEBRUARY 09 – FEBRUARY 10



<sup>1</sup> This was the result of additional Board action taken 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 FEBRUARY 09 – FEBRUARY 10

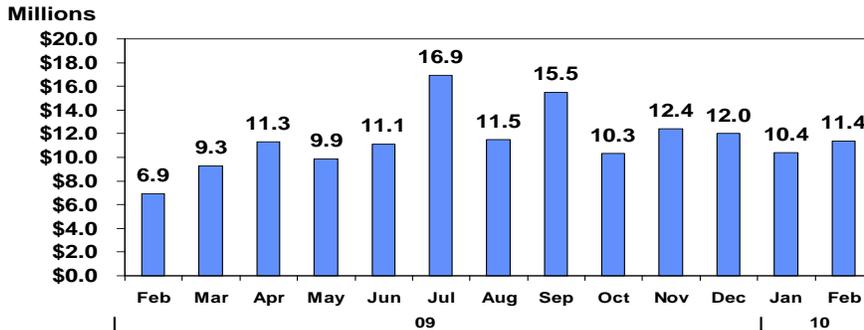
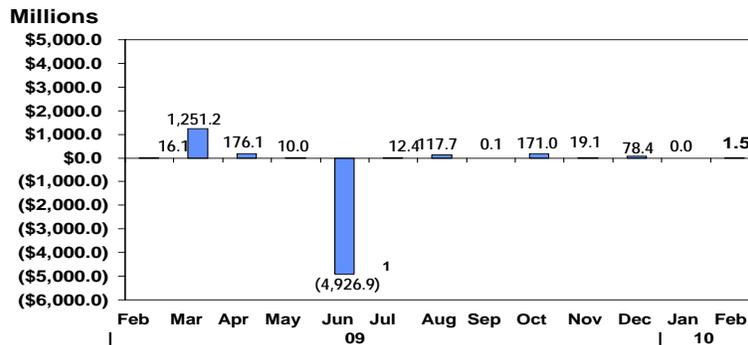


Figure 3

## INSURANCE LOSS EXPENSE FEBRUARY 09 – FEBRUARY 10



<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

## FEBRUARY 28, 2010

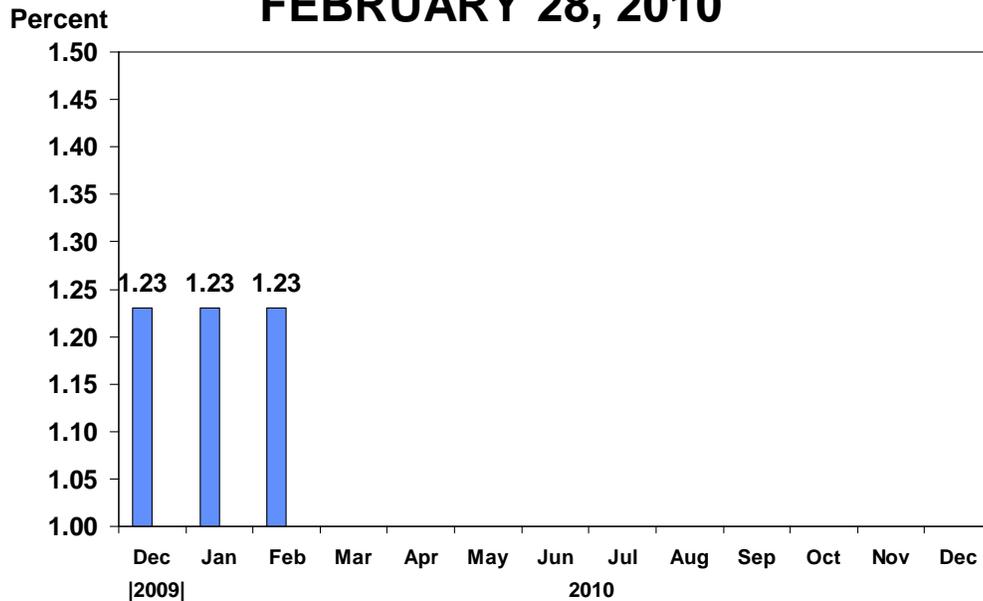
(In Millions)

	February		YTD	YTD
	Actual	Budgeted	Actual	Budget
<b>Gross Income:</b>				
Investment Income	16.4	18.0	34.2	36.1
Other Income	4.1	4.6	8.5	9.0
<b>Less Expenses:</b>				
Operating Expense	11.4	14.1	21.7	28.6
Insurance Loss Expense	1.5	62.5	1.5	125.0
<b>Net Income (Loss)</b>	<b>7.6</b>	<b>(54.0)</b>	<b>19.5</b>	<b>(108.5)</b>

Figure 5

# NCUSIF EQUITY RATIO

## FEBRUARY 28, 2010



**INVESTMENT PORTFOLIO SUMMARY**

**February 28, 2010**

<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	\$625,159,000	625,159,000	\$0	100.00%	0.05%
U.S. Treasury Notes	8,825,891,747	\$8,984,937,500	159,045,753	101.80%	2.41%
<b>TOTAL</b>	<b>\$9,451,050,747</b>	<b>\$9,610,096,500</b>	<b>\$159,045,753</b>	<b>102.00%</b>	<b>2.26%</b>
<b>II. INVESTMENT PORTFOLIO PERFORMANCE</b>					
	<b>Last Month</b>	<b>Current Month</b>	<b>CY To Date</b>	<b>CY10 Projections</b>	
Investment Yield	2.21%	2.26%	2.24%	2.27%	
Investment Income	17,763,799*	\$16,438,310	\$34,202,109	\$216,000,000	
Income Budgeted (1/1/10)	\$18,000,000	\$18,000,000	\$36,000,000	\$216,000,000	
Income/Budgeted Ratio	98.7%	91.3%	95.0%		
Weighted Avg. Maturity in Days	1,050	1,021			
<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	\$1,125.2				
3 months - 1 year	950.0				
1 year - 2 years	1,600.0				
2 years - 3 years	1,750.0				
3 years - 4 years	1,600.0				
4 years - 5 years	1,300.0				
5 years - 10 years	900.0				
<b>TOTAL</b>	<b>\$9,225.2</b>				

\* Reflects \$334 adjustment

Figure 6

# TREASURY YIELD CURVE

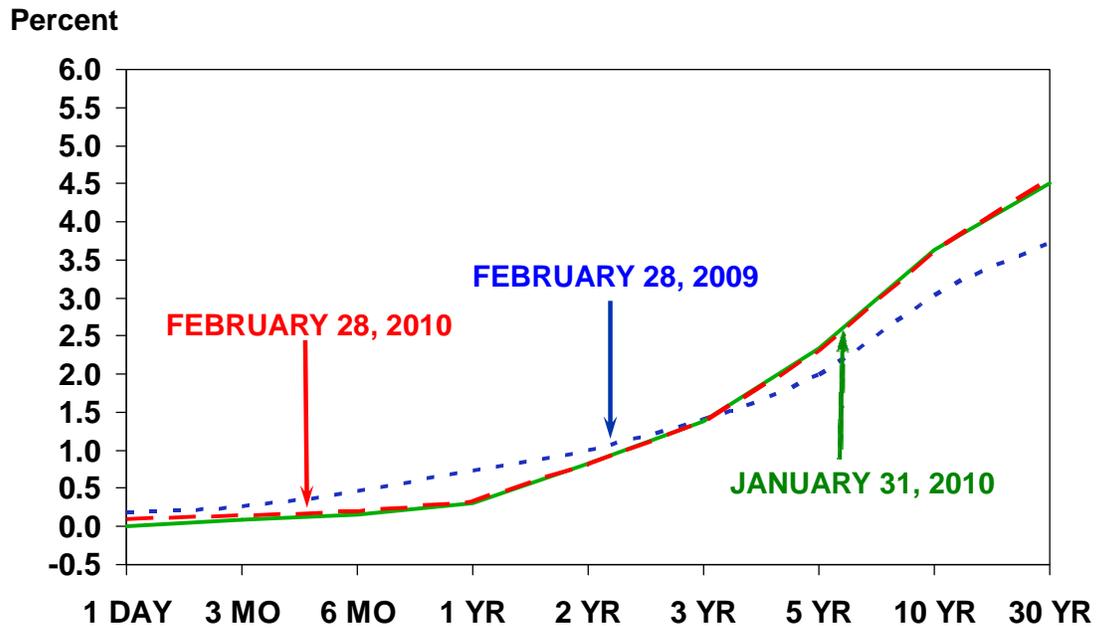
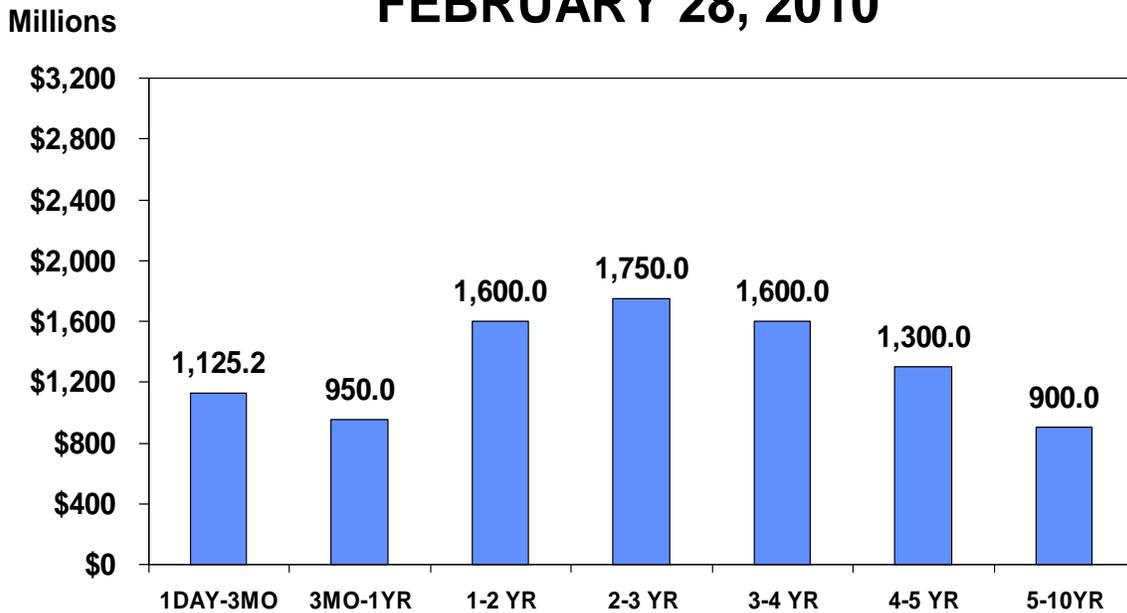


Figure 7

# MATURITY SCHEDULE

FEBRUARY 28, 2010



**MONTH-END YIELD COMPARISONS**

**February 28, 2010**

YIELD COMPARISONS								
	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10
NCUSIF Yield	2.49%	2.38%	2.30%	2.23%	2.20%	2.06%	2.21%	2.26%
90-day T-Bill	0.18%	0.15%	0.14%	0.05%	0.06%	0.20%	0.08%	0.13%
1-year T-Bill	0.48%	0.43%	0.40%	0.37%	0.26%	0.47%	0.30%	0.32%
2-year T-Note	1.13%	0.97%	0.95%	0.90%	0.67%	1.14%	0.82%	0.81%
30-year T-Note	4.31%	4.18%	4.03%	4.23%	4.19%	4.63%	4.51%	4.55%

Figure 8

**YIELD COMPARISONS  
FEBRUARY 28, 2010**

