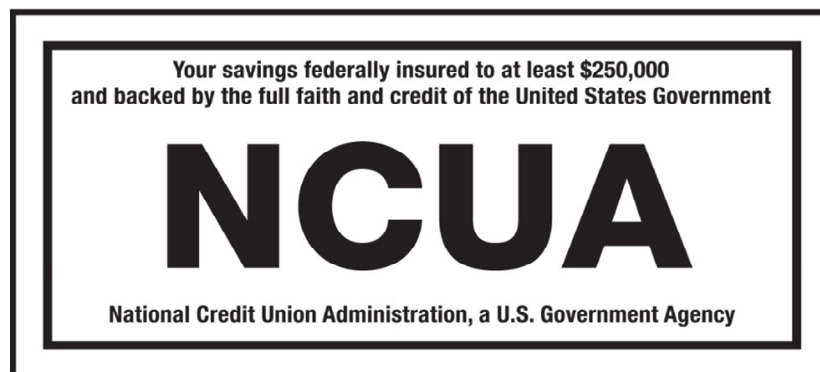


# **NATIONAL CREDIT UNION SHARE INSURANCE FUND**



## **PRELIMINARY FINANCIAL HIGHLIGHTS MARCH 31, 2010**

**MARY ANN WOODSON  
CHIEF FINANCIAL OFFICER**

**NCUSIF FINANCIAL HIGHLIGHTS**  
**March 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 – \$267 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 – \$2.4 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 \$726.7 million includes an increase of \$5.6 million in specific reserves for problem natural person credit unions.

**Statement of Revenue and Expense:**

Insurance Loss Expense – \$5.6 million was expensed for specific natural person credit union reserves.

**NATIONAL CREDIT UNION SHARE INSURANCE FUND**  
**BALANCE SHEET**  
**MARCH 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**

	March 2010 (1)	February 2010 (1)	March 2009 (2)
Investments:			
U.S. Government Securities	\$9,563,908,375.47	\$9,610,096,499.92	\$6,958,217,249.59
Advances to Credit Unions:			
Capital Notes	0.00	0.00	
Allowance for loss - Capital Notes	0.00	0.00	1,000,000,000.00
NCUSIF Subordinated Notes	0.00	0.00	(1,000,000,000.00)
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	10,000,000,000.00
Other Receivables:			
Due from Credit Unions	267,170,244.69	2,598,586.48	199,614,386.03
Insurance Premium Receivable	2,441,789.94	4,091,174.28	6,077,470,000.00
Loans due to NCUSIF	0.00	0.00	0.00
Recoveries from Liq. CU	202,950,297.31	174,429,183.88	107,339,623.01
<i>Total Other Receivables</i>	472,562,331.94	181,118,944.64	6,384,424,009.04
Cash	100,494.97	100,059.76	132,112.28
Interest Receivable	65,305,772.33	66,940,627.65	62,189,595.54
Prepaid & Deferred Charges	0.00	542,117.72	(1,025,204.09)
Leased Assets	0.00	0.00	0.00
Interest on Loan Receivable	14,321,095.90	9,836,712.34	758,356.16
Other	18,155,990.11	18,227,108.79	24,650,903.67
<b>TOTAL ASSETS</b>	<b>\$20,134,354,060.72</b>	<b>\$19,886,862,070.82</b>	<b>\$23,429,347,022.19</b>
<b>LIABILITIES:</b>			
Accounts Payable:			
Liquidation Claims	\$44,832,296.15	\$14,609,692.47	\$12,848,622.23
Notes Payable - CLF	10,000,000,000.00	10,000,000,000.00	10,000,000,000.00
Deferred Revenue	0.00	0.00	7,955,898.39
Interest Payable - CLF	14,321,095.88	9,836,712.32	758,356.16
Check Clearing Accounts	(115.19)	(115.19)	(102,850.48)
Other	64,593,741.92	332,643.18	3,751,989.31
<i>Total Current Liabilities</i>	10,123,747,018.76	10,024,778,932.78	10,025,212,015.61
Provision for CU Losses (Reserves) - NPCU	726,718,069.33	726,055,524.00	291,777,054.88
Provision for CU Losses (Reserves) - CCU	0.00	0.00	4,937,470,000.00
Lease Liabilities	0.00	0.00	0.00
<b>TOTAL LIABILITIES (3)</b>	<b>10,850,465,088.09</b>	<b>10,750,834,456.78</b>	<b>15,254,459,070.49</b>
<b>EQUITY:</b>			
CU Contributed Capital	7,270,442,878.58	7,066,232,809.96	6,116,837,999.72
Retained Earnings	1,913,978,430.05	1,910,749,051.08	1,838,409,036.50
Unrealized Gain/Loss on A-F-S Securities	99,467,664.00	159,045,753.00	219,640,915.48
<b>TOTAL EQUITY</b>	<b>9,283,888,972.63</b>	<b>9,136,027,614.04</b>	<b>8,174,887,951.70</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$20,134,354,060.72</b>	<b>\$19,886,862,070.82</b>	<b>\$23,429,347,022.19</b>

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

(2) Data for March 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 March 31, 2010

	MAR 10	FEB 10	MAR 09
Investments/Total Assets	47.50%	48.32%	29.70%
Total Equity/Insured Shares	1.26%	1.23%	1.30%
Prov. for Losses/CU Capital	10.00%	10.28%	85.49%
Non-Earning/Total Assets	2.74%	1.30%	27.54%
Available Asset Ratio	1.20%	1.22%	0.28%

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 MARCH 31, 2010**

	Mar-10 Actual (1)	Mar-10 Budget	CY to Date 2010 Actual (1)	CY to Date 2010 Budget	CY to Date 2009 (2)
<b>INCOME:</b>					
Investment Income	\$18,573,307.03	\$18,000,000.00	\$52,775,416.08	\$54,000,000.00	\$49,320,862.43
Interest revenue on Loans	4,484,383.56	4,500,000.00	13,019,178.08	13,500,000.00	-
Accrued Recapitalization & Premium Income	-	-	-	-	6,077,470,000.00
Other Income	34,747.18	70,000.00	97,690.06	210,000.00	914,507.00
<b>TOTAL INCOME</b>	<b>23,092,437.77</b>	<b>22,570,000.00</b>	<b>65,892,284.22</b>	<b>67,710,000.00</b>	<b>6,127,705,369.43</b>
<b>EXPENSE:</b>					
Employee Pay	5,354,601.63	5,713,551.06	13,881,771.74	15,898,576.86	12,877,663.74
Employee Benefits	1,399,589.54	1,652,104.48	3,801,954.82	4,597,160.29	3,377,757.84
Employee Travel	1,196,427.75	1,108,713.90	2,017,790.48	3,326,141.70	1,711,142.35
Rent/Communications/Utilities	204,856.22	223,937.00	256,515.57	671,811.00	394,799.30
Administrative Costs	662,912.69	558,105.94	1,322,977.06	1,674,317.82	1,541,493.43
Contracted Services	719,197.48	721,249.04	837,967.06	2,163,747.12	733,942.60
<i>Subtotal NCUA Operating Exp.</i>	<i>9,537,585.31</i>	<i>9,977,661.42</i>	<i>22,118,976.73</i>	<i>28,331,754.79</i>	<i>20,636,799.26</i>
AMAC Expense	3,561.14	15,000.00	10,739.71	45,000.00	1,273.70
Training Expense	234,539.70	125,000.00	319,400.98	375,000.00	182,534.41
Leasing Expense	1,666.67	6,000.00	5,000.01	18,000.00	79,727.08
Accrued Insurance Interest Expense	4,484,383.56	4,700,000.00	13,019,178.08	14,100,000.00	758,356.16
Other Insurance Expense	2,214.42	271,000.00	507,232.42	813,000.00	378,605.02
<i>Total Operating Exp.</i>	<i>14,263,950.80</i>	<i>15,094,661.42</i>	<i>35,980,527.93</i>	<i>43,682,754.79</i>	<i>22,037,295.63</i>
<i>Loss on Investments</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>1,000,000,000.00</i>
Insurance Loss Exp.	5,599,108.00	62,500,000.00	7,069,656.00	187,500,000.00	4,967,261,852.00
<b>TOTAL EXPENSE</b>	<b>19,863,058.80</b>	<b>77,594,661.42</b>	<b>43,050,183.93</b>	<b>231,182,754.79</b>	<b>5,989,299,147.63</b>
<b>NET INCOME:</b>	<b>\$3,229,378.97</b>	<b>(\$55,024,661.42)</b>	<b>\$22,842,100.29</b>	<b>(\$163,472,754.79)</b>	<b>\$138,406,221.80</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			22,842,100.29		138,406,221.80
			1,913,978,430.05		1,838,409,036.50
Dividends			0.00		0.00
<b>Retained Earnings, Year To Date</b>			<b>\$1,913,978,430.05</b>		<b>\$1,838,409,036.50</b>

Comparative Analysis of NCUSIF Ratios for March 31, 2010

INCOME STATEMENT RATIOS	LAST MONTH	THIS MONTH	CURRENT CYTD	PRIOR CYTD
1. Oper. Exp./Total Income	55.38%	61.77%	54.61%	0.36%
2. Ins. Loss Exp./Total Income	7.17%	24.25%	10.73%	81.06%
3. Total Exp./Total Income	62.55%	86.02%	65.33%	97.74%
4. Net Income/Total Income	37.45%	13.98%	34.67%	2.26%
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 March 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 MARCH 09 – MARCH 10

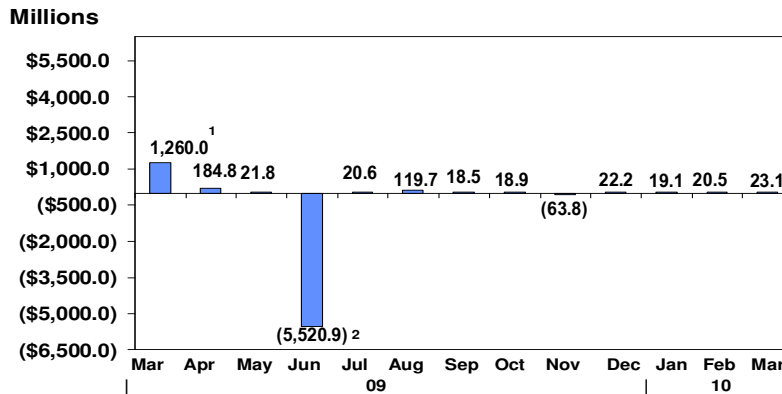


Figure 2

## OPERATING EXPENSE MARCH 09 – MARCH 10

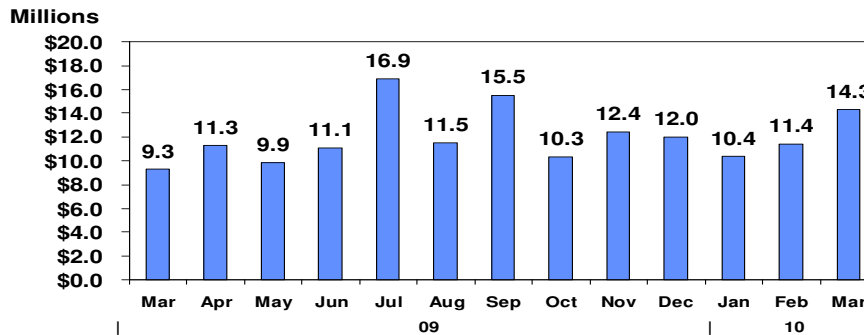
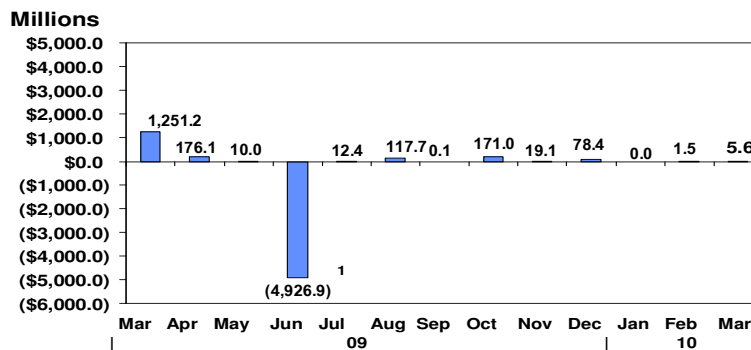


Figure 3

## INSURANCE LOSS EXPENSE MARCH 09 – MARCH 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

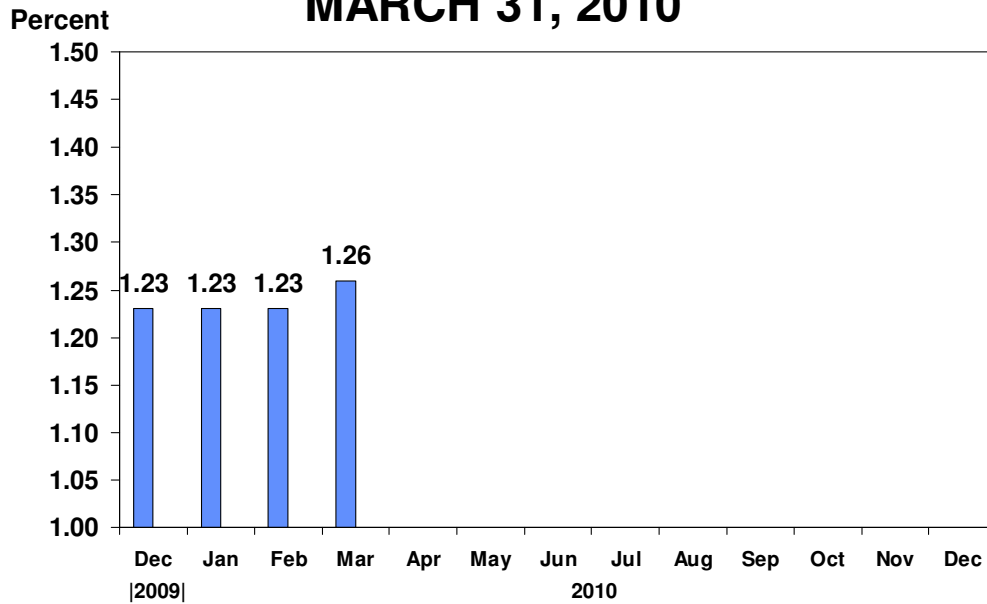
## REVENUE AND EXPENSE MARCH 31, 2010

(In Millions)

	March		YTD	YTD
	Actual	Budgeted	Actual	Budget
<b>Gross Income:</b>				
Investment Income	18.6	18.0	52.8	54.0
Other Income	4.5	4.6	13.1	13.7
<b>Less Expenses:</b>				
Operating Expense	14.3	15.1	36.0	43.7
Insurance Loss Expense	5.6	62.5	7.1	187.5
<b>Net Income (Loss)</b>	<b>3.2</b>	<b>(55.0)</b>	<b>22.8</b>	<b>(163.5)</b>

Figure 5

## NCUSIF EQUITY RATIO MARCH 31, 2010



## INVESTMENT PORTFOLIO SUMMARY

March 31, 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	\$526,224,000	526,224,000	\$0	100.00%	0.11%
U.S. Treasury Notes	8,938,216,711	\$9,037,684,375	99,467,664	101.10%	2.45%
<b>TOTAL</b>	<b>\$9,464,440,711</b>	<b>\$9,563,908,375</b>	<b>\$99,467,664</b>	<b>101.05%</b>	<b>2.30%</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	2.26%	2.30%	2.26%	2.27%	
Investment Income	\$16,428,310	\$18,573,307	\$52,775,416	\$216,000,000	
Income Budgeted (1/1/10)	\$18,000,000	\$18,000,000	\$54,000,000	\$216,000,000	
Income/Budgeted Ratio	91.3%	103.2%	97.7%		
Weighted Avg. Maturity in Days	1,021	1,053			
<b>III. MONTHLY ACTIVITY</b>					
	<b>Purchased</b>	<b>Type</b>	<b>Amount</b>	<b>Maturity</b>	<b>Yield</b>
	3/12/2010	T-Note	220,000,000	2/28/2015	2.42%
	3/12/2010	T-Note	50,000,000	2/15/2020	3.72%
<b>TOTAL</b>			<b>\$270,000,000</b>		
<b>IV. MATURITY SCHEDULE (par value in millions)</b>					
3 months or less	\$876.2				
3 months - 1 year	1,150.0				
1 year - 2 years	1,600.0				
2 years - 3 years	1,600.0				
3 years - 4 years	1,600.0				
4 years - 5 years	1,470.0				
5 years - 10 years	950.0				
<b>TOTAL</b>	<b>\$9,246.2</b>				

Figure 6

# TREASURY YIELD CURVE

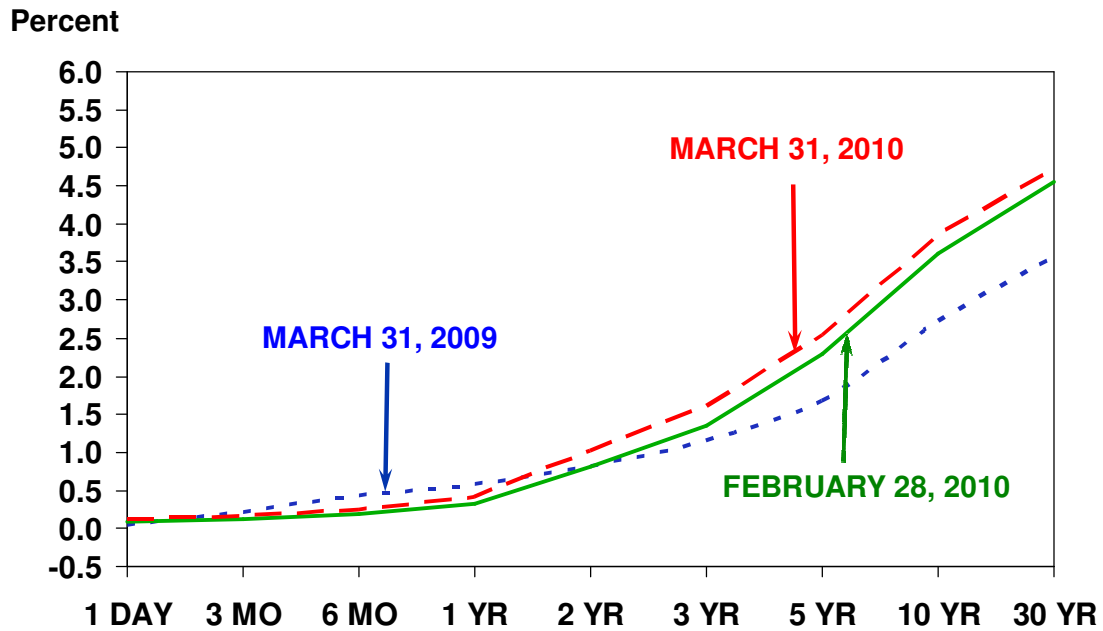
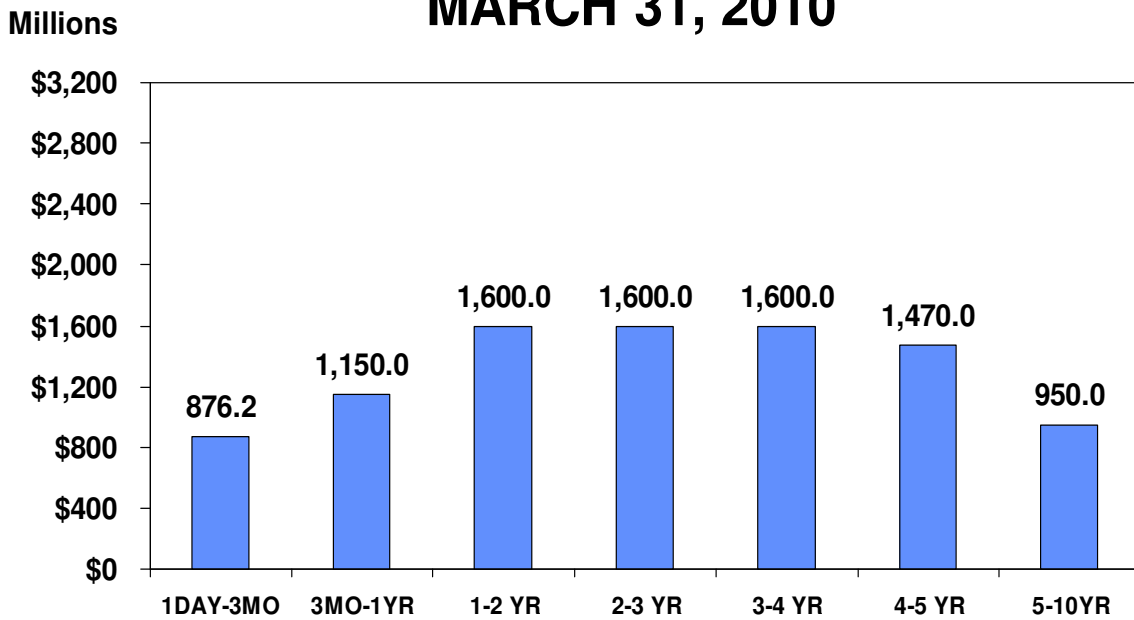


Figure 7

# MATURITY SCHEDULE

MARCH 31, 2010





**MONTH-END YIELD COMPARISONS**

**March 31, 2010**

YIELD COMPARISONS								
	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10
NCUSIF Yield	2.38%	2.30%	2.23%	2.20%	2.06%	2.21%	2.26%	2.30%
90-day T-Bill	0.15%	0.14%	0.05%	0.06%	0.20%	0.08%	0.13%	0.16%
1-year T-Bill	0.43%	0.40%	0.37%	0.26%	0.47%	0.30%	0.32%	0.41%
2-year T-Note	0.97%	0.95%	0.90%	0.67%	1.14%	0.82%	0.81%	1.02%
30-year T-Note	4.18%	4.03%	4.23%	4.19%	4.63%	4.51%	4.55%	4.72%

Figure 8

**YIELD COMPARISONS  
MARCH 31, 2010**

