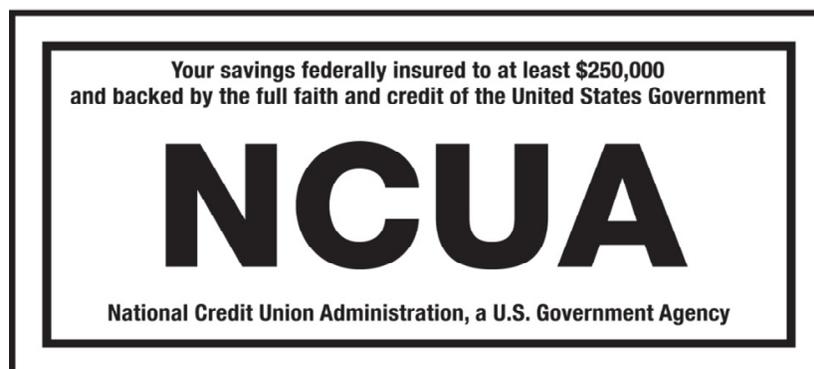


# **NATIONAL CREDIT UNION SHARE INSURANCE FUND**



## **PRELIMINARY FINANCIAL HIGHLIGHTS SEPTEMBER 30, 2009**

**MARY ANN WOODSON  
CHIEF FINANCIAL OFFICER**

**NCUSIF FINANCIAL HIGHLIGHTS**  
**September 30, 2009**

**Balance Sheet:**

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

Insurance Premium Receivable –Estimated collections of \$800 million is needed to achieve a 1.30% equity ratio.

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 \$520.8 million includes an increase of \$75 thousand in reserves for natural person credit unions.

**Statement of Revenue and Expense:**

Accrued Premium Income – reflects the funds needed to achieve a 1.30 percent equity ratio.

Insurance Loss Expense NPCU – of \$75 thousand was expensed to increase natural person credit union reserves.

**NATIONAL CREDIT UNION SHARE INSURANCE FUND**  
**BALANCE SHEET**  
**SEPTEMBER 30, 2009**

<b>ASSETS:</b>	<b>September 2009</b>	<b>August 2009</b>	<b>September 2008</b>
Investments:			
U.S. Government Securities	\$8,018,047,499.64	\$8,010,478,774.59	\$7,307,617,209.66
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)	8,919.48	19,021.37	323,441,610.82
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	107,834,035.47	109,432,819.48	88,493,849.78
<i>Total Other Receivables</i>	907,842,954.95	909,451,840.85	411,935,460.60
Cash	102,156.90	100,124.92	203,851.78
Interest Receivable	61,519,127.20	58,277,159.98	71,816,333.85
Prepaid & Deferred Charges	(3,205,675.16)	(1,910,987.13)	0.00
Leased Assets	0.00	0.00	160,358.46
Interest on Loan Receivable	12,618,082.20	12,448,596.17	0.00
Other	18,832,713.86	18,884,870.65	20,104,106.36
<b>TOTAL ASSETS</b>	<b>\$19,015,756,859.59</b>	<b>\$19,007,730,380.03</b>	<b>\$7,811,837,320.71</b>
<b>LIABILITIES:</b>			
Accounts Payable:			
Liquidation Claims	12,068,107.38	11,281,729.98	7,717,332.61
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	12,618,082.20	8,870,137.00	0.00
Check Clearing Accounts	4,738.57	7,419,972.02	9,152.72
Other	2,594,904.91	2,508,693.04	2,871,478.05
<i>Total Current Liabilities</i>	10,027,285,833.06	10,030,080,532.04	10,597,963.38
Provision for CU Losses (Reserves) - NPCU	520,765,905.66	523,666,401.38	128,621,584.25
Provision for CU Losses (Reserves) - CCU	0.00	0.00	0.00
Lease Liabilities	0.00	0.00	179,413.73
<b>TOTAL LIABILITIES (1)</b>	<b>10,548,051,738.72</b>	<b>10,553,746,933.42</b>	<b>139,398,961.36</b>
<b>EQUITY:</b>			
CU Contributed Capital	7,065,478,777.53	7,065,478,777.53	5,974,827,149.22
Less Unbilled Deposit Receivable (2)	(954,000,000.00)	(954,000,000.00)	
Refundable Contributed Capital	6,111,478,777.53	6,111,478,777.53	
Retained Earnings	2,217,341,297.34	2,214,412,607.78	1,697,611,210.13
Unrealized Gain/Loss on A-F-S Securities	138,885,046.00	128,092,061.30	0.00
<b>TOTAL EQUITY</b>	<b>8,467,705,120.87</b>	<b>8,453,983,446.61</b>	<b>7,672,438,359.35</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$19,015,756,859.59</b>	<b>\$19,007,730,380.03</b>	<b>\$7,811,837,320.71</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 September 30, 2009			
	SEP 09	AUG 09	SEP 08
Investments/Total Assets	42.17%	42.14%	93.55%
Total Equity/Insured Shares	*1.30%	*1.30%	1.28%
Prov. for Losses/CU Capital	7.37%	7.41%	2.15%
Non-Earning/Total Assets	5.15%	5.15%	6.20%
Available Asset Ratio	1.05%	1.04%	1.22%

\* 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 SEPTEMBER 30, 2009**

	Sep-09 Actual	Sep-09 Budget	CY to Date 2009 Actual	CY to Date 2009 Budget	CY to Date 2008
<b>INCOME:</b>					
Investment Income	\$14,753,372.22	13,450,000.00	\$144,529,331.71	139,708,000.00	\$219,109,730.26
Premium Income Receivable	0.00	0.00	800,000,343.40	1,834,666,674.00	0.00
Other Income	3,735,959.71	70,000.00	27,673,970.13	630,000.00	1,067,869.75
<b>TOTAL INCOME</b>	<b>18,489,331.93</b>	<b>13,520,000.00</b>	<b>972,203,645.24</b>	<b>1,975,004,674.00</b>	<b>220,177,600.01</b>
<b>EXPENSE:</b>					
Employee Pay	5,335,923.96	4,580,067.35	41,147,494.17	40,587,545.18	36,320,308.22
Employee Benefits	1,311,336.58	1,311,314.12	10,942,915.94	11,632,150.53	9,604,806.15
Employee Travel	1,690,185.15	938,447.41	7,769,987.84	8,446,026.72	6,457,108.63
Rent/Communications/Utilities	470,640.18	196,764.35	1,850,816.65	1,770,879.14	1,597,298.23
Administrative Costs	684,945.68	505,917.97	4,387,354.78	4,553,261.72	3,616,768.69
Contracted Services	713,770.67	508,605.35	3,593,147.29	4,577,448.11	2,867,530.30
<i>Subtotal NCUA Operating Exp.</i>	<i>10,206,802.22</i>	<i>8,041,116.55</i>	<i>69,691,716.67</i>	<i>71,567,311.40</i>	<i>60,463,820.22</i>
AMAC Expense	0.00	1,000.00	4,757.78	9,000.00	14,596.95
Training Expense	260,132.42	83,335.00	1,067,375.43	750,015.00	856,377.16
Leasing Expense	0.00	20,850.00	79,727.08	187,650.00	248,778.23
Accrued Insurance Interest Expense	3,747,945.20	0.00	21,244,383.56	0.00	0.00
Other Insurance Expense	1,270,773.53	25,000.00	6,167,979.08	225,000.00	25,698.29
<i>Total Operating Exp.</i>	<i>15,485,653.37</i>	<i>8,171,301.55</i>	<i>98,255,939.60</i>	<i>72,738,976.40</i>	<i>61,609,270.85</i>
Insurance Loss Exp. - Natural Person CU	74,989.00	20,000,000.00	356,609,223.00	180,000,000.00	137,170,576.42
<b>TOTAL EXPENSE</b>	<b>15,560,642.37</b>	<b>28,171,301.55</b>	<b>454,865,162.60</b>	<b>252,738,976.40</b>	<b>198,779,847.27</b>
<b>NET INCOME:</b>	<b>\$2,928,689.56</b>	<b>(\$14,651,301.55)</b>	<b>\$517,338,482.64</b>	<b>\$1,722,265,697.60</b>	<b>\$21,397,752.74</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			517,338,482.64		21,397,752.74
			2,217,341,297.34		1,697,611,210.13
Dividends			0.00		0.00
<b>Retained Earnings, Year To Date</b>			<b>\$2,217,341,297.34</b>		<b>\$1,697,611,210.13</b>

Comparative Analysis of NCUSIF Ratios for September 30, 2009

INCOME STATEMENT RATIOS	LAST MONTH	THIS MONTH	CURRENT CYTD	PRIOR CYTD
1. Oper. Exp./Total Income	9.61%	83.75%	10.11%	27.98%
2. Ins. Loss Exp./Total Income	98.35%	0.41%	147.93%	36.68%
3. Total Exp./Total Income	107.96%	84.16%	46.79%	90.28%
4. Net Income/Total Income	-7.96%	15.84%	53.21%	9.72%
5. Ins. Loss Exp./Insured Shares	0.02%	0.00%	0.00%	0.05%

**NATIONAL CREDIT UNION SHARE INSURANCE FUND**  
**STATEMENT OF CASH FLOWS**  
**September 30, 2009**

CASH FLOWS FROM OPERATING ACTIVITIES:

Income from investments	\$ 170,530,613.27
Other income received	16,895,142.18
Cash paid for operating expenses	(82,023,614.86)
Net cash (paid) received for insurance losses	(117,134,910.91)
Net cash provided by operating activities	(11,732,770.32)

CASH FLOWS FROM INVESTING ACTIVITIES:

Advances to credit unions (Capital Note and Loans)	(10,000,000,000.00)
U.S. government Securities (net)	(124,900,333.33)
Collections on note receivable - National Credit Union Administration Operating Fund	1,005,703.11
Net cash provided by (used in) investing activities	(10,123,894,630.22)

CASH FLOWS FROM FINANCING ACTIVITIES:

Contributions (distributions) from insured credit unions Cont Cap acct	135,355,156.11
Principal repayments under capital lease obligations	(\$10,331.89)
Proceeds from CLF borrowing	10,000,000,000.00
Net cash provided by financing activities	10,135,344,824.22

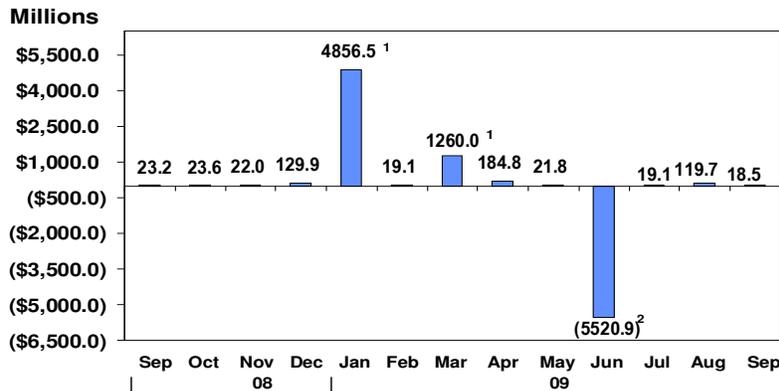
NET INCREASE (DECREASE) IN CASH (282,576.32)

CASH, BEGINNING OF YEAR 384,733.22

CASH, ENDING September 30, 2009 \$ 102,156.90

Figure 1

## GROSS INCOME SEPTEMBER 08 – SEPTEMBER 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 SEPTEMBER 08 – SEPTEMBER 09

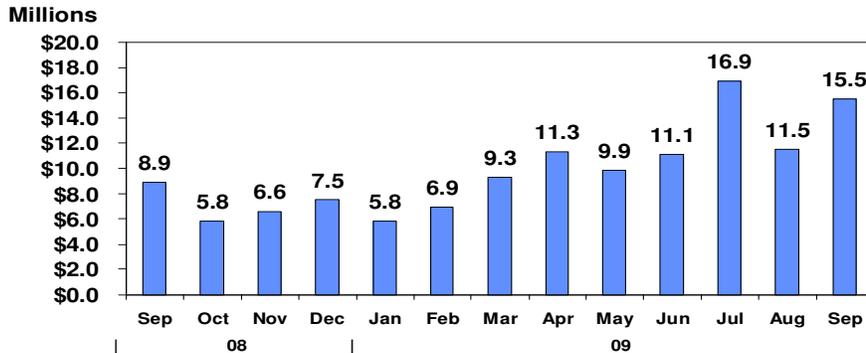
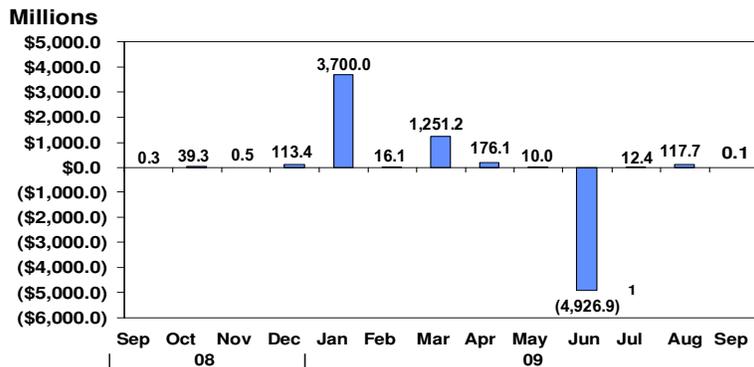


Figure 3

## INSURANCE LOSS EXPENSE SEPTEMBER 08 – SEPTEMBER 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

## SEPTEMBER 30, 2009

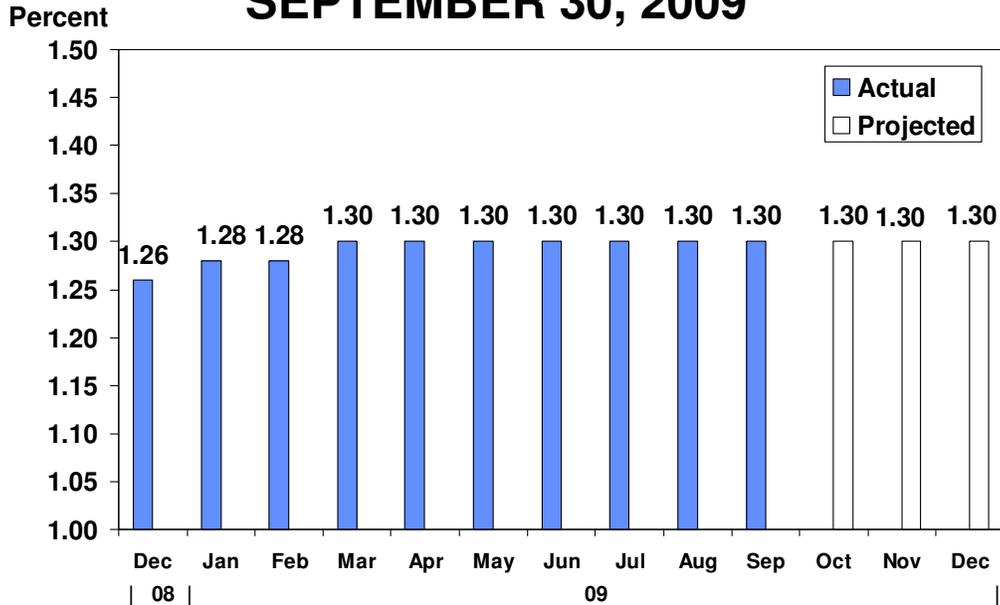
(In Millions)

	September		Year-to-Date	
	Actual	Budgeted	Actual	Budgeted
<b>Gross Income:</b>				
Investment Income	14.8	13.4	144.5	139.3
Premium Income	0.0	0.0	800.0	1,834.7
Other Income	3.7	0.1	27.7	0.6
<b>Less Expenses:</b>				
Operating Expense	15.5	8.2	98.3	72.7
Insurance Loss Expense - Natural Person CU	0.1	20.0	356.6	180.0
<b>Net Income (Loss)</b>	<b>2.9</b>	<b>(14.7)</b>	<b>517.3</b>	<b>1,721.9</b>

Figure 5

# NCUSIF EQUITY RATIO

## SEPTEMBER 30, 2009



## INVESTMENT PORTFOLIO SUMMARY

September 30, 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	\$753,985,000	\$753,985,000	\$0	100.00%	0.06%
U.S. Treasury Notes	7,125,177,454	7,264,062,500	138,885,046	101.95%	2.52%
<b>TOTAL</b>	<b>\$7,879,162,454</b>	<b>\$8,018,047,500</b>	<b>\$138,885,046</b>	<b>101.76%</b>	<b>2.30%</b>
II. INVESTMENT PORTFOLIO PERFORMANCE					
	Last Month	Current Month	CY To Date	CY09 Projections	
Investment Yield	2.38%	2.30%	2.67%	2.36%	
Investment Income	\$15,772,598	\$14,753,372	\$144,529,332	\$182,000,000	
Income Budgeted (1/1/09)	\$14,500,000	\$13,450,000	\$139,708,000	\$182,000,000	
Income/Budgeted Ratio	108.8%	109.7%	103.5%		
Weighted Avg. Maturity in Days	883	856			
III. MONTHLY ACTIVITY					
Purchased	Type	Amount	Maturity	Yield	
<b>TOTAL</b>		<b>\$0</b>			
IV. MATURITY SCHEDULE (par value in millions)					
3 months or less	\$1,204.0				
3 months - 1 year	1,100.0				
1 year - 2 years	1,450.0				
2 years - 3 years	1,300.0				
3 years - 4 years	1,250.0				
4 years - 5 years	1,050.0				
5 years - 10 years	300.0				
<b>TOTAL</b>	<b>\$7,654.0</b>				

Figure 6

### TREASURY YIELD CURVE

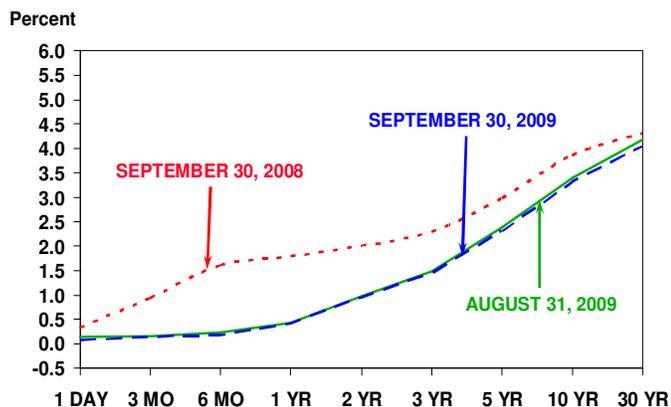
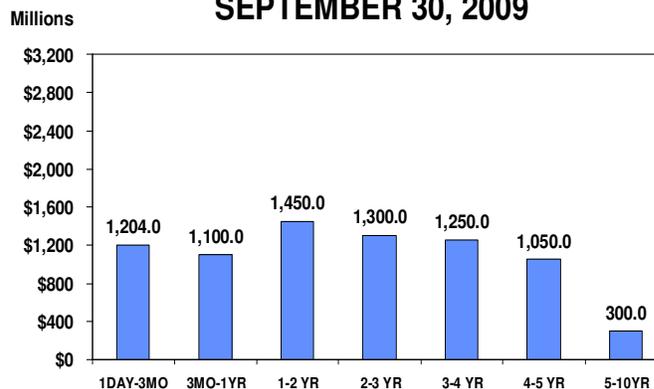


Figure 7

### MATURITY SCHEDULE SEPTEMBER 30, 2009



**MONTH-END YIELD COMPARISONS**

**September 30, 2009**

YIELD COMPARISONS								
	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09
NCUSIF Yield	2.99%	2.98%	2.87%	2.75%	2.72%	2.49%	2.38%	2.30%
90-day T-Bill	0.26%	0.21%	0.14%	0.14%	0.19%	0.18%	0.15%	0.14%
1-year T-Bill	0.72%	0.57%	0.49%	0.47%	0.56%	0.48%	0.43%	0.40%
2-year T-Note	1.00%	0.81%	0.91%	0.92%	1.11%	1.13%	0.97%	0.95%
30-year T-Note	3.71%	3.56%	4.05%	4.34%	4.32%	4.31%	4.18%	4.03%

Figure 8

**YIELD COMPARISONS  
SEPTEMBER 30, 2009**

