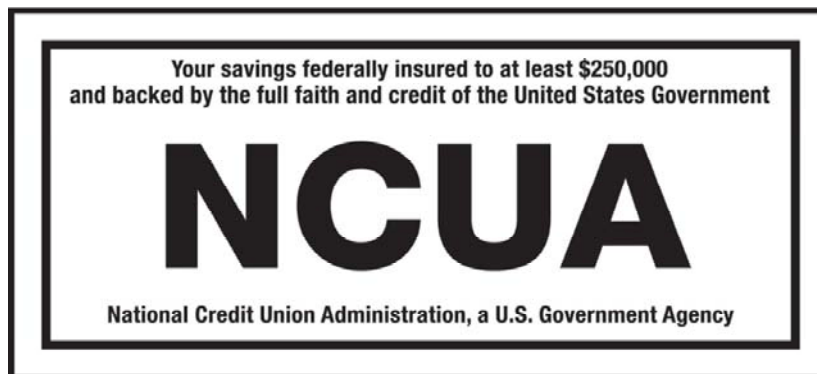


NATIONAL CREDIT UNION SHARE INSURANCE FUND



PRELIMINARY FINANCIAL HIGHLIGHTS FEBRUARY 28, 2009

**MARY ANN WOODSON
CHIEF FINANCIAL OFFICER**

**PRELIMINARY
NCUSIF FINANCIAL HIGHLIGHTS
February 28, 2009**

Balance Sheet:

NCUSIF Equity – remains at \$1.28% for February. The equity ratio is based upon an insured share base of \$611.6 billion at December 31, 2008.

Statement of Revenue and Expense:

Insurance Loss Expense – of \$16.1 million is due primarily to an increase in reserves for specific credit unions.

Net Income – Total income less expenses resulted in a net loss of \$3.8 million for February 2009.

TABLE 1 - NATIONAL CREDIT UNION SHARE INSURANCE FUND
PRELIMINARY BALANCE SHEET
FEBRUARY 28, 2009

ASSETS	FEBRUARY 2008	JANUARY 2009	FEBRUARY 2009
Investments:			
U.S. Government Securities	\$7,433,968,860.33	\$6,976,030,374.59	\$6,975,847,249.59
Advances to Credit Unions:			
Capital Notes	0.00	1,000,000,000.00	1,000,000,000.00
Allow ance for loss - Capital Notes	0.00	(1,000,000,000.00)	(1,000,000,000.00)
NCUSIF Subordinated Notes	0.00	0.00	0.00
Share Deposits & Loans	0.00	3,500,000.00	3,500,000.00
Total Advances to Credit Unions	0.00	3,500,000.00	3,500,000.00
Other Receivables:			
Due from Credit Unions	0.00	693,779.83	0.00
Recapitalization and Insurance Premiums	0.00	4,840,000,000.00	4,840,000,000.00
Loans due to NCUSIF	0.00	0.00	0.00
Recoveries from Liq. CU	61,769,034.79	101,106,751.01	108,103,904.68
Total Other Receivables	61,769,034.79	4,941,800,530.84	4,948,103,904.68
Cash	5,658.69	100,606.31	100,367.32
Interest Receivable	\$53,853,170.23	75,824,203.27	54,355,086.74
Prepaid & Deferred Charges	912,575.44	1,018,440.87	231,354.02
Leased Assets	348,715.30	52,872.34	52,872.34
Other	20,895,975.39	19,667,152.44	19,555,695.32
TOTAL ASSETS	7,571,753,990.17	\$12,017,994,180.66	\$12,001,746,530.01
LIABILITIES			
Accounts Payable:			
Liquidation Claims	\$4,249,596.70	\$9,312,094.85	\$21,008,781.20
Other	442.12	1,000,000.00	1,008,592.02
Check Clearing Accounts	1,186.85	12,682.07	(235.77)
Total Current Liabilities	4,251,225.67	10,324,776.92	22,017,137.45
Provision for CU Losses (Reserves)	214,760,272.40	3,976,160,227.06	3,986,255,251.87
Lease Liabilities	355,102.04	0.02	0.02
TOTAL LIABILITIES	219,366,600.11	3,986,485,004.00	4,008,272,389.34 1/
EQUITY			
CU Contributed Capital	5,636,810,522.67	5,977,073,913.40	5,976,401,441.10
Retained Earnings	1,715,576,867.39	1,850,663,194.61	1,846,858,658.57
Unrealized Gain/Loss on A-F-S Secutities	\$0.00	203,772,068.65	170,214,041.00
TOTAL EQUITY	7,352,387,390.06	8,031,509,176.66	7,993,474,140.67
TOTAL LIABILITIES & EQUITY	\$7,571,753,990.17	\$12,017,994,180.66	\$12,001,746,530.01

1/ 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, 2009

	FEB 08	JAN 09	FEB 09
2/Equity ratio defined by FCU Act means the ratio of— (A) the amount of Fund capitalization, including insured credit unions' 1 percent capitalization deposits and the retained earnings balance of the Fund (net of direct liabilities of the Fund and contingent liabilities for which no provision for losses has been made); to (B) the aggregate amount of the insured shares in all insured credit unions.	98.18%	58.05%	58.12%
1. Investments/Total Assets	1.30%	1.28%	1.28%
2. Total Equity/Insured Shares	3.81%	66.52%	66.70%
3. Prov. for Losses/CU Capital	1.54%	41.76%	41.68%
4. Non-Earning/Total Assets	1.33%	0.49%	0.49%
5. Available Asset Ratio			

TABLE 2 - PRELIMINARY STATEMENT OF REVENUE AND EXPENSE
FOR THE PERIOD ENDING FEBRUARY 28, 2009

INCOME	CURRENT MONTH	CURRENT MONTH BUDGET	CY TO DATE 2009	CY TO DATE BUDGETED 2009	CY TO DATE 2008
Investment Income	\$15,592,821.55	15,408,000.00	\$32,026,255.31	\$31,807,856.14	\$51,175,559.01
Fee Income (TCCULGP)	3,515,653.13	3,500,000.00	3,515,653.13	3,500,000.00	0.00
Accrued Recapitalization & Premium Income	0.00	0.00	4,840,000,000.00	4,840,000,000.00	0.00
Other Income	37,926.00	70,000.00	106,774.76	140,000.00	160,669.73
Total Income	19,146,400.68	18,978,000.00	4,875,648,683.20	4,875,447,856.14	51,336,228.74
EXPENSE					
Employee Pay	3,802,461.70	4,158,026.72	7,998,525.08	8,738,094.07	7,632,602.50
Employee Benefits	1,090,893.62	1,198,196.43	2,184,749.71	2,509,510.55	2,031,426.64
Employee Travel	669,728.18	938,447.42	812,209.23	1,876,894.83	766,977.82
Rent/Communications/Utilities	180,374.62	196,764.35	236,519.31	393,528.70	250,666.74
Administrative Costs	512,620.96	505,917.97	843,383.50	1,011,835.94	912,237.98
Contracted Services	512,566.90	508,605.34	536,208.34	1,017,210.69	245,467.59
Subtotal NCUA Operating Exp.	6,768,645.98	7,505,958.23	12,611,595.17	15,547,074.78	11,839,379.27
AMAC Expense	786.80	1,000.00	1,287.11	2,000.00	0.00
Training Expense	81,618.86	83,335.00	53,217.21	166,670.00	75,093.85
Leasing Expense	0.00	20,850.00	26,854.76	41,700.00	55,991.76
Other Insurance Expense	2,885.08	25,000.00	2,885.08	50,000.00	2,353.86
Total Operating Exp.	6,853,936.72	7,636,143.23	12,695,839.33	15,807,444.78	11,972,818.74
Loss on Investment - Corporate	0.00	0.00	1,000,000,000.00	1,000,000,000.00	0.00
Insurance Loss Expense	16,097,000.00	20,000,000.00	3,716,097,000.00	3,740,000,000.00	0.00
Total Expense	22,950,936.72	27,636,143.23	4,728,792,839.33	4,755,807,444.78	11,972,818.74
NET INCOME	(\$3,804,536.04)	(\$8,658,143.23)	\$146,855,843.87	\$119,640,411.36	\$39,363,410.00
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			146,855,843.87		39,363,410.00
Dividends			1,846,858,658.57		1,715,576,867.39
			0.00		0.00
Retained Earnings, Year To Date			\$1,846,858,658.57		\$1,715,576,867.39

Comparative Analysis of NCUSIF Ratios for February 28, 2009

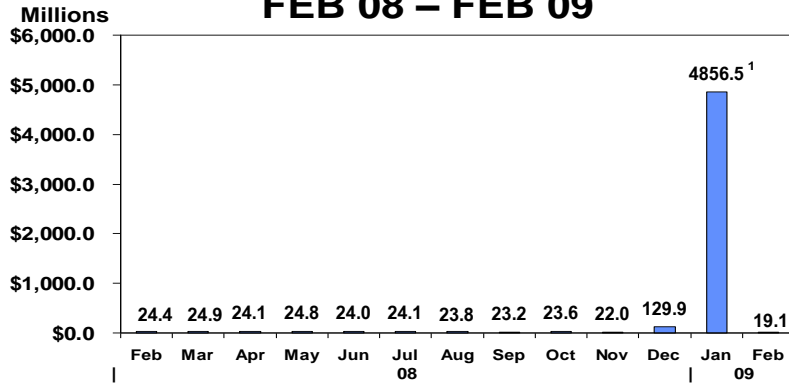
INCOME STATEMENT RATIOS	LAST MONTH	THIS MONTH	PRIOR CYTD	CURRENT CYTD
1. Oper. Exp./Total Income	0.12%	35.80%	23.32%	0.26%
2. Ins. Loss Exp./Total Income	76.19%	84.07%	0.00%	76.22%
3. Total Exp./Total Income	96.90%	119.87%	23.32%	96.99%
4. Net Income/Total Income	3.10%	-19.87%	76.68%	3.01%
5. Ins. Loss Exp./Insured Shares	0.61%	0.00%	0.00%	0.61%

**TABLE 3 - PRELIMINARY STATEMENT OF CASH FLOWS
FEBRUARY 28, 2009**

CASH FLOWS FROM OPERATING ACTIVITIES:	
Income from investments	\$ 26,278,041.48
Other income received	3,622,427.89
Cash paid for operating expenses	(14,083,058.44)
Net cash (paid) received for insurance losses	(2,462,537.09)
Net cash provided by operating activities	<u>13,354,873.84</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Advances to credit unions (Capital Note and Share Deposit)	(1,003,500,000.00)
Investments, net	987,515,249.41
Collections on note receivable - National Credit Union Administration Operating Fund	2,121,975.90
Net cash provided by (used in) investing activities	<u>(13,862,774.69)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:	
Contributions (distributions) from insured credit unions Cont Cap acct	286,739.16
Dividends to insured credit unions	-
Principal repayments under capital lease obligations	(63,204.21)
Net cash provided by financing activities	<u>223,534.95</u>
NET INCREASE (DECREASE) IN CASH	(284,365.90)
CASH, BEGINNING OF YEAR	384,733.22
CASH, ENDING FEBRUARY 28, 2009	<u>\$ 100,367.32</u>

Figure 1

GROSS INCOME FEB 08 – FEB 09



¹ This was the result of the Board action taken on 1/28/09 to recapitalize the Fund and declare a premium to bring the equity ratio to 1.3 percent.

Figure 2

OPERATING EXPENSE FEB 08 – FEB 09

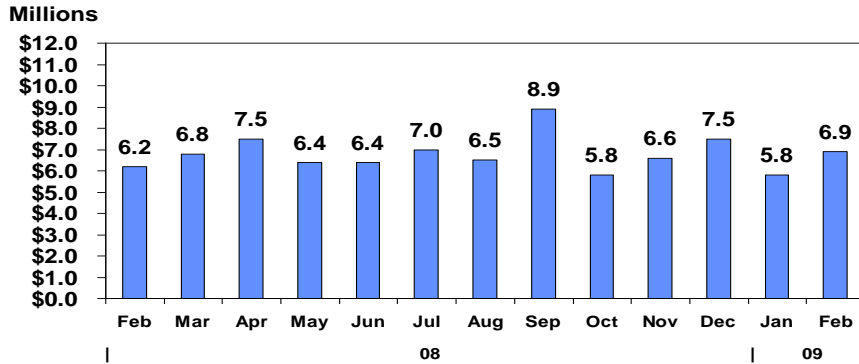
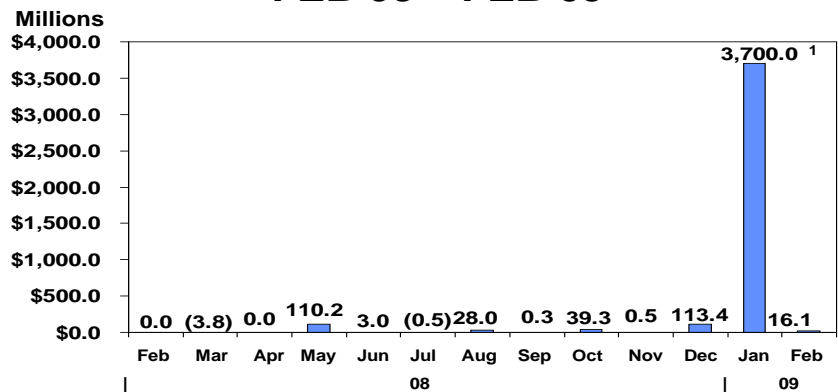


Figure 3

INSURANCE LOSS EXPENSE FEB 08 – FEB 09



¹ This was the result of the Board action taken on 1/28/09 to guarantee all uninsured shares in the corporate credit union system.

Figure 4

REVENUE AND EXPENSE FEBRUARY 28, 2009

(In Millions)

	February		Year-to-Date	
	Actual	Budgeted	Actual	Budgeted
Gross Income:				
Investment Income	15.6	15.4	32.0	31.8
Fee Income (TCCULGP)	3.5	3.5	3.5	3.5
Accrued Recapitalization and Premium Income	0.0	0.0	4,840.0	4,840.0
Other Income	0.0	0.0	0.1	0.1
Less Expenses:				
Operating Expense	6.9	7.6	12.7	15.8
Loss on Investment - Corporate	0.0	0.0	1,000.0	1,000.0
Insurance Loss Expense	16.1	20.0	3,716.1	3,740.0
Net Income	(3.8)	(8.7)	146.9	119.6

Table 5

NCUSIF EQUITY RATIO FEBRUARY 28, 2009

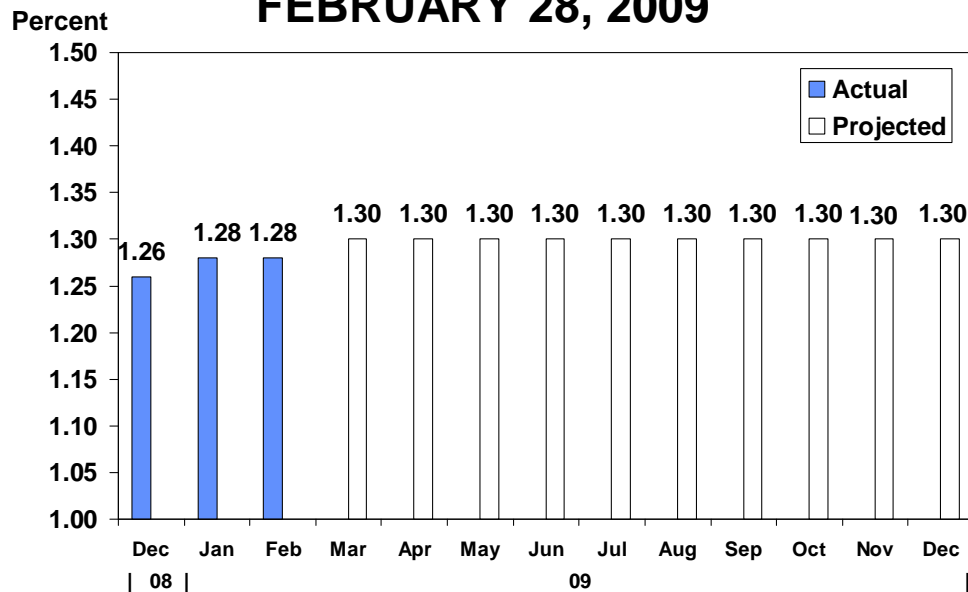


TABLE 4

INVESTMENT PORTFOLIO SUMMARY

February 28, 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	\$145,816,000	\$145,816,000	\$0	100.00%	0.21%
U.S. Treasury Notes	6,659,817,209	6,830,031,250	170,214,041	102.56%	3.03%
TOTAL	\$6,805,633,209	\$6,975,847,250	\$170,214,041	102.50%	2.99%
II. INVESTMENT PORTFOLIO PERFORMANCE					
	Last Month	Current Month	CY To Date	CY09 Projections	
Investment Yield	2.51%	2.99%	2.75%	2.36%	
Investment Income	\$16,433,434	\$15,592,822	\$32,026,256	\$182,000,000	
Income Budgeted (1/1/09)	\$16,400,000	\$15,408,000	\$31,808,000	\$182,000,000	
Income/Budgeted Ratio	100.2%	101.2%	100.7%	100.0%	
Weighted Avg. Maturity in Days	1,020	986			
III. MONTHLY ACTIVITY					
Purchased	Type	Amount	Maturity	Yield	
TOTAL		\$0			
IV. MATURITY SCHEDULE (par value in millions)					
3 months or less	\$395.8				
3 months - 1 year	1,300.0				
1 year - 2 years	1,000.0				
2 years - 3 years	1,000.0				
3 years - 4 years	1,300.0				
4 years - 5 years	1,300.0				
5 years - 10 years	250.0				
TOTAL	\$6,545.8				

Figure 6

TREASURY YIELD CURVE

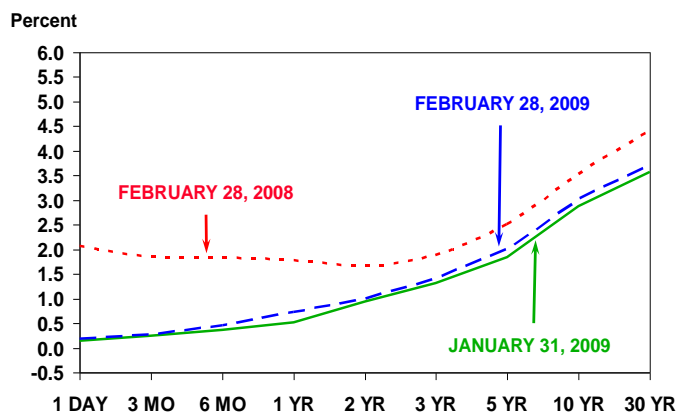


Figure 7

MATURITY SCHEDULE
FEBRUARY 28, 2009

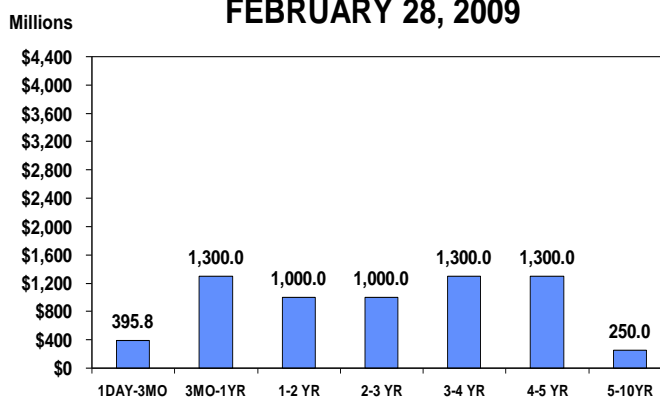


TABLE 5

MONTH-END YIELD COMPARISONS

February 28, 2009

YIELD COMPARISONS								
	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09
NCUSIF Yield	3.84%	3.84%	3.87%	3.75%	3.49%	3.52%	2.51%	2.99%
90-day T-Bill	1.68%	1.72%	0.92%	0.46%	0.01%	0.11%	0.24%	0.26%
1-year T-Bill	2.27%	2.18%	1.78%	1.34%	0.90%	0.37%	0.51%	0.72%
2-year T-Note	2.52%	2.36%	2.00%	1.56%	1.00%	0.76%	0.94%	1.00%
30-year T-Note	4.59%	4.43%	4.31%	4.35%	3.45%	2.69%	3.58%	3.71%

Figure 8

**YIELD COMPARISONS
FEBRUARY 28, 2009**

