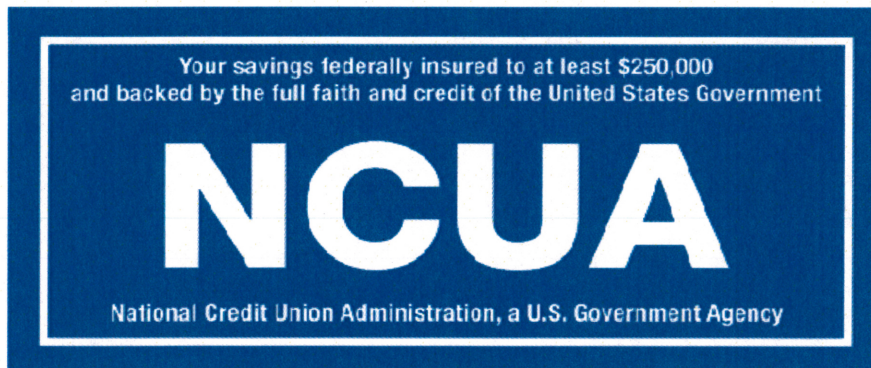


NATIONAL CREDIT UNION SHARE INSURANCE FUND



PRELIMINARY AND UNAUDITED FINANCIAL HIGHLIGHTS September 30, 2012

Mary Ann Woodson

**MARY ANN WOODSON
CHIEF FINANCIAL OFFICER**

NCUSIF FINANCIAL HIGHLIGHTS
September 30, 2012

Balance Sheet:

Other - Investments: consists of \$183.3 million in commercial loans, maturities through December 31, 2017.

Other - Insurance and Guarantee Program Liabilities (Reserves): is \$484.9 million as September 30, 2012. \$170.9 million is for specific natural person credit unions and \$314.0 million is for non-specific natural person credit unions.

Cumulative Results of Operations: increased by \$133.9 million for the month of September. This change is due to net income earned by the fund for the month of \$148.0 million and an unrealized loss on available-for-sale U.S. Treasury Securities of \$14.1 million.

Statement of Net Cost:

For the month of September 2012, the fund earned net income of \$148.0 million. The NCUSIF recognized gross revenues of \$16.7 million and total operating expenses of \$15.7 million. The fund also realized a reduction in insurance loss expense of \$147.0 million.

NATIONAL CREDIT UNION SHARE INSURANCE FUND

PRELIMINARY AND UNAUDITED BALANCE SHEET

As of September 30, 2012

(Dollars in thousands)

	<u>September 2012</u>	<u>August 2012</u>	<u>September 2011</u>
ASSETS			
INTRAGOVERNMENTAL			
Fund Balance with Treasury	\$ 948	\$ 1,328	\$ 21,384
Investments, Net U.S. Treasury Securities	10,952,363	10,987,575	11,430,326
Accounts Receivable - Note due from the National Credit Union Administration Operating Fund	14,750	14,862	16,091
Accounts Receivable, Other	25	252	-
Accrued Interest Receivable, Investments	81,319	58,513	71,408
Total Intragovernmental Assets	<u>11,049,405</u>	<u>11,062,530</u>	<u>11,539,209</u>
PUBLIC			
Accounts Receivable - Capitalization Deposits from Insured Credit Unions, Net	367,720	-	22,450
General Property, Plant, and Equipment, Net	3	5	23
Capital Note Receivable, Net	70,000	70,000	-
Accrued Interest Receivable	567	484	-
Other - Investments	183,328	184,686	-
Other - Receivable from Asset Management Estates, Net	265,396	259,506	119,890
Total Public Assets	<u>887,014</u>	<u>514,681</u>	<u>142,363</u>
TOTAL ASSETS	<u>\$ 11,936,419</u>	<u>\$ 11,577,211</u>	<u>\$ 11,681,572</u>
LIABILITIES			
INTRAGOVERNMENTAL			
Accounts Payable - Due to the Temporary Corporate Credit Union Stabilization Fund	\$ 2,271	\$ 901	\$ 7,311
Accounts Payable - Due to the National Credit Union Administration Operating Fund	3,225	-	3,133
Total Intragovernmental Liabilities	<u>5,496</u>	<u>901</u>	<u>10,445</u>
PUBLIC			
Accounts Payable	200	3	337
Other - Insurance and Guarantee Program Liabilities (Reserves)	484,964	632,349	998,518
Total Public Liabilities	<u>485,164</u>	<u>632,352</u>	<u>998,855</u>
TOTAL LIABILITIES	<u>490,660</u>	<u>633,253</u>	<u>1,009,300</u>
NET POSITION			
Contributed Capital	8,317,951	7,950,073	7,808,851
Cumulative Result of Operations	3,127,808	2,993,885	2,863,421
Total Net Position	<u>11,445,759</u>	<u>10,943,958</u>	<u>10,672,272</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 11,936,419</u>	<u>\$ 11,577,211</u>	<u>\$ 11,681,572</u>

NATIONAL CREDIT UNION SHARE INSURANCE FUND
PRELIMINARY AND UNAUDITED STATEMENTS OF NET COST
For the Periods Ending September 30, 2012
(Dollars in thousands)

	September 2012	CY to Date 2012	CY to Date September 2011
GROSS COSTS			
OPERATING EXPENSES			
Employee Pay	\$ 6,916	\$ 56,701	\$ 55,490
Employee Benefits	3,990	19,532	15,456
Travel	2,323	12,319	11,948
Rent, Communications, and Utilities	148	2,181	2,137
Administrative Costs	197	5,354	6,815
Contracted Services	1,718	7,629	6,406
AMAC Expense	-	356	63
Training Expense	361	941	1,074
Leasing Expense	21	108	15
Other Insurance Expense	10	46	911
Total Operating Costs	<u>15,684</u>	<u>105,167</u>	<u>100,315</u>
INSURANCE LOSS EXPENSE	<u>(147,034)</u>	<u>(111,042)</u>	<u>(160,137)</u>
Total Gross Costs	<u>(131,350)</u>	<u>(5,875)</u>	<u>(59,822)</u>
LESS EXCHANGE REVENUES			
Interest Revenue on Note Receivable due from the National Credit Union Administration Operating Fund	(23)	(223)	(263)
Interest Revenue - Other	(326)	(1,150)	-
Other Revenue	-	(3,661)	-
Insurance and Guarantee Premium Revenue	-	-	(45)
Total Exchange Revenue	<u>(349)</u>	<u>(5,034)</u>	<u>(308)</u>
TOTAL NET COST/(INCOME) OF OPERATIONS	<u>(131,699)</u>	<u>(10,909)</u>	<u>(60,130)</u>
LESS NON-EXCHANGE REVENUES			
Investment Income	(16,343)	(156,701)	(170,567)
Total Non-Exchange Revenues	<u>(16,343)</u>	<u>(156,701)</u>	<u>(170,567)</u>
TOTAL NET COST/(INCOME) INCLUDING NON-EXCHANGE REVENUES	<u>\$ (148,042)</u>	<u>\$ (167,610)</u>	<u>\$ (230,697)</u>

NATIONAL CREDIT UNION SHARE INSURANCE FUND
PRELIMINARY AND UNAUDITED STATEMENTS OF NET POSITION
September 30, 2012
(Dollars in thousands)

NET POSITION BREAKDOWN	September 2012	August 2012	September 2011
CU Contributed Capital	\$ 8,317,951	\$ 7,950,073	\$ 7,808,851
Retained Earnings	2,700,569	2,552,527	2,415,200
Total Net Position without Unrealized Gain/Loss	<u>11,018,520</u>	<u>10,502,600</u>	<u>10,224,051</u>
Unrealized Gain/(Loss) - Investments	<u>427,239</u>	<u>441,358</u>	<u>448,221</u>
NET POSITION	<u>\$ 11,445,759</u>	<u>\$ 10,943,958</u>	<u>\$ 10,672,272</u>

Comparative Analysis of NCUSIF Ratios for September 2012

	September 2012	August 2012	September 2011
Investments/Total Assets	91.76%	94.91%	97.85%
Total Equity/Insured Shares (1)	1.32%	1.26%	1.31%
Available Assets Ratio	1.25%	1.24%	1.33%
Ins. Loss Exp./Insured Shares	-0.02%	0.00%	0.00%

Actual Insured Shares as of June 30, 2012	834,267,557,427
Actual Insured Shares as of December 31, 2011	795,287,721,573
Actual Insured Shares as of June 30, 2011	782,422,299,428

(1) The September and August 2012 ratio is based on an actual insured share level of \$834.3 billion as of June 30, 2012.

(1) The September 2011 Equity Ratio was based on an actual insured share level of \$782 billion as of June 30, 2011.

Figure 1

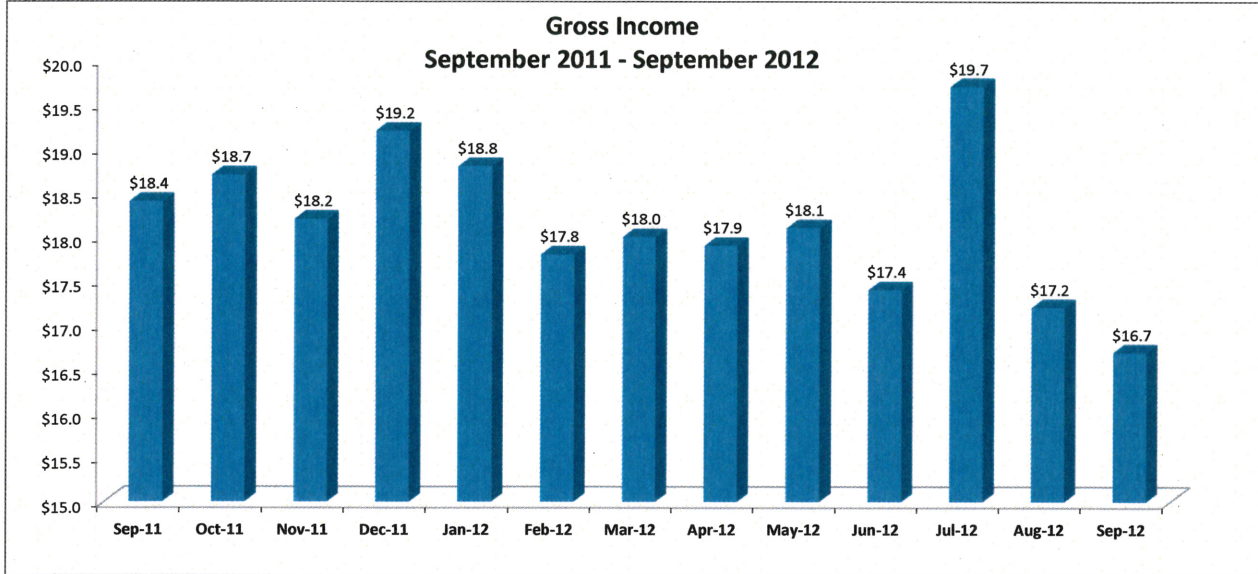


Figure 2

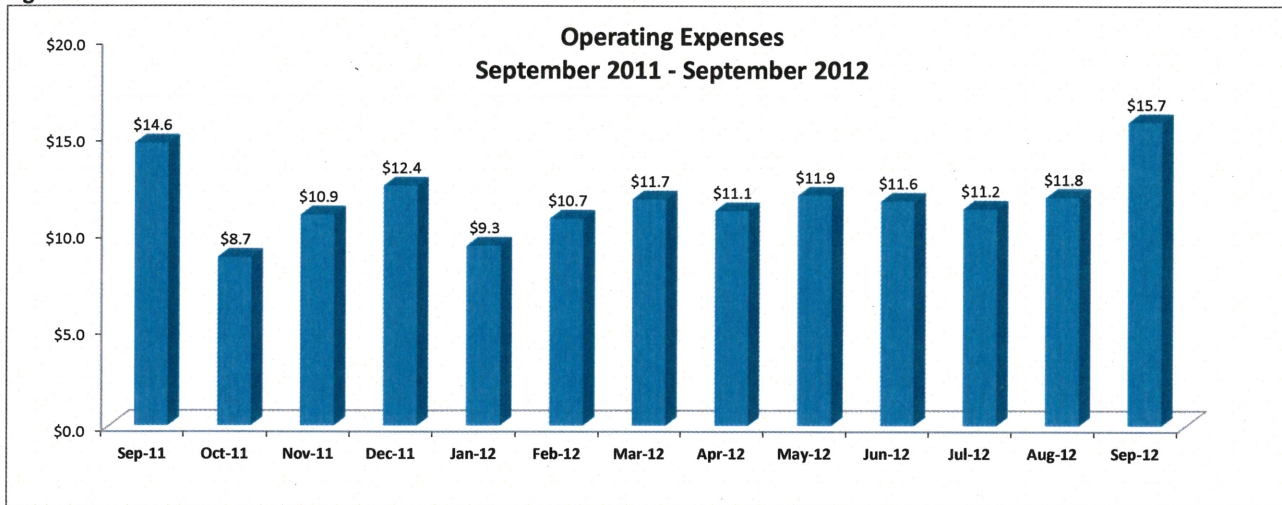
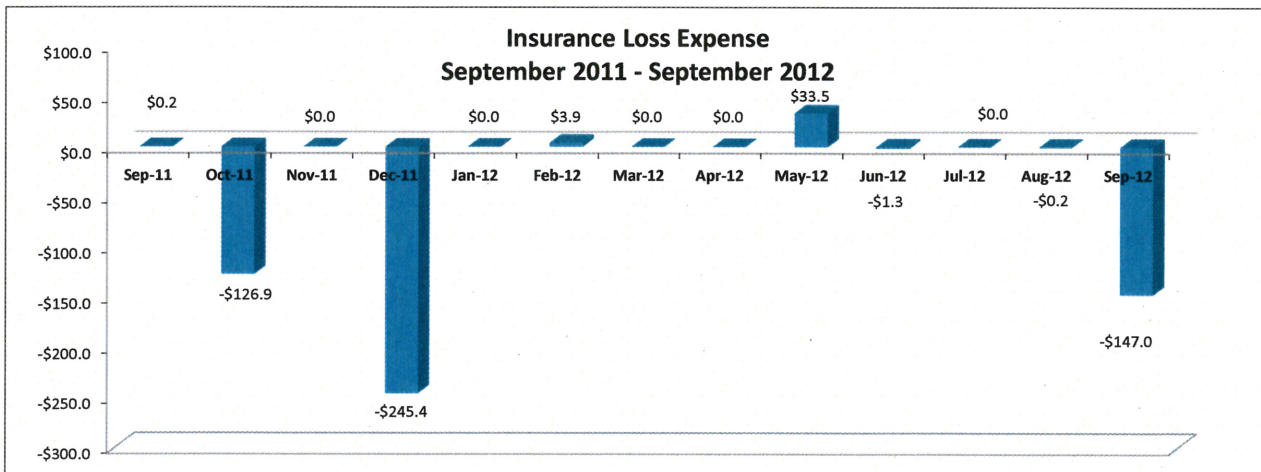


Figure 3



INVESTMENT PORTFOLIO SUMMARY
September 30, 2012

I. INVESTMENT PORTFOLIO BALANCE AND MARKET VALUE (In Dollars)						
	Book Value	Market Value	Gain or (Loss)	% Market to Book Value	Weighted Average Yield	
Daily Treasury Account	\$ 327,272,000	\$ 327,272,000	\$ -	100.00%	0.08%	
U.S. Treasury Notes	10,197,851,930	10,625,090,624	427,238,694	104.19%	2.02%	
Total	\$ 10,525,123,930	\$ 10,952,362,624	\$ 427,238,694	104.06%	1.90%	
II. INVESTMENT PORTFOLIO SUMMARY						
	Last Month	Current Month	CY To Date			
Investment Yield	1.88%	1.90%	1.94%			
Investment Income	\$ 17,022,804	\$ 16,342,785	\$ 156,701,936			
Weighted Avg. Maturity in Days	1,042	1,150				
III. MONTHLY ACTIVITY						
Purchased	Type	Amount	Maturity	Yield		
9/26/2012	T-Note	\$ 50,000,000	9/30/2018	0.84%		
9/26/2012	T-Note	100,000,000	7/31/2019	1.02%		
9/26/2012	T-Note	50,000,000	5/15/2020	1.15%		
9/26/2012	T-Note	100,000,000	8/15/2021	1.42%		
9/26/2012	T-Note	150,000,000	8/15/2022	1.64%		
TOTAL		\$ 450,000,000				
IV. MATURITY SCHEDULE (par value in millions)						
Overnight	\$	327				
1 month - 6 months		900				
6 months - 1 year		800				
1 year - 2 years		1,600				
2 years - 3 years		1,970				
3 years - 4 years		2,000				
4 years - 5 years		1,050				
5 years - 10 years		1,650				
TOTAL	\$	10,297				