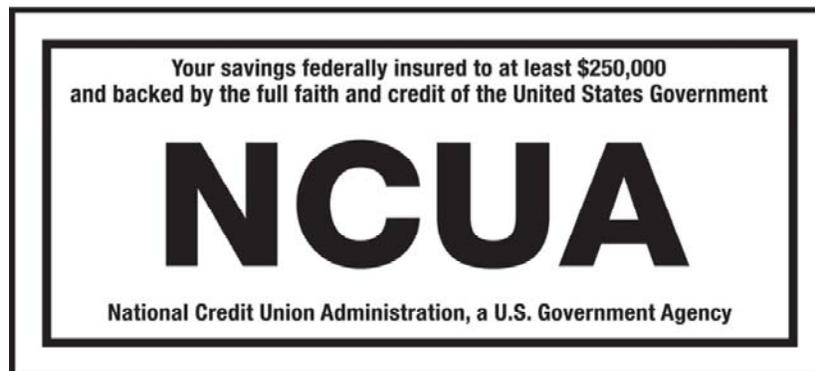


NATIONAL CREDIT UNION SHARE INSURANCE FUND



UNAUDITED FINANCIAL HIGHLIGHTS DECEMBER 31, 2008

**MARY ANN WOODSON
CHIEF FINANCIAL OFFICER**

NCUSIF FINANCIAL HIGHLIGHTS
December 31, 2008

Balance Sheet:

Investments — increased approximately \$155 million primarily from the gain of \$106.5 million on the sale of U.S. Treasury Notes owned and \$45 million in interest payments received on our investments from the U.S. Treasury.

Provision for Credit Union Losses (Reserves) — of \$278.3 million includes \$16.4 million in additional reserves added for specific problem credit unions and \$97.3 million added to the unallocated reserves.

NCUSIF Equity — remained at \$1.27% for December. The equity ratio is based upon an estimated insured share base of \$604.2 billion at December 31, 2008.

Statement of Revenue and Expense:

Investment Income — of \$126.4 for December includes a gain of \$106.5 million due to the sale of U.S. Treasury Notes owned.

Fee Income — of \$2.7 million is income which was earned on the Temporary Corporate Credit Union Guarantee Loan Program.

Insurance Loss Expense — is \$113.4 million for December. \$16.4 million was expensed for specific case reserves and \$97.3 was expensed for non-specific reserves.

Net Income — for 2008 was \$23.8 million.

TABLE 1 - NATIONAL CREDIT UNION SHARE INSURANCE FUND
BALANCE SHEET
DECEMBER 31, 2008

ASSETS	DECEMBER 2007	NOVEMBER 2008	DECEMBER 2008
Investments:			
U.S. Government Securities	\$7,365,747,949.37	\$7,647,157,721.03	\$7,801,934,643.01
Advances to Credit Unions:			
NCUSIF Subordinated Notes	0.00	0.00	0.00
Share Deposits & Loans	0.00	0.00	0.00
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Total Advances to Credit Unions	0.00	0.00	0.00
Other Receivables:			
Due from Credit Unions	153,788.57	7,676,034.88	991,778.32
Loans due to NCUSIF	0.00	0.00	0.00
Recoveries from Liq. CU	65,884,480.35	102,349,592.79	103,175,460.42
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Total Other Receivables	66,038,268.92	110,025,627.67	104,167,238.74
Cash	382,876.93	142,863.84	384,733.22
Interest Receivable	60,051,389.33	67,369,134.62	39,847,542.66
Prepaid & Deferred Charges	0.00	862,510.70	0.00
Leased Assets	402,853.44	133,503.70	79,727.10
Other	21,119,766.45	19,890,573.76	21,651,143.82
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TOTAL ASSETS	<u>\$7,513,743,104.44</u>	<u>\$7,845,581,935.32</u>	<u>\$7,968,065,028.55</u>
LIABILITIES			
Accounts Payable:			
Liquidation Claims	\$4,892,661.54	\$8,735,637.25	\$10,357,687.15
Other	31,155,465.98	11,251.44	2,190,796.63
Check Clearing Accounts	1,628.97	258.70	279.47
	-----	-----	-----
Total Current Liabilities	36,049,756.49	8,747,147.39	12,548,763.25
Provision for CU Losses (Reserves)	215,780,199.41	168,884,137.10	278,343,438.75
Lease Liabilities	443,307.39	89,823.64	90,058.99
	-----	-----	-----
TOTAL LIABILITIES	252,273,263.29	177,721,108.13	290,982,260.99 1/
EQUITY			
CU Contributed Capital	5,585,256,383.76	5,976,914,298.78	5,977,106,480.26
Retained Earnings	1,676,213,457.39	1,690,946,528.41	1,699,976,287.30
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TOTAL EQUITY	7,261,469,841.15	7,667,860,827.19	7,677,082,767.56
TOTAL LIABILITIES & EQUITY	<u>\$7,513,743,104.44</u>	<u>\$7,845,581,935.32</u>	<u>\$7,968,065,028.55</u>

COMPARATIVE ANALYSIS OF BALANCE SHEET RATIOS

1/ Does not include unreserved contingent liabilities of \$37 thousand in an indemnification expiring in Dec 2010.

for Period Ending December 31, 2008

	DEC 07	NOV 08	DEC 08
1. Investments/Total Assets	98.03%	97.47%	97.92%
2. Total Equity/Insured Shares	1.29%	1.27%	1.27%
3. Prov. for Losses/CU Capital	3.86%	2.83%	4.66%
4. Non-Earning/Total Assets	1.69%	2.28%	1.81%
5. Available Asset Ratio	1.29%	1.30%	1.29%

TABLE 2 - STATEMENT OF REVENUE AND EXPENSE
FOR THE PERIOD ENDING DECEMBER 31, 2008

INCOME	CURRENT MONTH	CURRENT MONTH BUDGET	CY TO DATE 2008	CY TO DATE BUDGETED 2008	CY TO DATE 2007
Investment Income	\$126,449,818.86	\$24,700,000.00	\$390,921,608.75	\$296,400,000.00	\$320,163,077.98
Fee Income (TCCUGLP)	\$2,672,362.87	\$0.00	\$2,672,362.87	\$0.00	\$0.00
Other Income	782,674.63	75,000.00	2,038,249.71	900,000.00	1,165,749.89
Total Income	129,904,856.36	24,775,000.00	395,632,221.33	297,300,000.00	321,328,827.87
EXPENSE					
Employee Pay	3,642,069.64	4,246,383.70	47,792,461.80	48,349,671.21	46,561,641.67
Employee Benefits	1,307,234.65	1,159,624.58	12,906,212.78	13,232,951.36	12,675,356.52
Employee Travel	820,647.55	668,035.49	8,129,907.35	8,016,425.83	7,763,511.23
Rent/Communications/Utilities	319,340.91	180,594.97	2,066,915.53	2,167,139.61	2,174,367.16
Administrative Costs	595,598.05	513,020.57	4,791,029.67	6,156,246.83	5,212,317.60
Contracted Services	453,719.14	380,493.13	3,698,450.45	4,565,917.52	3,379,259.35
Subtotal NCUA Operating Exp.	7,138,609.94	7,148,152.44	79,384,977.58	82,488,352.36	77,766,453.53
AMAC Expense	0.00	1,000.00	14,596.95	12,000.00	6,168.69
Training Expense	272,684.36	100,000.00	1,706,720.63	1,200,000.00	1,055,211.84
Leasing Expense	54,011.95	30,667.00	330,113.82	368,004.00	355,842.84
Other Insurance Expense	30,160.22	3,000.00	78,512.02	36,000.00	34,204.29
Total Operating Exp.	7,495,466.47	7,282,819.44	81,514,921.00	84,104,356.36	79,217,881.19
Insurance Loss Expense	113,379,631.00	4,500,000.00	290,354,470.42	54,000,000.00	186,397,364.64
Total Expense	120,875,097.47	11,782,819.44	371,869,391.42	138,104,356.36	265,615,245.83
NET INCOME	\$9,029,758.89	\$12,992,180.56	\$23,762,829.91	\$159,195,643.64	\$55,713,582.04
Retained Earnings, Beginning of Year			\$1,676,213,457.39		\$1,672,030,178.22
Prior Year Adjustment			0.00		0.00
As Restated			1,676,213,457.39		1,672,030,178.22
Net Income			23,762,829.91		55,713,582.04
Dividends			1,699,976,287.30		1,727,743,760.26
			0.00		51,530,302.87
Retained Earnings, Year To Date			\$1,699,976,287.30		\$1,676,213,457.39

Comparative Analysis of NCUSIF Ratios for December 31, 2008

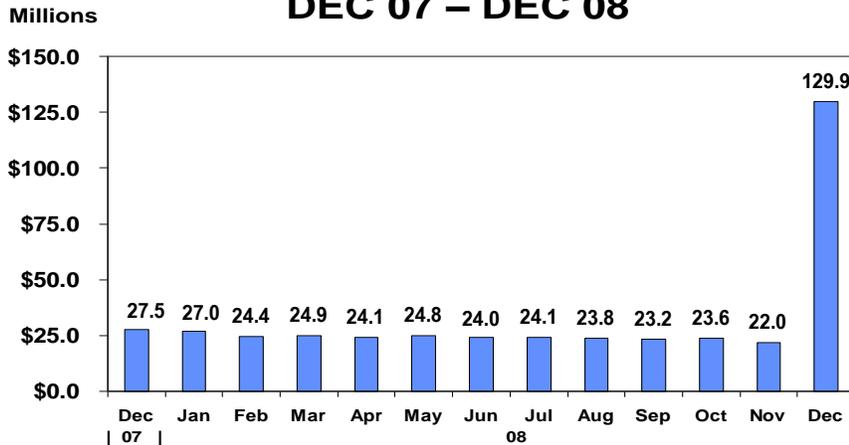
INCOME STATEMENT RATIOS	LAST MONTH	THIS MONTH	PRIOR CYTD	CURRENT CYTD
1. Oper. Exp./Total Income	29.94%	5.77%	24.65%	20.60%
2. Ins. Loss Exp./Total Income	2.18%	87.28%	58.01%	73.39%
3. Total Exp./Total Income	32.12%	93.05%	82.66%	93.99%
4. Net Income/Total Income	67.88%	6.95%	17.34%	6.01%
5. Ins. Loss Exp./Insured Shares	0.00%	0.03%	0.04%	0.07%

TABLE 3 - STATEMENT OF CASH FLOWS
December 31, 2008

CASH FLOWS FROM OPERATING ACTIVITIES:	
Income from investments	\$ 455,582,436.45
Other income received	4,710,612.58
Advances to credit unions (FCU Act §208)	-
Cash paid for operating expenses	(110,150,826.03)
Net cash (paid) received for insurance losses	<u>(259,617,185.54)</u>
Net cash provided by operating activities	<u>90,525,037.46</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Investments, net	(480,643,674.67)
Collections on note receivable - National Credit Union Administration Operating Fund	<u>(529,064.39)</u>
Net cash provided by (used in) investing activities	<u>(481,172,739.06)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:	
Contributions (distributions) from insured credit unions Cont Cap acct	391,009,793.77
Dividends to insured credit unions	-
Principal repayments under capital lease obligations	<u>(360,235.88)</u>
Net cash provided by financing activities	<u>390,649,557.89</u>
NET INCREASE (DECREASE) IN CASH	1,856.29
CASH, BEGINNING OF YEAR	<u>382,876.93</u>
CASH, ENDING DECEMBER 31, 2008	<u>\$ 384,733.22</u>

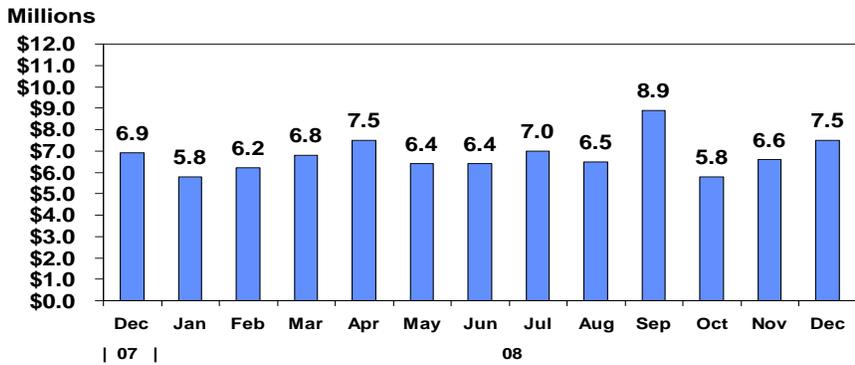
GROSS INCOME

DEC 07 – DEC 08



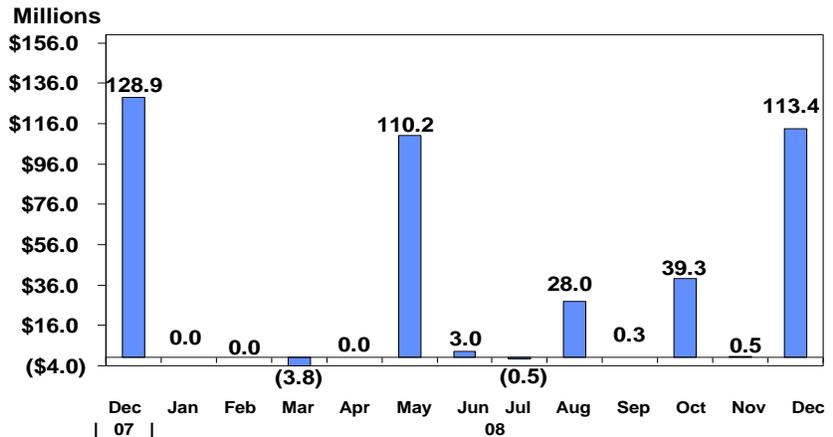
OPERATING EXPENSE

DEC 07 – DEC 08



INSURANCE LOSS EXPENSE

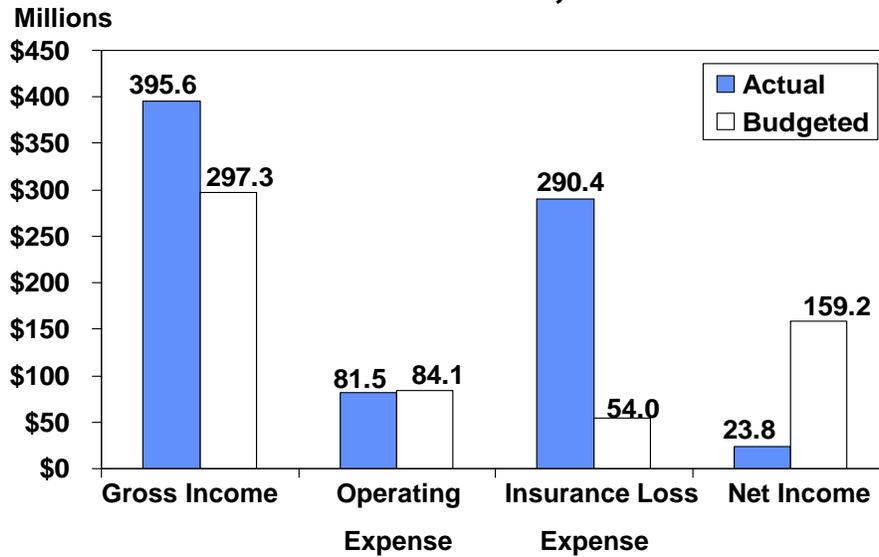
DEC 07 – DEC 08



REVENUE AND EXPENSE

YEAR-TO-DATE

DECEMBER 31, 2008



NCUSIF EQUITY RATIO

DECEMBER 31, 2008

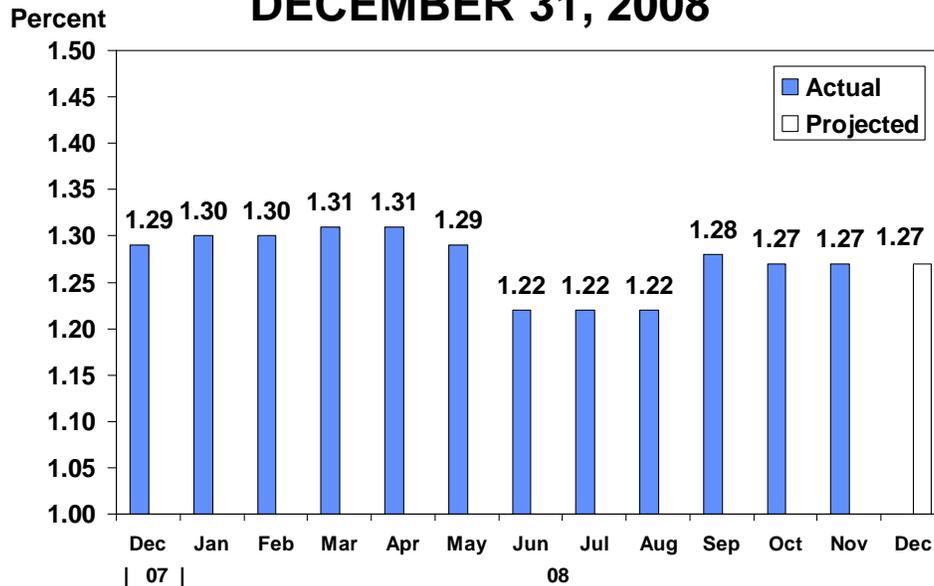


TABLE 4

INVESTMENT PORTFOLIO SUMMARY

December 31, 2008

I. INVESTMENT PORTFOLIO BALANCE AND MARKET VALUE					
	Book Value	Market Value	Gain or (Loss)	% Market to Book Value	Weighted Average Yield
Daily Treasury Account	\$3,836,959,667	\$3,836,959,667	\$0	100.00%	0.02%
U.S. Treasury Notes	3,964,974,976	4,243,312,500	278,337,524	107.02%	4.01%
TOTAL	\$7,801,934,643	\$8,080,272,167	\$278,337,524	103.57%	3.52%

II. INVESTMENT PORTFOLIO PERFORMANCE				
	Last Month	Current Month	CY To Date	CY08 Projections
Investment Yield	3.49%	3.52%	3.88%	3.87%
Investment Income	\$21,879,684	\$126,449,819 (1)	\$390,921,609 (1)	\$288,000,000
Income Budgeted (1/1/08)	\$24,700,000	\$24,700,000	\$296,400,000	\$296,000,000
Income/Budgeted Ratio	88.6%	511.9%	131.9%	97.3%
Weighted Avg. Maturity in Days	722	463		

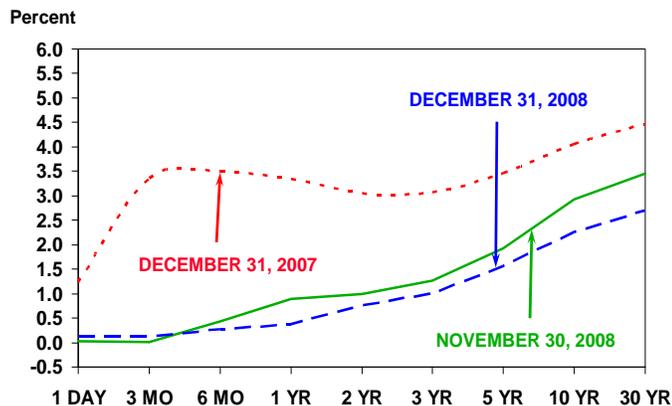
III. MONTHLY ACTIVITY (2)		
Sale	Type	Amount
12/22/2008	1 year T-Note	\$200,000,000
12/22/2008	2 year T-Note	250,000,000
12/22/2008	3 year T-Note	200,000,000
12/23/2008	1 year T-Note	200,000,000
12/23/2008	2 year T-Note	250,000,000
12/23/2008	4 year T-Note	650,000,000
12/23/2008	5 year T-Note	750,000,000
TOTAL		\$2,500,000,000

IV. MATURITY SCHEDULE (par value in millions)	
3 months or less	\$3,837.0
3 months - 1 year	1,100.0
1 year - 2 years	800.0
2 years - 3 years	600.0
3 years - 4 years	600.0
4 years - 5 years	700.0
5 years - 10 years	150.0
TOTAL	\$7,787.0

(1) Includes gain on sale of T-Notes of \$106.5 million.

(2) Amounts reinvested in January 2009 consistent with NCUA laddering policy.

TREASURY YIELD CURVE



MATURITY SCHEDULE

DECEMBER 31, 2008

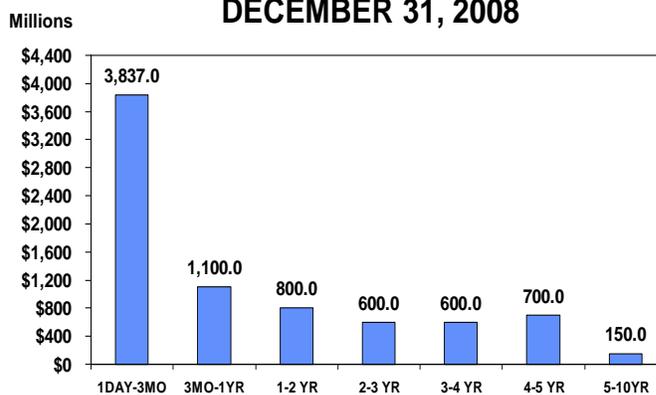


TABLE 5

MONTH-END YIELD COMPARISONS

December 31, 2008

YIELD COMPARISONS								
	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08
NCUSIF Yield	3.93%	3.94%	3.84%	3.84%	3.87%	3.75%	3.49%	3.52%
90-day T-Bill	1.89%	1.90%	1.68%	1.72%	0.92%	0.46%	0.01%	0.11%
1-year T-Bill	2.22%	2.26%	2.27%	2.18%	1.78%	1.34%	0.90%	0.37%
2-year T-Note	2.66%	2.63%	2.52%	2.36%	2.00%	1.56%	1.00%	0.76%
30-year T-Note	4.72%	4.53%	4.59%	4.43%	4.31%	4.35%	3.45%	2.69%

**YIELD COMPARISONS
DECEMBER 31, 2008**

