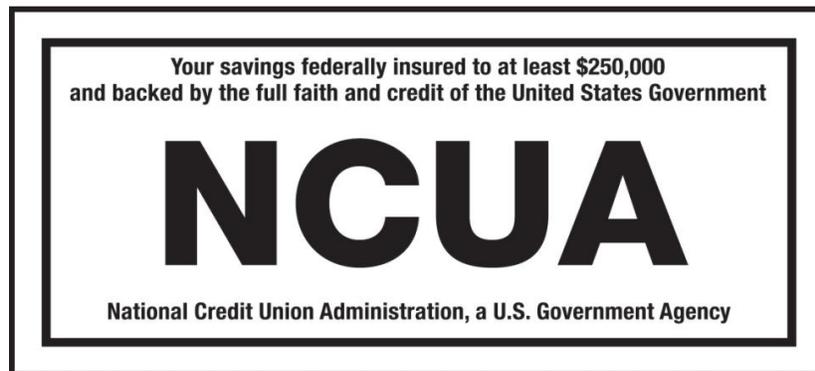


NATIONAL CREDIT UNION SHARE INSURANCE FUND



FINANCIAL HIGHLIGHTS OCTOBER 31, 2008

**MARY ANN WOODSON
CHIEF FINANCIAL OFFICER**

NCUSIF FINANCIAL HIGHLIGHTS
October 31, 2008

Balance Sheet:

Investments — increased approximately \$322 million primarily from the collection of the one percent capitalization deposit adjustments that were due from credit unions on October 22, 2008.

Other Receivables: Due from Credit Unions — of the \$324 million one percent capitalization deposit adjustment assessed, \$14.4 million remains outstanding.

Provision for Credit Union Losses (Reserves) — increased to \$163.9 million as a result of \$7.3 million additional reserves for specific problem credit unions and \$32 million added to non-specific reserves.

Retained Earnings — decreased due to a net loss to the insurance fund of \$21.6 million for the month of October.

NCUSIF Equity — decreased from 1.28% in September to 1.27% for October because of the reduction in retained earnings. The equity ratio is based upon an insured share base of \$601.6 billion at June 30, 2008.

Statement of Revenue and Expense:

Insurance Loss Expense — \$39.3 million was expensed to reflect the need to increase both specific (\$7.3 million) and non-specific (\$32.0 million) reserves.

Net Income — is a negative \$21.6 million for the month of October. Gross expenses of \$45.2 million exceeded gross income of \$23.6 million.

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

ASSETS	OCTOBER 2007	SEPTEMBER 2008	OCTOBER 2008
Investments:			
U.S. Government Securities	\$7,368,664,786.18	\$7,307,617,209.66	\$7,630,110,297.77
Advances to Credit Unions:			
NCUSIF Subordinated Notes	0.00	0.00	0.00
Share Deposits & Loans	0.00	0.00	0.00
	-----	-----	-----
Total Advances to Credit Unions	0.00	0.00	0.00
Other Receivables:			
Due from Credit Unions	18,764,927.88	323,441,610.82	14,429,217.50
Loans due to NCUSIF	0.00	0.00	0.00
Recoveries from Liq. CU	10,702,335.81	88,493,849.78	93,056,862.40
	-----	-----	-----
Total Other Receivables	29,467,263.69	411,935,460.60	107,486,079.90
Cash			
	5,842.84	203,851.78	100,167.36
Interest Receivable	55,714,311.06	71,816,333.85	64,070,556.74
Prepaid & Deferred Charges	1,278,845.46	0.00	1,354,941.88
Leased Assets	456,640.89	160,358.46	133,503.70
Other	21,343,256.03	20,104,106.36	19,992,361.57
	-----	-----	-----
TOTAL ASSETS	\$7,476,930,946.15	\$7,811,837,320.71	\$7,823,247,908.92
	=====	=====	=====
LIABILITIES			
Accounts Payable:			
Liquidation Claims	\$4,579,168.76	\$7,717,332.61	\$7,429,463.83
Other	5,830.44	2,871,478.05	214,696.45
Check Clearing Accounts	2,376.46	9,152.72	279.47
	-----	-----	-----
Total Current Liabilities	4,587,375.66	10,597,963.38	7,644,439.75
Provision for CU Losses (Reserves)	126,947,080.17	128,621,584.25	163,863,359.15
Lease Liabilities	440,993.34	179,413.73	89,823.64
	-----	-----	-----
TOTAL LIABILITIES	131,975,449.17	139,398,961.36	171,597,622.54 1/
EQUITY			
CU Contributed Capital	5,582,619,719.56	5,974,827,149.22	5,975,633,401.04
Retained Earnings	1,762,335,777.42	1,697,611,210.13	1,676,016,885.34
	-----	-----	-----
TOTAL EQUITY	7,344,955,496.98	7,672,438,359.35	7,651,650,286.38
TOTAL LIABILITIES & EQUITY	\$7,476,930,946.15	\$7,811,837,320.71	\$7,823,247,908.92
	=====	=====	=====

COMPARATIVE ANALYSIS OF BALANCE SHEET RATIOS
for Period Ending October 31, 2008

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

	OCT 07	SEP 08	OCT 08
1. Investments/Total Assets	98.55%	93.55%	97.53%
2. Total Equity/Insured Shares	1.31%	1.28%	1.27%
3. Prov. for Losses/CU Capital	2.27%	2.15%	2.74%
4. Non-Earning/Total Assets	1.16%	6.20%	2.21%
5. Available Asset Ratio	1.30%	1.22%	1.28%

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

INCOME	CURRENT MONTH	CURRENT MONTH BUDGET	CY TO DATE 2008	CY TO DATE BUDGETED 2008	CY TO DATE 2007
Investment Income	\$23,482,375.35	\$24,700,000.00	\$242,592,105.61	\$247,000,000.00	\$265,924,072.60
Other Income	72,084.87	75,000.00	1,139,954.62	750,000.00	897,255.34
Total Income	23,554,460.22	24,775,000.00	243,732,060.23	247,750,000.00	266,821,327.94
EXPENSE					
Employee Pay	4,008,317.38	4,246,383.70	40,328,625.60	40,415,532.35	39,214,951.22
Employee Benefits	1,030,003.16	1,159,624.58	10,634,809.31	11,059,961.55	10,274,523.94
Employee Travel	192,028.34	668,035.49	6,649,136.97	6,680,354.86	6,032,722.33
Rent/Communications/Utilities	29,061.59	180,594.97	1,626,359.82	1,805,949.68	1,715,049.64
Administrative Costs	295,456.47	513,020.57	3,912,225.16	5,130,205.69	4,167,199.33
Contracted Services	90,191.18	380,493.13	2,957,721.48	3,804,931.27	2,614,161.90
Subtotal NCUA Operating Exp.	5,645,058.12	7,148,152.44	66,108,878.34	68,896,935.40	64,018,608.36
AMAC Expense	0.00	1,000.00	14,596.95	10,000.00	546,097.75
Training Expense	149,226.68	100,000.00	1,005,603.84	1,000,000.00	792,512.77
Leasing Expense	27,323.64	30,667.00	276,101.87	306,670.00	299,741.34
Other Insurance Expense	2,822.57	3,000.00	28,520.86	30,000.00	26,343.09
Total Operating Exp.	5,824,431.01	7,282,819.44	67,433,701.86	70,243,605.40	65,683,303.31
Insurance Loss Expense	39,324,354.00	4,500,000.00	176,494,930.42	45,000,000.00	59,302,122.56
Total Expense	45,148,785.01	11,782,819.44	243,928,632.28	115,243,605.40	124,985,425.87
NET INCOME	(\$21,594,324.79)	\$12,992,180.56	(\$196,572.05)	\$132,506,394.60	\$141,835,902.07
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			(196,572.05)		141,835,902.07
Dividends			0.00		51,530,302.87
Retained Earnings, Year To Date			\$1,676,016,885.34		\$1,762,335,777.42

Comparative Analysis of NCUSIF Ratios for October 31, 2008

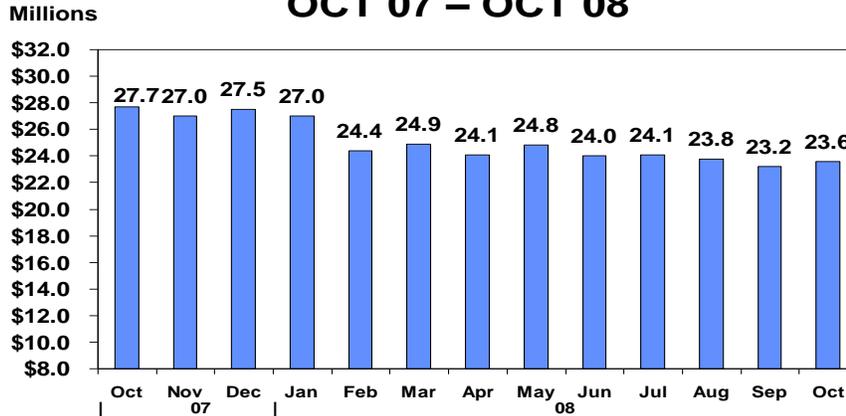
INCOME STATEMENT RATIOS	LAST MONTH	THIS MONTH	PRIOR CYTD	CURRENT CYTD
1. Oper. Exp./Total Income	38.52%	24.73%	24.62%	27.67%
2. Ins. Loss Exp./Total Income	1.14%	166.95%	22.23%	72.41%
3. Total Exp./Total Income	39.65%	191.68%	46.84%	100.08%
4. Net Income/Total Income	60.35%	-91.68%	53.16%	-0.08%
5. Ins. Loss Exp./Insured Shares	0.00%	0.01%	0.01%	0.04%

TABLE 3 - STATEMENT OF CASH FLOWS
October 31, 2008

CASH FLOWS FROM OPERATING ACTIVITIES:	
Income from investments	\$ 236,083,597.80
Other income received	1,139,954.62
Advances to credit unions (FCU Act §208)	-
Cash paid for operating expenses	(99,454,660.90)
Net cash (paid) received for insurance losses	<u>(253,047,350.44)</u>
Net cash provided by operating activities	<u>(115,278,458.92)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Investments, net	(261,873,008.00)
Collections on note receivable - National Credit Union Administration Operating Fund	<u>1,127,404.88</u>
Net cash provided by (used in) investing activities	<u>(260,745,603.12)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:	
Contributions (distributions) from insured credit unions Cont Cap acct	376,101,588.35
Dividends to insured credit unions	-
Principal repayments under capital lease obligations	<u>(360,235.88)</u>
Net cash provided by financing activities	<u>375,741,352.47</u>
NET INCREASE (DECREASE) IN CASH	(282,709.57)
CASH, BEGINNING OF YEAR	<u>382,876.93</u>
CASH, ENDING October 31, 2008	<u>\$ 100,167.36</u>

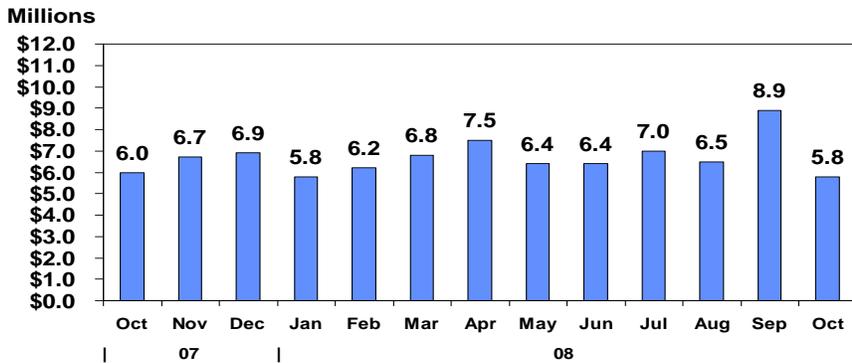
GROSS INCOME

OCT 07 – OCT 08



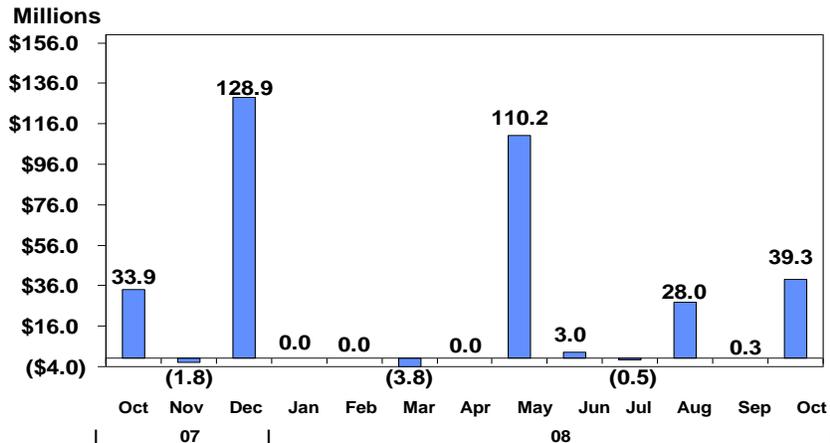
OPERATING EXPENSE

OCT 07 – OCT 08



INSURANCE LOSS EXPENSE

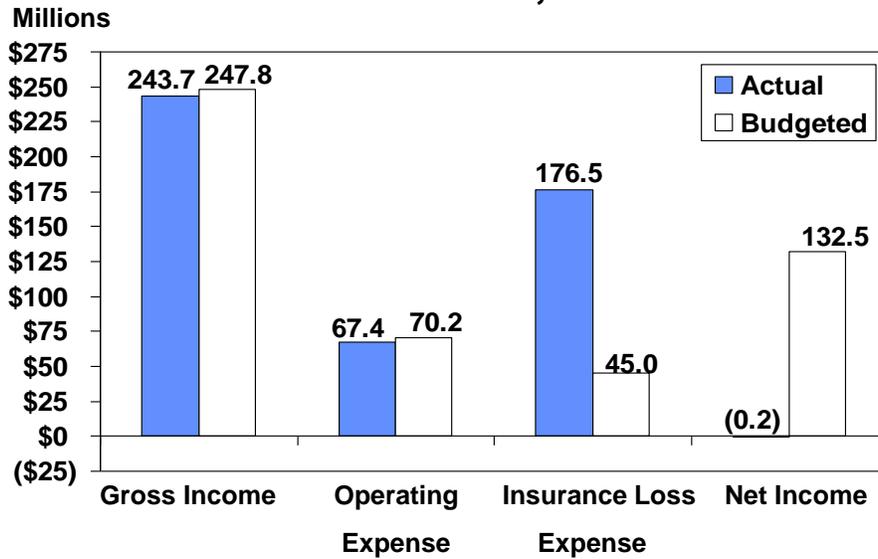
OCT 07 – OCT 08



REVENUE AND EXPENSE

YEAR-TO-DATE

OCTOBER 31, 2008



NCUSIF EQUITY RATIO

OCTOBER 31, 2008

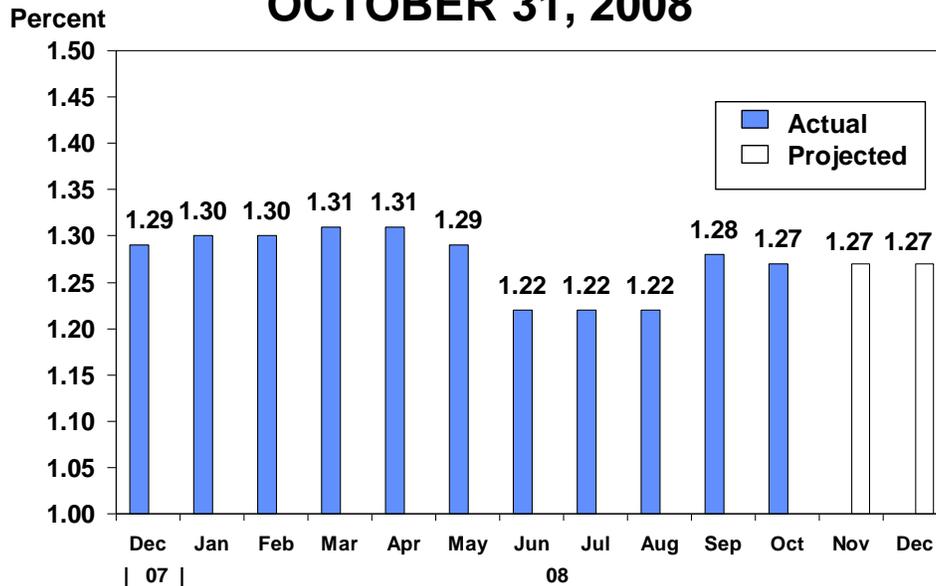


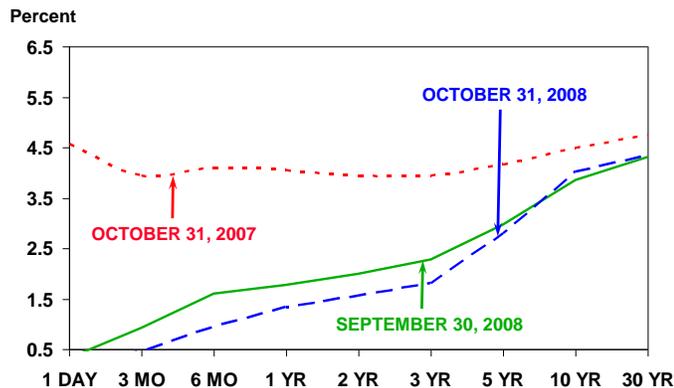
TABLE 4

INVESTMENT PORTFOLIO SUMMARY

October 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	\$668,189,000	\$668,189,000	\$0	100.00%	0.49%
U.S. Treasury Notes	6,961,921,298	7,202,218,750	240,297,452	103.45%	3.91%
TOTAL	\$7,630,110,298	\$7,870,407,750	\$240,297,452	103.15%	3.75%
II. INVESTMENT PORTFOLIO PERFORMANCE					
	Last Month	Current Month	CY To Date	CY08 Projections	
Investment Yield	3.87%	3.75%	3.96%	3.87%	
Investment Income	\$23,113,021	\$23,482,375	\$242,592,106	\$288,000,000	
Income Budgeted (1/1/08)	\$24,700,000	\$24,700,000	\$247,000,000	\$296,000,000	
Income/Budgeted Ratio	93.6%	95.1%	98.2%	97.3%	
Weighted Avg. Maturity in Days	814	751			
III. MONTHLY ACTIVITY					
Purchase	Type	Amount	Maturity	Yield	
TOTAL		\$0			
IV. MATURITY SCHEDULE (par value in millions)					
3 months or less	\$1,318.2				
3 months - 1 year	1,750.0				
1 year - 2 years	1,250.0				
2 years - 3 years	1,000.0				
3 years - 4 years	950.0				
4 years - 5 years	1,150.0				
5 years - 10 years	150.0				
TOTAL	\$7,568.2				

TREASURY YIELD CURVE



MATURITY SCHEDULE

OCTOBER 31, 2008

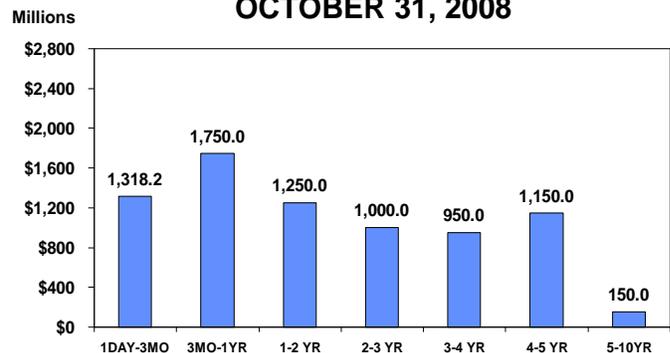


TABLE 5

MONTHLY YIELD COMPARISONS

October 31, 2008

YIELD COMPARISONS								
	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08
NCUSIF Yield	4.01%	3.99%	3.93%	3.94%	3.84%	3.84%	3.87%	3.75%
90-day T-Bill	1.38%	1.43%	1.89%	1.90%	1.68%	1.72%	0.92%	0.46%
1-year T-Bill	1.55%	1.85%	2.22%	2.26%	2.27%	2.18%	1.78%	1.34%
2-year T-Note	1.62%	2.23%	2.66%	2.63%	2.52%	2.36%	2.00%	1.56%
30-year T-Note	4.30%	4.49%	4.72%	4.53%	4.59%	4.43%	4.31%	4.35%

YIELD COMPARISONS OCTOBER 31, 2008

Percent

