

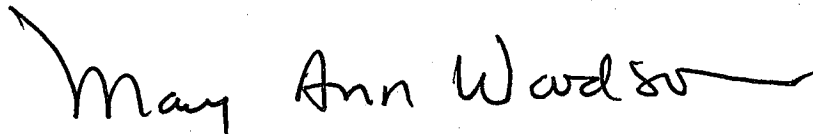
NATIONAL CREDIT UNION SHARE INSURANCE FUND

Your savings federally insured to at least \$250,000
and backed by the full faith and credit of the United States Government

NCUA

National Credit Union Administration, a U.S. Government Agency

PRELIMINARY FINANCIAL HIGHLIGHTS DECEMBER 31, 2009



MARY ANN WOODSON
CHIEF FINANCIAL OFFICER

NCUSIF FINANCIAL HIGHLIGHTS
December 31, 2009

Balance Sheet:

U.S. Government Securities – increased to \$9.5 billion due to funds received in December from credit unions for 1% deposit adjustments and premium assessments.

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

Other Receivables: Due from Credit Unions – \$17.8 million represents the remaining 1% deposit adjustment due on December 15, 2009 from credit unions with assets of \$50 million or greater.

Other Receivables: Insurance Premium – \$12.9 million represents the outstanding premium assessments that were due on December 15, 2009.

Notes Payable - CLF – \$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 – \$758.7 million includes an increase of \$78.4 million in reserves for specific and non specific natural person credit unions.

Statement of Revenue and Expense:

Insurance Loss Expense NPCU – is \$78.4 million for December. \$7.2 million was expensed to increase specific natural person credit union reserves and \$71.2 million was expensed for non specific reserves.

**NATIONAL CREDIT UNION SHARE INSURANCE FUND
BALANCE SHEET
DECEMBER 31, 2009**

| ASSETS: | December 2009 | November 2009 | December 2008 |
|---|----------------------------|----------------------------|---------------------------|
| Investments: | | | |
| U.S. Government Securities | \$9,515,534,500.09 | \$7,921,173,524.59 | \$8,080,272,166.67 |
| 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 | 17,753,431.54 | 945,350,948.07 | 991,778.32 |
| Insurance Premium Receivable | 12,900,771.73 | 716,509,863.67 | 0.00 |
| Loans due to NCUSIF | 0.00 | 0.00 | 0.00 |
| Recoveries from Liq. CU | 204,524,540.59 | 211,664,637.75 | 103,175,460.42 |
| <i>Total Other Receivables</i> | 235,178,743.86 | 1,873,525,449.49 | 104,167,238.74 |
| Cash | 217,346.68 | 100,840.75 | 384,733.22 |
| Interest Receivable | 71,054,188.18 | 52,852,233.57 | 39,847,542.66 |
| Prepaid & Deferred Charges | 0.00 | (3,965,696.60) | 0.00 |
| Leased Assets | 0.00 | 0.00 | 79,727.10 |
| Interest on Loan Receivable | 1,301,917.82 | 20,238,904.12 | 0.00 |
| Other | 18,454,239.71 | 18,499,947.63 | 21,677,671.22 |
| TOTAL ASSETS | \$19,841,740,936.34 | \$19,882,425,203.55 | \$8,246,429,079.61 |
| LIABILITIES: | | | |
| Accounts Payable: | | | |
| Liquidation Claims | 12,385,121.03 | 12,404,979.83 | 10,357,687.15 |
| 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 | 1,301,917.80 | 20,238,904.12 | 0.00 |
| Check Clearing Accounts | 1,525.60 | (1,074.55) | 279.47 |
| Other | 33,688,420.28 | 3,199,146.17 | 2,190,796.63 |
| <i>Total Current Liabilities</i> | 10,047,376,984.71 | 10,035,841,955.57 | 12,548,763.25 |
| Provision for CU Losses (Reserves) - NPCU | 758,740,806.47 | 688,798,614.00 | 278,343,438.75 |
| Provision for CU Losses (Reserves) - CCU | 0.00 | 0.00 | 0.00 |
| Lease Liabilities | 0.00 | 0.00 | 90,058.99 |
| TOTAL LIABILITIES (1) | 10,806,117,791.18 | 10,724,640,569.57 | 290,982,260.99 |
| EQUITY: | | | |
| CU Contributed Capital | 7,067,138,949.97 | 7,069,932,779.20 | 5,977,106,480.26 |
| Less Unbilled Deposit Receivable | 0.00 | (9,550,243.48) | 0.00 |
| Refundable Contributed Capital | 7,067,138,949.97 | 7,060,382,535.72 | 0.00 |
| Retained Earnings | 1,891,136,388.08 | 1,959,393,852.99 | 1,700,002,814.70 |
| Unrealized Gain/Loss on A-F-S Securities | 77,347,807.11 | 138,008,245.27 | 278,337,523.66 |
| TOTAL EQUITY | 9,035,623,145.16 | 9,157,784,633.98 | 7,955,446,818.62 |
| TOTAL LIABILITIES & EQUITY | \$19,841,740,936.34 | \$19,882,425,203.55 | \$8,246,429,079.61 |

(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 December 31, 2009 | | | |
| | DEC 09 | NOV 09 | DEC 08 |
| Investments/Total Assets | 47.96% | 39.84% | 97.99% |
| Total Equity/Insured Shares | **1.24% | *1.27% | 1.26% |
| Prov. for Losses/CU Capital | 10.74% | 9.74% | 4.66% |
| Non-Earning/Total Assets | 1.55% | 9.77% | 1.75% |
| Available Asset Ratio | 1.20% | 1.01% | 1.27% |

** Equity Ratio is based on an estimated insured share level of \$721.6 billion at December 31, 2009.

* Equity Ratio is based on an actual 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 DECEMBER 31, 2009

| | Dec-09 Actual | Dec-09 Budget | CY to Date 2009 Actual | CY to Date 2009 Budget | CY to Date 2008 |
|---|--------------------------|--------------------------|-----------------------------------|-----------------------------------|---------------------------|
| INCOME: | | | | | |
| Investment Income | \$15,258,204.98 | \$14,292,000.00 | \$188,772,955.52 | \$182,000,000.00 | \$390,921,608.75 |
| Fee Income (TCCULGP) | 0.00 | 0.00 | 0.00 | 0.00 | 2,698,890.27 |
| Premium Income | 9,001,048.91 | 0.00 | 727,466,441.36 | 1,834,666,674.00 | 0.00 |
| Other Income | (2,045,561.76) | 70,000.00 | 33,318,213.78 | 840,000.00 | 2,038,249.71 |
| TOTAL INCOME | 22,213,692.13 | 14,362,000.00 | 949,557,610.66 | 2,017,506,674.00 | 395,658,748.73 |
| EXPENSE: | | | | | |
| Employee Pay | 3,318,787.35 | 4,791,087.65 | 55,199,707.10 | 54,327,747.21 | 47,792,461.80 |
| Employee Benefits | 1,421,304.22 | 1,367,872.96 | 14,765,841.85 | 15,566,092.88 | 12,906,212.78 |
| Employee Travel | 1,021,428.08 | 938,447.41 | 10,160,911.93 | 11,261,368.96 | 8,129,907.35 |
| Rent/Communications/Utilities | 368,335.63 | 196,764.35 | 2,254,581.75 | 2,361,172.19 | 2,066,915.53 |
| Administrative Costs | 702,799.06 | 505,917.97 | 5,301,229.45 | 6,071,015.62 | 4,791,029.67 |
| Contracted Services | 1,043,836.52 | 508,605.34 | 4,645,956.89 | 6,103,264.14 | 3,698,450.45 |
| <i>Subtotal NCUA Operating Exp.</i> | <i>7,876,490.86</i> | <i>8,308,695.68</i> | <i>92,328,228.97</i> | <i>95,690,661.00</i> | <i>79,384,977.58</i> |
| AMAC Expense | 163.69 | 1,000.00 | 9,152.47 | 12,000.00 | 14,596.95 |
| Training Expense | 170,874.36 | 83,335.00 | 1,383,072.40 | 1,000,020.00 | 1,706,720.63 |
| Leasing Expense | 0.00 | 20,850.00 | 79,727.08 | 250,200.00 | 330,113.82 |
| Accrued Insurance Interest Expense | 3,925,487.44 | 0.00 | 32,790,692.92 | 0.00 | 0.00 |
| Other Insurance Expense | 69,465.36 | 25,000.00 | 6,692,687.63 | 300,000.00 | 78,512.02 |
| <i>Total Operating Exp.</i> | <i>12,042,481.71</i> | <i>8,438,880.68</i> | <i>133,283,561.47</i> | <i>97,252,881.00</i> | <i>81,514,921.00</i> |
| Insurance Loss Exp. - Natural Person CU | 78,428,675.33 | 20,000,000.00 | 625,140,475.81 | 240,000,000.00 | 290,354,470.42 |
| TOTAL EXPENSE | 90,471,157.04 | 28,438,880.68 | 758,424,037.28 | 337,252,881.00 | 371,869,391.42 |
| NET INCOME: | (\$68,257,464.91) | (\$14,076,880.68) | \$191,133,573.38 | \$1,680,253,793.00 | \$23,789,357.31 |
| 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 | | | 191,133,573.38 | | 23,789,357.31 |
| Dividends | | | 1,891,136,388.08 | | 1,700,002,814.70 |
| Retained Earnings, Year To Date | | | \$1,891,136,388.08 | | \$1,700,002,814.70 |

Comparative Analysis of NCUSIF Ratios for December 31, 2009

| INCOME STATEMENT RATIOS | LAST MONTH | THIS MONTH | CURRENT CYTD | PRIOR CYTD |
|----------------------------------|---------------|---------------|-----------------|---------------|
| 1. Oper. Exp./Total Income | -19.46% | 54.21% | 14.04% | 20.60% |
| 2. Ins. Loss Exp./Total Income | -30.00% | 353.06% | 65.83% | 65.83% |
| 3. Total Exp./Total Income | -49.47% | 407.28% | 79.87% | 93.99% |
| 4. Net Income/Total Income | 149.47% | -307.28% | 20.13% | 6.01% |
| 5. Ins. Loss Exp./Insured Shares | 0.00% | 0.01% | 0.09% | 0.03% |

NATIONAL CREDIT UNION SHARE INSURANCE FUND
STATEMENT OF CASH FLOWS
December 31, 2009

CASH FLOWS FROM OPERATING ACTIVITIES:

| | |
|---|-------------------|
| Income from investments | \$ 207,529,718.36 |
| Premium Income | 714,565,669.63 |
| Other income received | 33,914,830.21 |
| Cash paid for operating expenses | (100,482,773.89) |
| Net cash (paid) received for insurance losses | (244,064,754.38) |
| Net cash provided by operating activities | 611,462,689.93 |

CASH FLOWS FROM INVESTING ACTIVITIES:

| | |
|--|---------------------|
| Advances to credit unions (Capital Note and Loans) | (10,000,000,000.00) |
| U.S. government Securities (net) | (1,686,215,458.33) |
| Collections on receivable - including note for National Credit Union Administration Operating Fund | 1,324,897.26 |
| Net cash provided by (used in) investing activities | (11,684,890,561.07) |

CASH FLOWS FROM FINANCING ACTIVITIES:

| | |
|--|-------------------|
| Contributions (distributions) from insured credit unions Cont Cap acct | 1,073,270,816.49 |
| Principal repayments under capital lease obligations | (10,331.89) |
| Proceeds from CLF borrowing | 10,000,000,000.00 |
| Net cash provided by financing activities | 11,073,260,484.60 |

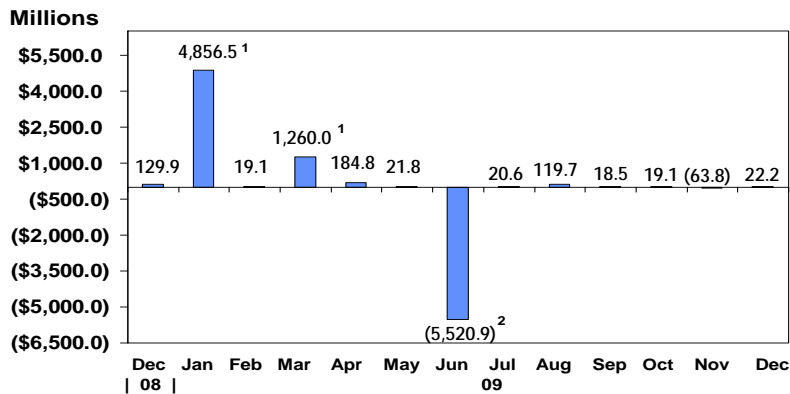
NET INCREASE (DECREASE) IN CASH (167,386.54)

CASH, BEGINNING OF YEAR 384,733.22

CASH, ENDING DECEMBER 31, 2009 \$ 217,346.68

Figure 1

GROSS INCOME DECEMBER 08 – DECEMBER 09



¹ 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.

² 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 DECEMBER 08 – DECEMBER 09

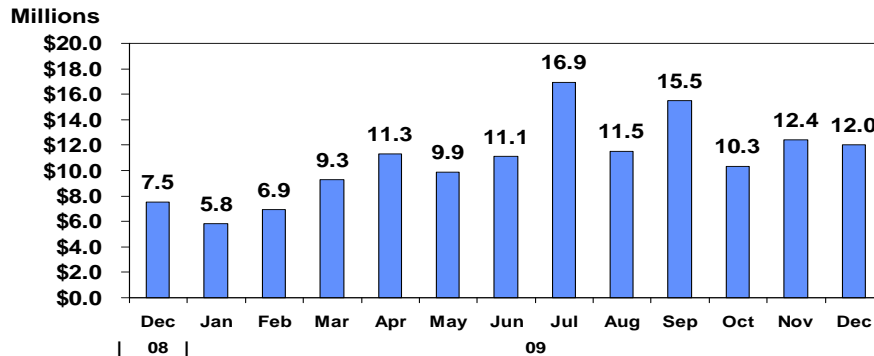
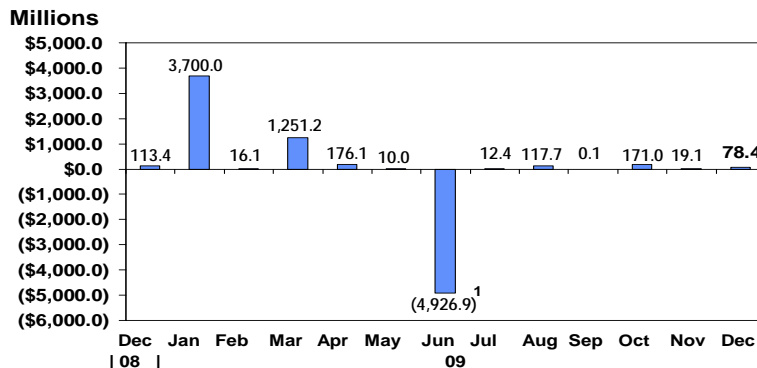


Figure 3

INSURANCE LOSS EXPENSE DECEMBER 08 – DECEMBER 09



¹ 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

DECEMBER 31, 2009

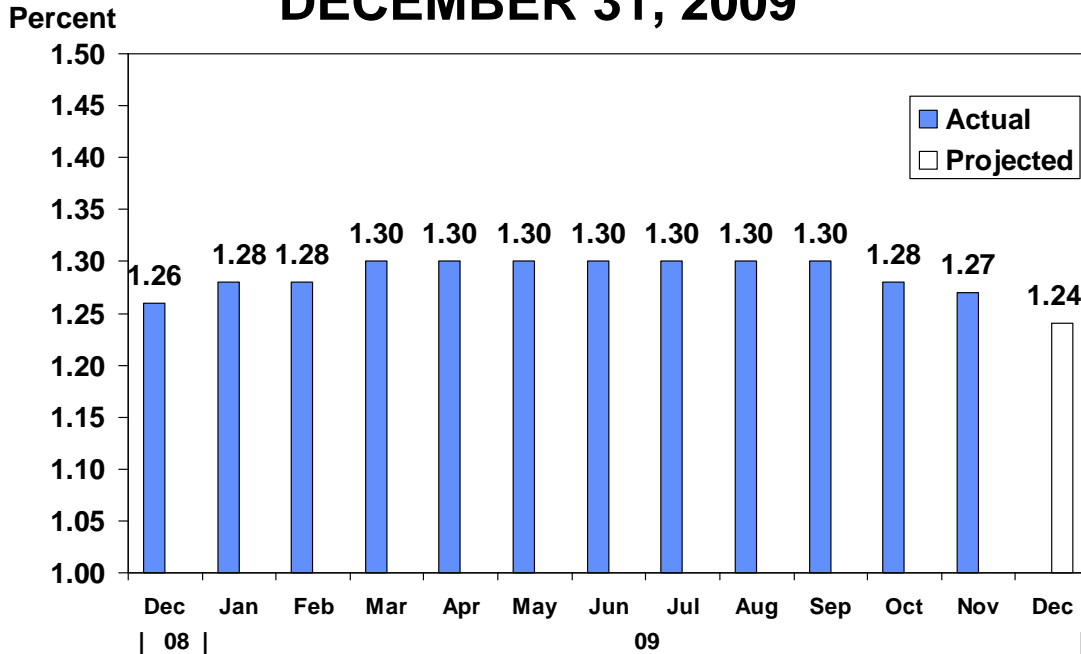
(In Millions)

| | December | | Year-to-Date | |
|---|---------------|---------------|--------------|----------------|
| | Actual | Budgeted | Actual | Budgeted |
| Gross Income: | | | | |
| Investment Income | 15.3 | 14.3 | 188.8 | 182.0 |
| Premium Income | 9.0 | 0.0 | 727.5 | 1,834.7 |
| Other Income | (2.1) | 0.1 | 33.3 | 0.8 |
| Less Expenses: | | | | |
| Operating Expense | 12.1 | 8.4 | 133.3 | 97.3 |
| Insurance Loss Expense - Natural Person | 78.4 | 20.0 | 625.1 | 240.0 |
| Net Income (Loss) | (68.3) | (14.0) | 191.2 | 1,680.2 |

Figure 5

NCUSIF EQUITY RATIO

DECEMBER 31, 2009



INVESTMENT PORTFOLIO SUMMARY

December 31, 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 | \$817,222,000 | \$817,222,000 | \$0 | 100.00% | 0.02% |
| U.S. Treasury Notes | 8,620,964,693 | 8,698,312,500 | 77,347,807 | 100.90% | 2.52% |
| TOTAL | \$9,438,186,693 | \$9,515,534,500 | \$77,347,807 | 100.82% | 2.06% |
| II. INVESTMENT PORTFOLIO PERFORMANCE | | | | | |
| | Last Month | Current Month | CY To Date | CY09 Projections | |
| Investment Yield | 2.20% | 2.06% | 2.56% | 2.36% | |
| Investment Income | \$14,165,510 | \$15,258,205 | \$188,772,956 | \$182,000,000 | |
| Income Budgeted (1/1/09) | \$14,000,000 | \$14,292,000 | \$182,000,000 | \$182,000,000 | |
| Income/Budgeted Ratio | 101.2% | 106.8% | 103.7% | | |
| Weighted Avg. Maturity in Days | 912 | 970 | | | |
| III. MONTHLY ACTIVITY | | | | | |
| Purchased | Type | Amount | Maturity | Yield | |
| 12/30/2009 | T-Note | 50,000,000 | 6/30/2011 | 0.80% | |
| 12/30/2009 | T-Note | 50,000,000 | 8/31/2011 | 0.91% | |
| 12/30/2009 | T-Note | 50,000,000 | 11/30/2011 | 1.03% | |
| 12/30/2009 | T-Note | 50,000,000 | 3/15/2012 | 1.21% | |
| 12/30/2009 | T-Note | 50,000,000 | 6/15/2012 | 1.36% | |
| 12/30/2009 | T-Note | 150,000,000 | 9/15/2012 | 1.49% | |
| 12/30/2009 | T-Note | 200,000,000 | 11/15/2012 | 1.57% | |
| 12/30/2009 | T-Note | 50,000,000 | 3/31/2013 | 1.70% | |
| 12/30/2009 | T-Note | 50,000,000 | 6/30/2013 | 1.83% | |
| 12/30/2009 | T-Note | 50,000,000 | 9/30/2013 | 1.96% | |
| 12/30/2009 | T-Note | 50,000,000 | 12/31/2013 | 2.13% | |
| 12/30/2009 | T-Note | 50,000,000 | 3/31/2014 | 2.28% | |
| 12/30/2009 | T-Note | 50,000,000 | 6/30/2014 | 2.39% | |
| 12/30/2009 | T-Note | 200,000,000 | 7/31/2014 | 2.44% | |
| 12/30/2009 | T-Note | 200,000,000 | 9/30/2014 | 2.50% | |
| 12/30/2009 | T-Note | 50,000,000 | 11/30/2014 | 2.58% | |
| 12/30/2009 | T-Note | 50,000,000 | 2/15/2015 | 2.61% | |
| 12/30/2009 | T-Note | 50,000,000 | 5/15/2015 | 2.72% | |
| 12/30/2009 | T-Note | 50,000,000 | 8/15/2015 | 2.82% | |
| 12/30/2009 | T-Note | 50,000,000 | 8/15/2019 | 3.79% | |
| TOTAL | | \$1,550,000,000 | | | |
| IV. MATURITY SCHEDULE (par value in millions) | | | | | |
| 3 months or less | \$1,167.2 | | | | |
| 3 months - 1 year | 1,100.0 | | | | |
| 1 year - 2 years | 1,600.0 | | | | |
| 2 years - 3 years | 1,600.0 | | | | |
| 3 years - 4 years | 1,600.0 | | | | |
| 4 years - 5 years | 1,600.0 | | | | |
| 5 years - 10 years | 550.0 | | | | |
| TOTAL | \$9,217.2 | | | | |

Figure 6

TREASURY YIELD CURVE

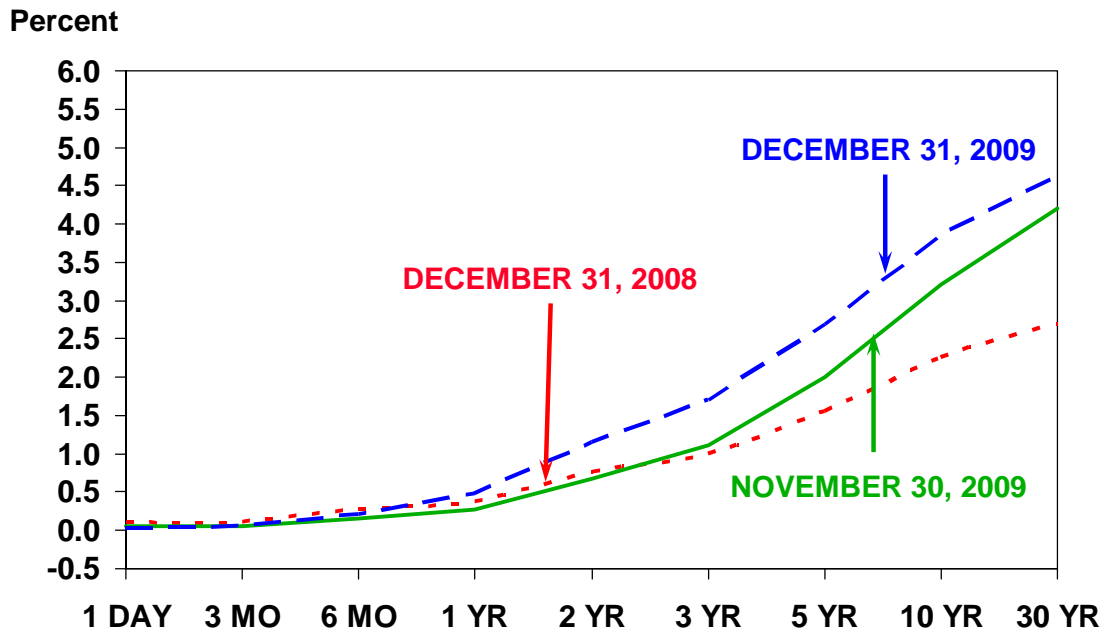
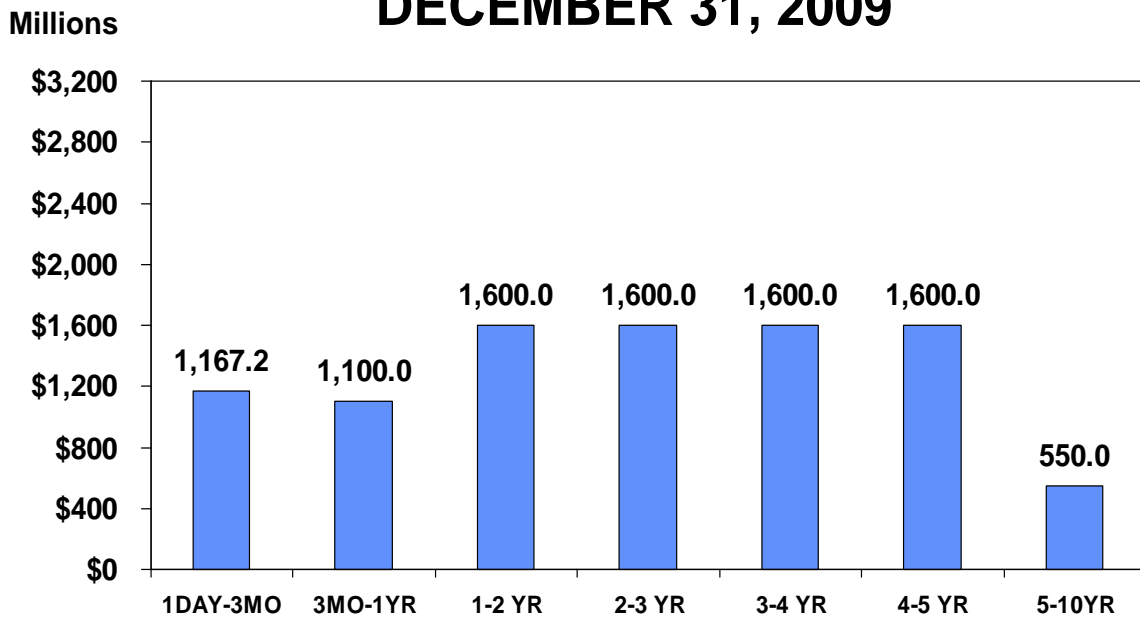


Figure 7

MATURITY SCHEDULE

DECEMBER 31, 2009



MONTH-END YIELD COMPARISONS

December 31, 2009

| YIELD COMPARISONS | | | | | | | | |
|-------------------|--------|--------|--------|--------|--------|--------|--------|--------|
| | May-09 | Jun-09 | Jul-09 | Aug-09 | Sep-09 | Oct-09 | Nov-09 | Dec-09 |
| NCUSIF Yield | 2.75% | 2.72% | 2.49% | 2.38% | 2.30% | 2.23% | 2.20% | 2.06% |
| 90-day T-Bill | 0.14% | 0.19% | 0.18% | 0.15% | 0.14% | 0.05% | 0.06% | 0.20% |
| 1-year T-Bill | 0.47% | 0.56% | 0.48% | 0.43% | 0.40% | 0.37% | 0.26% | 0.47% |
| 2-year T-Note | 0.92% | 1.11% | 1.13% | 0.97% | 0.95% | 0.90% | 0.67% | 1.14% |
| 30-year T-Note | 4.34% | 4.32% | 4.31% | 4.18% | 4.03% | 4.23% | 4.19% | 4.63% |

Figure 8

YIELD COMPARISONS DECEMBER 31, 2009

