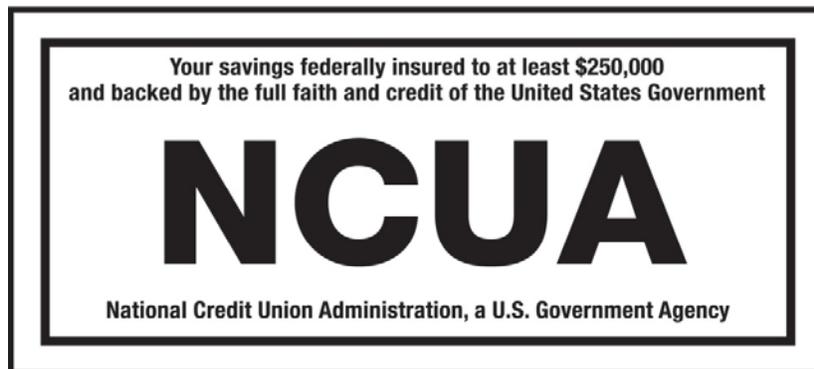


NATIONAL CREDIT UNION SHARE INSURANCE FUND



FINANCIAL HIGHLIGHTS JULY 31, 2010

**MARY ANN WOODSON
CHIEF FINANCIAL OFFICER**

NCUSIF FINANCIAL HIGHLIGHTS
July 31, 2010

Balance Sheet:

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

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 – of \$1.2 billion includes an increase of \$104 million in reserves.

Statement of Revenue and Expense:

Insurance Loss Expense – is \$104 million for July. \$10.5 million was expensed to increase specific natural person credit union reserves and \$93.5 million was expensed to increase to the non-specific reserves in order to maintain the midpoint of the non-specific reserve range.

NATIONAL CREDIT UNION SHARE INSURANCE FUND
BALANCE SHEET
JULY 31, 2010

ASSETS:

Investments:

U.S. Government Securities

Advances to Credit Unions:

Share Deposits & Loans

Total Advances to Credit Unions

Other Receivables:

Due from Credit Unions

Insurance Premium Receivable

Recoveries from Liq. CU

Total Other Receivables

Cash

Interest Receivable

Prepaid & Deferred Charges

Leased Assets

Interest on Loan Receivable

Other

TOTAL ASSETS

LIABILITIES:

Accounts Payable:

Liquidation Claims

Notes Payable - CLF

Interest Payable - CLF

Check Clearing Accounts

Other

Total Current Liabilities

Provision for CU Losses (Reserves) - NPCU

TOTAL LIABILITIES (1)

EQUITY:

CU Contributed Capital

Retained Earnings

Unrealized Gain/Loss on A-F-S Securities

TOTAL EQUITY

TOTAL LIABILITIES & EQUITY

	July 2010	June 2010	July 2009
Investments:			
U.S. Government Securities	\$9,791,307,375.32	\$9,808,264,499.87	\$7,960,890,899.59
Advances to Credit Unions:			
Share Deposits & Loans	10,000,000,000.00	10,000,000,000.00	10,000,000,000.00
<i>Total Advances to Credit Unions</i>	10,000,000,000.00	10,000,000,000.00	10,000,000,000.00
Other Receivables:			
Due from Credit Unions	715,600.00	870,365.31	34,180.75
Insurance Premium Receivable	49,563.18	24,450.44	700,000,000.00
Recoveries from Liq. CU	455,058,267.98	457,441,962.14	124,189,326.79
<i>Total Other Receivables</i>	455,823,431.16	458,336,777.89	824,223,507.54
Cash	500,979.54	100,034.53	100,273.43
Interest Receivable	88,221,864.92	71,125,226.07	79,431,438.48
Prepaid & Deferred Charges	0.00	0.00	(1,343,487.61)
Leased Assets	0.00	0.00	0.00
Interest on Loan Receivable	5,786,301.36	1,301,917.80	8,575,719.45
Other	17,702,344.27	17,815,755.73	18,996,615.44
TOTAL ASSETS	\$20,359,342,296.57	\$20,356,944,211.89	\$18,890,874,966.32
LIABILITIES:			
Accounts Payable:			
Liquidation Claims	\$58,261,409.58	\$106,559,300.08	\$10,889,190.75
Notes Payable - CLF	10,000,000,000.00	10,000,000,000.00	10,000,000,000.00
Interest Payable - CLF	5,786,301.34	1,301,917.78	4,997,260.28
Check Clearing Accounts	586,306.86	693,760.48	394.65
Other	1,391,306.82	4,876,849.25	4,536,775.98
<i>Total Current Liabilities</i>	10,066,025,324.60	10,113,431,827.59	10,020,423,621.66
Provision for CU Losses (Reserves) - NPCU	1,190,209,458.96	1,084,395,838.62	428,837,451.99
TOTAL LIABILITIES (1)	11,256,234,783.56	11,197,827,666.21	10,449,261,073.65
EQUITY:			
CU Contributed Capital	7,268,115,291.34	7,268,670,413.16	6,113,540,354.30
Retained Earnings	1,523,149,884.67	1,618,460,208.52	2,223,943,738.79
Unrealized Gain/Loss on A-F-S Securities	311,842,337.00	271,985,924.00	104,129,799.58
TOTAL EQUITY	9,103,107,513.01	9,159,116,545.68	8,441,613,892.67
TOTAL LIABILITIES & EQUITY	\$20,359,342,296.57	\$20,356,944,211.89	\$18,890,874,966.32

(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 July 31, 2010			
	JUL 10	JUN 10	JUL 09
Investments/Total Assets	48.09%	48.18%	42.14%
Total Equity/Insured Shares (1)	1.17%	1.18%	1.30%
Prov. for Losses/CU Capital	16.39%	14.92%	7.01%
Non-Earning/Total Assets	2.70%	2.62%	4.82%
Available Asset Ratio	1.10%	1.10%	1.06%

(1) July 2010 Equity ratio is based on an insured share level of \$751 billion at June 30, 2010. Collection of the 1% capitalization deposit adjustment associated with the share growth would raise the equity ratio to 1.20%.

NATIONAL CREDIT UNION SHARE INSURANCE FUND
STATEMENT OF REVENUE AND EXPENSE
FOR THE PERIOD ENDING JULY 31, 2010

	Jul-10 Actual	Jul-10 Budget	CY to Date 2010 Actual	CY to Date 2010 Budget	CY to Date 2009
INCOME:					
Investment Income	\$18,720,451.56	\$18,000,000.00	\$126,605,384.47	\$126,000,000.00	\$114,003,361.46
Interest revenue on Loans	4,484,383.56	4,500,000.00	30,667,397.24	31,500,000.00	
Premium Income	208,443.66	-	204,372.01	-	700,000,000.00
Other Income	34,489.04	70,000.00	234,704.58	490,000.00	20,023,310.36
TOTAL INCOME	23,447,767.82	22,570,000.00	157,711,858.30	157,990,000.00	834,026,671.82
EXPENSE:					
Employee Pay	5,385,054.53	5,465,135.80	35,671,841.44	37,510,704.79	31,314,861.75
Employee Benefits	1,464,602.69	1,580,273.85	9,798,594.35	10,846,425.06	8,417,056.10
Employee Travel	1,213,676.99	1,108,713.90	6,810,759.49	7,760,997.30	5,211,250.02
Rent/Communications/Utilities	218,690.51	223,937.00	1,160,418.11	1,567,559.00	1,200,680.92
Administrative Costs	652,166.91	558,105.94	4,718,949.33	3,906,741.58	3,429,335.89
Contracted Services	682,596.72	721,249.04	3,440,825.43	5,048,743.28	2,344,230.25
<i>Subtotal NCUA Operating Exp.</i>	<i>9,616,788.35</i>	<i>9,657,415.53</i>	<i>61,601,388.15</i>	<i>66,641,171.01</i>	<i>51,917,414.93</i>
AMAC Expense	182.62	15,000.00	14,571.65	105,000.00	4,757.78
Training Expense	116,837.80	125,000.00	497,399.14	875,000.00	741,640.00
Leasing Expense	1,666.67	6,000.00	13,333.69	42,000.00	79,727.08
Accrued Insurance Interest Expense	4,484,383.56	4,700,000.00	30,667,397.24	32,900,000.00	13,623,561.64
Other Insurance Expense	584,456.71	271,000.00	1,542,514.19	1,897,000.00	4,895,412.30
<i>Total Operating Exp.</i>	<i>14,804,315.71</i>	<i>14,774,415.53</i>	<i>94,336,604.06</i>	<i>102,460,171.01</i>	<i>71,262,513.73</i>
Insurance Loss Exp.	103,953,467.00	62,500,000.00	430,022,699.33	437,500,000.00	238,823,234.00
TOTAL EXPENSE	118,757,782.71	77,274,415.53	524,359,303.39	539,960,171.01	310,085,747.73
NET INCOME:	(\$95,310,014.89)	(\$54,704,415.53)	(\$366,647,445.09)	(\$381,970,171.01)	\$523,940,924.09
Retained Earnings, Beginning of Year			\$1,889,797,329.76		\$1,700,002,814.70
Prior Year Adjustment			0.00		0.00
As Restated			1,889,797,329.76		1,700,002,814.70
Net Income			(366,647,445.09)		523,940,924.09
Dividends			1,523,149,884.67		2,223,943,738.79
Retained Earnings, Year To Date			\$1,523,149,884.67		\$2,223,943,738.79

Comparative Analysis of NCUSIF Ratios for July 31, 2010

INCOME STATEMENT RATIOS	LAST MONTH	THIS MONTH	CURRENT CYTD	PRIOR CYTD
1. Oper. Exp./Total Income	76.30%	63.14%	59.82%	8.54%
2. Ins. Loss Exp./Total Income	73.70%	443.34%	272.66%	28.63%
3. Total Exp./Total Income	150.01%	506.48%	332.48%	37.18%
4. Net Income/Total Income	-50.01%	-406.48%	-232.48%	62.82%
5. Ins. Loss Exp./Insured Shares	0.00%	0.01%	0.06%	0.03%

Figure 1

GROSS INCOME JUL 09 – JUL10

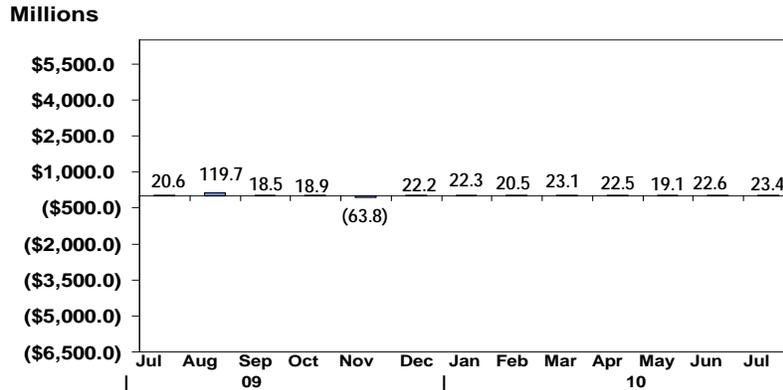


Figure 2

OPERATING EXPENSE JUL 09 – JUL 10

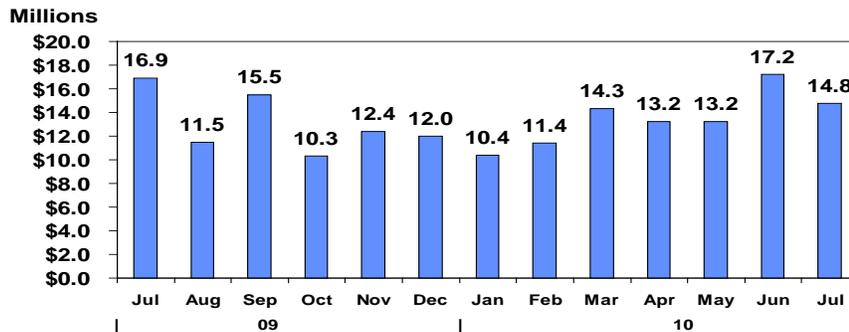


Figure 3

INSURANCE LOSS EXPENSE JUL 09 – JUL10

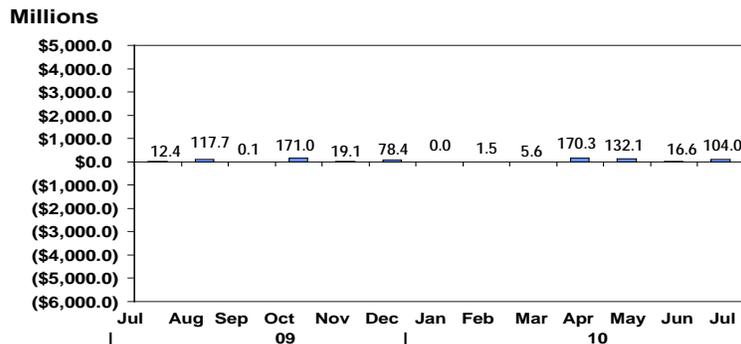


Figure 4

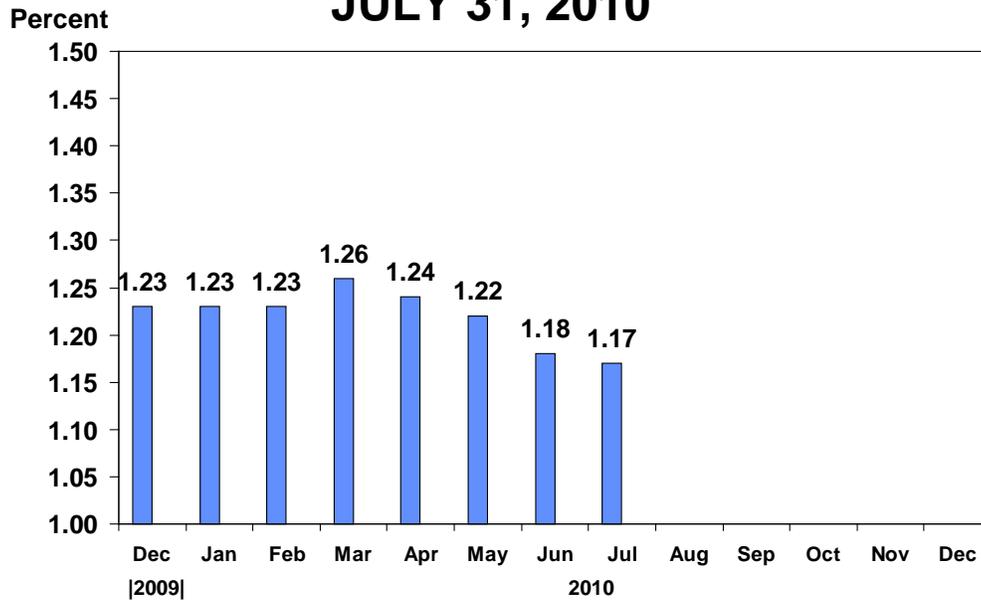
REVENUE AND EXPENSE JULY 31, 2010

(In Millions)

	July		YTD	YTD
	Actual	Budgeted	Actual	Budget
Gross Income:				
Investment Income	18.7	18.0	126.6	126.0
Other Income	4.7	4.6	31.1	32.0
Less Expenses:				
Operating Expense	14.8	14.8	94.3	102.5
Insurance Loss Expense	104.0	62.5	430.0	437.5
Net Income (Loss)	(95.3)	(54.7)	(366.6)	(382.0)

Figure 5

NCUSIF EQUITY RATIO JULY 31, 2010



INVESTMENT PORTFOLIO SUMMARY

July 31, 2010

I. INVESTMENT PORTFOLIO BALANCE AND MARKET VALUE					
	Book Value	Market Value	Gain or (Loss)	% Market to Book Value	Weighted Average Yield
Daily Treasury Account	\$724,623,000	\$724,623,000	\$0	100.00%	0.16%
U.S. Treasury Notes	8,754,842,038	9,066,684,375	311,842,337	103.56%	2.48%
TOTAL	\$9,479,465,038	\$9,791,307,375	\$311,842,337	103.29%	2.32%
II. INVESTMENT PORTFOLIO PERFORMANCE					
	Last Month	Current Month	CY To Date	CY10 Projections	
Investment Yield	2.30%	2.32%	2.28%	2.27%	
Investment Income	\$18,186,589	\$18,720,452	\$126,605,384	\$216,000,000	
Income Budgeted (1/1/10)	\$18,000,000	\$18,000,000	\$126,000,000	\$216,000,000	
Income/Budgeted Ratio	101.0%	104.0%	100.5%		
Weighted Avg. Maturity in Days	1,041	1,018			
III. MONTHLY ACTIVITY					
Purchased	Type	Amount	Maturity	Yield	
TOTAL		\$0			
IV. MATURITY SCHEDULE (par value in millions)					
3 months or less	\$1,124.6				
3 months - 1 year	950.0				
1 year - 2 years	1,600.0				
2 years - 3 years	1,600.0				
3 years - 4 years	1,800.0				
4 years - 5 years	1,220.0				
5 years - 10 years	950.0				
TOTAL	\$9,244.6				

Figure 6

TREASURY YIELD CURVE

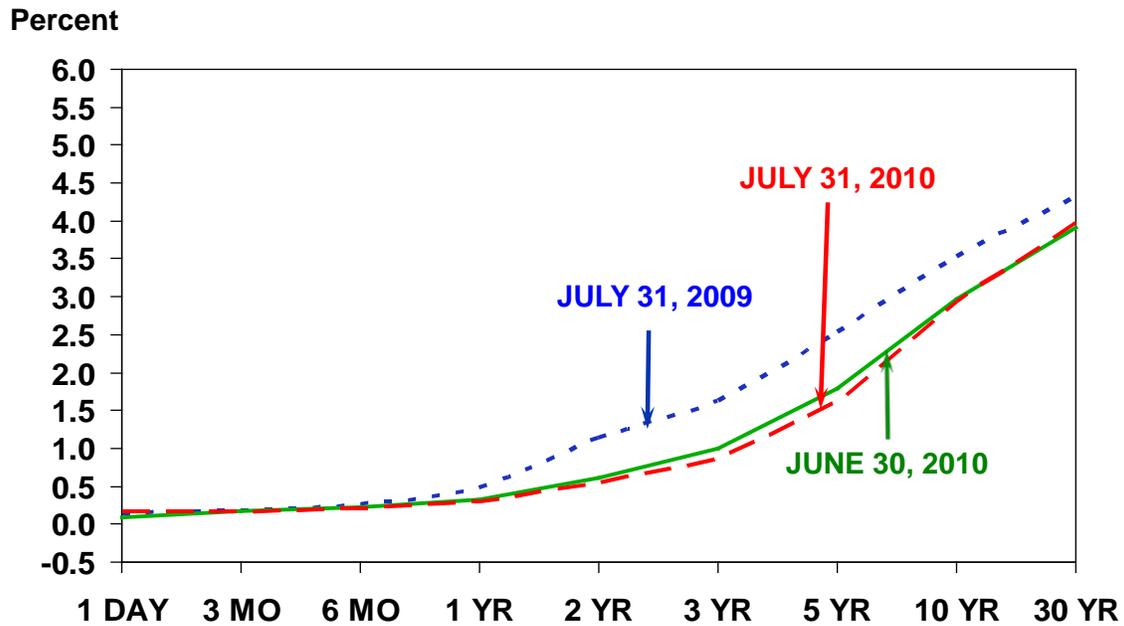
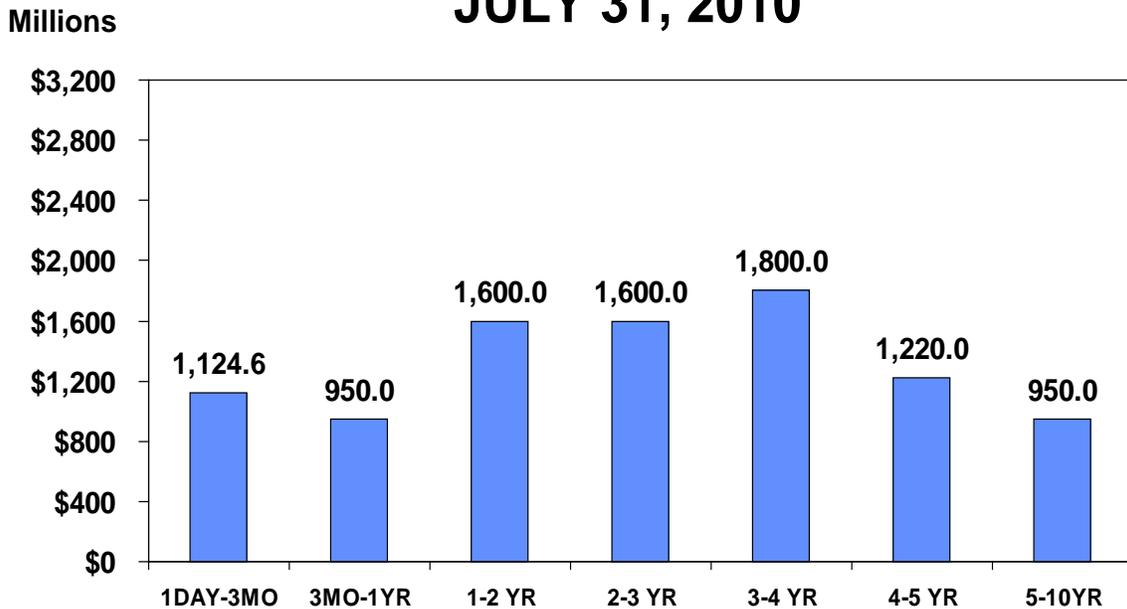


Figure 7

MATURITY SCHEDULE

JULY 31, 2010



MONTH-END YIELD COMPARISONS

July 31, 2010

YIELD COMPARISONS								
	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10
NCUSIF Yield	2.06%	2.21%	2.26%	2.30%	2.30%	2.28%	2.30%	2.32%
90-day T-Bill	0.20%	0.08%	0.13%	0.16%	0.16%	0.22%	0.18%	0.15%
1-year T-Bill	0.47%	0.30%	0.32%	0.41%	0.41%	0.34%	0.32%	0.29%
2-year T-Note	1.14%	0.82%	0.81%	1.02%	0.97%	0.76%	0.61%	0.55%
30-year T-Note	4.63%	4.51%	4.55%	4.72%	4.53%	4.22%	3.91%	3.98%

Figure 8

**YIELD COMPARISONS
JULY 31, 2010**

