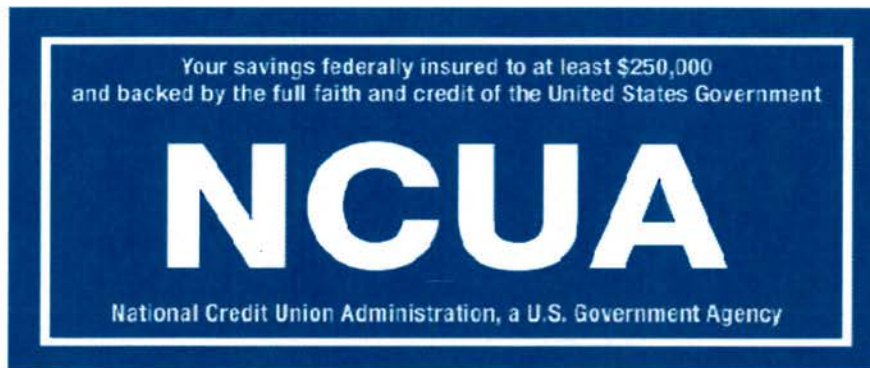


NATIONAL CREDIT UNION SHARE INSURANCE FUND



**UNAUDITED
FINANCIAL HIGHLIGHTS
December 31, 2012**

Mary Ann Woodson

**MARY ANN WOODSON
CHIEF FINANCIAL OFFICER**

NCUSIF FINANCIAL HIGHLIGHTS
December 31, 2012

Balance Sheet:

Other - Insurance and Guarantee Program Liabilities (Reserves): Reserves are \$412.5 million as of December 31, 2012; \$95.2 million is for specific natural person credit unions and \$317.3 million is for non-specific natural person credit unions.

Statement of Net Cost:

For December 2012, the fund had a net cost of \$28.2 million. The NCUSIF recognized gross revenues of \$19.9 million and total operating expenses of \$15.3 million. The fund recognized insurance loss expense of \$32.8 million for the month of December.

NATIONAL CREDIT UNION SHARE INSURANCE FUND

NCUSIF UNAUDITED BALANCE SHEET

As of December 31, 2012

(Dollars in thousands)

| | <u>December 31, 2012</u> | <u>November 30, 2012</u> | <u>December 31, 2011</u> |
|--|--------------------------|--------------------------|--------------------------|
| ASSETS | | | |
| INTRAGOVERNMENTAL | | | |
| Fund Balance with Treasury | \$ 2,479 | \$ 672 | \$ 423 |
| Investments, Net U.S. Treasury Securities | 11,293,087 | 11,335,195 | 11,392,576 |
| Accounts Receivable - Note due from the National Credit Union Administration Operating Fund | 14,415 | 14,527 | 15,756 |
| Accounts Receivable, Other | 8 | 1,197 | 10 |
| Accrued Interest Receivable, Investments | <u>63,154</u> | <u>49,366</u> | <u>81,707</u> |
| Total Intragovernmental Assets | <u>11,373,143</u> | <u>11,400,957</u> | <u>11,490,472</u> |
| PUBLIC | | | |
| Accounts Receivable - Capitalization Deposits from Insured Credit Unions, Net | 38 | - | 30 |
| Accounts Receivable - Premium Assessments from Insured Credit Unions, Net | - | - | 73 |
| Accounts Receivable, Other | 25 | - | - |
| General Property, Plant, and Equipment, Net | - | - | 18 |
| Notes Receivable, Net | 249,254 | 250,612 | 70,000 |
| Accrued Interest Receivable | 202 | 800 | 150 |
| Other - Receivable from Asset Management Estates, Net | <u>252,029</u> | <u>185,744</u> | <u>114,741</u> |
| Total Public Assets | <u>501,548</u> | <u>437,156</u> | <u>185,012</u> |
| TOTAL ASSETS | <u>\$ 11,874,691</u> | <u>\$ 11,838,113</u> | <u>\$ 11,675,484</u> |
| LIABILITIES | | | |
| INTRAGOVERNMENTAL | | | |
| Accounts Payable - Due to the Temporary Corporate Credit Union Stabilization Fund | \$ 690 | \$ 259 | \$ - |
| Accounts Payable - Due to the National Credit Union Administration Operating Fund | 2,040 | 176 | 1,182 |
| Other - Distribution Payable to the Temporary Corporate Credit Union Stabilization Fund | <u>88,090</u> | <u>-</u> | <u>278,641</u> |
| Total Intragovernmental Liabilities | <u>90,820</u> | <u>435</u> | <u>279,823</u> |
| PUBLIC | | | |
| Accounts Payable | 87,567 | 171 | 166 |
| Other - Insurance and Guarantee Program Liabilities (Reserves) | <u>412,452</u> | <u>398,467</u> | <u>606,617</u> |
| Total Public Liabilities | <u>500,019</u> | <u>398,638</u> | <u>606,783</u> |
| TOTAL LIABILITIES | <u>590,839</u> | <u>399,073</u> | <u>886,606</u> |
| NET POSITION | | | |
| Contributed Capital | 8,315,011 | 8,317,778 | 7,805,718 |
| Cumulative Result of Operations | <u>2,968,841</u> | <u>3,121,262</u> | <u>2,983,160</u> |
| Total Net Position | <u>11,283,852</u> | <u>11,439,040</u> | <u>10,788,878</u> |
| TOTAL LIABILITIES AND NET POSITION | <u>\$ 11,874,691</u> | <u>\$ 11,838,113</u> | <u>\$ 11,675,484</u> |

NATIONAL CREDIT UNION SHARE INSURANCE FUND
NCUSIF UNAUDITED STATEMENTS OF NET COST
For the Periods Ending December 31, 2012
(Dollars in thousands)

| | Month Ended December 2012 | Year Ended December 2012 | Year Ended December 2011 |
|---|--------------------------------------|-------------------------------------|-------------------------------------|
| GROSS COSTS | | | |
| OPERATING EXPENSES | | | |
| Employee Pay | \$ 5,608 | \$ 75,176 | \$ 73,272 |
| Employee Benefits | 2,671 | 26,178 | 20,996 |
| Travel | 1,654 | 15,446 | 15,313 |
| Rent, Communications, and Utilities | 363 | 2,847 | 2,780 |
| Administrative Costs | 974 | 7,473 | 8,518 |
| Contracted Services | 3,932 | 12,480 | 9,107 |
| AMAC Expense | - | - | 64 |
| Training Expense | 137 | 1,464 | 1,368 |
| Leasing Expense | - | 110 | 20 |
| Other Insurance Expense | 11 | 63 | 920 |
| Total Operating Costs | <u>15,350</u> | <u>141,237</u> | <u>132,358</u> |
| INSURANCE LOSS EXPENSE | <u>32,753</u> | <u>(77,784)</u> | <u>(532,408)</u> |
| Total Gross Costs | <u>48,103</u> | <u>63,453</u> | <u>(400,050)</u> |
| LESS EXCHANGE REVENUES | | | |
| Interest Revenue on Note Receivable due from the National Credit Union Administration Operating Fund | (22) | (290) | (344) |
| Interest Revenue - Other | (303) | (2,097) | (150) |
| Other Revenue | (2,640) | (6,381) | - |
| Insurance and Guarantee Premium Revenue | - | - | (543) |
| Total Exchange Revenue | <u>(2,965)</u> | <u>(8,768)</u> | <u>(1,037)</u> |
| TOTAL NET COST/(INCOME) OF OPERATIONS | <u>45,138</u> | <u>54,685</u> | <u>(401,087)</u> |
| LESS NON-EXCHANGE REVENUES | | | |
| Investment Income | (16,932) | (206,993) | (226,011) |
| Total Non-Exchange Revenues | <u>(16,932)</u> | <u>(206,993)</u> | <u>(226,011)</u> |
| TOTAL NET COST/(INCOME) INCLUDING NON-EXCHANGE REVENUES | <u>\$ 28,206</u> | <u>\$ (152,308)</u> | <u>\$ (627,098)</u> |

NATIONAL CREDIT UNION SHARE INSURANCE FUND

UNAUDITED STATEMENTS OF NET POSITION

December 31, 2012
(Dollars in thousands)

| | December 31, 2012 | November 30, 2012 | December 31, 2011 |
|---|----------------------|----------------------|----------------------|
| NET POSITION BREAKDOWN | | | |
| CU Contributed Capital | \$ 8,315,011 | \$ 8,317,778 | \$ 7,805,718 |
| Retained Earnings | 2,597,180 | 2,713,475 | 2,532,960 |
| Total Net Position without Unrealized Gain/Loss | <u>10,912,191</u> | <u>11,031,253</u> | <u>10,338,678</u> |
| Unrealized Gain/(Loss) - Investments | <u>371,661</u> | <u>407,787</u> | <u>450,200</u> |
| NET POSITION | \$ 11,283,852 | \$ 11,439,040 | \$ 10,788,878 |

Comparative Analysis of NCUSIF Ratios for December 2012

| | December 2012 | November 2012 | December 2011 |
|---------------------------------|---------------|---------------|---------------|
| Investments/Total Assets | 95.10% | 95.75% | 97.58% |
| Total Equity/Insured Shares (1) | 1.30% | 1.32% | 1.30% |
| Available Assets Ratio | 1.28% | 1.31% | 1.32% |
| Ins. Loss Exp./Insured Shares | 0.00% | 0.00% | -0.07% |

| | |
|--|-----------------|
| Actual Insured Shares as of December 31, 2012 | 839,399,302,480 |
| Actual Insured Shares as of December 31, 2011 | 795,287,721,573 |
| Actual Insured Shares as of June 30, 2012 | 834,267,557,427 |

(1) The December 2012 ratio is based on an actual insured share level of \$839.4 billion as of December 31, 2012.

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

(1) The December 2011 Equity Ratio was based on an actual insured share level of \$795.3 billion as of

Figure 1

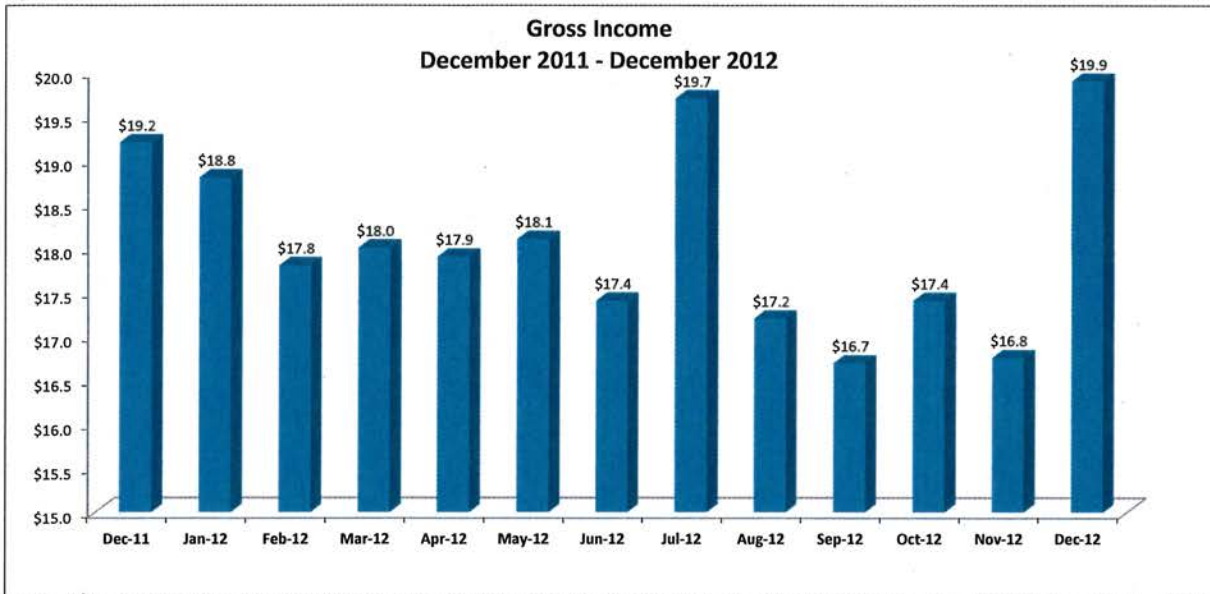
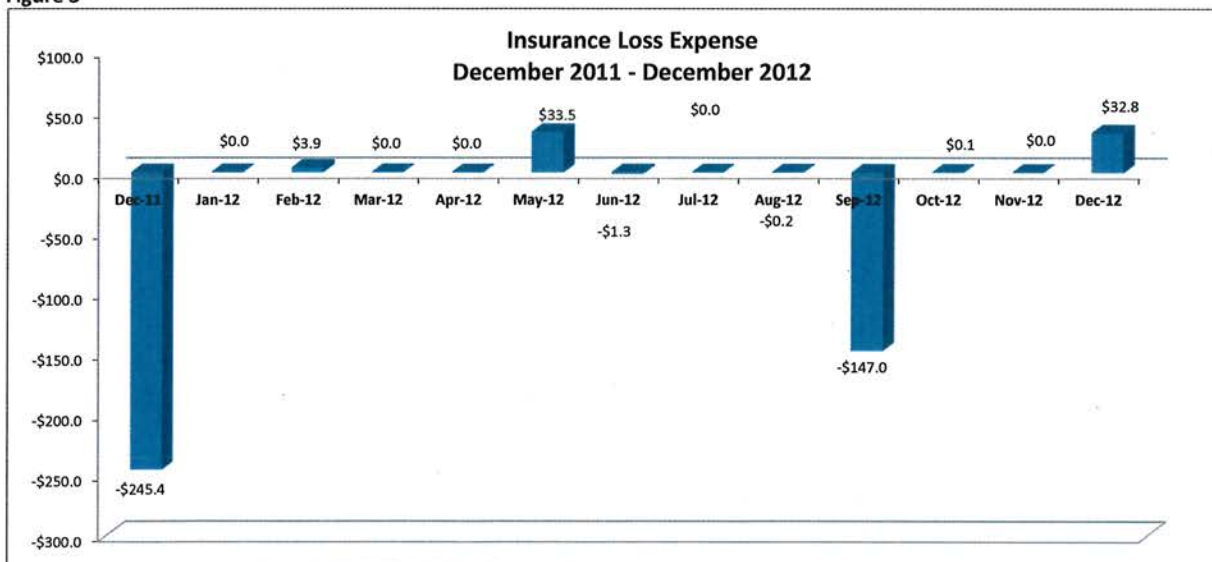


Figure 2



Figure 3



INVESTMENT PORTFOLIO SUMMARY
December 31, 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 | \$ 359,703,000 | \$ 359,703,000 | \$ - | 100.00% | 0.06% |
| U.S. Treasury Notes | 10,561,723,023 | 10,933,384,374 | 371,661,351 | 103.52% | 1.90% |
| Total | \$ 10,921,426,023 | \$ 11,293,087,374 | \$ 371,661,351 | 103.40% | 1.82% |
| II. INVESTMENT PORTFOLIO SUMMARY | | | | | |
| | Last Month | Current Month | CY To Date | | |
| Investment Yield | 1.83% | 1.82% | 1.91% | | |
| Investment Income | \$ 16,327,906 | \$ 16,932,479 | \$ 206,993,913 | | |
| Weighted Avg. Maturity in Days | 1,159 | 1,223 | | | |
| III. MONTHLY ACTIVITY | | | | | |
| Purchased | Type | Amount | Maturity | Yield | |
| 12/12/2012 | T-Note | \$ 100,000,000 | 11/15/2020 | 1.26% | |
| 12/12/2012 | T-Note | \$ 50,000,000 | 11/15/2021 | 1.47% | |
| 12/12/2012 | T-Note | \$ 150,000,000 | 11/15/2022 | 1.67% | |
| TOTAL | | \$ 300,000,000 | | | |
| IV. MATURITY SCHEDULE (par value in millions) | | | | | |
| Overnight | \$ | 360 | | | |
| 1 month - 6 months | | 800 | | | |
| 6 months - 1 year | | 800 | | | |
| 1 year - 2 years | | 1,600 | | | |
| 2 years - 3 years | | 2,070 | | | |
| 3 years - 4 years | | 2,050 | | | |
| 4 years - 5 years | | 750 | | | |
| 5 years - 10 years | | 2,250 | | | |
| TOTAL | \$ | 10,680 | | | |