

TRANSAMERICA INCOME SHARES, INC.
Form N-Q
February 26, 2009

As filed with the SEC on February 26, 2009.

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM N-Q

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED
MANAGEMENT INVESTMENT COMPANY**

Investment Company Act file number 811-02273

TRANSAMERICA INCOME SHARES, INC.
(Exact name of registrant as specified in charter)

570 Carillon Parkway, St. Petersburg, Florida
(Address of principal executive offices)

33716
(Zip code)

Dennis P. Gallagher, Esq. P.O. Box 9012, Clearwater, Florida 33758-9771
(Name and address of agent for service)

Registrant's telephone number, including area code: (727) 299-1800

Date of fiscal year end: March 31

Date of reporting period: October 1, 2008 - December 31, 2008

Item 1. Schedule of Investments.

The unaudited Schedule of Investments of Registrant as of December 31, 2008 are attached.

Transamerica Income Shares, Inc.

SCHEDULE OF INVESTMENTS

At December 31, 2008

(all amounts except share amounts in thousands)

(unaudited)

	Principal		Value	
U.S. GOVERNMENT OBLIGATIONS (12.5%)				
U.S. Treasury Bond				
4.38%, due 02/15/2038 ^	\$	1,775	\$	2,377
4.50%, due 05/15/2038 ^		300		410
U.S. Treasury Note				
1.25%, due 11/30/2010		575		581
2.00%, due 02/28/2010 - 11/30/2013 ^		1,480		1,514
3.75%, due 11/15/2018 ^		3,500		3,962
4.50%, due 11/15/2015 ^		3,000		3,558
4.88%, due 06/30/2012 ^		1,455		1,635
Total U.S. Government Obligations (cost \$12,585)				14,037
U.S. GOVERNMENT AGENCY OBLIGATIONS (18.8%)				
Fannie Mae				
4.50%, due 07/25/2021		2,215		2,237
5.00%, due 06/25/2019 - 09/01/2037		5,213		5,313
5.50%, due 07/01/2038 - 11/01/2038		6,937		7,118
Freddie Mac				
4.25%, due 10/15/2026		1,591		1,597
5.00%, due 02/01/2036		3,082		3,154
6.16%, due 12/01/2036 *		1,624		1,672
Total U.S. Government Agency Obligations (cost \$20,732)				21,091
FOREIGN GOVERNMENT OBLIGATIONS (5.3%)				
France Government Bond				
4.00%, due 04/25/2018	EUR	2,500		3,648
U.K. Gilt				
4.50%, due 03/07/2013	GBP	1,500		2,333
Total Foreign Government Obligations (cost \$5,878)				5,981
MORTGAGE-BACKED SECURITIES (2.6%)				
American Tower Trust				
Series 2007-1A, Class C				
5.62%, due 04/15/2037 -144A	\$	1,305		876
Crown Castle Towers LLC				

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Series 2006-1A, Class C			
5.47%, due 11/15/2036 -144A		1,100	773
SBA CMBS Trust			
Series 2006-1A, Class D			
5.85%, due 11/15/2036 -144A		1,212	861
Series 2006-1A, Class E			
6.17%, due 11/15/2036 -144A		540	373
Total Mortgage-Backed Securities (cost \$4,160)			2,883
CORPORATE DEBT SECURITIES (53.2%)			
Airlines (0.1%)			
Delta Air Lines, Inc.			
6.82%, due 08/10/2022		234	148
Auto Components (0.4%)			
Tenneco, Inc.			
8.13%, due 11/15/2015		895	412
Automobiles (2.2%)			
Daimler Finance North America LLC			
2.35%, due 03/13/2009 *		1,100	1,099
2.43%, due 03/13/2009 *		450	434
8.00%, due 06/15/2010		1,000	941
Beverages (2.3%)			
Brown-Forman Corp.			
5.20%, due 04/01/2012		1,400	1,385
SabMiller PLC			
6.20%, due 07/01/2011 -144A		1,250	1,238
Chemicals (0.8%)			
Momentive Performance Materials, Inc.			
9.75%, due 12/01/2014		765	325
Nalco Co.			
7.75%, due 11/15/2011 ^		600	576
Commercial Banks (2.5%)			
Barclays Bank PLC			
7.70%, due 04/25/2018 -144A ¾		950	628
HSBC Capital Funding LP			
10.18%, due 06/30/2030 -144A ¾		1,500	1,222