Closing the Stabilization Fund and Setting the Share Insurance Fund Normal Operating Level

Board Briefing

July 20, 2017

Summary

- Stabilization Fund circumstances have significantly improved as of March 31, 2017
  - No remaining outstanding Treasury borrowings
  - Legacy Asset outstanding principal balance of $12.7 billion and NCUA Guaranteed Notes (NGN) outstanding balance of $7.5 billion, both lower than $13.2 billion Share Insurance Fund size as of March 2017
  - Projected lifetime Legacy Asset defaults of $10.0 to $10.4 billion, down from $13.2 to $16.4 billion as of December 2011, because losses have been less than initially modeled
  - Stabilization Fund net position of positive $1.6 billion (estimated to be $1.9 billion after recognition of May 2017 legal recoveries), up from negative $7.5 billion as of December 2010, primarily due to almost $4 billion of net legal recoveries
- Remaining obligations of the Corporate System Resolution Program can now be borne by the Share Insurance Fund without inordinate risk, provided additional equity is maintained
- Stabilization Fund can be prudently closed in 2017
  - Stabilization Fund's purpose has been fulfilled
  - Share Insurance Fund equity in excess of the normal operating level must be distributed to insured credit unions

Background

- **Corporate System Resolution Program Goals**
  - Stabilization: Liquidity Support Programs
  - Resolution: NGNs, Bridges, and Asset Management Estates
  - Reform: New Corporate Rules

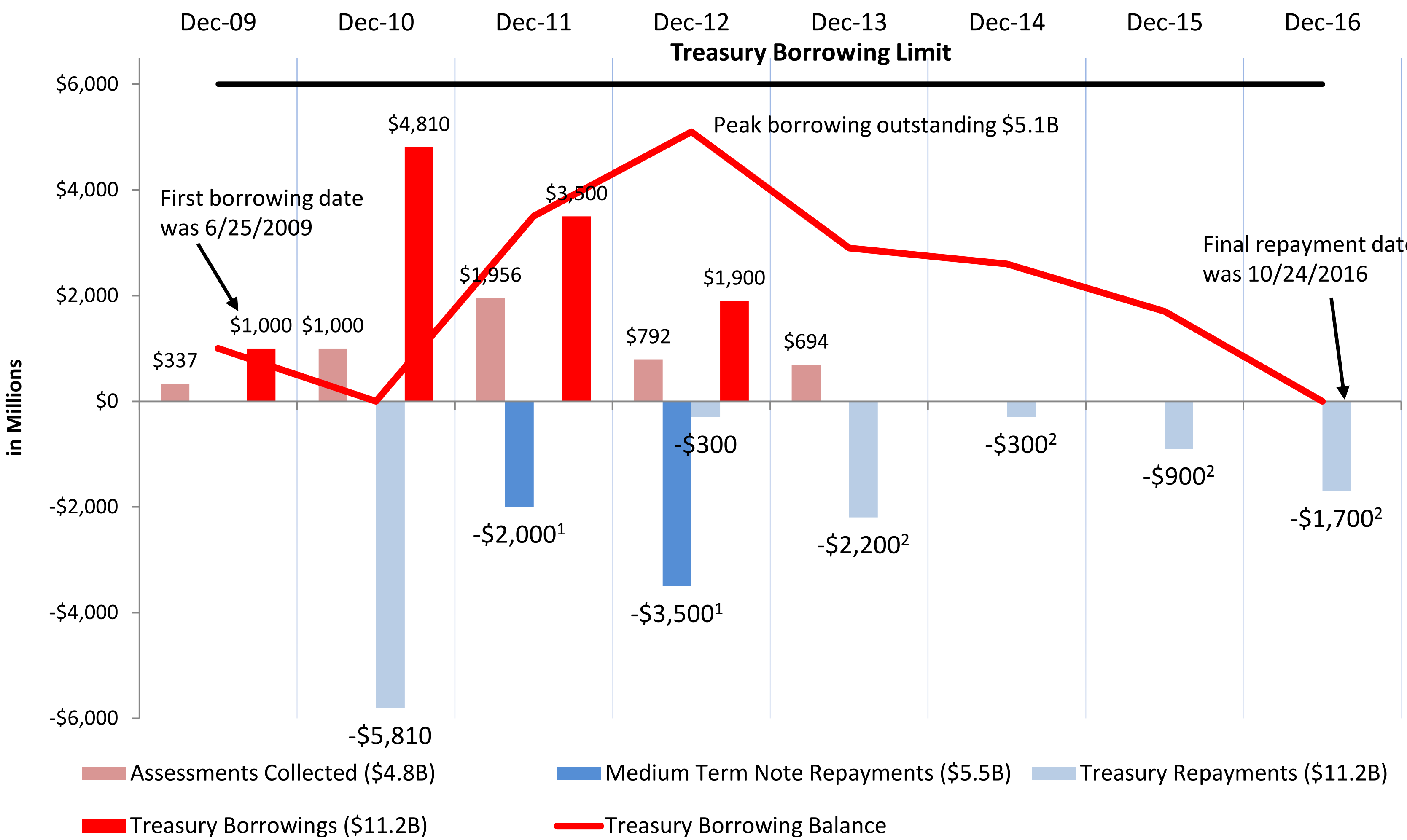
- **Remaining Components**
  - Stabilization Fund
  - NGN Program
  - Asset Management Estates

https://www.ncua.gov/regulation-supervision/Pages/corporate-system-resolution/glossary.aspx
https://www.ncua.gov/regulation-supervision/Pages/guaranteed-notes/glossary.aspx

Corporate System Resolution Program Timeline

Derivative Unwind Program Securities Sales Program	*Pre-Launch Phase*
September 2010: Resolution Begins June 2011: Securitization Complete – Final Payment Bridge Notes	*Phase 1 – Ends June 2011*
June through October 2011: Continue monetizing estate assets ~$7.6B October 2011: Medium Term Note Repayment $2B	*Phase 2A – Ends October 2011*
2012: Continue monetizing estate assets ~$788M October 2012: Medium Term Note Repayment $3.5B	*Phase 2B – Ends October 2012*
2012 through June 2021: Continue to monitor NGNs for guaranty payments and monetize remaining estate assets ~$1.1B October 1, 2017: Recommended transfer of assets and obligations from Stabilization Fund to Share Insurance Fund June 12, 2021: End of NGN program	*Phase 3A – Ends June 2021*
July 2021 forward: Monetize remaining estate assets, close the estates, and distribute remaining funds following payout priorities, concluding with distributions to depleted capital holders	*Phase 3B – Begins July 2021*

Stabilization Fund Borrowings and Assessments



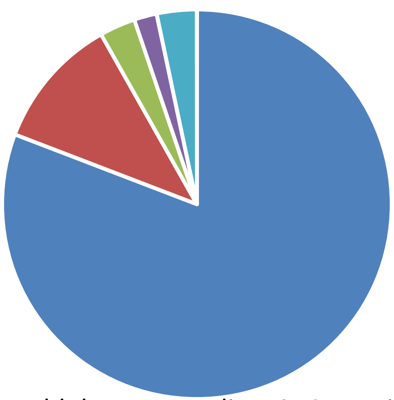
1. Medium term notes issued by WesCorp and US Central corporate credit unions; 2. Legal recoveries and cash flows from guaranty fees used to repay borrowings; 3. Columns on timeline present aggregate amounts per year, but do not indicate timing within the year.

NGNs Issued[1] ($ in Billions)

13 deals (18 series)

Completed Securitization Deals	Date Sold	Members United	Southwest	US Central	WesCorp	Constitution	Total
NGN 2010-R1	Oct-10	$ 0.00	$ 0.00	$ 3.85	$ 0.00	$ 0.00	$ 3.85
NGN 2010-C1	Nov-10	0.00	0.00	0.22	3.53	0.00	3.75
NGN 2010-R2	Nov-10	0.72	0.74	2.01	2.01	0.00	5.48
NGN 2010-R3	Dec-10	0.42	0.28	1.33	1.31	0.18	3.52
NGN 2010-A1	Dec-10	0.19	0.11	0.86	0.00	0.00	1.16
NGN 2011-R1	Jan-11	0.09	0.12	0.74	0.48	0.07	1.51
NGN 2011-R2	Feb-11	0.11	0.14	0.50	0.44	0.06	1.25
NGN 2011-R3	Feb-11	0.07	0.03	0.55	0.43	0.02	1.10
NGN 2011-C1	Feb-11	0.35	0.00	0.15	0.31	0.02	0.83
NGN 2011-R4	Mar-11	0.39	0.30	0.39	0.43	0.00	1.52
NGN 2011-R5	Apr-11	0.06	0.08	0.66	0.35	0.02	1.16
NGN 2011-R6	May-11	0.06	0.10	0.52	0.26	0.02	0.96
NGN 2011-M1	Jun-11	0.43	0.36	0.95	0.42	0.05	2.21
Total Proceeds		**$ 2.88**	**$ 2.28**	**$ 12.73**	**$ 9.98**	**$ 0.45**	**$ 28.33**

Asset Types



	UPB ($ Billions)	% Portfolio
Non-Agency RMBS	32.3	81%
CMBS	4.4	11%
Student Loan	1.2	3%
Agency MBS	0.8	2%
Other[2]	1.3	3%
	40.0	100%

See these pages for more information:

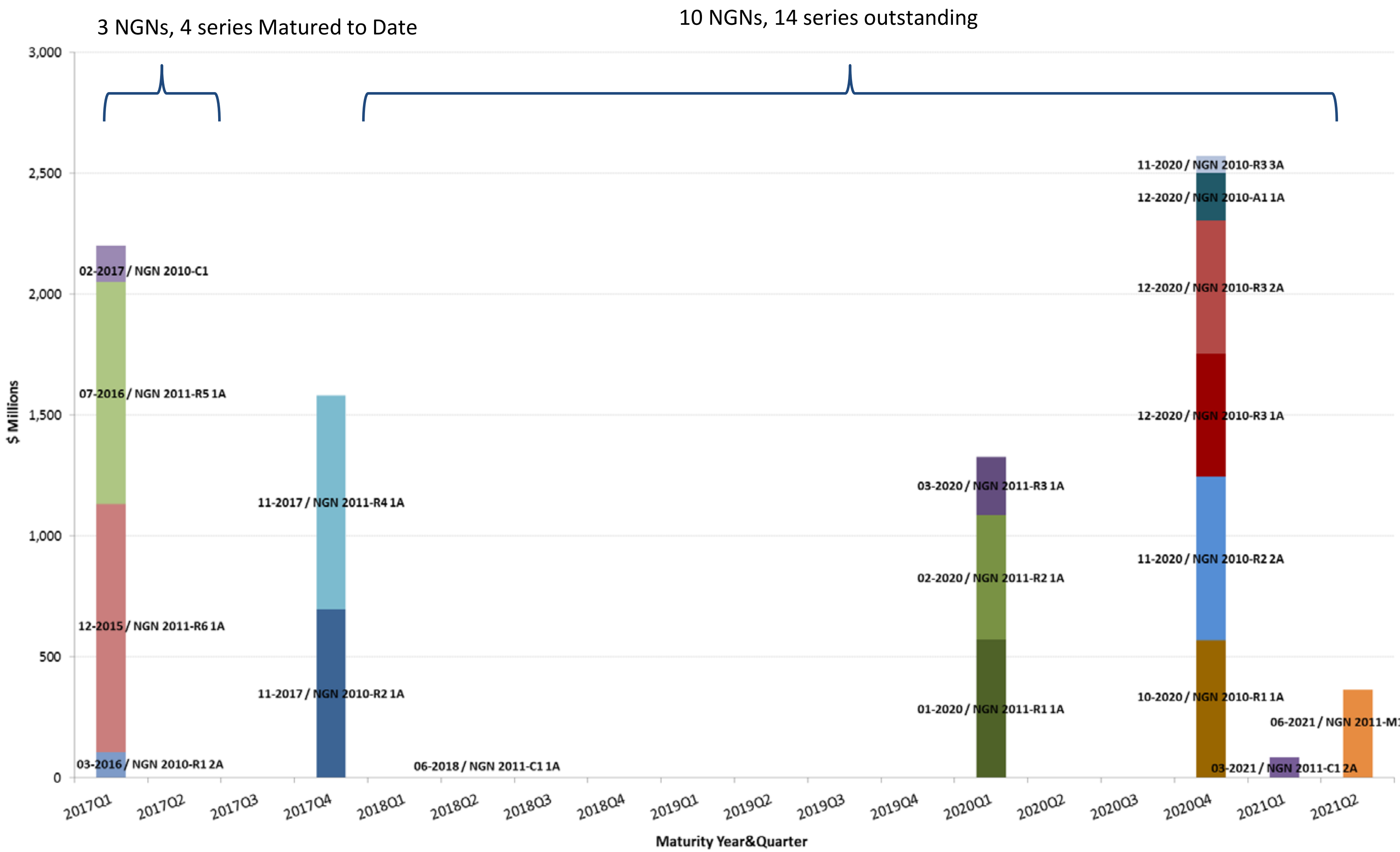
https://www.ncua.gov/regulation-supervision/Pages/guaranteed-notes.aspx

https://www.ncua.gov/regulation-supervision/Pages/guaranteed-notes/timeline.aspx

https://www.ncua.gov/regulation-supervision/Pages/guaranteed-notes/asset-overview.aspx

1. Numbers may not add due to rounding. 2. Comprised of corporate debt and other asset-backed securities.

Projected Maturities and Guaranty Payments for Outstanding NGN Series



Projected Maturities and Guaranty Payments

As of March 31, 2017

NGN Deal / Series	Expected Investor Payoff Date	Projected Number of CUSIPs	Projected Unpaid Principal Balance of Collateral ($ in Millions)	Projected NCUA Guaranty Payments[1] ($ in Millions)
NGN 2010-R2 1A	11/6/2017	104	699	445
NGN 2011-R4 1A	11/6/2017	100	883	0
NGN 2011-C1 1A	6/28/2019	1	2	0
NGN 2011-R1 1A	1/8/2020	74	570	230
NGN 2011-R2 1A	2/6/2020	92	518	219
NGN 2011-R3 1A	3/11/2020	33	240	113
NGN 2010-R1 1A	10/7/2020	54	569	321
NGN 2010-R2 2A	11/5/2020	96	677	678
NGN 2010-R3 3A	11/5/2020	18	69	0
NGN 2010-R3 1A	12/4/2020	79	509	454
NGN 2010-R3 2A	12/4/2020	67	549	510
NGN 2010-A1 1A	12/10/2020	6	199	172
NGN 2011-C1 2A	3/6/2021	13	85	61
NGN 2011-M1	6/14/2021	158	365	117
Total		**895**	**5,934**	**3,320**

1. These numbers are undiscounted. The guaranty payments shown on slide 28 are discounted.

Legacy Asset and NGN Performance Summary[1]

(in Billions)	Q4 2011[2]	Q4 2016	Q1 2017
Legacy Asset Unpaid Principal Balance	$34.3	$13.3	$12.7
Total Legacy Asset Net Realizable Value	$24.5	$10.6	$10.0
Collateralizing Outstanding NGNs[3]		$9.4	$8.9
Post-securitized[4]		$1.2	$1.1
Total Legacy Asset Market Value	$19.3	$9.7	$9.3
Collateralizing Outstanding NGNs		$8.4	$8.1
Post-securitized		$1.3	$1.2
NGN Investor Outstanding Balance	$24.7	$7.9	$7.5
Funds Held by NGN Trustee		$0.8	$0.8
Net Due to NGN Investors		$7.1	$6.7
Realized Legacy Asset Defaults[5] – NGNs	$3.6	$8.0	$8.1
Projected Lifetime Legacy Asset Defaults[6] – All	$13.2 to $16.4	$9.9 to $10.3	$10.0 to $10.4

1. Numbers may not add due to rounding. 2. Point in time after which all NGNs had been issued. 3. Calculated based on BlackRock projections of cash flows over the life of the securities discounted based on the applicable NGN funding rate. 4. Calculated based on BlackRock projections of cash flows over the life of the securities discounted based on the applicable market rate. Includes the securities within the 2010-C1 trust for which the NGN investors have been fully repaid. 5. Does not include losses of approximately $1 billion on non-securitized assets held by the failed corporate credit unions. 6. Includes losses of approximately $1 billion on non-securitized assets held by the failed corporate credit unions.

See https://www.ncua.gov/regulation-supervision/Pages/corporate-system-resolution/glossary.aspx, https://www.ncua.gov/regulation-supervision/Pages/guaranteed-notes/glossary.aspx, https://www.ncua.gov/regulation-supervision/Pages/guaranteed-notes/metrics.aspx https://www.ncua.gov/regulation-supervision/Pages/guaranteed-notes/legacy-asset-losses.aspx

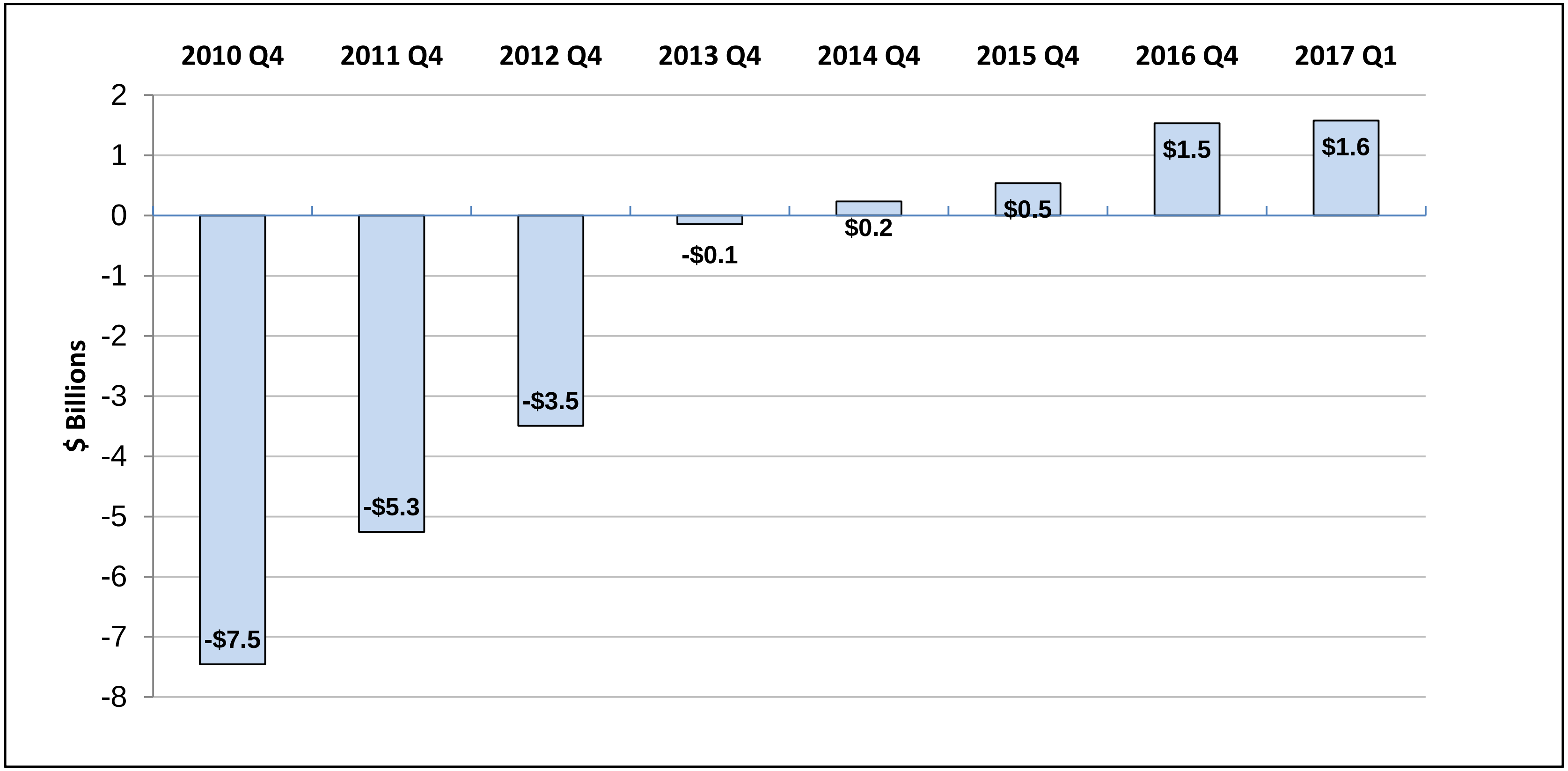
Corporate System Resolution Costs[1]

(in Billions)	Q1 2017
Projected Lifetime Legacy Asset Defaults	**$10.0 to $10.4**
Excess Spread on the NGNs and Discounting of Future Cash Flows	$1.3 to $0.5
Total Projected Resolution Costs (Gross)	**$8.7 to $9.9**
Legal Recovery Proceeds (Net)[2]	$3.2
Total Projected Resolution Costs (Net)	**$5.5 to $6.7**
Net Projected Loss to Stabilization Fund	$1.8 to $2.2
Net Projected Loss to $5.6 Billion in Depleted Corporate Capital	$3.7 to $4.5
Projected Return of $4.8 Billion in Assessments Paid to Date[3]	$2.6 to $3.0
Net Projected Recovery on $5.6 Billion in Depleted Corporate Capital	$1.1 to $1.9
Net Projected Remaining Assessments[4]	**-$3.7 to -$4.9**

1. Point in time estimates as of March 31, 2017, based on best available information. 2. Does not include approximately $0.6 billion of net legal recoveries received in May 2017 or potential future legal recoveries. 3. Per 12 U.S.C. § 1790e(h) of the Federal Credit Union Act, the Stabilization Fund must be closed before any distribution of residual assets can occur, and the residual assets must be distributed to the Share Insurance Fund. First, this means there can be no rebate directly out of the Stabilization Fund. Thus, the amount of any rebate to insured credit unions will be based on the extent to which the distribution to the Share Insurance Fund at the closing of the Stabilization Fund causes the equity ratio of the Share Insurance Fund to exceed the normal operating level at the end of a calendar year. Second, this means that the timing of any such distribution has to coincide with closing the Stabilization Fund and the end of the succeeding calendar year. 4. Negative values represent a combination of return of assessments and recoveries to depleted corporate capital holders.

Stabilization Fund Net Position[1] (in Billions)

- Net position is an accounting measure as of a point in time. A positive net position means that the fund's value of assets exceeded its value of liabilities as of the balance sheet date.



1. Estimated to be $1.9 billion after recognition of May 2017 legal recoveries. The Stabilization Fund must resolve any deficit prior to its closure per 12 U.S.C. § 1790e(g).

Legal Matters Related to Early Closure of Stabilization Fund

- NCUA has authority to close the Stabilization Fund early
- No distributions to credit unions until:
  - The Stabilization Fund is closed with residual assets going to the Share Insurance Fund per 12 U.S.C. § 1790e(h). Distributions to credit unions out of Stabilization Fund are not permitted.
  - Per 12 U.S.C. § 1782c(3), Share Insurance Fund pays a dividend only if:
    - All loans from the federal government to Share Insurance Fund have been repaid
    - Equity ratio exceeds normal operating level at end of succeeding calendar year
    - Share Insurance Fund's available assets ratio exceeds 1%
- No effect on depleted member capital holders (i.e., no recoveries to depleted capital until all other claims have been satisfied)
  - All five estates projected to have senior creditor obligations, including to the Stabilization Fund via the guaranty on the NGNs, through June 2021

Transfer Timing and Financial Statements

Transfer and Closure Timing

- Transfer and closure must occur by December 31, 2017 for distribution in 2018
- Several transfer and closure dates within calendar year 2017 were considered
- The best option would be to execute the transfer and close the Stabilization Fund on October 1, 2017 using the closing balances as of September 30, 2017

Financial Statement Presentation

- **Two sets of audited financial statements will be created for 2017**
  - Final Stabilization Fund financial statements for the time period ending September 30, 2017
  - Share Insurance Fund financial statements for the time period ending December 31, 2017 (includes assets and liabilities formerly in Stabilization Fund)
- **Providing two sets of financial statements provides the greatest level of transparency to stakeholders interested in the operations of the two funds**
- **Recovery of the US Central $1 billion capital note, impaired in 2009**

Share Insurance Fund Pro Forma Balance Sheet[1]

Using March 31, 2017 as Transfer Date

PRELIMINARY & UNAUDITED[2] (In Millions)	Share Insurance Fund 3/31/2017	Stabilization Fund Transfer-In	Post-Closure 3/31/2017
Assets			
Fund Balance with Treasury and Investments	$12,766.2	$700.4	$13,466.6
Notes Receivable, Net	8.7	-	8.7
Capitalization Deposits Receivable	316.5	-	316.5
Receivable from Asset Management Estates, Net (NPCU)	51.3	-	51.3
Receivable from Asset Management Estates, Net (CCU)	-	876.3	876.3
Accrued Interest and Other Assets	61.2	2.7	63.9
Total Assets	**$13,203.9**	**$1,579.4**	**$14,783.3**
Liabilities and Net Position			
Accounts Payable and Other Liabilities	$26.0	$1.1	$27.1
Borrowings from U.S. Treasury	-	-	-
Insurance and Guarantee Program Liabilities	245.6	-	245.6
Net Position – Capital Deposits	10,285.8	-	10,285.8
Net Position – Cumulative Results of Operations	2,646.5	1,578.3	4,224.8
Total Liabilities and Net Position	**$13,203.9**	**$1,579.4**	**$14,783.3**
Net Position	**$12,932.3**	**$1,578.3**	**$14,510.6**

1. The impact on the post-closure Share Insurance Fund financial statements will be based on actual results at the time the Stabilization Fund is closed, and the presentation may vary somewhat due to the specific application of accounting standards on individual line items.
2. Presented Share Insurance Fund and Stabilization Fund amounts for March 2017 are preliminary and unaudited.

Estimated December 31, 2017 Net Position for the Share Insurance Fund

Component	Amount (in Millions)
March 31, 2017 Pro-Forma Net Position (Post-Closure)	$14,511
Plus: Legal Recoveries that Increase the Value of the Receivable from the Estates	$310
Plus: Estimated Recovery on US Central Capital Note[1]	$500 - $800[2]
Plus: Projected Share Insurance Fund Net Income 2017q2 – 2017q4[3]	($26)
Plus: Projected Adjustment to 1% Contributed Capital Deposit[4]	$383
Equals: December 31, 2017 Adjusted Net Position (Post-Closure) Estimate	**$15,678 - $15,978**

1. The estimated recovery includes U.S. Central's portion of the recent legal recoveries. 2. This estimated range only reflects what is projected to be recognizable by calendar yearend 2017 under applicable accounting rules, which mainly includes the portion of the capital note for which there is cash available for repayment. 3. Assuming current yield on investments, insurance losses equal to the five-year average, and operating expenses based on the currently approved NCUA budget. 4. Based on share growth of 3.71 percent in the first quarter 2017 and the historical share of adjusted contributed capital deposit adjustments collected in October each year.

Projected Equity Ratio Calculation

Ratio Components	Projected December 31, 2017 (in Millions)
Adjusted Net Position Post-Stabilization Fund Closure	\$15,678 – \$15,978
Less: Gain(Loss) on Investments[1]	(\$66)
Equals: Net Position – Unrealized Gain(Loss)	**\$15,744 – \$16,044**
Divided by: Insured Shares	**\$1,089,500[2]**
Equals: Equity Ratio[3]	**1.45% - 1.47%**

- Federal Credit Union Act § 1782h(2)
  - A. The amount of Fund capitalization, including insured credit unions' 1 percent capitalization deposits and the retained earnings balance of the Fund (net of direct liabilities of the Fund and contingent liabilities for which no provision for losses has been made); to
  - B. The aggregate amount of the insured shares in all insured credit unions

$$Equity\ Ratio = \frac{Net\ Position\ -Unrealized\ Gain(Loss)}{Insured\ Shares}$$

1. Actual gain(loss) on investments as of March 31, 2017 and could be materially different as of December 31, 2017. 2. Based on 5.8% annual insured share growth, which is the three-year average insured share growth for the industry. 3. Does not account for extraordinary losses and/or failures in credit unions, abnormally high insured share growth, or a significant downturn in economic conditions, including declining interest rates.

Share Insurance Fund Equity Ratio

- The Share Insurance Fund's calendar yearend equity ratio is part of the statutory basis to determine whether a distribution is made to insured credit unions. The Act states "the Board shall effect a pro rata distribution to insured credit unions after each calendar year if, as of the end of that calendar year –
  - Any loans to the Fund from the Federal Government, and any interest on those loans, have been repaid;
  - The Fund's equity ratio exceeds the normal operating level; and
  - The Fund's available assets ratio exceeds 1.0 percent."[1]
- The equity ratio is also part of the statutory basis for determining whether a premium or Share Insurance Fund restoration plan is necessary.

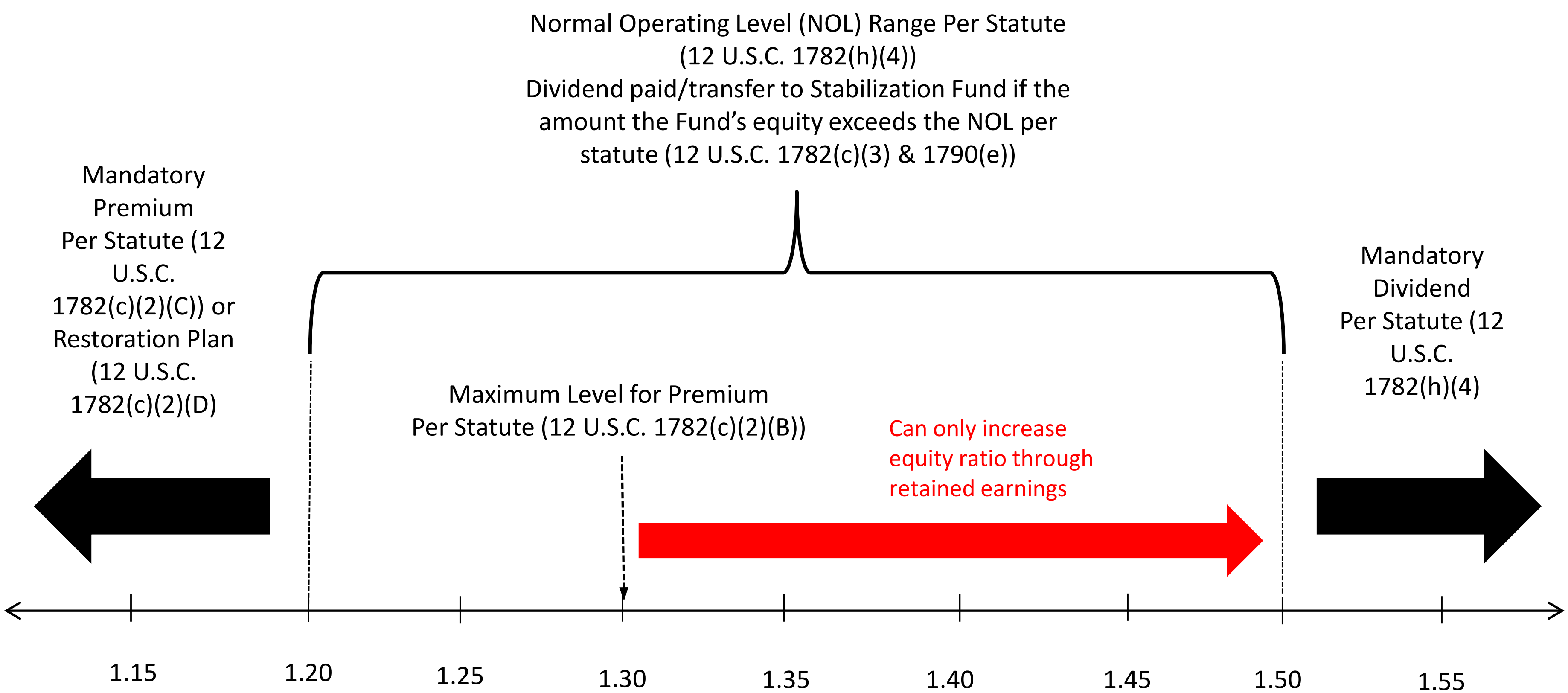
1. 12 U.S.C. § 1782c(3). This section is also subject to 12 U.S.C. § 1790e(e).

What is the Normal Operating Level?

- Per the Act, the normal operating level is the point at which excess equity is returned to credit unions in the form of a Share Insurance Fund distribution
- The NCUA Board has historically set the normal operating level as the target equity ratio for the Share Insurance Fund
- The Board last set the normal operating level at 1.30% in 2007 based on the methodology outlined in the normal operating level Policy approved by the Board in December 2007[1]
  - 1.30% was the level of equity needed to withstand two years of historical stress and still maintain a counter-cyclical posture

1. Board Action Memorandum, Policy on Setting the Normal Operating Level and Monitoring the Condition of the National Credit Union Share Insurance Fund, approved by the Board on December 3, 2007.

Share Insurance Fund Statutory Parameters



Evaluation of Post-Closure Normal Operating Level

- The normal operating level must be sufficient to absorb risks to the Share Insurance Fund from the obligations of the Corporate System Resolution Program and potential credit union industry losses under similar economic conditions
- Modeled losses over five years[1] in Adverse (moderate recession) and Severely Adverse (severe global recession) economic scenarios from the Federal Reserve Board
  - Quantify potential decline in value of the Share Insurance Fund’s claims on the asset management estates
  - Project the performance of the Share Insurance Fund based on three primary drivers: insurance losses, insured share growth, and yield on investments

1. Five-year horizon was used to cover the cycle of an economic downturn and the lifecycle of the NGN program.

Summary of Economic Scenarios

- Adverse and Severely Adverse economic scenarios from the Federal Reserve Board's 2017 supervisory scenarios[1]

Scenario	Adverse	Severely Adverse
Description	Moderate recession in U.S. economy with declining asset prices and weakening economic activity	Severe global recession, accompanied by heightened stress in corporate loan and commercial real estate markets
Factors	• Higher, steadily rising unemployment rate – averages more than 7% in 2018-19 • Short-term interest rates near zero • Long-term interest rates slowly rise; 10-year always below 3% • Sustained declines in housing prices –17% below base in 2019	• Unemployment rate spikes – rate averages more than 9.5% in 2018-19 • Short-term interest rates near zero • Long-term interest rates fall initially then increase slightly -- 10-year always below 2%. • Housing prices decline substantially – 30% below base in 2019

1. *Supervisory Scenarios for Annual Stress Test Required under the Dodd-Frank Act Stress Testing Rules and the Capital Plan Rule*, February 10, 2017. Scenarios were extended to 2021 and shifted forward by one quarter using data supplied by Macroeconomic Advisers, LLC. NCUA extended key variables for 2022 by keeping 2021 growth rates, interest rates, and unemployment rates constant at their 2021 levels for each scenario

Equity Ratio Impact – Value of Claims on Estate

- Changes in Legacy Asset and NGN cash flows do not translate dollar-for-dollar to the Share Insurance Fund equity ratio for a number of reasons
  - US Central $1 billion capital note will only be recognized in part or in full as cash is repaid
  - Exclusion of assets that can be claimed by third parties, such as the asset management estates per the legal payout priorities
  - Accounting treatment of projected cash flows, such as guaranty fee income and interest on Treasury borrowings
  - Excess spread and other effects of the NGN program structure

Legacy Asset Cash Flows

- BlackRock incorporated Adverse and Severely Adverse macroeconomic scenarios into their proprietary models to project Legacy Asset cash flows
- Credit spreads indicative of Adverse and Severely Adverse scenarios applied to discount projected cash flows

Legacy Asset Cash Flows ($ in Billions)	Scenario			Differences from Base Scenario	
	Base	Adverse	Severely Adverse	Adverse	Severely Adverse
Total	10.3	8.3	7.3	(2.0)	(3.0)

NGN Cash Flows

- Legacy Asset cash flows run through applicable NGN waterfalls to project guaranty fees, guaranty payments, guaranty reimbursements, and residuals
- Credit spreads indicative of Adverse (U.S. credit rating downgrade in 2011) and Severely Adverse (peak of the Great Recession) scenarios applied to discount projected cash flows

NGN Cash Flows ($ in Billions)	Scenario		
	Base	Adverse	Severely Adverse
Guaranty Fees	0.1	0.1	0.1
Guaranty Payments	(3.2)	(4.0)	(4.4)
Guaranty Reimbursements	3.0	3.3	3.5
Residuals	3.5	2.1	1.3
Net Cash Flow	**3.4**	**1.5**	**0.5**
Differences from Base Scenario	--	*(1.9)*	*(2.9)*

Asset Management Estate Cash Flow Summary

All Scenarios ($ in Billions)[1]

- Legacy Asset and NGN cash flows run through applicable estate payout priorities[2]
- Decline in NCUA receivable from estates plus projected recovery on US Central capital note
  - Adverse: $400 million or 4 basis points; Severely Adverse: $1.1 billion or 11 basis points

Estate	NGN Cash Flows (Net)[3]			Depleted Capital Recovery[4]			NCUA Net Receivable from Estates[5]		
	Base	Adverse	Severely Adverse	Base	Adverse	Severely Adverse	Base	Adverse	Severely Adverse
US Central	2.0	0.9	0.3	0.7	0.0	0.0	0.9	0.9	0.5
WesCorp	0.6	0.3	0.1	0.0	0.0	0.0	0.9	0.5	0.3
Members	0.4	0.2	0.1	0.5	0.1	0.0	0.2	0.2	0.1
Southwest	0.4	0.2	0.1	0.6	0.2	0.1	0.0	0.0	0.0
Constitution	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	**3.4**	**1.5**	**0.5**	**1.8**	**0.3**	**0.1**	**2.0**	**1.6**[6]	**0.9**[7]
Differences from Base	--	*(1.9)*	*(2.9)*	--	*(1.5)*	*(1.7)*	--	***(0.4)***	***(1.1)***

1. Numbers may not add due to rounding. 2. Payout priorities are outlined in 12 CFR § 709.5. 3. NGN cash flows (net) includes guaranty fees, guaranty payments, guaranty reimbursements, residuals, and post-securitized Legacy Asset proceeds. 4. If depleted member capital is repaid to US Central, a portion will be distributed to the other estates that had capital at US Central. 5. US Central receivables reflect the $0.1 billion due to NCUA and the $0.8 billion estimated to be recognized on the US Central capital note. 6. See slides 53 – 60. 7. See slides 61 – 68.

Fiducial Net Assets by Estate

As of March 31, 2017

Preliminary and Unaudited[1] ($ in Millions)	US Central	WesCorp	Members United	Southwest	Constitution	Total
Fiduciary Assets						
Cash and Cash Equivalents	0.0	0.0	0.0	0.0	0.0	0.0
Legacy Assets[2]	746.0	217.5	62.6	82.6	14.5	1,123.2
Legacy Assets/Investments Collateralizing the NGNs[2]	4,389.0	2,627.8	909.3	782.7	170.6	8,879.4
Loans[3]	2.1	16.2	60.4	0.0	0.0	78.6
Receivable from AMEs	0.0	0.0	0.0	0.0	0.0	0.0
Other Fiduciary Assets[3]	0.0	0.0	0.3	0.1	0.0	0.4
TOTAL FIDUCIARY ASSETS	**5,137.1**	**2,861.5**	**1,032.6**	**865.4**	**185.1**	**10,081.7**
Fiduciary Liabilities[4]						
Accrued Expenses and Payables[5]	16.4	13.0	3.8	3.4	0.4	37.0
NGNs	0.0	0.0	0.0	0.0	0.0	0.0
Due to NGN Trusts[6]	3,195.0	2,230.3	599.1	490.4	150.5	6,665.4
Unsecured Claims	1.3	0.0	1.8	0.7	0.1	3.9
Due to Stabilization Fund	115.3	3,705.3	154.4	(30.5)	36.2	3,980.7
TOTAL FIDUCIARY LIABILITIES	**3,328.0**	**5,948.6**	**759.2**	**463.9**	**187.2**	**10,687.0**
TOTAL FIDUCIARY NET ASSETS (LIABILITIES)	**1,809.1**	**(3,087.2)**	**273.4**	**401.5**	**(2.1)**	**(605.4)**
Net Collectible for Due to Stabilization Fund	**115.3**	**618.1**	**154.4**	**(30.5)**	**34.1**	**891.4**

See Collateral Cash Flows less NGN Guaranty Fees of ~$10 billion in the Base scenario table on slide 29

See Due to Stabilization Fund column of the table on slide 27

Net Collectible for Due to Stabilization Fund excludes $15.1 million due to bridge estates; net collectible totals $876.3 million for all of the estates

1. Numbers may not add due to rounding. 2. Projected Base scenario cash flows discounted by funding and market rates for securitized and un-securitized assets, respectively. 3. See Non-NGN Inflows column of the table on slide 30. 4. Does not include Stabilization Fund capital note to US Central or depleted member capital. 5. See Non-NGN Outflows column of the table on slide 27. 6. Net of $7.5 billion gross outstanding to NGN investors and $0.8 billion of cash in NGN trusts.

Balances Owed and Projected Outflows

Base Scenario ($ in Millions)[1]

Column	A	B	C	D	E	F	G
	Current Balances Owed				Projected Estate Outflows[2]		
Cash Flow Type	NGN Investor Balance[3]	Due to Stabilization Fund[4]	Interest Due to Stabilization Fund	US Central Capital Note[5]	NCUA Guaranty Payments on NGNs[6]	Non-NGN Outflows[7]	Total Outflows
Formula							E+F
US Central	3,534.1	115.3	8.9	1,000.0	1,835.2	16.4	**1,851.6**
WesCorp	2,187.6	3,705.3	72.5	N/A	579.7	13.0	**592.7**
Members	880.2	154.4	4.0	N/A	352.6	3.8	**356.4**
Southwest	690.6	(30.5)	1.5	N/A	354.7	3.4	**358.0**
Constitution	170.7	36.2	0.6	N/A	32.7	0.4	**33.1**
Total	**7,463.3**	**3,980.7**	**87.4**	**1,000.0**	**3,154.8**	**37.0**	**3,191.8**

See Due to Stabilization Fund on slide 26

See Base scenario guaranty payments on slide 24

1. Numbers may not add due to rounding. 2. Generated using projected legacy asset cash flows that have not been realized. Actual cash flows could vary significantly from projections. 3. Gross outstanding NGN investor balance. The Due to NGN Trusts line on slide 26 is shown net of $0.8 billion of cash in NGN trusts. Also, see Funds Held by Trustee on slide 29. 4. Comprised of the following categories: B1 - Liquidation Expenses, B4 - Debt Due to Government, B6 - Share Insurance. 5. Not recognized on financial statements due to accounting rules. 6. Projected by BlackRock. 7. From Accrued Expenses and Payables on slide 26.

Balances Owed Plus Projected Outflows

Base Scenario ($ in Millions)[1]

Column	H	I	J	K	L	M	N
Cash Flow Type	Balances Owed after Projected Estate Outflows[2]						
	NGN Investor Balance[3]	B1 Liquidation Expenses / B4 Debt Due to Government[4]	B5 General Creditors	B6 Share Insurance	B6.5 US Central Capital Note	B7 Member Capital[5]	B9 Paid-in Capital[5]
Formula	A-E	B+C+G-K					
US Central	1,698.9	1,962.7	1.3	13.0	1,000.0	1,685.7	300.0
WesCorp	1,608.0	4,149.2	0.0	221.3	N/A	931.3	213.1
Members	527.7	152.1	1.8	362.7	N/A	492.7	79.4
Southwest	335.9	57.9	0.7	271.1	N/A	403.7	0.0
Constitution	138.0	38.6	0.1	31.4	N/A	66.8	0.0
Total	**4,308.5**	**6,360.4**	**3.9**	**899.5**	**1,000.0**	**3,580.2**	**592.5**

1. Numbers may not add due to rounding. Payout priorities go left to right from highest to lowest. 2. The following categories have no remaining claims and have been omitted from the tables: A1 - Secured Creditors, B2 - Wages and Salaries, B3 - Taxes Due to Government, B8 - Secondary Capital. 3. Guaranteed by NCUA and backed by the full faith and credit of the US. 4. Includes projected NCUA Guaranty Payments on NGNs and Non-NGN Outflows from previous slide. 5. B7 - Member capital and B9 – Paid-in Capital shown here plus retained earnings lost at liquidation for the failed corporates equals the $5.6 billion depleted corporate capital number shown on slide 10.

NGN Cash Sources and Uses

Base Scenario ($ in Millions)[1]

Column	O	P	Q	R	S	T	U	V
	NGN Cash Sources			NGN Cash Uses				
Cash Flow Type	Collateral Cash Flows[2]	Funds Held by Trustee[3]	Total Cash Sources	NGN Investor Payments	NGN Guaranty Fees[4]	NGN Guaranty Reimbursements[4]	NGN Residuals[4]	Total Cash Uses
Formula			O+P	H				R+S+T+U
US Central	5,178.4	339.1	**5,517.5**	1,698.9	35.3	1,747.1	2,036.1	**5,517.5**
WesCorp	2,856.7	(42.7)	**2,814.1**	1,608.0	11.1	551.8	643.1	**2,814.1**
Members	980.2	281.1	**1,261.3**	527.7	6.8	335.6	391.2	**1,261.3**
Southwest	873.7	200.2	**1,073.9**	335.9	6.8	337.7	393.5	**1,073.9**
Constitution	185.9	20.2	**206.1**	138.0	0.6	31.2	36.3	**206.1**
Total	**10,074.9**	**797.9**	**10,872.8**	**4,308.5**	**60.7**	**3,003.4**	**3,500.3**	**10,872.8**

See Base scenario guaranty fees, guaranty reimbursements, and residuals on slide 24

1. Numbers may not add due to rounding. 2. From Legacy Assets and Legacy Assets/Investments Collateralizing the NGNs of the Total; adjusted for guaranty fees not reflected and discounting differences. 3. From Cash and Cash Equivalents and Legacy Assets/Investments Collateralizing the NGNs of the NGN Trusts. 4. Projected by BlackRock.

Projected Estate Inflows

Base Scenario ($ in Millions)[1]

Column	W	X	Y	Z	AA
	Projected Estate Inflows				
Cash Flow Type	NGN Reimbursements and Residuals[2]	Non-NGN Inflows[3]	Q2 2017 Settlements[4]	Capital Recovery from US Central[5]	Total Inflows
Formula	T+U				W+X+Y+Z
US Central	3,783.2	2.1	320.9	0.0	**4,106.3**
WesCorp	1,195.0	16.2	309.5	45.2	**1,565.8**
Members	726.8	60.7	0.0	181.0	**968.5**
Southwest	731.2	0.1	2.3	158.6	**892.1**
Constitution	67.5	0.0	0.0	20.2	**87.7**
Total	**6,503.6**	**79.0**	**632.7**	**405.0**	**7,620.4**

See corresponding US Central outflow on slide 50

1. Numbers may not add due to rounding. 2. Projected by BlackRock. 3. From Loans and Other Fiduciary Assets on slide 26.
4. Settlements received from UBS and CSFB after the March 31, 2017 measurement date. 5. If depleted member capital is repaid to US Central, a portion will be distributed to the other estates that had capital at US Central.

Balances Owed Less Projected Repayments

Base Calculation Details ($ in Millions)

Estate	AA	Equation	AC	AD	AE	AF	AG	AH	Total	Equation	AK
	Total Inflows[1]		B1 / B4	B5	B6	B6.5	B7	B9			Member Dividend
US Central	4,106.3	Beg. Balance	1,962.7	1.3	13.0	1,000.0	1,685.7	300.0	4,962.8	∑Inflows	4,106.3
		- Repayment	- 1,962.7	- 1.3	- 13.0	- 1,000.0	- 1,129.2	- 0.0	- 4,106.3	- ∑Repayments	- 4,106.3
		= End Balance	**= 0.0**	**= 0.0**	**= 0.0**	**= 0.0**	**= 556.5**	**= 300.0**	**= 856.5**	**= ∑Dividend**	**= 0.0**
WesCorp	1,565.8	Beg. Balance	4,149.2	0.0	221.3	0.0	931.3	213.1	5,514.9	∑Inflows	1,565.8
		- Repayment	- 1,565.8	- 0.0	- 0.0	- 0.0	- 0.0	- 0.0	- 1,565.8	- ∑Repayments	- 1,565.8
		= End Balance	**= 2,583.3**	**= 0.0**	**= 221.3**	**= 0.0**	**= 931.3**	**= 213.1**	**= 3,949.1**	**= ∑Dividend**	**= 0.0**
Members	968.5	Beg. Balance	152.1	1.8	362.7	0.0	492.7	79.4	1,088.7	∑Inflows	968.5
		- Repayment	- 152.1	- 1.8	- 362.7	- 0.0	- 451.9	- 0.0	- 968.5	- ∑Repayments	- 968.5
		= End Balance	**= 0.0**	**= 0.0**	**= 0.0**	**= 0.0**	**= 40.8**	**= 79.4**	**= 120.3**	**= ∑Dividend**	**= 0.0**
Southwest	892.1	Beg. Balance	57.9	0.7	271.1	0.0	403.7	0.0	733.3	∑Inflows	892.1
		- Repayment	- 57.9	- 0.7	- 271.1	- 0.0	- 403.7	- 0.0	- 733.3	- ∑Repayments	- 733.3
		= End Balance	**= 0.0**	**= 0.0**	**= 0.0**	**= 0.0**	**= 0.0**	**= 0.0**	**= 0.0**	**= ∑Dividend**	**= 158.8**
Constitution	87.7	Beg. Balance	38.6	0.1	31.4	0.0	66.8	0.0	136.9	∑Inflows	87.7
		- Repayment	- 38.6	- 0.1	- 31.4	- 0.0	- 17.7	- 0.0	- 87.7	- ∑Repayments	- 87.7
		= End Balance	**= 0.0**	**= 0.0**	**= 0.0**	**= 0.0**	**= 49.1**	**= 0.0**	**= 49.1**	**= ∑Dividend**	**= 0.0**
Total	**7,620.4**	Beg. Balance	6,360.4	3.9	899.5	1,000.0	3,580.2	592.5	12,436.6	∑Inflows	7,620.4
		- Repayment	- 3,777.1	- 3.9	- 678.2	- 1,000.0	- 2,002.4	- 0.0	- 7,461.6	- ∑Repayments	- 7,461.6
		= End Balance	**= 2,583.3**	**= 0.0**	**= 221.3**	**= 0.0**	**= 1,577.8**	**= 592.5**	**= 4,975.0**	**= ∑Dividend**	**= 158.8**

1. For estates other than US Central, total inflows include a partial recovery on capital they held at US Central, as shown on slide 30.

Balances Owed Less Projected Repayments

Base Scenario ($ in Millions)[1]

Column	AB	AC	AD	AE	AF	AG	AH
Cash Flow Type	Balances Owed after Projected Inflows[2]						
	NGN Investor Balance[3]	B1 Liquidation Expenses / B4 Debt Due to Government	B5 General Creditors	B6 Share Insurance	B6.5 US Central Capital Note	B7 Member Capital	B9 Paid-in Capital
Formula	H-R	Max(I-AA,0)	Max[∑(I+J)-∑(AA+AC),0]	Max[∑(I+J+K)-∑(AA+AC+AD),0]	Max[∑(I+J+K+L)-∑(AA+AC+AD+AE),0]	Max[∑(I+J+K+L+M)-∑(AA+AC+AD+AE+AF),0]	Max[∑(I+J+K+L+M+N)-∑(AA+AC+AD+AE+AF+AG),0]
US Central	0.0	0.0	0.0	0.0	0.0	556.5	300.0
WesCorp	0.0	2,583.3	0.0	221.3	N/A	931.3	213.1
Members	0.0	0.0	0.0	0.0	N/A	40.8	79.4
Southwest	0.0	0.0	0.0	0.0	N/A	0.0	0.0
Constitution	0.0	0.0	0.0	0.0	N/A	49.1	0.0
Total	**0.0**	**2,583.3**	**0.0**	**221.3**	**0.0**	**1,577.8**	**592.5**

1. Numbers may not add due to rounding. Payout priorities go left to right from highest to lowest. 2. The following categories have no remaining claims and have been omitted from the tables: A1 - Secured Creditors, B2 - Wages and Salaries, B3 - Taxes Due to Government, B8 - Secondary Capital. 3. Guaranteed by NCUA and backed by the full faith and credit of the US.

NCUA Net Receivable – Before and After Adjustments

Base Scenario ($ in Millions)[1]

Column	AM	AN	AO	AP	AQ	AR
	Adjustments for Financial Reporting[2]					
Cash Flow Type	NCUA Net Recovery	Interest Owed to Stabilization Fund	US Central Capital Note	Guaranty Fees	Other[3]	NCUA Net Receivable from Estates
Formula	S+B+C+D-AC-AE-AF			-S		AM+AN+AO+AP+AQ
US Central	1,159.5	(8.9)	(200.0)	(35.3)	0.0	**915.3**
WesCorp	984.3	(72.5)	N/A	(11.1)	12.9	**913.6**
Members	165.2	(4.0)	N/A	(6.8)	0.0	**154.4**
Southwest	(22.2)	(1.5)	N/A	(6.8)	0.0	**(30.5)**
Constitution	37.5	(0.6)	N/A	(0.6)	(3.2)	**33.1**
Total	**2,324.2**	**(87.4)**	**(200.0)**	**(60.7)**	**9.8**	**1,985.8**

See slides 25, 34, and 52

1. Numbers may not add due to rounding. 2. Projected adjustments for items not currently recognized in the Stabilization Fund financials. 3. Adjustments for discounting differences.

Asset Management Estate Cash Flow Summary

All Scenarios ($ in Billions)[1]

- Legacy Asset and NGN cash flows run through applicable estate payout priorities[2]
- Decline in NCUA receivable from estates plus projected recovery on US Central capital note
  - Adverse: $400 million or 4 basis points; Severely Adverse: $1.1 billion or 11 basis points

Estate	NGN Cash Flows (Net)[3]			Depleted Capital Recovery[4]			NCUA Net Receivable from Estates[5]		
	Base	Adverse	Severely Adverse	Base	Adverse	Severely Adverse	Base	Adverse	Severely Adverse
US Central	2.0	0.9	0.3	0.7	0.0	0.0	0.9	0.9	0.5
WesCorp	0.6	0.3	0.1	0.0	0.0	0.0	0.9	0.5	0.3
Members	0.4	0.2	0.1	0.5	0.1	0.0	0.2	0.2	0.1
Southwest	0.4	0.2	0.1	0.6	0.2	0.1	0.0	0.0	0.0
Constitution	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	**3.4**	**1.5**	**0.5**	**1.8**	**0.3**	**0.1**	**2.0**	**1.6**[6]	**0.9**[7]
Differences from Base	--	*(1.9)*	*(2.9)*	--	*(1.5)*	*(1.7)*	--	***(0.4)***	***(1.1)***

1. Numbers may not add due to rounding. 2. Payout priorities are outlined in 12 CFR § 709.5. 3. NGN cash flows (net) includes guaranty fees, guaranty payments, guaranty reimbursements, residuals, and post-securitized Legacy Asset proceeds. 4. If depleted member capital is repaid to US Central, a portion will be distributed to the other estates that had capital at US Central. 5. US Central receivables reflect the $0.1 billion due to NCUA and the $0.8 billion estimated to be recognized on the US Central capital note. 6. See slides 53 – 60. 7. See slides 61 – 68.

Share Insurance Fund - Economic Stress Analysis
(without corporate resolution program exposure)

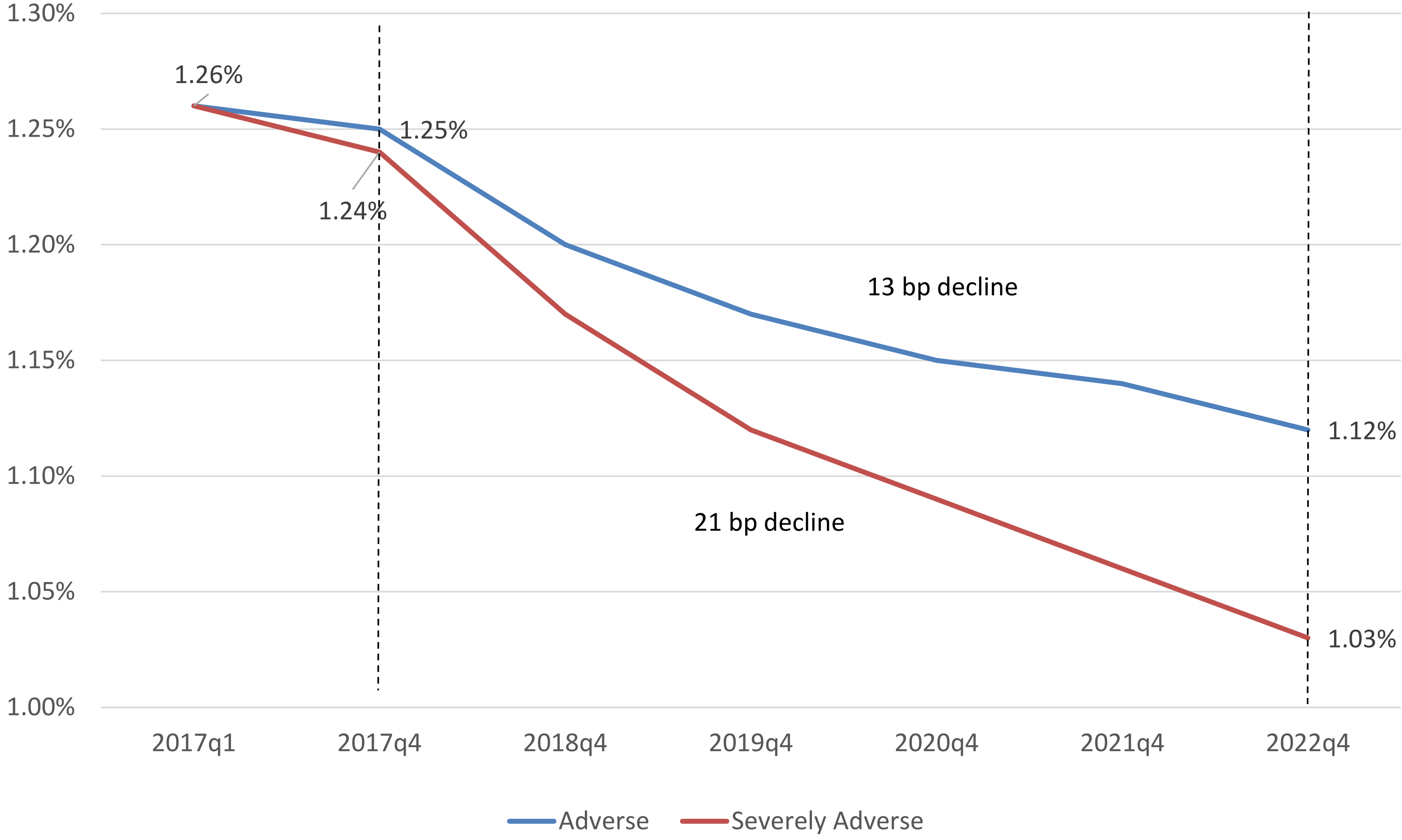
- Three primary drivers of the equity ratio
  - Insurance losses
  - Insured share growth
  - Yield on investment portfolio
- For insurance losses and insured share growth, NCUA developed regression equations
  - Use historical movements of these economic variables to predict future movements
  - Translate economic conditions in the Adverse and Severely Adverse scenarios into projections
- For yield on investment portfolio, interest rates are taken directly from the Adverse and Severely Adverse scenarios
  - Interest rate inputs are applied to the Share Insurance Fund's investment portfolio

Primary Drivers of the Equity Ratio

Projected Inputs[1]	Year	Scenario		
		Base	Adverse	Severely Adverse
Insured Share Growth	2017	5.10%	6.60%	6.92%
	2018	5.30%	6.30%	6.20%
	2019	5.50%	4.20%	2.34%
	2020	5.60%	3.70%	1.66%
	2021	6.00%	3.90%	2.48%
	2022	5.70%	4.67%	3.90%
Insurance Losses (in Millions)	2017	$52.8	$142.0	$216.0
	2018	$58.1	$311.2	$532.0
	2019	$52.4	$257.8	$425.4
	2020	$60.2	$202.8	$292.4
	2021	$78.1	$164.2	$230.4
	2022	$76.7	$188.6	$269.6
Yield on Investment Portfolio	2017	1.64%	1.56%	1.48%
	2018	1.92%	1.73%	1.49%
	2019	2.16%	1.84%	1.47%
	2020	2.40%	1.93%	1.47%
	2021	2.57%	2.00%	1.46%
	2022	2.74%	2.05%	1.51%

1. Current budget growth of 4.1 percent was used in each scenario as the operating expense input.

Share Insurance Fund Economic Stress Analysis
(without corporate resolution program exposure)

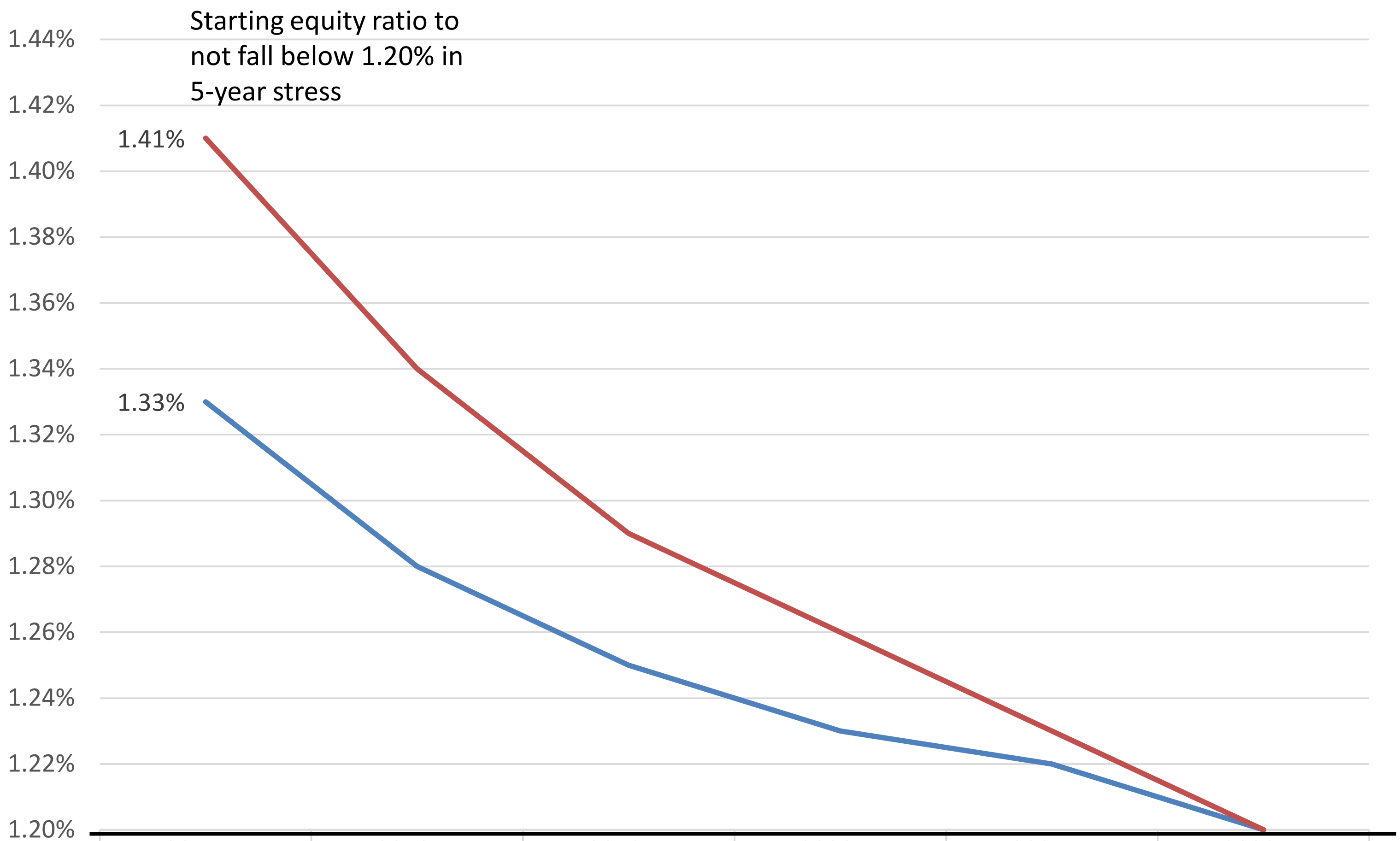


Normal Operating Level

- Objectives
  - Prudently manage the Share Insurance Fund to the mutual benefit of the credit union community and taxpayers
  - Preserve public confidence in federal share insurance
  - Maintain a counter-cyclical posture to ensure that credit unions will not need to impair their 1% capital deposit or pay premiums when they can least afford it
- Withstand a moderate recession without the equity ratio falling below 1.20% and resulting in either a mandatory premium or a fund restoration plan

Economic Stress Analysis (1.20% Floor)

(without corporate resolution program exposure)



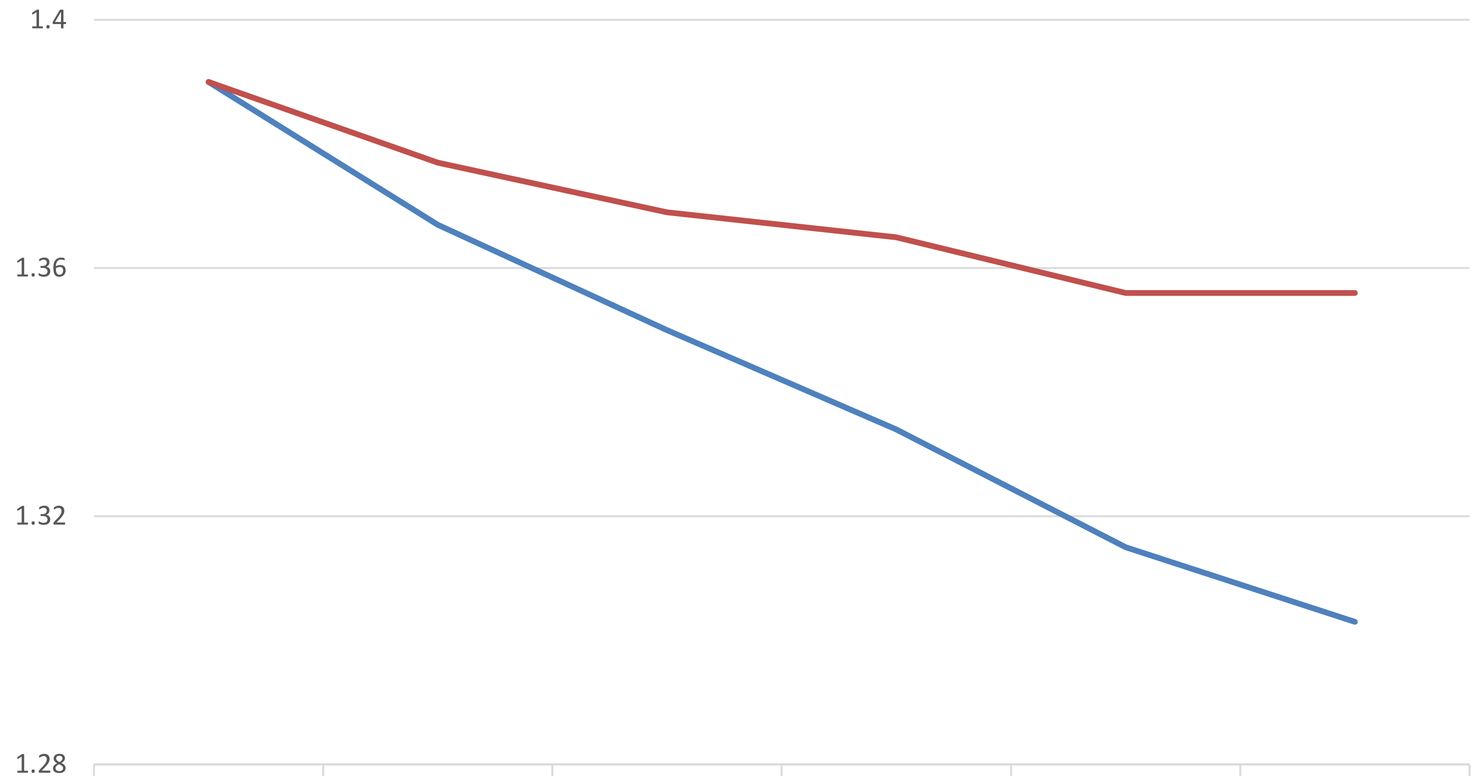
	2017q4	2018q4	2019q4	2020q4	2021q4	2022q4
Adverse	1.33%	1.28%	1.25%	1.23%	1.22%	1.20%
Severely Adverse	1.41%	1.34%	1.29%	1.26%	1.23%	1.20%

Actual Results May Vary Due to Various Factors

- Projected declines in the equity ratio, even under no economic stress
- Extraordinary losses and/or failures in credit unions that are not market-related, such as those from fraud or other asset "bubbles"
- Unusual or abnormally high insured share growth materially different from the historical correlation
- Economic conditions that involve greater volatility in one or more market indicators as compared to the stress scenarios modeled

5-Year Equity Ratio Projections

From Proposed Normal Operating Level (Post-Stabilization Fund Closure)



	2017	2018	2019	2020	2021	2022
Base	1.39	1.367	1.35	1.334	1.315	1.303
Base-Plus [1]	1.39	1.377	1.369	1.365	1.356	1.356

1. This projection includes assumptions that are slightly more optimistic than current trends. In this projection, yield on investments is slightly higher than current yields, insured share growth is the 3-year average share growth less one standard deviation, and insurance losses are the average of the three lowest annual losses over the last five years. See the November 2016 Board presentation for additional information on this equity ratio calculation.

Setting the Normal Operating Level

Scenario	Adverse	Severely Adverse
Equity for Share Insurance Fund Stress[1]	1.33%	1.41%
Plus: Equity for Potential Declines of Value in Claims on Estates[2]	0.04%	0.11%
Plus: Projected Equity Ratio Decline in 2018 and 2019[3]	0.02%	0.02%
Equals: Recommended Normal Operating Level	**1.39%**	1.54%[4]

To withstand a moderate recession without the equity ratio falling below 1.20%, the equity ratio should account for the following:

- A 13 basis point decline in the equity ratio due to the impact on the three primary drivers of the Share Insurance Fund's performance
- A 4 basis point decline in the value of the Share Insurance Fund's claim on the asset management estates
- A 2 basis point decline in the equity ratio expected to occur prior to when the remaining NGNs begin to mature in 2020 and remaining exposure to the Legacy Assets can begin to be reduced. This helps ensure the 4 basis points of additional equity to account for the potential decline in value of the claims on the asset management estates is maintained in the Share Insurance Fund until Legacy Assets can be sold.

1. From 2017 equity ratio level under the Adverse and Severely Adverse scenarios on slide 39. 2. From bottom row of NCUA net receivable from estates in Adverse and Severely Adverse scenarios on slide 34. 3. See the Base-Plus projection on slide 41. 4. This exceeds the statutory maximum normal operating level of 1.5%.

Estimated 2018 Distribution

- The proposed normal operating level is 1.39%
  - The Board retains the authority to reassess and set the normal operating level periodically, in particular when there are changes in the risks to the Share Insurance Fund's equity ratio, such as maturity of the NGNs
- See proposed changes to § 741.4 of NCUA Rules and Regulations for Share Insurance Fund distribution method

Distribution Component	Amount
Equity Ratio[1]	1.45% – 1.47%
Normal Operating Level[2]	1.39%
Distribution in Excess of Normal Operating Level	0.06% – 0.08%
Estimated Distribution in 2018	**$600 – $800 million**

1. Projected equity ratio calculation as of December 31, 2017 from slide 17.
2. Post-Stabilization Fund closure recommended normal operating level from slide 42.

Corporate System Resolution Costs[1]

(in Billions)	Q1 2017
Projected Lifetime Legacy Asset Defaults	**$10.0 to $10.4**
Excess Spread on the NGNs and Discounting of Future Cash Flows	$1.3 to $0.5
Total Projected Resolution Costs (Gross)	**$8.7 to $9.9**
Legal Recovery Proceeds (Net)[2]	$3.2
Total Projected Resolution Costs (Net)	**$5.5 to $6.7**
Net Projected Loss to Stabilization Fund	$1.8 to $2.2
Net Projected Loss to $5.6 Billion in Depleted Corporate Capital	$3.7 to $4.5
Projected Return of $4.8 Billion in Assessments Paid to Date[3]	$2.6 to $3.0
Net Projected Recovery on $5.6 Billion in Depleted Corporate Capital	$1.1 to $1.9
Net Projected Remaining Assessments[4]	**-$3.7 to -$4.9**

1. Point in time estimates as of March 31, 2017, based on best available information. 2. Does not include approximately $0.6 billion of net legal recoveries received in May 2017 or potential future legal recoveries. 3. Per 12 U.S.C. § 1790e(h) of the Federal Credit Union Act, the Stabilization Fund must be closed before any distribution of residual assets can occur, and the residual assets must be distributed to the Share Insurance Fund. First, this means there can be no rebate directly out of the Stabilization Fund. Thus, the amount of any rebate to insured credit unions will be based on the extent to which the distribution to the Share Insurance Fund at the closing of the Stabilization Fund causes the equity ratio of the Share Insurance Fund to exceed the normal operating level at the end of a calendar year. Second, this means that the timing of any such distribution has to coincide with closing the Stabilization Fund and the end of the succeeding calendar year. 4. Negative values represent a combination of return of assessments and recoveries to depleted corporate capital holders.

Distribution Reconciliation[1]

Projected Distribution in 2018 (See Slide 43)	**$0.6 to $0.8**
Plus: US Central Capital Note Balance (See Slide 33, Column AO)	$0.2
Plus: Equity for Potential Decline in Claims on Estates (See Adverse Scenario Difference from Base on Slide 34)	$0.4
Plus: Accounting / Economic Differences[2]	$0.2 to $0.3
Subtotal of Potential Future Distributions	**$1.4 to $1.7**
Plus: Amount Needed to Return Equity Ratio to 1.33% (See Adverse Scenario Starting Equity Ratio on Slide 39)	$0.8
Plus: Projected Equity Ratio Decline (See Base-Plus on Slide 41 through 2019)	$0.2
Plus: Discounting Methodology Differences[3]	$0.2 to $0.3
Projected Return of $4.8 Billion in Assessments (See Projected Return of $4.8 Billion in Assessments Paid to Date on Slide 44)	**$2.6 to $3.0**

1. Point in time estimates in billions as of March 31, 2017, based on best available information. Does not include legal recoveries received in May 2017 or potential future legal recoveries. 2. Cash flows that are not recognized under GAAP (e.g., future cash flows related to interest and guaranty fees). 3. Projected net remaining assessments were shown on an undiscounted basis (or nominal basis) to align with actual assessment amounts projected.

Actual Results May Vary from Projections

- Extraordinary losses and/or failures in credit unions
- Unusual or abnormally high insured share growth
- Economic conditions that involve greater volatility in one or more market indicators as compared to the stress scenarios modeled
- Extraordinary losses on the Legacy Assets resulting in higher than anticipated guaranty payments from NCUA

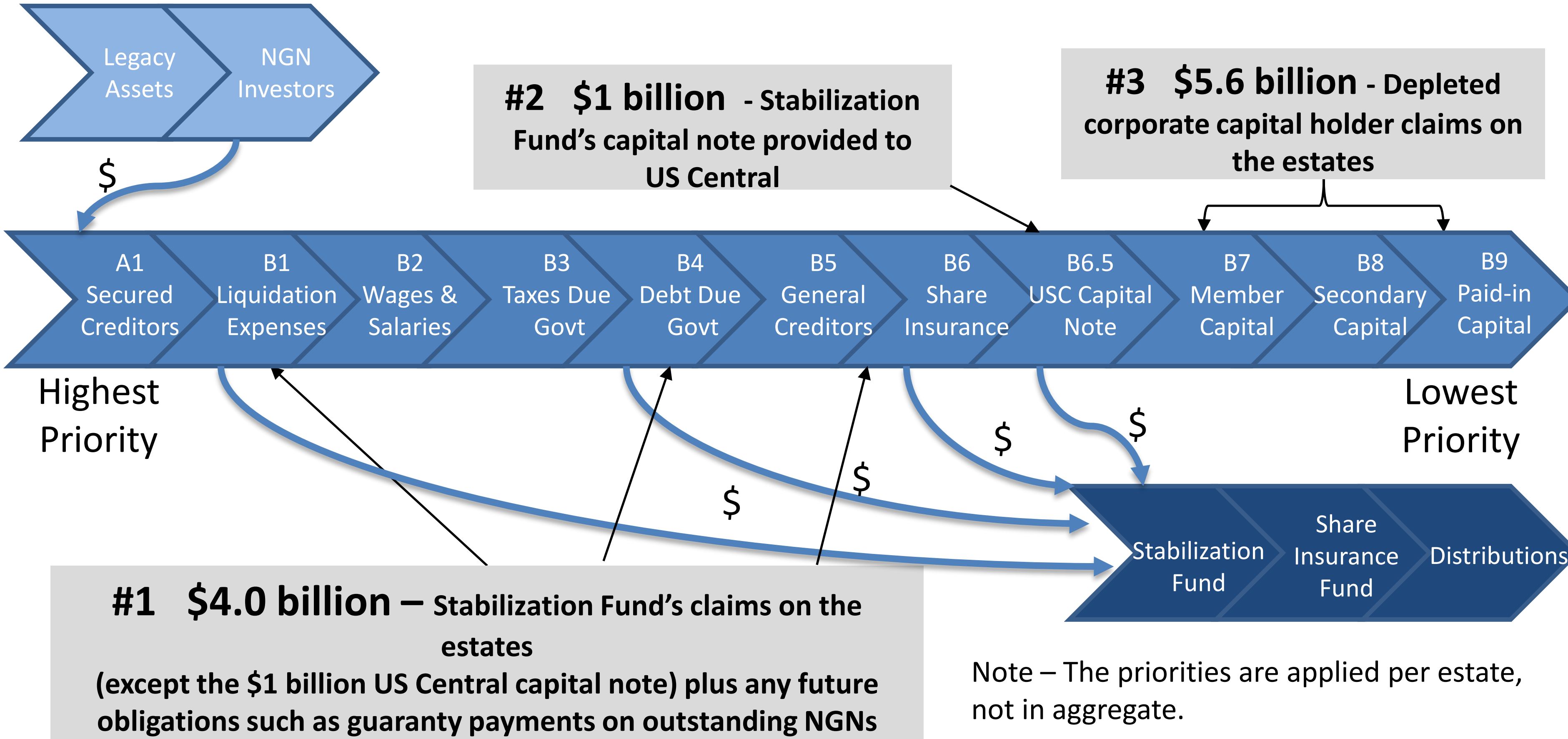
Request for Comment

- The Board seeks comments on proposed closure of the Stabilization Fund in 2017 and related approach for setting the normal operating level of the Share Insurance Fund
- In particular, the Board is interested in comments on whether to:
  – Close the Stabilization Fund in 2017, close it at some future date, or wait until it is currently scheduled to close in 2021
  – Set the normal operating level based on the Share Insurance Fund's ability to withstand a moderate recession, or if it should be able to handle a severe recession
  – Base the approach to setting the normal operating level on preventing the equity ratio from declining below 1.20 percent, or some other higher minimum level
- Commenters are encouraged to provide the specific basis for their comments and, to the extent feasible, documentation to support any recommendations

APPENDIX

Payout Priorities

See Part 709 of NCUA Rules and Regulations



Note – The priorities are applied per estate, not in aggregate.

Projected Capital Recoveries for Each Estate

Base Scenario ($ in Millions)[1]

Column	AI	AJ	AK	AL
	Asset Management Estate Capital Recoveries			
Cash Flow Type	Depleted Capital Recovery	US Central Capital to Other Estates[2]	Member Dividend[3]	Final Depleted Capital Recovery
Formula	M+N-AG-AH			AI+AJ+AK
US Central	1,129.2	(405.0)	0.0	**724.2**
WesCorp	0.0	N/A	0.0	**0.0**
Members	451.9	N/A	0.0	**451.9**
Southwest	403.7	N/A	158.8	**562.4**
Constitution	17.7	N/A	0.0	**17.7**
Total	**2,002.4**	**(405.0)**	**158.8**	**1,756.2**

See corresponding inflows to other estates on slide 30

1. Numbers may not add due to rounding. 2. If depleted member capital is repaid to US Central, a portion will be distributed to the other estates that had capital at US Central. 3. If further inflows remain after all claims have been repaid through category B9, pro-rata dividends will be paid to members.

Schedule of Fiduciary Net Assets by Estate

As of March 31, 2017

Preliminary and Unaudited[1] ($ in Millions)	US Central	WesCorp	Members United	Southwest	Constitution	NGN Trusts	Consolidation Eliminations	Total
Fiduciary Assets								
Cash and Cash Equivalents	0.0	0.0	0.0	0.0	0.0	203.1	0.0	203.1
Legacy Assets	746.0	217.5	62.6	82.6	14.5	0.0	0.0	1,123.2
Legacy Assets/Investments Collateralizing the NGNs	4,389.0	2,627.8	909.3	782.7	170.6	594.8	0.0	9,474.2
Loans	2.1	16.2	60.4	0.0	0.0	0.0	0.0	78.6
Receivable from AMEs	0.0	0.0	0.0	0.0	0.0	6,665.4	(6,665.4)	0.0
Other Fiduciary Assets	0.0	0.0	0.3	0.1	0.0	0.0	0.0	0.4
TOTAL FIDUCIARY ASSETS	**5,137.1**	**2,861.5**	**1,032.6**	**865.4**	**185.1**	**7,463.3**	**(6,665.4)**	**10,879.6**
Fiduciary Liabilities								
Accrued Expenses and Payables	16.4	13.0	3.8	3.4	0.4	16.3	0.0	53.3
NGNs	0.0	0.0	0.0	0.0	0.0	7,447.0	0.0	7,447.0
Due to NGN Trusts	3,195.0	2,230.3	599.1	490.4	150.5	0.0	(6,665.4)	0.0
Unsecured Claims	1.3	0.0	1.8	0.7	0.1	0.0	0.0	3.9
Due to Stabilization Fund	115.3	3,705.3	154.4	(30.5)	36.2	0.0	0.0	3,980.7
TOTAL FIDUCIARY LIABILITIES	**3,328.0**	**5,948.6**	**759.2**	**463.9**	**187.2**	**7,463.3**	**(6,665.4)**	**11,484.9**
TOTAL FIDUCIARY NET ASSETS (LIABILITIES)	**1,809.1**	**(3,087.2)**	**273.4**	**401.5**	**(2.1)**	**0.0**	**0.0**	**(605.4)**

1. Numbers may not add due to rounding; this table includes the total NGN investor balance and consolidation eliminations. This schedule is for illustrative purposes only; see additional notes on slide 26.

Stabilization Fund Summary Pro-Forma Balance Sheet

As of March 31, 2017 – Adjusted for Settlements and Capital Note

Preliminary and Unaudited ($ in Millions)	Actual	Changes after Measurement Date[1]	Pro-Forma
Assets			
Fund Balance with Treasury and Investments	700.4	800.0	1,500.4
Receivable from Asset Management Estates, Net	876.3	309.5	1,185.8
Other	2.7	-	2.7
Total Assets	**1,579.4**	**1,109.5**	**2,688.9**
Liabilities and Net Position			
Accounts Payable and Other Liabilities	1.1	-	1.1
Borrowings from U.S. Treasury	-	-	-
Insurance and Guaranty Program Liabilities	-	-	-
Net Position[2]	1,578.3	1,109.5	2,687.8
Total Liabilities and Net Position	**1,579.4**	**1,109.5**	**2,688.9**

See NCUA Net Receivable from Estates of $1,985.8. See slide 33.

1. Settlements received after March 31, 2017 measurement date and $0.8 billion of cash received as partial repayment of US Central capital note. 2. Represents potential impact to Share Insurance Fund equity ratio at initial transfer.

Balances Owed and Projected Outflows

Adverse Scenario ($ in Millions)[1]

Column	A	B	C	D	E	F	G
	Current Balances Owed				Projected Estate Outflows[2]		
Cash Flow Type	NGN Investor Balance[3]	Due to Stabilization Fund[4]	Interest Due to Stabilization Fund	US Central Capital Note[5]	NCUA Guaranty Payments on NGNs[6]	Non-NGN Outflows[7]	Total Outflows
Formula							E+F
US Central	3,534.1	115.3	8.9	1,000.0	2,301.2	16.4	**2,317.6**
WesCorp	2,187.6	3,705.3	72.5	N/A	726.8	13.0	**739.9**
Members	880.2	154.4	4.0	N/A	442.1	3.8	**445.9**
Southwest	690.6	(30.5)	1.5	N/A	444.7	3.4	**448.1**
Constitution	170.7	36.2	0.6	N/A	41.0	0.4	**41.4**
Total	**7,463.3**	**3,980.7**	**87.4**	**1,000.0**	**3,955.9**	**37.0**	**3,992.9**

See Due to Stabilization Fund on slide 26

See Adverse scenario guaranty payments on slide 24

1. Numbers may not add due to rounding. 2. Generated using projected legacy asset cash flows that have not been realized. Actual cash flows could vary significantly from projections. 3. From Total Fiduciary Liabilities in NGN Trusts. 4. Comprised of the following categories: B1 - Liquidation Expenses, B4 - Debt Due to Government, B6 - Share Insurance. 5. Not recognized on financial statements due to accounting rules. 6. Projected by BlackRock. 7. From Accrued Expenses and Payables on slide 26.

Balances Owed Plus Projected Outflows

Adverse Scenario ($ in Millions)[1]

Column	H	I	J	K	L	M	N
Cash Flow Type	Balances Owed after Projected Estate Outflows[2]						
	NGN Investor Balance[3]	B1 Liquidation Expenses / B4 Debt Due to Government[4]	B5 General Creditors	B6 Share Insurance	B6.5 US Central Capital Note	B7 Member Capital	B9 Paid-in Capital
Formula	A-E	B+C+G-K					
US Central	1,232.9	2,428.7	1.3	13.0	1,000.0	1,685.7	300.0
WesCorp	1,460.8	4,296.3	0.0	221.3	N/A	931.3	213.1
Members	438.1	241.6	1.8	362.7	N/A	492.7	79.4
Southwest	245.9	148.0	0.7	271.1	N/A	403.7	0.0
Constitution	129.7	46.9	0.1	31.4	N/A	66.8	0.0
Total	**3,507.4**	**7,161.5**	**3.9**	**899.5**	**1,000.0**	**3,580.2**	**592.5**

1. Numbers may not add due to rounding. Payout priorities go left to right from highest to lowest. 2. The following categories have no remaining claims and have been omitted from the tables: A1 - Secured Creditors, B2 - Wages and Salaries, B3 - Taxes Due to Government, B8 - Secondary Capital. 3. Guaranteed by NCUA and backed by the full faith and credit of the US. 4. Includes projected NCUA Guaranty Payments on NGNs and Non-NGN Outflows from previous slide.

NGN Cash Sources and Uses

Adverse Scenario ($ in Millions)[1]

Column	O	P	Q	R	S	T	U	V
	NGN Cash Sources			NGN Cash Uses				
Cash Flow Type	Collateral Cash Flows[2]	Funds Held by Trustee[3]	Total Cash Sources	NGN Investor Payments	NGN Guaranty Fees[4]	NGN Guaranty Repayments[4]	NGN Residuals[4]	Total Cash Uses
Formula			O+P	H				R+S+T+U
US Central	4,070.8	339.1	**4,409.9**	1,232.9	36.0	1,945.4	1,195.6	**4,409.9**
WesCorp	2,506.9	(42.7)	**2,464.2**	1,460.8	11.4	614.5	377.6	**2,464.2**
Members	767.4	281.1	**1,048.5**	438.1	6.9	373.7	229.7	**1,048.5**
Southwest	659.7	200.2	**859.9**	245.9	7.0	376.0	231.1	**859.9**
Constitution	166.1	20.2	**186.3**	129.7	0.6	34.7	21.3	**186.3**
Total	**8,171.0**	**797.9**	**8,968.9**	**3,507.4**	**61.9**	**3,344.2**	**2,055.4**	**8,968.9**

See Adverse scenario guaranty fees, guaranty reimbursements, and residuals on slide 24

1. Numbers may not add due to rounding. 2. From Legacy Assets and Legacy Assets/Investments Collateralizing the NGNs of the Total; adjusted for guaranty fees not reflected and discounting differences. 3. From Cash and Cash Equivalents and Legacy Assets/Investments Collateralizing the NGNs of the NGN Trusts. 4. Projected by BlackRock.

Projected Estate Inflows

Adverse Scenario ($ in Millions)[1]

Column	W	X	Y	Z	AA
Cash Flow Type	Projected Estate Inflows				
	NGN Reimbursements and Residuals[2]	Non-NGN Inflows[3]	Q2 2017 Settlements[4]	Capital Recovery from US Central[5]	Total Inflows
Formula	T+U				W+X+Y+Z
US Central	3,141.0	2.1	320.9	N/A	**3,464.0**
WesCorp	992.1	16.2	309.5	0.8	**1,318.6**
Members	603.4	60.7	0.0	3.4	**667.5**
Southwest	607.1	0.1	2.3	2.9	**612.3**
Constitution	56.0	0.0	0.0	0.4	**56.4**
Total	**5,399.6**	**79.0**	**632.7**	**7.5**	**6,118.9**

1. Numbers may not add due to rounding. 2. Projected by BlackRock. 3. From Loans and Other Fiduciary Assets on slide 26. 4. Settlements received from UBS and CSFB after the March 31, 2017 measurement date. 5. If depleted member capital is repaid to US Central, a portion will be distributed to the other estates that had capital at US Central.

Balances Owed Less Projected Repayments

Adverse Calculation Details ($ in Millions)

Estate	AA	Equation	AC	AD	AE	AF	AG	AH	Total	Equation	AK
	Total Inflows[1]		B1 / B4	B5	B6	B6.5	B7	B9			Member Dividend
US Central	3,464.0	Beg. Balance	2,428.7	1.3	13.0	1,000.0	1,685.7	300.0	5,428.8	∑Inflows	3,464.0
		- Repayment	- 2,428.7	- 1.3	- 13.0	- 1,000.0	- 21.0	- 0.0	- 3,464.0	- ∑Repayments	- 3,464.0
		= End Balance	**= 0.0**	**= 0.0**	**= 0.0**	**= 0.0**	**= 1,664.8**	**= 300.0**	**= 1,964.8**	**= ∑Dividend**	**= 0.0**
WesCorp	1,318.6	Beg. Balance	4,296.3	0.0	221.3	0.0	931.3	213.1	5,662.1	∑Inflows	1,318.6
		- Repayment	- 1,318.6	- 0.0	- 0.0	- 0.0	- 0.0	- 0.0	- 1,318.6	- ∑Repayments	- 1,318.6
		= End Balance	**= 2,977.8**	**= 0.0**	**= 221.3**	**= 0.0**	**= 931.3**	**= 213.1**	**= 4,343.5**	**= ∑Dividend**	**= 0.0**
Members	667.5	Beg. Balance	241.6	1.8	362.7	0.0	492.7	79.4	1,178.3	∑Inflows	667.5
		- Repayment	- 241.6	- 1.8	- 362.7	- 0.0	- 61.4	- 0.0	- 667.5	- ∑Repayments	- 667.5
		= End Balance	**= 0.0**	**= 0.0**	**= 0.0**	**= 0.0**	**= 431.3**	**= 79.4**	**= 510.8**	**= ∑Dividend**	**= 0.0**
Southwest	612.3	Beg. Balance	148.0	0.7	271.1	0.0	403.7	0.0	823.4	∑Inflows	612.3
		- Repayment	- 148.0	- 0.7	- 271.1	- 0.0	- 192.6	- 0.0	- 612.3	- ∑Repayments	- 612.3
		= End Balance	**= 0.0**	**= 0.0**	**= 0.0**	**= 0.0**	**= 211.0**	**= 0.0**	**= 211.0**	**= ∑Dividend**	**= 0.0**
Constitution	56.4	Beg. Balance	46.9	0.1	31.4	0.0	66.8	0.0	145.2	∑Inflows	56.4
		- Repayment	- 46.9	- 0.1	- 9.4	- 0.0	- 0.0	- 0.0	- 56.4	- ∑Repayments	- 56.4
		= End Balance	**= 0.0**	**= 0.0**	**= 21.9**	**= 0.0**	**= 66.8**	**= 0.0**	**= 88.8**	**= ∑Dividend**	**= 0.0**
Total	**6,118.9**	Beg. Balance	7,161.5	3.9	899.5	1,000.0	3,580.2	592.5	13,237.7	∑Inflows	6,118.9
		- Repayment	- 4,183.8	- 3.9	- 656.2	- 1,000.0	- 275.0	- 0.0	- 6,118.9	- ∑Repayments	- 6,118.9
		= End Balance	**= 2,977.8**	**= 0.0**	**= 243.2**	**= 0.0**	**= 3,305.3**	**= 592.5**	**= 7,118.8**	**= ∑Dividend**	**= 0.0**

1. For estates other than US Central, total inflows include a partial recovery on capital they held at US Central, as shown on slide 56.

Balances Owed Less Projected Repayments

Adverse Scenario ($ in Millions)[1]

Column	AB	AC	AD	AE	AF	AG	AH
Cash Flow Type	Balances Owed after Projected Inflows[2]						
	NGN Investor Balance[3]	B1 Liquidation Expenses / B4 Debt Due to Government	B5 General Creditors	B6 Share Insurance	B6.5 US Central Capital Note	B7 Member Capital	B9 Paid-in Capital
Formula	H-R	Max(I-AA,0)	Max[∑(I+J)-∑(AA+AC),0]	Max[∑(I+J+K)-∑(AA+AC+AD),0]	Max[∑(I+J+K+L)-∑(AA+AC+AD+AE),0]	Max[∑(I+J+K+L+M)-∑(AA+AC+AD+AE+AF),0]	Max[∑(I+J+K+L+M+N)-∑(AA+AC+AD+AE+AF+AG),0]
US Central	0.0	0.0	0.0	0.0	0.0	1,664.8	300.0
WesCorp	0.0	2,977.8	0.0	221.3	N/A	931.3	213.1
Members	0.0	0.0	0.0	0.0	N/A	431.3	79.4
Southwest	0.0	0.0	0.0	0.0	N/A	211.0	0.0
Constitution	0.0	0.0	0.0	21.9	N/A	66.8	0.0
Total	**0.0**	**2,977.8**	**0.0**	**243.2**	**0.0**	**3,305.3**	**592.5**

1. Numbers may not add due to rounding. Payout priorities go left to right from highest to lowest. 2. The following categories have no remaining claims and have been omitted from the tables: A1 - Secured Creditors, B2 - Wages and Salaries, B3 - Taxes Due to Government, B8 - Secondary Capital. 3. Guaranteed by NCUA and backed by the full faith and credit of the US.

Projected Capital Recoveries for Each Estate

Adverse Scenario ($ in Millions)[1]

Column	AI	AJ	AK	AL
Cash Flow Type	Asset Management Estate Capital Recoveries			
	Depleted Capital Recovery	US Central Capital to Other Estates[2]	Member Dividend[3]	Final Depleted Capital Recovery
Formula	M+N-AG-AH			AI+AJ+AK
US Central	21.0	(7.5)	0.0	**13.4**
WesCorp	0.0	N/A	0.0	**0.0**
Members	61.4	N/A	0.0	**61.4**
Southwest	192.6	N/A	0.0	**192.6**
Constitution	0.0	N/A	0.0	**0.0**
Total	**275.0**	**(7.5)**	**0.0**	**267.4**

1. Numbers may not add due to rounding. 2. If depleted member capital is repaid to US Central, a portion will be distributed to the other estates that had capital at US Central. 3. If further inflows remain after all claims have been repaid through category B9, pro-rata dividends will be paid to members.

NCUA Net Receivable – Before and After Adjustments

Adverse Scenario ($ in Millions)[1]

Column	AM	AN	AO	AP	AQ	AR
	Adjustments for Financial Reporting[2]					
Cash Flow Type	NCUA Net Recovery	Interest Owed to Stabilization Fund	US Central Capital Note	Guaranty Fees	Other[3]	NCUA Net Receivable from Estates
Formula	S+B+C+D-AC-AE-AF			-S		AM+AN+AO+AP+AQ
US Central	1,160.2	(8.9)	(200.0)	(36.0)	0.0	**915.3**
WesCorp	590.1	(72.5)	N/A	(11.4)	12.9	**519.1**
Members	165.3	(4.0)	N/A	(6.9)	0.0	**154.4**
Southwest	(22.1)	(1.5)	N/A	(7.0)	0.0	**(30.5)**
Constitution	15.5	(0.6)	N/A	(0.6)	(3.2)	**11.1**
Total	**1,909.0**	**(87.4)**	**(200.0)**	**(61.9)**	**9.8**	**1,569.5**

1. Numbers may not add due to rounding. 2. Projected adjustments for items not currently recognized in the Stabilization Fund.
3. Adjustments for discounting differences.

Balances Owed and Projected Outflows

Severely Adverse Scenario ($ in Millions)[1]

Column	A	B	C	D	E	F	G
	Current Balances Owed				Projected Estate Outflows[2]		
Cash Flow Type	NGN Investor Balance[3]	Due to Stabilization Fund[4]	Interest Due to Stabilization Fund	US Central Capital Note[5]	NCUA Guaranty Payments on NGNs[6]	Non-NGN Outflows[7]	Total Outflows
Formula							E+F
US Central	3,534.1	115.3	8.9	1,000.0	2,562.6	16.4	**2,578.9**
WesCorp	2,187.6	3,705.3	72.5	N/A	809.4	13.0	**822.4**
Members	880.2	154.4	4.0	N/A	492.3	3.8	**496.1**
Southwest	690.6	(30.5)	1.5	N/A	495.3	3.4	**498.6**
Constitution	170.7	36.2	0.6	N/A	45.7	0.4	**46.1**
Total	**7,463.3**	**3,980.7**	**87.4**	**1,000.0**	**4,405.2**	**37.0**	**4,442.2**

See Due to Stabilization Fund on slide 26

See Severely Adverse scenario guaranty payments on slide 24

1. Numbers may not add due to rounding. 2. Generated using projected legacy asset cash flows that have not been realized. Actual cash flows could vary significantly from projections. 3. From Total Fiduciary Liabilities in NGN Trusts. 4. Comprised of the following categories: B1 - Liquidation Expenses, B4 - Debt Due to Government, B6 - Share Insurance. 5. Not recognized on financial statements due to accounting rules. 6. Projected by BlackRock. 7. From Accrued Expenses and Payables on slide 26.

Balances Owed Plus Projected Outflows

Severely Adverse Scenario ($ in Millions)[1]

Column	H	I	J	K	L	M	N
Cash Flow Type	Balances Owed after Projected Estate Outflows[2]						
	NGN Investor Balance[3]	B1 Liquidation Expenses / B4 Debt Due to Government[4]	B5 General Creditors	B6 Share Insurance	B6.5 US Central Capital Note	B7 Member Capital	B9 Paid-in Capital
Formula	A-E	B+C+G-K					
US Central	971.6	2,690.0	1.3	13.0	1,000.0	1,685.7	300.0
WesCorp	1,378.2	4,378.9	0.0	221.3	N/A	931.3	213.1
Members	387.9	291.8	1.8	362.7	N/A	492.7	79.4
Southwest	195.3	198.5	0.7	271.1	N/A	403.7	0.0
Constitution	125.0	51.5	0.1	31.4	N/A	66.8	0.0
Total	**3,058.1**	**7,610.8**	**3.9**	**899.5**	**1,000.0**	**3,580.2**	**592.5**

1. Numbers may not add due to rounding. Payout priorities go left to right from highest to lowest. 2. The following categories have no remaining claims and have been omitted from the tables: A1 - Secured Creditors, B2 - Wages and Salaries, B3 - Taxes Due to Government, B8 - Secondary Capital. 3. Guaranteed by NCUA and backed by the full faith and credit of the US. 4. Includes projected NCUA Guaranty Payments on NGNs and Non-NGN Outflows from previous slide.

NGN Cash Sources and Uses

Severely Adverse Scenario ($ in Millions)[1]

Column	O	P	Q	R	S	T	U	V
	NGN Cash Sources			NGN Cash Uses				
Cash Flow Type	Collateral Cash Flows[2]	Funds Held by Trustee[3]	Total Cash Sources	NGN Investor Payments	NGN Guaranty Fees[4]	NGN Guaranty Repayments[4]	NGN Residuals[4]	Total Cash Uses
Formula			O+P	H				R+S+T+U
US Central	3,483.0	339.1	**3,822.1**	971.6	36.5	2,031.3	782.8	**3,822.1**
WesCorp	2,321.3	(42.7)	**2,278.6**	1,378.2	11.5	641.6	247.3	**2,278.6**
Members	654.5	281.1	**935.6**	387.9	7.0	390.2	150.4	**935.6**
Southwest	546.1	200.2	**746.3**	195.3	7.0	392.6	151.3	**746.3**
Constitution	155.7	20.2	**175.9**	125.0	0.7	36.2	14.0	**175.9**
Total	**7,160.5**	**797.9**	**7,958.4**	**3,058.1**	**62.7**	**3,491.9**	**1,345.7**	**7,958.4**

See Severely Adverse scenario guaranty fees, guaranty reimbursements, and residuals on slide 24

1. Numbers may not add due to rounding. 2. From Legacy Assets and Legacy Assets/Investments Collateralizing the NGNs; adjusted for guaranty fees not reflected and discounting differences. 3. From Cash and Cash Equivalents and Legacy Assets/Investments Collateralizing the NGNs of the NGN Trusts. 4. Projected by BlackRock.

Projected Estate Inflows

Severely Adverse Scenario ($ in Millions)[1]

Column	W	X	Y	Z	AA
Cash Flow Type	Projected Estate Inflows				
	NGN Reimbursements and Residuals[2]	Non-NGN Inflows[3]	Q2 2017 Settlements[4]	Capital Recovery from US Central[5]	Total Inflows
Formula	T+U				W+X+Y+Z
US Central	2,814.1	2.1	320.9	N/A	**3,137.1**
WesCorp	888.8	16.2	309.5	0.0	**1,214.5**
Members	540.6	60.7	0.0	0.0	**601.3**
Southwest	543.9	0.1	2.3	0.0	**546.2**
Constitution	50.2	0.0	0.0	0.0	**50.2**
Total	**4,837.6**	**79.0**	**632.7**	**0.0**	**5,549.3**

1. Numbers may not add due to rounding. 2. Projected by BlackRock. 3. From Loans and Other Fiduciary Assets on slide 26.
4. Settlements received from UBS and CSFB after the March 31, 2017 measurement date. 5. If depleted member capital is repaid to US Central, a portion will be distributed to the other estates that had capital at US Central.

Balances Owed Less Projected Repayments

Severely Adverse Calculation Details ($ in Millions)

Estate	AA	Equation	AC	AD	AE	AF	AG	AH	Total	Equation	AK
	Total Inflows		B1 / B4	B5	B6	B6.5	B7	B9			Member Dividend
US Central	3,137.1	Beg. Balance	2,690.0	1.3	13.0	1,000.0	1,685.7	300.0	5,690.2	∑Inflows	3,137.1
		- Repayment	- 2,690.0	- 1.3	- 13.0	- 432.7	- 0.0	- 0.0	- 3,137.1	- ∑Repayments	- 3,137.1
		= End Balance	**= 0.0**	**= 0.0**	**= 0.0**	**= 567.3**	**= 1,685.7**	**= 300.0**	**= 2,553.0**	**= ∑Dividend**	**= 0.0**
WesCorp	1,214.5	Beg. Balance	4,378.9	0.0	221.3	0.0	931.3	213.1	5,744.6	∑Inflows	1,214.5
		- Repayment	- 1,214.5	- 0.0	- 0.0	- 0.0	- 0.0	- 0.0	- 1,214.5	- ∑Repayments	- 1,214.5
		= End Balance	**= 3,164.4**	**= 0.0**	**= 221.3**	**= 0.0**	**= 931.3**	**= 213.1**	**= 4,530.1**	**= ∑Dividend**	**= 0.0**
Members	601.3	Beg. Balance	291.8	1.8	362.7	0.0	492.7	79.4	1,228.5	∑Inflows	601.3
		- Repayment	- 291.8	- 1.8	- 307.7	- 0.0	- 0.0	- 0.0	- 601.3	- ∑Repayments	- 601.3
		= End Balance	**= 0.0**	**= 0.0**	**= 55.0**	**= 0.0**	**= 492.7**	**= 79.4**	**= 627.1**	**= ∑Dividend**	**= 0.0**
Southwest	546.2	Beg. Balance	198.5	0.7	271.1	0.0	403.7	0.0	873.9	∑Inflows	546.2
		- Repayment	- 198.5	- 0.7	- 271.1	- 0.0	- 76.0	- 0.0	- 546.2	- ∑Repayments	- 546.2
		= End Balance	**= 0.0**	**= 0.0**	**= 0.0**	**= 0.0**	**= 327.7**	**= 0.0**	**= 327.7**	**= ∑Dividend**	**= 0.0**
Constitution	50.2	Beg. Balance	51.5	0.1	31.4	0.0	66.8	0.0	149.8	∑Inflows	50.2
		- Repayment	- 50.2	- 0.0	- 0.0	- 0.0	- 0.0	- 0.0	- 50.2	- ∑Repayments	- 50.2
		= End Balance	**= 1.4**	**= 0.1**	**= 31.4**	**= 0.0**	**= 66.8**	**= 0.0**	**= 99.6**	**= ∑Dividend**	**= 0.0**
Total	**5,549.3**	Beg. Balance	7,610.8	3.9	899.5	1,000.0	3,580.2	592.5	13,687.0	∑Inflows	5,549.3
		- Repayment	- 4,445.1	- 3.8	- 591.8	- 432.7	- 76.0	- 0.0	- 5,549.3	- ∑Repayments	- 5,549.3
		= End Balance	**= 3,165.8**	**= 0.1**	**= 307.7**	**= 567.3**	**= 3,504.3**	**= 592.5**	**= 8,137.7**	**= ∑Dividend**	**= 0.0**

Balances Owed Less Projected Repayments

Severely Adverse Scenario ($ in Millions)[1]

Column	AB	AC	AD	AE	AF	AG	AH
	Balances Owed after Projected Inflows[2]						
Cash Flow Type	NGN Investor Balance[3]	B1 Liquidation Expenses / B4 Debt Due to Government	B5 General Creditors	B6 Share Insurance	B6.5 US Central Capital Note	B7 Member Capital	B9 Paid-in Capital
Formula	H-R	Max(I-AA,0)	Max[∑(I+J)-∑(AA+AC),0]	Max[∑(I+J+K)-∑(AA+AC+AD),0]	Max[∑(I+J+K+L)-∑(AA+AC+AD+AE),0]	Max[∑(I+J+K+L+M)-∑(AA+AC+AD+AE+AF),0]	Max[∑(I+J+K+L+M+N)-∑(AA+AC+AD+AE+AF+AG),0]
US Central	0.0	0.0	0.0	0.0	567.3	1,685.7	300.0
WesCorp	0.0	3,164.4	0.0	221.3	N/A	931.3	213.1
Members	0.0	0.0	0.0	55.0	N/A	492.7	79.4
Southwest	0.0	0.0	0.0	0.0	N/A	327.7	0.0
Constitution	0.0	1.4	0.1	31.4	N/A	66.8	0.0
Total	**0.0**	**3,165.8**	**0.1**	**307.7**	**567.3**	**3,504.3**	**592.5**

1. Numbers may not add due to rounding. Payout priorities go left to right from highest to lowest. 2. The following categories have no remaining claims and have been omitted from the tables: A1 - Secured Creditors, B2 - Wages and Salaries, B3 - Taxes Due to Government, B8 - Secondary Capital. 3. Guaranteed by NCUA and backed by the full faith and credit of the US.

Projected Capital Recoveries for Each Estate

Severely Adverse Scenario ($ in Millions)[1]

Column	AI	AJ	AK	AL
Cash Flow Type	Asset Management Estate Capital Recoveries			
	Depleted Capital Recovery	US Central Capital to Other Estates[2]	Member Dividend[3]	Final Depleted Capital Recovery
Formula	M+N-AG-AH			AI+AJ+AK
US Central	0.0	N/A	0.0	**0.0**
WesCorp	0.0	0.0	0.0	**0.0**
Members	0.0	0.0	0.0	**0.0**
Southwest	76.0	0.0	0.0	**76.0**
Constitution	0.0	0.0	0.0	**0.0**
Total	**76.0**	**0.0**	**0.0**	**76.0**

1. Numbers may not add due to rounding. 2. If depleted member capital is repaid to US Central, a portion will be distributed to the other estates that had capital at US Central. 3. If further inflows remain after all claims have been repaid through category B9, pro-rata dividends will be paid to members.

NCUA Net Receivable – Before and After Adjustments

Severely Adverse Scenario ($ in Millions)[1]

Column	AM	AN	AO	AP	AQ	AR
Cash Flow Type		Adjustments for Financial Reporting[2]				
	NCUA Net Recovery	Interest Owed to Stabilization Fund	US Central Capital Note	Guaranty Fees	Other[3]	NCUA Net Receivable from Estates
Formula	S+B+C+D-AC-AE-AF			-S		AM+AN+AO+AP+AQ
US Central	593.3	(8.9)	0.0	(36.5)	0.0	**548.0**
WesCorp	403.6	(72.5)	N/A	(11.5)	12.9	**332.5**
Members	110.4	(4.0)	N/A	(7.0)	0.0	**99.4**
Southwest	(22.0)	(1.5)	N/A	(7.0)	0.0	**(30.5)**
Constitution	4.7	(0.6)	N/A	(0.7)	(3.2)	**0.3**
Total	**1,090.0**	**(87.4)**	**0.0**	**(62.7)**	**9.8**	**949.7**

1. Numbers may not add due to rounding. 2. Projected adjustments for items not currently recognized in the Stabilization Fund
3. Adjustments for discounting differences.