



**NCUA**  
National Credit Union Administration

# **NCUSIF Financial Statistics and Projected Equity Ratio**

For the Quarter Ended  
March 31, 2021

# NCUSIF Revenue and Expense

## March 31, 2021

<b>PRELIMINARY &amp; UNAUDITED (In Millions)</b>	<b>Quarter Ended March 31, 2021</b>
<b>Gross Income:</b>	
Investment Income	\$56.7
Guarantee Fee Revenue	0.4
Other Income	1.8
Total Income	<b>\$58.9</b>
<b>Less Expenses:</b>	
Operating Expenses	\$45.7
Provision for Insurance Losses:	
Reserve Expense	(0.2)
NPCU AME Loss Expense (Reduction)	-
Corporate AME Loss Expense (Reduction)	(53.6)
Total Expenses	<b>(\$8.1)</b>
<b>Net Income (Loss)</b>	<b>\$67.0</b>

# NCUSIF Summary Balance Sheets

## March 31, 2021

<b>PRELIMINARY &amp; UNAUDITED (In Millions)</b>	<b>March 31, 2021</b>	<b>December 31, 2020</b>
<b>Assets</b>		
Fund Balance with Treasury and Investments	\$18,402.9	\$18,281.5
Capitalization Deposits Receivable	850.0	-
Receivable from NPCU Asset Management Estates, Net	5.1	6.1
Receivable from Corporate Asset Management Estates, Net	422.7	755.7
Accrued Interest and Other Assets	91.8	85.6
<b>Total Assets</b>	<b>\$19,772.5</b>	<b>\$19,128.9</b>
<b>Liabilities and Net Position</b>		
Accounts Payable and Other Liabilities	\$13.3	\$8.8
Insurance and Guarantee Program Liabilities	177.2	177.3
Net Position – Capital Deposits	14,680.0	13,810.7
Net Position – Cumulative Results of Operations	4,902.0	5,132.1
<b>Total Liabilities and Net Position</b>	<b>\$19,772.5</b>	<b>\$19,128.9</b>

# NCUSIF - Insurance and Program Guarantee Liabilities

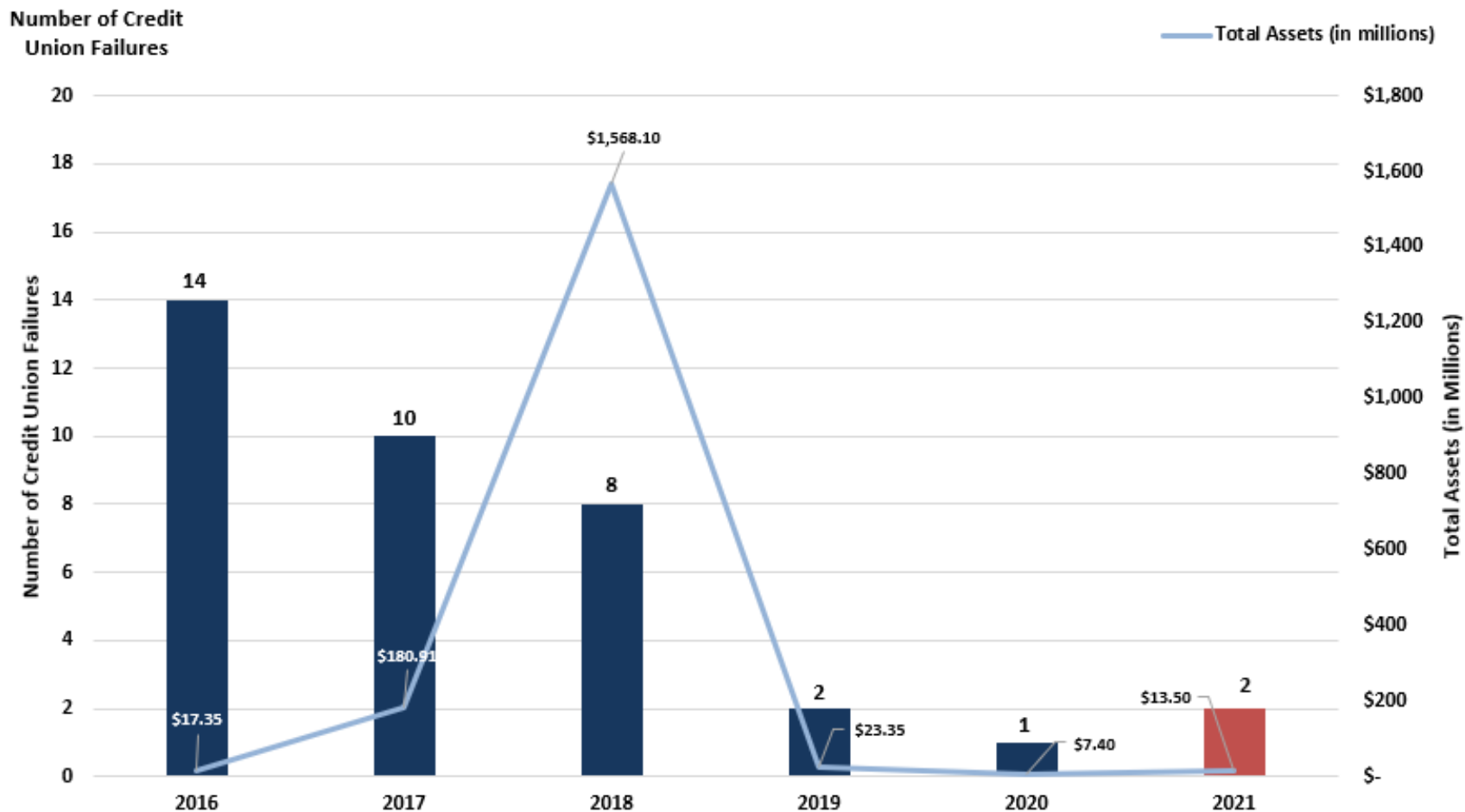
**March 31, 2021**

<b>PRELIMINARY &amp; UNAUDITED</b> <b>(In Millions)</b>	<b>Quarter Ended</b> <b>March 31, 2021</b>
<b>Beginning Reserve Balance:</b>	<b>\$ 177.3</b>
Reserve Expense	(0.2)
Charges for Assisted Mergers	0.9
Charges for Liquidations	(0.8)
<b>Ending Reserve Balance</b>	<b>\$177.2</b>

\* This table shows only NPCU Insurance and Program Guarantee Liabilities.

# Number of Credit Union Failures Incurring a Loss to the Share Insurance Fund

## CY2016 – Q1 CY2021



# NCUSIF Portfolio

## March 31, 2021

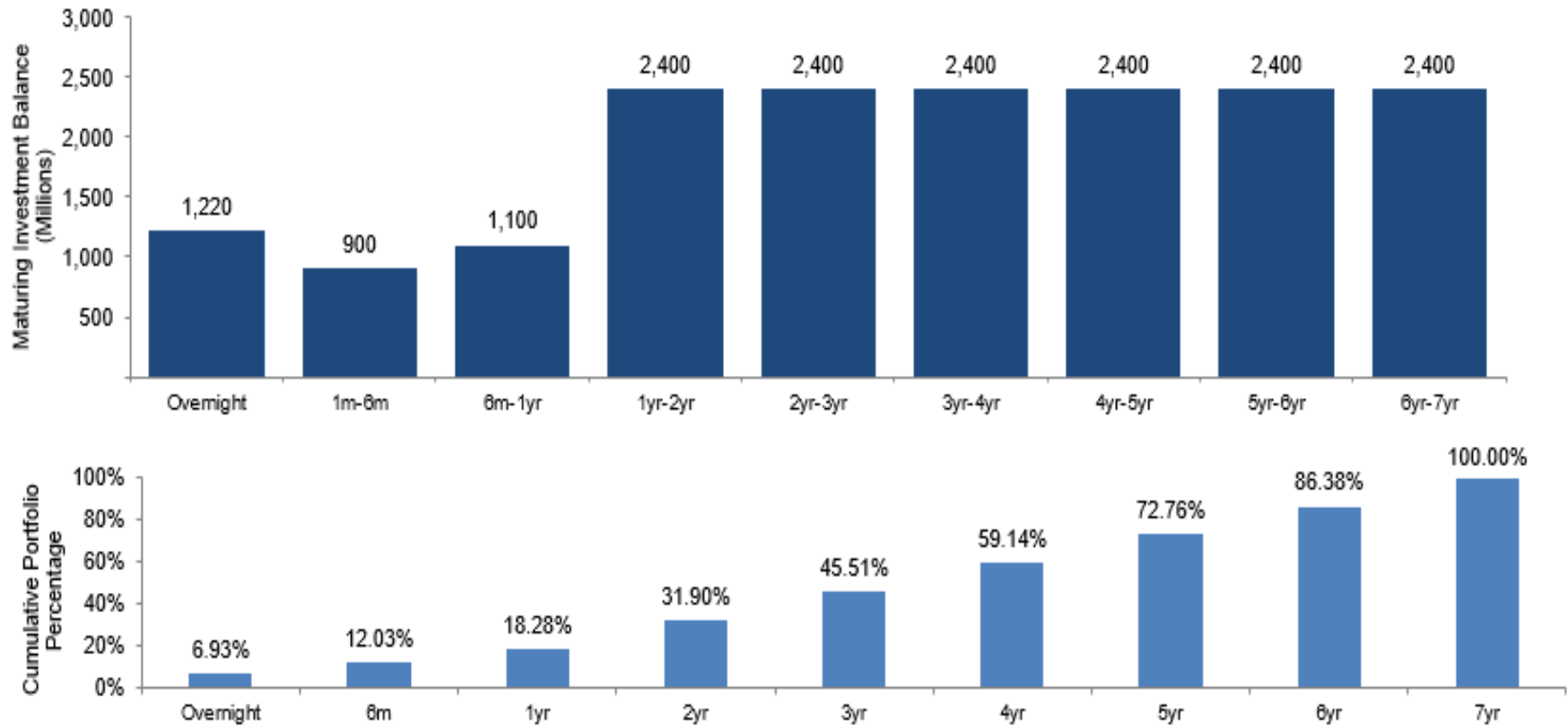
Investment Balance at Par: \$17.6 Billion

Weighted Average Life:

3.3 years

Weighted Average Yield:

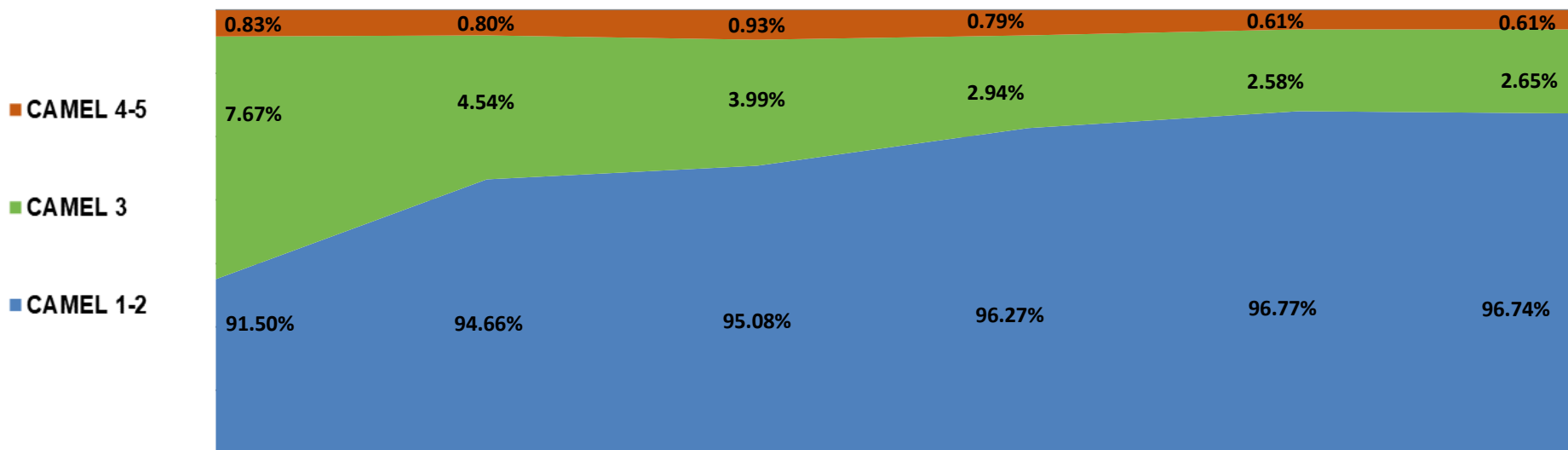
1.26%



# Percentage of Insured Shares and Total Number of CUs by CAMEL Code

## CY2016 – Q1 CY2021

Percentage of Insured Shares by CAMEL Rating\*



Number of CUs	Dec-16	Dec-17	Dec-18	Dec-19	Dec-20	Mar-21
CAMEL 4-5	196	196	193	190	159	154
CAMEL 3	1,123	1,072	940	838	748	754
CAMEL 1-2	4,466	4,322	4,266	4,220	4,209	4,172
<b>TOTAL</b>	<b>5,785</b>	<b>5,590</b>	<b>5,399</b>	<b>5,248</b>	<b>5,116</b>	<b>5,080</b>

\*Areas are not to scale.

# CAMEL Code Comparison by Asset Size

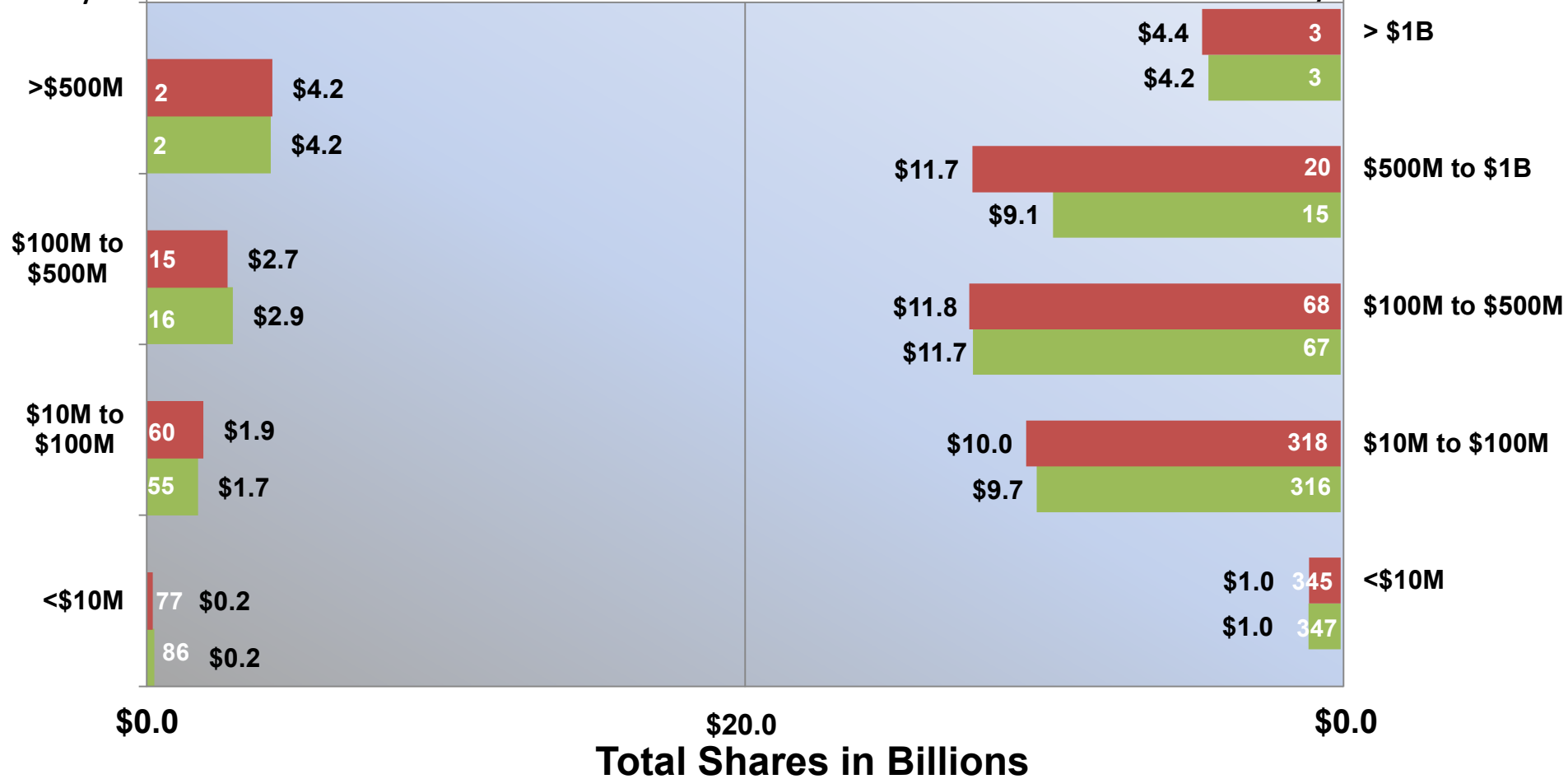
## CAMEL Code 4-5

Mar-21 Dec-20

## CAMEL Code 3

Credit Union Size  
By Total Assets

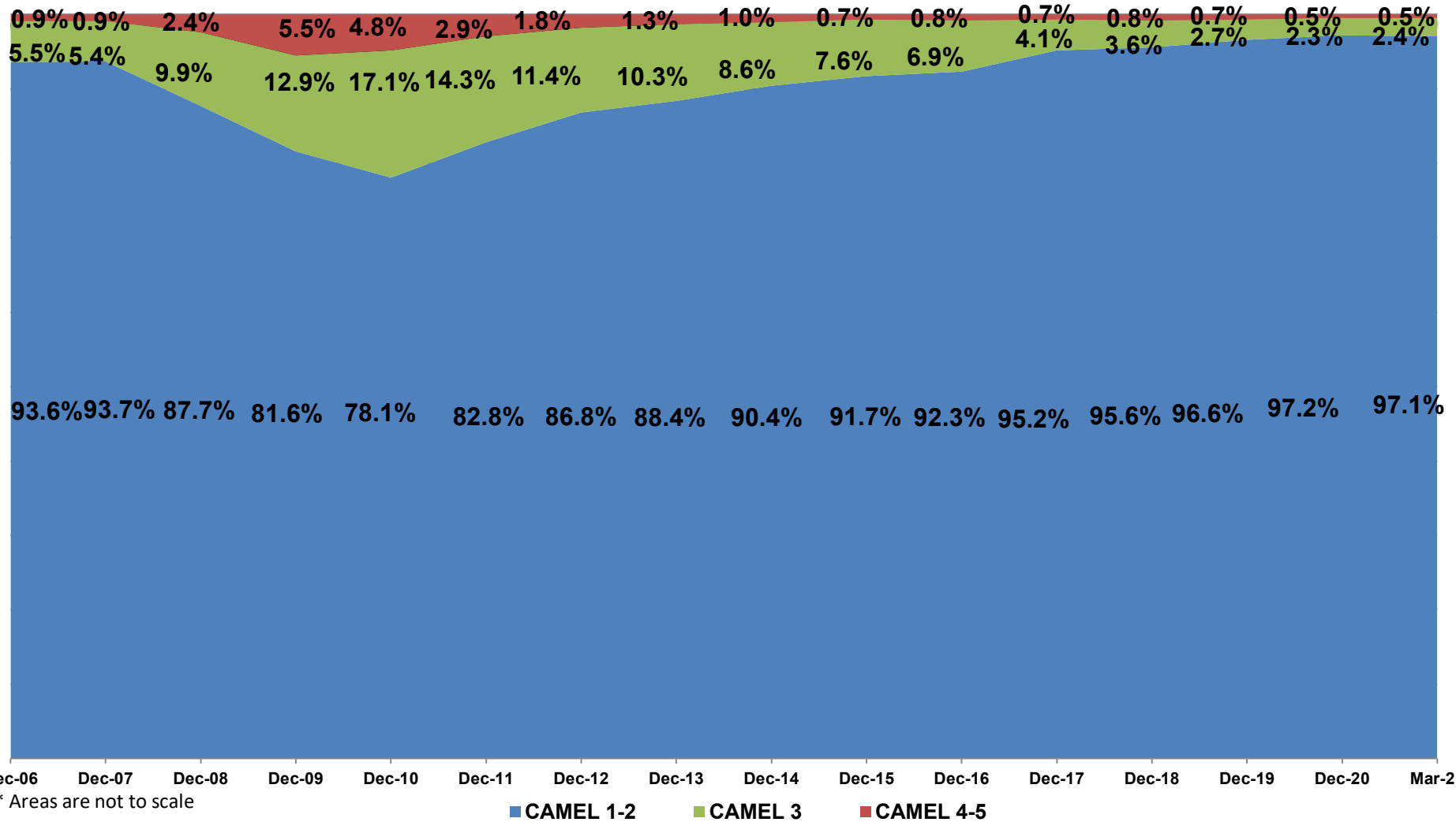
Credit Union Size  
By Total Assets





# Distribution of Assets in CAMEL Codes

CY2006 – Q1 CY2021 \*





# PROJECTED EQUITY RATIO

# Projected Equity Ratio Calculation

The NCUA staff projects the equity ratio for June 30<sup>th</sup> and for December 31<sup>st</sup>. The projection calculates the equity ratio on the same basis as the actual equity ratio.

Projected Quarter-End	Calculation
June	$\frac{\text{Projected 6/30 Retained Earnings}^* + 1\% \text{ of 12/31 Insured Shares}}{\text{Projected 6/30 Insured Shares}}$
December	$\frac{\text{Projected 12/31 Retained Earnings}^* + 1\% \text{ of 6/30 Insured Shares}}{\text{Projected 12/31 Insured Shares}}$

\*net of any direct liabilities of the Fund and contingent liabilities for which no provision has been made

# Projected Equity Ratio for June 30, 2021

**The equity ratio of the Share Insurance Fund for June 30, 2021, is projected to be**

**1.22 percent**

# Projected Equity Ratio Calculation - June 30, 2021

## Numerator

- The sum of contributed capital and retained earnings (less contingent liabilities) is projected to increase by 5.0% from December 31, 2020, to June 30, 2021; -0.2% is from March 31, 2021, to June 30, 2021.<sup>1</sup>
- Projected contributed capital includes the “true up” for December 31, 2020, insured shares.<sup>2</sup>

## Denominator

- Insured shares are projected to increase 8.1% from December 31, 2020, to June 30, 2021; 1.5% is from March 31, 2021, to June 30, 2021.

## Calculation Components

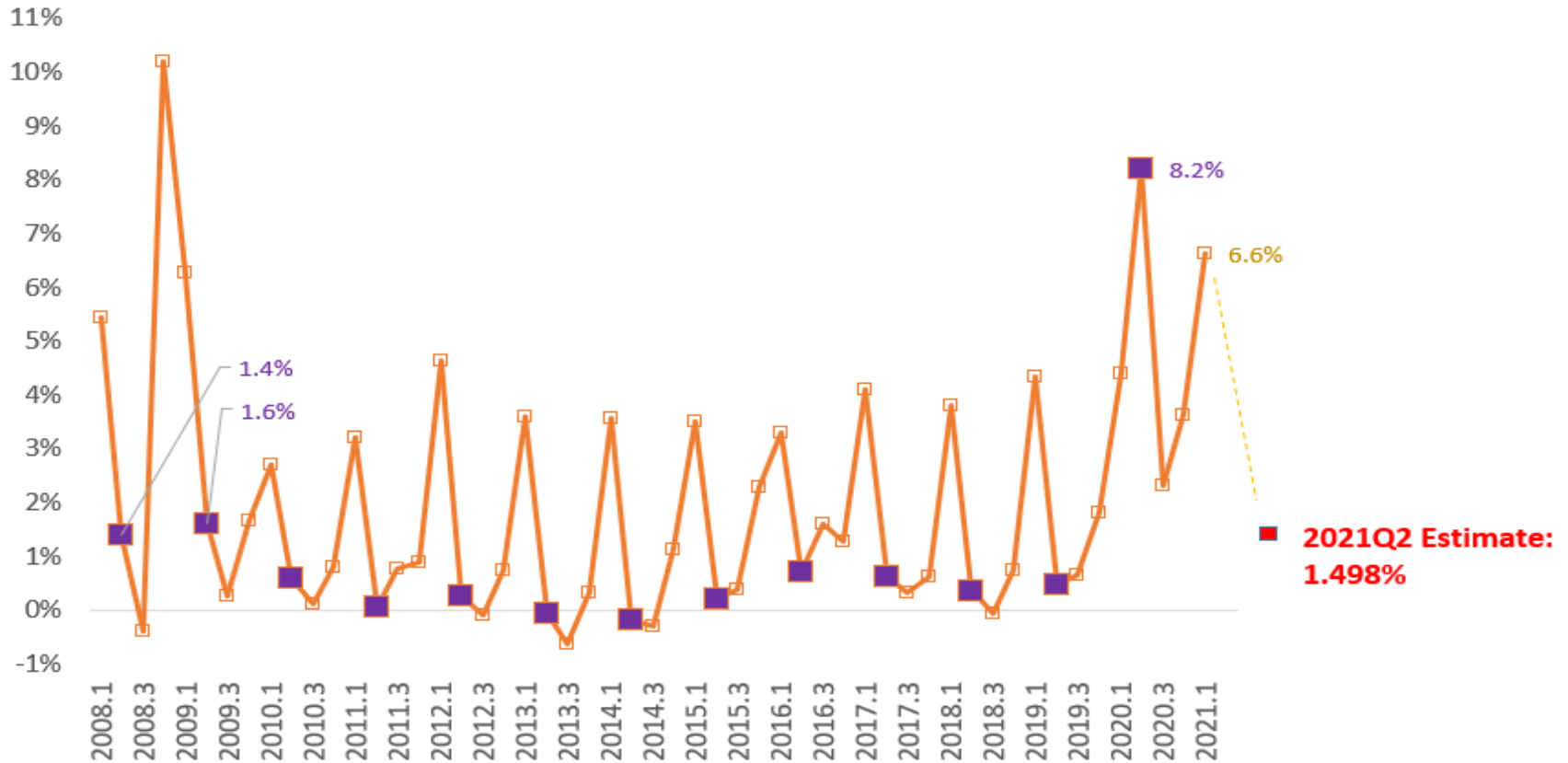
$$\frac{\$14,676,556,233 + \$4,680,566,042}{\$1,587,012,201,161} = 1.22\%$$

<sup>1</sup> Retained earnings decrease is due to an increase in investment income of \$60.9 million, SIF operating expenses and OTR of \$55.6 million, and the projected five-year annual insurance loss expense for the three-month period (excluding losses on Melrose Credit Union).

<sup>2</sup> Insured Shares totaled \$14.68T at December 31, 2020.

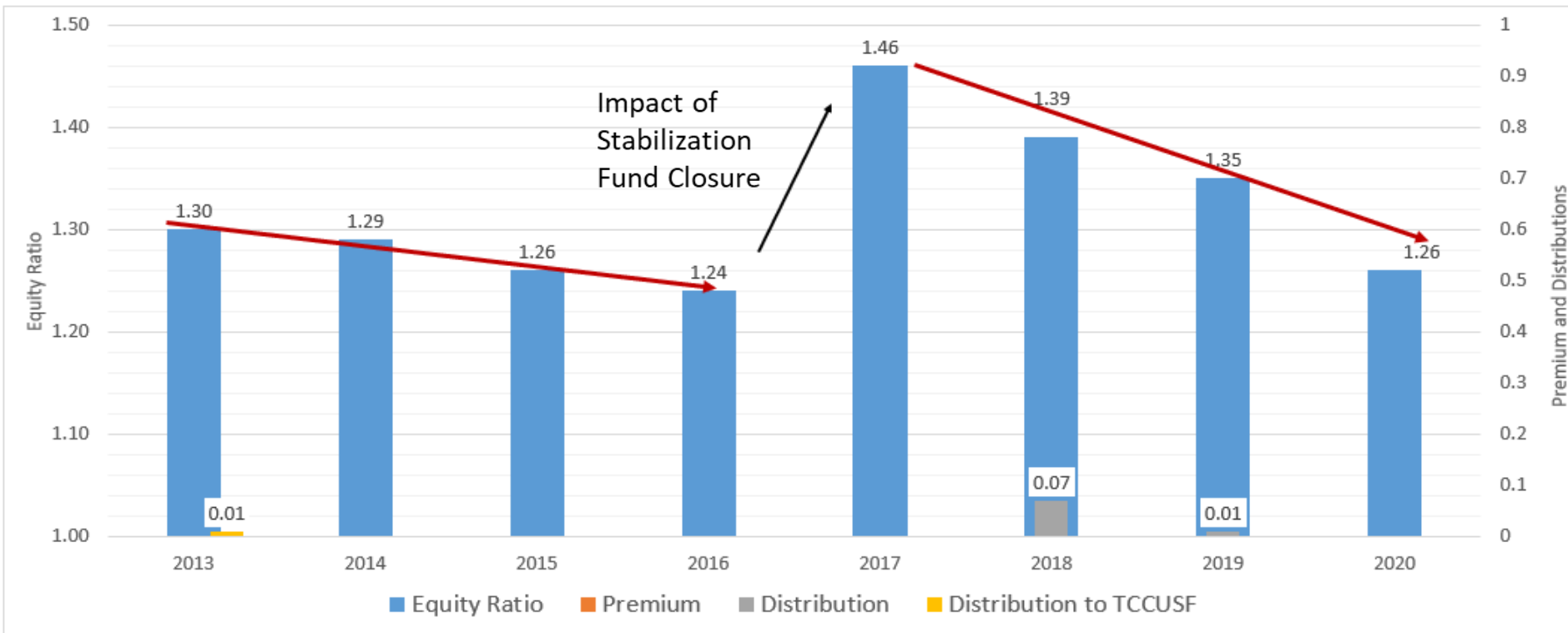
# Projected Insured Shares

Quarterly Insured Share Growth: Q2 Growth Rates Shown in Purple



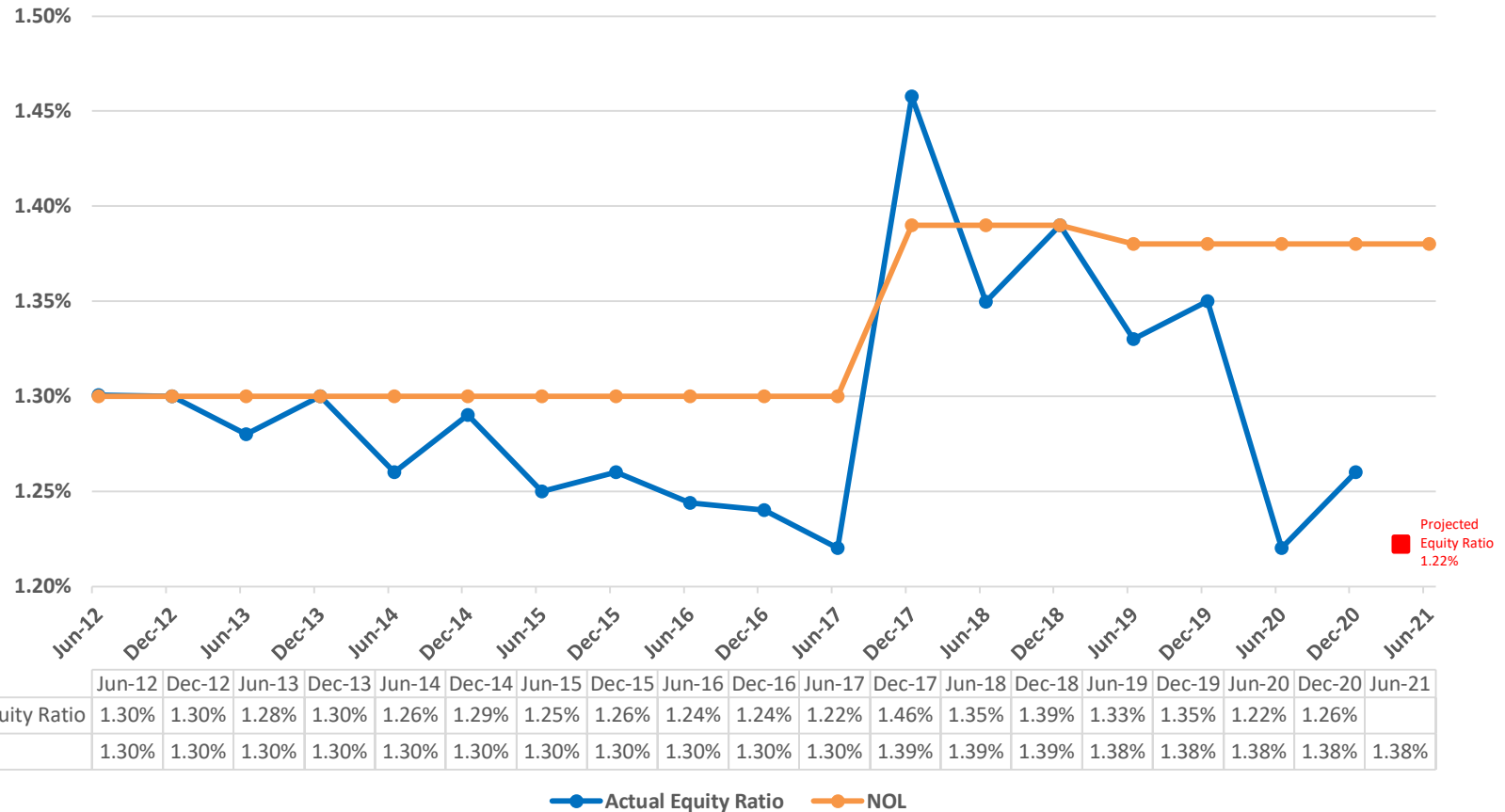
Average Q2 Growth: Prior 5 Years (2015-2019)	0.47%	(Standard Dev.=.20)
Average Q2 Growth: Prior 10 Years (2010-2019)	0.30%	(Standard Dev.=.30)
5x Average during 10-Year Period (2010-2019)	1.51%	
Average Q2 Growth: High Points of the Great Recession (2008-2009)	1.49%	

# Recent Year-end Equity Ratio Trends



# Equity Ratio – Actual vs Projected vs NOL

Equity Ratio - Actual vs Projected vs NOL



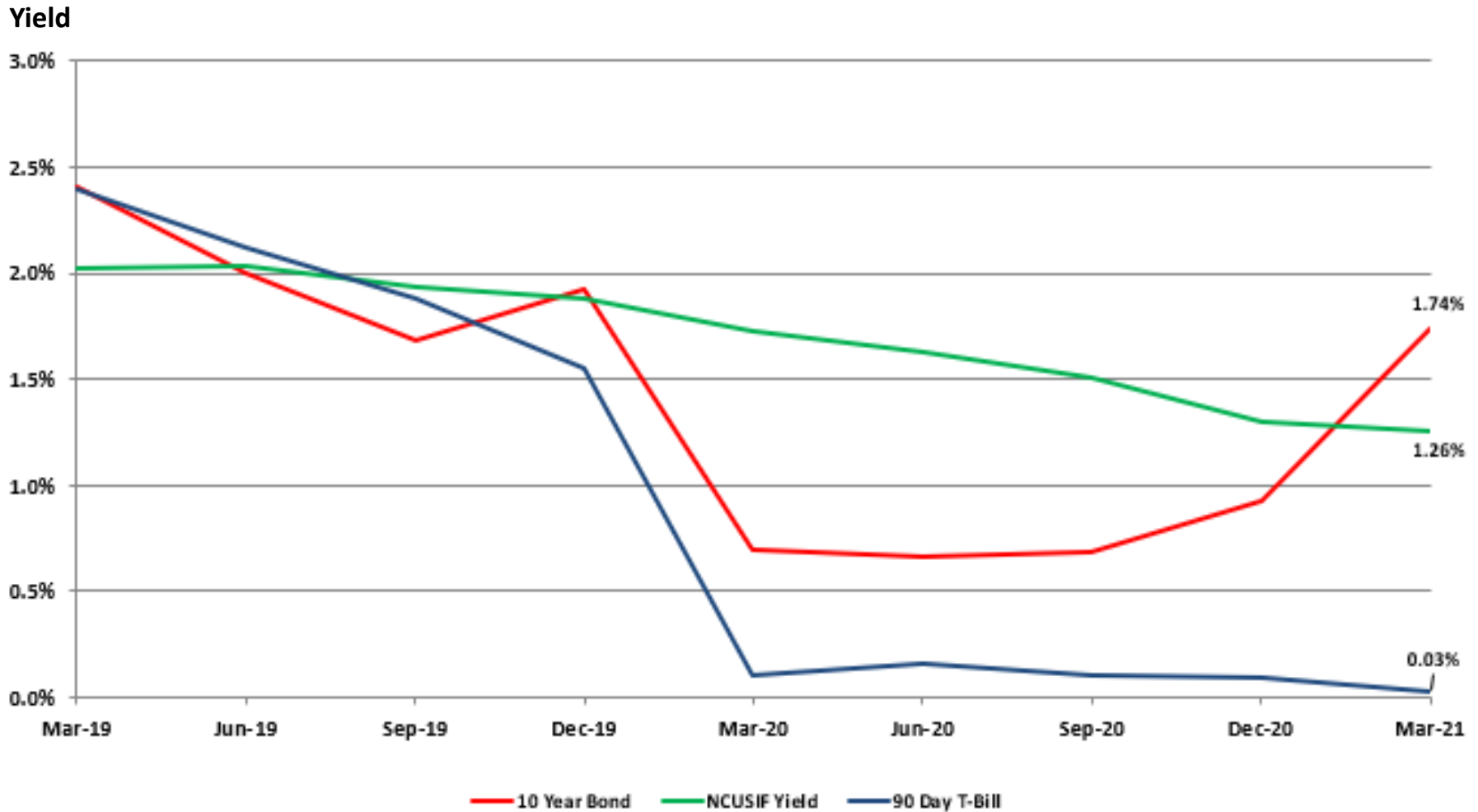




# APPENDICES

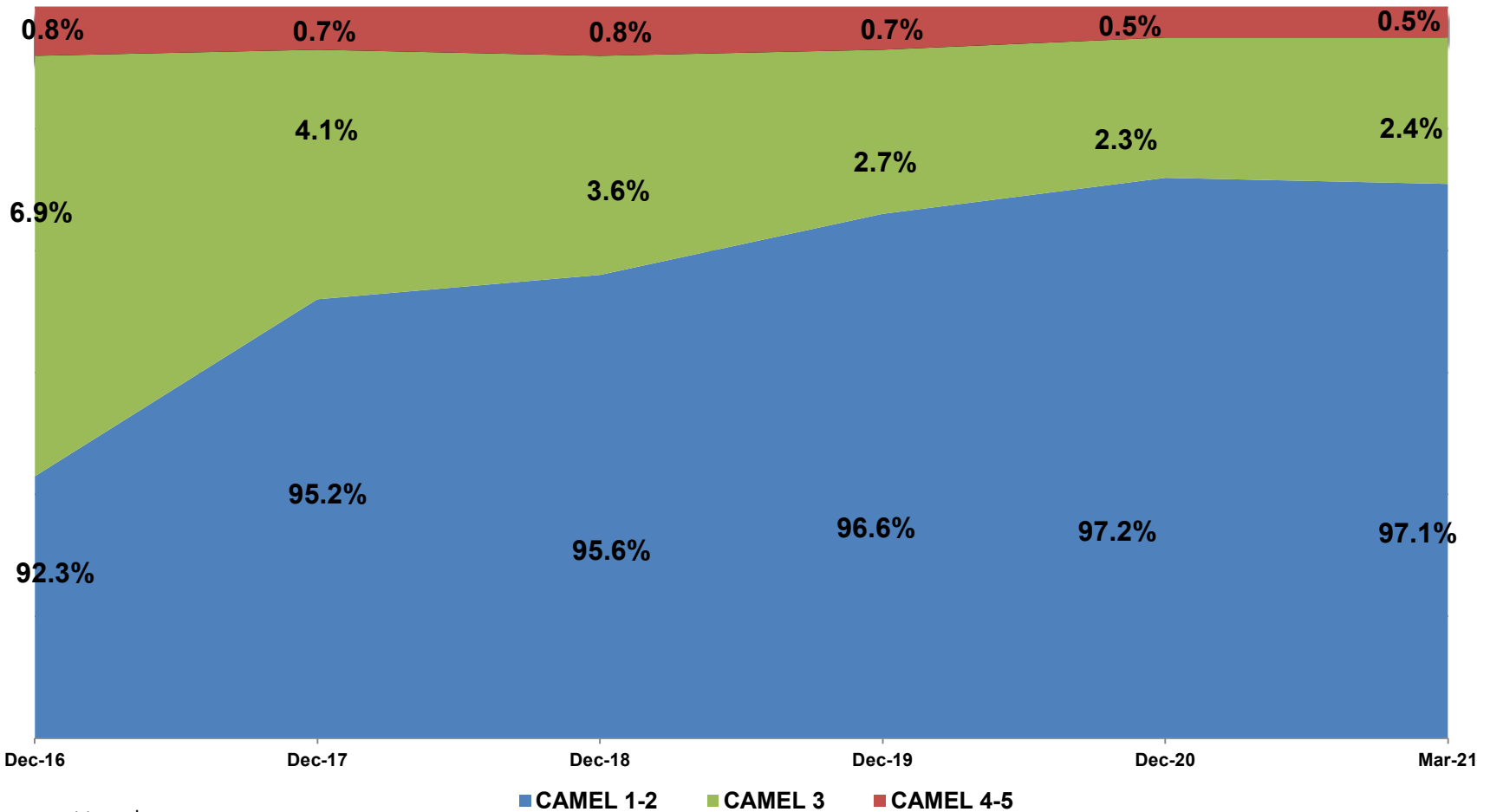
# Appendix I - Yield Comparisons

March 31, 2021



# Appendix II - Distribution of Assets in CAMEL Codes

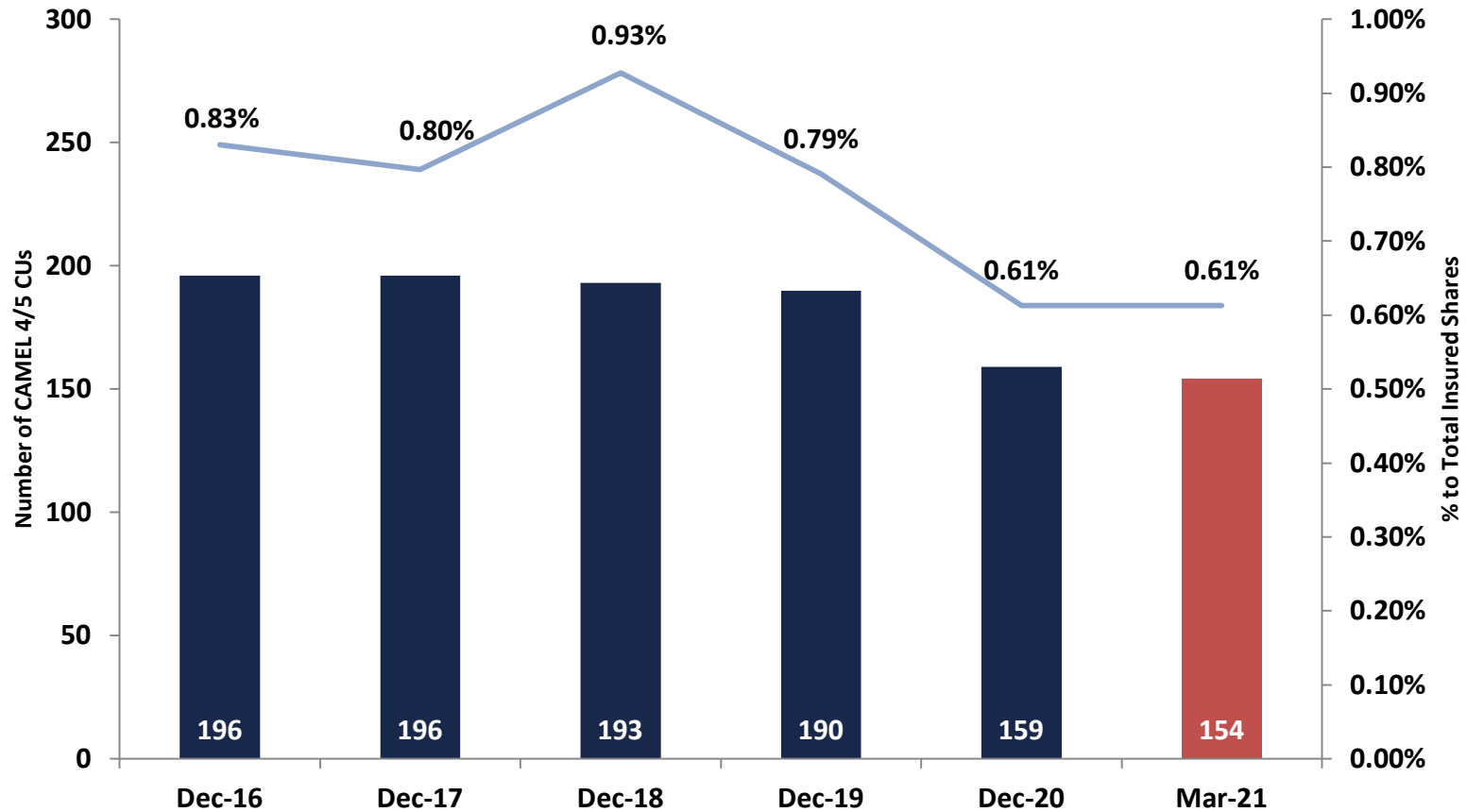
## CY2016 – Q1 CY2021



Areas are not to scale.

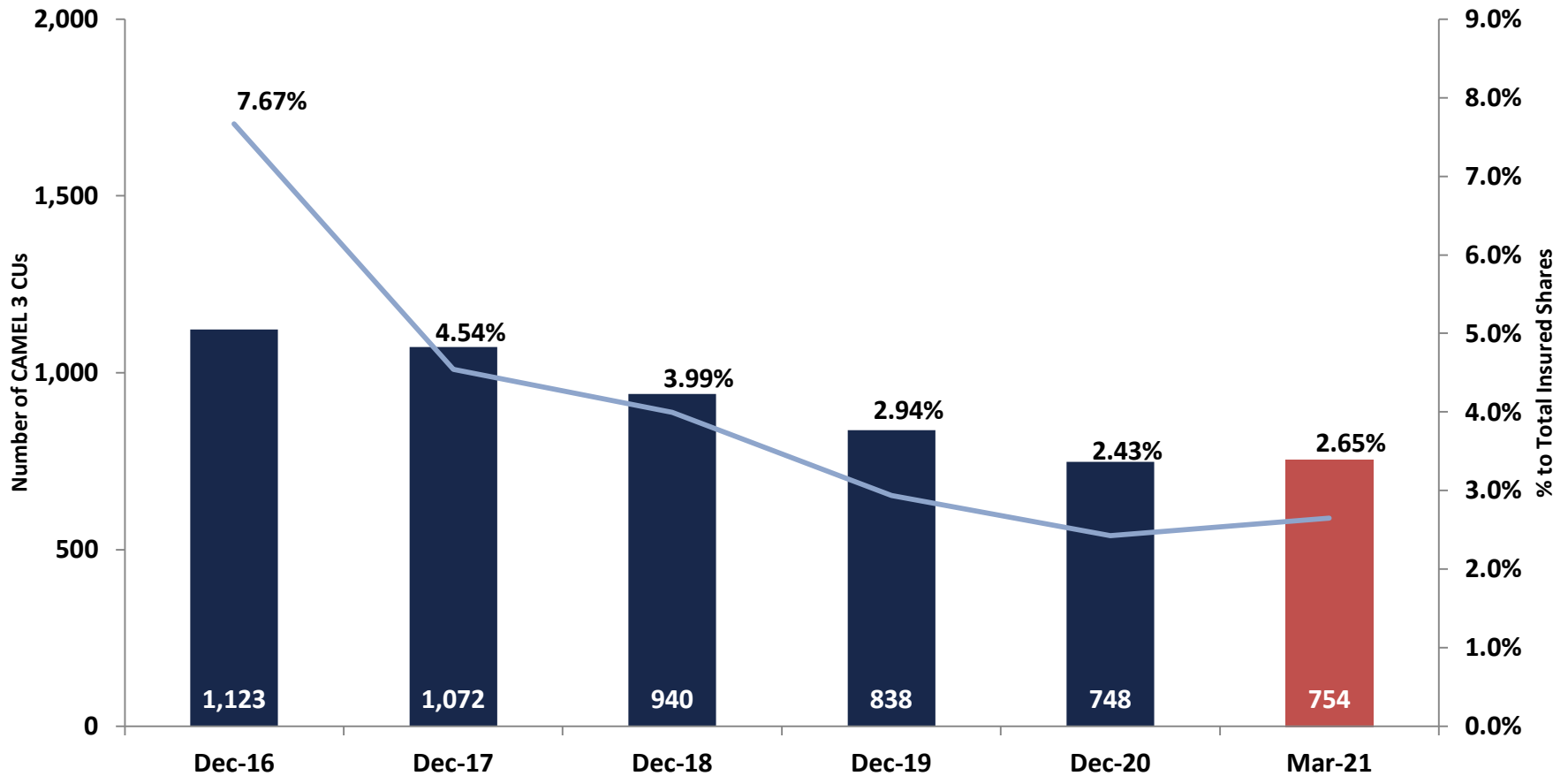
# Appendix III - CAMEL Code 4/5 CUs with Percent to Total Insured Shares

## CY2016 – Q1 CY2021



# Appendix IV - CAMEL Code 3 CUs with Percent to Total Insured Shares

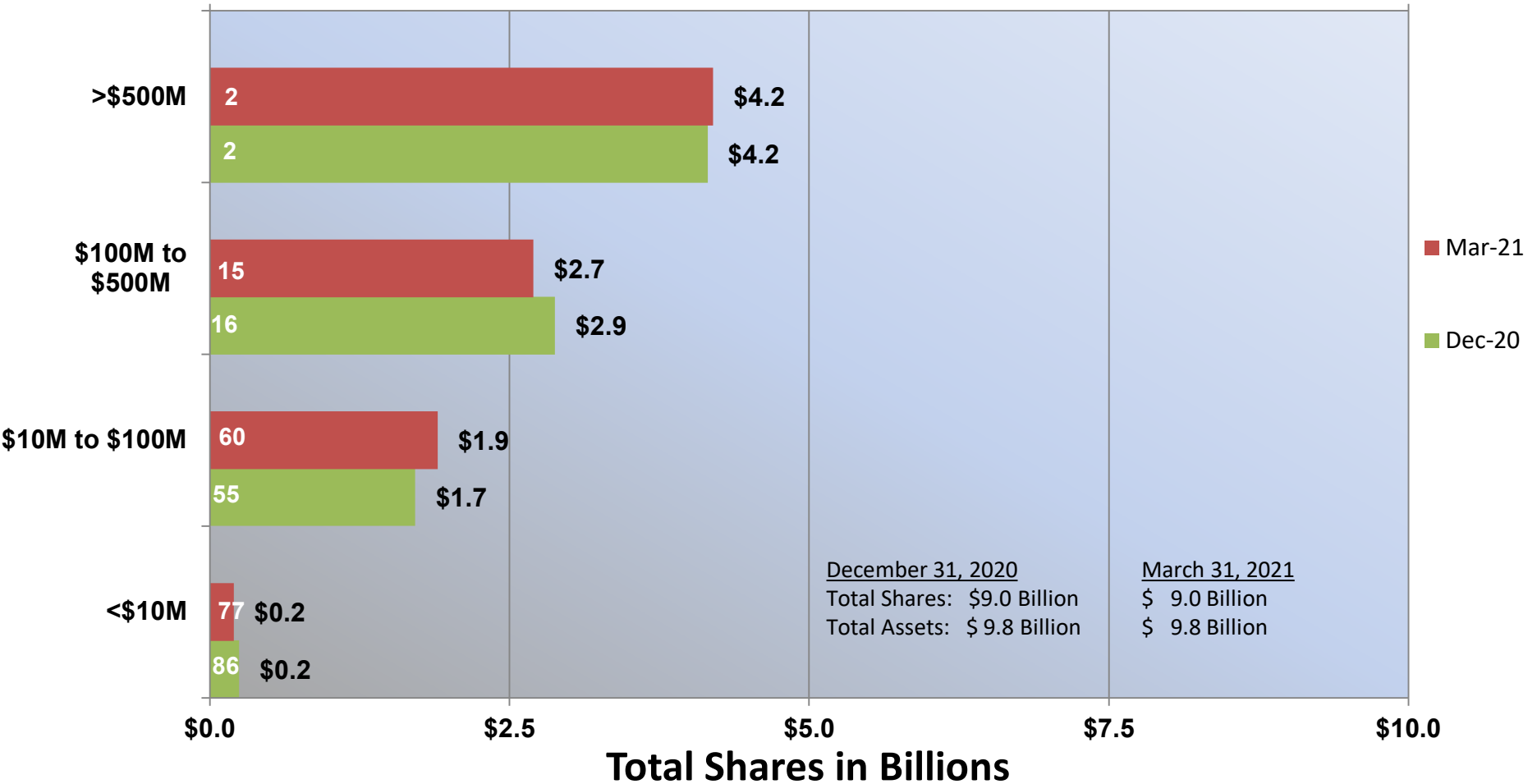
## CY2016 – Q1 CY2021



# Appendix V - CAMEL Code 4/5 Comparison

Credit Union Size  
By Total Assets

## December 31, 2020 to March 31, 2021



# Appendix VI - CAMEL Code 3 Comparison

Credit Union Size  
By Total Assets

## December 31, 2020 to March 31, 2021

