

**Corporate Asset Management Estates Recoveries and Claims**

As of 12/31/2017

Numbers are \$ in Millions, Amounts are Unaudited

Asset Recoveries	Recoveries - Actual/Projected				
	USC	WSC	MUC	SWC	CON
Assets Purchased by the Bridge Corporate for Assuming Liabilities*	18,089	10,412	4,859	7,248	658
Securitization Proceeds from NGNs Issued*	12,723	9,976	2,878	2,278	452
Proceeds from Asset Sales, P&I Receipts and Other Recoveries*	4,226	2,743	1,111	594	50
Proceeds from Legal Recoveries <sup>*1</sup>	1,793	2,638	279	392	5
NRV of Legacy Assets, Loans and Other Assets Held by AMEs <sup>##</sup>	430	348	196	155	0
NGN Program - Cash Equivalents with Trustees <sup>##</sup>	6	-187	155	135	17
NGN Program - Legacy Assets/Investments Collateralizing the NGNs <sup>##</sup>	3,488	1,953	549	461	144
Projected Recoveries from USC FCU AME <sup>#2</sup>	0	53	213	187	24
Recoveries from Western Bridge FCU AME <sup>#3</sup>	0	21	0	0	0
Total	40,755	27,957	10,241	11,449	1,348

Claims and Expenses	Original/Life-to-Date Claims				
	USC	WSC	MUC	SWC	CON
Liquidation Expenses, actual paid to date <sup>**</sup> :					
Liquidation Expenses - Associated with P&A	-515	-161	-101	-34	-12
Liquidation Expenses - Costs Related to Legal Recoveries <sup>‡</sup>	-446	-645	-68	-98	-1
Liquidation Expenses - NGN Maturity Related <sup>‡3</sup>	-238	-173	-152	-193	-11
Liquidation Expenses - Other	-41	-43	-15	-12	-3
Accrued Liquidation Expenses <sup>##4</sup>	-18	-14	-4	-4	-1
NGN Notes Payable <sup>##</sup>	-2,602	-1,671	-581	-448	-138
Guaranteed Deposits and Insured Shares assumed by the Bridge Corporate <sup>**</sup>	-25,264	-21,251	-8,821	-10,043	-1,158
NCUA Loan to the Corporate <sup>**</sup>	-5,000	-5,000	0	0	0
Medium Term Notes Guaranteed by NCUA <sup>**</sup>	-4,134	-1,571	0	0	0
Corporate's HARP Obligations Guaranteed by NCUA <sup>**</sup>	-165	-1	0	0	0
Other Liquidation Claims	0	0	0	0	0
NGN Guarantee Payments Reimbursement Claim by NCUA	0	0	0	0	0
Unsecured General Creditors <sup>##</sup>	-1	0	-2	-1	0
NCUA Capital Note <sup>#</sup>	-1,000	0	0	0	0
Member Capital <sup>#</sup>	-1,686	-931	-493	-404	-67
Paid in Capital <sup>#</sup>	-300	-213	-79	0	0
Total	-41,411	-31,673	-10,317	-11,237	-1,391
Projected Surplus / (Unpaid) Claims <sup>5</sup>	-656	-3,716	-77	212	-43

Claims Synopsis	USC	WSC	MUC	SWC	CON
Claims Received	-41,411	-31,673	-10,317	-11,237	-1,391
Claims Paid	36,793	25,789	9,127	10,382	1,164
Net Claims Outstanding	-4,618	-5,884	-1,191	-855	-227
Projected Claims Payments	3,961	2,168	1,114	855	184
Projected Liquidating Dividend	0	0	0	212	0
Projected Unpaid Claims <sup>5</sup>	-656	-3,716	-77	212	-43

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<b>Fiduciary Assets</b>	<b>USC</b>	<b>WSC</b>	<b>MUC</b>	<b>SWC</b>	<b>CON</b>
Cash and Cash Equivalents	44	-187	155	264	17
Legacy Assets	430	336	154	155	0
Legacy Assets/Investments Collateralizing the NGNs	3,488	1,953	549	461	144
Loans	0	12	43	0	0
Receivable from AMEs	0	0	0	0	0
Other Fiduciary Assets	0	0	0	0	0
<b>Total Fiduciary Assets</b>	<b>3,961</b>	<b>2,114</b>	<b>901</b>	<b>881</b>	<b>160</b>

**Fiduciary Liabilities**

Accrued Expenses and Payables	-18	-14	-4	-4	-1
NGNs	-2,602	-1,671	-581	-448	-138
Due to NGN Trusts	0	0	0	0	0
Unsecured Claims	0	0	0	0	0
Due to NCUSIF <sup>11</sup>	-11	-3,054	-33	0	-21
<b>Total Fiduciary Liabilities</b>	<b>-2,632</b>	<b>-4,739</b>	<b>-618</b>	<b>-452</b>	<b>-160</b>
<b>Total Fiduciary Net Assets / (Liabilities)</b>	<b>1,329</b>	<b>-2,625</b>	<b>282</b>	<b>429</b>	<b>0</b>

**Analysis of Claim Payments<sup>12</sup>**

**B1 - Liquidation Expenses**

	<b>USC</b>	<b>WSC</b>	<b>MUC</b>	<b>SWC</b>	<b>CON</b>
Original Amount	1,259	1,035	341	342	28
Amount Paid to Date	-1,240	-1,021	-337	-338	-27
Current Unpaid Balance	18	14	4	4	1
Projected Repayment	-18	-14	-4	-4	-1
Projected Amount Unpaid	0	0	0	0	0

**B2 - Wages and Salaries**

Original Amount	0	0	0	0	0
Amount Paid to Date	0	0	0	0	0
Current Unpaid Balance	0	0	0	0	0
Projected Repayment	0	0	0	0	0
Projected Amount Unpaid	0	0	0	0	0

**B4 - Due to Government<sup>6</sup>**

Original Amount	34,550	27,601	8,459	9,772	1,127
Amount Paid to Date	-34,550	-24,768	-8,459	-9,772	-1,127
Current Unpaid Balance	0	2,833	0	0	0
Projected Repayment	0	-483	0	0	0
Projected Amount Unpaid	0	2,350	0	0	0

**B5 - Due to General Creditors<sup>7</sup>**

Original Amount	1	0	2	1	0
Amount Paid to Date	-1	0	-2	-1	0
Current Unpaid Balance	0	0	0	0	0
Projected Repayment	0	0	0	0	0
Projected Amount Unpaid	0	0	0	0	0

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B6 - Due to NCUA for Insured Shares Payment <sup>8</sup>	Analysis of Claim Payments <sup>12</sup>				
	USC	WSC	MUC	SWC	CON
Original Amount	13	221	363	271	31
Amount Paid to Date	-2	0	-330	-271	-10
Current Unpaid Balance	11	221	33	0	21
Projected Repayment	-11	0	-33	0	-21
Projected Amount Unpaid	0	221	0	0	0

**B6.5 - USC Capital Note**

Original Amount	1,000	0	0	0	0
Amount Paid to Date	-1,000	0	0	0	0
Current Unpaid Balance	0	0	0	0	0
Projected Repayment	0	0	0	0	0
Projected Amount Unpaid	0	0	0	0	0

**B7 - Membership Capital<sup>9</sup>**

Original Amount	1,686	931	493	404	67
Amount Paid to Date	0	0	0	0	0
Current Unpaid Balance	1,686	931	493	404	67
Projected Repayment	-1,329	0	-493	-404	-24
Projected Amount Unpaid	356	931	0	0	43

**B9 - Paid In Capital<sup>9</sup>**

Original Amount	300	213	79	0	0
Amount Paid to Date	0	0	0	0	0
Current Unpaid Balance	300	213	79	0	0
Projected Repayment	0	0	-3	0	0
Projected Amount Unpaid	300	213	77	0	0

**Potential Liquidating Dividend<sup>10</sup>**

	0	0	0	212	0
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**Footnotes**

- \* Assets recovered or utilized to reduce fiduciary liabilities (not a current fiduciary asset)
- \*\* Liabilities and expenses paid or netted against fiduciary assets (not a current fiduciary liability)
- # Not shown as a fiduciary asset/liability.
- ## Shown as a fiduciary asset/liability.
- 1 Legal recoveries and related expenses. More information available on the "Legal Recoveries" section of the transparency website at [www.ncua.gov](http://www.ncua.gov). Differ to website by \$61.194 million due to expenses that were netted off the gross recoveries.
- 2 If depleted member capital is repaid by US Central, a portion will be distributed to the other AMEs that had capital at US Central.
- 3 Wescorp AME received recovery from the residual equity paid by Western Bridge, .
- 4 This represents estimated expenses accrued for through the full resolution of the Asset Management Estates.
- 5 Amount of claims projected to be unpaid at the resolution of the estates.
- 6 AME obligations backed by the NCUA guarantee which were repaid, and for which the NCUA claims reimbursement.
- 7 These were paid for those AMEs where the General Creditors are next in line for payment before payment is made to lower level claim
- 8 Shares/certificates insured up to the insurance limit
- 9 Depleted member and paid in capital.
- 10 Potential equity distribution to members at the conclusion of all liquidation activities.
- 11 Due to NCUSIF represents the assets recovered and utilized to reduce fiduciary liabilities (footnote \*) less liabilities and expenses paid or netted against fiduciary assets (footnote \*\*). The sum of B4 and B6 "Current Unpaid Balances" in the Analysis of Claim Payments section equals the net balance due to Stabilization Fund.
- 12 There are no claims at the B3 and B8 payment priority levels.
- 13 Liquidation Expenses - NGN Maturity Related represent payments attributable to an AME associated with the maturity of an NGN trust/tranche. See additional explanation on following page.

Disclaimer: All projections are point in time estimates based on best available information and are subject to change. This report provides data on AMEs with depleted member capital and does not include information related to USC Bridge.

## NGN Maturity Related Claims

Within the Corporate AME Recoveries and Claims report, a new line item was included for Q4 2017. Under the Liquidation Expenses category, *Liquidation Expenses – NGN Maturity Related* was added to distinguish claims attributable to the maturity of an NGN trust. These funding requirements are involuntary in that they occur when the assets in the NGN trusts do not provide sufficient cash flow to meet obligations. These activities are presented in the Liquidation Expense category because these claims have a payout priority level of B1. Payments for NGN maturity related claims were funded through principal, interest, and sale receipts of underlying trust securities that became available as the NGN trusts matured.

As an NGN reaches maturity, three primary types of activities occur which may create a B1 claim for NCUSIF:

- Guarantor Payments – cash required to meet NGN debt and expense obligations is provided by NCUSIF and then allocated and repaid as funds become available by each respective AME. As noted above, these funding requirements are involuntary. Guarantor payments are required because asset cash flows have not fully met NGN trust obligations as of the maturity date.
- Optional Purchases – cash required to purchase NGN collateral is provided by NCUSIF in the month prior to final maturity and then allocated and repaid as funds become available by each respective AME. This option can be used to improve the efficiency of NGN wind-down transactions when asset cash flows have not fully met NGN trust obligations. If this option is not chosen in such cases, a guarantor payment would be required.
- NGN Collateral Performance – when an AME’s NGN collateral inflows have not met its NGN debt and expense commitments, the required funds are provided by NCUSIF and then allocated and repaid as funds become available by the respective AME. As noted above, these funding requirements are involuntary.

Prior to Q4 2017, NGN Maturity Related amounts pertaining to NGN trust maturities were located in the *Liquidation Expenses – Other* line item. During Q4 2017, an NGN optional purchase was completed, and three NGN trusts were closed. The breakdown below identifies each respective AME’s amounts in millions of dollars:

Time Period	USC	WSC	MUC	SWC	CON	Total
Prior to Q4 2017	56	0	42	45	11	154
During Q4 2017	182	173	110	148	0	613
Total	238	173	152	193	11	767