

# NATIONAL CREDIT UNION SHARE INSURANCE FUND

Your savings federally insured to at least \$250,000  
and backed by the full faith and credit of the United States Government

# NCUA

National Credit Union Administration, a U.S. Government Agency

## PRELIMINARY AND UNAUDITED FINANCIAL HIGHLIGHTS October 31, 2012

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**NCUSIF FINANCIAL HIGHLIGHTS**  
**October 31, 2012**

**Balance Sheet:**

**Other - Insurance and Guarantee Program Liabilities (Reserves):** is \$398.9 million as of October 31, 2012. \$84.9 million is for specific natural person credit unions and \$314.0 million is for non-specific natural person credit unions.

**Cumulative Results of Operations:** decreased by \$29.8 million for the month of October. This change is due to net income earned by the fund for the month of \$7.2 million and an unrealized loss on available-for-sale U.S. Treasury Securities of \$37.0 million.

**Statement of Net Cost:**

For October 2012, the fund earned net income of \$7.2 million. The NCUSIF recognized gross revenues of \$17.4 million and total operating expenses of \$10.0 million. The fund also realized an insurance loss expense of \$149 thousand.

**NATIONAL CREDIT UNION SHARE INSURANCE FUND**

**PRELIMINARY AND UNAUDITED BALANCE SHEET**

As of October 31, 2012

(Dollars in thousands)

	<u>October 2012</u>	<u>September 2012</u>	<u>October 2011</u>
<b>ASSETS</b>			
<b>INTRAGOVERNMENTAL</b>			
Fund Balance with Treasury	\$ 1,078	\$ 948	\$ 623
Investments, Net U.S. Treasury Securities	11,285,186	10,952,363	11,450,042
Accounts Receivable - Note due from the National Credit Union Administration Operating Fund	14,639	14,750	15,980
Accounts Receivable, Other	2,040	25	2,390
Accrued Interest Receivable, Investments	68,231	81,319	70,748
Total Intragovernmental Assets	<u>11,371,174</u>	<u>11,049,405</u>	<u>11,539,783</u>
<b>PUBLIC</b>			
Accounts Receivable - Capitalization Deposits from Insured Credit Unions, Net	233	367,720	918
General Property, Plant, and Equipment, Net	2	3	22
Capital Note Receivable, Net	70,000	70,000	-
Accrued Interest Receivable	696	567	-
Advances	6	-	-
Other - Investments	181,970	183,328	-
Other - Receivable from Asset Management Estates, Net	191,749	265,396	117,852
Total Public Assets	<u>444,656</u>	<u>887,014</u>	<u>118,791</u>
<b>TOTAL ASSETS</b>	<u>\$ 11,815,830</u>	<u>\$ 11,936,419</u>	<u>\$ 11,658,574</u>
<b>LIABILITIES</b>			
<b>INTRAGOVERNMENTAL</b>			
Accounts Payable - Due to the Temporary Corporate Credit Union Stabilization Fund	\$ 124	\$ 2,271	\$ 45
Accounts Payable - Due to the National Credit Union Administration Operating Fund	84	3,225	-
Total Intragovernmental Liabilities	<u>208</u>	<u>5,496</u>	<u>45</u>
<b>PUBLIC</b>			
Accounts Payable	746	200	232
Other - Insurance and Guarantee Program Liabilities (Reserves)	398,882	484,964	871,618
Total Public Liabilities	<u>399,628</u>	<u>485,164</u>	<u>871,850</u>
<b>TOTAL LIABILITIES</b>	<u>399,836</u>	<u>490,660</u>	<u>871,895</u>
<b>NET POSITION</b>			
Contributed Capital	8,318,061	8,317,951	7,807,218
Cumulative Result of Operations	3,097,933	3,127,808	2,979,461
Total Net Position	<u>11,415,994</u>	<u>11,445,759</u>	<u>10,786,679</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$ 11,815,830</u>	<u>\$ 11,936,419</u>	<u>\$ 11,658,574</u>

**NATIONAL CREDIT UNION SHARE INSURANCE FUND**  
**PRELIMINARY AND UNAUDITED STATEMENTS OF NET COST**  
For the Periods Ending October 31, 2012  
(Dollars in thousands)

	<u>October 2012</u>	<u>CY to Date 2012</u>	<u>CY to Date October 2011</u>
<b>GROSS COSTS</b>			
<b>OPERATING EXPENSES</b>			
Employee Pay	\$ 6,661	\$ 63,362	\$ 61,441
Employee Benefits	2,316	21,848	17,104
Travel	215	12,534	12,267
Rent, Communications, and Utilities	42	2,223	2,244
Administrative Costs	461	5,815	7,277
Contracted Services	172	7,801	6,531
AMAC Expense	-	356	63
Training Expense	166	1,107	1,132
Leasing Expense	2	110	17
Other Insurance Expense	-	46	894
Total Operating Costs	<u>10,035</u>	<u>115,202</u>	<u>108,970</u>
<b>INSURANCE LOSS EXPENSE</b>	149	(110,893)	(287,037)
Total Gross Costs	<u>10,184</u>	<u>4,309</u>	<u>(178,067)</u>
<b>LESS EXCHANGE REVENUES</b>			
Interest Revenue on Note Receivable due from the National Credit Union Administration Operating Fund	(24)	(247)	(291)
Interest Revenue - Other	(320)	(1,470)	-
Other Revenue	-	(3,661)	-
Insurance and Guarantee Premium Revenue	-	-	(45)
Total Exchange Revenue	<u>(344)</u>	<u>(5,378)</u>	<u>(336)</u>
<b>TOTAL NET COST/(INCOME) OF OPERATIONS</b>	<u>9,840</u>	<u>(1,069)</u>	<u>(178,403)</u>
<b>LESS NON-EXCHANGE REVENUES</b>			
Investment Income	(17,032)	(173,733)	(189,232)
Total Non-Exchange Revenues	<u>(17,032)</u>	<u>(173,733)</u>	<u>(189,232)</u>
<b>TOTAL NET COST/(INCOME) INCLUDING NON-EXCHANGE REVENUES</b>	<u>\$ (7,192)</u>	<u>\$ (174,802)</u>	<u>\$ (367,635)</u>

NATIONAL CREDIT UNION SHARE INSURANCE FUND  
 PRELIMINARY AND UNAUDITED STATEMENTS OF NET POSITION  
 October 31, 2012  
 (Dollars in thousands)

NET POSITION BREAKDOWN	October 2012	September 2012	October 2011
CU Contributed Capital	\$ 8,318,061	\$ 8,317,951	\$ 7,807,218
Retained Earnings	2,707,760	2,700,569	2,552,020
Total Net Position without Unrealized Gain/Loss	11,025,821	11,018,520	10,359,238
Unrealized Gain/(Loss) - Investments	390,173	427,239	427,441
<b>NET POSITION</b>	<b>\$ 11,415,994</b>	<b>\$ 11,445,759</b>	<b>\$ 10,786,679</b>

Comparative Analysis of NCUSIF Ratios for October 2012

	October 2012	September 2012	October 2011
Investments/Total Assets	95.51%	91.76%	98.21%
Total Equity/Insured Shares (1)	1.32%	1.32%	1.32%
Available Assets Ratio	1.30%	1.25%	1.35%
Ins. Loss Exp./Insured Shares	0.00%	-0.02%	0.00%

Actual Insured Shares as of June 30, 2012	834,267,557,427
Actual Insured Shares as of December 31, 2011	795,287,721,573
Actual Insured Shares as of June 30, 2011	782,422,299,428

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

(1) The October 2011 Equity Ratio was based on an actual insured share level of \$782 billion as of June 30, 2011.

Figure 1

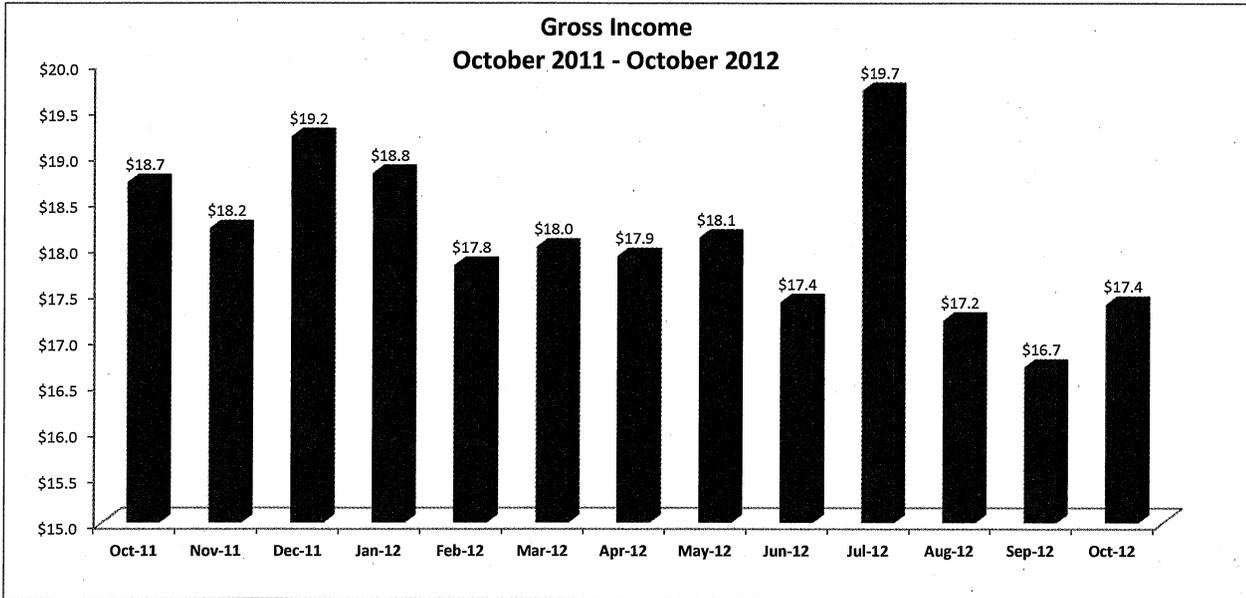


Figure 2

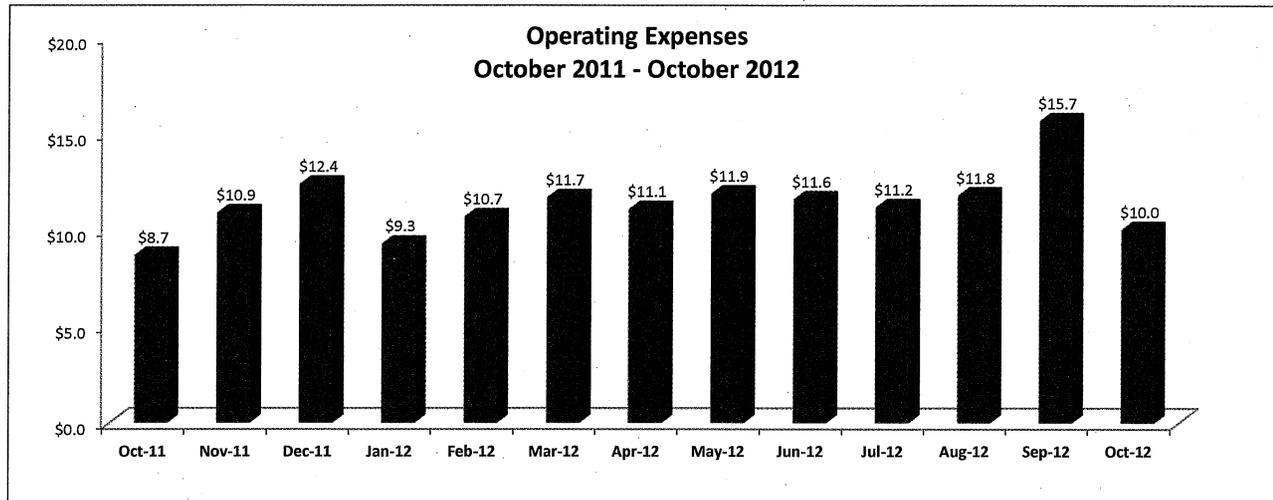
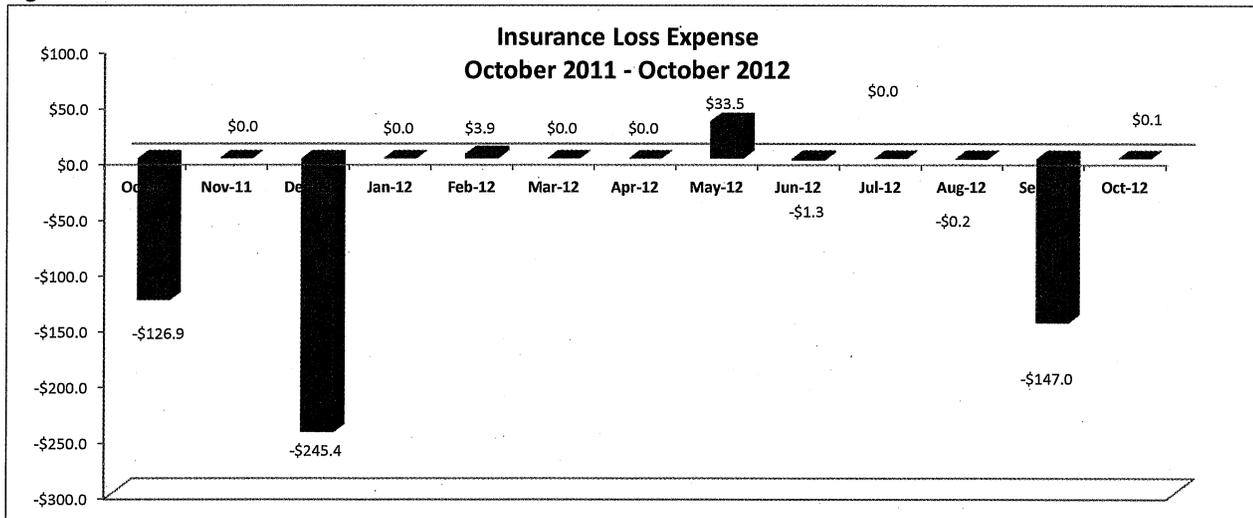


Figure 3



**INVESTMENT PORTFOLIO SUMMARY**  
**October 31, 2012**

<b>I. INVESTMENT PORTFOLIO BALANCE AND MARKET VALUE (In Dollars)</b>						
	<b>Book Value</b>	<b>Market Value</b>	<b>Gain or (Loss)</b>	<b>% Market to Book Value</b>	<b>Weighted Average Yield</b>	
Daily Treasury Account	\$ 747,343,000	\$ 747,343,000	\$ -	100.00%	0.11%	
U.S. Treasury Notes	10,147,670,391	10,537,843,341	390,172,950	103.84%	1.97%	
<b>Total</b>	<b>\$ 10,895,013,391</b>	<b>\$ 11,285,186,341</b>	<b>\$ 390,172,950</b>	<b>103.58%</b>	<b>1.87%</b>	
<b>II. INVESTMENT PORTFOLIO SUMMARY</b>						
	<b>Last Month</b>	<b>Current Month</b>	<b>CY To Date</b>			
Investment Yield	1.90%	1.87%	1.93%			
Investment Income	\$ 16,342,785	\$ 17,031,592	\$ 173,733,528			
Weighted Avg. Maturity in Days	1,150	1,113				
<b>III. MONTHLY ACTIVITY</b>						
<b>Purchased</b>	<b>Type</b>	<b>Amount</b>	<b>Maturity</b>	<b>Yield</b>		
10/3/2012	T-Note	\$ 50,000,000	6/30/2018	0.76%		
10/3/2012	T-Note	50,000,000	12/31/2018	0.87%		
10/3/2012	T-Note	50,000,000	6/30/2019	0.99%		
<b>TOTAL</b>		<b>\$ 150,000,000</b>				
<b>IV. MATURITY SCHEDULE (par value in millions)</b>						
Overnight	\$	747				
1 month - 6 months		1,050				
6 months - 1 year		550				
1 year - 2 years		1,850				
2 years - 3 years		1,870				
3 years - 4 years		1,950				
4 years - 5 years		850				
5 years - 10 years		1,800				
<b>TOTAL</b>	<b>\$</b>	<b>10,667</b>				