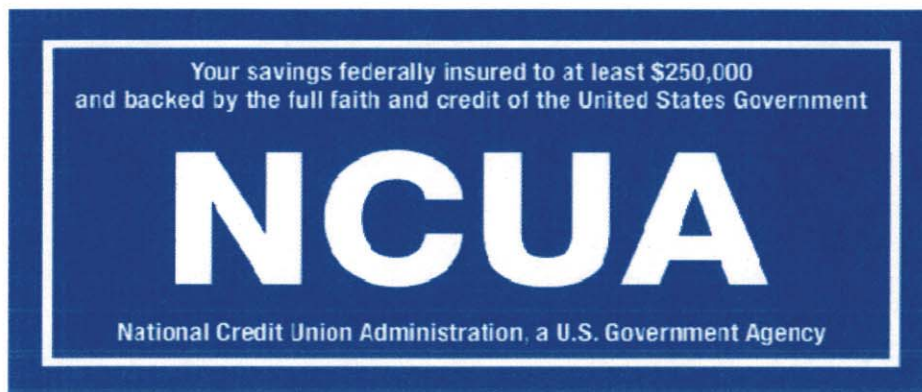


# NATIONAL CREDIT UNION SHARE INSURANCE FUND



## PRELIMINARY & UNAUDITED FINANCIAL HIGHLIGHTS

February 28, 2014

A handwritten signature in blue ink, appearing to read "G. Tomchick", is positioned above the printed name.

**GEORGE TOMCHICK**  
**DEPUTY CHIEF FINANCIAL OFFICER**

**NATIONAL CREDIT UNION  
SHARE INSURANCE FUND**

**FINANCIAL HIGHLIGHTS  
February 28, 2014**

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**Balance Sheet:**

**Other - Insurance and Guarantee Program Liabilities (Reserves):** Reserves are \$241.1 million as of February 28, 2014; \$32.9 million is for specific natural person credit unions, and \$208.2 million is for general reserves.

**Statement of Net Cost:**

For the month ended February 28, 2014, the fund had a net loss of \$17.3 million. The fund recognized gross revenues of \$16.1 million and total operating expenses of \$13.0 million. The fund recognized an insurance loss expense of \$20.4 million during the month of February 2014.

**NATIONAL CREDIT UNION SHARE INSURANCE FUND**

**PRELIMINARY AND UNAUDITED BALANCE SHEETS**

As of February 28, 2014

(Dollars in thousands)

	<u>February 2014</u>	<u>January 2014</u>	<u>February 2013</u>
<b>ASSETS</b>			
<b>INTRAGOVERNMENTAL</b>			
Fund Balance with Treasury	\$ 500	\$ 2,821	\$ 779
Investments, Net U.S. Treasury Securities	11,311,362	11,284,529	11,187,179
Accounts Receivable - Note due from the National Credit Union Administration Operating Fund	12,851	12,962	14,192
Accounts Receivable - Due from the National Credit Union Administration Operating Fund	2,579	2,443	-
Accounts Receivable - Due from the Temporary Corporate Credit Union Stabilization Fund	-	-	-
Accounts Receivable, Other	-	-	4,240
Accrued Interest Receivable, Investments	55,681	71,431	55,703
Total Intragovernmental Assets	<u>11,382,973</u>	<u>11,374,186</u>	<u>11,262,093</u>
<b>PUBLIC</b>			
Accounts Receivable - Capitalization Deposits from Insured Credit Unions, Net	-	-	-
Accounts Receivable, Other	-	-	-
Notes Receivable, Net	208,493	209,850	236,538
Accrued Interest Receivable	329	275	374
Advances	4	15	-
Other - Receivable from Asset Management Estates, Net	108,825	110,989	270,768
Total Public Assets	<u>317,651</u>	<u>321,129</u>	<u>507,680</u>
<b>TOTAL ASSETS</b>	<u>\$ 11,700,624</u>	<u>\$ 11,695,315</u>	<u>\$ 11,769,773</u>
<b>LIABILITIES</b>			
<b>INTRAGOVERNMENTAL</b>			
Accounts Payable - Due to the National Credit Union Administration Operating Fund	\$ 19	\$ -	\$ -
Accounts Payable - Due to the Temporary Corporate Credit Union Stabilization Fund	-	1,015	181
Other - Distribution Payable to the Temporary Corporate Credit Union Stabilization Fund	95,291	95,291	88,090
Total Intragovernmental Liabilities	<u>95,310</u>	<u>96,306</u>	<u>88,271</u>
<b>PUBLIC</b>			
Accounts Payable	758	820	1,022
Other - Insurance and Guarantee Program Liabilities (Reserves)	241,066	220,651	415,011
Total Public Liabilities	<u>241,824</u>	<u>221,471</u>	<u>416,033</u>
<b>TOTAL LIABILITIES</b>	<u>337,134</u>	<u>317,777</u>	<u>504,304</u>
<b>NET POSITION</b>			
Contributed Capital	8,661,393	8,661,351	8,314,845
Cumulative Result of Operations	2,702,097	2,716,187	2,950,624
Total Net Position	<u>11,363,490</u>	<u>11,377,538</u>	<u>11,265,469</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$ 11,700,624</u>	<u>\$ 11,695,315</u>	<u>\$ 11,769,773</u>

**NATIONAL CREDIT UNION SHARE INSURANCE FUND**  
**PRELIMINARY AND UNAUDITED STATEMENTS OF NET COST**  
**For the Periods Ending February 28, 2014**  
**(Dollars in thousands)**

	<u>February 2014</u>	<u>CY to Date February 2014</u>	<u>CY to Date February 2013</u>
<b>GROSS COSTS</b>			
<b>OPERATING EXPENSES</b>			
Employee Pay	\$ 7,098	\$ 16,198	\$ 12,438
Employee Benefits	2,627	5,773	4,588
Travel	1,418	1,630	1,444
Rent, Communications, and Utilities	184	247	313
Administrative Costs	543	1,146	980
Contracted Services	1,111	1,144	1,083
Training Expense	33	55	60
Leasing Expense	-	-	36
Other Insurance Expense	-	-	6
Total Operating Costs	<u>13,014</u>	<u>26,193</u>	<u>20,948</u>
<b>INSURANCE LOSS EXPENSE</b>	<u>20,414</u>	<u>20,414</u>	<u>2,559</u>
Total Gross Costs	<u>33,428</u>	<u>46,607</u>	<u>23,507</u>
<b>LESS EXCHANGE REVENUES</b>			
Interest Revenue on Note Receivable due from the National Credit Union Administration Operating Fund	(18)	(38)	(42)
Interest Revenue - Other	(243)	(518)	(583)
Other Revenue	-	(1)	-
Total Exchange Revenue	<u>(261)</u>	<u>(557)</u>	<u>(625)</u>
<b>TOTAL NET COST/(INCOME) OF OPERATIONS</b>	<u>33,167</u>	<u>46,050</u>	<u>22,882</u>
<b>LESS NON-EXCHANGE REVENUES</b>			
Investment Income	(15,908)	(33,205)	(32,459)
Total Non-Exchange Revenues	<u>(15,908)</u>	<u>(33,205)</u>	<u>(32,459)</u>
<b>TOTAL NET COST/(INCOME) INCLUDING NON-EXCHANGE REVENUES</b>	<u>\$ 17,259</u>	<u>\$ 12,845</u>	<u>\$ (9,577)</u>

**NATIONAL CREDIT UNION SHARE INSURANCE FUND**  
**PRELIMINARY AND UNAUDITED STATEMENTS OF NET POSITION**  
**February 28, 2014**  
**(Dollars in thousands)**

	<u>February 2014</u>	<u>January 2014</u>	<u>February 2013</u>
<b>NET POSITION BREAKDOWN</b>			
CU Contributed Capital	\$ 8,661,393	\$ 8,661,351	\$ 8,314,846
Retained Earnings	2,592,184	2,609,443	2,606,757
Total Net Position without Unrealized Gain/(Loss)	<u>11,253,577</u>	<u>11,270,794</u>	<u>10,921,603</u>
Unrealized Gain/(Loss) - Investments	<u>109,913</u>	<u>106,744</u>	<u>343,866</u>
<b>NET POSITION</b>	<u>\$ 11,363,490</u>	<u>\$ 11,377,538</u>	<u>\$ 11,265,469</u>

**Comparative Analysis of NCUSIF Ratios for February 2014**

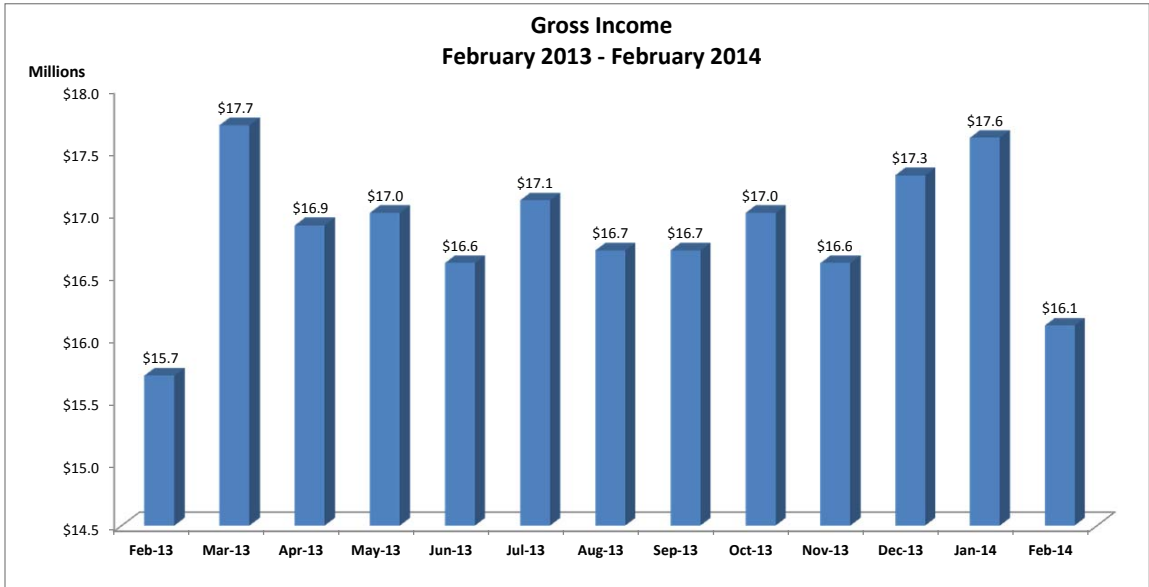
	<b>February 2014</b>	<b>January 2014</b>	<b>February 2013</b>
Investments/Total Assets	96.67%	96.49%	95.05%
Total Equity/Insured Shares (1)	1.30%	1.30%	1.30%
Available Assets Ratio	1.27%	1.27%	1.27%
Ins. Loss Exp./Insured Shares	0.00%	0.00%	0.00%

Actual Insured Shares as of December 31, 2013                   \$    **866,289,169,063**  
Actual Insured Shares as of December 31, 2012                   **839,385,188,302**

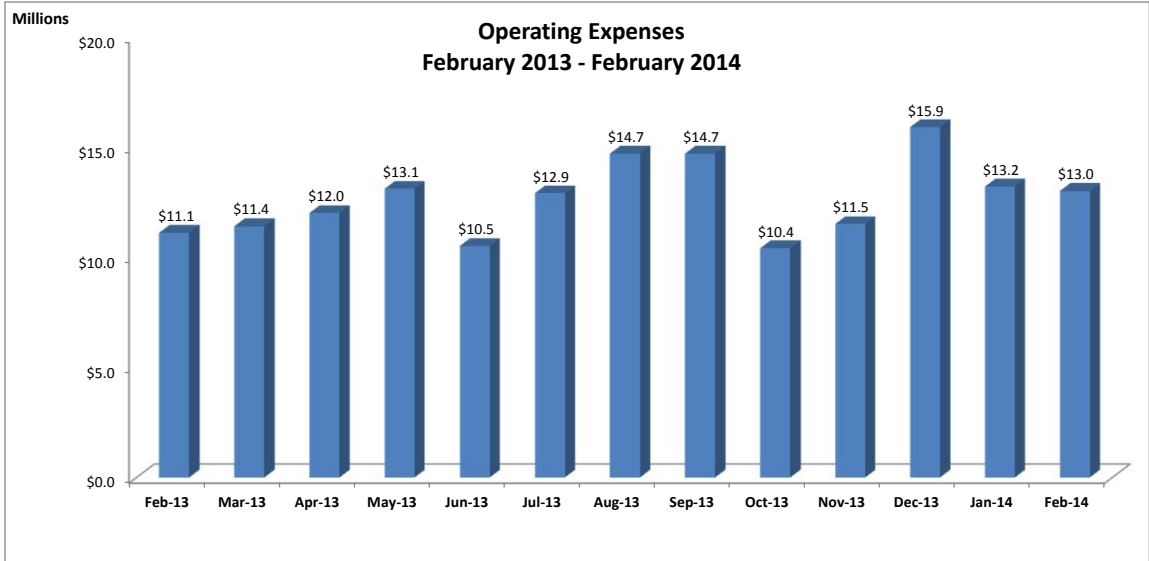
(1) The February 2014 and January 2014 ratios are based on an actual insured share level of \$866.3 billion as of December 31, 2013.

The February 2013 ratios are based on an actual insured share level of \$839.4 billion as of December 31, 2012.

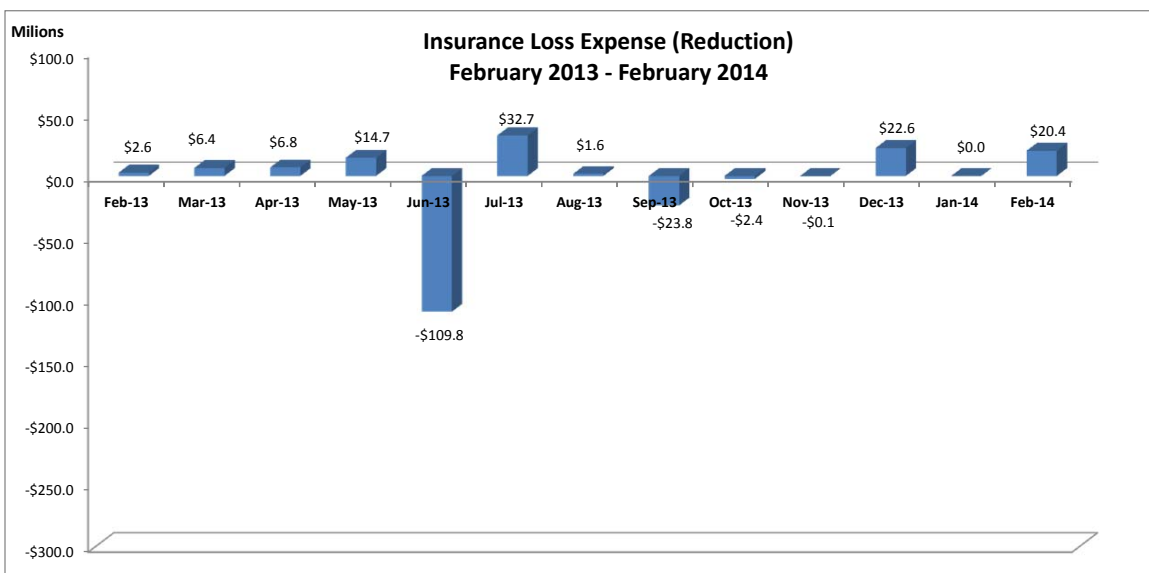
**Figure 1**



**Figure 2**



**Figure 3**



**INVESTMENT PORTFOLIO SUMMARY**  
February 28, 2014

<b>I. INVESTMENT PORTFOLIO BALANCE AND MARKET VALUE (In Dollars)</b>						
	Book Value	Market Value	Gain or (Loss)	% Market to Book Value	Weighted Average Yield	
Daily Treasury Account	\$ 357,878,000	\$ 357,878,000	\$ -	100.00%	0.04%	
U.S. Treasury Notes	10,843,571,459	10,953,484,375	109,912,916	101.01%	1.89%	
<b>Total</b>	<b>\$ 11,201,449,459</b>	<b>\$ 11,311,362,375</b>	<b>\$ 109,912,916</b>	<b>100.98%</b>	<b>1.84%</b>	
<b>II. INVESTMENT PORTFOLIO SUMMARY</b>						
	Last Month	Current Month	CY To Date			
Investment Yield	1.82%	1.84%	1.83%			
Investment Income	\$ 17,296,995	\$ 15,907,784	\$ 33,204,778			
Weighted Avg. Maturity in Days	1,377	1,417				
<b>III. MONTHLY ACTIVITY</b>						
Purchased	Type	Amount	Maturity	Yield		
2/19/2014	T-Note	50,000,000	4/30/2019	1.57%		
2/19/2014	T-Note	50,000,000	2/15/2022	2.36%		
2/19/2014	T-Note	150,000,000	2/15/2024	2.69%		
<b>TOTAL</b>		<b>\$ 250,000,000</b>				
<b>IV. MATURITY SCHEDULE (par value in millions)</b>						
Overnight	\$	358				
1 month - 6 months		650				
6 months - 1 year		970				
1 year - 2 years		1,900				
2 years - 3 years		1,950				
3 years - 4 years		800				
4 years - 5 years		700				
5 years - 10 years		3,700				