NCUA
National Credit Union Administration

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Office of the Chief Financial Officer

National Credit Union Share Insurance Fund Financial Overview & Performance

Board Briefing – Q1 2025

May 22, 2025

Executive Summary

Share Insurance Fund report highlights Assets and Net Income growth in Q1 2025

Financial Highlights

$79.8 million in Net Income, a $1.2 million increase from Q4 2024.

$23.0 billion in Total Assets, a $0.7 billion increase from Q4 2024.

$242.0 million in Total Reserves, a $5.0 million increase from Q4 2024.

Metrics and Ratios

Equity ratio = **1.30%** as of Q4 2024, 2 basis points increase from Q2 2024, staying below the Normal Operating Level of 1.33%. The projected equity ratio for Q2 2025 is 1.26%.

$1,778 billion in Total Insured Shares as of Q4 2024, a 1.1% increase from Q2 2024.

There were no credit union failures incurring losses to the Fund during Q1 2025.

Risk Assessments

The number of CAMELS code 3 credit unions fell from 715 to 679 with assets totaling $172.6 billion, a $16.1 billion decrease from Q4 2024.

The number of CAMELS codes 4 and 5 credit unions fell from 135 to 129 with assets totaling $20.3 billion, a $1.8 billion increase from Q4 2024.

Differences may exist in report totals due to rounding.

Revenue and Expenses

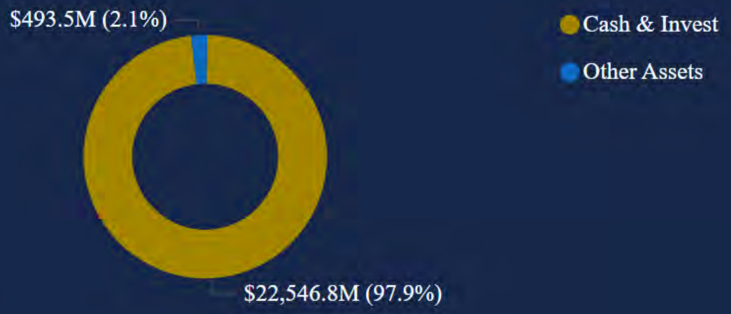
Net Income (Loss)		Total Income		Total Expenses
$79.8M	=	$146.2M	−	$66.4M
Last Year: $68.1M (+17.18%)		Last Year: $133.7M (+9.32%)		Last Year: $65.6M (+1.16%)

Quarter-over-Quarter Income and Expenses Trend:

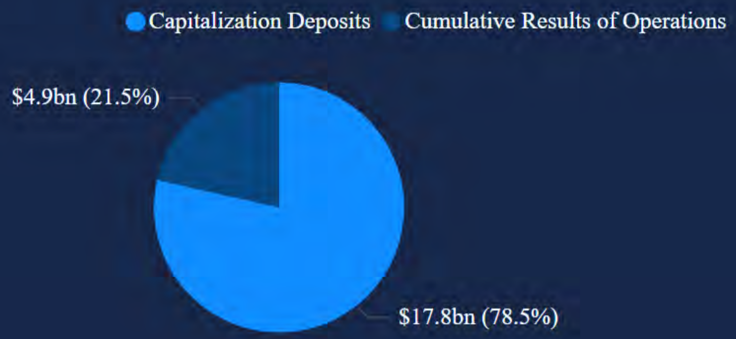
Balance Sheet

Total Assets	Total Liabilities	Net Position	Cash and Investments	Total Reserves	Capitalization Deposits
$23.0bn	$369.0M	$22.7bn	$22.5bn	$242.0M !	$17.8bn
Last Year: 21.6bn (+6.45%)	Last Year: $460.4M (-19.84%)	Last Year: $21.2bn (+7.02%)	Last Year: $21.2bn (+6.1%)	Last Year: $217.5M (+11.26%)	Last Year: $17.2bn (+3.45%)

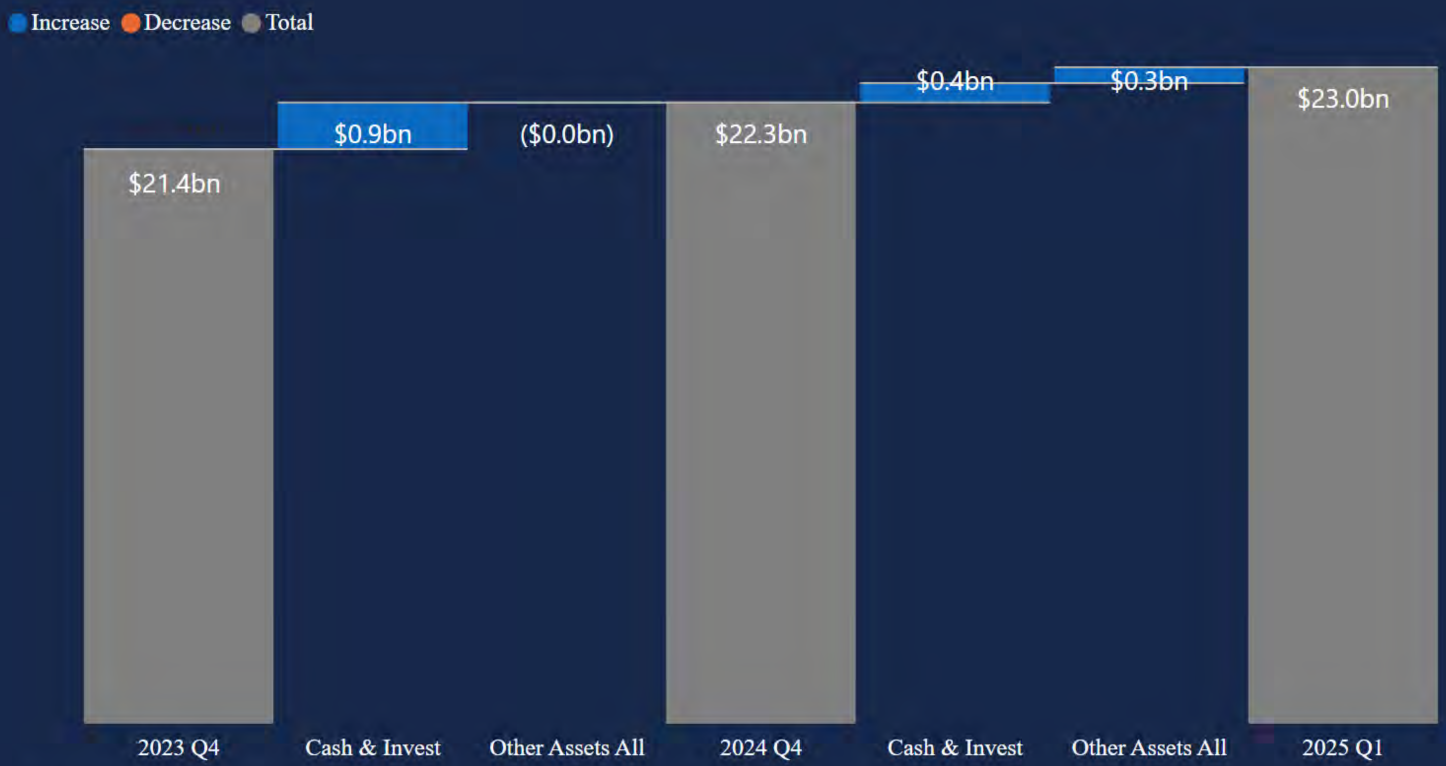
Sources of Assets Breakdown



Distribution for Net Position:



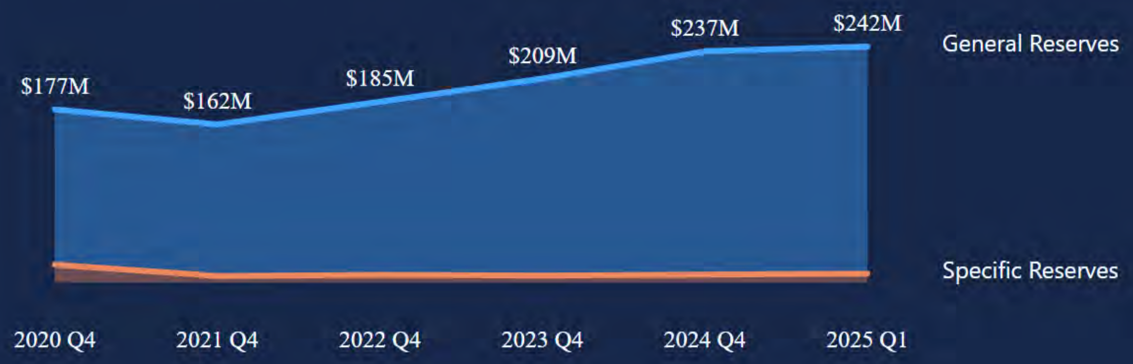
Year-over-Year Assets Comparison:



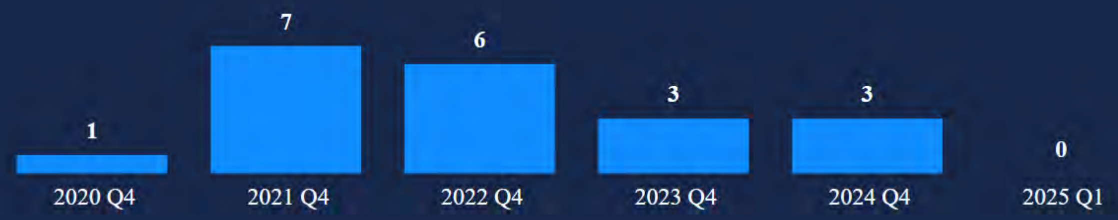
Other Assets include accounts receivable from vendors, Assets Management Estates, and capitalization deposits receivable; however, their composition may vary over time, with not all items present simultaneously.

Reserves and Losses Overview

Reserves: Total reserves increased steadily, reaching $242 million in Q1 2025.



Number of CU Failures Incurring a Loss to NCUSIF:

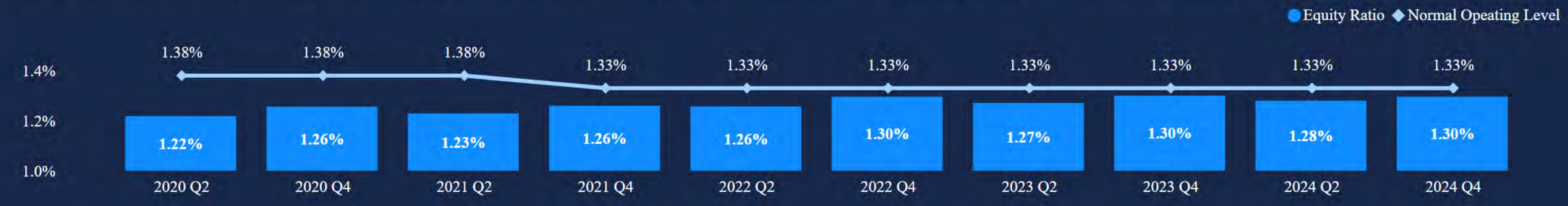


Assets and Share Insurance Losses of Failed CUs: Credit union failure resulted in varying insurance losses, with $0 reported in Q1 2025.

Equity Ratio and Normal Operating Level

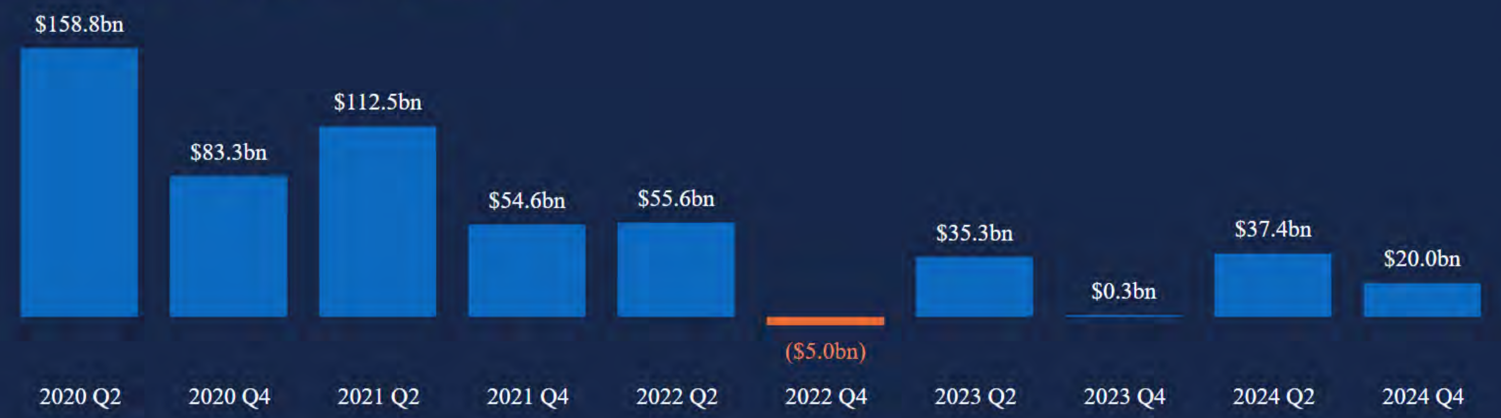
As defined by the Federal Credit Union Act §1782(h)(2), the equity ratio as the ratio of – "(A) the amount of Fund capitalization, including insured credit unions' 1 percent capitalization deposits and the retained earnings balance of the Fund (net of direct liabilities of the Fund and contingent liabilities for which no provision for losses has been made) to (B) the aggregate amount of the insured shares in all insured credit unions." The NCUA projects the equity ratio for June 30 and December 31. The projection calculates the equity ratio on the same basis as the actual equity ratio.

Equity Ratio vs. Normal Operating Level: The equity ratio ended at **1.30%** in 2024 Q4, remaining below the normal operating level 1.33%. The statutory floor is 1.20%.



Change in Insured Shares: Insured shares rose significantly during the pandemic in 2020 and 2021, then dropped by $5 billion in 2022 Q4, and later rebounded.

Semi-Annual Changes in Insured Shares



Total Insured Shares

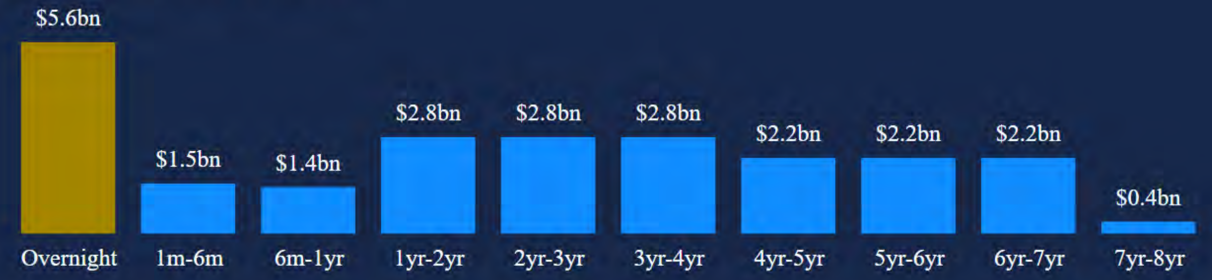
YearQuarter	Insured Shares	Insured Shares Change %
2020 Q2	$1,384bn	13.0%
2020 Q4	$1,468bn	6.0%
2021 Q2	$1,580bn	7.7%
2021 Q4	$1,635bn	3.5%
2022 Q2	$1,690bn	3.4%
2022 Q4	$1,685bn	-0.3%
2023 Q2	$1,721bn	2.1%
2023 Q4	$1,721bn	0.0%
2024 Q2	$1,758bn	2.2%
2024 Q4	$1,778bn	1.1%

Portfolio Performance

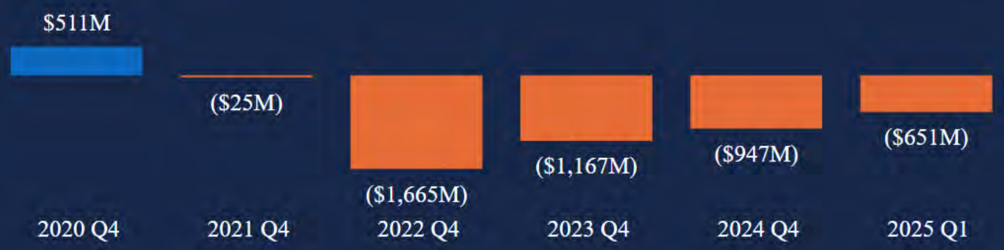
Investment Type: 100% Treasury securities.
Laddering Strategy: Current maturity ladder extends up to 8 years to enhance yield opportunities and diversify maturity profiles.
Weighted Average Yields: Increased by 10 basis points quarter over quarter.

Total Invest Par Value	Total Invest Market Value	Unrealized Gain/ (Loss)	Weighted Average Maturity (years)	Weighted Average Yield
$23.7bn	$22.5bn	($0.7bn)	2.6	2.60%
Last Quarter: $23.5bn (+0.91%)	Last Quarter: $22.1bn (+1.76%)	Last Quarter: ($0.9bn) (-31.27%)	Last Quarter: 2.5 (+4%)	Last Quarter: 2.50% (+4%)

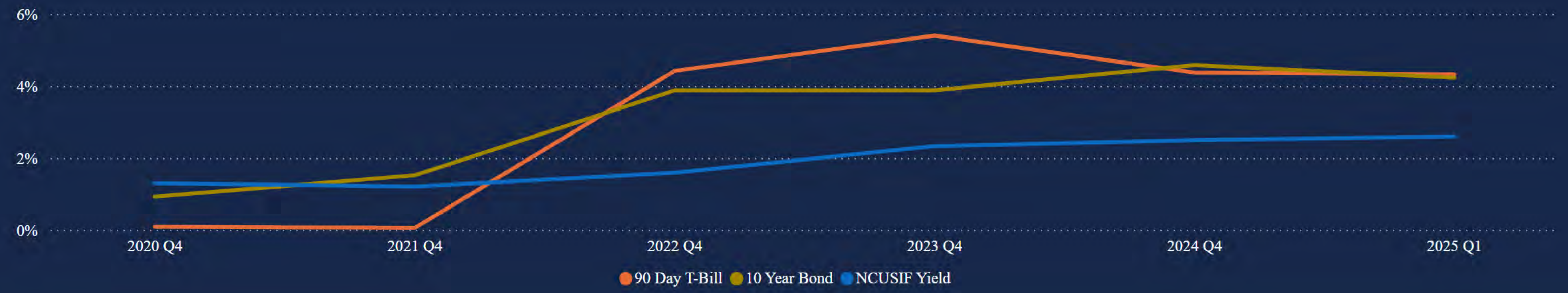
Maturing Investment Balances



Unrealized Gain/(Loss):



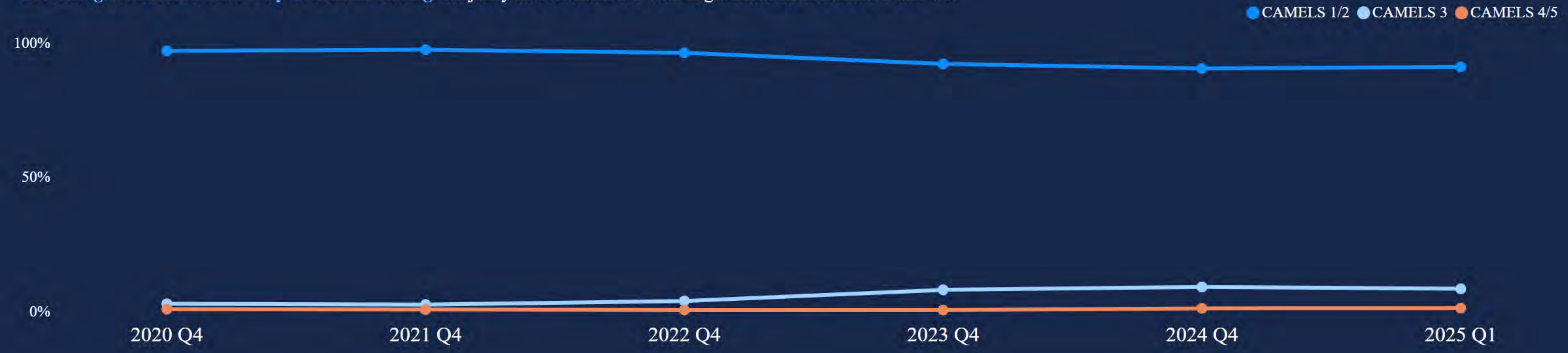
Yield Comparisons with Treasury Securities:



CAMELS Overview

The CAMELS system assigns ranging from “1” (strongest) to “5” (weakest) based on six critical elements of credit union operations: Capital Adequacy, Asset Quality, Management, Earnings, Liquidity Risk, and Sensitivity to Market Risk (CAMELS). The CAMELS rating system is utilized by the NCUA to measure risk and prioritize supervisory resources.

Percentage of Insured Shares by CAMELS Rating: Majority in CAMELS 1/2 with slight shifts in CAMELS 3 and 4/5.

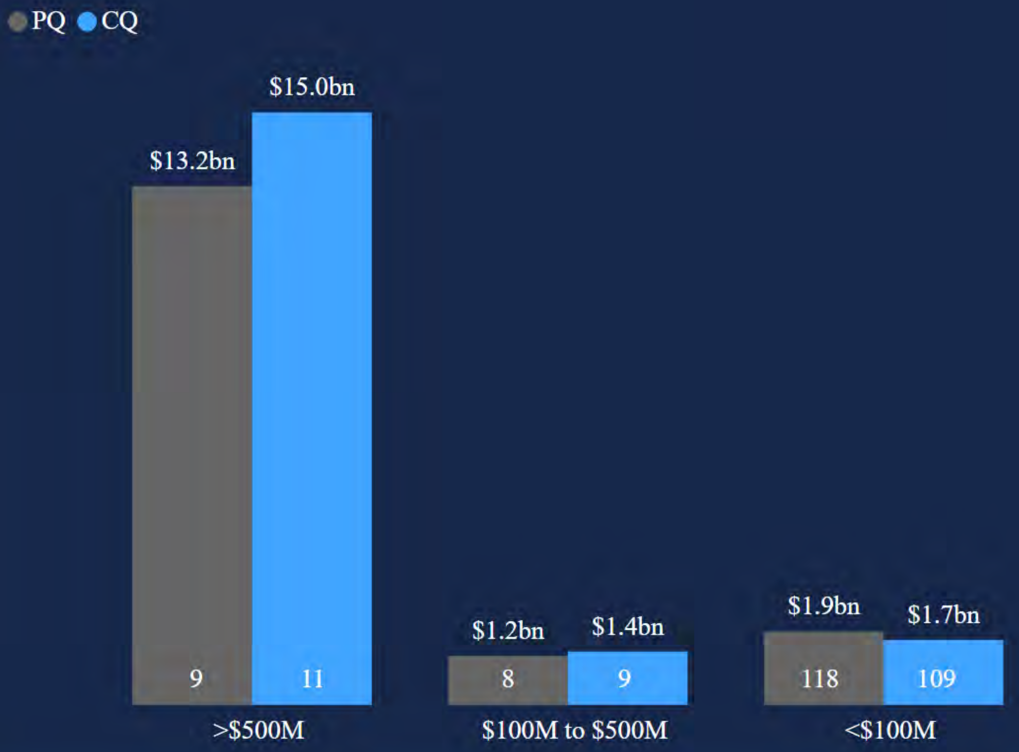


Number of Credit Unions Trend by CAMELS Rating: Total credit unions have decreased over the years, with CAMELS 1/2 remaining dominant.

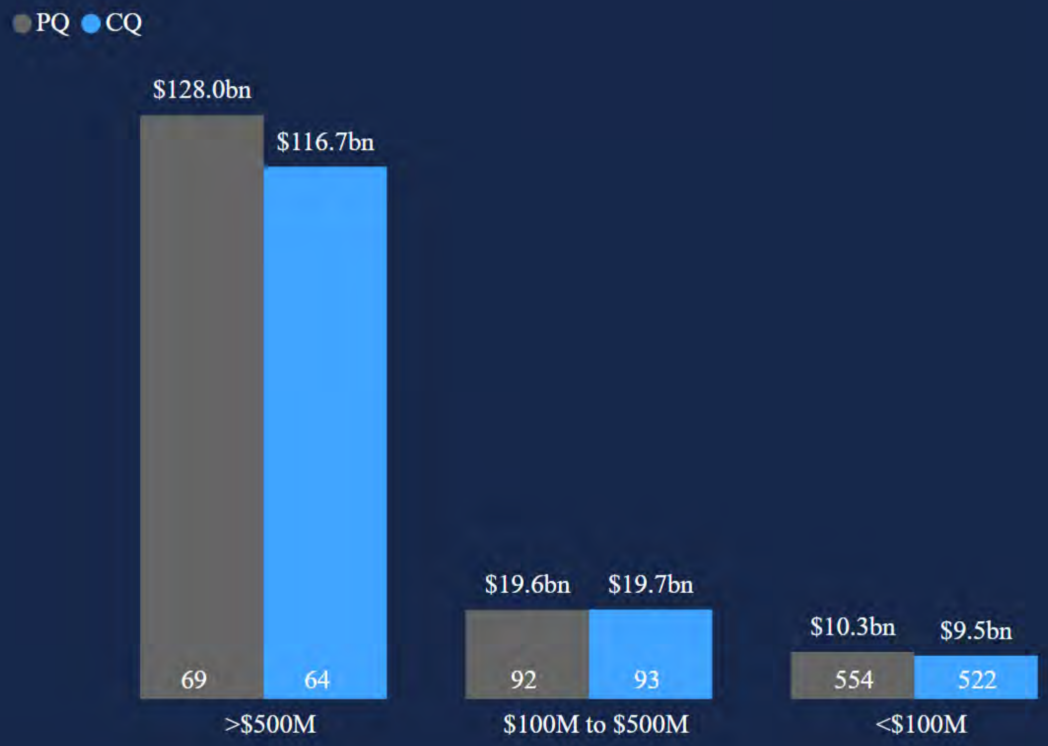
CAMELS Coded 3 4 5

CAMELS 4/5	CAMELS 4/5 Shares	CAMELS 4/5 Assets	CAMELS 3	CAMELS 3 Shares	CAMELS 3 Assets
129	$18.0bn !	$20.3bn !	679	$145.9bn	$172.6bn
Last Quarter: 135 (-4.44%)	Last Quarter: $16.3bn (+10.89%)	Last Quarter: $18.5bn (+9.95%)	Last Quarter: 715 (-5.03%)	Last Quarter: $157.9bn (-7.59%)	Last Quarter: $188.8bn (-8.53%)

Credit Union Shares and Count by Total Assets Size CAMELS Code 4/5



Credit Union Shares and Count by Total Assets Size CAMELS Code 3



Contact Us with Questions or Comments

We welcome your feedback and are here to assist you with any inquiries

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Supplemental Information and References

[Equity Ratio and Normal Operating Level | NCUA]

[Share Insurance Fund Financial Highlights | NCUA]

[Share Insurance Fund Investment Policy | NCUA]

[Treasury Financial Manual, Part II, Section 4335 Investments]