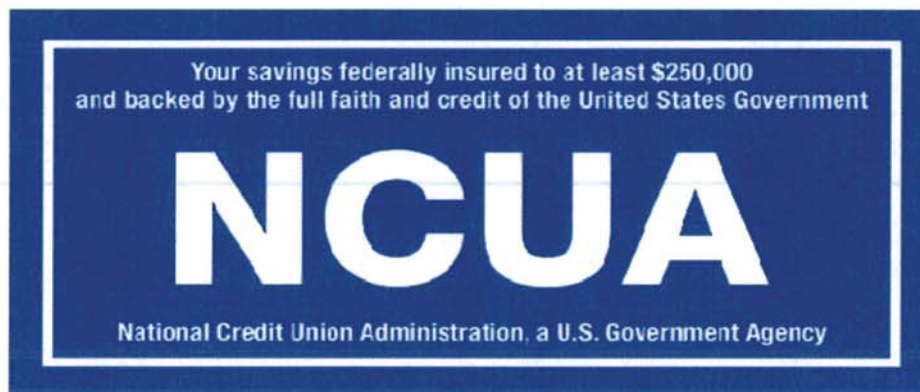


# NATIONAL CREDIT UNION SHARE INSURANCE FUND



## PRELIMINARY & UNAUDITED FINANCIAL HIGHLIGHTS

June 30, 2014

*Mary Ann Woodson*

**MARY ANN WOODSON  
CHIEF FINANCIAL OFFICER**

**NATIONAL CREDIT UNION  
SHARE INSURANCE FUND**

**FINANCIAL HIGHLIGHTS  
June 30, 2014**

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**Balance Sheet:**

**Other - Insurance and Guarantee Program Liabilities (Reserves):** Reserves are \$176.1 million as of June 30, 2014; \$8.1 million is for specific natural person credit unions, and \$168.0 million is for general reserves.

**Statement of Net Cost:**

For the month ended June 30, 2014, the fund had net income of \$47.9 million. The fund recognized gross revenues of \$17.1 million and total operating expenses of \$13.9 million. The fund recognized a decrease in insurance loss expense of \$44.7 million during the month of June 2014.

**NATIONAL CREDIT UNION SHARE INSURANCE FUND**  
**PRELIMINARY AND UNAUDITED BALANCE SHEETS**  
**As of June 30, 2014**  
**(Dollars in thousands)**

	<u>June 2014</u>	<u>May 2014</u>	<u>June 2013</u>
<b>ASSETS</b>			
<b>INTRAGOVERNMENTAL</b>			
Fund Balance with Treasury	\$ 476	\$ 423	\$ 1,551
Investments, Net U.S. Treasury Securities	11,221,264	11,240,710	10,998,718
Accounts Receivable - Note due from the National Credit Union Administration Operating Fund	12,404	12,515	13,745
Accounts Receivable - Due from the National Credit Union Administration Operating Fund	1,723	1,596	-
Accounts Receivable, Other	-	-	2,021
Accrued Interest Receivable, Investments	57,217	54,286	70,412
Total Intragovernmental Assets	<u>11,293,084</u>	<u>11,309,530</u>	<u>11,086,447</u>
<b>PUBLIC</b>			
Accounts Receivable - Capitalization Deposits from Insured Credit Unions, Net	-	6	-
Notes Receivable, Net	203,060	204,419	231,106
Accrued Interest Receivable	292	597	332
Advances	-	6	-
Other - Receivable from Asset Management Estates, Net	111,121	119,474	169,824
Total Public Assets	<u>314,473</u>	<u>324,502</u>	<u>401,262</u>
<b>TOTAL ASSETS</b>	<u>\$ 11,607,557</u>	<u>\$ 11,634,032</u>	<u>\$ 11,487,709</u>
<b>LIABILITIES</b>			
<b>INTRAGOVERNMENTAL</b>			
Accounts Payable - Due to the National Credit Union Administration Operating Fund	\$ 2	\$ 7	\$ 14
Accounts Payable - Due to the Temporary Corporate Credit Union Stabilization Fund	10	30	1,698
Total Intragovernmental Liabilities	<u>12</u>	<u>37</u>	<u>1,712</u>
<b>PUBLIC</b>			
Accounts Payable	315	517	990
Other - Insurance and Guarantee Program Liabilities (Reserves)	176,111	227,196	248,102
Total Public Liabilities	<u>176,426</u>	<u>227,713</u>	<u>249,092</u>
<b>TOTAL LIABILITIES</b>	<u>176,438</u>	<u>227,750</u>	<u>250,804</u>
<b>NET POSITION</b>			
Contributed Capital	8,665,114	8,665,263	8,394,151
Cumulative Result of Operations	2,766,005	2,741,019	2,842,754
Total Net Position	<u>11,431,119</u>	<u>11,406,282</u>	<u>11,236,905</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$ 11,607,557</u>	<u>\$ 11,634,032</u>	<u>\$ 11,487,709</u>

**NATIONAL CREDIT UNION SHARE INSURANCE FUND**  
**PRELIMINARY AND UNAUDITED STATEMENTS OF NET COST**  
**For the Periods Ending June 30, 2014**  
**(Dollars in thousands)**

	<u>June 2014</u>	<u>CY to Date June 2014</u>	<u>CY to Date June 2013</u>
<b>GROSS COSTS</b>			
<b>OPERATING EXPENSES</b>			
Employee Pay	\$ 7,424	\$ 46,585	\$ 37,041
Employee Benefits	2,722	16,978	13,505
Travel	1,360	7,905	6,927
Rent, Communications, and Utilities	334	1,537	1,274
Administrative Costs	684	4,658	3,344
Contracted Services	1,259	6,725	5,381
Training Expense	121	303	518
Leasing Expense	-	36	72
Other Insurance Expense	4	18	31
Total Operating Costs	<u>13,908</u>	<u>84,745</u>	<u>68,093</u>
<b>INSURANCE LOSS EXPENSE</b>	<u>(44,701)</u>	<u>(33,235)</u>	<u>(79,303)</u>
Total Gross Costs	<u>(30,793)</u>	<u>51,510</u>	<u>(11,210)</u>
<b>LESS EXCHANGE REVENUES</b>			
Interest Revenue on Note Receivable due from the National Credit Union Administration Operating Fund	(19)	(116)	(128)
Interest Revenue - Other	(246)	(1,535)	(1,762)
Other Revenue	(1)	(4)	(237)
Total Exchange Revenue	<u>(266)</u>	<u>(1,655)</u>	<u>(2,127)</u>
<b>TOTAL NET COST/(INCOME) OF OPERATIONS</b>	<u>(31,059)</u>	<u>49,855</u>	<u>(13,337)</u>
<b>LESS NON-EXCHANGE REVENUES</b>			
Investment Income	<u>(16,879)</u>	<u>(102,326)</u>	<u>(99,288)</u>
Total Non-Exchange Revenues	<u>(16,879)</u>	<u>(102,326)</u>	<u>(99,288)</u>
<b>TOTAL NET COST/(INCOME) INCLUDING NON-EXCHANGE REVENUES</b>	<u>\$ (47,938)</u>	<u>\$ (52,471)</u>	<u>\$ (112,625)</u>

**NATIONAL CREDIT UNION SHARE INSURANCE FUND**  
**PRELIMINARY AND UNAUDITED STATEMENTS OF NET POSITION**  
**June 30, 2014**  
**(Dollars in thousands)**

	<u>June 2014</u>	<u>May 2014</u>	<u>June 2013</u>
<b>NET POSITION BREAKDOWN</b>			
CU Contributed Capital	\$ 8,665,114	\$ 8,665,263	\$ 8,394,151
Retained Earnings	2,657,502	2,609,564	2,709,805
Total Net Position without Unrealized Gain/(Loss)	<u>11,322,616</u>	<u>11,274,827</u>	<u>11,103,956</u>
Unrealized Gain/(Loss) - Investments	<u>108,503</u>	<u>131,455</u>	<u>132,949</u>
<b>NET POSITION</b>	<u>\$ 11,431,119</u>	<u>\$ 11,406,282</u>	<u>\$ 11,236,905</u>

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

	<b>June 2014</b>	<b>May 2014</b>	<b>June 2013</b>
<b>Investments/Total Assets</b>	96.67%	96.62%	95.74%
<b>Total Equity/Insured Shares (1)</b>	1.26%	1.30%	1.28%
<b>Available Assets Ratio</b>	1.23%	1.27%	1.24%
<b>Ins. Loss Exp./Insured Shares</b>	0.00%	0.00%	0.00%

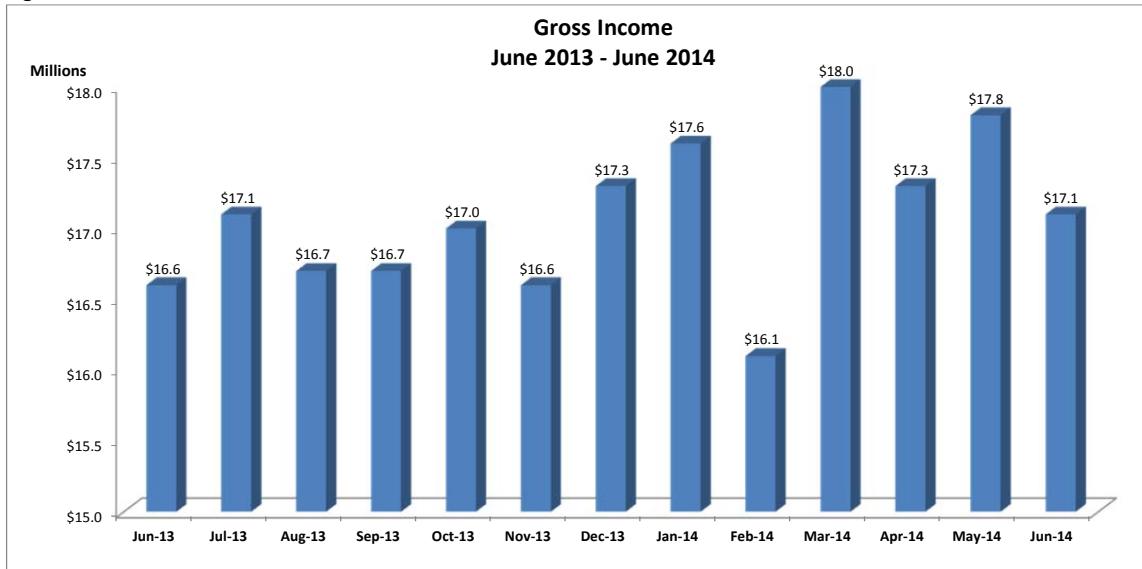
<b>Estimated Insured Shares as of June 30, 2014</b>	<b>\$ 895,692,470,241</b>
<b>Actual Insured Shares as of December 31, 2013</b>	<b>866,289,169,063</b>
<b>Actual Insured Shares as of June 30, 2013</b>	<b>869,022,832,201</b>

(1) The June 2014 ratios are based on an actual insured share level of \$903.0 billion as of June 30, 2014.

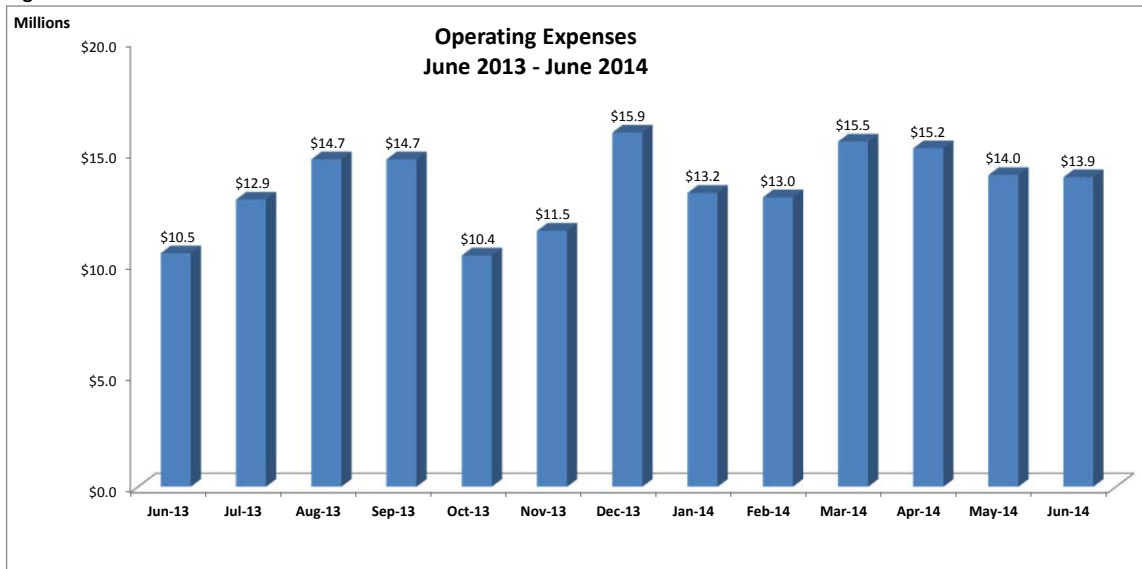
The May 2014 ratios are based on an actual insured share level of \$866.3 billion as of December 31, 2013.

The June 2013 ratios are based on an actual insured share level of \$869.0 billion as of June 30, 2013.

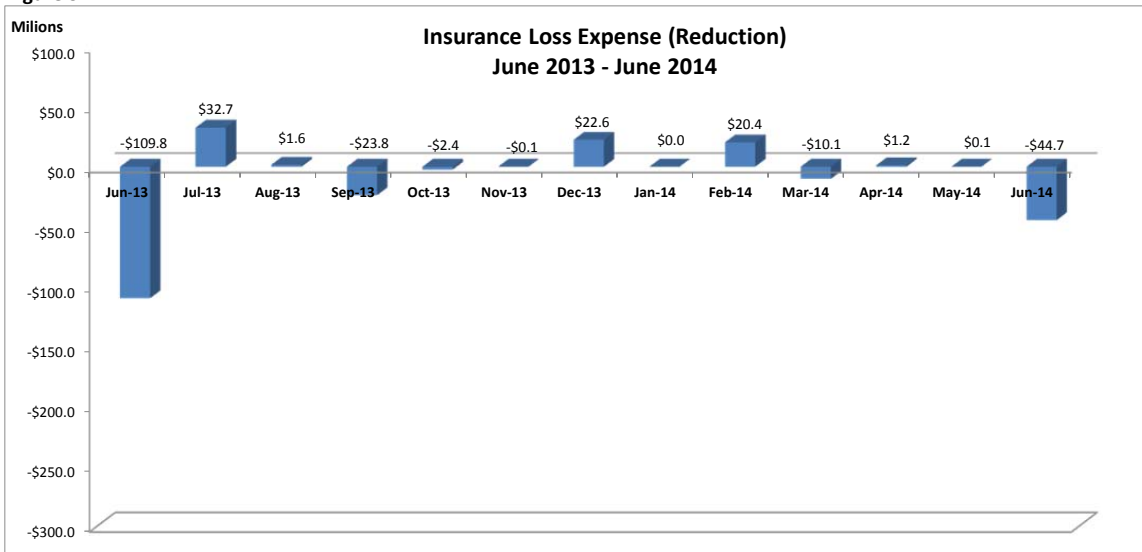
**Figure 1**



**Figure 2**



**Figure 3**



**INVESTMENT PORTFOLIO SUMMARY**  
June 30, 2014

I. INVESTMENT PORTFOLIO BALANCE AND MARKET VALUE (In Dollars)						
	Book Value	Market Value	Gain or (Loss)	% Market to Book Value	Weighted Average Yield	
Daily Treasury Account	\$ 246,448,000	\$ 246,448,000	\$ -	100.00%	0.03%	
U.S. Treasury Notes	10,866,312,594	10,974,815,625	108,503,031	101.00%	1.89%	
<b>Total</b>	<b>\$ 11,112,760,594</b>	<b>\$ 11,221,263,625</b>	<b>\$ 108,503,031</b>	<b>100.98%</b>	<b>1.85%</b>	

II. INVESTMENT PORTFOLIO SUMMARY			
	Last Month	Current Month	CY To Date
Investment Yield	1.86%	1.85%	1.85%
Investment Income	\$ 17,558,561	\$ 16,879,055	\$ 102,325,706
Weighted Avg. Maturity in Days	1,359	1,445	

III. MONTHLY ACTIVITY				
Purchased	Type	Amount	Maturity	Yield
6/3/2014	T-Note	50,000,000	10/31/2020	2.02%
6/3/2014	T-Note	100,000,000	5/15/2022	2.32%
6/3/2014	T-Note	200,000,000	5/15/2024	2.56%
6/27/2014	T-Note	50,000,000	2/15/2023	2.38%
<b>TOTAL</b>		<b>\$ 400,000,000</b>		

IV. MATURITY SCHEDULE (par value in millions)		
TOTAL	\$	10,966

