

NATIONAL CREDIT UNION SHARE INSURANCE FUND



PRELIMINARY & UNAUDITED FINANCIAL HIGHLIGHTS

October 31, 2017

A handwritten signature in blue ink, which appears to read "Rendell L. Jones", is positioned above the printed name and title.

**RENDELL L. JONES
CHIEF FINANCIAL OFFICER**

NATIONAL CREDIT UNION SHARE INSURANCE FUND

MANAGEMENT OVERVIEW

October 31, 2017

Balance Sheet

Insurance and Guarantee Program Liabilities Reserves are \$286.0 million as of October 31, 2017; \$20.1 million is for specific natural person credit unions, and \$265.9 million is for general reserves.

There is no liability for Corporate AMEs as of October 31, 2017.

Statement of Net Cost

For the month ended October 31, 2017, the fund had net income of \$8.0 million. The fund recognized gross revenues of \$20.5 million and total operating expenses of \$12.6 million. The fund recognized an insurance loss expense of \$1 thousand during the month of October 2017.

Closing of the Temporary Corporate Credit Union Stabilization Fund

On September 28, 2017, the NCUA Board voted unanimously to close the TCCUSF effective October 1, 2017, ahead of its sunset date of June 30, 2021. As required by statute (12 U.S.C. §1790e(h)), the TCCUSF's remaining funds, property, and other assets were distributed to the National Credit Union Share Insurance Fund (NCUSIF). Through the distribution, the NCUSIF assumed the activities and obligations of the TCCUSF, including the NCUA Guaranteed Notes (NGN) Program, and will report on such going forward.

NATIONAL CREDIT UNION SHARE INSURANCE FUND

BALANCE SHEETS

As of October 31, 2017 and 2016

(Dollars in thousands)

	<u>October 2017</u>	<u>October 2016</u>
ASSETS		
INTRAGOVERNMENTAL		
Fund Balance with Treasury	\$ 3,417	\$ 1,797
Investments, Net U.S. Treasury Securities	15,440,115	12,983,992
Accrued Interest Receivable - Investments	68,778	80,586
Accounts Receivable - Due from the National		
Credit Union Administration Operating Fund	4,893	6,116
Note Receivable - Note due from the National		
Credit Union Administration Operating Fund	<u>7,934</u>	<u>9,275</u>
Total Intragovernmental Assets	<u>15,525,137</u>	<u>13,081,766</u>
PUBLIC		
Accounts Receivable - Due from Credit Unions	2,815	2,714
Advances	1,037	-
Accrued Interest Receivable	-	117
Notes Receivable, Net	-	59,044
Accounts Receivable - Guarantee Fee on NCUA Guarantee Notes	1,525	-
General Property, Plant and Equipment, Net	667	1,298
Other - Receivable from Asset Management Estates, Net - NPCU AMEs	12,495	58,962
Other - Receivable from Asset Management Estates, Net - Corporate AMEs	<u>705,917</u>	<u>-</u>
Total Public Assets	<u>724,456</u>	<u>122,135</u>
TOTAL ASSETS	<u>\$ 16,249,593</u>	<u>\$ 13,203,901</u>
LIABILITIES		
INTRAGOVERNMENTAL		
Accounts Payable - Due to the National Credit Union Administration		
Operating Fund	\$ 88	\$ 45
Accounts Payable - Due to the Temporary Corporate Credit Union		
Stabilization Fund	<u>-</u>	<u>5</u>
Total Intragovernmental Liabilities	<u>88</u>	<u>50</u>
PUBLIC		
Accounts Payable and Other Liabilities	771	1,392
Capital Lease Liability	40	200
Other - Insurance and Guarantee Program Liabilities (Reserves)	<u>285,969</u>	<u>182,635</u>
Total Public Liabilities	<u>286,780</u>	<u>184,227</u>
TOTAL LIABILITIES	<u>286,868</u>	<u>184,277</u>
NET POSITION		
Contributed Capital	10,764,497	9,988,932
Cumulative Result of Operations	<u>5,198,228</u>	<u>3,030,692</u>
Total Net Position	<u>15,962,725</u>	<u>13,019,624</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 16,249,593</u>	<u>\$ 13,203,901</u>

The balances in the statement above are preliminary and unaudited.

NATIONAL CREDIT UNION SHARE INSURANCE FUND
STATEMENTS OF NET COST, INCLUDING NON-EXCHANGE REVENUES
For the Periods Ending October 31, 2017 and 2016
(Dollars in thousands)

	October 2017	Year-to-Date October 2017	Year-to-Date October 2016
GROSS COSTS			
OPERATING EXPENSES ⁽¹⁾			
Employee Pay	\$ 8,648	\$ 84,125	\$ 89,938
Employee Benefits	2,450	32,840	34,425
Travel	294	12,491	15,860
Rent, Communications and Utilities	196	3,014	2,947
Administrative Costs	447	6,372	7,994
Contracted Services	397	16,703	17,256
Training Expense	65	1,261	1,077
Leasing Expense	53	528	492
Other Insurance Expense	3	32	35
Total Operating Costs	12,553	157,366	170,024
INSURANCE LOSS EXPENSE	1	72,763	(491)
Total Gross Costs	12,554	230,129	169,533
LESS EXCHANGE REVENUES			
Interest Revenue on Note Receivable due from the National Credit Union Administration Operating Fund	(10)	(109)	(151)
Guarantee Fee Revenue - NCUA Guaranteed Notes	(1,936)	(1,936)	-
Interest Revenue - Other	-	-	(1,987)
Other (Revenue) / Expense	(8)	(296)	(196)
Total Exchange Revenue	(1,954)	(2,341)	(2,334)
TOTAL NET COST/(INCOME) OF OPERATIONS	10,600	227,788	167,199
LESS NON-EXCHANGE REVENUES			
Investment Income	(18,575)	(168,605)	(188,361)
Gain on Sales of Investments	-	(132)	-
Total Non-Exchange Revenues	(18,575)	(168,737)	(188,361)
TOTAL NET COST/(INCOME) INCLUDING NON-EXCHANGE REVENUES	\$ (7,975)	\$ 59,051	\$ (21,162)

⁽¹⁾ Share Insurance Fund operating expenses are an allocation of total NCUA operating expenses, as determined by the overhead transfer rate set by the Board of 67.7% and 73.1% for 2017 and 2016, respectively.

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NATIONAL CREDIT UNION SHARE INSURANCE FUND

STATEMENTS OF NET POSITION

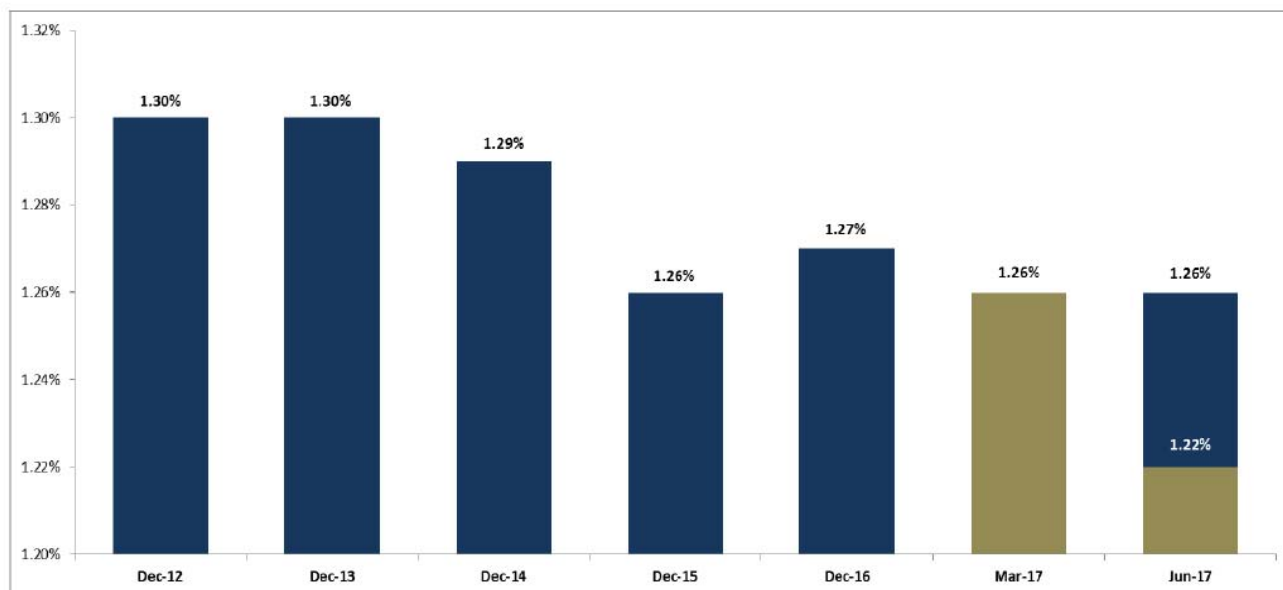
As of October 31, 2017 and 2016

(Dollars in thousands)

	<u>October 2017</u>	<u>October 2016</u>
NET POSITION BREAKDOWN		
Credit Union Contributed Capital	\$ 10,764,497	\$ 9,988,932
Retained Earnings*	<u>5,257,838</u>	<u>2,763,477</u>
Total Net Position without Unrealized Gain/(Loss)	<u>16,022,335</u>	<u>12,752,409</u>
Unrealized Gain/(Loss) - Investments	<u>(59,610)</u>	<u>267,215</u>
NET POSITION	<u>\$ 15,962,725</u>	<u>\$ 13,019,624</u>

* Retained Earnings include the \$2.6 billion, which was transferred in from the Temporary Corporate Credit Union Stabilization Fund during the month of October, 2017.

NCUSIF Equity Ratio FY 12 - FY 17

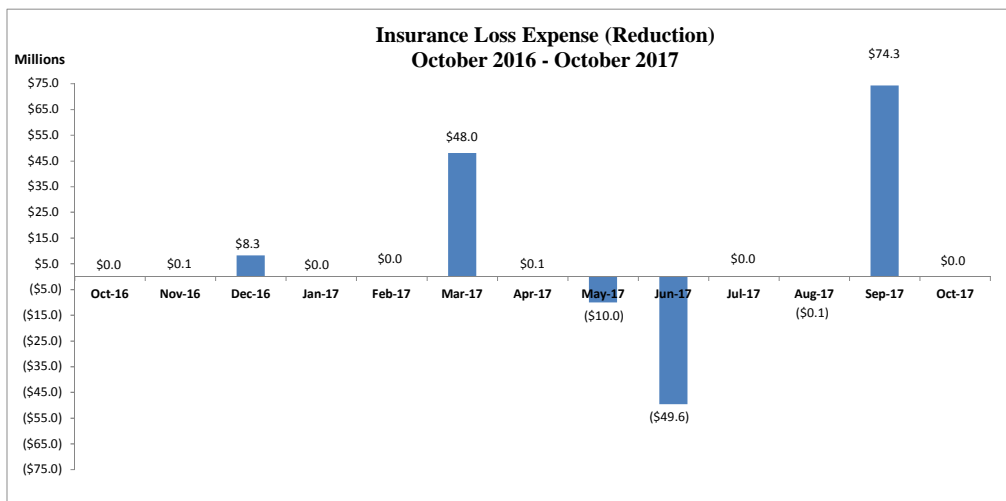
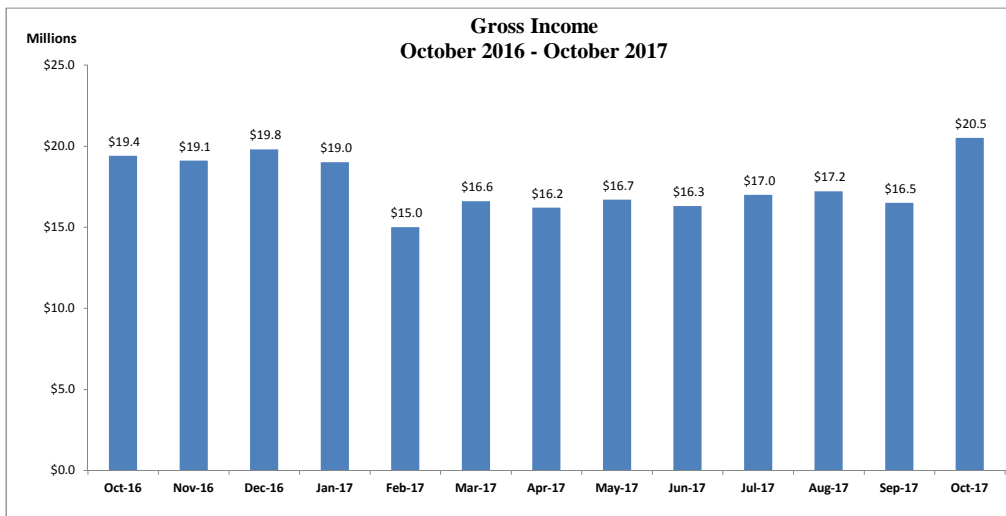


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NATIONAL CREDIT UNION SHARE INSURANCE FUND

STATISTICAL INFORMATION

October 31, 2017



The information provided in the supporting statement above is preliminary and unaudited.

INVESTMENT PORTFOLIO SUMMARY
October 31, 2017

I. INVESTMENT PORTFOLIO BALANCE AND MARKET VALUE (In Dollars)						
	Book Value	Market Value	Unrealized Gain or (Loss)	% Market to Book Value	Weighted Average Yield	
Daily Treasury Account	\$ 4,751,974,000	\$ 4,751,974,000	\$ -	100.00%	0.95%	
U.S. Treasury Notes	10,747,750,644	10,688,140,625	(59,610,019)	99.45%	1.66%	
Total	\$ 15,499,724,644	\$ 15,440,114,625	\$ (59,610,019)	99.62%	1.44%	
II. INVESTMENT PORTFOLIO SUMMARY						
	Last Month	Current Month	CY To Date			
Investment Yield	1.53%	1.44%	1.50%			
Investment Income	\$ 16,483,817	\$ 18,574,508	\$ 168,604,786			
Weighted Avg. Maturity in Days	1,195	986				
III. MONTHLY ACTIVITY						
Purchased	Type	Amount	Maturity	Yield		
No Purchases in October, 2017						
TOTAL		\$	-			
IV. MATURITY SCHEDULE (par value in millions)						
TOTAL		\$	15,402			

Maturity Period	Maturing Investment Balance (Millions)
Overnight	4,752
1m-6m	250
6m-1yr	800
1yr-2yr	1,250
2yr-3yr	1,650
3yr-4yr	1,400
4yr-5yr	1,550
5yr-6yr	1,600
6yr-7yr	1,000
7yr-8yr	700
8yr-9yr	450
9yr-10yr	-

The information provided in the portfolio summary above is preliminary and unaudited.