

NATIONAL CREDIT UNION SHARE INSURANCE FUND



PRELIMINARY & UNAUDITED FINANCIAL HIGHLIGHTS

September 30, 2017

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

**RENDELL L. JONES
CHIEF FINANCIAL OFFICER**

NATIONAL CREDIT UNION SHARE INSURANCE FUND

MANAGEMENT OVERVIEW

September 30, 2017

Balance Sheet

Insurance and Guarantee Program Liabilities Reserves are \$286.0 million as of September 30, 2017; \$20.1 million is for specific natural person credit unions, and \$265.9 million is for general reserves.

Statement of Net Cost

For the month ended September 30, 2017, the fund had a net loss of \$76.5 million. The fund recognized gross revenues of \$16.5 million and total operating expenses of \$18.7 million. The fund recognized an insurance loss expense of \$74.3 million during the month of September 2017.

NATIONAL CREDIT UNION SHARE INSURANCE FUND

BALANCE SHEETS

As of September 30, 2017 and 2016

(Dollars in thousands)

	<u>September 2017</u>	<u>September 2016</u>
ASSETS		
INTRAGOVERNMENTAL		
Fund Balance with Treasury	\$ 2,421	\$ 2,589
Investments, Net U.S. Treasury Securities	13,158,564	12,738,450
Accrued Interest Receivable - Investments	59,645	63,058
Accounts Receivable - Due from the National Credit Union Administration Operating Fund	-	4
Accounts Receivable - Due from the Temporary Corporate Credit Union Stabilization Fund	38	-
Note Receivable - Note due from the National Credit Union Administration Operating Fund	8,046	9,387
Total Intragovernmental Assets	<u>13,228,714</u>	<u>12,813,488</u>
PUBLIC		
Accounts Receivable - Due from Credit Unions	472,915	384,748
Accrued Interest Receivable	-	195
Notes Receivable, Net	-	59,997
General Property, Plant and Equipment, Net	720	1,351
Other - Receivable from Asset Management Estates, Net	10,432	62,872
Total Public Assets	<u>484,067</u>	<u>509,163</u>
TOTAL ASSETS	<u>\$ 13,712,781</u>	<u>\$ 13,322,651</u>
 LIABILITIES		
INTRAGOVERNMENTAL		
Accounts Payable - Due to the National Credit Union Administration Operating Fund	\$ 1,001	\$ 3,956
Total Intragovernmental Liabilities	<u>1,001</u>	<u>3,956</u>
PUBLIC		
Accounts Payable	6,637	7,865
Capital Lease Liability	40	200
Other - Insurance and Guarantee Program Liabilities (Reserves)	285,994	182,635
Total Public Liabilities	<u>292,671</u>	<u>190,700</u>
TOTAL LIABILITIES	<u>293,672</u>	<u>194,656</u>
 NET POSITION		
Contributed Capital	10,762,727	9,989,941
Cumulative Result of Operations	2,656,382	3,138,054
Total Net Position	<u>13,419,109</u>	<u>13,127,995</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 13,712,781</u>	<u>\$ 13,322,651</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 September 30, 2017 and 2016
(Dollars in thousands)

	September 2017	Year-to-Date September 2017	Year-to-Date September 2016
GROSS COSTS			
OPERATING EXPENSES ⁽¹⁾			
Employee Pay	\$ 7,723	\$ 75,480	\$ 82,655
Employee Benefits	3,839	30,389	32,067
Travel	2,467	12,197	15,570
Rent, Communications and Utilities	428	2,817	2,781
Administrative Costs	1,193	5,925	7,189
Contracted Services	2,740	16,702	15,868
Training Expense	207	1,196	941
Leasing Expense	52	475	439
Other Insurance Expense	3	29	32
Total Operating Costs	<u>18,652</u>	<u>145,210</u>	<u>157,542</u>
INSURANCE LOSS EXPENSE	<u>74,343</u>	<u>72,762</u>	<u>(491)</u>
Total Gross Costs	<u>92,995</u>	<u>217,972</u>	<u>157,051</u>
LESS EXCHANGE REVENUES			
Interest Revenue on Note Receivable due from the National Credit Union Administration Operating Fund	(10)	(98)	(137)
Interest Revenue - Other	-	-	(1,870)
Other (Revenue) / Expense	(8)	(288)	(196)
Total Exchange Revenue	<u>(18)</u>	<u>(386)</u>	<u>(2,203)</u>
TOTAL NET COST/(INCOME) OF OPERATIONS	<u>92,977</u>	<u>217,586</u>	<u>154,848</u>
LESS NON-EXCHANGE REVENUES			
Investment Income	(16,484)	(150,031)	(169,141)
Gain on Sales of Investments	-	(132)	-
Total Non-Exchange Revenues	<u>(16,484)</u>	<u>(150,163)</u>	<u>(169,141)</u>
TOTAL NET COST/(INCOME) INCLUDING NON-EXCHANGE REVENUES	<u>\$ 76,493</u>	<u>\$ 67,423</u>	<u>\$ (14,293)</u>

⁽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.

The balances in the statement above are preliminary and unaudited.

NATIONAL CREDIT UNION SHARE INSURANCE FUND

STATEMENTS OF NET POSITION

As of September 30, 2017 and 2016

(Dollars in thousands)

	<u>September 2017</u>	<u>September 2016</u>
NET POSITION BREAKDOWN		
Credit Union Contributed Capital	\$ 10,762,727	\$ 9,989,941
Retained Earnings	2,687,396	2,756,608
Total Net Position without Unrealized Gain/(Loss)	<u>13,450,123</u>	<u>12,746,549</u>
Unrealized Gain/(Loss) - Investments	<u>(31,014)</u>	<u>381,446</u>
NET POSITION	<u>\$ 13,419,109</u>	<u>\$ 13,127,995</u>

NATIONAL CREDIT UNION SHARE INSURANCE FUND

Comparative Analysis of NCUSIF Ratios for September 30, 2017 and 2016

	September 2017	September 2016
Investments/Total Assets	95.96%	95.61%
Total Equity/Insured Shares ⁽¹⁾	1.25%	1.27%
Available Assets Ratio	1.19%	1.25%
Ins. Loss Exp./Insured Shares	0.01%	0.00%

Insured Shares as of June 30, 2017 (in billions)	\$ 1,077.7
Insured Shares as of December 31, 2016 (in billions)	1,028.8
Insured Shares as of June 30, 2016 (in billions)	999.9

(1) The September 2017 ratios are based on an estimated insured share level of \$1.1 trillion as of June 30, 2017.

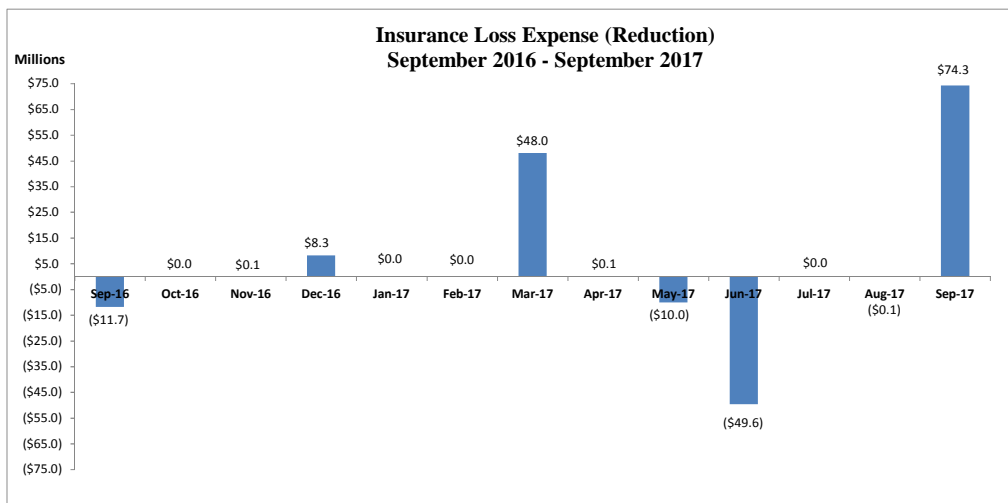
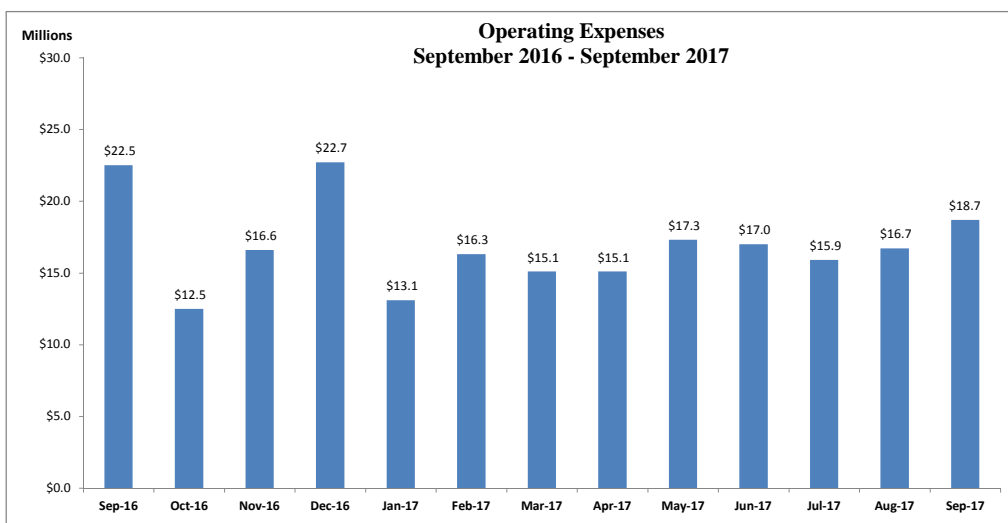
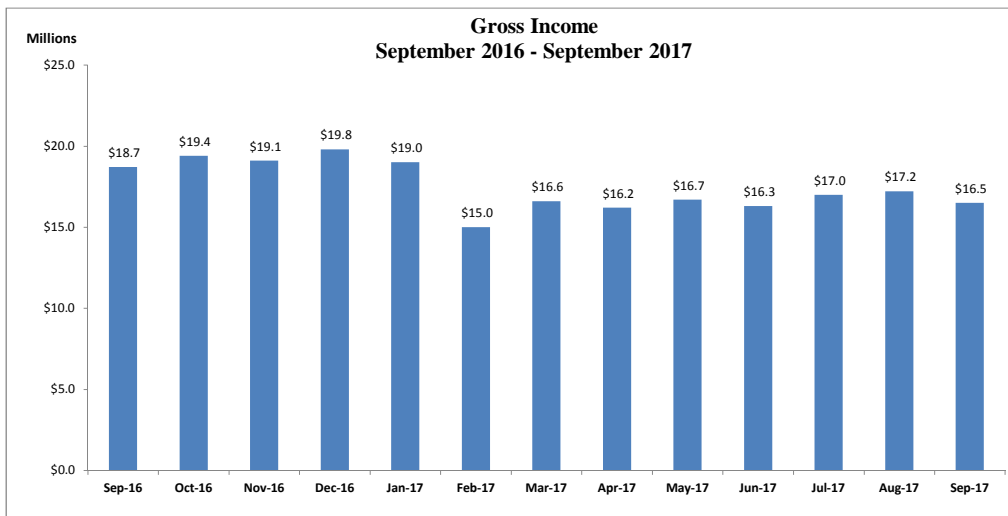
The September 2016 ratios are based on an insured share level of \$999.9 billion as of June 30, 2016.

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NATIONAL CREDIT UNION SHARE INSURANCE FUND

STATISTICAL INFORMATION

September 30, 2017



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

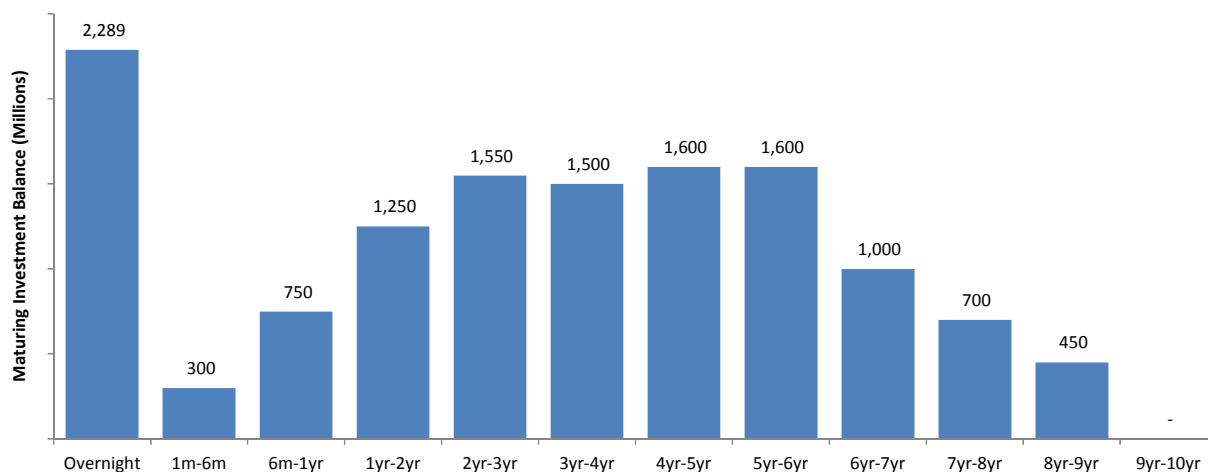
INVESTMENT PORTFOLIO SUMMARY
September 30, 2017

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	\$ 2,289,470,000	\$ 2,289,470,000	\$ -	100.00%	0.96%	
U.S. Treasury Notes	10,900,108,137	10,869,093,750	(31,014,387)	99.72%	1.65%	
Total	\$ 13,189,578,137	\$ 13,158,563,750	\$ (31,014,387)	99.76%	1.53%	

II. INVESTMENT PORTFOLIO SUMMARY			
	Last Month	Current Month	CY To Date
Investment Yield	1.52%	1.53%	1.51%
Investment Income	\$ 17,069,307	\$ 16,483,817	\$ 150,030,278
Weighted Avg. Maturity in Days	1,209	1,195	

III. MONTHLY ACTIVITY				
Purchased	Type	Amount	Maturity	Yield
No Purchases in September, 2017				
TOTAL		\$	-	

IV. MATURITY SCHEDULE (par value in millions)	
TOTAL	\$ 12,989



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