

NATIONAL CREDIT UNION SHARE INSURANCE FUND



PRELIMINARY & UNAUDITED FINANCIAL HIGHLIGHTS

August 31, 2018

A handwritten signature in blue ink, which appears to read "Rendell L. Jones". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

RENDELL L. JONES
CHIEF FINANCIAL OFFICER

NATIONAL CREDIT UNION SHARE INSURANCE FUND

MANAGEMENT OVERVIEW

August 31, 2018

Balance Sheet

Insurance and Guarantee Program Liabilities Reserves are \$957.0 million as of August 31, 2018; \$854.9 million is for specific reserves for natural person credit unions, and \$102.1 million is for general reserves.

There is no Insurance and Guarantee Program Liability for the Corporate System Resolution Program (CSRP) as of August 31, 2018.

Statement of net Cost

For the month ended August 31, 2018, the fund had net income of \$7.6 million. The fund recognized gross revenues of \$24.8 million and total operating expenses of \$17.2 million. The fund did not recognize any insurance loss expense during the month of August 2018.

NATIONAL CREDIT UNION SHARE INSURANCE FUND

BALANCE SHEETS

As of August 31, 2018 and 2017

(Dollars in thousands)

	<u>August 2018</u>	<u>August 2017</u>
ASSETS		
INTRAGOVERNMENTAL		
Fund Balance with Treasury	\$ 4,372	\$ 2,488
Investments, Net U.S. Treasury Securities	14,663,276	13,252,363
Accrued Interest Receivable - Investments	52,639	42,690
Accounts Receivable - Due from the National		
Credit Union Administration Operating Fund	-	993
Note Receivable - Note due from the National		
Credit Union Administration Operating Fund	6,816	8,157
Total Intragovernmental Assets	<u>14,727,103</u>	<u>13,306,691</u>
PUBLIC		
Advances	1,041	-
Accounts Receivable - Guarantee Fee on NCUA Guarantee Notes	1,124	-
General Property, Plant and Equipment, Net	202	772
Other - Receivable from Asset Management Estates, Net - NPCU AMEs	977,904	6,934
Other - Receivable from Asset Management Estates, Net - Corporate AMEs	285,386	-
Total Public Assets	<u>1,265,657</u>	<u>7,706</u>
TOTAL ASSETS	<u>\$ 15,992,760</u>	<u>\$ 13,314,397</u>
LIABILITIES		
INTRAGOVERNMENTAL		
Accounts Payable - Due to the National Credit Union Administration		
Operating Fund	\$ 741	\$ 91
Total Intragovernmental Liabilities	<u>741</u>	<u>91</u>
PUBLIC		
Accounts Payable and Other Liabilities	2,985	1,610
Dividends to Insured Credit Unions Payable	6	-
Capital Lease Liability	-	81
Other - Insurance and Guarantee Program Liabilities (Reserves)	956,964	208,136
Other - Insurance and Guarantee Program Liabilities (CSRP)	-	-
Total Public Liabilities	<u>959,955</u>	<u>209,827</u>
TOTAL LIABILITIES	<u>960,696</u>	<u>209,918</u>
NET POSITION		
Contributed Capital	10,877,916	10,292,679
Cumulative Result of Operations	4,154,148	2,811,800
Total Net Position	<u>15,032,064</u>	<u>13,104,479</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 15,992,760</u>	<u>\$ 13,314,397</u>

* Other-Receivable from Asset Management Estates, Nets are updated on the quarterly basis.

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 August 31, 2018 and 2017
(Dollars in thousands)

	August 2018	Year-to-Date August 2018	Year-to-Date August 2017
GROSS COSTS			
OPERATING EXPENSES ⁽¹⁾			
Employee Pay	\$ 8,076	\$ 62,824	\$ 67,755
Employee Benefits	3,054	24,634	26,551
Travel	1,930	9,685	9,730
Rent, Communications and Utilities	412	2,214	2,389
Administrative Costs	887	6,221	4,732
Contracted Services	2,785	16,744	13,962
Training Expense	34	526	989
Leasing Expense	40	359	423
Other Insurance Expense	3	24	26
Total Operating Costs	17,221	123,231	126,557
INSURANCE LOSS EXPENSE	0	(8,345)	(1,582)
Total Gross Costs	17,221	114,886	124,975
LESS EXCHANGE REVENUES			
Interest Revenue on Note Receivable due from the National Credit Union Administration Operating Fund	(10)	(81)	(88)
Guarantee Fee Revenue - NCUA Guaranteed Notes	(1,368)	(11,741)	-
Other Gains	1,142	1,142	-
Other (Revenue) / Expense	(1)	(941)	(281)
Total Exchange Revenues	(237)	(11,621)	(369)
TOTAL NET COST/(INCOME) OF OPERATIONS	16,984	103,265	124,606
LESS NON-EXCHANGE REVENUES			
Investment Income	(24,604)	(187,569)	(133,547)
Gain on Sales of Investments	-	-	(132)
Total Non-Exchange Revenues	(24,604)	(187,569)	(133,679)
TOTAL NET COST/(INCOME) INCLUDING NON-EXCHANGE REVENUES	\$ (7,620)	\$ (84,304)	\$ (9,073)

⁽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 61.5% and 67.7% for 2018 and 2017, respectively.

The balances in the statement above are preliminary and unaudited.

NATIONAL CREDIT UNION SHARE INSURANCE FUND

STATEMENTS OF NET POSITION

As of August 31, 2018 and 2017

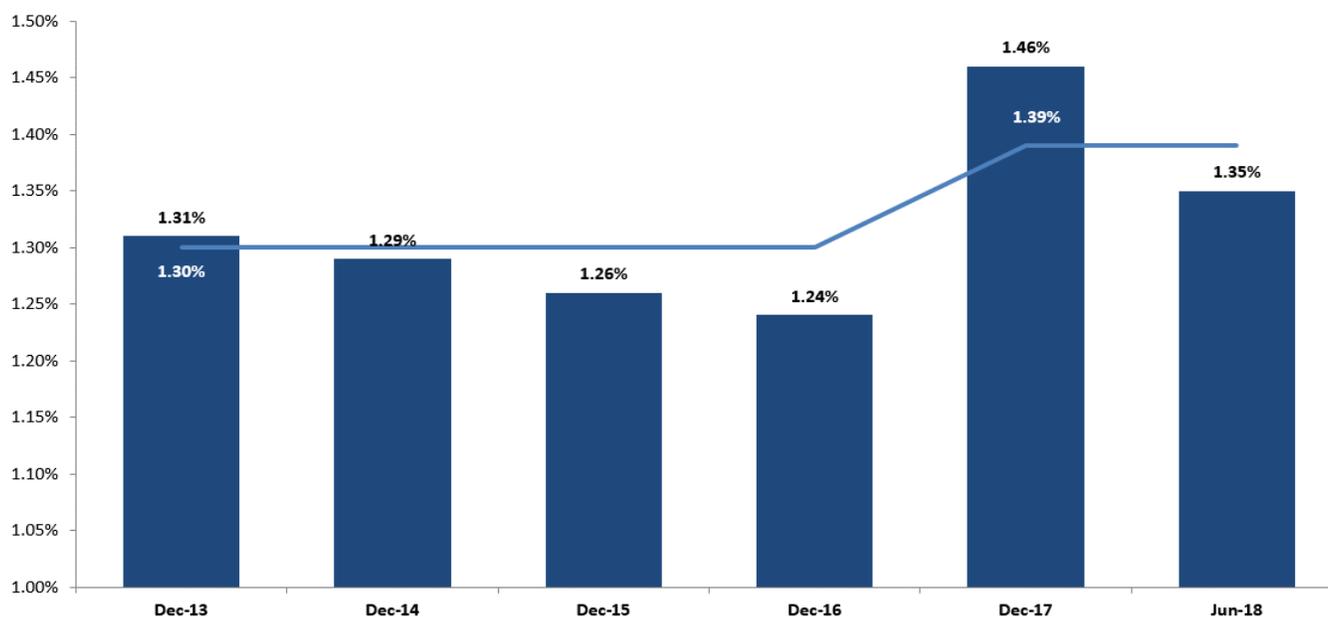
(Dollars in thousands)

NET POSITION BREAKDOWN	August 2018	August 2017
Credit Union Contributed Capital	\$ 10,877,916	\$ 10,292,679
Retained Earnings*	4,437,584	2,763,890
Total Net Position without Unrealized Gain/(Loss)	15,315,500	13,056,569
Unrealized Gain/(Loss) - Investments	(283,436)	47,910
NET POSITION	\$ 15,032,064	\$ 13,104,479

* In order to aid comparability between periods, the current period's Retained Earnings reflect a \$2.6 billion increase for the net assets transferred in from the Temporary Corporate Credit Union Stabilization Fund in October, 2017.

NCUSIF Equity Ratio

CY 2013 – CY 2018



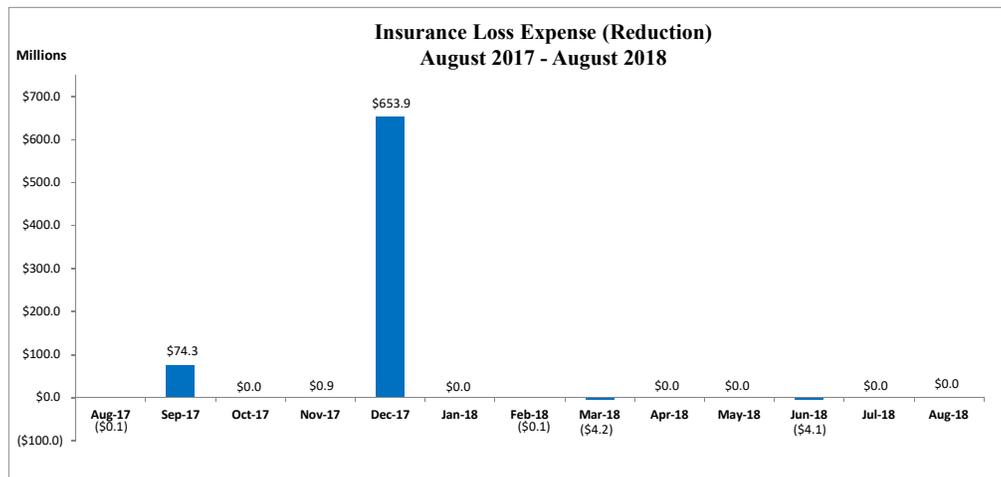
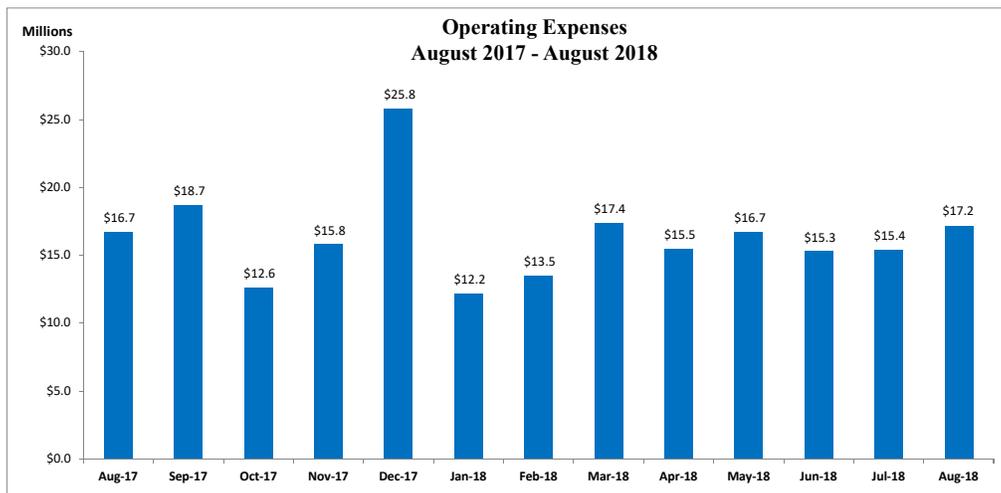
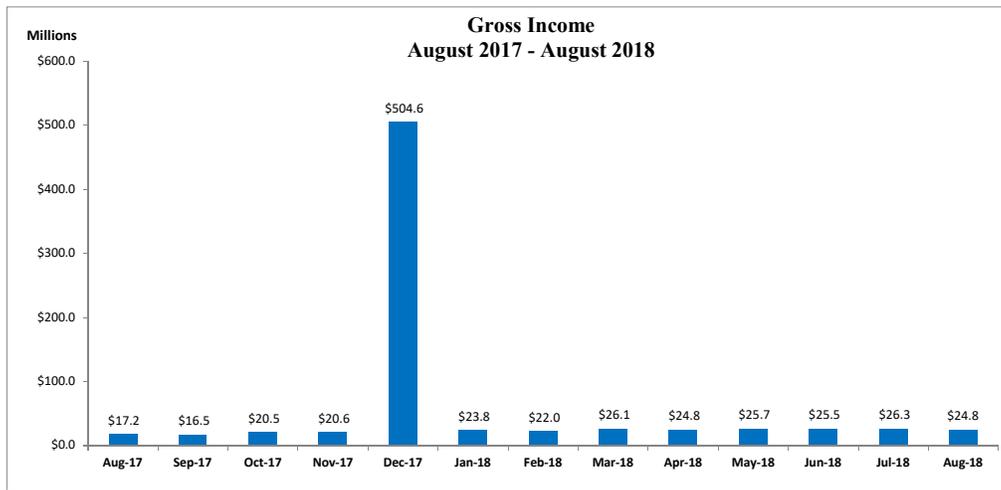
* The blue line represents the Normal Operating Level over the time period represented on the slide.

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NATIONAL CREDIT UNION SHARE INSURANCE FUND

STATISTICAL INFORMATION

August 31, 2018



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

INVESTMENT PORTFOLIO SUMMARY

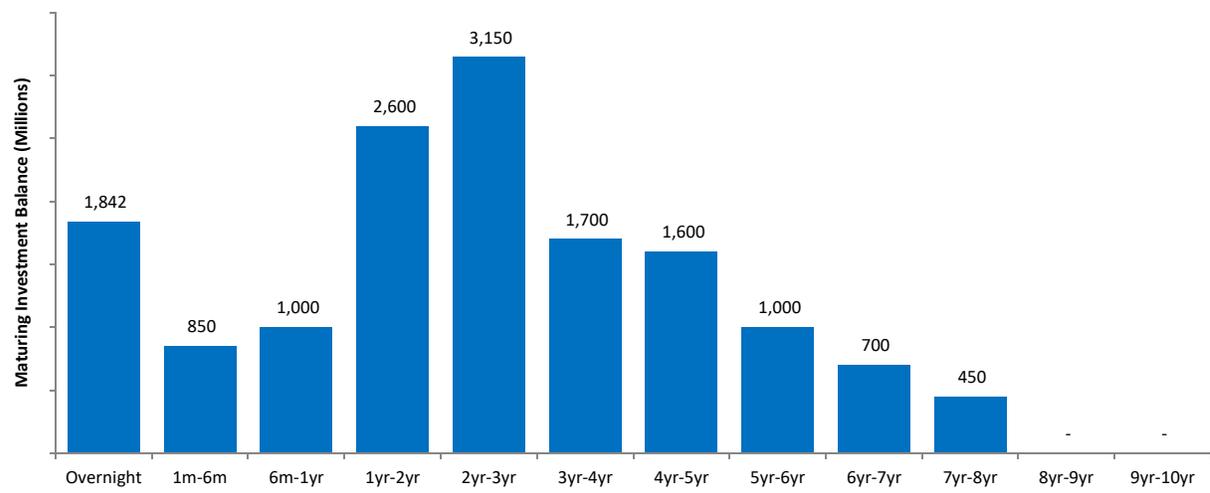
August 31, 2018

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	\$	1,842,432,000	\$	1,842,432,000	\$ -	100.00%	1.96%
U.S. Treasury Notes		13,103,136,516		12,820,843,750	(282,292,766)	97.85%	1.84%

II. INVESTMENT PORTFOLIO SUMMARY							
Investment Yield		1.80%		1.85%		1.73%	
Investment Income	\$	24,833,006	\$	24,604,061	\$	187,568,733	
Weighted Avg. Maturity in Days		892		955			

III. MONTHLY ACTIVITY						
	Purchased	Type	Amount	Maturity	Yield	
	8/15/2018	T-Note	\$ 400,000,000	8/15/2020	2.60%	
	8/16/2018	T-Note	\$ 200,000,000	8/15/2021	2.70%	

IV. MATURITY SCHEDULE (par value in millions)		
TOTAL	\$	14,892



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