

# **NATIONAL CREDIT UNION SHARE INSURANCE FUND**



## **PRELIMINARY & UNAUDITED FINANCIAL HIGHLIGHTS**

**February 28, 2018**

A handwritten signature in blue ink, appearing 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

February 28, 2018

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### **Balance Sheet**

Insurance and Guarantee Program Liabilities Reserves are \$925.3 million as of February 28, 2018; \$818.4 million is for specific natural person credit unions, and \$106.9 million is for general reserves.

There is no liability for Corporate Asset Management Estates as of February 28, 2018.

### **Statement of Net Cost**

For the month ended February 28, 2018, the fund had net income of \$8.6 million. The fund recognized gross revenues of \$22.0 million and total operating expenses of \$13.5 million. The fund recognized an insurance loss reduction of \$0.1 million during the month of February 2018.

### **Statement of Net Position**

On September 28, 2017, the NCUA Board voted unanimously to close the Temporary Corporate Credit Union Stabilization Fund effective October 1, 2017, ahead of its sunset date of June 30, 2021. All remaining funds, property, and other assets of the Fund were distributed to the National Credit Union Share Insurance Fund, resulting in a \$2.6 billion increase in retained earnings in October 2017.

On February 15, 2018, the NCUA Board approved a \$735.7 million Share Insurance distribution, which should be paid in the form of a dividend during the third quarter of 2018.

**NATIONAL CREDIT UNION SHARE INSURANCE FUND**

**BALANCE SHEETS**

**As of February 28, 2018 and 2017**

**(Dollars in thousands)**

	<u>February 2018</u>	<u>February 2017</u>
<b>ASSETS</b>		
<b>INTRAGOVERNMENTAL</b>		
Fund Balance with Treasury	\$ 5,337	\$ 2,496
Investments, Net U.S. Treasury Securities	16,111,910	12,772,206
Accrued Interest Receivable - Investments	49,248	43,908
Accounts Receivable - Due from the National		
Credit Union Administration Operating Fund	2,069	1,213
Note Receivable - Note due from the National		
Credit Union Administration Operating Fund	7,487	8,828
Total Intragovernmental Assets	<u>16,176,051</u>	<u>12,828,651</u>
<b>PUBLIC</b>		
Advances	1,004	-
Accounts Receivable - Guarantee Fee on NCUA Guarantee Notes	1,128	-
General Property, Plant and Equipment, Net	457	1,087
Other - Receivable from Asset Management Estates, Net - NPCU AMEs	6,305	54,221
Other - Receivable from Asset Management Estates, Net - Corporate AMEs	332,152	-
Total Public Assets	<u>341,046</u>	<u>55,308</u>
<b>TOTAL ASSETS</b>	<u>\$ 16,517,097</u>	<u>\$ 12,883,959</u>
<b>LIABILITIES</b>		
<b>INTRAGOVERNMENTAL</b>		
Accounts Payable - Due to the National Credit Union Administration		
Operating Fund	\$ 113	\$ 1
Total Intragovernmental Liabilities	<u>113</u>	<u>1</u>
<b>PUBLIC</b>		
Accounts Payable and Other Liabilities	1,511	504
Dividends to Insured Credit Unions Payable	735,700	-
Capital Lease Liability	-	161
Other - Insurance and Guarantee Program Liabilities (Reserves)	925,334	196,617
Other - Insurance and Guarantee Program Liabilities (CSRP)	-	-
Total Public Liabilities	<u>1,662,545</u>	<u>197,282</u>
<b>TOTAL LIABILITIES</b>	<u>1,662,658</u>	<u>197,283</u>
<b>NET POSITION</b>		
Contributed Capital	10,765,320	9,986,599
Cumulative Result of Operations	4,089,119	2,700,077
Total Net Position	<u>14,854,439</u>	<u>12,686,676</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$ 16,517,097</u>	<u>\$ 12,883,959</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 February 28, 2018 and 2017**  
**(Dollars in thousands)**

	<b>February 2018</b>	<b>Year-to-Date February 2018</b>	<b>Year-to-Date February 2017</b>
<b>GROSS COSTS</b>			
<b>OPERATING EXPENSES <sup>(1)</sup></b>			
Employee Pay	\$ 7,601	\$ 15,610	\$ 7,702
Employee Benefits	2,936	6,319	4,293
Travel	1,051	1,282	1,019
Rent, Communications and Utilities	49	282	209
Administrative Costs	652	1,213	587
Contracted Services	1,123	845	2,394
Training Expense	35	57	47
Leasing Expense	53	106	52
Other Insurance Expense	3	6	3
Total Operating Costs	<u>13,503</u>	<u>25,720</u>	<u>16,306</u>
<b>INSURANCE LOSS EXPENSE</b>	(72)	(81)	-
Total Gross Costs	<u>13,431</u>	<u>25,639</u>	<u>16,306</u>
<b>LESS EXCHANGE REVENUES</b>			
Interest Revenue on Note Receivable due from the National Credit Union Administration Operating Fund	(9)	(20)	(10)
Guarantee Fee Revenue - NCUA Guaranteed Notes	(1,478)	(3,002)	-
Other (Revenue) / Expense	(9)	(7)	(121)
Total Exchange Revenue	<u>(1,496)</u>	<u>(3,029)</u>	<u>(131)</u>
<b>TOTAL NET COST/(INCOME) OF OPERATIONS</b>	<u>11,935</u>	<u>22,610</u>	<u>16,175</u>
<b>LESS NON-EXCHANGE REVENUES</b>			
Investment Income	(20,557)	(42,855)	(14,847)
Gain on Sales of Investments	-	-	-
Total Non-Exchange Revenues	<u>(20,557)</u>	<u>(42,855)</u>	<u>(14,847)</u>
<b>TOTAL NET COST/(INCOME) INCLUDING NON-EXCHANGE REVENUES</b>	<u>\$ (8,622)</u>	<u>\$ (20,245)</u>	<u>\$ 1,328</u>

<sup>(1)</sup> 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.

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**NATIONAL CREDIT UNION SHARE INSURANCE FUND**

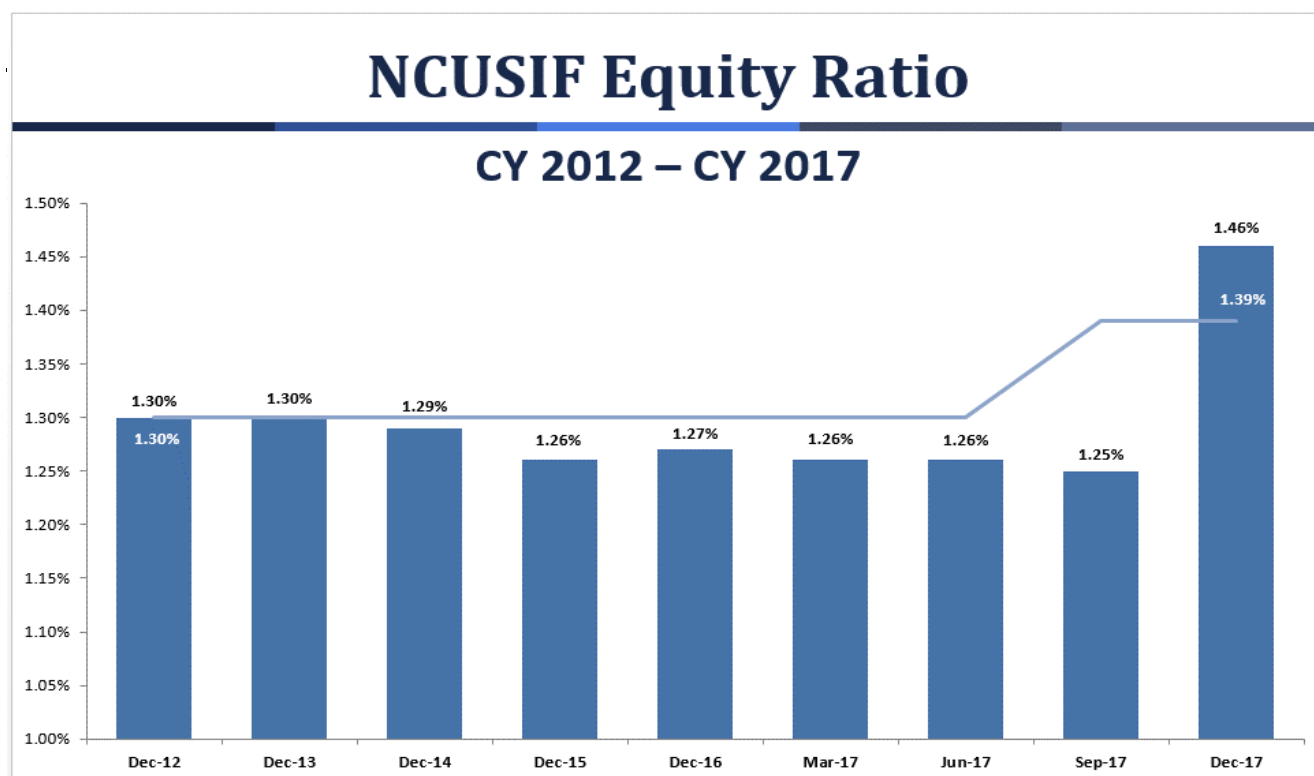
**STATEMENTS OF NET POSITION**

As of February 28, 2018 and 2017

(Dollars in thousands)

	<u>February 2018</u>	<u>February 2017</u>
<b>NET POSITION BREAKDOWN</b>		
Credit Union Contributed Capital	\$ 10,765,320	\$ 9,986,599
Retained Earnings*	4,372,363	2,759,362
Total Net Position without Unrealized Gain/(Loss)	<u>15,137,683</u>	<u>12,745,961</u>
Unrealized Gain/(Loss) - Investments	<u>(283,244)</u>	<u>(59,285)</u>
<b>NET POSITION</b>	<u><u>\$ 14,854,439</u></u>	<u><u>\$ 12,686,676</u></u>

\* In order to aid comparability between periods, the current period's Retained Earnings reflects a \$2.6 billion increase for the net assets transferred in from the Temporary Corporate Credit Union Stabilization Fund in October, 2017, and a \$735.7 million decrease for dividends payable to insured credit unions declared in the February 2018 Open Board Meeting.



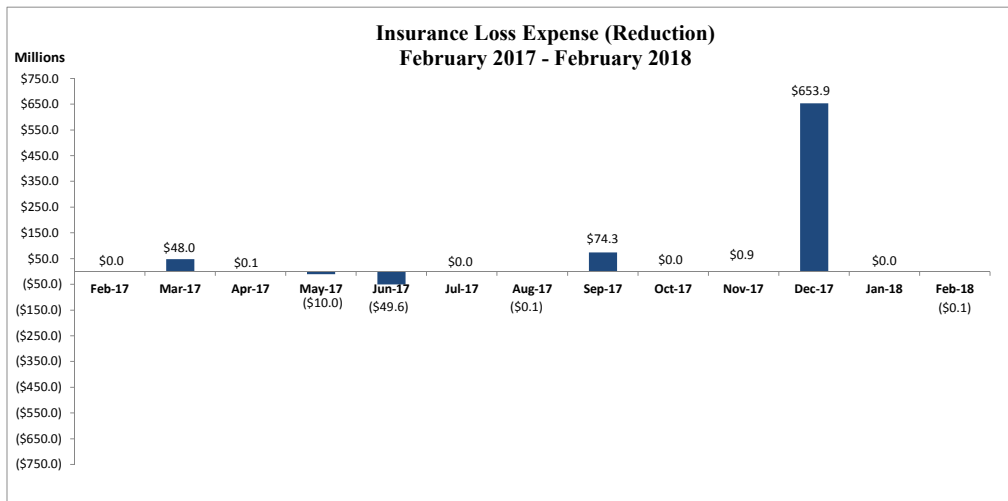
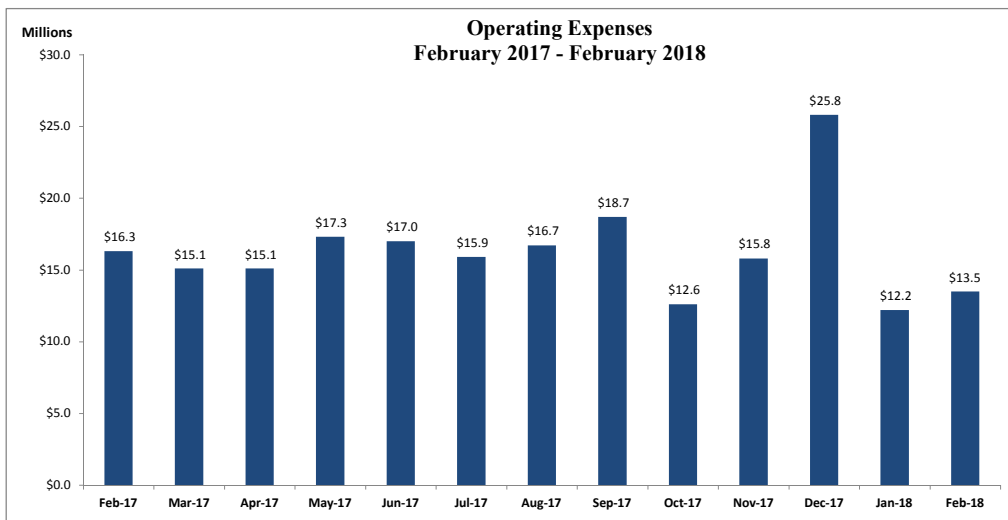
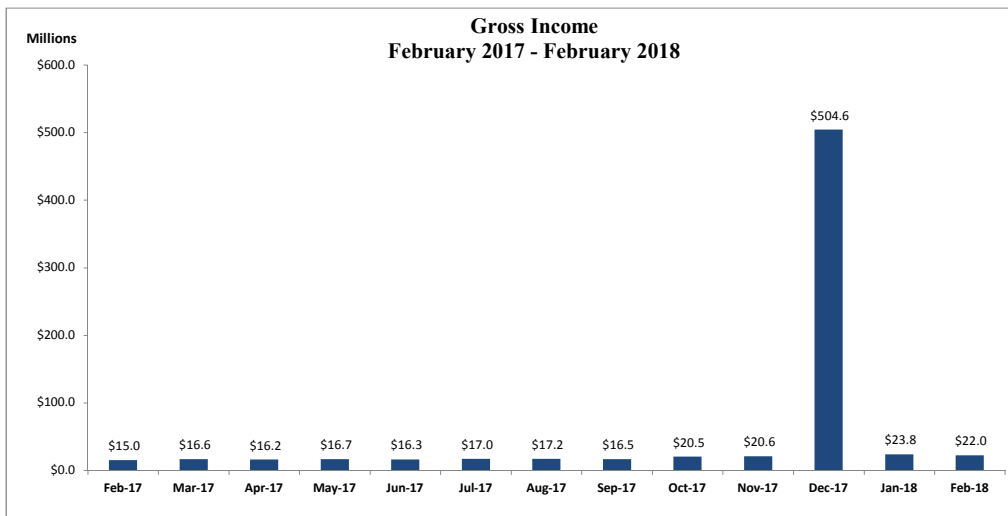
\* The blue line represents the Normal Operating Level over the time period represented on the slide.

The balances in the statement above are preliminary and unaudited.

# NATIONAL CREDIT UNION SHARE INSURANCE FUND

## STATISTICAL INFORMATION

February 28, 2018



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

**INVESTMENT PORTFOLIO SUMMARY**  
February 28, 2018

<b>I. INVESTMENT PORTFOLIO BALANCE AND MARKET VALUE (In Dollars)</b>																																
	<b>Book Value</b>	<b>Market Value</b>	<b>Unrealized Gain or (Loss)</b>	<b>% Market to Book Value</b>	<b>Weighted Average Yield</b>																											
Daily Treasury Account	\$ 3,273,181,000	\$ 3,273,181,000	\$ -	100.00%	1.49%																											
U.S. Treasury Notes	13,121,972,356	12,838,728,696	(283,243,660)	97.84%	1.70%																											
<b>Total</b>	<b>\$ 16,395,153,356</b>	<b>\$ 16,111,909,696</b>	<b>\$ (283,243,660)</b>	<b>98.27%</b>	<b>1.66%</b>																											
<b>II. INVESTMENT PORTFOLIO SUMMARY</b>																																
	<b>Last Month</b>	<b>Current Month</b>	<b>CY To Date</b>																													
Investment Yield	1.65%	1.66%	1.65%																													
Investment Income	\$ 22,297,836	\$ 20,557,455	\$ 42,855,291																													
Weighted Avg. Maturity in Days	983	973																														
<b>III. MONTHLY ACTIVITY</b>																																
<b>Purchased</b>	<b>Type</b>	<b>Amount</b>	<b>Maturity</b>	<b>Yield</b>																												
<b>TOTAL</b>		<b>\$</b>	<b>-</b>																													
<b>IV. MATURITY SCHEDULE (par value in millions)</b>																																
<b>TOTAL</b>		<b>\$</b>	<b>16,323</b>																													
<table border="1"> <caption>Maturing Investment Balance (Millions)</caption> <thead> <tr> <th>Maturity Bucket</th> <th>Balance (Millions)</th> </tr> </thead> <tbody> <tr><td>Overnight</td><td>3,273</td></tr> <tr><td>1m-6m</td><td>1,300</td></tr> <tr><td>6m-1yr</td><td>850</td></tr> <tr><td>1yr-2yr</td><td>2,000</td></tr> <tr><td>2yr-3yr</td><td>2,800</td></tr> <tr><td>3yr-4yr</td><td>1,600</td></tr> <tr><td>4yr-5yr</td><td>1,700</td></tr> <tr><td>5yr-6yr</td><td>1,550</td></tr> <tr><td>6yr-7yr</td><td>700</td></tr> <tr><td>7yr-8yr</td><td>550</td></tr> <tr><td>8yr-9yr</td><td>-</td></tr> <tr><td>9yr-10yr</td><td>-</td></tr> </tbody> </table>							Maturity Bucket	Balance (Millions)	Overnight	3,273	1m-6m	1,300	6m-1yr	850	1yr-2yr	2,000	2yr-3yr	2,800	3yr-4yr	1,600	4yr-5yr	1,700	5yr-6yr	1,550	6yr-7yr	700	7yr-8yr	550	8yr-9yr	-	9yr-10yr	-
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