

# NATIONAL CREDIT UNION SHARE INSURANCE FUND



## PRELIMINARY & UNAUDITED FINANCIAL HIGHLIGHTS

June 30, 2018

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

**June 30, 2018**

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### **Balance Sheet**

Insurance and Guarantee Program Liabilities Reserves are \$957.0 million as of June 30, 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 June 30, 2018.

### **Statement of Net Cost**

For the month ended June 30, 2018, the fund had net income of \$14.3 million. The fund recognized gross revenues of \$25.5 million and total operating expenses of \$15.3 million. The fund recognized an insurance loss reduction of \$4.1 million during the month of June 2018.

**NATIONAL CREDIT UNION SHARE INSURANCE FUND**

**BALANCE SHEETS**  
**As of June 30, 2018 and 2017**  
**(Dollars in thousands)**

	<b>June 2018</b>	<b>June 2017</b>
<b>ASSETS</b>		
<b>INTRAGOVERNMENTAL</b>		
Fund Balance with Treasury	\$ 4,743	\$ 2,656
Investments, Net U.S. Treasury Securities	16,336,504	13,167,974
Accrued Interest Receivable - Investments	55,287	47,450
Accounts Receivable - Due from the National		
Credit Union Administration Operating Fund	442	589
Accounts Receivable - Due from the Temporary		
Corporate Credit Union Stabilization Fund	-	41
Note Receivable - Note due from the National		
Credit Union Administration Operating Fund	7,040	8,381
Total Intragovernmental Assets	16,404,016	13,227,091
<b>PUBLIC</b>		
Accounts Receivable - Due from Credit Unions	-	1
Advances	1,067	-
Accounts Receivable - Guarantee Fee on NCUA Guarantee Notes	1,088	-
General Property, Plant and Equipment, Net	283	877
Other - Receivable from Asset Management Estates, Net - NPCU AMEs	6,511	9,937
Other - Receivable from Asset Management Estates, Net - Corporate AMEs	290,217	-
Total Public Assets	299,166	10,815
<b>TOTAL ASSETS</b>	<b>\$ 16,703,182</b>	<b>\$ 13,237,906</b>
<b>LIABILITIES</b>		
<b>INTRAGOVERNMENTAL</b>		
Accounts Payable - Due to the National Credit Union Administration		
Operating Fund	\$ 200	\$ 72
Total Intragovernmental Liabilities	200	72
<b>PUBLIC</b>		
Accounts Payable and Other Liabilities	2,291	2,300
Dividends to Insured Credit Unions Payable	735,679	-
Capital Lease Liability	-	81
Other - Insurance and Guarantee Program Liabilities (Reserves)	956,964	208,246
Other - Insurance and Guarantee Program Liabilities (CSRP)	-	-
Total Public Liabilities	1,694,934	210,627
<b>TOTAL LIABILITIES</b>	<b>1,695,134</b>	<b>210,699</b>
<b>NET POSITION</b>		
Contributed Capital	10,877,548	10,294,774
Cumulative Result of Operations	4,130,500	2,732,433
Total Net Position	15,008,048	13,027,207
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 16,703,182</b>	<b>\$ 13,237,906</b>

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 June 30, 2018 and 2017**  
**(Dollars in thousands)**

	June 2018	Year-to-Date June 2018	Year-to-Date June 2017
<b>GROSS COSTS</b>			
<b>OPERATING EXPENSES <sup>(1)</sup></b>			
Employee Pay	\$ 7,656	\$ 47,491	\$ 51,192
Employee Benefits	2,951	18,630	20,070
Travel	1,357	6,517	7,033
Rent, Communications and Utilities	266	1,475	1,563
Administrative Costs	899	4,277	3,259
Contracted Services	2,019	11,540	9,842
Training Expense	93	421	631
Leasing Expense	40	279	317
Other Insurance Expense	3	18	20
Total Operating Costs	15,284	90,648	93,927
<b>INSURANCE LOSS EXPENSE</b>	(4,063)	(8,344)	(1,471)
Total Gross Costs	11,221	82,304	92,456
<b>LESS EXCHANGE REVENUES</b>			
Interest Revenue on Note Receivable due from the National Credit Union Administration Operating Fund	(10)	(61)	(67)
Guarantee Fee Revenue - NCUA Guaranteed Notes	(1,387)	(8,901)	-
Other (Revenue) / Expense	(34)	(940)	(161)
Total Exchange Revenues	(1,431)	(9,902)	(228)
<b>TOTAL NET COST/(INCOME) OF OPERATIONS</b>	9,790	72,402	92,228
<b>LESS NON-EXCHANGE REVENUES</b>			
Investment Income	(24,097)	(138,132)	(99,471)
Gain on Sales of Investments	-	-	(132)
Total Non-Exchange Revenues	(24,097)	(138,132)	(99,603)
<b>TOTAL NET COST/(INCOME) INCLUDING NON-EXCHANGE REVENUES</b>	\$ (14,307)	\$ (65,730)	\$ (7,375)

<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.

The balances in the statement above are preliminary and unaudited.

**NATIONAL CREDIT UNION SHARE INSURANCE FUND**

**STATEMENTS OF NET POSITION**

As of June 30, 2018 and 2017

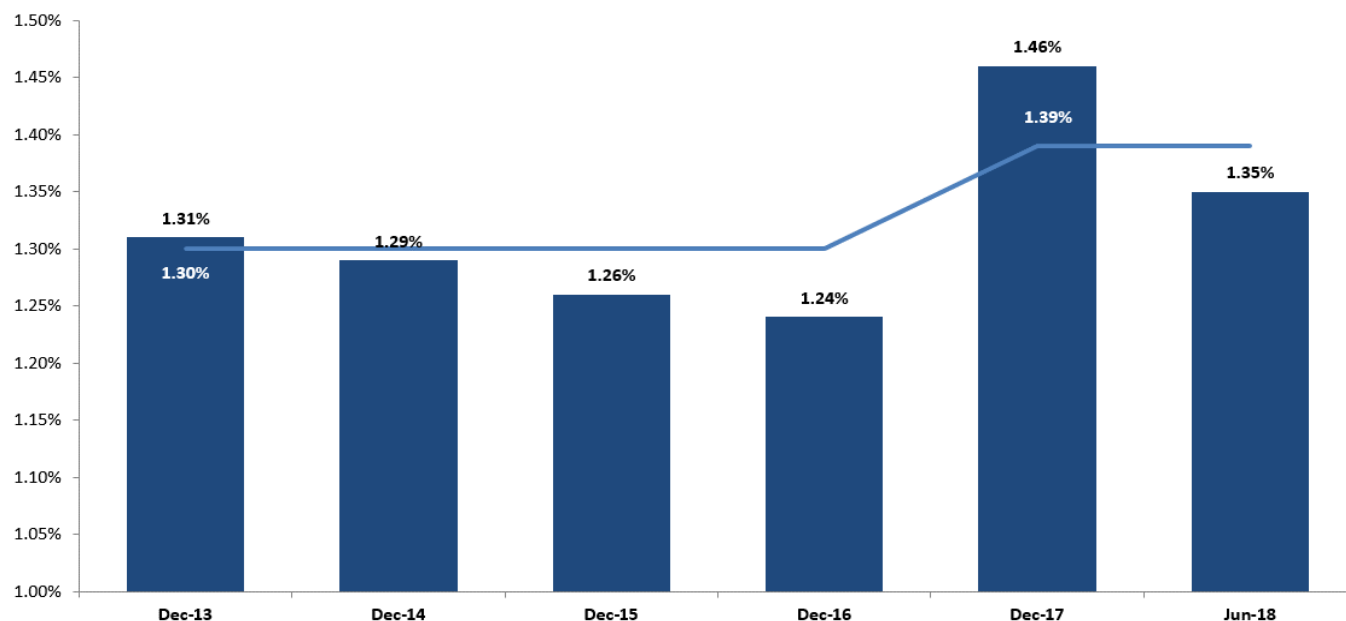
(Dollars in thousands)

	<u>June 2018</u>	<u>June 2017</u>
<b>NET POSITION BREAKDOWN</b>		
Credit Union Contributed Capital	\$ 10,877,548	\$ 10,294,774
Retained Earnings*	4,417,868	2,762,194
Total Net Position without Unrealized Gain/(Loss)	<u>15,295,416</u>	<u>13,056,968</u>
Unrealized Gain/(Loss) - Investments	<u>(287,368)</u>	<u>(29,761)</u>
<b>NET POSITION</b>	<u>\$ 15,008,048</u>	<u>\$ 13,027,207</u>

\* 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, and a \$735.7 million decrease for dividends payable to insured credit unions declared in the February 2018 Open Board Meeting. During the week of July 23, 2018, the National Credit Union Administration will pay dividends for more than 5,700 institutions eligible for the \$735.7 million Share Insurance distribution.

## NCUSIF Equity Ratio

### CY 2013 – CY 2018



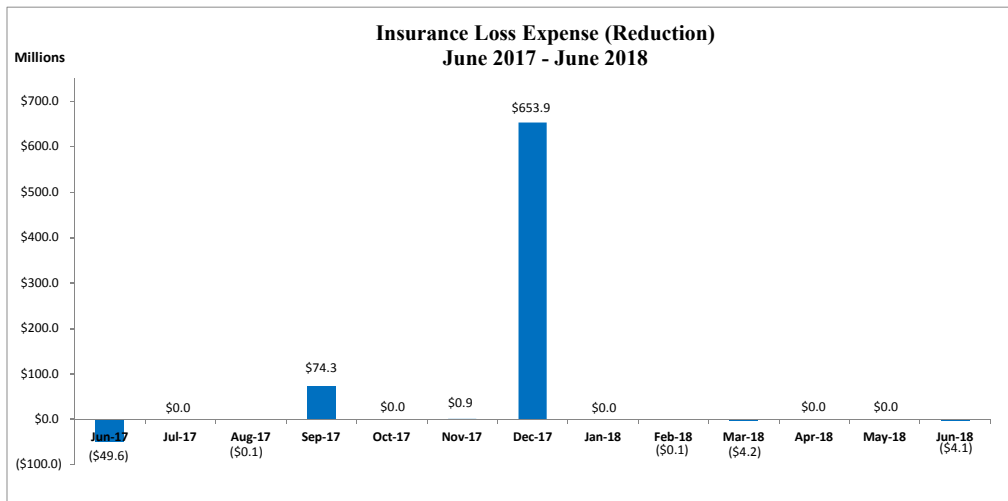
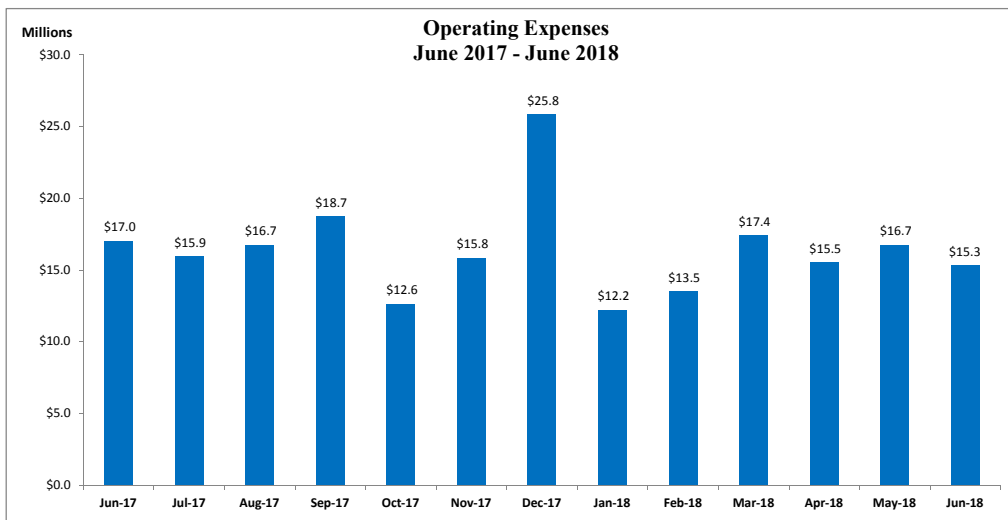
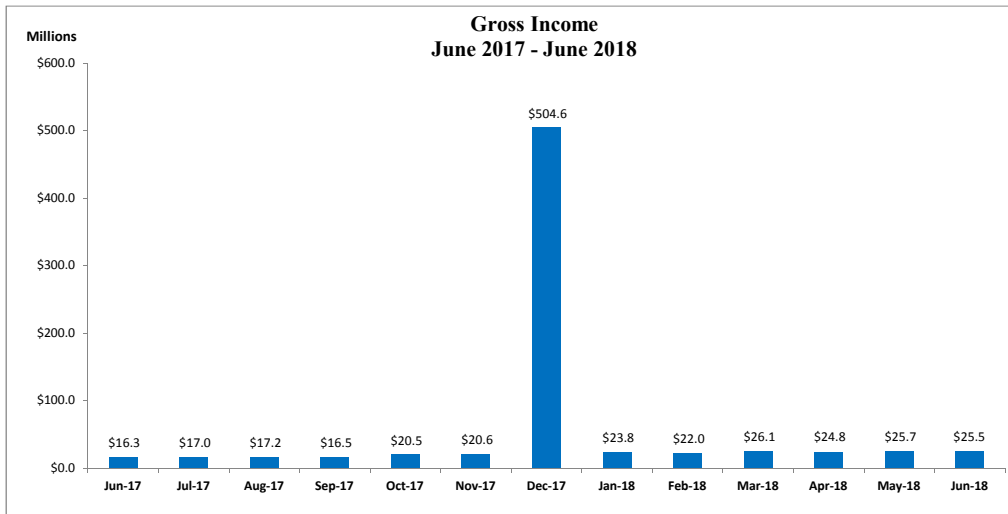
\* The blue line represents the Normal Operating Level over the time period represented on the slide.

The balances in the statement above are preliminary and unaudited.

# NATIONAL CREDIT UNION SHARE INSURANCE FUND

## STATISTICAL INFORMATION

June 30, 2018



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

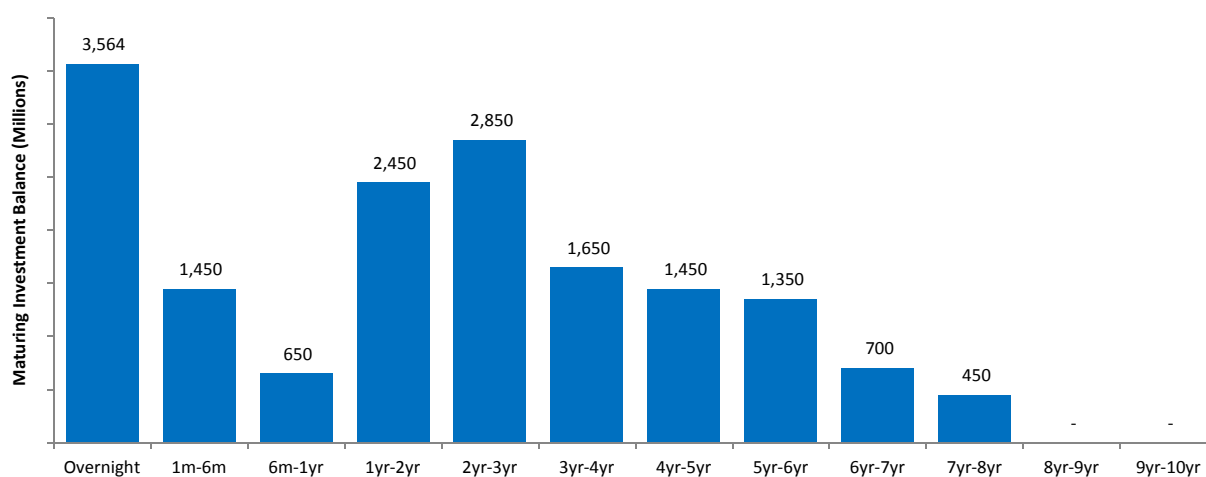
**INVESTMENT PORTFOLIO SUMMARY**  
June 30, 2018

<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	\$ 3,513,990,000	\$ 3,513,990,000	\$ -	100.00%	1.76%	
U.S. Treasury Notes	13,109,881,758	12,822,513,750	(287,368,008)	97.81%	1.76%	
<b>Total</b>	<b>\$ 16,623,871,758</b>	<b>\$ 16,336,503,750</b>	<b>\$ (287,368,008)</b>	<b>98.27%</b>	<b>1.76%</b>	

<b>II. INVESTMENT PORTFOLIO SUMMARY</b>			
	<b>Last Month</b>	<b>Current Month</b>	<b>CY To Date</b>
Investment Yield	1.75%	1.76%	1.70%
Investment Income	\$ 24,316,098	\$ 24,096,854	\$ 138,131,666
Weighted Avg. Maturity in Days	888	877	

<b>III. MONTHLY ACTIVITY</b>					
<b>Purchased</b>	<b>Type</b>	<b>Amount</b>	<b>Maturity</b>	<b>Yield</b>	
6/21/2018	T-Note	\$ 200,000,000	3/15/2020	2.54%	
<b>TOTAL</b>					
		<b>\$ 200,000,000</b>			

<b>IV. MATURITY SCHEDULE (par value in millions)</b>		
<b>TOTAL</b>	<b>\$</b>	<b>16,564</b>



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