

NATIONAL CREDIT UNION SHARE INSURANCE FUND



PRELIMINARY & UNAUDITED FINANCIAL HIGHLIGHTS

May 31, 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

May 31, 2018

Balance Sheet

Insurance and Guarantee Program Liabilities Reserves are \$935.8 million as of May 31, 2018; \$821 million is for specific reserves for natural person credit unions, and \$114.8 million is for general reserves.

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

Statement of Net Cost

For the month ended May 31, 2018, the fund had net income of \$9 million. The fund recognized gross revenues of \$25.7 million and total operating expenses of \$16.7 million. The fund did not recognize any insurance loss expense during the month of May 2018.

NATIONAL CREDIT UNION SHARE INSURANCE FUND

BALANCE SHEETS
As of May 31, 2018 and 2017
(Dollars in thousands)

	<u>May 2018</u>	<u>May 2017</u>
ASSETS		
INTRAGOVERNMENTAL		
Fund Balance with Treasury	\$ 3,231	\$ 2,645
Investments, Net U.S. Treasury Securities	16,330,848	13,223,819
Accrued Interest Receivable - Investments	35,944	34,116
Accounts Receivable - Due from the National Credit Union Administration Operating Fund	-	274
Note Receivable - Note due from the National Credit Union Administration Operating Fund	<u>7,152</u>	<u>8,493</u>
Total Intragovernmental Assets	<u>16,377,175</u>	<u>13,269,347</u>
PUBLIC		
Accounts Receivable - Due from Credit Unions	412	62
Advances	1,079	-
Accounts Receivable - Guarantee Fee on NCUA Guarantee Notes	1,145	-
General Property, Plant and Equipment, Net	324	930
Other - Receivable from Asset Management Estates, Net - NPCU AMEs	14,781	9,136
Other - Receivable from Asset Management Estates, Net - Corporate AMEs	<u>264,257</u>	<u>-</u>
Total Public Assets	<u>281,998</u>	<u>10,128</u>
TOTAL ASSETS	<u>\$ 16,659,173</u>	<u>\$ 13,279,475</u>
LIABILITIES		
INTRAGOVERNMENTAL		
Accounts Payable - Due to the National Credit Union Administration Operating Fund	\$ 1,237	\$ 38
Accounts Payable - Due to the Temporary Corporate Credit Union Stabilization Fund	<u>-</u>	<u>1</u>
Total Intragovernmental Liabilities	<u>1,237</u>	<u>39</u>
PUBLIC		
Accounts Payable and Other Liabilities	2,810	648
Dividends to Insured Credit Unions Payable	735,679	-
Capital Lease Liability	-	121
Other - Insurance and Guarantee Program Liabilities (Reserves)	935,766	245,739
Other - Insurance and Guarantee Program Liabilities (CSRP)	<u>-</u>	<u>-</u>
Total Public Liabilities	<u>1,674,255</u>	<u>246,508</u>
TOTAL LIABILITIES	<u>1,675,492</u>	<u>246,547</u>
NET POSITION		
Contributed Capital	10,877,639	10,295,173
Cumulative Result of Operations	<u>4,106,042</u>	<u>2,737,755</u>
Total Net Position	<u>14,983,681</u>	<u>13,032,928</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 16,659,173</u>	<u>\$ 13,279,475</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 May 31, 2018 and 2017
(Dollars in thousands)

	May 2018	Year-to-Date May 2018	Year-to-Date May 2017
GROSS COSTS			
OPERATING EXPENSES ⁽¹⁾			
Employee Pay	\$ 8,441	\$ 39,836	\$ 41,929
Employee Benefits	3,334	15,678	16,683
Travel	1,419	5,160	5,472
Rent, Communications and Utilities	297	1,209	1,206
Administrative Costs	412	3,378	2,520
Contracted Services	2,657	9,521	8,352
Training Expense	132	328	492
Leasing Expense	40	239	264
Other Insurance Expense	3	15	15
Total Operating Costs	16,735	75,364	76,933
INSURANCE LOSS EXPENSE	-	(4,282)	38,142
Total Gross Costs	16,735	71,082	115,075
LESS EXCHANGE REVENUES			
Interest Revenue on Note Receivable due from the National Credit Union Administration Operating Fund	(10)	(51)	(57)
Guarantee Fee Revenue - NCUA Guaranteed Notes	(1,406)	(7,514)	-
Other (Revenue) / Expense	(1)	(906)	(136)
Total Exchange Revenues	(1,417)	(8,471)	(193)
TOTAL NET COST/(INCOME) OF OPERATIONS	15,318	62,611	114,882
LESS NON-EXCHANGE REVENUES			
Investment Income	(24,316)	(114,035)	(83,204)
Gain on Sales of Investments	-	-	(132)
Total Non-Exchange Revenues	(24,316)	(114,035)	(83,336)
TOTAL NET COST/(INCOME) INCLUDING NON-EXCHANGE REVENUES	\$ (8,998)	\$ (51,424)	\$ 31,546

⁽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 May 31, 2018 and 2017

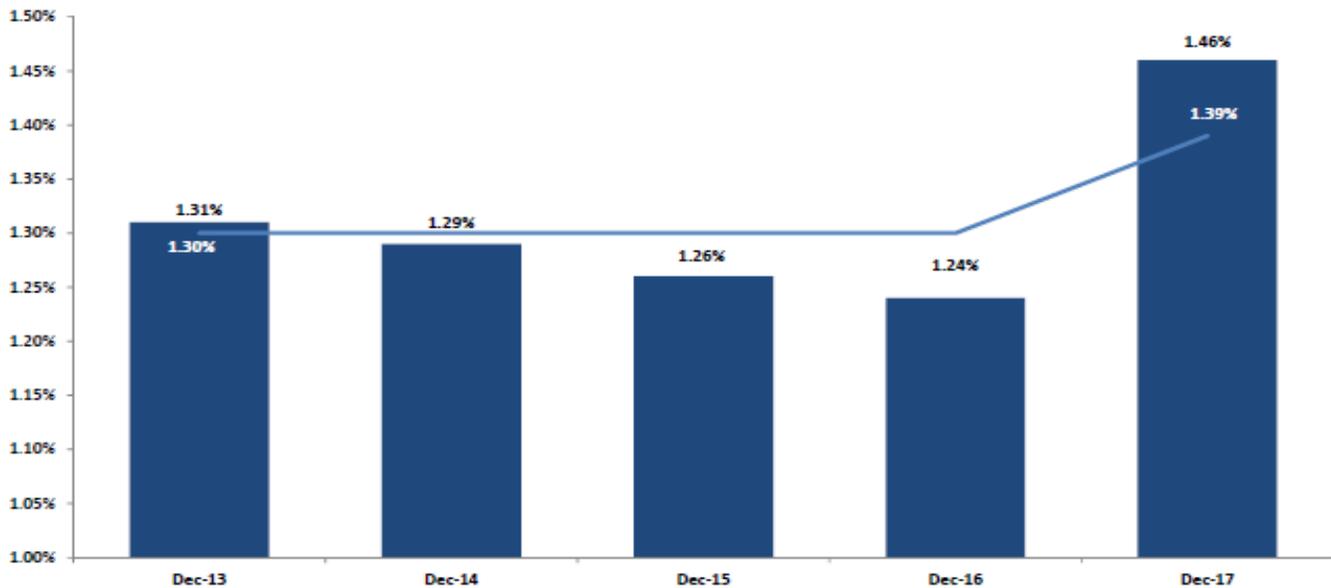
(Dollars in thousands)

	<u>May 2018</u>	<u>May 2017</u>
NET POSITION BREAKDOWN		
Credit Union Contributed Capital	\$ 10,877,639	\$ 10,295,173
Retained Earnings*	4,403,561	2,723,272
Total Net Position without Unrealized Gain/(Loss)	<u>15,281,200</u>	<u>13,018,445</u>
Unrealized Gain/(Loss) - Investments	<u>(297,519)</u>	<u>14,483</u>
NET POSITION	<u><u>\$ 14,983,681</u></u>	<u><u>\$ 13,032,928</u></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.

NCUSIF Equity Ratio

CY 2013 – CY 2017



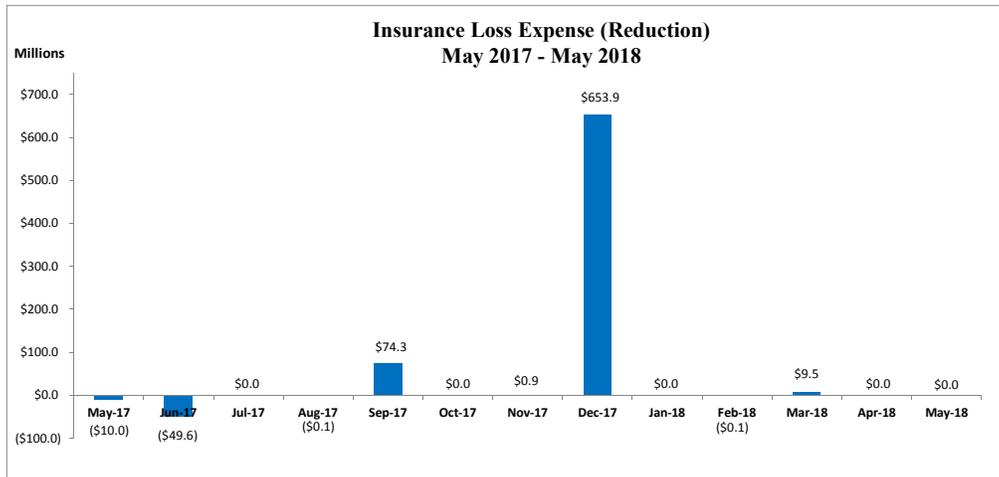
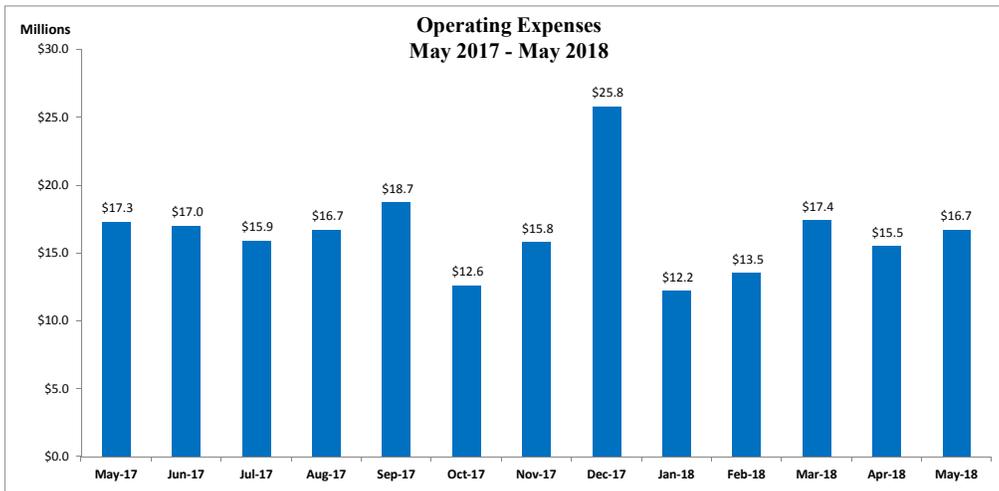
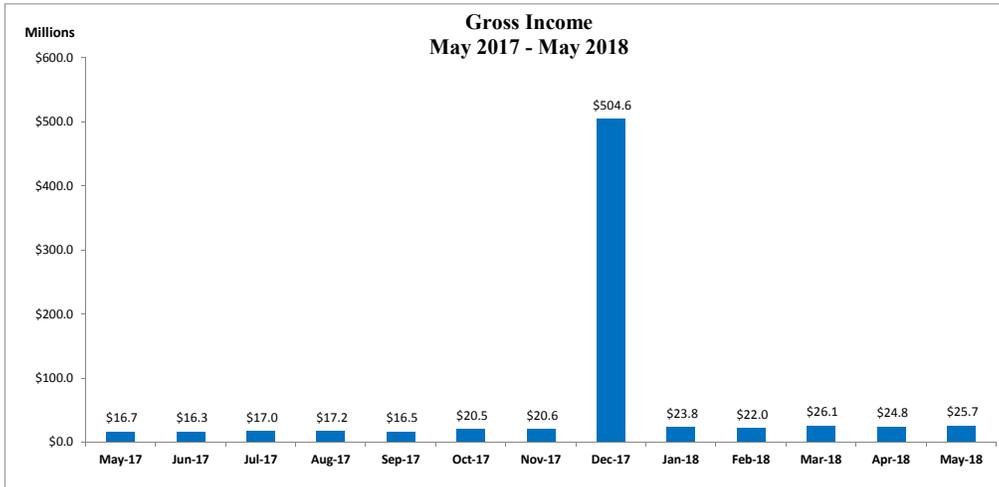
* The blue line represents the Normal Operating Level over the time period represented on the slide.

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NATIONAL CREDIT UNION SHARE INSURANCE FUND

STATISTICAL INFORMATION

May 31, 2018



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

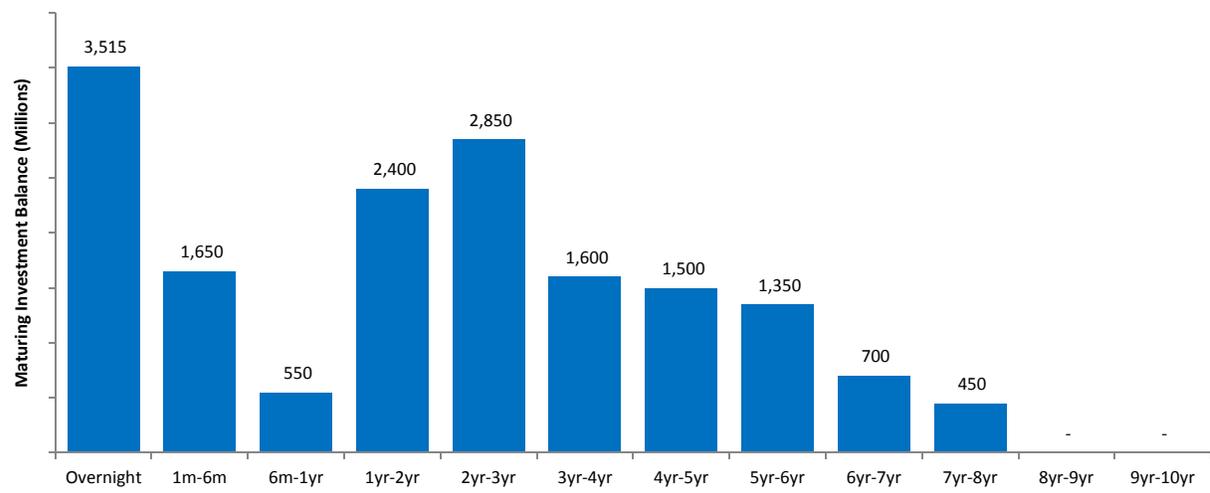
INVESTMENT PORTFOLIO SUMMARY
May 31, 2018

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	\$	3,514,537,000	\$	3,514,537,000	\$ -	100.00%	1.77%
U.S. Treasury Notes		13,113,829,931		12,816,310,750	(297,519,181)	97.73%	1.74%
Total	\$	16,628,366,931	\$	16,330,847,750	\$ (297,519,181)	98.21%	1.75%

II. INVESTMENT PORTFOLIO SUMMARY							
Investment Yield		1.69%		1.75%		1.69%	
Investment Income	\$	23,210,910	\$	24,316,098	\$	114,034,812	
Weighted Avg. Maturity in Days		907		888			

III. MONTHLY ACTIVITY						
5/15/2018	T-Note	\$	200,000,000	2/15/2021	2.71%	
TOTAL		\$	200,000,000			

IV. MATURITY SCHEDULE (par value in millions)		
TOTAL	\$	16,565



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