

# **NATIONAL CREDIT UNION SHARE INSURANCE FUND**



## **PRELIMINARY & UNAUDITED FINANCIAL HIGHLIGHTS**

**August 31, 2016**

A handwritten signature in blue ink, which appears to read "Rendell L. Jones", is positioned above the printed name. 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, 2016

---

### Balance Sheet

Other - Insurance and Guarantee Program Liabilities (Reserves)

Reserves are \$178.9 million as of August 31, 2016; \$4.5 million is for specific natural person credit unions, and \$174.4 million is for general reserves.

### Statement of Net Cost

For the month ended August 31, 2016, the fund had net income of \$1.5 million. The fund recognized gross revenues of \$19.2 million and total operating expenses of \$17.7 million. The fund recognized an insurance loss expense of \$16 thousand during the month of August 2016.

**NATIONAL CREDIT UNION SHARE INSURANCE FUND****BALANCE SHEETS**

As of August 31, 2016

(Dollars in thousands)

	<u>August 2016</u>	<u>August 2015</u>
<b>ASSETS</b>		
<b>INTRAGOVERNMENTAL</b>		
Fund Balance with Treasury	\$ 1,678	\$ 1,525
Investments, Net U.S. Treasury Securities	12,701,468	11,797,275
Accrued Interest Receivable - Investments	50,071	53,906
Accounts Receivable - Due from the National Credit Union Administration Operating Fund	558	1,912
Note Receivable - Note due from the National Credit Union Administration Operating Fund	9,498	10,839
Total Intragovernmental Assets	<u>12,763,273</u>	<u>11,865,457</u>
<b>PUBLIC</b>		
Accrued Interest Receivable	204	261
Notes Receivable, Net	96,505	121,030
General Property, Plant and Equipment, Net	1,403	1,151
Other - Receivable from Asset Management Estates, Net	50,736	71,106
Total Public Assets	<u>148,848</u>	<u>193,548</u>
<b>TOTAL ASSETS</b>	<u>\$ 12,912,121</u>	<u>\$ 12,059,005</u>
<b>LIABILITIES</b>		
<b>INTRAGOVERNMENTAL</b>		
Accounts Payable - Due to the National Credit Union Administration Operating Fund	\$ 59	\$ -
Total Intragovernmental Liabilities	<u>59</u>	<u>-</u>
<b>PUBLIC</b>		
Accounts Payable	556	584
Capital Lease Liability	240	396
Other - Insurance and Guarantee Program Liabilities (Reserves)	178,893	187,052
Total Public Liabilities	<u>179,689</u>	<u>188,032</u>
<b>TOTAL LIABILITIES</b>	<u>179,748</u>	<u>188,032</u>
<b>NET POSITION</b>		
Contributed Capital	9,611,023	9,030,060
Cumulative Result of Operations	3,121,350	2,840,913
Total Net Position	<u>12,732,373</u>	<u>11,870,973</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$ 12,912,121</u>	<u>\$ 12,059,005</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 August 31, 2016**  
**(Dollars in thousands)**

	<b>August 2016</b>	<b>Year-to-Date August 2016</b>	<b>Year-to-Date August 2015</b>
<b>GROSS COSTS</b>			
<b>OPERATING EXPENSES (1)</b>			
Employee Pay	\$ 9,497	\$ 72,469	\$ 68,033
Employee Benefits	3,594	27,934	25,352
Travel	1,869	12,275	12,218
Rent, Communications and Utilities	316	2,153	1,909
Administrative Costs	614	5,729	5,941
Contracted Services	1,568	13,331	11,648
Training Expense	213	733	744
Leasing Expense	53	385	101
Other Insurance Expense	3	29	34
Total Operating Costs	17,727	135,038	125,980
<b>INSURANCE LOSS EXPENSE</b>	16	11,178	(228)
Total Gross Costs	17,743	146,216	125,752
<b>LESS EXCHANGE REVENUES</b>			
Interest Revenue on Note Receivable due from the National Credit Union Administration Operating Fund	(15)	(123)	(140)
Interest Revenue - Other	(203)	(1,674)	(2,518)
Other (Revenue) / Expense	-	(169)	(1,224)
Total Exchange Revenue	(218)	(1,966)	(3,882)
<b>TOTAL NET COST/(INCOME) OF OPERATIONS</b>	17,525	144,250	121,870
<b>LESS NON-EXCHANGE REVENUES</b>			
Investment Income	(19,009)	(150,640)	(144,303)
Total Non-Exchange Revenues	(19,009)	(150,640)	(144,303)
<b>TOTAL NET COST/(INCOME) INCLUDING NON-EXCHANGE REVENUES</b>	\$ (1,484)	\$ (6,390)	\$ (22,433)

(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 73.1% and 71.8% for 2016 and 2015, 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, 2016**

**(Dollars in thousands)**

	<u>August 2016</u>	<u>August 2015</u>
<b>NET POSITION BREAKDOWN</b>		
Credit Union Contributed Capital	\$ 9,611,023	\$ 9,030,060
Retained Earnings	2,748,705	2,703,377
Total Net Position without Unrealized Gain/(Loss)	<u>12,359,728</u>	<u>11,733,437</u>
Unrealized Gain/(Loss) - Investments	<u>372,645</u>	<u>137,536</u>
<b>NET POSITION</b>	<u>\$ 12,732,373</u>	<u>\$ 11,870,973</u>

**NATIONAL CREDIT UNION SHARE INSURANCE FUND**

**Comparative Analysis of NCUSIF Ratios for As of August 31, 2016**

**As of August 31, 2016**

**Comparative Analysis of NCUSIF Ratios for August 2016**

	<b>August 2016</b>	<b>August 2015</b>
<b>Investments/Total Assets</b>	98.37%	97.83%
<b>Total Equity/Insured Shares (1)</b>	1.24%	1.25%
<b>Available Assets Ratio</b>	1.25%	1.24%
<b>Ins. Loss Exp./Insured Shares</b>	0.00%	0.00%

<b>Insured Shares as of June 30, 2016 (in billions)</b>	<b>\$ 999.9</b>
<b>Insured Shares as of December 31, 2015 (in billions)</b>	<b>961.3</b>
<b>Insured Shares as of June 30, 2015 (in billions)</b>	<b>936.3</b>

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

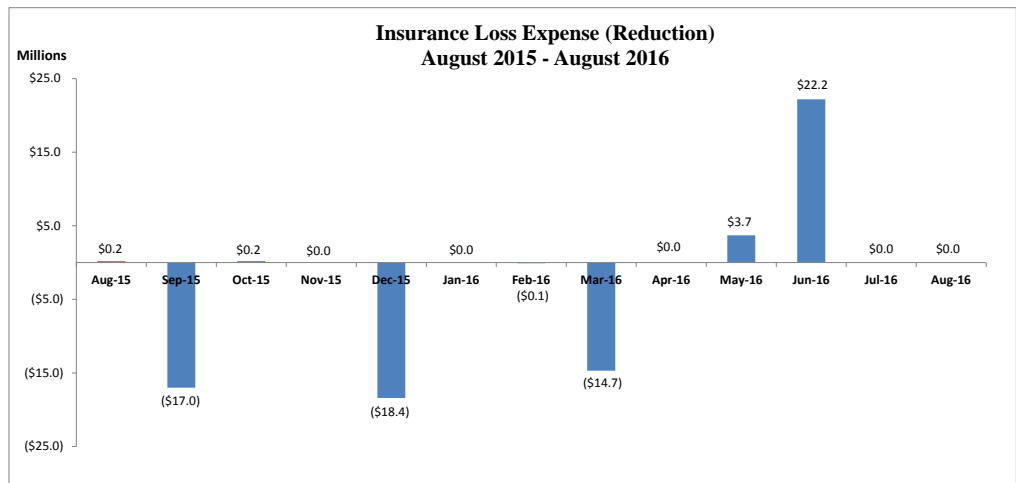
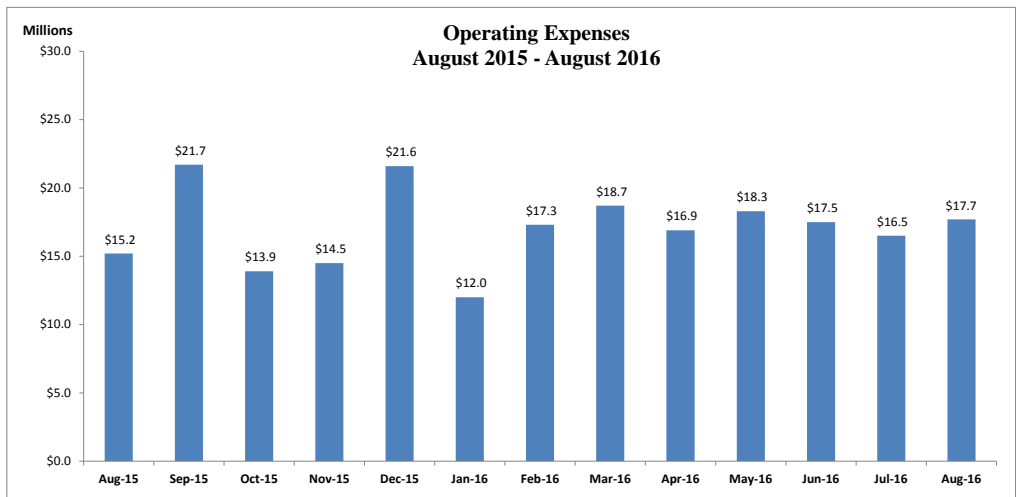
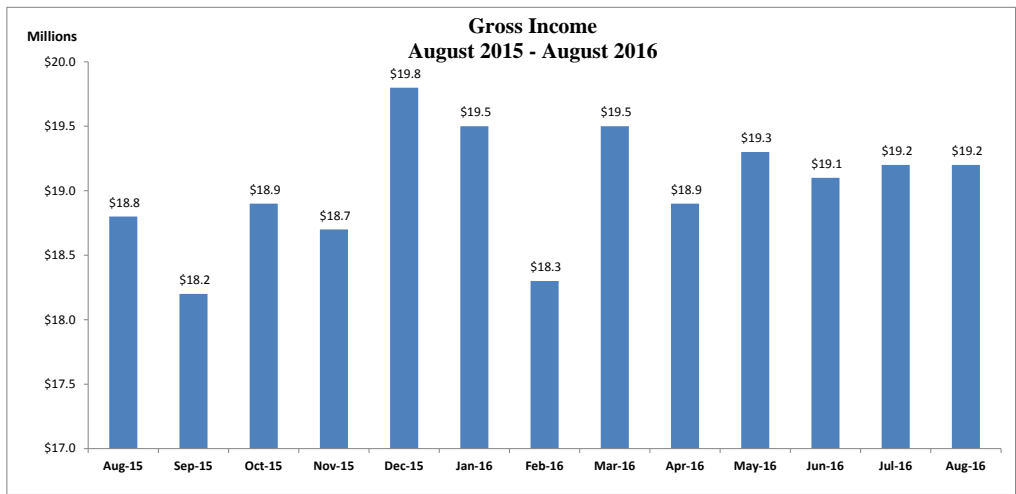
The June 2015 ratios are based on an insured share level of \$936.3 billion as of June 30, 2015.

The balances in the statement above are preliminary and unaudited.

# NATIONAL CREDIT UNION SHARE INSURANCE FUND

## STATISTICAL INFORMATION

August 31, 2016



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

**INVESTMENT PORTFOLIO SUMMARY**  
**August 31, 2016**

<b>I. INVESTMENT PORTFOLIO BALANCE AND MARKET VALUE (In Dollars)</b>						
	Book Value	Market Value	Unrealized Gain or (Loss)	% Market to Book Value	Weighted Average Yield	
Daily Treasury Account	\$ 123,140,000	\$ 123,140,000	\$ -	100.00%	0.26%	
U.S. Treasury Notes	12,205,683,522	12,578,328,125	372,644,603	103.05%	1.85%	
<b>Total</b>	<b>\$ 12,328,823,522</b>	<b>\$ 12,701,468,125</b>	<b>\$ 372,644,603</b>	<b>103.02%</b>	<b>1.83%</b>	
<b>II. INVESTMENT PORTFOLIO SUMMARY</b>						
	Last Month	Current Month	CY To Date			
Investment Yield	1.82%	1.83%	1.85%			
Investment Income	\$ 18,955,708	\$ 19,008,751	\$ 150,639,867			
Weighted Avg. Maturity in Days	1,789	1,846				
<b>III. MONTHLY ACTIVITY</b>						
Purchased	Type	Amount	Maturity	Yield		
8/1/2016	T-Note	\$ 200,000,000	2/15/2026	1.49%		
8/19/2016	T-Note	50,000,000	8/15/2026	1.59%		
8/31/2016	T-Note	200,000,000	8/15/2026	1.57%		
<b>TOTAL</b>		<b>\$ 450,000,000</b>				
<b>IV. MATURITY SCHEDULE (par value in millions)</b>						
<b>TOTAL</b>	<b>\$</b>	<b>12,273</b>				

Maturity Period	Maturing Investment Balance (Millions)
Overnight	123
1m-6m	1,050
6m-1yr	700
1yr-2yr	600
2yr-3yr	1,100
3yr-4yr	1,300
4yr-5yr	1,300
5yr-6yr	1,200
6yr-7yr	1,150
7yr-8yr	1,200
8yr-9yr	1,250
9yr-10yr	1,300

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