

# **NATIONAL CREDIT UNION SHARE INSURANCE FUND**



## **PRELIMINARY & UNAUDITED FINANCIAL HIGHLIGHTS**

**July 31, 2016**

A handwritten signature in blue ink, which appears 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

July 31, 2016

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### Balance Sheet

Other - Insurance and Guarantee Program Liabilities (Reserves)

Reserves are \$178.9 million as of July 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 July 31, 2016, the fund had net income of \$2.7 million. The fund recognized gross revenues of \$19.2 million and total operating expenses of \$16.5 million. The fund did not recognize any insurance loss expense during the month of July 2016.

**NATIONAL CREDIT UNION SHARE INSURANCE FUND**

**BALANCE SHEETS**

**As of July 31, 2016**

**(Dollars in thousands)**

	<u>July 2016</u>	<u>July 2015</u>
<b>ASSETS</b>		
<b>INTRAGOVERNMENTAL</b>		
Fund Balance with Treasury	\$ 1,510	\$ 1,529
Investments, Net U.S. Treasury Securities	12,760,711	11,748,280
Accrued Interest Receivable - Investments	83,503	10,951
Accounts Receivable - Due from the National Credit Union Administration Operating Fund	1,994	190
Note Receivable - Note due from the National Credit Union Administration Operating Fund	<u>9,610</u>	<u>71,977</u>
Total Intragovernmental Assets	<u>12,857,328</u>	<u>11,832,927</u>
<b>PUBLIC</b>		
Accrued Interest Receivable	208	330
Notes Receivable, Net	98,013	162,537
General Property, Plant and Equipment, Net	1,456	1,163
Other - Receivable from Asset Management Estates, Net	<u>51,136</u>	<u>76,922</u>
Total Public Assets	<u>150,813</u>	<u>240,952</u>
<b>TOTAL ASSETS</b>	<u>\$ 13,008,141</u>	<u>\$ 12,073,879</u>
 <b>LIABILITIES</b>		
<b>INTRAGOVERNMENTAL</b>		
Accounts Payable - Due to the National Credit Union Administration Operating Fund	<u>\$ 12</u>	<u>\$ 82</u>
Total Intragovernmental Liabilities	<u>12</u>	<u>82</u>
<b>PUBLIC</b>		
Accounts Payable	2,311	7,361
Capital Lease Liability	240	396
Other - Insurance and Guarantee Program Liabilities (Reserves)	<u>178,878</u>	<u>186,815</u>
Total Public Liabilities	<u>181,429</u>	<u>194,572</u>
<b>TOTAL LIABILITIES</b>	<u>181,441</u>	<u>194,654</u>
 <b>NET POSITION</b>		
Contributed Capital	9,610,978	9,030,218
Cumulative Result of Operations	<u>3,215,722</u>	<u>2,849,007</u>
Total Net Position	<u>12,826,700</u>	<u>11,879,225</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$ 13,008,141</u>	<u>\$ 12,073,879</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 July 31, 2016**  
**(Dollars in thousands)**

	<b>July 2016</b>	<b>Year-to-Date July 2016</b>	<b>Year-to-Date July 2015</b>
<b>GROSS COSTS</b>			
<b>OPERATING EXPENSES (1)</b>			
Employee Pay	\$ 8,566	\$ 62,972	\$ 59,864
Employee Benefits	3,258	24,339	22,370
Travel	1,584	10,405	10,500
Rent, Communications and Utilities	216	1,837	1,656
Administrative Costs	825	5,115	5,285
Contracted Services	1,918	11,763	10,307
Training Expense	81	520	661
Leasing Expense	53	332	89
Other Insurance Expense	5	26	23
Total Operating Costs	16,506	117,309	110,755
<b>INSURANCE LOSS EXPENSE</b>	-	11,163	(466)
Total Gross Costs	16,506	128,472	110,289
<b>LESS EXCHANGE REVENUES</b>			
Interest Revenue on Note Receivable due from the National Credit Union Administration Operating Fund	(15)	(108)	(123)
Interest Revenue - Other	(207)	(1,470)	(2,231)
Other (Revenue) / Expense	(32)	(169)	(1,098)
Total Exchange Revenue	(254)	(1,747)	(3,452)
<b>TOTAL NET COST/(INCOME) OF OPERATIONS</b>	16,252	126,725	106,837
<b>LESS NON-EXCHANGE REVENUES</b>			
Investment Income	(18,956)	(131,631)	(125,883)
Total Non-Exchange Revenues	(18,956)	(131,631)	(125,883)
<b>TOTAL NET COST/(INCOME) INCLUDING NON-EXCHANGE REVENUES</b>	\$ (2,704)	\$ (4,906)	\$ (19,046)

(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 July 31, 2016**  
**(Dollars in thousands)**

	<u>July 2016</u>	<u>July 2015</u>
<b>NET POSITION BREAKDOWN</b>		
Credit Union Contributed Capital	\$ 9,610,978	\$ 9,030,218
Retained Earnings	2,747,221	2,699,989
Total Net Position without Unrealized Gain/(Loss)	<u>12,358,199</u>	<u>11,730,207</u>
Unrealized Gain/(Loss) - Investments	<u>468,501</u>	<u>149,018</u>
<b>NET POSITION</b>	<u>\$ 12,826,700</u>	<u>\$ 11,879,225</u>

**NATIONAL CREDIT UNION SHARE INSURANCE FUND**

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

**As of July 31, 2016**

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

	<b>July 2016</b>	<b>July 2015</b>
<b>Investments/Total Assets</b>	98.10%	97.30%
<b>Total Equity/Insured Shares (1)</b>	1.24%	1.25%
<b>Available Assets Ratio</b>	1.27%	1.23%
<b>Ins. Loss Exp./Insured Shares</b>	0.00%	0.00%

<b>Estimated Insured Shares as of June 30, 2016 (in billions)</b>	<b>\$ 993.5</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 estimated insured share level of \$993.5 billion as of June 30, 2016.

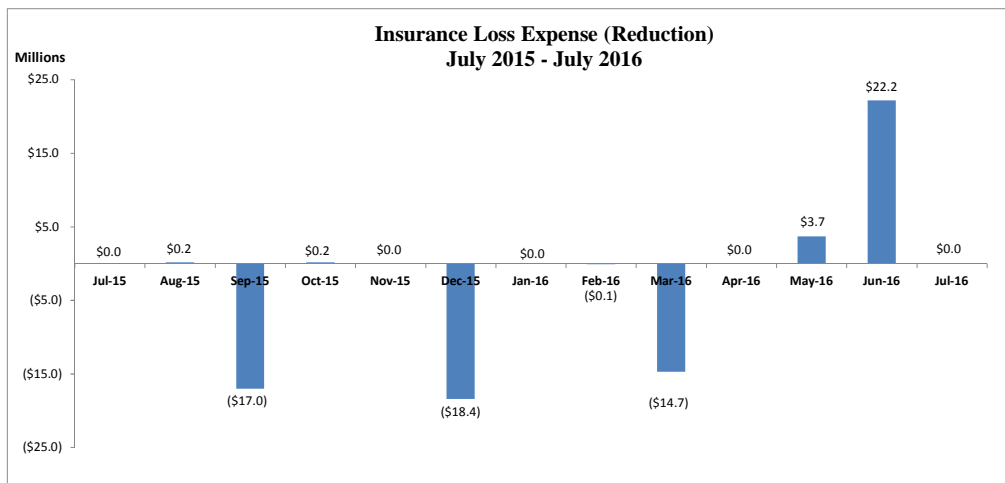
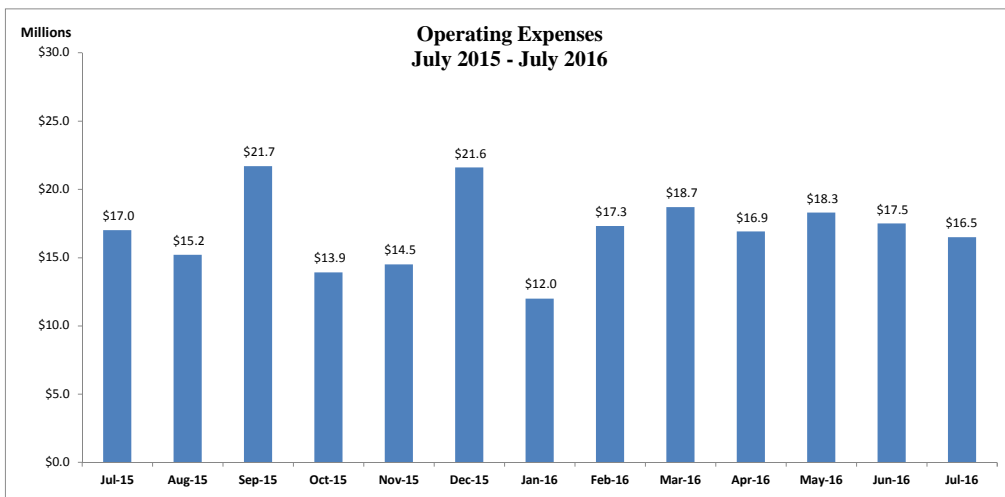
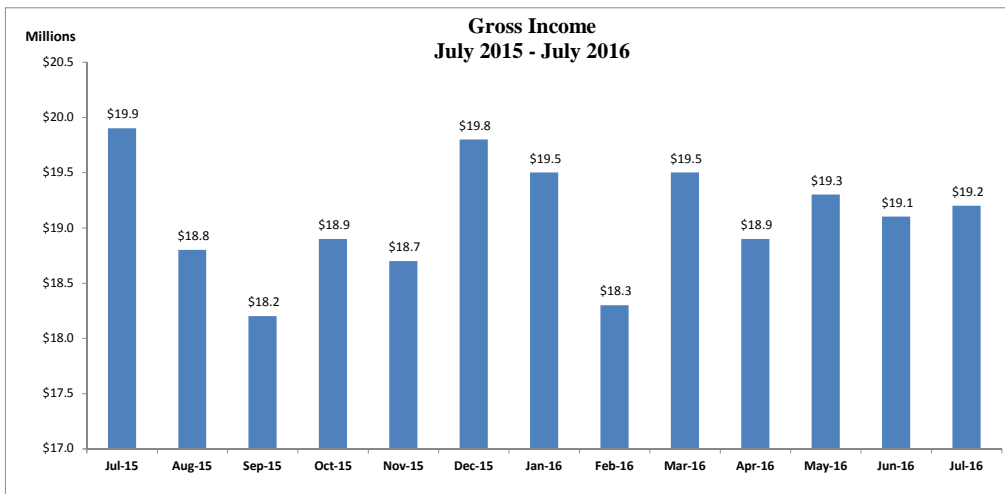
The June 2015 ratios are based on an insured share level of \$936.3 billion as of June 30, 2015.

The balances in the statement above are preliminary and unaudited.

# NATIONAL CREDIT UNION SHARE INSURANCE FUND

## STATISTICAL INFORMATION

July 31, 2016



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

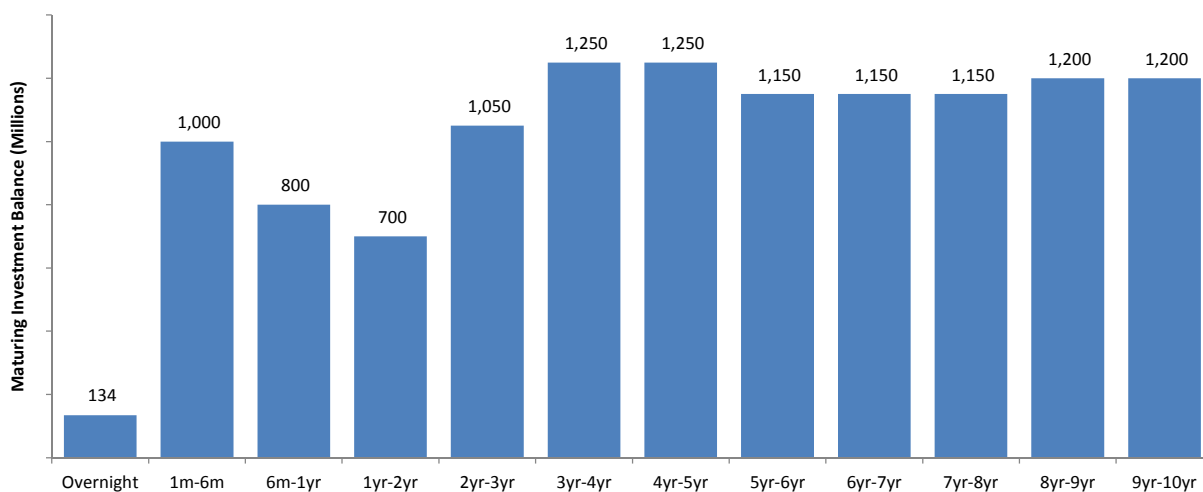
**INVESTMENT PORTFOLIO SUMMARY**  
**July 31, 2016**

<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	\$ 133,898,000	\$ 133,898,000	\$ -	100.00%	0.25%	
U.S. Treasury Notes	12,158,311,035	12,626,812,500	468,501,465	103.85%	1.84%	
<b>Total</b>	<b>\$ 12,292,209,035</b>	<b>\$ 12,760,710,500</b>	<b>\$ 468,501,465</b>	<b>103.81%</b>	<b>1.82%</b>	

<b>II. INVESTMENT PORTFOLIO SUMMARY</b>			
	Last Month	Current Month	CY To Date
Investment Yield	1.83%	1.82%	1.86%
Investment Income	\$ 18,435,868	\$ 18,955,708	\$ 131,631,116
Weighted Avg. Maturity in Days	1,783	1,789	

<b>III. MONTHLY ACTIVITY</b>				
Purchased	Type	Amount	Maturity	Yield
None.				
<b>TOTAL</b>		<b>\$</b>	<b>-</b>	

<b>IV. MATURITY SCHEDULE (par value in millions)</b>	
<b>TOTAL</b>	<b>\$ 12,034</b>



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