

NATIONAL CREDIT UNION SHARE INSURANCE FUND



PRELIMINARY & UNAUDITED FINANCIAL HIGHLIGHTS

August 31, 2017

A handwritten signature in blue ink, appearing to read "Rendell L. Jones", is written over the page.

**RENDELL L. JONES
CHIEF FINANCIAL OFFICER**

NATIONAL CREDIT UNION SHARE INSURANCE FUND

MANAGEMENT OVERVIEW

August 31, 2017

Balance Sheet

Insurance and Guarantee Program Liabilities Reserves are \$208.1 million as of August 31, 2017; \$9.5 million is for specific natural person credit unions, and \$198.6 million is for general reserves.

Statement of Net Cost

For the month ended August 31, 2017, the fund had net income of \$0.6 million. The fund recognized gross revenues of \$17.2 million and total operating expenses of \$16.7 million. The fund recognized an insurance loss reduction of \$0.1 million during the month.

NATIONAL CREDIT UNION SHARE INSURANCE FUND

BALANCE SHEETS

As of August 31, 2017 and 2016

(Dollars in thousands)

	<u>August 2017</u>	<u>August 2016</u>
ASSETS		
INTRAGOVERNMENTAL		
Fund Balance with Treasury	\$ 2,488	\$ 1,678
Investments, Net U.S. Treasury Securities	13,252,363	12,701,468
Accrued Interest Receivable - Investments	42,690	50,071
Accounts Receivable - Due from the National Credit Union Administration Operating Fund	993	558
Note Receivable - Note due from the National Credit Union Administration Operating Fund	8,157	9,498
Total Intragovernmental Assets	<u>13,306,691</u>	<u>12,763,273</u>
PUBLIC		
Accrued Interest Receivable	-	204
Notes Receivable, Net	-	96,505
General Property, Plant and Equipment, Net	772	1,403
Other - Receivable from Asset Management Estates, Net	6,934	50,736
Total Public Assets	<u>7,706</u>	<u>148,848</u>
TOTAL ASSETS	<u>\$ 13,314,397</u>	<u>\$ 12,912,121</u>
 LIABILITIES		
INTRAGOVERNMENTAL		
Accounts Payable - Due to the National Credit Union Administration Operating Fund	\$ 91	\$ 59
Total Intragovernmental Liabilities	<u>91</u>	<u>59</u>
PUBLIC		
Accounts Payable	1,610	556
Capital Lease Liability	81	240
Other - Insurance and Guarantee Program Liabilities (Reserves)	208,136	178,893
Total Public Liabilities	<u>209,827</u>	<u>179,689</u>
TOTAL LIABILITIES	<u>209,918</u>	<u>179,748</u>
 NET POSITION		
Contributed Capital	10,292,679	9,611,023
Cumulative Result of Operations	2,811,800	3,121,350
Total Net Position	<u>13,104,479</u>	<u>12,732,373</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 13,314,397</u>	<u>\$ 12,912,121</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, 2017 and 2016
(Dollars in thousands)

	August 2017	Year-to-Date August 2017	Year-to-Date August 2016
GROSS COSTS			
OPERATING EXPENSES ⁽¹⁾			
Employee Pay	\$ 8,792	\$ 67,755	\$ 72,469
Employee Benefits	3,371	26,551	27,934
Travel	1,373	9,730	12,275
Rent, Communications and Utilities	465	2,389	2,153
Administrative Costs	564	4,732	5,729
Contracted Services	1,832	13,962	13,331
Training Expense	221	989	733
Leasing Expense	53	423	385
Other Insurance Expense	3	26	29
Total Operating Costs	16,674	126,557	135,038
INSURANCE LOSS EXPENSE	(88)	(1,582)	11,178
Total Gross Costs	16,586	124,975	146,216
LESS EXCHANGE REVENUES			
Interest Revenue on Note Receivable due from the National Credit Union Administration Operating Fund	(11)	(88)	(123)
Interest Revenue - Other	-	-	(1,674)
Other (Revenue) / Expense	(103)	(281)	(169)
Total Exchange Revenue	(114)	(369)	(1,966)
TOTAL NET COST/(INCOME) OF OPERATIONS	16,472	124,606	144,250
LESS NON-EXCHANGE REVENUES			
Investment Income	(17,069)	(133,547)	(150,640)
Gain on Sales of Investments	-	(132)	-
Total Non-Exchange Revenues	(17,069)	(133,679)	(150,640)
TOTAL NET COST/(INCOME) INCLUDING NON-EXCHANGE REVENUES	\$ (597)	\$ (9,073)	\$ (6,390)

⁽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 67.7% and 73.1% for 2017 and 2016, 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, 2017 and 2016

(Dollars in thousands)

	<u>August 2017</u>	<u>August 2016</u>
NET POSITION BREAKDOWN		
Credit Union Contributed Capital	\$ 10,292,679	\$ 9,611,023
Retained Earnings	2,763,890	2,748,705
Total Net Position without Unrealized Gain/(Loss)	<u>13,056,569</u>	<u>12,359,728</u>
Unrealized Gain/(Loss) - Investments	<u>47,910</u>	<u>372,645</u>
NET POSITION	<u><u>\$ 13,104,479</u></u>	<u><u>\$ 12,732,373</u></u>

NATIONAL CREDIT UNION SHARE INSURANCE FUND

Comparative Analysis of NCUSIF Ratios for August 31, 2017 and 2016

	August 2017	August 2016
Investments/Total Assets	99.53%	98.37%
Total Equity/Insured Shares ⁽¹⁾	1.21%	1.24%
Available Assets Ratio	1.21%	1.25%
Ins. Loss Exp./Insured Shares	0.00%	0.00%

Insured Shares as of June 30, 2017 (in billions)	\$ 1,077.7
Insured Shares as of December 31, 2016 (in billions)	1,028.8
Insured Shares as of June 30, 2016 (in billions)	999.9

(1) The August 2017 ratios are based on an estimated insured share level of \$1.1 trillion as of June 30, 2017.

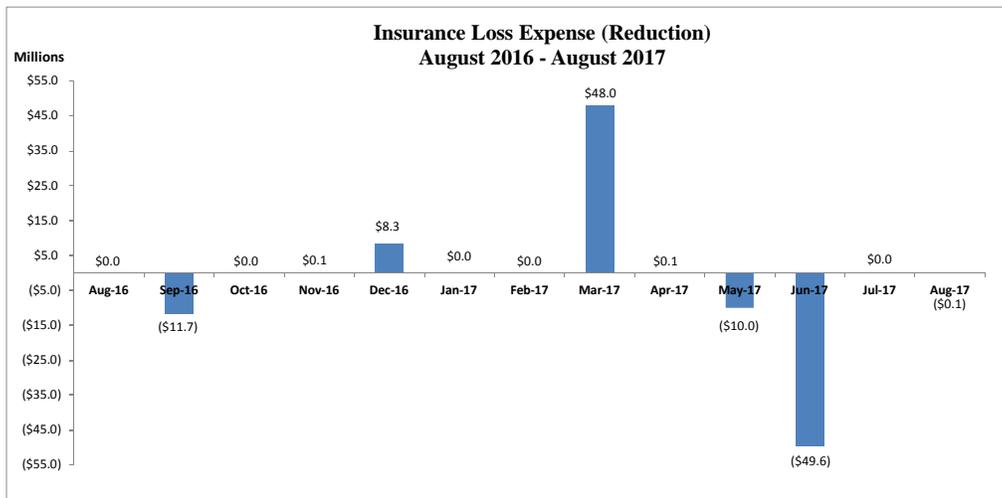
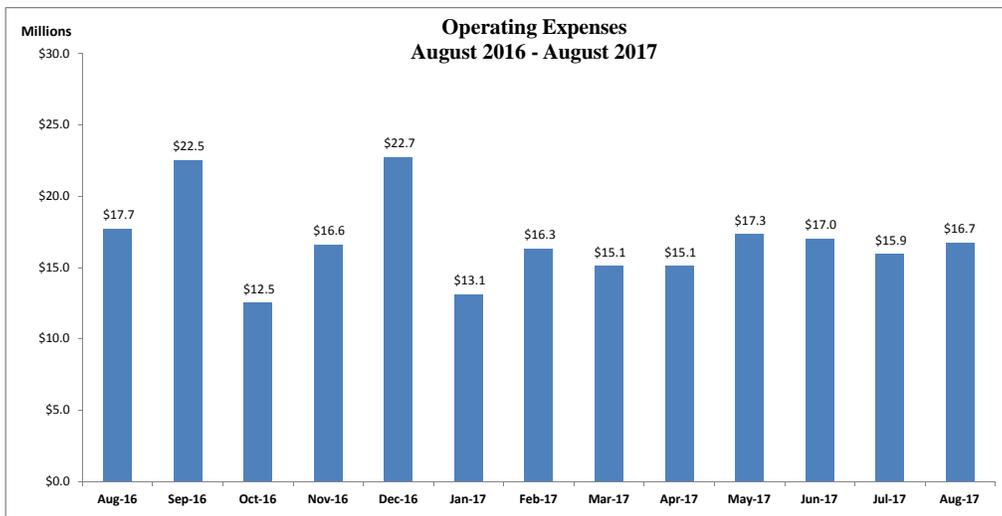
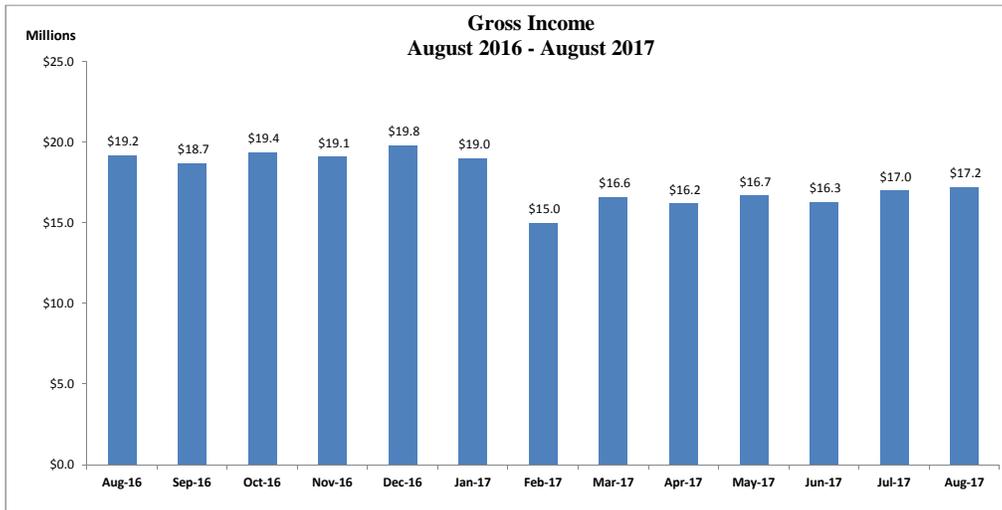
The August 2016 ratios are based on an insured share level of \$999.9 billion as of June 30, 2016.

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NATIONAL CREDIT UNION SHARE INSURANCE FUND

STATISTICAL INFORMATION

August 31, 2017



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

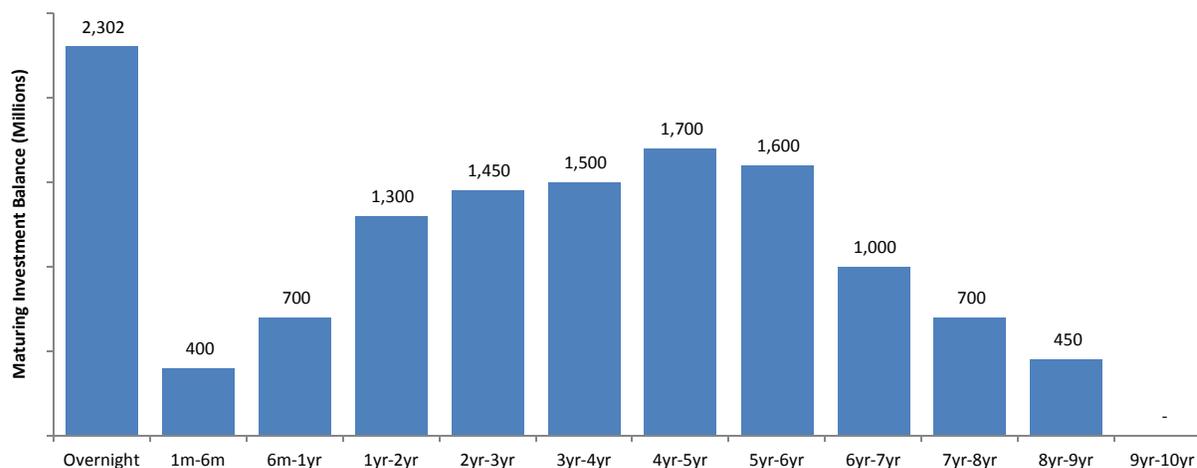
INVESTMENT PORTFOLIO SUMMARY
August 31, 2017

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	\$ 2,302,066,000	\$ 2,302,066,000	\$ -	100.00%	0.95%	
U.S. Treasury Notes	10,902,386,923	10,950,296,875	47,909,952	100.44%	1.64%	
Total	\$ 13,204,452,923	\$ 13,252,362,875	\$ 47,909,952	100.36%	1.52%	

II. INVESTMENT PORTFOLIO SUMMARY			
	Last Month	Current Month	CY To Date
Investment Yield	1.53%	1.52%	1.51%
Investment Income	\$ 17,006,619	\$ 17,069,307	\$ 133,546,461
Weighted Avg. Maturity in Days	1,237	1,209	

III. MONTHLY ACTIVITY				
Purchased	Type	Amount	Maturity	Yield
No Purchases in August, 2017				
TOTAL		\$	-	

IV. MATURITY SCHEDULE (par value in millions)	
TOTAL	\$ 13,102



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