

# **NATIONAL CREDIT UNION SHARE INSURANCE FUND**



## **PRELIMINARY & UNAUDITED FINANCIAL HIGHLIGHTS**

**May 31, 2017**

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, 2017**

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#### **Balance Sheet**

Other Receivable from Asset Management Estates decreased due to the sale of assets (e.g. loans), resulting in an estimated reduction of \$10 million for the Insurance Loss Expense in May 2017.

Insurance and Guarantee Program Liabilities Reserves are \$245.7 million as of May 31, 2017; \$8.9 million is for specific natural person credit unions, and \$236.8 million is for general reserves.

#### **Statement of Net Cost**

For the month ended May 31, 2017, the fund had net income of \$9.4 million. The fund recognized gross revenues of \$16.7 million and total operating expenses of \$17.3 million. The fund recognized an insurance loss reduction of \$10 million during the month of May 2017.

**NATIONAL CREDIT UNION SHARE INSURANCE FUND**

**BALANCE SHEETS**

**As of May 31, 2017 and 2016**

**(Dollars in thousands)**

	<u>May 2017</u>	<u>May 2016</u>
<b>ASSETS</b>		
<b>INTRAGOVERNMENTAL</b>		
Fund Balance with Treasury	\$ 2,645	\$ 1,488
Investments, Net U.S. Treasury Securities	13,223,819	12,590,660
Accrued Interest Receivable - Investments	34,116	49,797
Accounts Receivable - Due from the National		
Credit Union Administration Operating Fund	274	200
Note Receivable - Note due from the National		
Credit Union Administration Operating Fund	8,493	9,834
Total Intragovernmental Assets	<u>13,269,347</u>	<u>12,651,979</u>
<b>PUBLIC</b>		
Accounts Receivable - Due from Credit Unions	62	67
Accrued Interest Receivable	-	207
Notes Receivable, Net	-	101,028
General Property, Plant and Equipment, Net	930	1,561
Other - Receivable from Asset Management Estates, Net	9,136	55,620
Total Public Assets	<u>10,128</u>	<u>158,483</u>
<b>TOTAL ASSETS</b>	<u>\$ 13,279,475</u>	<u>\$ 12,810,462</u>
 <b>LIABILITIES</b>		
<b>INTRAGOVERNMENTAL</b>		
Accounts Payable - Due to the National Credit Union Administration		
Operating Fund	\$ 38	\$ 35
Accounts Payable - Due to the Temporary Corporate Credit Union		
Stabilization Fund	1	-
Total Intragovernmental Liabilities	<u>39</u>	<u>35</u>
<b>PUBLIC</b>		
Accounts Payable	648	1,589
Capital Lease Liability	121	279
Other - Insurance and Guarantee Program Liabilities (Reserves)	245,739	155,921
Total Public Liabilities	<u>246,508</u>	<u>157,789</u>
<b>TOTAL LIABILITIES</b>	<u>246,547</u>	<u>157,824</u>
 <b>NET POSITION</b>		
Contributed Capital	10,295,173	9,613,695
Cumulative Result of Operations	2,737,755	3,038,943
Total Net Position	<u>13,032,928</u>	<u>12,652,638</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$ 13,279,475</u>	<u>\$ 12,810,462</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, 2017 and 2016**  
**(Dollars in thousands)**

	May 2017	Year-to-Date May 2017	Year-to-Date May 2016
<b>GROSS COSTS</b>			
<b>OPERATING EXPENSES <sup>(1)</sup></b>			
Employee Pay	\$ 8,774	\$ 41,929	\$ 45,325
Employee Benefits	3,458	16,683	17,467
Travel	1,462	5,472	6,992
Rent, Communications and Utilities	331	1,206	1,285
Administrative Costs	446	2,520	3,523
Contracted Services	2,643	8,352	8,091
Training Expense	139	492	333
Leasing Expense	53	264	225
Other Insurance Expense	3	15	17
Total Operating Costs	17,309	76,933	83,258
<b>INSURANCE LOSS EXPENSE</b>	(10,000)	38,142	(11,072)
Total Gross Costs	7,309	115,075	72,186
<b>LESS EXCHANGE REVENUES</b>			
Interest Revenue on Note Receivable due from the National Credit Union Administration Operating Fund	(11)	(57)	(79)
Interest Revenue - Other	-	-	(1,058)
Other (Revenue) / Expense	-	(136)	(128)
Total Exchange Revenue	(11)	(193)	(1,265)
<b>TOTAL NET COST/(INCOME) OF OPERATIONS</b>	7,298	114,882	70,921
<b>LESS NON-EXCHANGE REVENUES</b>			
Investment Income	(16,704)	(83,204)	(94,240)
Gain on Sales of Investments	-	(132)	-
Total Non-Exchange Revenues	(16,704)	(83,336)	(94,240)
<b>TOTAL NET COST/(INCOME) INCLUDING NON-EXCHANGE REVENUES</b>	\$ (9,406)	\$ 31,546	\$ (23,319)

<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 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 May 31, 2017 and 2016**

**(Dollars in thousands)**

	<u>May 2017</u>	<u>May 2016</u>
<b>NET POSITION BREAKDOWN</b>		
Credit Union Contributed Capital	\$ 10,295,173	\$ 9,613,695
Retained Earnings	2,723,272	2,765,633
Total Net Position without Unrealized Gain/(Loss)	<u>13,018,445</u>	<u>12,379,328</u>
Unrealized Gain/(Loss) - Investments	<u>14,483</u>	<u>273,310</u>
<b>NET POSITION</b>	<u>\$ 13,032,928</u>	<u>\$ 12,652,638</u>

**NATIONAL CREDIT UNION SHARE INSURANCE FUND**

**Comparative Analysis of NCUSIF Ratios for May 31, 2017 and 2016**

	<b>May 2017</b>	<b>May 2016</b>
<b>Investments/Total Assets</b>	99.58%	98.28%
<b>Total Equity/Insured Shares <sup>(1)</sup></b>	1.27%	1.29%
<b>Available Assets Ratio</b>	1.26%	1.29%
<b>Ins. Loss Exp./Insured Shares</b>	0.00%	0.00%

**Insured Shares as of December 31, 2016 (in billions) \$ 1,028.8**  
**Insured Shares as of December 31, 2015 (in billions) \$ 961.3**

(1) The May 2017 ratios are based on an insured share level of \$1.0 trillion as of December 31, 2016.

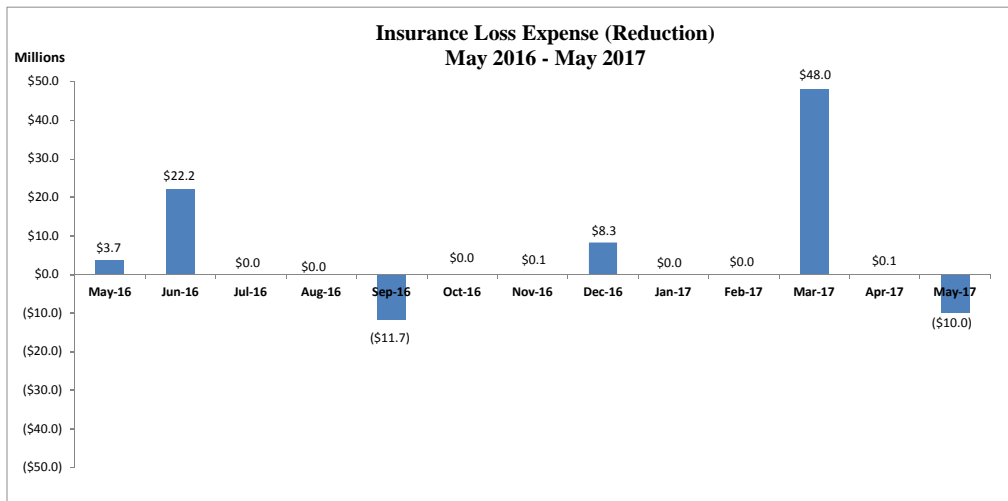
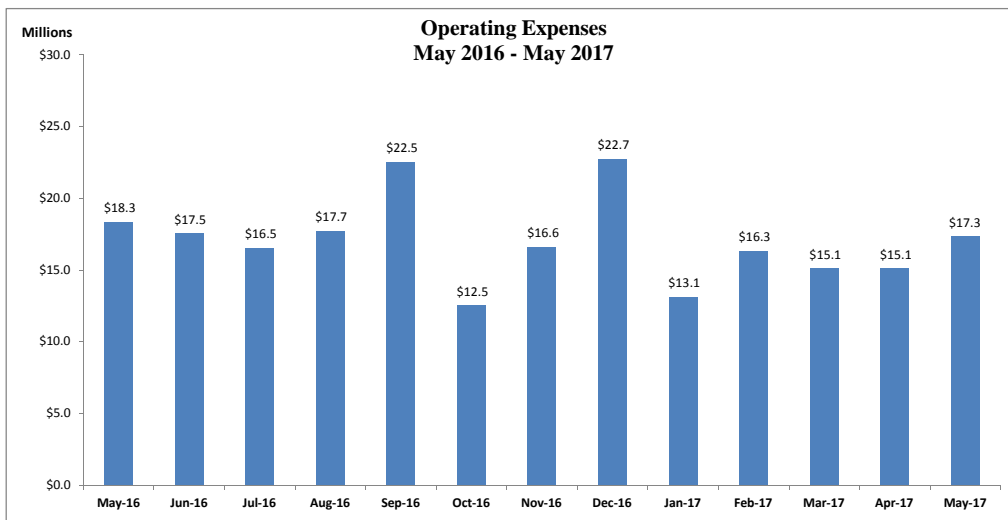
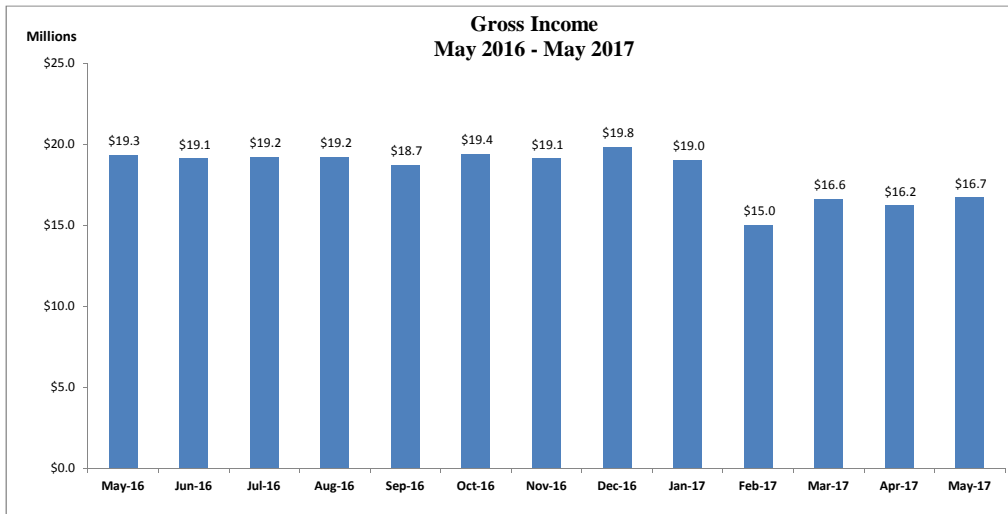
The May 2016 ratios are based on an insured share level of \$961.3 billion as of December 31, 2015.

The balances in the statement above are preliminary and unaudited.

# NATIONAL CREDIT UNION SHARE INSURANCE FUND

## STATISTICAL INFORMATION

May 31, 2017



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

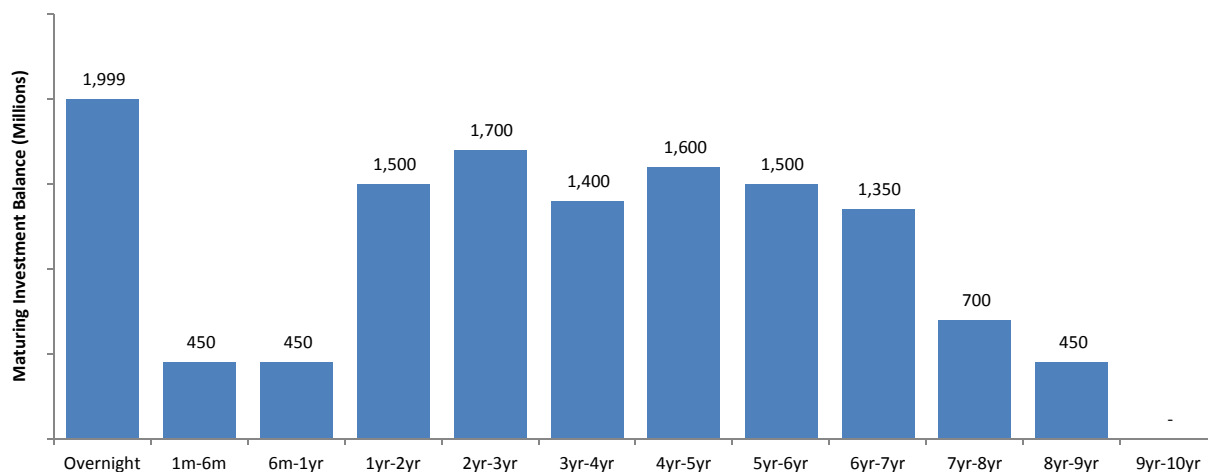
**INVESTMENT PORTFOLIO SUMMARY**  
**May 31, 2017**

<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	\$ 1,999,006,000	\$ 1,999,006,000	\$ -	100.00%	0.77%	
U.S. Treasury Notes	11,210,329,034	11,224,812,500	14,483,466	100.13%	1.62%	
<b>Total</b>	<b>\$ 13,209,335,034</b>	<b>\$ 13,223,818,500</b>	<b>\$ 14,483,466</b>	<b>100.11%</b>	<b>1.49%</b>	

<b>II. INVESTMENT PORTFOLIO SUMMARY</b>			
	<b>Last Month</b>	<b>Current Month</b>	<b>CY To Date</b>
Investment Yield	1.50%	1.49%	1.50%
Investment Income	\$ 16,216,828	\$ 16,704,313	\$ 83,203,322
Weighted Avg. Maturity in Days	1,496	1,286	

<b>III. MONTHLY ACTIVITY</b>				
<b>Purchased</b>	<b>Type</b>	<b>Amount</b>	<b>Maturity</b>	<b>Yield</b>
<b>TOTAL</b>		\$	-	

<b>IV. MATURITY SCHEDULE (par value in millions)</b>	
<b>TOTAL</b>	<b>\$ 13,099</b>



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