

# **NATIONAL CREDIT UNION SHARE INSURANCE FUND**



## **PRELIMINARY & UNAUDITED FINANCIAL HIGHLIGHTS**

**March 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

March 31, 2017

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### **Balance Sheet**

Insurance and Guarantee Program Liabilities Reserves are \$245.6 million as of March 31, 2017; \$8.8 million is for specific natural person credit unions, and \$236.8 million is for general reserves.

### **Statement of Net Cost**

For the month ended March 31, 2017, the fund had a net loss of \$46.5 million. The fund recognized gross revenues of \$16.6 million and total operating expenses of \$15.1 million. The fund recognized an insurance loss expense of \$48.0 million during the month of March 2017.

**NATIONAL CREDIT UNION SHARE INSURANCE FUND**

**BALANCE SHEETS**

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

**(Dollars in thousands)**

	<u>March 2017</u>	<u>March 2016</u>
<b>ASSETS</b>		
<b>INTRAGOVERNMENTAL</b>		
Fund Balance with Treasury	\$ 2,449	\$ 1,657
Investments, Net U.S. Treasury Securities	12,763,735	12,375,621
Accrued Interest Receivable - Investments	58,173	63,226
Accounts Receivable - Due from the National Credit Union Administration Operating Fund	2,068	-
Note Receivable - Note due from the National Credit Union Administration Operating Fund	8,716	10,057
Total Intragovernmental Assets	<u>12,835,141</u>	<u>12,450,561</u>
<b>PUBLIC</b>		
Accounts Receivable - Due from Credit Unions	316,464	279,448
Accrued Interest Receivable	-	220
Notes Receivable, Net	-	104,044
General Property, Plant and Equipment, Net	1,035	1,666
Other - Receivable from Asset Management Estates, Net	<u>51,257</u>	<u>57,076</u>
Total Public Assets	<u>368,756</u>	<u>442,454</u>
<b>TOTAL ASSETS</b>	<u>\$ 13,203,897</u>	<u>\$ 12,893,015</u>
 <b>LIABILITIES</b>		
<b>INTRAGOVERNMENTAL</b>		
Accounts Payable - Due to the National Credit Union Administration Operating Fund	\$ 4	\$ 207
Total Intragovernmental Liabilities	<u>4</u>	<u>207</u>
<b>PUBLIC</b>		
Accounts Payable	25,893	19,857
Capital Lease Liability	121	279
Other - Insurance and Guarantee Program Liabilities (Reserves)	<u>245,607</u>	<u>152,230</u>
Total Public Liabilities	<u>271,621</u>	<u>172,366</u>
<b>TOTAL LIABILITIES</b>	<u>271,625</u>	<u>172,573</u>
 <b>NET POSITION</b>		
Contributed Capital	10,285,782	9,613,432
Cumulative Result of Operations	<u>2,646,490</u>	<u>3,107,010</u>
Total Net Position	<u>12,932,272</u>	<u>12,720,442</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$ 13,203,897</u>	<u>\$ 12,893,015</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 March 31, 2017 and 2016**  
**(Dollars in thousands)**

	March 2017	Year-to-Date March 2017	Year-to-Date March 2016
<b>GROSS COSTS</b>			
<b>OPERATING EXPENSES <sup>(1)</sup></b>			
Employee Pay	\$ 8,789	\$ 25,368	\$ 27,709
Employee Benefits	2,297	10,128	10,564
Travel	1,404	2,580	2,944
Rent, Communications and Utilities	284	502	716
Administrative Costs	699	1,556	2,172
Contracted Services	1,479	4,038	3,607
Training Expense	63	181	168
Leasing Expense	53	158	119
Other Insurance Expense	3	9	9
Total Operating Costs	<u>15,071</u>	<u>44,520</u>	<u>48,008</u>
<b>INSURANCE LOSS EXPENSE</b>	<u>48,010</u>	<u>48,010</u>	<u>(14,763)</u>
Total Gross Costs	<u>63,081</u>	<u>92,530</u>	<u>33,245</u>
<b>LESS EXCHANGE REVENUES</b>			
Interest Revenue on Note Receivable due from the National Credit Union Administration Operating Fund	(11)	(35)	(48)
Interest Revenue - Other	-	-	(634)
Other (Revenue) / Expense	-	(121)	(13)
Total Exchange Revenue	<u>(11)</u>	<u>(156)</u>	<u>(695)</u>
<b>TOTAL NET COST/(INCOME) OF OPERATIONS</b>	<u>63,070</u>	<u>92,374</u>	<u>32,550</u>
<b>LESS NON-EXCHANGE REVENUES</b>			
Investment Income	(16,565)	(50,283)	(56,602)
Gain on Sales of Investments	-	(132)	-
Total Non-Exchange Revenues	<u>(16,565)</u>	<u>(50,415)</u>	<u>(56,602)</u>
<b>TOTAL NET COST/(INCOME) INCLUDING NON-EXCHANGE REVENUES</b>	<u>\$ 46,505</u>	<u>\$ 41,959</u>	<u>\$ (24,052)</u>

<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 March 31, 2017 and 2016

(Dollars in thousands)

	<u>March 2017</u>	<u>March 2016</u>
<b>NET POSITION BREAKDOWN</b>		
Credit Union Contributed Capital	\$ 10,285,782	\$ 9,613,432
Retained Earnings	2,712,857	2,766,366
Total Net Position without Unrealized Gain/(Loss)	<u>12,998,639</u>	<u>12,379,798</u>
Unrealized Gain/(Loss) - Investments	<u>(66,367)</u>	<u>340,644</u>
<b>NET POSITION</b>	<u>\$ 12,932,272</u>	<u>\$ 12,720,442</u>

**NATIONAL CREDIT UNION SHARE INSURANCE FUND**

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

	<b>March 2017</b>	<b>March 2016</b>
<b>Investments/Total Assets</b>	96.67%	95.99%
<b>Total Equity/Insured Shares <sup>(1)</sup></b>	1.26%	1.29%
<b>Available Assets Ratio</b>	1.21%	1.27%
<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 March 2017 ratios are based on an insured share level of \$1.0 trillion as of December 31, 2016.

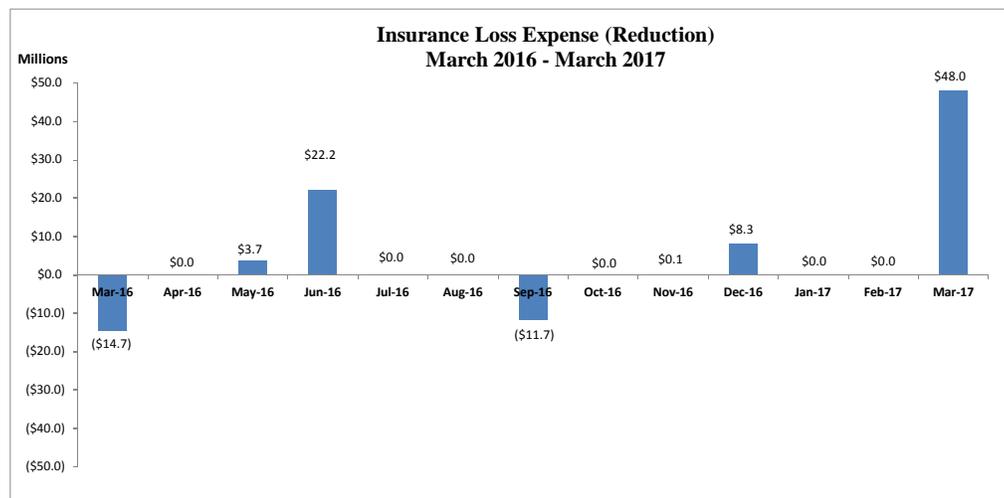
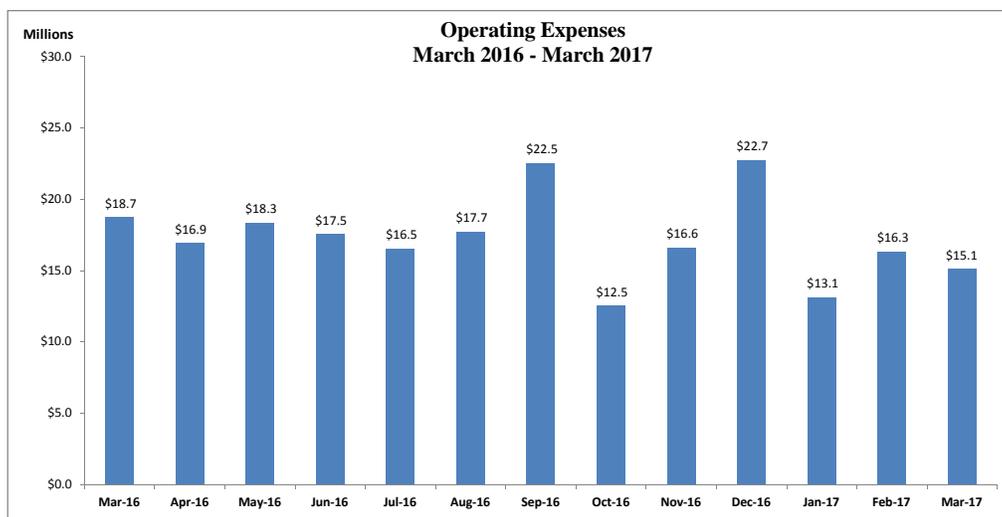
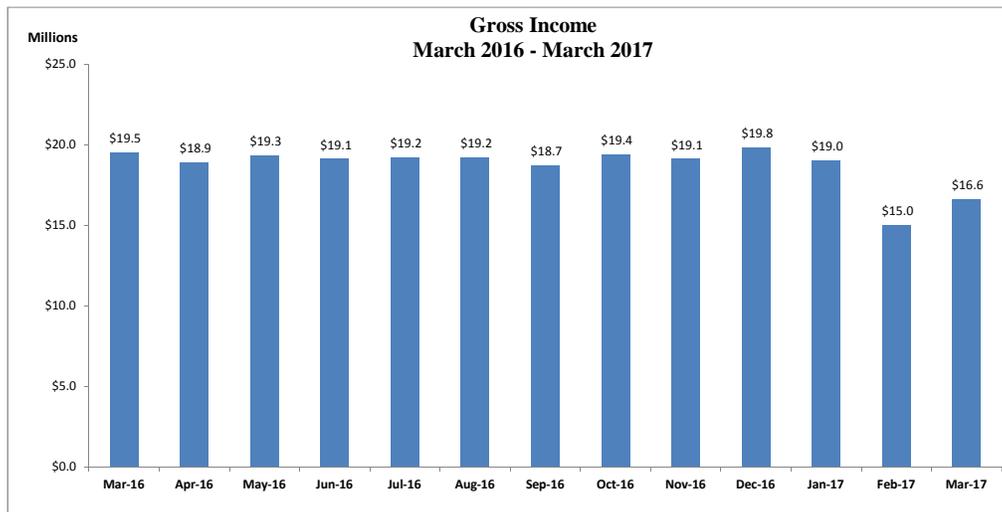
The March 2016 ratios are based on an insured share level of \$961.3 billion as of December 31, 2015.

The balances in the statement above are preliminary and unaudited.

# NATIONAL CREDIT UNION SHARE INSURANCE FUND

## STATISTICAL INFORMATION

March 31, 2017



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

**INVESTMENT PORTFOLIO SUMMARY**  
March 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	\$ 1,364,047,000	\$ 1,364,047,000	\$ -	100.00%	0.75%																									
U.S. Treasury Notes	11,466,054,708	11,399,687,500	(66,367,208)	99.42%	1.61%																									
<b>Total</b>	<b>\$ 12,830,101,708</b>	<b>\$ 12,763,734,500</b>	<b>\$ (66,367,208)</b>	<b>99.48%</b>	<b>1.52%</b>																									
<b>II. INVESTMENT PORTFOLIO SUMMARY</b>																														
	<b>Last Month</b>	<b>Current Month</b>	<b>CY To Date</b>																											
Investment Yield	1.49%	1.52%	1.50%																											
Investment Income	\$ 14,846,607	\$ 16,565,376	\$ 50,282,181																											
Weighted Avg. Maturity in Days	1,407	1,379																												
<b>III. MONTHLY ACTIVITY</b>																														
<b>Purchased</b>	<b>Type</b>	<b>Amount</b>	<b>Maturity</b>	<b>Yield</b>																										
<b>TOTAL</b>		<b>\$</b>	<b>-</b>																											
<b>IV. MATURITY SCHEDULE (par value in millions)</b>																														
<b>TOTAL</b>		<b>\$</b>	<b>12,714</b>																											
<table border="1"> <caption>Maturing Investment Balance (Millions)</caption> <thead> <tr> <th>Maturity Period</th> <th>Balance (Millions)</th> </tr> </thead> <tbody> <tr><td>Overnight</td><td>1,364</td></tr> <tr><td>1m-1yr</td><td>950</td></tr> <tr><td>1yr-2yr</td><td>1,300</td></tr> <tr><td>2yr-3yr</td><td>1,500</td></tr> <tr><td>3yr-4yr</td><td>1,550</td></tr> <tr><td>4yr-5yr</td><td>1,600</td></tr> <tr><td>5yr-6yr</td><td>1,650</td></tr> <tr><td>6yr-7yr</td><td>1,550</td></tr> <tr><td>7yr-8yr</td><td>700</td></tr> <tr><td>8yr-9yr</td><td>550</td></tr> <tr><td>9yr-10yr</td><td>-</td></tr> </tbody> </table>							Maturity Period	Balance (Millions)	Overnight	1,364	1m-1yr	950	1yr-2yr	1,300	2yr-3yr	1,500	3yr-4yr	1,550	4yr-5yr	1,600	5yr-6yr	1,650	6yr-7yr	1,550	7yr-8yr	700	8yr-9yr	550	9yr-10yr	-
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