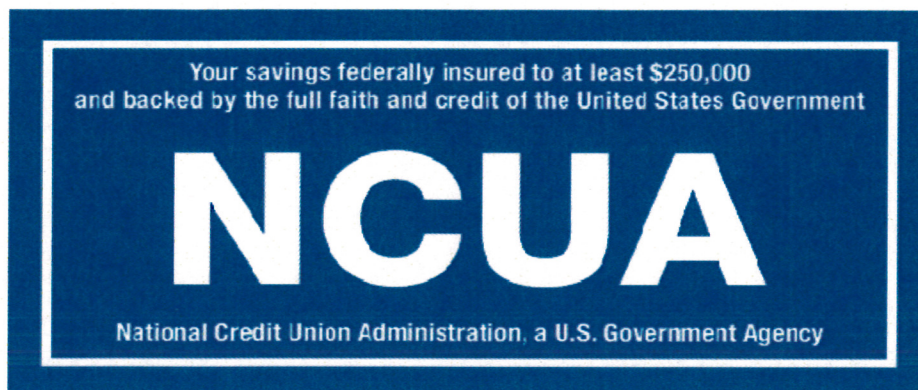


NATIONAL CREDIT UNION SHARE INSURANCE FUND



PRELIMINARY & UNAUDITED FINANCIAL HIGHLIGHTS September 30, 2014

Mary Ann Woodson

**MARY ANN WOODSON
CHIEF FINANCIAL OFFICER**

**NATIONAL CREDIT UNION
SHARE INSURANCE FUND**

**FINANCIAL HIGHLIGHTS
September 30, 2014**

Balance Sheet:

Other - Insurance and Guarantee Program Liabilities (Reserves): Reserves are \$167.3 million as of September 30, 2014; \$19.4 million is for specific natural person credit unions, and \$147.9 million is for general reserves.

Statement of Net Cost:

For the month ended September 30, 2014, the fund had net income of \$19.9 million. The fund recognized gross revenues of \$18.1 million and total operating expenses of \$18.0 million. The fund recognized a decrease in insurance loss expense of \$19.8 million during the month of September 2014.

NATIONAL CREDIT UNION SHARE INSURANCE FUND
PRELIMINARY AND UNAUDITED BALANCE SHEETS
As of September 30, 2014
(Dollars in thousands)

	September 2014	August 2014	September 2013
ASSETS			
INTRAGOVERNMENTAL			
Fund Balance with Treasury	\$ 11,346	\$ 56	\$ 563
Investments, Net U.S. Treasury Securities	11,222,972	11,268,472	10,979,165
Accounts Receivable - Note due from the National Credit Union Administration Operating Fund	12,068	12,180	13,409
Accounts Receivable - Due from the National Credit Union Administration Operating Fund	-	2,377	-
Accrued Interest Receivable, Investments	<u>65,742</u>	<u>61,926</u>	<u>62,936</u>
Total Intragovernmental Assets	<u>11,312,128</u>	<u>11,345,011</u>	<u>11,056,073</u>
PUBLIC			
Accounts Receivable - Capitalization Deposits from Insured Credit Unions, Net	276,971	-	277,340
Notes Receivable, Net	198,287	199,644	226,282
Accrued Interest Receivable	423	342	470
Advances	33	408	25
Other - Receivable from Asset Management Estates, Net	<u>85,612</u>	<u>90,907</u>	<u>188,774</u>
Total Public Assets	<u>561,326</u>	<u>291,301</u>	<u>692,891</u>
TOTAL ASSETS	<u>\$ 11,873,454</u>	<u>\$ 11,636,312</u>	<u>\$ 11,748,964</u>
LIABILITIES			
INTRAGOVERNMENTAL			
Accounts Payable - Due to the National Credit Union Administration Operating Fund	\$ 2,460	\$ 68	\$ 2,103
Accounts Payable - Due to the Temporary Corporate Credit Union Stabilization Fund	<u>20</u>	<u>93</u>	<u>105</u>
Total Intragovernmental Liabilities	<u>2,480</u>	<u>161</u>	<u>2,208</u>
PUBLIC			
Accounts Payable	7,935	479	8,842
Other - Insurance and Guarantee Program Liabilities (Reserves)	<u>167,319</u>	<u>177,306</u>	<u>243,776</u>
Total Public Liabilities	<u>175,254</u>	<u>177,785</u>	<u>252,618</u>
TOTAL LIABILITIES	<u>177,734</u>	<u>177,946</u>	<u>254,826</u>
NET POSITION			
Contributed Capital	8,944,138	8,665,146	8,661,369
Cumulative Result of Operations	<u>2,751,582</u>	<u>2,793,220</u>	<u>2,832,769</u>
Total Net Position	<u>11,695,720</u>	<u>11,458,366</u>	<u>11,494,138</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 11,873,454</u>	<u>\$ 11,636,312</u>	<u>\$ 11,748,964</u>

NATIONAL CREDIT UNION SHARE INSURANCE FUND
PRELIMINARY AND UNAUDITED STATEMENTS OF NET COST
For the Periods Ending September 30, 2014
(Dollars in thousands)

	<u>September 2014</u>	<u>CY to Date September 2014</u>	<u>CY to Date September 2013</u>
GROSS COSTS			
OPERATING EXPENSES (1)			
Employee Pay	\$ 8,920	\$ 70,994	\$ 59,325
Employee Benefits	3,414	25,961	21,167
Travel	2,953	14,525	12,715
Rent, Communications, and Utilities	259	2,382	2,006
Administrative Costs	1,138	7,420	5,154
Contracted Services	1,184	10,542	9,068
Training Expense	162	833	810
Leasing Expense	36	109	144
Other Insurance Expense	3	28	46
Total Operating Costs	<u>18,069</u>	<u>132,794</u>	<u>110,435</u>
INSURANCE LOSS EXPENSE	<u>(19,833)</u>	<u>(51,873)</u>	<u>(68,804)</u>
Total Gross Costs	<u>(1,764)</u>	<u>80,921</u>	<u>41,631</u>
LESS EXCHANGE REVENUES			
Interest Revenue on Note Receivable due from the National Credit Union Administration Operating Fund	(19)	(173)	(190)
Interest Revenue - Other	(258)	(2,309)	(2,628)
Other Revenue	(750)	(893)	(882)
Total Exchange Revenue	<u>(1,027)</u>	<u>(3,375)</u>	<u>(3,700)</u>
TOTAL NET COST/(INCOME) OF OPERATIONS	<u>(2,791)</u>	<u>77,546</u>	<u>37,931</u>
LESS NON-EXCHANGE REVENUES			
Investment Income	<u>(17,110)</u>	<u>(154,674)</u>	<u>(148,244)</u>
Total Non-Exchange Revenues	<u>(17,110)</u>	<u>(154,674)</u>	<u>(148,244)</u>
TOTAL NET COST/(INCOME) INCLUDING NON-EXCHANGE REVENUES	<u>\$ (19,901)</u>	<u>\$ (77,128)</u>	<u>\$ (110,313)</u>

(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 69.2% and 59.1% for 2014 and 2013, respectively.

NATIONAL CREDIT UNION SHARE INSURANCE FUND
PRELIMINARY AND UNAUDITED STATEMENTS OF NET POSITION
September 30, 2014
(Dollars in thousands)

	<u>September 2014</u>	<u>August 2014</u>	<u>September 2013</u>
NET POSITION BREAKDOWN			
CU Contributed Capital	\$ 8,944,138	\$ 8,665,146	\$ 8,661,369
Retained Earnings	2,682,160	2,662,259	2,707,491
Total Net Position without Unrealized Gain/(Loss)	<u>11,626,298</u>	<u>11,327,405</u>	<u>11,368,860</u>
Unrealized Gain/(Loss) - Investments	<u>69,422</u>	<u>130,961</u>	<u>125,278</u>
NET POSITION	<u>\$ 11,695,720</u>	<u>\$ 11,458,366</u>	<u>\$ 11,494,138</u>

Comparative Analysis of NCUSIF Ratios for September 2014

	September 2014	August 2014	September 2013
Investments/Total Assets	94.52%	96.84%	93.45%
Total Equity/Insured Shares (1)	1.30%	1.26%	1.31%
Available Assets Ratio	1.23%	1.24%	1.23%
Ins. Loss Exp./Insured Shares	0.00%	0.00%	0.00%

Actual Insured Shares as of June 30, 2014 \$ **895,692,470,241**
Actual Insured Shares as of June 30, 2013 **869,022,832,201**

(1) The September 2014 and August 2014 ratios are based on an actual insured share level of \$895.7 billion as of June 30, 2014.

The September 2013 ratios are based on an actual insured share level of \$869.0 billion as of June 30, 2013.

Figure 1

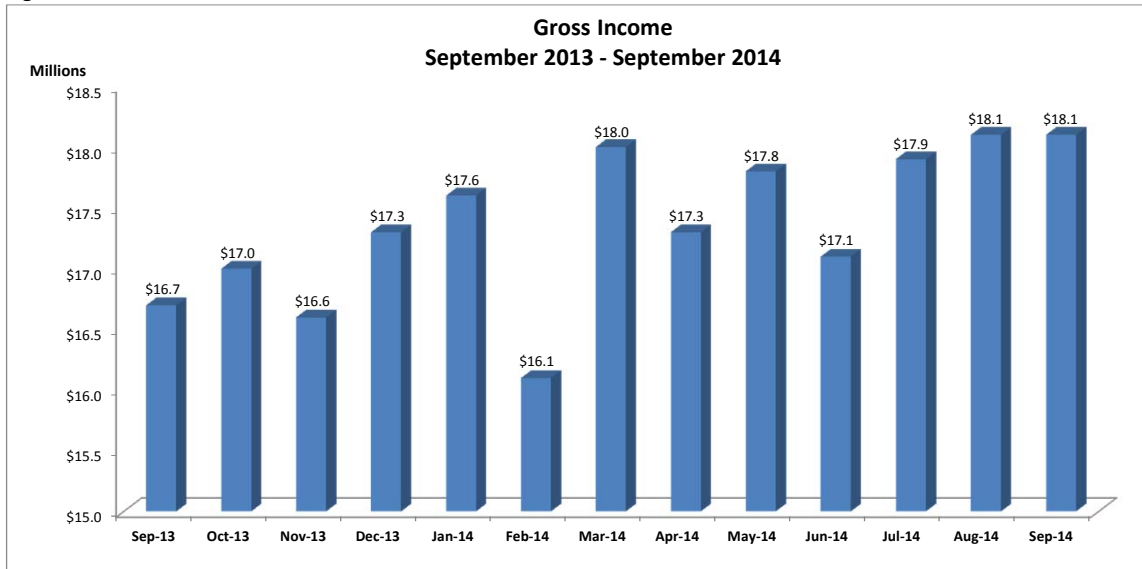


Figure 2

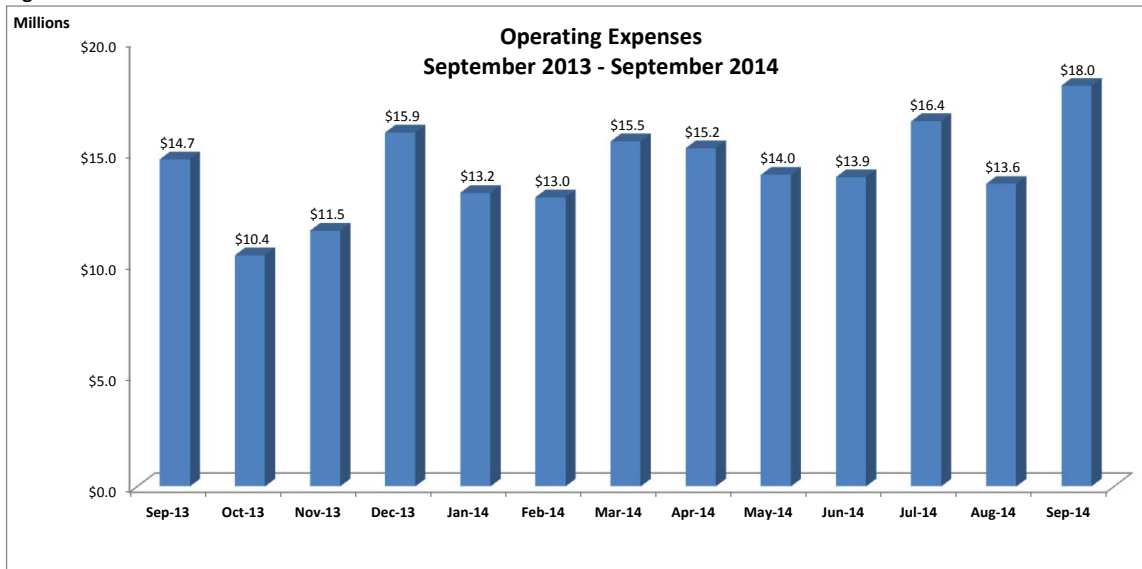
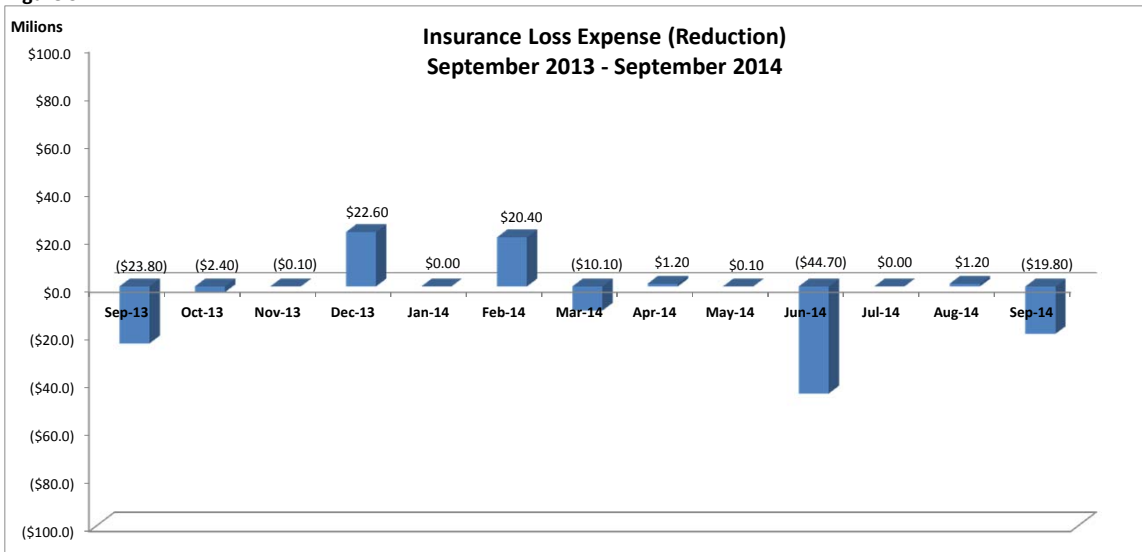


Figure 3



INVESTMENT PORTFOLIO SUMMARY
September 30, 2014

I. INVESTMENT PORTFOLIO BALANCE AND MARKET VALUE (In Dollars)						
	Book Value	Market Value	Gain or (Loss)	% Market to Book Value	Weighted Average Yield	
Daily Treasury Account	\$ 154,466,000	\$ 154,466,000	\$ -	100.00%	0.01%	
U.S. Treasury Notes	10,999,084,455	11,068,506,250	69,421,795	100.63%	1.90%	
Total	\$ 11,153,550,455	\$ 11,222,972,250	\$ 69,421,795	100.62%	1.88%	

II. INVESTMENT PORTFOLIO SUMMARY			
	Last Month	Current Month	CY To Date
Investment Yield	1.87%	1.88%	1.85%
Investment Income	\$ 17,664,188	\$ 17,110,110	\$ 154,673,946
Weighted Avg. Maturity in Days	1,485	1,499	

III. MONTHLY ACTIVITY					
Purchased	Type	Amount	Maturity	Yield	
9/30/2014	T-Note	\$ 50,000,000	6/30/2020	1.96%	
9/30/2014	T-Note	50,000,000	9/30/2020	2.03%	
9/30/2014	T-Note	50,000,000	6/30/2021	2.18%	
9/30/2014	T-Note	50,000,000	8/15/2024	2.49%	
TOTAL		\$ 200,000,000			

IV. MATURITY SCHEDULE (par value in millions)		
TOTAL	\$	11,024

