

NATIONAL CREDIT UNION SHARE INSURANCE FUND



PRELIMINARY & UNAUDITED FINANCIAL HIGHLIGHTS

July 31, 2017

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, 2017

Balance Sheet

Insurance and Guarantee Program Liabilities Reserves are \$208.2 million as of July 31, 2017; \$9.6 million is for specific natural person credit unions, and \$198.6 million is for general reserves.

Statement of Net Cost

For the month ended July 31, 2017, the fund had net income of \$1.1 million. The fund recognized gross revenues of \$17.0 million and total operating expenses of \$15.9 million. The fund recognized an insurance loss reduction of \$23 thousand during the month.

NATIONAL CREDIT UNION SHARE INSURANCE FUND

BALANCE SHEETS

As of July 31, 2017 and 2016

(Dollars in thousands)

	<u>July 2017</u>	<u>July 2016</u>
ASSETS		
INTRAGOVERNMENTAL		
Fund Balance with Treasury	\$ 2,662	\$ 1,510
Investments, Net U.S. Treasury Securities	13,179,548	12,760,711
Accrued Interest Receivable - Investments	61,148	83,503
Accounts Receivable - Due from the National Credit Union Administration Operating Fund	1,616	1,994
Note Receivable - Note due from the National Credit Union Administration Operating Fund	8,269	9,610
Total Intragovernmental Assets	<u>13,253,243</u>	<u>12,857,328</u>
PUBLIC		
Accrued Interest Receivable	-	208
Notes Receivable, Net	-	98,013
General Property, Plant and Equipment, Net	825	1,456
Other - Receivable from Asset Management Estates, Net	6,647	51,136
Total Public Assets	<u>7,472</u>	<u>150,813</u>
TOTAL ASSETS	<u>\$ 13,260,715</u>	<u>\$ 13,008,141</u>
 LIABILITIES		
INTRAGOVERNMENTAL		
Accounts Payable - Due to the National Credit Union Administration Operating Fund	\$ 10	\$ 12
Accounts Payable - Due to the Temporary Corporate Credit Union Stabilization Fund	2	-
Total Intragovernmental Liabilities	<u>12</u>	<u>12</u>
PUBLIC		
Accounts Payable	1,200	2,311
Capital Lease Liability	81	240
Other - Insurance and Guarantee Program Liabilities (Reserves)	208,224	178,878
Total Public Liabilities	<u>209,505</u>	<u>181,429</u>
TOTAL LIABILITIES	<u>209,517</u>	<u>181,441</u>
 NET POSITION		
Contributed Capital	10,294,759	9,610,978
Cumulative Result of Operations	2,756,439	3,215,722
Total Net Position	<u>13,051,198</u>	<u>12,826,700</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 13,260,715</u>	<u>\$ 13,008,141</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, 2017 and 2016
(Dollars in thousands)

	July 2017	Year-to-Date July 2017	Year-to-Date July 2016
GROSS COSTS			
OPERATING EXPENSES ⁽¹⁾			
Employee Pay	\$ 7,773	\$ 58,963	\$ 62,972
Employee Benefits	3,110	23,179	24,339
Travel	1,324	8,356	10,405
Rent, Communications and Utilities	361	1,924	1,837
Administrative Costs	909	4,168	5,115
Contracted Services	2,288	12,130	11,763
Training Expense	102	733	520
Leasing Expense	53	370	332
Other Insurance Expense	3	23	26
Total Operating Costs	<u>15,923</u>	<u>109,846</u>	<u>117,309</u>
INSURANCE LOSS EXPENSE	<u>(23)</u>	<u>(1,493)</u>	<u>11,163</u>
Total Gross Costs	<u>15,900</u>	<u>108,353</u>	<u>128,472</u>
LESS EXCHANGE REVENUES			
Interest Revenue on Note Receivable due from the National Credit Union Administration Operating Fund	(11)	(78)	(108)
Interest Revenue - Other	-	-	(1,470)
Other (Revenue) / Expense	<u>(17)</u>	<u>(178)</u>	<u>(169)</u>
Total Exchange Revenue	<u>(28)</u>	<u>(256)</u>	<u>(1,747)</u>
TOTAL NET COST/(INCOME) OF OPERATIONS	<u>15,872</u>	<u>108,097</u>	<u>126,725</u>
LESS NON-EXCHANGE REVENUES			
Investment Income	(17,007)	(116,479)	(131,631)
Gain on Sales of Investments	<u>-</u>	<u>(132)</u>	<u>-</u>
Total Non-Exchange Revenues	<u>(17,007)</u>	<u>(116,611)</u>	<u>(131,631)</u>
TOTAL NET COST/(INCOME) INCLUDING NON-EXCHANGE REVENUES	<u>\$ (1,135)</u>	<u>\$ (8,514)</u>	<u>\$ (4,906)</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 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 July 31, 2017 and 2016

(Dollars in thousands)

	<u>July 2017</u>	<u>July 2016</u>
NET POSITION BREAKDOWN		
Credit Union Contributed Capital	\$ 10,294,759	\$ 9,610,978
Retained Earnings	2,763,293	2,747,221
Total Net Position without Unrealized Gain/(Loss)	<u>13,058,052</u>	<u>12,358,199</u>
Unrealized Gain/(Loss) - Investments	<u>(6,854)</u>	<u>468,501</u>
NET POSITION	<u>\$ 13,051,198</u>	<u>\$ 12,826,700</u>

NATIONAL CREDIT UNION SHARE INSURANCE FUND

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

	July 2017	July 2016
Investments/Total Assets	99.39%	98.10%
Total Equity/Insured Shares ⁽¹⁾	1.22%	1.24%
Available Assets Ratio	1.21%	1.27%
Ins. Loss Exp./Insured Shares	0.00%	0.00%

Estimated Insured Shares as of June 30, 2017 (in billions)	\$ 1,070.6
Insured Shares as of December 31, 2016 (in billions)	1,028.8
Insured Shares as of June 30, 2016 (in billions)	993.5

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

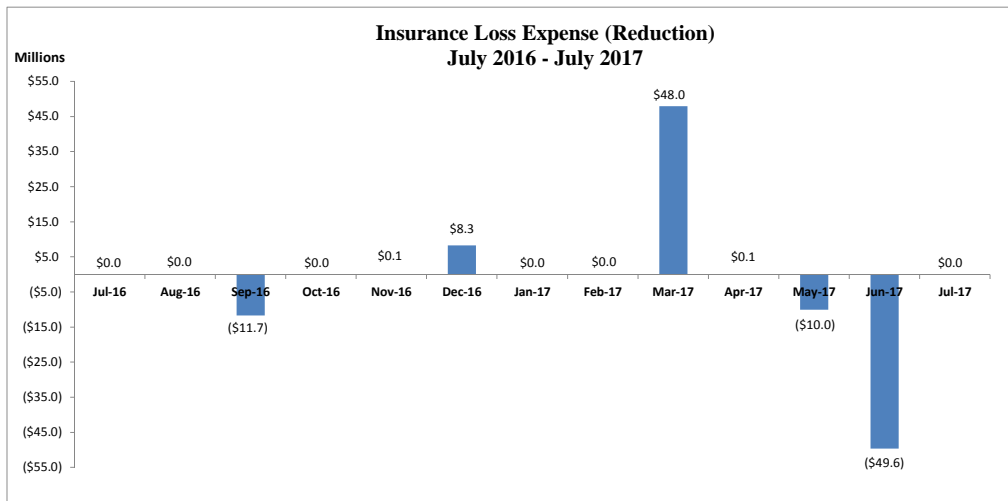
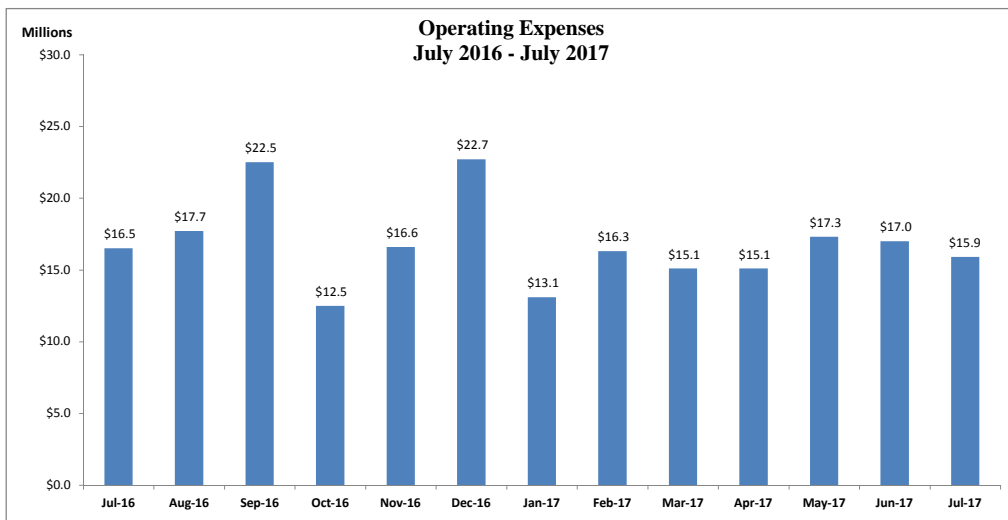
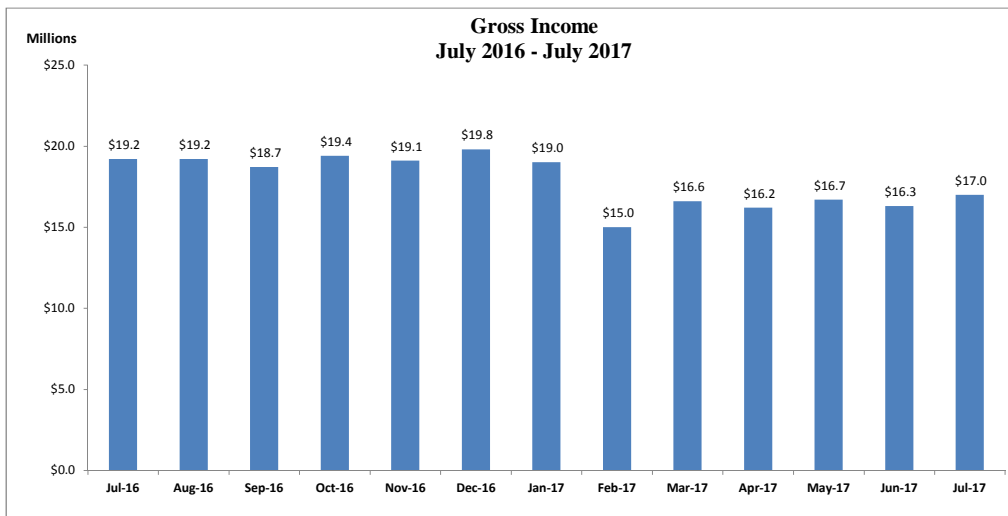
The July 2016 ratios are based on an insured share level of \$993.5 billion as of June 30, 2016.

The balances in the statement above are preliminary and unaudited.

NATIONAL CREDIT UNION SHARE INSURANCE FUND

STATISTICAL INFORMATION

July 31, 2017



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

INVESTMENT PORTFOLIO SUMMARY
July 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	\$ 2,181,501,000	\$ 2,181,501,000	\$ -	100.00%	0.99%	
U.S. Treasury Notes	11,004,900,884	10,998,046,875	(6,854,009)	99.94%	1.63%	
Total	\$ 13,186,401,884	\$ 13,179,547,875	\$ (6,854,009)	99.95%	1.53%	
II. INVESTMENT PORTFOLIO SUMMARY						
	Last Month	Current Month	CY To Date			
Investment Yield	1.51%	1.53%	1.51%			
Investment Income	\$ 16,267,213	\$ 17,006,619	\$ 116,477,154			
Weighted Avg. Maturity in Days	1,262	1,237				
III. MONTHLY ACTIVITY						
Purchased	Type	Amount	Maturity	Yield		
TOTAL		\$	-			
IV. MATURITY SCHEDULE (par value in millions)						
TOTAL		\$	13,082			

Maturity Period	Maturing Investment Balance (Millions)
Overnight	2,182
1m-6m	300
6m-1yr	500
1yr-2yr	1,650
2yr-3yr	1,450
3yr-4yr	1,400
4yr-5yr	1,650
5yr-6yr	1,450
6yr-7yr	1,350
7yr-8yr	700
8yr-9yr	450
9yr-10yr	-

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