

# **NATIONAL CREDIT UNION SHARE INSURANCE FUND**



## **PRELIMINARY & UNAUDITED FINANCIAL HIGHLIGHTS**

**June 30, 2016**

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

June 30, 2016

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### Balance Sheet

Other - Insurance and Guarantee Program Liabilities (Reserves)

Reserves are \$178.9 million as of June 30, 2016; \$4.5 million is for specific natural person credit unions, and \$174.4 million is for general reserves.

### Statement of Net Cost

For the month ended June 30, 2016, the fund had a net loss of \$21.1 million. The fund recognized gross revenues of \$18.6 million and total operating expenses of \$17.5 million. The fund recognized an insurance loss expense of \$22.2 million during the month of June 2016.

**NATIONAL CREDIT UNION SHARE INSURANCE FUND**

**BALANCE SHEETS**

**As of June 30, 2016**

**(Dollars in thousands)**

	<u>June 2016</u>	<u>June 2015</u>
<b>ASSETS</b>		
<b>INTRAGOVERNMENTAL</b>		
Fund Balance with Treasury	\$ 1,474	\$ 1,562
Investments, Net U.S. Treasury Securities	12,786,530	11,699,132
Accrued Interest Receivable - Investments	61,240	58,409
Accounts Receivable - Due from the National Credit Union Administration Operating Fund	985	1,336
Note Receivable - Note due from the National Credit Union Administration Operating Fund	<u>9,722</u>	<u>11,063</u>
Total Intragovernmental Assets	<u>12,859,951</u>	<u>11,771,502</u>
<b>PUBLIC</b>		
Accounts Receivable - Due from Credit Unions	-	50
Accrued Interest Receivable	204	352
Notes Receivable, Net	99,521	164,665
General Property, Plant and Equipment, Net	1,509	1,175
Other - Receivable from Asset Management Estates, Net	<u>52,908</u>	<u>75,918</u>
Total Public Assets	<u>154,142</u>	<u>242,160</u>
<b>TOTAL ASSETS</b>	<u>\$ 13,014,093</u>	<u>\$ 12,013,662</u>
 <b>LIABILITIES</b>		
<b>INTRAGOVERNMENTAL</b>		
Accounts Payable - Due to the National Credit Union Administration Operating Fund	\$ 45	\$ 75
Total Intragovernmental Liabilities	<u>45</u>	<u>75</u>
<b>PUBLIC</b>		
Accounts Payable	1,821	2,534
Capital Lease Liability	240	396
Other - Insurance and Guarantee Program Liabilities (Reserves)	<u>178,878</u>	<u>187,266</u>
Total Public Liabilities	<u>180,939</u>	<u>190,196</u>
<b>TOTAL LIABILITIES</b>	<u>180,984</u>	<u>190,271</u>
 <b>NET POSITION</b>		
Contributed Capital	9,613,785	9,031,314
Cumulative Result of Operations	<u>3,219,324</u>	<u>2,792,077</u>
Total Net Position	<u>12,833,109</u>	<u>11,823,391</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$ 13,014,093</u>	<u>\$ 12,013,662</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 June 30, 2016**  
**(Dollars in thousands)**

	<b>June 2016</b>	<b>Year-to-Date June 2016</b>	<b>Year-to-Date June 2015</b>
<b>GROSS COSTS</b>			
<b>OPERATING EXPENSES (1)</b>			
Employee Pay	\$ 9,081	\$ 54,406	\$ 50,934
Employee Benefits	3,615	21,082	19,063
Travel	1,830	8,822	8,764
Rent, Communications and Utilities	336	1,621	1,147
Administrative Costs	767	4,290	4,488
Contracted Services	1,754	9,845	8,749
Training Expense	106	439	485
Leasing Expense	54	279	77
Other Insurance Expense	4	21	20
Total Operating Costs	17,547	100,805	93,727
<b>INSURANCE LOSS EXPENSE</b>	22,235	11,163	(461)
Total Gross Costs	39,782	111,968	93,266
<b>LESS EXCHANGE REVENUES</b>			
Interest Revenue on Note Receivable due from the National Credit Union Administration Operating Fund	(15)	(93)	(105)
Interest Revenue - Other	(204)	(1,262)	(1,901)
Other (Revenue) / Expense	(10)	(138)	5
Total Exchange Revenue	(229)	(1,493)	(2,001)
<b>TOTAL NET COST/(INCOME) OF OPERATIONS</b>	39,553	110,475	91,265
<b>LESS NON-EXCHANGE REVENUES</b>			
Investment Income	(18,436)	(112,676)	(107,463)
Total Non-Exchange Revenues	(18,436)	(112,676)	(107,463)
<b>TOTAL NET COST/(INCOME) INCLUDING NON-EXCHANGE REVENUES</b>	\$ 21,117	\$ (2,201)	\$ (16,198)

(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 73.1% and 71.8% for 2016 and 2015, respectively.

The balances in the statement above are preliminary and unaudited.

**NATIONAL CREDIT UNION SHARE INSURANCE FUND**

**STATEMENTS OF NET POSITION**

As of June 30, 2016  
(Dollars in thousands)

	<u>June 2016</u>	<u>June 2015</u>
<b>NET POSITION BREAKDOWN</b>		
Credit Union Contributed Capital	\$ 9,613,785	\$ 9,031,314
Retained Earnings	2,744,517	2,697,141
Total Net Position without Unrealized Gain/(Loss)	<u>12,358,302</u>	<u>11,728,455</u>
Unrealized Gain/(Loss) - Investments	<u>474,807</u>	<u>94,936</u>
<b>NET POSITION</b>	<u>\$ 12,833,109</u>	<u>\$ 11,823,391</u>

**NATIONAL CREDIT UNION SHARE INSURANCE FUND**

**Comparative Analysis of NCUSIF Ratios for As of June 30, 2016**

As of June 30, 2016

**Comparative Analysis of NCUSIF Ratios for June 2016**

	<b>June 2016</b>	<b>June 2015</b>
<b>Investments/Total Assets</b>	98.25%	97.38%
<b>Total Equity/Insured Shares (1)</b>	1.24%	1.25%
<b>Available Assets Ratio</b>	1.27%	1.23%
<b>Ins. Loss Exp./Insured Shares</b>	0.00%	0.00%

<b>Estimated Insured Shares as of June 30, 2016 (in billions)</b>	<b>\$ 993.5</b>
<b>Insured Shares as of December 31, 2015 (in billions)</b>	<b>961.3</b>
<b>Insured Shares as of June 30, 2015 (in billions)</b>	<b>936.3</b>

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

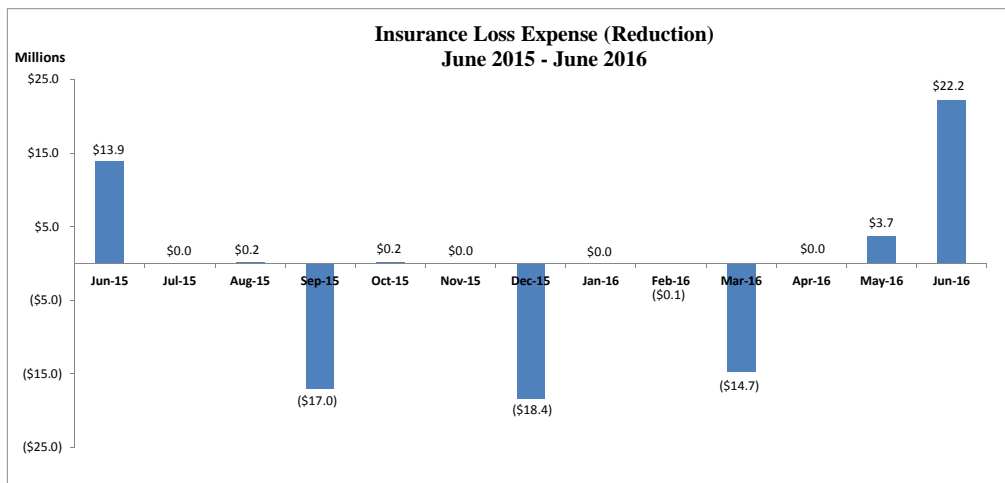
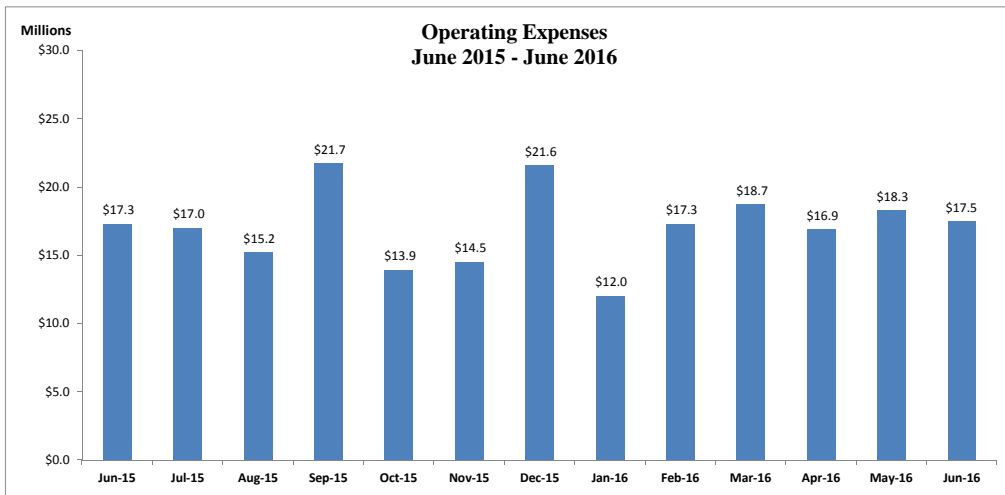
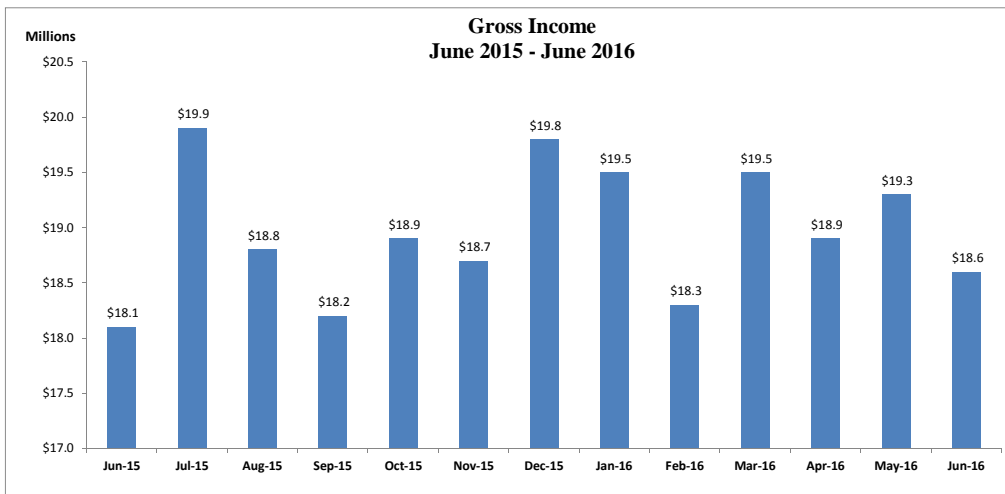
The June 2015 ratios are based on an insured share level of \$936.3 billion as of June 30, 2015.

The balances in the statement above are preliminary and unaudited.

# NATIONAL CREDIT UNION SHARE INSURANCE FUND

## STATISTICAL INFORMATION

June 30, 2016



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

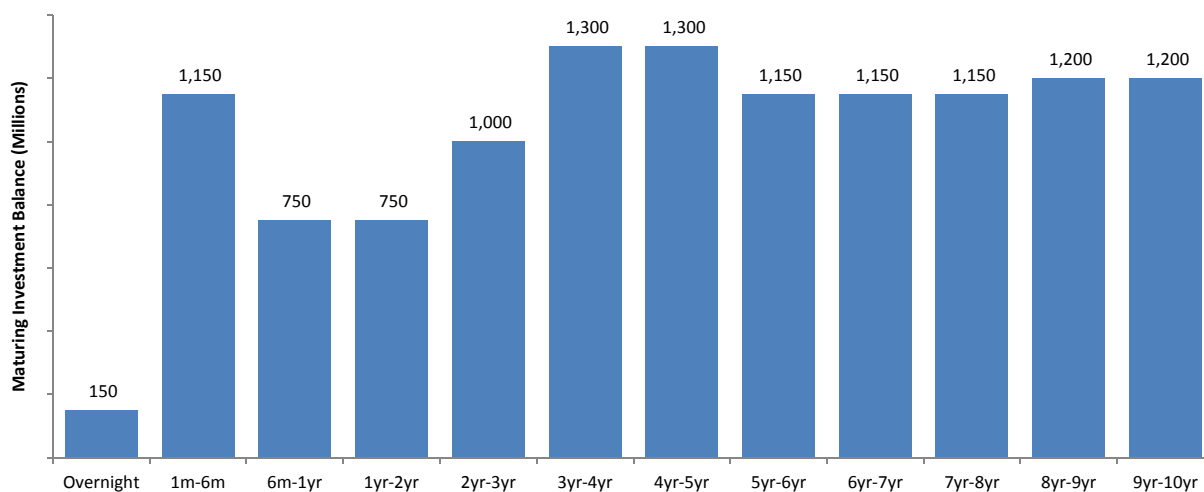
**INVESTMENT PORTFOLIO SUMMARY**  
**June 30, 2016**

<b>I. INVESTMENT PORTFOLIO BALANCE AND MARKET VALUE (In Dollars)</b>						
	Book Value	Market Value	Unrealized Gain or (Loss)	% Market to Book Value	Weighted Average Yield	
Daily Treasury Account	\$ 150,077,000	\$ 150,077,000	\$ -	100.00%	0.22%	
U.S. Treasury Notes	12,161,645,947	12,636,453,125	474,807,178	103.90%	1.85%	
<b>Total</b>	<b>\$ 12,311,722,947</b>	<b>\$ 12,786,530,125</b>	<b>\$ 474,807,178</b>	<b>103.86%</b>	<b>1.83%</b>	

<b>II. INVESTMENT PORTFOLIO SUMMARY</b>			
	Last Month	Current Month	CY To Date
Investment Yield	1.83%	1.83%	1.86%
Investment Income	\$ 19,026,502	\$ 18,435,868	\$ 112,675,408
Weighted Avg. Maturity in Days	1,772	1,783	

<b>III. MONTHLY ACTIVITY</b>					
Purchased	Type	Amount	Maturity	Yield	
6/30/2016	T-Note	\$ 50,000,000	11/15/2024	1.39%	
6/30/2016	T-Note	50,000,000	8/15/2025	1.45%	
6/30/2016	T-Note	50,000,000	5/15/2026	1.47%	
<b>TOTAL</b>		<b>\$ 150,000,000</b>			

<b>IV. MATURITY SCHEDULE (par value in millions)</b>		
<b>TOTAL</b>	<b>\$</b>	<b>12,250</b>



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