

NATIONAL CREDIT UNION SHARE INSURANCE FUND



PRELIMINARY & UNAUDITED FINANCIAL HIGHLIGHTS November 30, 2016

A handwritten signature in blue ink, appearing to read "Rendell L. Jones", is positioned above the name and title.

**RENDELL L. JONES
CHIEF FINANCIAL OFFICER**

NATIONAL CREDIT UNION SHARE INSURANCE FUND

MANAGEMENT OVERVIEW

November 30, 2016

Balance Sheet

Other - Insurance and Guarantee Program Liabilities (Reserves)

Reserves are \$182.6 million as of November 30, 2016; \$4.1 million is for specific natural person credit unions, and \$178.5 million is for general reserves.

Statement of Net Cost

For the month ended November 30, 2016, the fund had net income of \$2.5 million. The fund recognized gross revenues of \$19.1 million and total operating expenses of \$16.5 million. The fund recognized an insurance loss expense of \$0.1 million during the month of November 2016.

NATIONAL CREDIT UNION SHARE INSURANCE FUND

BALANCE SHEETS
As of November 30, 2016
(Dollars in thousands)

	<u>November 2016</u>	<u>November 2015</u>
ASSETS		
INTRAGOVERNMENTAL		
Fund Balance with Treasury	\$ 1,659	\$ 1,529
Investments, Net U.S. Treasury Securities	12,770,084	12,118,103
Accrued Interest Receivable - Investments	49,157	48,217
Accounts Receivable - Due from the National Credit Union Administration Operating Fund	8,126	2,962
Note Receivable - Note due from the National Credit Union Administration Operating Fund	<u>9,163</u>	<u>10,504</u>
Total Intragovernmental Assets	<u>12,838,189</u>	<u>12,181,315</u>
PUBLIC		
Accounts Receivable - Due from Credit Unions	-	103
Accrued Interest Receivable	-	303
Notes Receivable, Net	-	116,506
General Property, Plant and Equipment, Net	1,246	1,437
Other - Receivable from Asset Management Estates, Net	<u>56,264</u>	<u>55,307</u>
Total Public Assets	<u>57,510</u>	<u>173,656</u>
TOTAL ASSETS	<u>\$ 12,895,699</u>	<u>\$ 12,354,971</u>
 LIABILITIES		
INTRAGOVERNMENTAL		
Accounts Payable - Due to the National Credit Union Administration Operating Fund	\$ 130	\$ -
Accounts Payable - Due to the Temporary Corporate Credit Union Stabilization Fund	<u>16</u>	<u>-</u>
Total Intragovernmental Liabilities	<u>146</u>	<u>-</u>
PUBLIC		
Accounts Payable	1,247	1,718
Capital Lease Liability	200	357
Other - Insurance and Guarantee Program Liabilities (Reserves)	<u>182,635</u>	<u>168,953</u>
Total Public Liabilities	<u>184,082</u>	<u>171,028</u>
TOTAL LIABILITIES	<u>184,228</u>	<u>171,028</u>
 NET POSITION		
Contributed Capital	9,986,921	9,353,020
Cumulative Result of Operations	<u>2,724,550</u>	<u>2,830,923</u>
Total Net Position	<u>12,711,471</u>	<u>12,183,943</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 12,895,699</u>	<u>\$ 12,354,971</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 November 30, 2016
(Dollars in thousands)

	<u>November 2016</u>	<u>Year-to-Date November 2016</u>	<u>Year-to-Date November 2015</u>
GROSS COSTS			
OPERATING EXPENSES (1)			
Employee Pay	\$ 8,892	\$ 98,830	\$ 94,755
Employee Benefits	3,322	37,746	34,541
Travel	1,586	17,446	17,640
Rent, Communications and Utilities	524	3,471	2,552
Administrative Costs	534	8,528	8,562
Contracted Services	1,536	18,792	16,589
Training Expense	115	1,192	1,350
Leasing Expense	53	545	139
Other Insurance Expense	<u>3</u>	<u>38</u>	<u>36</u>
Total Operating Costs	<u>16,565</u>	<u>186,588</u>	<u>176,164</u>
INSURANCE LOSS EXPENSE	<u>70</u>	<u>(421)</u>	<u>(17,060)</u>
Total Gross Costs	<u>16,635</u>	<u>186,167</u>	<u>159,104</u>
LESS EXCHANGE REVENUES			
Interest Revenue on Note Receivable due from the National Credit Union Administration Operating Fund	(14)	(165)	(189)
Interest Revenue - Other	(83)	(2,070)	(3,264)
Other (Revenue) / Expense	<u>-</u>	<u>(196)</u>	<u>(1,243)</u>
Total Exchange Revenue	<u>(97)</u>	<u>(2,431)</u>	<u>(4,696)</u>
TOTAL NET COST/(INCOME) OF OPERATIONS	<u>16,538</u>	<u>183,736</u>	<u>154,408</u>
LESS NON-EXCHANGE REVENUES			
Investment Income	<u>(19,006)</u>	<u>(207,366)</u>	<u>(199,223)</u>
Total Non-Exchange Revenues	<u>(19,006)</u>	<u>(207,366)</u>	<u>(199,223)</u>
TOTAL NET COST/(INCOME) INCLUDING NON-EXCHANGE REVENUES	<u>\$ (2,468)</u>	<u>\$ (23,630)</u>	<u>\$ (44,815)</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 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 November 30, 2016

(Dollars in thousands)

	<u>November 2016</u>	<u>November 2015</u>
NET POSITION BREAKDOWN		
Credit Union Contributed Capital	\$ 9,986,921	\$ 9,353,020
Retained Earnings	2,765,945	2,725,758
Total Net Position without Unrealized Gain/(Loss)	<u>12,752,866</u>	<u>12,078,778</u>
Unrealized Gain/(Loss) - Investments	<u>(41,395)</u>	<u>105,165</u>
NET POSITION	<u>\$ 12,711,471</u>	<u>\$ 12,183,943</u>

NATIONAL CREDIT UNION SHARE INSURANCE FUND

Comparative Analysis of NCUSIF Ratios for As of November 30, 2016

As of November 30, 2016

Comparative Analysis of NCUSIF Ratios for November 2016

	November 2016	November 2015
Investments/Total Assets	99.03%	98.08%
Total Equity/Insured Shares (1)	1.28%	1.29%
Available Assets Ratio	1.26%	1.28%
Ins. Loss Exp./Insured Shares	0.00%	0.00%

Insured Shares as of June 30, 2016 (in billions) \$ 999.9

Insured Shares as of June 30, 2015 (in billions) 936.3

(1) The November 2016 ratios are based on an insured share level of \$999.9 billion as of June 30, 2016.

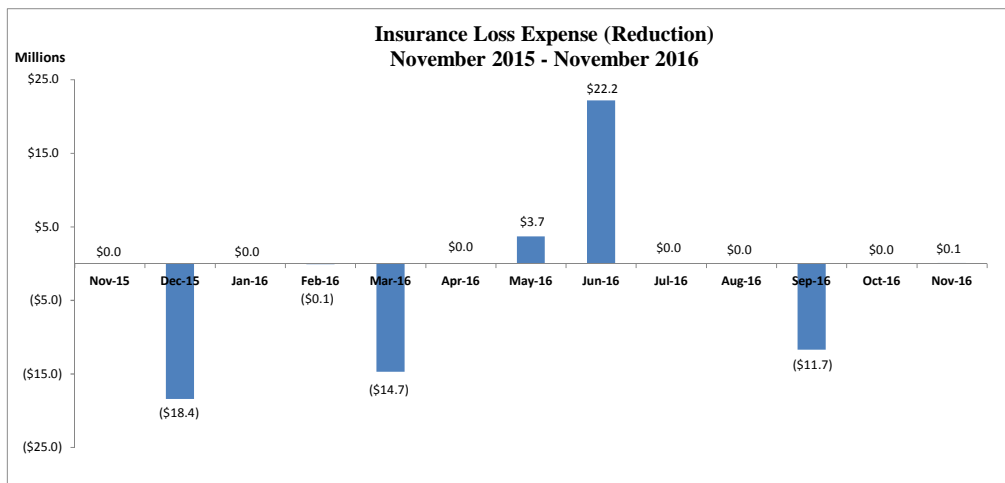
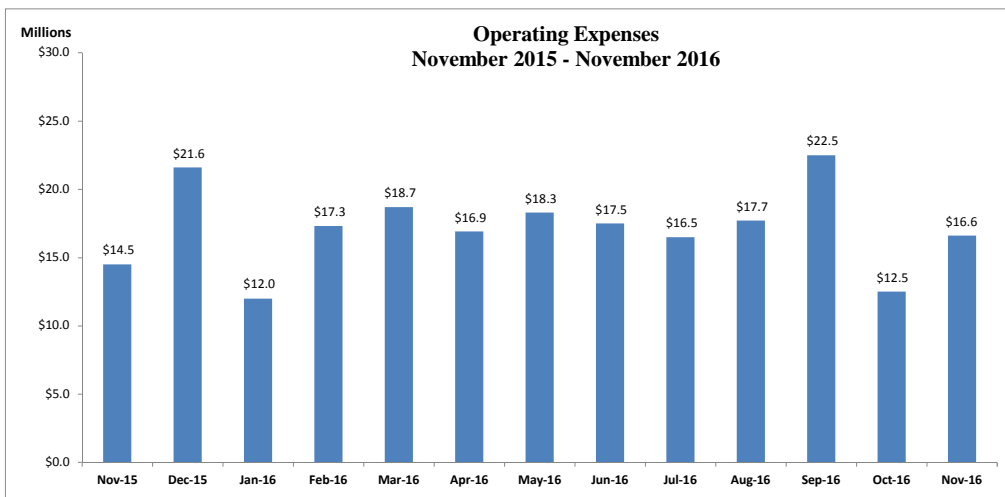
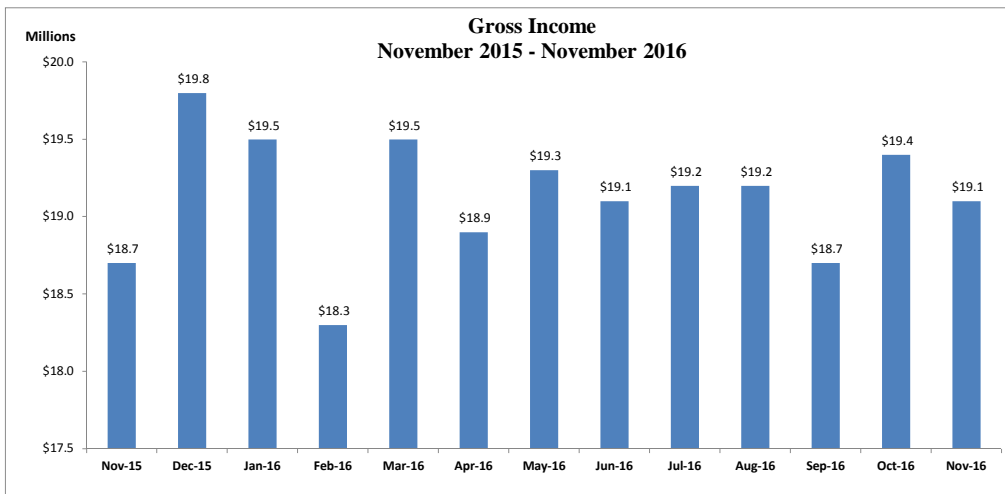
The November 2015 ratios are based on an insured share level of \$936.3 billion as of June 30, 2015.

The balances in the statement above are preliminary and unaudited.

NATIONAL CREDIT UNION SHARE INSURANCE FUND

STATISTICAL INFORMATION

November 30, 2016



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

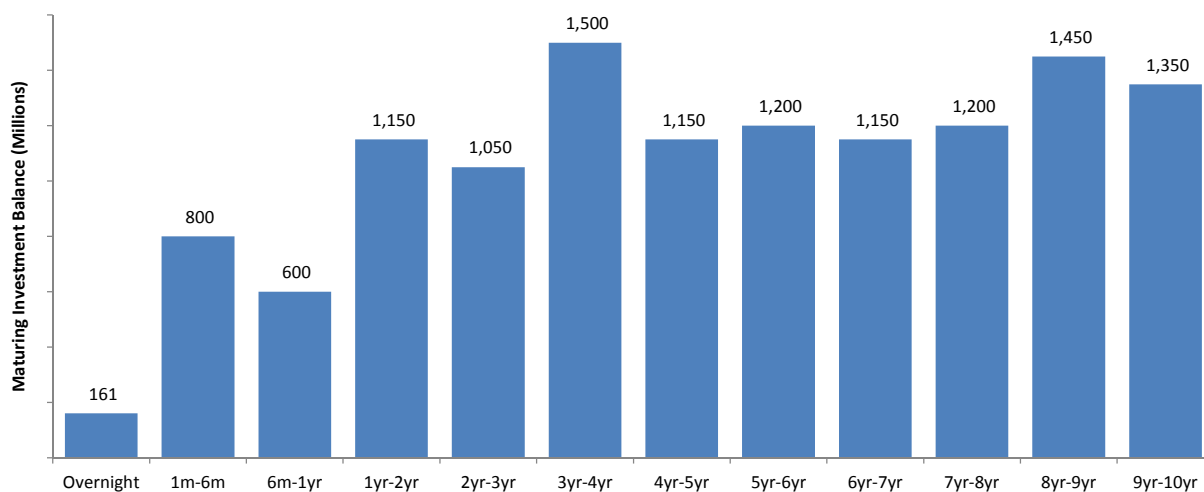
INVESTMENT PORTFOLIO SUMMARY
November 30, 2016

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	\$ 160,709,000	\$ 160,709,000	\$ -	100.00%	0.30%	
U.S. Treasury Notes	12,650,769,583	12,609,375,000	(41,394,583)	99.67%	1.82%	
Total	\$ 12,811,478,583	\$ 12,770,084,000	\$ (41,394,583)	99.68%	1.82%	

II. INVESTMENT PORTFOLIO SUMMARY			
	Last Month	Current Month	CY To Date
Investment Yield	1.82%	1.82%	1.84%
Investment Income	\$ 19,220,004	\$ 19,005,885	\$ 207,366,363
Weighted Avg. Maturity in Days	1,824	1,864	

III. MONTHLY ACTIVITY					
Purchased	Type	Amount	Maturity	Yield	
11/15/2016	T-Note	\$ 50,000,000	11/15/2026	2.23%	
11/23/2016	T-Note	100,000,000	11/15/2026	2.41%	
11/30/2016	T-Note	50,000,000	11/15/2026	2.39%	
11/30/2016	T-Note	100,000,000	5/15/2018	1.02%	
TOTAL		\$ 300,000,000			

IV. MATURITY SCHEDULE (par value in millions)		
TOTAL	\$	12,761



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