

NATIONAL CREDIT UNION SHARE INSURANCE FUND



PRELIMINARY & UNAUDITED FINANCIAL HIGHLIGHTS

January 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

January 31, 2017

Balance Sheet

Insurance and Guarantee Program Liabilities Reserves are \$196.6 million as of January 31, 2017; \$2.9 million is for specific natural person credit unions, and \$193.7 million is for general reserves.

Statement of Net Cost

For the month ended January 31, 2017, the fund had net income of \$5.9 million. The fund recognized gross revenues of \$19.0 million and total operating expenses of \$13.1 million. The fund did not recognize any insurance loss expense during the month of January 2017.

NATIONAL CREDIT UNION SHARE INSURANCE FUND

BALANCE SHEETS
As of January 31, 2017
(Dollars in thousands)

	<u>January 2017</u>	<u>January 2016</u>
ASSETS		
INTRAGOVERNMENTAL		
Fund Balance with Treasury	\$ 2,660	\$ 2,059
Investments, Net U.S. Treasury Securities	12,730,755	12,269,764
Accrued Interest Receivable - Investments	64,739	82,288
Accounts Receivable - Due from the National Credit Union Administration Operating Fund	4,047	6,446
Accounts Receivable - Due from the Temporary Corporate Credit Union Stabilization Fund	-	53
Note Receivable - Note due from the National Credit Union Administration Operating Fund	8,940	10,281
Total Intragovernmental Assets	<u>12,811,141</u>	<u>12,370,891</u>
PUBLIC		
Advances	500	-
Accrued Interest Receivable	-	205
Notes Receivable, Net	-	107,060
General Property, Plant and Equipment, Net	1,139	1,771
Other - Receivable from Asset Management Estates, Net	55,972	58,175
Total Public Assets	<u>57,611</u>	<u>167,211</u>
TOTAL ASSETS	<u>\$ 12,868,752</u>	<u>\$ 12,538,102</u>
 LIABILITIES		
INTRAGOVERNMENTAL		
Accounts Payable - Due to the National Credit Union Administration Operating Fund	\$ 27	\$ 1
Accounts Payable - Due to the Temporary Corporate Credit Union Stabilization Fund	-	499
Total Intragovernmental Liabilities	<u>27</u>	<u>500</u>
PUBLIC		
Accounts Payable	292	1,216
Capital Lease Liability	161	318
Other - Insurance and Guarantee Program Liabilities (Reserves)	196,617	162,887
Total Public Liabilities	<u>197,070</u>	<u>164,421</u>
TOTAL LIABILITIES	<u>197,097</u>	<u>164,921</u>
 NET POSITION		
Contributed Capital	9,987,363	9,353,113
Cumulative Result of Operations	2,684,292	3,020,068
Total Net Position	<u>12,671,655</u>	<u>12,373,181</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 12,868,752</u>	<u>\$ 12,538,102</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 January 31, 2017
(Dollars in thousands)

	<u>January 2017</u>	<u>Year-to-Date January 2017</u>	<u>Year-to-Date January 2016</u>
GROSS COSTS			
OPERATING EXPENSES ⁽¹⁾			
Employee Pay	\$ 8,877	\$ 8,877	\$ 8,415
Employee Benefits	3,538	3,538	3,286
Travel	157	157	306
Rent, Communications and Utilities	9	9	(126)
Administrative Costs	270	270	411
Contracted Services	165	165	(321)
Training Expense	71	71	32
Leasing Expense	53	53	12
Other Insurance Expense	<u>3</u>	<u>3</u>	<u>3</u>
Total Operating Costs	<u>13,143</u>	<u>13,143</u>	<u>12,018</u>
INSURANCE LOSS EXPENSE	<u>-</u>	<u>-</u>	<u>-</u>
Total Gross Costs	<u>13,143</u>	<u>13,143</u>	<u>12,018</u>
LESS EXCHANGE REVENUES			
Interest Revenue on Note Receivable due from the National Credit Union Administration Operating Fund	(14)	(14)	(17)
Interest Revenue - Other	-	-	(205)
Gain on Sales of Investments	<u>(132)</u>	<u>(132)</u>	<u>-</u>
Total Exchange Revenue	<u>(146)</u>	<u>(146)</u>	<u>(222)</u>
TOTAL NET COST/(INCOME) OF OPERATIONS	<u>12,997</u>	<u>12,997</u>	<u>11,796</u>
LESS NON-EXCHANGE REVENUES			
Investment Income	<u>(18,870)</u>	<u>(18,871)</u>	<u>(19,316)</u>
Total Non-Exchange Revenues	<u>(18,870)</u>	<u>(18,871)</u>	<u>(19,316)</u>
TOTAL NET COST/(INCOME) INCLUDING NON-EXCHANGE REVENUES	<u>\$ (5,873)</u>	<u>\$ (5,874)</u>	<u>\$ (7,520)</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 January 31, 2017

(Dollars in thousands)

NET POSITION BREAKDOWN	January 2017	January 2016
Credit Union Contributed Capital	\$ 9,987,363	\$ 9,353,113
Retained Earnings	2,760,690	2,749,834
Total Net Position without Unrealized Gain/(Loss)	<u>12,748,053</u>	<u>12,102,947</u>
Unrealized Gain/(Loss) - Investments	<u>(76,398)</u>	<u>270,234</u>
NET POSITION	<u>\$ 12,671,655</u>	<u>\$ 12,373,181</u>

NATIONAL CREDIT UNION SHARE INSURANCE FUND

Comparative Analysis of NCUSIF Ratios for As of January 31, 2017

As of January 31, 2017

Comparative Analysis of NCUSIF Ratios for January 2017

	January 2017	January 2016
Investments/Total Assets	98.93%	97.86%
Total Equity/Insured Shares ⁽¹⁾	1.24%	1.26%
Available Assets Ratio	1.22%	1.26%
Ins. Loss Exp./Insured Shares	0.00%	0.00%

Insured Shares as of December 31, 2016 (in billions) **\$ 1,028.7**

Insured Shares as of December 31, 2015 (in billions) **961.3**

⁽¹⁾ The January 2017 ratios are based on an insured share level of \$1.0 trillion as of December 31, 2016.

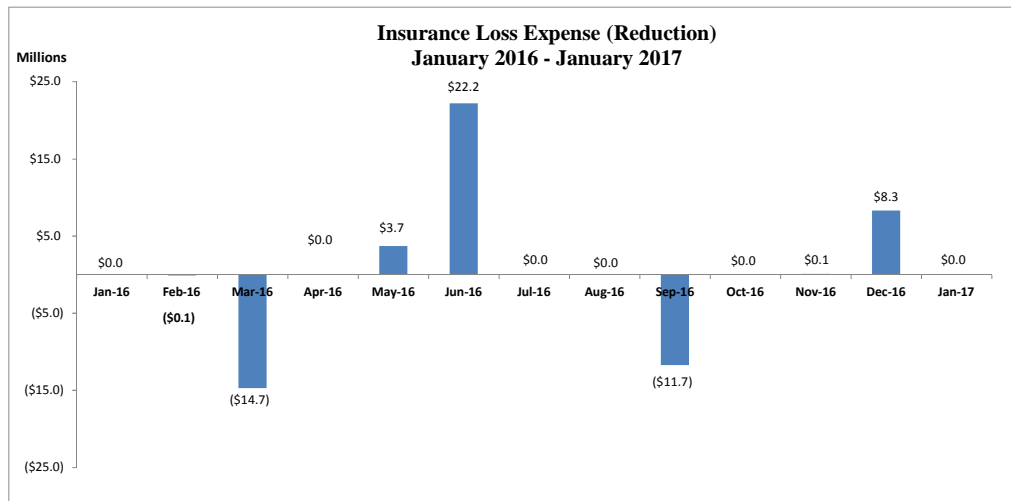
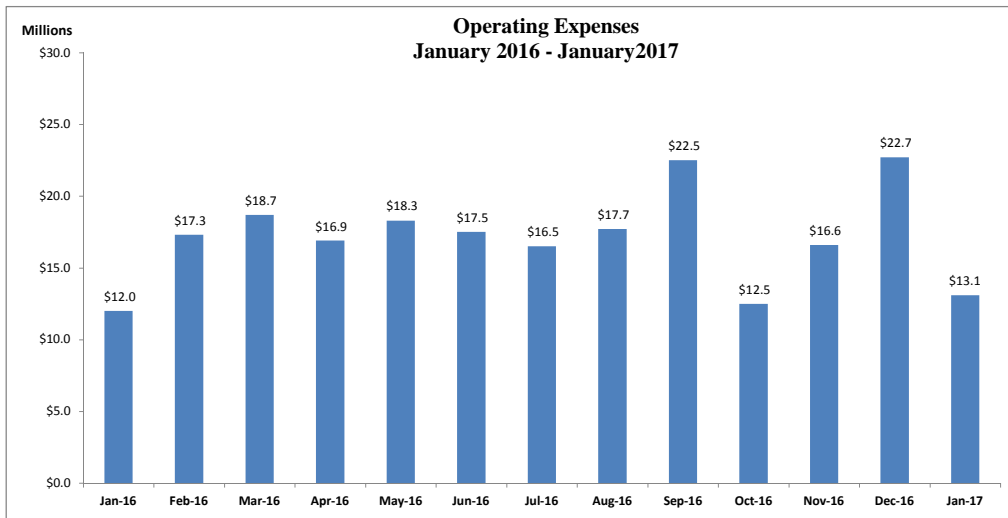
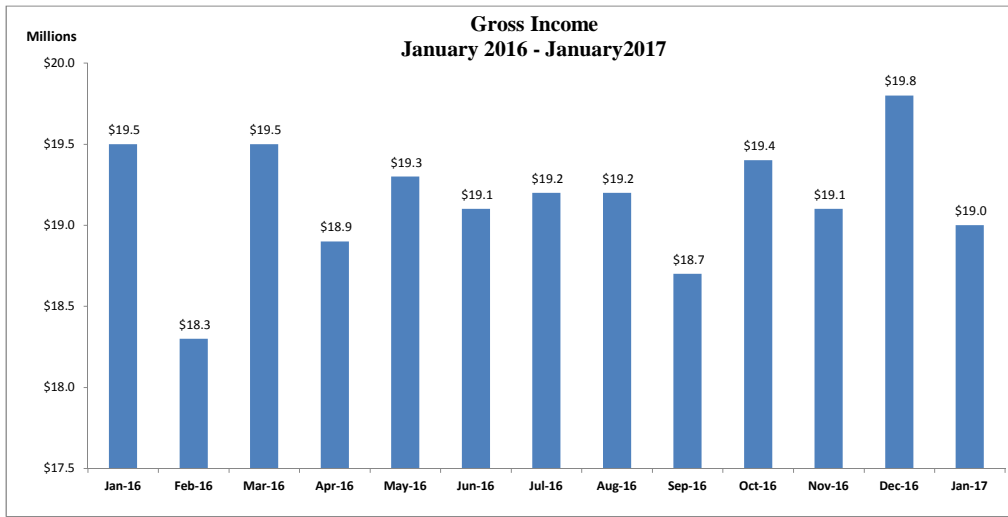
The January 2016 ratios are based on an insured share level of \$961.3 billion as of December 31, 2015.

The balances in the statement above are preliminary and unaudited.

NATIONAL CREDIT UNION SHARE INSURANCE FUND

STATISTICAL INFORMATION

January 31, 2017



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

INVESTMENT PORTFOLIO SUMMARY
January 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	\$ 985,489,000	\$ 985,489,000	\$ -	100.00%	0.49%
U.S. Treasury Notes	11,821,663,401	11,745,265,625	(76,397,776)	99.35%	1.59%
Total	\$ 12,807,152,401	\$ 12,730,754,625	\$ (76,397,776)	99.40%	1.51%
II. INVESTMENT PORTFOLIO SUMMARY					
	Last Month	Current Month	CY To Date		
Investment Yield	1.83%	1.51%	1.51%		
Investment Income	\$ 19,805,475	\$ 18,870,198	\$ 18,870,198		
Weighted Avg. Maturity in Days	1,864	1,436			
III. MONTHLY ACTIVITY					
Purchased	Type	Amount	Maturity	Yield	
01/03/2017	T-Note	\$ 100,000,000	8/15/2018	1.00%	
01/03/2017	T-Note	50,000,000	8/15/2022	1.63%	
01/30/2017	T-Note	450,000,000	2/15/2024	2.75%	
01/30/2017	T-Note	300,000,000	8/15/2018	1.00%	
01/30/2017	T-Note	250,000,000	11/15/2018	1.25%	
01/30/2017	T-Note	350,000,000	5/15/2020	3.50%	
01/30/2017	T-Note	300,000,000	11/15/2020	2.63%	
01/30/2017	T-Note	350,000,000	5/15/2021	3.13%	
01/30/2017	T-Note	300,000,000	11/15/2021	2.00%	
01/30/2017	T-Note	350,000,000	5/15/2019	0.88%	
01/30/2017	T-Note	150,000,000	2/15/2022	2.00%	
01/30/2017	T-Note	300,000,000	5/15/2022	1.75%	
01/30/2017	T-Note	300,000,000	11/15/2022	1.63%	
01/30/2017	T-Note	150,000,000	2/15/2023	2.00%	
01/30/2017	T-Note	500,000,000	11/15/2019	1.00%	
01/30/2017	T-Note	100,000,000	5/15/2023	1.75%	
01/30/2017	T-Note	350,000,000	8/15/2023	2.50%	
01/30/2017	T-Note	400,000,000	11/15/2023	2.75%	
TOTAL		\$ 5,050,000,000			
IV. MATURITY SCHEDULE (par value in millions)					
TOTAL	\$	12,685			

Maturity Period	Maturing Investment Balance (Millions)
Overnight	985
1m-6m	700
6m-1yr	350
1yr-2yr	1,450
2yr-3yr	1,350
3yr-4yr	1,550
4yr-5yr	1,450
5yr-6yr	1,600
6yr-7yr	1,500
7yr-8yr	900
8yr-9yr	550
9yr-10yr	300

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