

NATIONAL CREDIT UNION SHARE INSURANCE FUND



PRELIMINARY & UNAUDITED FINANCIAL HIGHLIGHTS

January 31, 2018

A handwritten signature in blue ink, which appears 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

January 31, 2018

Balance Sheet

Insurance and Guarantee Program Liabilities Reserves are \$925.4 million as of January 31, 2018; \$818.5 million is for specific natural person credit unions, and \$106.9 million is for general reserves.

There is no liability for Corporate AMEs as of January 31, 2018.

Statement of Net Cost

For the month ended January 31, 2018, the fund had net income of \$11.6 million. The fund recognized gross revenues of \$23.8 million and total operating expenses of \$12.2 million. The fund recognized an insurance loss reduction of \$9 thousand during the month of January 2018.

NATIONAL CREDIT UNION SHARE INSURANCE FUND

BALANCE SHEETS

As of January 31, 2018 and 2017

(Dollars in thousands)

	<u>January 2018</u>	<u>January 2017</u>
ASSETS		
INTRAGOVERNMENTAL		
Fund Balance with Treasury	\$ 3,161	\$ 2,660
Investments, Net U.S. Treasury Securities	16,060,726	12,730,755
Accrued Interest Receivable - Investments	66,556	64,739
Accounts Receivable - Due from the National		
Credit Union Administration Operating Fund	2,273	4,047
Note Receivable - Note due from the National		
Credit Union Administration Operating Fund	7,599	8,940
Total Intragovernmental Assets	<u>16,140,315</u>	<u>12,811,141</u>
PUBLIC		
Advances	1,030	500
Accounts Receivable - Guarantee Fee on NCUA Guarantee Notes	1,213	-
General Property, Plant and Equipment, Net	509	1,139
Other - Receivable from Asset Management Estates, Net - NPCU AMEs	8,982	55,972
Other - Receivable from Asset Management Estates, Net - Corporate AMEs	401,164	-
Total Public Assets	<u>412,898</u>	<u>57,611</u>
TOTAL ASSETS	<u>\$ 16,553,213</u>	<u>\$ 12,868,752</u>
LIABILITIES		
INTRAGOVERNMENTAL		
Accounts Payable - Due to the National Credit Union Administration		
Operating Fund	\$ 714	\$ 27
Total Intragovernmental Liabilities	<u>714</u>	<u>27</u>
PUBLIC		
Accounts Payable and Other Liabilities	1,774	292
Capital Lease Liability	-	161
Other - Insurance and Guarantee Program Liabilities (Reserves)	925,407	196,617
Other - Insurance and Guarantee Program Liabilities (CSRP)	-	-
Total Public Liabilities	<u>927,181</u>	<u>197,070</u>
TOTAL LIABILITIES	<u>927,895</u>	<u>197,097</u>
NET POSITION		
Contributed Capital	10,765,320	9,987,363
Cumulative Result of Operations	4,859,998	2,684,292
Total Net Position	<u>15,625,318</u>	<u>12,671,655</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 16,553,213</u>	<u>\$ 12,868,752</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, 2018 and 2017
(Dollars in thousands)

	January 2018	Year-to-Date January 2018	Year-to-Date January 2017
GROSS COSTS			
OPERATING EXPENSES ⁽¹⁾			
Employee Pay	\$ 8,009	\$ 8,009	\$ 8,877
Employee Benefits	3,383	3,383	3,538
Travel	231	231	157
Rent, Communications and Utilities	234	234	9
Administrative Costs	561	561	270
Contracted Services	864	864	165
Training Expense	22	22	71
Leasing Expense	53	53	53
Other Insurance Expense	3	3	3
Total Operating Costs	13,360	13,360	13,143
INSURANCE LOSS EXPENSE	(9)	(9)	-
Total Gross Costs	13,350	13,351	13,143
LESS EXCHANGE REVENUES			
Interest Revenue on Note Receivable due from the National Credit Union Administration Operating Fund	(10)	(10)	(14)
Guarantee Fee Revenue - NCUA Guaranteed Notes	(1,525)	(1,525)	-
Other (Revenue) / Expense	2	2	-
Total Exchange Revenue	(1,533)	(1,533)	(14)
TOTAL NET COST/(INCOME) OF OPERATIONS	11,817	11,818	13,129
LESS NON-EXCHANGE REVENUES			
Investment Income	(22,298)	(22,298)	(18,871)
Gain on Sales of Investments	-	-	(132)
Total Non-Exchange Revenues	(22,298)	(22,298)	(19,003)
TOTAL NET COST/(INCOME) INCLUDING NON-EXCHANGE REVENUES	\$ (10,481)	\$ (10,481)	\$ (5,874)

⁽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 61.5% and 67.7% for 2018 and 2017, respectively.

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NATIONAL CREDIT UNION SHARE INSURANCE FUND

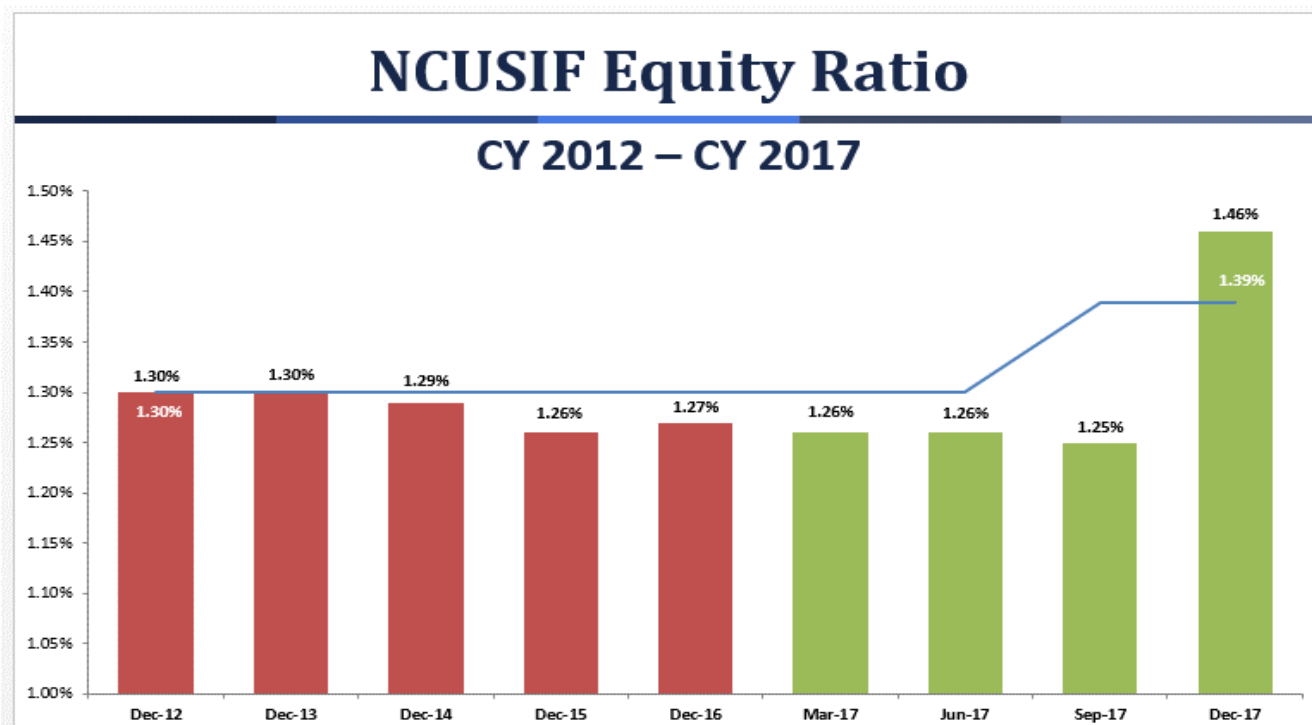
STATEMENTS OF NET POSITION

As of January 31, 2018 and 2017

(Dollars in thousands)

NET POSITION BREAKDOWN	January 2018	January 2017
Credit Union Contributed Capital	\$ 10,765,320	\$ 9,987,363
Retained Earnings*	5,099,439	2,760,690
Total Net Position without Unrealized Gain/(Loss)	15,864,759	12,748,053
 Unrealized Gain/(Loss) - Investments	 (239,441)	 (76,398)
 NET POSITION	 \$ 15,625,318	 \$ 12,671,655

* Retained Earnings include the \$2.6 billion, which was transferred in from the Temporary Corporate Credit Union Stabilization Fund during the month of October, 2017.



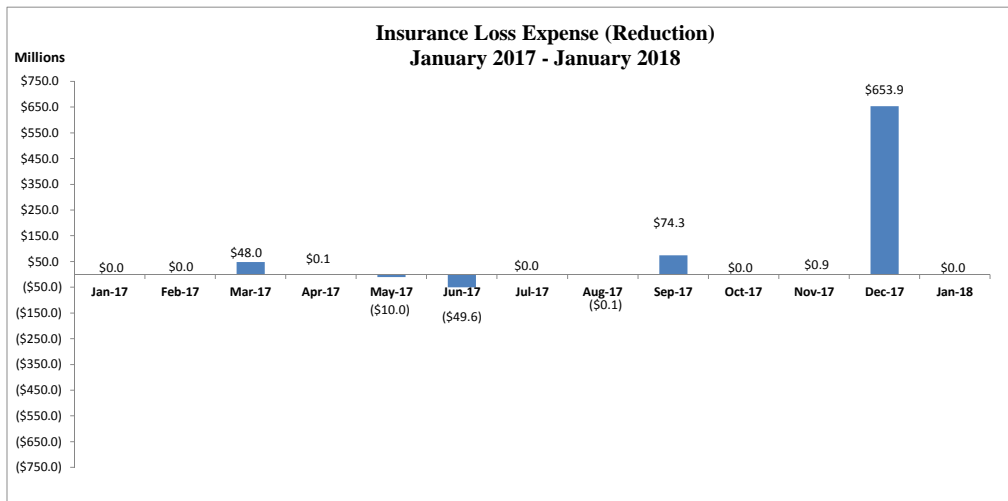
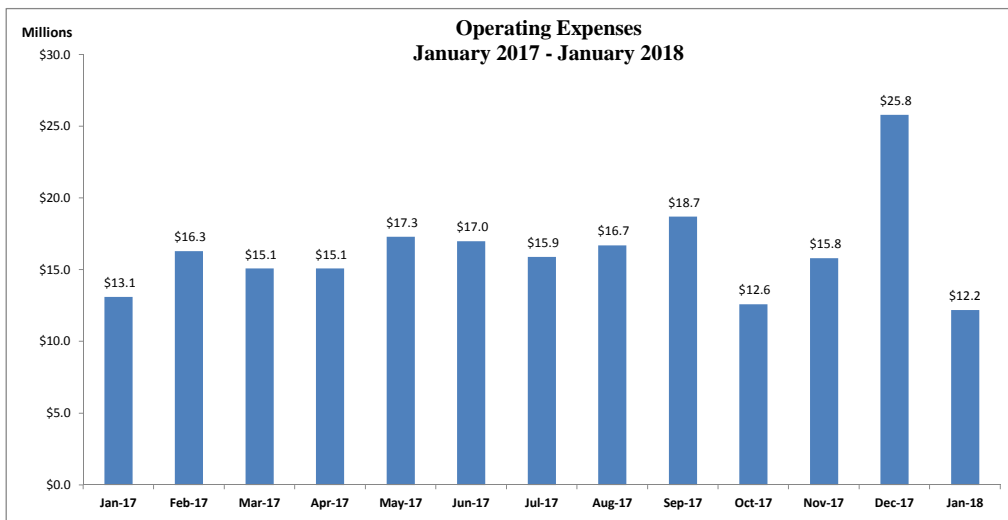
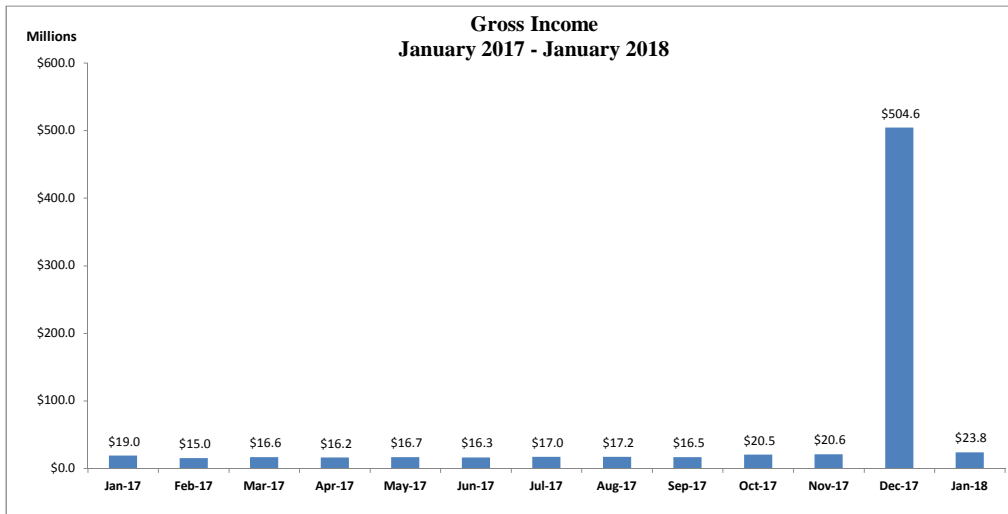
* The blue line represents the Normal Operating Level over the time period represented on the slide.

The balances in the statement above are preliminary and unaudited.

NATIONAL CREDIT UNION SHARE INSURANCE FUND

STATISTICAL INFORMATION

January 31, 2018



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

INVESTMENT PORTFOLIO SUMMARY
January 31, 2018

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	\$ 2,977,378,000	\$ 2,977,378,000	\$ -	100.00%	1.49%																											
U.S. Treasury Notes	13,322,788,988	13,083,347,793	(239,441,195)	98.20%	1.69%																											
Total	\$ 16,300,166,988	\$ 16,060,725,793	\$ (239,441,195)	98.53%	1.65%																											
II. INVESTMENT PORTFOLIO SUMMARY																																
	Last Month	Current Month	CY To Date																													
Investment Yield	1.59%	1.65%	1.65%																													
Investment Income	\$ 21,541,007	\$ 22,297,836	\$ 22,297,836																													
Weighted Avg. Maturity in Days	1,014	983																														
III. MONTHLY ACTIVITY																																
Purchased	Type	Amount	Maturity	Yield																												
TOTAL		\$	-																													
IV. MATURITY SCHEDULE (par value in millions)																																
TOTAL	\$	16,227																														
<table border="1"> <caption>Maturity Schedule Data (in millions)</caption> <thead> <tr> <th>Maturity Period</th> <th>Maturing Investment Balance (Millions)</th> </tr> </thead> <tbody> <tr><td>Overnight</td><td>2,977</td></tr> <tr><td>1m-6m</td><td>900</td></tr> <tr><td>6m-1yr</td><td>1,400</td></tr> <tr><td>1yr-2yr</td><td>1,900</td></tr> <tr><td>2yr-3yr</td><td>2,850</td></tr> <tr><td>3yr-4yr</td><td>1,400</td></tr> <tr><td>4yr-5yr</td><td>1,550</td></tr> <tr><td>5yr-6yr</td><td>1,500</td></tr> <tr><td>6yr-7yr</td><td>900</td></tr> <tr><td>7yr-8yr</td><td>550</td></tr> <tr><td>8yr-9yr</td><td>300</td></tr> <tr><td>9yr-10yr</td><td>-</td></tr> </tbody> </table>							Maturity Period	Maturing Investment Balance (Millions)	Overnight	2,977	1m-6m	900	6m-1yr	1,400	1yr-2yr	1,900	2yr-3yr	2,850	3yr-4yr	1,400	4yr-5yr	1,550	5yr-6yr	1,500	6yr-7yr	900	7yr-8yr	550	8yr-9yr	300	9yr-10yr	-
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