

NATIONAL CREDIT UNION SHARE INSURANCE FUND



PRELIMINARY & UNAUDITED FINANCIAL HIGHLIGHTS

July 31, 2018

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NATIONAL CREDIT UNION SHARE INSURANCE FUND

MANAGEMENT OVERVIEW

July 31, 2018

Balance Sheet

Insurance and Guarantee Program Liabilities Reserves are \$957.0 million as of July 31, 2018; \$854.9 million is for specific reserves for natural person credit unions, and \$102.1 million is for general reserves.

There is no Insurance and Guarantee Program Liability for the Corporate System Resolution Program (CSRP) as of July 31, 2018.

Statement of net Cost

For the month ended July 31, 2018, the fund had net income of \$11.0 million. The fund recognized gross revenues of \$26.3 million and total operating expenses of \$15.4 million. The fund did not recognize any insurance loss expense during the month of July 2018.

NATIONAL CREDIT UNION SHARE INSURANCE FUND

BALANCE SHEETS
As of July 31, 2018 and 2017
(Dollars in thousands)

	<u>July 2018</u>	<u>July 2017</u>
ASSETS		
INTRAGOVERNMENTAL		
Fund Balance with Treasury	\$ 7,258	\$ 2,662
Investments, Net U.S. Treasury Securities	15,568,198	13,179,548
Accrued Interest Receivable - Investments	68,441	61,148
Accounts Receivable - Due from the National Credit Union Administration Operating Fund	226	1,616
Accounts Receivable - Due from the Temporary Corporate Credit Union Stabilization Fund	-	
Note Receivable - Note due from the National Credit Union Administration Operating Fund	6,928	8,269
Total Intragovernmental Assets	<u>15,651,051</u>	<u>13,253,243</u>
PUBLIC		
Advances	1,218	-
Accounts Receivable - Guarantee Fee on NCUA Guarantee Notes	1,144	-
General Property, Plant and Equipment, Net	243	825
Other - Receivable from Asset Management Estates, Net - NPCU AMEs	6,591	6,647
Other - Receivable from Asset Management Estates, Net - Corporate AMEs	290,372	-
Total Public Assets	<u>299,568</u>	<u>7,472</u>
TOTAL ASSETS	<u>\$ 15,950,619</u>	<u>\$ 13,260,715</u>
LIABILITIES		
INTRAGOVERNMENTAL		
Accounts Payable - Due to the National Credit Union Administration Operating Fund	\$ 131	\$ 10
Accounts Payable - Due to the Temporary Corporate Credit Union Stabilization Fund	-	2
Total Intragovernmental Liabilities	<u>131</u>	<u>12</u>
PUBLIC		
Accounts Payable and Other Liabilities	1,118	1,200
Dividends to Insured Credit Unions Payable	4,184	-
Capital Lease Liability	-	81
Other - Insurance and Guarantee Program Liabilities (Reserves)	956,964	208,224
Other - Insurance and Guarantee Program Liabilities (CSRP)	-	-
Total Public Liabilities	<u>962,266</u>	<u>209,505</u>
TOTAL LIABILITIES	<u>962,397</u>	<u>209,517</u>
NET POSITION		
Contributed Capital	10,877,108	10,294,759
Cumulative Result of Operations	4,111,114	2,756,439
Total Net Position	<u>14,988,222</u>	<u>13,051,198</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 15,950,619</u>	<u>\$ 13,260,715</u>

* Other-Receivable from Asset Management Estates, Nets are updated on the quarterly basis.

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, 2018 and 2017
(Dollars in thousands)

	July 2018	Year-to-Date July 2018	Year-to-Date July 2017
GROSS COSTS			
OPERATING EXPENSES ⁽¹⁾			
Employee Pay	\$ 7,259	\$ 54,750	\$ 58,963
Employee Benefits	2,951	21,581	23,179
Travel	1,237	7,754	8,356
Rent, Communications and Utilities	327	1,802	1,924
Administrative Costs	1,056	5,333	4,168
Contracted Services	2,418	13,958	12,130
Training Expense	70	491	733
Leasing Expense	40	319	370
Other Insurance Expense	3	21	23
Total Operating Costs	15,361	106,009	109,846
INSURANCE LOSS EXPENSE	-	(8,344)	(1,493)
Total Gross Costs	15,361	97,665	108,353
LESS EXCHANGE REVENUES			
Interest Revenue on Note Receivable due from the National Credit Union Administration Operating Fund	(10)	(71)	(78)
Guarantee Fee Revenue - NCUA Guaranteed Notes	(1,473)	(10,373)	-
Other (Revenue) / Expense	-	(940)	(178)
Total Exchange Revenues	(1,483)	(11,384)	(256)
TOTAL NET COST/(INCOME) OF OPERATIONS	13,878	86,281	108,097
LESS NON-EXCHANGE REVENUES			
Investment Income	(24,833)	(162,965)	(116,479)
Gain on Sales of Investments	-	-	(132)
Total Non-Exchange Revenues	(24,833)	(162,965)	(116,611)
TOTAL NET COST/(INCOME) INCLUDING NON-EXCHANGE REVENUES	\$ (10,955)	\$ (76,684)	\$ (8,514)

⁽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.

The balances in the statement above are preliminary and unaudited.

NATIONAL CREDIT UNION SHARE INSURANCE FUND

STATEMENTS OF NET POSITION

As of July 31, 2018 and 2017

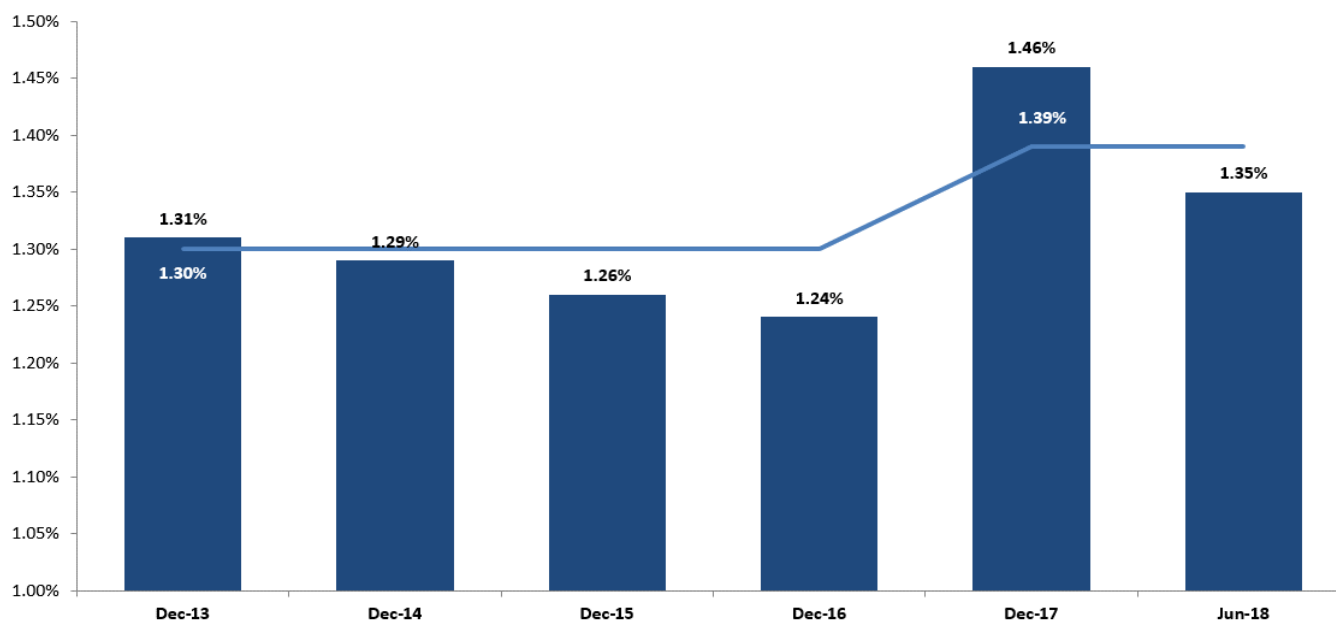
(Dollars in thousands)

NET POSITION BREAKDOWN	July 2018	July 2017
Credit Union Contributed Capital	\$ 10,877,108	\$ 10,294,759
Retained Earnings*	4,428,823	2,763,293
Total Net Position without Unrealized Gain/(Loss)	15,305,931	13,058,052
Unrealized Gain/(Loss) - Investments	(318,253)	(6,854)
NET POSITION	\$ 14,987,678	\$ 13,051,198

* In order to aid comparability between periods, the current period's Retained Earnings reflect a \$2.6 billion increase for the net assets transferred in from the Temporary Corporate Credit Union Stabilization Fund in October, 2017, and a \$735.7 million decrease for dividends payable to insured credit unions declared in the February 2018 Open Board Meeting. Starting the week of July 23, 2018, the National Credit Union Administration paid dividends for more than 5,700 institutions eligible for the Share Insurance distribution.

NCUSIF Equity Ratio

CY 2013 – CY 2018



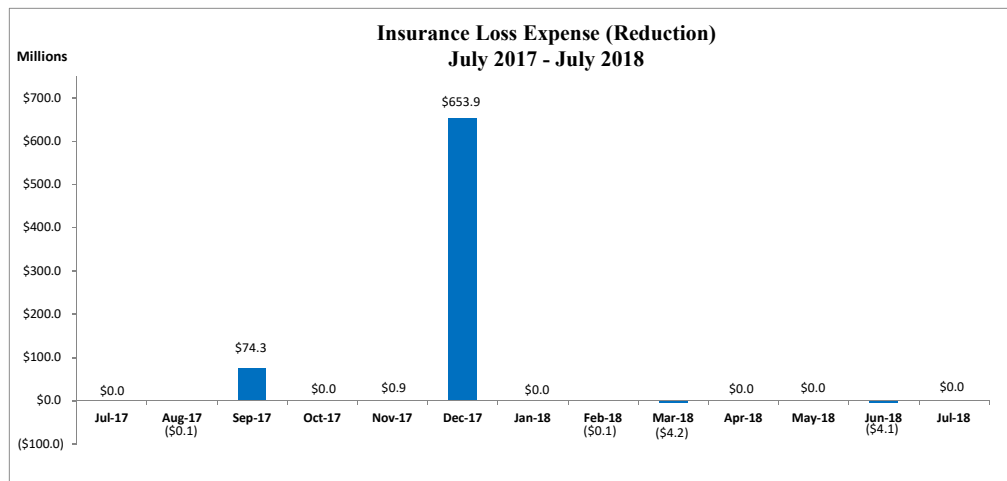
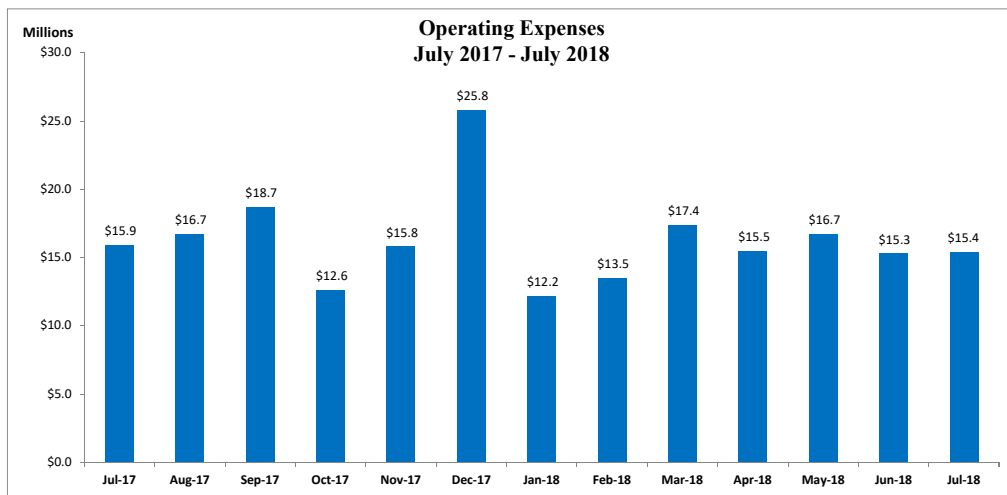
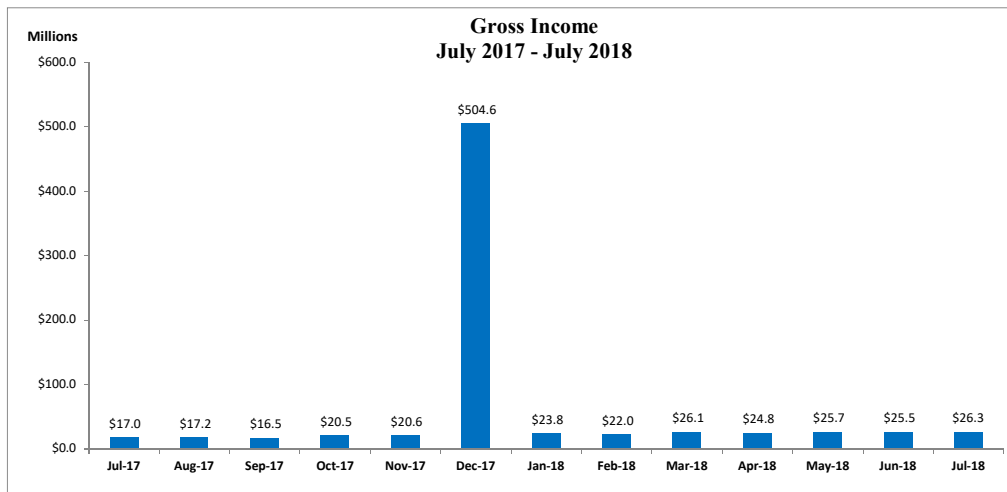
* The blue line represents the Normal Operating Level over the time period represented on the slide.

The balances in the statement above are preliminary and unaudited.

NATIONAL CREDIT UNION SHARE INSURANCE FUND

STATISTICAL INFORMATION

July 31, 2018



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

INVESTMENT PORTFOLIO SUMMARY

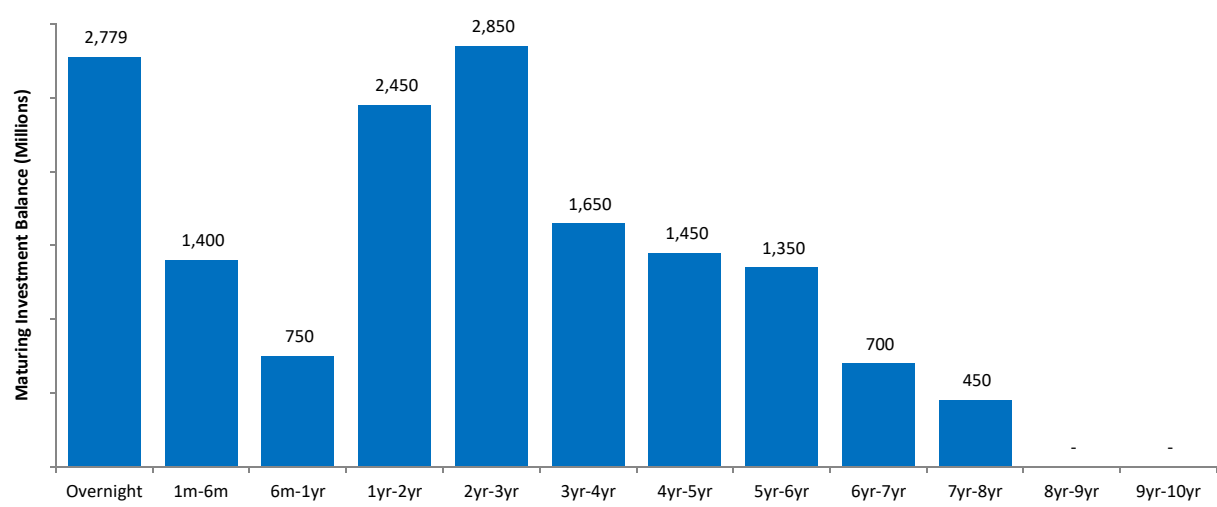
July 31, 2018

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	\$ 2,779,353,000	\$ 2,779,353,000	\$ -	100.00%	1.90%	
U.S. Treasury Notes	13,107,097,592	12,788,845,000	(318,252,592)	97.57%	1.77%	
Total	\$ 15,886,450,592	\$ 15,568,198,000	\$ (318,252,592)	98.00%	1.80%	

II. INVESTMENT PORTFOLIO SUMMARY			
	Last Month	Current Month	CY To Date
Investment Yield	1.76%	1.80%	1.72%
Investment Income	\$ 24,096,854	\$ 24,833,006	\$ 162,964,672
Weighted Avg. Maturity in Days	877	892	

III. MONTHLY ACTIVITY					
Purchased	Type	Amount	Maturity	Yield	
7/2/2018	T-Note	\$ 50,000,000	5/15/2020	2.54%	
7/31/2018	T-Note	\$ 50,000,000	5/15/2020	2.64%	
TOTAL		\$ 100,000,000			

IV. MATURITY SCHEDULE (par value in millions)		
TOTAL	\$	15,829



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