

NATIONAL CREDIT UNION SHARE INSURANCE FUND



**PRELIMINARY & UNAUDITED
FINANCIAL HIGHLIGHTS
May 31, 2016**

A handwritten signature in blue ink, which appears to read "Rendell L. Jones", is positioned above the name. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

**RENDELL L. JONES
CHIEF FINANCIAL OFFICER**

NATIONAL CREDIT UNION SHARE INSURANCE FUND

MANAGEMENT OVERVIEW

May 31, 2016

Balance Sheet

Other - Insurance and Guarantee Program Liabilities (Reserves)

Reserves are \$155.9 million as of May 31, 2016; \$13.6 million is for specific natural person credit unions, and \$142.3 million is for general reserves.

Statement of Net Cost

For the month ended May 31, 2016, the fund had a net loss of \$2.7 million. The fund recognized gross revenues of \$19.3 million and total operating expenses of \$18.3 million. The fund recognized an insurance loss expense of \$3.7 million during the month of May 2016.

NATIONAL CREDIT UNION SHARE INSURANCE FUND

BALANCE SHEETS

As of May 31, 2016

(Dollars in thousands)

ASSETS	<u>May 2016</u>	<u>May 2015</u>
INTRAGOVERNMENTAL		
Fund Balance with Treasury	\$ 1,488	\$ 1,529
Investments, Net U.S. Treasury Securities	12,590,660	11,786,171
Accrued Interest Receivable - Investments	49,797	53,496
Accounts Receivable - Due from the National Credit Union Administration Operating Fund	200	1,476
Note Receivable - Note due from the National Credit Union Administration Operating Fund	9,834	11,174
Total Intragovernmental Assets	<u>12,651,979</u>	<u>11,853,846</u>
PUBLIC		
Accounts Receivable - Due from Credit Unions	67	903
Accrued Interest Receivable	207	591
Notes Receivable, Net	101,028	166,173
General Property, Plant and Equipment, Net	1,561	633
Other - Receivable from Asset Management Estates, Net	55,620	77,382
Total Public Assets	<u>158,483</u>	<u>245,682</u>
TOTAL ASSETS	<u>\$ 12,810,462</u>	<u>\$ 12,099,528</u>
 LIABILITIES		
INTRAGOVERNMENTAL		
Accounts Payable - Due to the National Credit Union Administration Operating Fund	\$ 35	\$ 52
Accounts Payable - Due to the Temporary Corporate Credit Union Stabilization Fund	-	357
Total Intragovernmental Liabilities	<u>35</u>	<u>409</u>
PUBLIC		
Accounts Payable	1,589	3,553
Capital Lease Liability	279	434
Other - Insurance and Guarantee Program Liabilities (Reserves)	155,921	169,716
Total Public Liabilities	<u>157,789</u>	<u>173,703</u>
TOTAL LIABILITIES	<u>157,824</u>	<u>174,112</u>
 NET POSITION		
Contributed Capital	9,613,695	9,031,337
Cumulative Result of Operations	3,038,943	2,894,079
Total Net Position	<u>12,652,638</u>	<u>11,925,416</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 12,810,462</u>	<u>\$ 12,099,528</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 May 31, 2016
(Dollars in thousands)

	May 2016	Year-to-Date May 2016	Year-to-Date May 2015
GROSS COSTS			
OPERATING EXPENSES (1)			
Employee Pay	\$ 9,042	\$ 45,325	\$ 42,401
Employee Benefits	3,564	17,467	15,858
Travel	2,135	6,992	7,096
Rent, Communications and Utilities	458	1,285	968
Administrative Costs	625	3,523	3,653
Contracted Services	2,331	8,091	5,955
Training Expense	109	333	375
Leasing Expense	53	225	63
Other Insurance Expense	4	17	16
Total Operating Costs	18,321	83,258	76,385
INSURANCE LOSS EXPENSE	3,731	(11,072)	(14,315)
Total Gross Costs	22,052	72,186	62,070
LESS EXCHANGE REVENUES			
Interest Revenue on Note Receivable due from the National Credit Union Administration Operating Fund	(15)	(79)	(88)
Interest Revenue - Other	(207)	(1,058)	(1,593)
Other (Revenue) / Expense	(114)	(128)	6
Total Exchange Revenue	(336)	(1,265)	(1,675)
TOTAL NET COST/(INCOME) OF OPERATIONS	21,716	70,921	60,395
LESS NON-EXCHANGE REVENUES			
Investment Income	(19,027)	(94,240)	(89,698)
Total Non-Exchange Revenues	(19,027)	(94,240)	(89,698)
TOTAL NET COST/(INCOME) INCLUDING NON-EXCHANGE REVENUES	\$ 2,689	\$ (23,319)	\$ (29,303)

(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 May 31, 2016
(Dollars in thousands)

	<u>May 2016</u>	<u>May 2015</u>
NET POSITION BREAKDOWN		
Credit Union Contributed Capital	\$ 9,613,695	\$ 9,031,337
Retained Earnings	2,765,633	2,710,247
Total Net Position without Unrealized Gain/(Loss)	<u>12,379,328</u>	<u>11,741,584</u>
Unrealized Gain/(Loss) - Investments	<u>273,310</u>	<u>183,832</u>
NET POSITION	<u>\$ 12,652,638</u>	<u>\$ 11,925,416</u>

NATIONAL CREDIT UNION SHARE INSURANCE FUND

Comparative Analysis of NCUSIF Ratios for As of May 31, 2016

As of May 31, 2016

Comparative Analysis of NCUSIF Ratios for May 2016

	May 2016	May 2015
Investments/Total Assets	98.28%	97.41%
Total Equity/Insured Shares (1)	1.29%	1.30%
Available Assets Ratio	1.29%	1.29%
Ins. Loss Exp./Insured Shares	0.00%	0.00%

Insured Shares as of December 31, 2015 (in billions) **\$ 961.3**
Insured Shares as of December 31, 2014 (in billions) **903.0**

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

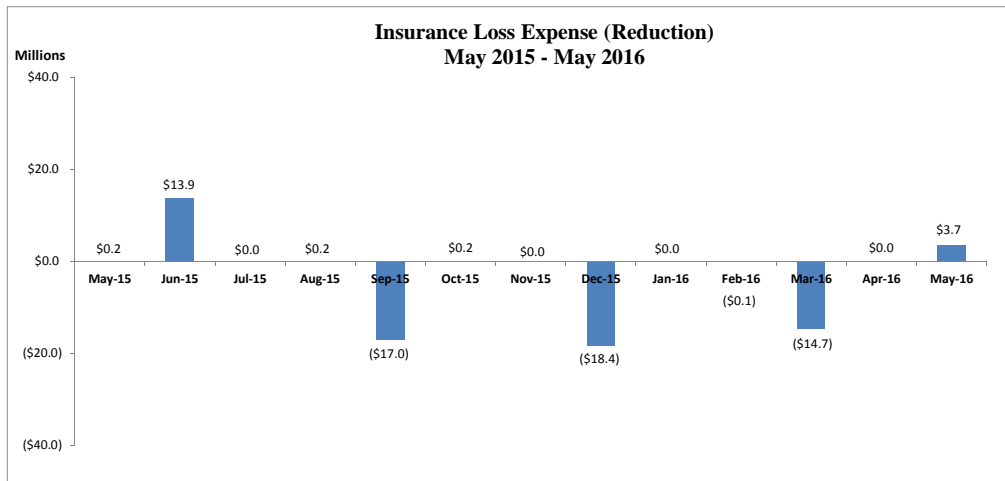
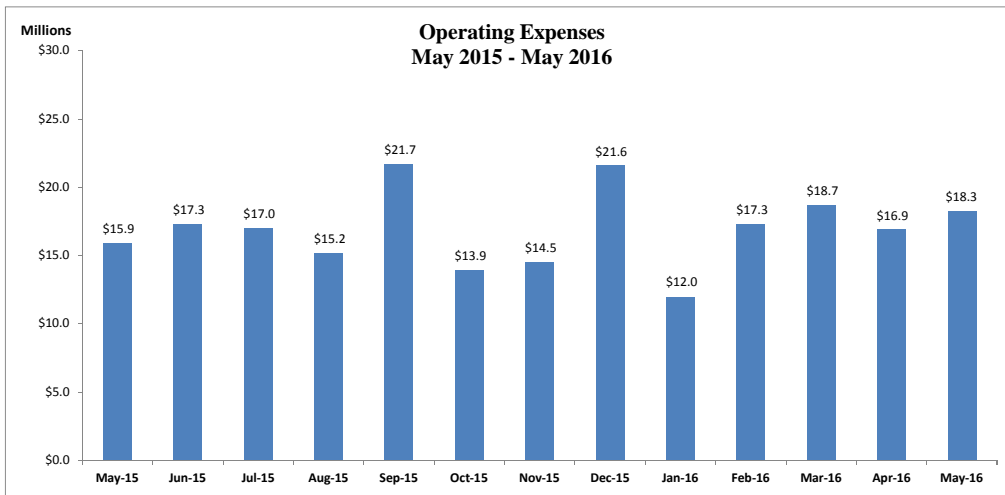
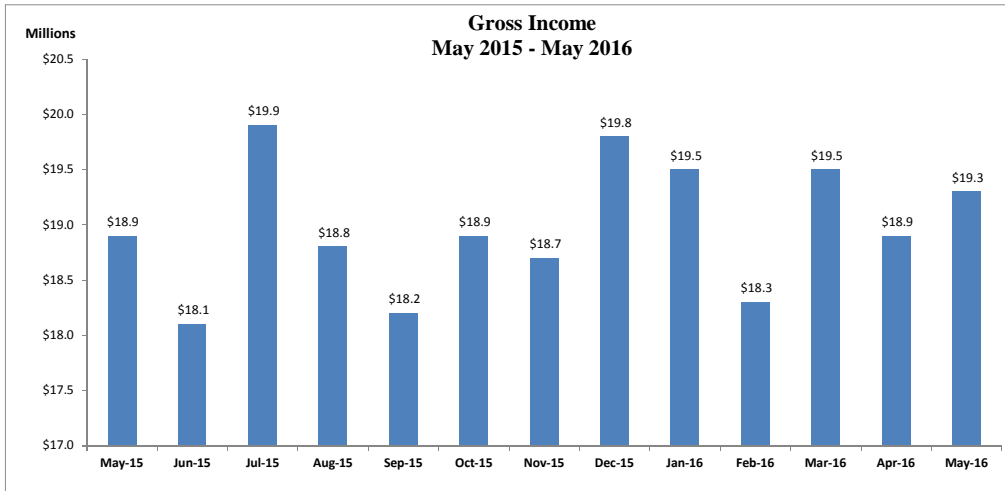
The April 2015 ratios are based on an insured share level of \$903.0 billion as of December 31, 2014.

The balances in the statement above are preliminary and unaudited.

NATIONAL CREDIT UNION SHARE INSURANCE FUND

STATISTICAL INFORMATION

May 31, 2016



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

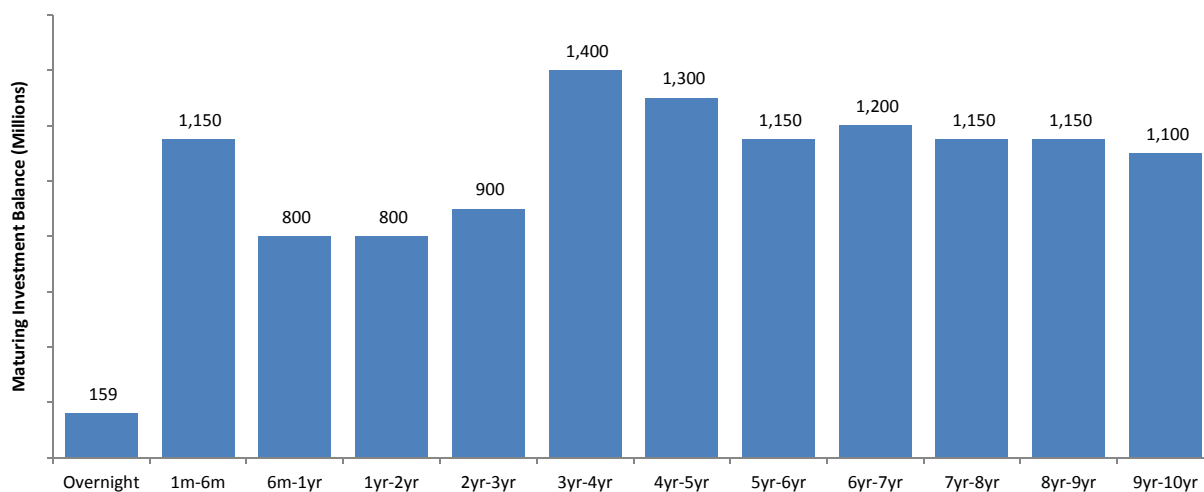
INVESTMENT PORTFOLIO SUMMARY
May 31, 2016

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	\$ 158,957,000	\$ 158,957,000	\$ -	100.00%	0.21%	
U.S. Treasury Notes	12,158,392,632	12,431,703,125	273,310,493	102.25%	1.84%	
Total	\$ 12,317,349,632	\$ 12,590,660,125	\$ 273,310,493	102.22%	1.83%	

II. INVESTMENT PORTFOLIO SUMMARY			
	Last Month	Current Month	CY To Date
Investment Yield	1.86%	1.83%	1.87%
Investment Income	\$ 18,610,966	\$ 19,026,502	\$ 94,239,540
Weighted Avg. Maturity in Days	1,757	1,772	

III. MONTHLY ACTIVITY					
Purchased	Type	Amount	Maturity	Yield	
5/2/2016	T-Note	\$ 100,000,000	8/15/2017	0.66%	
5/2/2016	T-Note	100,000,000	5/15/2017	0.60%	
5/16/2016	T-Note	50,000,000	5/15/2026	1.74%	
5/31/2016	T-Note	200,000,000	5/15/2026	1.85%	
TOTAL		\$ 450,000,000			

IV. MATURITY SCHEDULE (par value in millions)		
TOTAL	\$	12,259



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