

NATIONAL CREDIT UNION SHARE INSURANCE FUND



PRELIMINARY & UNAUDITED FINANCIAL HIGHLIGHTS

June 30, 2017

A handwritten signature in blue ink, appearing 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

June 30, 2017

Balance Sheet

Insurance and Guarantee Program Liabilities Reserves are \$208.2 million as of June 30, 2017; \$9.6 million is for specific natural person credit unions, and \$198.6 million is for general reserves.

Statement of Net Cost

For the month ended June 30, 2017, the fund had net income of \$48.9 million. The fund recognized gross revenues of \$16.3 million and total operating expenses of \$17.0 million. The fund recognized an insurance loss reduction of \$49.6 million during the month of June 2017.

NATIONAL CREDIT UNION SHARE INSURANCE FUND

BALANCE SHEETS

As of June 30, 2017 and 2016

(Dollars in thousands)

	<u>June 2017</u>	<u>June 2016</u>
ASSETS		
INTRAGOVERNMENTAL		
Fund Balance with Treasury	\$ 2,656	\$ 1,474
Investments, Net U.S. Treasury Securities	13,167,974	12,786,530
Accrued Interest Receivable - Investments	47,450	61,240
Accounts Receivable - Due from the National		
Credit Union Administration Operating Fund	589	985
Accounts Receivable - Due from the Temporary		
Corporate Credit Union Stabilization Fund	41	-
Accounts Receivable, Other	-	-
Note Receivable - Note due from the National		
Credit Union Administration Operating Fund	8,381	9,722
Total Intragovernmental Assets	<u>13,227,091</u>	<u>12,859,951</u>
PUBLIC		
Accounts Receivable - Due from Credit Unions	1	-
Accrued Interest Receivable	-	204
Notes Receivable, Net	-	99,521
General Property, Plant and Equipment, Net	877	1,509
Other - Receivable from Asset Management Estates, Net	9,937	52,908
Total Public Assets	<u>10,815</u>	<u>154,142</u>
TOTAL ASSETS	<u>\$ 13,237,906</u>	<u>\$ 13,014,093</u>
 LIABILITIES		
INTRAGOVERNMENTAL		
Accounts Payable - Due to the National Credit Union Administration		
Operating Fund	\$ 72	\$ 45
Total Intragovernmental Liabilities	<u>72</u>	<u>45</u>
PUBLIC		
Accounts Payable	2,300	1,821
Capital Lease Liability	81	240
Other - Insurance and Guarantee Program Liabilities (Reserves)	208,246	178,878
Total Public Liabilities	<u>210,627</u>	<u>180,939</u>
TOTAL LIABILITIES	<u>210,699</u>	<u>180,984</u>
 NET POSITION		
Contributed Capital	10,294,774	9,613,785
Cumulative Result of Operations	2,732,433	3,219,324
Total Net Position	<u>13,027,207</u>	<u>12,833,109</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 13,237,906</u>	<u>\$ 13,014,093</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 June 30, 2017 and 2016
(Dollars in thousands)

	June 2017	Year-to-Date June 2017	Year-to-Date June 2016
GROSS COSTS			
OPERATING EXPENSES ⁽¹⁾			
Employee Pay	\$ 9,261	\$ 51,192	\$ 54,406
Employee Benefits	3,387	20,070	21,082
Travel	1,561	7,033	8,822
Rent, Communications and Utilities	357	1,563	1,621
Administrative Costs	739	3,259	4,290
Contracted Services	1,490	9,842	9,845
Training Expense	139	631	439
Leasing Expense	53	317	279
Other Insurance Expense	4	20	21
Total Operating Costs	16,991	93,927	100,805
INSURANCE LOSS EXPENSE	(49,612)	(1,471)	11,163
Total Gross Costs	(32,621)	92,456	111,968
LESS EXCHANGE REVENUES			
Interest Revenue on Note Receivable due from the National Credit Union Administration Operating Fund	(10)	(67)	(93)
Interest Revenue - Other	-	-	(1,262)
Other (Revenue) / Expense	(25)	(161)	(138)
Total Exchange Revenue	(35)	(228)	(1,493)
TOTAL NET COST/(INCOME) OF OPERATIONS	(32,656)	92,228	110,475
LESS NON-EXCHANGE REVENUES			
Investment Income	(16,267)	(99,471)	(112,676)
Gain on Sales of Investments	-	(132)	-
Total Non-Exchange Revenues	(16,267)	(99,603)	(112,676)
TOTAL NET COST/(INCOME) INCLUDING NON-EXCHANGE REVENUES	\$ (48,923)	\$ (7,375)	\$ (2,201)

⁽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 June 30, 2017 and 2016

(Dollars in thousands)

	<u>June 2017</u>	<u>June 2016</u>
NET POSITION BREAKDOWN		
Credit Union Contributed Capital	\$ 10,294,774	\$ 9,613,785
Retained Earnings	2,762,194	2,744,517
Total Net Position without Unrealized Gain/(Loss)	<u>13,056,968</u>	<u>12,358,302</u>
Unrealized Gain/(Loss) - Investments	<u>(29,761)</u>	<u>474,807</u>
NET POSITION	<u>\$ 13,027,207</u>	<u>\$ 12,833,109</u>

NATIONAL CREDIT UNION SHARE INSURANCE FUND

Comparative Analysis of NCUSIF Ratios for June 30, 2017 and 2016

	June 2017	June 2016
Investments/Total Assets	99.47%	98.25%
Total Equity/Insured Shares ⁽¹⁾	1.22%	1.24%
Available Assets Ratio	1.21%	1.27%
Ins. Loss Exp./Insured Shares	0.00%	0.00%

Estimated Insured Shares as of June 30, 2017 (in billions)	\$ 1,070.6
Insured Shares as of December 31, 2016 (in billions)	1,028.8
Insured Shares as of June 30, 2016 (in billions)	993.5

(1) The June 2017 ratios are based on an estimated insured share level of \$1.1 trillion as of June 30, 2017.

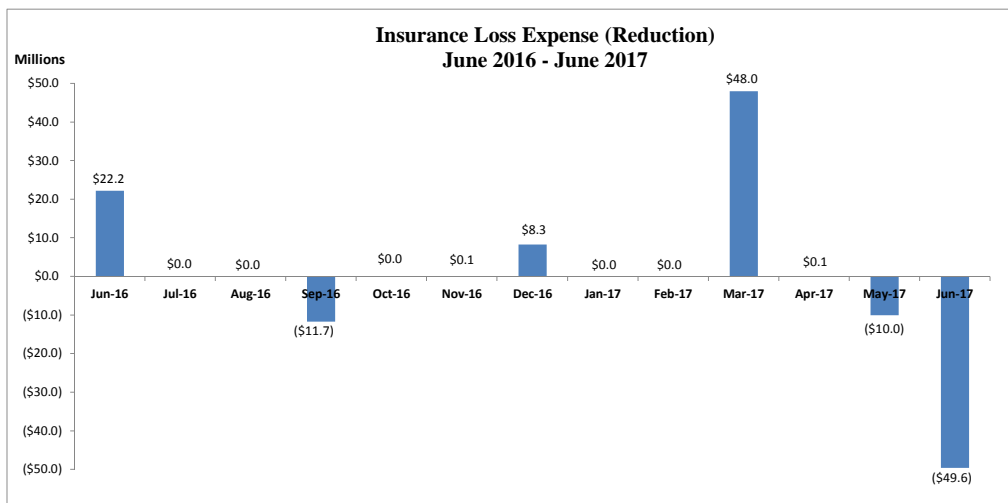
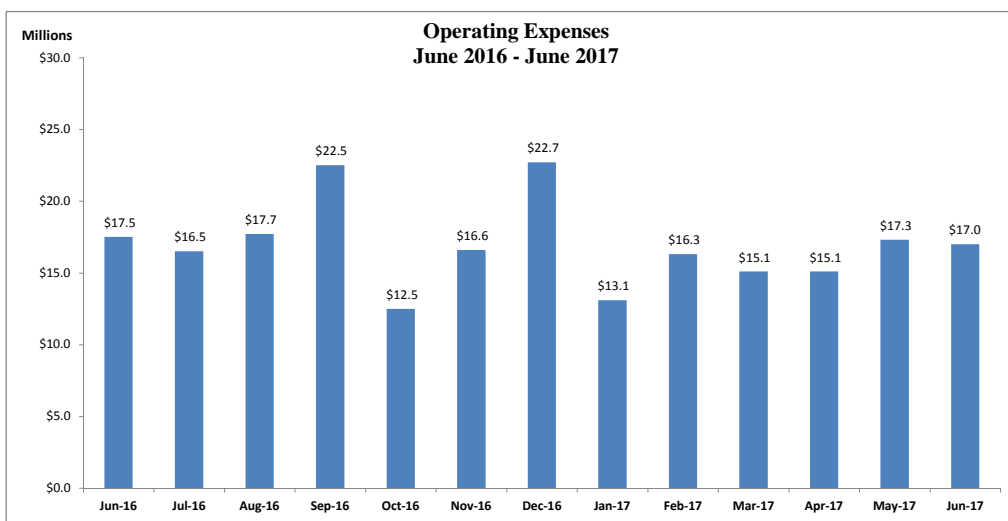
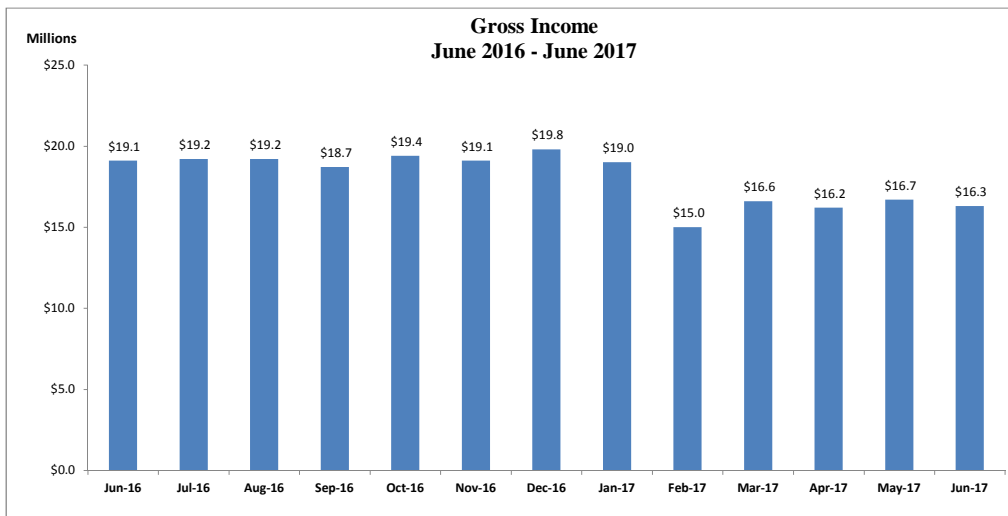
The June 2016 ratios are based on an insured share level of \$993.5 billion as of June 30, 2016.

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NATIONAL CREDIT UNION SHARE INSURANCE FUND

STATISTICAL INFORMATION

June 30, 2017



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

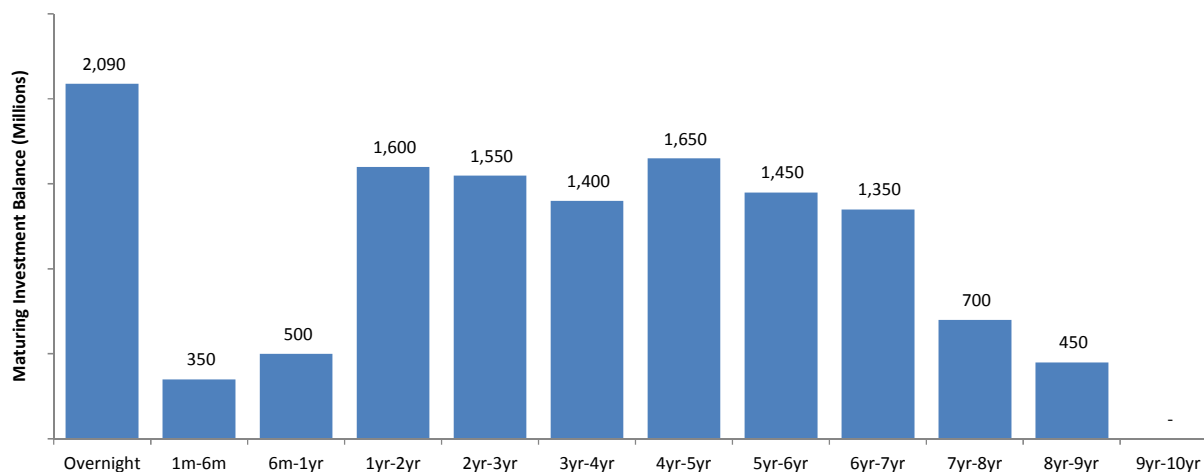
INVESTMENT PORTFOLIO SUMMARY
June 30, 2017

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	\$ 2,090,146,000	\$ 2,090,146,000	\$ -	100.00%	0.87%	
U.S. Treasury Notes	11,107,588,731	11,077,828,125	(29,760,606)	99.73%	1.63%	
Total	\$ 13,197,734,731	\$ 13,167,974,125	\$ (29,760,606)	99.77%	1.51%	

II. INVESTMENT PORTFOLIO SUMMARY			
	Last Month	Current Month	CY To Date
Investment Yield	1.49%	1.51%	1.50%
Investment Income	\$ 16,704,313	\$ 16,267,213	\$ 99,470,535
Weighted Avg. Maturity in Days	1,286	1,262	

III. MONTHLY ACTIVITY				
Purchased	Type	Amount	Maturity	Yield
TOTAL		\$	-	

IV. MATURITY SCHEDULE (par value in millions)	
TOTAL	\$ 13,090



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