

NATIONAL CREDIT UNION SHARE INSURANCE FUND

Your savings federally insured to at least \$250,000
and backed by the full faith and credit of the United States Government

NCUA

National Credit Union Administration, a U.S. Government Agency

PRELIMINARY AND UNAUDITED FINANCIAL HIGHLIGHTS July 31, 2012

Mary Ann Woodson

**MARY ANN WOODSON
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NCUSIF FINANCIAL HIGHLIGHTS
July 31, 2012

Balance Sheet:

Other - Insurance and Guarantee Program Liabilities (Reserves): is \$632.6 million for July 31, 2012. \$152.1 million is for specific natural person credit unions and \$480.5 million is for non-specific natural person credit unions.

Cumulative Results of Operations: increased by \$41.8 million for the month of July. This change is due to net income earned by the fund for the month of \$8.5 million and an unrealized gain on available-for-sale U.S. Treasury Securities of \$33.3 million.

Statement of Net Cost:

For the month of July 2012, the fund earned net income of \$8.5 million. The NCUSIF recognized gross revenues of \$19.7 million and total operating expenses of \$11.2 million. The fund did not recognize any costs related to insurance loss expense for the period.

NATIONAL CREDIT UNION SHARE INSURANCE FUND

PRELIMINARY AND UNAUDITED BALANCE SHEET

As of July 31, 2012
(Dollars in thousands)

	July 2012	June 2012	July 2011
ASSETS			
INTRAGOVERNMENTAL			
Fund Balance with Treasury	\$ 561	\$ 515	\$ 565
Investments, Net U.S. Treasury Securities	11,156,735	11,119,188	11,095,948
Accounts Receivable - Note due from the National Credit Union Administration Operating Fund	14,974	15,086	16,315
Accounts Receivable, Other	783	889	-
Accrued Interest Receivable, Investments	78,612	76,950	95,885
Total Intragovernmental Assets	<u>11,251,665</u>	<u>11,212,628</u>	<u>11,208,713</u>
PUBLIC			
Accounts Receivable - Capitalization Deposits from Insured Credit Unions, Net	-	26	188
Accounts Receivable - Premium Assessments from Insured Credit Unions, Net	-	-	-
General Property, Plant, and Equipment, Net	7	8	27
Capital Note Receivable, Net	70,000	70,000	-
Accrued Interest Receivable - Capital Note	175	237	-
Other - Receivable from Asset Management Estates, Net	264,139	272,865	128,135
Total Public Assets	<u>334,321</u>	<u>343,136</u>	<u>128,350</u>
TOTAL ASSETS	<u>\$ 11,585,986</u>	<u>\$ 11,555,764</u>	<u>\$ 11,337,063</u>
LIABILITIES			
INTRAGOVERNMENTAL			
Accounts Payable - Due to the Temporary Corporate Credit Union Stabilization Fund	\$ -	\$ 65	\$ -
Accounts Payable - Due to the National Credit Union Administration Operating Fund	-	-	-
Total Intragovernmental Liabilities	<u>-</u>	<u>65</u>	<u>-</u>
PUBLIC			
Accounts Payable	25	49	1,034
Accounts Payable - Capitalization Deposit Refunds	-	-	-
Other - Insurance and Guarantee Program Liabilities (Reserves)	632,572	641,572	996,855
Total Public Liabilities	<u>632,597</u>	<u>641,621</u>	<u>997,889</u>
TOTAL LIABILITIES	<u>632,597</u>	<u>641,686</u>	<u>997,889</u>
NET POSITION			
Contributed Capital	7,950,085	7,952,570	7,578,350
Cumulative Result of Operations	3,003,304	2,961,508	2,760,825
Total Net Position	<u>10,953,389</u>	<u>10,914,078</u>	<u>10,339,175</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 11,585,986</u>	<u>\$ 11,555,764</u>	<u>\$ 11,337,063</u>

NATIONAL CREDIT UNION SHARE INSURANCE FUND
PRELIMINARY AND UNAUDITED STATEMENTS OF NET COST
For the Periods Ending July 31, 2012
(Dollars in thousands)

	<u>July 2012</u>	<u>CY to Date 2012</u>	<u>CY to Date July 2011</u>
GROSS COSTS			
OPERATING EXPENSES			
Employee Pay	\$ 6,332	\$ 43,291	\$ 41,215
Employee Benefits	1,974	13,492	11,911
Travel	1,167	8,629	8,245
Rent, Communications, and Utilities	227	1,756	1,511
Administrative Costs	548	4,346	4,700
Contracted Services	884	5,151	5,227
AMAC Expense	-	356	63
Training Expense	101	534	657
Leasing Expense	2	85	12
Other Insurance Expense	5	32	706
Total Operating Costs	<u>11,240</u>	<u>77,672</u>	<u>74,247</u>
			-
INSURANCE LOSS EXPENSE	-	36,216	(163,528)
Total Gross Costs	<u>11,240</u>	<u>113,888</u>	<u>(89,281)</u>
LESS EXCHANGE REVENUES			
Interest Revenue on Note Receivable due from the National Credit Union Administration Operating Fund	(25)	(176)	(207)
Interest Revenue - Other	(101)	(701)	-
Other Revenue	(2,486)	(3,661)	-
Insurance and Guarantee Premium Revenue	-	-	(45)
Total Exchange Revenue	<u>(2,612)</u>	<u>(4,538)</u>	<u>(252)</u>
TOTAL NET COST/(INCOME) OF OPERATIONS	<u>8,628</u>	<u>109,350</u>	<u>(89,533)</u>
LESS NON-EXCHANGE REVENUES			
Investment Income	(17,101)	(123,336)	(133,169)
Total Non-Exchange Revenues	<u>(17,101)</u>	<u>(123,336)</u>	<u>(133,169)</u>
TOTAL NET COST/(INCOME) INCLUDING NON-EXCHANGE REVENUES	<u>(8,473)</u>	<u>(13,986)</u>	<u>(222,702)</u>

NATIONAL CREDIT UNION SHARE INSURANCE FUND

PRELIMINARY AND UNAUDITED STATEMENTS OF NET POSITION

July 31, 2012

(Dollars in thousands)

	<u>July 2012</u>	<u>June 2012</u>	<u>July 2011</u>
NET POSITION BREAKDOWN			
CU Contributed Capital	\$ 7,950,085	\$ 7,952,570	\$ 7,578,350
Retained Earnings	<u>2,546,946</u>	<u>2,538,473</u>	<u>2,407,205</u>
Total Net Position without Unrealized Gain/Loss	<u>10,497,031</u>	<u>10,491,043</u>	<u>9,985,555</u>
Unrealized Gain/(Loss) - Investments	<u>456,358</u>	<u>423,035</u>	<u>353,620</u>
NET POSITION	<u>\$ 10,953,389</u>	<u>\$ 10,914,078</u>	<u>\$ 10,339,175</u>

Comparative Analysis of NCUSIF Ratios for July 31, 2012

	July 2012	June 2012	July 2011
Investments/Total Assets	96.30%	96.22%	97.87%
Total Equity/Insured Shares (1)	1.26%	1.26%	1.27%
Available Assets Ratio	1.35%	1.33%	1.29%
Ins. Loss Exp./Insured Shares	0.00%	0.00%	-0.02%

Actual Insured Shares as of June 30, 2012	834,267,557,427
Actual Insured Shares as of December 31, 2011	795,287,721,573
Actual Insured Shares as of June 30, 2011	782,422,299,428

(1) The June and July 2012 ratio is based on an actual insured share level of \$834.3 billion as of June 30, 2012. Collection of the 1% capitalization deposit adjustment associated with the share growth to be collected in September, would raise the equity ratio to 1.30%.

(1) The July 2011 Equity Ratio was based on an actual insured share level of \$782 billion as of June 30, 2011, which is a 3.23% growth rate from the last reporting period.

Figure 1

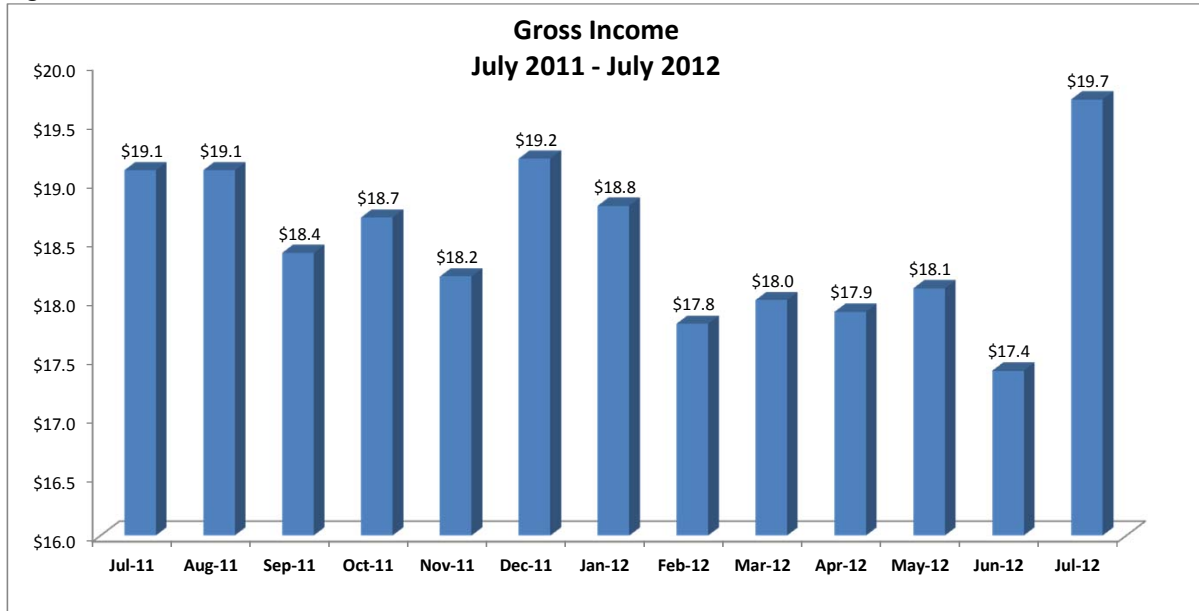
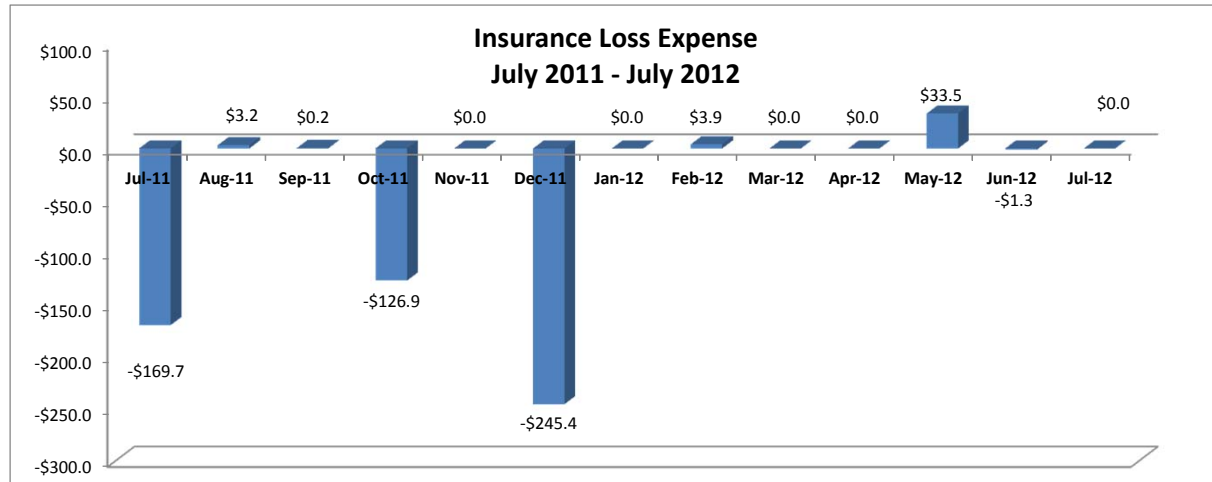


Figure 2



Figure 3



INVESTMENT PORTFOLIO SUMMARY
July 31, 2012

I. INVESTMENT PORTFOLIO BALANCE AND MARKET VALUE (In Dollars)						
	Book Value	Market Value	Gain or (Loss)	% Market to Book Value	Weighted Average Yield	
Daily Treasury Account	\$ 655,179,000	\$ 655,179,000	\$ -	100.00%	0.06%	
U.S. Treasury Notes	10,045,198,270	10,501,556,249	456,357,979	104.54%	2.00%	
Total	\$ 10,700,377,270	\$ 11,156,735,249	\$ 456,357,979	104.26%	1.88%	
II. INVESTMENT PORTFOLIO SUMMARY						
	Last Month	Current Month	CY To Date			
Investment Yield	1.95%	1.88%	1.95%			
Investment Income	\$ 17,343,285	\$ 17,100,999	\$ 123,336,346			
Weighted Avg. Maturity in Days	1,086	1,056				
III. MONTHLY ACTIVITY						
Purchased	Type	Amount	Maturity	Yield		
N/A						
TOTAL		\$ -				
IV. MATURITY SCHEDULE (par value in millions)						
Overnight	\$	655				
1 month - 6 months		800				
6 months - 1 year		800				
1 year - 2 years		1,800				
2 years - 3 years		1,870				
3 years - 4 years		1,900				
4 years - 5 years		1,400				
5 years - 10 years		1,250				
TOTAL	\$	10,475				