

# NATIONAL CREDIT UNION SHARE INSURANCE FUND



## PRELIMINARY & UNAUDITED FINANCIAL HIGHLIGHTS

November 30, 2018

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

November 30, 2018

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### Balance Sheet

Insurance and Guarantee Program Liabilities Reserves are \$116.7 million as of November 30, 2018; \$7.9 million is for specific reserves for natural person credit unions, and \$108.8 million is for general reserves.

There is no Insurance and Guarantee Program Liability for the Corporate System Resolution Program (CSRP) as of November 30, 2018.

### Statement of Net Cost

For the month ended November 30, 2018, the fund had net income of \$11.9 million. The fund recognized gross revenues of \$25.7 million and total operating expenses of \$13.8 million. The fund recognized an insurance loss reduction of \$4 thousand during the month of November 2018.

**NATIONAL CREDIT UNION SHARE INSURANCE FUND**

**BALANCE SHEETS**

**As of November 30, 2018 and 2017**

**(Dollars in thousands)**

	<u>November 2018</u>	<u>November 2017</u>
<b>ASSETS</b>		
<b>INTRAGOVERNMENTAL</b>		
Fund Balance with Treasury	\$ 5,735	\$ 3,068
Investments, Net U.S. Treasury Securities	14,959,800	15,626,810
Accrued Interest Receivable - Investments	43,093	31,210
Accounts Receivable - Due from the National Credit Union Administration Operating Fund	1,622	1,654
Note Receivable - Note due from the National Credit Union Administration Operating Fund	6,481	7,822
Total Intragovernmental Assets	<u>15,016,731</u>	<u>15,670,564</u>
<b>PUBLIC</b>		
Accounts Receivable - Due from Credit Unions	-	243
Accounts Receivable, Other	85	-
Advances	1,004	1,023
Accounts Receivable - Guarantee Fee on NCUA Guarantee Notes	1,025	1,287
General Property, Plant and Equipment, Net	81	615
Other - Receivable from Asset Management Estates, Net - NPCU AMEs	380,441	12,476
Other - Receivable from Asset Management Estates, Net - Corporate AMEs	280,570	523,707
Total Public Assets	<u>663,206</u>	<u>539,351</u>
<b>TOTAL ASSETS</b>	<u>\$ 15,679,937</u>	<u>\$ 16,209,915</u>
 <b>LIABILITIES</b>		
<b>INTRAGOVERNMENTAL</b>		
Accounts Payable - Due to the National Credit Union Administration Operating Fund	\$ 161	\$ 87
Total Intragovernmental Liabilities	<u>161</u>	<u>87</u>
<b>PUBLIC</b>		
Accounts Payable and Other Liabilities	2,269	1,089
Capital Lease Liability	-	40
Other - Insurance and Guarantee Program Liabilities (Reserves)	116,669	286,827
Other - Insurance and Guarantee Program Liabilities (CSRP)	-	-
Total Public Liabilities	<u>118,938</u>	<u>287,956</u>
<b>TOTAL LIABILITIES</b>	<u>119,099</u>	<u>288,043</u>
 <b>NET POSITION</b>		
Contributed Capital	11,326,875	10,764,402
Cumulative Result of Operations	4,233,963	5,157,470
Total Net Position	<u>15,560,838</u>	<u>15,921,872</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$ 15,679,937</u>	<u>\$ 16,209,915</u>

\* Other-Receivable from Asset Management Estates, Net line items are generally updated quarterly.

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 November 30, 2018 and 2017**  
**(Dollars in thousands)**

	November 2018	Year-to-Date November 2018	Year-to-Date November 2017
<b>GROSS COSTS</b>			
<b>OPERATING EXPENSES <sup>(1)</sup></b>			
Employee Pay	7,265	\$ 85,784	\$ 92,467
Employee Benefits	2,877	33,833	36,128
Travel	1,178	13,591	14,133
Rent, Communications and Utilities	249	3,180	3,256
Administrative Costs	627	8,367	6,910
Contracted Services	1,485	22,819	18,376
Training Expense	29	769	1,299
Leasing Expense	40	481	581
Other Insurance Expense	4	35	35
Total Operating Costs	13,754	168,859	173,185
<b>INSURANCE LOSS EXPENSE</b>	4	(79,257)	73,620
Total Gross Costs	13,758	89,602	246,805
<b>LESS EXCHANGE REVENUES</b>			
Interest Revenue on Note Receivable due from the National Credit Union Administration Operating Fund	(10)	(112)	(118)
Guarantee Fee Revenue - NCUA Guaranteed Notes	(1,225)	(15,661)	(3,474)
Other Gains	16	2,786	-
Other (Revenue) / Expense	(5)	(988)	(322)
Total Exchange Revenues	(1,224)	(13,975)	(3,914)
<b>TOTAL NET COST/(INCOME) OF OPERATIONS</b>	12,534	75,627	242,891
<b>LESS NON-EXCHANGE REVENUES</b>			
Investment Income	(24,406)	(258,628)	(187,596)
Gain on Sales of Investments	-	-	(132)
Total Non-Exchange Revenues	(24,406)	(258,628)	(187,728)
<b>TOTAL NET COST/(INCOME) INCLUDING NON-EXCHANGE REVENUES</b>	\$ (11,872)	\$ (183,001)	\$ 55,163

<sup>(1)</sup> 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**

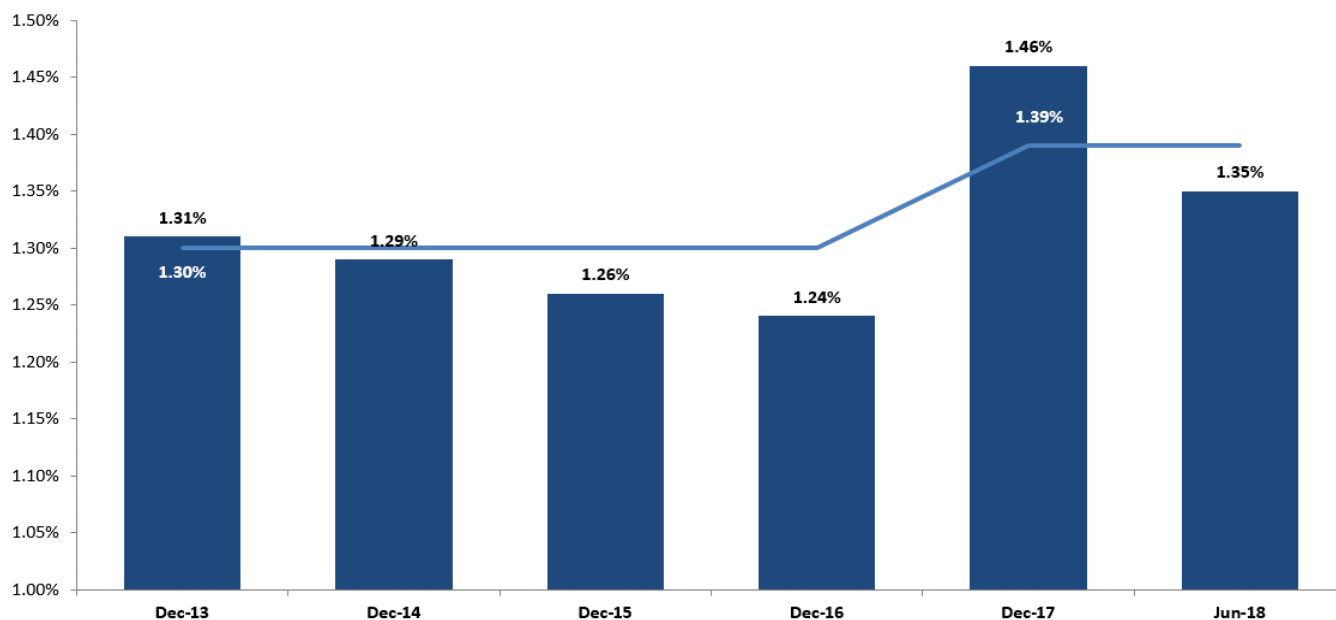
As of November 30, 2018 and 2017

(Dollars in thousands)

<b>NET POSITION BREAKDOWN</b>	<b>November 2018</b>	<b>November 2017</b>
Credit Union Contributed Capital	\$ 11,326,875	\$ 10,764,402
Retained Earnings	4,537,927	5,261,725
Total Net Position without Unrealized Gain/(Loss)	15,864,802	16,026,127
Unrealized Gain/(Loss) - Investments	(303,964)	(104,255)
<b>NET POSITION</b>	<b>\$ 15,560,838</b>	<b>\$ 15,921,872</b>

## NCUSIF Equity Ratio

### CY 2013 – CY 2018



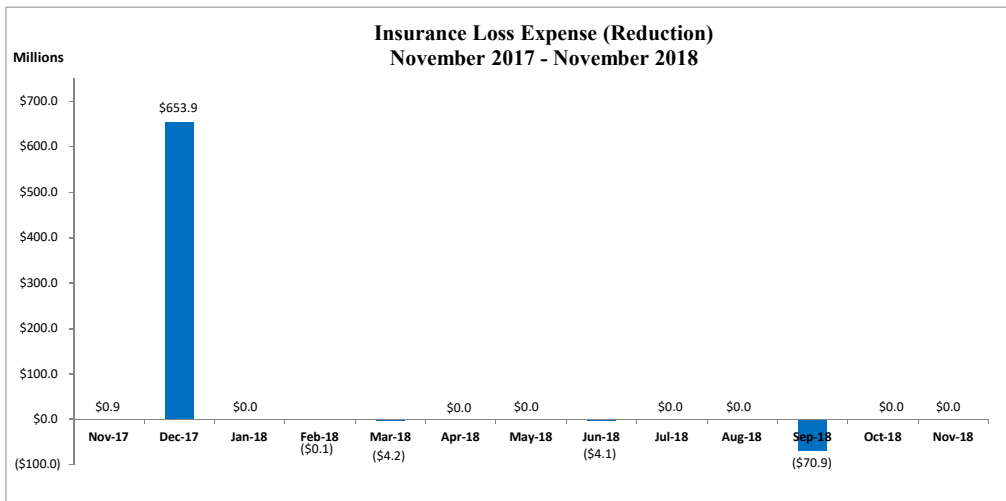
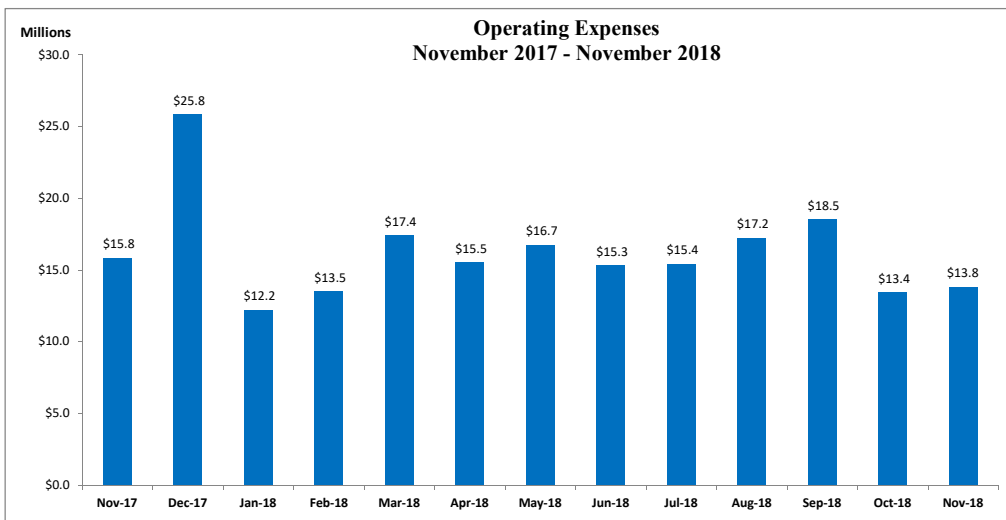
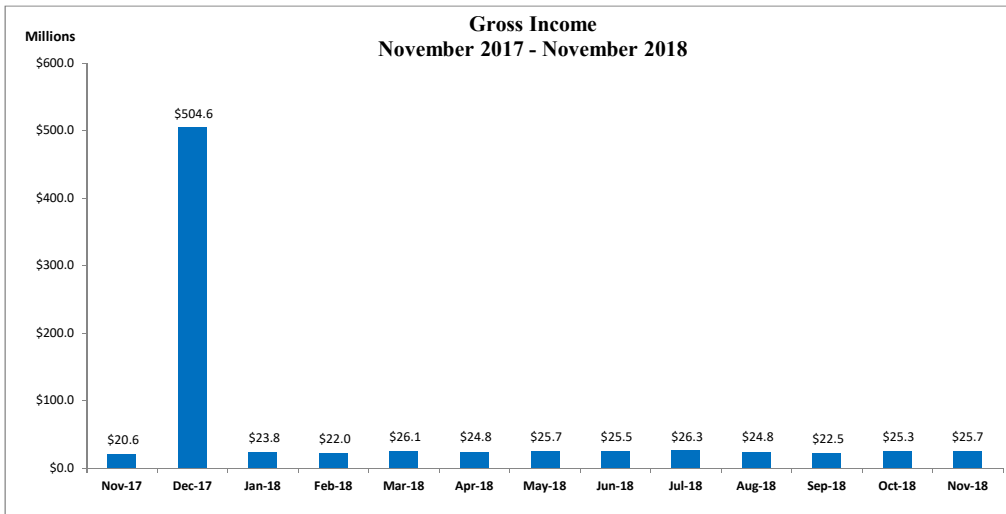
\* The blue line represents the Normal Operating Level over the time period represented on the slide.

The balances in the statement above are preliminary and unaudited.

# NATIONAL CREDIT UNION SHARE INSURANCE FUND

## STATISTICAL INFORMATION

November 30, 2018



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

**INVESTMENT PORTFOLIO SUMMARY**

November 30, 2018

<b>I. INVESTMENT PORTFOLIO BALANCE AND MARKET VALUE (In Dollars)</b>						
	Book Value	Market Value	Unrealized Gain or (Loss)	% Market to Book Value	Weighted Average Yield	
Daily Treasury Account	\$ 1,173,441,000	\$ 1,173,441,000	\$ -	100.00%	2.31%	
U.S. Treasury Notes	14,087,536,530	13,786,359,375	(301,177,155)	97.86%	1.97%	
<b>Total</b>	<b>\$ 15,260,977,530</b>	<b>\$ 14,959,800,375</b>	<b>\$ (301,177,155)</b>	<b>98.03%</b>	<b>2.00%</b>	
<b>II. INVESTMENT PORTFOLIO SUMMARY</b>						
	Last Month	Current Month	CY To Date			
Investment Yield	1.90%	2.00%	1.78%			
Investment Income	\$ 23,856,011	\$ 24,405,530	\$ 258,627,256			
Weighted Avg. Maturity in Days	891	901				
<b>III. MONTHLY ACTIVITY</b>						
Purchased	Type	Amount	Maturity	Yield		
11/15/2018	T-Note	\$ 200,000,000	5/15/2020	2.80%		
11/15/2018	T-Note	\$ 350,000,000	5/15/2019	2.49%		
11/15/2018	T-Note	\$ 150,000,000	11/15/2020	2.86%		
11/15/2018	T-Note	\$ 100,000,000	8/15/2020	2.84%		
11/15/2018	T-Note	\$ 200,000,000	2/15/2020	2.79%		
11/15/2018	T-Note	\$ 150,000,000	11/15/2019	2.73%		
11/15/2018	T-Note	\$ 500,000,000	8/15/2019	2.66%		
<b>TOTAL</b>		<b>\$ 1,650,000,000</b>				
<b>IV. MATURITY SCHEDULE (par value in millions)</b>						
<b>TOTAL</b>	<b>\$</b>	<b>15,223</b>				

Maturity Period	Balance (Millions)
Overnight	1,173
1m-6m	900
6m-1yr	1,750
1yr-2yr	4,700
2yr-3yr	1,800
3yr-4yr	1,650
4yr-5yr	1,500
5yr-6yr	900
6yr-7yr	550
7yr-8yr	300
8yr-9yr	-
9yr-10yr	-

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