

NATIONAL CREDIT UNION SHARE INSURANCE FUND



PRELIMINARY & UNAUDITED FINANCIAL HIGHLIGHTS

August 31, 2019

A handwritten signature in blue ink, appearing to read 'Rendell L. Jones', is positioned above the printed name and title.

**RENDELL L. JONES
CHIEF FINANCIAL OFFICER**

**NATIONAL CREDIT UNION ADMINISTRATION
SHARE INSURANCE FUND
MANAGEMENT OVERVIEW
August 31, 2019**

Balance Sheet

Receivables from Asset Management Estates Net is \$671.3 million; \$372.4 million is for natural person credit unions (NPCU), and \$298.9 million is for Corporate Credit Unions (CCU).

Insurance and Guarantee Program Liabilities related to Reserves are \$111.9 million; \$5.6 million is for specific reserves for natural person credit unions, and \$106.3 million is for general reserves. There are no Corporate System Resolution Program (CSRP) related Insurance and Guarantee Program Liabilities as of August 31, 2019.

Statement of Net Cost

For the month ended August 31, 2019, the fund had net income of \$12.0 million. The fund recognized gross revenues of \$27.2 million and total operating expenses of \$15.2 million. The fund recognized an insurance loss reduction of \$2 thousand during the month of August 2019.

Note: Minor modifications to the form and content of the Share Insurance Fund's monthly financial highlights were made to conform to the annual financial statements.

**NATIONAL CREDIT UNION ADMINISTRATION
SHARE INSURANCE FUND
BALANCE SHEETS
(Dollars in thousands)**

	<u>August 2019</u>	<u>August 2018</u>
ASSETS		
INTRAGOVERNMENTAL		
Fund Balance with Treasury	\$ 12,149	\$ 4,372
Investments, Net - U.S. Treasury Securities	15,450,481	14,663,276
Accrued Interest Receivable - Investments	54,630	52,639
Accounts Receivable - Due from the NCUA Operating Fund	-	-
Note Receivable - Note due from the NCUA Operating Fund	5,475	6,816
Total Intragovernmental Assets	<u>15,522,735</u>	<u>14,727,103</u>
PUBLIC		
Accounts Receivable - Guarantee Fee on NGNs, Net	859	1,124
General Property, Plant, and Equipment, Net	132	202
Advances and Prepayments	1,031	1,041
Receivables from AMEs, Net*	671,281	1,263,290
Total Public Assets	<u>673,303</u>	<u>1,265,657</u>
TOTAL ASSETS	<u>\$ 16,196,038</u>	<u>\$ 15,992,760</u>
LIABILITIES		
INTRAGOVERNMENTAL		
Accounts Payable - Due to the NCUA Operating Fund	\$ 1,012	\$ 741
Total Intragovernmental Liabilities	<u>1,012</u>	<u>741</u>
PUBLIC		
Accounts Payable	632	2,525
Insurance and Guarantee Program Liabilities*	111,873	956,964
Other Liabilities	536	466
Total Public Liabilities	<u>113,041</u>	<u>959,955</u>
TOTAL LIABILITIES	<u>114,053</u>	<u>960,696</u>
Commitments and Contingencies		
NET POSITION		
Contributed Capital	11,414,773	10,877,916
Cumulative Result of Operations	4,667,212	4,154,148
Total Net Position	<u>16,081,985</u>	<u>15,032,064</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 16,196,038</u>	<u>\$ 15,992,760</u>

* Receivable from AMEs, Net and Insurance and Guarantee Program Liabilities lines are generally updated quarterly.

The balances in the statement above are preliminary and unaudited.

**NATIONAL CREDIT UNION ADMINISTRATION
SHARE INSURANCE FUND
STATEMENTS OF NET COST
(Dollars in thousands)**

	<u>August 2019</u>	<u>August 2019 YTD</u>	<u>August 2018 YTD</u>
GROSS COSTS			
Operating Expenses*	\$ 15,185	\$ 126,920	\$ 123,231
Provision for Insurance Losses			
Reserve Expense (Reduction)	(2)	34,244	40,402
AME Receivable Bad Debt Expense	-	(63,367)	(48,747)
Total Provision for Insurance Losses	<u>(2)</u>	<u>(29,123)</u>	<u>(8,345)</u>
Other Losses	-	-	1,142
Total Gross Costs	<u>15,183</u>	<u>97,797</u>	<u>116,028</u>
LESS EXCHANGE REVENUES			
Interest Revenue on Note Receivable from the NCUA			
Operating Fund	(9)	(79)	(81)
Guarantee Fee Revenue - NGNs	(1,092)	(9,288)	(11,741)
Other Revenue	(4)	(343)	(941)
Total Exchange Revenues	<u>(1,105)</u>	<u>(9,710)</u>	<u>(12,763)</u>
TOTAL NET COST/(INCOME) OF OPERATIONS	<u>\$ 14,078</u>	<u>\$ 88,087</u>	<u>\$ 103,265</u>
LESS NON-EXCHANGE REVENUES			
Interest Revenue - Investments	(26,037)	(206,281)	(187,569)
Total Non-Exchange Revenues	<u>(26,037)</u>	<u>(206,281)</u>	<u>(187,569)</u>
TOTAL NET COST/(INCOME) INCLUDING NON-EXCHANGE REVENUES	<u>\$ (11,959)</u>	<u>\$ (118,194)</u>	<u>\$ (84,304)</u>

*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 60.5% and 61.5% for 2019 and 2018, respectively.

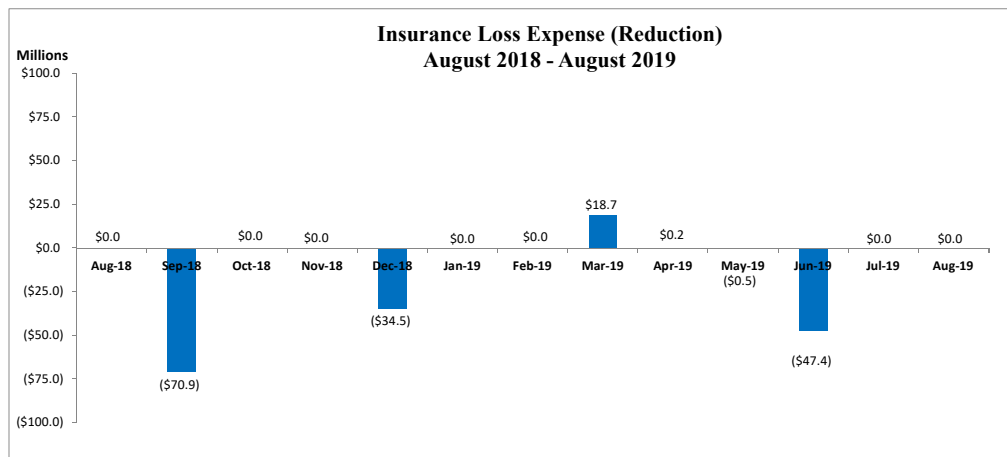
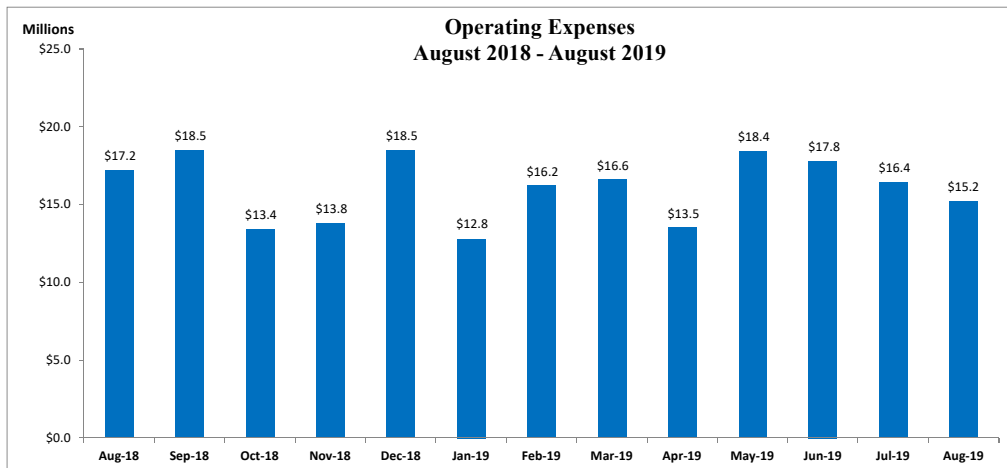
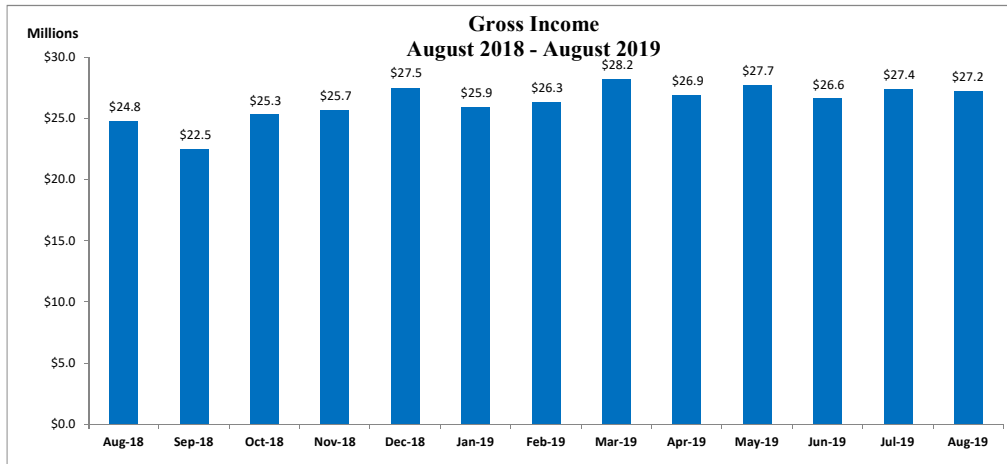
The balances in the statement above are preliminary and unaudited.

**NATIONAL CREDIT UNION ADMINISTRATION
SHARE INSURANCE FUND
STATEMENTS OF CHANGES IN NET POSITION
(Dollars in Thousands)**

	<u>August 2019</u>	<u>August 2018</u>
CUMULATIVE RESULTS OF OPERATIONS		
Beginning Balances	\$ 4,394,392	\$ 4,971,367
BUDGETARY FINANCING SOURCES		
Non-Exchange Revenue		
Interest Revenue - Investments	206,281	187,569
Distribution to Credit Unions	(160,099)	(735,679)
Total Budgetary Financing Sources	<u>46,182</u>	<u>(548,110)</u>
OTHER FINANCING SOURCES		
Non-Exchange Revenue		
Net Unrealized Gain/(Loss) - Investments	314,725	(165,843)
Total Other Financing Sources	<u>314,725</u>	<u>(165,843)</u>
Total Financing Sources	<u>360,907</u>	<u>(713,953)</u>
Net Income /(Cost) of Operations	(88,087)	(103,266)
Net Change	272,820	(817,219)
CUMULATIVE RESULTS OF OPERATIONS	<u>4,667,212</u>	<u>4,154,148</u>
CONTRIBUTED CAPITAL		
Beginning Balances	11,327,234	10,765,320
Change in Contributed Capital	87,539	112,596
CONTRIBUTED CAPITAL	<u>11,414,773</u>	<u>10,877,916</u>
NET POSITION	<u>\$ 16,081,985</u>	<u>\$ 15,032,064</u>
NET POSITION BREAKDOWN		
Credit Union Contributed Capital	11,414,773	10,877,916
Retained Earnings	4,536,753	4,437,584
Total Net Position Without Unrealized Gain/ (Loss)	<u>15,951,526</u>	<u>15,315,500</u>
Unrealized Gain/ (Loss) - Investments	130,459	(283,436)
NET POSITION	<u>\$ 16,081,985</u>	<u>\$ 15,032,064</u>

The balances in the statement above are preliminary and unaudited.

**NATIONAL CREDIT UNION ADMINISTRATION
 SHARE INSURANCE FUND
 STATISTICAL INFORMATION
 August 31, 2019**



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

INVESTMENT PORTFOLIO SUMMARY

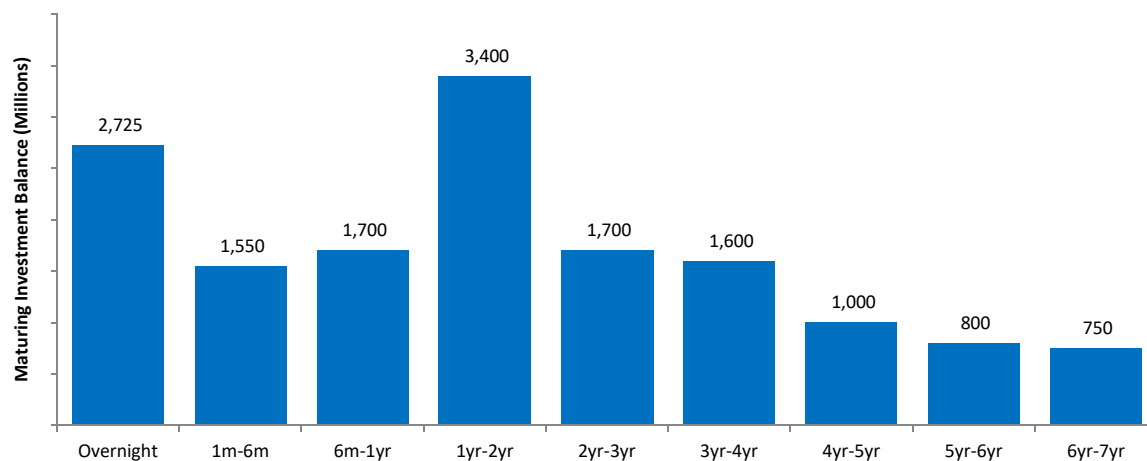
August 31, 2019

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	\$ 2,724,778,000	\$ 2,724,778,000	\$ -	100.00%	2.10%	
U.S. Treasury Notes	12,595,243,823	12,725,703,125	130,459,302	101.04%	1.97%	
Total	\$ 15,320,021,823	\$ 15,450,481,125	\$ 130,459,302	100.85%	1.99%	

II. INVESTMENT PORTFOLIO SUMMARY						
	Last Month	Current Month	CY To Date			
Investment Yield	2.02%	1.99%	2.02%			
Investment Income	\$ 26,293,898	\$ 26,036,435	\$ 206,280,783			
Weighted Avg. Maturity in Days	682	721				

III. MONTHLY ACTIVITY						
Purchased	Type	Amount	Maturity	Yield		
8/28/2019	T-Note	\$ 150,000,000	8/15/2026	1.42%		
8/28/2019	T-Note	\$ 100,000,000	8/15/2025	1.41%		
8/28/2019	T-Note	\$ 150,000,000	5/15/2026	1.42%		
TOTAL		\$ 400,000,000				

IV. MATURITY SCHEDULE (par value in millions)		
TOTAL	\$	15,225



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