

NATIONAL CREDIT UNION SHARE INSURANCE FUND



PRELIMINARY & UNAUDITED FINANCIAL HIGHLIGHTS

January 31, 2019

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

January 31, 2019

Balance Sheet

Insurance and Guarantee Program Liabilities Reserves are \$119.1 million as of January 31, 2019; \$7.3 million is for specific reserves for natural person credit unions, and \$111.8 million is for general reserves.

There is no Insurance and Guarantee Program Liability for the Corporate System Resolution Program (CSRP) as of January 31, 2019.

Statement of Net Cost

For the month ended January 31, 2019, the fund had net income of \$13.1 million. The fund recognized gross revenues of \$25.9 million and total operating expenses of \$12.8 million. The fund did not recognize any insurance loss expense during the month of January 2019.

NATIONAL CREDIT UNION SHARE INSURANCE FUND

BALANCE SHEETS
As of January 31, 2019 and 2018
(Dollars in thousands)

	<u>January 2019</u>	<u>January 2018</u>
ASSETS		
INTRAGOVERNMENTAL		
Fund Balance with Treasury	\$ 9,136	\$ 3,161
Investments, Net U.S. Treasury Securities	15,088,887	16,060,726
Accrued Interest Receivable - Investments	81,826	66,556
Accounts Receivable - Due from the National		
Credit Union Administration Operating Fund	2,557	2,273
Note Receivable - Note due from the National		
Credit Union Administration Operating Fund	<u>6,258</u>	<u>7,599</u>
Total Intragovernmental Assets	<u>15,188,664</u>	<u>16,140,315</u>
PUBLIC		
Accounts Receivable, Other	85	-
Advances	985	1,030
Accounts Receivable - Guarantee Fee on NCUA Guarantee Notes	957	1,213
General Property, Plant and Equipment, Net	167	509
Other - Receivable from Asset Management Estates, Net - NPCU AMEs	399,420	8,982
Other - Receivable from Asset Management Estates, Net - Corporate AMEs	<u>289,450</u>	<u>401,164</u>
Total Public Assets	<u>691,064</u>	<u>412,898</u>
TOTAL ASSETS	<u>\$ 15,879,728</u>	<u>\$ 16,553,213</u>
LIABILITIES		
INTRAGOVERNMENTAL		
Accounts Payable - Due to the National Credit Union Administration		
Operating Fund	<u>\$ 415</u>	<u>\$ 714</u>
Total Intragovernmental Liabilities	<u>415</u>	<u>714</u>
PUBLIC		
Accounts Payable and Other Liabilities	634	1,774
Capital Lease Liability	176	-
Other - Insurance and Guarantee Program Liabilities (Reserves)	119,053	925,407
Other - Insurance and Guarantee Program Liabilities (CSRP)	<u>-</u>	<u>-</u>
Total Public Liabilities	<u>119,863</u>	<u>927,181</u>
TOTAL LIABILITIES	<u>120,278</u>	<u>927,895</u>
NET POSITION		
Contributed Capital	11,327,234	10,765,320
Cumulative Result of Operations	<u>4,432,216</u>	<u>4,859,998</u>
Total Net Position	<u>15,759,450</u>	<u>15,625,318</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 15,879,728</u>	<u>\$ 16,553,213</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 January 31, 2019 and 2018
(Dollars in thousands)

	<u>January 2019</u>	<u>Year-to-Date January 2019</u>	<u>Year-to-Date January 2018</u>
GROSS COSTS			
OPERATING EXPENSES ⁽¹⁾			
Employee Pay	8,015	\$ 8,015	\$ 8,009
Employee Benefits	2,495	2,495	3,383
Travel	282	282	231
Rent, Communications and Utilities	(15)	(15)	234
Administrative Costs	1,092	1,092	561
Contracted Services	814	814	864
Training Expense	25	25	22
Leasing Expense	45	45	53
Other Insurance Expense	3	3	3
Total Operating Costs	<u>12,756</u>	<u>12,756</u>	<u>13,360</u>
INSURANCE LOSS EXPENSE	-	-	(9)
Total Gross Costs	<u>12,756</u>	<u>12,756</u>	<u>13,351</u>
LESS EXCHANGE REVENUES			
Interest Revenue on Note Receivable due from the National Credit Union Administration Operating Fund	(11)	(11)	(10)
Guarantee Fee Revenue - NCUA Guaranteed Notes	(1,182)	(1,182)	(1,525)
Other Gains	1,407	1,407	-
Other (Revenue) / Expense	-	-	2
Total Exchange Revenues	<u>214</u>	<u>214</u>	<u>(1,533)</u>
TOTAL NET COST/(INCOME) OF OPERATIONS	<u>12,970</u>	<u>12,970</u>	<u>11,818</u>
LESS NON-EXCHANGE REVENUES			
Investment Income	(26,108)	(26,108)	(22,298)
Gain on Sales of Investments	-	-	-
Total Non-Exchange Revenues	<u>(26,108)</u>	<u>(26,108)</u>	<u>(22,298)</u>
TOTAL NET COST/(INCOME) INCLUDING NON-EXCHANGE REVENUES	<u>\$ (13,138)</u>	<u>\$ (13,138)</u>	<u>\$ (10,481)</u>

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

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NATIONAL CREDIT UNION SHARE INSURANCE FUND

STATEMENTS OF NET POSITION

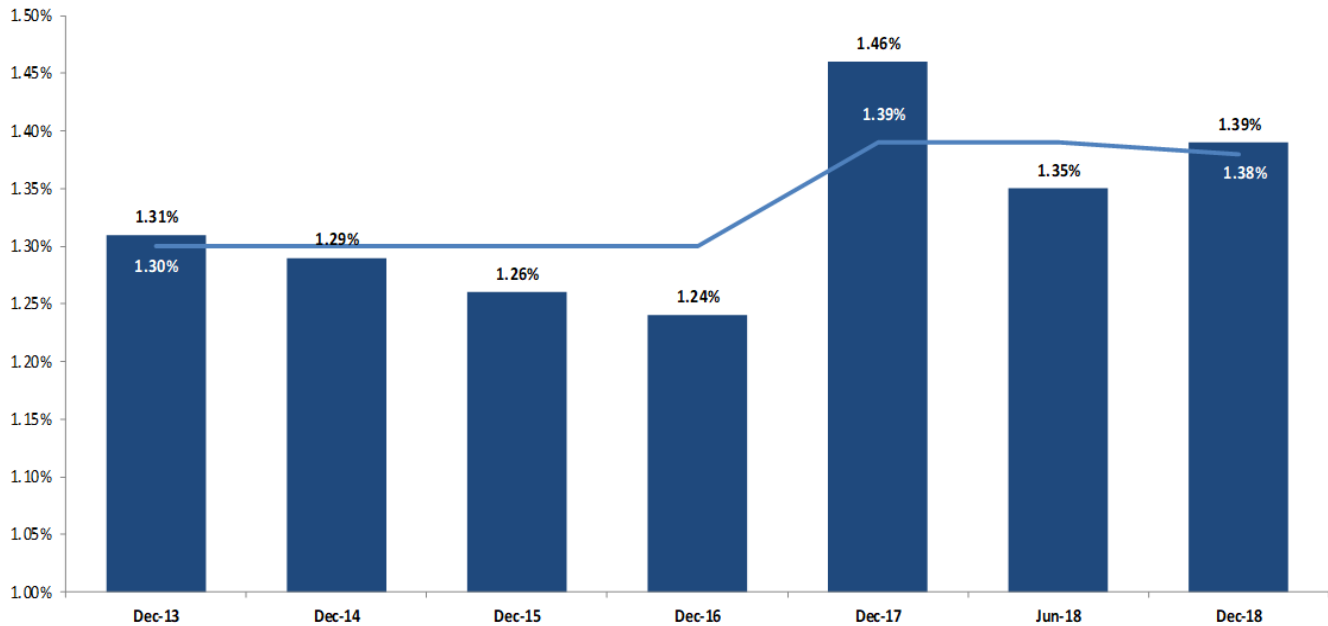
As of January 31, 2019 and 2018

(Dollars in thousands)

NET POSITION BREAKDOWN	January 2019	January 2018
Credit Union Contributed Capital	\$ 11,327,234	\$ 10,765,320
Retained Earnings	4,591,796	5,099,439
Total Net Position without Unrealized Gain/(Loss)	15,919,030	15,864,759
Unrealized Gain/(Loss) - Investments	(159,580)	(239,441)
NET POSITION	\$ 15,759,450	\$ 15,625,318

NCUSIF Equity Ratio

CY 2013 – CY 2018



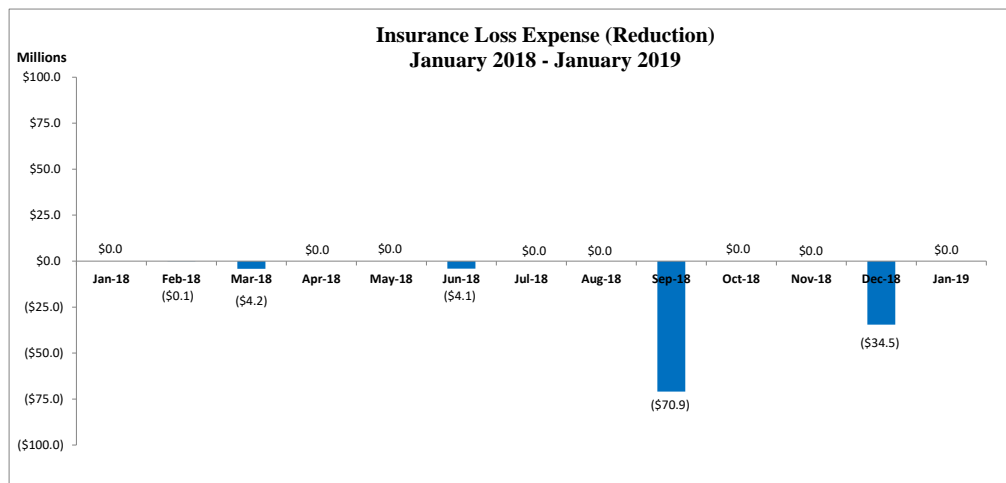
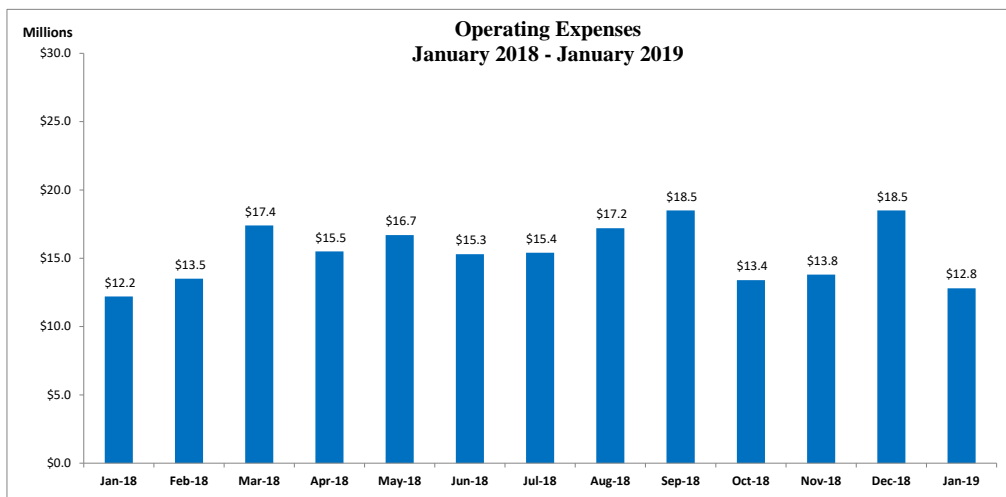
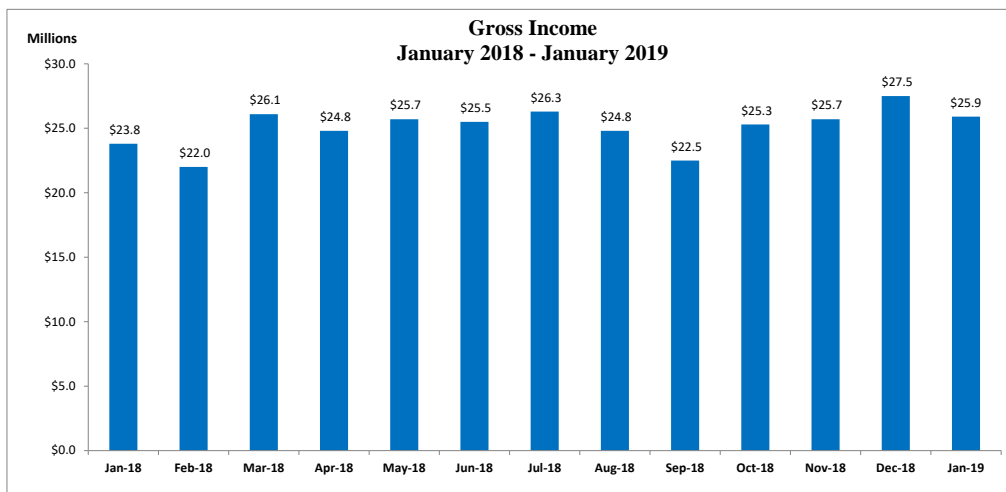
* The blue line represents the Normal Operating Level over the time period represented on the slide.

The balances in the statement above are preliminary and unaudited.

NATIONAL CREDIT UNION SHARE INSURANCE FUND

STATISTICAL INFORMATION

January 31, 2019



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

INVESTMENT PORTFOLIO SUMMARY

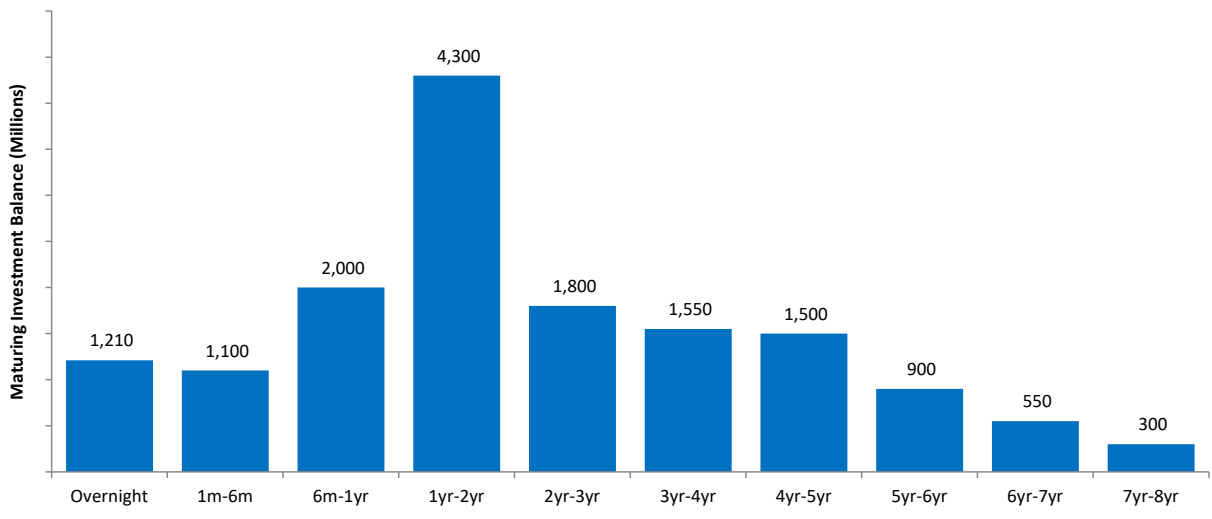
January 31, 2019

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	\$ 1,210,043,000	\$ 1,210,043,000	\$ -	100.00%	2.40%	
U.S. Treasury Notes	14,038,423,511	13,878,843,750	(159,579,761)	98.86%	1.98%	
Total	\$ 15,248,466,511	\$ 15,088,886,750	\$ (159,579,761)	98.95%	2.01%	

II. INVESTMENT PORTFOLIO SUMMARY			
	Last Month	Current Month	CY To Date
Investment Yield	2.01%	2.01%	2.01%
Investment Income	\$ 26,088,404	\$ 26,108,128	\$ 26,108,128
Weighted Avg. Maturity in Days	873	845	

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

IV. MATURITY SCHEDULE (par value in millions)	
TOTAL	\$ 15,210



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