

NATIONAL CREDIT UNION SHARE INSURANCE FUND



**PRELIMINARY & UNAUDITED
FINANCIAL HIGHLIGHTS
September 30, 2020**

A handwritten signature in black ink, appearing to read 'Eugene H. Schied', is positioned above the name of the Chief Financial Officer.

**EUGENE H. SCHIED
CHIEF FINANCIAL OFFICER**

**NATIONAL CREDIT UNION ADMINISTRATION
SHARE INSURANCE FUND
MANAGEMENT OVERVIEW
September 30, 2020**

Balance Sheets

Receivables from Asset Management Estates Net is \$76.5 million; \$5.7 million is for natural person credit unions, and \$70.8 million is for corporate credit unions.

Insurance and Guarantee Program Liabilities related to Reserves are \$175.2 million; \$15.5 million is for specific reserves for natural person credit unions, and \$159.7 million is for general reserves. There are no Corporate System Resolution Program related Insurance and Guarantee Program Liabilities as of September 30, 2020.

Statements of Net Cost

For the month ended September 30, 2020, the fund had net income of \$1.2 million. The fund recognized gross revenues of \$22.2 million and total operating expenses of \$16.1 million. The fund recognized an insurance loss expense of \$4.9 million during the month of September 2020.

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

	<u>September 2020</u>	<u>September 2019</u>
ASSETS		
INTRAGOVERNMENTAL		
Fund Balance with Treasury ¹	\$ -	\$ 12,001
Investments, Net - U.S. Treasury Securities ¹	17,500,249	15,417,577
Accrued Interest Receivable - Investments	83,351	70,650
Accounts Receivable - Due from the NCUA Operating Fund	907	-
Note Receivable - Note due from the NCUA Operating Fund	4,023	5,364
Total Intragovernmental Assets	<u>17,588,530</u>	<u>15,505,592</u>
PUBLIC		
Accounts Receivable - Due from Insured Credit Unions, Net	1,545,856	549,613
Accounts Receivable - Guarantee Fee on NGNs, Net	569	806
General Property, Plant, and Equipment, Net	69	127
Advances and Prepayments	1,022	1,025
Receivables from Asset Management Estates (AMEs), Net ²	76,483	659,307
Total Public Assets	<u>1,623,999</u>	<u>1,210,878</u>
TOTAL ASSETS	<u>\$ 19,212,529</u>	<u>\$ 16,716,470</u>
LIABILITIES		
INTRAGOVERNMENTAL		
Accounts Payable - Due to the NCUA Operating Fund	\$ 96	\$ 2,104
Total Intragovernmental Liabilities	<u>96</u>	<u>2,104</u>
PUBLIC		
Accounts Payable	5,028	19,699
Insurance and Guarantee Program Liabilities ²	175,215	115,919
Other Liabilities	450	437
Total Public Liabilities	<u>180,693</u>	<u>136,055</u>
TOTAL LIABILITIES	<u>180,789</u>	<u>138,159</u>
Commitments and Contingencies		
NET POSITION		
Contributed Capital	13,810,982	11,951,974
Cumulative Result of Operations	5,220,758	4,626,337
Total Net Position	<u>19,031,740</u>	<u>16,578,311</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 19,212,529</u>	<u>\$ 16,716,470</u>

¹ FBWT was fully invested in overnight securities at September 30, 2020.

² 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>September 2020</u>	<u>September 2020 YTD</u>	<u>September 2019 YTD</u>
GROSS COSTS			
Operating Expenses*	\$ 16,055	\$ 132,395	\$ 143,514
Provision for Insurance Losses			
Reserve Expense (Reduction)	(3,800)	50,660	39,406
AME Receivable Bad Debt Expense	8,695	(11,305)	(60,514)
Total Provision for Insurance Losses	<u>4,895</u>	<u>39,355</u>	<u>(21,108)</u>
Other Losses	-	63	22
Total Gross Costs	<u>20,950</u>	<u>171,813</u>	<u>122,428</u>
LESS EXCHANGE REVENUES			
Interest Revenue on Note Receivable from the NCUA			
Operating Fund	(5)	(58)	(88)
Guarantee Fee Revenue - NGNs	(685)	(6,699)	(10,257)
Other Revenue	(65)	(574)	(346)
Total Exchange Revenues	<u>(755)</u>	<u>(7,331)</u>	<u>(10,691)</u>
TOTAL NET COST/(INCOME) OF OPERATIONS	<u>\$ 20,195</u>	<u>\$ 164,482</u>	<u>\$ 111,737</u>
LESS NON-EXCHANGE REVENUES			
Interest Revenue - Investments	(21,389)	(211,111)	(230,981)
Total Non-Exchange Revenues	<u>(21,389)</u>	<u>(211,111)</u>	<u>(230,981)</u>
TOTAL NET COST/(INCOME) INCLUDING NON-EXCHANGE REVENUES	<u>\$ (1,194)</u>	<u>\$ (46,629)</u>	<u>\$ (119,244)</u>

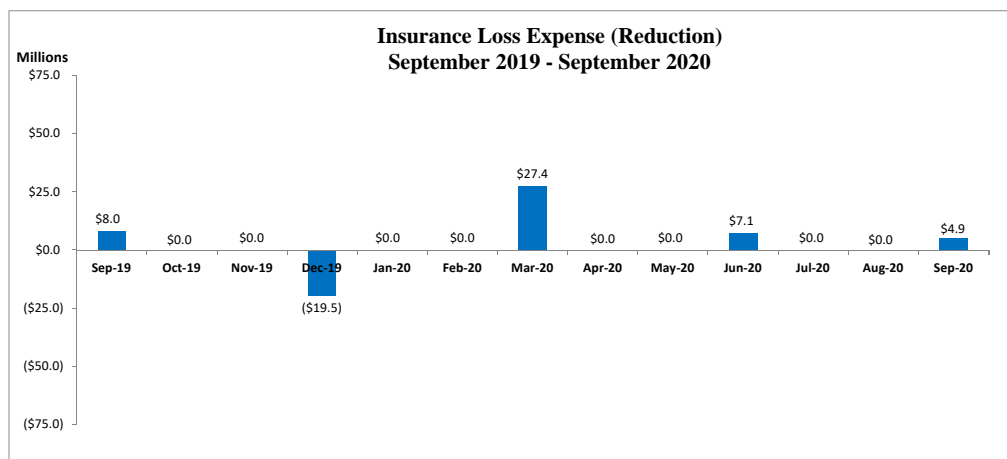
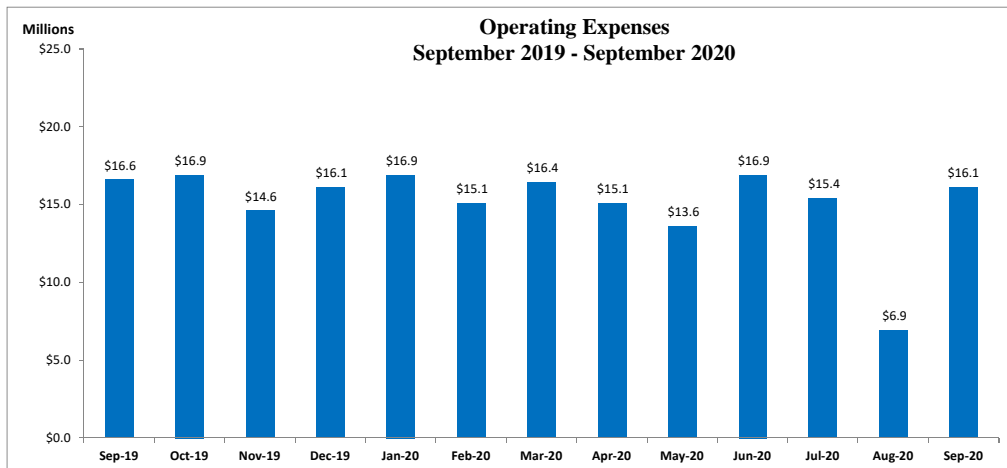
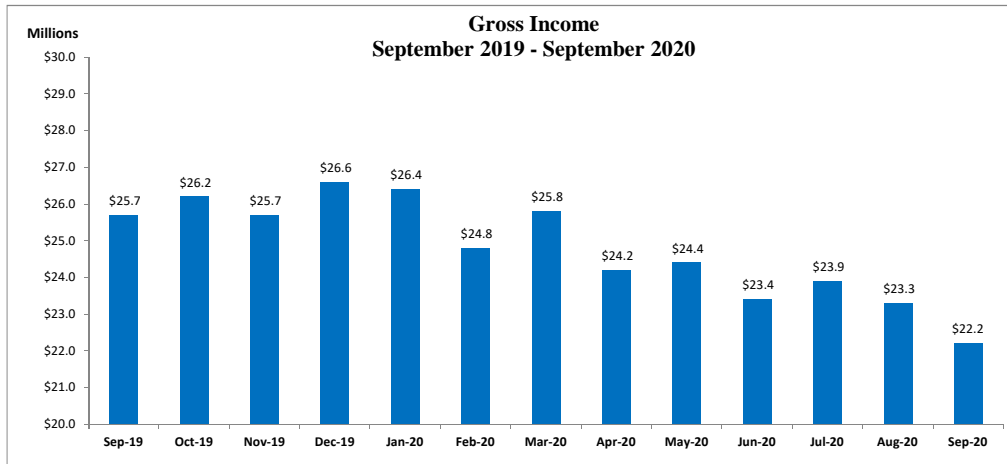
*Share Insurance Fund operating expenses are an allocation of total NCUA operating expenses, as determined by the overhead transfer rate set by the Board of 61.3% and 60.5% for 2020 and 2019, respectively.

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

	<u>September 2020</u>	<u>September 2019</u>
CUMULATIVE RESULTS OF OPERATIONS		
Beginning Balances	\$ 4,632,574	\$ 4,394,392
BUDGETARY FINANCING SOURCES		
Non-Exchange Revenue		
Interest Revenue - Investments	211,111	230,981
Distribution to Credit Unions	-	(160,099)
Total Budgetary Financing Sources	<u>211,111</u>	<u>70,882</u>
OTHER FINANCING SOURCES		
Non-Exchange Revenue		
Net Unrealized Gain/(Loss) - Investments	541,555	272,800
Total Other Financing Sources	<u>541,555</u>	<u>272,800</u>
Total Financing Sources	<u>752,666</u>	<u>343,682</u>
Net Income /(Cost) of Operations	(164,482)	(111,737)
Net Change	588,184	231,945
CUMULATIVE RESULTS OF OPERATIONS	<u>5,220,758</u>	<u>4,626,337</u>
CONTRIBUTED CAPITAL		
Beginning Balances	11,967,387	11,327,234
Change in Contributed Capital	1,843,595	624,740
CONTRIBUTED CAPITAL	<u>13,810,982</u>	<u>11,951,974</u>
NET POSITION	<u>\$ 19,031,740</u>	<u>\$ 16,578,311</u>
NET POSITION BREAKDOWN		
Credit Union Contributed Capital	13,810,982	11,951,974
Retained Earnings	4,634,853	4,537,803
Total Net Position Without Unrealized Gain/ (Loss)	<u>18,445,835</u>	<u>16,489,777</u>
Unrealized Gain/ (Loss) - Investments	585,905	88,534
NET POSITION	<u>\$ 19,031,740</u>	<u>\$ 16,578,311</u>

The balances in the statement above are preliminary and unaudited.

**NATIONAL CREDIT UNION ADMINISTRATION
 SHARE INSURANCE FUND
 STATISTICAL INFORMATION
 September 30, 2020**



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

INVESTMENT PORTFOLIO SUMMARY

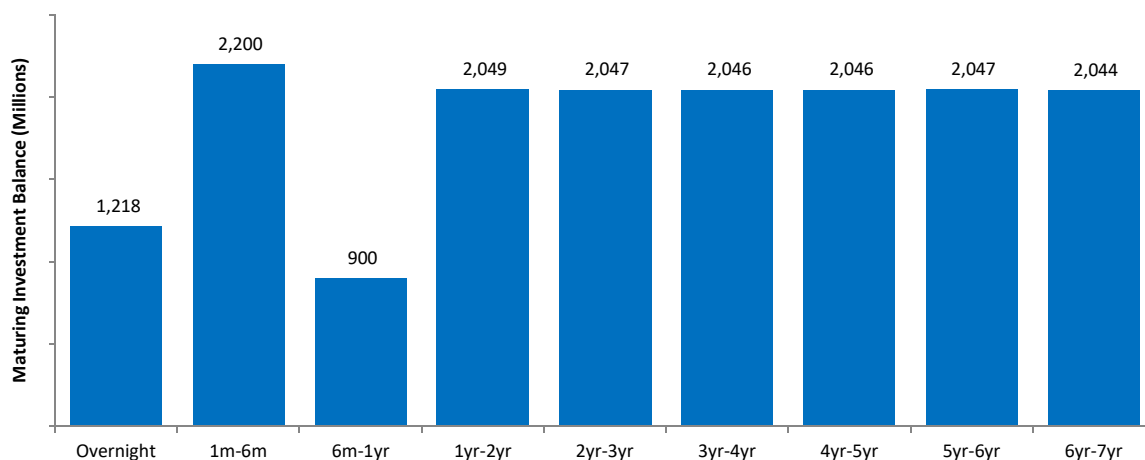
September 30, 2020

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	\$ 1,217,699,442	\$ 1,217,699,442	\$ -	100.00%	0.07%	
U.S. Treasury Notes	15,696,644,643	16,282,549,910	585,905,267	103.73%	1.62%	
Total	\$ 16,914,344,085	\$ 17,500,249,352	\$ 585,905,267	103.46%	1.51%	

II. INVESTMENT PORTFOLIO SUMMARY			
	Last Month	Current Month	CY To Date
Investment Yield	1.56%	1.51%	1.68%
Investment Income	\$ 22,584,420	\$ 21,389,296	\$ 211,111,121
Weighted Avg. Maturity in Days	1,110	1,106	

III. MONTHLY ACTIVITY					
Purchased	Type	Amount	Maturity	Yield	
9/30/2020	T-Note	\$ 46,817,849	8/15/2026	0.36%	
9/30/2020	T-Note	\$ 44,462,971	8/15/2027	0.45%	
9/30/2020	T-Note	\$ 46,003,450	8/15/2024	0.20%	
9/30/2020	T-Note	\$ 46,036,542	8/15/2025	0.27%	
9/30/2020	T-Note	\$ 46,708,510	8/15/2023	0.15%	
9/30/2020	T-Note	\$ 48,654,402	8/15/2022	0.12%	
TOTAL		\$ 278,683,723			

IV. MATURITY SCHEDULE (par value in millions)	
TOTAL	\$ 16,596



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