



NCUA
National Credit Union Administration

Eugene H. Schied, CFO

Office of the Chief Financial Officer

NCUSIF Financial Statistics

For the Quarter Ended
June 30, 2020

NCUSIF Revenue and Expense

June 30, 2020

PRELIMINARY & UNAUDITED (In Millions)	Quarter Ended June 30, 2020	Year-to-Date June 30, 2020
Gross Income:		
Investment Income	\$69.7	\$143.9
Guarantee Fee Revenue	2.2	4.6
Other Income	0.2	0.6
Total Income	\$72.1	\$149.1
Less Expenses:		
Operating Expenses	\$45.7	\$94.1
Provision for Insurance Losses:		
Reserve Expense	(6.4)	54.5
NPCU AME Loss Expense (Reduction)	5.4	(15.5)
Corporate AME Loss Expense (Reduction)	8.1	(4.5)
Total Expenses	\$52.8	\$128.6
Net Income (Loss)	\$19.3	\$20.5

NCUSIF Summary Balance Sheets

June 30, 2020

PRELIMINARY & UNAUDITED (In Millions)	June 30, 2020	March 31, 2020
Assets		
Fund Balance with Treasury and Investments	\$17,444.2	\$17,102.7
Capitalization Deposits Receivable	0.0	331.9
Receivable from NPCU Asset Management Estates, Net	8.3	0.6
Receivable from Corporate Asset Management Estates, Net	141.6	162.3
Accrued Interest and Other Assets	84.0	89.4
Total Assets	\$17,678.1	\$17,686.9
Liabilities and Net Position		
Accounts Payable and Other Liabilities	\$4.8	\$50.2
Insurance and Guarantee Program Liabilities	184.0	177.7
Net Position – Capital Deposits	12,259.3	12,256.3
Net Position – Cumulative Results of Operations	5,230.0	5,202.7
Total Liabilities and Net Position	\$17,678.1	\$17,686.9

NCUSIF - Insurance and Program Guarantee Liabilities

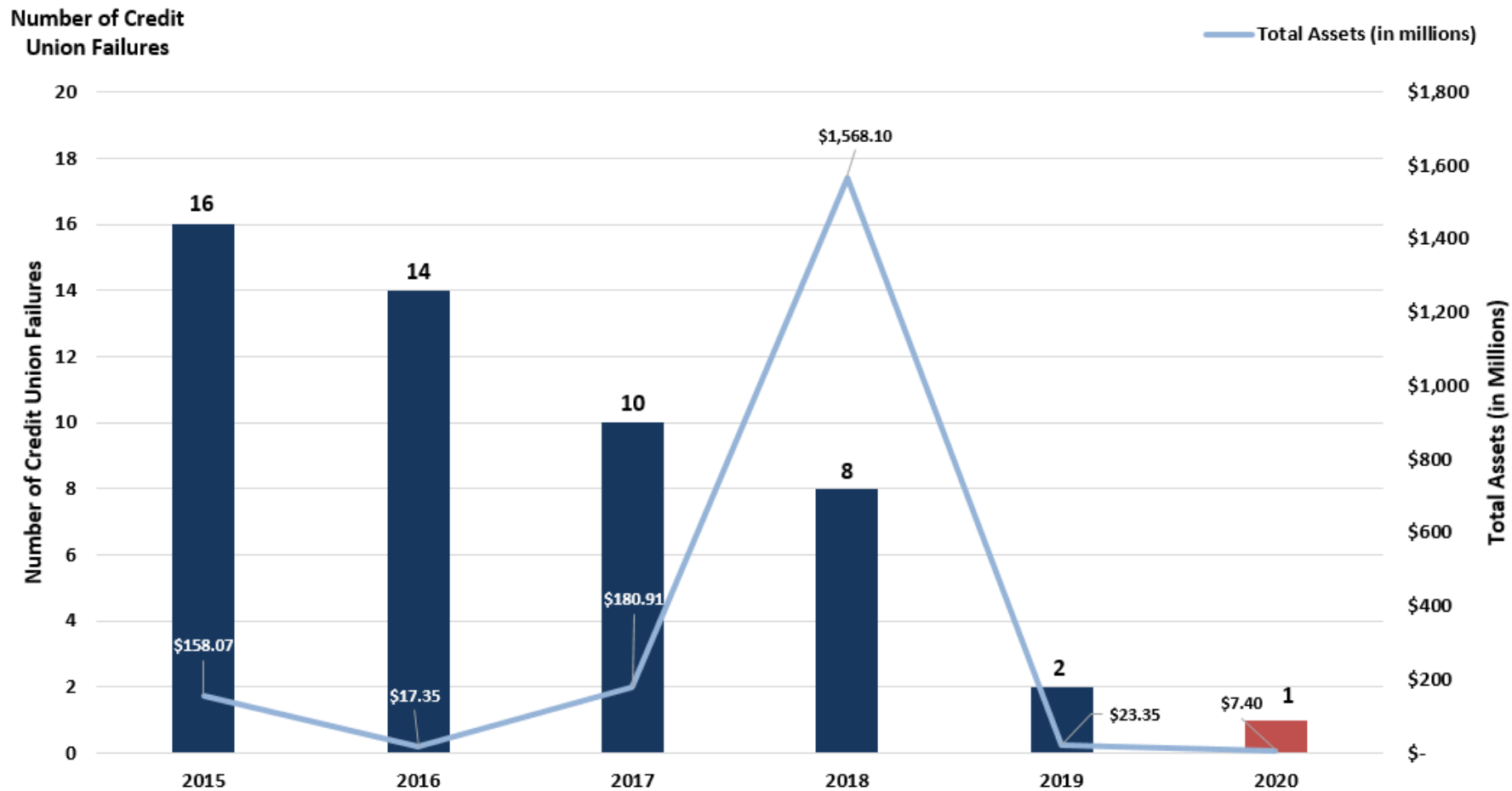
June 30, 2020

PRELIMINARY & UNAUDITED (In Millions)	Quarter Ended June 30, 2020	Year-To-Date June 30, 2020
Beginning Reserve Balance:	\$ 177.7	\$ 117.0
Reserve Expense	(6.4)	54.5
Charges for Assisted Mergers	-	-
Charges for Liquidations	12.7	12.5
Ending Reserve Balance	\$184.0	\$184.0

* This table shows only NPCU Insurance and Program Guarantee Liabilities.

Number of Credit Union Failures Incurring a Loss to the Share Insurance Fund

CY2015 – Q2 CY2020



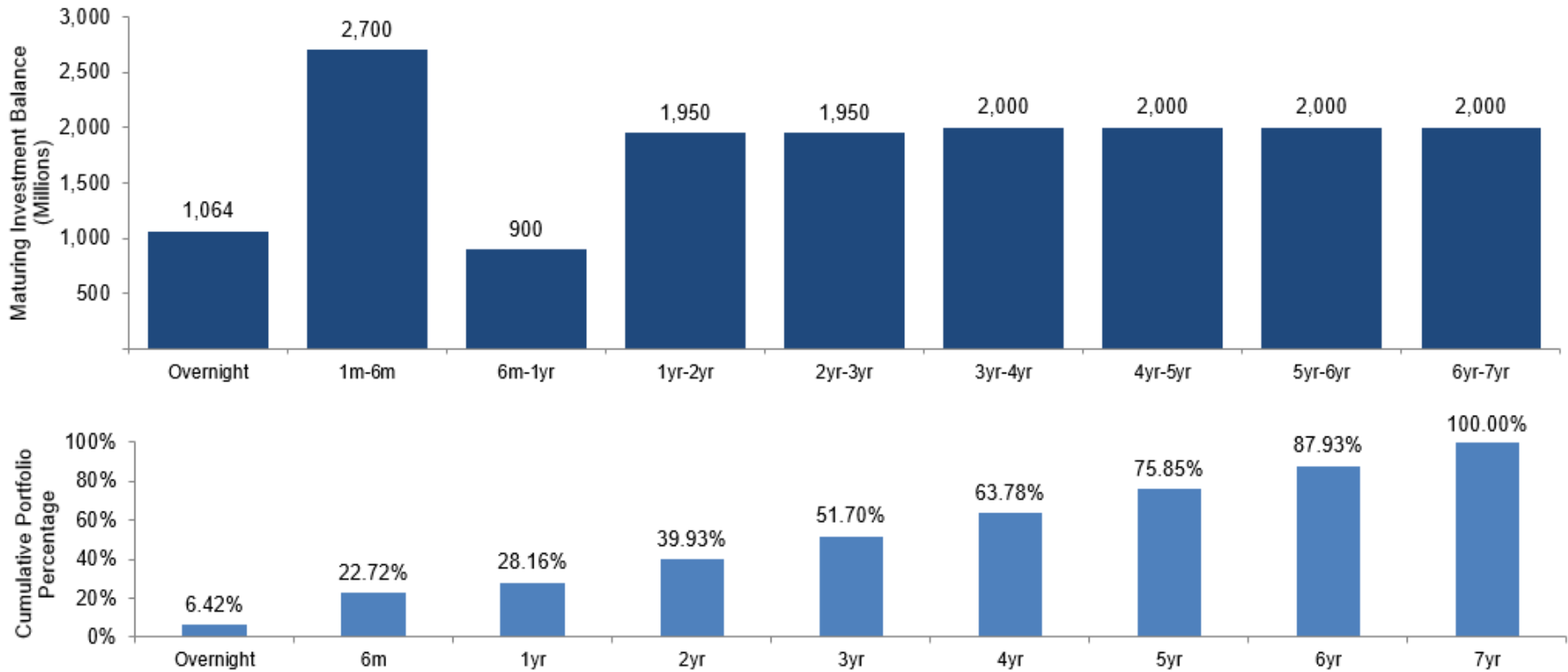
NCUSIF Portfolio

June 30, 2020

Investment Balance at Par: \$16.6 Billion

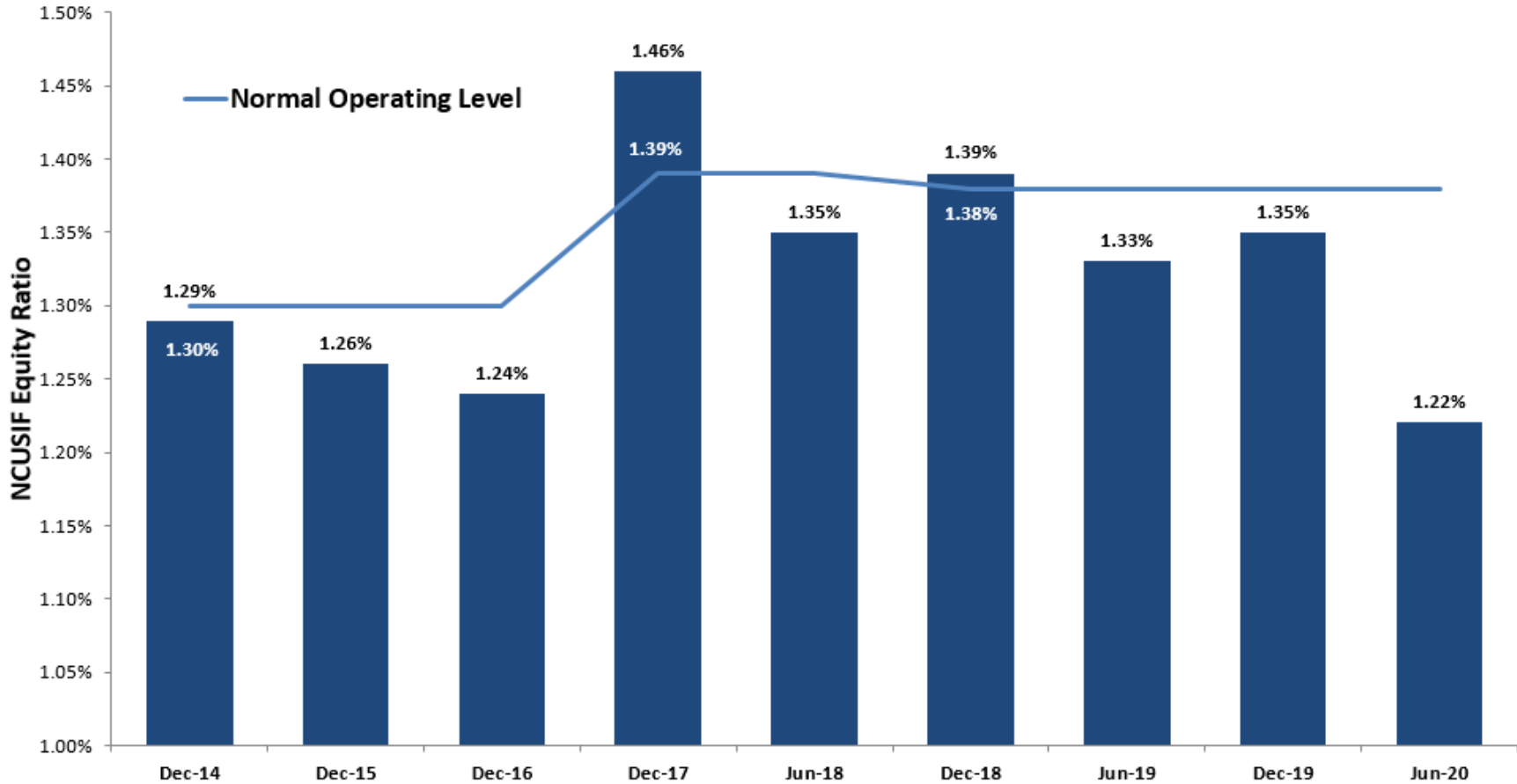
Weighted Average Life:
Weighted Average Yield:

3 years
1.63%



NCUSIF Equity Ratio

CY2014 – Q2 CY2020



NCUSIF Equity Ratio (Continue)

- The Federal Credit Union Act §1782(h)(2) defines the equity ratio as the ratio of – “(A) the amount of Fund capitalization, including insured credit unions’ 1 percent capitalization deposits and the retained earnings balance of the Fund (net of direct liabilities of the Fund and contingent liabilities for which no provision for losses has been made) to (B) the aggregate amount of the insured shares in all insured credit unions.”
- Per NCUA Rules and Regulations §741.4(b), the equity ratio shown as an abbreviated mathematical formula is:

$$\frac{\text{insured credit unions' 1.0\% capitalization deposits +} \\ \text{(NCUSIF's retained earnings - contingent liabilities *)}}{\text{aggregate amount of all insured shares}}$$

*For which no provision for losses has been made

NCUSIF Equity Ratio (Continue)

- Equity ratio of the Share Insurance Fund as of June 30, 2020 is 1.22 percent, below the approved normal operating level of 1.38 percent.
- Equity ratio decreased by 13 basis points from 1.35% as Dec.2019 to 1.22% as Jun.2020.
- Primary driver of the change is faster growth in insured shares of 12.95% as compared to the sum of the contributed capital and retained earnings less contingent liabilities, which increased by 1.88% from Dec.2019.

$$\frac{\$12,259,329,811^1 + \$4,608,681,682^2}{\$1,384,397,388,045^3} = 1.22\%$$

¹ Contributed Capital as reported on the Balance Sheet of the June 2020 unaudited financial statements.

² SIF Retained Earnings of \$4,608,681,682 which is defined as: cumulative results of operations of \$5,229,980,714, excluding net cumulative unrealized gains and losses on investments of \$621,299,032 as reported on the Balance Sheet of June 2020 unaudited financial statements, respectively.

³ Insured shares are based on June 2020 call reports as of August 13, 2020.

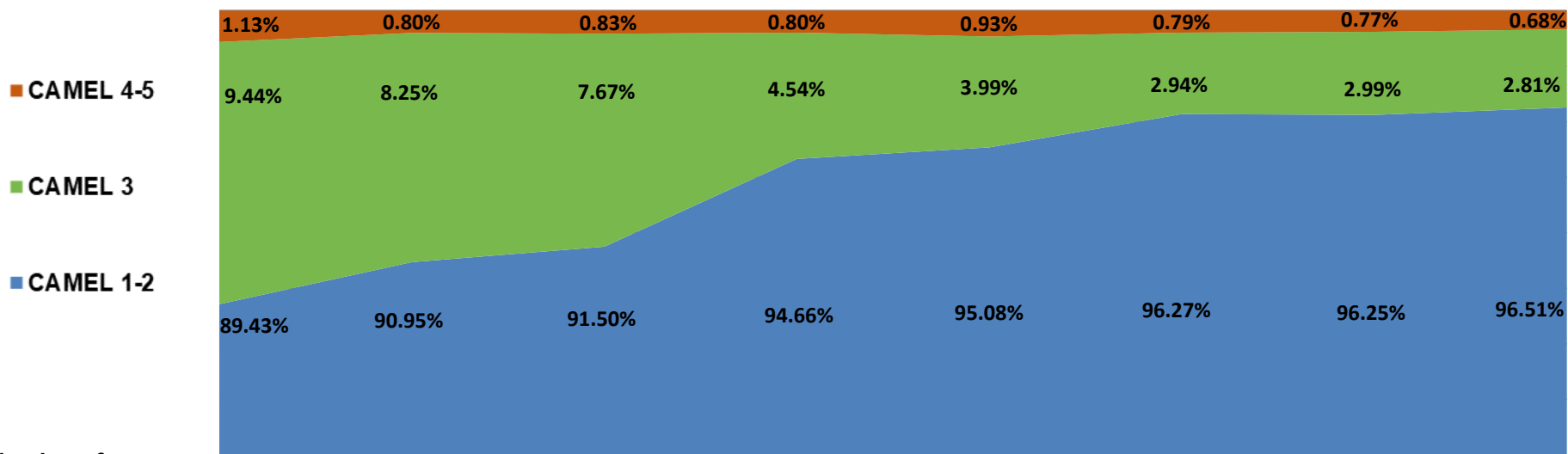
NCUSIF Equity Ratio (Continue)

- The NCUSIF reports the capitalization deposits from insured credit unions as contributed capital.
- As provided by the *Federal Credit Union Act*, Public Law 73-467, as amended (FCU Act), each insured credit union pays to and maintains with the NCUSIF a capitalization deposit amount equal to 1.0% of its insured shares. The amounts are based on insured member share deposits outstanding as of December 31 of the preceding year and June 30 of the current year, respectively.
- Annually, cycle 1 includes the capitalization adjustment for all insured credit unions. Semi-annually, cycle 2 includes only the capitalization adjustment for credit unions with assets of \$50 million or more.
- The NCUSIF will receive additional capitalization deposits of approximately \$1.5 billion from insured credit unions in October 2020 after the NCUA invoices for its semi-annual contributed capital adjustment this month.

Percentage of Insured Shares and Total Number of CUs by CAMEL Code

CY2014 – Q2 CY2020

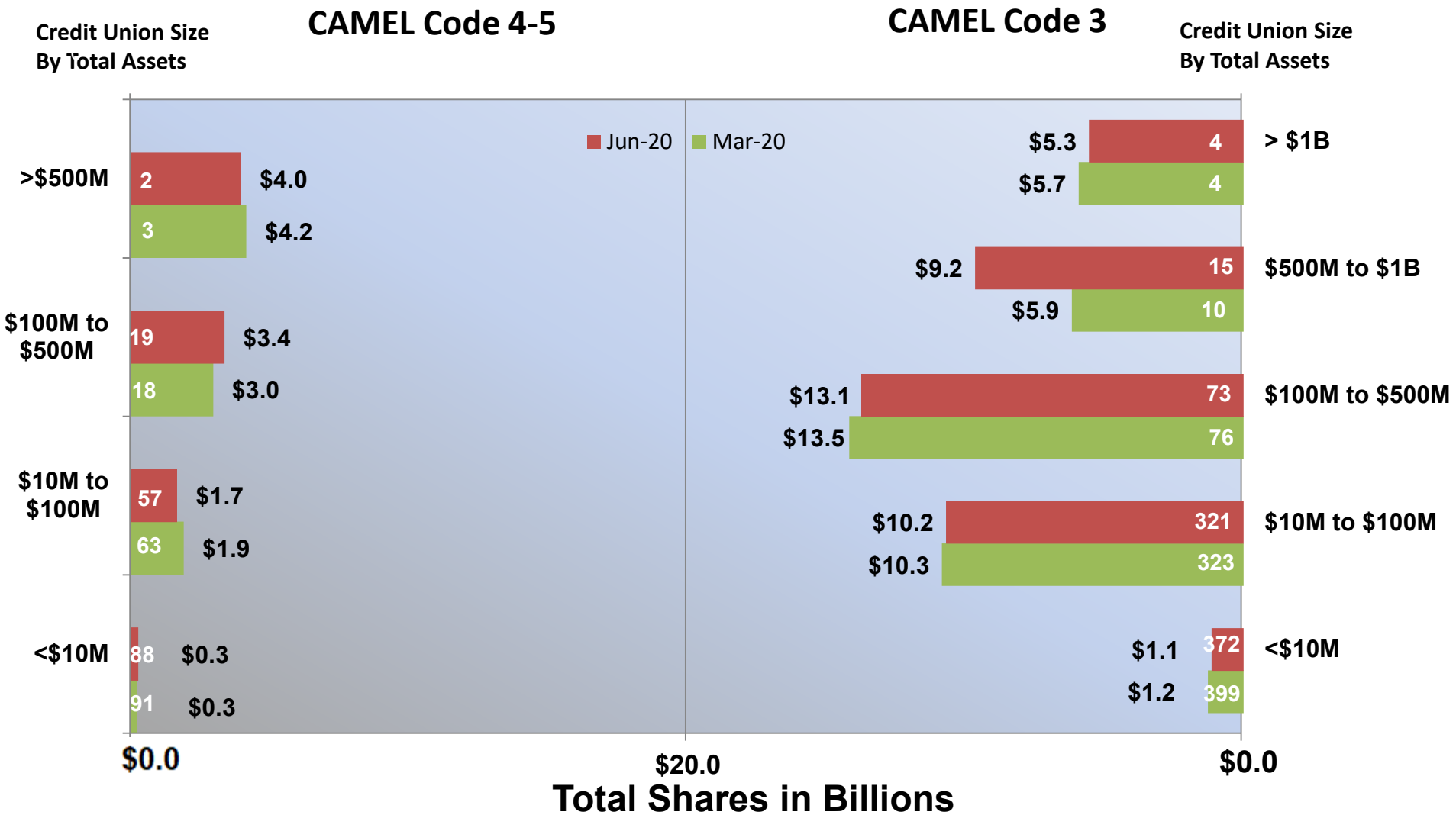
Percentage of Insured Shares by CAMEL Rating*



Number of CU's	Dec-14	Dec-15	Dec-16	Dec-17	Dec-18	Dec-19	Mar-20	Jun-20
CAMEL 4-5	276	220	196	196	193	190	175	166
CAMEL 3	1,411	1,261	1,123	1,072	940	838	812	785
CAMEL 1-2	4,586	4,540	4,466	4,322	4,266	4,220	4,219	4,210
TOTAL	6,273	6,021	5,785	5,590	5,399	5,248	5,206	5,161

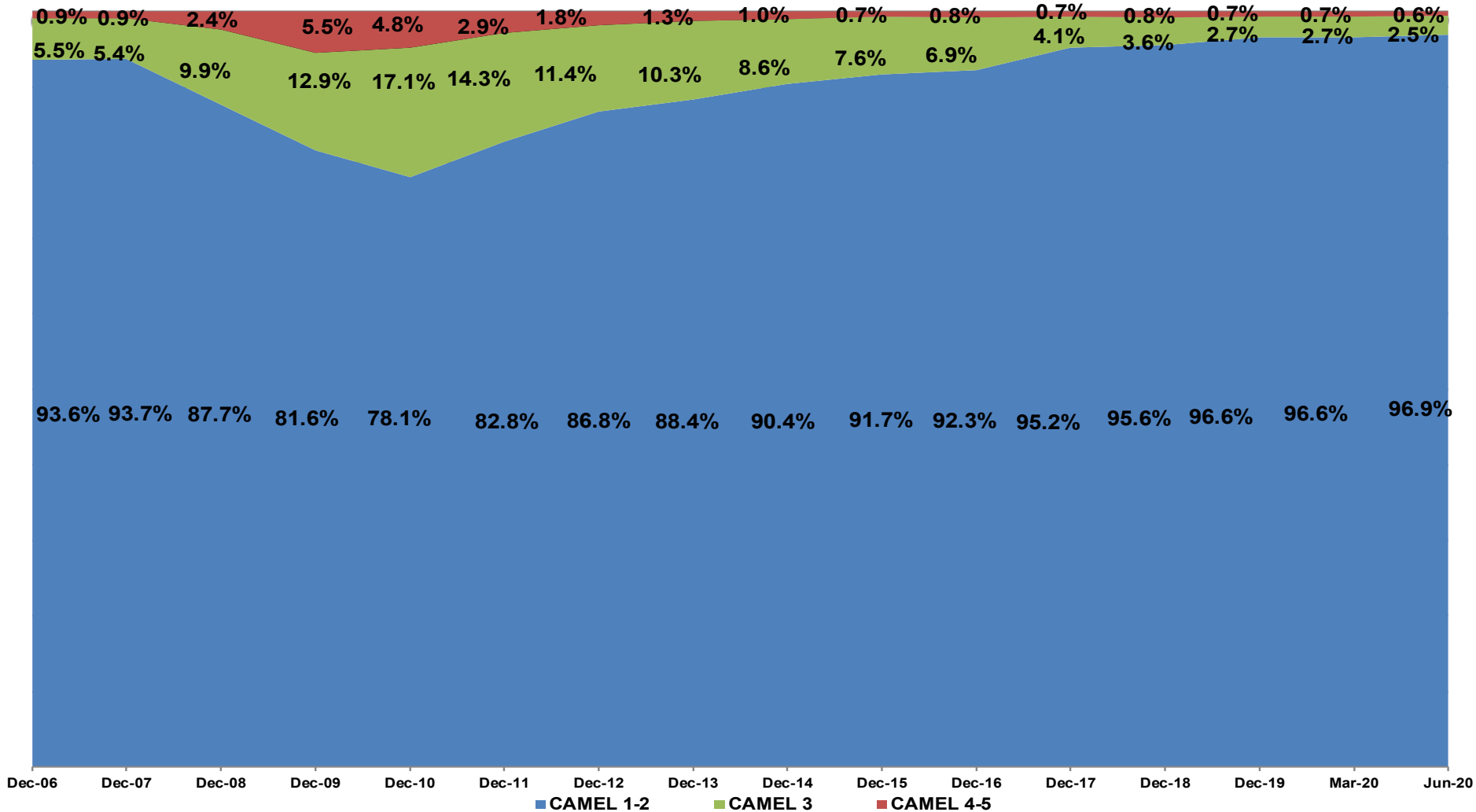
*Areas are not to scale.

CAMEL Code Comparison by Asset Size



Distribution of Assets in CAMEL Codes

CY2006 – Q2 CY2020 *



Office Contact Page

Feel free to contact our office with questions or comments.

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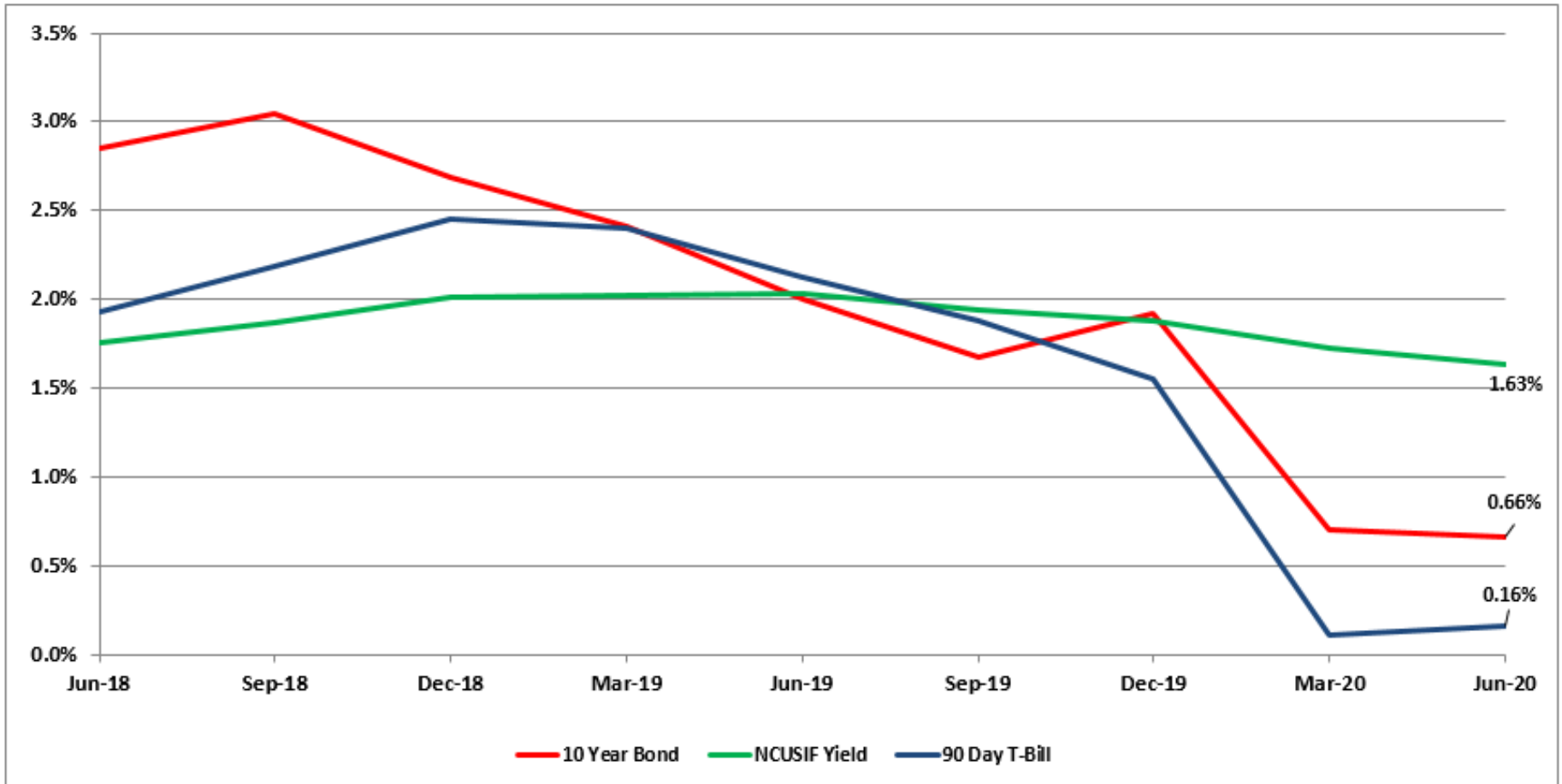


APPENDICES

Appendix I - Yield Comparisons

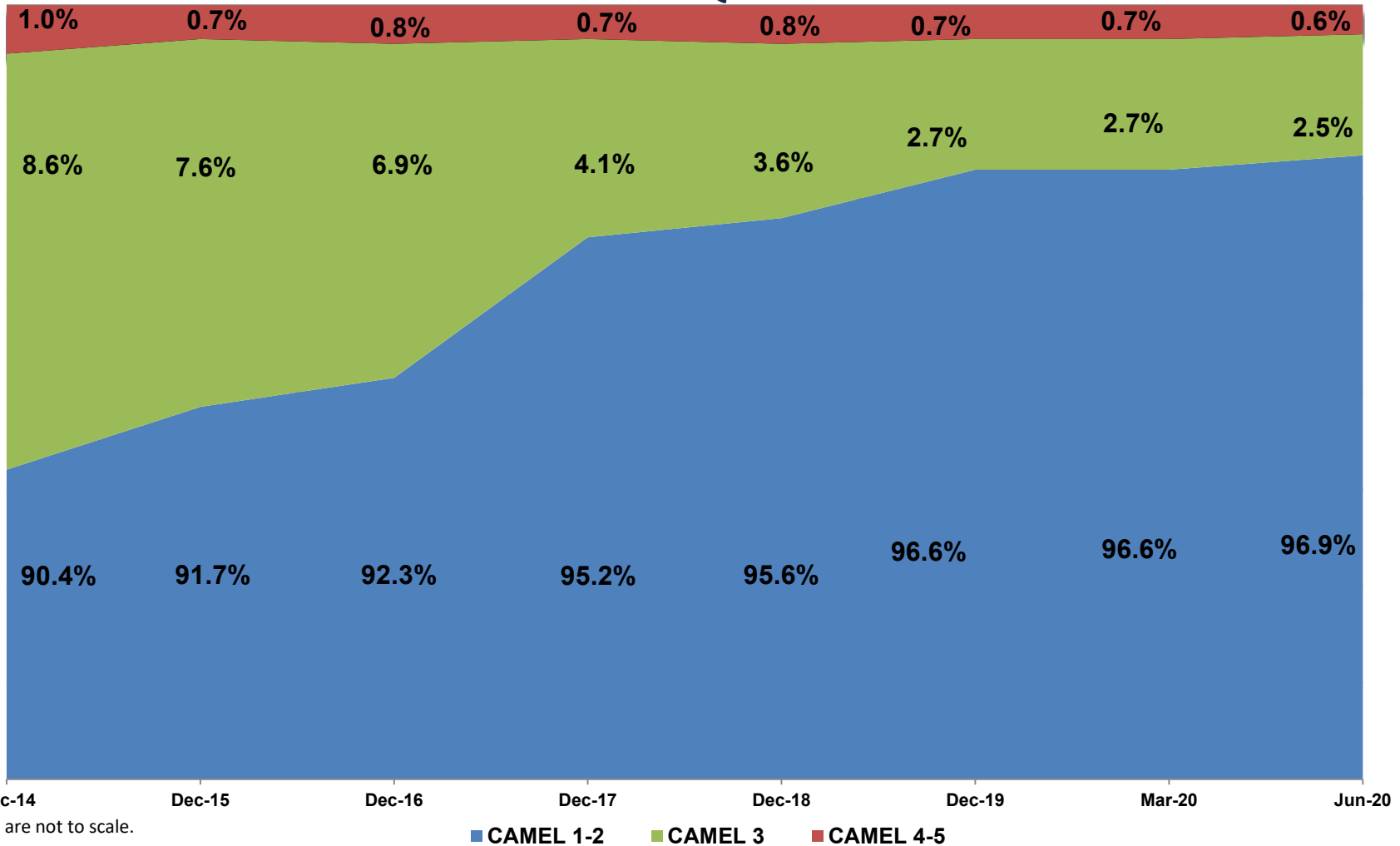
June 30, 2020

Yield



Appendix II - Distribution of Assets in CAMEL Codes

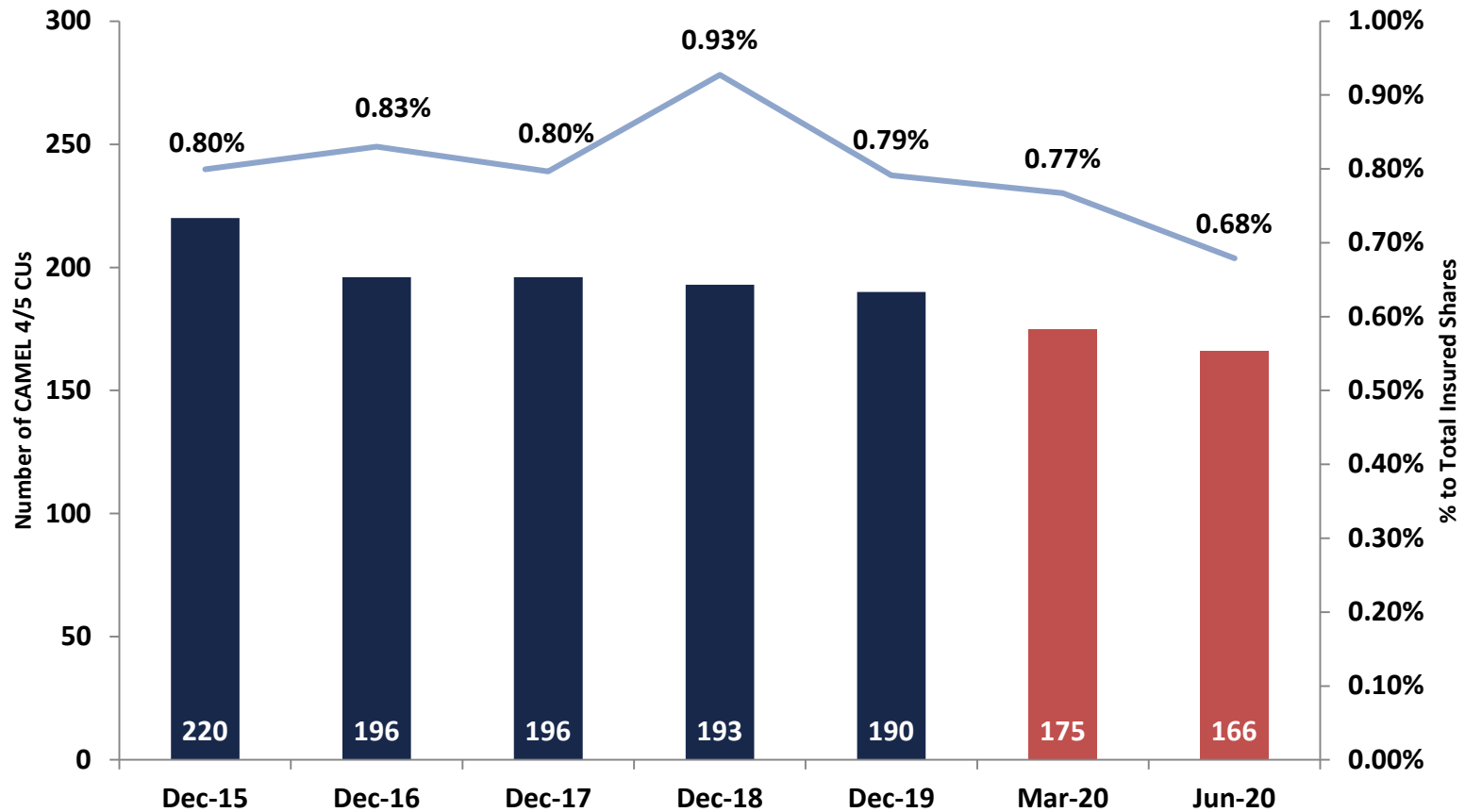
CY2014 – Q2 CY2020



Areas are not to scale.

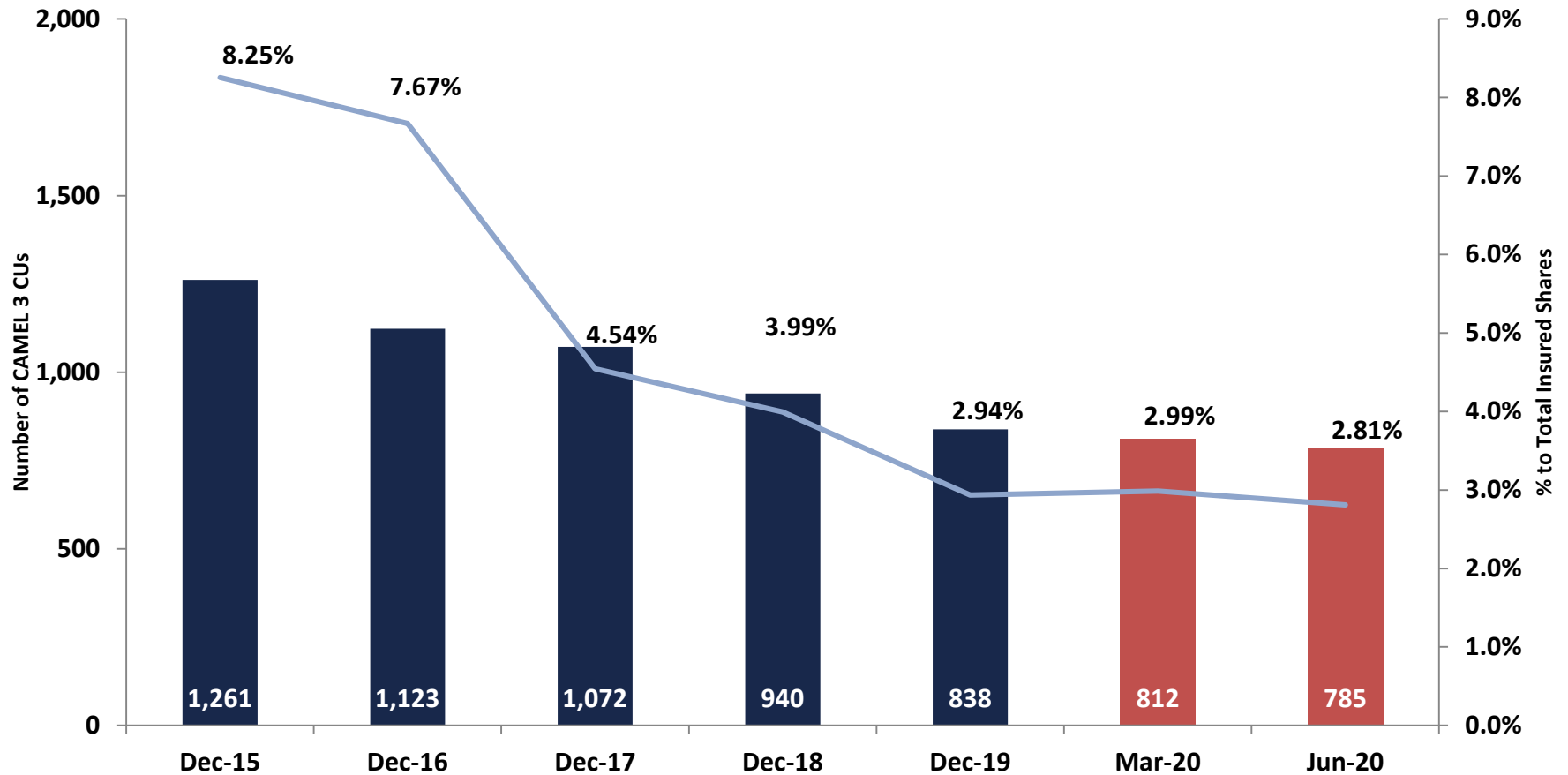
Appendix III - CAMEL Code 4/5 CUs with Percent to Total Insured Shares

CY2014 – Q2 CY2020



Appendix IV - CAMEL Code 3 CUs with Percent to Total Insured Shares

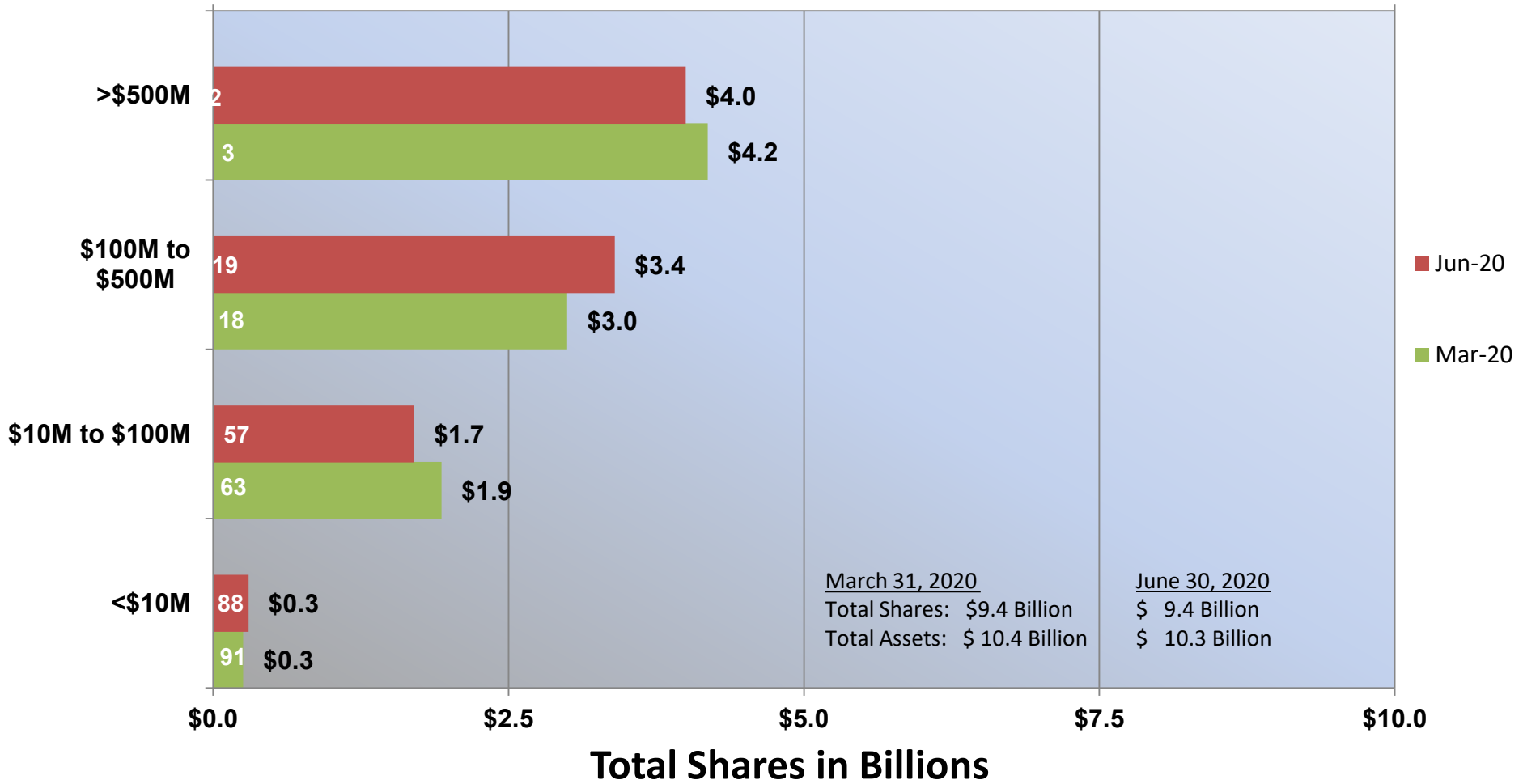
CY2014 – Q2 CY2020



Appendix V - CAMEL Code 4/5 Comparison

Credit Union Size
By Total Assets

March 31, 2020 to June 30, 2020



Appendix VI - CAMEL Code 3 Comparison

March 31, 2020 to June 30, 2020

Credit Union Size
By Total Assets

