

NATIONAL CREDIT UNION SHARE INSURANCE FUND



PRELIMINARY & UNAUDITED FINANCIAL HIGHLIGHTS

October 31, 2018

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 SHARE INSURANCE FUND

MANAGEMENT OVERVIEW

October 31, 2018

Balance Sheet

Insurance and Guarantee Program Liabilities Reserves are \$116.7 million as of October 31, 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 October 31, 2018.

Statement of Net Cost

For the month ended October 31, 2018, the fund had net income of \$11.9 million. The fund recognized gross revenues of \$25.3 million and total operating expenses of \$13.4 million. The fund did not recognize any insurance loss expense during the month of October 2018.

NATIONAL CREDIT UNION SHARE INSURANCE FUND

BALANCE SHEETS
As of October 31, 2018 and 2017
(Dollars in thousands)

	<u>October 2018</u>	<u>October 2017</u>
ASSETS		
INTRAGOVERNMENTAL		
Fund Balance with Treasury	\$ 3,931	\$ 3,417
Investments, Net U.S. Treasury Securities	14,849,327	15,440,115
Accrued Interest Receivable - Investments	79,247	68,778
Accounts Receivable - Due from the National		
Credit Union Administration Operating Fund	2,067	4,893
Note Receivable - Note due from the National		
Credit Union Administration Operating Fund	<u>6,593</u>	<u>7,934</u>
Total Intragovernmental Assets	<u>14,941,165</u>	<u>15,525,137</u>
PUBLIC		
Accounts Receivable - Due from Credit Unions	5,938	2,815
Advances	1,016	1,037
Accounts Receivable - Guarantee Fee on NCUA Guarantee Notes	1,117	1,525
General Property, Plant and Equipment, Net	121	667
Other - Receivable from Asset Management Estates, Net - NPCU AMEs	389,615	12,495
Other - Receivable from Asset Management Estates, Net - Corporate AMEs	<u>282,691</u>	<u>705,917</u>
Total Public Assets	<u>680,498</u>	<u>724,456</u>
TOTAL ASSETS	<u>\$ 15,621,663</u>	<u>\$ 16,249,593</u>
LIABILITIES		
INTRAGOVERNMENTAL		
Accounts Payable - Due to the National Credit Union Administration		
Operating Fund	<u>\$ 133</u>	<u>\$ 88</u>
Total Intragovernmental Liabilities	<u>133</u>	<u>88</u>
PUBLIC		
Accounts Payable and Other Liabilities	3,846	771
Capital Lease Liability	-	40
Other - Insurance and Guarantee Program Liabilities (Reserves)	116,665	285,969
Other - Insurance and Guarantee Program Liabilities (CSRP)	<u>-</u>	<u>-</u>
Total Public Liabilities	<u>120,511</u>	<u>286,780</u>
TOTAL LIABILITIES	<u>120,644</u>	<u>286,868</u>
NET POSITION		
Contributed Capital	11,325,204	10,764,497
Cumulative Result of Operations	<u>4,175,815</u>	<u>5,198,228</u>
Total Net Position	<u>15,501,019</u>	<u>15,962,725</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 15,621,663</u>	<u>\$ 16,249,593</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 October 31, 2018 and 2017
(Dollars in thousands)

	<u>October 2018</u>	<u>Year-to-Date October 2018</u>	<u>Year-to-Date October 2017</u>
GROSS COSTS			
OPERATING EXPENSES ⁽¹⁾			
Employee Pay	\$ 8,563	\$ 78,520	\$ 84,125
Employee Benefits	3,258	30,956	32,840
Travel	329	12,412	12,491
Rent, Communications and Utilities	139	2,931	3,014
Administrative Costs	417	7,740	6,372
Contracted Services	542	21,334	16,703
Training Expense	94	741	1,261
Leasing Expense	40	440	528
Other Insurance Expense	3	30	32
Total Operating Costs	<u>13,385</u>	<u>155,104</u>	<u>157,366</u>
INSURANCE LOSS EXPENSE	<u>-</u>	<u>(79,261)</u>	<u>72,763</u>
Total Gross Costs	<u>13,385</u>	<u>75,843</u>	<u>230,129</u>
LESS EXCHANGE REVENUES			
Interest Revenue on Note Receivable due from the National Credit Union Administration Operating Fund	(10)	(102)	(109)
Guarantee Fee Revenue - NCUA Guaranteed Notes	(1,432)	(14,436)	(1,936)
Other Gains	-	2,770	-
Other (Revenue) / Expense	(5)	(983)	(296)
Total Exchange Revenues	<u>(1,447)</u>	<u>(12,751)</u>	<u>(2,341)</u>
TOTAL NET COST/(INCOME) OF OPERATIONS	<u>11,938</u>	<u>63,092</u>	<u>227,788</u>
LESS NON-EXCHANGE REVENUES			
Investment Income	(23,856)	(234,222)	(168,605)
Gain on Sales of Investments	-	-	(132)
Total Non-Exchange Revenues	<u>(23,856)</u>	<u>(234,222)</u>	<u>(168,737)</u>
TOTAL NET COST/(INCOME) INCLUDING NON-EXCHANGE REVENUES	<u>\$ (11,918)</u>	<u>\$ (171,130)</u>	<u>\$ 59,051</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 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

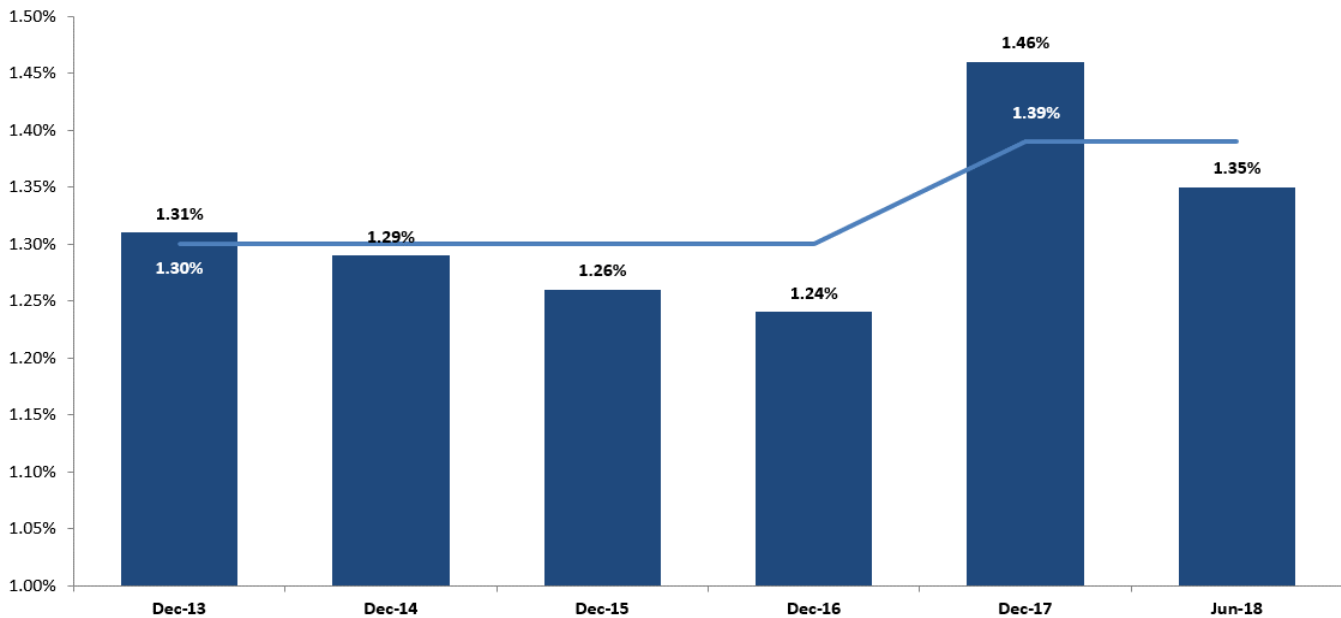
As of October 31, 2018 and 2017

(Dollars in thousands)

NET POSITION BREAKDOWN	October 2018	October 2017
Credit Union Contributed Capital	\$ 11,325,204	\$ 10,764,497
Retained Earnings	4,526,038	5,257,838
Total Net Position without Unrealized Gain/(Loss)	15,851,242	16,022,335
Unrealized Gain/(Loss) - Investments	(350,223)	(59,610)
NET POSITION	\$ 15,501,019	\$ 15,962,725

NCUSIF Equity Ratio

CY 2013 – CY 2018



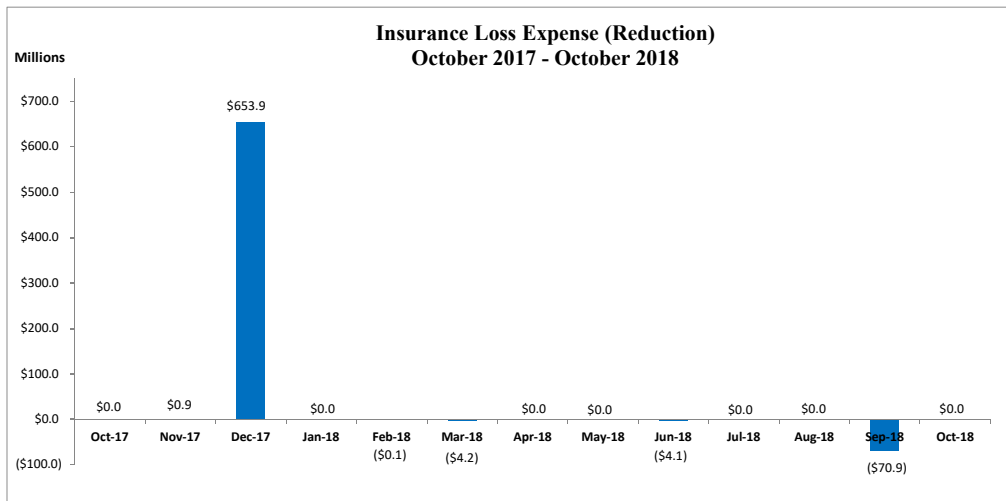
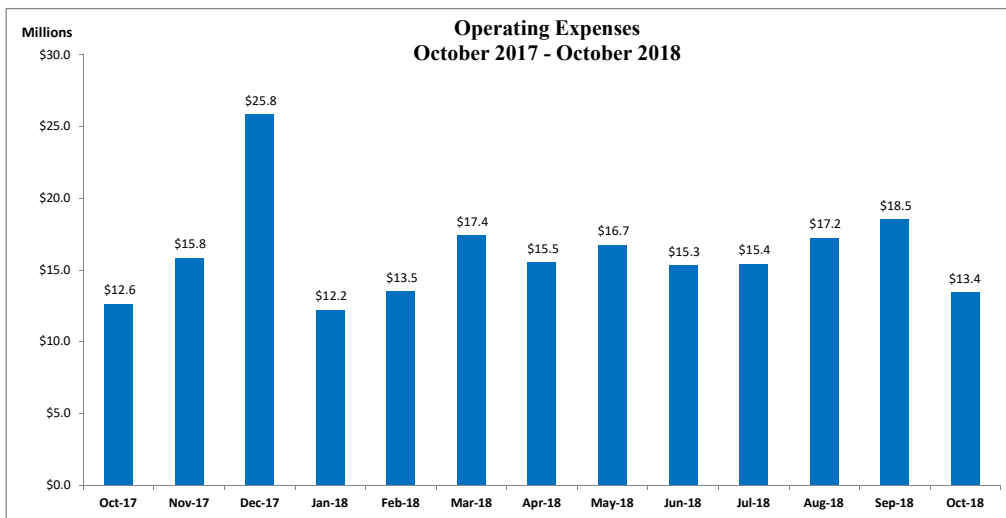
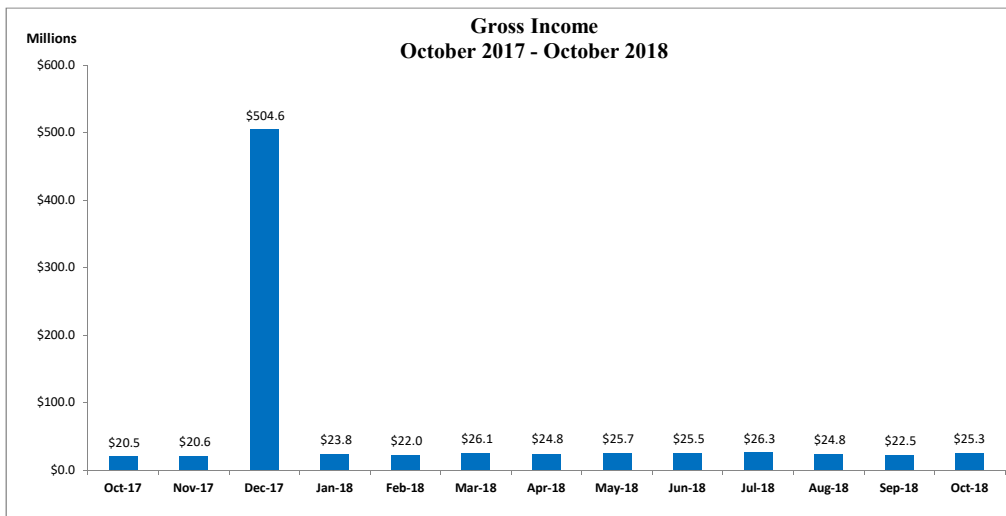
* The blue line represents the Normal Operating Level over the time period represented on the slide.

The balances in the statement above are preliminary and unaudited.

NATIONAL CREDIT UNION SHARE INSURANCE FUND

STATISTICAL INFORMATION

October 31, 2018



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

INVESTMENT PORTFOLIO SUMMARY
October 31, 2018

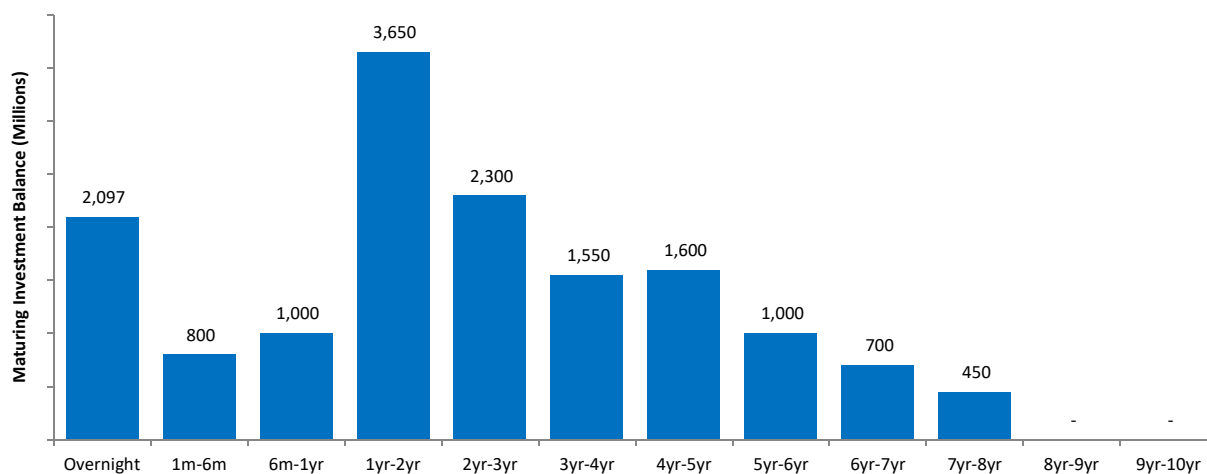
I. INVESTMENT PORTFOLIO BALANCE AND MARKET VALUE (In Dollars)						
	Book Value	Market Value	Unrealized Gain or (Loss)	% Market to Book Value	Weighted Average Yield	
Daily Treasury Account	\$ 2,097,405,000	\$ 2,097,405,000	\$ -	100.00%	2.20%	
U.S. Treasury Notes	13,099,374,521	12,751,921,875	(347,452,646)	97.35%	1.85%	
Total	\$ 15,196,779,521	\$ 14,849,326,875	\$ (347,452,646)	97.71%	1.90%	

II. INVESTMENT PORTFOLIO SUMMARY			
	Last Month	Current Month	CY To Date
Investment Yield	1.87%	1.90%	1.76%
Investment Income	\$ 22,796,983	\$ 23,856,011	\$ 234,221,726
Weighted Avg. Maturity in Days	931	891	

III. MONTHLY ACTIVITY					
Purchased	Type	Amount	Maturity	Yield	
10/1/2018	T-Note	\$ 50,000,000	10/15/2020	2.83%	
10/31/2018	T-Note	\$ 50,000,000	9/30/2020	2.87%	

TOTAL \$ **100,000,000**

IV. MATURITY SCHEDULE (par value in millions)		
TOTAL	\$	15,147



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