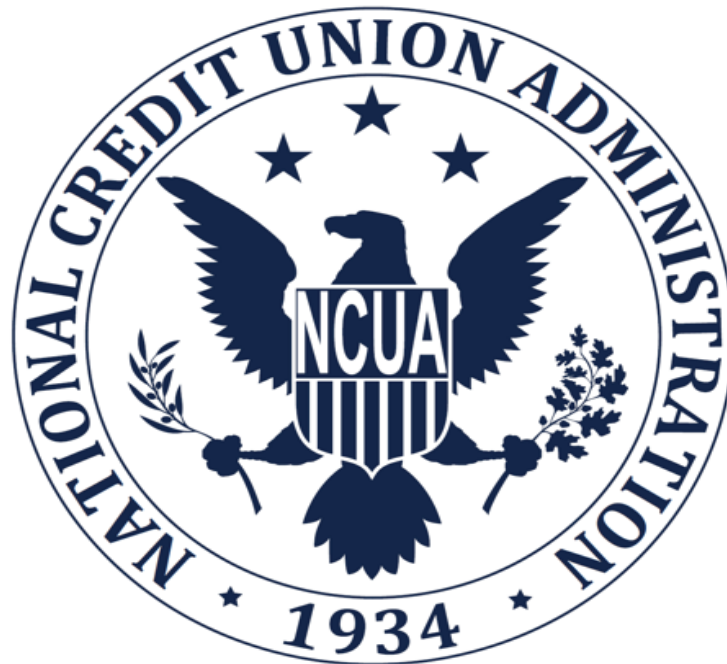


# NATIONAL CREDIT UNION SHARE INSURANCE FUND



**PRELIMINARY UNAUDITED  
FINANCIAL HIGHLIGHTS**  
September 30, 2019

A handwritten signature in blue ink, which appears to read 'Rendell L. Jones', is displayed on a light blue rectangular background.

**RENDELL L. JONES**  
**CHIEF FINANCIAL OFFICER**

**NATIONAL CREDIT UNION ADMINISTRATION  
SHARE INSURANCE FUND  
MANAGEMENT OVERVIEW  
September 30, 2019**

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**Balance Sheet**

Receivables from Asset Management Estates Net is \$659.3 million; \$342.8 million is for natural person credit unions (NPCU), and \$316.5 million is for Corporate Credit Unions (CCU).

Insurance and Guarantee Program Liabilities related to Reserves are \$115.9 million; \$4.8 million is for specific reserves for natural person credit unions, and \$111.1 million is for general reserves. There are no Corporate System Resolution Program (CSRP) related Insurance and Guarantee Program Liabilities as of September 30, 2019.

**Statement of Net Cost**

For the month ended September 30, 2019, the fund had net income of \$1.1 million. The fund recognized gross revenues of \$25.7 million and total operating expenses of \$16.6 million. The fund recognized an insurance loss expense of \$8.0 million during the month of September 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>September 2019</u>	<u>September 2018</u>
<b>ASSETS</b>		
<b>INTRAGOVERNMENTAL</b>		
Fund Balance with Treasury	\$ 12,001	\$ 4,896
Investments, Net - U.S. Treasury Securities	15,417,577	14,607,448
Accrued Interest Receivable - Investments	70,650	71,795
Note Receivable - Note due from the NCUA Operating Fund	5,364	6,705
Total Intragovernmental Assets	<u>15,505,592</u>	<u>14,690,844</u>
<b>PUBLIC</b>		
Accounts Receivable - Due from Insured Credit Unions, Net	549,613	453,371
Accounts Receivable - Guarantee Fee on NGNs, Net	806	1,024
General Property, Plant, and Equipment, Net	127	162
Advances and Prepayments	1,025	1,028
Receivables from Asset Management Estates AMEs , Net	659,307	685,780
Total Public Assets	<u>1,210,878</u>	<u>1,141,365</u>
<b>TOTAL ASSETS</b>	<u>\$ 16,716,470</u>	<u>\$ 15,832,209</u>
<b>LIABILITIES</b>		
<b>INTRAGOVERNMENTAL</b>		
Accounts Payable - Due to the NCUA Operating Fund	\$ 2,104	\$ 2,765
Total Intragovernmental Liabilities	<u>2,104</u>	<u>2,765</u>
<b>PUBLIC</b>		
Accounts Payable	19,699	190,189
Insurance and Guarantee Program Liabilities	115,919	156,160
Other Liabilities	437	271
Total Public Liabilities	<u>136,055</u>	<u>346,620</u>
<b>TOTAL LIABILITIES</b>	<u>138,159</u>	<u>349,385</u>
Commitments and Contingencies		
<b>NET POSITION</b>		
Contributed Capital	11,951,974	11,311,142
Cumulative Result of Operations	4,626,337	4,171,682
Total Net Position	<u>16,578,311</u>	<u>15,482,824</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$ 16,716,470</u>	<u>\$ 15,832,209</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>September 2019</u>	<u>September 2019 YTD</u>	<u>September 2018 YTD</u>
<b>GROSS COSTS</b>			
Operating Expenses	\$ 16,594	\$ 143,514	\$ 141,719
Provision for Insurance Losses			
Reserve Expense (Reduction)	5,162	39,406	(16,971)
AME Receivable Bad Debt Expense	2,853	(60,514)	(62,290)
Total Provision for Insurance Losses	<u>8,015</u>	<u>(21,108)</u>	<u>(79,261)</u>
Other Losses	22	22	2,770
Total Gross Costs	<u>24,631</u>	<u>122,428</u>	<u>65,228</u>
<b>LESS EXCHANGE REVENUES</b>			
Interest Revenue on Note Receivable from the NCUA			
Operating Fund	(9)	(88)	(92)
Guarantee Fee Revenue - NGNs	(969)	(10,257)	(13,004)
Other Revenue	(3)	(346)	(978)
Total Exchange Revenues	<u>(981)</u>	<u>(10,691)</u>	<u>(14,074)</u>
<b>TOTAL NET COST/(INCOME) OF OPERATIONS</b>	<u>\$ 23,650</u>	<u>\$ 111,737</u>	<u>\$ 51,154</u>
<b>LESS NON-EXCHANGE REVENUES</b>			
Interest Revenue - Investments	(24,700)	(230,981)	(210,366)
Total Non-Exchange Revenues	<u>(24,700)</u>	<u>(230,981)</u>	<u>(210,366)</u>
<b>TOTAL NET COST/(INCOME) INCLUDING NON-EXCHANGE REVENUES</b>	<u>\$ (1,050)</u>	<u>\$ (119,244)</u>	<u>\$ (159,212)</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.

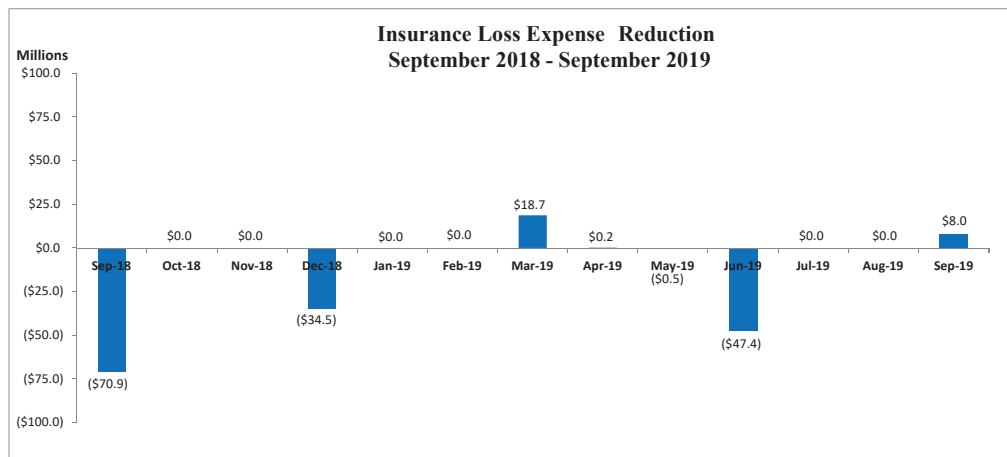
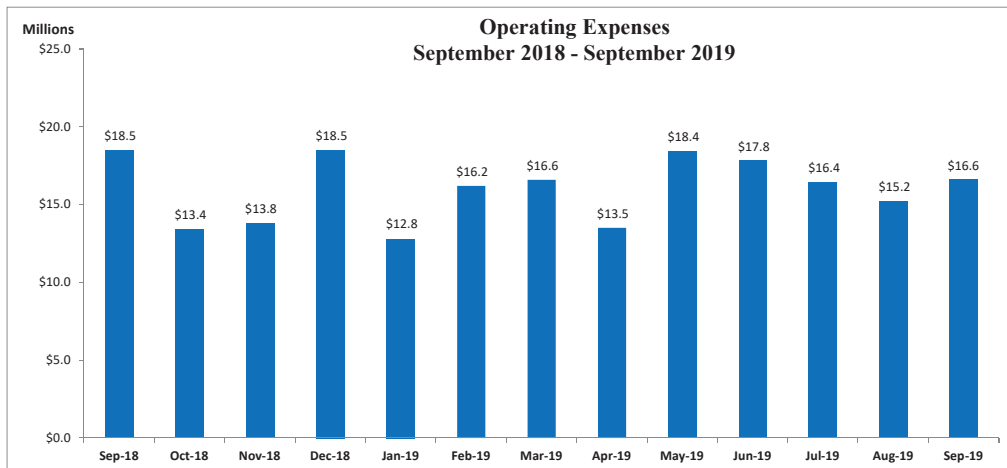
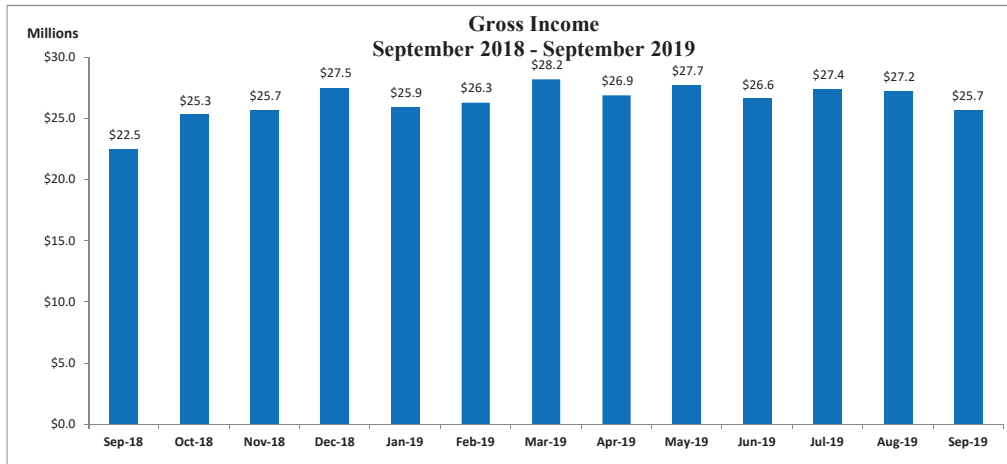
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**NATIONAL CREDIT UNION ADMINISTRATION  
SHARE INSURANCE FUND  
STATEMENTS OF CHANGES IN NET POSITION  
(Dollars in thousands)**

	<u>September 2019</u>	<u>September 2018</u>
<b>CUMULATIVE RESULTS OF OPERATIONS</b>		
Beginning Balances	\$ 4,394,392	\$ 4,971,367
<b>BUDGETARY FINANCING SOURCES</b>		
Non-Exchange Revenue		
Interest Revenue - Investments	230,981	210,366
Distribution to Credit Unions	(160,099)	(735,679)
<b>Total Budgetary Financing Sources</b>	<u>70,882</u>	<u>(525,313)</u>
<b>OTHER FINANCING SOURCES</b>		
Non-Exchange Revenue		
Net Unrealized Gain/(Loss) - Investments	272,800	(223,218)
<b>Total Other Financing Sources</b>	<u>272,800</u>	<u>(223,218)</u>
<b>Total Financing Sources</b>	<u>343,682</u>	<u>(748,531)</u>
Net Income /(Cost) of Operations	(111,737)	(51,154)
Net Change	231,945	(799,685)
<b>CUMULATIVE RESULTS OF OPERATIONS</b>	<u>4,626,337</u>	<u>4,171,682</u>
<b>CONTRIBUTED CAPITAL</b>		
Beginning Balances	11,327,234	10,765,320
Change in Contributed Capital	624,740	545,822
<b>CONTRIBUTED CAPITAL</b>	<u>11,951,974</u>	<u>11,311,142</u>
<b>NET POSITION</b>	<u>\$ 16,578,311</u>	<u>\$ 15,482,824</u>
<b>NET POSITION BREAKDOWN</b>		
Credit Union Contributed Capital	11,951,974	11,311,142
Retained Earnings	4,537,803	4,514,121
Total Net Position Without Unrealized Gain/ (Loss)	<u>16,489,777</u>	<u>15,825,263</u>
Unrealized Gain/ (Loss) - Investments	88,534	(342,439)
<b>NET POSITION</b>	<u>\$ 16,578,311</u>	<u>\$ 15,482,824</u>

The balances in the statement above are preliminary and unaudited.

**NATIONAL CREDIT UNION ADMINISTRATION  
 SHARE INSURANCE FUND  
 STATISTICAL INFORMATION  
 September 30, 2019**



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

**INVESTMENT PORTFOLIO SUMMARY**

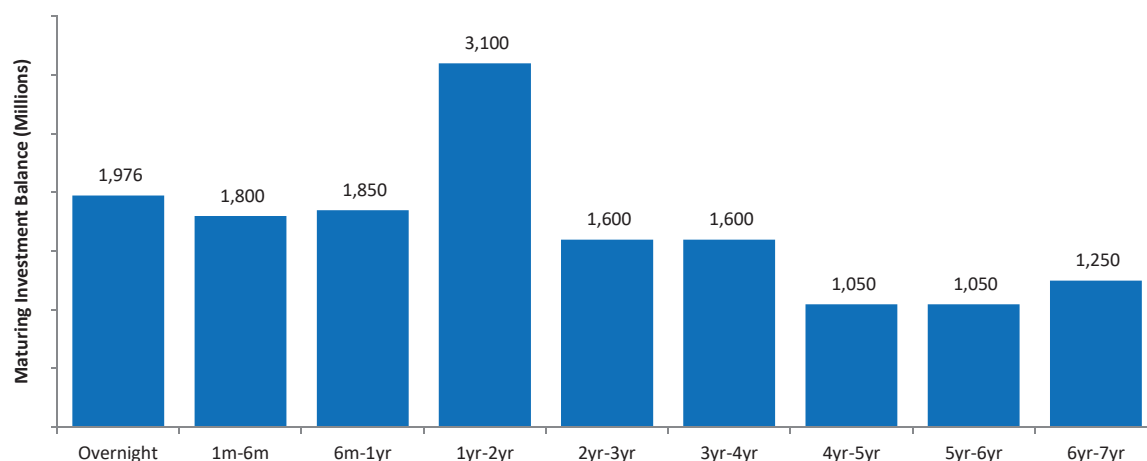
September 30, 2019

<b>I. INVESTMENT PORTFOLIO BALANCE AND MARKET VALUE (In Dollars)</b>						
	Book Value	Market Value	Unrealized Gain or (Loss)	% Market to Book Value	Weighted Average Yield	
Daily Treasury Account	\$ 1,975,843,000	\$ 1,975,843,000	\$ -	100.00%	1.90%	
U.S. Treasury Notes	13,353,200,109	13,441,734,375	88,534,266	100.66%	1.95%	
<b>Total</b>	<b>\$ 15,329,043,109</b>	<b>\$ 15,417,577,375</b>	<b>\$ 88,534,266</b>	<b>100.58%</b>	<b>1.94%</b>	

<b>II. INVESTMENT PORTFOLIO SUMMARY</b>						
	Last Month	Current Month	CY To Date			
Investment Yield	1.99%	1.94%	2.01%			
Investment Income	\$ 26,036,435	\$ 24,699,948	\$ 230,980,731			
Weighted Avg. Maturity in Days	721	813				

<b>III. MONTHLY ACTIVITY</b>					
Purchased	Type	Amount	Maturity	Yield	
9/11/2019	T-Note	\$ 100,000,000	8/15/2026	1.67%	
9/25/2019	T-Note	\$ 100,000,000	8/15/2026	1.63%	
9/25/2019	T-Note	\$ 50,000,000	8/15/2024	1.59%	
9/11/2019	T-Note	\$ 100,000,000	8/15/2025	1.64%	
9/25/2019	T-Note	\$ 50,000,000	8/15/2025	1.62%	
9/25/2019	T-Note	\$ 100,000,000	11/15/2025	1.62%	
9/11/2019	T-Note	\$ 100,000,000	5/15/2026	1.66%	
9/25/2019	T-Note	\$ 100,000,000	5/15/2026	1.62%	
9/11/2019	T-Note	\$ 100,000,000	5/15/2025	1.62%	
<b>TOTAL</b>		<b>\$ 800,000,000</b>			

<b>IV. MATURITY SCHEDULE (par value in millions)</b>		
TOTAL	\$	15,276



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