

NATIONAL CREDIT UNION SHARE INSURANCE FUND



PRELIMINARY & UNAUDITED FINANCIAL HIGHLIGHTS

June 30, 2019

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 ADMINISTRATION
SHARE INSURANCE FUND
MANAGEMENT OVERVIEW
June 30, 2019**

Balance Sheet

Receivables from Asset Management Estates Net is \$649.3 million; \$382.4 million is for natural person credit unions (NPCU), and \$266.9 million is for Corporate Credit Unions (CCU).

Insurance and Guarantee Program Liabilities related to Reserves are \$111.9 million; \$5.6 million is for specific reserves for natural person credit unions, and \$106.3 million is for general reserves. There are no Corporate System Resolution Program (CSRP) related liabilities as of June 30, 2019.

Statement of Net Cost

For the month ended June 30, 2019, the fund had net income of \$56.2 million. The fund recognized gross revenues of \$26.6 million and total operating expenses of \$17.8 million. The fund recognized an insurance loss reduction of \$47.4 million during the month of June 2019.

Pursuant to the FCU Act, the NCUSIF-calculated equity ratio is 1.33% as of June 30, 2019. This equity ratio is based on insured shares of \$1.2 trillion as of June 30, 2019, and is below the normal operating level of 1.38%.

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)**

	June 2019	June 2018
ASSETS		
INTRAGOVERNMENTAL		
Fund Balance with Treasury	\$ 59,200	\$ 4,743
Investments, Net - U.S. Treasury Securities	15,319,148	16,336,504
Accrued Interest Receivable - Investments	62,968	55,287
Accounts Receivable - Due from the NCUA Operating Fund	-	442
Note Receivable - Note due from the NCUA Operating Fund	5,699	7,040
Total Intragovernmental Assets	<u>15,447,015</u>	<u>16,404,016</u>
PUBLIC		
Accounts Receivable - Due from Insured Credit Unions, Net	4	-
Accounts Receivable - Guarantee Fee on NGNs, Net	831	1,088
General Property, Plant, and Equipment, Net	142	283
Advances and Prepayments	1,032	1,067
Receivables from AMEs, Net*	649,322	296,728
Total Public Assets	<u>651,331</u>	<u>299,166</u>
TOTAL ASSETS	<u>\$ 16,098,346</u>	<u>\$ 16,703,182</u>
LIABILITIES		
INTRAGOVERNMENTAL		
Accounts Payable - Due to the NCUA Operating Fund	\$ 3,072	\$ 200
Total Intragovernmental Liabilities	<u>3,072</u>	<u>200</u>
PUBLIC		
Accounts Payable	627	2,291
Insurance and Guarantee Program Liabilities*	111,921	956,964
Other Liabilities	600	735,679
Total Public Liabilities	<u>113,148</u>	<u>1,694,934</u>
TOTAL LIABILITIES	<u>116,220</u>	<u>1,695,134</u>
Commitments and Contingencies		
NET POSITION		
Contributed Capital	11,412,330	10,877,548
Cumulative Result of Operations	4,569,796	4,130,500
Total Net Position	<u>15,982,126</u>	<u>15,008,048</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 16,098,346</u>	<u>\$ 16,703,182</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>June 2019</u>	<u>June 2019 YTD</u>	<u>June 2018 YTD</u>
GROSS COSTS			
Operating Expenses*	\$ 17,839	\$ 95,343	\$ 90,648
Provision for Insurance Losses			
Reserve Expense (Reduction)	(4,375)	34,292	40,402
AME Receivable Bad Debt Expense	(43,021)	(63,368)	(48,746)
Total Provision for Insurance Losses	(47,396)	(29,076)	(8,344)
Total Gross Costs	(29,557)	66,267	82,304
LESS EXCHANGE REVENUES			
Interest Revenue on Note Receivable from the NCUA			
Operating Fund	(10)	(60)	(61)
Guarantee Fee Revenue - NGNs	(1,120)	(7,143)	(8,901)
Other Revenue	(25)	(319)	(940)
Total Exchange Revenues	(1,155)	(7,522)	(9,902)
TOTAL NET COST/(INCOME) OF OPERATIONS	<u>\$ (30,712)</u>	<u>\$ 58,745</u>	<u>\$ 72,402</u>
LESS NON-EXCHANGE REVENUES			
Interest Revenue - Investments	(25,449)	(153,950)	(138,132)
Total Non-Exchange Revenues	(25,449)	(153,950)	(138,132)
TOTAL NET COST/(INCOME) OF OPERATIONS INCLUDING NON-EXCHANGE REVENUES	<u>\$ (56,161)</u>	<u>\$ (95,205)</u>	<u>\$ (65,730)</u>

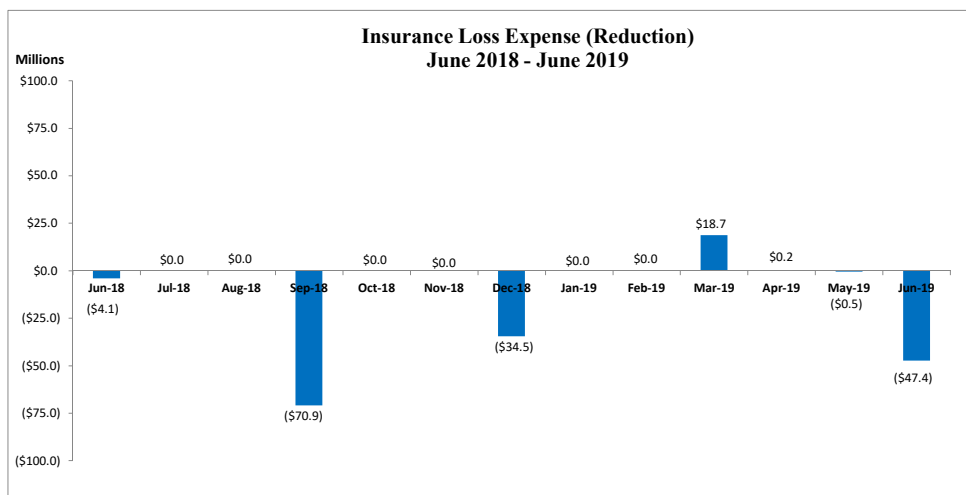
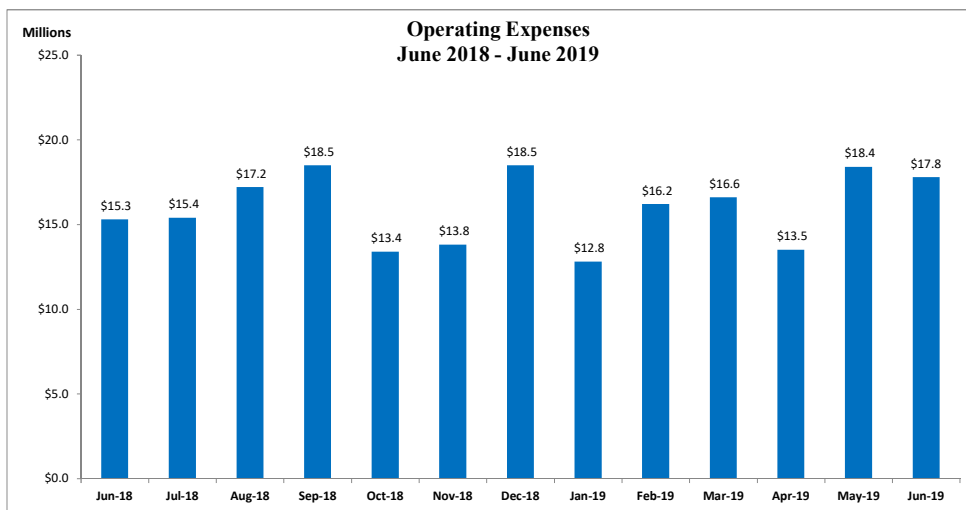
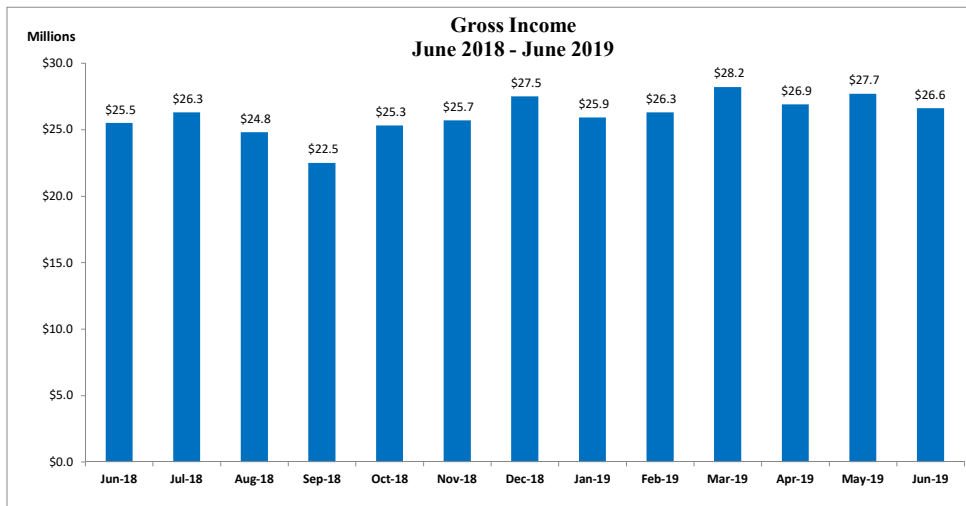
*Share Insurance Fund operating expenses are an allocation of total NCUA operating expenses, as determined by the overhead transfer rate set by the Board of 60.5% and 61.5% for 2019 and 2018, respectively.

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

	June 2019	June 2018
CUMULATIVE RESULTS OF OPERATIONS		
Beginning Balances	\$ 4,394,392	\$ 4,971,367
BUDGETARY FINANCING SOURCES		
Non-Exchange Revenue		
Interest Revenue - Investments	153,950	138,132
Distribution to Credit Unions	(160,099)	(735,679)
Total Budgetary Financing Sources	<u>(6,149)</u>	<u>(597,547)</u>
OTHER FINANCING SOURCES		
Non-Exchange Revenue		
Net Unrealized Gain/(Loss) - Investments	240,298	(170,918)
Total Other Financing Sources	<u>240,298</u>	<u>(170,918)</u>
Total Financing Sources	<u>234,149</u>	<u>(768,465)</u>
Net Income from/(Cost of) Operations	(58,745)	(72,402)
Net Change	175,404	(840,867)
CUMULATIVE RESULTS OF OPERATIONS	<u>4,569,796</u>	<u>4,130,500</u>
CONTRIBUTED CAPITAL		
Beginning Balances	11,327,234	10,765,320
Change in Contributed Capital	85,096	112,228
CONTRIBUTED CAPITAL	<u>11,412,330</u>	<u>10,877,548</u>
NET POSITION	<u>\$ 15,982,126</u>	<u>\$ 15,008,048</u>
NET POSITION BREAKDOWN		
Credit Union Contributed Capital	11,412,330	10,877,548
Retained Earnings	4,513,763	4,417,868
Total Net Position Without Unrealized Gain/ (Loss)	<u>15,926,093</u>	<u>15,295,416</u>
Unrealized Gain/ (Loss) - Investments	<u>56,033</u>	<u>(287,368)</u>
NET POSITION	<u>\$ 15,982,126</u>	<u>\$ 15,008,048</u>

The balances in the statement above are preliminary and unaudited.

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



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

INVESTMENT PORTFOLIO SUMMARY

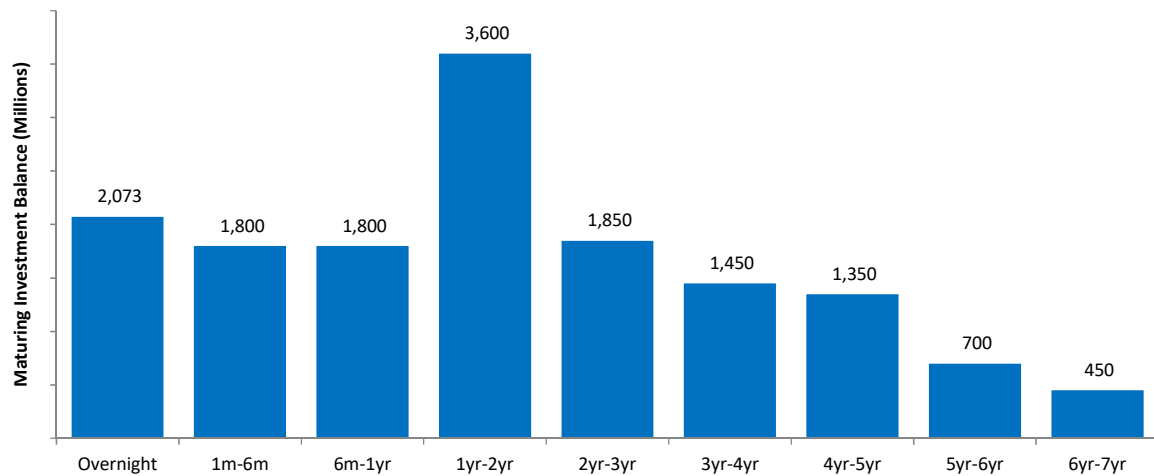
June 30, 2019

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	\$ 2,073,242,000	\$ 2,073,242,000	\$ -	100.00%	2.19%	
U.S. Treasury Notes	13,189,873,520	13,245,906,250	56,032,730	100.42%	2.00%	
Total	\$ 15,263,115,520	\$ 15,319,148,250	\$ 56,032,730	100.37%	2.03%	

II. INVESTMENT PORTFOLIO SUMMARY			
	Last Month	Current Month	CY To Date
Investment Yield	2.04%	2.03%	2.03%
Investment Income	\$ 26,587,089	\$ 25,449,384	\$ 153,950,451
Weighted Avg. Maturity in Days	735	716	

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

IV. MATURITY SCHEDULE (par value in millions)	
TOTAL	\$ 15,073



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