

# **NATIONAL CREDIT UNION SHARE INSURANCE FUND**



**PRELIMINARY & UNAUDITED  
FINANCIAL HIGHLIGHTS  
August 31, 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  
August 31, 2020**

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**Balance Sheets**

Receivables from Asset Management Estates Net is \$136.9 million; \$9.5 million is for natural person credit unions, and \$127.4 million is for corporate credit unions.

Insurance and Guarantee Program Liabilities related to Reserves are \$184.0 million; \$20.5 million is for specific reserves for natural person credit unions, and \$163.5 million is for general reserves. There are no Corporate System Resolution Program related Insurance and Guarantee Program Liabilities as of August 31, 2020.

**Statements of Net Cost**

For the month ended August 31, 2020, the fund had net income of \$16.5 million. The fund recognized gross revenues of \$23.3 million and total operating expenses of \$6.8 million. The fund recognized an insurance loss reduction of \$26 thousand during the month of August 2020.

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

	<u>August 2020</u>	<u>August 2019</u>
<b>ASSETS</b>		
<b>INTRAGOVERNMENTAL</b>		
Fund Balance with Treasury	\$ 13,316	\$ 12,149
Investments, Net - U.S. Treasury Securities	17,454,970	15,450,481
Accrued Interest Receivable - Investments	61,843	54,630
Accounts Receivable - Due from the NCUA Operating Fund	2,991	-
Note Receivable - Note due from the NCUA Operating Fund	4,135	5,475
Total Intragovernmental Assets	<u>17,537,255</u>	<u>15,522,735</u>
<b>PUBLIC</b>		
Accounts Receivable - Guarantee Fee on NGNs, Net	576	859
General Property, Plant, and Equipment, Net	74	132
Advances and Prepayments	1,049	1,031
Accounts Receivable - Other	2	-
Receivables from Asset Management Estates (AMEs), Net*	136,856	671,281
Total Public Assets	<u>138,557</u>	<u>673,303</u>
<b>TOTAL ASSETS</b>	<u>\$ 17,675,812</u>	<u>\$ 16,196,038</u>
<b>LIABILITIES</b>		
<b>INTRAGOVERNMENTAL</b>		
Accounts Payable - Due to the NCUA Operating Fund	\$ 97	\$ 1,012
Total Intragovernmental Liabilities	<u>97</u>	<u>1,012</u>
<b>PUBLIC</b>		
Accounts Payable	4,314	632
Insurance and Guarantee Program Liabilities*	183,969	111,873
Other Liabilities	593	536
Total Public Liabilities	<u>188,876</u>	<u>113,041</u>
<b>TOTAL LIABILITIES</b>	<u>188,973</u>	<u>114,053</u>
Commitments and Contingencies		
<b>NET POSITION</b>		
Contributed Capital	12,259,289	11,414,773
Cumulative Result of Operations	5,227,550	4,667,212
Total Net Position	<u>17,486,839</u>	<u>16,081,985</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$ 17,675,812</u>	<u>\$ 16,196,038</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>August 2020</u>	<u>August 2020 YTD</u>	<u>August 2019 YTD</u>
<b>GROSS COSTS</b>			
Operating Expenses*	\$ 6,868	\$ 116,340	\$ 126,920
Provision for Insurance Losses			
Reserve Expense (Reduction)	(26)	54,460	34,244
AME Receivable Bad Debt Expense	-	(20,000)	(63,367)
Total Provision for Insurance Losses	<u>(26)</u>	<u>34,460</u>	<u>(29,123)</u>
Other Losses	-	63	-
Total Gross Costs	<u>6,842</u>	<u>150,863</u>	<u>97,797</u>
<b>LESS EXCHANGE REVENUES</b>			
Interest Revenue on Note Receivable from the NCUA			
Operating Fund	(6)	(53)	(79)
Guarantee Fee Revenue - NGNs	(738)	(6,014)	(9,288)
Other Revenue	-	(509)	(343)
Total Exchange Revenues	<u>(744)</u>	<u>(6,576)</u>	<u>(9,710)</u>
<b>TOTAL NET COST/(INCOME) OF OPERATIONS</b>	<u>\$ 6,098</u>	<u>\$ 144,287</u>	<u>\$ 88,087</u>
<b>LESS NON-EXCHANGE REVENUES</b>			
Interest Revenue - Investments	<u>(22,584)</u>	<u>(189,722)</u>	<u>(206,281)</u>
Total Non-Exchange Revenues	<u>(22,584)</u>	<u>(189,722)</u>	<u>(206,281)</u>
<b>TOTAL NET COST/(INCOME) INCLUDING NON-EXCHANGE REVENUES</b>	<u>\$ (16,486)</u>	<u>\$ (45,435)</u>	<u>\$ (118,194)</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.

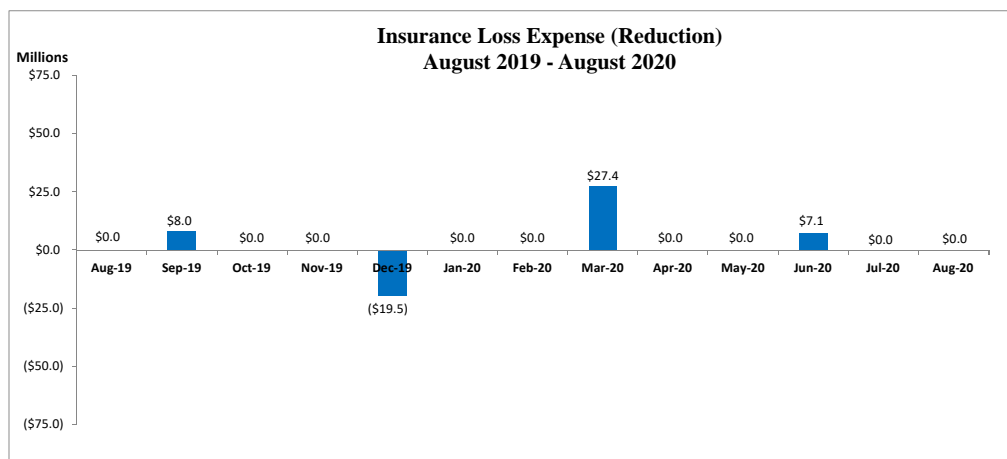
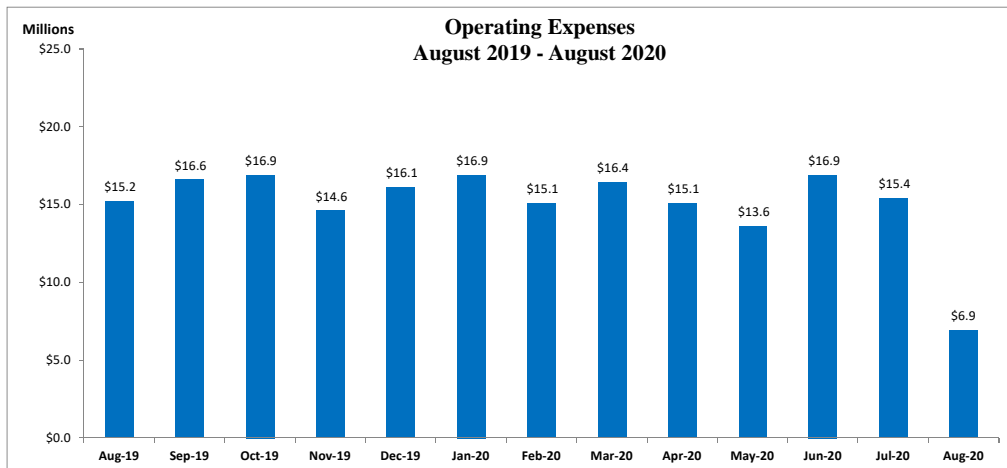
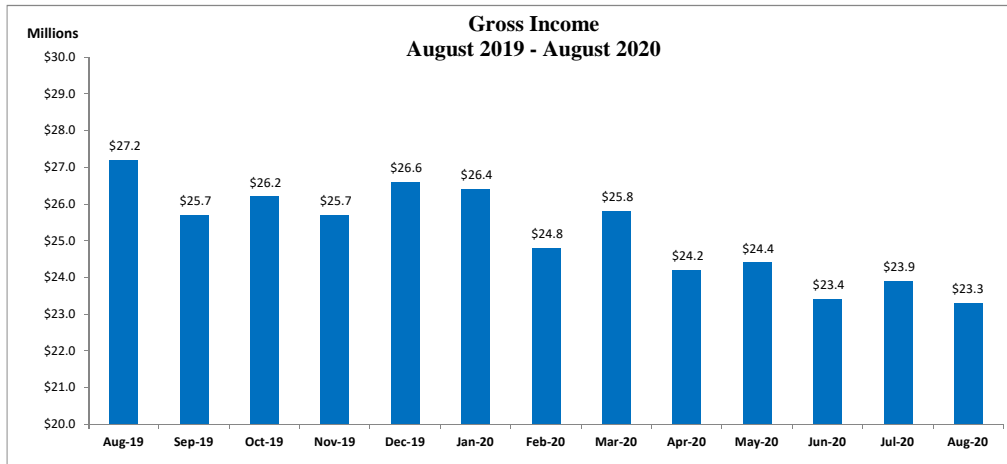
The balances in the statement above are preliminary and unaudited.

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

	<u>August 2020</u>	<u>August 2019</u>
<b>CUMULATIVE RESULTS OF OPERATIONS</b>		
Beginning Balances	\$ 4,632,574	\$ 4,394,392
<b>BUDGETARY FINANCING SOURCES</b>		
Non-Exchange Revenue		
Interest Revenue - Investments	189,722	206,281
Distribution to Credit Unions	-	(160,099)
<b>Total Budgetary Financing Sources</b>	<u>189,722</u>	<u>46,182</u>
<b>OTHER FINANCING SOURCES</b>		
Non-Exchange Revenue		
Net Unrealized Gain/(Loss) - Investments	549,541	314,725
<b>Total Other Financing Sources</b>	<u>549,541</u>	<u>314,725</u>
<b>Total Financing Sources</b>	<u>739,263</u>	<u>360,907</u>
Net Income /(Cost) of Operations	(144,287)	(88,087)
Net Change	594,976	272,820
<b>CUMULATIVE RESULTS OF OPERATIONS</b>	<u>5,227,550</u>	<u>4,667,212</u>
<b>CONTRIBUTED CAPITAL</b>		
Beginning Balances	11,967,387	11,327,234
Change in Contributed Capital	291,902	87,539
<b>CONTRIBUTED CAPITAL</b>	<u>12,259,289</u>	<u>11,414,773</u>
<b>NET POSITION</b>	<u>\$ 17,486,839</u>	<u>\$ 16,081,985</u>
<b>NET POSITION BREAKDOWN</b>		
Credit Union Contributed Capital	12,259,289	11,414,773
Retained Earnings	4,633,660	4,536,753
Total Net Position Without Unrealized Gain/ (Loss)	<u>16,892,949</u>	<u>15,951,526</u>
Unrealized Gain/ (Loss) - Investments	593,890	130,459
<b>NET POSITION</b>	<u>\$ 17,486,839</u>	<u>\$ 16,081,985</u>

The balances in the statement above are preliminary and unaudited.

**NATIONAL CREDIT UNION ADMINISTRATION  
 SHARE INSURANCE FUND  
 STATISTICAL INFORMATION  
 August 31, 2020**



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

**INVESTMENT PORTFOLIO SUMMARY**

August 31, 2020

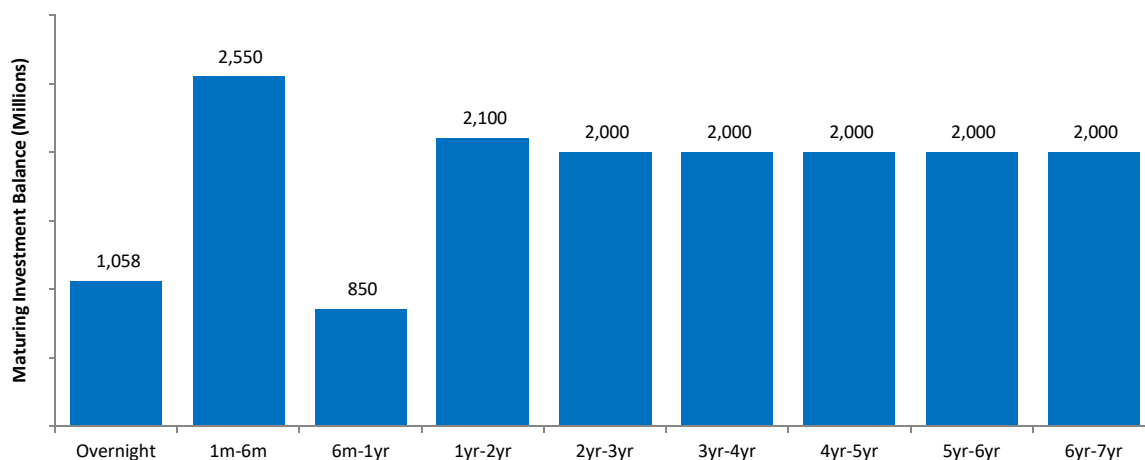
<b>I. INVESTMENT PORTFOLIO BALANCE AND MARKET VALUE (In Dollars)</b>					
	Book Value	Market Value	Unrealized Gain or (Loss)	% Market to Book Value	Weighted Average Yield
Daily Treasury Account	\$ 1,058,486,000	\$ 1,058,486,000	\$ -	100.00%	0.09%
U.S. Treasury Notes	15,802,594,184	16,396,484,375	593,890,191	103.76%	1.65%
<b>Total</b>	<b>\$ 16,861,080,184</b>	<b>\$ 17,454,970,375</b>	<b>\$ 593,890,191</b>	<b>103.52%</b>	<b>1.56%</b>

<b>II. INVESTMENT PORTFOLIO SUMMARY</b>			
	Last Month	Current Month	CY To Date
Investment Yield	1.63%	1.56%	1.70%
Investment Income	\$ 23,197,894	\$ 22,584,420	\$ 189,721,825
Weighted Avg. Maturity in Days	1,061	1,110	

<b>III. MONTHLY ACTIVITY</b>					
Purchased	Type	Amount	Maturity	Yield	
8/17/2020	T-Note	\$ 500,000,000	8/15/2027	0.46%	
8/17/2020	T-Note	\$ 50,000,000	8/15/2022	0.14%	

<b>TOTAL</b>	<b>\$ 550,000,000</b>
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<b>IV. MATURITY SCHEDULE (par value in millions)</b>	
<b>TOTAL</b>	<b>\$ 16,558</b>



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