

# **NATIONAL CREDIT UNION SHARE INSURANCE FUND**



## **PRELIMINARY & UNAUDITED FINANCIAL HIGHLIGHTS**

**May 31, 2020**

A handwritten signature in black ink, appearing to read "Eugene H. Schied", is positioned above the name of the signatory.

**EUGENE H. SCHIED  
ACTING CHIEF FINANCIAL OFFICER**

**NATIONAL CREDIT UNION ADMINISTRATION  
SHARE INSURANCE FUND  
MANAGEMENT OVERVIEW  
May 31, 2020**

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**Balance Sheets**

Receivables from Asset Management Estates Net is \$154.0 million; \$0.9 million is for natural person credit unions, and \$153.1 million is for corporate credit unions.

Insurance and Guarantee Program Liabilities related to Reserves are \$177.7 million; \$6.2 million is for specific reserves for natural person credit unions, and \$171.5 million is for general reserves. There are no Corporate System Resolution Program related Insurance and Guarantee Program Liabilities as of May 31, 2020.

**Statements of Net Cost**

For the month ended May 31, 2020, the fund had net income of \$10.8 million. The fund recognized gross revenues of \$24.4 million and total operating expenses of \$13.6 million. The fund did not recognize any insurance loss expense during the month of May 2020.

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

	<u>May 2020</u>	<u>May 2019</u>
<b>ASSETS</b>		
<b>INTRAGOVERNMENTAL</b>		
Fund Balance with Treasury	\$ 8,861	\$ 5,150
Investments, Net - U.S. Treasury Securities	17,433,380	15,265,202
Accrued Interest Receivable - Investments	57,118	42,424
Accounts Receivable - Due from the NCUA Operating Fund	3,169	-
Note Receivable - Note due from the NCUA Operating Fund	4,470	5,811
Total Intragovernmental Assets	<u>17,506,998</u>	<u>15,318,587</u>
<b>PUBLIC</b>		
Accounts Receivable - Due from Insured Credit Unions, Net	16,471	29
Accounts Receivable - Guarantee Fee on NGNs, Net	584	936
General Property, Plant, and Equipment, Net	88	147
Advances and Prepayments	949	993
Receivables from Asset Management Estates (AMEs), Net*	153,956	708,060
Total Public Assets	<u>172,048</u>	<u>710,165</u>
<b>TOTAL ASSETS</b>	<u>\$ 17,679,046</u>	<u>\$ 16,028,752</u>
<b>LIABILITIES</b>		
<b>INTRAGOVERNMENTAL</b>		
Accounts Payable - Due to the NCUA Operating Fund	\$ 145	\$ 2,546
Total Intragovernmental Liabilities	<u>145</u>	<u>2,546</u>
<b>PUBLIC</b>		
Accounts Payable	4,365	189
Insurance and Guarantee Program Liabilities*	177,741	154,847
Other Liabilities	559	370
Total Public Liabilities	<u>182,665</u>	<u>155,406</u>
<b>TOTAL LIABILITIES</b>	<u>182,810</u>	<u>157,952</u>
Commitments and Contingencies		
<b>NET POSITION</b>		
Contributed Capital	12,258,753	11,412,031
Cumulative Result of Operations	5,237,483	4,458,769
Total Net Position	<u>17,496,236</u>	<u>15,870,800</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$ 17,679,046</u>	<u>\$ 16,028,752</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>May 2020</u>	<u>May 2020 YTD</u>	<u>May 2019 YTD</u>
<b>GROSS COSTS</b>			
Operating Expenses*	\$ 13,644	\$ 77,177	\$ 77,504
Provision for Insurance Losses			
Reserve Expense (Reduction)	-	60,876	38,667
AME Receivable Bad Debt Expense	-	(33,455)	(20,347)
Total Provision for Insurance Losses	<u>-</u>	<u>27,421</u>	<u>18,320</u>
Other Losses	40	63	-
Total Gross Costs	<u>13,684</u>	<u>104,661</u>	<u>95,824</u>
<b>LESS EXCHANGE REVENUES</b>			
Interest Revenue on Note Receivable from the NCUA			
Operating Fund	(6)	(35)	(50)
Guarantee Fee Revenue - NGNs	(732)	(3,878)	(6,023)
Other Revenue	(50)	(377)	(294)
Total Exchange Revenues	<u>(788)</u>	<u>(4,290)</u>	<u>(6,367)</u>
<b>TOTAL NET COST/(INCOME) OF OPERATIONS</b>	<u>\$ 12,896</u>	<u>\$ 100,371</u>	<u>\$ 89,457</u>
<b>LESS NON-EXCHANGE REVENUES</b>			
Interest Revenue - Investments	(23,699)	(121,465)	(128,501)
Total Non-Exchange Revenues	<u>(23,699)</u>	<u>(121,465)</u>	<u>(128,501)</u>
<b>TOTAL NET COST/(INCOME) INCLUDING NON-EXCHANGE REVENUES</b>	<u>\$ (10,803)</u>	<u>\$ (21,094)</u>	<u>\$ (39,044)</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.

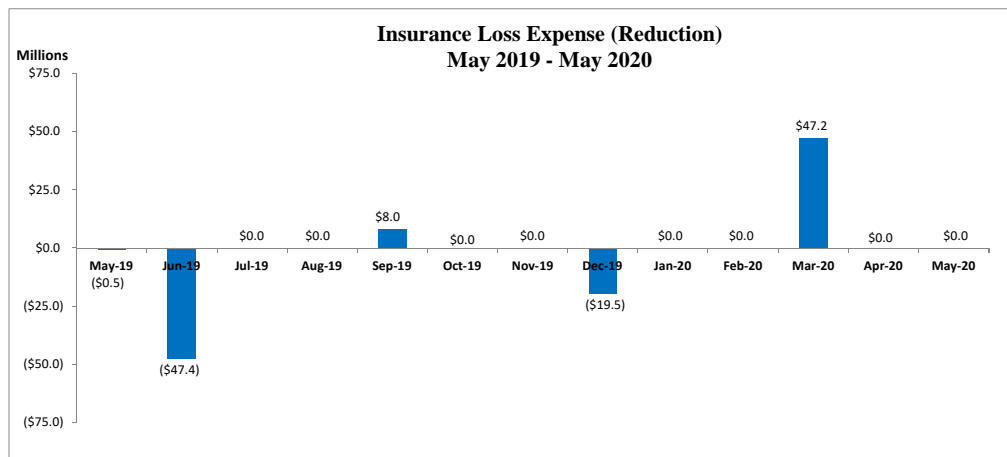
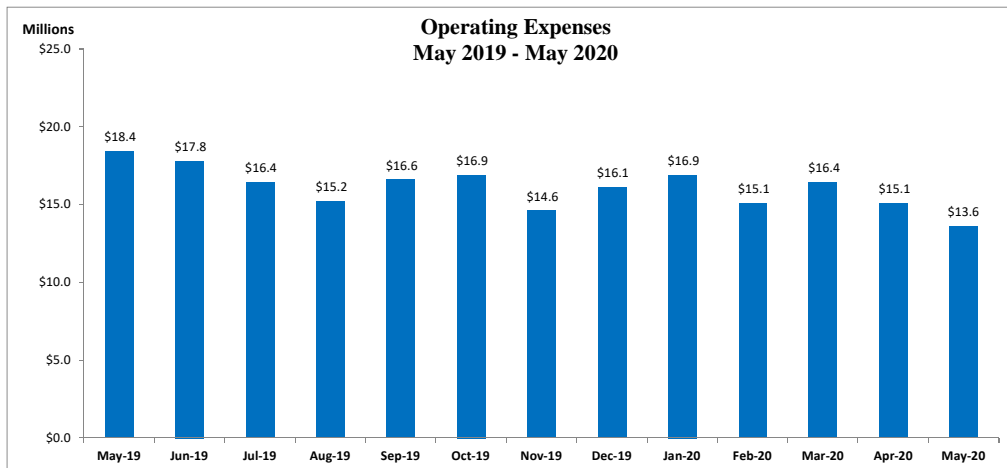
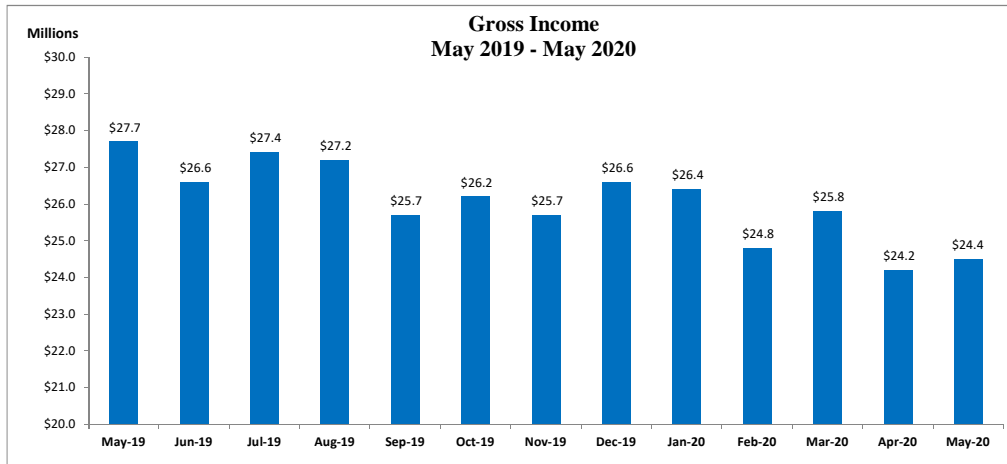
The balances in the statement above are preliminary and unaudited.

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

	<u>May 2020</u>	<u>May 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	121,465	128,501
Distribution to Credit Unions	-	(160,099)
<b>Total Budgetary Financing Sources</b>	<u>121,465</u>	<u>(31,598)</u>
<b>OTHER FINANCING SOURCES</b>		
Non-Exchange Revenue		
Net Unrealized Gain/(Loss) - Investments	583,815	185,432
<b>Total Other Financing Sources</b>	<u>583,815</u>	<u>185,432</u>
<b>Total Financing Sources</b>	<u>705,280</u>	<u>153,834</u>
Net Income /(Cost) of Operations	(100,371)	(89,457)
Net Change	604,909	64,377
<b>CUMULATIVE RESULTS OF OPERATIONS</b>	<u>5,237,483</u>	<u>4,458,769</u>
<b>CONTRIBUTED CAPITAL</b>		
Beginning Balances	11,967,387	11,327,234
Change in Contributed Capital	291,366	84,797
<b>CONTRIBUTED CAPITAL</b>	<u>12,258,753</u>	<u>11,412,031</u>
<b>NET POSITION</b>	<u>\$ 17,496,236</u>	<u>\$ 15,870,800</u>
<b>NET POSITION BREAKDOWN</b>		
Credit Union Contributed Capital	12,258,753	11,412,031
Retained Earnings	4,609,319	4,457,603
Total Net Position Without Unrealized Gain/ (Loss)	<u>16,868,072</u>	<u>15,869,634</u>
Unrealized Gain/ (Loss) - Investments	628,164	1,166
<b>NET POSITION</b>	<u>\$ 17,496,236</u>	<u>\$ 15,870,800</u>

The balances in the statement above are preliminary and unaudited.

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



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

**INVESTMENT PORTFOLIO SUMMARY**

May 31, 2020

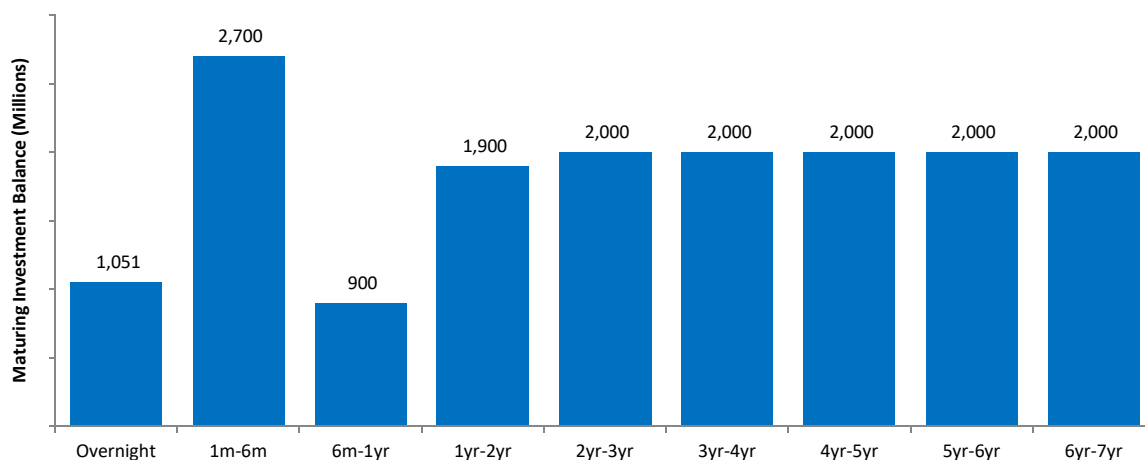
<b>I. INVESTMENT PORTFOLIO BALANCE AND MARKET VALUE (In Dollars)</b>						
	Book Value	Market Value	Unrealized Gain or (Loss)	% Market to Book Value	Weighted Average Yield	
Daily Treasury Account	\$ 1,051,146,000	\$ 1,051,146,000	\$ -	100.00%	0.14%	
U.S. Treasury Notes	15,754,070,234	16,382,234,375	628,164,141	103.99%	1.73%	
<b>Total</b>	<b>\$ 16,805,216,234</b>	<b>\$ 17,433,380,375</b>	<b>\$ 628,164,141</b>	<b>103.74%</b>	<b>1.63%</b>	

<b>II. INVESTMENT PORTFOLIO SUMMARY</b>						
	Last Month	Current Month	CY To Date			
Investment Yield	1.70%	1.63%	1.76%			
Investment Income	\$ 23,524,266	\$ 23,699,174	\$ 121,464,922			
Weighted Avg. Maturity in Days	1,122	1,118				

<b>III. MONTHLY ACTIVITY</b>					
Purchased	Type	Amount	Maturity	Yield	
5/15/2020	T-Note	\$ 50,000,000	5/15/2026	0.43%	
5/15/2020	T-Note	\$ 50,000,000	8/15/2022	0.17%	
5/15/2020	T-Note	\$ 50,000,000	5/15/2024	0.26%	
5/15/2020	T-Note	\$ 500,000,000	5/15/2027	0.48%	
5/15/2020	T-Note	\$ 50,000,000	5/15/2025	0.34%	

**TOTAL** \$ **700,000,000**

<b>IV. MATURITY SCHEDULE (par value in millions)</b>		
TOTAL	\$	16,551



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