

NATIONAL CREDIT UNION SHARE INSURANCE FUND



PRELIMINARY UNAUDITED
FINANCIAL HIGHLIGHTS
October 31, 2019

A handwritten signature in blue ink, appearing 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
October 31, 2019**

Balance Sheet

Receivables from Asset Management Estates Net is \$583.2 million; \$335.7 million is for natural person credit unions (NPCU), and \$247.5 million is for Corporate Credit Unions (CCU).

Insurance and Guarantee Program Liabilities related to Reserves are \$115.6 million; \$4.5 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 October 31, 2019.

Statement of Net Cost

For the month ended October 31, 2019, the fund had net income of \$9.4 million. The fund recognized gross revenues of \$26.2 million and total operating expenses of \$16.9 million. The fund recognized an insurance loss expense of \$5 thousand during the month of October 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**

	October 2019	October 2018
ASSETS		
INTRAGOVERNMENTAL		
Fund Balance with Treasury	\$ 5,156	\$ 3,931
Investments, Net - U.S. Treasury Securities	16,035,916	14,849,327
Accrued Interest Receivable - Investments	93,664	79,247
Accounts Receivable - Due from the NCUA Operating Fund	-	2,067
Note Receivable - Note due from the NCUA Operating Fund	5,252	6,593
Total Intragovernmental Assets	<u>16,139,988</u>	<u>14,941,165</u>
PUBLIC		
Accounts Receivable - Due from Insured Credit Unions, Net	3,128	5,938
Accounts Receivable - Guarantee Fee on NGNs, Net	777	1,117
General Property, Plant, and Equipment, Net	123	121
Advances and Prepayments	1,024	1,016
Receivables from Asset Management Estates AMEs , Net	583,202	672,306
Total Public Assets	<u>588,254</u>	<u>680,498</u>
TOTAL ASSETS	<u>\$ 16,728,242</u>	<u>\$ 15,621,663</u>
LIABILITIES		
INTRAGOVERNMENTAL		
Accounts Payable - Due to the NCUA Operating Fund	\$ 1,502	\$ 133
Total Intragovernmental Liabilities	<u>1,502</u>	<u>133</u>
PUBLIC		
Accounts Payable	746	1,463
Insurance and Guarantee Program Liabilities	115,588	116,665
Other Liabilities	782	2,383
Total Public Liabilities	<u>117,116</u>	<u>120,511</u>
TOTAL LIABILITIES	<u>118,618</u>	<u>120,644</u>
Commitments and Contingencies		
NET POSITION		
Contributed Capital	11,955,283	11,325,204
Cumulative Result of Operations	4,654,341	4,175,815
Total Net Position	<u>16,609,624</u>	<u>15,501,019</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 16,728,242</u>	<u>\$ 15,621,663</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)**

	October 2019	October 2019 YTD	October 2018 YTD
GROSS COSTS			
Operating Expenses	\$ 16,863	\$ 160,377	\$ 155,104
Provision for Insurance Losses			
Reserve Expense (Reduction)	5	39,411	(16,971)
AME Receivable Bad Debt Expense	-	(60,514)	(62,290)
Total Provision for Insurance Losses	<u>5</u>	<u>(21,103)</u>	<u>(79,261)</u>
Other Losses	-	22	2,770
Total Gross Costs	<u>16,868</u>	<u>139,296</u>	<u>78,613</u>
LESS EXCHANGE REVENUES			
Interest Revenue on Note Receivable from the NCUA			
Operating Fund	(8)	(96)	(102)
Guarantee Fee Revenue - NGNs	(982)	(11,238)	(14,436)
Other Revenue	(6)	(352)	(983)
Total Exchange Revenues	<u>(996)</u>	<u>(11,686)</u>	<u>(15,521)</u>
TOTAL NET COST/(INCOME) OF OPERATIONS	<u>\$ 15,872</u>	<u>\$ 127,610</u>	<u>\$ 63,092</u>
LESS NON-EXCHANGE REVENUES			
Interest Revenue - Investments	(25,246)	(256,227)	(234,222)
Total Non-Exchange Revenues	<u>(25,246)</u>	<u>(256,227)</u>	<u>(234,222)</u>
TOTAL NET COST/(INCOME) INCLUDING NON-EXCHANGE REVENUES	<u>\$ (9,374)</u>	<u>\$ (128,617)</u>	<u>\$ (171,130)</u>

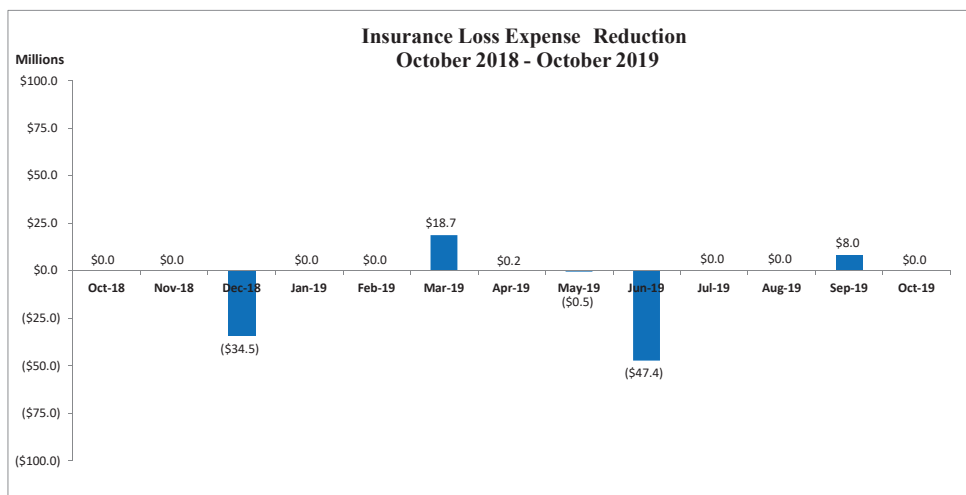
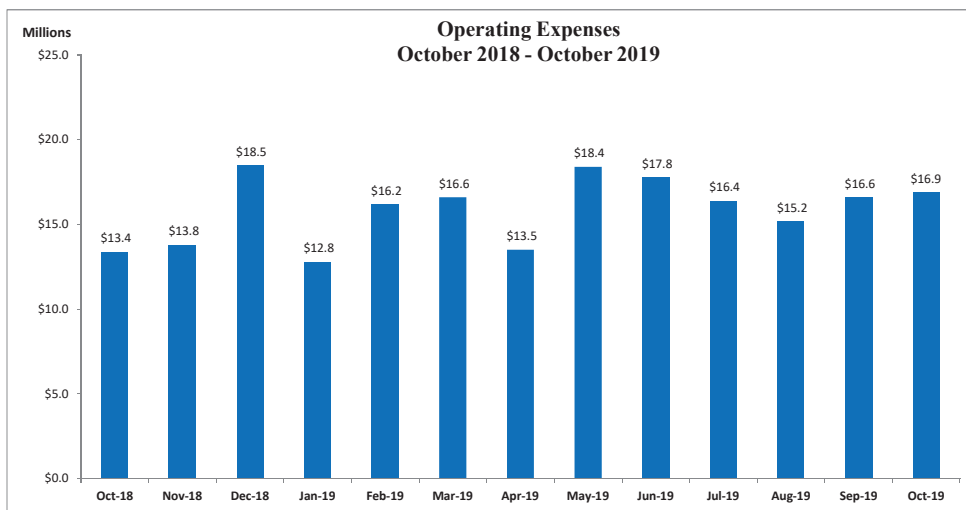
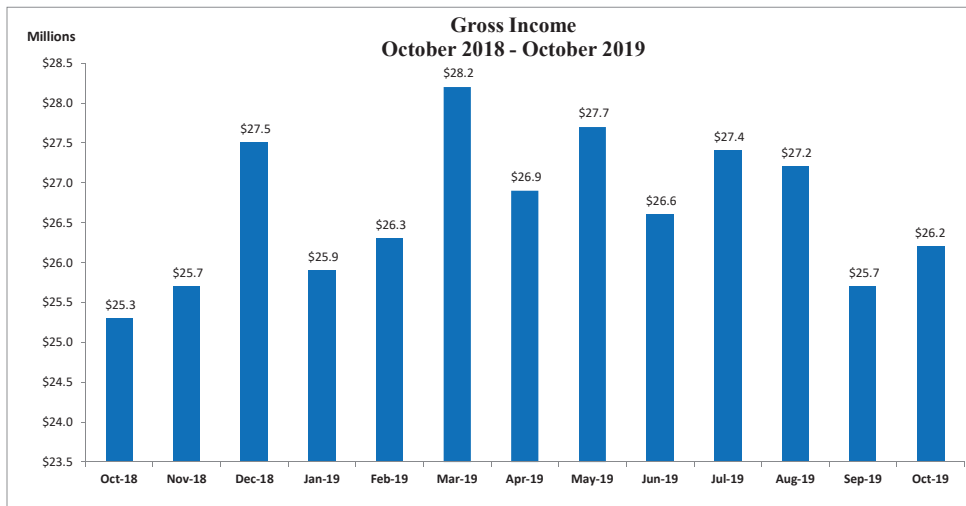
*Share Insurance Fund operating expenses are an allocation of total NCUA operating expenses, as determined by the overhead transfer rate set by the Board of 60.5% and 61.5% for 2019 and 2018, respectively.

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

	October 2019	October 2018
CUMULATIVE RESULTS OF OPERATIONS		
Beginning Balances	\$ 4,394,392	\$ 4,971,367
BUDGETARY FINANCING SOURCES		
Non-Exchange Revenue		
Interest Revenue - Investments	256,227	234,222
Distribution to Credit Unions	(160,099)	(735,679)
Total Budgetary Financing Sources	<u>96,128</u>	<u>(501,457)</u>
OTHER FINANCING SOURCES		
Non-Exchange Revenue		
Net Unrealized Gain/(Loss) - Investments	291,431	(231,003)
Total Other Financing Sources	<u>291,431</u>	<u>(231,003)</u>
Total Financing Sources	<u>387,559</u>	<u>(732,460)</u>
Net Income /(Cost) of Operations	(127,610)	(63,092)
Net Change	259,949	(795,552)
CUMULATIVE RESULTS OF OPERATIONS	<u>4,654,341</u>	<u>4,175,815</u>
CONTRIBUTED CAPITAL		
Beginning Balances	11,327,234	10,765,320
Change in Contributed Capital	628,049	559,884
CONTRIBUTED CAPITAL	<u>11,955,283</u>	<u>11,325,204</u>
NET POSITION	<u>\$ 16,609,624</u>	<u>\$ 15,501,019</u>
NET POSITION BREAKDOWN		
Credit Union Contributed Capital	11,955,283	11,325,204
Retained Earnings	4,547,175	4,526,038
Total Net Position Without Unrealized Gain/ (Loss)	<u>16,502,458</u>	<u>15,851,242</u>
Unrealized Gain/ (Loss) - Investments	<u>107,166</u>	<u>(350,223)</u>
NET POSITION	<u>\$ 16,609,624</u>	<u>\$ 15,501,019</u>

The balances in the statement above are preliminary and unaudited.

**NATIONAL CREDIT UNION ADMINISTRATION
 SHARE INSURANCE FUND
 STATISTICAL INFORMATION
 October 31, 2019**



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

INVESTMENT PORTFOLIO SUMMARY

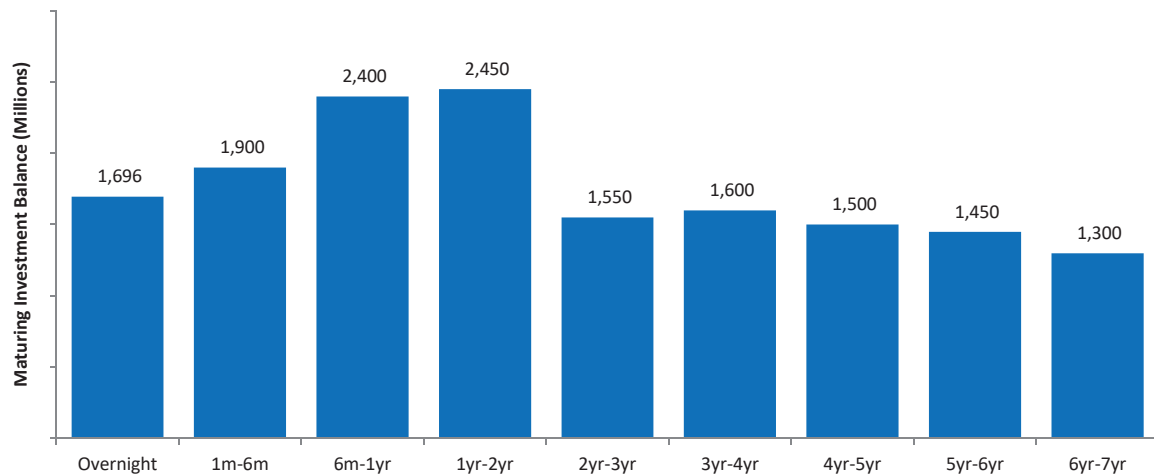
October 31, 2019

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	\$ 1,696,025,000	\$ 1,696,025,000	\$ -	100.00%	1.62%	
U.S. Treasury Notes	14,232,724,130	14,339,890,625	107,166,495	100.75%	1.92%	
Total	\$ 15,928,749,130	\$ 16,035,915,625	\$ 107,166,495	100.67%	1.89%	

II. INVESTMENT PORTFOLIO SUMMARY			
	Last Month	Current Month	CY To Date
Investment Yield	1.94%	1.89%	2.00%
Investment Income	\$ 24,699,948	\$ 25,245,805	\$ 256,226,536
Weighted Avg. Maturity in Days	813	864	

III. MONTHLY ACTIVITY					
Purchased	Type	Amount	Maturity	Yield	
10/9/2019	T-Note	\$ 200,000,000	8/15/2024	1.39%	
10/23/2019	T-Note	\$ 100,000,000	2/15/2025	1.60%	
10/9/2019	T-Note	\$ 50,000,000	8/15/2025	1.43%	
10/9/2019	T-Note	\$ 50,000,000	2/15/2026	1.46%	
10/23/2019	T-Note	\$ 250,000,000	5/15/2024	1.59%	
10/9/2019	T-Note	\$ 100,000,000	5/15/2025	1.42%	
10/23/2019	T-Note	\$ 150,000,000	5/15/2025	1.61%	
TOTAL		\$ 900,000,000			

IV. MATURITY SCHEDULE (par value in millions)	
TOTAL	\$ 15,846



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