

NATIONAL CREDIT UNION SHARE INSURANCE FUND



PRELIMINARY & UNAUDITED FINANCIAL HIGHLIGHTS

February 28, 2019

A handwritten signature in blue ink, which appears to read "Rendell L. Jones". The signature is fluid and cursive, with a long horizontal stroke at the end.

**RENDELL L. JONES
CHIEF FINANCIAL OFFICER**

NATIONAL CREDIT UNION SHARE INSURANCE FUND

MANAGEMENT OVERVIEW

February 28, 2019

Balance Sheet

Insurance and Guarantee Program Liabilities Reserves are \$119.1 million as of February 28, 2019; \$7.3 million is for specific reserves for natural person credit unions, and \$111.8 million is for general reserves.

There is no Insurance and Guarantee Program Liability for the Corporate System Resolution Program (CSRP) as of February 28, 2019.

Statement of Net Cost

For the month ended February 28, 2019, the fund had net income of \$10.1 million. The fund recognized gross revenues of \$26.3 million and total operating expenses of \$16.2 million. The fund did not recognize any insurance loss expense during the month of February 2019.

NATIONAL CREDIT UNION SHARE INSURANCE FUND

BALANCE SHEETS

As of February 28, 2019 and 2018

(Dollars in thousands)

	<u>February 2019</u>	<u>February 2018</u>
ASSETS		
INTRAGOVERNMENTAL		
Fund Balance with Treasury	\$ 5,139	\$ 5,337
Investments, Net U.S. Treasury Securities	15,126,964	16,111,910
Accrued Interest Receivable - Investments	53,960	49,248
Accounts Receivable - Due from the National		
Credit Union Administration Operating Fund	-	2,069
Note Receivable - Note due from the National		
Credit Union Administration Operating Fund	6,146	7,487
Total Intragovernmental Assets	<u>15,192,209</u>	<u>16,176,051</u>
PUBLIC		
Advances	976	1,004
Accounts Receivable - Guarantee Fee on NCUA Guarantee Notes	900	1,128
General Property, Plant and Equipment, Net	162	457
Other - Receivable from Asset Management Estates, Net - NPCU AMEs	388,790	6,305
Other - Receivable from Asset Management Estates, Net - Corporate AMEs	288,193	332,152
Total Public Assets	<u>679,021</u>	<u>341,046</u>
TOTAL ASSETS	<u>\$ 15,871,230</u>	<u>\$ 16,517,097</u>
LIABILITIES		
INTRAGOVERNMENTAL		
Accounts Payable - Due to the National Credit Union Administration		
Operating Fund	\$ 1,888	\$ 113
Total Intragovernmental Liabilities	<u>1,888</u>	<u>113</u>
PUBLIC		
Accounts Payable and Other Liabilities	1,540	1,511
Dividends to Insured Credit Unions Payable	-	735,700
Capital Lease Liability	176	-
Other - Insurance and Guarantee Program Liabilities (Reserves)	119,053	925,334
Other - Insurance and Guarantee Program Liabilities (CSRP)	-	-
Total Public Liabilities	<u>120,769</u>	<u>1,662,545</u>
TOTAL LIABILITIES	<u>122,657</u>	<u>1,662,658</u>
NET POSITION		
Contributed Capital	11,327,234	10,765,320
Cumulative Result of Operations	4,421,339	4,089,119
Total Net Position	<u>15,748,573</u>	<u>14,854,439</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 15,871,230</u>	<u>\$ 16,517,097</u>

* Other-Receivable from Asset Management Estates, Net line items are generally updated quarterly.

The balances in the statement above are preliminary and unaudited.

NATIONAL CREDIT UNION SHARE INSURANCE FUND
STATEMENTS OF NET COST, INCLUDING NON-EXCHANGE REVENUES
For the Periods Ending February 28, 2019 and 2018
(Dollars in thousands)

	<u>February 2019</u>	<u>Year-to-Date February 2019</u>	<u>Year-to-Date February 2018</u>
GROSS COSTS			
OPERATING EXPENSES ⁽¹⁾			
Employee Pay	7,379	\$ 15,394	\$ 15,610
Employee Benefits	3,838	6,333	6,319
Travel	1,020	1,302	1,282
Rent, Communications and Utilities	703	688	282
Administrative Costs	641	1,733	1,213
Contracted Services	2,549	3,363	845
Training Expense	92	117	57
Leasing Expense	5	50	106
Other Insurance Expense	3	6	6
Total Operating Costs	<u>16,230</u>	<u>28,986</u>	<u>25,720</u>
INSURANCE LOSS EXPENSE	-	-	(81)
Total Gross Costs	<u>16,230</u>	<u>28,986</u>	<u>25,639</u>
LESS EXCHANGE REVENUES			
Interest Revenue on Note Receivable due from the National Credit Union Administration Operating Fund	(9)	(20)	(20)
Guarantee Fee Revenue - NCUA Guaranteed Notes	(1,200)	(2,382)	(3,002)
Other Gains	(1,332)	75	-
Other (Revenue) / Expense	(23)	(23)	(7)
Total Exchange Revenues	<u>(2,564)</u>	<u>(2,350)</u>	<u>(3,029)</u>
TOTAL NET COST/(INCOME) OF OPERATIONS	<u>13,666</u>	<u>26,636</u>	<u>22,610</u>
LESS NON-EXCHANGE REVENUES			
Investment Income	(23,723)	(49,831)	(42,855)
Gain on Sales of Investments	-	-	-
Total Non-Exchange Revenues	<u>(23,723)</u>	<u>(49,831)</u>	<u>(42,855)</u>
TOTAL NET COST/(INCOME) INCLUDING NON-EXCHANGE REVENUES	<u>\$ (10,057)</u>	<u>\$ (23,195)</u>	<u>\$ (20,245)</u>

⁽¹⁾ 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.

The balances in the statement above are preliminary and unaudited.

NATIONAL CREDIT UNION SHARE INSURANCE FUND

STATEMENTS OF NET POSITION

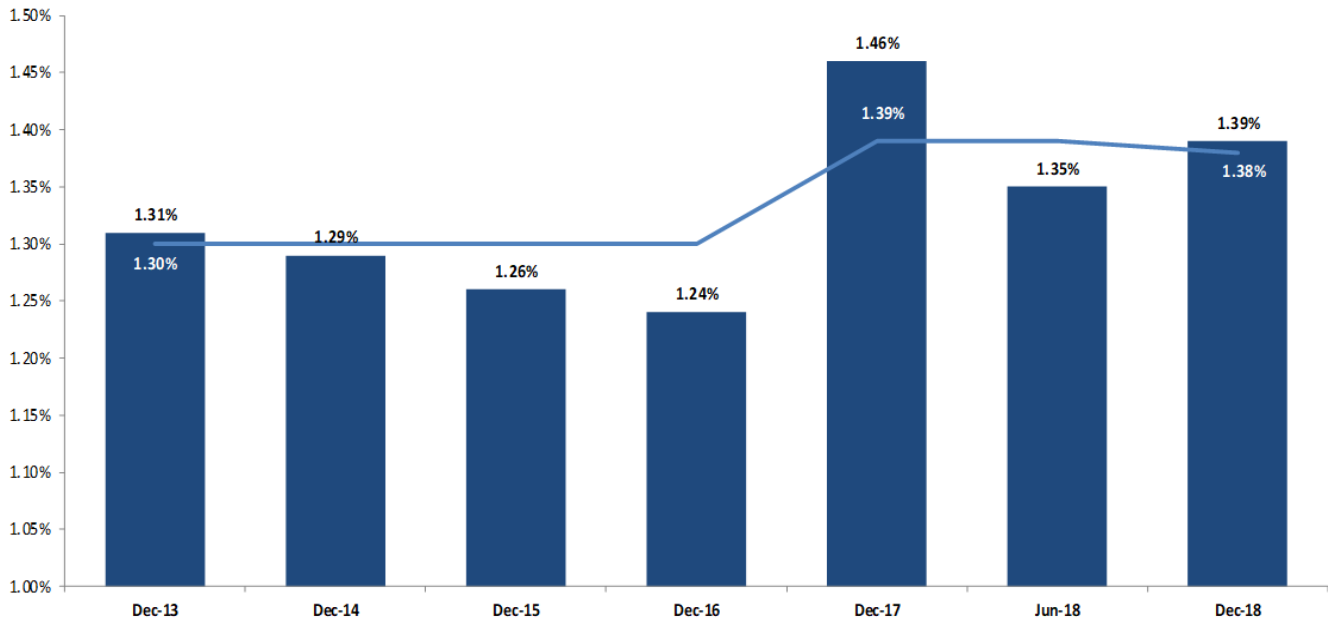
As of February 28, 2019 and 2018

(Dollars in thousands)

	<u>February 2019</u>	<u>February 2018</u>
NET POSITION BREAKDOWN		
Credit Union Contributed Capital	\$ 11,327,234	\$ 10,765,320
Retained Earnings	4,601,852	4,372,363
Total Net Position without Unrealized Gain/(Loss)	<u>15,929,086</u>	<u>15,137,683</u>
Unrealized Gain/(Loss) - Investments	<u>(180,513)</u>	<u>(283,244)</u>
NET POSITION	<u>\$ 15,748,573</u>	<u>\$ 14,854,439</u>

NCUSIF Equity Ratio

CY 2013 – CY 2018



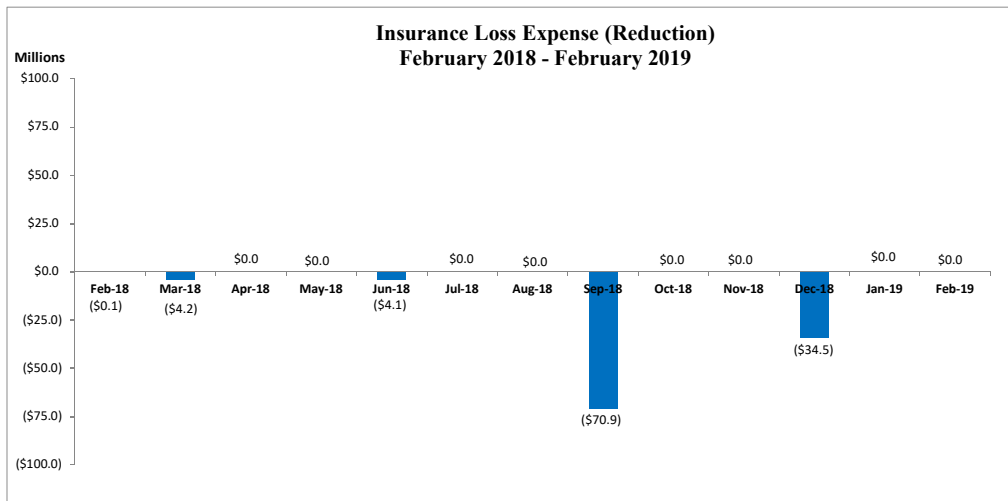
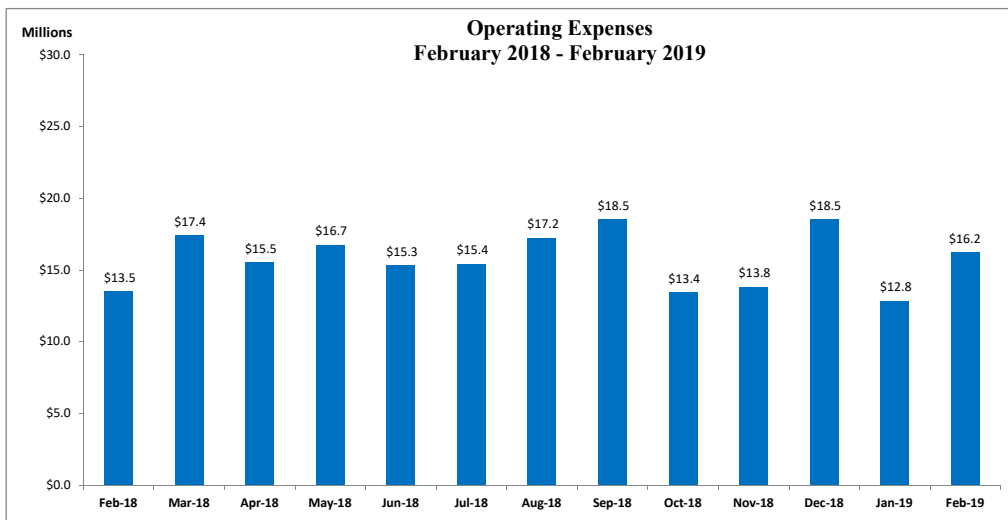
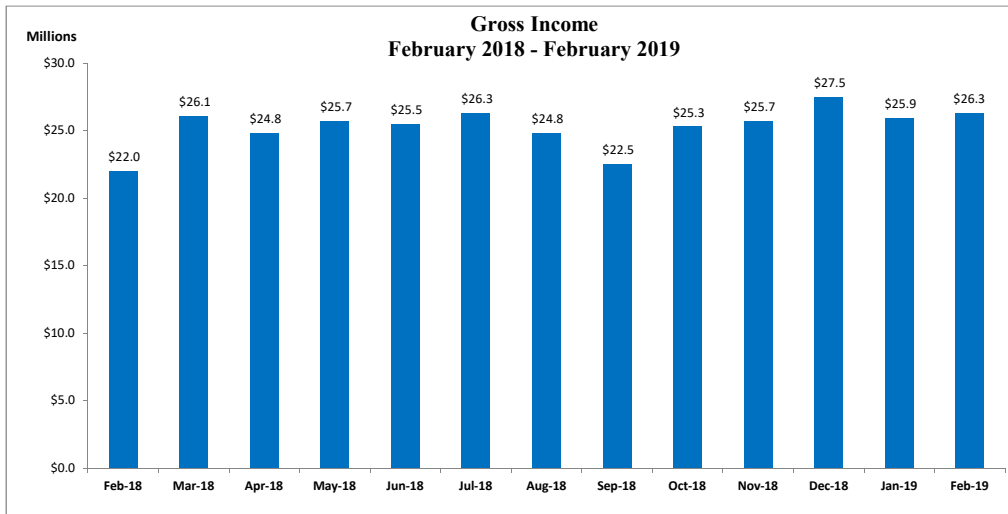
* The blue line represents the Normal Operating Level over the time period represented on the slide.

The balances in the statement above are preliminary and unaudited.

NATIONAL CREDIT UNION SHARE INSURANCE FUND

STATISTICAL INFORMATION

February 28, 2019



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

INVESTMENT PORTFOLIO SUMMARY

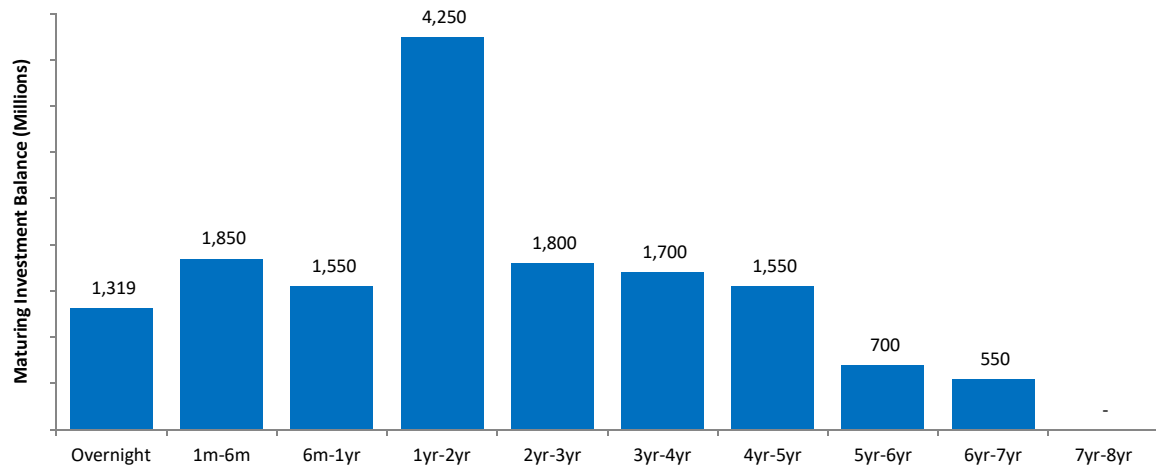
February 28, 2019

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	\$ 1,318,636,000	\$ 1,318,636,000	\$ -	100.00%	2.43%
U.S. Treasury Notes	13,988,841,126	13,808,328,125	(180,513,001)	98.71%	1.98%
Total	\$ 15,307,477,126	\$ 15,126,964,125	\$ (180,513,001)	98.82%	2.02%

II. INVESTMENT PORTFOLIO SUMMARY			
	Last Month	Current Month	CY To Date
Investment Yield	2.01%	2.02%	2.02%
Investment Income	\$ 26,108,128	\$ 23,722,868	\$ 49,830,996
Weighted Avg. Maturity in Days	845	816	

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

IV. MATURITY SCHEDULE (par value in millions)	
TOTAL	\$ 15,269



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