



NCUA
National Credit Union Administration

Eugene H. Schied, CFO
Office of the Chief Financial Officer

NCUSIF Financial Statistics

For the Quarter Ended
December 31, 2020

Statements

National Credit Union Share Insurance Fund (NCUSIF)

Financial Statements located at:

<https://www.ncua.gov/about-ncua/inspector-general/oig-reports/audit-reports>

NCUSIF Revenue and Expense

December 31, 2020

| (In Millions) | Quarter Ended December 31, 2020 | Year-to-Date December 31, 2020 |
|--|------------------------------------|-----------------------------------|
| Gross Income: | | |
| Investment Income | \$60.9 | \$272.0 |
| Guarantee Fee Revenue | 1.2 | 7.9 |
| Other Income | 2.1 | 2.7 |
| Total Income | \$64.2 | \$282.6 |
| Less Expenses: | | |
| Operating Expenses | \$48.6 | \$181.0 |
| Provision for Insurance Losses: | | |
| Reserve Expense | (0.6) | 50.1 |
| NPCU AME Loss Expense (Reduction) | (3.5) | (18.2) |
| Corporate AME Loss Expense (Reduction) | 33.4 | 36.8 |
| Total Expenses | \$77.9 | \$249.7 |
| Net Income (Loss) | (\$13.7) | \$32.9 |

NCUSIF Summary Balance Sheets

December 31, 2020

| (In Millions) | December 31, 2020 | December 31, 2019 |
|---|-------------------|-------------------|
| Assets | | |
| Fund Balance with Treasury and Investments | \$18,281.5 | \$16,027.8 |
| Receivable from NPCU Asset Management Estates, Net | 6.1 | 342.9 |
| Receivable from Corporate Asset Management Estates, Net | 755.7 | 267.3 |
| Accrued Interest and Other Assets | 85.6 | 83.6 |
| Total Assets | \$19,128.9 | \$16,721.6 |
| Liabilities and Net Position | | |
| Accounts Payable and Other Liabilities | \$8.8 | \$4.6 |
| Insurance and Guarantee Program Liabilities | 177.3 | 117.0 |
| Net Position – Capital Deposits | 13,810.7 | 11,967.4 |
| Net Position – Cumulative Results of Operations | 5,132.1 | 4,632.6 |
| Total Liabilities and Net Position | \$19,128.9 | \$16,721.6 |

NCUSIF_ Insurance and Program Guarantee Liabilities

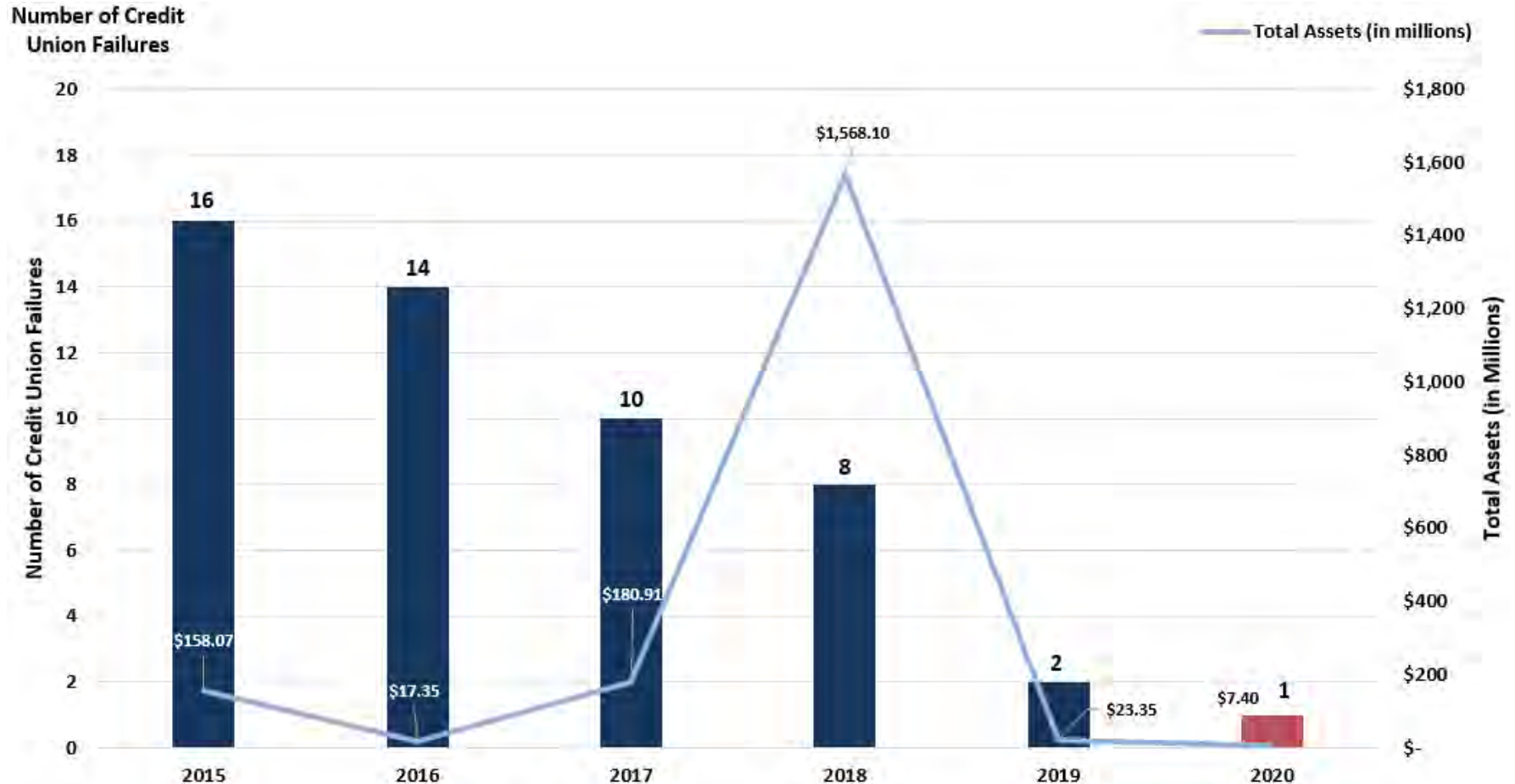
December 31, 2020

| PRELIMINARY & UNAUDITED | Quarter Ended | Year-To-Date |
|------------------------------------|--------------------------|--------------------------|
| (In Millions) | December 31, 2020 | December 31, 2020 |
| Beginning Reserve Balance: | \$ 175.2 | \$ 117.0 |
| Reserve Expense | (0.6) | 50.1 |
| Charges for Assisted Mergers | - | - |
| Charges for Liquidations | 2.7 | 10.2 |
| Ending Reserve Balance | \$177.3 | \$177.3 |

* This table shows only NPCU Insurance and Program Guarantee Liabilities.

Number of Credit Union Failures Incurring a Loss to the Share Insurance Fund

CY2015 – CY2020



NCUSIF Portfolio

December 31, 2020

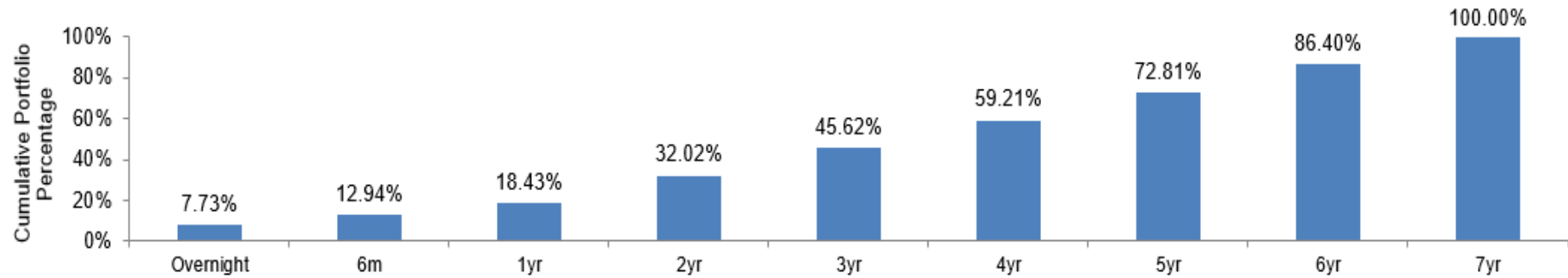
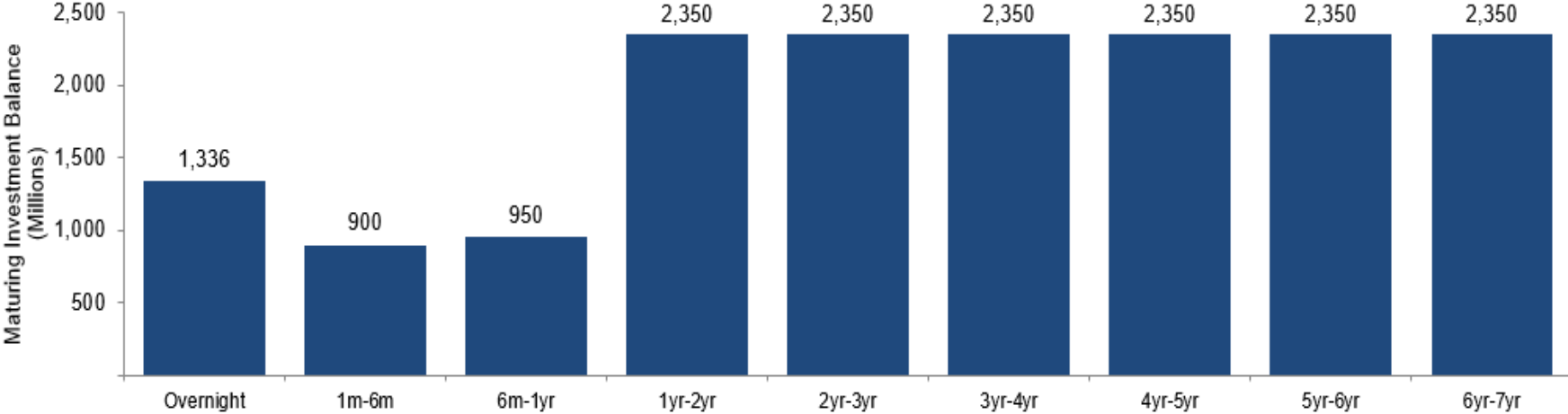
Investment Balance at Par: \$17.3 Billion

Weighted Average Life:

3.3 years

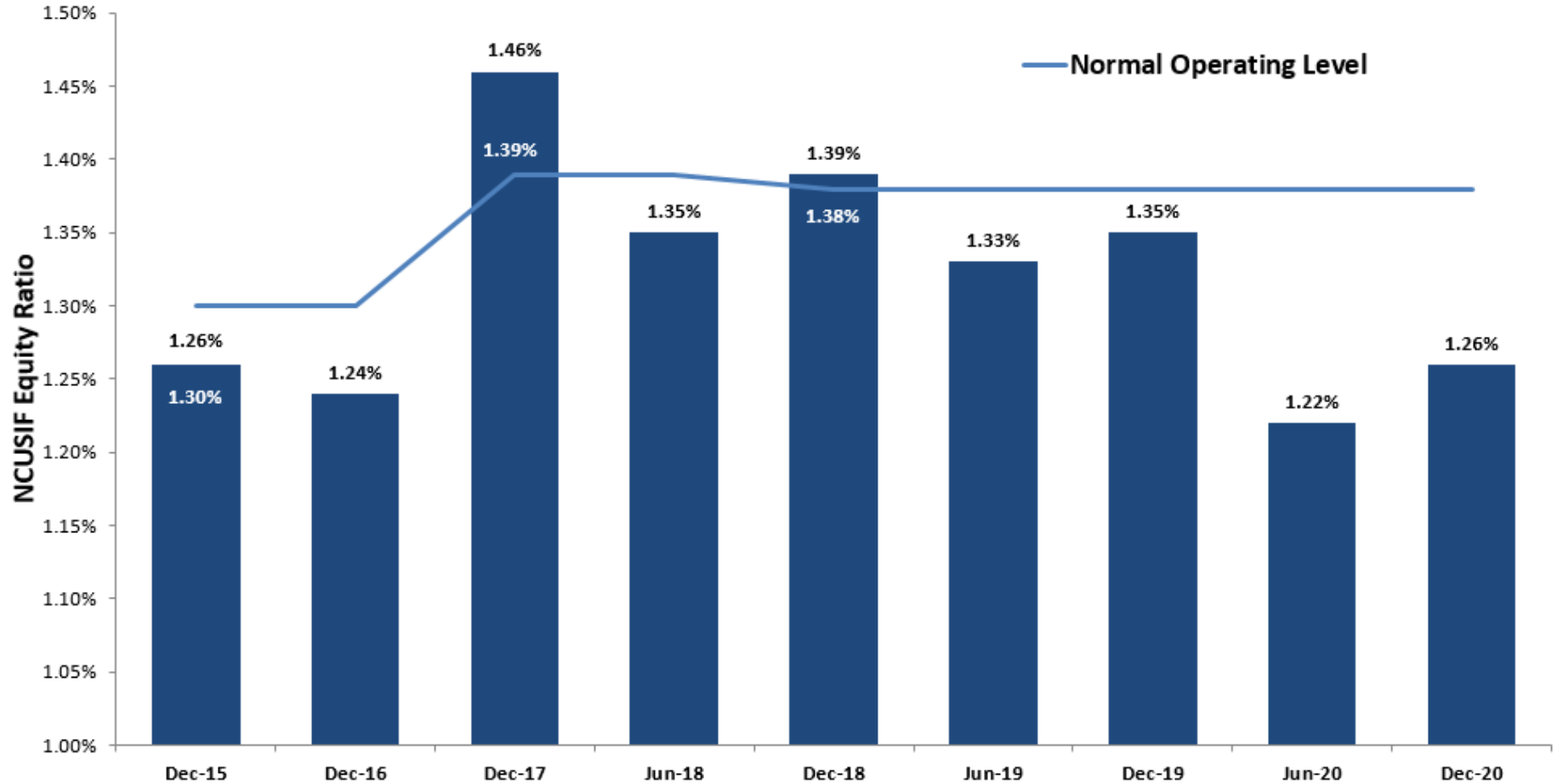
Weighted Average Yield:

1.30%



NCUSIF Equity Ratio

CY2015 – CY2020



NCUSIF Equity Ratio (Continued)

- The Federal Credit Union Act §1782(h)(2) defines the equity ratio as the ratio of – “(A) the amount of Fund capitalization, including insured credit unions’ 1 percent capitalization deposits and the retained earnings balance of the Fund (net of direct liabilities of the Fund and contingent liabilities for which no provision for losses has been made) to (B) the aggregate amount of the insured shares in all insured credit unions.”
- Equity ratio of the Share Insurance Fund as of December 31, 2020 is 1.26 percent, below the approved normal operating level of 1.38 percent.
- Primary driver of the change is faster growth in insured shares of 19.75% as compared to the sum of the contributed capital and retained earnings less contingent liabilities, which increased by 11.33% from December 31, 2019.

$$\frac{\$13,810,674,208^1 + \$4,621,089,399^2}{\$1,467,655,623,268^3} = 1.26\%$$

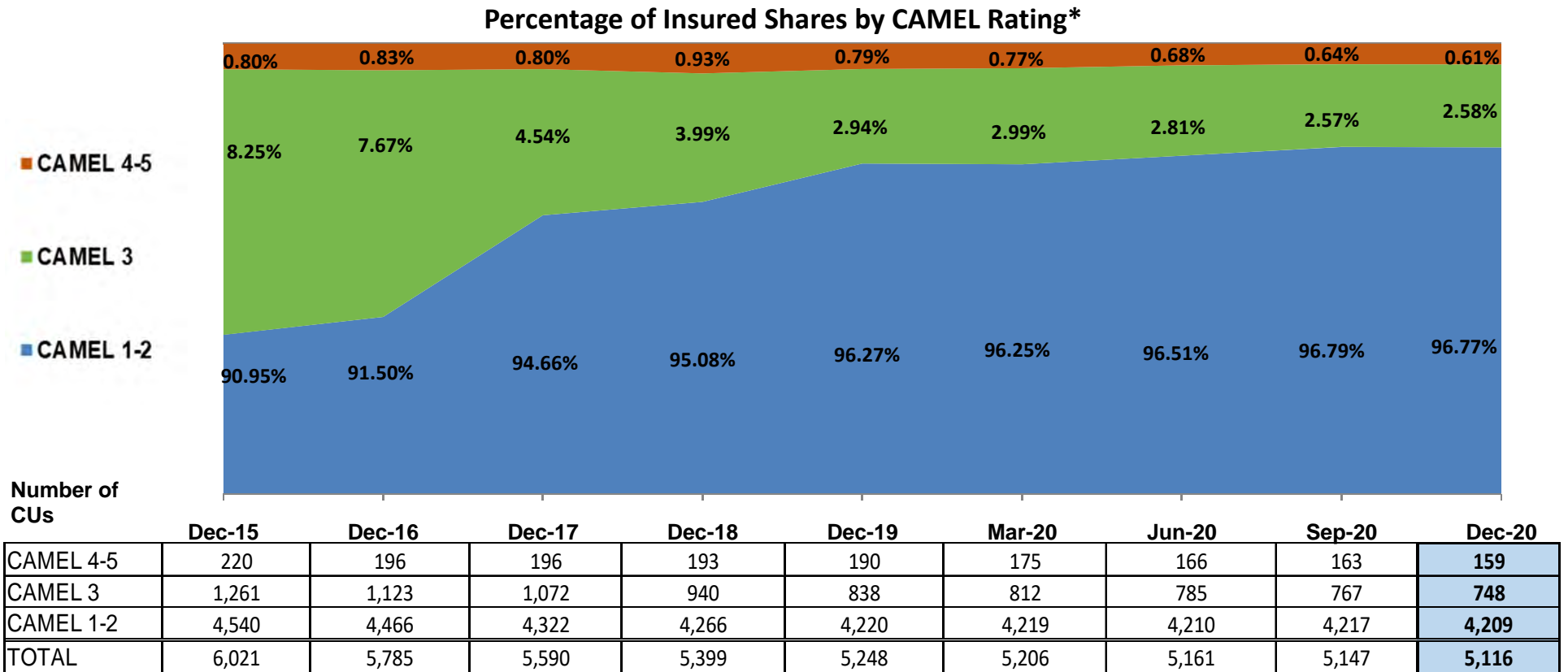
¹ Contributed Capital as reported on the Balance Sheet of the December 31, 2020 audited financial statements.

² SIF Retained Earnings of \$4,621,089,399 which is defined as: cumulative results of operations of \$5,132,167,220, excluding net cumulative unrealized gains and losses on investments of \$511,077,821 as reported on the December 31, 2020 audited financial statements.

³ Insured shares are based on December 31, 2020 call reports as of February 10, 2021.

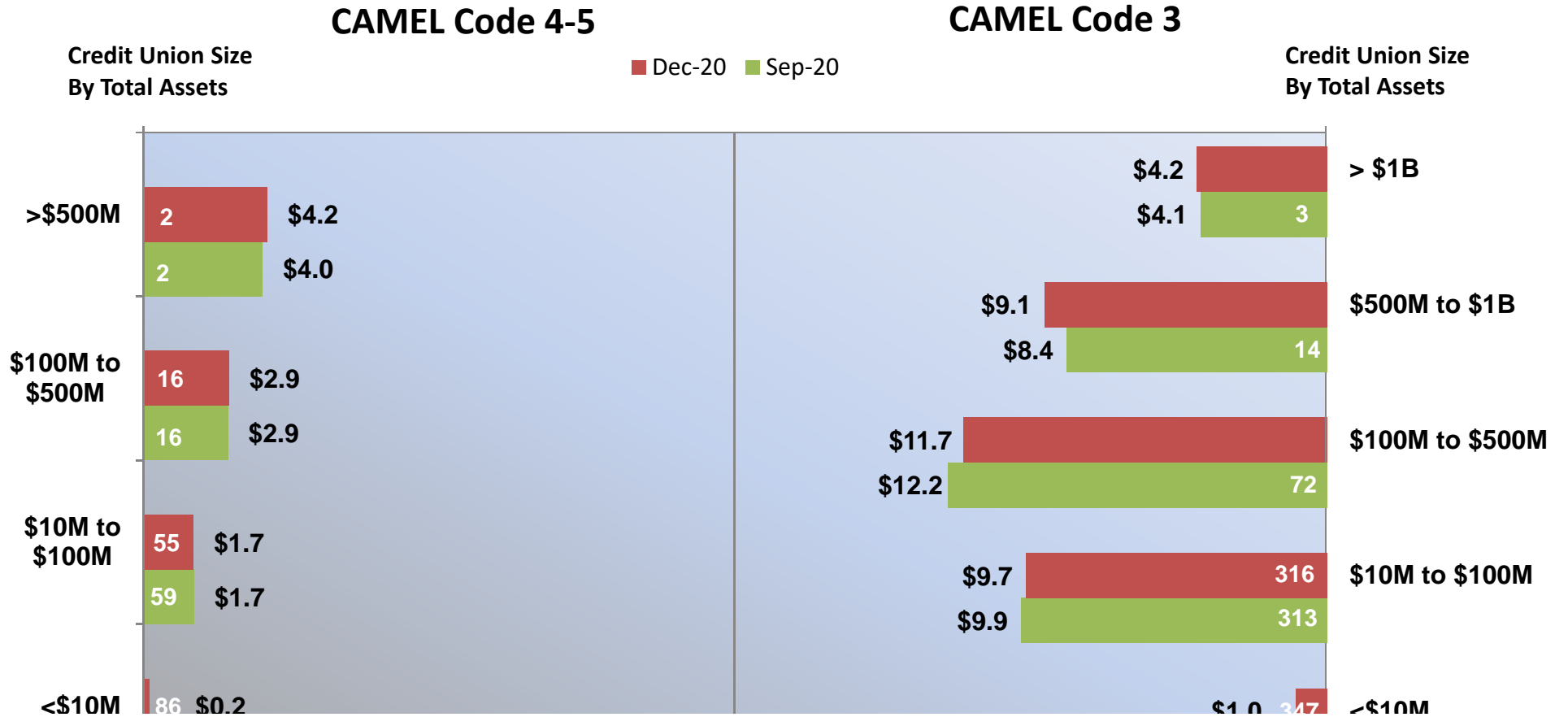
Percentage of Insured Shares and Total Number of CUs by CAMEL Code

CY2015 – CY2020



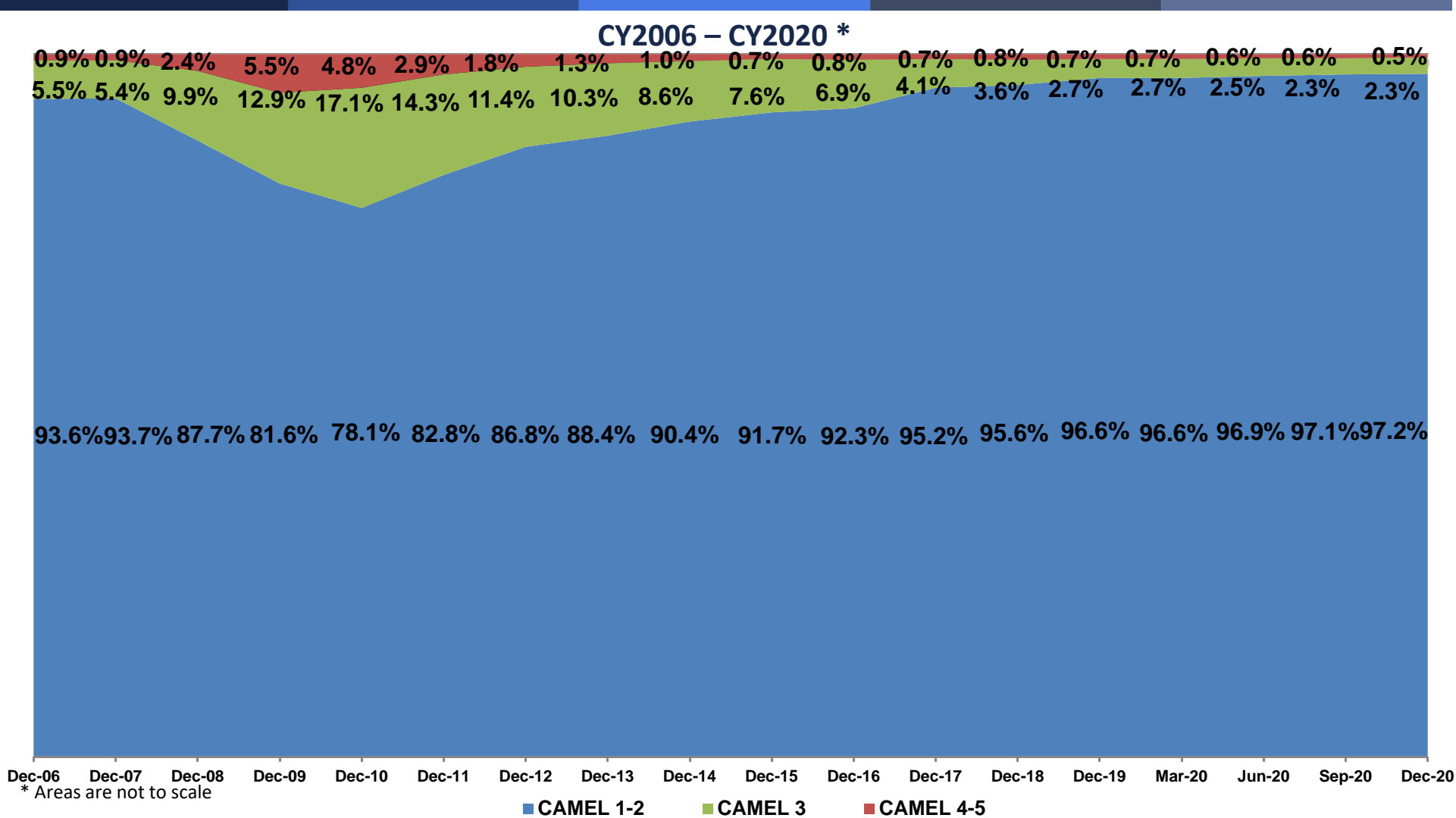
*Areas are not to scale.

CAMEL Code Comparison by Asset Size



Total Shares in Billions

Distribution of Assets in CAMEL Codes



Office Contact Page

Feel free to contact our office with questions or comments.

Primary Staff: Eugene H. Schied, CFO
eschied@ncua.gov

Office Phone: 703-518-6570

APPENDICES

Appendix I. Yield Comparisons

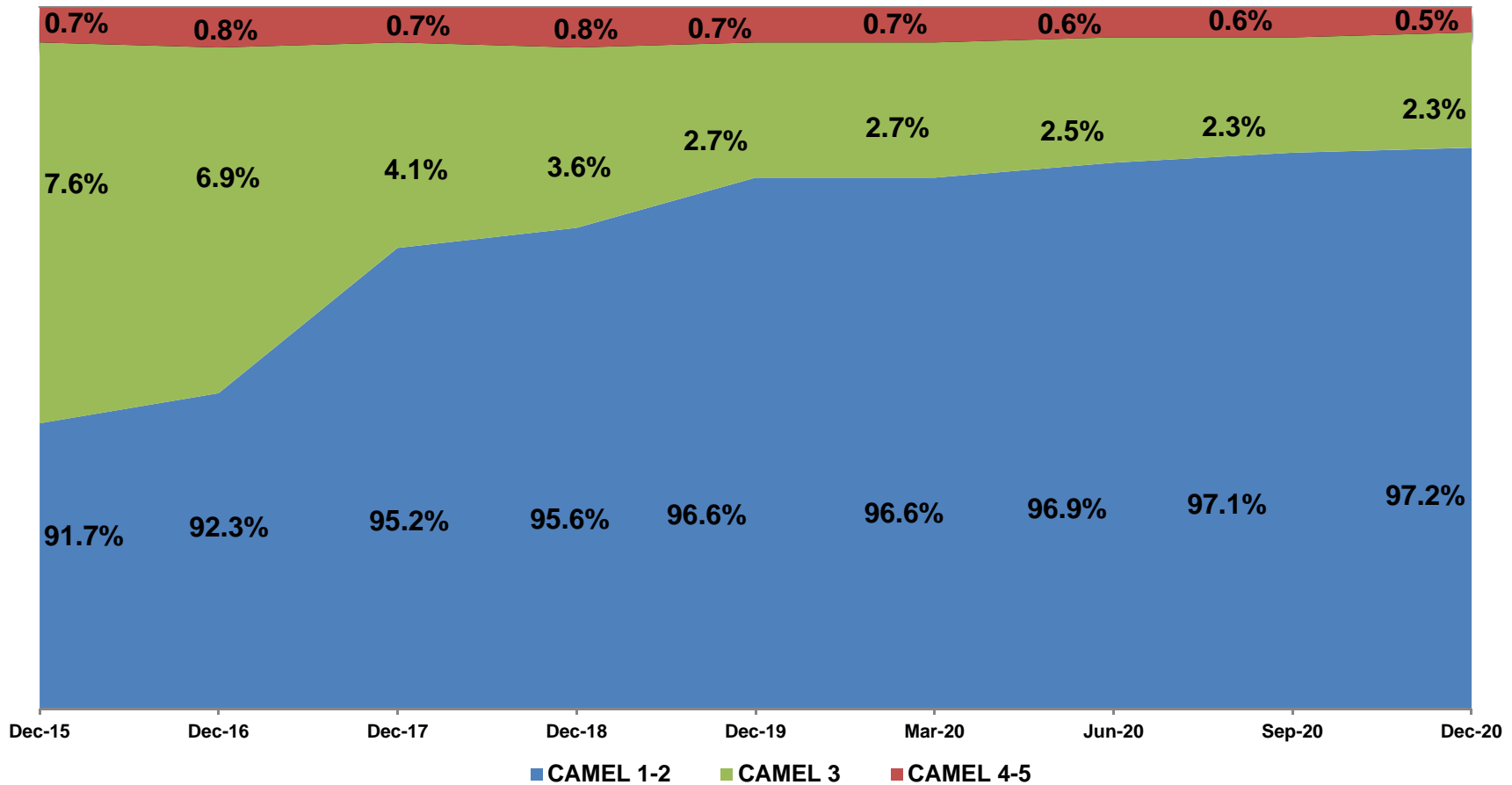
December 31, 2020

Yield



Appendix II. Distribution of Assets in CAMEL Codes

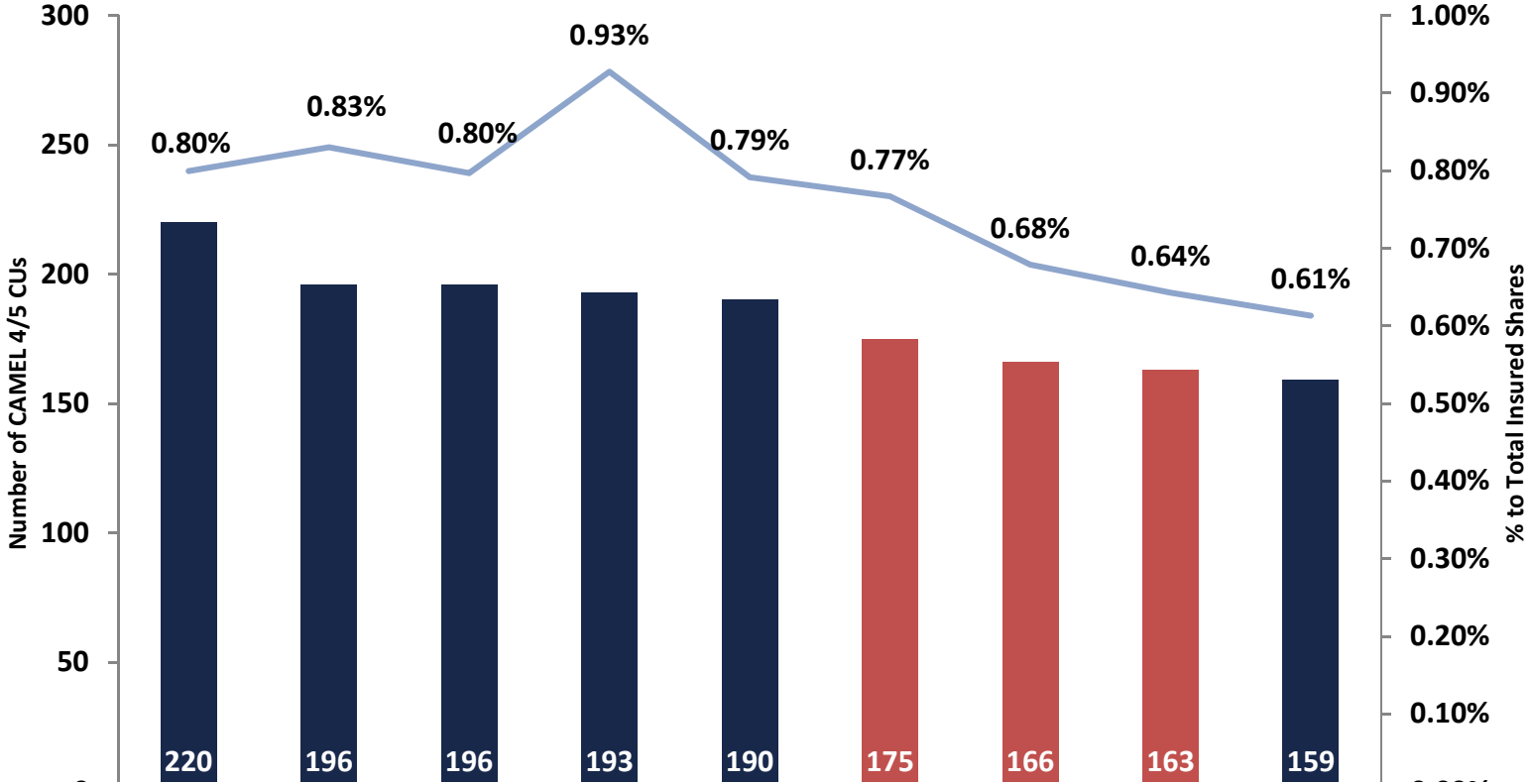
CY2015 – CY2020



Areas are not to scale.

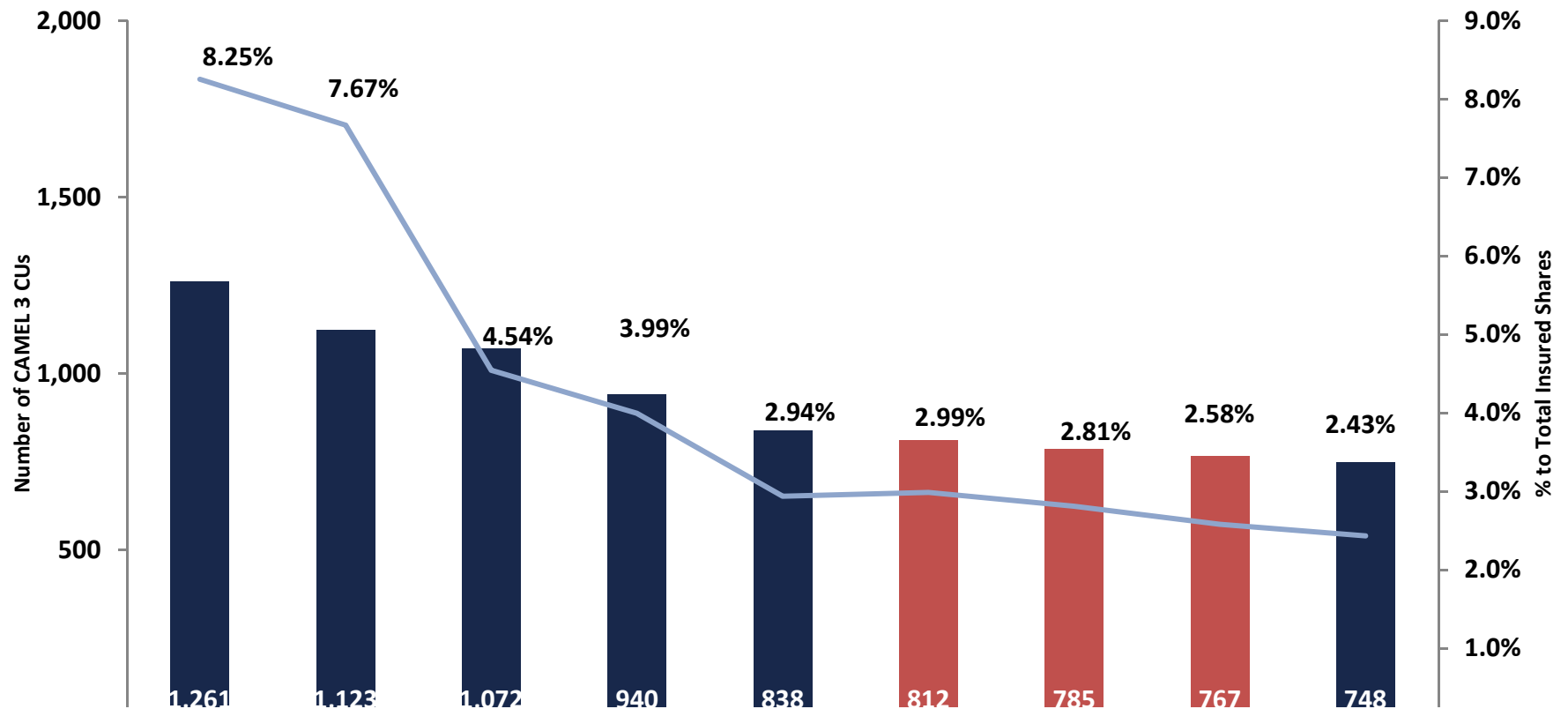
Appendix III. CAMEL Code 4/5 CUs with Percent to Total Insured Shares

CY2015 – CY2020



Appendix IV. CAMEL Code 3 CUs with Percent to Total Insured Shares

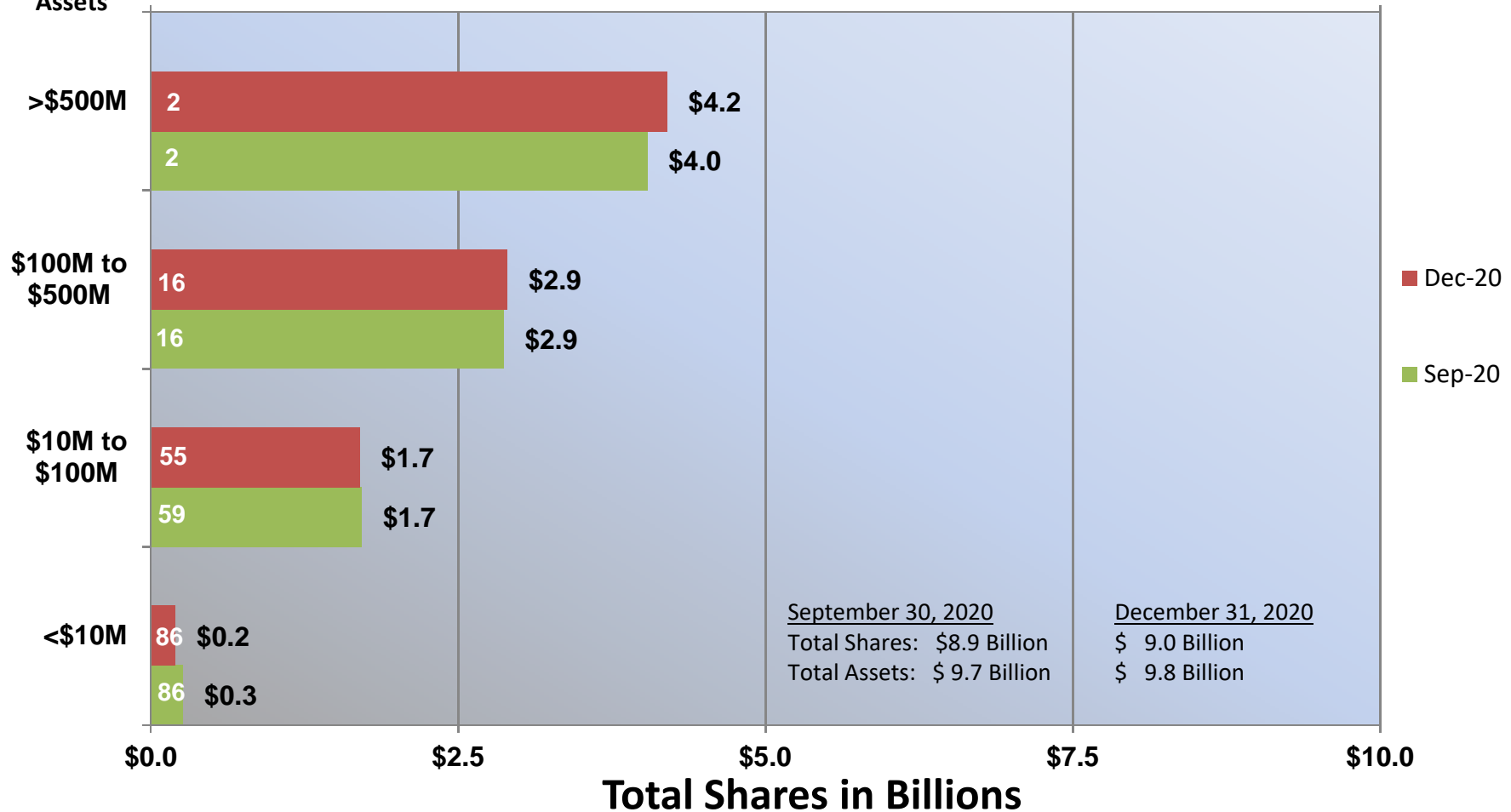
CY2015 – CY2020



Appendix V_ CAMEL Code 4/5 Comparison

Credit Union
Size By Total
Assets

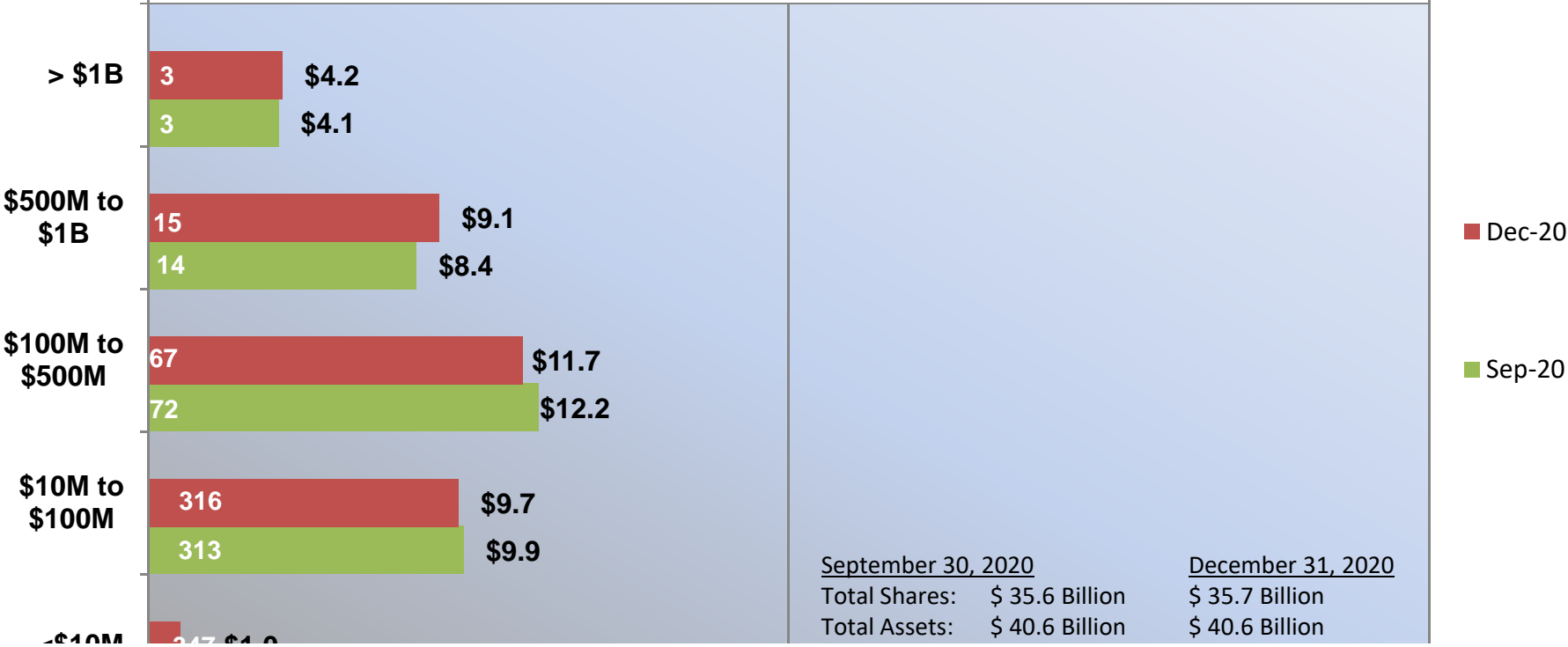
September 30, 2020 to December 31, 2020



Appendix VI_ CAMEL Code 3 Comparison

September 30, 2020 to December 31, 2020

Credit Union Size
By Total Assets



Appendix VII. Insurance Premium Charges

12 U.S. Code § 1782. Administration of insurance fund

(c) (2) Insurance premium charges.—

(A) In general.—

Each insured credit union shall, at such times as the Board prescribes (but not more than twice in any calendar year), pay to the Fund a premium charge for insurance in an amount stated as a percentage of insured shares (which shall be the same for all insured credit unions).

(B) Relation of premium charge to equity ratio of Fund.—

The Board may assess a premium charge only if—

- (i) the Fund's equity ratio is less than 1.3 percent; and
- (ii) the premium charge does not exceed the amount necessary to restore the equity ratio to 1.3 percent.

(C) Premium charge required if equity ratio falls below 1.2 percent.—

If the Fund's equity ratio is less than 1.2 percent, the Board shall, subject to subparagraph (B), assess a premium charge in such an amount as the Board determines to be necessary to restore the equity ratio to, and maintain that ratio at, 1.2 percent.

Appendix VIII. Fund Restoration Plan

12 U.S. Code § 1782. Administration of insurance fund

(c) (2) Insurance premium charges.—

(D) Fund restoration plans.—

(i) In general.—Whenever—

(I) the Board projects that the equity ratio of the Fund will, within 6 months of such determination, fall below the minimum amount specified in subparagraph (C);
or

(II) the equity ratio of the Fund actually falls below the minimum amount specified in subparagraph (C) without any determination under sub-clause (I) having been made, the Board shall establish and implement a restoration plan within 90 days that meets the requirements of clause (ii) and such other conditions as the Board determines to be appropriate.

(ii) Requirements of restoration plan.—

A restoration plan meets the requirements of this clause if the plan provides that the equity ratio of the Fund will meet or exceed the minimum amount specified in subparagraph (C) before the end of the 8-year period beginning upon the implementation of the plan (or such longer period as the Board may determine to be necessary due to extraordinary circumstances).

Appendix IX. Fund Restoration Plan Transparency

12 U.S. Code § 1782. Administration of insurance fund

(c) (2) Insurance premium charges.—

(D) Fund restoration plans.—

(iii) Transparency.—

Not more than 30 days after the Board establishes and implements a restoration plan under clause (i), the Board shall publish in the Federal Register a detailed analysis of the factors considered and the basis for the actions taken with regard to the plan.