



**NCUA**  
National Credit Union Administration

Eugene H. Schied, CFO

Office of the Chief Financial Officer

# NCUSIF Financial Statistics

For the Quarter Ended  
June 30, 2023

# NCUSIF Revenue and Expense

## June 30, 2023

PRELIMINARY & UNAUDITED (In Millions)	Quarter Ended June 30, 2023	Year-to-Date June 30, 2023
<b>Gross Income:</b>		
Investment Income	\$101.4	\$192.2
Other Income	-	0.1
Total Income	<b>\$101.4</b>	<b>\$192.3</b>
<b>Less Expenses:</b>		
Operating Expenses	\$57.8	\$115.0
Provision for Insurance Losses:		
Reserve Expense	7.8	20.0
Consumer Credit Union AME Loss Expense (Reduction)	(0.2)	(1.3)
Corporate AME Loss Expense (Reduction)	(1.1)	(20.4)
Total Expenses	<b>\$64.3</b>	<b>\$113.3</b>
<b>Net Income (Loss)</b>	<b>\$37.1</b>	<b>\$79.0</b>

# NCUSIF Summary Balance Sheets

## June 30, 2023

<b>PRELIMINARY &amp; UNAUDITED (In Millions)</b>	<b>June 30, 2023</b>	<b>March 31, 2023</b>
<b>Assets</b>		
Fund Balance with Treasury and Investments	\$20,329.6	\$20,549.9
Capitalization Deposits Receivable	0.0	210.1
Receivable from Consumer Credit Union Asset Management Estates, Net	1.5	3.1
Receivable from Corporate Asset Management Estates, Net	72.8	76.5
Accrued Interest and Other Assets	117.5	123.2
<b>Total Assets</b>	<b>\$20,521.4</b>	<b>\$20,962.8</b>
<b>Liabilities and Net Position</b>		
Accounts Payable and Other Liabilities	\$2.6	\$286.8
Insurance and Guarantee Program Liabilities	204.1	198.0
Net Position – Cumulative Results of Operations	3,456.2	3,626.4
Net Position – Capitalization Deposits	16,858.5	16,851.6
<b>Total Liabilities and Net Position</b>	<b>\$20,521.4</b>	<b>\$20,962.8</b>

# NCUSIF - Insurance and Guarantee Program Liabilities

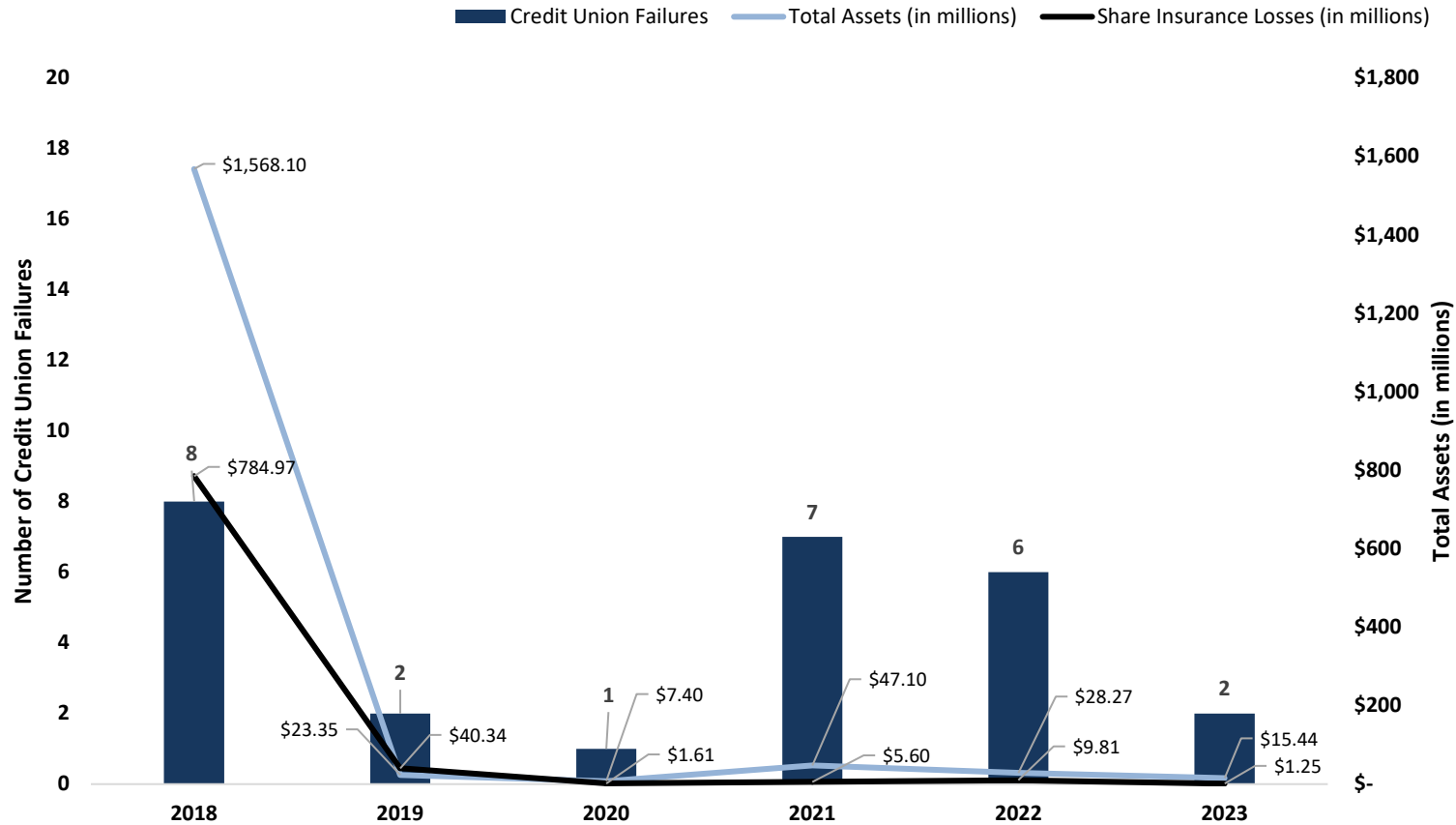
**June 30, 2023**

<b>PRELIMINARY &amp; UNAUDITED</b> <b>(In Millions)</b>	<b>Quarter Ended</b> <b>June 30, 2023</b>	<b>Year-To-Date</b> <b>June 30, 2023</b>
<b>Beginning Reserve Balance:</b>	<b>\$ 198.0</b>	<b>\$ 185.2</b>
Reserve Expense	7.8	20.0
Charges for Assisted Mergers	(1.2)	(1.2)
Charges for Liquidations	(0.5)	0.1
<b>Ending Reserve Balance</b>	<b>\$204.1</b>	<b>\$204.1</b>

\* This table shows only Consumer Credit Union Insurance and Program Guarantee Liabilities.

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

## CY2018 – Q2 CY2023



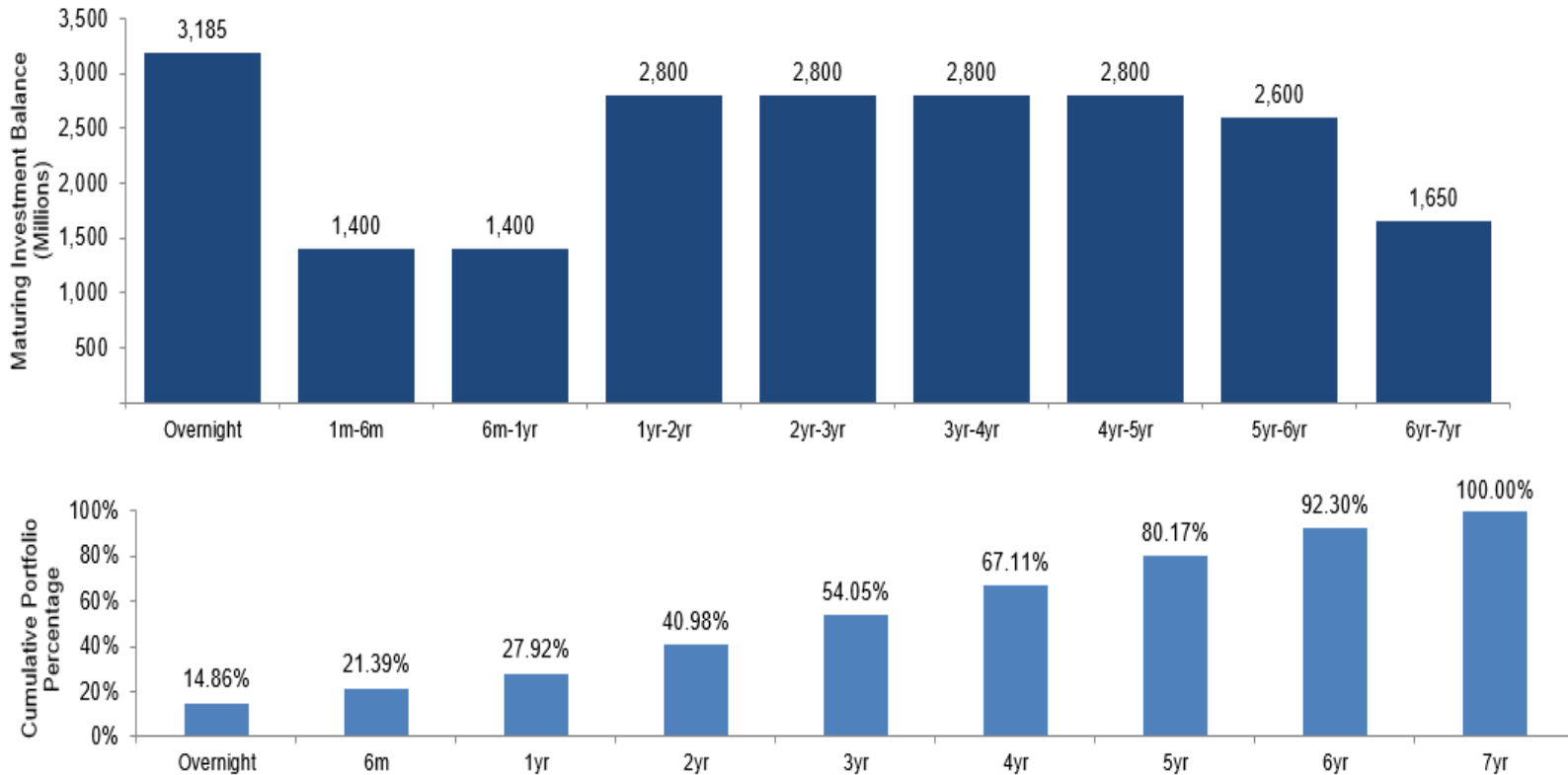
# NCUSIF Portfolio

## June 30, 2023

Investment Balance at Par: \$21.4 Billion

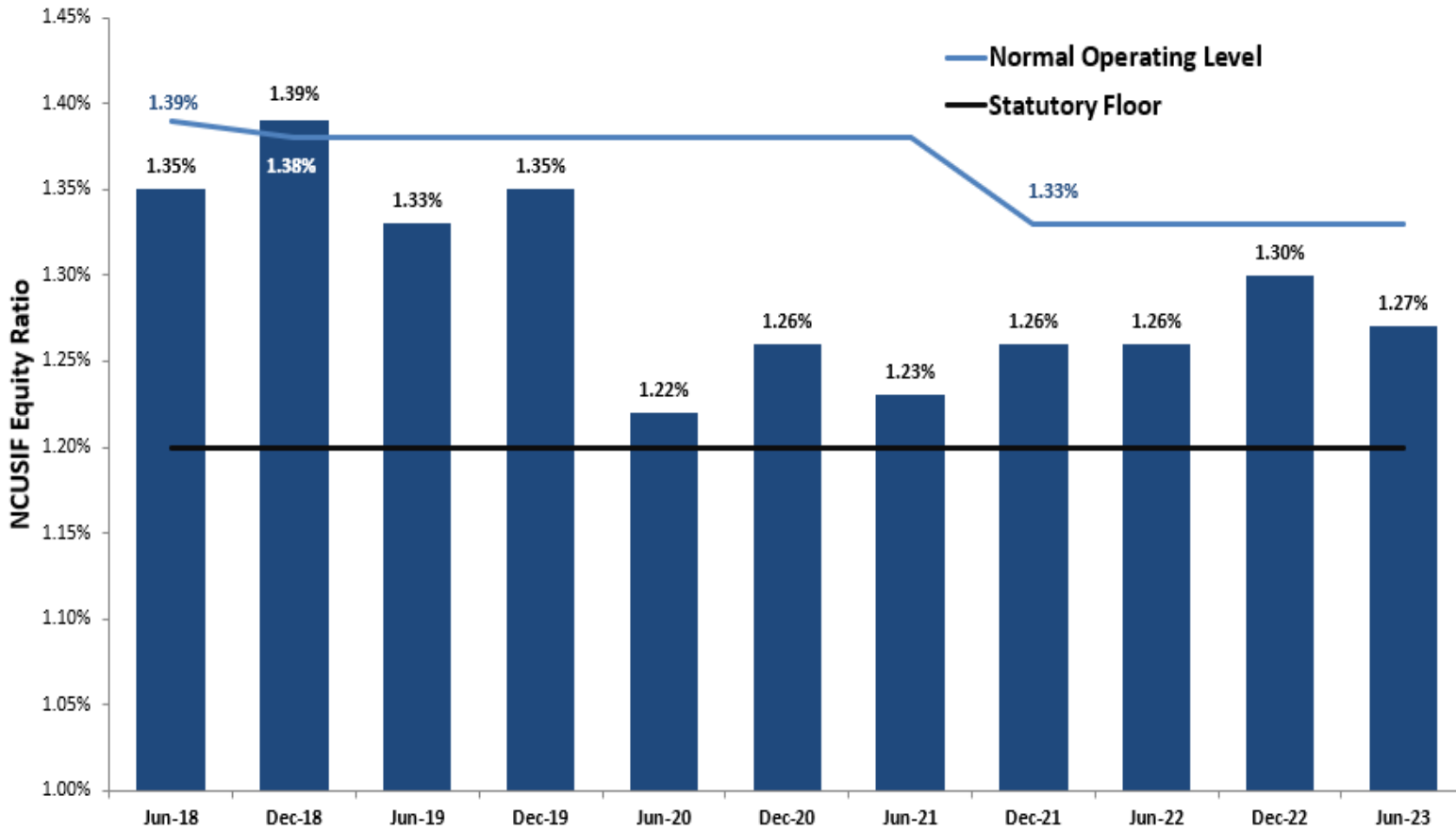
Weighted Average Life:  
Weighted Average Yield:

2.8 years  
1.95%



# NCUSIF Equity Ratio

## CY2018 – Q2 CY2023



# Projected Equity Ratio Calculation

- The NCUA staff projects the equity ratio for June 30th and for December 31st. The projection calculates the equity ratio on the same basis as the actual equity ratio.
  - 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.”
- The projection for the December 31, 2023, NCUSIF equity ratio is 1.27 percent.

Projected Quarter-End	Calculation
December	$\frac{\text{Projected 12/31 Retained Earnings*} + 1\% \text{ of 6/30 Insured Shares}}{\text{Projected 12/31 Insured Shares}}$

\*net of any direct liabilities of the Fund and contingent liabilities for which no provision has been made

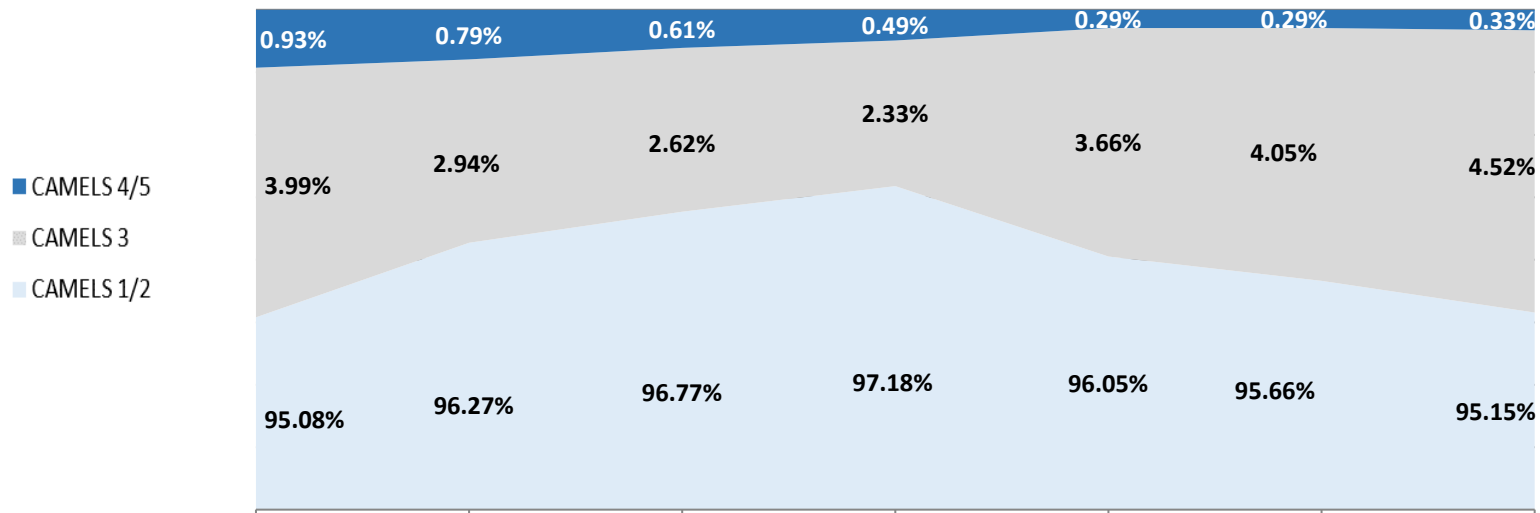
$$\frac{\$5,073,335,270 + \$17,206,497,082}{\$1,756,128,928,685} = 1.27\%$$



# Percentage of Insured Shares and Total Number of CUs by CAMELS Code

## CY2018 – Q2 CY2023

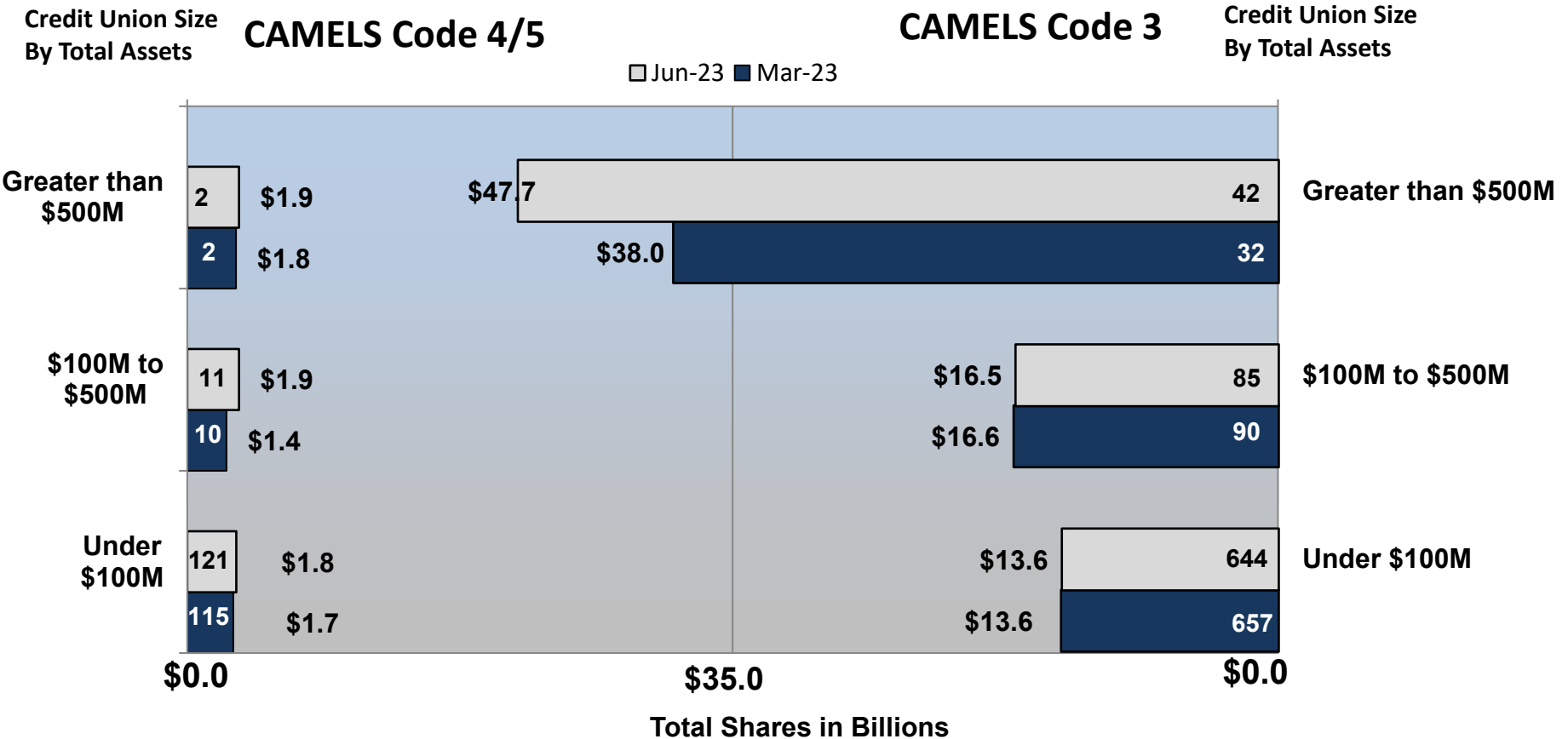
Percentage of Insured Shares by CAMELS Rating\*



Number of CUs	Dec-18	Dec-19	Dec-20	Dec-21	Dec-22	Mar-23	Jun-23
CAMELS 4/5	193	190	159	129	122	127	134
CAMELS 3	940	838	748	752	769	779	771
CAMELS 1/2	4,266	4,220	4,209	4,072	3,889	3,815	3,784
<b>TOTAL</b>	<b>5,399</b>	<b>5,248</b>	<b>5,116</b>	<b>4,953</b>	<b>4,780</b>	<b>4,721</b>	<b>4,689</b>

\*Areas are not to scale.

# CAMELS Code Comparison by Asset Size



In Billions	CAMELS 4/5		In Billions	CAMELS 3	
	Mar-23	Jun-23		Mar-23	Jun-23
Total Shares	\$4.9	\$5.6	Total Shares	\$68.2	\$77.7
Total Assets	\$5.6	\$6.3	Total Assets	\$80.0	\$91.0

# Office Contact Page

**Feel free to contact our office with questions or comments.**

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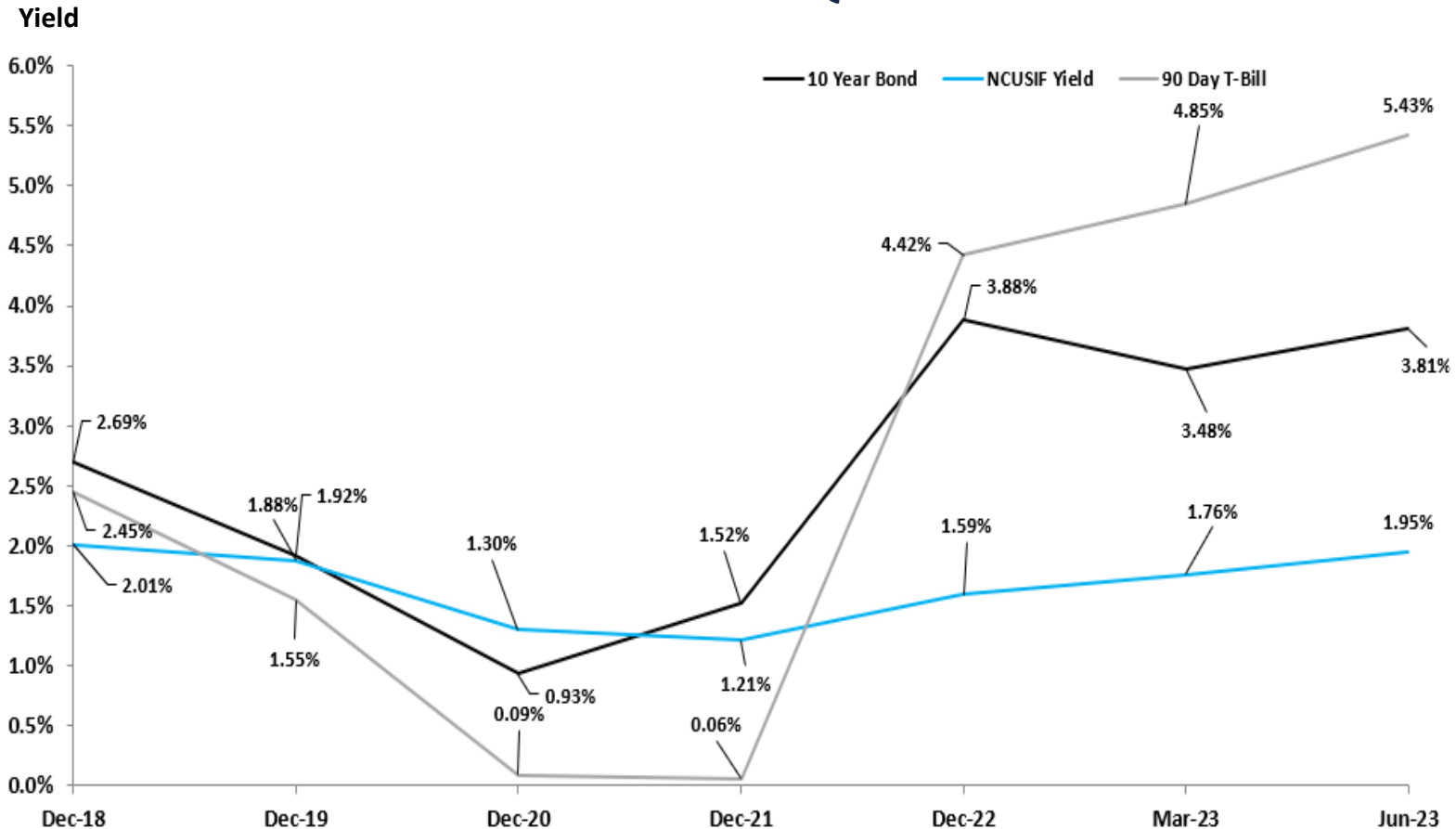
**Office Phone:** 703-518-6570



# **SUPPLEMENTAL INFORMATION**

# Yield Comparisons

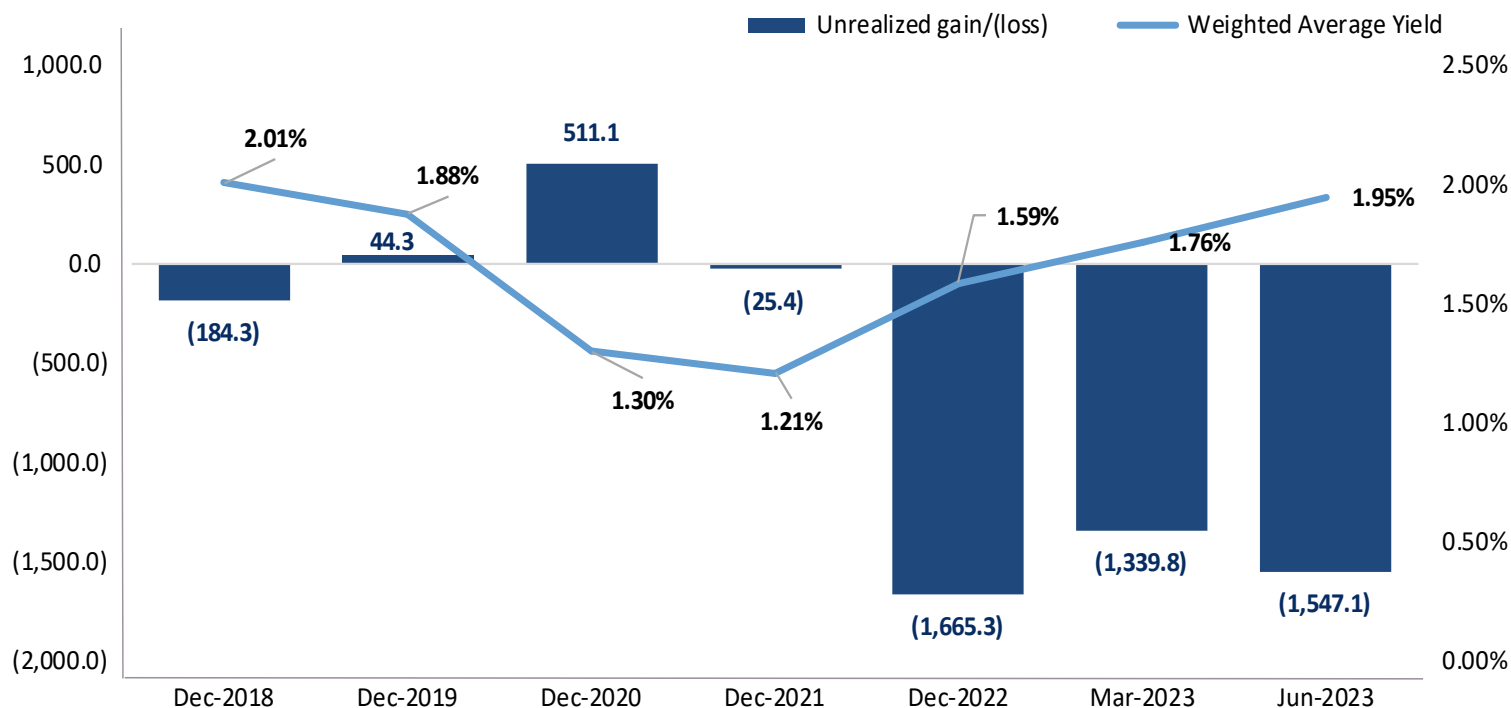
## CY 2018 – Q2 CY2023



# Portfolio Unrealized Gain/(Loss)

## CY2018 – Q2 CY2023

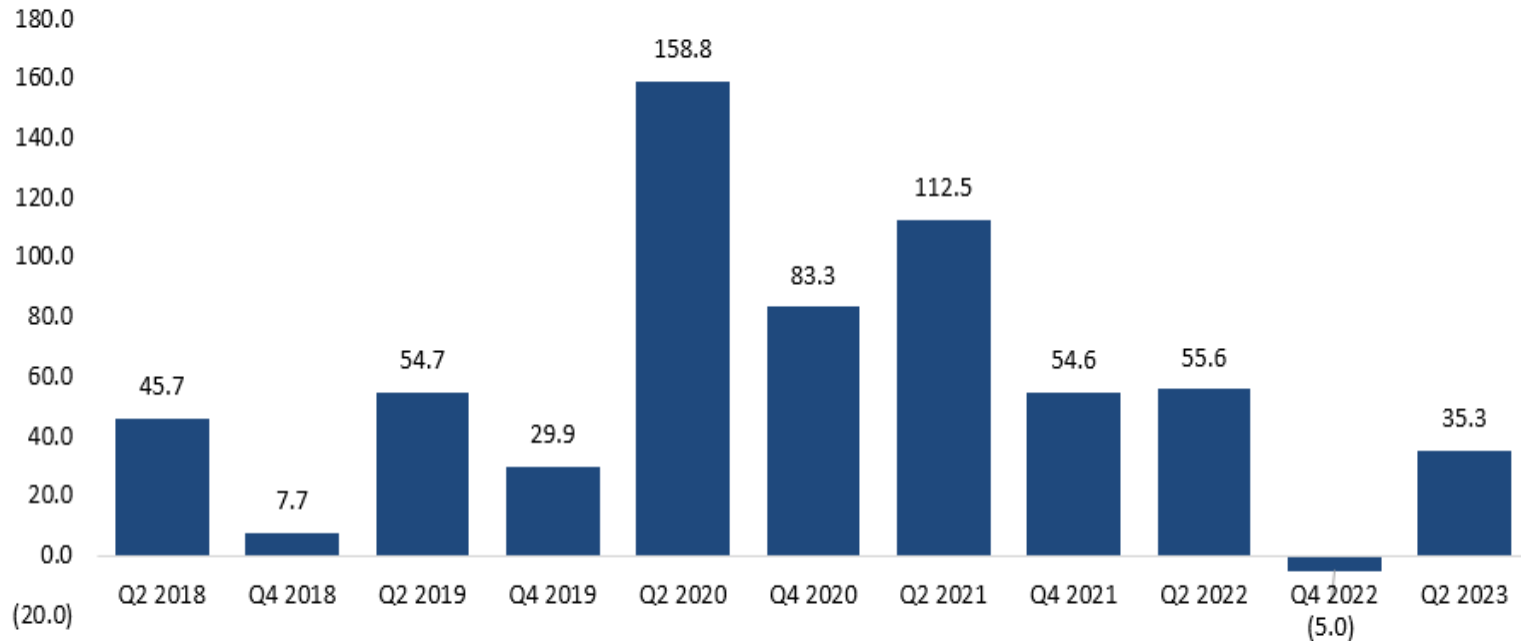
Unrealized Gain/(Loss) on Investments (in millions)



# Change in Insured Shares

## CY2018 – Q2 CY2023

Change in Insured Shares (in billions)



	2018	2019	2020	2021	2022	Q2 2023
Total	1,141B	1,226B	1,468B	1,635B	1,685B	1,721B

# Quarterly Portfolio Activity

June 30, 2023

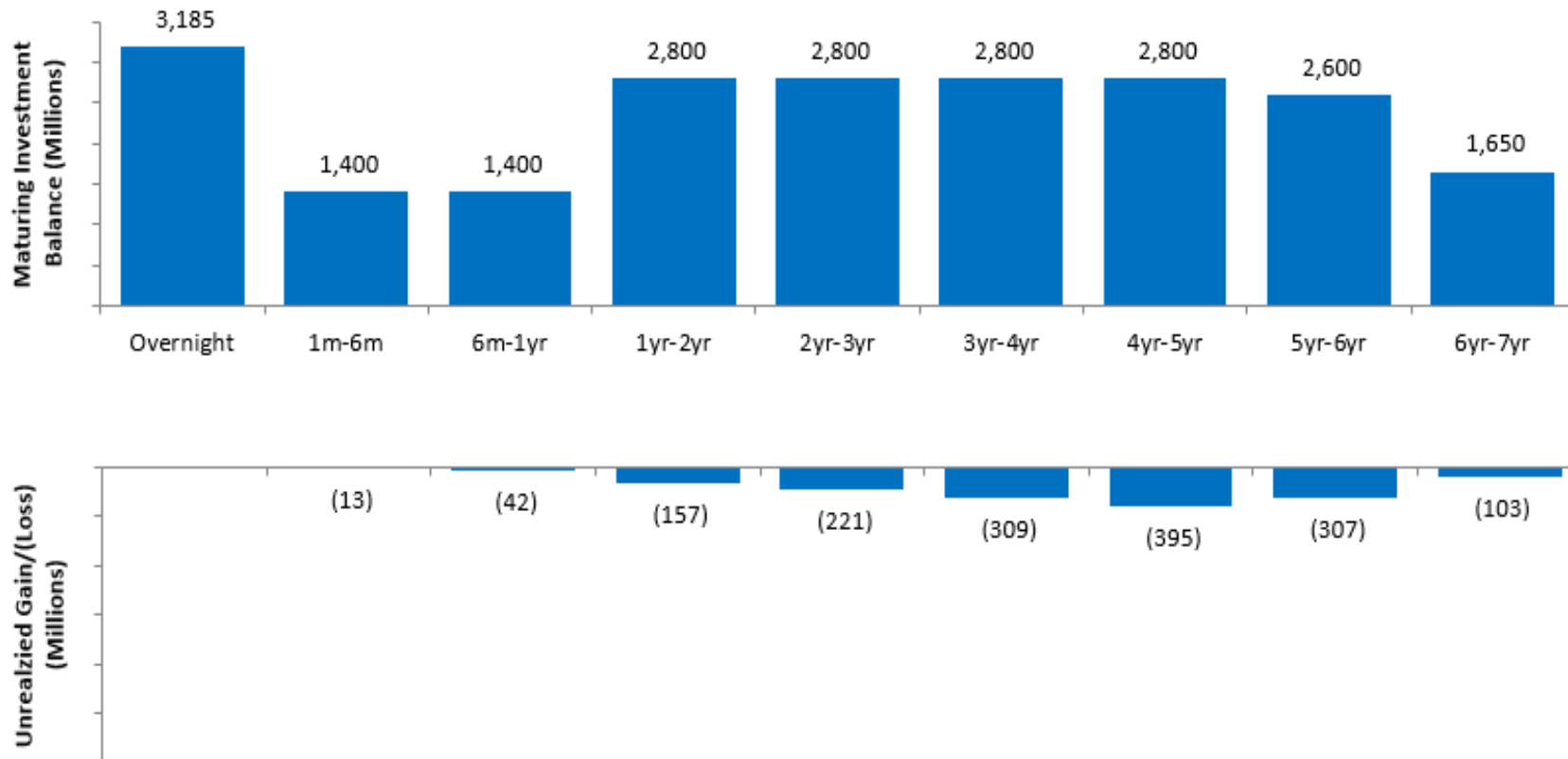
<b>I. INVESTMENT PORTFOLIO BALANCE AND MARKET VALUE (In Dollars)</b>					
	Book Value	Market Value	Unrealized Gain or (Loss)	% Market to Book Value	Weighted Average Yield
Daily Treasury Account	\$ 3,185,164,000	\$ 3,185,164,000	\$ -	100.00%	5.19%
U.S. Treasury Notes	18,662,132,687	17,115,008,687	(1,547,124,000)	91.71%	1.40%
<b>Total</b>	<b>\$ 21,847,296,687</b>	<b>\$ 20,300,172,687</b>	<b>\$ (1,547,124,000)</b>	<b>92.92%</b>	<b>1.95%</b>
<b>II. INVESTMENT PORTFOLIO SUMMARY</b>					
	Last Month	Current Month	CY To Date		
Investment Yield	1.96%	1.95%	1.79%		
Investment Income	\$ 35,722,764	\$ 35,094,221	\$ 192,185,298		
Weighted Avg. Maturity in Days / (Years)	1,046 (2.86)	1,021 (2.80)			
<b>III. QUARTERLY ACTIVITY FOR T-NOTES</b>					
Purchased	Amount	Maturity	Yield		
None					
Maturity	Amount	Purchased	Yield		
5/15/2023	750,000,000	various	0.17%-2.19%		



# Quarterly Portfolio Activity (continue)

## IV. MATURITY SCHEDULE (par value in millions)

<b>TOTAL PAR VALUE</b>	<b>\$</b>	<b>21,435</b>	<b>TOTAL UNREALIZED GAIN/(LOSS)</b>	<b>\$</b>	<b>(1,547)</b>
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# Current Investment Strategy

- Agency performance plan goal for 2023 is to maintain an investment strategy that provides for sufficient funds to meet operating costs and liquidity needs without having to sell investments at a loss or use the agency's borrowing authority.
- Overnight liquidity target set by the Investment Committee is currently at \$4 billion. Once the overnight target is met, the Committee will reconvene on the plan to invest in term investments.

# Statutory Authority for Investments

- **Title II §1783(c) of the Federal Credit Union Act addresses investment authorizations for the NCUSIF**
  - Board may authorize the Secretary of the Treasury to invest and reinvest such portions of the fund as the Board may determine are not needed for current operations.
  - Must be in interest-bearing securities of the United States or in any securities guaranteed as to both principal and interest by the United States or in bonds or other obligations which are lawful investments for fiduciary, trust, and public funds of the United States, and the income shall constitute a part of the fund.
- **Only viable option is to invest through FedInvest that allows the NCUSIF to invest in:**
  - The required method for Federal Program Agencies to submit investment instructions is by using FedInvest. (Treasury Financial Manual, Part II, Section 4335.95)
  - Overnights with the rate indexed off the 4-week Treasury Bill.
  - Government Account Series securities that “mirror” US Treasury securities.
  - NCUA must adhere to U.S. Treasury policies.

# Treasury Policies on Investments

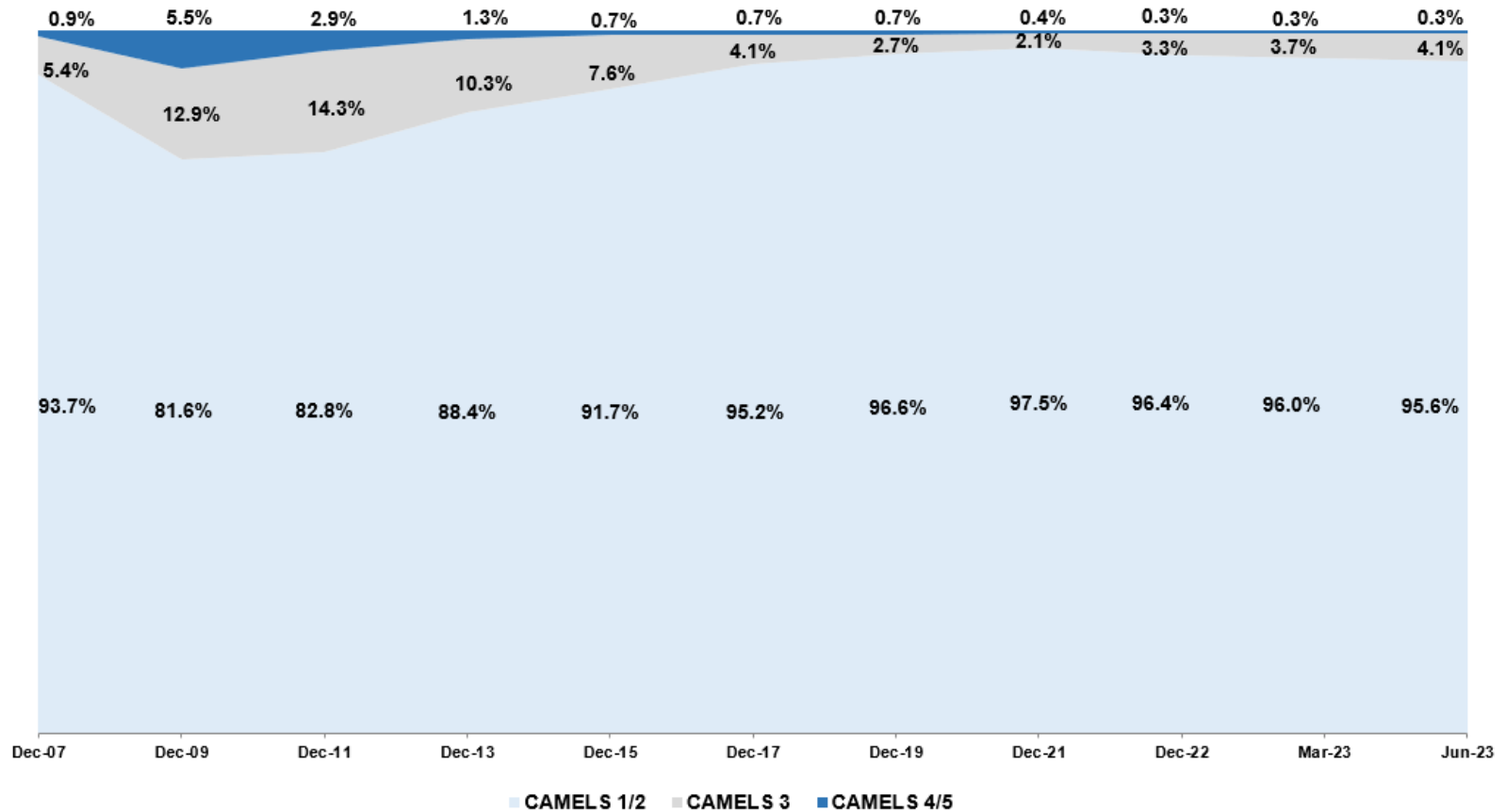
Department of Treasury policies govern investment of monies in Government Investment Accounts, and includes that:

- A Federal Program Agency for a Government Investment Account shall, to the best of its ability, develop its investment strategy to select investments with Maturity Dates that coincide approximately with the Federal Program Agency's disbursement estimates, so that the investments may be bought and held to the Maturity Dates.
- A Federal Program Agency for a Government Investment Account shall not engage in investment practices, including but not limited to security day-trading and large restructuring of investment portfolios, to take advantage of short-term Interest Rate fluctuations or to result in gains and losses.

Source: Treasury Financial Manual, Part II, Section 4335.95

# Distribution of Assets in CAMELS Codes

## CY2007 – Q2 CY2023 \*



\*Areas are not to scale.