



Membership Meeting
April 8, 2020

VFCCU FINANCIAL UPDATE
David Brehmer, President



Vizo Financials – March 31, 2020

Month-end Assets:	\$5.9 billion
12 Month Average Assets:	\$4.5 billion
Retained Earnings + Acquired Equity:	\$114.6 million
Perpetual Contributed Capital (PCC):	\$214.2 million
Non-perpetual Capital Accounts (NCA):	<u>\$ 8.5 million</u>
Total Capital:	<u>\$337.3 million</u>
Tier 1 Capital:	\$328.8 million
Less CUSO Equity:	(\$ 6.5 million)
Tier 2 Capital:	<u>\$ 8.4 million</u> (NCA)
Total Regulatory Capital:	<u>\$330.7 million</u>

Vizo Financials – March 31, 2020

Capital Ratios

Retained Earnings Ratio:	2.55%	
Leverage/Tier 1 Capital Ratio:	7.18%	(4.0%)
Total Capital Ratio:	7.37%	
Tier 1 Risk-Based Capital Ratio:	27.27%	(4.0%)
Total Risk-Based Capital Ratio:	27.98%	(8.0%)

Vizo Financials – March 31, 2020

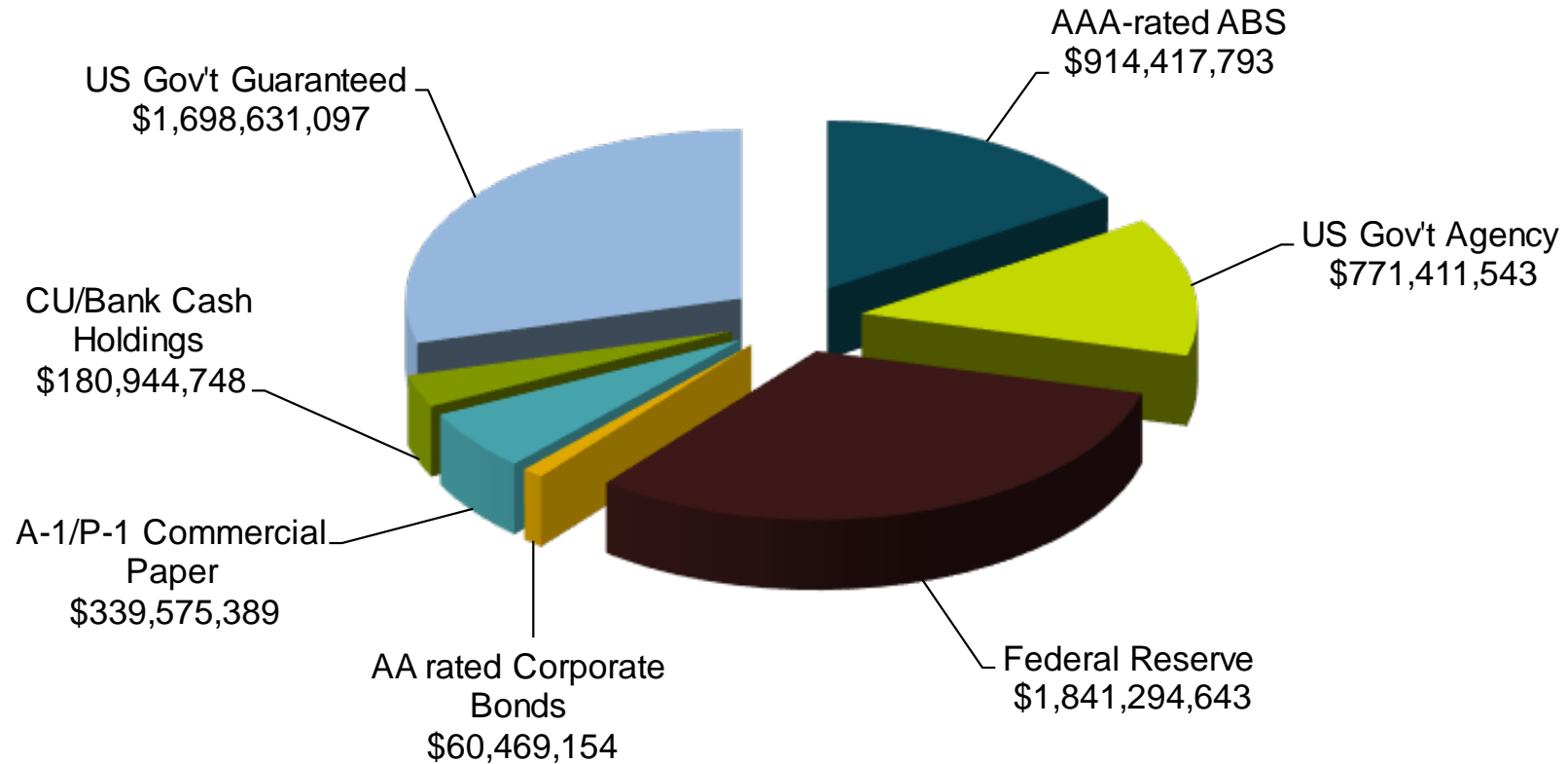
Earnings

Year-to-date (Q1): \$6.5 million

Next quarter: Much lower / but positive

- ✓ Fed expected to be on hold for a while – possibly through 2021
- ✓ Recovery will be slow
- ✓ Margins will be very narrow until lending picks up

Investment Portfolio - Asset Quality



Liquidity Resources – March 31, 2020

- Cash: \$2.0 billion
- MM Funds: \$150 million
- Cash flows: \$425 million (Apr-Jun)

- FHLB: \$1.4 billion
- Discount Window: \$968 million
- FF Lines: \$250 million
- Repo Line: \$150 million

- Liquid Securities: \$1.1 billion

Central Liquidity Facility (CLF)

Access

Why does the Central Liquidity Facility exist?

- The Central Liquidity Facility or CLF was established in 1978 by Congress. As other federal sources were not available to most natural person credit unions (NPCUs), they could not rely on the banking system to provide needed liquidity.
- The Central Liquidity Facility is a mixed ownership government corporation created to improve the general financial stability of credit unions.
- Serves as a liquidity lender to credit unions experiencing unusual or unexpected liquidity shortfalls.
- Member credit unions own the Central Liquidity Facility, which exists within the NCUA.

What does the CLF do?

- The purpose of the Central Liquidity Facility is to improve the general financial stability by providing credit unions with a source of loans to meet their liquidity needs.

How do I access the CLF?

- Membership is voluntary and open to all credit unions.
- A credit union must purchase a prescribed amount of capital ownership.
- Two types of membership: natural-person credit unions and corporate credit unions.
 - Natural-person credit unions may borrow from the Central Liquidity Facility either directly as a regular member or indirectly through an agent member.

Central Liquidity Facility (CLF) Access

- All corporates working with NCUA on a plan to provide 80% of all credit unions access to funding through the CLF
- Corporates will become Agents of the CLF
 - Invest capital on behalf of credit unions below \$250 million in assets
 - By regulation, credit unions \$250 million and above are required to be set up at either the CLF or Fed Discount Window today
 - CLF lending capacity today is \$10 billion
 - Corporate Agent program will increase capacity to about \$28 billion



Operations/Staff Update

- 95% of staff is working remote
- All systems operating normally
- Projects still moving ahead
- Cancelled all in-person events through end of May
- Webinars picking up educational opportunities