

# Monthly Financials

Vizo Financial Corporate Credit Union

January 2024 Financials



We are pleased to present Vizo Financial Corporate Credit Union's financial statements and supplementary financial information as of January 31, 2024. These pages include information regarding our balance sheet, income statement, asset quality and capital adequacy. We encourage you to share this information with your management team and board of directors to aid in reviewing Vizo Financial's financial strength and ongoing performance.

Beginning in 2024, we have changed the format and content of the monthly financials to make the report more

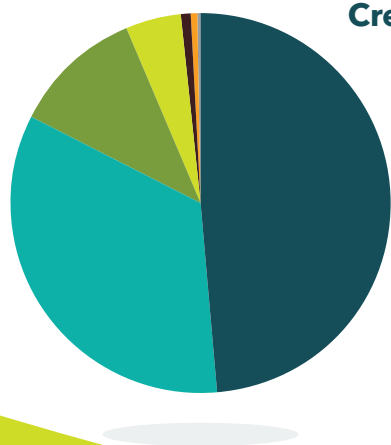
user-friendly and concise for your review. We will continue to provide our financial statements and key ratios, just with a cleaner look. We will also report on other measures, such as portfolio gain/loss reporting and liquidity position changes, based on the credit union landscape and our balance sheet. We hope this new format will be beneficial to you and your board members.

Vizo Financial's net income, after PCC Distribution for the months ending January 31, 2024 and 2023, totaled \$1,610,340 and \$1,145,327, respectively. A summary of our unaudited results is presented below.

| Income Statement YTD                       | January 2024   | YTD 2024       | YTD 2023       |
|--|----------------|----------------|----------------|
| Net Interest Income                        | \$ 4,843,187   | \$ 4,843,187   | \$ 3,459,459   |
| Net Correspondent Income                   | \$ 872,726     | \$ 872,726     | \$ 992,243     |
| Gross Operating Income                     | \$ 5,715,913   | \$ 5,715,913   | \$ 4,451,702   |
| Operating Expense                          | \$ (2,917,089) | \$ (2,917,089) | \$ (2,570,470) |
| Gain/Loss on Sale of Investments           | \$ 0           | \$ 0           | \$ 479         |
| CUSO Income                                | \$ (64,001)    | \$ (64,001)    | \$ (48,684)    |
| Member Incentive                           | \$ (250,000)   | \$ (250,000)   | \$ 0           |
| Net Income Before PCC Distribution         | \$ 2,484,822   | \$ 2,484,822   | \$ 1,833,027   |
| Less: Equity Transfer for PCC Distribution | \$ (874,482)   | \$ (874,482)   | \$ (687,700)   |
| Net Contribution to Equity:                | \$ 1,610,340   | \$ 1,610,340   | \$ 1,145,327   |

Our balance sheet continues to be a blend of cash, primarily held at the Federal Reserve Bank, and a variety of high-quality and highly-rated investments.

## Credit Quality Book Value as of January 31, 2024



- \$ 2,745 - Federal Reserve
- \$ 50 - Member Loans
- \$ 1,896 - U.S. Gov't Guaranteed
- \$ 20 - CU/Bank Cash Holdings
- \$ 626 - U.S. Gov't Agency
- \$ 9 - CUSOs
- \$ 266 - Asset-Backed Securities (AAA)
- \$ 5 - FHLB Stock

\* All figures in the charts above are in millions.

| Earnings Margin                    | YTD 2024      | YTD 2023      |
|------------------------------------|---------------|---------------|
| Return on Average Assets           | 5.198%        | 4.070%        |
| Interest/Dividend Expense          | -4.223%       | -3.445%       |
| <b>Net Interest Margin</b>         | <b>0.974%</b> | <b>0.625%</b> |
| Net Correspondent Service Income   | 0.176%        | 0.179%        |
| Operating Expenses                 | -0.587%       | -0.464%       |
| CUSO Income                        | -0.013%       | -0.009%       |
| Accrued Liability/Member Incentive | -0.050%       | 0.000%        |
| PCC Distributions                  | -0.176%       | -0.124%       |
| <b>Net Margin</b>                  | <b>0.324%</b> | <b>0.207%</b> |

| Capital Adequacy   | January 2024          | January 2023          | Adequately / Well Capitalized |
|--|-----------------------|-----------------------|-------------------------------|
| RUDE + Acquired Equity Capital/12-month Average Net Assets | 6.70%                 | 5.12%                 | N/A                           |
| Tier 1 (Leverage) Capital/12-Month Average Net Assets      | 10.59%                | 8.55%                 | 4%   5%                       |
| Total Capital/12-Month Average Net Assets                  | 10.74%                | 8.69%                 | N/A                           |
| Tier 1 Capital/12-Month Average Risk-Weighted Assets       | 115.89%               | 58.38%                | 4%   6%                       |
| Total Capital/12-Month Average Risk-Weighted Assets        | 117.60%               | 59.33%                | 8%   10%                      |
| <b>Total Capital</b>                                       | <b>\$ 574,410,256</b> | <b>\$ 521,091,489</b> |                               |
| Tier 1 (Leverage) Capital                                  | \$ 566,084,413        | \$ 512,761,394        |                               |
| Tier 2 Capital   | \$ 8,325,843          | \$ 8,330,095          |                               |
| Monthly Average Net Assets (DANA)                          | \$ 5,869,104,841      | \$ 6,521,517,958      |                               |
| Year-to-Date Average Assets                                | \$ 5,869,104,841      | \$ 6,521,517,958      |                               |
| Average 12-month Assets                                    | \$ 5,346,093,382      | \$ 5,996,822,701      |                               |

The table below shows trends in asset measures, member activity and retained earnings over the past four months.

| Ending Balances                    | Oct. 2023        | Nov. 2023        | Dec. 2023        | Jan. 2024        |
|------------------------------------|------------------|------------------|------------------|------------------|
| Corporate Assets                   | \$ 4,626,084,956 | \$ 5,180,863,083 | \$ 6,042,910,980 | \$ 5,723,155,517 |
| Daily Average Net Assets           | \$ 5,028,716,096 | \$ 5,276,496,698 | \$ 5,581,053,591 | \$ 5,869,104,841 |
| Daily Average Net Assets YTD       | \$ 5,394,798,342 | \$ 5,384,043,647 | \$ 5,400,461,142 | \$ 5,869,104,841 |
| 12-Month Rolling DANA              | \$ 5,463,104,725 | \$ 5,435,023,485 | \$ 5,400,461,142 | \$ 5,346,093,382 |
| Investments                        | \$ 2,819,374,313 | \$ 2,761,051,282 | \$ 2,812,643,557 | \$ 2,805,623,190 |
| Loans to Members and Third Parties | \$ 79,534,439    | \$ 64,832,845    | \$ 34,585,561    | \$ 49,796,730    |
| Member Shares                      | \$ 3,507,905,312 | \$ 3,838,643,653 | \$ 4,673,542,129 | \$ 4,343,267,083 |
| Reserves & Undivided Earnings      | \$ 354,306,311   | \$ 355,487,071   | \$ 356,533,919   | \$ 358,144,259   |

## Balance Sheet

|  | January 2024            | January 2023            |
|--|-------------------------|-------------------------|
| <b>Assets</b>                          |                         |                         |
| Investments:                           |                         |                         |
| Investment in CUSOs                    | \$ 8,824,592            | \$ 10,018,237           |
| Investment in CLF - Stock              | \$ 0                    | \$ 0                    |
| Investment in FHLB - Stock             | \$ 4,718,600            | \$ 66,441,900           |
| Federal Reserve                        | \$ 2,744,843,279        | \$ 2,009,654,141        |
| Bank and Credit Union Deposits         | \$ 19,891,148           | \$ 22,414,033           |
| Asset-Backed Securities - Non-Mortgage | \$ 266,789,337          | \$ 532,049,018          |
| U.S. GSE Securities - Notes            | \$ 79,670,748           | \$ 79,122,742           |
| U.S. GSE Securities - CMO              | \$ 468,783,943          | \$ 574,070,273          |
| U.S. GSE Securities - MBS              | \$ 69,804,633           | \$ 512,918              |
| U.S. Gov't. Agency Securities - GNMA   | \$ 57,863,974           | \$ 20,210,205           |
| U.S. Gov't. Agency Securities - SBA    | \$ 1,599,362,094        | \$ 1,939,040,038        |
| Corporate Bonds                        | \$ 0                    | \$ 29,878,100           |
| U.S. Treasuries                        | \$ 229,914,121          | \$ 533,398,033          |
| Loans                                  | \$ 49,796,730           | \$ 130,933,191          |
| Receivables                            | \$ 45,597,458           | \$ 60,237,396           |
| Accrued Income/Prepaid Expense         | \$ 30,184,477           | \$ 27,801,781           |
| Fixed Assets                           | \$ 6,004,777            | \$ 7,905,467            |
| Goodwill                               | \$ 0                    | \$ 176,447              |
| Other Assets                           | \$ 41,105,607           | \$ 39,436,175           |
| <b>Total Assets:</b>                   | <b>\$ 5,723,155,517</b> | <b>\$ 6,083,300,095</b> |
| <b>Liabilities &amp; Equity</b>        |                         |                         |
| Other Liabilities:                     | \$ 58,713,055           | \$ 62,978,271           |
| Dividends/Interest Payable:            | \$ 1,467,123            | \$ 4,891,458            |
| Accounts Payable:                      | \$ 2,412,735            | \$ 334,252              |
| Notes Payable:                         | \$ 750,000,000          | \$ 1,500,000,000        |
| Shares                                 | \$ 3,981,047,878        | \$ 3,426,718,197        |
| Certificates                           | \$ 362,219,205          | \$ 579,963,847          |
| <b>Total Shares:</b>                   | <b>\$ 4,343,267,083</b> | <b>\$ 4,006,682,044</b> |
| Non-Perpetual Capital Accounts (NCA)   | \$ 8,332,575            | \$ 8,505,410            |
| Perpetual Contributed Capital (PCC)    | \$ 216,764,746          | \$ 216,019,941          |
| Reserves & Undivided Earnings          | \$ 333,971,919          | \$ 284,197,690          |
| Equity Acquired in Merger              | \$ 22,562,000           | \$ 22,562,000           |
| Accumulated Other Comprehensive Loss   | \$ (15,946,060)         | \$ (22,870,971)         |
| <b>Total Equity:</b>                   | <b>\$ 567,295,521</b>   | <b>\$ 508,414,069</b>   |
| <b>Total Liabilities &amp; Equity:</b> | <b>\$ 5,723,155,517</b> | <b>\$ 6,083,300,095</b> |

unaudited financials

## Liquidity Position and Interest Rate Risk

### Liquidity as of January 31, 2024

|                                   |    |               |
|-----------------------------------|----|---------------|
| Total Available Liquidity Sources | \$ | 5,559,747,947 |
| Total Liquidity Uses              | \$ | (750,000,000) |
| Net Available Liquidity           | \$ | 4,809,747,947 |

| Base/Current Rate Environment |                | Regulation 704 Operating Level   |             |
|-------------------------------|----------------|----------------------------------|-------------|
| Net Economic Value (NEV):     | \$ 576,083,705 | Base Plus                        |             |
| NEV Ratio:                    | 10.1%          |                                  |             |
| Up 300bps Rate Environment    |                | Regulation 704 Limits (+300 bps) |             |
| Net Economic Value (NEV):     | \$ 548,998,031 | Min Value: \$                    | 460,866,964 |
| NEV Ratio:                    | 9.7%           | Min Value:                       | 2.00%       |
| Percentage Change:            | -4.7%          | Max NEV Fluctuation:             | -20.00%     |
| Down 300bps Rate Environment  |                |                                  |             |
| Net Economic Value (NEV):     | \$ 603,123,917 |                                  |             |
| NEV Ratio:                    | 10.5%          |                                  |             |
| Percentage Change:            | 4.7%           |                                  |             |

## Required Credit Analysis Under Regulation 703

Except for investments that are issued or fully guaranteed as to principal and interest by the U.S. Government or its agencies, enterprises or corporations or fully insured (including accumulated interest) by the National Credit Union Administration or the Federal Deposit Insurance Corporation, you must conduct and document a credit analysis of the issuing entity and/or investment before you purchase the investment. You must update the analysis at least annually as long as you hold the investment.

*Retain this report as part of the credit analysis required under Regulation 703.*

## Financial Soundness Report

Fred Eisel, President & CEO  
Mark Brown, SVP/CFO

For more information concerning the content in this unaudited financial report, please contact Vizo Financial at (800) 622-7494.



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