

# Monthly Financials

Vizo Financial Corporate Credit Union

July 2024 Financials



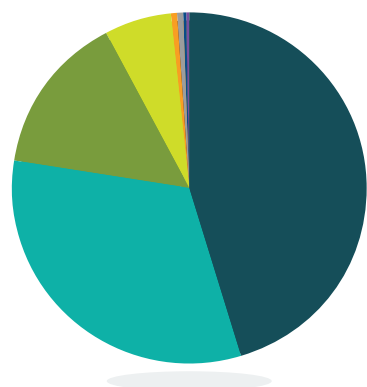
We are pleased to present Vizo Financial Corporate Credit Union's financial statements and supplementary financial information as of July 31, 2024. These pages include information regarding our balance sheet, income statement, asset quality and capital adequacy. We encourage you to share this information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

Vizo Financial added \$868,856 to retained earnings this month. Vizo Financial's year-to-date net income after PCC distribution for the months ending July 31, 2024, and July 31, 2023, totaled \$14,380,598 and \$34,393,686 respectively. The higher amount for 2023 reflects a recovery of U.S. Central capital assets of \$23,720,772 that was received in March 2023.

A summary of our unaudited results is presented below.

Income Statement YTD	July 2024	YTD 2024	YTD 2023
Net Interest Income	\$ 4,873,018	\$ 38,608,753	\$ 27,925,658
Net Correspondent Income	1,078,472	6,666,672	9,203,043
Gross Operating Income	5,951,490	45,275,425	37,128,701
Operating Expense	(2,945,015)	(20,010,636)	(18,654,699)
Gain/Loss on Sale of Investments	0	0	(327,750)
Gain/Loss on Other Assets/Goodwill	0	0	(176,447)
CUSO Income	(78,189)	(801,864)	(428,817)
Member Capital Recovery	(871,560)	(1,257,977)	(1,932,086)
Member Incentive	(250,000)	(2,600,000)	0
USC Distribution	0	0	23,720,772
Net Income Before PCC Distributions	1,806,726	20,604,948	39,329,674
Less: Equity Transfer for PCC Distribution	(937,871)	(6,224,350)	(4,935,988)
Net Contribution to Equity:	\$ 868,856	\$ 14,380,598	\$ 34,393,686

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 July 31, 2024

- \$ 2,517 - Federal Reserve
- \$ 1,785 - U.S. Gov't Guaranteed
- \$ 813 - U.S. Gov't Agency
- \$ 339 - Asset-Backed Securities
- \$ 40 - Corporate Bonds
- \$ 23 - CU/Bank Cash Holdings
- \$ 16 - Member Loans
- \$ 9 - CUSOs
- \$ 4 - FHLB Stock

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

Vizo Financial's Investment Policy states that at the time of purchase, investments with short-term ratings must be rated no lower than A-1 (or equivalent), and investments with long-term ratings must be rated no lower than AA- (or equivalent) by at least two NRSROs. Vizo Financial's Investment Policy states that deposits in federally insured depository institutions require at least one NRSRO rating no lower than A-1 (or equivalent).

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Earnings Margin	YTD 2024	YTD 2023
Return on Average Assets	5.355%	4.521%
Interest/Dividend Expense	-4.322%	-3.653%
<b>Net Interest Margin</b>	<b>1.032%</b>	<b>0.869%</b>
Net Correspondent Service Income	0.178%	0.286%
Operating Expenses	-0.535%	-0.580%
Gain/Loss on Sale of Investments	0.000%	-0.010%
Gain/Loss on Other Assets/Goodwill	0.000%	-0.005%
CUSO Income	-0.021%	-0.013%
USC Distribution	0.000%	0.738%
Member Incentive/Capital Recovery	-0.103%	-0.060%
PCC Distributions	-0.166%	-0.154%
<b>Net Margin</b>	<b>0.384%</b>	<b>1.070%</b>

Capital Adequacy	July 2024	July 2023	Adequately / Well Capitalized
RUDE + Acquired Equity Capital/12-Month Average Net Assets	6.26%	5.97%	NA
Tier 1 (Leverage) Capital/12-Month Average Net Assets	9.84%	9.61%	4%   5%
Total Capital/12-Month Average Net Assets	9.98%	9.75%	NA
Tier 1 Capital/12-Month Average Risk-Weighted Assets	122.02%	79.55%	4%   6%
Total Capital/12-Month Average Risk-Weighted Assets	123.77%	80.76%	8%   10%

<b>Total Capital</b>	<b>\$ 591,079,412</b>	<b>\$ 555,275,220</b>
Tier 1 (Leverage) Capital	\$ 582,755,695	\$ 546,947,251
Tier 2 Capital	\$ 8,323,717	\$ 8,327,969
Monthly Average Net Assets (DANA)	\$ 6,017,955,821	\$ 5,382,460,053
Year-to-Date Average Assets	\$ 6,427,609,560	\$ 5,534,530,413
Average 12-Month Assets	\$ 5,921,423,978	\$ 5,692,305,283

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

Ending Balances	April 2024	May 2024	June 2024	July 2024
Corporate Assets	\$ 6,704,008,875	\$ 7,018,826,791	\$ 6,917,016,778	\$ 5,690,225,638
Daily Average Net Assets	\$ 6,930,533,693	\$ 6,662,711,677	\$ 6,518,676,577	\$ 6,017,955,821
Daily Average Net Assets YTD	\$ 6,448,480,710	\$ 6,491,326,904	\$ 6,495,885,183	\$ 6,427,609,560
12-Month Rolling DANA	\$ 5,682,416,564	\$ 5,773,045,565	\$ 5,868,465,997	\$ 5,921,423,978
Investments	\$ 2,904,772,561	\$ 2,951,877,316	\$ 2,987,711,152	\$ 3,005,029,329
Loans to Members and Third Parties	\$ 12,220,076	\$ 4,780,138	\$ 10,550,398	\$ 15,894,201
Member Shares	\$ 5,316,333,130	\$ 5,617,952,817	\$ 5,494,964,689	\$ 5,006,233,605
Reserves & Undivided Earnings	\$ 365,478,810	\$ 367,903,051	\$ 370,045,661	\$ 370,914,517

## Balance Sheet

Assets	July 2024	July 2023
Investments:		
Investment in CUSOs	\$ 9,086,729	\$ 9,638,104
Investment in FHLB - Stock	4,277,600	3,370,400
Federal Reserve	2,516,452,665	2,062,616,282
Bank and Credit Union Deposits	23,361,652	16,646,716
Asset-Backed Securities - Non-Mortgage	339,733,119	275,245,725
U.S. GSE Securities - Notes	79,542,701	79,242,061
U.S. GSE Securities - CMO	618,136,569	510,491,961
U.S. GSE Securities - MBS	113,490,530	352,391
U.S. Gov't. Agency Securities - GNMA	128,216,336	18,494,503
U.S. Gov't. Agency Securities - SBA	1,552,535,412	1,700,185,785
Corporate Bonds	0	19,982,200
Commercial Paper	39,587,200	0
U.S. Treasuries	97,061,480	376,457,112
Loans	15,894,201	78,575,055
Receivables	76,359,999	49,395,828
Accrued Income/Prepaid Expense	29,755,906	28,677,377
Fixed Assets	5,279,958	6,925,616
Other Assets	41,453,581	39,846,616
<b>Total Assets</b>	<b>\$ 5,690,225,638</b>	<b>\$ 5,276,143,732</b>

Liabilities & Equity	July 2024	July 2023
Other Liabilities	\$ 89,212,471	\$ 64,233,972
Dividends/Interest Payable	155	13,627,533
Accounts Payable	2,510,767	837,522
Notes Payable	0	1,000,000,000
Shares	4,716,602,350	3,216,591,452
Certificates	289,631,255	450,048,657
<b>Total Shares</b>	<b>\$ 5,006,233,605</b>	<b>\$ 3,666,640,109</b>
Non-Perpetual Capital Accounts (NCA)	8,332,575	\$ 8,332,575
Perpetual Contributed Capital (PCC)	220,927,908	\$ 216,577,308
Reserves & Undivided Earnings	348,352,517	\$ 317,446,048
Equity Acquired in Merger	22,562,000	\$ 22,562,000
Accumulated Other Comprehensive Loss	(7,906,358)	\$ (34,113,335)
<b>Total Equity</b>	<b>\$ 592,268,641</b>	<b>\$ 530,804,596</b>
<b>Total Liabilities &amp; Equity</b>	<b>\$ 5,690,225,638</b>	<b>\$ 5,276,143,732</b>

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## Liquidity Position

### Liquidity as of July 31, 2024

Total Available Liquidity Sources	\$	5,316,728,563
Total Liquidity Uses	\$	0
Net Available Liquidity	\$	5,316,728,563

## Interest Rate Risk

Base/Current Rate Environment		Regulation 704 Operating Level	
Net Economic Value (NEV):	\$ 595,369,749	Base Plus	
NEV Ratio:	10.5%		
Up 300bps Rate Environment		Regulation 704 Limits (+300 bps)	
Net Economic Value (NEV):	\$ 537,893,610	Min Value:	\$ 476,295,799
NEV Ratio:	9.6%	Min Value:	2.00%
Percentage Change:	-9.7%	Max NEV Fluctuation:	-20.00%
Down 300bps Rate Environment			
Net Economic Value (NEV):	\$ 637,777,240		
NEV Ratio:	11.1%		
Percentage Change:	7.1%		

## 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

Our highest priority will remain the financial strength and safety of the organization and transparency in the reporting of our financial condition. We are grateful to our members for their continued support and for the trust you place in us. If you have any questions, please do not hesitate to contact us.

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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