

# Monthly Financials

Vizo Financial Corporate Credit Union

August 2024 Financials



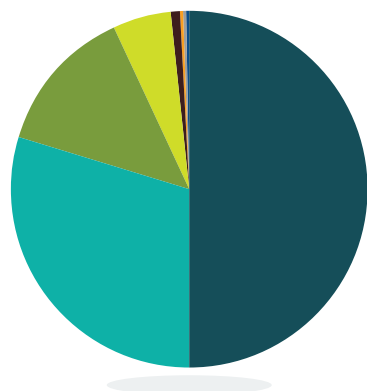
We are pleased to present Vizo Financial Corporate Credit Union's financial statements and supplementary financial information as of August 31, 2024. These pages include information regarding our balance sheet, income statement, asset quality and capital adequacy. We encourage you to share this information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

Vizo Financial added \$881,662 to retained earnings this month. Vizo Financial's year-to-date net income after PCC distribution for the months ending August 31, 2024, and August 31, 2023, totaled \$15,262,259 and \$35,646,965, 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	August 2024	YTD 2024	YTD 2023
Net Interest Income	\$ 4,708,153	\$ 43,316,906	\$ 31,699,054
Net Correspondent Income	998,897	7,665,569	10,204,525
Gross Operating Income	5,707,050	50,982,475	41,903,579
Operating Expense	(2,926,316)	(22,936,952)	(21,341,225)
Gain/Loss on Sale of Investments	0	0	(327,750)
Gain/Loss on Other Assets/Goodwill	0	0	(176,447)
CUSO Income	(85,886)	(887,750)	(482,136)
Member Capital Recovery	(625,000)	(1,882,977)	(1,932,086)
Member Incentive	(250,000)	(2,850,000)	0
USC Distribution	0	0	23,720,772
Net Income Before PCC Distributions	1,819,849	22,424,796	41,364,708
Less: Equity Transfer for PCC Distribution	(938,187)	(7,162,537)	(5,717,743)
Net Contribution to Equity:	\$ 881,662	\$ 15,262,259	\$ 35,646,965

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 August 31, 2024

- \$ 3,113 - Federal Reserve
- \$ 1,840 - U.S. Gov't Guaranteed
- \$ 831 - U.S. Gov't Agency
- \$ 337 - Asset-Backed Securities
- \$ 40 - Corporate Bonds
- \$ 20 - CU/Bank Cash Holdings
- \$ 15 - 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	5.348%	4.557%
Interest/Dividend Expense	-4.323%	-3.691%
<b>Net Interest Margin</b>	<b>1.024%</b>	<b>0.866%</b>
Net Correspondent Service Income	0.181%	0.279%
Operating Expenses	-0.542%	-0.583%
Gain/Loss on Sale of Investments	0.000%	-0.009%
Gain/Loss on Other Assets/Goodwill	0.000%	-0.005%
CUSO Income	-0.021%	-0.013%
USC Distribution	0.000%	0.648%
Member Incentive/Capital Recovery	-0.112%	-0.053%
PCC Distributions	-0.169%	-0.156%
<b>Net Margin</b>	<b>0.361%</b>	<b>0.974%</b>

Capital Adequacy	August 2024	August 2023	Adequately / Well Capitalized
RUDE + Acquired Equity Capital/12-Month Average Net Assets	6.23%	6.03%	NA
Tier 1 (Leverage) Capital/12-Month Average Net Assets	9.79%	9.69%	4%   5%
Total Capital/12-Month Average Net Assets	9.93%	9.84%	NA
Tier 1 Capital/12-Month Average Risk-Weighted Assets	119.47%	83.45%	4%   6%
Total Capital/12-Month Average Risk-Weighted Assets	121.18%	84.71%	8%   10%
<b>Total Capital</b>	<b>\$ 592,046,604</b>	<b>\$ 556,581,463</b>	
Tier 1 (Leverage) Capital	\$ 583,723,242	\$ 548,253,849	
Tier 2 Capital	\$ 8,323,362	\$ 8,327,614	
Monthly Average Net Assets (DANA)	\$ 5,748,669,056	\$ 5,235,112,435	
Year-to-Date Average Assets	\$ 6,342,741,997	\$ 5,497,103,166	
Average 12-Month Assets	\$ 5,964,220,363	\$ 5,657,030,777	

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

Ending Balances	May 2024	June 2024	July 2024	August 2024
Corporate Assets	\$ 7,018,826,791	\$ 6,917,016,778	\$ 5,690,225,638	\$ 6,340,693,738
Daily Average Net Assets	\$ 6,662,711,677	\$ 6,518,676,577	\$ 6,017,955,821	\$ 5,748,669,056
Daily Average Net Assets YTD	\$ 6,491,326,904	\$ 6,495,885,183	\$ 6,427,609,560	\$ 6,342,741,997
12-Month Rolling DANA	\$ 5,773,045,565	\$ 5,868,465,997	\$ 5,921,423,978	\$ 5,964,220,363
Investments	\$ 2,951,877,316	\$ 2,987,711,152	\$ 3,005,029,329	\$ 3,077,535,280
Loans to Members and Third Parties	\$ 4,780,138	\$ 10,550,398	\$ 15,894,201	\$ 14,679,733
Member Shares	\$ 5,617,952,817	\$ 5,494,964,689	\$ 5,006,233,605	\$ 5,674,841,153
Reserves & Undivided Earnings	\$ 367,903,051	\$ 370,045,661	\$ 370,914,517	\$ 371,796,178

## Balance Sheet

Assets	August 2024	August 2023
Investments:		
Investment in CUSOs	\$ 9,000,844	\$ 9,584,786
Investment in FHLB - Stock	4,277,600	4,718,600
Federal Reserve	3,113,280,642	1,722,706,574
Bank and Credit Union Deposits	20,387,685	21,187,845
Asset-Backed Securities - Non-Mortgage	338,823,529	272,557,077
U.S. GSE Securities - Notes	79,578,169	79,465,719
U.S. GSE Securities - CMO	638,154,477	501,633,144
U.S. GSE Securities - MBS	113,476,379	328,413
U.S. Gov't. Agency Securities - GNMA	162,238,712	18,287,999
U.S. Gov't. Agency Securities - SBA	1,534,288,908	1,675,543,636
Corporate Bonds	0	19,993,600
Commercial Paper	39,766,800	0
U.S. Treasuries	137,542,176	355,261,066
Loans	14,679,733	124,365,239
Receivables	63,339,626	55,570,615
Accrued Income/Prepaid Expense	30,709,850	28,905,492
Fixed Assets	5,128,408	7,163,975
Other Assets	36,020,199	39,926,295
<b>Total Assets</b>	<b>\$ 6,340,693,738</b>	<b>\$ 4,937,200,072</b>

Liabilities & Equity	August 2024	August 2023
Other Liabilities	\$ 66,874,931	\$ 62,505,981
Dividends/Interest Payable	0	17,479,177
Accounts Payable	1,862,364	383,080
Notes Payable	0	1,000,000,000
Shares	5,393,768,898	2,908,112,292
Certificates	281,072,255	415,009,205
<b>Total Shares</b>	<b>\$ 5,674,841,153</b>	<b>\$ 3,323,121,497</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	349,234,178	318,699,327
Equity Acquired in Merger	22,562,000	22,562,000
Accumulated Other Comprehensive Loss	(3,941,372)	(32,460,873)
<b>Total Equity</b>	<b>\$ 597,115,289</b>	<b>\$ 533,710,337</b>
<b>Total Liabilities &amp; Equity</b>	<b>\$ 6,340,693,738</b>	<b>\$ 4,937,200,072</b>

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## Liquidity Position

### Liquidity as of August 31, 2024

Total Available Liquidity Sources	\$ 5,744,263,675
Total Liquidity Uses	\$ 0
Net Available Liquidity	\$ 5,744,263,675

## Interest Rate Risk

Base/Current Rate Environment		Regulation 704 Operating Level	
Net Economic Value (NEV):	\$ 598,907,724	Base Plus	
NEV Ratio:	9.5%		
Up 300bps Rate Environment		Regulation 704 Limits (+300 bps)	
Net Economic Value (NEV):	\$ 541,940,651	Min Value: \$	479,126,179
NEV Ratio:	8.6%	Min Value:	2.00%
Percentage Change:	-9.5%	Max NEV Fluctuation:	-20.00%
Down 300bps Rate Environment			
Net Economic Value (NEV):	\$ 640,334,767		
NEV Ratio:	10.0%		
Percentage Change:	6.9%		

## 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.



7900 Triad Center Drive  
Suite 410  
Greensboro, NC 27409

1201 Fulling Mill Road  
Middletown, PA 17057

[www.vfccu.org](http://www.vfccu.org)