

Monthly Financials

Vizo Financial Corporate Credit Union

July 2022 Edition | June 2022 Financials



David Brehmer
President & CEO

Corporate Update

I am pleased to announce that we just hosted yet another successful Hot Dog Eating Contest to benefit one of our favorite organizations, Children's Miracle Network

(CMN) Hospitals. We're still collecting donations, but I'm thrilled that the total so far is well above last year's record fundraiser. I want to extend my deepest thanks to everyone who participated in some fashion and for all the credit unions that took it upon themselves to take this effort to their own members. Your support for this event over the years is something we at Vizo Financial cherish very much. I can't wait to see what next year - the contest's 10-year anniversary - has in store. Until then, we have plenty more [events coming up](#) and lots of summer fun left to enjoy!

Register for Three Upcoming Events!

Looking for more education this year? We've got you covered! REGISTRATION IS OPEN for the following three events, so take the time to check them out:

Small Credit Union Workshop

August 8-9, 2022 - Virtual Event

Good things come in small packages, so the saying goes. Small credit unions are no exception! With that in mind, Vizo Financial is excited to hold our Small Credit Union Workshop for credit unions \$25 million in assets and under.

The workshop is designed to help small institutions navigate challenges with exclusive content including required BSA/AML compliance training, suitable investments for small credit unions, ACH tips and tricks, panel discussions on risk and security issues and more!

Summer TechCon

August 23-24, 2022 - Virtual Event

Every day, we see companies that are set to revolutionize how financial institutions do business as members' expectations of technology continue to evolve. And we know exactly where you can find the organizations that can help you meet those expectations...at Summer TechCon!

Get ready to see demonstrations of products and services from Vizo Financial, MY CU Services and our partners on payments, member-friendly income and rewards, risk solutions, lending and more.

Come see the latest technology in the financial industry first-hand and get answers to your questions from top-notch experts.

Financial Conference

September 14-16, 2022 - Ballantyne Resort, Charlotte, N.C.

Credit unions are facing an uphill battle of rising interest rates, record inflation and an economy in turmoil. It won't be easy to move mountains, but we've got to start somewhere and that place is Vizo Financial's much-anticipated 2022 Financial Conference!

From regulations updates and the political impact on finances to cryptocurrency, lending and investment strategies, there's something for every credit union financial professional out there. Gain the knowledge to face your institution's financial hurdles, enjoy time with credit union peers and financial experts and experience luxury at its finest with your choice of golf or spa activities. It's an educational experience you won't soon forget!

Who Won the Virtual Hot Dog Eating Contest?

We held our ninth annual Hot Dog Eating Contest on July 20, and it was a glorious event! If you didn't get a chance to tune in or you want to relive the fun, we invite you to watch the [recording of the contest](#). And if you're wondering who won, we had three winners in the following categories:

The Top Dog: This prize was awarded to two co-champions who tied for the ultimate title by eating eight hot dogs during the contest. Congrats to *Logan Troutman, Belco Community CU* and *Jeffrey Krenitsky, Service 1st FCU*!

Hot Diggity Dog: This prize was awarded to *Jay Edmiston, Timberland FCU* for showing the most spirit for the contest. We loved the hot dog suit and festive background!

Rollin' In The Dough: This prize was also awarded to *Jay Edmiston, Timberland FCU* for raising a whopping \$10,500 for CMN Hospitals at Penn State Health Children's Hospital!

Congratulations to all of our winning contestants, as well as the real winners...the kids and families of CMN Hospitals at Penn State Health Children's Hospital. But we're not done yet! We're still collecting donations through July 31, 2022, through the contest [fundraising page](#). Another huge thank you to Timberland FCU for their sizeable donation - we're so, so grateful. All contributions are appreciated!

#ILoveMyCreditUnionDay is Coming Soon!

Mark your calendars for #ilovemycreditunion Day on July 29 and get ready to share the credit union love on social media! Learn more about this special day using the [official resource center](#).

As always, if you have any questions regarding the financials, please don't hesitate to [contact me](#).



Financial Condition & Performance June 2022

Enclosed please find Vizo Financial Corporate Credit Union's financial statements and supplementary financial information as of June 30, 2022. These reports include information regarding our balance sheet, income statement, asset quality, capital adequacy, liquidity and interest rate risk. It contains all the financial data required for review under Regulation 703.

Balance Sheet

Member overnight balances averaged \$4.753 billion compared to \$4.672 billion in May and \$5.104 billion in April. Comparing total deposits, which include the EBA balances, overall average overnight deposits dropped \$627.1 million as credit unions continue to increase their lending and take advantage of higher term rates. Total average overnight deposits stood at \$7.421 billion compared to \$8.048 billion in May. The spread between the single day high and low balances was \$1.359 billion compared to \$1.521 billion in May and \$1.885 billion in April (includes EBA balances). Volatility of short-term member balances (on-balance sheet plus EBA) has increased significantly over the last several months, although was unchanged in May, coming in at 17%.

Average off-balance sheet credit union balances - those held in our Excess Balance Account (EBA) - averaged \$2.7 billion and ended the month at just above \$2.5 billion. The EBA continues to provide us with a key tool for controlling the size of balance sheet. After peaking at over \$5 billion, the EBA balances have steadily declined here in 2022 and are now down to about half their peak from 2021.

From a seasonal cash flow perspective, March has historically been the month where deposits peak. After not being the case in 2020 or 2021, it appears this will hold true here in 2022 as government stimulus packages have ended. Total deposits (on-balance sheet plus EBA) hit a record high of \$10.365 billion in April 2021. In June 2022, this average stood at \$7.421 billion. Our 12-month rolling average assets was stable, rising slightly from \$5.656 billion to \$5.668 billion. We are targeting an asset size of \$6 billion for 2022.

We now target a minimum of \$700 million in our Fed account to cover member settlement activity. After two years of significant amounts of excess cash, we are back to having to monitor the cash levels in our Fed account. In June 2022, our Fed balances averaged \$1.347 billion with a low of \$858.4 million.

Liquidity remains strong and readily accessible through our primary borrowing sources.

Some line items to note on this month's balance sheet:

- ▶ On-balance sheet (month-end) member shares were down from the prior month, coming in at \$5.084 billion compared to \$5.285 billion in May. Month-end figures can vary considerably depending on the day of the week on which a month ends. Of this month's total,

\$618.9 million were in certificates, while the remaining balances were distributed between the various PSA and settlement deposit accounts.

- ▶ Month-end assets came in at \$5.626 billion. Average assets were slightly above that figure, coming in at \$5.870 billion. Excluding non-perpetual capital accounts, our total net equity is at \$456.9 million. The unrealized gain/loss/AOCL figure improved slightly to an unrealized loss of \$9.2 million. More details regarding market values of securities are discussed later in the report under the heading "Unrealized Gains/Losses."
- ▶ Total retained earnings ended the month at \$251.7 million. Gross operating income for the month came in at just \$270,834. Distributions to members via PCC dividends totaled \$132,185. Our net increase to retained earnings was \$138,649. Year-to-date, we have added \$23,858,666 to retained earnings.

We do anticipate volatile earnings for the remainder of the year due to the anticipation of continued aggressive Fed rate increases at each of their FOMC meetings in 2022. While the great majority of our assets are floating rate, our investments do not generally adjust daily, other than what we hold at the Fed. Our largest portfolio of variable rate SBA securities only adjusts quarterly, so given that they re-priced on July 1, we anticipate a strong income month in July followed by lower income in August and September if the Fed does, in fact, raise rates at their July and September FOMC meetings as expected. Given our strong increase to retained earnings through mid-year of \$23.8 million, we are reducing income expectations to be able to increase the rates we pay to members in conjunction with each Fed rate increase.

- ▶ Our leverage/tier 1 capital ratio is at 8.05%, and our retained earnings ratio now stands at 4.44%. *Our total capital ratio ended the month at 8.19%.*
- ▶ The net economic value (NEV) dollar value of assets came in at \$475.6 million at the end of June with an NEV ratio of 8.45% compared to the prior month's 8.06%. The NEV ratio will fluctuate quite a bit month-to-month since it is calculated based on month-end assets versus average assets. In the up 300 basis points scenario, the NEV ratio drops to 7.97% with a negative fluctuation of 6.7%. We are well above required regulatory NEV levels (2%).
- ▶ The available liquidity section reflects our capacity for generating liquidity. We factored out securities in the "available-for-sale" (AFS) portfolio whose current market values were lower than we realistically believed we would sell. Although 100% of our marketable securities are classified as AFS, unless the market value is positive or the unrealized loss is estimated at under \$5,000, we do not include it as liquid in our "Available Liquidity" report.

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› Total capital now stands at \$464.3 million, excluding unrealized gains and/or losses on securities and accumulated other comprehensive losses. This consists of PCC, retained earnings, equity acquired in merger and eligible non-perpetual capital accounts (NCAs), less total equity held in unconsolidated CUSOs. NCUA regulations require us to reduce capital by the total equity held in unconsolidated CUSOs in calculating our leverage and total capital ratios. Total equity in unconsolidated CUSOs stands at \$10.1 million. Without these reductions, our gross total capital amounts to \$474.4 million.

We also help members manage funds through the use of off-balance sheet products:

- › Marketable securities
- › SimpliCD brokered certificates
- › Federal Reserve Bank's EBA program

Off-Balance Sheet Activity

Current balances/usage of these off-balance sheet products are reflected below:

SimpliCDs	\$ 783 million
Security Sales*	\$ 1.062 billion
EBA Balances	\$ 2.541 billion
Total Off-Balance Sheet	\$ 4.386 billion

*Security sales reflect sales over the past 18 months

Unrealized Gains/Losses

Market values remain volatile and swing up and down on news from the Fed and inflation front. While most asset classes continued to see some additional unrealized losses, the SBA portfolio bounced back. Overall, our unrealized losses dropped from \$12.6 million to \$9.2 million. While all asset classes have been impacted by the rising rates, it is our fixed rate U.S. Treasury portfolio that shows the highest unrealized loss figure at \$9.3 million. The Treasury portfolio is primarily used to manage our members' term certificate program so that when our fixed rate liabilities are factored into our ALM model, our NEV has remained stable. The SBA portfolio remains the largest percentage of our overall investment portfolio and showed unrealized gains of \$10.4 million. We have enough collateral to borrow our full line at the Federal Home Loan Bank, if needed, and all remaining securities are acceptable collateral for the Fed's Discount Window. *From a credit perspective, our portfolio remains solid with a total risk-based capital ratio of 48.3%.*

To provide additional insight on this month's unrealized gain/loss figures, we are providing a breakdown of what

securities make up these changes in fair market value and book values.

- › \$5.145 million LOSS is related to our government agency CMO securities portfolio (\$649.8 million total book value)
- › \$0.022 million LOSS is related to our agency MBS/CMBS securities (\$5.4 million total book value)
- › \$0.440 million LOSS is related to our government guaranteed mortgage securities (\$23.3 million total book value)
- › \$0.601 million LOSS is related to our agency floater portfolio (\$75.0 million total book value)
- › \$0.174 million LOSS is related to our corporate bond portfolio (\$30.0 million total book value)
- › \$1.163 million LOSS is related to our credit card asset-backed securities (\$568.8 million total book value)
- › \$0.074 million LOSS is related to our auto floor-plan asset-backed securities (\$50.7 million total book value)
- › \$2.727 million LOSS is related to our student loan asset-backed securities (\$79.9 million total book value)
- › \$9.274 million LOSS is related to our U.S. treasury securities (\$635.1 million total book value)
- › \$10.407 million GAIN is related to our government guaranteed SBA portfolio (\$2.115 billion total book value)

Market values and the associated unrealized gains/losses indicate an estimate of what the sale price of these assets in today's markets would be, and do not necessarily reflect the actual gains/losses that would be realized if the assets were to be sold or held to maturity.

Summary

Please take a moment to review our financial statements and do not hesitate to contact us if you have questions. We also recommend that you share this information with your board of directors to satisfy the due diligence requirements set forth in NCUA Regulation 703.

Our highest priority will remain the financial strength and safety of the organization and total transparency in the reporting of our financial condition.

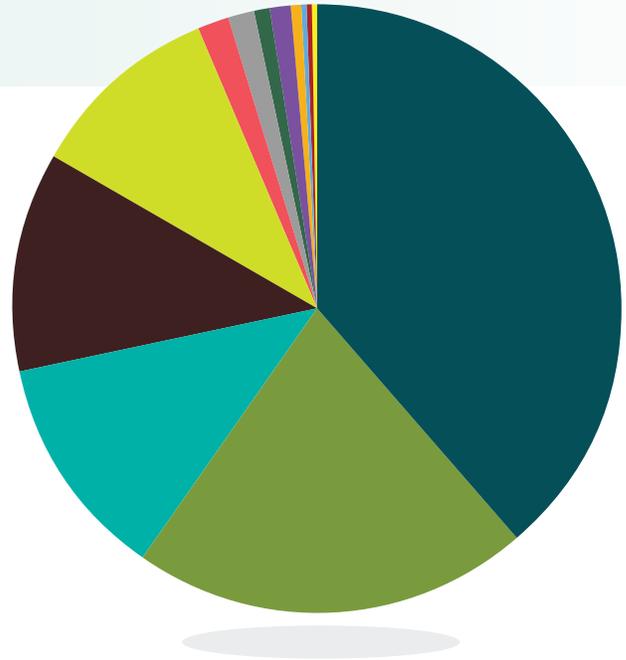
We are grateful to our members for their continued support and for the trust you place in us. If you have any questions, please do not hesitate to contact us.



David W. Brehmer
President & CEO

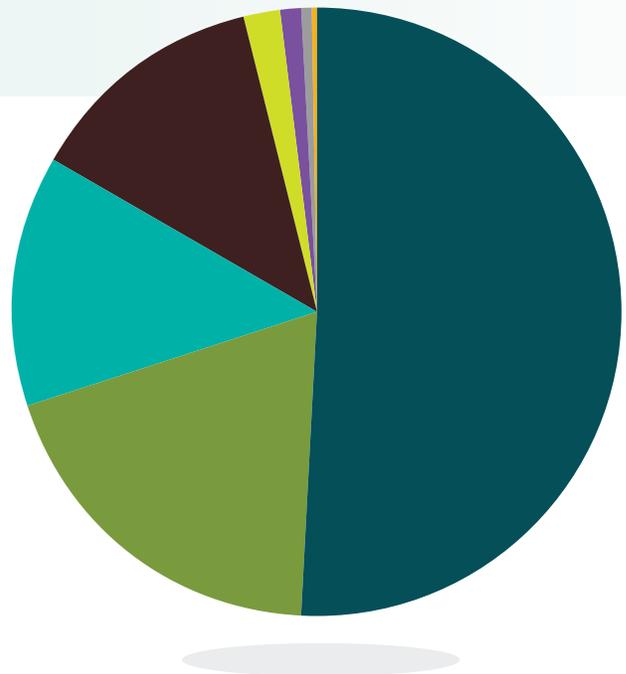
Total Book Values as of June 30, 2022

- \$ 2,116 - SBA Pool
- \$ 1,141 - Cash/FI Deposits
- \$ 650 - Agency CMO
- \$ 635 - U.S. Treasuries
- \$ 569 - ABS Credit Cards
- \$ 80 - ABS Student Loans
- \$ 75 - Agency Floaters
- \$ 58 - CLF Stock
- \$ 51 - ABS Auto
- \$ 30 - Corporate Bonds
- \$ 23 - GNMA
- \$ 10 - CUSOs
- \$ 5 - CMBS/MBS
- \$ 3 - FHLB Stock



Credit Quality as of June 30, 2022

- \$ 2,774 - U.S. Gov't Guaranteed
- \$ 1,044 - Federal Reserve
- \$ 730 - U.S. Gov't Agency
- \$ 700 - Asset-Backed Securities (AAA)
- \$ 97 - CU/Bank Cash Holdings
- \$ 58 - CLF Stock
- \$ 30 - Corporate Bonds (AA-/AA+)
- \$ 10 - CUSOs
- \$ 3 - FHLB Stock



* All figures in the charts above are in millions.

Balance Sheet	June 30, 2022		June 30, 2021	
Assets				
Loans	\$	58,270,673	\$	250,870,942
Investments:				
Asset-Backed Securities (Non-Mortgage)	\$	695,556,508	\$	701,839,986
U.S. Gov't (Notes/Floaters/Callables)	\$	74,398,525	\$	0
U.S. Gov't Agency (CMOs)	\$	667,530,636	\$	876,951,767
U.S. Gov't Agency (MBS)	\$	5,430,445	\$	12,952,802
U.S. Gov't (SBA)	\$	2,125,944,483	\$	2,385,241,652
Corporate Bonds	\$	29,821,190	\$	60,530,207
U.S. Treasuries	\$	625,819,567	\$	0
Commercial Paper	\$	0	\$	0
Federal Home Loan Bank - Atlanta	\$	2,691,900	\$	3,909,500
Credit Union & Bank Deposits	\$	96,818,820	\$	127,082,887
CUSOs	\$	10,148,242	\$	8,624,949
Federal Reserve Bank	\$	1,044,369,883	\$	979,042,332
CLF Stock	\$	57,738,003	\$	57,738,003
Receivables	\$	69,852,378	\$	52,183,698
Fixed Assets	\$	8,652,932	\$	1,949,547
Goodwill/Core Deposit Intangible	\$	176,447	\$	2,282,127
Other Assets	\$	52,463,322	\$	50,461,014
Total Assets:	\$	5,625,683,954	\$	5,571,661,413
Liabilities				
Other Liabilities:	\$	6,958,115	\$	2,074,755
Accounts Payable:	\$	69,036,923	\$	56,488,858
Accrued for Member Distribution:	\$	0	\$	0
Notes Payable:	\$	0	\$	5,425,000
Shares	\$	4,465,291,614	\$	4,679,426,188
Certificates/Term Deposits	\$	618,949,240	\$	430,455,603
Total Shares:	\$	5,084,240,854	\$	5,109,881,791
Non-Perpetual Capital Accounts (NCA)	\$	8,505,410	\$	8,505,410
Perpetual Contributed Capital (PCC)	\$	214,433,317	\$	214,237,649
Reserves & Undivided Earnings	\$	229,160,539	\$	137,131,736
Equity Acquired in Merger	\$	22,562,000	\$	22,562,000
Accumulated Other Comprehensive Loss	\$	(9,213,204)	\$	15,354,214
Total Equity:	\$	465,448,062	\$	397,791,009
Total Liabilities & Equity:	\$	5,625,683,954	\$	5,571,661,413

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Financial Condition & Performance June 2022

Income Statement YTD		June 2022	June 2021
Interest Income	\$	22,080,714	\$ 20,074,759
Interest Expense	\$	(10,724,333)	\$ (2,472,566)
Net Interest Income	\$	11,356,381	\$ 17,602,193
Correspondent Service Income	\$	19,483,443	\$ 13,634,537
Correspondent Service Expense	\$	(12,753,347)	\$ (6,882,651)
Net Correspondent Income	\$	6,730,096	\$ 6,751,886
Gross Operating Income	\$	18,086,477	\$ 24,354,079
Operating Expense	\$	(14,813,868)	\$ (16,050,737)
Net Income	\$	3,272,609	\$ 8,303,342
Non-Operating Gains/(Losses)	\$	0	\$ 1,543,373
Amortization of Core Deposit Intangible	\$	(1,162,899)	\$ 0
CUSO Income	\$	49,803	\$ (60,878)
USC MCA Distribution	\$	58,129,527	\$ 24,175,364
-Less Member Distributions	\$	(35,632,865)	\$ 0
Net Income before PCC Distributions	\$	24,656,175	\$ 33,961,201
Less: Non-Controlling Interest in Net Income	\$	0	\$ 0
Less: Equity Transfer for PCC Distribution	\$	(797,510)	\$ (796,788)
Net Increase to Retained Earnings	\$	23,858,665	\$ 33,164,413
Earnings Spread/Net Operating Margin		June 2022	June 2021
Return on Average Assets		0.744%	0.608%
Interest/Dividend Expense		-0.361%	-0.075%
Net Interest Margin		0.382%	0.533%
Correspondent Service Income		0.227%	0.205%
Operating Expenses		-0.499%	-0.486%
Non-Operating Gains/(Losses)		0.000%	0.047%
Amortization of Core Deposit Intangible		-0.039%	0.000%
USC MCA Distribution		1.957%	0.732%
CUSO Income		0.002%	-0.002%
Non-Controlling Interest in Net Income		0.000%	0.000%
Trf to Accrued Liability/Member Payout		-1.200%	0.000%
PCC Distributions		-0.027%	-0.024%
Net Margin		0.803%	1.005%
Asset Quality		June 2022	
Non-Earning Assets/Average Assets		2.41%	
Delinquent Loans/Total Loans		0.00%	
Investment Portfolio			
U.S. Gov't Guaranteed Securities		49.98%	
U.S. Agency Securities		13.57%	
Asset-Backed Securities (non-mortgage)		12.63%	
Fed Home Loan Bank		0.05%	
Corporate Bonds		0.54%	
Commercial Paper		0.00%	
Bank & Credit Union Deposits		1.76%	
Federal Reserve Bank		18.97%	
CUSO Equity		0.18%	
CLF Stock		1.05%	
Cash & Receivables		1.27%	
Credit Ratings			
Asset-Backed Securities (Credit Card/Auto)		AAA/Aaa	
Asset-Backed Securities (Student Loans)		AAA/Aaa	
Commercial Paper		A-1/P-1	
Corporate Bonds		AA- to AA+/A1 to Aa1	
Gov't Agencies/SBAs		AA+ to AAA	

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Key Financial Ratios June 2022

Capital Adequacy	June 2022	June 2021
RUDE + Acquired Equity Capital/monthly Average Net Assets	4.29%	2.79%
RUDE + Acquired Equity Capital/12-month Average Net Assets	4.44%	2.40%
Tier 1 (Leverage) Capital/12-month Average Net Assets	8.05%	5.48%
Total Capital/12-month Average Net Assets	8.19%	5.61%
Tier 1 Capital/12-month Average Risk-Weighted Assets	47.41%	31.30%
Total Capital/12-month Average Risk-Weighted Assets	48.28%	32.02%
Total Capital	\$ 464,343,791	\$ 373,685,821
Tier 1 (Leverage) Capital	\$ 456,007,614	\$ 365,306,436
Tier 2 Capital	\$ 8,336,177	\$ 8,379,385
PCC deducted from Tier 1 Capital	\$ 0	\$ 0
Unrealized Gain/Loss on Securities	\$ (9,213,204)	\$ 15,354,214
Monthly Average Assets	\$ 5,870,139,186	\$ 5,723,430,332
Average 12-month Assets	\$ 5,668,085,316	\$ 6,666,769,376
Year-to-date Average Assets	\$ 5,988,667,035	\$ 6,657,211,466

Liquidity & Interest Rate Risk as of June 30, 2022

Available Liquidity:	Available Within 90 Days
Net Cash and Receivables:	\$ 1,114,222,261
Net Available For Sale (AFS) securities: (securities with adequate market values to sell)	\$ 1,722,288,536
Overnight & Investments Maturing within 90 days:	\$ 86,858,820
Unsecured Fed Funds Lines Available:	\$ 150,000,000
Secured Fed Funds Lines Available:	\$ 150,000,000
Federal Home Loan Bank (FHLB) - borrowing capacity:	\$ 1,854,398,869
-less fixed term existing loan advances	\$ 0
Primary Sources of Liquidity:	\$ 5,077,768,486
Federal Reserve (FRB) Discount Window - borrowing capacity:	\$ 391,969,692
Excess Balance Account (EBA) - funds held for members @ FRB:	\$ 2,541,505,734
Secondary Sources of Liquidity:	\$ 2,933,475,426
Total Available Liquidity:	\$ 8,011,243,912

Interest Rate Risk as of June 30, 2022

		Regulation 704 Operating Level: Base Plus
Base/Current Rate Environment	Net Economic Value (NEV):	\$ 475,609,800
	NEV Ratio:	8.45%
Up 3% Rate Environment	Net Economic Value (NEV):	\$ 443,678,579
	NEV Ratio:	7.97%
	Percentage Change:	-6.7%
Down 1% Rate Environment	Net Economic Value (NEV):	\$ 483,693,644
	NEV Ratio:	8.57%
	Percentage Change:	1.7%

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Notes to Financials June 2022

1. Tier 1 (Leverage) Capital = Reserves, Undivided Earnings, Equity Acquired in Merger, & Perpetual Contributed Capital (PCC) less unconsolidated equity investments and less any amount of PCC that causes PCC minus retained earnings (all divided by moving daily average net assets) to exceed 2% (per NCUA Regulation 704).
2. Tier 2 Capital = The PCC that has been deducted from Tier 1 Capital + unamortized Non-perpetual Capital Accounts (NCAs) - \$8,336,176.
3. Total Capital = Tier 1 + Tier 2 Capital.
4. Equity acquired in merger reflects the value of the retained earnings that came to Vizo Financial from First Carolina.
5. Marketable Securities are classified 100% as "available-for-sale."
6. Net Economic Value (NEV) = the fair value of assets less the fair value of liabilities.
7. NEV Ratio = Dollar NEV divided by the fair value of total assets.
8. PCC qualifies as equity capital in calculating our NEV ratios. As equity, PCC is not treated as a liability when calculating Vizo Financial's NEV.
9. The regulatory minimum required capital ratios today are:
 - a) Leverage (Tier 1) Capital Ratio: 4.0%
 - b) Tier 1 Risk-based capital ratio: 4.0%
 - c) Total Risk-based capital ratio: 8.0%
10. The leverage capital ratio is calculated by dividing Tier 1 capital by MDANA (moving daily average net assets).
11. The Tier 1 risk-based capital ratio is calculated by dividing Tier 1 capital by the moving monthly average net risk-weighted assets.
12. The Total risk-based capital ratio is calculated by dividing Total capital by the moving monthly average net risk-weighted assets.
13. All credit card and auto related asset-backed securities are rated by S&P (AAA), Moody's (Aaa), and/or Fitch (AAA).
14. Student loan asset-backed securities are rated by Moody's (Aaa) and S&P (AAA).
15. Corporate bonds ratings ranges are from S&P (AA+/AA-) and Moody's (A1/Aa1).
16. Available-for-sale securities in the liquidity section includes only bonds with market values showing: 1) Gains, or 2) Unrealized losses below \$5,000.
17. Other Assets includes insurance policies held with Midland National, North American Company and Minnesota Life tied to 457F plans and a split-dollar plan to offset executive and employee benefits costs.
18. All borrowing capacities reflect current market value of eligible collateral plus appropriate haircuts.
19. Primary credit access is available at the Federal Reserve Bank (FRB).
20. Current LOC limit at FHLB-Atlanta \$1,885,356,900 (6/30) - this will vary based on assets. Borrowing capacity reflects collateral available for accessing line.
21. Unsecured fed funds lines: \$100 million from PNC Bank; \$50 million from Corporate One.
22. Secured fed funds lines comprised of \$150 million from U.S. Bank - line secured by asset-backed securities.
23. Accumulated Other Comprehensive Loss reflects unrealized gains and losses and non-credit related market value losses not reductions in capital.
24. NEV & capital ratios are in compliance with policy and regulatory limits.
25. Under Liquidity Measures, EBA balances exclude funds held by non-PCC credit unions that totaled only \$450.

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

David W. Brehmer, President & CEO
Mark Brown, CFO
Fred Eisel, CIO

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



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