

# Monthly Financials

Vizo Financial Corporate Credit Union

December 2022 Edition | November 2022 Financials



David Brehmer  
President & CEO

## Corporate Update

The holiday season is here, and I welcome it with open arms. I've always enjoyed this time of year, where we celebrate our blessings, spend time with the people who matter most and make memories that will last for a lifetime. In addition to my family and friends, I consider our credit union members to be among the many blessings I've been so lucky to receive and who have given me many years' worth of memories to look back on.

And I'm not the only one from Vizo Financial who feels this way. Members of our staff have put together their own personal messages of appreciation and well wishes to share with you. When you have a few minutes, take the time to listen and watch each one of them here in our [Holiday Video](#). We thank you for being part of our cooperative network. On behalf of myself and the entire Vizo Financial team, we wish you all a joyous holiday season and a prosperous new year. See you in 2023!

## Our 2023 GAC Reception is Coming Up!

And it's got a twist...a *Mardi Gras* twist to be exact! What does that mean? It means you can expect colorful beads, live music, our best Mardi Gras attire, scrumptious food and lots of fun with our fellow industry peers.

Yes, the 2023 GAC Reception is coming up and it's certainly going to be one to remember. If you plan to attend CUNA's Governmental Affairs Conference in Washington, D.C., we invite you to join us at our favorite spot, The Henley Park Hotel, from 5:30 - 7:30 p.m. on February 26, 2023. Get jazzed up, put on your best celebratory garb and get ready to party with Vizo Financial Mardi Gras-style! Trust us, our reception is a can't-miss stop on your GAC journey. Speaking of the journey, don't forget to stop by our exhibitor booth during the event - we'd love to see you twice!

Ready to RSVP? [Register here](#) and get even more details about this exciting event. See you there!

## Instant Payments: The FedNow Service Page

It won't be long now until the FedNow Service is live. So, what do you need to know? How can you prepare? Who can answer your questions about this new instant payments solution? Not to worry - we have information ready and waiting for you about all of these things on our new [Instant Payments: The FedNow Service](#) page on our [website](#)!

This page is a hub of knowledge with many resources to help you become acquainted with the FedNow Service, including:

- Background information about the FedNow Service
- How Vizo Financial will act as a service provider
- A comparison of the FedNow Service vs. RTP
- Frequently Asked Questions (FAQs)
- Links to additional resources (websites, articles, webinar recordings, etc.)

We hope this new [page](#) will help address some of your questions about the much-anticipated FedNow Service. Take some time to browse today!

## Upcoming Webinars

Get a head start on planning your 2023 education with Vizo Financial's upcoming webinars! Here's what we have on the schedule so far in the first quarter:

### [Creating Meaningful Change](#)

*Joe Bertotto, chief culture officer, Vizo Financial*  
January 10, 2023 - 10:00 a.m. ET

### [BSA/AML Compliance Basics](#)

*Cindy Hagan, compliance & fraud risk director, Vizo Financial*  
January 11, 2023 - 10:00 a.m. ET

### [2023 ACH Rules Update](#)

*Jessica Lelii, assistant director of education, Macha/PAR*  
January 24, 2023 - 10:00 a.m. ET

### [Speedy, Safe, Secure, Smart: Which Faster Payment is the Right One for You?](#)

*Jessica Lelii, assistant director of education, Macha/PAR*  
February 8, 2023 - 2:00 p.m. ET

### [DEI & Creating a Sense of Belonging at Your Credit Union](#)

*Erin Doan, diversity, equity and inclusion director, Vizo Financial*  
February 14, 2023 - 10:00 a.m. ET

### [Protect Yourself - The Proper Handling of Government Reclamations and Garnishments](#)

*Jessica Lelii, assistant director of education, Macha/PAR*  
March 22, 2023 - 2:00 p.m. ET

### [Security Threats: Seeing Through the Kaleidoscope of Risk](#)

*Mike Bechtel, information security analyst, Vizo Financial*  
March 28, 2023 - 10:00 a.m. ET

As a reminder, we encourage you to visit our [Upcoming Webinars](#) page to keep up with the newest additions to our schedule, find more details and get registered.

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



# Financial Condition & Performance November 2022

Enclosed please find Vizo Financial Corporate Credit Union's financial statements and supplementary financial information as of November 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 \$4.485 billion, down from October's \$4.899 billion and September's \$4.888 billion. Comparing total deposits, which include the EBA balances, overall average overnight deposits dropped another \$424 million as credit union liquidity continues to tighten. Total average overnight deposits stood at \$4.605 billion compared to \$5.029 billion in October and \$5.388 billion in September. The spread between the single day high and low balances was \$1.166 billion compared to \$1.233 billion in October and \$1.382 billion in September (includes EBA balances). Volatility of short-term member balances has increased significantly over the last several months (on-balance sheet plus EBA) but has stabilized somewhat with November coming in at 23% (was 21% in October).

Average off-balance sheet credit union balances – those held in our Excess Balance Account (EBA) – averaged just \$119 million and ended the month at just over \$112 million. The EBA has proved to be a key tool for controlling the size of our balance sheet; however, with liquidity coming down dramatically, we moved the majority of EBA funds back onto the balance sheet in September.

From a seasonal cash flow perspective, March-April have historically been the months where deposits peak. Total short-term deposits (on-balance sheet plus EBA), hit a record high of \$10.365 billion in April 2021. In November 2022, this average stood at \$4.605 billion reflecting the major turnaround in the liquidity environment of our membership. Our 12-month rolling average assets moved up slightly, going from \$5.808 billion to \$5.840 billion. We are targeting a maximum on-balance sheet asset size of \$6 billion for 2023.

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 actively monitor the cash levels in our Fed account. In November, our Fed balances averaged \$1.169 billion with a low of \$503 million.

While tightening liquidity continued in November, access to advances remains readily available 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 \$4.738 billion compared to \$5.355 billion in October. Month-end figures can vary considerably depending on the day of the week

on which a month ends. Of this month's total, \$585.7 million were in certificates while the remaining balances were distributed between the various PSA and settlement deposit accounts.

- › Month-end assets came in at \$5.307 billion. Average assets were above that figure, coming in at \$5.613 billion. Excluding non-perpetual capital accounts, our total net equity is at \$491.4 million. The unrealized gain/loss/AOCL figure increased to an unrealized loss of \$27.6 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 \$304.3 million. As we have previously reported, operating revenues remain volatile, although, in the first month of each calendar quarter, our earnings continue to be strong as our full SBA portfolio re-prices. That was certainly the case in October where net contributions to retained earnings was \$2.321 million. Income remained strong in November but dropped significantly from October due to the Fed rate increase which we matched on our liability side without the benefit of the SBA portfolio re-pricing. Income for the month totaled \$1.703 million. Distributions to members via PCC dividends totaled \$441,106 for a new addition to retained earnings of \$1.262 million. Year-to-date, we have added \$76.4 million to retained earnings.

We expect earnings to drop in December as we matched the Fed's mid-December rate hike before our SBA portfolio re-prices on January 1.

- › Our leverage/tier 1 capital ratio is at 8.72%, and our retained earnings ratio now stands at 5.21%. *Our total capital ratio ended the month at 8.87%.*
- › The net economic value (NEV) (economic value of assets less the economic value of liabilities) came in at \$515.8 million at the end of November with an NEV ratio of 9.72% compared to the prior month's 8.76%. 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 8.97% with a negative fluctuation of 8.8%. 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.
- › Total capital now stands at \$517.7 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

*continued on page 3*

# Financial Condition & Performance November 2022

continued from page 2

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 \$9.5 million. Without these reductions, our gross total capital amounts to \$527.2 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	\$ 979 million
Security Sales*	\$ 902 million
EBA Balances	\$ 112 million
<b>Total Off-Balance Sheet</b>	<b>\$ 1.993 billion</b>

\*Security sales reflect sales over the past 18 months

## Unrealized Gains/Losses

Market values continue to reflect changing market conditions which greatly impact fixed rate holdings as well as floaters with rate caps. Overall, our unrealized losses increased from \$25.4 million to \$27.6 million, as prices across all asset classes decreased. Our fixed rate U.S. Treasury portfolio shows the highest unrealized loss figure at \$16.1 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 CMO portfolio reflects the next highest unrealized losses at \$7.6 million, mainly because rate increases have reduced the spread between the rate cap and actual market rates. The SBA portfolio remains the largest percentage of our overall investment portfolio and showed unrealized gains of \$1.2 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 56.2%.*

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.

- › \$7.647 million LOSS is related to our government agency CMO securities portfolio (\$598.7 million total book value)
- › \$0.021 million LOSS is related to our agency MBS/CMBS securities (\$0.6 million total book value)

- › \$0.569 million LOSS is related to our government guaranteed mortgage securities (\$21.3 million total book value)
- › \$0.791 million LOSS is related to our agency floater portfolio (\$79.8 million total book value)
- › \$0.144 million LOSS is related to our corporate bond portfolio (\$30.0 million total book value)
- › \$0.868 million LOSS is related to our credit card asset-backed securities (\$419.8 million total book value)
- › \$0.054 million LOSS is related to our auto and equipment asset-backed securities (\$96.3 million total book value)
- › \$2.594 million LOSS is related to our student loan asset-backed securities (\$73.4 million total book value)
- › \$16.129 million LOSS is related to our U.S. treasury securities (\$629.2 million total book value)
- › \$1.248 million GAIN is related to our government guaranteed SBA portfolio (\$2.024 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.

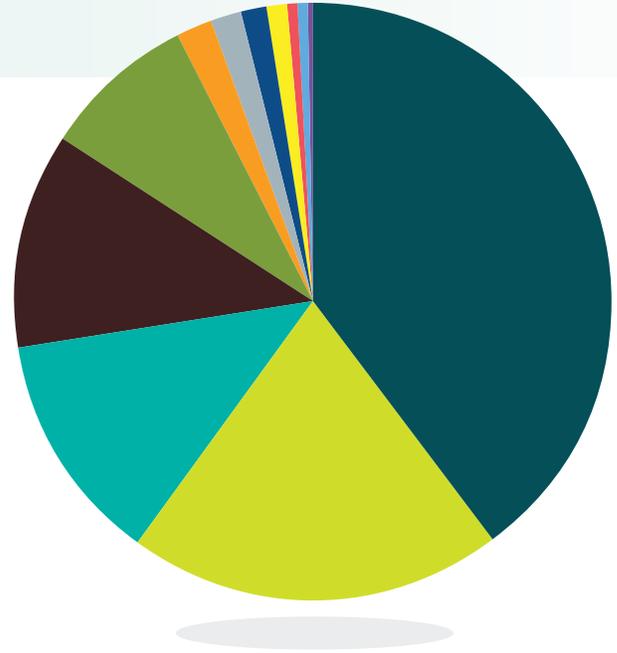
We are grateful to our members for their continued support and for the trust you place in us. If you have any questions, please do not hesitate to contact us.



**David W. Brehmer**  
President & CEO

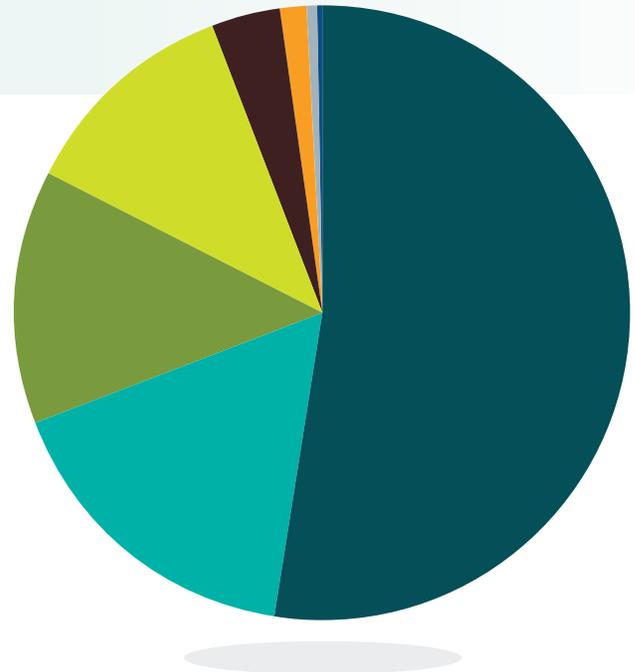
## Total Book Values as of November 30, 2022

- \$ 2,024 - SBA Pool
- \$ 1,030 - Cash/FI Deposits
- \$ 629 - U.S. Treasuries
- \$ 599 - Agency CMO
- \$ 420 - ABS Credit Cards
- \$ 96 - ABS Auto
- \$ 80 - Agency Floaters
- \$ 73 - ABS Student Loans
- \$ 57 - CLF Stock
- \$ 30 - Corporate Bonds
- \$ 21 - GNMA
- \$ 10 - CUSOs
- \$ 3 - FHLB Stock
- \$ 1 - CMBS/MBS



## Credit Quality as of November 30, 2022

- \$ 2,675 - U.S. Gov't Guaranteed
- \$ 840 - Federal Reserve
- \$ 679 - U.S. Gov't Agency
- \$ 590 - Asset-Backed Securities (AAA)
- \$ 191 - CU/Bank Cash Holdings
- \$ 57 - CLF Stock
- \$ 30 - Corporate Bonds (AA-/AA+)
- \$ 10 - CUSOs
- \$ 3 - FHLB Stock



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

Balance Sheet	November 30, 2022	November 30, 2021
<b>Assets</b>		
Loans	\$ 133,685,634	\$ 968,130
Investments:		
Asset-Backed Securities (Non-Mortgage)	\$ 586,141,731	\$ 611,951,505
U.S. Gov't (Notes/Floaters/Callables)	\$ 78,997,402	\$ 0
U.S. Gov't Agency (CMOs)	\$ 611,795,741	\$ 760,840,828
U.S. Gov't Agency (MBS)	\$ 570,024	\$ 6,629,567
U.S. Gov't (SBA)	\$ 2,025,277,022	\$ 2,158,360,313
Corporate Bonds	\$ 29,853,110	\$ 61,214,966
U.S. Treasuries	\$ 613,046,765	\$ 149,054,695
Commercial Paper	\$ 0	\$ 0
Federal Home Loan Bank - Atlanta	\$ 2,691,900	\$ 3,692,000
Credit Union & Bank Deposits	\$ 190,779,091	\$ 95,800,979
CUSOs	\$ 9,517,815	\$ 9,467,738
Federal Reserve Bank	\$ 839,749,948	\$ 1,190,007,258
CLF Stock	\$ 57,281,781	\$ 57,738,003
Receivables	\$ 54,618,298	\$ 48,810,265
Fixed Assets	\$ 7,911,962	\$ 2,774,015
Goodwill/Core Deposit Intangible	\$ 176,447	\$ 2,282,127
Other Assets	\$ 64,691,749	\$ 49,117,786
<b>Total Assets:</b>	<b>\$ 5,306,786,420</b>	<b>\$ 5,208,710,175</b>
<b>Liabilities</b>		
Other Liabilities:	\$ 7,330,669	\$ 2,068,840
Accounts Payable:	\$ 61,634,201	\$ 49,843,720
Accrued for Member Distribution:	\$ 0	\$ 0
Notes Payable:	\$ 0	\$ 0
Shares	\$ 4,152,237,899	\$ 4,392,455,310
Certificates/Term Deposits	\$ 585,705,847	\$ 299,438,188
<b>Total Shares:</b>	<b>\$ 4,737,943,746</b>	<b>\$ 4,691,893,498</b>
Non-Perpetual Capital Accounts (NCA)	\$ 8,505,410	\$ 8,505,410
Perpetual Contributed Capital (PCC)	\$ 214,671,502	\$ 214,226,762
Reserves & Undivided Earnings	\$ 281,709,724	\$ 206,032,120
Equity Acquired in Merger	\$ 22,562,000	\$ 22,562,000
Accumulated Other Comprehensive Loss	\$ (27,570,832)	\$ 13,577,825
<b>Total Equity:</b>	<b>\$ 499,877,804</b>	<b>\$ 464,904,117</b>
<b>Total Liabilities &amp; Equity:</b>	<b>\$ 5,306,786,420</b>	<b>\$ 5,208,710,175</b>

# Financial Condition & Performance November 2022

Income Statement YTD	November 2022	November 2021
Interest Income	\$ 87,036,572	\$ 33,601,452
Interest Expense	\$ (61,130,555)	\$ (4,176,444)
<b>Net Interest Income</b>	<b>\$ 25,906,017</b>	<b>\$ 29,425,008</b>
Correspondent Service Income	\$ 38,131,028	\$ 26,492,135
Correspondent Service Expense	\$ (25,490,878)	\$ (14,821,298)
<b>Net Correspondent Income</b>	<b>\$ 12,640,150</b>	<b>\$ 11,670,837</b>
<b>Gross Operating Income</b>	<b>\$ 38,546,167</b>	<b>\$ 41,095,845</b>
Operating Expense	\$ (28,204,151)	\$ (28,608,643)
<b>Net Income</b>	<b>\$ 10,342,016</b>	<b>\$ 12,487,202</b>
Non-Operating Gains/(Losses)	\$ 0	\$ 1,750,455
Amortization of Goodwill	\$ (1,182,632)	\$ 0
CUSO Income	\$ (580,624)	\$ (170,090)
USC MCA Distribution	\$ 109,196,588	\$ 149,126,684
-Accrued Liability/Member Payouts	\$ (35,632,865)	\$ (59,659,145)
-Accrued Liability	\$ (3,500,000)	\$ 0
<b>Net Income before PCC Distributions</b>	<b>\$ 78,642,483</b>	<b>\$ 103,535,106</b>
Less: Non-Controlling Interest in Net Income	\$ 0	\$ 0
Less: Equity Transfer for PCC Distribution	\$ (2,234,632)	\$ (1,470,310)
<b>Net Increase to Retained Earnings</b>	<b>\$ 76,407,851</b>	<b>\$ 102,064,796</b>
Earnings Spread/Net Operating Margin	November 2022	November 2021
Return on Average Assets	1.610%	0.603%
Interest/Dividend Expense	-1.131%	-0.075%
<b>Net Interest Margin</b>	<b>0.479%</b>	<b>0.528%</b>
Correspondent Service Income	0.234%	0.210%
Operating Expenses	-0.522%	-0.514%
Non-Operating Gains/(Losses)	0.000%	0.031%
Amortization of Core Deposit Intangible	-0.022%	0.000%
USC MCA Distribution	2.020%	2.678%
CUSO Income	-0.011%	-0.003%
Non-Controlling Interest in Net Income	0.000%	0.000%
Accrued Liability/Member Payout	-0.659%	-1.071%
PCC Distributions	-0.041%	-0.026%
<b>Net Margin</b>	<b>1.478%</b>	<b>1.833%</b>
Asset Quality	November 2022	
Non-Earning Assets/Average Assets	2.44%	
Delinquent Loans/Total Loans	0.00%	
<b>Investment Portfolio</b>		
U.S. Gov't Guaranteed Securities	51.73%	
U.S. Agency Securities	13.56%	
Asset-Backed Securities (non-mortgage)	11.49%	
Fed Home Loan Bank	0.05%	
Corporate Bonds	0.59%	
Commercial Paper	0.00%	
Bank & Credit Union Deposits	3.74%	
Federal Reserve Bank	16.46%	
CUSO Equity	0.19%	
CLF Stock	1.12%	
Cash & Receivables	1.07%	
<b>Credit Ratings</b>		
Asset-Backed Securities (Non-Mortgage)	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	

# Key Financial Ratios November 2022

Capital Adequacy	November 2022	November 2021
RUDE + Acquired Equity Capital/monthly Average Net Assets	5.42%	4.37%
RUDE + Acquired Equity Capital/12-month Average Net Assets	5.21%	3.72%
Tier 1 (Leverage) Capital/12-month Average Net Assets	8.72%	7.06%
Total Capital/12-month Average Net Assets	8.87%	7.19%
Tier 1 Capital/12-month Average Risk-Weighted Assets	55.3%	41.7%
Total Capital/12-month Average Risk-Weighted Assets	56.2%	42.5%
Total Capital	\$ 517,756,214	\$ 441,714,526
Tier 1 (Leverage) Capital	\$ 509,425,411	\$ 433,353,144
Tier 2 Capital	\$ 8,330,803	\$ 8,361,382
PCC deducted from Tier 1 Capital	\$ 0	\$ 0
Unrealized Gain/Loss on Securities	\$ (27,570,832)	\$ 13,577,825
Monthly Average Assets	\$ 5,613,471,577	\$ 5,233,457,932
Average 12-month Assets	\$ 5,840,023,470	\$ 6,140,209,791
Year-to-date Average Assets	\$ 5,907,940,128	\$ 6,085,031,832

## Liquidity & Interest Rate Risk as of November 30, 2022

Available Liquidity:	Available Within 90 Days
Net Cash and Receivables:	\$ 894,368,246
Net Available For Sale (AFS) securities: (securities with adequate market values to sell)	\$ 1,269,551,901
Overnight & Investments Maturing within 90 days:	\$ 183,547,091
Unsecured Fed Funds Lines Available:	\$ 150,000,000
Secured Fed Funds Lines Available:	\$ 150,000,000
Federal Home Loan Bank (FHLB) - borrowing capacity:	\$ 2,092,350,900
-less fixed term existing loan advances	\$ 0
Primary Sources of Liquidity:	\$ 4,739,818,138
Federal Reserve (FRB) Discount Window - borrowing capacity:	\$ 320,256,396
Excess Balance Account (EBA) - funds held for members @ FRB:	\$ 112,395,000
Secondary Sources of Liquidity:	\$ 432,651,396
<b>Total Available Liquidity:</b>	<b>\$ 5,172,469,534</b>

## Interest Rate Risk as of November 30, 2022

	Regulation 704 Operating Level: Base Plus
<b>Base/Current Rate Environment</b>	
Net Economic Value (NEV):	\$ 515,796,049
NEV Ratio:	9.72%
<b>Up 3% Rate Environment</b>	
Net Economic Value (NEV):	\$ 470,554,644
NEV Ratio:	8.97%
Percentage Change:	-8.8%
<b>Down 2% Rate Environment</b>	
Net Economic Value (NEV):	\$ 538,759,178
NEV Ratio:	10.10%
Percentage Change:	4.5%

# Notes to Financials November 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) - \$8,330,802.
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 \$2,092,350,900 (11/30) - 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.

## 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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