



# Financial Statements

Unaudited

November 30, 2021

Contact Information:

Justin Holt

*Chief Financial Officer*

615-232-7955

[jholt@volorp.org](mailto:jholt@volorp.org)

At the time of publication markets are debating the pace and timing for potential interest rate movement during 2022. Credit unions are also monitoring and forecasting balances to see how close our freshly prepared budgets come to actual results. Looking back at the month for our industry, we've yet to experience material change on either front. The most notable change for VolCorp was a decline in November's Daily Average Net Assets (DANA) to 2.46 billion from October's 2.6 billion. While a 5% decline wouldn't be unreasonable this time of year in a normal, pre-pandemic financial environment, the decline was the largest in several months. Compared to November of 2020, the balance sheet still remains elevated due to residual stimulus deposits that reside in consumer accounts. However November's decline led to only a modest month over month increase in Moving Daily Average Net Assets (MDANA), which factors into VolCorp's primary regulatory ratios.

While assets disguise financial performance from a capital ratio perspective, despite the interest rate environment and continued pursuit of strategic initiatives for the long term betterment of VolCorp's membership, Tier 1 capital increased after a successful month of operations. Net interest income was 510 thousand, fee income was 690 thousand, and operating expenses were 1.17 million. After factoring in non-operating income and expenses, net income was 15 thousand. The Tier-1 capital ratio stands well-capitalized at 5.31%.

Even with excess liquidity in the network, VolCorp still strives to position itself for the possibility of unexpected membership liquidity needs. Assets remain heavily concentrated in risk free or low risk assets such as the Federal Reserve Bank, government guaranteed securities, and agency securities. The total securities portfolio stood at \$1.03 billion at month end, compared with \$960 million during the same period last year. The net unrealized gain of \$2.8 million is indicative of current market conditions, concentration in floating rate instruments, and the quality of securities held in the portfolio. VolCorp also has access to three separate lines of credit to support liquidity if needed. The quality of assets held is ultimately reflected in the current Tier 1 risk-based capital ratio of 59.84%, which is much greater than its respective 'well capitalized' threshold of 10.00%.

The corporate's Asset-Liability Committee (ALCO) meets monthly overseeing investment activity, liquidity, asset-liability management, and credit risk. VolCorp's Enterprise Risk Management Committee (RMCO) meets regularly to monitor and address risks across the organization, based on strategic risk tolerance levels set by our board of directors. Our Supervisory Committee meets monthly to safeguard member assets through oversight of all audits and information security reporting.

Should you have questions regarding VolCorp's financial condition or strategies, please reach out to me by phone or email.

Respectfully submitted,

Justin Holt

**Volunteer Corporate Credit Union**  
**Statement of Financial Condition (000)**

(unaudited)

	November 30		
	<u>2021</u>	<u>2020</u>	<u>%</u> <u>Change</u>
<b>Assets</b>			
Cash and Cash Equivalents	\$ 1,274,533	\$ 1,345,962	-5%
Certificates	308	328	-6%
FHLB Stock	5,157	5,425	-5%
CLF Membership Stock	20,364	20,364	0%
Investment Securities, at Fair Value	1,035,834	960,019	8%
Loans to Members	1,252	3,537	-65%
Investment in CUSOs	3,373	3,079	10%
Fixed assets	3,357	3,559	-6%
Other Assets	14,445	12,905	12%
<b>Total Assets</b>	<b>\$ 2,358,624</b>	<b>\$ 2,355,178</b>	<b>0%</b>
<b>Liabilities</b>			
Shares/Deposits	\$ 2,121,241	\$ 2,140,508	-1%
Borrowings	0	0	0%
Other Liabilities	92,357	105,195	-12%
<b>Total Liabilities</b>	<b>\$ 2,213,598</b>	<b>\$ 2,245,703</b>	<b>-1%</b>
<b>Member's Equity</b>			
Perpetual Contributed Capital	\$ 69,242	\$ 69,242	0%
Retained Earnings	72,074	37,963	90%
Equity Acquired in Merger	863	863	0%
<b>Total Capital</b>	<b>\$ 142,178</b>	<b>\$ 108,068</b>	<b>32%</b>
Unrealized Security Gains (Losses)	2,847	1,407	102%
<b>Total Members Equity</b>	<b>\$ 145,026</b>	<b>\$ 109,475</b>	<b>32%</b>
<b>Total Liabilities and Member's Equity</b>	<b>\$ 2,358,624</b>	<b>\$ 2,355,178</b>	<b>0%</b>
Moving Daily Average Net Assets (MDANA)	\$ 2,613,162	\$ 1,978,703	32.06%
Retained Earnings Ratio	2.79%	1.96%	
Tier 1 Capital Ratio	5.31%	5.31%	
Base NEV	6.16%	4.66%	

**Volunteer Corporate Credit Union**  
**Year-To-Date Statement of Income (000)**

(unaudited)

	November 30		%
	<u>2021</u>	<u>2020</u>	<u>Change</u>
<b>Net Interest Income</b>			
Interest Income	\$ 8,370	\$ 12,206	-31%
Interest Expense	2,233	4,583	-51%
<b>Total Net interest Income</b>	\$ 6,137	\$ 7,623	-19%
Fees and Charges	\$ 39,856	\$ 7,009	469%
<b>Total Operating Income</b>	\$ 45,992	\$ 14,632	214%
<b>Operating Expense</b>	\$ 12,526	\$ 11,664	7%
<b>Non-Operating Income/Expenses</b>	\$ 257	\$ 355	-27%
<b>Net Income</b>	\$ 33,724	\$ 3,322	915%
YTD Return on Average Assets	1.50%	0.16%	

**Securities Portfolio Analysis (000)**

**By Credit Rating:**

AAA	296,695	29%
AA	727,414	70%
< AA	8,878	1%
	\$ 1,032,987	100%

**By Type/Obligation:**

U.S. Agency	900,870	87%
ABS (non-RMBS) / Corporates	132,117	13%
	\$ 1,032,987	100%