



Financial Statements

Unaudited

March 31, 2022

As a corporate credit union, VolCorp's balance sheet is reflective of its member credit unions' balance sheets. During March we typically monitor seasonal inflows from consumer tax refunds at natural person credit unions. However even with increased seasonal deposits, March 2022 financials appear very different from the year prior. In March of 2021 a third wave of stimulus hit credit union shores, at a time when credit union assets were still evaluated from prior rounds. While many of you may still feel elevated, using VolCorp's membership as a sample, it appears the extreme liquidity in the credit union network has subsided to a degree.

The decreased in assets, successful operations, and income from VolCorp's claims on the U.S. Central FCU asset management estate have combined for positive trending in VolCorp's capital ratios. The Tier 1 capital ratio stands "well capitalized" at 5.40% and the retained earnings ratio of 2.78% sits agreeably above regulatory requirements. For the month net interest income was \$540 thousand, fee income was 716 thousand, and operating expenses were \$1.3 million. Total capital stands at \$136.8 million, an increase of \$31.3 million from the year prior.

Although many credit unions remain very liquid, 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 \$978 million at month end, compared with \$993 million during the same period last year. The portfolio's net unrealized loss was \$4 million at month-end. An unrealized loss is to be expected during a period of increasing interest rates, however management of a small unrealized loss relative to the size of the portfolio 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 60.62%, which is much greater than its respective 'well capitalized' threshold of 6.00%.

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
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Volunteer Corporate Credit Union
Statement of Financial Condition (000)

(unaudited)

March 2022

	<u>2022</u>	<u>2021</u>	<u>% Change</u>
Assets			
Cash and Cash Equivalents	\$ 1,208,601	\$ 1,695,062	-29%
Certificates	308	328	-6%
FHLB Stock	5,157	5,157	0%
CLF Membership Stock	20,374	20,371	0%
Investment Securities, at Fair Value	973,978	1,090,045	-11%
Loans to Members	179	40	350%
Investment in CUSOs	2,828	3,198	-12%
Fixed assets	3,599	3,442	5%
Other Assets	13,665	10,151	35%
Total Assets	\$ 2,228,689	\$ 2,827,793	-21%
Liabilities			
Shares/Deposits	\$ 2,004,608	\$ 2,653,340	-24%
Borrowings	0	0	0%
Other Liabilities	88,472	65,098	36%
Total Liabilities	\$ 2,093,080	\$ 2,718,438	-23%
Member's Equity			
Perpetual Contributed Capital	\$ 69,242	\$ 69,242	0%
Retained Earnings	69,567	38,601	80%
Equity Acquired in Merger	863	863	0%
Total Capital	\$ 139,671	\$ 108,706	28%
Unrealized Security Gains (Losses)	(4,062)	649	-726%
Total Members Equity	\$ 135,610	\$ 109,355	24%
Total Liabilities and Member's Equity	\$ 2,228,689	\$ 2,827,793	-21%
Moving Daily Average Net Assets (MDANA)	\$ 2,317,987	\$ 2,852,742	-18.75%
Retained Earnings Ratio	2.78%	1.70%	
Tier 1 Capital Ratio	5.40%	4.55%	
Base NEV	6.09%	3.87%	

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

(unaudited)

	March 2022		%
	<u>2022</u>	<u>2021</u>	<u>Change</u>
Net Interest Income			
Interest Income	\$ 2,700	\$ 2,139	26%
Interest Expense	1,168	390	199%
Total Net interest Income	\$ 1,532	\$ 1,749	-12%
Fees and Charges	\$ 14,778	\$ 1,914	672%
Total Operating Income	\$ 16,311	\$ 3,663	345%
Operating Expense	\$ 3,649	\$ 3,530	3%
Non-Operating Income/Expenses	\$ (1)	\$ 101	-101%
Net Income	\$ 12,661	\$ 234	-5318%
YTD Return on Average Assets	2.22%	0.03%	

Securities Portfolio Analysis (000)

By Credit Rating:

AAA	273,649	28%
AA	695,834	71%
< AA	8,557	1%
	\$ 978,040	100%

By Type/Obligation:

U.S. Agency	886,857	91%
ABS (non-RMBS) / Corporates	91,183	9%
	\$ 978,040	100%