



Financial Statements

Unaudited

April 30, 2017

Contact Information:

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SVP, Chief Financial Officer

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April 30, 2017

To our members,

April was a strong month for VolCorp with net interest income of \$745,894, coming from portfolio size and composition coupled with the upward movement of one month Libor. A significant number of bonds in the portfolio reprice monthly and are tied to 1ML, thus as LIBOR rises so do earnings. Fee Income totaled \$670,899 for the month and Operating Expenses came in at \$844,948. Net earnings for the month totaled \$584,358, resulting in a Return on average assets ratio (net income / daily average net assets) of 0.53% for the month.

Strategies remain in place to focus on maintaining competitive rates for our members while simultaneously increasing our retained earnings position going forward. The month produced a \$584 thousand boost to retained earnings, resulting in a R.E. ratio (retained earnings / moving daily average net assets) of 1.66%.

Total retained earnings rose to \$20.5 million, as compared to \$15.5 million a year ago. Month end assets of \$1.37 billion were down from \$1.47 billion a year ago. The securities portfolio stood at \$924.4 million, compared with \$917.6 million a year ago. Current month-end unrealized losses of \$383 thousand is indicative of current market conditions and the quality of securities held in our portfolio.

OCT 2016 brought about change in regulatory definitions and capital ratios. Based on NCUA REG 704, VolCorp's Tier1 Capital is obtained by subtracting CUSO investments, Equity Acquired in Mergers and a new 'PCC exclusion' from total capital. The current PCC exclusion refers to 'Perpetual Contributed Capital balances less Retained Earnings that exceed 2% of Rolling Daily Average Net Assets'. At the end of April, VolCorp's total capital equaled \$90.6 million, and Tier1 capital equaled \$64.8 million. The resulting Tier 1 Capital Ratio of 5.13% places VolCorp in a "well capitalized" status based on NCUA's regulation 704.

Strong member loyalty, along with VolCorp's exceptional staff, has kept the Corporate in a healthy position among our peers. We look forward to serving our members well into the future. Without question, we appreciate the incomparable loyalty and support of you, our member owners.

Respectfully submitted,

Susan Stack

SVP, Chief Financial Officer

Volunteer Corporate Credit Union
Statement of Financial Condition (000)

(unaudited)

	April 30		
	<u>2017</u>	<u>2016</u>	<u>% Change</u>
Assets			
Cash and Cash Equivalents	\$ 412,309	\$ 533,874	-23%
Certificates	1,595	1,864	-14%
FHLB	9,680	9,680	0%
Investment Securities, at Fair Value	923,993	916,350	1%
Loans to Members	3,827	554	591%
Investment in CUSOs	2,899	2,943	-1%
Fixed assets	3,243	3,317	-2%
Other Assets	8,284	2,733	203%
Total Assets	\$ 1,365,831	\$ 1,471,313	-7%
Liabilities			
Shares/Deposits	\$ 1,198,169	\$ 1,291,981	-7%
Borrowings	0	18,307	-100%
Other Liabilities	77,392	76,714	1%
Total Liabilities	\$ 1,275,561	\$ 1,387,002	-8%
Member's Equity			
Perpetual Contributed Capital	\$ 69,242	\$ 69,242	0%
Retained Earnings	20,547	15,490	33%
Equity Acquired in Merger	863	863	0%
Total Regulatory Capital	\$ 90,653	\$ 85,596	6%
Unrealized Security Gains (Losses)	(383)	(1,285)	-70%
Total Members Equity	\$ 90,270	\$ 84,311	7%
Total Liabilities and Member's Equity	\$ 1,365,831	\$ 1,471,313	-7%
Moving Average Assets (Rolling DANA)	\$ 1,286,115	\$ 1,284,666	0%
Retained Earnings Ratio	1.66%	1.27%	
Tier1 Capital Ratio	5.13%	4.34%	
Base NEV	6.61%	5.73%	

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

	April 30		
	<u>2017</u>	<u>2016</u>	<u>% Change</u>
Net Interest Income			
Interest Income	\$ 4,838	\$ 3,413	42%
Interest Expense	1,913	1,039	84%
Total Net interest Income	\$ 2,925	\$ 2,375	23%
Fees and Charges	\$ 2,536	\$ 2,428	4%
Total Operating Income	\$ 5,461	\$ 4,802	14%
Operating Expense	\$ 3,435	\$ 3,251	6%
Non-Operating Income/Expenses	\$ 22	\$ 56	-62%
Net Income	\$ 2,047	\$ 1,607	27%
 YTD Return on Average Assets	 0.47%	 0.36%	

Securities Portfolio Analysis (000)

By Credit Rating:

AAA	425,710	46%
AA	491,283	53%
< AA	7,383	1%
	\$ 924,376	100%

By Type/Obligation:

U.S. Agency	482,493	52%
ABS (non-RMBS) / Corporates	441,883	48%
Non-Agency RMBS	0	0%
	\$ 924,376	100%