



# Unaudited Financial Statements

---

July 2023

## Table of Contents

Letter from CFO .....	3
Consolidated Balance Sheet.....	4
Consolidated Statements of Income .....	5
Consolidated Statements of Comprehensive Income .....	6
Consolidated Statement of Changes in Members' Equity .....	7
Capital Ratios and NEV .....	8

**For further information, please contact:**

Denise Brown, Executive Vice President, Chief Financial Officer, 866/692-6771 ext. 9367 or  
Tammy Cantrell, Executive Vice President, Chief Product Strategist, 866/692-6771 ext. 9312.

Dear Members,

Please find attached to this letter our unaudited financial statements and regulatory ratios for July 2023. Our July 2023 5310 report, as well as our 2022 Annual Report, can be found at <https://www.corporateone.coop/About/Financials>.

Year to date through July 2023, we recorded \$34.9 million in net income and our retained earnings exceed \$298.9 million. As of July 31, 2023, we hold total regulatory capital of \$519.4 million, which in addition to retained earnings includes \$227.0 million of Perpetual Contributed Capital (PCC) from our member credit unions. This capital results in a leverage ratio of 9.59 percent, exceeding the NCUA's Regulation 704 well-capitalized level of five percent. Our strong capital levels support our balance sheet and underscore our financial stability.

We understand that one of the primary purposes of a corporate credit union is to provide liquidity to our members. Accordingly, we constantly monitor our members' demands on our liquidity and evaluate the adequacy of our liquidity sources. We maintain diversified sources of funds, which provide approximately \$3.3 billion in borrowing capacity. On a quarterly basis, we test our ability to access our borrowing facilities to ensure those sources of funds are available when needed. In addition, we buy highly rated securities with readily determined market values that are all classified as available for sale and can be sold or borrowed against to generate liquidity. We maintain robust processes to monitor our top depositors and limit the maximum any one credit union can deposit with us. By diversifying our membership deposit base, we are mitigating the impact of sudden withdrawals by larger depositors. We also assist our members with accessing liquidity through other means, such as non-member brokered CD issuance, the Central Liquidity Fund, and the Federal Reserve's new Bank Term Funding Program. If your credit union needs liquidity, call us.

Thank you to all our members for your ongoing support. If you have any questions about our financial condition, please feel free to contact me at [dbrown@corporateone.coop](mailto:dbrown@corporateone.coop) or 866/692-6771, ext. 9367.

Sincerely,

**Denise Brown**  
*Executive Vice President, Chief Financial Officer*

## Consolidated Balance Sheets (unaudited)

### CORPORATE ONE FEDERAL CREDIT UNION CONSOLIDATED BALANCE SHEETS

<b>Assets</b>	<b>July 31, 2023</b>	<b>July 31, 2022</b>
Cash and cash equivalents	\$ 1,180,525,669	\$ 1,601,369,745
Other short term investments		29,987,500
Investments in financial institutions	61,805,800	97,221,660
Securities available for sale, at fair value	3,078,830,156	4,193,604,134
Loans	259,786,554	119,484,430
Accrued interest receivable	27,607,812	8,860,837
Goodwill	3,395,730	3,395,730
Other assets	97,914,541	94,206,376
<b>TOTAL ASSETS</b>	<b>4,709,866,262</b>	<b>6,148,130,412</b>
<b>Liabilities and Members' Equity</b>		
Liabilities:		
Settlement and regular shares	3,500,722,979	4,301,976,225
Share certificates	385,580,651	410,697,129
Borrowed funds	291,000,000	1,000,000,000
Dividends and interest payable	4,272,264	934,544
Accounts payable and other liabilities	41,521,295	24,903,302
<b>TOTAL LIABILITIES</b>	<b>4,223,097,189</b>	<b>5,738,511,200</b>
Members' equity:		
Perpetual contributed capital	226,992,520	224,292,520
Retained earnings	298,959,796	238,727,268
Accumulated other comprehensive loss	(39,183,243)	(53,400,576)
<b>TOTAL MEMBERS' EQUITY</b>	<b>486,769,073</b>	<b>409,619,212</b>
<b>TOTAL LIABILITIES AND MEMBERS' EQUITY</b>	<b>\$ 4,709,866,262</b>	<b>\$ 6,148,130,412</b>

**Consolidated Statements of Income (unaudited)**

	<b>Seven Months Ended</b>	
	<b><u>July 31, 2023</u></b>	<b><u>July 31, 2022</u></b>
Interest Income:		
Investments	\$147,590,194	\$35,016,477
Loans	7,142,771	519,404
<b>Total Interest Income</b>	<b>154,732,965</b>	<b>35,535,881</b>
Dividend And Interest Expense:		
Shares	107,556,967	17,664,224
Borrowed funds and other	14,346,381	1,884,658
<b>Total Dividend And Interest Expense</b>	<b>121,903,348</b>	<b>19,548,882</b>
<b>Net Interest Income</b>	<b>32,829,617</b>	<b>15,986,999</b>
<b>Non-Interest Income</b>	<b>8,795,522</b>	<b>9,015,884</b>
Salaries and employee benefits	17,110,048	16,060,238
Office operations and occupancy expense	4,860,145	5,068,416
Other operating expenses	1,134,339	1,324,701
<b>Total Operating Expenses</b>	<b>23,104,532</b>	<b>22,453,355</b>
Net (Loss) Gain on Financial Instruments:		
Net (loss) gain on sales of securities	(442,866)	144,125
<b>Net (Loss) Gain on Financial Instruments</b>	<b>(442,866)</b>	<b>144,125</b>
Gain on US Central estate settlement	16,853,740	33,764,637
<b>Net Income</b>	<b>\$34,931,481</b>	<b>\$36,458,290</b>

## Consolidated Statements of Comprehensive Income (Loss) (unaudited)

	<b>Seven Months Ended</b>	
	<b><u>July 31, 2023</u></b>	<b><u>July 31, 2022</u></b>
<b>Net Income</b>	<b>\$ 34,931,481</b>	<b>\$ 36,458,290</b>
Other comprehensive income (loss) :		
Change in net unrealized loss (gain) on available-for-sale securities	26,845,961	(67,159,895)
Change in net unrealized (gain) loss on cash flow hedge	(899,471)	2,040,668
Reclassification adjustment recognized in earnings for net interest on daily market accounts	788,629	(17,496)
Reclassification adjustment recognized in earnings for net loss (gain) on sales of securities	442,866	(144,125)
<b>Total other comprehensive income (loss)</b>	<b>27,177,985</b>	<b>(65,280,848)</b>
<b>Comprehensive Income (Loss)</b>	<b>\$ 62,109,466</b>	<b>\$ (28,822,558)</b>

## Consolidated Statement of Changes in Members' Equity for the Seven Months Ended July 31, 2023 (unaudited)

	Perpetual Contributed Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Members' Equity
Balance At January 1, 2023	\$ 226,092,520	\$ 269,393,486	\$ (66,361,228)	\$ 429,124,778
Net income		34,931,481		34,931,481
Other comprehensive income			27,177,985	27,177,985
Issuance of PCC	900,000			900,000
Dividends on PCC, net		(5,365,171)		(5,365,171)
Balance at July 31, 2023	<u>\$ 226,992,520</u>	<u>\$ 298,959,796</u>	<u>\$ (39,183,243)</u>	<u>\$ 486,769,073</u>

## Capital Ratios and NEV

The NCUA Rules and Regulations, Part 704, provides the rules for governing corporate credit unions. The rules include the capital framework, definitions for various capital instruments, and the capital ratios a corporate credit union must meet.

The following table presents the ratios, definitions of the numerators, and denominators for each of the ratios and the required minimum levels for well-capitalized and adequately capitalized designations under the regulation. The definitions of the numerators are simplifications, as the regulation contains certain adjustments to each capital calculation.

	Numerator	Denominator	Well capitalized	Adequately capitalized
Leverage ratio	Tier 1 Capital***	MDANA*	5.00%	4.00%
Tier 1 risk-based capital ratio	Tier 1 Capital***	MDANRA**	6.00%	4.00%
Total risk-based capital ratio	Total Capital***	MDANRA**	10.00%	8.00%
NEV ratio	Fair Value of Assets less Fair Value of Liabilities	Fair Value of Assets	2.00%	2.00%

\*Moving Daily Average Net Assets (NCUA Rules and Regulations §704.2 allows for the deductions from Tier 1 capital to also be deducted from MDANA)

\*\*Moving Daily Average Net Risk Weighted Assets

\*\*\*As defined by the NCUA Rules and Regulations §704.2

The following summarizes Corporate One's capital and NEV ratios as of July 31, 2023.

July 31, 2023	
Retained earnings ratio	5.51%
Leverage ratio*	9.59%
Tier 1 risk-based capital ratio	28.84%
Total risk-based capital ratio	28.84%
NEV ratio	10.55%

\* NCUA Rules and Regulations §704.2 allows for the deductions from Tier 1 capital to also be deducted from MDANA for use in the Leverage ratio calculation. However, one such deduction was not built into the 5310 calculations, which can result in a slightly different leverage ratio. For July, our 5310 reports an 9.57% leverage ratio.





8700 Orion Place  
Columbus, OH 43240-2078

866/MyCorp1

[www.corporateone.coop](http://www.corporateone.coop)