



Unaudited Financial Statements

November 2022

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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 November 2022. Our November 2022 5310 report can be found at <https://www.corporateone.coop/About/Financials>.

For the 11 months ended November 30, 2022, we recorded \$70.3 million in net income. Over the last 12 months, after paying \$3.9 million in Perpetual Contributed Capital (PCC) dividends to our partner members, we added \$66.9 million to retained earnings, which now exceeds \$272 million. As of November 30, 2022, we hold total regulatory capital of \$492.1 million, which includes \$226.1 million of PCC from our member credit unions. This capital resulted in a leverage ratio of 8.08 percent, which exceeds the NCUA's Regulation 704 well-capitalized level of five percent.

With credit union loan-to-share ratios nearing pre-pandemic levels, be assured Corporate One understands the importance of maintaining a strong liquidity position with a focus on ensuring liquidity is available to our members when needed. We mitigate our liquidity risk by monitoring our top depositors and limiting the maximum any one credit union can deposit with us. Diversifying our shares and member base shields us from the risk of sudden withdrawals by larger depositors. 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 \$3.75 billion in borrowing capacity. Access to our borrowing facilities is tested on a quarterly basis to ensure those sources of funds are available when needed. In addition, we buy securities with readily determined market values that can be sold or borrowed against to generate liquidity.

I want to thank all our members for their ongoing support, and the entire team at Corporate One will continue to work to provide the essential liquidity options and settlement solutions and services you need to support your membership. If you have any questions about our financial condition, please feel free to contact me at 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

Assets	November 30, 2022	November 30, 2021
Cash and cash equivalents	\$ 1,289,933,156	\$ 939,188,332
Investments in financial institutions	97,221,660	56,389,160
Securities available for sale, at fair value	3,651,774,678	5,118,023,239
Loans	233,771,135	23,010,970
Accrued interest receivable	19,281,095	3,460,113
Goodwill	3,395,730	3,401,412
Other assets	97,869,621	88,623,294
TOTAL ASSETS	5,393,247,075	6,232,096,520
Liabilities and Members' Equity		
Liabilities:		
Settlement and regular shares	3,477,863,490	5,467,378,191
Share certificates	399,961,079	302,815,789
Borrowed funds	1,050,000,000	
Dividends and interest payable	1,440,035	337,374
Accounts payable and other liabilities	36,001,789	15,211,217
TOTAL LIABILITIES	4,965,266,393	5,785,742,571
Members' equity:		
Perpetual contributed capital	226,092,520	223,365,281
Retained earnings	272,518,051	205,594,757
Accumulated other comprehensive (loss) income	(70,629,889)	17,393,911
TOTAL MEMBERS' EQUITY	427,980,682	446,353,949
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$ 5,393,247,075	\$ 6,232,096,520

Consolidated Statements of Income (unaudited)

	Eleven Months Ended	
	<u>November 30, 2022</u>	<u>November 30, 2021</u>
Interest Income:		
Investments	\$90,860,753	\$26,833,715
Loans	2,615,759	492,221
Total Interest Income	93,476,512	27,325,936
Dividend And Interest Expense:		
Shares	53,102,174	5,529,604
Borrowed funds and other	12,330,180	625,462
Total Dividend And Interest Expense	65,432,354	6,155,066
Net Interest Income	28,044,158	21,170,870
Non-Interest Income	14,236,348	16,064,251
Salaries and employee benefits	25,367,818	23,286,625
Office operations and occupancy expense	8,062,971	7,359,326
Other operating expenses	2,134,104	2,999,374
Total Operating Expenses	35,564,893	33,645,325
Net Gain on Financial Instruments:		
Net gain on sales of securities	144,125	394,280
Net Gain on Financial Instruments	144,125	394,280
Gain on US Central estate settlement	63,427,029	86,620,494
Net Income	\$70,286,767	\$90,604,570

Consolidated Statements of Comprehensive Income (unaudited)

	Eleven Months Ended	
	<u>November 30, 2022</u>	<u>November 30, 2021</u>
Net Income	\$ 70,286,767	\$ 90,604,570
Other comprehensive (loss) income :		
Change in net unrealized loss on available-for-sale securities	(85,799,734)	(1,170,530)
Change in net unrealized gain on cash flow hedge	3,433,698	1,046,294
Reclassification adjustment recognized in earnings for net gain on sales of securities	(144,125)	(394,280)
Total other comprehensive loss	(82,510,161)	(518,516)
Comprehensive (Loss) Income	\$ (12,223,394)	\$ 90,086,054

Consolidated Statement of Changes in Members' Equity for the 11 Months Ended November 30, 2022 (unaudited)

	Perpetual Contributed Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Members' Equity
Balance At January 1, 2022	\$ 224,251,579	\$ 202,834,909	\$ 11,880,272	\$ 438,966,760
Net income		70,286,767		70,286,767
Other comprehensive loss			(82,510,161)	(82,510,161)
Issuance of PCC	1,840,941			1,840,941
Dividends on PCC		(603,625)		(603,625)
Balance at November 30, 2022	<u>\$ 226,092,520</u>	<u>\$ 272,518,051</u>	<u>\$ (70,629,889)</u>	<u>\$ 427,980,682</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 November 30, 2022.

November 30, 2022	
Retained earnings ratio	4.47%
Leverage ratio*	8.08%
Tier 1 risk-based capital ratio	20.78%
Total risk-based capital ratio	20.78%
NEV ratio	8.08%

* 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 calculation, which can result in a slightly different leverage ratio. For November, our 5310 reports a 8.07% leverage ratio.



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