



# Unaudited Financial Statements

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January 2023

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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 January 2023. Our January 2023 5310 report can be found at <https://www.corporateone.coop/About/Financials>. Our 2022 annual audit is currently in progress, and we will provide our detailed Management's Discussion and Analysis, audited consolidated financial statements, and footnotes in the 2022 Annual Report on our public website once complete.

For the month ended January 31, 2023, we recorded \$2.3 million in net income, and our retained earnings exceed \$271.6 million. As of January 31, 2023, we hold total regulatory capital of \$491.4 million, which in addition to retained earnings includes \$226.1 million of PCC from our member credit unions. This capital resulted in a leverage ratio of 8.26 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 \$3.64 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](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>January 31, 2023</b>	<b>January 31, 2022</b>
Cash and cash equivalents	\$ 1,257,912,652	\$ 1,016,369,938
Other short term investments		63,230,768
Investments in financial institutions	60,554,300	60,375,260
Securities available for sale, at fair value	3,497,296,110	5,011,376,847
Loans	298,942,156	23,549,484
Accrued interest receivable	20,858,839	3,627,119
Goodwill	3,395,730	3,395,730
Other assets	95,250,522	90,501,248
<b>TOTAL ASSETS</b>	<b>5,234,210,309</b>	<b>6,272,426,394</b>
<b>Liabilities and Members' Equity</b>		
Liabilities:		
Settlement and regular shares	3,226,536,317	5,368,440,221
Share certificates	502,917,660	423,161,749
Borrowed funds	1,020,000,000	
Dividends and interest payable	2,415,666	538,477
Accounts payable and other liabilities	34,271,161	41,617,580
<b>TOTAL LIABILITIES</b>	<b>4,786,140,804</b>	<b>5,833,758,027</b>
Members' equity:		
Perpetual contributed capital	226,092,520	224,251,579
Retained earnings	271,682,261	203,163,049
Accumulated other comprehensive (loss) income	(49,705,276)	11,253,739
<b>TOTAL MEMBERS' EQUITY</b>	<b>448,069,505</b>	<b>438,668,367</b>
<b>TOTAL LIABILITIES AND MEMBERS' EQUITY</b>	<b>\$ 5,234,210,309</b>	<b>\$ 6,272,426,394</b>

## Consolidated Statements of Income (unaudited)

	<b>One Month Ended</b>	
	<b><u>January 31, 2023</u></b>	<b><u>January 31, 2022</u></b>
Interest Income:		
Investments	\$20,684,196	\$2,733,806
Loans	1,102,560	47,998
<b>Total Interest Income</b>	<b>21,786,756</b>	<b>2,781,804</b>
Dividend And Interest Expense:		
Shares	13,286,885	642,716
Borrowed funds and other	4,192,516	101,317
<b>Total Dividend And Interest Expense</b>	<b>17,479,401</b>	<b>744,033</b>
<b>Net Interest Income</b>	<b>4,307,355</b>	<b>2,037,771</b>
<b>Non-Interest Income</b>	<b>1,346,661</b>	<b>1,198,637</b>
Salaries and employee benefits	2,511,569	2,239,395
Office operations and occupancy expense	699,184	718,411
Other operating expenses	154,488	49,347
<b>Total Operating Expenses</b>	<b>3,365,241</b>	<b>3,007,153</b>
Net Gain on Financial Instruments:		
Net gain on sales of securities		108,414
<b>Net Gain on Financial Instruments</b>		<b>108,414</b>
<b>Net Income</b>	<b>\$2,288,775</b>	<b>\$337,669</b>

## Consolidated Statements of Comprehensive Income (unaudited)

	Month Ended	
	<u>January 31, 2023</u>	<u>January 31, 2022</u>
Net Income	\$ 2,288,775	\$ 337,669
Other comprehensive income (loss) :		
Change in net unrealized loss on available-for-sale securities	17,240,383	(1,125,807)
Change in net unrealized gain on cash flow hedge	(584,431)	607,688
Reclassification adjustment recognized in earnings for net gain on sales of securities		(108,414)
Total other comprehensive income (loss)	16,655,952	(626,533)
Comprehensive Income (Loss)	\$ 18,944,727	\$ (288,864)

## Consolidated Statement of Changes in Members' Equity for the Month Ended January 31, 2023 (unaudited)

	<b>Perpetual Contributed Capital</b>	<b>Retained Earnings</b>	<b>Accumulated Other Comprehensive Income (Loss)</b>	<b>Total Members' Equity</b>
Balance At January 1, 2023	\$ 226,092,520	\$ 269,393,486	\$ (66,361,228)	\$ 429,124,778
Net income		2,288,775		2,288,775
Other comprehensive income			16,655,952	16,655,952
Balance at January 31, 2023	<u>\$ 226,092,520</u>	<u>\$ 271,682,261</u>	<u>\$ (49,705,276)</u>	<u>\$ 448,069,505</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 January 31, 2023.

January 31, 2023	
Retained earnings ratio	4.56%
Leverage ratio*	8.26%
Tier 1 risk-based capital ratio	22.01%
Total risk-based capital ratio	22.01%
NEV ratio	8.70%

\* 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 January, our 5310 reports an 8.25% leverage ratio.





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