



Unaudited Financial Statements

May 2022

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 May 2022. Our May 2022 5310 report can be found at <https://www.corporateone.coop/about/financials/archived-financials>.

For the month ended May 31, 2022, we recorded \$174,000 in net income and, over the last 12 months, we added \$105.4 million to retained earnings, which now exceeds \$237.9 million. As of May 31, 2022, we hold total regulatory capital of \$455.6 million, which includes \$224.3 million of Perpetual Contributed Capital (PCC) from our member credit unions. This capital resulted in a leverage ratio of 7.09 percent, which exceeds the NCUA's Regulation 704 well-capitalized level of five percent.

In this period of global unrest, 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. In fact, as of May 31, 2022, we had \$1.12 billion in cash and cash equivalents and \$225 million in other short-term investments. Our liquidity strategy includes investing in highly liquid securities with readily determinable market values that may be sold or used as collateral to generate liquidity. Should we need to generate liquidity, we have diversified sources of funds, allowing for approximately \$3.94 billion in borrowing capacity. Our cash, short-term investments, and borrowing capacity provides \$5.28 billion in potential liquidity. This is significant given our total balance sheet of \$5.86 billion and settlement and regular shares of \$4.81 billion.

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	May 31, 2022	May 31, 2021
Cash and cash equivalents	\$ 1,115,124,626	\$ 1,012,571,978
Other short term investments	225,290,975	104,981,344
Investments in financial institutions	60,127,260	59,114,160
Securities available for sale, at fair value	4,331,431,189	4,979,459,813
Loans	26,951,035	35,392,766
Accrued interest receivable	5,863,950	3,428,378
Goodwill	3,395,730	3,401,412
Other assets	96,224,712	75,479,695
TOTAL ASSETS	5,864,409,477	6,273,829,546
Liabilities and Members' Equity		
Liabilities:		
Settlement and regular shares	4,805,844,512	5,686,044,531
Share certificates	472,237,749	192,469,705
Borrowed funds	130,000,000	
Dividends and interest payable	909,272	216,848
Accounts payable and other liabilities	25,053,953	11,562,960
TOTAL LIABILITIES	5,434,045,486	5,890,294,044
Members' equity:		
Perpetual contributed capital	224,251,579	223,365,281
Retained earnings	237,869,724	132,516,468
Accumulated other comprehensive (loss) income	(31,757,312)	27,653,753
TOTAL MEMBERS' EQUITY	430,363,991	383,535,502
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$ 5,864,409,477	\$ 6,273,829,546

Consolidated Statements of Income (unaudited)

	Five Months Ended	
	<u>May 31, 2022</u>	<u>May 31, 2021</u>
Interest Income:		
Investments	\$18,620,347	\$12,185,278
Loans	172,293	254,622
Total Interest Income	18,792,640	12,439,900
Dividend And Interest Expense:		
Shares	7,235,649	2,160,818
Borrowed funds and other	622,263	198,322
Total Dividend And Interest Expense	7,857,912	2,359,140
Net Interest Income	10,934,728	10,080,760
Non-Interest Income	6,277,251	7,548,220
Salaries and employee benefits	11,390,188	10,591,939
Office operations and occupancy expense	3,611,492	3,142,933
Other operating expenses	1,037,828	633,127
Total Operating Expenses	16,039,508	14,367,999
Net Gain on Financial Instruments:		
Net gain on sales of securities	144,125	166,965
Net Gain on Financial Instruments	144,125	166,965
Gain on US Central estate settlement	33,764,637	14,042,302
Net Income	\$35,081,233	\$17,470,248

Consolidated Statements of Comprehensive Income (unaudited)

	Five Months Ended	
	<u>May 31, 2022</u>	<u>May 31, 2021</u>
Net Income	\$ 35,081,233	\$ 17,470,248
Other comprehensive (loss) income :		
Change in net unrealized (loss) gain on available-for-sale securities	(45,953,114)	8,982,535
Change in net unrealized gain on cash flow hedge	2,459,655	925,756
Reclassification adjustment recognized in earnings for net gain on sales of securities	(144,125)	(166,965)
Total other comprehensive (loss) income	(43,637,584)	9,741,326
Comprehensive (Loss) Income	\$ (8,556,351)	\$ 27,211,574

Consolidated Statement of Changes in Members' Equity for the Five Months Ended May 31, 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		35,081,233		35,081,233
Other comprehensive loss			(43,637,584)	(43,637,584)
Dividends on PCC		(46,418)		(46,418)
Balance at May 31, 2022	<u>\$ 224,251,579</u>	<u>\$ 237,869,724</u>	<u>\$ (31,757,312)</u>	<u>\$ 430,363,991</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 May 31, 2022.

	May 31, 2022
Retained earnings ratio	3.70%
Leverage ratio*	7.09%
Tier 1 risk-based capital ratio	17.83%
Total risk-based capital ratio	17.83%
NEV ratio	7.76%

* 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 May, our 5310 reports a 7.09% leverage ratio as well



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