CorporateOne
FEDERAL CREDIT UNION

Unaudited Financial Statements

April 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 April 2023. Our April 2023 5310 report can be found at https://www.corporateone.coop/About/Financials. In addition, our 2022 Annual Report can be found on our public website.

Year to date through April 2023, we recorded $26.5 million in net income and our retained earnings exceed $293.3 million. As of April 30, 2023, we hold total regulatory capital of $513.8 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 8.39 percent, exceeding the NCUA's Regulation 704 well-capitalized level of five percent. This strong capital level supports our balance sheet and underscores 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.

Corporate One took very little interest rate risk prior to this historic increase in interest rates by the Federal Open Market Committee, so our balance sheet is positioned to benefit from this rising rate environment. The measure of interest rate risk is net economic value (NEV) and as a corporate credit union, our ability to take interest rate risk is limited by regulation. In fact, our NEV ratios are well below regulatory limits and can be found on page eight of this report. Said another way, on April 30, 2023, 87 percent of our assets and 89 percent of our liabilities are floating rate, so as interest rates increase our assets reprice upward and we are able to increase the rates paid to our members on the deposits they hold with 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 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	**April 30, 2023**	**April 30, 2022**
Cash and cash equivalents	$ 1,659,116,635	$ 1,920,174,335
Other short term investments		131,881,242
Investments in financial institutions	63,282,300	59,135,260
Securities available for sale, at fair value	3,151,588,265	4,483,823,462
Loans	244,665,825	100,488,478
Accrued interest receivable	25,473,826	4,544,743
Goodwill	3,395,730	3,395,730
Other assets	99,314,850	103,017,997
TOTAL ASSETS	5,246,837,431	6,806,461,247
Liabilities and Members' Equity		
Liabilities:		
Settlement and regular shares	4,003,829,526	5,911,612,530
Share certificates	510,621,871	430,033,749
Borrowed funds	220,000,000	
Dividends and interest payable	3,411,490	664,267
Accounts payable and other liabilities	32,413,850	25,398,352
TOTAL LIABILITIES	4,770,276,737	6,367,708,898
Members' equity:		
Perpetual contributed capital	226,992,520	224,251,579
Retained earnings	293,339,006	237,705,656
Accumulated other comprehensive loss	(43,770,832)	(23,204,886)
TOTAL MEMBERS' EQUITY	476,560,694	438,752,349
TOTAL LIABILITIES AND MEMBERS' EQUITY	$ 5,246,837,431	$ 6,806,461,247

Consolidated Statements of Income (unaudited)

	Four Months Ended April 30, 2023	Four Months Ended April 30, 2022
Interest Income:		
Investments	$81,421,050	$13,173,767
Loans	4,194,866	130,754
Total Interest Income	85,615,916	13,304,521
Dividend And Interest Expense:		
Shares	58,005,912	3,973,842
Borrowed funds and other	9,671,726	445,684
Total Dividend And Interest Expense	67,677,638	4,419,526
Net Interest Income	17,938,278	8,884,995
Non-Interest Income	5,140,617	4,940,204
Salaries and employee benefits	9,627,117	9,096,941
Office operations and occupancy expense	2,753,780	2,902,003
Other operating expenses	629,720	827,381
Total Operating Expenses	13,010,617	12,826,325
Net (Loss) Gain on Financial Instruments:		
Net (loss) gain on sales of securities	(442,866)	144,125
Net (Loss) Gain on Financial Instruments	(442,866)	144,125
Gain on US Central estate settlement	16,853,740	33,764,637
Net Income	$26,479,152	$34,907,636

Consolidated Statements of Comprehensive Income (Loss) (unaudited)

	Four Months Ended April 30, 2023	Four Months Ended April 30, 2022
Net Income	$ 26,479,152	$ 34,907,636
Other comprehensive income (loss) :		
Change in net unrealized loss (gain) on available-for-sale securities	23,025,833	(37,716,955)
Change in net unrealized (loss) gain on cash flow hedge	(1,292,583)	2,833,432
Reclassification adjustment recognized in earnings for net interest on daily market accounts	414,280	(57,509)
Reclassification adjustment recognized in earnings for net loss (gain) on sales of securities	442,866	(144,125)
Total other comprehensive income (loss)	22,590,396	(35,085,158)
Comprehensive Income (Loss)	$ 49,069,548	$ (177,522)

Consolidated Statement of Changes in Members’ Equity for the Four Months Ended April 30, 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		26,479,152		26,479,152
Other comprehensive income			22,590,396	22,590,396
Issuance of PCC	900,000			900,000
Dividends on PCC, net		(2,533,632)		(2,533,632)
Balance at April 30, 2023	$ 226,992,520	$ 293,339,006	$ (43,770,832)	$ 476,560,694

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 April 30, 2023.

	April 30, 2023
Retained earnings ratio	5.19%
Leverage ratio*	9.10%
Tier 1 risk-based capital ratio	25.49%
Total risk-based capital ratio	25.49%
NEV ratio	9.20%

* 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 April, our 5310 reports an 9.09% leverage ratio.

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