CORPORATE CENTRAL CREDIT UNION
FINANCIAL SOUNDNESS REPORT

March 2024

This monthly report is intended to provide transparency regarding Corporate Central Credit Union's key financial measurements. The report is a supplement to the monthly financial statements and other due diligence material that can be found in the Due Diligence Center of our website – corpcu.com.

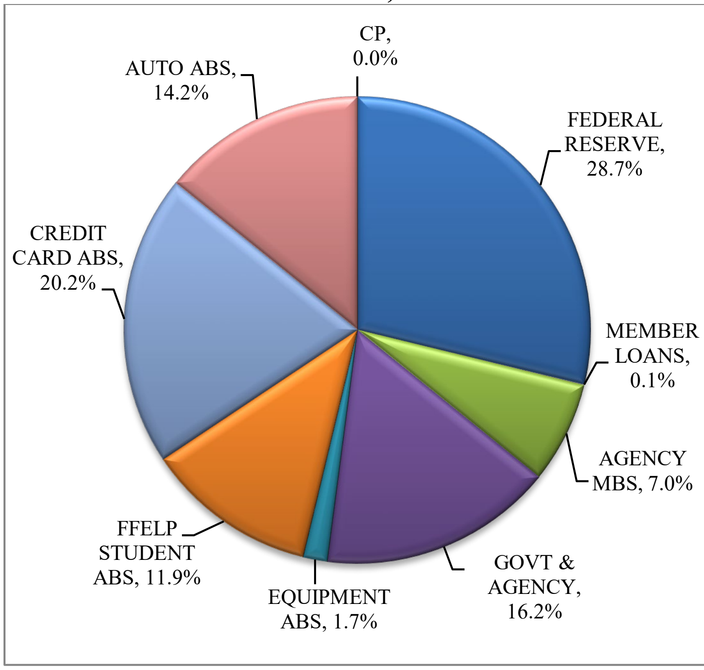
Corporate
Central
Credit Union

Diversification

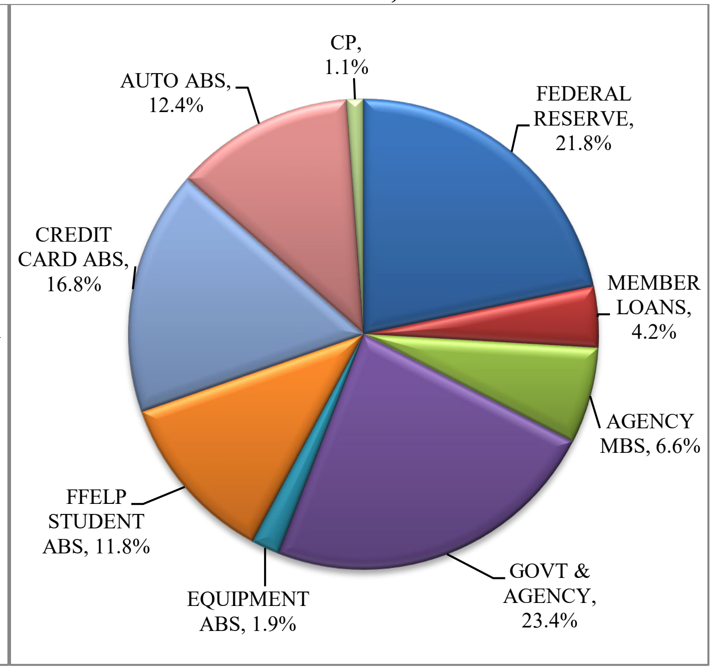
As of March 31, 2024, Corporate Central had 28.7% of the investment and loan portfolio in deposits at the Federal Reserve. Investments in credit card asset-backed securities (ABS) represented 20.2%, FFELP student loan ABS, which are comprised of student loan-backed securities that are at least 97.0% guaranteed by the Department of Education, accounted for 11.9%, auto loan/lease ABS represented 14.2%, and equipment ABS represented 1.7% of the portfolio. Commercial Paper (CP) represented 0%, agency mortgage-backed securities, including agency commercial mortgage-backed securities (MBS) represented 7.0%, government & agency debentures represented 16.2%, member loans comprised 0.1%, and Home Equity ABS accounted for less than 0.01% of the total portfolio.

Corporate Central's Portfolio Breakdown Year over Year

March 31, 2024

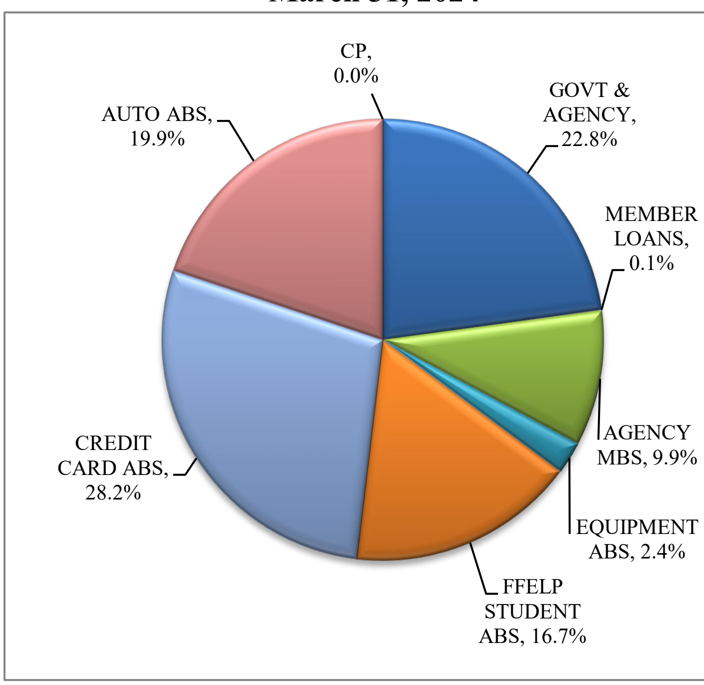


March 31, 2023

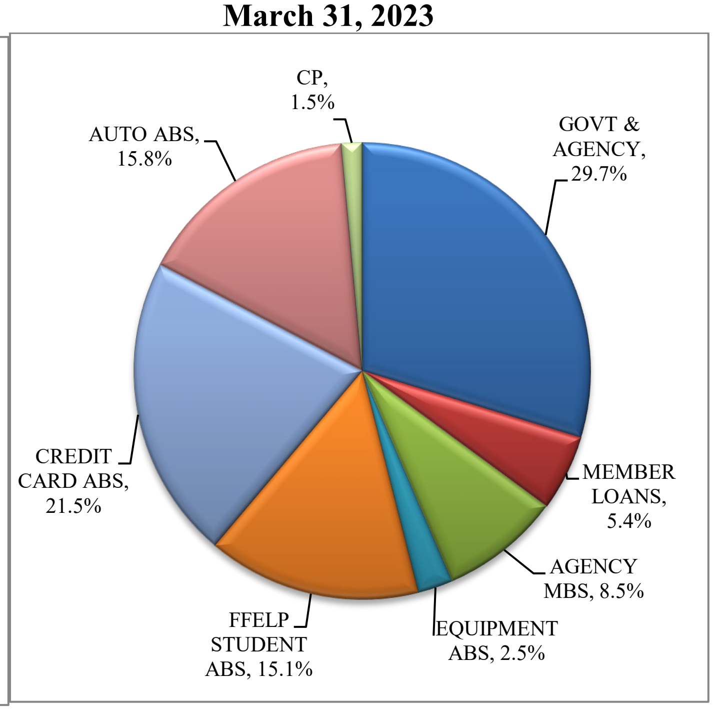


Corporate Central's Portfolio Breakdown (Excluding Cash) Year over Year

March 31, 2024



March 31, 2023



The risk rating breakdown and unrealized loss of ($34,348,046) on our investment portfolio can be seen below. Corporate Central classifies all marketable securities holdings as Available-For-Sale (AFS), which means all investments are marked-to-market monthly. Market yields soared higher as the Fed hiked interest rates the last two years, resulting in declines in market values and increasing unrealized losses. Yields changes have driven a reduction in unrealized losses over time.

Marketable Securities as of March 31, 2024

	Book Value	Market Value	Unrealized G/L
U.S. Gov't/Agency	$681,872,515	$663,602,595	($18,269,920)
Minimal Amount of Credit Risk	$1,404,021,417	$1,387,946,652	($16,074,765)
More than a Minimal Amount of Credit Risk	$147,071	$143,710	($3,361)
Totals	$2,086,041,003	$2,051,692,957	($34,348,046)

Corporate Central’s Capital Position as of March 31, 2024

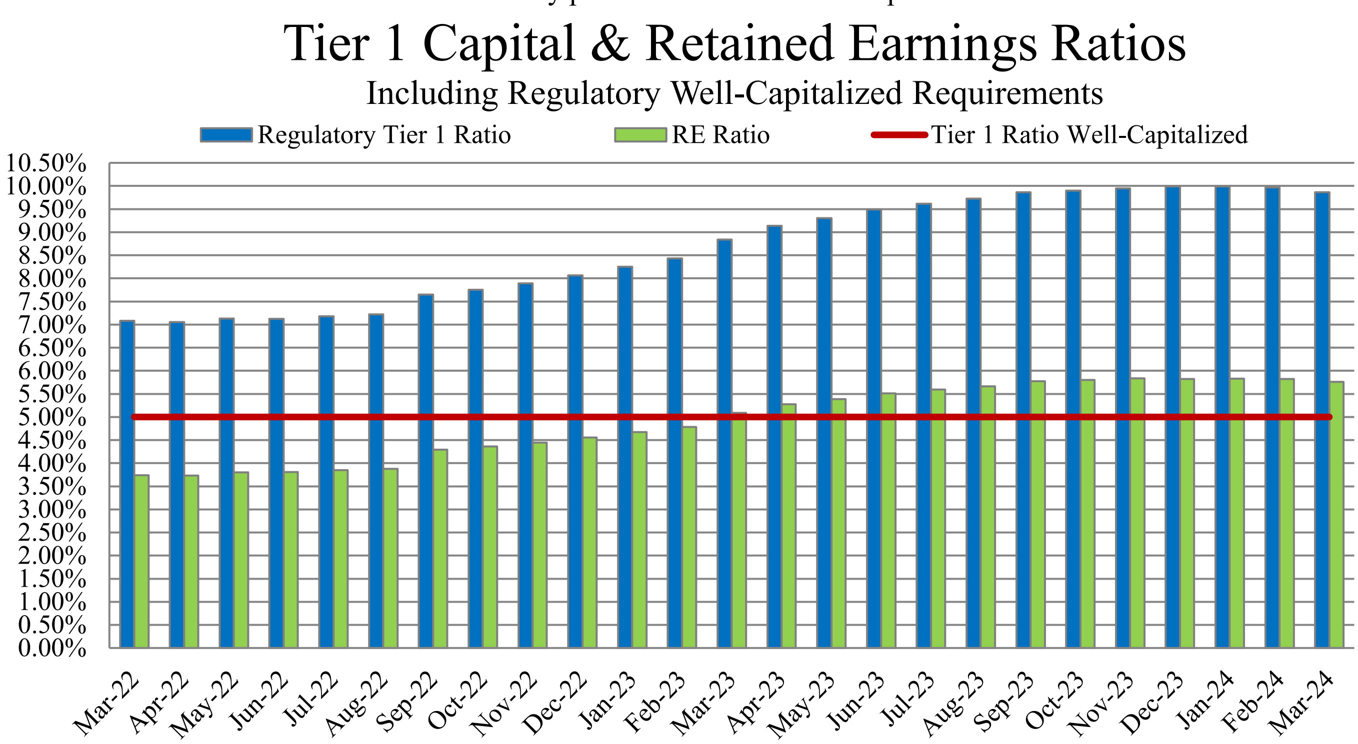
	03/31/2024 Capital	Capital Ratios*	Risk-Based Capital**	Regulatory Requirements–Well Capitalized Levels	
				Current	Benchmark
Retained Earnings	$169,779,615	5.76%	16.16%		2.50% RE
Perpetual Contributed Capital (PCC)	$120,827,226	4.10%	11.51%		
Tier 1 (Core) Capital*	$290,606,841	9.87%	27.67%	5% Core & 6% (RB)	
Tier 2 Capital	$49,326,590	1.67%	4.69%		
Total Capital**	$339,933,431	11.54%	32.36%	10% (RB)	

*Capital ratios are capital divided by 12-month moving Daily Average Net Assets (DANA).
**Risk-based (RB) capital ratios are capital divided by 12-month average, month-end Risk-Based Assets (RBA).

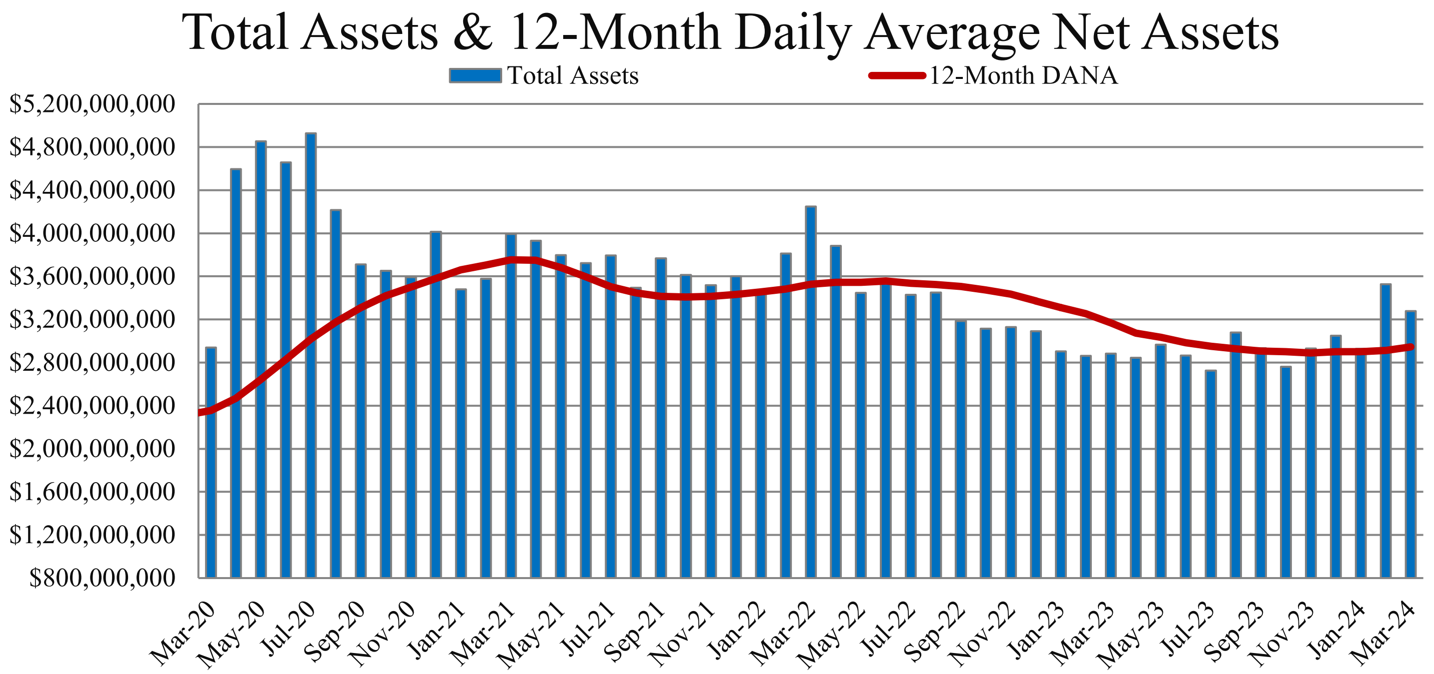
*12-Month DANA - $2,945,776,872 **12-Month Average RBA - $1,050,319,253

The graph below includes the Tier-1 Capital Ratios and RE Ratios and the regulatory well-capitalized requirements for each measurement.

Corporate Central has had very strong growth in Tier 1 capital over the past few years. Additionally, after exceptionally strong deposit growth in 2020 and 2021, we saw a reduction in deposit levels beginning in mid-2022 as credit union loan growth has outpaced share growth. However, deposits have generally stabilized in recent months. This combination of stronger capital levels and lower Daily Average Net Assets has resulted in strong capital ratios. Corporate Central will continue to work hard to ensure that it is solidly positioned in relation to requirements and our members’ needs.



As mentioned, in addition to growth in retained earnings and PCC, much of the change in the Tier 1 Capital Ratio over the previous few years can be attributed to changes in Corporate Central's 12-month DANA, which is the denominator in the capital ratio calculations. These changes, as can be seen below, have mainly been the result of membership growth and the changing liquidity cycle driven by the economic and interest rate environment, which has impacted our members' liquidity levels. After a couple years of extraordinary asset growth, deposits have recently stabilized after trending lower over the previous year as credit union lending strengthened and deposit growth slowed. Total assets rebounded recently.



Corporate Central's interest rate risk levels and economic value of capital as measured by Net Economic Value (NEV) and NEV Ratio remain well within regulatory limits as can be seen below.

Corporate Central's Net Economic Value (NEV) as of February 29, 2024

	Net Economic Value (NEV)*	% Change	Regulatory Limit	NEV Ratio	Regulatory Minimum
+300 Basis Points	$274,376,005	-11.22%	-20.00%	7.90%	2.00%
Base Case	$309,067,572	0.00%	0.00%	8.77%	2.00%
-300 Basis Points	$354,154,457	14.59%	-20.00%	9.88%	2.00%

*NEV is the fair value (FV) of assets in each scenario minus the FV of liabilities in that scenario and is considered the economic value of capital. Perpetual Contributed Capital (PCC) and Non-perpetual Capital (NCA) are considered capital in the NEV calculation.

Additionally, Corporate Central's liquidity position remains strong. The majority of available liquidity is in the form of cash and external lines of credit. However, Corporate Central has additional marketable securities that can be used as required.

Liquidity Sources as of March 31, 2024

	Total	Available
Cash	$842,415,525	$842,415,525
Marketable Securities*	$577,090,702	$519,381,631
External Lines of Credit	$1,509,784,218	$1,109,784,218
Totals	$2,929,290,445	$2,471,581,374

*Market value of securities not pledged for other borrowings/lines of credit. Available amount is assumed to be 90% of market value.

View our latest financial information and critical due diligence material on our Due Diligence Center of our website (corpcu.com). Please do not hesitate to contact us with any questions or to request additional information.

Nicholas A Fanning

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