



2022 ANNUAL REPORT

Corporate Central Credit Union

A Note From Chris

Dear Members:

I am honored to present to you the 2022 Annual Report, highlighting the achievements, growth, and strength of Corporate Central. Throughout 2022, we continued to navigate the ever-evolving financial landscape with resilience and agility. Corporate Central strategically repositioned our portfolio based on significant changes in interest rate forecasts, changes in market outlook, and the liquidity environment so we could better serve our members. We are proud to report that Corporate Central remained compliant with all regulations and risk tolerances.

Corporate Central closed 2022 with over \$3 billion in assets. And with over \$320 million in total capital, we continue to exceed the well-capitalized ratios per NCUA requirements. While financial strength is paramount, so is growth. Throughout 2022, Corporate Central and our family of CUSOs assisted credit unions by engaging in 207 new service contracts. We also launched four brand-new, credit union-focused solutions, to support your employees, to engage your members, and to enhance your growth efforts.

In addition to our strong financial performance and continued membership and service growth, Corporate Central continued to pay above market rates on investments, held the line on our low service fees, and expanded our Technology, Business Development, and Member Services departments to ensure we remain innovative, reliable, and ready to serve when you need us.

One of the most notable moments of our success in 2022 was the launch of our new member platform, Beastro. The foundation has been built with many features and functions designed to improve digital financial services and online operations experience with enhanced security, business intelligence, and open API architecture. We are very excited for what the future holds as the possibilities for integrations, enhancements, and ongoing development are endless.

We are in a desirable and unique position that points to the future and focuses on a long-term path to provide credit unions with the innovative solutions they need for success. Helping you succeed is what drives us at Corporate Central. We remain committed to delivering value, fostering innovation, and making a positive impact on the communities we serve. Together, we are poised for continued success, and I am excited about the opportunities that lie ahead. Thank you for your trust and continued support.



Chris Felton
President/CEO

Financial Performance

Consolidated Balance Sheets*

| <i>December 31,</i> | 2022 | 2021 |
|---|-------------------------|-------------------------|
| Assets: | | |
| Cash and cash equivalents | \$ 708,180,493 | \$ 1,319,504,293 |
| Debt securities - available for sale | 2,106,452,160 | 2,213,414,314 |
| Loans, net | 230,677,305 | 3,000,000 |
| Accrued interest receivable | 6,851,708 | 1,268,159 |
| Premises and equipment, net | 3,888,370 | 3,375,776 |
| Other investments | 19,422,401 | 47,689,288 |
| NCUSIF deposit | 664,955 | 724,749 |
| Other assets | 14,043,078 | 12,293,119 |
| Total Assets | \$ 3,090,180,470 | \$ 3,601,269,698 |
| Liabilities: | | |
| Members' share and certificate deposits | \$ 2,509,777,564 | \$ 3,372,781,159 |
| Overnight borrowings | 380,000,000 | - |
| Accrued interest payable | 2,379,863 | 739,825 |
| Other liabilities | 2,038,622 | 3,409,622 |
| Total Liabilities | 2,894,196,049 | 3,376,930,606 |
| Members' Equity: | | |
| Regular reserves | 3,000,000 | 3,000,000 |
| Undivided earnings | 150,584,537 | 113,210,058 |
| Members' perpetual contributed capital | 118,411,706 | 117,476,118 |
| Accumulated other comprehensive income (loss) | (76,011,822) | (9,347,084) |
| Total Members' Equity | 195,984,421 | 224,339,092 |
| Total Liabilities and Members' Equity | \$ 3,090,180,470 | \$ 3,601,269,698 |

*Corporate Central's 2022 Audited Financials can be found under Due Diligence on corpccu.com.

Financial Performance

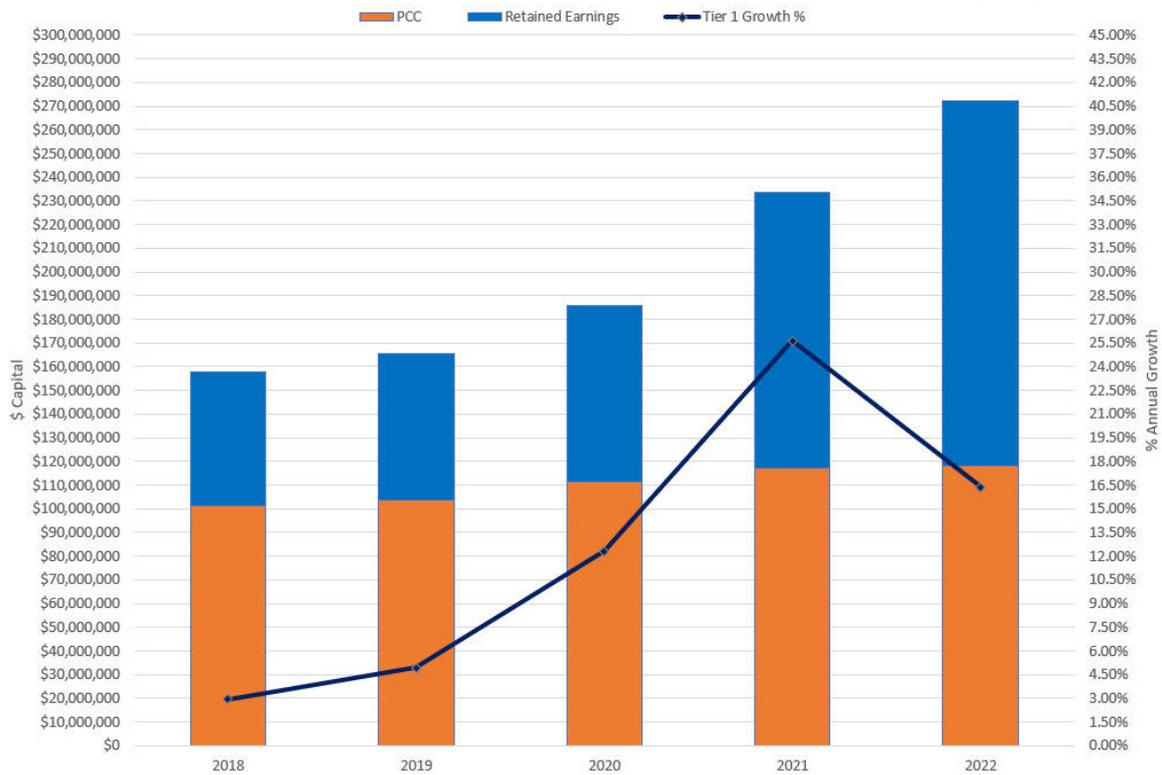
Consolidated Statements of Income*

| <i>Years Ended December 31,</i> | 2022 | 2021 |
|---|----------------------|----------------------|
| Interest Income: | | |
| Asset-backed securities | \$ 26,730,292 | \$ 11,674,599 |
| U.S. government agency mortgage backed securities | 10,755,919 | 2,183,329 |
| Commercial paper | 1,921,509 | 161,353 |
| Federal Reserve deposits | 55,143,671 | 6,505,521 |
| Other investments | 2,915,411 | 1,536,959 |
| Loans | 2,129,917 | 91,646 |
| Total Interest Income | 99,596,719 | 22,153,407 |
| Interest Expense: | | |
| Plateau daily shares | 7,339,856 | 427,987 |
| Premier shares | 2,591,840 | 198,822 |
| LIBOR investment shares | 13,828,490 | 1,612,255 |
| Money market shares | 1,008,604 | 60,579 |
| Variable rate/plus shares | 1,575,418 | 241,807 |
| Fixed rate shares | 11,109,800 | 2,469,452 |
| Federal Reserve excess balance accounts | 42,731,320 | 4,861,904 |
| Nonperpetual capital accounts | 669,019 | 478,252 |
| Borrowed funds | 296,163 | 7,710 |
| Total Interest Expense | 81,150,510 | 10,358,768 |
| Net Interest Income | 18,446,209 | 11,794,639 |
| Noninterest Income | | |
| Service fees | 5,691,654 | 6,257,541 |
| Other noninterest income | 1,603,605 | 1,946,217 |
| Net gain on sale of debt securities | 29,722 | 2,768,344 |
| U.S. Central distribution | 26,781,461 | 36,574,682 |
| Gain on sale of CUSO | 1,914,079 | - |
| Total Noninterest Income | 36,020,521 | 47,546,784 |
| Noninterest Expense: | | |
| Compensation and employee benefits | 7,824,640 | 8,767,796 |
| Occupancy and equipment | 305,207 | 269,144 |
| Advertising and training | 383,704 | 294,158 |
| Contracted operating service expense | 3,078,659 | 2,638,038 |
| Depreciation expense | 274,423 | 214,599 |
| Technology and professional services | 1,204,574 | 997,172 |
| Other expenses | 1,217,299 | 1,042,841 |
| Total Noninterest Expense | 14,288,506 | 14,223,748 |
| Net Income | \$ 40,178,224 | \$ 45,117,675 |

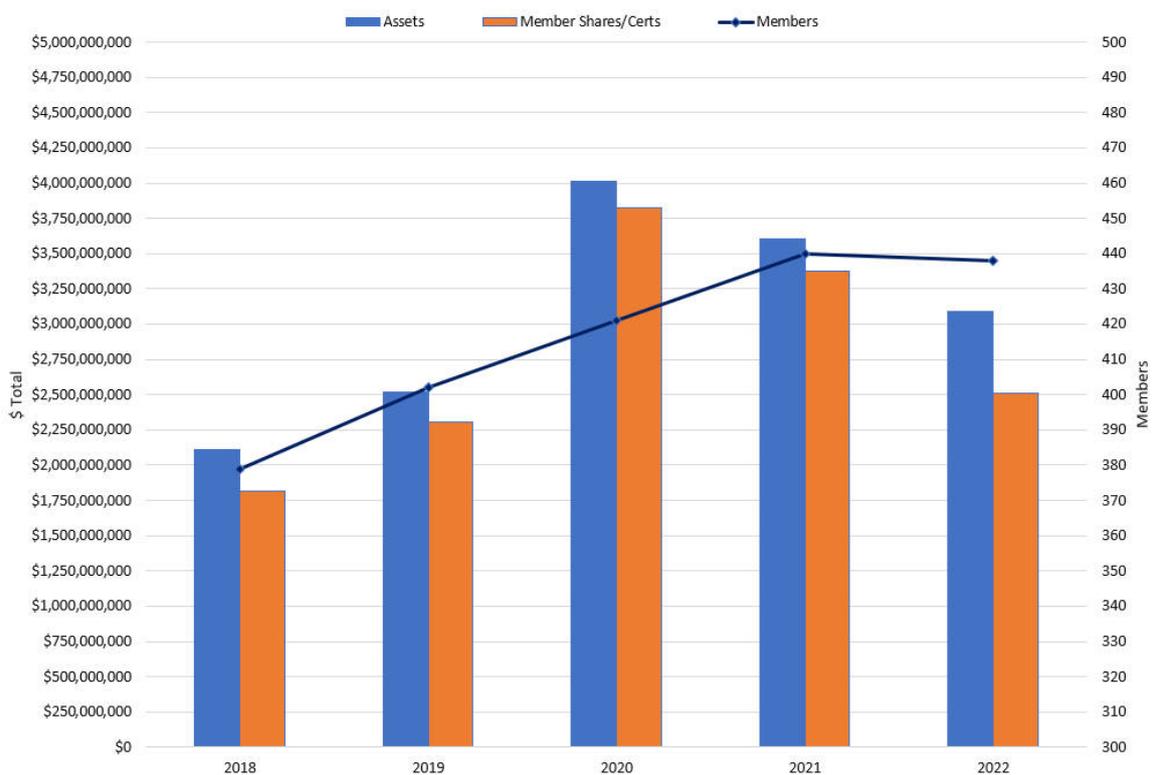
*Corporate Central's 2022 Audited Financials can be found under Due Diligence on corpcu.com.

Financial Performance

Growth in Tier 1 Capital (Retained Earnings, & Perpetual Contributed Capital)



Growth in Assets, Member Shares and Certificates, and Members



2022 Highlights



And Our Family of CUSOs



InterLutions

THINK



STACK



QuantityPhi



Corporate Central



Introducing Beastro

In October, Corporate Central officially launched a newly built and designed member platform called Beastro. We built the new corporate credit union platform in-house with many features and functions designed to improve digital financial services and online operations experience with enhanced security, business intelligence, and open API architecture – making the possibilities for integrations, robotic learning, and AI features endless. The future of Beastro will include many more releases, enhancements, and ongoing development. Users of the system are encouraged to submit feature requests from the homepage of the Beastro knowledgebase to help Corporate Central continue to revolutionize the way we interact with member credit unions.



ThinkIStack and Emergifi Leverage Synergies with Strategic Merger

Corporate Central expanded our mission to bring innovative and secure technology solutions to credit unions by forming a strategic merger between our wholly owned CUSO, Emergifi, and ThinkIStack. The strategic merger forms a stronger technology service provider for credit unions with synergies that leverage the respective teams and clients. The combination of Emergifi and ThinkIStack has created a CUSO that offers more comprehensive technology products and services than either company alone.



Enhanced Student Loan Solutions

After several product evaluations with members, we listened to important feedback and recommendations about what credit unions need from a student loan partner to drive engagement and fuel their growth efforts. Recommendations from our members included enhancements such as student loan refinance options, on-balance sheet and third-party servicing programs, and more competitive student loan rates. Corporate Central partnered with ISL Education Lending to offer a new student loan solution to member credit unions and we're excited to now offer all of these enhancements to our members.



InterLutions



Plexcity Partnership

InterLutions launched a partnership with California-based Plexcity to deliver its I-Care employee benefit solutions to Plexcity clients. Plexcity and InterLutions have a similar mission of leveraging the credit union industry's innovative and collaborative strengths to provide HR and employee benefit services to credit unions, leagues, corporates, and CUSOs across the country.



CU-Save Solution

InterLutions leveraged its vast resources in pricing and service data to bring credit unions significant cost savings. Since 2017, over 60 credit unions have saved a combined \$10 million through enhanced contract negotiation services.



I-Care Health Plan

InterLutions launched a comprehensive employee benefits plan for small credit unions called the I-Care Health Plan. Delivered through the CUSO's insurance agency, the I-Care Health Plan offers credit unions a competitive alternative for employee health care benefits through enhanced underwriting, pooled employee programs, and flexible plan designs.



QuantyPhi



Crystal Ball Challenge

For the second year in a row, QuantyPhi announced a “Crystal Ball Challenge” looking for brave members to peer into the future and see what fates would be awaiting us. Participants provided their best educated guesses for the 1-Year US Treasury Yield, 5-Year US Treasury Yield, 10-Year US Treasury Yield, Consumer Price Index, S&P 500 Index, Oil Price – WTI, and Bitcoin (used as a tiebreaker). The winner received a \$250 gift card and coveted QuantyPhi sweater vest.



Enhanced Mortgage Servicing Rights Valuation for Credit Unions

QuantyPhi announced an enhanced Mortgage Servicing Rights (MSR) valuation model offering. QuantyPhi built the sophisticated model to calculate the value of a credit union’s mortgage loan servicing income on loans that have been sold, but for which the servicing rights are retained as an income stream.



SimpliCD

QuantyPhi finished 2022 with \$166 million in new SimpliCD placement volume and \$131 million in new issuance volume, both significant increases over 2021 levels.

THINK STACK

ThinkStack



CISO Service

Finding and retaining a full-time Chief Information Security Officer (CISO) who is able to keep up with the ever changing regulatory and cyber landscape can be a challenge. ThinkStack created a virtual CISO offering to support cyber leadership needs by providing oversight, strategic planning, and governance to help technology systems lead credit unions into the future.



ThinkStack Merges with Emergifi

ThinkStack, a managed services CUSO specializing in cybersecurity and cloud solutions, merged with Emergifi, a technology solutions CUSO. Strong relationships with Amazon Web Services and Microsoft helps credit unions leverage modern technology tools, making the merged organization the leading cloud and cybersecurity provider for the industry.



2022 Regional and Global AWS Partner Award

ThinkStack received a 2022 Regional and Global AWS Partner Award. The award recognizes leaders around the globe for playing a key role helping customers drive innovation and build solutions on Amazon Web Services (AWS).

Signature Events

Digital Marketing Forum

The Digital Marketing Forum brings credit union marketing professionals together to discuss up and coming, trending, and need-to-know digital marketing topics like SEO, digital advertising, and social media marketing.

ALM Workshop

QuantyPhi hosted an ALM Workshop where credit union professionals gathered to gain new insights into asset liability management (ALM) best practices, loan portfolio analytics, and portfolio management.

Economic Outlook Conference

The Economic Outlook Conference is hosted annually where attendees learn valuable information about the current and upcoming economic environment from a diverse speaker lineup that will assist with planning efforts for the next year.

Employee Benefits Forum

InterLutions presented the importance of competitive employee benefit plans at The Wisconsin Credit Union League's 2022 Annual Convention & Expo. They showed how credit unions can leverage claims data, cost containment strategies, and advocacy programs to drive down healthcare costs and give employees the benefits they deserve.

Credit Union Day at the Ballpark

Credit Union Day at the Ballpark is a fundraiser for the Wisconsin Credit Union Foundation and the National Credit Union Foundation hosted by Corporate Central and The Wisconsin Credit Union League. 2022 sponsors included Fiserv, CUNA Mutual Group, FHLBank Chicago, Strategic Resource Management, Inc. (SRM), Shazam, LaMacchia Group, and OpenLending.



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