



Unaudited Financial Statements

January 2024

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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 2024. Our January 2024 5310 report can be found at <https://www.corporateone.coop/About/Financials>. Our 2023 annual audit is currently in progress, and we will provide our audited consolidated financial statements and footnotes in the 2023 Annual Report on our public website once complete.

For the month ended January 31, 2024, we recorded \$3.3 million in net income, and our retained earnings exceed \$319 million. As of January 31, 2024, we hold total regulatory capital of \$534.0 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 10.77 percent, exceeding the NCUA's Regulation 704 well-capitalized level of five percent. Our strong capital levels support our balance sheet and underscore our financial stability.

We recognize that liquidity in the credit union network remains a concern for many credit unions and we stand ready to provide liquidity options to our members as they need them. We consistently 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. Quarterly, we test our ability to access our borrowing facilities to ensure those sources of funds are available when needed. In addition, our securities portfolio contains 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, and the Central Liquidity Fund. If your credit union needs liquidity, call 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	January 31, 2024	January 31, 2023
Cash and cash equivalents	\$ 1,870,818,422	\$ 1,257,912,652
Investments in financial institutions	64,285,800	60,554,300
Securities available for sale, at fair value	3,400,933,479	3,497,296,110
Loans	183,667,312	298,942,156
Accrued interest receivable	28,173,581	20,858,839
Goodwill	3,395,730	3,395,730
Other assets	93,302,230	95,250,522
TOTAL ASSETS	5,644,576,554	5,234,210,309
Liabilities and Members' Equity		
Liabilities:		
Settlement and regular shares	4,179,787,923	3,226,536,317
Share certificates	474,597,000	502,917,660
Borrowed funds	285,000,000	1,020,000,000
Dividends and interest payable	3,853,136	2,415,666
Accounts payable and other liabilities	179,774,785	34,271,161
TOTAL LIABILITIES	5,123,012,844	4,786,140,804
Members' equity:		
Perpetual contributed capital	226,992,520	226,092,520
Retained earnings	319,646,162	271,682,261
Accumulated other comprehensive loss	(25,074,972)	(49,705,276)
TOTAL MEMBERS' EQUITY	521,563,710	448,069,505
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$ 5,644,576,554	\$ 5,234,210,309

Consolidated Statements of Income (unaudited)

	One Month Ended	
	<u>January 31, 2024</u>	<u>January 31, 2023</u>
Interest Income:		
Investments	\$26,317,723	\$20,684,196
Loans	830,143	1,102,560
Total Interest Income	27,147,866	21,786,756
Dividend And Interest Expense:		
Shares	18,954,045	13,286,885
Borrowed funds and other	2,616,717	4,192,516
Total Dividend And Interest Expense	21,570,762	17,479,401
Net Interest Income	5,577,104	4,307,355
Non-Interest Income	1,360,047	1,346,661
Salaries and employee benefits	2,757,114	2,511,569
Office operations and occupancy expense	691,705	699,183
Other operating expenses	141,716	154,489
Total Operating Expenses	3,590,535	3,365,241
Net Income	\$3,346,616	\$2,288,775

Consolidated Statements of Comprehensive Income (Loss) (unaudited)

	Month Ended	
	<u>January 31, 2024</u>	<u>January 31, 2023</u>
Net Income	\$ 3,346,616	\$ 2,288,775
Other comprehensive income :		
Change in net unrealized gain on available-for-sale securities	5,336,364	17,240,383
Change in net unrealized gain (loss) on cash flow hedge	128,365	(480,991)
Reclassification adjustment recognized in earnings for net interest on daily market accounts	(137,050)	(103,440)
Total other comprehensive income	5,327,679	16,655,952
Comprehensive Income	\$ 8,674,295	\$ 18,944,727

Consolidated Statement of Changes in Members' Equity for the One Month Ended January 31, 2024 (unaudited)

	Perpetual Contributed Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Members' Equity
Balance At January 1, 2024	\$ 226,992,520	\$ 316,299,546	\$ (30,402,651)	\$ 512,889,415
Net income		3,346,616		3,346,616
Other comprehensive income			5,327,679	5,327,679
Balance at January 31, 2024	<u>\$ 226,992,520</u>	<u>\$ 319,646,162</u>	<u>\$ (25,074,972)</u>	<u>\$ 521,563,710</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, 2024.

January 31, 2024	
Retained earnings ratio	6.37%
Leverage ratio*	10.77%
Tier 1 risk-based capital ratio	34.64%
Total risk-based capital ratio	34.64%
NEV ratio	9.21%

* 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 10.75% leverage ratio.



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