



Unaudited Financial Statements

October 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 as of October 31, 2024. Our October 2024 5310 report, as well as our 2023 audited consolidated financial statements and footnotes, can be found on our public website at <https://www.corporateone.coop/About/Financials>.

Year to date through October 31, 2024, we recorded \$40 million in net income, resulting in retained earnings exceeding \$345.8 million. As of October 31, 2024, we hold total regulatory capital of \$567.7 million, which in addition to retained earnings, includes \$228.8 million of Perpetual Contributed Capital (PCC) from our partner member credit unions. This level of capital results in a leverage ratio of 9.03 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. During 2024, we experienced tremendous asset growth as our member deposits have grown to levels greater than those during the pandemic when the government was providing stimulus money to the country. Due to our increased balances over the last 12 months, our 12-month rolling daily average net assets (MDANA) grew significantly. MDANA is the denominator in several of our regulatory capital ratios, and while our regulatory capital has continued to grow through earnings, as a result of MDANA increasing, some of our capital ratios have decreased from prior year; however, we continue to exceed the well-capitalized levels outlined in NCUA's Regulation 704. More details regarding our capital ratios can be found on page eight.

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	October 31, 2024	October 31, 2023
Cash and cash equivalents	\$ 1,608,948,937	\$ 1,086,850,522
Investments in financial institutions	55,561,700	66,021,800
Securities available for sale, at fair value	5,208,616,010	2,870,774,832
Loans	167,213,383	219,324,782
Accrued interest receivable	47,196,917	27,946,366
Goodwill	3,395,730	3,395,730
Other assets	96,221,092	104,558,557
TOTAL ASSETS	7,187,153,769	4,378,872,589
Liabilities and Members' Equity		
Liabilities:		
Settlement and regular shares	5,968,969,420	3,100,525,997
Share certificates	336,477,163	425,872,000
Borrowed funds	260,000,000	308,000,000
Dividends and interest payable	11,652,155	4,292,178
Accounts payable and other liabilities	35,967,756	43,499,911
TOTAL LIABILITIES	6,613,066,494	3,882,190,086
Members' equity:		
Perpetual contributed capital	228,792,520	226,992,520
Retained earnings	345,831,840	314,236,172
Accumulated other comprehensive loss	(537,085)	(44,546,189)
TOTAL MEMBERS' EQUITY	574,087,275	496,682,503
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$ 7,187,153,769	\$ 4,378,872,589

Consolidated Statements of Income (unaudited)

	Ten Months Ended	
	<u>October 31, 2024</u>	<u>October 31, 2023</u>
Interest Income:		
Investments	\$314,872,531	\$210,004,431
Loans	7,549,955	10,477,378
Total Interest Income	322,422,486	220,481,809
Dividend And Interest Expense:		
Shares	232,206,851	151,805,859
Borrowed funds and other	27,776,574	20,633,123
Total Dividend And Interest Expense	259,983,425	172,438,982
Net Interest Income	62,439,061	48,042,827
Non-Interest Income	13,275,244	12,112,158
Salaries and employee benefits	26,483,309	25,071,880
Office operations and occupancy expense	7,390,437	7,017,317
Other operating expenses	1,651,650	1,784,969
Total Operating Expenses	35,525,396	33,874,166
Net Loss on Financial Instruments:		
Net loss on sales of securities	(139,173)	(989,666)
Net Loss on Financial Instruments	(139,173)	(989,666)
Core Earnings	\$40,049,736	\$25,291,153
Gain on US Central estate settlement		28,008,370
Net Income	\$40,049,736	\$53,299,523

Consolidated Statements of Comprehensive Income (unaudited)

	Ten Months Ended	
	<u>October 31, 2024</u>	<u>October 31, 2023</u>
Net Income	\$ 40,049,736	\$ 53,299,524
Other comprehensive income :		
Change in net unrealized gain on available-for-sale securities	30,075,957	20,352,096
Change in net unrealized gain on cash flow hedge	932,325	1,651,172
Reclassification adjustment recognized in earnings for net interest on daily market accounts	(1,281,889)	(1,177,895)
Reclassification adjustment recognized in earnings for net loss on sales of securities	139,173	989,666
Total other comprehensive income	29,865,566	21,815,039
Comprehensive Income	\$ 69,915,302	\$ 75,114,563

Consolidated Statement of Changes in Members' Equity for the Ten Months Ended October 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		40,049,736		40,049,736
Other comprehensive income			29,865,566	29,865,566
Issuance of PCC	1,800,000			1,800,000
Dividends on PCC, net		(10,517,442)		(10,517,442)
Balance at October 31, 2024	<u>\$ 228,792,520</u>	<u>\$ 345,831,840</u>	<u>\$ (537,085)</u>	<u>\$ 574,087,275</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 October 31, 2024, and 2023.

	October 31, 2024	October 31, 2023
Retained earnings ratio	5.50%	6.08%
Leverage ratio*	9.03%	10.36%
Tier 1 risk-based capital ratio	29.43%	32.25%
Total risk-based capital ratio	29.44%	32.25%
NEV ratio	7.98%	11.50%
MDANA	\$6.29 B	\$5.17 B
MDANRA	\$1.93 B	\$1.66 B

* 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 October, our 5310 reports an 9.02% leverage ratio.



8700 Orion Place
Columbus, OH 43240-2078

866/MyCorp1

www.corporateone.coop