



Unaudited Financial Statements

November 2024

Table of Contents

| | |
|--|---|
| Letter from CFO | 3 |
| Consolidated Balance Sheet..... | 4 |
| Consolidated Statements of Income | 5 |
| Consolidated Statements of Comprehensive Income | 6 |
| Consolidated Statement of Changes in Members' Equity | 7 |
| Capital Ratios and NEV | 8 |

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 November 30, 2024. Our November 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>.

Driven by strong financial performance, our current capital levels enabled us to offer a special fee rebate in November to those members using two or more of our payment solutions. Year to date through November 30, 2024, we recorded \$43.1 million in net income, resulting in retained earnings exceeding \$348.9 million. As of November 30, 2024, we hold total regulatory capital of \$570.7 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 8.75 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) has grown 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 | November 30, 2024 | November 30, 2023 |
|---|--------------------------|--------------------------|
| Cash and cash equivalents | \$ 2,191,566,439 | \$ 1,086,854,812 |
| Investments in financial institutions | 53,825,700 | 67,509,800 |
| Securities available for sale, at fair value | 5,277,163,955 | 2,882,452,324 |
| Loans | 196,459,684 | 195,883,507 |
| Accrued interest receivable | 49,054,183 | 26,313,455 |
| Goodwill | 3,395,730 | 3,395,730 |
| Other assets | 105,762,703 | 101,120,052 |
| TOTAL ASSETS | 7,877,228,394 | 4,363,529,680 |
| Liabilities and Members' Equity | | |
| Liabilities: | | |
| Settlement and regular shares | 6,642,887,826 | 3,115,550,800 |
| Share certificates | 355,523,098 | 406,361,000 |
| Borrowed funds | 253,000,000 | 276,000,000 |
| Dividends and interest payable | 12,035,332 | 4,198,736 |
| Accounts payable and other liabilities | 35,245,728 | 57,906,294 |
| TOTAL LIABILITIES | 7,298,691,984 | 3,860,016,830 |
| Members' equity: | | |
| Perpetual contributed capital | 228,792,520 | 226,992,520 |
| Retained earnings | 348,931,848 | 316,717,229 |
| Accumulated other comprehensive income (loss) | 812,042 | (40,196,899) |
| TOTAL MEMBERS' EQUITY | 578,536,410 | 503,512,850 |
| TOTAL LIABILITIES AND MEMBERS' EQUITY | \$ 7,877,228,394 | \$ 4,363,529,680 |

Consolidated Statements of Income (unaudited)

| | Eleven Months | |
|--|---------------------------------|---------------------------------|
| | <u>November 30, 2024</u> | <u>November 30, 2023</u> |
| Interest Income: | | |
| Investments | \$347,264,588 | \$230,627,108 |
| Loans | 8,245,981 | 11,363,661 |
| Total Interest Income | 355,510,569 | 241,990,769 |
| Dividend And Interest Expense: | | |
| Shares | 255,617,580 | 166,231,752 |
| Borrowed funds and other | 30,356,335 | 22,476,482 |
| Total Dividend And Interest Expense | 285,973,915 | 188,708,234 |
| Net Interest Income | 69,536,654 | 53,282,535 |
| Non-Interest Income | 12,758,618 | 12,858,587 |
| Salaries and employee benefits | 29,024,065 | 27,666,514 |
| Office operations and occupancy expense | 8,200,250 | 7,800,602 |
| Other operating expenses | 1,782,040 | 1,912,130 |
| Total Operating Expenses | 39,006,355 | 37,379,246 |
| 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 | \$43,149,744 | \$27,772,210 |
| Gain on US Central estate settlement | | 28,008,370 |
| Net Income | \$43,149,744 | \$55,780,580 |

Consolidated Statements of Comprehensive Income (unaudited)

| | Eleven Months Ended | |
|--|---------------------------------|---------------------------------|
| | <u>November 30, 2024</u> | <u>November 30, 2023</u> |
| Net Income | \$ 43,149,744 | \$ 55,780,580 |
| Other comprehensive income : | | |
| Change in net unrealized gain on available-for-sale securities | 31,507,534 | 25,492,104 |
| Change in net unrealized gain on cash flow hedge | 951,856 | 983,638 |
| Reclassification adjustment recognized in earnings for net interest on daily market accounts | (1,383,870) | (1,301,080) |
| Reclassification adjustment recognized in earnings for net loss on sales of securities | 139,173 | 989,666 |
| Total other comprehensive income | 31,214,693 | 26,164,328 |
| Comprehensive Income | \$ 74,364,437 | \$ 81,944,908 |

Consolidated Statement of Changes in Members' Equity for the Eleven Months Ended November 30, 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 | | 43,149,744 | | 43,149,744 |
| Other comprehensive income | | | 31,214,693 | 31,214,693 |
| Issuance of PCC | 1,800,000 | | | 1,800,000 |
| Dividends on PCC, net | | (10,517,442) | | (10,517,442) |
| Balance at November 30, 2024 | <u>\$ 228,792,520</u> | <u>\$ 348,931,848</u> | <u>\$ 812,042</u> | <u>\$ 578,536,410</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 November 30, 2024, and 2023.

| | November 30, 2024 | November 30, 2023 |
|---------------------------------|-------------------|-------------------|
| Retained earnings ratio | 5.35% | 6.24% |
| Leverage ratio* | 8.75% | 10.60% |
| Tier 1 risk-based capital ratio | 28.57% | 33.33% |
| Total risk-based capital ratio | 28.57% | 33.33% |
| NEV ratio | 7.35% | 11.65% |
| MDANA | \$6.53 B | \$5.07 B |
| MDANRA | \$2.00 B | \$1.61 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 November 2024 and 2023, our 5310 reports an 8.74% and 10.58% leverage ratio, respectively.



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