



Unaudited Financial Statements

December 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 December 31, 2024. Our December 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>. Our 2024 annual audit is currently in progress, and we will provide our audited consolidated financial statements and footnotes in the 2024 Annual Report on our public website once complete.

For the year ended December 31, 2024, we recorded \$47.7 million in net income. After paying \$13.8 million in Perpetual Contributed Capital (PCC) dividends to our partner members, which marks the highest PCC dividend distribution in our history, we added \$33.9 million to retained earnings, which now exceeds \$350 million. During 2024, driven by strong financial performance and to express our gratitude to our members, we offered a special fee rebate to those members using two or more of our payment solutions, waiving approximately \$1.8 million in processing fees this year.

As of December 31, 2024, we hold total regulatory capital of \$536.6 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 8.53 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. Our return on average assets (ROA) for 2024 was 71 basis points, down from 117 basis points in 2023, partly due to higher MDANA and a \$28.0 million gain in 2023 from the US Central estate. ROA is calculated by dividing net income by MDANA.

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	December 31, 2024	December 31, 2023
Cash and cash equivalents	\$ 1,316,579,276	\$ 1,829,473,384
Investments in financial institutions	53,577,700	66,765,800
Securities available for sale, at fair value	5,334,999,925	2,941,249,398
Loans	187,837,548	178,368,608
Accrued interest receivable	46,523,848	26,408,934
Goodwill	3,395,730	3,395,730
Other assets	102,738,884	96,443,523
TOTAL ASSETS	7,045,652,911	5,142,105,377
Liabilities and Members' Equity		
Liabilities:		
Settlement and regular shares	5,624,419,820	3,897,695,031
Share certificates	295,674,210	412,069,000
Borrowed funds	500,000,000	283,000,000
Dividends and interest payable	10,141,040	3,097,631
Accounts payable and other liabilities	36,681,880	33,354,300
TOTAL LIABILITIES	6,466,916,950	4,629,215,962
Members' equity:		
Perpetual contributed capital	228,792,520	226,992,520
Retained earnings	350,193,736	316,299,546
Accumulated other comprehensive loss	(250,295)	(30,402,651)
TOTAL MEMBERS' EQUITY	578,735,961	512,889,415
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$ 7,045,652,911	\$ 5,142,105,377

Consolidated Statements of Income (unaudited)

	Year Ended	
	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Interest Income:		
Investments	\$378,749,398	\$253,683,109
Loans	8,976,562	12,220,834
Total Interest Income	387,725,960	265,903,943
Dividend And Interest Expense:		
Shares	278,018,841	182,418,084
Borrowed funds and other	32,914,697	24,551,047
Total Dividend And Interest Expense	310,933,538	206,969,131
Net Interest Income	76,792,422	58,934,812
Non-Interest Income	14,395,908	13,524,846
Salaries and employee benefits	31,747,002	30,149,566
Office operations and occupancy expense	9,251,905	8,522,172
Other operating expenses	2,378,184	1,894,036
Total Operating Expenses	43,377,091	40,565,774
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	\$47,672,066	\$30,904,218
Gain on US Central estate settlement		28,008,370
Net Income	\$47,672,066	\$58,912,588

Consolidated Statements of Comprehensive Income (unaudited)

	Year Ended	
	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Net Income	\$ 47,672,066	\$ 58,912,588
Other comprehensive income :		
Change in net unrealized gain on available-for-sale securities	30,265,793	35,913,484
Change in net unrealized gain on cash flow hedge	1,240,687	476,537
Reclassification adjustment recognized in earnings for net interest on daily market accounts	(1,493,297)	(1,421,110)
Reclassification adjustment recognized in earnings for net loss on sales of securities	139,173	989,666
Total other comprehensive income	30,152,356	35,958,577
Comprehensive Income	\$ 77,824,422	\$ 94,871,165

Consolidated Statement of Changes in Members' Equity for the Year Ended December 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		47,672,066		47,672,066
Other comprehensive income			30,152,356	30,152,356
Issuance of PCC	1,800,000			1,800,000
Dividends on PCC, net		(13,777,876)		(13,777,876)
Balance at December 31, 2024	<u>\$ 228,792,520</u>	<u>\$ 350,193,736</u>	<u>\$ (250,295)</u>	<u>\$ 578,735,961</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 December 31, 2024, and 2023.

	December 31, 2024	December 31, 2023
Retained earnings ratio	5.22%	6.30%
Leverage ratio*	8.53%	10.70%
Tier 1 risk-based capital ratio	27.72%	34.20%
Total risk-based capital ratio	27.73%	34.20%
NEV ratio	8.29%	9.99%
MDANA	\$6.71 B	\$5.02 B
MDANRA	\$2.06 B	\$1.57 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 December 2024 and 2023, our 5310 reports an 8.52% and 10.68% leverage ratio, respectively.



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