



Unaudited Financial Statements

May 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 for May 2024. Our May 2024 5310 report can be found at <https://www.corporateone.coop/About/Financials>. In addition, our 2023 audited consolidated financial statements and footnotes can be found on our public website.

Year to date through May 31, 2024, we recorded \$19.1 million in net income, resulting in retained earnings exceeding \$332.1 million. As of May 31, 2024, we hold a total regulatory capital of \$553.2 million, which, in addition to retained earnings, includes \$227.9 million of Perpetual Contributed Capital (PCC) from our partner member credit unions. This level of capital results in a leverage ratio of 10.19 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.

Throughout the first part of 2024, we have experienced strong share growth, which quickly increased the size of our balance sheet compared to the prior year. We understand that one of the primary purposes of a corporate credit union is to provide liquidity to our members. Accordingly, we constantly monitor our members' demands on our liquidity and evaluate the adequacy of our liquidity sources. We maintain diversified sources of funds, which provide approximately \$4.1 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 | May 31, 2024 | May 31, 2023 |
|--|-------------------------|-------------------------|
| Cash and cash equivalents | \$ 2,230,350,904 | \$ 671,121,109 |
| Other short term investments | | 699,054,635 |
| Investments in financial institutions | 61,017,700 | 63,293,800 |
| Securities available for sale, at fair value | 4,197,465,249 | 3,084,596,174 |
| Loans | 168,025,935 | 269,281,754 |
| Accrued interest receivable | 41,383,858 | 28,814,690 |
| Goodwill | 3,395,730 | 3,395,730 |
| Other assets | 107,178,494 | 92,695,934 |
| TOTAL ASSETS | 6,808,817,870 | 4,912,253,826 |
| Liabilities and Members' Equity | | |
| Liabilities: | | |
| Settlement and regular shares | 5,457,175,927 | 3,669,145,254 |
| Share certificates | 457,399,791 | 486,968,738 |
| Borrowed funds | 282,500,000 | 220,000,000 |
| Dividends and interest payable | 7,474,463 | 4,011,973 |
| Accounts payable and other liabilities | 47,187,569 | 50,985,185 |
| TOTAL LIABILITIES | 6,251,737,750 | 4,431,111,150 |
| Members' equity: | | |
| Perpetual contributed capital | 227,892,520 | 226,992,520 |
| Retained earnings | 332,126,073 | 295,851,934 |
| Accumulated other comprehensive loss | (2,938,473) | (41,701,778) |
| TOTAL MEMBERS' EQUITY | 557,080,120 | 481,142,676 |
| TOTAL LIABILITIES AND MEMBERS' EQUITY | \$ 6,808,817,870 | \$ 4,912,253,826 |

Consolidated Statements of Income (unaudited)

| | Five Months Ended | |
|--|----------------------------|----------------------------|
| | <u>May 31, 2024</u> | <u>May 31, 2023</u> |
| Interest Income: | | |
| Investments | \$151,077,310 | \$103,769,106 |
| Loans | 3,784,890 | 5,141,278 |
| Total Interest Income | 154,862,200 | 108,910,384 |
| Dividend And Interest Expense: | | |
| Shares | 111,798,793 | 74,987,309 |
| Borrowed funds and other | 13,095,828 | 11,216,199 |
| Total Dividend And Interest Expense | 124,894,621 | 86,203,508 |
| Net Interest Income | 29,967,579 | 22,706,876 |
| Non-Interest Income | 6,596,879 | 6,373,497 |
| Salaries and employee benefits | 13,036,117 | 12,235,891 |
| Office operations and occupancy expense | 3,572,555 | 3,448,154 |
| Other operating expenses | 742,714 | 815,121 |
| Total Operating Expenses | 17,351,386 | 16,499,166 |
| Net Loss on Financial Instruments: | | |
| Net loss on sales of securities | (139,173) | (442,866) |
| Net Loss on Financial Instruments | (139,173) | (442,866) |
| Core Earnings | \$19,073,899 | \$12,138,341 |
| Gain on US Central estate settlement | | 16,853,740 |
| Net Income | \$19,073,899 | \$28,992,081 |

Consolidated Statements of Comprehensive Income (Loss) (unaudited)

| | Five Months Ended | |
|--|---------------------|---------------------|
| | <u>May 31, 2024</u> | <u>May 31, 2023</u> |
| Net Income | \$ 19,073,899 | \$ 28,992,081 |
| Other comprehensive income : | | |
| Change in net unrealized gain on available-for-sale securities | 26,756,936 | 24,542,581 |
| Change in net unrealized gain (loss) on cash flow hedge | 1,212,897 | 217,837 |
| Reclassification adjustment recognized in earnings for net interest on daily market accounts | (644,828) | (543,834) |
| Reclassification adjustment recognized in earnings for net loss on sales of securities | 139,173 | 442,866 |
| Total other comprehensive income | 27,464,178 | 24,659,450 |
| Comprehensive Income | \$ 46,538,077 | \$ 53,651,531 |

Consolidated Statement of Changes in Members' Equity for the Five Months Ended May 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 | | 19,073,899 | | 19,073,899 |
| Other comprehensive income | | | 27,464,178 | 27,464,178 |
| Issuance of PCC | 900,000 | | | 900,000 |
| Dividends on PCC, net | | (3,247,372) | | (3,247,372) |
| Balance at May 31, 2024 | <u>\$ 227,892,520</u> | <u>\$ 332,126,073</u> | <u>\$ (2,938,473)</u> | <u>\$ 557,080,120</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 May 31, 2024.

| May 31, 2024 | |
|---------------------------------|--------|
| Retained earnings ratio | 6.11% |
| Leverage ratio* | 10.19% |
| Tier 1 risk-based capital ratio | 33.52% |
| Total risk-based capital ratio | 33.53% |
| NEV ratio | 8.22% |

* 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 May, our 5310 reports a 10.18% leverage ratio.



8700 Orion Place
Columbus, OH 43240-2078

866/MyCorp1

www.corporateone.coop