



Unaudited Financial Statements

July 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 July 31, 2024. Our July 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 July 31, 2024, we recorded \$26.9 million in net income, resulting in retained earnings exceeding \$336.4 million. As of July 31, 2024, we hold total regulatory capital of \$558.4 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 9.80 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.

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 \$4.3 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	July 31, 2024	July 31, 2023
Cash and cash equivalents	\$ 1,377,605,310	\$ 1,180,525,669
Investments in financial institutions	60,273,700	61,805,800
Securities available for sale, at fair value	4,615,284,394	3,078,830,156
Loans	176,580,139	259,786,554
Accrued interest receivable	42,224,199	27,607,812
Goodwill	3,395,730	3,395,730
Other assets	94,260,205	97,914,541
TOTAL ASSETS	6,369,623,677	4,709,866,262
Liabilities and Members' Equity		
Liabilities:		
Settlement and regular shares	4,964,490,349	3,500,722,979
Share certificates	457,716,791	385,580,651
Borrowed funds	315,000,000	291,000,000
Dividends and interest payable	8,225,247	4,272,264
Accounts payable and other liabilities	61,670,617	41,521,295
TOTAL LIABILITIES	5,807,103,004	4,223,097,189
Members' equity:		
Perpetual contributed capital	228,792,520	226,992,520
Retained earnings	336,469,160	298,959,796
Accumulated other comprehensive loss	(2,741,007)	(39,183,243)
TOTAL MEMBERS' EQUITY	562,520,673	486,769,073
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$ 6,369,623,677	\$ 4,709,866,262

Consolidated Statements of Income (unaudited)

	Seven Months Ended	
	<u>July 31, 2024</u>	<u>July 31, 2023</u>
Interest Income:		
Investments	\$215,662,494	\$147,590,195
Loans	5,325,740	7,142,771
Total Interest Income	220,988,234	154,732,966
Dividend And Interest Expense:		
Shares	159,431,838	107,556,967
Borrowed funds and other	19,238,382	14,346,382
Total Dividend And Interest Expense	178,670,220	121,903,349
Net Interest Income	42,318,014	32,829,617
Non-Interest Income	9,247,208	8,795,522
Salaries and employee benefits	18,451,665	17,110,048
Office operations and occupancy expense	5,038,661	4,860,145
Other operating expenses	1,079,023	1,134,339
Total Operating Expenses	24,569,349	23,104,532
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	\$26,856,700	\$18,077,741
Gain on US Central estate settlement		16,853,740
Net Income	\$26,856,700	\$34,931,481

Consolidated Statements of Comprehensive Income (Loss) (unaudited)

	Seven Months Ended	
	<u>July 31, 2024</u>	<u>July 31, 2023</u>
Net Income	\$ 26,856,700	\$ 34,931,481
Other comprehensive income :		
Change in net unrealized gain on available-for-sale securities	27,815,849	26,845,961
Change in net unrealized gain on cash flow hedge	612,436	677,787
Reclassification adjustment recognized in earnings for net interest on daily market accounts	(905,814)	(788,629)
Reclassification adjustment recognized in earnings for net loss on sales of securities	139,173	442,866
Total other comprehensive income	27,661,644	27,177,985
Comprehensive Income	\$ 54,518,344	\$ 62,109,466

Consolidated Statement of Changes in Members' Equity for the Seven Months Ended July 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		26,856,700		26,856,700
Other comprehensive income			27,661,644	27,661,644
Issuance of PCC	1,800,000			1,800,000
Dividends on PCC, net		(6,687,086)		(6,687,086)
Balance at July 31, 2024	<u>\$ 228,792,520</u>	<u>\$ 336,469,160</u>	<u>\$ (2,741,007)</u>	<u>\$ 562,520,673</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 July 31, 2024.

July 31, 2024	
Retained earnings ratio	5.90%
Leverage ratio*	9.80%
Tier 1 risk-based capital ratio	32.05%
Total risk-based capital ratio	32.05%
NEV ratio	8.78%

* 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 July, our 5310 reports an 9.79% leverage ratio.



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