



Unaudited Financial Statements

February 2025

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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 February 2025. Our February 2025 5310 report can be found on our public website at <https://www.corporateone.coop/About/Financials>. In addition, our 2024 audited consolidated financial statements and footnotes can be found on our public website.

For the two months ended February 28, 2025, we recorded \$8.7 million in net income, and our retained earnings exceed \$358.9 million. As of February 28, 2025, we hold total regulatory capital of \$580.6 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 8.37 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 grew to levels greater than those during the pandemic when the government was providing stimulus money to the country. We continue to see increased member deposits and assets into 2025, as well. 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. Due to these increased balances over the last 12 months, our 12-month rolling daily average net assets (MDANA) have 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	February 28, 2025	February 29, 2024
Cash and cash equivalents	\$ 2,338,333,096	\$ 2,102,568,918
Investments in financial institutions	53,081,700	63,293,800
Securities available for sale, at fair value	5,235,258,587	3,665,909,601
Loans	158,462,055	168,246,826
Accrued interest receivable	35,873,801	33,886,430
Goodwill	3,395,730	3,395,730
Other assets	105,610,461	99,380,018
TOTAL ASSETS	7,930,015,430	6,136,681,323
Liabilities and Members' Equity		
Liabilities:		
Settlement and regular shares	6,649,922,406	4,735,816,141
Share certificates	400,475,260	507,762,014
Borrowed funds	233,500,000	288,500,000
Dividends and interest payable	6,200,371	4,867,785
Accounts payable and other liabilities	51,060,736	66,553,814
TOTAL LIABILITIES	7,341,158,773	5,603,499,754
Members' equity:		
Perpetual contributed capital	228,792,520	226,992,520
Retained earnings	358,926,023	323,632,021
Accumulated other comprehensive income (loss)	1,138,114	(17,442,972)
TOTAL MEMBERS' EQUITY	588,856,657	533,181,569
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$ 7,930,015,430	\$ 6,136,681,323

Consolidated Statements of Income (unaudited)

	Two Months Ended	
	<u>February 28, 2025</u>	<u>February 29, 2024</u>
Interest Income:		
Investments	\$58,494,044	\$54,285,060
Loans	1,331,716	1,560,378
Total Interest Income	59,825,760	55,845,438
Dividend And Interest Expense:		
Shares	41,393,098	39,090,713
Borrowed funds and other	5,070,566	5,174,202
Total Dividend And Interest Expense	46,463,664	44,264,915
Net Interest Income	13,362,096	11,580,523
Non-Interest Income	2,857,864	2,734,064
Salaries and employee benefits	5,443,392	5,224,569
Office operations and occupancy expense	1,507,282	1,377,993
Other operating expenses	536,999	379,550
Total Operating Expenses	7,487,673	6,982,112
Net Income	\$8,732,287	\$7,332,475

Some items in the prior year income statement were reclassified to conform to the current presentation. These reclassifications had no effect on prior years' net income.

Consolidated Statements of Comprehensive Income (unaudited)

	Two Months Ended	
	<u>February 28, 2025</u>	<u>February 29, 2024</u>
Net Income	\$ 8,732,287	\$ 7,332,475
Other comprehensive income :		
Change in net unrealized loss on available-for-sale securities	1,837,036	12,507,824
Change in net unrealized gain (loss) on cash flow hedge	(255,652)	709,537
Reclassification adjustment recognized in earnings for net interest on daily market accounts	(192,975)	(257,682)
Total other comprehensive income	1,388,409	12,959,679
Comprehensive Income	\$ 10,120,696	\$ 20,292,154

Consolidated Statement of Changes in Members' Equity for the Two Months Ended February 28, 2025 (unaudited)

	Perpetual Contributed Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Members' Equity
Balance At January 1, 2025	\$ 228,792,520	\$ 350,193,736	\$ (250,295)	\$ 578,735,961
Net income		8,732,287		8,732,287
Other comprehensive income			1,388,409	1,388,409
Balance at February 28, 2025	<u>\$ 228,792,520</u>	<u>\$ 358,926,023</u>	<u>\$ 1,138,114</u>	<u>\$ 588,856,657</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 February 28, 2025, and February 29, 2024.

	February 28, 2025	February 29, 2024
Retained earnings ratio	5.17%	6.40%
Leverage ratio*	8.37%	10.77%
Tier 1 risk-based capital ratio	27.51%	34.85%
Total risk-based capital ratio	27.51%	34.85%
NEV ratio	7.49%	8.68%
MDANA	\$6.94 B	\$5.06 B
MDANRA	\$2.11 B	\$1.56 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 February 2025 and 2024, our 5310 reports an 8.36% and 10.76% leverage ratio, respectively.



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