



Unaudited Financial Statements

April 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 for April 2024. Our April 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 April 30, 2024, we recorded \$15.2 million in net income, resulting in retained earnings exceeding \$328.3 million. As of April 30, 2024, we hold total regulatory capital of \$548.5 million, which in addition to retained earnings, includes \$227.0 million of Perpetual Contributed Capital (PCC) from our member credit unions. This capital results in a leverage ratio of 10.33 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.

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 \$3.9 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	April 30, 2024	April 30, 2023
Cash and cash equivalents	\$ 2,020,272,602	\$ 1,659,116,635
Investments in financial institutions	63,541,800	63,282,300
Securities available for sale, at fair value	4,141,816,741	3,151,588,265
Loans	167,772,387	244,665,825
Accrued interest receivable	42,411,463	25,473,826
Goodwill	3,395,730	3,395,730
Other assets	109,371,360	99,314,850
TOTAL ASSETS	6,548,582,083	5,246,837,431
Liabilities and Members' Equity		
Liabilities:		
Settlement and regular shares	5,151,980,051	4,003,829,526
Share certificates	456,327,014	510,621,871
Borrowed funds	325,000,000	220,000,000
Dividends and interest payable	7,265,014	3,411,490
Accounts payable and other liabilities	57,793,158	32,413,850
TOTAL LIABILITIES	5,998,365,237	4,770,276,737
Members' equity:		
Perpetual contributed capital	226,992,520	226,992,520
Retained earnings	328,300,080	293,339,006
Accumulated other comprehensive loss	(5,075,754)	(43,770,832)
TOTAL MEMBERS' EQUITY	550,216,846	476,560,694
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$ 6,548,582,083	\$ 5,246,837,431

Consolidated Statements of Income (unaudited)

	Four Months Ended	
	<u>April 30, 2024</u>	<u>April 30, 2023</u>
Interest Income:		
Investments	\$118,790,459	\$81,421,050
Loans	3,006,832	4,194,866
Total Interest Income	121,797,291	85,615,916
Dividend And Interest Expense:		
Shares	87,432,532	58,005,912
Borrowed funds and other	10,517,160	9,671,726
Total Dividend And Interest Expense	97,949,692	67,677,638
Net Interest Income	23,847,599	17,938,278
Non-Interest Income	5,169,677	5,140,617
Salaries and employee benefits	10,238,957	9,627,117
Office operations and occupancy expense	2,829,905	2,753,780
Other operating expenses	561,335	629,720
Total Operating Expenses	13,630,197	13,010,617
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	\$15,247,906	\$9,625,412
Gain on US Central estate settlement		16,853,740
Net Income	\$15,247,906	\$26,479,152

Consolidated Statements of Comprehensive Income (Loss) (unaudited)

	Four Months Ended	
	<u>April 30, 2024</u>	<u>April 30, 2023</u>
Net Income	\$ 15,247,906	\$ 26,479,152
Other comprehensive income :		
Change in net unrealized gain on available-for-sale securities	24,300,979	23,025,833
Change in net unrealized gain (loss) on cash flow hedge	1,400,493	(464,023)
Reclassification adjustment recognized in earnings for net interest on daily market accounts	(513,748)	(414,280)
Reclassification adjustment recognized in earnings for net loss on sales of securities	139,173	442,866
Total other comprehensive income	25,326,897	22,590,396
Comprehensive Income	\$ 40,574,803	\$ 49,069,548

Consolidated Statement of Changes in Members' Equity for the Four Months Ended April 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		15,247,906		15,247,906
Other comprehensive income			25,326,897	25,326,897
Dividends on PCC, net		(3,247,372)		(3,247,372)
Balance at April 30, 2024	<u>\$ 226,992,520</u>	<u>\$ 328,300,080</u>	<u>\$ (5,075,754)</u>	<u>\$ 550,216,846</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 April 30, 2024.

April 30, 2024	
Retained earnings ratio	6.18%
Leverage ratio*	10.33%
Tier 1 risk-based capital ratio	34.00%
Total risk-based capital ratio	34.00%
NEV ratio	8.44%

* 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 April, our 5310 reports an 10.32% leverage ratio.



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