



# Unaudited Financial Statements

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August 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 August 31, 2024. Our August 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 August 31, 2024, we recorded \$30.7 million in net income, resulting in retained earnings exceeding \$340.3 million. As of August 31, 2024, we hold total regulatory capital of \$562.3 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 9.60 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 \$4.5 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](mailto: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

<b>Assets</b>	<b>August 31, 2024</b>	<b>August 31, 2023</b>
Cash and cash equivalents	\$ 1,841,885,637	\$ 834,498,617
Investments in financial institutions	59,529,700	61,805,800
Securities available for sale, at fair value	4,868,467,187	3,031,841,499
Loans	163,583,500	268,472,579
Accrued interest receivable	47,551,009	30,844,607
Goodwill	3,395,730	3,395,730
Other assets	89,535,331	97,203,536
<b>TOTAL ASSETS</b>	<b>7,073,948,094</b>	<b>4,328,062,368</b>
<b>Liabilities and Members' Equity</b>		
Liabilities:		
Settlement and regular shares	5,644,270,656	3,067,200,033
Share certificates	449,904,163	424,873,000
Borrowed funds	273,000,000	298,000,000
Dividends and interest payable	9,311,869	3,582,159
Accounts payable and other liabilities	125,893,451	42,518,310
<b>TOTAL LIABILITIES</b>	<b>6,502,380,139</b>	<b>3,836,173,502</b>
Members' equity:		
Perpetual contributed capital	228,792,520	226,992,520
Retained earnings	340,330,820	301,015,387
Accumulated other comprehensive income (loss)	2,444,615	(36,119,041)
<b>TOTAL MEMBERS' EQUITY</b>	<b>571,567,955</b>	<b>491,888,866</b>
<b>TOTAL LIABILITIES AND MEMBERS' EQUITY</b>	<b>\$ 7,073,948,094</b>	<b>\$ 4,328,062,368</b>

**Consolidated Statements of Income (unaudited)**

	<b>Eight Months Ended</b>	
	<b><u>August 31, 2024</u></b>	<b><u>August 31, 2023</u></b>
Interest Income:		
Investments	\$248,016,402	\$168,749,767
Loans	6,108,724	8,304,011
<b>Total Interest Income</b>	<b>254,125,126</b>	<b>177,053,778</b>
Dividend And Interest Expense:		
Shares	183,544,479	123,043,961
Borrowed funds and other	22,051,232	16,397,805
<b>Total Dividend And Interest Expense</b>	<b>205,595,711</b>	<b>139,441,766</b>
<b>Net Interest Income</b>	<b>48,529,415</b>	<b>37,612,012</b>
<b>Non-Interest Income</b>	<b>10,607,737</b>	<b>10,196,395</b>
Salaries and employee benefits	21,230,695	19,748,011
Office operations and occupancy expense	5,812,143	5,595,039
Other operating expenses	1,236,781	1,342,359
<b>Total Operating Expenses</b>	<b>28,279,619</b>	<b>26,685,409</b>
Net Loss on Financial Instruments:		
Net loss on sales of securities	(139,173)	(989,666)
<b>Net Loss on Financial Instruments</b>	<b>(139,173)</b>	<b>(989,666)</b>
<b>Core Earnings</b>	<b>\$30,718,360</b>	<b>\$20,133,332</b>
Gain on US Central estate settlement		16,853,740
<b>Net Income</b>	<b>\$30,718,360</b>	<b>\$36,987,072</b>

## Consolidated Statements of Comprehensive Income (Loss) (unaudited)

	<b>Eight Months Ended</b>	
	<b><u>August 31,2024</u></b>	<b><u>August 31,2023</u></b>
<b>Net Income</b>	<b>\$ 30,718,360</b>	<b>\$ 36,987,072</b>
Other comprehensive income :		
Change in net unrealized gain on available-for-sale securities	33,349,755	29,330,877
Change in net unrealized gain on cash flow hedge	393,523	841,993
Reclassification adjustment recognized in earnings for net interest on daily market accounts	(1,035,185)	(920,349)
Reclassification adjustment recognized in earnings for net loss on sales of securities	139,173	989,666
<b>Total other comprehensive income</b>	<b>32,847,266</b>	<b>30,242,187</b>
<b>Comprehensive Income</b>	<b>\$ 63,565,626</b>	<b>\$ 67,229,259</b>

## Consolidated Statement of Changes in Members' Equity for the Eight Months Ended August 31, 2024 (unaudited)

	<b>Perpetual Contributed Capital</b>	<b>Retained Earnings</b>	<b>Accumulated Other Comprehensive Income (Loss)</b>	<b>Total Members' Equity</b>
Balance At January 1, 2024	\$ 226,992,520	\$ 316,299,546	\$ (30,402,651)	\$ 512,889,415
Net income		30,718,360		30,718,360
Other comprehensive income			32,847,266	32,847,266
Issuance of PCC	1,800,000			1,800,000
Dividends on PCC, net		(6,687,086)		(6,687,086)
Balance at August 31, 2024	<u>\$ 228,792,520</u>	<u>\$ 340,330,820</u>	<u>\$ 2,444,615</u>	<u>\$ 571,567,955</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 August 31, 2024.

August 31, 2024	
Retained earnings ratio	5.80%
Leverage ratio*	9.60%
Tier 1 risk-based capital ratio	31.21%
Total risk-based capital ratio	31.21%
NEV ratio	8.02%

\* 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 August, our 5310 reports an 9.59% leverage ratio.





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