CorporateOne
FEDERAL CREDIT UNION

Unaudited Financial Statements

and detailed Management's Discussion and Analysis, unaudited consolidated financial statements, and footnotes

Third Quarter 2026

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Management's Discussion and Analysis of Financial Condition and Results of Operations

Results of Operations

The following is a summary of Corporate One's results of operations and return on average assets (ROA) for the nine months ended September 30, 2026, and 2025 (dollar amounts in thousands).

	Nine months ended	
	September 30, 2026	September 30, 2025
Net interest income	$ 57,895	$ 59,781
Non-interest income	14,792	13,956
Operating expenses	(36,782)	(35,144)
Other (loss) gain	1,584	
Net income	$ 37,489	$ 38,593
DANA for the nine months ended	$ 8,289,259	$ 7,487,760
ROA	0.60%	0.69%

Throughout 2026, our average balances have exceeded prior year; however, with the federal funds rate lower the first nine months of 2026 as compared to the first nine months of 2025, we recognized slightly less net interest income versus the prior year. Non-interest income for the first three quarters of 2026 was greater than the same period of the prior year as we saw growth from our wholly owned CUSOs, payment services, and brokerage services. The increase in operating expenses year over year primarily relates to an increase in employee salaries and benefits expenses and other operating expenses. It is important that we support our member credit unions in the rapidly changing environment in the financial services arena; therefore, we are investing in our staff and technology to ensure they can meet our members' needs efficiently.

Capital Position

As of September 30, 2026, our total regulatory capital (as defined by the NCUA) is $640.6 million, which is an increase of approximately $35.8 million since September 30, 2025. This increase in total regulatory capital is primarily due to earnings.

The NCUA Rules and Regulations, Part 704, governs 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 table (in thousands) below outlines the components of capital listed in order from lowest to highest priority.

	September 30, 2026	September 30, 2025
Retained earnings	$ 419,126	$ 380,360
Paid in Capital (PIC)	20	20
Perpetual Contributed Capital (PCC)	233,516	231,716
Total regulatory capital account balances	652,662	612,096
Less: CUSO equity and cost investments	(12,064)	(7,312)
Total regulatory capital	$ 640,598	$ 604,784
Less: Unamortized PIC	(20)	(20)
Tier 1 Capital	$ 640,578	$ 604,764

The following summarizes Corporate One's capital ratios as of September 30, 2026, and 2025 (dollar amounts in millions):

	September 30, 2026	September 30, 2025
Retained earnings ratio	5.14%	5.12%
Leverage ratio*	7.87%	8.14%
Tier 1 risk-based capital ratio	26.28%	26.75%
Total risk-based capital ratio	26.28%	26.75%
MDANA^	$8,153	$ 7,436
MDANRA^^	$ 2,438	$ 2,261

* 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 calculation and as a result our current 5310, which can result in a slightly different leverage ratio. For September 2026 and 2025, our 5310 reports an 7.86% and 8.13% leverage ratio, respectively.
^Moving Daily Average Net Assets
^^Moving Daily Average Net Risk-Weighted Assets

While the leverage ratio has decreased year over year, the change is due to increases to our average assets driven by increased deposits from our members. Our dollar capital continues to grow through earnings, and we continue to exceed all NCUA's required capital ratios (see table below) and operate well within our target capital range.

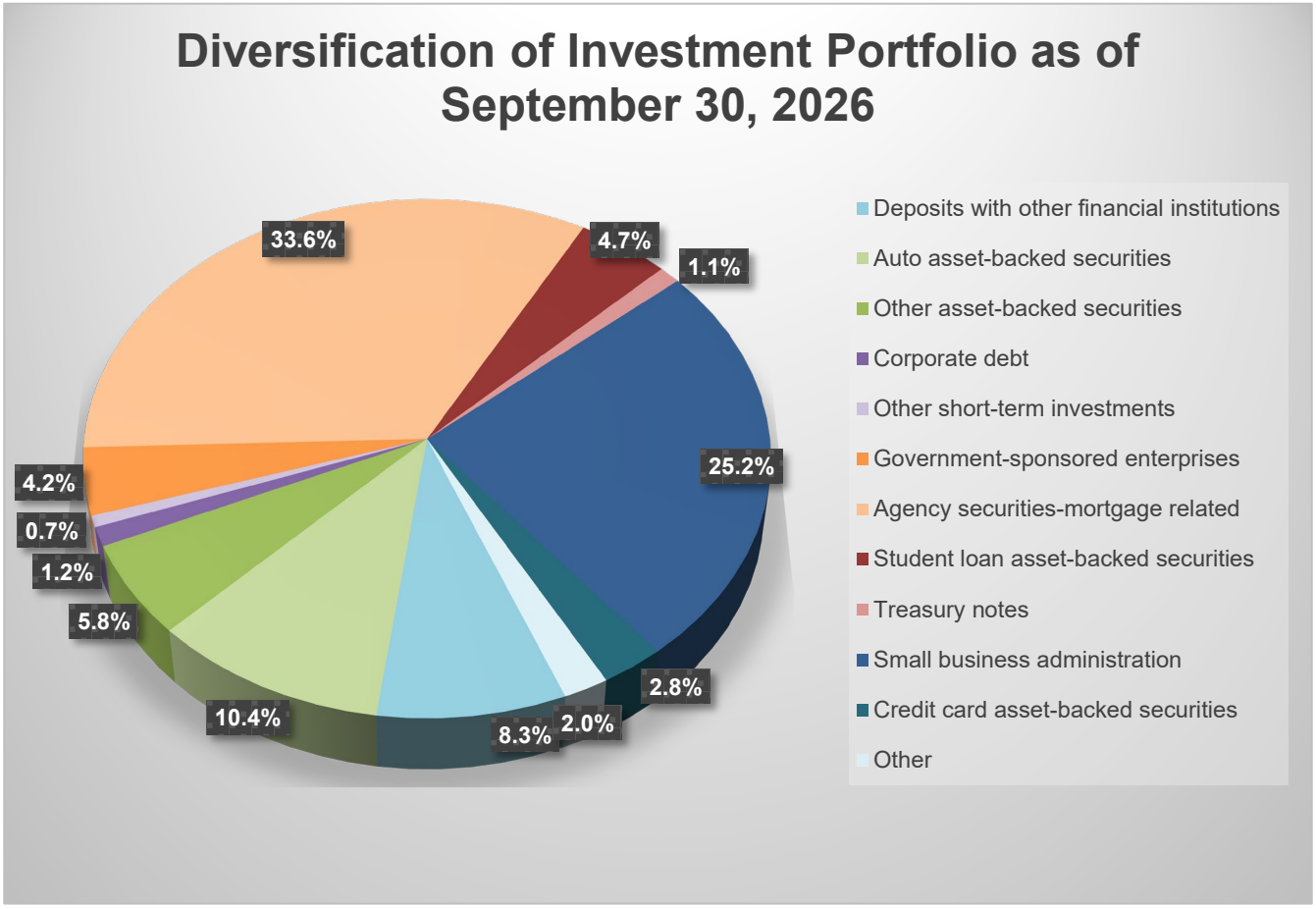
The following summarizes the NCUA requirements for the various capital ratios:

	Well Capitalized	Adequately Capitalized
Retained earnings ratio	0.45%	0.45%
Leverage ratio	5.00%	4.00%
Tier 1 risk-based capital ratio	6.00%	4.00%
Total risk-based capital ratio	10.00%	8.00%

See Footnote 8 for more information regarding the capital requirements of the regulation.

Credit Risk Management

We actively manage our balance sheet to ensure it is well diversified. We purchase investments based on high credit ratings, as determined by our balance sheet risk management department and our internal standards, or issued by agencies of the U.S. government, or by other regulated depository institutions. Corporate One's portfolio diversification as of September 30, 2026, is shown in the figure below.



Our portfolio remains well diversified. Ninety-seven percent of the amortized cost of our portfolio is in cash and cash equivalents, other short-term investments, agencies, and securities rated "A" or higher, as assigned by Nationally Recognized Statistical Rating Organizations (NRSROs). Of the deposits we hold with other financial institutions, 82% is held at the Federal Reserve.

Market/Spread Risk

Because we invest in securities, we are also exposed to market risk due to liquidity and credit spreads. Market risk is realized should it become necessary to liquidate a position during a down period in the cycle. We typically classify our securities as available-for-sale, and as of September 30, 2026, we do not have any securities classified as held-to-maturity. The available-for-sale classification allows us the flexibility to sell securities should we require liquidity, find value in other market sectors, or come upon other opportunities. Portfolio diversification helps mitigate market risk, and the diversity in our portfolio allows us to execute trades in various sectors when the need or opportunity arises.

Interest Rate Risk Management

Our primary interest-rate-risk measurement tool is a NEV test. NEV is defined as the fair value of assets less the fair value of liabilities. The purpose of the NEV test is to determine whether Corporate One has sufficient capital to absorb potential changes to the market value of our assets and liabilities given sudden changes in interest rates.

NEV scenarios are performed monthly, testing for sudden and sustained increases or decreases in interest rates of 100, 200 and 300 bps. Our base case NEV ratio remains well above the minimum NCUA requirement of 2%. Specifically, our NEV ratio at September 30, 2026, was 8.93% in the base case and 7.66% in the 300-bps rise in rate stress scenario.

When members deposit funds with us, we can invest those funds in a variety of financial instruments that closely match the repricing characteristics of the underlying deposit, resulting in minimal mismatch. Thus, we typically operate with low levels of interest rate risk as demonstrated by the low percentage in NEV change between the base scenario and a 300 bps rise-in-rates scenario. Also, this percentage in NEV change is well within the maximum decline required by the NCUA. Corporate One operates with expanded Part 1 authority due to our strong capital position which allows for a 28% change in NEV from base if our leverage ratio is between 7.0% and 8.0%. While our shocked NEV change has increased with recent rate volatility, it remains well within our regulatory limits and internal watch levels.

A summary of Corporate One's NEV calculation as of September 30, 2026, and 2025 is shown below (dollar amounts in thousands).

	Net Economic Value	NEV Ratio	Actual Dollar Change from Base	Percentage Change from Base
As of September 30, 2026				
300 bps rise in rates	$ 544,250	7.66%	$ (101,462)	-15.71%
200 bps rise in rates	$ 585,430	8.18%	$ (60,282)	-9.34%
100 bps rise in rates	$ 619,138	8.61%	$ (26,574)	-4.12%
Base scenario	$ 645,712	8.93%		
100 bps decline in rates	$ 666,524	9.18%	$ 20,812	3.22%
200 bps decline in rates	$ 683,230	9.38%	$ 37,518	5.81%
300 bps decline in rates	$ 697,612	9.55%	$ 51,900	8.04%

	Net Economic Value	NEV Ratio	Actual Dollar Change from Base	Percentage Change from Base
As of September 30, 2025				
300 bps rise in rates	$ 545,547	7.50%	$ (63,056)	-10.36%
200 bps rise in rates	$ 573,741	7.86%	$ (34,862)	-5.73%
100 bps rise in rates	$ 593,897	8.11%	$ (14,706)	-2.42%
Base scenario	$ 608,603	8.29%		
100 bps decline in rates	$ 620,047	8.43%	$ 11,444	1.88%
200 bps decline in rates	$ 629,943	8.55%	$ 21,340	3.51%
300 bps decline in rates	$ 640,285	8.67%	$ 31,682	5.21%

Liquidity Risk Management

Liquidity risk is one of the most important risks we manage. With every deposit we accept, we understand that we need to appropriately manage our liquidity to ensure our members have access to those funds when needed. Accordingly, we have certain daily management strategies that we employ, as well as more long-term, overarching liquidity strategies.

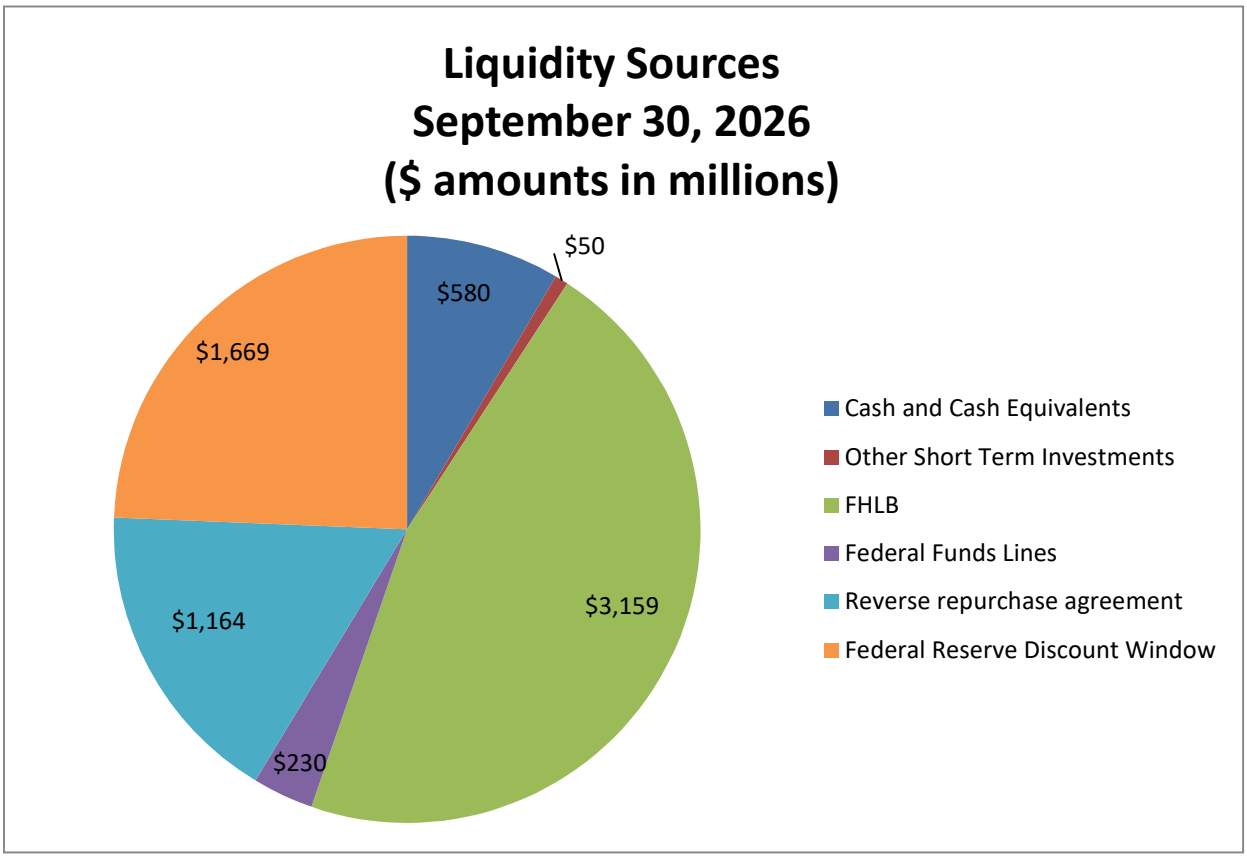
We constantly monitor our members' demands on our liquidity and evaluate the adequacy of our liquidity sources. To meet day-to-day member liquidity requirements, we keep a portion of our assets very liquid. As of September 30, 2026, we had approximately $580 million in cash and cash equivalents and $49.8 million in other short-term investments. These investments consist of commercial paper issued by investment grade rated companies and are expected to be converted into cash within one year. In addition, we strive to buy securities with readily determined market values that can be sold or borrowed against to generate liquidity.

We also mitigate our liquidity risk by monitoring our top depositors. We have limits on the maximum any one credit union may deposit with us. By striving to diversify our shares and member base, we shield ourselves from the risk of sudden withdrawals by large depositors. As of September 30, 2026, our single largest depositor represented 7.2% of our total member shares.

Corporate One's borrowing capacity (total existing lines less borrowings outstanding) at September 30, 2026, was approximately $6.02 billion. We maintain a line of credit with the Federal Home Loan Bank of Cincinnati (FHLB) of approximately $3.16 billion, secured by investments held in safekeeping at the FHLB. In addition, we maintain a reverse repurchase agreement with another party, totaling $1.16 billion. This agreement is secured using a portion of our asset-backed securities as collateral. Also, we maintain $230 million of federal funds lines with various financial institutions. The federal funds lines do not require collateral for overnight borrowing.

We have been granted primary credit with the Federal Reserve Bank. Primary credit is available to generally sound depository institutions on a very short-term basis, typically overnight, at a rate above the Federal Open Market Committee's (FOMC) target rate for federal funds. All extensions of credit must be secured to the satisfaction of the lending reserve bank by collateral that is acceptable for that purpose. Corporate One's borrowing capacity at the Fed Discount Window was approximately $1.67 billion at September 30, 2026. We regularly test all external liquidity sources to ensure they are viable.

The chart below details our available sources of liquidity.



Although Corporate One's on-balance-sheet loan portfolio is small, we have total outstanding advised lines and letter of credit commitments to members of approximately $10.04 billion as of September 30, 2026. All outstanding line of credit commitments are collateralized by specific or general pledges of assets by members. Commitments to extend credit to members remain effective, as long as there is no violation of any condition established in the agreement. Advances on these commitments generally require repayment within one year of the advance. Since a portion of the commitments is expected to terminate without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements.

Consolidated Balance Sheets (unaudited)

CORPORATE ONE FEDERAL CREDIT UNION
CONSOLIDATED BALANCE SHEETS

Assets	**September 30, 2026**	**September 30, 2025**
Cash and cash equivalents	$ 580,176,475	$ 1,188,419,836
Other short term investments	49,848,528	39,864,978
Investments in financial institutions	57,147,100	56,588,600
Securities available for sale, at fair value	6,275,213,190	5,747,204,204
Loans	87,597,145	133,561,005
Accrued interest receivable	36,057,197	47,115,494
Goodwill	3,395,730	3,395,730
Other assets	137,565,872	128,191,275
TOTAL ASSETS	7,227,001,237	7,344,341,122
Liabilities and Members' Equity		
Liabilities:		
Settlement and regular shares	5,455,832,830	6,046,078,592
Share certificates	893,880,132	408,687,923
Borrowed funds	200,000,000	230,000,000
Dividends and interest payable	8,806,734	10,464,404
Accounts payable and other liabilities	32,012,797	37,313,108
TOTAL LIABILITIES	6,590,532,493	6,732,544,027
Members' equity:		
Perpetual contributed capital	233,516,474	231,716,474
Retained earnings	419,125,894	380,360,063
Accumulated other comprehensive loss	(16,173,624)	(279,442)
TOTAL MEMBERS' EQUITY	636,468,744	611,797,095
TOTAL LIABILITIES AND MEMBERS' EQUITY	$ 7,227,001,237	$ 7,344,341,122

See accompanying notes to consolidated financial statements.

Consolidated Statements of Income (unaudited)

	Nine Months Ended	
	September 30, 2026	**September 30, 2025**
Interest Income:		
Investments	$264,581,740	$278,649,133
Loans	2,681,885	5,419,678
Total Interest Income	267,263,625	284,068,811
Dividend And Interest Expense:		
Shares	195,875,244	205,129,740
Borrowed funds and other	13,492,992	19,158,364
Total Dividend And Interest Expense	209,368,236	224,288,104
Net Interest Income	57,895,389	59,780,707
Non-Interest Income	14,792,369	13,955,902
Salaries and employee benefits	25,983,445	25,615,907
Office operations and occupancy expense	7,356,835	7,065,827
Other operating expenses	3,442,581	2,461,701
Total Operating Expenses	36,782,861	35,143,435
Net Gain on Financial Instruments:		
Net gain on sales of securities	1,584,368	
Net Gain on Financial Instruments	1,584,368	
Net Income	$37,489,265	$38,593,174

See accompanying notes to consolidated financial statements.

Consolidated Statements of Comprehensive Income (unaudited)

	Nine Months Ended	
	September 30, 2026	September 30, 2025
Net Income	$ 37,489,265	$ 38,593,174
Other comprehensive loss:		
Change in net unrealized loss on available-for-sale securities	(14,265,039)	1,262,253
Change in net unrealized gain on cash flow hedge	980,705	(385,879)
Reclassification adjustment recognized in earnings for net interest on daily market accounts	(736,051)	(905,521)
Reclassification adjustment recognized in earnings for net (gain) on sales of securities	(1,584,368)	
Total other comprehensive loss	(15,604,753)	(29,147)
Comprehensive Income	$ 21,884,512	$ 38,564,027

See accompanying notes to consolidated financial statements.

Consolidated Statement of Changes in Members' Equity for the Nine Months Ended September 30, 2026 (unaudited)

	Perpetual Contributed Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Members' Equity
Balance at January 1, 2026	$ 232,616,474	$ 389,454,301	$ (568,871)	$ 621,501,904
Net income		37,489,265		37,489,265
Other comprehensive loss			(15,604,753)	(15,604,753)
Issuance of PCC	900,000			900,000
Dividends on PCC, net		(7,817,672)		(7,817,672)
Balance at September 30, 2026	$ 233,516,474	$ 419,125,894	$ (16,173,624)	$ 636,468,744

See accompanying notes to consolidated financial statements.

Notes to Consolidated Financial Statements

1. Organization

The purpose of Corporate One is to foster and promote the economic well-being, growth, and development of our membership base through fiscally responsible and effective funds management, along with loan, investment, digital, and correspondent services for the ultimate benefit of our credit union members. Corporate One's national field of membership includes state- and federally chartered credit unions and other credit union organizations throughout the United States. Corporate One's Board of Directors is composed of executive management from Corporate One's member credit unions. Corporate One also wholly owns two active credit union service organizations (CUSOs): Lucro Commercial Solutions, LLC (Lucro) and Accolade Investment Advisory, LLC (Accolade). The consolidated financial statements include the accounts of Corporate One and our wholly owned CUSOs. All significant intercompany accounts and transactions have been eliminated.

2. Cash and Cash Equivalents

Cash and cash equivalents include cash, amounts due from depository institutions and federal funds sold. To further diversify our liquidity options, we elect to voluntarily hold Reg D reserves in order to gain access to the Federal Reserve Discount Window.

3. Other Short-Term Investments

Other short-term investments are liquid investments expected to be converted into cash within one year. These investments consist of commercial paper issued by investment grade rated companies that are unsecured, asset-backed commercial paper, which pay a fixed rate of interest.

4. Investments in Financial Institutions

Investments in financial institutions at September 30, 2026, and 2025 are summarized as follows (in thousands):

	September 30, 2026	September 30, 2025
Federal Home Loan Bank stock	$ 51,095	$ 50,637
Certificates of deposit	6,052	5,952
Total investments in financial institutions	$ 57,147	$ 56,589

5. Securities

Corporate One holds debt securities classified as available-for-sale. This classification is made when debt securities might be sold before maturity. Available-for-sale securities are carried on the balance sheet at fair value. Unrealized gains and losses on available-for-sale securities are excluded from earnings and are reported as a separate component of members' equity. Such securities may be sold in response to changes in interest rates, changes in prepayment risk or other factors.

The amortized cost and fair value of available-for-sale securities at September 30, 2026, and 2025 are as follows (in thousands):

	September 30, 2026		
	Amortized Cost	Fair Value	Net Unrealized Gain (Loss)
Available-for-sale securities:			
Mortgage-related securities-agency	$ 2,376,581	$ 2,367,279	$ (9,302)
Asset-backed securities	1,671,328	1,662,257	(9,071)
Small business administration	1,778,445	1,779,359	914
Treasury Notes	84,542	83,177	(1,365)
Government-sponsored enterprises	295,032	295,277	245
Corporate debt securities	87,945	87,864	(81)
Total available-for-sale securities	$ 6,293,873	$ 6,275,213	$ (18,660)

	September 30, 2025		
	Amortized Cost	Fair Value	Net Unrealized Gain (Loss)
Available-for-sale securities:			
Mortgage-related securities-agency	$ 1,681,963	$ 1,680,415	$ (1,548)
Asset-backed securities	1,811,350	1,809,615	(1,735)
Small business administration	1,705,635	1,705,781	146
Government-sponsored enterprises	230,059	230,263	204
Corporate debt securities	320,921	321,130	209
Total available-for-sale securities	$ 5,749,928	$ 5,747,204	$ (2,724)

Accounting guidance defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value hierarchy exists in this guidance, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. We are required to use the highest level of valuation available. The standard describes three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that Corporate One has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, and other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect Corporate One's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

Assets measured at fair value on a recurring basis are summarized below as of September 30, 2026 (in thousands).

Available-for-sale securities	Total Fair Value	Fair Value Using Quoted Prices in Active Markets for Identical Assets (Level 1)	Fair Value Using Significant Other Observable Inputs (Level 2)	Fair Value Using Significant Unobservable Inputs (Level 3)
Mortgage-related securities-agency	$ 2,367,279		$ 2,367,279	
Asset-backed securities:				
Student loans-FFELP	315,076		315,076	
Student loans-private	12,245		12,245	
Credit cards	195,261		195,261	
Automobiles	726,455		726,455	
Other	413,220	$ 251,291	161,929	
SBA securities	1,779,359		1,779,359	
Government-sponsored enterprises	295,277	75,148	220,129	
Treasury Notes	83,177		83,177	
Corporate debt securities	87,864	53,918	33,946	
Total available-for-sale securities	$ 6,275,213	$ 380,357	$ 5,894,856	

We evaluate all our securities for credit losses at least semi-annually, and more frequently when economic or market conditions warrant such an evaluation. For available-for-sale securities in an unrealized loss position, management considers the extent and duration of the unrealized loss, and the financial condition and near-term prospects of the issuer. Management also assesses whether it intends to sell, or it is more likely than not that it will be required to sell, a security in an unrealized loss position before recovery of its amortized cost basis. If either of the criteria regarding intent or requirement to sell is met, the entire difference between amortized cost and fair value is recognized as a write-down through earnings. For debt securities that do not meet the aforementioned criteria, management evaluates whether the decline in fair value has resulted from credit losses or other factors. If this assessment indicates that a credit loss exists, the present value of cash flows expected to be collected from the security are compared to the amortized cost basis of the security. If the present value of cash flows expected to be collected is less than the amortized cost basis, a credit loss exists and an allowance for credit losses is recorded for the credit loss, limited by the amount that the fair value is less than the amortized cost basis. Any impairment that has not been recorded through an allowance for credit losses is recognized in other comprehensive income. As of September 30, 2026, we believe the gross losses on all these securities are temporary and that fair values will approximate amortized costs as the securities near maturity, and that no valuation allowance for recognizing credit losses was necessary.

6. Borrowed Funds

As a member of the FHLB of Cincinnati, Corporate One is eligible to take advantage of the FHLB's numerous credit products and advances. Advances and borrowings from the FHLB are required to be collateralized by securities held in safekeeping by the FHLB. At September 30, 2026, and 2025, Corporate One had securities held in safekeeping at the FHLB with fair values of approximately $4.52 billion and $3.65 billion, respectively, which provided a borrowing capacity of approximately $3.16 billion and $2.98 billion, respectively. At September 30, 2026 and 2025, Corporate One had $200.0 million and $230.0 million, respectively, in overnight borrowings outstanding with the FHLB. We also maintain $230.0 million of federal funds lines with various financial institutions. The federal funds lines do not require collateral for overnight borrowing. As of September 30, 2026, and 2025, no overnight borrowings were outstanding on our federal funds lines.

We have been granted primary credit with the Federal Reserve Bank. Primary credit is available to generally sound depository institutions on a very short-term basis, typically overnight, at a rate above the FOMC's target rate for federal funds. All extensions of credit must be secured to the satisfaction of the lending Federal Reserve Bank by collateral that is acceptable for that purpose. At September 30, 2026, and 2025, Corporate One had securities and commercial loans held in safekeeping at the Federal Reserve Bank with fair values of approximately $1.73 billion and $1.89 billion, respectively, which provided a borrowing capacity of approximately $1.67 billion and $1.76 billion, respectively. There were no amounts outstanding on the line of credit with the Federal Reserve Bank as of September 30, 2026, and 2025.

7. Derivatives

Corporate One uses derivative instruments primarily to minimize the effects of interest rate volatility on net interest income. The derivative financial instruments are recorded in the Consolidated Balance Sheet as either an asset or a liability (under Other Assets or Accounts Payable and Other Liabilities) and measured at fair value.

Cash Flow Hedges: An interest rate swap with a notional amount totaling $31.5 million as of September 30, 2026, was designated as a cash flow hedge of a portion of our daily overnight market share accounts and was determined to be highly effective during all periods presented. The gain or loss on the derivative is reported in other comprehensive income and is reclassified into earnings in the same periods during which the hedged transaction affects earnings. Corporate One expects the hedge to remain effective during the remaining term of the swap. As of September 30, 2025, there was $31.5 million in a cash flow hedge outstanding.

Fair Value Hedges: Twenty interest rate swaps with notional amounts totaling $481.3 million as of September 30, 2026, were designated as fair value hedges. Twenty fixed-rate available-for-sale securities were determined to be effective during all periods presented. The gain or loss on the derivatives, as well as the offsetting loss or gain on the hedged items attributable to the hedged risk, are recognized in current earnings as fair value changes. Corporate One expects the hedges to remain effective during the remaining term of the swaps. As of September 30, 2025, there were $568.7 million fair value hedges outstanding.

The notional amount and fair value of the derivatives on a gross basis at September 30, 2026, and 2025, are as follows (in thousands):

	September 30, 2026		September 30, 2025	
	Notional Amount	**Fair Value**	**Notional Amount**	**Fair Value**
Included in other assets:				
Derivatives designated as hedging instruments:				
Interest rate swaps – Cash flow	$ 31,470	$ 2,486	$ 31,470	$ 2,445
Interest rate swaps – Fair value	481,313	11,524	568,713	2,008
Total included in other assets	$ 512,783	$ 14,010	$ 600,183	$ 4,453

Corporate One's interest rate swaps are with US Bank. The hedges require collateral when they exceed certain thresholds of the fair value to protect from counterparty default. As of September 30, 2026, Corporate One held collateral from US Bank in the amounts of $14.5 million and $3.1 million related to fair value and cashflow hedges, respectively. As of September 30, 2025, Corporate One held collateral from US Bank in the amounts of $5.27 million and $6.41 million related to fair value and cashflow hedges, respectively.



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