



Unaudited Financial Statements

July 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 our unaudited financial statements and regulatory ratios as of July 31, 2025. Our July 2025 5310 report is available on our public website at <https://www.corporateone.coop/About/Financials>, along with our 2024 audited consolidated financial statements and footnotes.

For the seven months ended July 31, 2025, we recorded \$29.9 million in net income, and our retained earnings now exceed \$374.4 million. Our total regulatory capital stands at \$597.8 million, including \$230.6 million of Perpetual Contributed Capital (PCC) from our Partner member credit unions. This results in a leverage ratio of 8.14 percent, exceeding the NCUA's Regulation 704 well-capitalized level of five percent.

Economic Environment and Its Impact

The broader economic environment continues to influence our financial position. In 2024 and into 2025, elevated interest rates and cautious consumer spending patterns have contributed to increased liquidity across the credit union system. As a result, we have experienced significant asset growth, with member deposits reaching levels even higher than during the pandemic-era stimulus period.

This influx of deposits has continued to drive our Moving Daily Average Net Assets (MDANA). As of July 31, 2025, our MDANA is \$7.35 billion, up from \$5.70 billion a year ago and \$7.28 billion in June 2025. While our regulatory capital has grown through earnings, the rapid increase in MDANA has led to a proportional decline in some of our capital ratios, such as the retained earnings ratio (from 5.90 percent to 5.09 percent) and the leverage ratio (from 9.80 percent to 8.14 percent). Despite these shifts, we continue to exceed all well-capitalized thresholds under NCUA Regulation 704.

We proactively manage this growth by maintaining strong oversight of our largest depositors and implementing limits to reduce concentration risk. These measures help ensure our financial resilience in the face of potential economic volatility or sudden liquidity shifts.

We remain committed to prudent financial management and transparency. Thank you for your continued trust and 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, 2025	July 31, 2024
Cash and cash equivalents	\$ 1,041,065,024	\$ 1,377,605,310
Investments in financial institutions	55,596,600	60,273,700
Securities available for sale, at fair value	5,694,874,419	4,615,284,394
Loans	121,660,639	176,580,139
Accrued interest receivable	44,361,646	42,224,199
Goodwill	3,395,730	3,395,730
Other assets	124,757,016	94,260,205
TOTAL ASSETS	7,085,711,074	6,369,623,677
Liabilities and Members' Equity		
Liabilities:		
Settlement and regular shares	5,590,646,885	4,964,490,349
Share certificates	442,579,365	457,716,791
Borrowed funds	400,000,000	315,000,000
Dividends and interest payable	9,642,416	8,225,247
Accounts payable and other liabilities	38,628,217	61,670,617
TOTAL LIABILITIES	6,481,496,883	5,807,103,004
Members' equity:		
Perpetual contributed capital	230,592,520	228,792,520
Retained earnings	374,472,853	336,469,160
Accumulated other comprehensive loss	(851,182)	(2,741,007)
TOTAL MEMBERS' EQUITY	604,214,191	562,520,673
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$ 7,085,711,074	\$ 6,369,623,677

Consolidated Statements of Income (unaudited)

	Seven Months Ended	
	<u>July 31, 2025</u>	<u>July 31, 2024</u>
Interest Income:		
Investments	\$217,761,305	\$215,662,494
Loans	4,527,325	5,325,740
Total Interest Income	222,288,630	220,988,234
Dividend And Interest Expense:		
Shares	160,646,671	159,431,838
Borrowed funds and other	15,334,188	19,238,382
Total Dividend And Interest Expense	175,980,859	178,670,220
Net Interest Income	46,307,771	42,318,014
Non-Interest Income	10,648,184	9,885,948
Salaries and employee benefits	19,742,401	18,451,665
Office operations and occupancy expense	5,422,977	5,038,661
Other operating expenses	1,940,064	1,717,763
Total Operating Expenses	27,105,442	25,208,089
Net Loss on Financial Instruments:		
Net loss on sales of securities		(139,173)
Net Loss on Financial Instruments		(139,173)
Net Income	\$29,850,513	\$26,856,700

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)

	Seven Months Ended	
	<u>July 31, 2025</u>	<u>July 31, 2024</u>
Net Income	\$ 29,850,513	\$ 26,856,700
Other comprehensive income:		
Change in net unrealized loss on available-for-sale securities	336,532	27,815,849
Change in net unrealized gain on cash flow hedge	(237,125)	612,436
Reclassification adjustment recognized in earnings for net interest on daily market accounts	(700,294)	(905,814)
Reclassification adjustment recognized in earnings for net loss on sales of securities		139,173
Total other comprehensive (loss) income	(600,887)	27,661,644
Comprehensive Income	\$ 29,249,626	\$ 54,518,344

Consolidated Statement of Changes in Members' Equity for the Seven Months Ended July 31, 2025 (unaudited)

	Perpetual Contributed Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Members' Equity
Balance At January 1, 2025	\$ 228,792,520	\$ 350,193,736	\$ (250,295)	\$ 578,735,961
Net income		29,850,513		29,850,513
Other comprehensive loss			(600,887)	(600,887)
Issuance of PCC	1,800,000			1,800,000
Dividends on PCC, net		(5,571,396)		(5,571,396)
Balance at July 31, 2025	<u>\$ 230,592,520</u>	<u>\$ 374,472,853</u>	<u>\$ (851,182)</u>	<u>\$ 604,214,191</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
Retained earnings ratio	Retained earnings	MDANA	0.45%	0.45%
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, 2025, and 2024.

	July 31, 2025	July 31, 2024
Retained earnings ratio	5.09%	5.90%
Leverage ratio*	8.14%	9.80%
Tier 1 risk-based capital ratio	26.87%	32.05%
Total risk-based capital ratio	26.87%	32.05%
NEV ratio	8.52%	8.78%
MDANA	\$7.35 B	\$5.70 B
MDANRA	\$2.22 B	\$1.74 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 July 2025 and 2024, our 5310 reports an 8.13% and 9.79% leverage ratio, respectively.



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